

2019

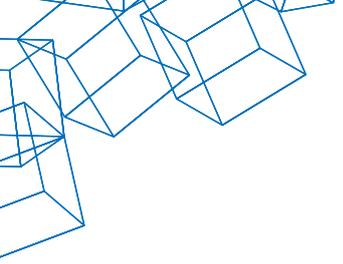
**CONSOLIDATED
FINANCIAL
STATEMENTS**



**December 31st
2019**

**Consolidated
Financial
Statements**





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A Letter from the Boards of Directors

2019. Another year of growth along the path mapped out by Giorgio Squinzi

2019 was an important year for Mapei and, at the same time, a very painful one. On 2nd October Giorgio Squinzi, who had guided the company with such extraordinary entrepreneurial acumen and humanity, acknowledged by all those who met him, sadly passed away. His management style was very forward-thinking: strategic vision and intuition on a routine basis, accompanied by a drive and commitment towards work that he transmitted every day to all the employees and those who collaborated with him, and right to the very end his all-important contribution was never lacking.

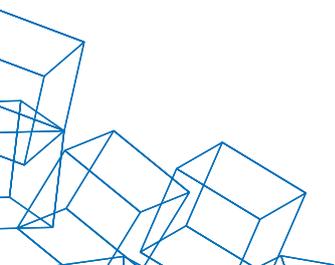
Mapei modified their governance structure in July, 2019 and nominated a Board of Directors made up entirely of members of the Squinzi family, with his children, Marco and Veronica, taking on the role of CEO, Simona Giorgetta and Laura Squinzi as President.

Their task now is to carry on along the lines already laid down and to continue with Mapei's growth, supported by the cornerstones that have made Mapei such a success over the years:

Research & Development, Internationalisation, proximity to the client.

The objective is to continue offering the market products that are constantly innovative and of the highest quality.

2019 was also a year of anniversaries and inaugurations for Mapei: the 25th anniversary of the Brisbane production facility in Australia, the 25th anniversary of the Swiss subsidiary, the 50th anniversary of Polyglass, the 25th anniversary of Vinavil joining the Group, the 20th anniversary of the acquisition of the Norwegian company Rescon, and then the opening of a



new production facility in Hungary and the expansion of the Mexican facility. And when you have something to celebrate in different parts of the globe, it can only be put down to years of hard work and success. And to internationalisation being a winning strategy that has yielded a good harvest. To be close to clients all around the world will continue to be a watchword for Mapei.

Internationalisation and investments. This is the winning mix that has always characterised Mapei and which, once again this year, yielded such excellent results.

Turnover touched 2,774 Million Euros which, if we exclude the impact of a favourable exchange rate, equates to growth of around 8%, confirming the figure for the previous year and resulting in one of the best performance in recent years.

What makes this result even more positive is the fact that every geographical area and almost every product line expanded, confirmation that the decisions taken and the investments made recently were all fully justified. Competitiveness and the quality of our product portfolio know no bounds and are a demonstration of Mapei's long-standing position as a key player and global point of reference in the sector of chemical products for the building industry.

And, what is more, of a player that has made sustainability – be it environmental, economic or social – a point of reference and a driver behind every project and every production process.

Operational earnings for 2019 more than doubled with respect to the previous year and ROI was, once again, higher than 10%.

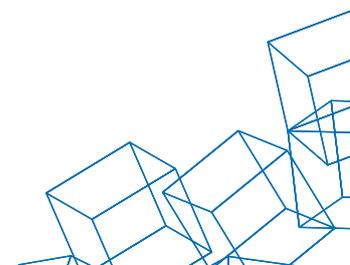
Mapei Group operates with a clear, long-term strategy and any slowdown in economic results, such as those experienced in 2018 for example, are not a symptom of problems; they are an incentive for continuous improvement. The fall in productive investments, which were still a considerable amount, with 83 Million Euros against more than 150 Million in 2018 and 110 Million in 2017, was due to physiological reasons and to certain opportunities that never materialised. But the overall strategy is still the same: to reinvest profits generated from current operating results.

And the high level of capitalisation, which at the end of 2018 touched 921 Million Euros, is there as proof.

We are writing this letter in 2020, a year characterised all around the world by economic uncertainty and concerns about the future.

We at Mapei, while being fully aware of the overall problems, will face up to these turbulent times strengthened by such a tenacious and dynamic Group, one that can guarantee security and certainty for its employees and a positive outlook for its clients. And this is the reason we can also confirm the investment planned for 2020. To carry on looking ahead. Always. With our proverbial optimism and enthusiasm.

The Board of Directors
Mapei Spa



Forty years at the helm of the Group

Giorgio Squinzi: a life full of challenges, passion and great successes



Vision, consistency, integrity, optimism, kindness, fortitude. These are just some of the many positive words that the people who met the “Doctor” (which is how he was known by everyone in the Company) associate with his name.

Forty years ago he took over the reins of the Company from his father, Rodolfo, and guided it to the extraordinary successes we all know.

His great intuition? Internationalisation and research.

Internationalisation of the production system by multiplying the number of production facilities and locating them close to consumers across every continent, which enabled Mapei to become world leader in a market that tends to have a more fragmented structure with small, regional manufacturers. Research, in the sense of a constant and strategic investment, which he quite rightly considered to be one of the main drivers behind innovation and modern entrepreneurship.

All this accompanied by an acute awareness: the role a business can and must play from a social perspective, within a logic of subsidiarity and support for the whole of society and its representative bodies.

Because Giorgio Squinzi was a firm believer in organisations and, when he took on particularly important and challenging roles, the two most significant being President of Federchimica (the federation that represents the Italian chemical industry) and then of Confindustria (the federation that represents Italian industry in general), he always did so with the same passion and commitment he put into his daily working life in Mapei.

In Mapei, and wherever he was engaged, Giorgio Squinzi always tried to instil

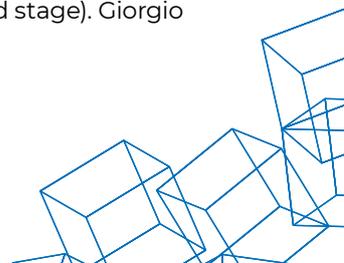


the concept of “teamwork”. And when talking about himself, he often used sport, his lifelong passion, as a metaphor. “Never stop pedalling” was his motto, one he would always use in the Company. And it was a winning team that carried the Mapei name in cycling, his first and greatest love in sport. In the decade 1993-2002, that particular team won everything there was to win and the famous coloured-cube jersey, designed by his wife Adriana, became famous all around the world and synonymous with success.

Football was his second love when it came to sport. And here, too, just as in every other field he had been engaged in, he always strived to achieve the maximum. Sassuolo FC, which he managed to take from the lower divisions to the Europa League, with its own Stadium and cutting-edge Sports Centre, is now a model for the whole of Italian football.

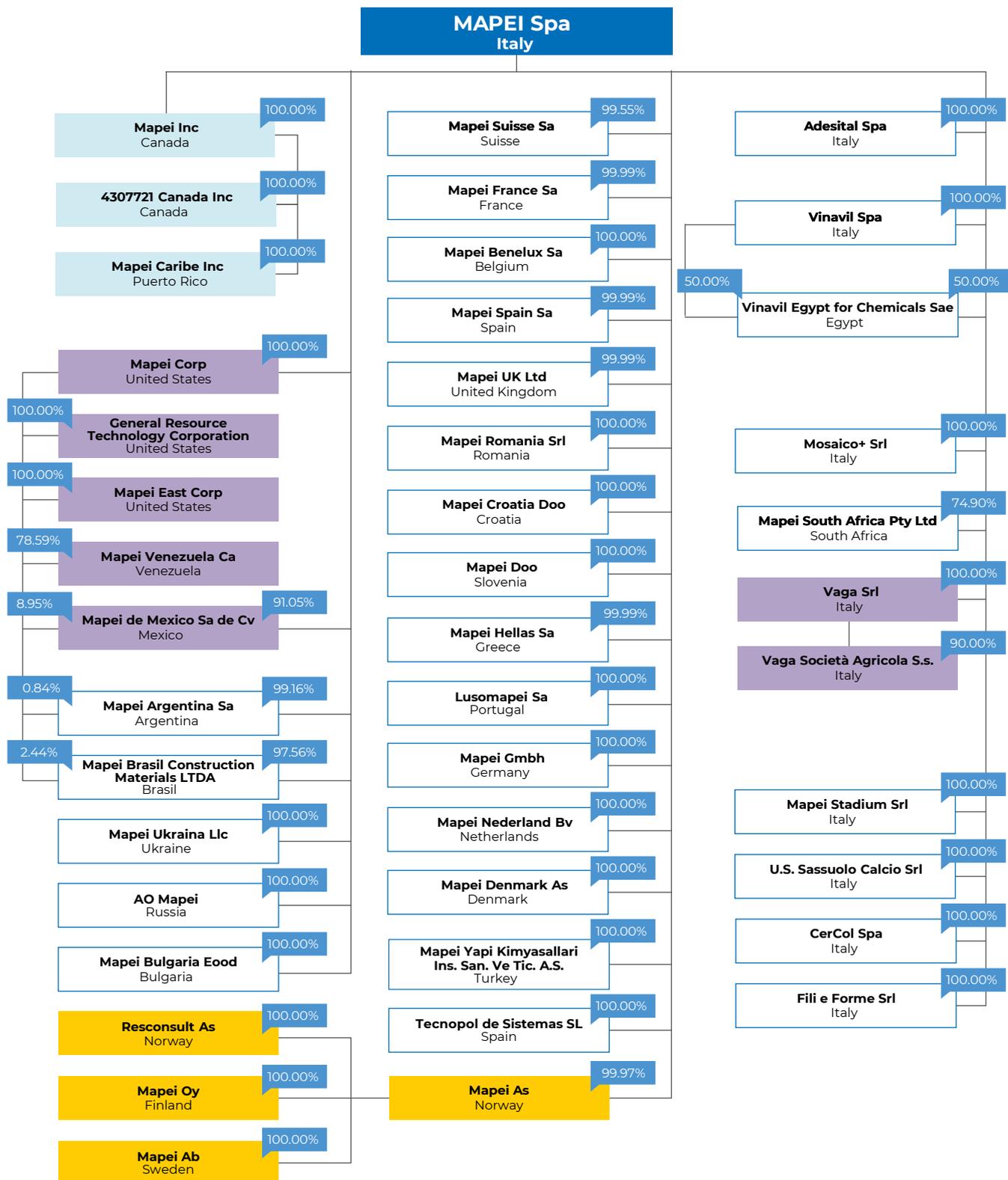
Along with sport he had a tireless commitment to anything to do with culture, particularly opera music. This was a passion he discovered as a boy when his father, Giorgio, took him for the first time to La Scala Theatre, where Maria Callas was performing Medea, directed by Leonard Bernstein. It was love at first sight. A love that turned into a commitment when Giorgio was asked to join the Board of Directors of La Scala.

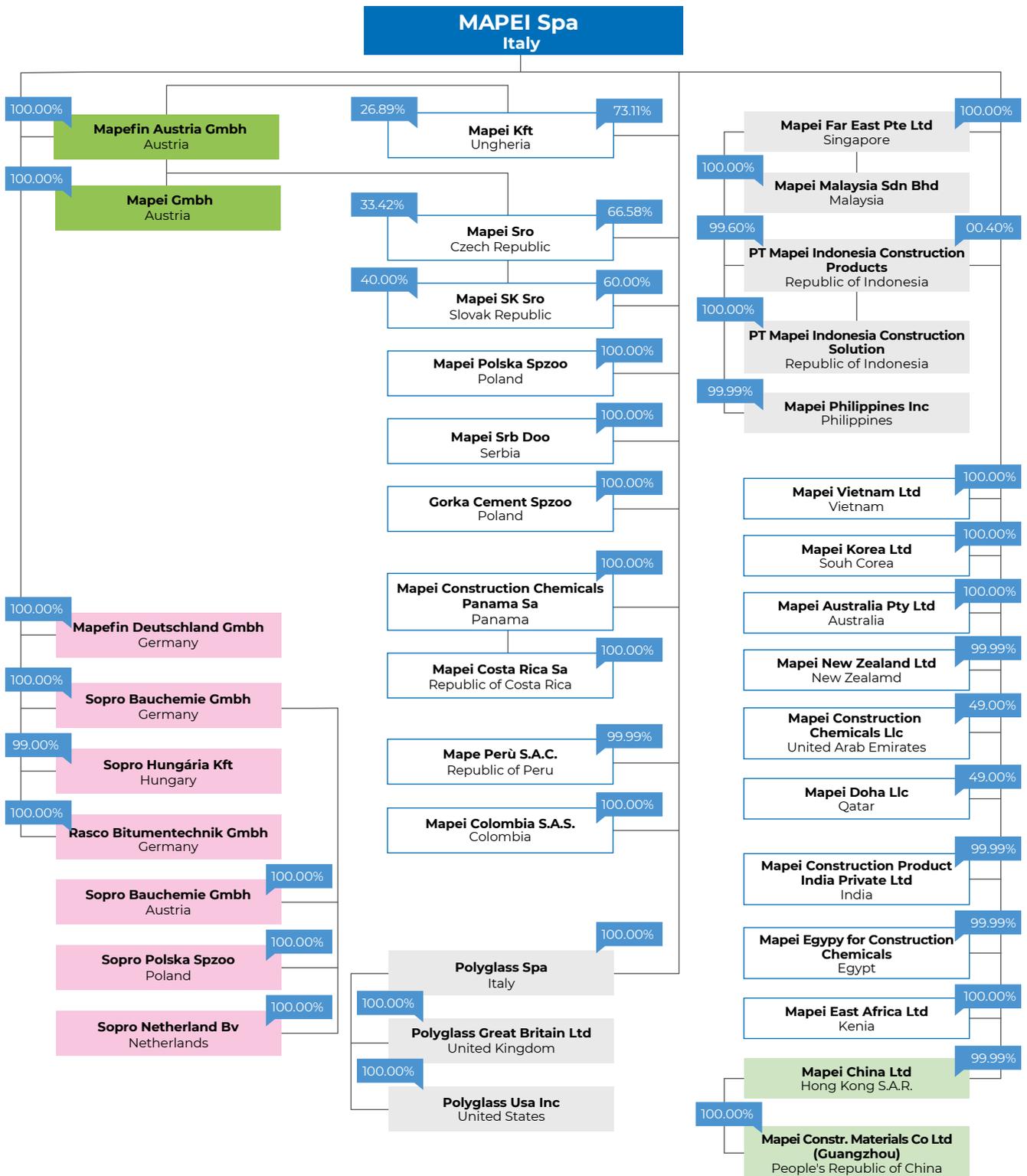
Milanese down to the core, proud to be Italian, citizen of the world, and a convinced European (here, too, he was driven by the concept of “teamwork” for a continent that must play an important role on the world stage). Giorgio Squinzi was all this, and much, much more.



Flow Chart

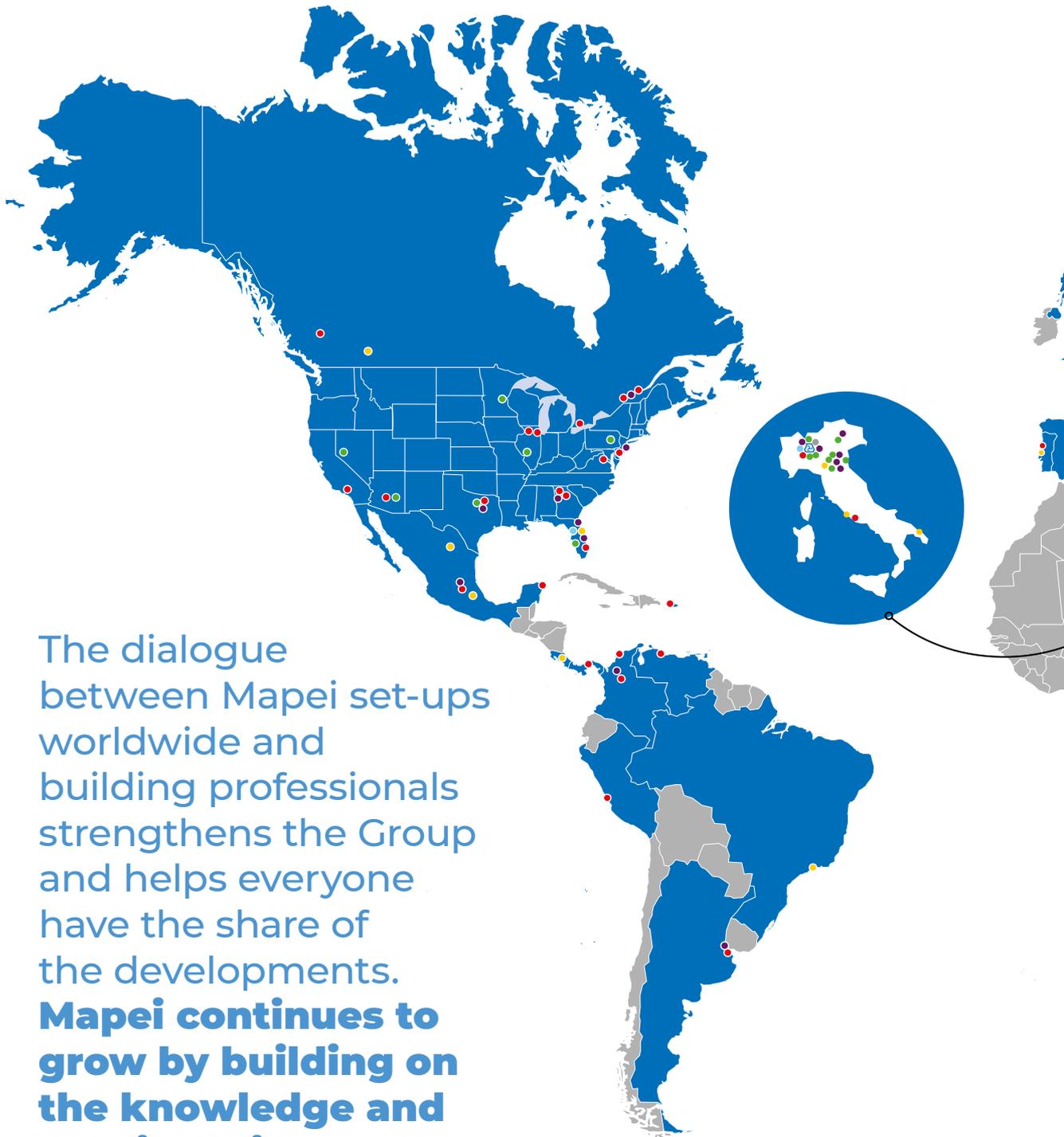
DECEMBER 31ST, 2019





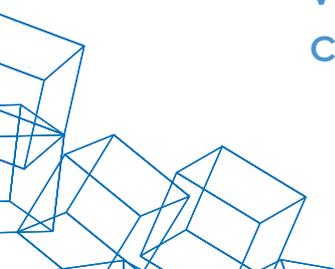
Mapei Group around the world

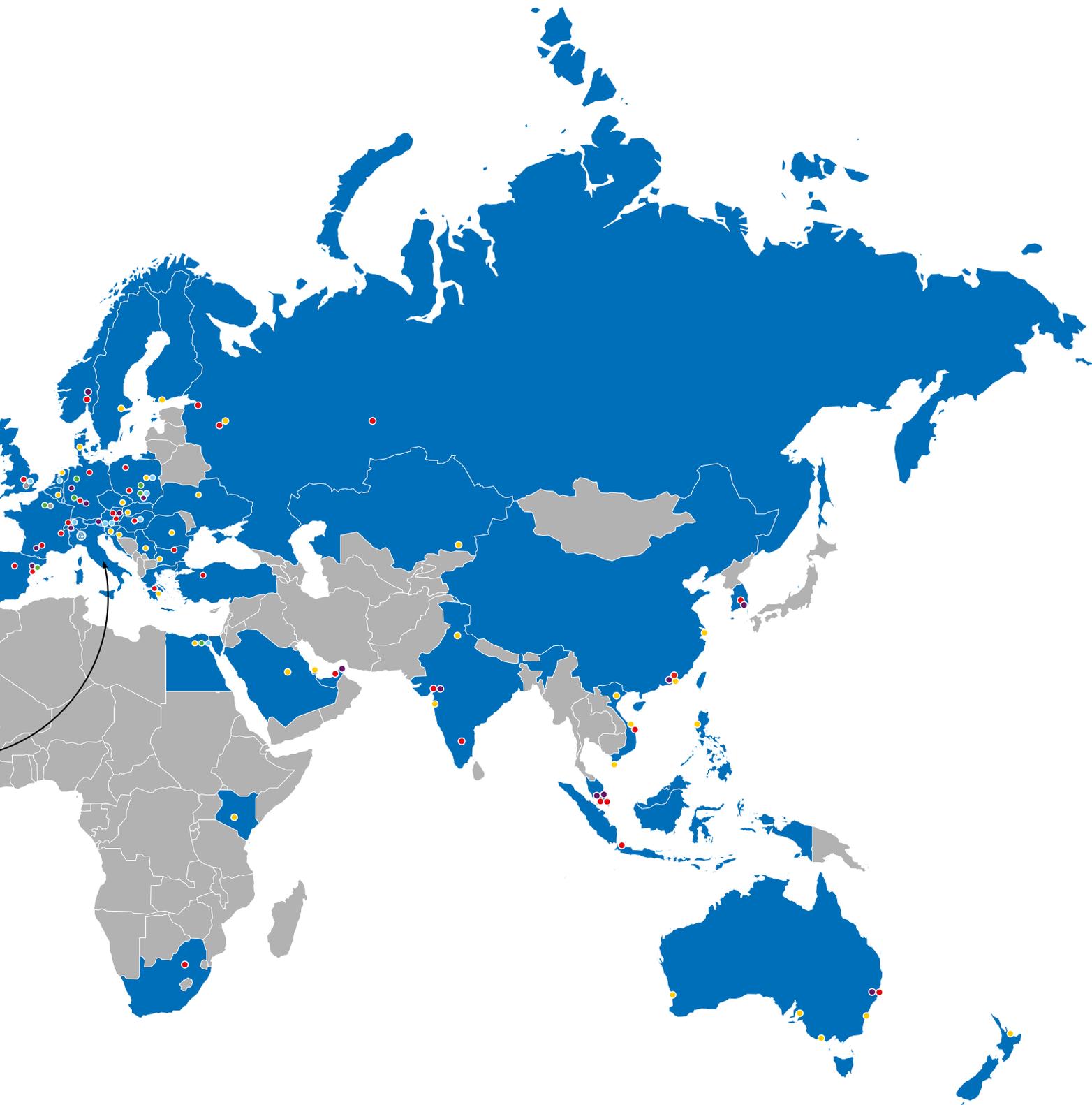
DECEMBER 31ST, 2019



The dialogue between Mapei set-ups worldwide and building professionals strengthens the Group and helps everyone have the share of the developments.

Mapei continues to grow by building on the knowledge and relationships, from both within and outside the company.





 Mapei Headquarters

 Mapei main offices with factories

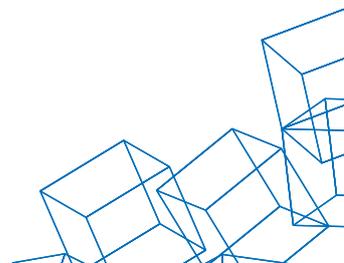
 R&D centres

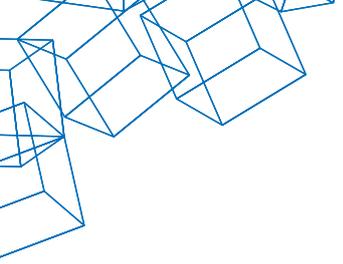
 Mapeiworld Specification Centres

 Mapei commercial branch offices

 Main offices with factories of other companies

 Commercial branch offices of other companies







A year
with
Mapei

A NEW PRODUCTION FACILITY IN BRISBANE TO MARK 25 YEARS IN AUSTRALIA

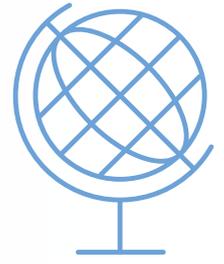


Twenty five years' operating in Australia were celebrated with the opening of a second production facility in Waycol. In 1993, Mapei Group opened a sales office near Brisbane to distribute chemical materials for the building industry. Over the last quarter of a century, products from Mapei Australia Pty Ltd have been used in the construction of prestigious structures such as the Melbourne Aquatic Centre, the Brisbane Airport, the Palazzo Versace hotel and various sports facilities and complexes for the Olympic Games in Sydney. The year 2000 saw the opening of the first production facility in the Archerfield district, with its own modern Quality Control laboratory, focusing on the production of systems for installing ceramics, which was followed by the commissioning of new production lines over the next few years.

Today, Mapei Australia has a staff of more than 80 employees and a capillary network of distributors and technicians to ensure the success and growth of the subsidiary. A brand new facility was recently completed, again near Brisbane, for the production of powdered products and admixtures for making concrete and for the production of cement. The facility also has a storage warehouse, two laboratories, a logistics office, various other offices, an area for off-loading containers and has a daily production capacity of 200 tonnes. Two days of celebrations were held in December with special events and VIP guests to mark the official opening of the facility in Waycol. The events included a presentation of the ballet "Don Quixote" by the Lyric Theatre of Brisbane and 75 members of La Scala Theatre ballet company, with their first ever performance in Australia.



MAPEI SUISSE CELEBRATES ITS 25TH ANNIVERSARY



The milestone of twenty five years of operation was also reached by Mapei Suisse. The Group's Swiss subsidiary invited clients and work partners to a large party on 28th June to celebrate the occasion at its head office in Sorens. Until now, 25 years of very interesting activities have been carried out on Swiss soil. One of the most recent was the opening of a new distribution centre in Granges-Paccot and, in the last year, other noteworthy projects include the new Mapei Suisse website, participation at the Suisse Floor trade fair and Swiss Tunnel Congress, sponsoring the Gruyère Triathlon and taking part in numerous prestigious projects, such as the headquarters of the International Olympic Committee in Lausanne, the Mistail tunnel and the Albula tunnel.





ITALY

50 YEARS OF POLYGLASS



For 50 years, Polyglass has been one of Europe's leading companies in the waterproof membranes sector. In 2019 Polyglass, which has been part of Mapei Group since 2008, celebrated half a century of doing business. The company was founded in 1969 in Ponte di Piave (Treviso) and, from its initial craftsman approach to manufacturing, it soon moved on to a more industrial scale, focusing on research and technological development. Its products are used in prestigious projects requiring waterproofing products and systems all around the world, particularly in the USA, and there are now eight branches in Italy, the United Kingdom



and the United States. Some of the company's figures: 100 million cubic metres of membrane produced every year, 2 billion cubic metres waterproofed around the world, 500 employees.

ITALY

VINAVIL SPA, PART OF MAPEI GROUP FOR 25 YEARS

This is one of the historic and most widely known names in the Italian chemicals industry and has been part of Mapei Group for the last 25 years, which bought the company in 1994 and initiated a restructuring and development process. Vinavil Spa continues to grow and launch new strategies to face up to the challenges of a constantly evolving vinyl acetate market. The company currently has a turnover of 180 Million Euros (47% in Italy and 53% from overseas) and 376 employees in Italy.

Its offer includes products for a wide array of sectors, from the textile industry to the production of chewing gum, and the name is particularly well known for the famous "white glue", used by generations of Italians. The company has always paid particular attention to the issue of environmental sustainability in its two manufacturing facilities in Ravenna and Villadossola (Verbano-Cussio-



Ossola), where the company was founded in 1922, and to Research & Development. Celebrations to mark 25 years with Mapei Group were held during the three-day Vinavil Global Meeting at the beginning of September, with meetings between teams representing Americas & Canada, Egypt and Vinavil Spa. The climax of the event was a gala dinner on Lake Maggiore on 5th September and a concert at the Stresa Festival, which Vinavil has been sponsoring for 13 years.



SINGAPORE

NEW LOGOS AND A VIDEO TO MARK 30 YEARS OF MAPEI FAR EAST

A party with refreshments and special entertainment for more than 300 guests on 14th June was the culmination of the celebrations to mark the thirtieth anniversary of Mapei Far East, the Group's subsidiary based in Singapore. A video specially produced for the occasion was shown at the end of the gala dinner, featuring interviews with Marcel Smit (Regional Director of Mapei Group for the Asia Pacific region) and Michael Ang (Sales Director for Mapei Far East). The video was transmitted across various channels and is just one of the many new communication tools presented to mark the thirtieth anniversary. Others included two new versions of the Mapei Far East logo, which is to be used for the different marketing tools.



NORWAY

A NEW FORCE IN NORTHERN EUROPE

Two important inaugurations held on 1st October in Norway confirm that the Group has significantly strengthened its presence in Northern Europe. Mapei's acquisition of Rescon, based in Sagstua around 100 km from Oslo, dates back to 1999. And this Norwegian city is the location of what has become the Group's fifth largest production facility, featuring a new plant for powder products and new warehouse space for storing finished products and raw materials. Thanks to an 8,000 m² extension and investments amounting to 19 Million Euros, Sagstua now produces materials for most of the Mapei product lines aimed at Scandinavian, Baltic and Danish markets. Mapei AS head office and all the Group's operations in Scandinavian and Baltic countries are based here, making Sagstua an increasingly important hub for Mapei's business operations in North Europe. Guests at the inauguration ceremony of the newly-revamped facility included the Norwegian Prime Minister, Ema Solberg, and the Italian Ambassador for Norway, Alberto Colella. There were around 300 guests in total at the inauguration, including representatives from local authorities and institutions and employees of the Company.



HUNGARY

MAPEI HUNGARY EXPANDS IN SOSKUT

A new plant that will allow the production capacity of the Mapei Hungary facility in Soskut to be doubled. The plant was inaugurated on 20th March in the presence of Veronica and Marco Squinzi, along with Mapei Hungary CEO, Bela Markovich. Guests included representatives of the Hungarian government and clients of the company, while the press conference was attended by numerous journalists to hear the latest on the excellent state of health of the Group's Hungarian subsidiary (turnover in 2018 increased by 30%, reaching a figure of more than 16.4 Billion Hungarian Forints, around 47 Million Euros). The new equipment included a special 800-tonne mixing unit to help in the production of admixtures for concrete. Extending the facility has allowed



the company to take on 8 new employees and to create a 40-seat canteen, a gymnasium, changing rooms and an area where employees can park their cycles and motorbikes.



MEXICO

THE MAPEI DE MEXICO FACILITY IN ZIMAPAN IS EXTENDED

A revamp of the Zimapan manufacturing facility in Mexico has led to an increase in production for Mapei de Mexico, a subsidiary of the Group which has been operating since 2010 in Queretaro, in the central part of the country. An inauguration ceremony was held on 20th February, which was attended by Veronica and Marco Squinzi, the General Manager of Mapei de Mexico, Gerardo Villalvazo Galvez, Rolf Manser, Corporate Export Manager for the LATAM group of countries, and representatives from local authorities and institutions. The facility has been extended by 2,000 m² and now boasts an annual production capacity of 185,000 tonnes. The facility is also in a strategic position, with large deposits of raw materials freely available nearby, and is on the doorstep of important hubs of the Mexican economy. From here, Mapei is also able to supply building materials to other countries in Latin America, such as Guatemala, Honduras, Peru and Panama. Over the last few years, Mapei de Mexico has invested 3.5 Million Euros in the commissioning of new production equipment and to triple production capacity, while also working on important projects, such as the extension to Mexico City International Airport and the Mexico-Toluca railway line.

NETHERLANDS

A NEW, SINGLE BASE FOR MAPEI NEDERLAND

Mapei Nederland took a massive step forward on 27th May by bringing all the functions and spaces of the Group's Dutch subsidiary under one roof. After 10 years operating in the Netherlands, Mapei has a new building in Apeldoorn, in the centre of the country, with 2,750 m² of warehouse space and 620 m² of office space, a showroom and a training centre. The structure is very close to the A1 motorway which links a number of strategic areas in the Netherlands. By carrying out this operation, the Group's process of



internationalisation is also advancing in the Netherlands, with the aim of meeting the needs of the local market and reducing transport costs.

IN THE WORLD

FRANCE, RUSSIA, INDIA: GREAT NEWS FOR MAPEI

France: a display case in the heart of Paris, a new point of reference for the design and construction world. Mapei World Paris, inaugurated in March, is a multifunctional space just a short walk from the Pompidou Centre. Following the Specification Centres in London and Milan, the "Ville Lumière" (or City of Light as Paris is also known) now has its own special place where Mapei can best display its leadership and ability to take on the role of sole partner in the world of construction. Mapei World Paris has been created to attract architects, designers, distributors of construction products, contractors, installation companies, site managers, institutions, etc. A place to work, therefore, separated into areas dedicated to different activities, from writing technical specifications to training, from co-working to the exchange of information.

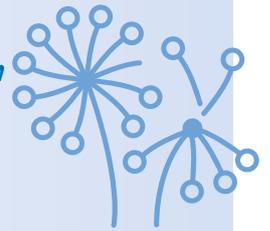
Russia: in January, the Mapei Training Centre was inaugurated in Stupino in the Moscow area. This is a state-of-the-art academy and the only one of its kind in Russia. The building extends over an area of 1,200 m² and is a next-gen learning platform with digital tools and applications for theoretical and practical workshops. The construction itself is an example of practical uses of Mapei systems and products.

India: August saw the inauguration of the Excellence Centre of Mapei India in Vodadara, in the state of Gujarat. Many clients of the Group's Indian subsidiary were present at the ceremony. The Excellence Centre has a permanent



display of Mapei products and systems in various rooms dotted around the production facility. The structure of the Centre is very similar to the one at Mapei World in Milan. The display is similar to the showroom in Milan, a functional space created by the Group to host small, private meetings and architecture and design events.

ADRIANA SPAZZOLI: THE DRIVE, THE SMILE AND THE ENERGY BEHIND MAPEI MARKETING



All Mapei communications between 1984 and 2019 were down to her. Step by step, she built a team that, today, is made up of more than 300 people, all helping make the Mapei brand known all around the world.

She always said it wasn't easy to communicate information about Mapei products because you couldn't see them; they end up underneath floors or inside structures. So what was needed was to always come up with something special or original. And that is precisely what she always managed to do. Innovating and experimenting in a sector where communication had never really been considered important. While for her, there was never any doubt: *"Communication is half the battle"*.

Amongst her many intuitions, one that comes to mind is the publication "Realtà Mapei", which is so much more than a simple in-house magazine, and then the idea to use photos of real work situations and projects using Mapei products as a kind of "company business card". A whirlwind of ideas and initiatives that Adriana conceived, managed and promoted with such energy, but always with a smile on her face.

And then there was the fantastic relationship between Mapei and sport that she managed to guide with such ability: first it was through cycling, which let the whole world know about the "Mapei cubes", and then football with the successes of Sassuolo.

In the field of sports, Adriana was not only the marketing expert with the ability to turn sponsorships into a highly effective corporate communications tool. She was so much more: she was a leader, a motivator, a pacesetter ahead of her times. Whoever wore a Mapei jersey had to be able to rise to the occasion and show their commitment and true worth, every day. Just like Mapei and its quality products.

But for Adriana, "Work can never be separated from the arts and culture". And this philosophy is a great way of describing the bond she helped create over the years between Mapei and numerous cultural institutions, first and foremost the one with La Scala Theatre in Milan.

She was multifaceted, with the ability to think outside the box, the courage to change perspective and to view things from a different angle.

The capacity to make those who worked with her feel

important, to be infected with personality and different worlds.

Adriana Spazzoli leaves Mapei with a legacy of inestimable ideas and values on which to continue constructing even greater successes.



ART OF THE 19TH CENTURY ON DISPLAY IN FORLÌ, WITH MAPEI AS PLATINUM PARTNER



“Work can never be separated from the arts and passion”. This had always been the firm conviction of the founder of Mapei, Rodolfo Squinzi. And it was this philosophy that created such a strong bond between the Company, the arts and culture. One of the many examples is the role of Platinum Partner of the Museum of San Domenico in Forlì, which Mapei has now been involved with for four years running. In 2016 the Company sponsored an exhibition of the works of Piero della Francesca, in 2017 an exhibition on Art Decò and, in 2018, an exhibition entitled “Eternity and Time, from Michelangelo to Caravaggio” (which won an international award for being the best in its category). In 2019, Mapei once again confirmed its sponsorship for the exhibition “Ottocento. Art in Italy between Hayez and Segantini”, organised by the Cassa dei Risparmi di Forlì bank in collaboration with the local municipality. In so doing, a certain level of continuity was maintained between the city of Forlì and the surrounding territory. The exhibition, featuring 160 works of art by 94 Italian artists, displayed along a fascinating

itinerary rich with quality, like a voyage of discovery amongst nineteenth century art being displayed for the first time ever, was a resounding success. Mapei was also Gold Partner for a Sky Arte special dedicated to the exhibition, which was transmitted 20 times by the channel.





ITALY

500 YEARS OF LEONARDO WITH A FILM SPONSORED BY MAPEI

For many years, Leonardo da Vinci has been a source of inspiration for Mapei: an “imaginary” journey unites the thoughts and works of this Italian genius, and the technological challenges of contemporary industry, with those of the world of construction and a company like Mapei, which has made research and innovation into its strong points on the global market. Some of the works created by Leonardo, or works that used his studies as starting points, have been the subject of restoration and preservation work by Mapei, particularly, but not only, in Milan.

A bond that also extends to the arts and culture. On the occasion of the 500th anniversary of his death, Mapei celebrated the memory of Leonardo da Vinci by inviting friends, clients and collaborators to a preview of a short film sponsored by the Company entitled, “Being Leonardo da Vinci. An impossible interview”, along with a guided tour of the exhibition in his honour, “Leonardo da Vinci Parade”. The event was held on 15th February at the Leonardo da Vinci



National Museum of Science and Technology in Milan, of which Mapei is technical partner in numerous display areas. The film, directed by and starring Massimiliano Finazzer Flory, was made in collaboration with RAI CINEMA, an Italian national TV channel, and has received numerous awards.



ITALY

“LA MAGNIFICA FABBRICA”, AN EXHIBITION ON THE TRANSFORMATIONS OF LA SCALA

The partnership between Mapei and La Scala Theatre in Milan is long-lived, forged from numerous initiatives, and Mapei has been a Corporate Subscriber since 1984 and

a Founder Partner since 2008. These initiatives include support for the exhibition organised to mark the 240th anniversary of the founding of the historic theatre. “La Magnifica Fabbrica. 240 years of La Scala Theatre, from Piermarini to Botto” illustrates how the structures of the theatre have been transformed over the centuries. The exhibition was set up in the rooms of the “Livia Simoni” library in the theatre’s museum, tracing the history of the evolution of the structure, and in the foyer of the dress circle, where the more recent works designed by the architect Mario Botto were on display. The most recent restoration work on La Scala was carried out between 2001 and 2004 and Mapei was directly involved, providing the support of the Company’s Research and Development laboratories and Technical Services Division on site, as well as supplying various Mapei products and technologies. The remaining interventions, designed by Mario Botto, are scheduled to be completed by 2022 and, amongst the various works, are the addition of a new tower to house offices and rehearsal rooms and an extension to the backstage area. Engineers and products from Mapei will also be supplied for this new phase of the Milanese Theatre.



AUSTRALIA

LA SCALA BALLET COMPANY IN AUSTRALIA WITH MAPEI

La Scala ballet company made its debut in Australia during the celebrations to mark the opening of the new Mapei production facility in Wacol, near Brisbane. The first appearance of La Scala ballet dancers on Australian territory was the evening of 9th December at the Lyric Theatre in Brisbane, where 75 dancers performed the ballet Don Quixote, choreographed by Rudolf Nureyev, in front of friends and clients of Mapei invited to the event. This is one of the Australian public's most loved ballets from the repertoire of classical dances and, thanks to the performance organised by Mapei, they had the chance to appreciate the



quality and excellence of one of the finest ballet companies in Italy. During the cocktail party held on the terrace above the theatre overlooking the Brisbane River, many of the guests had the opportunity to have their photograph taken against a background that would remind them of the typically Spanish atmosphere of the ballet. Also present at this special evening were Veronica and Marco Squinzi.

ITALY

MAPEI ALONGSIDE THE ALPINI INFANTRY CORPS

Mapei marched alongside Italy's "Alpini" Mountain Infantry Corps at the 92nd National Parade held from 10th to 12th May in Milan. More than 10,000 "Black Feathers", as the Alpini soldiers are commonly known, along with 600,000 followers from all around the world, descended on the city for this important and prestigious event to celebrate

the centenary of the founding of the National Alpini Association in 1919, which also took place in Milan. Mapei decided to become an official partner of this important event, which on this occasion took on a particularly significant meaning for the city of Milan, to demonstrate its affinity with the Alpini's values of solidarity, spirit of sacrifice, hard work and seriousness, values which are all shared by Mapei.



ITALY

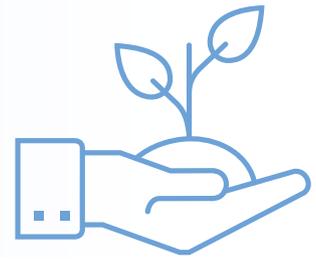
SPAZIO TEATRO NO'HMA THEATRE IN MILAN, A PLACE TO EXPERIMENT

Mapei's support continued for the Spazio Teatro No'hma theatre in Milan, home of the association of the same name founded by Teresa Pomodoro. The Company has been a partner of the theatre since 2000, which approaches cultural themes and social issues by putting on plays, musicals, artistic, stage and musical performances, special events, multi-media seminars and journeys and various other manifestations. The strong point of the theatre is its focus on social issues, which it also displays by offering all programmed events free of charge. The No'hma is a place

with its own particular identity, a place to experiment and mix languages, a point of reference for the city of Milan and the surrounding territory, one of the reasons Mapei is such a committed supporter, as well as for its constant attention to the world of art and culture. The central theme of last season was Passion, the flame of life, a value shared by Mapei. The No'hma theatre is also the setting for the international "Naked Theatre" awards by Teresa Pomodoro, which every year attracts dozens of theatre groups from all around the world to its base in Milan.



“LE VELE”: COMMITMENT TO CHARITY AT CASCINA RUGACESIO FARM

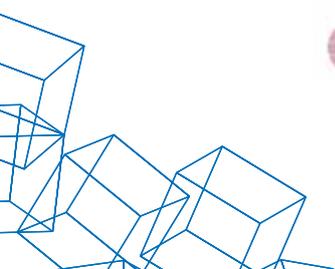


“Le Vele is like a piece of the heart of our family”: this is how Giorgio Squinzi always liked to describe Mapei’s strong bond with “Le Vele”, a non-profit voluntary association which has been carrying out charity work since 2002 in support of the Cascina Rugacesio farm in Pioltello, Milan. The aim of “Le Vele” is to provide welcoming surroundings for those in need and to support families in difficulty and carries out humanistic, recreational, educational and social activities for the disabled in collaboration with other associations and organisations. The relationship between Mapei and this particular non-profit organisation, which originates from activities dating back to 1991 by youngsters supported by Don Gian Piero Guidetti, was established a number of years ago. Mapei was just one of the companies that contributed to the renovation of the farmhouse,

a rustic building that had been left empty and abandoned for around 50 years, and to transform it into the base for the “Le Vele” association. The farm extends over an area of around 3,500 m² and has an adjoining plot of land of around 2 hectares. There is a large farmyard at the centre surrounded by various rectangular buildings which are used as living quarters, workshops, day-centres and areas where people can simply meet and relax. A number of important redevelopment projects were completed in 2018, for which numerous Mapei products were used. Also in 2018, renovation work on the multi-purpose teaching facility was completed and was named after the founder of Mapei, Rodolfo Squinzi. Mapei will also be involved in other new, upcoming projects to extend the facilities available at the farm.



Le Vele Onlus



ITALY

THE THREE PRIORITIES OF THE SODALITAS FOUNDATION FOR SUSTAINABLE BUSINESSES

Youngsters and work, social integration, sustainable surroundings: these were the strategies chosen in 2019 by the Sodalitas Foundation, of which Adriana Spazzoli was President since 2016. The Foundation was founded in 1995, an initiative of Assolombarda (a business association for companies operating in the Lombardy Region) and several local companies and managers, and was the first organisation in Italy to actively promote sustainable business. It includes both multinational companies (44%) and Italian companies based in Italy or abroad (48%). They are generally medium to large-scale companies and represent all sectors of the market: from industry to manufacturing, to finance, credit and insurance, and from chemicals to ICT. From a survey carried out by the Foundation, the results of which were presented on 7th February 2019 at a dedicated meeting, it emerged that innovation, ethical business practices, human capital development, diversity, equal opportunities and inclusion



are the most important themes regarding Sustainability for the member companies of the Sodalitas Foundation. "I am convinced that it is important to develop and acknowledge the commitment of companies that generate shared social values to the benefit of the community, the surrounding territory and of people", declared Adriana Spazzoli, who presided over the meeting.

ITALY

REDEVELOPMENT OF "LA CORTE DI QUARTO" FOR THE ARCHÉ FOUNDATION

For a number of years Mapei has been supporting the Arché Onlus Foundation, a Milanese association dedicated to the care and support of vulnerable mothers and their children living in social hardship, with the aim of helping them become more independent. In 2019, Mapei played an active part in the redevelopment of the "Corte di Quarto" residence by supplying heavily subsidised building materials for both inside and outside the building. The building, which was inaugurated in December and consists of 14 apartments and is situated on the outskirts of Milan in Quarto Oggiaro near the headquarters of CasArchè, was then renamed Casa Adriana in 2020 in honour of Adriana Spazzoli. It is inhabited not only by families in difficulty, but also by a small group of helpers offering their support to the less fortunate, with the aim of bringing together those in need and their helpers under the same roof. In the



residence, there will also be a counselling service available for families living in the area.





ITALY

CRESCO AWARDS FOR SUSTAINABLE MUNICIPALITIES: MAPEI AWARD GOES TO MONTE SAN GIUSTO

Mapei Group is one of 16 large companies which, for a number of years, have been committed to sustainability and support for the “Cresco Award Città Sostenibili” initiative. The aim of this recognition, promoted by the Sodalitas Foundation, is to reward and promote

Municipalities that implement sustainability projects in their local area. The awards are organised in collaboration with Anci-Associazione Nazionale Comuni Italiani (National Association of Italian Municipalities), with the support of the Fondazione Italiana Accenture and the patronage of the Ministry for the Environment and the European Commission. There are three prizes available; one for municipalities with up to 10,000 inhabitants, one for 10,000 to 100,000 inhabitants and one for more than 100,000 inhabitants. The winners of the 2019 edition of the Awards, the fourth, were Bassiano (Latina), Mantua and Rimini. Each of the 16 partner companies also awards its own individual Company Award. The prize awarded by Mapei, which proposed implementing projects aimed at the redevelopment of sports surfaces compliant with current standards and featuring cutting-edge technology, went to Monte San Giusto (Macerata) for the “Redevelopment of the former Monti Sala stadium”. Mapei will supply the winning municipality with specialised technical advice to help them choose the best systems from both an application point of view and a colour point of view, to guarantee the sustainability, efficiency and durability of the complete system.

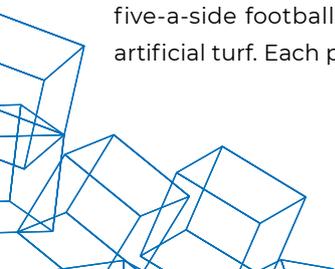
ITALY

ALBATROS SPORTS CENTRE IN ROBBIANO DI MEDIGLIA RENOVATED THANKS TO MAPEI



Mapei Group supports many groups and associations to help keep them running and take part in socially responsible activities to encourage the growth of sport in general. One such example is this Sports Centre named after Rodolfo Squinzi in Robbiano di Mediglia on the outskirts of Milan, which has been relaunched after having a makeover under new management (Albatros Asd), which now coordinates and promotes the activities carried out at the centre. The Albatros Municipal Sports Centre is a poly-functional structure that has been refurbished thanks to the support received from its main sponsor, Mapei, and now has two five-a-side football pitches completely resurfaced with artificial turf. Each pitch has its own changing rooms and

showers and an LED lighting system has also been newly installed. Mapei bore the cost of the two pitches, which were made using only the Company’s best products and materials. Two special days were organised to celebrate the Sports Centre on Saturday 11th May and Saturday 29th June, which were attended by numerous employees, friends and collaborators of the Company and brought the centre to life. The two days were also the occasion to inaugurate the centre, with various sports and games open to all the participants. “Once again, Mapei has shown how important it is to the Company to promote social activities in our town”, commented the Mayor of Mediglia, Paolo Bianchi, as he thanked Mapei.



ITALY

MAPECOAT TNS SYSTEM FOR THE “WE PLAYGROUND TOGETHER” BASKETBALL COURTS

The “We Playground Together” project, a collaboration between the NBA basketball player Danilo Gallinari and the Sports Department of Milan City Council coordinated by Michele Ponti, continued throughout 2019. The aim of the project is to renovate the city’s public basketball courts and, after the refurbishment in 2018 of the court in Parco Vittorio Formentano (known also as “Largo Marinai d’Italia”), in 2019 it was the turn of the court in Viale Sarca. “Local public basketball courts can and must go back to being an important part of our youth’s daily life and must be used more and more as a meeting point where they can mix with other people. The ideal place where the desire to play, enjoy oneself and meet new people all mix together with the love of sport”, declared a spokesman for the team behind



the project. Sports System Technology Team, a special division of Mapei that provides a technical consultancy and assistance service for the construction and redevelopment of sports surfaces and complexes, played their part in the cause by choosing a system with excellent performance characteristics in terms of elasticity, resistance and durability: MAPECOAT TNS MULTISPORT COMFORT.



ITALY

G124 PROGRAMME: URBAN REDEVELOPMENT PROJECTS WITH RENZO PIANO

Mapei took part in the G124 Programme aimed at redeveloping city suburbs, financed by the architect and Life Senator Renzo Piano, which also has 12 students with scholarships from the universities of Milan, Padua, Rome and Catania. Within the framework of this initiative, Mapei participated in the project entitled “M.A.MA” (Modulo per l’Affettività e la Maternità, or Affection and Maternity Module) at the women’s section of Rebibbia Prison in

Rome, to create an environment where detainees of the prison and their families can meet. For this project, which was implemented in conjunction with the La Sapienza University of Rome, the Group donated products to waterproof rooms, decorate walls and treat wood. Also in 2019, and as part of the G124 Programme, Mapei took part in another project in collaboration with the Polytechnic of Milan. This particular project was to redevelop a former school in Via Cirié in the Niguarda area of Milan and turn it into a Community Centre open to residents of the area. The Group donated decorative and protective wall coatings to repaint the walls inside the centre, which included the foyer and auditorium, as well as other products to treat features and elements such as radiators and plastic doors.





ITALY

THE “EMERGENCY” HOSPITAL IN UGANDA DESIGNED BY RENZO PIANO

Collaboration between figures of excellence to provide such an important service to Ugandan children most in need. Construction continued throughout 2019, with commitment and passion, of the Emergency organisation’s new Centre of Excellence in Paediatric Surgery in Uganda, an important international project with Mapei working alongside the “Renzo Piano Building Workshop”, lead designers of the centre, which from 2020 will be offering free care to Ugandan patients and to children from all over Africa. During the 2019 edition of the Salone del Mobile trade fair in Milan, a model of the hospital was on display at the Emergency stand, one of 16 projects selected by Renzo Piano to represent the most important moments of his artistic journey from the 1960’s until today, for the exhibition “Renzo Piano: the art of making buildings”, curated by the Royal Academy of London.



ITALY

E4IMPACT TO DEVELOP A NEW GENERATION OF ENTREPRENEURS IN AFRICA

Support for the training of a new generation of entrepreneurs to enable Africa to develop and flourish. This is the objective of the E4Impact Foundation (short for “Entrepreneurship for Africa”), which was created in 2015 from an alliance between the Università Cattolica



and several African universities. The key players and promoters of E4Impact are leading companies from the Italian business world, one of which is Mapei Group. The Foundation, which has been presided over from when it was first established by Letizia Brichetto Arnaboldi Moratti, aims to extend its network of support in the near future from 12 African countries to 15 in order to train and develop more than 500 new entrepreneurs every year.

The objective is to become a reference point for businesses that have an impact in Africa and to create new business partnerships between Italian and African companies. Apart from this initiative, in 2016 Mapei instituted a Trust in South Africa to carry out charitable initiatives, through which 25.01% of its subsidiary company, Mapei South Africa, was sold in order to provide economical support for its projects. These projects include providing food for children at a primary school and scholarships for black female university students enrolled on engineering or business development courses.



ITALY

CONCRETE SUPPORT FOR THE CHILDREN OF BURKINA FASO

7 tonnes of building materials, such as adhesives, mortars and exterior paints, sold for a symbolic price to the Queen of Peace association, which is involved in various projects for children from Burkina Faso (the fourth poorest country in the world according to UNO), is a tangible sign of Mapei's commitment to help improve the lives of those most in need. The materials donated to the association help support numerous projects, such as an educational centre in Pikiéco which, at the beginning of 2019, saw the inauguration of a middle school attended by 350 students. The Centre is part of a training programme launched by the government to teach students agriculture and animal husbandry, and how to make soap from shea butter. Work also commenced on the construction of an IT department

and library. 2019 also saw the construction of Cren, a centre that provides assistance for undernourished children, at the Tiebelè Health Centre, close to the border with Ghana. This was the latest project following the numerous other activities that were carried out since 2018 to allow the structure to operate more efficiently.

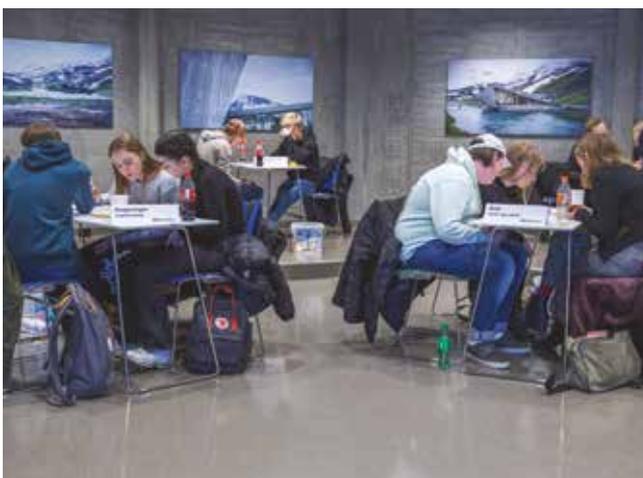


NORWAY

NORWEGIAN SCHOOLS COMPETE IN A MATHS TOURNAMENT

Mapei AS and the secondary school in Nord-Odal decided to concentrate their attention on maths and to make this often tricky subject more engaging, with an exciting annual competition which, in 2019, had reached its fifteenth edition. 9 schools, 27 pupils and 13 teachers participated in the event. Each school had a team of three pupils who took part in various contests and the winners received an iPad and shopping vouchers. A group of science teachers from outside the participating schools set the problems for the tournament.

Then, while the answer papers were being marked, the pupils and their teachers visited the Mapei AS production facility in Sagstua, Norway.



SPAIN

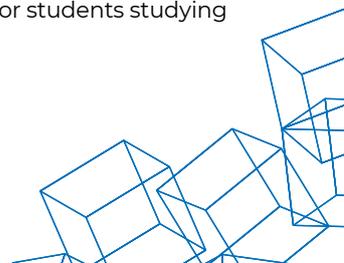
MAPEI SPAIN REWARDS SUSTAINABLE ARCHITECTURE



For Mapei Spain, as for the rest of the Group, sustainability means being highly committed to the environment and a sense of responsibility towards future generations.

Which is why the Spanish subsidiary instituted the Mapei Award for Sustainable Architecture, an award made to Spanish architects (and architects from Andorra) who choose environment-friendly architecture for every phase of a project. The Award is presented in collaboration with the GBCE (Green Building Council of Spain) Technical Committee, of which Mapei is an official sponsor, the Association for Sustainability and Architecture (ASA), the Foundation for Architecture and Society (FAS), the University of Seville and the architecture blog by Stepien and Barno.

There was a prize-pot of 20,000 Euros for the winning designs along with merit certificates for students studying architecture at High School.





USA

POLYGLASS USA: “FIGHTING PARTNER” AGAINST CANCER



For the third year running Polyglass USA, a subsidiary of Mapei Group, was the partner in the “Dolphins Cancer Challenge” initiative. This initiative collects donations in aid of cancer research at the University of Miami (USA), which is located near Polyglass HQ in Florida.

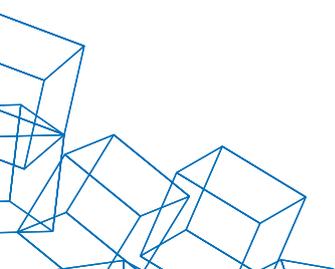
The US subsidiary of Mapei Group takes great pride in its contribution in the fight against cancer and its support for the scientific and local community, just like the parent company in Italy.

Polyglass USA also earned itself the title of “Fighting Partner” and, so far, has managed to raise 100,000 Dollars, thanks to the many collaborators who have taken part in sponsored races, bike rides and walks for a total of almost 1,500 km.

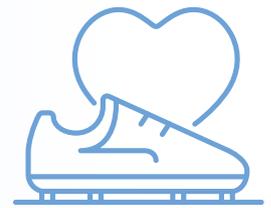
AUSTRIA

HONEY FROM THE BEES OF MAPEI AUSTRIA

From a commitment into the research and development of sustainable systems and products for the building industry to a further, and even more direct, step towards safeguarding and respecting the environment. Mapei Austria, a subsidiary of the Group, decided to extend its field of action in favour of sustainability by protecting local bees and making honey for charity. Fruit trees were planted on the land around the production facility in Nussdorf ob der Traisen and beehives were installed so that the bees using the hives can pollinate the fruit trees and encourage the growth of fruit. Colony collapse disorder in beehives is caused by the overuse of pesticides, the adoption of certain modern farming practices, such as monoculture, climate change and the growth and expansion of cities, and Mapei Austria decided to play its part in the fight against this problem by providing the new bee colonies with optimal conditions, which the worker bees have repaid by producing honey of excellent quality which will be donated to charitable causes.

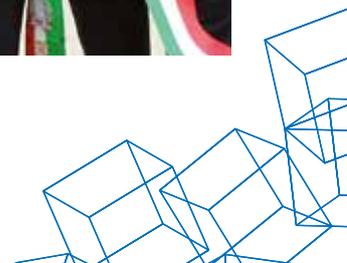


THE MAPEI FOOTBALL CENTER BECOMES A REALITY



10th June, 2019 will be a day to remember for the fans of Sassuolo and the world of Mapei. That was the date of the inauguration of the Mapei Football Center, an important project that also added prestige to the city of Sassuolo. Giorgio Squinzi, President of Mapei Group, was joined by Adriana Spazzoli, the Group's Operational Marketing and Communications Director, at the ribbon-cutting ceremony of Sassuolo's new sports centre, located in "Cà Marta" on the outskirts of the city. This is a cutting-edge complex, a true diamond in terms of architectural style, structure, functionality and the materials employed. The centre extends over an area of around 45,000 m² and has 6 full-size football pitches (4 new ones, one of which in synthetic grass and one in natural grass with an underground heating system), a 40 metre x 47 metre pitch for goalkeeper training, a 170-seat spectator stand with a 70 m² restaurant, a four-storey, 6,000 m² office block and a total

of 187 parking spaces located in various parts of the complex. The floor below ground level has changing rooms and a swimming pool and, on the ground floor, there is a gymnasium,





changing rooms, rooms for the medical staff and physiotherapy, a conference room and the entrance to the complex. The Mapei Football Center was built according to a design by the architects Giancarlo Floridi and Angelo Lunati from Onsitestudio and construction work, by Colombo Costruzioni, took 15 months. "This is one of the most beautiful and most modern training centres in the whole of Europe and is worthy of a great club", ensure experts in the field. The Center is the result of a convention between Sassuolo Calcio and the City of Sassuolo by virtue of a 40-year concession and, apart from the 21 men's and women's teams playing in Serie A and in the youth leagues, it is also open to the public for amateur matches and tournaments between teams from Sassuolo and between teams from other towns and cities in the area. An example for the whole of Italian football.

The inauguration of the Mapei Football Center took place a few days after the close of the 2018-2019 football season in which Sassuolo finished eleventh, the same position and with the same number of points as the previous season. "Fans, give us a big hand, we have had a great season.

We played well throughout the Championship, eleventh in the league is something to appreciate", emphasised Giovanni Carnevali, Sassuolo General Manager and CEO, "And should be considered something special: our club is still very young and to play 7 seasons running in Serie A is already a record".



ITALY

SASSUOLO WOMEN: A VALUABLE FIFTH PLACE

The Sassuolo Women's Team finished their second season in Serie A in fifth place. For Gianpiero Piovani it was his first season as team coach: "I am really satisfied with my players", he declared, "And all of them deserve the highest mark, no one excluded. Compared with the past, the quality of play in the women's Serie A championship is now much higher, so fifth place is a great achievement. We managed to finish in front of other teams with solid clubs behind them that have regularly finished in the top positions for a number of years. All the players showed their determination, the desire to improve and a spirit of self-sacrifice. We went beyond our wildest expectations". The top scorers for "Sasol" were Claudia Ferrato (8 goals), Sandy Iannella (7) and Michela Cambiaghi (6). The most memorable match was the 2-1 win against Juventus, the team that ended up winning the league championship.

"We had to play the perfect match to beat the black-and-whites", commented Piovani, "And it really was a perfect



match. My players took to the field without any hint of fear and gave everything as far as intensity was concerned. It was undoubtedly the highest point of our story in Serie A". In the Coppa Carnevale, a tournament for women's youth teams held in Viareggio, Sassuolo Primavera reached the final, where they lost only against Juventus.

ITALY

MAPEI SPONSORS WOMEN'S VOLLEYBALL

Mapei renewed its sponsorship for the Trofeo Mimmo Fusco, a volleyball tournament for women's teams from Serie A1, which achieves very good TV viewing figures. Four clubs played in the 2019 edition which was held at the sports arena in Busto Arsizio, with all the games transmitted



live on the television channel RAI Sport. On the first day, Saugella Monza won the Fusco Memorial by winning 3-0 against Reale Mutua Fenera Chieri. On the following day, in the match also valid for the Coppa Regione Lombardia and with the Mapei logo there for all to see, Unet-E Work Busto Arsizio managed to have the edge over Bosca San Bernardo Cuneo, winning 3-2. Since 2006 the tournament has been dedicated to the memory of Mimmo Fusco, who worked for RAI as a commentator for volleyball and cycling events. This was the third year running that Mapei had sponsored the final stages of the Coppa Italia Serie A1 women's volleyball tournament, which was held at the Agsm Forum in Verona on 2nd and 3rd February. The trophy was won by Igor Novara, led by the formidable spiker Paola Egonu. In the final, Novara won 3-2 against the team from the Veneto Region, Imoco Conegliano. The final stages of the women's Coppa Italia, organised by the Serie A Volleyball league and Master Group Sport, had excellent viewing figures over the RAI Sport channel. "Mapei got so much coverage", commented Antonio Santa Maria from Master Group Sport with an air of satisfaction. In fact, more than half a million viewers in total followed the three live matches.



ITALY

THE “LADY” RALLY DRIVER RACING WITH MAPEI AGAINST CYSTIC FIBROSIS

Rachele Somaschini is a tough, talented driver who competes on the women's rally circuit. The 25-year-old, from Cusano Milanino, is blonde, attractive and has a really sweet character but, when she's behind the wheel of a rally car, she turns into a tiger. Together with her navigator, Sergio Marchetti, she won the women's category at the Monza Rally Show at the wheel of a Peugeot 208 T16 R5, with the Mapei logo for all to see emblazoned along the side of her car. Motor sports run in the family: her father, Luca, also raced in the Gran Turismo category with Alfa Romeo, as well as competing in rallies. She took part with her father in her first race in 2016 and, in the same year, she made a name for herself with her first success in the Grappolo rally in Turin. Since then she has won numerous races and, in the general classification, she often finishes ahead of

a lot of the men. Every day, Rachele has to fight a battle against a relentless enemy: “I have cystic fibrosis”, explained Rachele, “And every day I have to go through 4 or 5 hours of antibiotic therapy. Cystic fibrosis is a genetic condition that you cannot see and affects the internal organs. I also take part in rallies as an ambassador for research aimed at finding a cure for my illness”.

Mapei couldn't remain insensitive to the cause and was one of the sponsors of the car driven by Rachele at the Monza rally.



ITALY

ITALIAN ALPINE SKIING SQUAD: NEW SUCCESSES THANKS TO MAPEI SPORT

Mapei Sport has proven to be a winning ally for the members of the Italian skiing team. At the recent world championships in Are and Val di Fassa FIS, the Italian Winter Sports Federation, achieved some great results. The Italian alpine skiing team, which since 2001 up until

today (apart from a brief interlude between 2010 and 2012) has been receiving the highly professional support of the Mapei Sport Research Centre in Olgiate Olona (Varese) directed by Dr. Claudio Pecci, came back from their tour of the skiing circuit for senior and junior teams with a number of important medals (Dominik Paris, gold in the men's Super G, Sofia Goggia, silver in the women's Super G, and an historic bronze in the Team Event for Irene Curtoni, Lara Della Mea, Simon Maurberger and Alex Vinatzer. In the junior category, Tobias Kastlunger won a silver medal in the men's giant slalom and Alex Vinatzer won gold in the slalom). Mapei Sport provides a consultancy and support service for the athletes of the Italian team coordinated by Professor Roberto Manzoni, who has been head of all fitness and training activities of the Italian skiing teams for a number of years. Between World Cup events, European Cup events and various activities for athletes from the Junior categories, around 50 men and women skiers of the highest level are regularly assessed at Olgiate Olona. This highly experienced medical and sports preparation centre, which has always had such strong backing from Mapei, will continue to offer its expert consultancy services to leading Italian skiers until at least the next Winter Olympics, which are scheduled to be held in Beijing in 2022.

ITALY

TRAINING AND PERFORMANCE STRATEGIES AT THE MAPEI SPORT CONFERENCE

More than 350 students, sector specialists and simple sports enthusiasts got together on 6th May at the Malpensa Fiere Congress Centre in Busto Arsizio (Varese) to listen to a number of interesting presentations from trainers, doctors and athletes from all around the world who operate at the highest level of sport. The 9th Mapei Sport Research Centre Conference, entitled “Training and performance: team sports and individual sports, different strategies”, an unmissable annual event organised by Mapei Sport, met with resounding success. The scientific presentations, research work and discussions all helped liven up the day. The Director of Mapei Sport Research Centre in Olgiate Olona, Claudio Pecci, reminded everyone of the motto that drives his “team” every day: “Working together towards winning,



healthy and educational sport: research is one of our top priorities, along with the disclosure of validated scientific knowledge, to help divulge a more rational approach to both competitive sport and sport for sheer pleasure”. The presenters included Antonio Gualtieri, one of the trainers from the Sports Science Department of Juventus FC, the well-known Australian researcher Aaron Coutts, from the Faculty of Health at the University of Technology Sidney, and the trainer of the Trek Segafredo cycling team, Mattias Reck.

ITALY

RE STELVIO: A FESTIVAL ON THE SLOPES FOR 3000 SPORTS ENTHUSIASTS

The official jerseys of the Re Stelvio Mapei 2019 event featured a picture of a brown bear. This particular animal was chosen as the mascot because it is so grand and majestic, the true “king” of our woodland, and a symbol of the marvellous and mysterious beauty of the Alps and the stability of the event – organised by the Unione Sportiva Bormiese, with the support of Mapei as Main Sponsor and the collaboration of Mapei Sport Centre in Olgiate Olona – this year at its 35th edition.

The event was held on 14th July with the traditional climb from Bormio to the Passo dello Stelvio and, as in previous years, it was filmed by the Bike Channel and then transmitted and repeated numerous times on Sky’s Channel 214. The 40 curves along the climb were filled with cyclists and runners and the Braulio Valley made a return to its origins, running with sweat and the slow rhythm of the athletes’ efforts, and with the groans and curses of the almost 3,000 competitors (1,350 of which were specially invited by Mapei). The 2019 edition featured numerous participants from different countries, and there were also a lot of simple enthusiasts, with most of them taking part in the “Aldo Sassi Memorial Rally” (in memory of the passing of the co-founder of Mapei Sport Centre), a clear sign that, even though it was an actual race, more and more people choose to take part for the sheer pleasure.





UNITED KINGDOM

MAPEI: A FURTHER THREE YEARS AS MAIN SPONSOR OF THE ROAD WORLD CHAMPIONSHIPS

From 22nd to 29th September, in the heart of Yorkshire, Mapei found themselves together with the best cyclists from around the world, once again in the role of Main Sponsor for the UCI Road World Championships 2019, the premier event on the international road cycling calendar.

This was the 11th anniversary of Mapei's collaboration with the UCI (Union Cycliste Internationale) and Great Britain was able to see the Mapei logo emblazoned in a thousand different ways, starting with the TV coverage, with all races transmitted throughout the five continents over the world's leading television channels. The event had a global audience of around 250 million viewers, with more than 2.6 million enthusiastic fans lining the roads to cheer the cyclists on. The Mapei brand had a lot of exposure during the event and was on view along the whole of the route of the races, on the backdrops during the prize-giving

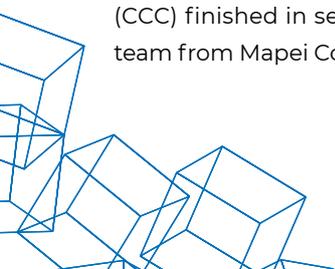


ceremonies, press conferences and interviews with the cyclists at the finish line, as well as on numerous inflatable arches and columns along the route and cycle lanes and on all the communications material. More than 500 guests of Mapei were able to follow the races in a specially-reserved Hospitality Area and the Mapei motorhome was also present. It was also announced from Yorkshire that the partnership between the UCI and Mapei had been renewed for the seasons 2020-2022.

EAU

RESOUNDING SUCCESS FOR FOOTBALL AND CRICKET TOURNAMENTS IN DUBAI

Mapei UAE marketing team organised the third edition of the Mapei indoor cricket tournament in Dubai open to teams representing clients of the subsidiary. Over the years, the number of participants in the tournament has grown steadily and, in 2019, there were 20 teams with more than 200 players. The tournament took place on 22nd March and was a great way of encouraging a sense of friendship between the participants. The overall victory went to a team from SPME, while the runners-up were Al Shirawi and in third place was a team from Bagno Design. Meanwhile, at the end of February, the third edition of the Mapei Dubai football tournament was held: twenty teams and around 300 players took part, almost all of them from the construction industry. The winning team was Isam Kabbani, a team from Consolidated Construction Company (CCC) finished in second place and, in third place, was a team from Mapei Construction Chemicals.



POLAND

RUNNING, SKATING AND CYCLING ON ICE AT THE WINTER TRIATHLON IN WARSAW

On 26th January, the picturesque atmosphere of Warsaw was the backdrop for the thirtieth edition of the Winter Triathlon, a traditional appointment on the calendar and the only one of its kind in Europe.

The competition takes place entirely on the snow and ice and is made up of three races: a 4 km run, 2 km of ice-skating and 10 km on bikes. 50 teams with more than 200 athletes took part, along with their families and supporters. The event was held in the Stegny skating rink in the Polish capital. A sports village was created especially for the event where the children were invited to try ice-skating for the



first time. The event was broadcast by three local and national television stations. The coordinator of the Triathlon is Jaroslaw Chojnacki from the Mapei sales team, a former professional cyclist and winner of the first edition of the event.

MALAYSIA

MAPEI FUN RUN IN KUALA LUMPUR IN THE NAME OF THE ENVIRONMENT

The Mapei Fun Run was held again in 2019 and was a resounding success. In challenging, rainy conditions, more than 600 participants met in the Perdana Botanical Gardens in Kuala Lumpur, the capital of Malaysia. The programme had a host of activities, including a frenetic Zumba warm-up dance. As always, the aim of the event, dedicated to clients and staff of Mapei and their families, was to strengthen the Company's relationship with both its direct and indirect clients through sport. Mapei Malaysia took the opportunity offered by this special occasion to also raise awareness about environmental issues by not distributing any water in plastic bottles: the #BYOB (Bring-Your-Own-Bottle) campaign helped spread the message that we all have a part to play in reducing the use and disposal of plastic. The competitive race, along a route stretching 10 km, took place while the rain became more intense. So hats off to all the participants for not giving up, a quality that is highly encouraged in Mapei.



SWEDEN

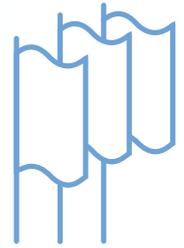
MAPEI FOOTBALL CUP IN SWEDEN



In a country with a long-standing custom of company golf tournaments, in 2019 Mapei Sweden decided to break with tradition by organising a football tournament for its clients. And the uniqueness of the event was why it was such a particular success.

The aim of the initiative was to promote recognition of the Mapei brand and increase the loyalty of clients by establishing an even stronger bond with them, an objective that was fully reached. Two tournaments were organised, one in Stockholm and one in Gothenburg.

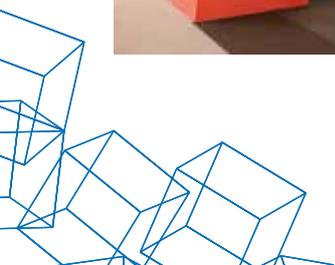
CERSAIE: MAPEI IN BOLOGNA WITH A MIX OF LONG-STANDING SYSTEMS AND INNOVATION



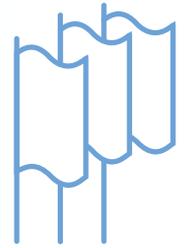
The Cersaie exhibition in Bologna continues to be a very important place to meet and exchange views and Mapei has always been an enthusiastic participant with high expectations. The 2019 edition of the International Exhibition of Ceramic Tile and Bathroom Furnishings recorded a total of 112,340 visitors, in line with previous figures. In spite of the ongoing problems faced by international markets, there were 52,997 visitors from abroad, 47.2% of the overall total. The quality of the 889 stands (49 more than the previous edition) from 40 different countries (38.5% of the stands were representing overseas companies) continued to show a marked improvement. Even though the sector has been suffering for a number of years because of the general economic climate, particularly in the building sector, the quality of the products continues to improve, with companies coming up with surprisingly refreshing new tastes and styles. Mapei were in their traditional spot, a large, raised display area between Pavilions 25 and 26, exhibiting a range of new products for the ceramics sector and other supplementary installation systems for tile installers. Also on display were decorative coatings and protective finishes to create design surroundings. Featured

at Cersaie were some of the “historical” products that have made the Mapei brand so famous in the world of ceramics and all the latest, most innovative products and systems for all the various application situations. The Bolognese exhibition was also the ideal opportunity to present MAPEGUARD UM35, an uncoupling, anti-fracture and waterproofing membrane which provides clients with a complete system to carry out work to perfection.

At Cersaie, Mapei invited visitors to “pose” with products, take a selfie and then participate in the “Become a Mapei installer” contest. “Installation City” – a large space created by Assoposa (the Italian tile installers association) with the support of Mapei, founder of the association – highlighted the importance of technical experience when installing increasingly large formats, especially outdoors, with seminars being held throughout each day. Also presented at Cersaie to mark the occasion was Mapei’s third Sustainability Report.



BAU 2019: MAPEI, A COMPLETE SERVICE FOR THE BUILDING INDUSTRY



BAU – the two-yearly trade fair dedicated to architecture, materials and systems held at the Munich Exhibition Centre from 14th to 19th January – beat all previous records.

Thanks to the opening of two new pavilions there were more exhibitors at the 2019 edition, which touched a record total of 2,250 (130 more than in 2018) from 45 different countries. The number of visitors was 250,000 (85,000 from outside Germany) from more than 150 countries. All in all a great success for an event that, once again, was confirmed as a communications platform that looks to the future. BAU is the most complete European trade fair for the building sector, and every two years figures demonstrate how materials for every area of use are in constant evolution. This year, too, you could clearly sense how the evolution in materials manages to remain increasingly in line with new developments in the building industry, not only in the approach to design, but also with respect to the various construction activities. You could also see the level of attention paid to tradesmen, with new materials being presented that are simple to use and provide better performance properties, with technical characteristics that are easy to comprehend and remember. Mapei was at this event, the only one of its kind in the world, to present various product lines, focusing on its ability to intervene in any and every sector of the building industry with products and systems that guarantee excellent performance and improved durability. Products with very low emission of volatile organic compounds (VOC), specifically developed to safeguard the health of both tradesmen and end users and to improve living comfort. The Mapei stand served to enhance the Company's position of leadership in the world of building, thanks to its innovative design – with clear, targeted messages running across a giant

plasma screen – to highlight the completeness of the proposals available for the building industry. Another strong point of the stand was the rolling cycle of product demonstrations, proof of Mapei's capacity to dialogue with all stakeholders and players from the world of building.





GERMANY

THE NEW ULTRABOND ADHESIVES MAKE THEIR DEBUT AT DOMOTEX



The latest edition of Domotex – the international trade fair dedicated to the latest developments and technology for textile, resilient and wood flooring – took place in Hanover at the same time as the BAU trade fair, but still managed to confirm its reputation as the world’s leading trade fair for carpets and floor coverings (1,400 exhibitors from more than 60 different countries, around 70% of which from outside Germany). And just like all the previous years, Mapei participated at the event along with the German subsidiary



Mapei GmbH, to present all its products and systems dedicated to this sector. The theme of this edition of Domotex was “Create'n'connect: connecting trends from around the world”. On its large, functional stand – which also featured a demonstration area where the Company’s technicians presented the latest products for installing LVT and wood – Mapei presented a host of new products at Domotex 2019. For resilient flooring in particular, the new materials rigid SPC and LVT were given plenty of exposure. The big news in Hannover was ULTRABOND ECO V4 EVOLUTION, the first ever multi-purpose, “all-in-one” adhesive for all types of resilient flooring, with numerous examples of how to use it displayed on the floor and walls of the stand. Mapei also proposed two adhesives for wood, and the only ones of their kind on the market, ULTRABOND ECO S PLUS and ULTRABOND ECO S LITE, which stand out particularly for their zero methanol emissions.

HUNGARY

CONSTRUMA: ONLY THE BEST FOR CONSTRUCTION WORK IN HUNGARY

Mapei Kft, the Hungarian subsidiary of Mapei Group, couldn’t be missing at the 2019 edition of Construma, the trade fair dedicated to the world of construction which was held in Budapest from 3rd to 7th April. The dynamism of the local Hungarian building market could be felt amongst the stands of the 600 exhibitors from 14 different countries. In total, the trade fair attracted around 46,000 visitors. The Mapei Kft stand showcased products for the installation of large format tiles, LVT and thermal insulation and also presented this year’s star event, the Tour of Zalakaros, a cycle race organised by the Hungarian subsidiary for its clients and business partners.



ITALY

QUALITY LIVING BY MAPEI AT MADE EXPO

There were encouraging signs at the ninth edition of MADE expo, the most important event in Italy for the building and architecture sectors. The two-yearly appointment was held at the Fiera Milano Rho exhibition centre from 13th to 16th March, with the central theme being “Quality Living”. With more than 900 exhibitors and more than 130 international delegates, the 2019 edition of MADE expo attracted more than 90,000 visitors, around 10% of which were from overseas. Mapei was present with a large stand extending over two floors showcasing all its new products and systems to meet the requirements and needs of everyone in the sector: from private and public contractors to street furniture, right up to large-scale sites. Product demonstrations were also featured, along with guided tours by members of the Mapei Technical Services Division to take a closer look at the latest developments in the systems on display. Amongst the new products being exhibited, the showcased



item was MAPEGROUT ANCHOR & REPAIR, which may be used to grout metal structures or to repair structures. A range of silane-based products was also presented, one of which was PLANISEAL WR 85 GEL, which has the capacity to penetrate deep down into concrete and block ingress of chlorides. There was also a space dedicated to DURSILAC, a water-based acrylic urethane enamel, and the PURTOP EASY range of ready-mixed polyurethane products. VAGA, a Mapei subsidiary specialised in the production of silica sand and gravel, was also present at Made expo.

ITALY

KLIMAHOUSE: INNOVATION TO HELP SAVE ENERGY AND IMPROVE LIVING COMFORT



More than 450 companies, a third of them from overseas, 25 start-ups and 36,000 visitors were the positive figures of the latest edition of Klimahouse, the reference trade fair with an international appeal aimed at the sustainable building and energy efficiency sectors, which was held at the Bolzano Exhibition Centre from 23rd to 26th January. Mapei used its large display area to propose cutting-edge, certified products and systems to help reduce energy consumption and improve living comfort. Also presented at Bolzano was the MAPETHERM system – complete with ETA certification – Mapei’s answer to the problem of heat loss from buildings, in both summer and winter. Other products showcased at Klimahouse included the certified anti-collapse system for floors and ceilings MAPEWRAP EQ SYSTEM, an innovative, anti-seismic “wallpaper” that distributes dynamic loads more evenly; the MAPECOAT ACT (Advanced Coating Technology) family of products, developed specifically for internal areas and rooms in the food and healthcare sectors that require a higher level of hygiene; QUARZOLITE TONACHINO PLUS, a sanitising and coating product with BioBlock technology; MAPESTONE JOINT, one-component, solvent-free polyurethane binder to create elastic and pervious decorative paving.



USA

ALL MAPEI PRODUCTS AND SYSTEMS FOR CONCRETE AT WOC

World of Concrete (WOC) is an event dedicated to the concrete industry which takes place annually in the United States. It was held in Las Vegas from 22nd to 25th January, with more than 60,500 sector professionals (1,500 exhibitors) from all around the world taking part at this edition. Mapei Corp., the United States subsidiary of Mapei Group, had a two-storey stand that caught the eye for the extensive range of products and systems on display for restoring, protecting and waterproofing concrete, as well as two lines of admixtures for concrete and cement. There was also an area at the centre of the stand dedicated to demonstrations, which were carried out this year by Kevin O'Connor, presenter of the popular TV show "This Old House". The demonstrations highlighted the advantages for the United States concrete industry of using various products made by Mapei Corp., such as MAPECEM, QUICKPATCH, PLANICRETE LA, CONCRETE RENEW, MAPEFINISH WET LOOK and PLANISEAL CR1, and also of

products and systems available on the international market, such as MAPEFER 1K, anti-corrosion cementitious mortar for protecting rebar and MAPESHIELD I, pure zinc anodes for protecting rebar against galvanic cathodic corrosion. Finishing products from the ELASTOCOLOR line were also under the spotlight at WOC, thanks to an exhibition by the artist Tim Decker, who used these products to quickly create several paintings. Just like all the previous years on the occasion of WOC, Mapei Corp. took part in two charity events.



USA

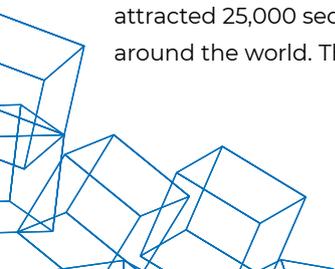
TISE 2019: MAPEI AWARDED FOR THE MOST INNOVATIVE PRODUCT



The 2019 edition of TISE (The International Surface Event), a US tradeshow dedicated to the floor coverings sector, attracted 25,000 sector professionals to Las Vegas from all around the world. There were more than 600 exhibitors at

the event, mainly producers of ceramics, natural stone, wood and resilient and textile materials, which comprises three tradeshow in one: SURFACES, StonExpo/Marmomac and TileExpo. For Mapei Corp., the US subsidiary of the Group which has been taking part at TISE for a number of years, it was the ideal occasion to exhibit its extensive range of products aimed at this sector to the public. The Mapei Demo Team, headed by Sam Biondo, carried out a number of demonstrations that attracted a lot of visitors. The products showcased in these demonstrations included various materials used for preparing and waterproofing substrates (PLANISLOPE RS, MAPEGUARD WP, PLANISEAL PMB, POLYPLAN RSL, MAPECONTACT MRT and MAPECONTACT SRT), soundproofing systems (MAPESONIC RM) and products for grouts (ULTRACOLOR PLUS FA, FLEXCOLOR CQ and FLEXCOLOR 3D), as well as the ULTRACARE line of products for sealing joints and for the cleaning and general care of surfaces.

ULTRACARE CEMENT GROUT HAZE REMOVER, a product distributed by Mapei Corp. for removing marks left by grout on tiles easily and quickly, received the "Best in Technology" award, which is sponsored by various trade magazines, with the winner chosen by a jury of experts.



USA

DEMONSTRATIONS AND MAPEI PRODUCTS PUT TO THE TEST AT COVERINGS IN FLORIDA

Yet another successful edition of Coverings, the United States trade fair dedicated to coverings for floors and walls, particularly ceramic and stone.

The 2019 edition, which was held in Orlando, Florida, attracted 26,000 sector professionals and 1,100 exhibitors from 80 different countries. And once again, Mapei was also present at the event with two stands: one representing Mapei Corp., the United States subsidiary of Mapei Group, and one representing the North American Adhesives brand, another of the Group's subsidiaries.

Mapei products were used to build the stand and then over the course of the event by the Mapei Demo team, led once again by Sam Biondo from Mapei Corp.'s Technical Services Division, which caught the attention of many visitors and got them involved in various product demonstrations by the Tile Council of North America (TCNA) in the demonstration area.

Coverings was also an important stage of two "Contractor Tours", guided visits for groups of representatives from construction companies, so they could get a closer look at the products and how to use and apply them. Mapei experts were then key players at several training events organised by the tradeshow. And once again, Coverings provided the ideal opportunity for Mapei Corp. to focus its attention on social responsibility initiatives, such as "Clean the World".



ITALY

NEW UNI STANDARDS FOR NATURAL STONE AT MARMOMAC

Positive signs arrived from Marmomac, the most important trade fair in the world aimed specifically at the stone sector and associated equipment, technology and design, which was held at the Veronafiere exhibition centre from 25th to 28th September. 69,000 sector specialists from 154 different countries participated at the event, around one thousand more than the previous year, with 62% of the visitors arriving from overseas. There was also more interest shown by the Italian market, with an increase in the number of accredited Italian operators. Designing and installing natural stone in compliance with applicable standards, and promoting the correct use of stone coverings in general, are the aims that Mapei pursues through its extensive range of products and systems.

The products presented at the trade fair included the high-performance cementitious adhesives with GEV Emicode EC 1Plus certification, KERAFLEX MAXI S1, KERAQUICK MAXI S1 and GRANIRAPID. The grouting products, on the

other hand, included ULTRACOLOR PLUS water-repellent cementitious mortar with DropEffect® technology and BioBlock® technology against the proliferation of mould. And to seal joints, MAPESIL LM neutral silicone sealant, specific for stone. Mapei also presented systems compliant with UNI 11714 standards: the cementitious MAPESTONE and MAPESTONE JOINT system (an elastic and pervious system) for installing decorative stone paving, and MAPEI COLOR PAVING® to create decorative concrete paving with an exposed aggregate effect finish.





USA AND EUROPE

SOLUTIONS FOR THE MARINE INDUSTRY AT THE WORLD'S LEADING TRADE FAIRS

Miami, Oslo, Amsterdam and Barcelona: these are the four most important events dedicated to the marine industry that Mapei participated in over the course of 2019. The first one was the Cruise Global Expo in Florida, a gathering dedicated to products and technologies for the cruise industry.

The Mapei stand at this event showcased MAPEDECK MIRUM, a decorative polyurethane skimming product that allows surfaces to be created with a finish similar to white alabaster from one side and striated marble from the other side, and MAPEDECK STARLIGHT DESIGN, a special resin product for creating seamless coatings on floors and walls. At the Norwegian Nor-Shipping trade fair, the Mapei stand presented the shipbuilding and ship maintenance sectors with products and systems specifically developed to combat various types of on-board noise and vibrations (such as MAPEFLOAT SYSTEM, MAPEVISCO SYSTEM and MAPEDECK I.S. - Impact Sound - SYSTEM). At Metstrade in Amsterdam, the only international B2B trade fair for the marine leisure industry, Mapei proposed various products and systems

for flooring for internal and external decks, including self-levelling resin coatings from the MAPEDECK range for creating floors with a teak, wood or Venetian terrazzo effect finish. And lastly, at Cruise Ship Interiors Expo Europe in Barcelona, Mapei presented the public with its extensive range of products and systems for creating the most varied types of setting on ships and boats.

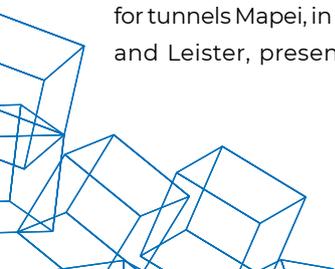


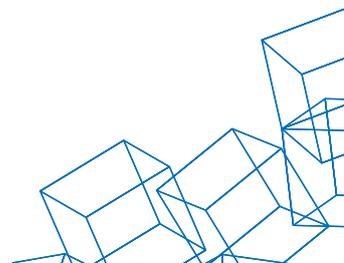
ITALY

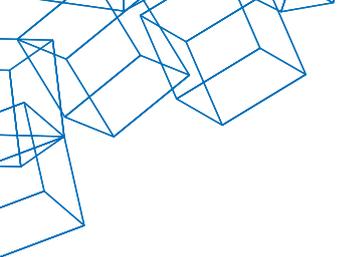
WORLD TUNNELLING CONGRESS IN NAPLES

Mapei was once again Platinum Sponsor at WTC 2019, the Annual Congress dedicated to Tunnelling and Underground Construction, which was held in Naples at the beginning of May. For Mapei, tunnelling represents a very important market and the Company invests significant resources into the development of high quality technologies, products and systems that become a reference point for all operators from the sector. Its stand featured a presentation of POLYFOAMER ECO 100 and POLYFOAMER ECO 100 PLUS, foam-forming agents used to condition soil with TBM technology, which have a very low level of impact on the environment, a very low level of toxicity and are not prone to bioaccumulation. Amongst the waterproofing products and systems available for tunnels Mapei, in partnership with the companies Miretti and Leister, presented a newly-developed machine for

welding synthetic membranes for waterproofing tunnels that have been converted for use in environments with potentially explosive gases. The welding machine complies with ATEX directives regulating the use of equipment and machinery in areas with an explosive atmosphere. Mapei also presented various papers at the technical sessions held during the Congress.







MAPEI GROUP CONSOLIDATED FINANCIAL STATEMENTS



Management Report

REPORT THE SOLE SHAREHOLDER YEAR ENDED
DECEMBER 31ST, 2019

Management Report



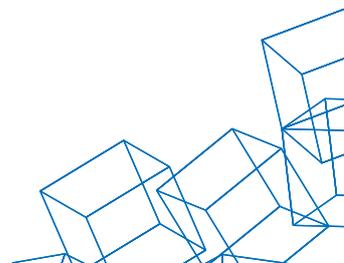
Shareholders,
2019 has been a year of important changes in our corporate structure, marked by the painful death of Giorgio Squinzi on October 2nd, 2019, for decades the sole director and last president of the board of directors. Squinzi family, in the footsteps of its enlightened entrepreneurial activity and the constant commitment to growth, continues to lead the Group with the current board of directors consisting of the sons Marco and Veronica, who have taken on the role of managing directors, Simona Giorgetta and, as president, Laura Squinzi. The excellent performance of the year 2019 illustrated in this report represents the result of the entrepreneurial vision that Giorgio Squinzi has constantly pursued and constitutes a great stimulus to continue on the path outlined.

I submit to the shareholders' meeting the consolidated financial statements of the Mapei Group as of 31 December 2019, which show a consolidated net profit of Euro 74.0 million, compared to a net profit of Euro 24.4 million in 2018, after amortisation/depreciation and impairment losses of Euro 119.0 million (Euro 107.9 million in 2018).

The net profit pertaining to the Group is Euro 74.0 million (Euro 24.4 million in 2018).

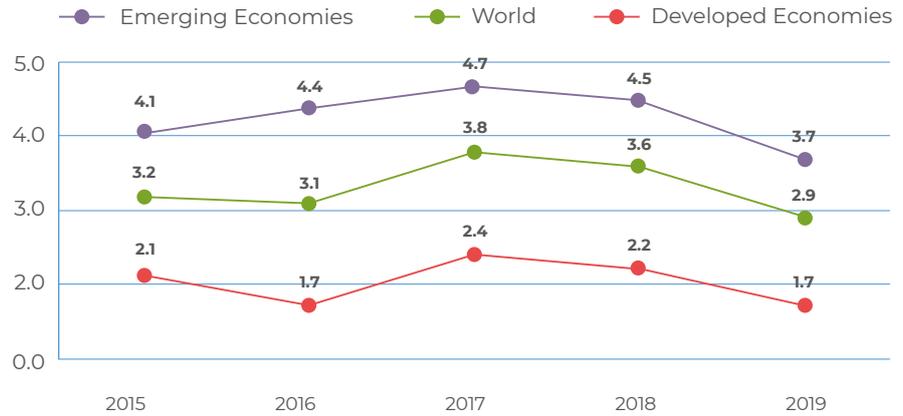
GLOBAL ECONOMIC TRENDS

World GDP increased by 2.9% in 2019, a significant slowdown compared to the previous year (+3.6%). Real growth of the economy in developed countries was 1.7%, while the increase in emerging markets was 3.7%. As the graph shows, the slowdown in the growth rate occurred on both mature and emerging markets, but the strike on the emerging markets was sharper; therefore the gap between the development rates of these two macro economies decreased:



Trend in world GDP

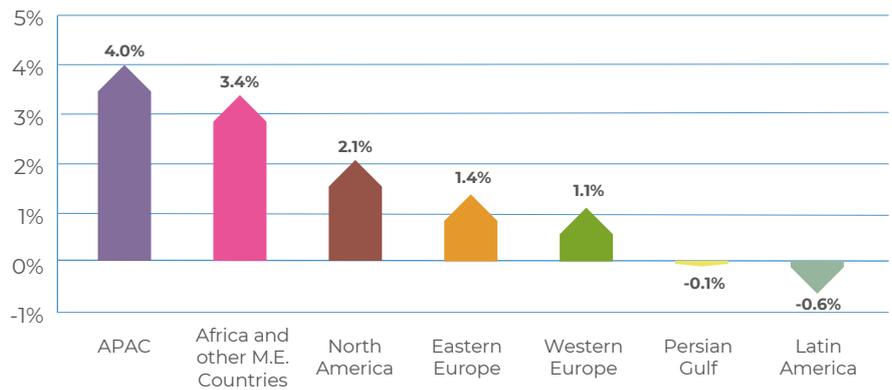
Percentage change on the previous year
Source: International Monetary Fund, January 2020



The trend in GDP was different in the various geographic areas, as shown in the graph below:

Estimated trend in GDP by geographical area

2019 v. 2018



2019 was characterised by a modest increase in the economy of Western Europe, where GDP increased by 1.1%. The highest growth for the main countries in the region was registered by Spain, where GDP increased by 2%. The German economy performed poorly compared with the European average, with growth of 0.6%, while France recorded a growth of 1.4%. Despite the uncertainties associated with Brexit, the British economy managed to achieve a growth higher than 1%. Italy registered the most modest growth among the large economies of the region in 2019, with a 0.2% increase in GDP.

Eastern Europe recorded a slowdown in the economic situation compared to 2018, which had recorded a 3.1% increase in GDP. In fact, the economy of the region is estimated to have grown only by 1.4%; the result has been influenced by stagnation of the Turkish economy and the slowdown of Russia, where GDP increased by 1.2%, compared with 2.3% of 2018. In contrast, the

positive economic performance continued in the main countries of the central-eastern region.

Among the other advanced economies, the growth occurred in 2019 was 2.3% in the United States, where there was a slowdown in the economic situation compared with the previous year, when GDP increased by 2.9%. Economic growth also decreased in Canada and 2019 ended with an increase of 1.5% (+1.9% in 2018).

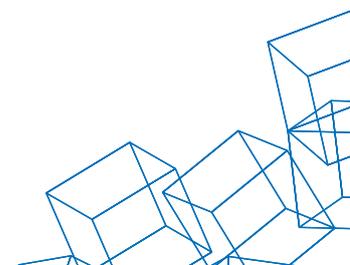
According to the figures of the International Monetary Fund, GDP in China increased by 6.1% in 2019. The development rate of the economy was slower than in 2018, with a growth rate of 6.6%. A lower GDP dynamic is also expected for the Indian economy, which has been penalised by the deterioration of the credit system. Growth in 2019 was around 4.8%, whereas the economy grew by 6.8% in the previous year.

The Brazilian economy continued its path of moderate growth in 2019. GDP increased by 1.2% and was confirmed to be in line with the rate of the previous year. Overall, economic growth in Latin America was adversely affected by the recession in Argentina and Venezuela.

There was stagnation of GDP in the Persian Gulf countries, due to recession in Iran and the slowdown of the Saudi economy, which is the largest in the region.

Economic growth in 2019 in Africa and in the other Middle-Eastern countries is estimated at 3.4%. There was a slowdown in GDP compared with 2018, with a growth of around 4.4%. Egypt and Morocco benefited from a favourable macroeconomic situation, while the renewed fighting in Libya led to a heavy recession of the economy. In the Sub-Saharan region, growth of 3.3% was recorded in 2019, a similar rate of growth to the previous year. The improved economic growth rate in Nigeria was offset by a slowdown in the GDP of South Africa, which registered growth of just 0.4%. The economic development rate in the other countries of the region was higher, on average.

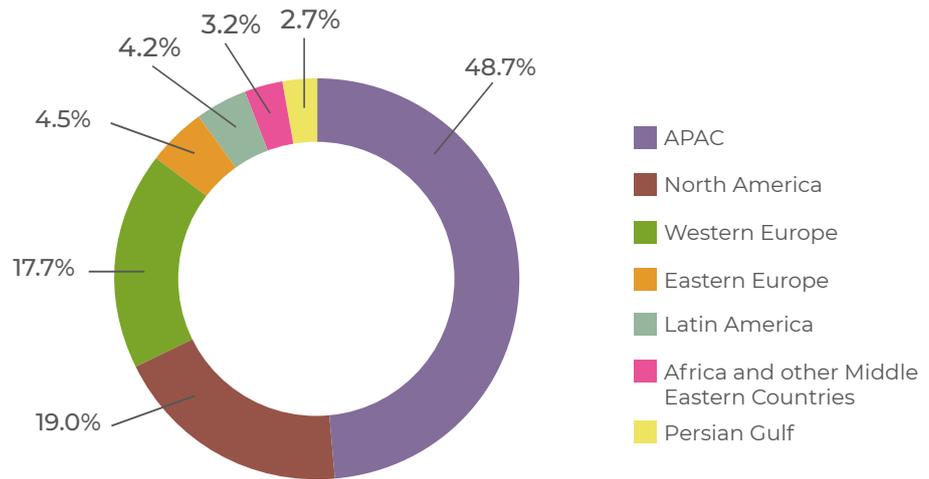
In 2019, the value of the global construction market stood at around Euro 8,300 billion, marking an increase of 1.5%, lower compared to the global economy one.



The table and the graph show the value of investments in construction by macro region and the percentage of the areas on the value of the world market:

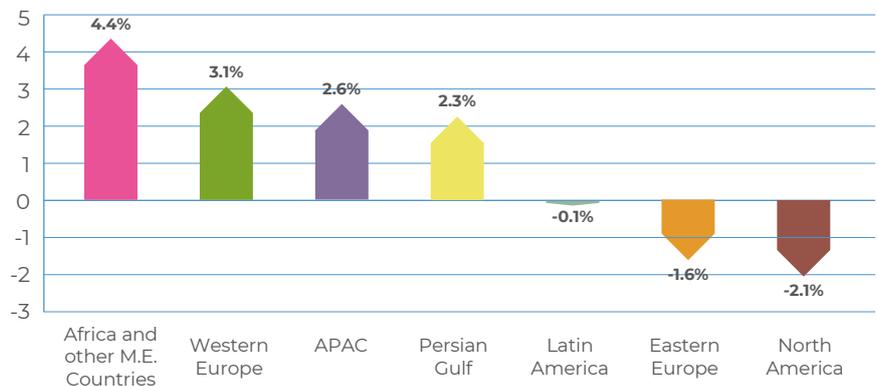
GEOGRAPHICAL AREA	INVESTMENTS IN CONSTRUCTION IN 2019 (€ Billions)
Far East & Oceania	4,046
North America	1,577
Western Europe	1,465
Eastern Europe	374
Latin America	347
Africa And Other Middle Eastern Countries	264
Persian Gulf	223
TOTAL	8,295

2019 split by geographical area of the global construction industry



The graph below summarises estimated trends of construction investments in 2019:

Estimated changes in investments in construction 2019 v. 2018



GROUP ECONOMIC TRENDS

In accordance with Italian accounting standard OIC 17, the Consolidate Financial Statements as at December 31st, 2019 once again include U.S. Sassuolo Calcio Srl and Mapei Stadium Srl on a line-by-line basis; these companies contributed Euro 58.5 million to Group turnover in 2019 (Euro 46.3 million in 2018). The table below summarises the main 2018 and 2019 Group financial indicators:

PROFIT & LOSS (M€)	2019	2018	VAR%
REVENUES	2,774.1	2,542.0	9.1%
EBITDA	250.9	160.3	56.6%
<i>% on revenues</i>	9.0%	6.3%	
EBIT	129.2	52.7	145.4%
<i>% on revenues</i>	4.7%	2.1%	
Profit before tax	120.6	51.3	135.1%
<i>% on revenues</i>	4.3%	2.0%	
Net result	74.0	24.4	203.7%
<i>% on revenues</i>	2.7%	1.0%	
BALANCE SHEET (M€)			
Net Invested capital	1,394.2	1,363.1	2.3%
Group shareholders'equity and minority interests	921.8	835.8	10.3%
Financial position (Surplus)/Deficit	472.4	527.3	-10.4%
HEADCOUNT	10,541	10,277	2.6%

Mapei Group recorded a consolidated turnover of Euro 2,774.1 million in 2019, compared with Euro 2,542.0 million in 2018, with an increase in absolute value of Euro 231.1 million and 9.1% in percentage terms. In contrast with 2018, performance of turnover has been positively influenced by exchange rate trends (particularly USD): real growth, excluding exchange rates impacts, would actually be slightly lower (+7.8%) than the actual rate and has been positive in almost all geographical areas and product ranges.

The growth in turnover has been achieved primarily with internal grow; contribution from companies consolidated for the first time, Mapei East Africa Ltd, and companies already consolidated in 2018 but for a lower than 12 months period, Fili & Forme Srl, Tecnopoli de Sistemas SL and Mapei Egypt for Construction Chemicals Sae, has been almost Euro 21.0 mln (+0.8% growth impact).

The profit of the year is Euro 74.0 million, against Euro 24.4 million in 2018, with an increase of over 200%; the considerable

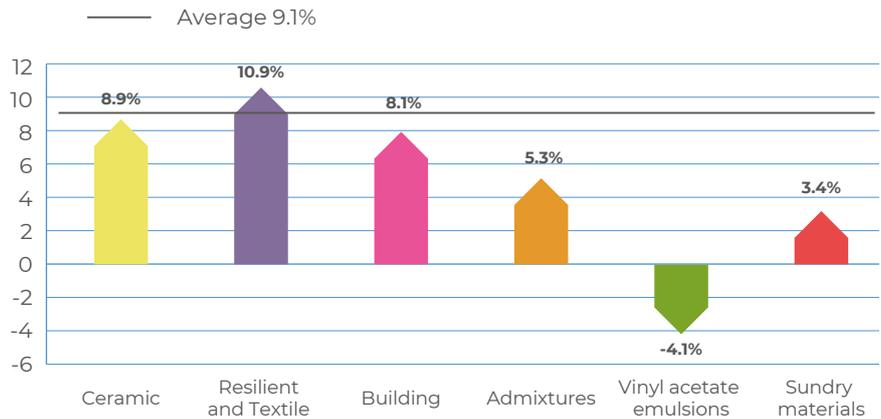


investments in structures and resources during previous years, combined with an efficient dynamics of purchase and sale prices management, allowed the Group to return to its normal profit levels.

REPORT ON GROUP OPERATIONS

Turnover in almost all the main product lines recorded a growth compared with the previous year, with the exception of vinyl acetate resins (-4.1%). Ceramics products rose by 8.9%, flooring adhesives, resilient and textile coverings by 10.9%, building products by 8.1%, concrete and cement admixtures by 5.3% and sundry materials by 3.4%. The chart below shows the trend in selling lines in 2019:

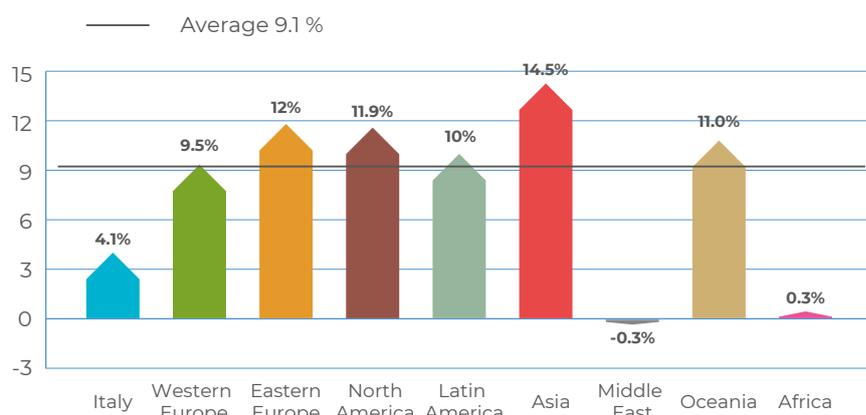
% increase in selling lines in 2019



Group business volume increased in all geographical areas where it operates, with the exception of Middle East (-0.3%). It should be noted that growth in the individual areas was influenced by the impact of exchange rates; the effect was positive in North America, the Middle East and Asia, but negative in Latin America, Eastern Europe and Oceania.

The chart below shows the percentage change in the various areas compared to the previous year:

% increase in the macro-areas in 2019 compared to 2018



The table below summarises the Consolidated turnover of the Mapei Group in 2019 (€ mln), split by geographical macro-areas, with an indication of the growth in % and the incidence of each single area on total sales:

GEOGRAPHICAL AREA	12.31.2019	12.31.2018	VAR%	INCIDENCE% 2019	INCIDENCE% 2018
Italy	601.7	578.2	4.1%	21.7%	22.7%
Western Europe	736.6	672.6	9.5%	26.6%	26.5%
Eastern Europe	302.0	269.5	12.0%	10.9%	10.6%
North America	806.2	720.7	11.9%	29.0%	28.3%
Latin America	69.0	62.6	10.2%	2.5%	2.5%
Asia	116.3	101.7	14.4%	4.2%	4.0%
Middle East	45.7	45.8	-0.3%	1.6%	1.8%
Oceania	59.3	53.4	11.0%	2.1%	2.1%
Africa	37.5	37.4	0.3%	1.4%	1.5%
TOTAL	2,774.1	2,542.0	9.1%	100.0%	100.0%

The Mapei Group is made up of 82 operating companies. It is present in the five continents, with 50 manufacturing companies that carry out their activities in 81 plants, each one equipped with a quality control laboratory, 24 trading companies, 8 services companies and 31 R&D labs.

We will now analyse Group company sales and profitability results in the macro geographical areas where we operate, together with key highlights related to local economy trends, with a special focus on the building industry sector.

ITALY



GROUP COMPANIES:

Adesital Spa
Cercol Spa
Fili & Forme Srl
Mapei Spa
Mapei Stadium Srl
Mosaico+ Srl
Polyglass Spa
U.S. Sassuolo Calcio Srl
Vaga Srl
Vinavil Spa

Our Group is present in Italy with 10 companies: 7 manufacturing companies with 10 plants, 1 trading company and 2 services companies. 6 R&D labs are also located in Italy.

The company Mapei Marine Srl was incorporated in 2019 and will supply services and support to the shipbuilding market. The company had not started operating yet at the end of 2019, so it has not been included in the consolidation area.

Group turnover in Italy increased by 4%, from Euro 578.2 million in 2018 to Euro 601.7 million in 2019; above the average growth of the area we record Mapei Spa and Vaga Srl.

The profitability of this region slightly improved compared to the previous year, primarily as a result of the performance of Mapei Spa and Vinavil Spa. The performance of U.S. Sassuolo Calcio Srl, operating in a sector with different dynamics and logics compared to the “core business” of Mapei, has reduced, though remaining positive.

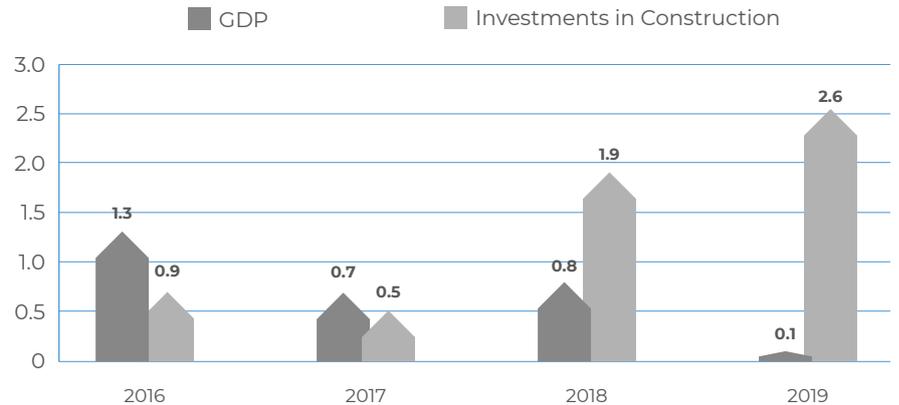
Italian GDP in 2019 recorded a modest grow of about 0,2%; this marks a further slowdown compared with 2018, which ended with a growth of 0.8%. Italy economy growth rate was once again one of the lowest among the major economies of the European Union. There was also a fall in the other macroeconomic indicators, as shown in the attached table:

ITALY - MACROECONOMIC INDICATORS
VAR. % ON THE PREVIOUS YEAR

	2019	2018
GDP	0.2	0.8
Family Consumption	0.5	0.8
Gross Fixed Investments	2.2	3.0
Inflation	0.6	1.2

Although the domestic economy went through a phase of stagnation, the Italian building market nonetheless achieved major growth, estimated at 2.6%, in 2019. As the graph shows, investments in construction over the last two years have registered a much more positive trend than GDP.

GDP v. Investments in construction in Italy % change on the previous year



WESTERN EUROPE



Western Europe is the region with the highest number of companies in our Group, with a total of 23. There are 14 manufacturing companies with 18 plants, 6 trading companies and 3 services companies; also, we have 8 R&D labs.

This area registered a considerable increase in turnover, up from Euro 672.6 million in the previous year to Euro 736.6 million in 2019, marking an increase of 9.5%. In terms of turnover, the companies that recorded the best performances in 2019 were Mapei Hellas Sa (+25%), Lusomapei Sa (+18%) and Mapei UK Ltd (+14%).

This area had the best profitability of the Group in absolute value, with an increase versus the previous year; particularly brilliant results were obtained by the Mapefin GmbH Group, Mapei UK Ltd, Mapei Suisse Sa, Tecnopoli de Sistemas SL, Mapei Spain Sa and Lusomapei Sa.

2019 registered a moderate increase in GDP in Western Europe (+1.1%); nevertheless, performance in the construction sector was, except for a few cases, better than the overall economy performance in total.

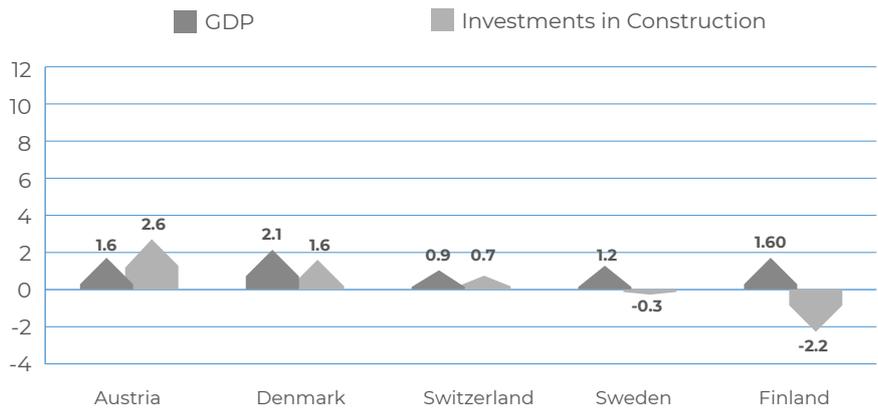
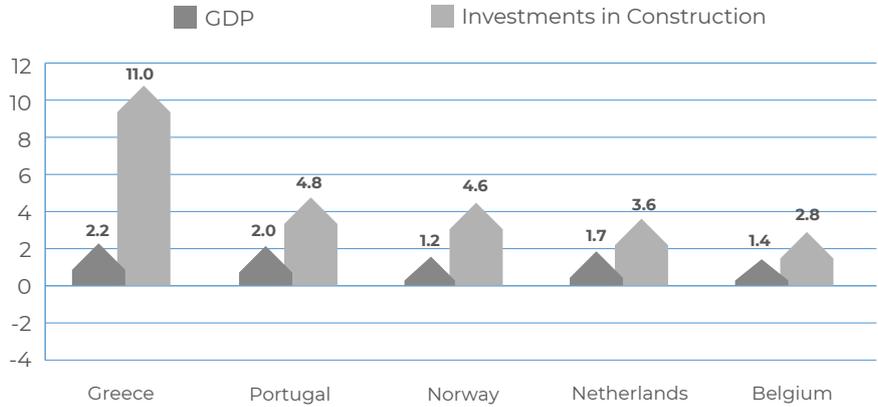
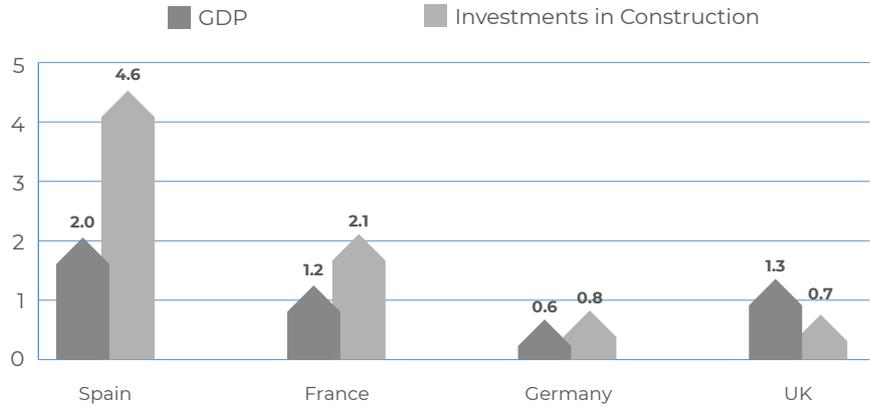
The graphs below show the estimated trends of GDP and investments in construction in 2019, respectively on the biggest economies and in the other countries of Western Europe:

Trend in GDP and investments in construction

% Change 2019 v. 2018

GROUP COMPANIES:

- Lusomapei Sa
- Mapefin Austria Gmbh
- Mapefin Deutschland Gmbh
- Mapei Ab
- Mapei As
- Mapei Benelux Sa
- Mapei Denmark As
- Mapei France Sa
- Mapei Gmbh (A)
- Mapei Gmbh (D)
- Mapei Hellas Sa
- Mapei Nederland Bv
- Mapei Oy
- Mapei Spain Sa
- Mapei Suisse Sa
- Mapei UK Ltd
- Polyglass Gb Ltd
- Rasco Bitumenteknik Gmbh
- Resconsult As
- Sopro Bauchemie Gmbh (A)
- Sopro Bauchemie Gmbh (D)
- Sopro Nederland Bv
- Tecnopol de Sistemas SL



EASTERN EUROPE



GROUP COMPANIES:

AO Mapei
Gorka Cement Spzoo
Mapei Bulgaria Eood
Mapei Croatia Doo
Mapei Doo
Mapei Kft
Mapei Polska Spzoo
Mapei Romania Srl
Mapei Sk Sro
Mapei Srbija Doo
Mapei Sro
Mapei Ukraina Llc
Mapei Yapi Kimyasallari Ins.San. Ve Tic. As
Sopro Hungaria Kft
Sopro Polska Spzoo

Mapei is present in Eastern Europe with 15 companies: 7 manufacturing companies with 10 plants and 8 trading companies. We also have 1 R&D lab in this area.

The turnover of this area increased from Euro 269.5 million in 2018 to Euro 302 million in the current year, marking an increase of 12.1%. Almost all the companies in Eastern Europe experienced growth: this was particularly so for Mapei Srbija Doo (+42%), Mapei Yapi Kimyasallari Ins.San Ve Tic. As (+28%), Mapei Ukraina Llc (+24%), Mapei Romania Srl (+21%).

The area's EBIT was also excellent and increased by 20% with respect to 2018, making it one of the best of our Group in %. The positive results of Mapei Kft, Gorka Cement Spzoo, Mapei Romania Srl and Mapei Polska Spzoo are worthy of mention.

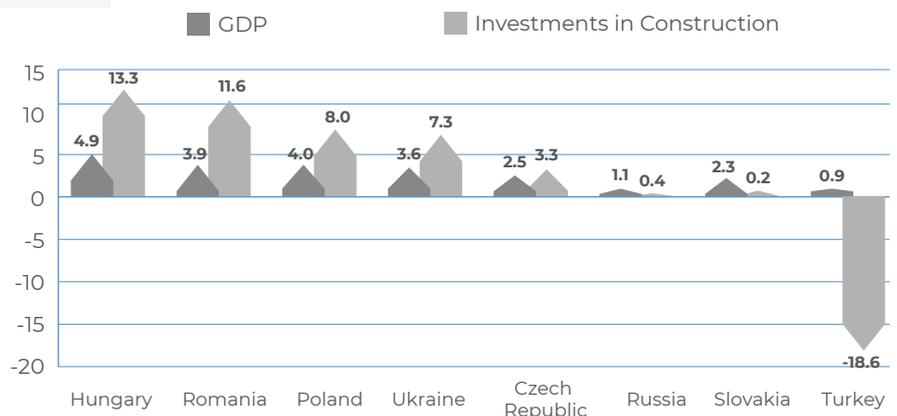
The economy of this region registered an estimated growth of 1.4% in 2019, marking a slowdown compared with 2018, when the growth rate of GDP was 3.1%.

Performance of the building market in Eastern Europe was also negative compared to the previous year, down by 1.6% on 2018. The overall result of the construction sector in the region is the result of stagnation of the Russian building sector and the serious recession of the Turkish construction sector.

The chart below shows the estimated changes for GDP and investments in construction in the main countries of the Eastern Europe:

Trend in GDP and investments in construction

% Change 2019 v. 2018



NORTH AMERICA



We operate in the area with 8 companies: 5 manufacturing companies with 22 plants and 3 services companies. We have as many as 6 R&D labs operating in the area.

Group turnover in North America totalled Euro 818.2 million, compared to Euro 732.1 million in 2018, marking an increase of 11.8%, helped partially by the positive effect of the Euro/Dollar exchange rate.

The companies with the biggest increase in turnover in this area were Mapei Corp (+15%) and Mapei Inc (+9%).

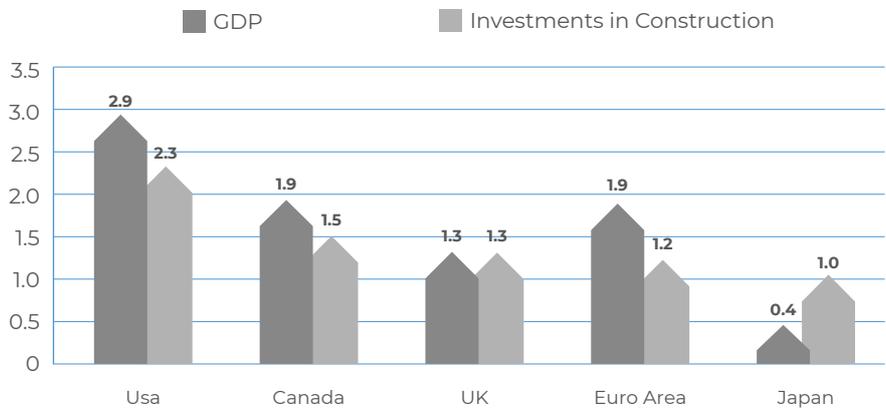
Profitability increased considerably in the area, broadly recovering the investments done in the previous year and also benefiting from a better purchase price - sale price dynamic.

There was a reduction in the economic growth rate of this region in 2019, which nonetheless remained above 2%. This was partly the result of some business tensions on exports market and on company investments.

As the chart shows, the US economy experienced a much higher growth rate in 2019 than the world's other major advanced economies:

Trend in GDP in the main advanced economies

% Change 2019 v. 2018



GROUP COMPANIES:

- 4307721 Canada Inc
- General Resource Technology Corp
- Mapei Caribe Inc
- Mapei Corp
- Mapei East Corp
- Mapei Inc
- Polyglass Usa Inc
- Vinavil Americas Inc

Investments in construction fell by an estimated 2.1%, a result in contrast with the one obtained by the economy in general; the fall related, in particular, to investments in the residential and non-residential sectors, and was only partially offset by the good performance of the infrastructures segment.

LATIN AMERICA



GROUP COMPANIES:

Mapei Argentina Sa
Mapei Brasil Construction Materials Ltda
Mapei Colombia Sas
Mapei Contruction Chemicals Panama Sa
Mapei Costa Rica Sa
Mapei Mexico Sa de Cv
Mapei Perù Sac
Mapei Venezuela Ca

We operate in the area with 8 companies: 6 manufacturing companies with 9 plants and 2 trading companies. We have 3 R&D labs operating in the area.

Group revenues in Latin America were Euro 56.6 million, marking a growth compared to the previous year (Euro 51.2 million, +10.2%). This figure was affected by the negative performance of several local currencies, particularly the Argentinian Peso: at constant rates, growth would have been over 30%.

The companies with the greatest increase in turnover in this area were Mapei Colombia Sas (+41%) and Mapei Perù Sa (+39%). At constant rates, Mapei Argentina Sa would have recorded a growth of over 80%.

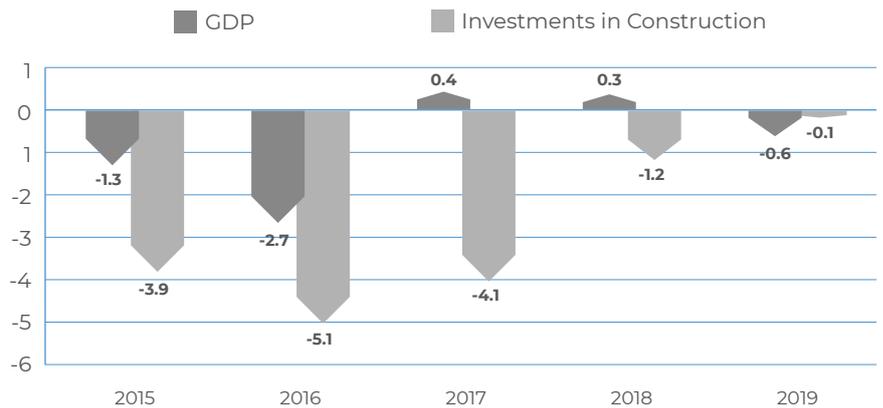
The huge investments sustained over the recent years, the economic and financial instability in several countries of the area and the devaluation of several local currencies have provided as outcome that, despite good results in terms of volumes growth, still profitability is left behind. Another factor is the difficult situation in Venezuela, where we were forced to halt production.

The GDP of the area fell slightly in 2019, as a result of the crisis in Argentina (which suffered a recession of 3.1%) and as a result of the further collapse of economic activity in Venezuela. The other economies of the area continued to expand, although there was a slowdown compared to 2018.

The construction sector closed the long phase of recession, starting with a stagnation phase, as the chart shows:

GDP and investments construction trend in Latin America

% Change 2019 v. 2018



MIDDLE EAST



GROUP COMPANIES:

- Mapei Constr. Chemical Llc
- Mapei Doha Llc

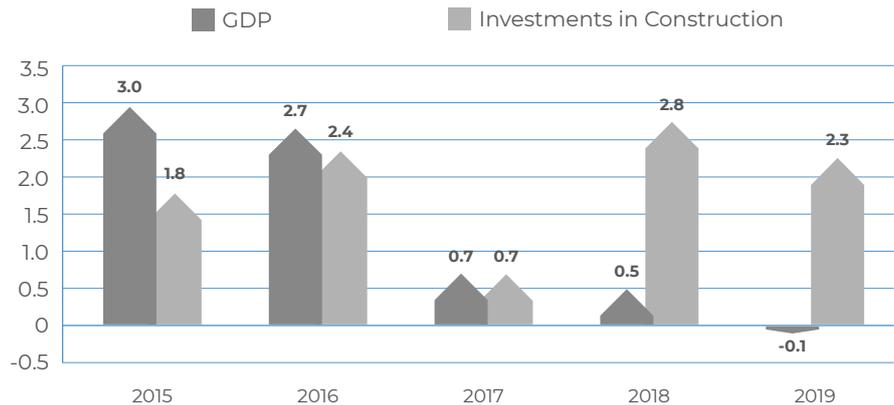
We are present in this region with 2 companies: 1 manufacturing company with 1 plant, 1 trading company and 1 R&D lab. Turnover in the area remained stable, decreasing from Euro 45.8 million in 2018 to Euro 45.7 million in 2019, boosted partly by the positive performance of exchange rates (in contrast with the previous year).

The profitability of our companies also remained stable, as a consequence of the finalization of several major projects in the area.

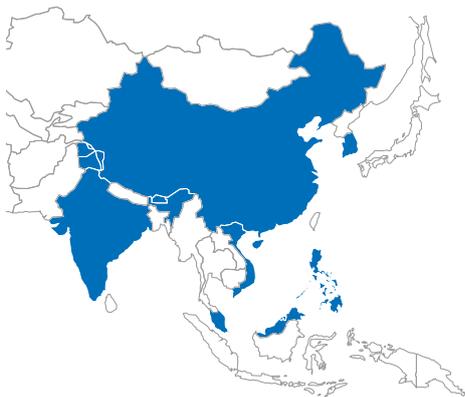
Economic growth of the region came to an abrupt halt in 2019 and substantial stagnation of GDP is expected; performance of the construction market was uniform in the various countries and registered an increase of 2.3%:

Trend in GDP and investments in construction in the Middle East

% Change 2019 v. 2018



ASIA



Mapei is present in Asia with 10 companies: 7 manufacturing companies with 8 plants and 3 trading companies. 5 R&D labs also operate in the region.

Revenues in this area increased from Euro 101.7 million in 2018 to Euro 116.3 million in the year that just ended, with an increase of 14.5%, partly as a result of exchange rate trends.

There was good sales performance for Mapei Construction Products India Ltd (+32%), Mapei Construction Materials Company Ltd - Guangzhou (+23%) and Mapei Malaysia Sdn Bhd (+16%).

GROUP COMPANIES:

Mapei China Ltd
Mapei Construction Materials Company Ltd (Guangzhou)
Mapei Construction Products India Ltd
Mapei Far East Pte Ltd
Mapei Indonesia Construction Products Pt
Mapei Indonesia Construction Solutions Pt
Mapei Korea Ltd
Mapei Malaysia Sdn Bhd
Mapei Philippines Inc
Mapei Vietnam Ltd

The net improvement in operating income is thanks to the results of our companies in India, Korea, Malaysia and China.

The growth rate of GDP in 2019 in the region was 4%, registering a slowdown with respect to the 4.7% in 2018. The overall growth rate of investments in construction in the region is estimated as 2.6% and therefore slightly lower than the 3% registered last year. The construction sector was influenced by the same territorial dynamics as per the entire economy, namely a slowdown in China and India, strengthening of the other emerging markets and a modest growth in mature markets.

OCEANIA**GROUP COMPANIES:**

Mapei Australia Pty Ltd
Mapei New Zealand Ltd

We are present in Oceania with 2 companies, 1 manufacturing company, Mapei Australia Pty Ltd, with an attached quality control laboratory and 1 R&D lab, and with 1 trading company, Mapei New Zealand Ltd.

Turnover increased by 11%, reaching Euro 59.3 million, compared with Euro 53.4 million in 2018.

The profitability of the two companies continues to be among the highest of our Group.

In 2019, the Australian economy achieved a growth of 1.7%, lower than the 2.7% of the previous year. The economic result was adversely influenced by the slowdown in exports of raw materials. Investments in construction in Australia have dropped considerably, by an estimated 5.6% (a trend that mostly reflects the crisis in the residential segment), while the sector increased by around 4% in New Zealand.

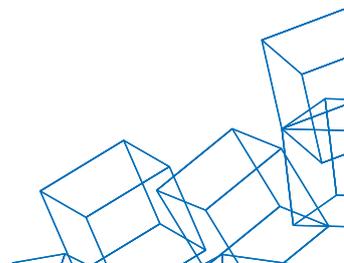
AFRICA

We are present in Africa with 4 companies, of which 2 manufacturing companies with 2 plants, and 2 trading companies, including the newly incorporated company in Kenya (Mapei East Africa Ltd).

Turnover in this area remained stable, increasing from Euro 37.4 million in 2018 to Euro 37.5 million in 2019.

Profitability in Africa is still showing a negative trend, due primarily to the economic instability of several countries and the considerable investments in production and organisation of the companies in the area.

However, there was a positive trend in GDP (+3.4%) and the construction market is among the most promising at global



GROUP COMPANIES:

Mapei East Africa Limited
Mapei Egypt for Constr.Chemicals Sae
Mapei South Africa Pty Ltd
Vinavil Egypt for Chemicals Sae

level; unfortunately, one of the markets under recession is South Africa, where the stringent budget restrictions have caused a slowdown in infrastructure projects.

DISCLOSURE ACCORDING TO ARTICLE 2428 OF THE ITALIAN CIVIL CODE AND LEGISLATIVE DECREE NO. 32/2007

In order to better describe our performance trend, the table below shows the items on the financial statements as at December 31st, 2019, comparing them with those as at December 31st, 2018, through a Balance Sheet reclassified by functional areas and an Income Statement reclassified according to the relevant management criterion:

RECLASSIFIED BALANCE SHEET AS AT 31ST DECEMBER	2019	2018	VAR %
NET FIXED ASSETS			
Intangible assets	208.7	195.4	6.8%
Tangible assets	671.4	647.3	3.7%
Financial assets	5.2	3.9	33.3%
Total	885.3	846.6	4.6%
NET WORKING CAPITAL			
Inventory	372.7	387.1	-3.7%
Trade receivables	728.5	673.0	8.2%
Other current assets	15.2	13.0	16.9%
Trade payables	-515.1	-462.5	11.4%
Other current liabilities	-19.1	-22.2	-13.9%
Total	582.2	588.4	-1.1%
SUNDRY RISK PROVISION AND STAFF SEVERANCE FUND			
Sundry risk provisions	-60.6	-60.0	1.0%
Staff Severance Fund	-12.7	-11.9	6.7%
Total	-73.3	-71.9	2.0%
NET INVESTED CAPITAL (NIC)	1,394.3	1,363.1	2.3%
NET FINANCIAL POSITION			
Cash and cash equivalent	-73.0	-56.1	30.1%
Short-term borrowings	200.3	230.8	-13.2%
Medium/long-term borrowings	345.1	352.7	-2.2%
Total	472.4	527.3	-10.3%
SHAREHOLDERS'EQUITY	921.8	835.8	10.3%
TOTAL SOURCES OF FINANCING	1,394.2	1,363.1	2.3%

A comparison of the Balance Sheets for 2019 and 2018 shows an improvement in the net financial position, from Euro 527.3 million in 2018 to Euro 472.4 million as at 31 December 2019, due to improvement of the Group's profitability and cash flow.

Current financial payables decreased, further improving the proportion between short-term and long-term sources of financing; this ratio also benefits from the consistent and continual increase in equity.

All items are better detailed in the Notes to the Financial Statements.

RECLASSIFIED PROFIT AND LOSS AS AT 31 ST DECEMBER	2019	2018	VAR %
Revenues	2,774.1	2,542.0	9.1%
Internal production	-7.0	38.6	-118.2%
VALUE OF PRODUCTION	2,767.1	2,580.6	7.2%
External operating costs	-1,852.2	-1,807.4	2.5%
GROSS MARGIN	914.9	773.2	18.3%
Personnel costs	-664.0	-612.9	8.3%
EBITDA	250.9	160.3	56.6%
Amortisation/depreciation and provisions	-121.7	-107.6	13.1%
EBIT	129.2	52.7	145.4%
Other revenues/costs	8.6	9.9	-13.1%
Financial Income	0.4	0.4	0%
ADJUSTED EBIT	138.2	63.0	119.3%
Financial expenses	-17.7	-11.8	50.0%
PROFIT BEFORE TAX	120.5	51.3	134.9%
Income taxes	-46.5	-26.8	73.5%
NET RESULT	74.0	24.4	203.7%

FINANCIAL RATIOS

We hereby report some key financial ratios generally recognised in the financial market. A YoY comparison is also reported for each financial ratio.

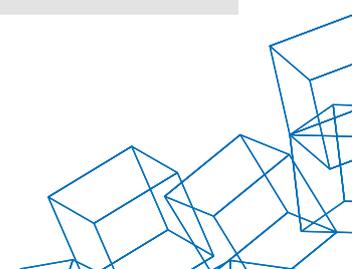
a) Capital ratio

2019 **2018**

Equity to fixed assets ratio (Equity/Fixed Assets)	1.04	0.99
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This ratio further increased and confirms the financial solidity of the Group. Equity is more than sufficient to finance fixed assets.

Fixed Assets Coverage [(Equity + Consolidated liabilities) / Fixed assets]	1.51	1.49
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The fixed asset to equity capital and medium-long term debt ratio (fixed assets coverage) improved slightly, due to the profits produced and the consequent increase in equity, which was more than proportionate to the investments made in fixed assets.

b) Leverage ratios **2019** **2018**

Total debt-equity ratio [(Consolidated liabilities + Current liabilities) / Equity]	1.25	1.36
Financial debt-equity ratio (Net financial position / Equity)	0.51	0.63

These two ratios, both improved, indicate a reduction in bank debt compared to shareholders' equity.

c) Profitability ratios **2019** **2018**

Net ROE (Net result/Equity)	8.0%	2.9%
Gross ROE (Gross profit/Equity)	13.1%	6.1%

Both ratios highlight the improvement in Group financial results.

ROI [EBIT/(NIC - Operating liabilities)]	10.3%	4.4%
ROS (EBIT/Revenues)	4.5%	2.1%

These two ratios also increased, highlighting the improvement in the Group operating results.

d) Liquidity ratios **2019** **2018**

Current ratio (Current assets/Current liabilities)	1.62	1.58
Quick ratio [(Trade and other receivables + Cash and cash equivalents)/ Current liabilities]	1.11	1.04

These two ratios highlight the increase in available funds and the decrease in current liabilities in the Group.

CAPITAL EXPENDITURE

The Group continued to invest during 2019, acquiring Tangible Asset for a total of Euro 83 million.

The main investments are examined below, divided by geographical macro area.

Italy:

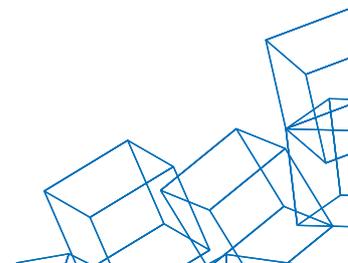
- Investments of Euro 8.0 million by Mapei Spa, primarily for the construction of the new calcium carbonate plant at Latina site and a new sealant packaging line at Mediglia site, as well as for some modernisation works on different production departments and common areas at Mediglia plant.
- Investments of Euro 7.8 million by U.S. Sassuolo Calcio Srl for final construction of the new Mapei Football Center.
- Tangible asset of Fili and Forme Srl for Euro 2.2 million for the construction of a new production line for manufacturing polypropylene concrete-reinforcing fibres.
- Investments of Euro 2 million by Vinavil Spa, primarily for modernisation work on the various production departments at the Villadossola plant.
- Investments of Euro 1.9 million by Polyglass Spa for commissioning of the new granulator dedicated to TPO production line, and also for the modernisation of several production lines at the Ponte di Piave plant.

Western Europe:

- Investments of Euro 6.9 million by Mapei As, relating to construction of the second powder production line in Sagstua, and also for modernisation works on the existing production lines.
- Investments of Euro 2.3 million by the Sopro Group, primarily for the designing of the new offices and research laboratories of Sopro Bauchemie GmbH (D) in Wiesbaden, and for modernisation of the laboratories and warehouse in Nordenstadt.
- Investments of Euro 1.8 million by Mapei Nederland Bv for the final construction of new offices and a warehouse.

Eastern Europe:

- Investments of Euro 3 million by Mapei Hellas Sa, mainly for the commissioning of the new calcium carbonate production plant at Ritsona site.
- Investments of Euro 2.9 million by Gorka Cement Spzoo, mainly for renovation of the production plant.
- Investments of Euro 2.7 million by Mapei Polska Spzoo related to increase in production capacity performed on the existing production plants.



North America:

- Mapei Corp for Euro 11 million, mainly relating to commissioning of the third production line of powder plant in Garland, a new packaging machine in West Chicago and also for expansion of the warehouse at Fredericksburg in Virginia.
- Investments of Euro 3.7 million by Polyglass Usa Inc, mainly for the purchase of new offices in Deerfield Beach, for complementary works to the production line at Waco, in Texas, and also for improvements to the offices and the warehouse at Winter Haven plant.

Latin America:

- Mapei Argentina Sa for Euro 8.4 million, mainly for the final commissioning of the new powder production line and the related sand drying plant, and also for some modernisation works on the offices and on the common areas at the Escobar site.
- Investments of Euro 2.8 million by Mapei Colombia Sas, for the final commissioning of the new powder production plant and the related laboratory at Bogotá site.
- Investments of Euro 1.8 million by Mapei Mexico Sa de Cv for final construction of a new production line of the powder plant and also for some modernisation works at Zimapan production site.

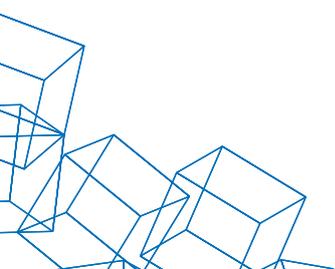
Asia:

- Investments of Euro 1.5 million by Mapei Malaysia Sdn Bhd, mainly for extension of the existing warehouse at Nilai site.

Africa:

- Investments of Euro 2.7 million by Mapei Egypt for Construction Chemicals, mainly for the purchase of a land for the new production site.
- Investments of Euro 1.7 million by Vinavil Egypt for Chemicals Sae, for finalisation of the new acrylic resins production line at Suez.

The Group also recorded intangible assets in progress for around Euro 5 million in 2019, mainly relating to investments made for the new version of the ERP Microsoft Dynamics 365.



RESEARCH & DEVELOPMENT

During 2019, our Group continued its Research & Development activities and focused its efforts specifically on particularly interesting projects, such as analysis, research, design, prototyping and development of new products, improvement of existing products and the related technologies.

Research & Development activities are performed centrally at the Mapei Spa labs, which also use the support of a further 30 R&D labs at the main Group companies. 5 are located in Italy, 8 in Western Europe, 1 in Eastern Europe, 6 in North America, 3 in Latin America, 1 in the Middle East, 5 in Asia and 1 in Oceania.

Collaboration with the scientific community continued and the synergistic work produces major benefits for all the parties involved. This relationship allows Mapei to maintain its basic know-how up-to-date and increase the creativity and innovation of its own research. This bilateral relationship has already led to important results for the Group in the past and we are convinced that other successes await in the future.

ENVIRONMENT, HEALTH AND SAFETY

All health, safety and environmental activities are essentially based on the HSE Policy of the Mapei Group, which also contemplate a strong commitment to environmental sustainability. The HSE policy define the mission of each individual Group organisation; the document is available on the Mapei Spa website .

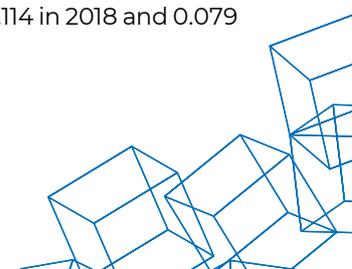
It is planned to revise the HSE Policy in 2020 by adding the Quality Assurance Policy to it and thus creating a single document.

Monitoring of performance indicators for accidents recorded in each Group sites (accident frequency rate (IF) and accident severity rate (IG)) continued in 2019; these indicators were collected at over 80 plants and warehouses worldwide.

There was an increase in accidents in Italy in 2019 and this influenced the IF (frequency rate), which was 7.6 for 2019. The rate is nonetheless below the INAIL national rate for the chemicals industry (8.9).

The frequency rate for Europe had a significant downward trend over recent years and stood at 5.5 in 2019 (13.4 in 2017 and 11.7 in 2018); same trend for the severity rate, which dropped to 0.1 after several years at 0.2.

For America, accidents are not counted with the same calculation criteria as for the rest of the world, so the comparison is not always linear. However, it is possible to make several comments on the trend, as for Italy and Europe: IF of 10.7 in 2019, down from previous years (14.5 in 2018 and 15.2 in 2017). The same trend was recorded for the severity rate: 0.117 in 2017, 0.114 in 2018 and 0.079 in 2019.



The data collected for the APAC area shows a downward trend in the values of both the frequency and the severity rate. In detail, the IF for the three-year period are 13.4 in 2017, 4 in 2018 and 3.4 in 2019, and the IG are 0.22 in 2017, 0.1 in 2018 and 0.03 in 2019.

Milan site obtained the certification according to the ISO 14001 and OHSAS 18001 standards while Mapei Sassuolo warehouse completed ISO 14001 certification. The project for single Corporate certification for Mapei SpA, Adesital SpA and Cercol SpA continued and the aim is to go to completion by the end of 2020.

Transitions to the ISO 45001 version of the Group Italian branches started in 2019 and will be completed during 2020.

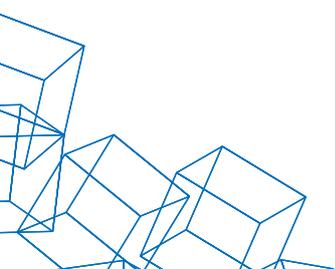
The following changes took place in the rest of the world: The plant at Nilai, in Malaysia, obtained ISO 14001 certification Dubai completed transition to the new 45001 standard ISO 14001 and 45001 certification for Colombia and New Zealand is planned in 2020.

Considering the urge towards integration and the focus on exploiting synergies between systems, Corporate Quality Management and HSE Corporate functions are both supporting the organisations in sharing activities in 2019 related to:

- identification and implementation of IT support for: the standard collection of warning reporting / accidents / NC / audits (Software KRC); collection of safety, environment and quality KPIs (in Sharepoint);
- support in the preparation and leading of internal audit timetables for 2019-2020, proposing integrated audits between the systems;
- identification of training initiatives for auditors, with the aim of creating a team of auditors that can operate on the three systems and in all Mapei sites;
- implementation of several procedures: management of audits, management of risk management, management of legislative compliance.

QUALITY

During 2019 coordination and support projects continued for all Group companies in the field of Quality Management Systems. The activities were focused both on assessment of the actual application and implementation of the Corporate procedures, on conducting visits on site and internal audits, on the utilization of software applications, developed centrally, for the management and monitoring of company processes in collaboration with the other Corporate functions.



Among these activities, it is worth to be mentioned the development of the KRC application (Knowledge, Risk and Compliance Solution) for management of actions and audits (in both Quality and HSE), currently in progress. The tool is already in use for all Mapei spa sites, while the project for implementation in other Group companies in Italy is currently under completion. The primary objective remains to spread Quality Management culture within the Group and push company personnel towards process improvement and company objectives achievement.

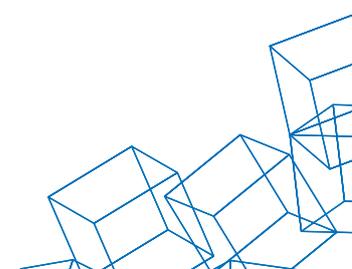
44 Group companies have the SGQ certificate, located in Italy (7), in Europe (19), in North and South America (7) and in Asia, Australia and Africa (11).

Implementation of the Quality Management System at Mapei South Africa, Mapei Yapi Kimyasallari Ins.San. Ve Tic. As and at the Italian branches currently not certified is in progress.

Coordination with the managers of the local Management Systems continued throughout 2019 and a new set of Corporate Procedures were published in connection to: audit management, HQ recommendations, documentation management and regulatory compliance.

A large amount of resources were dedicated to maintaining and expanding technical regulatory competences at Mapei, assisting the Product Managers with the aim to bring to market a wider range of products that strictly satisfy the certifications required by local markets (MED mark, CE mark, etc.).

The rigorous certification path for structural/anti-seismic reinforcement systems of the Composite Line also continued. This will allow to introduce, in addition to systems that currently have CVT (Technical Assessment Certificate, issued by the Technical Service of the Public Works Ministry) also those with an innovative voluntary CE mark obtained through the development of a specific ETA (European Technical Assessment). Mapei continues to focus attention on its customers, as always, especially through the activities of the Customer Complaint Management group. In 2019, the implementation of the CMS (Complaint Management Software) continued at the various Group subsidiaries. Through local and on-line training, an additional 14 subsidiaries started using CMS software, thus arriving at a total of 40 in the whole Group, so reaching the objective of sharing important information in the same platform, constantly monitoring situations of risk and seizing opportunities for improvement of products and services.



INFORMATION TECHNOLOGY

With a view to continuous improvement and digital innovation, 2019 was dedicated to optimising and standardising the current systems and company processes.

An important update of the ERP system (Microsoft AX 2012) has been performed to take it to the last release, exploiting all the new functionalities; the optimisation process has involved many other systems dedicated to business support, such as the Quality management system, Safety, Business Intelligence and Logistics.

These efforts will also continue in 2020, as a continuous process improvement.

In terms of new systems, 2019 was characterised by the introduction of Oracle HCM. The software task is to manage Core processes of the Group's human resources. The project, which was launched at the beginning of 2019, became operative in Italy and in the United States in November and will gradually be extended to all the other Group companies throughout 2020. Once again in relation to the Corporate systems, 2019 also saw the roll out of the first company on the new company ERP (Microsoft Dynamics 365 FFO) and implementation of the new CRM (Microsoft Dynamics 365 CRM) in the United States. These initial start-ups will be followed, in rapid sequence, by migration of all Group companies into the Microsoft Dynamics 365 FFO and the Microsoft Dynamics 365 CRM platforms.

HUMAN RESOURCES

2019 ended positively with a significant investment in human resources at global level. The increase in terms of headcount compared with the previous year was, in fact, 3%. The regions with the strongest growth are Africa and Asia Pacific, with an increase between 12% and 16%, followed by Eastern Europe (+6%). The trend remained unchanged compared with the previous year for all other areas.

The commitment on key projects started some time ago continued, with strong focus on activities linked to organisation, training and compensation / performance, always keeping strong attention to the quality of our collaborators in each region.

After a start-up phase done during the previous year, in 2019, a new Oracle HCM system has been established promoting integration of human resources departments in the Group. The local HR offices participated actively in the project for the construction of a "core model", presented at the European HR Meeting. The roll out will continue throughout 2020, involving all the European companies and completing the implementation of further modules in North America and in Italy.

As part of the increasing digitalisation of HR processes, the global implementation of the e-Learning platform continued and its use was also extended to the countries of Latin America and the Middle East. The result of the close collaboration between Corporate HR Management, Product Managers and Technical Assistance was the release of technical courses and webinar on products and on technical solutions. The courses are distributed both in Italy and in various affiliates throughout the world, with particular attention to line specialists and sales staff.

International mobility projects continued, with the involvement of junior figures as well and the availability of international career plans, again with a view to sharing best practices within the Group; recruitment projects for top-middle management at both corporate and local level have been finalized.

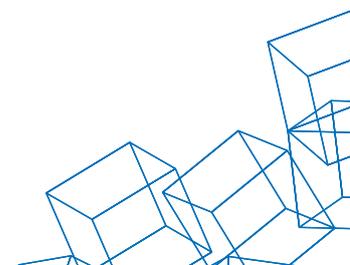
Employer Branding projects were started, in collaboration with Corporate Marketing, focused on greater and more careful use of digital platforms (LinkedIn, etc.).

Finally, attention remains high on the Mapei Group Code of Ethics dissemination and compliance, in constant collaboration with the Corporate Internal Audit department.

Geographical division of Headcount in the Mapei Group:

GEOGRAPHICAL AREA	12.31.2019			12.31.2018		
	Blue-collar	White-collar & direct.	Total	Blue-collar	White-collar & direct.	Total
Italy	963	1,489	2,452	913	1,442	2,355
Western Europe	691	1,533	2,224	659	1,512	2,171
Eastern Europe	484	1,275	1,759	474	1,180	1,654
North America	1,194	926	2,120	1,358	907	2,265
South America	149	545	694	167	529	696
Asia	280	496	776	203	459	662
Middle East	25	127	152	26	122	148
Oceania	18	103	121	9	99	108
Africa	127	116	243	123	95	218
TOTAL	3,931	6,610	10,541	3,932	6,345	10,277

We once again feel committed to thank all Mapei employees and collaborators who, through their day-to-day commitment, have allowed our Group to obtain remarkable results at global level.



RISK MANAGEMENT

The Group operates in the building sector and is subject to generic risks and factors of uncertainty typical of this market. These are listed below.

Financial requirements and cash management risks

This risk is constantly monitored by Corporate Treasury which, in close collaboration with Corporate Finance and Controlling department and the local finance teams, constantly monitor financial requirements, take immediate action where needed and ensure a proper use of financial resources.

At the reporting date, the main sources of financing for the Group were not only the cash flow generated by operations but also short-term bank loans, medium and long-term bank loans, loans from european and global credit institutions, predominantly relating to the Parent Company, which are used to support the development of our business. Some of these loans foresee the compliance to economic / financial parameters (covenants), which were observed at 31 December 2019. Any available cash is held temporarily in the bank current accounts so that it can be used immediately.

In the paragraph "Payables due to banks" of the Financial Statement Notes, we have outlined the exposure with the banking system, broken down by individual company. It should also be noted that, at the end of the financial year, in addition to available funds totalling Euro 73 million, the Group has further credit facilities amounting to over Euro 400 million. They have not been used, but are available immediately if necessary, and provided by leading credit institutions.

Interest rates risks

The Group is exposed to the risk that fluctuations in interest rates lead to unexpected increases in interest expenses, especially those related to loans denominated at variable interest rates.

The aim of the interest rate risk management policy is to limit financial expenses and their volatility through rationalisation of the portfolio of financial liabilities and by entering into derivative contracts that allow to optimise debt structure with a suitable degree of flexibility.

There were three derivative contracts as at December 31st, 2019, signed by Mapei Spa with leading credit institutes, with a notional value amounting to Euro 85.5 million, against Euro 126.5 million of the previous year. Those pure hedging contracts are related to the utilisation of the short and medium-term credit lines of Mapei Spa. All financial income and expenses, charged by or credited to banks, related to those transactions, have been booked in the current Financial Statement.

Currency fluctuations risks

Due to its geographical diversification, the Group is exposed to the risk that fluctuations in exchange rates between the accounting currency and the other currencies will lead to unexpected changes in the economic and financial items on the respective financial statements.

For business transactions, this risk occurs in a small number of cases for which companies outside the Euro area and with economies subject to inflationary trends, purchase in foreign currency from plants / suppliers of other facilities or countries; continuous and strict monitoring of sale price lists is carried out for these companies, in order to make prompt and commensurate adjustments to the prices on the market.

For loans in foreign currency, Corporate Treasury, together with Corporate Finance and Controlling department and the local finance teams, constantly monitors currency fluctuations in order to take prompt action where required.

Credit management risks

This risk is considered highly significant and is monitored through clear and precise guidelines implemented centrally and distributed to all the finance teams of the Group companies, targeted at evaluating customer solvency through the granting of credit limits established on the basis of internal ratings. The maximum exposure to this risk is equal to the value of Trade receivables, as stated on the financial statements.

We have intensified our collaboration with companies specialised in credit rating and insurance in the building sector. With regards to this risk, nonetheless, Group sales activities are considered to have satisfactory credit quality. There are no significant credit positions that result in excessive concentration of credit.

Environmental risk

Our Group pays particular attention to the protection of the environment and to workers' health and safety in workplaces, in compliance with all environmental and safety regulations. Group companies have departments dedicated to managing these issues. At Corporate level, the HSE (Health, Safety and Environment) department is fully dedicated to the task of coordinating the operations of the individual companies.

Legal litigation risks

Several minor disputes are pending and are being monitored by the competent offices and managed by the lawyers of the companies involved. Where deemed necessary, insurance policies have been activated, both locally and at Group level.



In the legal action brought against Mapei Spa and Polyglass Spa by the company Flag (now called Soprema Srl), with the subsequent intervention of S.A.T. Engineering di Francesco D'Ursi & C, which has been mentioned in previous reports, the case is still pending at the Court of Cassation phase, after S.A.T. Engineering filed an appeal when they lost, together with Flag, in both the previous instances of judgement.

Although a degree of uncertainty remain over the outcome of the litigation, it is reasonable to assume, on the basis of the two favourable rulings passed by Milan Court and Milan Court of Appeal, that significant liabilities for our companies will not emerge.

There are also a few pending disputes involving the subsidiary Mapei New Zealand Ltd, together with other parties who participated, for various reasons, in the construction of real estate complexes in which it has been claimed there are alleged construction faults. The disputes concerning the claims for compensation are managed directly by local lawyers, in collaboration with the insurance company, as insurance policies covering manufacturer's liability have been taken out.

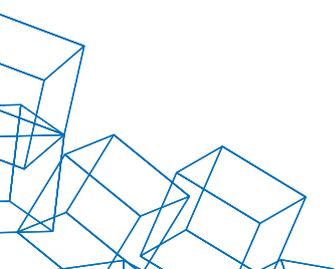
Based partly on the experience gained over the years, we believe that no significant liabilities will result for our Group and, therefore, no provisions have been allocated to the Financial Statements.

TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATED COMPANIES AND RELATED PARTIES

All shareholdings with subsidiaries and associated companies are described in the Notes to the Financial Statements. There were no significant transactions with related parties.

TRANSACTIONS INVOLVING COMPANY SHARES OR CONTROLLING COMPANIES

Mapei Spa and the other subsidiaries and/or associated companies neither hold shares of the Parent Company nor, during the year, bought or sold any shares of said company. Subsidiaries and/or associated companies did not hold any shares of Mapei Spa at 31 December 2019.



2020 BUSINESS OUTLOOK

Despite the world market situation linked to the “Covid-19” crisis, Group sales were positive in the first four months of 2020, mainly as the result of an excellent first quarter, recording only a slight decrease compared to the previous year and to the Budget.

Group profits also showed a positive trend, despite actual situation. In percentage terms, the main economic indicators are in line with the approved budget at the end of April, even thanks to certain fixed costs saving, in this market context. If, as estimated by various sources, the world economy shows recovery sign during the year, the Group could end the year with a result in line with the 2019 result.

Spread of the COVID-19 virus is having a significant impact on the economy throughout the world. Despite the difficulties this extraordinary situation is causing in the Company's activities, they are not currently suffering from specific limitations, partly in consideration of the type of activity performed. However, in view of the uncertainties of this emergency, there could be temporary interruptions or further limitations of the Company's activities, caused by delaying or suspensions of products supply as a result of transport interruptions or new legal restrictions in the various countries where it operates.

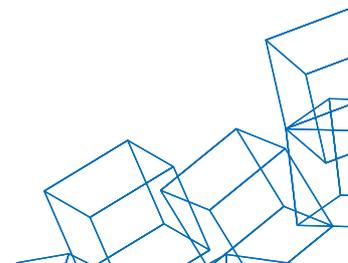
The Company has protected its workforce by implementing high safety and monitoring standards to fight the spread of COVID-19 and has adopted a Safety Protocol complying with the current legislative and health measures at its own production plants, business facilities and offices. There is a risk that, if the pandemic continues, Covid-19 could trigger a global recession, for which no reliable estimates of the duration are available and the effects of which on the world economy will depend on the ability to isolate infections and on the decisions taken by governments to limit the spread of the pandemic.

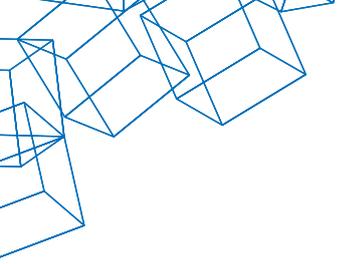
The final extent of the spread of Covid-19 is currently unpredictable and it is therefore not possible to assess the impact it will have on final markets and on the economic and financial situation of the Company.

Milan, June 22nd, 2020

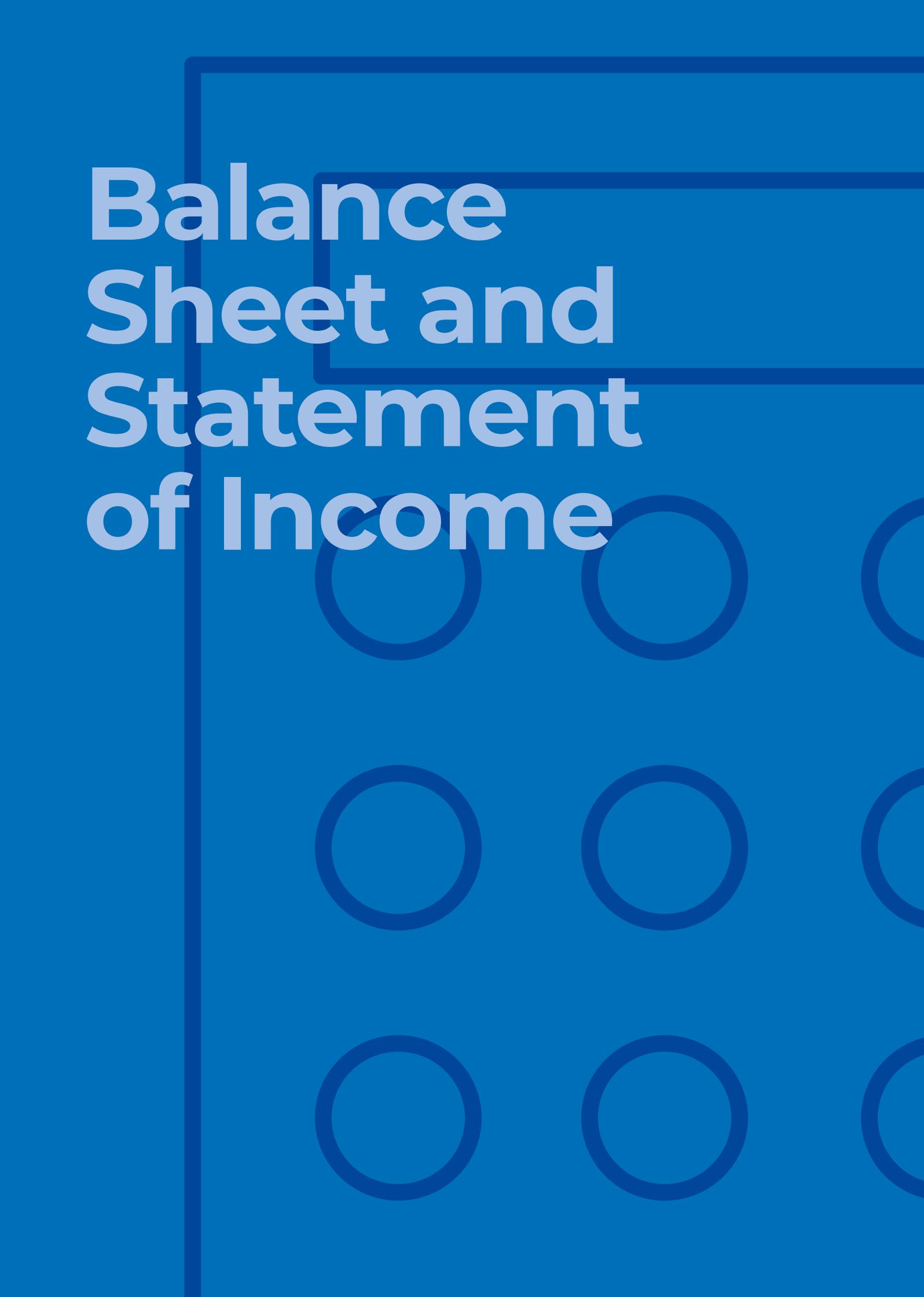
*The Chairman of the Board
of Directors*

Laura Giovanna Squinzi





Balance Sheet and Statement of Income

The background is a solid blue color. It features a decorative pattern of overlapping white-outlined rectangles and a grid of white-outlined circles. The circles are arranged in a 3x3 grid, with some overlapping the rectangles. The text is positioned in the upper left quadrant of the page.

BALANCE SHEET

ASSETS		12.31.2019	12.31.2018	Difference
B) FIXED ASSETS				
I Intangible assets				
1)	Establishment and broadening costs	20,563	20,408	155
3)	Industrial patents	10,750,695	12,024,006	(1,273,311)
4)	Government concessions, know-how, licenses, trade-marks and similar rights	3,484,006	3,726,580	(242,574)
5)	Goodwill	63,199,802	74,294,803	(11,095,001)
6)	Assets in progress and payments in advance	9,077,000	4,018,554	5,058,446
7)	Other intangible assets	122,211,691	101,328,263	20,883,428
TOTAL INTANGIBLE ASSETS		208,743,757	195,412,614	13,331,143
II Tangible assets				
1)	Land and buildings	432,698,046	390,579,277	42,118,769
2)	Plants and machinery	164,393,840	142,866,276	21,527,564
3)	Industrial and commercial equipment	16,351,264	15,901,780	449,484
4)	Other tangible assets	22,738,879	20,834,909	1,903,970
5)	Assets in progress and payments in advance	35,192,599	77,158,041	(41,965,442)
TOTAL TANGIBLE ASSETS		671,374,628	647,340,283	24,034,345
III Financial assets				
1)	Investments in:			
	a) subsidiaries	2,079,074	445,651	1,633,423
	d) other companies	281,355	256,217	25,138
	d) others	1,055,597	1,510,158	(454,561)
3)	Term securities	1,819,740	1,664,847	154,893
TOTAL FINANCIAL ASSETS		5,235,766	3,876,873	1,358,893
TOTAL B) FIXED ASSETS		885,354,151	846,629,770	38,724,381
C) CURRENT ASSETS				
I Inventories				
1)	Raw materials, packaging and supplies	168,415,897	177,654,933	(9,239,036)
2)	Work in progress and semi-finished goods	9,432,129	8,409,588	1,022,541
3)	Work in progress on a contract basis	50,269	29,834	20,435
4)	Finished products and merchandise	192,599,772	199,872,770	(7,272,998)
5)	Advances to suppliers	2,203,508	1,088,155	1,115,353
TOTAL INVENTORIES		372,701,575	387,055,280	(14,353,705)
II Receivables				
1)	Trade receivables (net of allowance for doubtful credits)	541,642,001	536,536,838	5,105,163
5 bis)	Receivables towards tax offices	44,373,059	46,469,148	(2,096,089)
5 ter)	Deferred tax assets	24,522,042	25,740,366	(1,218,324)
5 quater)	Other receivables	117,994,656	64,257,315	53,737,341
TOTAL RECEIVABLES		728,531,757	673,003,667	55,498,090
III Other current assets				
6)	Marketable securities	6,277	6,198	79
TOTAL OTHER CURRENT ASSETS		6,277	6,198	79
IV Cash & bank				
1)	Bank & postal current accounts	71,523,025	52,376,655	19,146,370
3)	Cash	1,481,575	3,756,039	(2,274,464)
TOTAL CASH & BANK		73,004,600	56,132,694	16,871,906
TOTAL C) CURRENT ASSETS		1,174,244,210	1,116,197,839	58,046,371
D) ACCRUALS AND PRE-PAYMENTS		15,237,704	12,954,056	2,283,648
TOTAL ASSETS		2,074,836,065	1,975,781,665	99,054,400

BALANCE SHEET

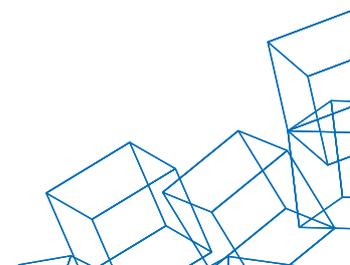
LIABILITIES & NET WORTH		12.31.2019	12.31.2018	Difference
A) NET WORTH				
I	Share capital	100,000,000	100,000,000	-
III	Revaluation reserve	53,687,539	53,693,395	(5,856)
IV	Legal reserve	20,000,000	20,000,000	-
VI	Other reserves	9,917,768	9,917,768	-
	Translation reserve	(13,547,753)	(28,579,087)	15,031,334
	Consolidation reserve	1,182,827	1,211,647	(28,820)
VII	Reserve for cash flow hedge	(596,389)	(668,593)	72,204
VIII	Accumulated profit/(loss) brought forward	676,950,453	655,639,355	21,311,098
IX	Net profit	74,012,175	24,368,642	49,643,533
TOTAL NET WORTH		921,606,620	835,583,127	86,023,493
	Minority Capital and Reserves	173,763	100,215	73,548
	Minority Profit (Loss)	13,461	67,035	(53,574)
TOTAL A) NET WORTH & MINORITY INTERESTS		921,793,844	835,750,377	86,043,467
B) SUNDRY RISK AND OTHER FUNDS				
1)	Pension funds	29,278,524	27,012,173	2,266,351
2)	Taxation	14,627,316	15,684,101	(1,056,785)
3)	Financial derivatives	674,112	562,881	111,231
4)	Others	15,985,480	16,696,032	(710,552)
TOTAL B) SUNDRY RISK AND OTHER FUNDS		60,565,432	59,955,187	610,245
C) STAFF SEVERANCE RESERVE		12,746,704	11,911,136	835,568
D) LIABILITIES				
4)	Banks			
	a) repayable within 12 months	174,359,149	207,701,781	(33,342,632)
	b) repayable after 12 months	340,735,122	347,783,661	(7,048,539)
5)	Other financial institutions			
	a) repayable within 12 months	22,754,487	19,872,427	2,882,060
	b) repayable after 12 months	4,310,660	4,873,249	(562,589)
6)	Advances from customers	2,983,040	1,578,901	1,404,139
7)	Trade payables	298,536,582	293,662,264	4,874,318
8)	Drafts and promissory notes	1,082,988	2,105,259	(1,022,271)
9)	Payables towards subsidiaries	491,283	-	491,283
11)	Payables towards holding company	3,200,000	3,200,000	-
12)	Due to tax office	31,140,441	25,832,985	5,307,456
13)	Social security contributions	15,105,911	14,130,523	975,388
14)	Other payables	165,831,139	125,242,604	40,588,535
TOTAL D) LIABILITIES		1,060,530,802	1,045,983,654	14,547,148
E) ACCRUALS AND PRE-PAYMENTS		19,199,283	22,181,311	(2,982,028)
TOTAL LIABILITIES AND NET WORTH		2,074,836,065	1,975,781,665	99,054,400

STATEMENT OF INCOME

		12.31.2019	12.31.2018	Difference
A) VALUE OF PRODUCTION				
1)	Net sales	2,774,122,641	2,541,997,425	232,125,216
2)	Increase/(decrease) in stock of work in progress, semi-finished and finished products	(8,892,484)	37,645,068	(46,537,552)
3)	Changes in work in progress	108,715	(29,467)	138,182
4)	Capitalised costs	1,764,269	989,724	774,545
5)	Other revenues	63,840,011	55,809,970	8,030,041
TOTAL A) VALUE OF PRODUCTION		2,830,943,152	2,636,412,720	194,530,432
B) PRODUCTION COSTS				
6)	Purchase of raw materials, packaging and supplies	(1,304,418,340)	(1,314,692,606)	10,274,266
7)	Purchase of services	(497,473,071)	(478,535,313)	(18,937,758)
8)	Rentals and Leasing	(39,539,543)	(38,200,580)	(1,338,963)
9)	Labour costs			
	a) wages and salaries	(520,764,026)	(478,712,947)	(42,051,079)
	b) social security contributions	(90,607,631)	(84,770,089)	(5,837,542)
	c) provision for staff severance	(9,980,140)	(9,138,174)	(841,966)
	d) provision for pension funds	(7,900,265)	(6,973,771)	(926,494)
	e) other labour costs	(34,750,229)	(33,292,507)	(1,457,722)
	Total labour costs	(664,002,291)	(612,887,488)	(51,114,803)
10)	Depreciation, amortisation and doubtful credits provisions			
	a) amortisation of intangible fixed assets	(44,935,233)	(36,341,647)	(8,593,586)
	b) depreciation of tangible fixed assets	(63,745,523)	(61,791,439)	(1,954,084)
	c) other devaluation of fixed assets	(23,132)	65,925	(89,057)
	d) provision for doubtful credits, cash & bank and other current assets devaluations	(10,248,376)	(9,865,777)	(382,599)
	Total depreciation, amortisation and doubtful credit provisions	(118,952,264)	(107,932,938)	(11,019,326)
11)	Decrease/(increase) in stock of raw materials, packaging, supplies and merchandise	(10,748,224)	23,988,466	(34,736,690)
12)	Sundry risk provisions	(2,748,158)	321,282	(3,069,440)
14)	Other operating costs	(55,230,989)	(45,915,585)	(9,315,404)
TOTAL B) PRODUCTION COSTS		(2,693,112,880)	(2,573,854,762)	(119,258,118)
EARNING BEFORE INTEREST AND TAX		137,830,272	62,557,958	75,272,314

STATEMENT OF INCOME

		12.31.2019	12.31.2018	Difference
C) FINANCIAL INCOME AND EXPENSES				
16)	Other financial income			
	b) term securities	2,518	540	1,978
	c) marketable securities	7,828	(2,254)	10,082
	d) other proceeds	350,802	444,795	(93,993)
17)	Interest paid and other financial charges	(15,318,222)	(11,532,854)	(3,785,368)
17) bis	Gains and losses on exchange rates	(2,390,443)	(272,866)	(2,117,577)
TOTAL C) FINANCIAL INCOME AND EXPENSES		(17,347,517)	(11,362,639)	(5,984,878)
D) ADJUSTMENTS IN THE VALUE OF FINANCIAL ASSETS				
18)	Revaluations			
	c) revalutaion of current financial assets	-	6,388	(6,388)
19)	Devaluations			
	b) devaluation of other financial assets	(100)	54,238	(54,338)
TOTAL D) ADJUSTMENTS IN THE VALUE OF FINANCIAL ASSETS		(100)	60,626	(60,726)
PROFIT/LOSS BEFORE TAX		120,482,655	51,255,945	69,226,710
20) a	Income Tax	(44,711,229)	(24,794,526)	(19,916,703)
20) b	Taxation related to previous periods	(3,438,423)	(2,250,539)	(1,187,884)
20) c	Anticipated (Deferred) Tax	1,692,633	224,797	1,467,836
	Total Taxes	(46,457,019)	(26,820,268)	(19,636,751)
21)	PROFIT (LOSS) FOR THE YEAR	74,025,636	24,435,677	49,589,959
	Minority Interests	13,461	67,035	(53,574)
NET PROFIT		74,012,175	24,368,642	49,643,533

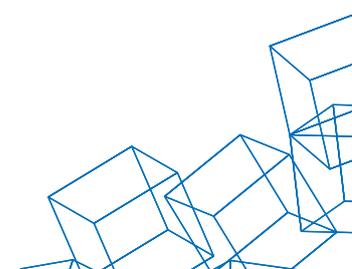


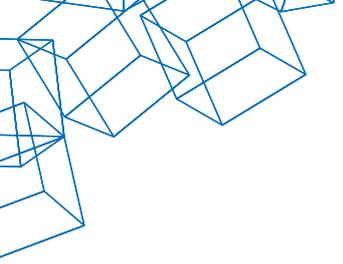
CASH FLOW STATEMENT

	2019	2018	Difference
A) FINANCIAL ADJUSTMENTS RELATED TO INCOME MANAGEMENT (INDIRECT METHOD)			
PROFIT / (LOSS) FOR THE YEAR	74,025,636	24,435,677	49,589,959
Income Taxes	46,457,019	26,820,268	19,636,751
Interests expense/(interest income)	14,958,340	11,089,773	3,868,567
1) PROFIT/ (LOSS) FOR THE YEAR BEFORE INCOME TAX, INTERESTS, CAPITAL GAIN/LOSS	135,440,995	62,345,718	73,095,277
ADJUSTMENTS OF NON-MONETARY ELEMENTS HAVING COUNTERBALANCE IN NET WORKING CAPITAL:	127,568,385	107,873,817	19,694,567
Depreciation of tangible assets	63,745,523	61,791,439	1,954,084
Amortisation of intangible assets	44,935,233	36,341,647	8,593,586
Staff severance provision	774,838	801,132	(26,294)
Change in reserves	8,852,914	3,934,153	4,918,761
Devaluation/(Revaluation)	23,232	(126,553)	149,785
Other movements in reserves due to consolidation operations	9,236,645	5,131,999	4,104,646
2) NET CASH BEFORE WORKING CAPITAL	263,009,380	170,219,535	92,789,845
WORKING CAPITAL SURPLUS/(REQUIREMENT):	(15,477,332)	(62,972,048)	47,494,716
(Increase)/decrease in Net trade receivables	(8,484,220)	(42,402,487)	33,918,267
(Increase)/decrease in Inventories	14,270,186	(63,812,305)	78,082,491
(Increase)/decrease in Other receivables	(52,841,795)	(12,575,064)	(40,266,731)
Increase/(decrease) in Trade payables	962,639	12,396,542	(11,433,903)
Increase/(decrease) in Other payables	30,615,858	43,421,266	(12,805,408)
3) NET CASH AFTER WORKING CAPITAL	247,532,048	107,247,487	140,284,561

CASH FLOW STATEMENT

	2019	2018	Difference
OTHER ADJUSTMENTS			
Interests cashed/(paid)	(12,387,562)	(10,939,997)	(1,447,565)
(income tax paid)	(32,998,998)	(27,011,524)	(5,987,474)
TOTAL OTHER ADJUSTMENTS	(45,386,560)	(37,951,521)	(7,435,039)
NET CASH PROVIDED BY / (USED IN) THE OPERATING ACTIVITY (A)	202,145,487	69,295,966	132,849,521
B) CASH FLOW FROM INVESTING ACTIVITIES:	(142,148,162)	(261,197,239)	119,049,076
Intangible assets	(57,914,330)	(117,053,826)	59,139,496
Tangible assets (inclusive of the change in the consolidation area)	(82,600,409)	(144,074,949)	61,474,540
Investments	(1,633,423)	(68,464)	(1,564,959)
(INCREASE)/DECREASE IN OTHER ML/T RECEIVABLES (NET OF OTHER ML/T PAYABLES)	222,428	1,276,181	(1,053,753)
NET CASH (USED IN) / PROVIDED BY THE INVESTING ACTIVITY (B)	(141,925,734)	(259,921,058)	117,995,324
INCREASE / (DECREASE) IN SHAREHOLDERS' EQUITY	(3,015,441)	(3,440,059)	424,618
Dividends paid	(3,200,000)	(3,200,000)	-
Increase of Net equity reserves	184,559	(240,059)	424,618
INCREASE/(DECREASE) IN LOANS AND OTHER ML/T BORROWING	(40,332,404)	117,934,071	(158,266,475)
Loan and other ml/t borrowings	6,913,021	88,038,994	(81,125,971)
Bond Repayment	-	-	-
S/t bank and other financial institutions	(47,245,425)	29,895,077	(77,140,504)
NET CASH PROVIDED BY / (USED IN) THE FINANCING ACTIVITY (C)	(43,347,845)	114,494,012	(157,841,857)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	16,871,906	(76,131,080)	93,002,989
Cash and Bank as at January 1st 2019	56,132,694	132,263,774	
Cash and Bank as at December 31 ST 2019	73,004,600	56,132,694	





Notes to the Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS OF MAPEI
GROUP AT 12.31.2019

Notes to the Consolidated Financial Statements



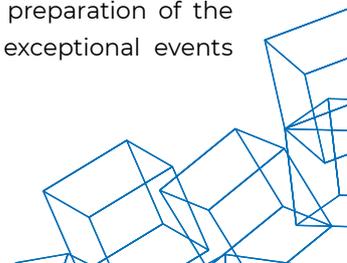
STRUCTURE AND CONTENTS OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT

These Consolidated Financial Statements as at 31 December 2019 are composed of the Balance Sheet, the Income Statement and the Notes to the Financial Statements and have been prepared according to the general principles set forth in Italian Legislative Decree no. 127 dated 9 April 1991, as amended. These principles have been interpreted and supplemented by the accounting standards elaborated by the Consiglio Nazionale dei Dottori Commercialisti e Ragionieri (C.N.D.C.R.) (the Italian Accounting Profession Council) and the Organismo Italiano di Contabilità (O.I.C.) (the Italian Accounting Organisation).

These Notes, drafted in accordance with the provisions of articles 2427 and 2427 bis of the Italian Civil Code, analyse and supplement the financial statements data with the complementary information considered necessary for a true and fair view of the data illustrated.

The items not expressly reported in the Balance Sheet and in the Profit and Loss Statement, set forth in articles 2424 and 2425 of the Italian Civil Code and in the Cash flow statement presented in compliance with accounting standard OIC 10, are intended as a zero balance. The right to not include these items relates solely to the case in which they have an amount equal to zero in both the current and previous year.

The accounting policies pursuant to article 2426 of the Italian Civil Code conform to those used in the preparation of the previous year's financial statements. No exceptional events



were verified that required the use of the exemptions set forth in article 2423 bis, subsection 2, and article 2423, subsection 5, of the Italian Civil Code.

Where applicable, the principles and recommendations published by the Italian Accounting Organisation (OIC) were observed, supplemented, where lacking, by the IAS/IFRS issued by the IASB, in order to give a true and fair view of the equity, financial and economic position.

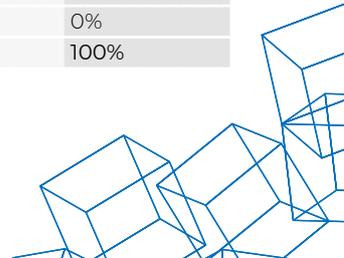
There are no elements of assets or liabilities which fall under several balance sheet items.

CONSOLIDATION CRITERIA AND CHANGES OCCURED DURING THE FINANCIAL YEAR

In accordance with articles 38 and 39 of the Italian Law Decree 127/1991, listed below are the companies directly or indirectly controlled and included in the consolidated results on a line-by-line basis:

COMPANY	LOCATION	CUR-RENCY	SHARE CAPITAL	DIRECT OWNER-SHIP	INDIRECT OWNER-SHIP
Adesital Spa	Fiorano	EUR	1.600.000	100%	0%
AO Mapei	Moscow	RUB	934.100.000	100%	0%
Cercol Spa	Sassuolo	EUR	520.000	100%	0%
Fili e Forme Srl	San Cesareo sul Panaro	EUR	100.000	100%	0%
General Resource Technology Corporation	Eagan	USD	19.816.672	0%	100%
Gorka Cement Spzoo	Trzebinia	PLN	10.000.000	100%	0%
Lusomapei Sa	Anadia	EUR	6.053.993	100%	0%
Mapefin Austria Gmbh	Nußdorf	EUR	8.500.000	100%	0%
Mapefin Deutschland Gmbh	Wiesbaden	EUR	25.000	100%	0%
Mapei Ab	Stockholm	SEK	10.272.000	0%	100%
Mapei Argentina Sa	Buenos Aires	ARS	1.429.634.167	99%	1%
Mapei As	Sagstua	NOK	24.148.950	100%	0%
Mapei Australia Pty Ltd	Brisbane	AUD	8.400.000	100%	0%
Mapei Benelux Sa	Liege	EUR	1.215.990	100%	0%
Mapei Brasil Construction Materials Ltda	San Paolo	BRL	24.598.589	98%	2%
Mapei Bulgaria Eood	Ruse	BGN	12.869.230	100%	0%
Mapei Caribe Inc	Puerto Rico	USD	2.001.000	0%	100%
Mapei China Ltd	Hong Kong	HKD	181.625.600	100%	0%
Mapei Colombia Sas	Antioquia	COP	34.388.000.000	100%	0%
Mapei Construction Chemicals Panama Sa	Panama City	PAB	4.200.000	100%	0%
Mapei Construction Chemicals Llc	Dubai	AED	300.000	49%	0%
Mapei Construction Materials Co Ltd	Canton	RMB	56.350.000	0%	100%
Mapei Construction Products India Private Ltd	Bangalore	INR	750.441.500	100%	0%
Mapei Corp	Ft. Lauderdale	USD	80.697.440	100%	0%
Mapei Costa Rica Sa	San Josè	CRC	5.381.300	0%	100%
Mapei Croatia Doo	Zagreb	HRK	1.250.000	100%	0%
Mapei Denmark As	Fredriksberg	DKK	501.000	100%	0%

COMPANY	LOCATION	CUR-RENCY	SHARE CAPITAL	DIRECT OWNER-SHIP	INDIRECT OWNER-SHIP
Mapei Doha Llc	Doha	QAR	200.000	49%	0%
Mapei Doo	Ljubljana	EUR	208.646	100%	0%
Mapei East Africa Limited	Nairobi	KES	125.000.000	100%	0%
Mapei East Corp	Ft. Lauderdale	USD	1.000	0%	100%
Mapei Egypt for Construction Chemicals Sae	Cairo	EGP	50.803.824	100%	0%
Mapei Far East Pte Ltd	Singapore	SGD	21.200.000	100%	0%
Mapei France Sa	Saint Alban	EUR	5.000.000	100%	0%
Mapei Gmbh (A)	Nußdorf	EUR	210.000	0%	100%
Mapei Gmbh (D)	Erlenbach	EUR	3.500.000	100%	0%
Mapei Hellas Sa	Athens	EUR	6.600.000	100%	0%
Mapei Inc	Montreal	CAD	3.794.499	100%	0%
Mapei Indonesia Construction Products Pt	Bekasi	IDR	26.695.100.000	0%	100%
Mapei Indonesia Construction Solutions Pt	Bekasi	IDR	2.510.000.000	0%	100%
Mapei Kft	Budaors	HUF	400.000.000	73%	27%
Mapei Korea Ltd	Chungbuk	KRW	14.727.260.000	100%	0%
Mapei Malaysia Sdn Bhd	Selangor	MYR	32.500.000	0%	100%
Mapei Mexico Sa de Cv	Queratero	MXN	459.520.797	91%	9%
Mapei Nederland Bv	Almelo	EUR	3.400.000	100%	0%
Mapei New Zealand Ltd	Auckland	NZD	1.800.000	100%	0%
Mapei Oy	Helsinki	EUR	7.568	0%	100%
Mapei Perù Sac	Lima	PEN	21.500.800	100%	0%
Mapei Philippines Inc	Laguna	PHP	10.000.000	0%	100%
Mapei Polska Spzoo	Gliwice	PLN	35.000.000	100%	0%
Mapei Romania Srl	Bucharest	RON	4.014.140	100%	0%
Mapei Sk Sro	Bratislava	EUR	497.910	60%	40%
Mapei Spain Sa	Barcelona	EUR	7.662.904	100%	0%
Mapei Srb Doo	Belgrade	RSD	55.375.000	100%	0%
Mapei Sro	Olomouc	CZK	75.100.000	67%	33%
Mapei South Africa Pty Ltd	Johannesburg	ZAR	314.675.520	75%	0%
Mapei Stadium Srl	Reggio Emilia	EUR	20.000	100%	0%
Mapei Suisse Sa	Sorens	CHF	4.000.000	99%	1%
Mapei UK Ltd	West Midlands	GBP	7.300.000	100%	0%
Mapei Ukraina Llc	Kiev	UAH	88.008.849	100%	0%
Mapei Venezuela Ca	Caracas	USD	2.287.743	0%	79%
Mapei Vietnam Ltd	Danang	VND	68.869.400.000	100%	0%
Mapei Yapi Kimyasallari Ins. San. Ve Tic. As	Ankara	TRY	50.779.350	100%	0%
Mosaico+ Srl	Modena	EUR	1.600.000	100%	0%
Polyglass GB Ltd	Willenhall	GBP	50.100	0%	100%
Polyglass Spa	Ponte di Piave	EUR	30.000.000	100%	0%
Polyglass Usa Inc	Ft. Lauderdale	USD	7.500.934	0%	100%
Rasco Bitumenttechnik Gmbh	Augustdorf	EUR	25.000	0%	100%
Resconsult As	Nord Odal	NOK	120.000	0%	100%
Sopro Bauchemie Gmbh (D)	Wiesbaden	EUR	18.000.000	0%	100%
Sopro Bauchemie Gmbh (A)	Asten	EUR	2.617.167	0%	100%
Sopro Hungaria Kft	Budakeszi	HUF	37.000.000	0%	100%
Sopro Nederland Bv	Nieuwegein	EUR	18.000	0%	100%
Sopro Polska Spzoo	Warsaw	PLN	26.714.500	0%	100%
Tecnopool de Sistemas S.L.	Barcelona	EUR	42.000	100%	0%
U.S. Sassuolo Calcio Srl	Sassuolo	EUR	5.000.000	100%	0%
Vaga Srl	Costa de' Nobili	EUR	2.900.000	100%	0%
Vinavil Egypt for Chemicals Sae	Suez I.Z.	EGP	30.000.000	50%	50%
Vinavil Spa	Milan	EUR	6.000.000	100%	0%
4307721 Canada Inc	Laval	CAD	100	0%	100%



The Mapei Group Consolidated Financial Statements as at 31st December 2019, are based on the financial statements of the parent company and the Italian and foreign companies under the control of Mapei Spa.

The company Mapei East Africa Limited, owned by Mapei Spa, has been consolidated for the first financial year, using the line-by-line consolidation method.

Mapei Building Materials Technology Co. Ltd, held 100% by Mapei China Ltd, Gorka Cement US Corp, held 100% by Gorka Cement Spzoo, Mapei Middle East Fzco, held 50% by Mapei Spa, Mapei Marine Srl and Mapei Saudia Llc have been excluded from the scope of consolidation and valued at cost, since they were not operational during 2019.

The company Vaga Società Agricola Ss, 90% owned through Vaga Srl, which is valued at cost, has also been excluded from the consolidation area owing to its irrelevance.

CONSOLIDATION PRINCIPLES

Financial Statements of the subsidiaries included in the consolidation area are consolidated on a line-by-line basis, irrespective of the percentage of ownership by the Group. In addition, costs and revenues of subsidiaries included in the consolidation area were considered from the date of inclusion in the Consolidated Financial Statements.

In particular, with reference to the companies included in the consolidation area, they were consolidated on a line-by-line basis, as follows:

- 1) the book value of investments included in the consolidation area is eliminated against the related net worth following line-by-line method and, where the direct or indirect investment is lower than 100%, minority interests and share of profits are recognised.
- 2) in case of a positive difference between the book value and the related net worth of the investment at the moment of its acquisition, the exceeding value is attributed directly to the company assets acquired and the remaining, if the requirements are satisfied, is posted as "Difference from consolidation" and amortised on a straight-line basis in accordance with the residual value,
- 3) any negative difference from elimination is posted as a net worth reserve named "Consolidation reserve" or, if it is related to forecast negative results, provisioned in a risks fund.

Eliminations from the consolidated financial statements are the following:

- all intercompany receivables and payables as well as costs and revenues between consolidated companies;
- all intercompany gains deriving from the sale of fixed assets between consolidated companies;
- any profit, if significant, deriving from trade between consolidated companies;
- dividends received, with reference to the part realised with consolidated companies.

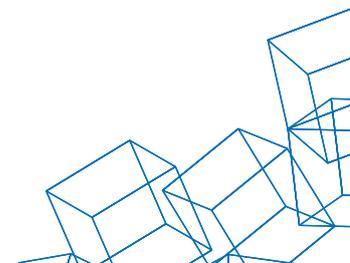
FINANCIAL STATEMENTS USED FOR CONSOLIDATION

The Consolidated Financial Statements have been prepared using the financial statements as at 31st December 2019 of the companies included in the scope of consolidation, approved by the respective Boards of Directors. The individual statements have been adjusted, where required, to conform to Group accounting standards.

In accordance with art. 2426, paragraph 1, no. 8-bis of the Italian Civil Code, monetary assets and liabilities in currencies other than the operating currency in which the financial statements are presented (so-called “accounting currency”), subsequent to initial recognition, are booked at the spot exchange rate at year end. Any subsequent exchange gains or losses are recorded in item C17-bis) of the Profit and Loss Statement “exchange gains and losses” and any net profit, which contributes to the formation of the result for the year, is allocated to the appropriate reserve which cannot be distributed until realised.

The conversion of Profit and Loss Statement items has been carried out on the basis of average exchange rates for the financial year.

The exchange rate differences arising from the conversion of Financial Statements expressed in foreign currencies have been posted directly to the “Translation reserve” included in net worth, according to the provisions of OIC 17 “Consolidated financial statements and equity method”.



The following exchange rates were used for these financial statements:

CURRENCY	AVERAGE RATE	FINAL RATE
Panamanian Balboa	0,89318	0,89015
Costa Rican Colon	0,00152	0,00156
Czech Crown	0,03895	0,03936
Danish Krona	0,13395	0,13384
Norwegian Krona	0,10153	0,10138
Swedish Krona	0,09454	0,09572
Serbian Dinar	0,00849	0,00849
UAE Dirham	0,24264	0,24238
US Dollar	0,89318	0,89015
Australian Dollar	0,62066	0,62520
Canadian Dollar	0,67254	0,68503
Hong Kong Dollar	0,11373	0,11432
Singapore Dollar	0,65321	0,66177
New Zealand Dollar	0,58772	0,60049
Vietnamese Dong	0,00004	0,00004
Hungarian Florin	0,00308	0,00303
Swiss Franc	0,89799	0,92132
Ukrainian Hryvnia	0,03444	0,03743
Bulgarian Lev	0,51130	0,51130
Egyptian Lira	0,05280	0,05550
Turkish Lira	0,15809	0,14960
Nuevo Sol	0,26699	0,26842
Romanian New Leu	0,21101	0,20907
Argentinian Peso	0,01888	0,01486
Columbian Peso	0,00027	0,00027
Philippine Peso	0,01718	0,01757
Mexican Peso	0,04621	0,04712
South African Rand	0,06182	0,06338
Brazilian Real	0,22684	0,22145
Chinese Renmimbi	0,12902	0,12787
Malaysian Ringgit	0,21565	0,21761
Qatar Riyal	0,24480	0,24455
Indian Rupee	0,01265	0,01247
Indonesian Rupee	0,00006	0,00006
Russian Rouble	0,01376	0,01429
Kenyan Shilling	0,00875	0,00878
UK Pound	1,13779	1,17536
South Korean Won	0,00077	0,00077
Polish Zloty	0,23267	0,23492

ASSUMPTIONS AND DRAFTING PRINCIPLES OF THE FINANCIAL STATEMENTS

In accordance with the requirements of Art. 2423 of the Italian Civil Code, the Company has adhered to the general assumptions of clarity and the presentation of a truth and fair view of the Company's equity, financial position and economic result for the year.

The recognition, valuation, presentation and disclosure of the items may differ from what is required by accounting standards only in case the non-observance has irrelevant effects on the truth and fair view of the Company's equity, financial position and economic result for the year. To this extent, a piece of information is considered relevant, based on qualitative and/or quantitative aspects, when its omission or incorrect indication could reasonably influence the decisions taken by financial statements users. Additional specific criteria adopted to explain the concept of irrelevance are indicated in the individual balance sheet items when affected by its application. The relevance of the individual items is considered in the context of other, similar items.

The principles established by art. 2423-bis of the Italian Civil Code have been observed, as discussed below.

Financial Statements items have been stated according to the prudence principle and based on a going concern assumption, and also taking into account the substance of the transaction of the contract. For each transaction or fact and, nonetheless, for every company event, the substance has been identified, no matter what the origin.

Only the profits realised at the reporting date have been reported in the financial statements.

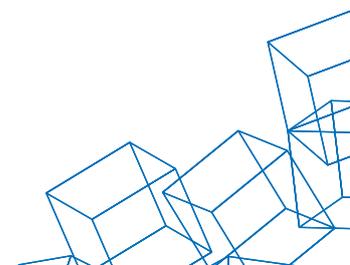
All incomes and expenses indicated are those accrued in the year regardless of the date of payment or collection.

Provisions on risks or losses relating to the year have been considered, even when they became known after the closing date.

Any dissimilar elements included in individual items of the financial statements have been recorded and evaluated separately.

The Financial Statements, all figures and the tables in these Notes are expressed in Euro.

All information related to the items in the Balance Sheet and in the Income Statement is presented according to the order in which the items appear on the Balance Sheet and Income Statement, pursuant to Art. 2427, paragraph 2, of the Italian Civil Code.



CHANGES IN ACCOUNTING STANDARDS

A change in an accounting standard is recorded in the period when it is adopted and the relative facts and transactions are treated in accordance with the new standard applied, considering the effects retroactively. These effects, if considered irrelevant, are included in the opening balance of equity of the year, without recalculating the comparative data of the previous year.

ACCOUNTING POLICIES

The accounting policies pursuant to Art. 2426 of the Italian Civil Code are compliant with those used in the preparation of the previous year's financial statements and are also discussed in these explanatory notes. No exceptional events were verified that required the use of the exemptions set forth in article 2423 bis, subsection 2, and article 2423, subsection 5 of the Italian Civil Code.

Intangible assets

Intangible assets are stated at purchase price, inclusive of ancillary costs, and amortised systematically over the period of their estimated future useful life. The rates applied are as follows:

	RATE
Trademarks	20%
Goodwill	10%
Other intangible assets	20%
Know How	5-50%

Taking account of the sector the Group operates in, amortisation of goodwill is determined in ten years, a period considered representative of the estimated useful life.

Amortisation of leasehold improvements is determined on the basis of the residual length of each underlying contracts, or on the basis of the residual life of the improvements, if lower.

"Long-term football players' registration rights" are also classified under "Other intangible assets". These assets are recorded at historical purchase cost, including any directly attributable accessory charges.

The amounts are stated net of the amortisation charges, which were calculated on a straight-line basis in relation to the duration of the contracts stipulated with the individual professional football players.

Intangible assets are reduced in case of permanent losses of value. For more details, please refer to the section "Write-offs due to impairment of tangible and intangible assets".

Tangible Assets

Tangible assets are stated at purchase price, inclusive of all directly attributable ancillary costs, re-valued, where specified in the individual items, and when permitted by law. Plant and buildings under construction are recorded at cost, under fixed assets in progress for the amount of costs sustained up to the reporting date, and are not subject to depreciation as the assets have not been placed into service.

Assets are depreciated systematically on the basis of economic-technical rates determined in accordance with their residual value and estimated useful lives. The rates are as follows:

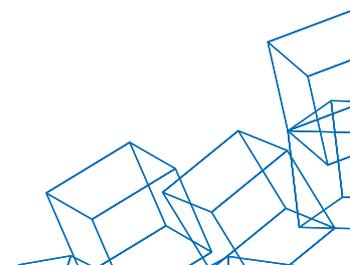
	RATE
Industrial buildings	3-4%
Plant and machinery	10-11.5%
Industrial equipment	40%
Forklifts	20%
Small Buildings	10%
Office equipment	20%
Office furniture	12%
Trucks	20%
Cars	25%

Ordinary maintenance costs are charged directly to Profit and Loss as incurred, while extraordinary maintenance costs which increase the value of the assets are recorded on the Balance sheet and depreciated at rates applicable to the underlying assets.

Financial lease agreements are recorded as required by the financial method, in accordance with paragraph 105 of OIC 17: the value of the property, plant and equipment is recorded under the relative balance sheet item and the residual debt with the leasing company is recorded in liabilities with interest and depreciation charged to profit and loss.

Tangible assets are reduced in the event of impairment.

For more details, please refer to the section "Write-downs due to impairment of property, plant and equipment and intangible assets".



Write-offs due to impairment of tangible and intangible assets

Write-offs due to impairment of tangible and intangible assets are recorded as required by Accounting Standard OIC 9.

At each reporting date, the company verifies whether there are indicators to suggest that a fixed asset has suffered a reduction in value and, in that case, it estimates the recoverable value of the fixed asset.

If the recoverable value of an asset (i.e. the higher between its value in use and its fair value) is lower than its book value, the asset is recorded at lower value. The difference is recorded on the income statement as long-term impairment, in item B10c). In order to evaluate whether an asset has suffered impairment, the company verifies the existence of certain indicators, for example:

- whether the market value of an asset has fallen significantly during the year, more than would have occurred with the passage of time and the normal use of the asset in question;
- whether, during the year, significant changes occurred, or which could occur in the near future, with a negative effect for the company in the technological market, economic or regulatory domains in which the company operates or in the market to which an activity is directed;
- whether, during the year, market interest rates or other rates of return on investments have increased, and whether it is likely that these increases will shape the discount rate used in calculating the value in use of an asset and reduce the recoverable value;
- whether the obsolescence or physical deterioration of an asset is greater than expectations;
- whether, during the year, significant changes occurred with a negative impact on the company (such as the non-use of an asset, disposal or restructuring plans, redefinition of the useful lifetime of the fixed asset), or it is presumed that they may occur in the near future, to the extent or in the way in which an asset is used or is expected to be used.

If it is not possible to estimate the recoverable value of the individual fixed asset, the recoverable value of the cash-generating unit (CGU) to which the fixed asset belongs is determined. This is verified when the individual fixed assets do not generate cash flows autonomously with respect to other fixed assets. Under this assumption, if the recoverable value of the CGU is lower than its book value, the reduction in the book value of the assets that form part of the CGU is firstly booked to the value of goodwill allocated to the CGU and, subsequently, proportionally to the other assets, based on the book value of each asset that forms part of the CGU.

In the absence of indicators of potential impairment, the recoverable value is not determined.

The value is restored if the reasons for the write-off for impairment no longer apply, up to the limit of the value that the asset would have had if the adjustment had not taken in place. Write-off booked to goodwill and capitalised expenses cannot be reversed, since this is not permitted by current regulations.

Derivative financial instruments

Derivative financial instruments are booked at the date when the contract is signed, which is when the company takes on the related rights and obligations.

Pursuant to the provision of article 2426, subsection 1, number 11-bis of the Italian Civil Code and of OIC 32, derivative financial instruments, even if embedded into other financial instruments, are measured at fair value both at the date of initial recognition and at each subsequent reporting date. The recognition and the variation in fair value with respect to the previous year are booked to the financial statements using methods that differ depending on whether the transaction involving derivative financial instruments qualifies (and is effectively designated) as a cash flow hedge or not.

Transactions that cannot be qualified (or designated) as hedging

If the transaction cannot be qualified (or is not designated) as hedging, the changes in fair value are recorded on the Income Statement in section D) "Value adjustments to financial assets and liabilities". As set out in article 2426, subsection 1, number 11-bis of the Italian Civil Code, profits deriving from the valuation of derivative financial instruments not designated as hedges are allocated to undistributable shareholders equity reserves.

Transactions that can be qualified (or designated) as hedging

The company can enter into transactions involving derivative financial instruments to hedge against interest rate or exchange rate risk.

A transaction in derivative financial instruments is designated as hedging when:

- a) the hedging relationship only consists of eligible hedging instruments and eligible hedged items pursuant to OIC 32;
- b) there is a strict and documented link between the characteristics of the hedged instrument or transaction and the hedging instrument, pursuant to Art. 2426, paragraph 1(11-bis), of the Italian Civil Code; the documentation relates to formalisation of the hedging relationship, the company's risk management objectives and hedging strategy.



- c) the hedging relationship meets all the following requirements as regards the effectiveness of the hedge:
- i. there is an economic relationship between the hedged element and the hedging instrument;
 - ii. the effect of the credit risk of the counterpart of the derivative financial instrument and the hedged item, if the credit risk is not the hedged risk, does not prevail over changes in value resulting from the economic relationship;
 - iii. the hedge ratio is equal to the ratio between the quantities of derivative financial instruments used and the quantities of hedged item (to the extent not to affect ex-ante the ineffectiveness of the hedge).

The economic relationship is verified from a qualitative point of view, by verifying that the key elements of the hedging instruments and the hedged element correspond or are closely aligned, and from the quantitative viewpoint. When the hedging transactions relate to derivative financial instruments with entirely similar characteristics to the hedged element (defined as "simple hedging relations") and the derivative financial instrument is subscribed at market conditions, the hedging relationship is considered effective, checking that the supporting elements (such as the nominal amount, the date of payment of the cash flows, the due date and the underlying variable) of the hedging instrument and the hedged element correspond or are at least closely aligned and the credit risk of the counterpart is not as such to significantly influence the fair value of either the hedging instrument and of the hedged item. The existence of eligibility criteria is verified on an ongoing basis and, at each reporting date, the company evaluates whether the hedging relationship still meets the effectiveness requirements.

The company prospectively ceases to account for the hedge when:

- a) the hedging instrument expires, is sold or ceased (without replacement already provided for in the original hedging strategy);
- b) the hedge no longer satisfies the conditions for booking the hedge.

If the change in the economic relationship between the hedged element and the hedging instrument is such as to lead to a termination of the hedging relationship and the objective of risk management for the designated hedging relationship remains the same, the company assesses the possibility of revising the hedging relationship.

The Group has cash flow hedging contracts in place.

This type of hedge is employed when the hedging objective is to limit the exposure to the risk of changes in cash flows attributable to an asset or liability booked to the financial statements, to irrevocable commitments, or to planned transactions. The company recognises the cash flow edge, connected to an asset or liability booked to the financial statements, an irrevocable commitment or a highly probable planned operation, in the balance sheet at fair value, with the component of the hedge deemed effective recorded in A) VII "Reserve for expected cash flow hedges", while the ineffective component, calculated for hedging relationship that do not qualify as simple is recognised in section D) of the Profit and Loss Statement.

Determination of the fair value

In order to determine the fair value of the derivative financial instruments in the financial statements, the company has defined their main market (or the most advantageous) and the most appropriate valuation techniques, taking into account the levels of the fair value hierarchy in which the parameters and assumptions that market operators will use to determine the price of the derivative financial instrument are classified, including the assumptions regarding risks, presuming that the market operators act in their own economic interest in the best possible manner.

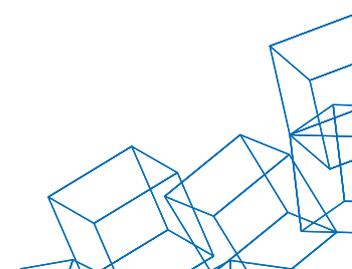
In particular, in determining the fair value, the company maximised the use of relevant observable parameters and minimised the use of non-observable parameters, as required by the fair value hierarchy by identifying the fair value based on the available market information at the reporting date for the derivative instruments subscribed by the company.

Other equity investments, investments in subsidiaries that are not in operation yet and securities not representing equity investments are recorded at cost adjusted for any permanent impairment of their value. If the reasons for the write-down are no longer valid, the original value is restated.

Inventories

Inventories of raw and ancillary materials, consumables and finished products are stated at purchase or production cost, determined using the Weighted Average Cost method.

When market conditions indicate a permanently reduced realisable value if compared with the Weighted Average Cost method, the inventory is reduced to the net realisable value.



Accounts Receivables

Accounts receivable are classified under fixed assets or under current assets, based on their use and/or origin with respect to ordinary activities, and are booked at their presumed realisable value.

Accounts receivable, pursuant to article 2426, subsection 8, of the Italian Civil Code, are recognised according to the amortised cost method, taking account of the time factor. If the interest rate of the transaction is not significantly different to the market rate, the receivables are initially recorded at the nominal value, minus any premiums, discounts and allowances, and including any costs directly attributable to the transaction that produced them.

Accounts receivable are presented in the financial statements net of the recognition of a provision for doubtful accounts to cover receivables considered non-collectable, as well as the generic risk relating to the remaining receivables, based on estimates prepared according to past experience, the trend in the ageing ratios of past due receivables, the general economic situation, the industry situation and country risk, as well as on the events that occurred after the close of the year that impacted the values at the reporting date.

Cash on hand and banks

Receivables from bank and postal accounts deriving from deposits and ordinary accounts are recorded at their nominal value. Cash on hand is recorded at nominal value.

Accruals and pre-payments assets and liabilities

These items represent the current portion of costs and proceeds related to two or more financial years as required by accrual basis accounting, regardless when the monetary transaction occurs. Based on this criterion, an accrual or deferral is recognised when the following conditions are satisfied:

- the contract starts in one year and ends in the next one;
- the service price is contractually due in advance or deferred in two or more consecutive years;
- the amount of the accruals changes during the financial periods.

Income and expenses fully related to the current year financially are not included in accruals and deferrals.

At the end of each year, the company verifies whether the conditions that determined the initial recognition of the accrual or the deferral are still valid; if necessary, adjustments are made. This evaluation takes into account not only time but also the amount recoverability.

Sundry risk and other funds

These are provisions for risks and charges allocated to cover certain or probable losses or payables, in respect of which, however, the amount or the date of occurrence could not be determined at year-end. The provisions reflect the best estimates based on available elements.

Staff severance reserve

The staff severance fund is maintained at a value sufficient to cover the entire accumulated liability with employees in conformity with current legislation and collective labour and benefit contracts.

Accounts Payable

Pursuant to Art. 2426, paragraph 8, of the Italian Civil Code, payables are recognised according to the amortised cost method, taking account of the time factor. If the interest rate of the transaction is not significantly different to the market rate, the payables are initially recorded at the nominal value net of all transaction costs and all premiums, discounts and allowances directly attributable to the transaction.

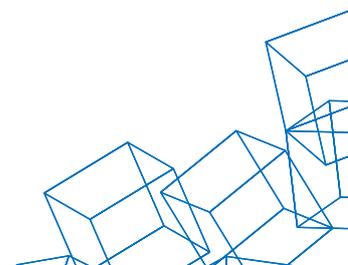
Amounts due within and after 12 months are split with reference to the contractual or legal maturity, also taking account of the facts and events that may determine a change to the original maturity.

Some payables to other financial institutions are directly connected with the observance of covenants. Where covenants are not respected, if necessary, the medium/long-term payables have to be reclassified as short-term.

Recognition of revenues and costs

Revenues are recognised in the income statements on an accrual basis net of returns, discounts and rebates. More specifically:

- revenues from the sale of goods are recognised when the ownership of the goods is transferred, normally the date of shipment, unless otherwise specified in the contract;
- revenues from the supply of services are recognised when the service is fully performed in accordance with the terms of the contract;
- costs are recognised on an accrual basis;
- financial income and expenses are recognised on an accrual basis.



Current and deferred income tax

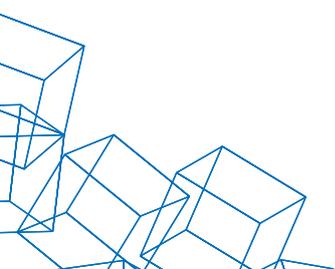
Taxes for the period are determined on the basis of a realistic estimate of the amounts to be paid according to existing legislation.

In accordance with accounting standard no. 25, drawn up by the Italian Accounting Organisation ("Organismo Italiano di Contabilità"), deferred tax liabilities are recorded in the account "Taxation Funds", while deferred tax assets are booked in the account "Deferred tax assets"; they reflect the temporary differences between the tax basis of assets and liabilities and the corresponding tax values based on the tax rate in force at the time in which they will reverse. In particular, deferred tax assets are only recognised if it is reasonably certain that, in the years in which the associated temporary differences will reverse, taxable income will be generated which is no less than the amount of the differences that will be cancelled.

Deferred tax assets and deferred tax liabilities are not discounted.

Derogation to subsection 4 of article 2423

It should be noted that no exemptions were applied in the financial statements, pursuant to article 2423, subsection 4, of the Italian Civil Code.



NOTES TO THE BALANCE SHEET

Assets**INTANGIBLE ASSETS**

At year-end, the item was broken down as follows:

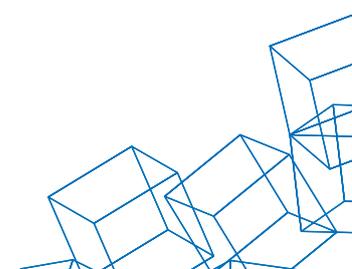
	12.31.2019	12.31.2018	DIFFERENCE
Start-up and expansion costs	20,563	20,408	155
Industrial patent	10,750,695	12,024,006	(1,273,311)
Government Concessions, know how, licences and trade-marks and similar rights	3,484,006	3,726,580	(242,574)
Goodwill	63,199,802	74,294,803	(11,095,001)
Assets in progress and payments in advance	9,077,000	4,018,554	5,058,446
Other intangible assets	122,211,691	101,328,263	20,883,428
TOTAL	208,743,757	195,412,614	13,331,143

The decrease in Industrial patent is a consequence of amortisation during the year, by Mapei Spa, of the licenses on the new Group ERP system.

The decrease in goodwill is the consequence of amortisation during the year by various Group subsidiaries partially offset by Goodwill recognition during consolidation, as well as the exchange rate fluctuations.

The table below summarises the Goodwill composition:

	GOODWILL
Opening balance	214,543,732
Exchange difference opening balance	20,603
Increase	48,597
Exchange difference variation	3,702
ACQUISITION COST	214,616,634
Opening balance - Cumulated amortisation	140,248,929
Exchange difference opening balance	25,188
Increase - Amortisation/Devaluation	11,142,982
Exchange difference variation	(267)
CUMULATED AMORTISATION	151,416,832
TOTAL	63,199,802



The breakdown of Goodwill by legal entity as at December 31st, 2019, is as follows:

	ACQUISITION COST	ACCUMULATED AMORTISATION	TOTAL
Adesital Spa	1,869,925	1,869,925	-
Vaga Srl	3,762,175	3,762,175	-
Lusomapei Sa	421,065	421,065	-
Mapei Spain Sa	431,735	431,735	-
Gorka Cement Spzoo	656,179	656,179	-
Mapei Construction Chemicals Llc	6,233,948	6,233,948	-
Mosaico + Srl	2,933,938	2,933,938	-
Mapei Korea Ltd	4,290,406	3,923,644	366,762
Vinavil Egypt for Chemicals Sae	8,593,446	5,585,737	3,007,709
Mapei Yapi Kimyasallari Ins.San.ve Tic.A.S.	7,961,867	6,168,763	1,793,104
Mapei Construction Materials Co Ltd (Guangzhou)	2,527,748	2,527,748	-
Mapefin Deutschland Group	48,807,022	48,724,418	82,604
Mapei As	9,282,963	9,282,963	-
Mapei Inc	289,213	289,213	-
Mapei Corp	31,663,438	26,935,454	4,727,984
Polyglass Group	4,389,030	3,190,596	1,198,434
Cercol Spa	2,002,720	2,002,720	-
Mapei Construction Chemicals Panama Sa	668,434	539,988	128,446
Mapei Gmbh (A)	14,736,189	14,736,189	-
Mapei Mexico Sa de Cv	970,625	301,560	669,065
Mapei Colombia S.A.S.	9,261,646	2,908,030	6,353,616
Fili e Forme Srl	3,151,056	540,687	2,610,369
Tecnopol de Sistemas S.L.	49,711,866	7,450,157	42,261,709
TOTAL	214,616,634	151,416,832	63,199,802

Goodwill recorded in intangible assets is justified by the profit generated by the subsidiaries, by positive income prospects and by the market and technological potentiality provided by the purchased companies to which it refers.

The increase in "Assets in progress and payments in advance" is due mainly to the investments made for the new version of the ERP Microsoft Dynamics 365.

The item "Other intangible assets" is composed predominantly by the "Football players' registration rights" of the company U.S. Sassuolo Calcio Srl (Euro 117,385,372).

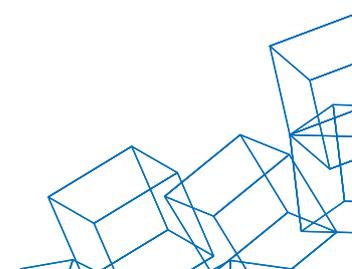
TANGIBLE ASSETS

At year-end, the item is broken down as follows:

	12.31.2019	12.31.2018	DIFFERENCE
Land and buildings	432,698,046	390,579,277	42,118,769
Plant and machinery	164,393,840	142,866,276	21,527,564
Industrial and commercial equipment	16,351,264	15,901,780	449,484
Other tangible assets	22,738,879	20,834,909	1,903,970
Assets in progress and payments in advance	35,192,599	77,158,041	(41,965,442)
TOTAL	671.374.628	647.340.283	24.034.345

The variation of Euro 24,034,345, net of depreciation of Euro 63,745,623 (Euro 61,791,439 in 2018) is detailed as follows:

	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER TANGIBLE ASSETS	ASSETS IN PROGRESS AND PAYMENTS IN ADVANCE	TOTAL
BOOK VALUE AT 12.31.2018	648,659,128	700,386,660	76,432,187	78,981,814	77,158,041	1,581,617,831
Increase	14,260,684	22,410,293	4,317,917	7,084,152	34,964,606	83,037,652
Thereof due to change in the consolidation area	-	-	-	-	-	-
(Decrease)	(159,448)	(325,008)	(1,887,245)	(4,910,536)	-	(7,282,237)
Reclassification	45,504,186	28,684,761	1,311,411	1,896,142	(77,236,462)	160,038
Exchange rate difference	6,327,896	5,750,269	773,773	639,796	306,414	13,798,148
COST AT 12.31.2019	714,592,446	756,906,975	80,948,043	83,691,368	35,192,599	1,671,331,431
PROVISION AT 12.31.2018	258,079,851	557,520,384	60,530,407	58,146,905	-	934,277,547
Depreciation	20,916,970	30,195,139	5,342,734	7,290,782	-	63,745,625
Reclassification	267,272	127,569	(271,772)	67,710	-	190,781
(Decrease)	(17,870)	(198,733)	(1,540,181)	(5,131,243)	-	(6,888,027)
Thereof due to change in the consolidation area	-	-	-	-	-	-
Exchange rate difference	2,648,176	4,868,776	535,592	578,335	-	8,630,879
ACCUMULATED DEPRECIATION AT 12.31.2019	281,894,399	592,513,135	64,596,780	60,952,489	-	999,956,803
NET BOOK VALUE 12.31.2019	432,698,046	164,393,840	16,351,264	22,738,879	35,192,599	671,374,628



The main variations which occurred during the year are as follows:

Investments of around Euro 11,000,000 by Mapei Corp, mainly relating to commissioning of the third production line of powder plant in Garland, a new packaging machine in West Chicago and also for expansion of the warehouse at Fredericksburg in Virginia.

Investments for around Euro 8,400,000 by Mapei Argentina Sa, mainly for the final commissioning of the new powder production line and the related sand drying plant, and also for some modernisation works on the offices and on the common areas at the Escobar plant.

Investments of around Euro 8,000,000 by Mapei Spa, primarily for the construction of the new calcium carbonate plant at Latina plant and a new sealant packaging line at Mediglia site, as well as for some modernisation works on different production departments and common areas at Mediglia plant.

Investments of around Euro 7,800,000 by U.S. Sassuolo Calcio Srl for final construction of the new Ca' Marta sports centre.

Investments of around Euro 6,900,000 by Mapei As relating to construction of the second production line of powder plant in Sagstua, and also for modernisation works on the existing production lines.

Investments of around Euro 3,700,000 by Polyglass Usa Inc, mainly for the purchase of new offices in Deerfield Beach, for complementary works to the production line at Waco, in Texas, and also for improvements to the offices and the warehouse at Winter Haven plant.

Investments of around Euro 3,000,000 by Mapei Hellas Sa, mainly for the commissioning of the new calcium carbonate production plant at Ritsona site.

Investments of around Euro 2,900,000 made by Gorka Cement Spzoo, mainly for renovation of the production plant.

Investments of around Euro 2,800,000 by Mapei Colombia Sas, for the final commissioning of the new powder production plant and the related laboratory at Bogotá site.

Investments of around Euro 2,700,000 by Mapei Polska Spzoo related to increase in production capacity performed on the existing production plants.

Investments of around Euro 2,700,000 by Mapei Egypt for Construction Chemicals, mainly for the purchase of land for the new production site.

Investments of around Euro 2,300,000 by Sopro Group, primarily for the designing of the new offices and research laboratories of Sopro Bauchemie GmbH (D) in Wiesbaden, and for modernisation of the laboratories and warehouse in Nordenstadt.

Tangible asset of Fili and Forme Srl for Euro 2,200,000 for the construction of a new production line for manufacturing polypropylene concrete-reinforcing fibres.

Investments of Euro 2,000,000 by Vinavil Spa, primarily for modernisation work on the various production departments at the Villadossola plant.

Investments of around Euro 1,900,000 by Polyglass Spa for commissioning of the new granulator dedicated to TPO production line, and also for the modernisation of several production lines at the Ponte di Piave plant.

Investments of around Euro 1,800,000 by Mapei Mexico Sa de Cv for final construction of a new production line of the powder plant and also for some modernisation works at Zimapan production site.

Investments of around Euro 1,800,000 by Mapei Nederland Bv for construction of new offices and warehouse.

Investments of around Euro 1,700,000 by Vinavil Egypt for Chemicals Sae for finalisation of the new acrylic resins production line at Suez.

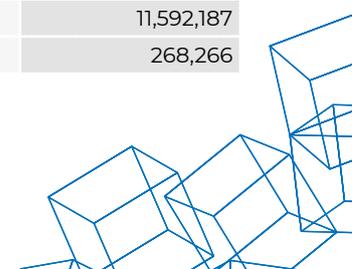
Investments of around Euro 1.500,000 by Mapei Malaysia Sdn Bhd, mainly for extension of the existing warehouse at Nilai site. The remaining investments of around Euro 8,000,000 were made by all the other companies, for a unitary amount of less than Euro 1,000,000, and relate mainly to extraordinary maintenance and the upgrading of production sites.

The decreases in the year of around Euro 500,000, net of the use of the associated provision, refer in particular to disposals relating to the items Land and Buildings, Plant and Machinery and Other assets (cars, computers and office equipment) of the various companies.

The exchange rate had a positive effect on the transactions of the year. The 2019 figure of around Euro 5,300,000 is mainly attributable to appreciation of the US Dollar, the Canadian Dollar, the Russian Rouble and the Egyptian Lire, offset by the heavy depreciation of the Argentinian Peso.

The tangible assets of Mapei Spa and Vinavil Spa were subject to monetary revaluations in previous years, in accordance with specific regulations (Italian laws no. 576/75- 72/83 - 413/91- 342/00 - 350/03 - 266/05 - 185/08), as follows:

ASSET REVALUATED	TOTAL
Land	234,108
Buildings	30,299,995
Plant and machinery	76,468,018
Industrial and commercial equipment	11,592,187
Other assets	268,266



FINANCIAL ASSETS - INVESTMENTS IN SUBSIDIARIES

The item consists mainly of the investments in Mapei Middle East Fzco, Mapei Saudia Llc, Mapei Marine Srl, Gorka Cement US Corp and Mapei Building Materials Technology Co. Ltd, which were not operational during 2019, and in Vaga Società Agricola Ss, excluded from the consolidation area. Mapei East Africa Limited, which was not operational during 2018, has been included in the consolidation area.

The table below shows the balances of the investments in question as at December 31st, 2019, compared with the balances as at December 31st, 2018.

COMPANY	12.31.2019	12.31.2018	DIFFERENCE	% OF OWNERSHIP
Mapei Middle East Fzco	81,458	81,458	-	50%
Mapei Saudia Llc	130,595	130,595	-	100%
Mapei East Africa Limited	-	224,598	(224,598)	100%
Mapei Building Materials Technology Co. Ltd	1,349,185	-	1,349,185	100%
Mapei Marine Srl	500,000	-	500,000	100%
Gorka Cement US Corp	8,836	-	8,836	100%
Vaga Società Agricola Ss	9,000	9,000	-	90%
TOTAL	2,079,074	445,651	1,633,423	

FINANCIAL ASSETS - INVESTMENTS IN OTHER COMPANIES

The item totals Euro 281,355 at December 31st, 2019 (Euro 256,217 in 2018) and refers to minority interests held primarily by Mapei Spa for Euro 57,164 and Vinavil Spa for Euro 195,909.

The list of investments held is reported below:

	12.31.2019	12.31.2018	DIFFERENCE	% OF OWNERSHIP
Ravenna Servizi Industriali	195,909	195,909	-	3,50%
Golf Club Modena Spa	18,000	18,000	-	0,05%
Internazionale Marmi e Macchine	10,331	10,331	-	0,10%
Stress Scarl	24,000	24,000	-	6,00%
Consorzio Cis-e	4,000	4,000	-	5,00%
Neobalast with Comsa	25,000	-	25,000	50%
Other minor equity investments	4,115	3,977	138	
TOTAL	281,355	256,217	25,138	

FINANCIAL ASSETS - OTHER RECEIVABLES

Other receivables of Euro 1,055,597 at December 31st, 2019 (Euro 1,510,158 in 2018) mainly consist to loans related to the core business of Mapei Spa (Euro 178,686), Mapei Construction Chemicals Llc (Euro 164,036) and Mapei Romania Srl (Euro 122,760).

The interest rate applied to these loans is aligned with market rates.

FINANCIAL ASSETS - TERM SECURITIES

This item amounts to Euro 1,819,740 at the end of the year (Euro 1,664,847 at 12.31.2018) and it is mainly composed by securities held by the Polyglass Group for Euro 749,804 and by Mapei Corp for Euro 338,258.

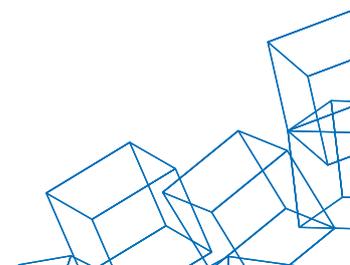
CURRENT ASSETS - INVENTORIES

The item as at December 31st, 2019, compared with the situation as at December 31st, 2018, is composed as follows:

	12.31.2019	12.31.2018	DIFFERENCE
Raw materials, packaging and supplies	168,415,897	177,654,933	(9,239,036)
Work in progress and semi-finished goods	9,432,129	8,409,588	1,022,541
Work in progress on a contract basis	50,269	29,834	20,435
Finished products and merchandise	192,599,772	199,872,770	(7,272,998)
Advance to suppliers	2,203,508	1,088,155	1,115,353
TOTAL	372,701,575	387,055,280	(14,353,705)

The major part of raw materials is held by the following companies:

	12.31.2019	12.31.2018	DIFFERENCE
Mapei Corp	27,637,050	29,042,182	(1,405,132)
Mapei Spa	23,675,036	24,320,968	(645,932)
Polyglass Group	21,174,492	26,077,300	(4,902,808)
Vinavil Spa	14,724,071	17,407,251	(2,683,180)
Vinavil Egypt for Chemicals Sae	6,625,056	4,364,242	2,260,814
Mapei Inc	5,730,153	5,690,123	40,030
Others	68,850,039	70,752,867	(1,902,832)
TOTAL	168,415,897	177,654,933	(9,239,036)



The largest amounts of finished products are held by:

	12.31.2019	12.31.2018	DIFFERENCE
Mapei Corp	29,808,474	36,161,520	(6,353,044)
Polyglass Group	22,041,272	27,449,454	(5,408,182)
Mapei Spa	16,431,700	14,973,311	1,458,389
Sopro Group	11,989,534	10,327,416	1,662,118
Mapei Inc	9,365,601	8,967,532	398,069
Vinavil spa	8,265,682	9,219,033	(953,351)
Others	94,697,509	92,774,505	1,923,004
TOTAL	192,599,772	199,872,770	(7,272,998)

The decrease in value of raw materials, packaging and supplies and inventories of finished products is mainly the result of more careful management of stock levels during the year, and also a unit cost decrease of several important raw materials.

CURRENT ASSETS - RECEIVABLES

This item is broken down as follows:

	12.31.2019	12.31.2018	DIFFERENCE
Trade receivables	572,490,265	563,319,347	9,170,918
<i>Allowance for doubtful accounts as at January 1st, 2019</i>	<i>(26,782,509)</i>	<i>(23,906,506)</i>	<i>(2,876,003)</i>
<i>Exchange rate difference at opening balance</i>	<i>(150,237)</i>	<i>11,758</i>	<i>(161,995)</i>
<i>Provision to the allowance for credits</i>	<i>(9,188,075)</i>	<i>(8,686,098)</i>	<i>(501,977)</i>
<i>Release of the allowance for credits</i>	<i>5,236,366</i>	<i>5,807,061</i>	<i>(570,695)</i>
<i>Exchange rate difference variation</i>	<i>36,191</i>	<i>(8,724)</i>	<i>44,915</i>
Allowance for doubtful credits as at December 31 st 2019	30,848,264	26,782,509	4,065,755
TRADE RECEIVABLES (NET OF ALLOWANCE FOR DOUBTFUL CREDITS)	541,642,001	536,536,838	5,105,163
Receivable towards tax offices	44,373,059	46,469,148	(2,096,089)
Deferred tax assets	24,522,042	25,740,366	(1,218,324)
Other receivables	117,994,656	64,257,315	53,707,341
TOTAL	728,531,757	673,003,667	55,498,090

CURRENT ASSETS - TRADE RECEIVABLES

The companies with the most significant increases in trade receivables are Mapei Hellas Sa (Euro 3,296,664), Mapei AS (Euro 3,143,007), Tecnopol de Sistemas SL (Euro 2,970,083) and Mapei Spa (Euro 2,684,460). The changes are linked to the increase in volume of business.

The provision for doubtful accounts is formed mainly of the following balances:

	12.31.2019	12.31.2018	DIFFERENCE
Mapei Spa	6,506,863	4,593,755	(1,913,108)
Polyglass Group	3,629,996	4,439,618	809,622
Mapei Construction Chemicals Llc	2,017,614	1,109,498	(908,116)
Mapei Yapi kimyasallari Ins. San. Ve Tic. As	1,412,187	1,367,146	(45,041)
Mapei Polska Sp Zoo	1,373,344	1,360,486	(12,858)
Vinavil Spa	1,282,439	1,284,257	1,818
Others	14,625,821	12,627,748	(1,998,073)
TOTAL	30,848,264	26,782,509	(4,065,755)

CURRENT ASSETS - RECEIVABLES FROM TAX OFFICES

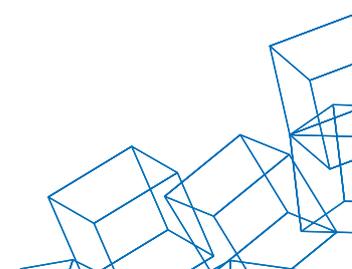
Receivables from tax offices of Euro 44,373,059 as at December 31st, 2019 (Euro 46,469,148 at December 31st, 2018) refer to receivables from tax authorities related to income taxes and VAT. The companies with the most significant amounts were Mapei Spa (Euro 23,808,910) and Vinavil Egypt for Chemicals Sae (Euro 3,075,327).

The decrease compared with the previous year is mainly attributable to Mapei Corp, in relation to the lower advance payment of corporate tax made compared with the previous year.

CURRENT ASSETS - DEFERRED TAX ASSETS

Deferred tax assets of Euro 24,522,042 at December 31st,2019 (Euro 25,740,366 at December 31st,2018) are mainly attributable to Mapei Spa (Euro 11,424,923).

The total amount was generated by fiscal losses, costs, provisions, amortisation/depreciation incurred by Group companies, whose tax deductibility is deferred to one or more subsequent financial years. The amount is recoverable on the basis of the income prospects. For further details, refer to the enclosed attachment 3.



CURRENT ASSETS - OTHER RECEIVABLES

Other receivables at the end of the year, totalling Euro 117,994,656 (Euro 64,257,315 in 2018) are as follows:

	12.31.2019	12.31.2018	DIFFERENCE
Receivables from insurance companies	774,948	636,767	138,181
Receivables from social security institutions	111,541	27,211	84,330
Receivables from employees	1,386,164	1,014,541	371,623
Advances to suppliers	11,662,531	10,066,481	1,596,050
Other receivables	104,059,472	52,512,315	51,547,157
TOTAL	117,994,656	64,257,315	53,737,341

The total of amount of "Other Receivables" is mainly attributable to U.S. Sassuolo Calcio Srl and is due to the disposal of the football players' registration rights (of which around Euro 56,000,000 are due after 12 months).

CURRENT ASSETS - MARKETABLE SECURITIES

At the end of the year, marketable securities amounted to Euro 6,277 (Euro 6,198 at December 31st ,2018) and consist mainly of securities held by Mapei As.

CURRENT ASSETS - CASH AND BANKS

This item is broken down as follows:

	12.31.2019	12.31.2018	DIFFERENCE
Bank and postal current accounts	71,523,025	52,376,655	19,146,370
Cash	1,481,575	3,756,038	(2,274,463)
TOTAL	73,004,600	56,132,694	16,871,906

Bank and postal deposits represent temporary positions on bank current accounts at year-end.

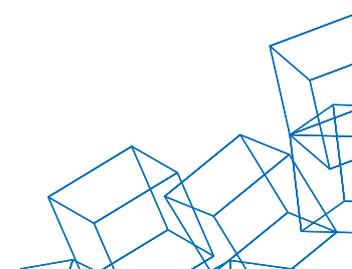
The increase in Bank and postal office accounts is mainly attributable to Mapei Spa and to the cash generated by its core business.

CURRENT ASSETS - ACCRUAL AND PRE-PAYMENTS

This item amounts to Euro 15,237,704 at December 31st,2019 (Euro 12,954,056 at December 31st,2018) and is mainly composed by the costs relating to future years of US Sassuolo Calcio Srl (Euro 7,429,746) and Mapei Spa (Euro 2,906,712). The increase is attributable to US Sassuolo Calcio Srl.

The breakdown of this item is provided in the table below:

	12.31.2019	12.31.2018	DIFFERENCE
Rent	4,685,368	4,354,151	331,217
Interests	290,573	265,868	24,705
Insurances	1,292,844	3,039,606	(1,746,762)
Non-capitalised grants	69,165	419,329	(350,164)
Others	8,899,754	4,875,103	4,024,651
<i>of which for U.S. Sassuolo Calcio Srl</i>	<i>7,429,746</i>	<i>2,941,434</i>	<i>4,488,312</i>
TOTAL	15,237,704	12,954,056	2,283,648



Liabilities

SHAREHOLDERS' EQUITY

The breakdown is as follows (movements are disclosed in the enclosed Annex no.2).

Share capital

The share capital of the Holding company as at December 31st,2019 was Euro 100,000,000, fully paid-up, divided into 100,000,000 shares of a value of Euro 1 each, and was unchanged compared with 2018.

Revaluation reserve

The Holding Company and Vinavil Spa revalued some tangible assets in previous years, recording a revaluation reserve of Euro 53,687,539 under equity; this item recorded a decrease of Euro 5,856 compared with the previous year.

Legal reserve

This item refers to the legal reserve of the Holding company and amounts to Euro 20,000,000, the same as the previous year.

Other reserves

These amount to Euro 9,917,768 at December 31st,2019 (unchanged with respect to December 31st,2018) and are mainly composed by provisions made by the Holding company and by Vinavil Spa, in compliance with specific tax laws.

Translation reserve

This reserve, deriving from the translation of financial statements expressed in foreign currencies using the current exchange rate method, shows a negative balance of Euro 13,547,753 at December 31st,2019 (Euro 28,579,087 at December 31st,2018).

Consolidation reserve

This reserve amounts to Euro 1,182,827 at December 31st, 2019 (Euro 1,211,647 at December 31st, 2018) and represents the difference between the book value of consolidated subsidiaries and the corresponding portion of shareholders' equity at the date of first consolidation. The variation compared with the previous year is due mainly to acquisition by the Holding company of the remaining shares of Vinavil spa.

Reserve for expected cash flow hedges

This reserve, introduced by accounting standard no. 32 of the Italian Accounting Organisation (OIC), has a negative value of Euro 596,389 and relates to the value deriving from the market information at the reporting date of the derivative instruments subscribed mainly by Mapei Spa (Euro 543,638) and by Polyglass Spa (Euro 52,749). These instruments, as already outlined in the section "Derivative instruments" are classified as "simple hedging relationships" and, as such, are aligned to the underlying for whose hedging they were subscribed.

Their main characteristics are summarised below:

COMPANY	BANK	INSTRUMENT	MATURITY	NOTIONAL VALUE
Mapei Spa	Intesa	Interest Rate Swap	09.30.2022	48,000,000 €
Mapei Spa	Unicredit	Interest Rate Swap	07.29.2022	15,000,000 €
Mapei Spa	Unicredit	Interest Rate Swap	03.28.2024	22,500,000 €

Accumulated profit brought forward

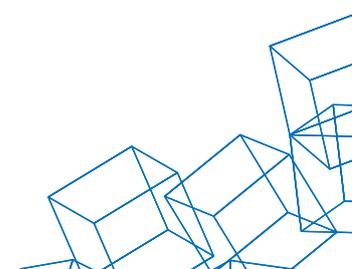
This reserve amounts to Euro 676,905,452 at December 31st,2019 (Euro 655,639,355 at December 31st,2018) and is composed by non-distributed profits, net of the dividend of Euro 3,200,000 distributed by Mapei Spa after the 2018 Financial Statements have been approved.

The following changes occurred in this item:

	12.31.2019
Profits /(loss) brought forward -Dec 31 st 2018	655,639,355
Consolidated accumulated profit brought forward - 2018	24,374,498
Dividends	(3,200,000)
Other changes	136,599
PROFITS /(LOSSES) BROUGHT FORWARD AS AT DECEMBER 31ST 2019	676,950,452

Minority equity

This item includes portions of equity and profits, relating to consolidated subsidiaries, pertaining to minority interests. This item amounted to Euro 187,224 at December 31st,2019 (compared to Euro 167,250 at December 31st,2018).



SUNDRY RISKS AND OTHER FUNDS

This item amounts to Euro 60,565,432 (Euro 59,955,187 at December 31st,2018) and breaks down as follows:

	12.31.2019	12.31.2018	DIFFERENCE
Pensions fund	29,278,524	27,012,173	2,266,351
Taxation	14,627,316	15,684,101	(1,056,785)
Derivative financial instruments (liabilities)	674,112	562,881	111,231
Others	15,985,480	16,696,032	(710,552)
TOTAL	60,565,432	59,955,187	610,245

Pensions fund is mainly composed by agents' termination indemnity of Mapei Spa for Euro 3,932,229, the managers' bonus fund of Mapei Spa for Euro 10,247,355 and the pension fund of the Sopro Group for Euro 9,874,691. The increase is mainly due to the bonus fund of Mapei spa.

The provision for taxes is composed by the provision for deferred taxes and the risks fund.

The former, totalling Euro 13,213,665, relates mainly to Mapei Corp (Euro 6,276,440), Polyglass Group (Euro 1,443,890) and Mapei Inc (Euro 1,110,220).

The latter, totalling Euro 1,413,652 (Euro 2,631,336 as at December 31st, 2018), relates mainly to a tax provision of Mapei Spa.

Deferred tax liabilities are calculated on timing differences between the book value of assets and liabilities included in the statutory financial statements and their corresponding tax basis. Variation in this item during 2019 are as follows:

OPENING BALANCE 01.01.2019	15,684,101
Exchange rate difference at opening balance	258,641
Increase	3,338,487
Decrease	(4,630,703)
Exchange rate difference variation	(23,209)
CLOSING BALANCE 12.31.2019	14,627,317

For further details, refer to annex 3 to these Notes.

The provision for financial instruments (payable), introduced by article 2424 of the Italian Civil Code, represents the market value of derivative financial instruments subscribed by Mapei Spa. This item amounted to Euro 674,112 as at December 31st,2019 (Euro 562,881 as at December 31st,2018).

Other funds for Euro 15,985,480, against Euro 16,696,032 as at December 31st,2018, are basically formed of provisions by Mapei Spa during previous years of around Euro 9,158,609 for possible

future risks from civil liability, the product warranty provision of the Polyglass Group of Euro 3,642,029 and the prize contest provision of Mapei Polska Spzoo of Euro 2,058,990.

STAFF SEVERANCE RESERVE

The amount records on the balance sheet at December 31st, 2019 is Euro 12,746,704 (Euro 11,911,136 at December 31st,2018) and covers the entire liability to employees, in compliance with current legislation in the individual countries. During the year, the fund shows the following trend:

OPENING BALANCE 01.01.2019	11,911,136
Exchange rate difference at opening balance	57,533
Increase	9,980,141
Decrease	(9,205,302)
Exchange rate difference variation	3,196
CLOSING BALANCE 12.31.2019	12,746,704

LIABILITIES

The composition of payables is commented below.

Banks repayable within 12 months

This item amounts to Euro 174,359,149 as at December 31st,2019 (Euro 207,701,781 as at December 31st,2018 and refers to the following companies:

	12.31.2019	12.31.2018	DIFFERENCE
Mapei Spa	116,302,927	147,422,937	(31,120,010)
Mapei Construction Chemicals Llc	24,489,178	24,027,348	461,830
Vinavil Egypt for Chemicals Sae	9,429,191	8,670,304	758,887
U.S. Sassuolo Calcio Srl	5,929,648	9,649,309	(3,719,661)
Mapei Corp	5,378,085	8,800,764	(3,422,679)
Polyglass Group	3,748,576	286,475	3,462,101
Others	9,081,544	8,844,644	236,900
TOTAL	174,359,149	207,701,781	(33,342,632)

These amounts also include the current portions of the loans expiring in 2020, which amount to Euro 124,229,700 (Euro 111,750,358 in the previous financial year).

The decrease in short-term debt is mainly attributable to the Holding company, as a consequence of less use of credit facilities.



The values indicated by Mapei Corp and Polyglass Group are related to a loan taken out with Banca Intesa, while U.S. Sassuolo Calcio Srl records the current portion of a loan taken out with Banco di San Geminiano e San Prospero.

Banks repayable after 12 months

This item amounts to Euro 340,735,122 at December 31st,2019 (Euro 347,783,661 at December 31st,2018) and refers to the following companies:

	12.31.2019	12.31.2018	DIFFERENCE
Mapei Spa	244,083,634	296,258,952	(52,175,318)
Mapei Construction Chemicals Llc	24,093,541	24,821,237	(727,696)
U.S. Sassuolo Calcio Srl	20,892,857	11,785,714	9,107,143
Mapei Corp	20,028,485	-	20,028,485
Vinavil Egypt for Chemicals Sae	14,276,882	12,998,420	1,278,462
Polyglass Usa Inc	13,352,323	-	13,352,323
Others	4,007,400	1,919,338	2,088,062
TOTAL	340,735,122	347,783,661	(7,048,539)

The decrease mainly due to the Holding company is the result of the reimbursement of the residual loan instalments taken out with major bank institutions. The increase of Mapei Corp and Polyglass US is due to the new loans taken out in USD with Banca Intesa.

The values indicated by U.S. Sassuolo Calcio Srl relate to a loan taken out during the year with Banco San Geminiano e San Prospero.

The above loans from banks will expire due according to the following schedule:

	2021	2022	2023	2024 AND FOLLOWING	BANK MATURITY
Loans from banks	162,233,964	103,920,914	54,998,563	19,581,681	340,735,122

Debts to other financial institutions repayable within 12 months

These amount to Euro 22,754,487 as at December 31st,2019 (Euro 19,872,427 as at December 31st, 2018) and are mainly composed by payables to the factor of U.S. Sassuolo Calcio Srl.

The increase is attributable mainly to the factoring of trade receivables of sponsorship agreements by U.S. Sassuolo Calcio Srl.

Debts to other financial institutions repayable after 12 months

These amount to Euro 4,310,660 as at December 31st,2019 (Euro 4,873,249 as at December 31st,2018). The amounts are mainly attributable to the accounting of properties acquired through financial lease contracts according to IFRS 16. These properties relate to the following companies:

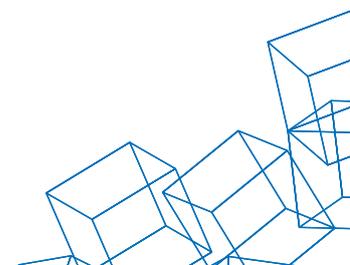
	12.31.2019	12.31.2018	DIFFERENCE
Mapei Corp	1,653,835	1,723,822	(69,989)
Mapei Polska Spzoo	1,118,420	962,075	156,345
Polyglass Group	804,425	1,392,223	(587,798)
Mapei Spain Sa	398,902	473,773	(74,871)
Others	335,078	321,355	13,723
TOTAL	4,310,660	4,873,249	(562,589)

The above loans expire according to the following schedule:

	2021	2022	2023	2024 AND FOLLOWING	BANK MATURITY
Loans from other financial institutions	2,341,580	1,190,674	489,811	288,596	4,310,660

Advances from customer

The balance of this item as at December 31st,2019 was Euro 2,983,040 (Euro 1,578,901 as at December 31st,2018), due mainly to advances on account received from customers of Mapei Yapi Kimyasallari Ins. San. Ve Tic. A.s (Euro 534,351), Ao Mapei (Euro 442,925), Mapei Nederland Bv (Euro 360,866) and Sopro Group (Euro 360,138).



Trade payables

This item amounts to Euro 298,536,582 as at December 31st,2019 (Euro 293,662,264 as at December 31st,2018) and is formed mainly of the following:

	12.31.2019	12.31.2018	DIFFERENCE
Mapei Spa	106,741,561	103,300,908	3,440,653
Polyglass Group	26,787,233	27,325,814	(538,581)
Vinavil Spa	21,488,988	25,503,402	(4,014,414)
Sopro Group	20,440,220	18,492,584	1,947,636
Mapei Corp	14,748,850	15,065,429	(316,579)
Mapei Inc	10,133,867	10,293,056	(159,189)
Others	98,195,863	93,681,071	4,514,792
TOTAL	298,536,582	293,662,264	4,874,318

Draft and promissory notes

This item amounts to Euro 1,082,988 as at December 31st,2019 (Euro 2,105,259 as at December 31st,2018) and is formed of draft and promissory notes to suppliers, mainly of Mapei Korea Ltd.

Payables to subsidiaries

This item amounts to Euro 491,283 as at 31 December 2019 and is mainly attributable to the cash pooling debt of Mapei Spa with Mapei Marine Srl.

Payables to Holding company

This item amounts to Euro 3,200,000 as at December 31st,2019 and is mainly attributable to the dividend to be paid by Mapei Spa to the Holding company (Euro 3,200,000).

Due to tax offices

These payables amount to Euro 31,140,441 as at December 31st,2019 (Euro 25,832,985 as at December 31st,2018) and fully reflecting the current tax liabilities of the Group, to be paid within one year.

Social security contributions

These amount to Euro 15,105,911 as at December 31st,2019 (Euro 14,130,523 as at December 31st,2018) and are all payable within one year.

Other payables

These payables amount to Euro 165,831,139 as at December 31st,2019 (Euro 125,242,604 as at December 31st,2018). This item is formed mainly of payables to the football clubs of US Sassuolo

Calcio Srl (Euro 101,135,996) for the remaining instalments on the purchase of Football Players' registration rights.

The breakdown by category is detailed below:

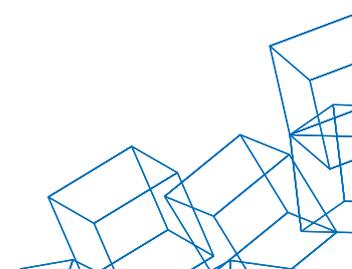
	12.31.2019	12.31.2018	DIFFERENCE
Payables to insurance companies	194,491	236,229	(41,738)
Payables to employees	54,301,047	49,836,316	4,464,731
Other payables	111,335,600	75,170,059	36,165,541
<i>of which for U.S. Sassuolo Calcio Srl</i>	<i>101,135,996</i>	<i>62,643,592</i>	<i>38,492,404</i>
TOTAL	165,831,139	125,242,604	40,588,535

This increase is mainly attributable to U.S. Sassuolo Calcio Srl, due to an increase in payables to football clubs, of which around Euro 49,700,000 are due after 12 months.

ACCRUALS AND PRE-PAYMENTS

This item amounts to Euro 19,199,283 as at December 31st, 2019 (Euro 22,181,311 as at December 31st, 2018) and is formed mainly of deferred income of the company U.S. Sassuolo Calcio Srl for television and advertising revenues attributable to the following year and insurance costs attributable mainly to Mapei Corp. The breakdown by category is detailed below:

	12.31.2019	12.31.2018	DIFFERENCE
Rents	819,237	761,297	57,940
Interests	1,363,852	812,595	551,257
Insurance	3,677,404	3,589,379	88,025
Leasing	185,703	142,238	43,465
Not capitalised grants	900,586	1,219,469	(318,883)
Other	12,252,501	15,656,334	(3,403,833)
<i>of which for U.S. Sassuolo Calcio Srl</i>	<i>11,042,071</i>	<i>14,473,724</i>	<i>(3,431,653)</i>
TOTAL	19,199,283	22,181,311	(2,982,028)



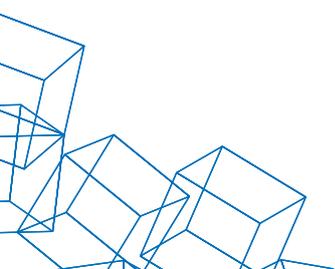
FINANCIAL EXPENSES BOOKED TO ASSETS ON THE BALANCE SHEET

No significant amounts for financial expenses are booked to assets on the Balance Sheet.

OTHER OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

The Holding company granted various types of obligation as at December 31st, 2019:

- the Holding company provided guarantees in favour of third parties on behalf of subsidiary companies of Euro 194,404,210, with an increase of Euro 31,987,942 versus previous year;
- guarantees provided in favour of third parties in relation to contracts and relationships linked to company core business of Euro 13,703,862, with an increase of Euro 5,061,267 versus previous year.



NOTES TO THE PROFIT AND LOSS STATEMENT

VALUE OF PRODUCTION

Net sales

This item is broken down as follows:

	12.31.2019	12.31.2018	DIFFERENCE	% VARIANCE
Aggregate revenues	3,283,335,364	3,033,269,116	250,066,248	8,24%
Intercompany revenues	509,212,724	491,271,691	17,941,033	3,65%
CONSOLIDATED REVENUES	2,774,122,641	2,541,997,425	232,125,216	9,13%

The major contributors to the increase in revenues are Mapei Corp, Polyglass Group, Tecnopoli de Sistemas S.L., Mapei Spa, Sopro Group, U.S.Sassuolo Calcio Srl, Mapei UK Ltd, Mapei Inc, Mapei France Sa, Mapei Kft, Mapei Polska Spzoo, Mapei Construction Products India Ltd, Mapei Spain Sa, Mapei Construction Materials Ltd (Guangzhou), Ao Mapei, Mapei Hellas Sa, Mapei Australia Pty Ltd and Mapei GmbH (D).

The Group consolidated turnover by geographical area is broken down as follows (amounts in millions of Euro):

GEOGRAPHIC AREA	12.31.2019	12.31.2018	% DIFFERENCE	% INCIDENCE 2019	% INCIDENCE 2018
Italy	601.7	578.2	4.1%	21.7%	22.7%
Western Europe	736.5	672.6	9.5%	26.6%	26.5%
Eastern Europe	302.0	269.5	12.0%	10.9%	10.6%
North America	806.1	720.7	11.9%	29.0%	28.5%
Latin America	69.0	62.6	10.0%	2.5%	2.5%
Asia	116.3	101.7	14.5%	4.2%	4.0%
Middle East	45.7	45.8	-0.3%	1.6%	1.8%
Oceania	59.3	53.4	11.0%	2.1%	2.1%
Africa	37.5	37.4	0.3%	1.4%	1.5%
TOTAL	2,774.1	2,542.0	9.1%	100.0%	100.0%

Capitalised costs

This item amounts to Euro 1,764,269 (Euro 989,724 in 2018), attributable mostly to the Holding Company in relation to the capitalisation of personnel costs for the development of the new ERP system.

Other revenues

These amount to Euro 63,840,011, an increase of Euro 8,030,041 compared to 2018 and are formed mainly of gains on disposal of long-term Football Players' registration rights of U.S. Sassuolo Calcio Srl (Euro 45,587,900).

PRODUCTION COSTS

These amount to Euro 2,693,112,880, an increase of Euro 119,258,118 compared to 2018, and are broken down as follows:

COSTS	12.31.2019	12.31.2018	DIFFERENCE
Purchase of raw materials, packaging and supplies	1,304,418,340	1,314,692,606	(10,274,266)
Purchase of services	497,473,071	478,535,313	18,937,758
Rentals and leasing	39,539,543	38,200,580	1,338,963
Labour costs	664,002,291	612,887,488	51,114,803
Amortisation, depreciation and doubtful credits provision	118,952,264	107,932,937	11,019,327
Decrease/(Increase) of raw materials, pack., suppl. and merch.	10,748,224	(23,988,466)	34,736,690
Sundry risk provisions	2,748,158	(321,282)	3,069,440
Other operating costs	55,230,989	45,915,585	9,315,404
<i>of which for U.S Sassuolo Calcio Srl</i>	<i>17,865,935</i>	<i>5,011,182</i>	<i>12,854,753</i>
TOTAL	2,693,112,880	2,573,854,762	119,258,118

Purchase of raw material, packaging and supplies

The decrease in the costs of raw materials, packaging and supplies is essentially due to the fall in the unit cost of several important raw materials, recorded particularly by several companies.

The relative incidence on revenues of this item therefore decreased compared to the previous year.

Services

Purchase for services refer to industrial services (maintenance, consumption and third-party services), commercial services (transport, fees, advertising and marketing) and general services (consultancy, travel, courses, insurance, postal and telephone charges).

The breakdown by nature is detailed below:

	12.31.2019	12.31.2018	DIFFERENCE
Variable costs	80,526,368	78,295,671	2,230,697
Marketing and advertising	65,607,155	57,815,260	7,791,895
Travel and entertainment	44,102,969	42,896,273	1,206,696
Freight costs	146,654,606	146,575,951	78,655
Insurance	10,642,873	10,086,707	556,166
Other industrial and general services	149,939,100	142,865,451	7,073,649
TOTAL	497,473,071	478,535,313	18,937,758

The increase in Variable Costs is partly due to the increase in energy costs linked to production and partly due to the increase in commission granted to agents. Mapei Corp and Polyglass Group recorded the main increases.

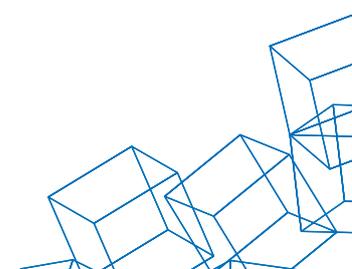
There was an increase in Marketing and Advertising, due in large part to brand promoting activities.

The increase in Other industrial and general services is attributable partly to U.S. Sassuolo Calcio Srl for fees paid to agents and to Mapei Spa for higher maintenance costs, higher costs linked to waste disposal and higher costs for IT consulting services.

Labour costs

Labour costs in 2019 amount to Euro 664,002,291, marking an increase of Euro 51,114,803 compared to 2018, due primarily to the increases in personnel.

	12.31.2019	12.31.2018	DIFFERENCE
Mapei Spa	124,977,624	117,814,860	7,162,7634
Mapei Corp	109,332,553	101,403,272	7,929,281
Polyglass Group	49,818,067	45,416,997	4,401,070
Sopro Group	44,841,232	42,352,947	2,488,285
Vinavil Spa	25,358,752	25,083,625	275,127
Others	309,674,063	280,815,785	28,858,278
TOTAL	664,002,291	612,887,488	51,114,803



The headcount by geographical area is the following:

GEOGRAPHICAL AREA	12.31.2019			12.31.2018		
	Blue-collars	White-collars	Total	Blue-collars	White-collars	Total
Italy	963	1,489	2,452	913	1,442	2,355
Western Europe	691	1,533	2,224	659	1,512	2,171
Eastern Europe	484	1,275	1,759	474	1,180	1,654
North America	1,194	926	2,120	1,358	907	2,265
Latin America	149	545	694	167	529	696
Asia	280	496	776	203	459	662
Middle East	25	127	152	26	122	148
Oceania	18	103	121	9	99	108
Africa	127	116	243	123	95	218
TOTAL	3,931	6,610	10,541	3,932	6,345	10,277

Amortisation and depreciation

Amortisation of intangible assets increased compared with the previous year, mainly due to higher amortisation of football players' registration rights of U.S. Sassuolo Calcio Srl for Euro 8,593,585.

Depreciation of tangible assets increased compared to previous years, as a result of the investments made.

Provision for doubtful credits

This item includes the allocation to the provision for doubtful debts and to the provision for slow moving inventory and is formed mainly of the balances of Mapei Spa (Euro 3,260,654), Mapei Construction Chemicals Llc (Euro 930,002) and Tecnapol de Sistemas SL (Euro 636,916).

Sundry risks provisions

This item amounts to Euro 2,748,158 (positive balance of Euro 321,282 as at December 31st, 2018). The negative variation versus the previous year is attributable to Mapei spa and is the result of higher provisions made.

Other operating costs

Other operating costs break down as follows:

	12.31.2019	12.31.2018	DIFFERENCE
Associations	3,912,192	3,639,258	272,934
Property taxes and rates	6,538,813	5,992,150	546,663
Other taxes and duties	5,605,468	5,207,057	398,411
Losses on disposal of assets	120,338	547,507	(427,171)
Consultancy on products	3,870,035	3,350,023	520,012
Gratuities and donations	3,771,556	3,725,260	46,296
Other operating costs	31,412,587	23,454,330	7,958,257
TOTAL	55,230,989	45,915,585	9,315,404

FINANCIAL INCOME AND EXPENSES

Other financial income

The financial income of point C16) of the Income Statement amounts to Euro 350,802 (Euro 444,795 in 2018) and is mainly attributable to Mapei Construction Products India Ltd (Euro 78,229), Ao Mapei (Euro 59,551) and Mapei As (Euro 34,546).

This financial income refers to interest income on the Cash on hand and banks of companies in the Group.

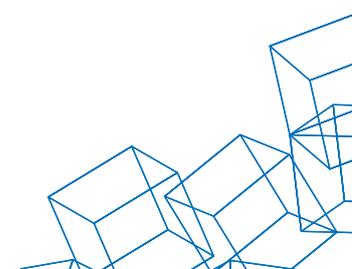
Interest paid and other financial charges

Interest paid and other financial charges detailed in point C17) of the Profit and Loss Statement amount to Euro 15,318,222 (Euro 11,532,854 in 2018) and are mainly attributable to Mapei Spa (Euro 5,175,211), Vinavil Egypt for Chemicals Sae (Euro 2,530,343), Mapei Construction Chemicals Llc (Euro 2,189,219), Mapei Yapi Kimyasallari Ins. San. Ve Tic. A.S. (Euro 1,180,287), in relation to interest charges on loans and bank current accounts.

Gains and losses on exchange rates

The negative balance of exchange rate amounts to around Euro 2,390,443 and deteriorated with respect to 2018 (negative balance of Euro 272,866).

2019 was characterised by revaluation of the Euro against the other major currencies. The negative effect was heavily influenced by Mapei Argentina Sa (Euro 5,466,375), mainly due to the high devaluation of the Argentinian Peso. The companies that, in contrast, had a positive effect were Mapei spa (Euro 4,019,942) and Vinavil Egypt for Chemicals Sae (Euro 1,220,843).



INCOME AND ANTICIPATED (DEFERRED) TAX

This item amounts to Euro 46,457,019 in 2019 (Euro 26,820,268 in 2018), of which Euro 44,711,229 for income tax provision, Euro 3,438,423 for taxes of previous years and Euro 1,692,633 for prepaid taxes.

The item in question relates primarily to taxes of Mapei Corp (Euro 8,337,911), Mapei Spa (Euro 6,619,877), Mapei Suisse Sa (Euro 4,632,652) and Sopro Group (Euro 4,520,815).

For further details, refer to annex 3 of these Notes.

RELATIONS WITH RELATED PARTIES

There were no significant transactions with related parties.

INFORMATION ON PUBLIC GRANTS

Starting from 2018 fiscal year, Law no. 124 of 4 August 2017 introduced several transparency obligations for entities that receive “grants, contributions, remunerated assignments or any financial benefits” from public administrations and from a set of equivalent institutions with recorded financial relations.

Considering that, doubts have been raised over the interpretation and application of this law and some have not been solved yet, the Group performed the necessary study and, based on the most recent guidelines, has concluded that it has not obliged to refer on the following:

- sums received as payment for public works, services and supplies;
- remunerated assignments referred to the company core business;
- general measures applicable by all enterprises in relation to what established by the State (such as: the ACE investment incentive);
- selective financial benefits, received in application of an aid system, accessible to all enterprises that satisfy certain conditions, based on pre-established general criteria (such as: grants on research and development projects and tax relief);
- public resources referable to public entities of other States (European or non-European) and to European institutions;
- grants for training program received from inter-professional funds (such as: Fondimpresa and Fondirigenti), since they are company established like Association and legal nature of a private entity, which are financed with contributions paid by the enterprises themselves.

As a consequence, for Mapei Spa and its Italian subsidiaries, it will be reported only information related to ad hoc public aid, so not granted on the basis of a general regime:

PAYMENT/USE DATE	AMOUNT PAID/USED	PROVIDER/GRANTER	REASON
2019	Euro 239,058	GME (Gestore dei Mercati Energetici S.p.a)	Sale of "White Certificates" as a result of improved energy efficiency
2019	Euro 67,774	CSEA – Energy and environmental services fund	Energy grant

SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF THE FINANCIAL YEAR

Spread of the COVID-19 virus is having a significant impact on the economy throughout the world.

Despite the difficulties this extraordinary situation is causing in the Company's activities, they are not currently suffering from specific limitations, partly in consideration of the type of activity performed. However, in view of the uncertainties of this emergency, there could be temporary interruptions or further limitations of the Company's activities, caused by late or suspended supply of products as a result of suspension of transport or new legal restrictions in the various countries where it operates.

The Company has protected its workforce by implementing high safety and monitoring standards to fight the spread of COVID-19 and has adopted a Safety Protocol complying with the current legislative and health measures at its own production plants, business facilities and offices. There is a risk that, if the pandemic continues, Covid-19 could trigger a global recession, for which no reliable estimates of the duration are available and the effects of which on the world economy will depend on the ability to isolate infections and on the decisions taken by governments to limit the spread of the pandemic.

The final extent of the spread of Covid-19 is currently unpredictable and it is therefore not possible to assess the impact it will have on final markets and on the economic and financial situation and equity of the Company.

However, despite the uncertainty over the possible effects of Covid-19, we are not currently aware of any elements that could undermine the company's ability to continue as a going concern, and the principles, on which preparation of the financial statements is based, are therefore confirmed.

It is also noted that the spread of the Covid 19 virus and the effects it has had have not influenced calculation of the balance-



sheet items at December 31st, 2019.

Significant events after the end of the financial year to be reported are that the company Fili e Forme Srl was merged into Mapei spa on January 1st, 2020.

EMOLUMENTS TO THE DIRECTORS AND TO THE STATUTORY AUDITORS OF THE HOLDING COMPANY:

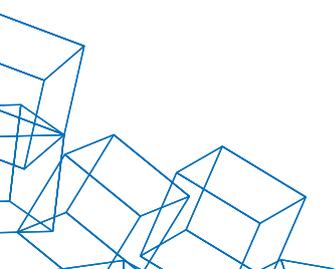
Managing Director: Euro 1,000,000

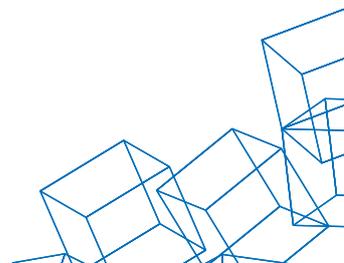
Statutory Auditors: Euro 109,200

Audit company for statutory and consolidated financial statements year end fee: Euro 266,800 .

*The Chairman of the Board
of Directors*

Laura Giovanna Squinzi





ANNEX 1

DEVELOPMENT OF NET EQUITY OF MAPEI GROUP

	NET PROFIT	NET EQUITY
AS PER MAPEI SPA'S FINANCIAL STATEMENTS	48,336,098	509,190,165
Increase in net profit and net worth arising from consolidation	83,509,472	528,081,098
CONSOLIDATION ADJUSTMENTS:		
Dividends from consolidated investments	-88,241,609	-
Amortisation of Goodwill	-11,142,983	-126,444,670
Devaluation of consolidated investments	42,310,548	29,839,060
Fiscal adjustments	-	-
Adjustment due to Group accounting principles	-1,140,859	-1,639,962
Elimination of Intercompany extraordinary gain	-685	-1,309,887
Deferred taxation	382,192	-2,561,431
Translation reserve	-	-13,547,753
GROUP	74,012,175	921,606,620
Minority interests	13,461	187,224
AS PER MAPEI GROUP FINANCIAL STATEMENTS (TOTAL)	74,025,636	921,793,844

ANNEX 2

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY - 2017-2018-2019

	AS AT December 31, 2016	2016 Net Profit: Brought Forward	2016 Net Profit: Dividends	Translation of the Financial Statements	Changes in inventories valoriza- tion	Other changes	2017 Net Profit	AS AT December 31, 2017
I Share Capital	100,000,000							100,000,000
III Revaluation Reserve	53,687,539							53,687,539
IV Legal reserve	10,112,000	9,888,000						20,000,000
VI Other reserves	26,536,289					(15,607,420)		10,928,869
Translation reserve	9,192,455			(37,215,562)				(28,023,107)
Consolidation reserve	1,198,890							1,198,890
VII Reserve for cash flow hedge	(716,355)					272,328		(444,027)
VIII Profit Brought Forward	502,861,270	78,329,386	(6,400,000)		311,548	15,471,963		590,574,167
IX Group Net Profit	88,217,386	(88,217,386)					67,231,747	67,231,747
Group Net Equity	791,089,474	0	(6,400,000)	(37,215,562)	311,548	136,871	67,231,747	815,154,078
Minority Interest Capital and reserves	266,548	40,661		(141,692)		0		165,517
Minority interest Net Profit	40,661	(40,661)					73,737	73,737
Total Net Equity	791,396,683	0	(6,400,000)	(37,357,254)	311,548	136,871	67,305,484	815,393,332

	AS AT December 31, 2017	2017 Net Profit: Brought Forward	2017 Net Profit: Dividends	Transla- tion of the Financial Statements	Changes in inventories valoriza- tion	Other changes	2018 Net Profit	AS AT December 31, 2018
I Share Capital	100,000,000							100,000,000
III Revaluation Reserve	53,687,539	5,856						53,693,395
IV Legal reserve	20,000,000							20,000,000
VI Other reserves	10,928,869					(1,011,101)		9,917,768
Translation reserve	(28,023,107)			(555,980)				(28,579,087)
Consolidation reserve	1,198,890					12,757		1,211,647
VII Reserve for cash flow hedge	(444,027)					(224,566)		(668,593)
VIII Profit Brought Forward	590,574,167	67,225,891	(3,200,000)		28,196	1,011,101		655,639,355
IX Group Net Profit	67,231,747	(67,231,747)					24,368,642	24,368,642
Group Net Equity	815,154,078	0	(3,200,000)	(555,980)	28,196	(211,809)	24,368,642	835,583,127
Minority Interest Capital and reserves	165,517	73,737		(139,039)		0		100,215
Minority interest Net Profit	73,737	(73,737)					67,035	67,035
Total Net Equity	815,393,332	0	(3,200,000)	(695,019)	28,196	(211,809)	24,435,677	835,750,377

	AS AT December 31, 2018	2018 Net Profit: Brought Forward	2018 Net Profit: Dividends	Transla- tion of the Financial Statements	Changes in inventories valoriza- tion	Other changes	2019 Net Profit	AS AT December 31, 2019
I Share Capital	100,000,000							100,000,000
III Revaluation Reserve	53,693,395	(5,856)						53,687,539
IV Legal reserve	20,000,000							20,000,000
VI Other reserves	9,917,768							9,917,768
Translation reserve	(28,579,087)			15,031,334				(13,547,753)
Consolidation reserve	1,211,647					(28,820)		1,182,827
VII Reserve for cash flow hedge	(668,593)					72,204		(596,389)
VIII Profit Brought Forward	655,639,355	24,374,498	(3,200,000)			136,599		676,950,452
IX Group Net Profit	24,368,642	(24,368,642)					74,012,175	74,012,175
Group Net Equity	835,583,127	0	(3,200,000)	15,031,334	0	179,983	74,012,175	921,606,620
Minority Interest Capital and reserves	100,215	67,035		6,513		0		173,763
Minority interest Net Profit	67,035	(67,035)					13,461	13,461
Total Net Equity	835,750,377	0	(3,200,000)	15,037,847	0	179,983	74,025,636	921,793,844

ANNEX 3

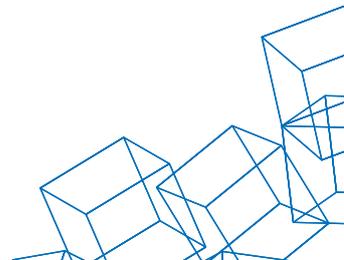
DEFERRED TAX ASSETS AND LIABILITIES

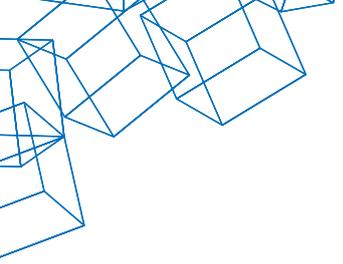
	2019			2018		
	Amount of timing differences	Tax rate	Tax effect	Amount of timing differences	Tax rate	Tax effect
DEFERRED TAX ASSETS:						
Costs deductible in more fiscal years	1,934,988	25,8%	498,304	1,457,473	25,4%	370,619
Differences in provisions	46,400,609	26,4%	12,251,587	32,161,927	27,4%	8,815,065
Differences in depreciations	5,064,637	27,2%	1,377,647	17,879,455	24,5%	4,381,837
Tax losses carried forward	27,902,243	24,2%	6,753,454	42,790,162	23,9%	10,241,113
Unrealised losses on exchange rate	800,752	23,6%	188,902	2,675,750	25,3%	677,707
Deferred tax assets based on tax credit	266,120	21,0%	55,950	299,684	20,9%	62,715
Others	15,004,705	22,6%	3,396,197	4,912,842	24,2%	1,191,310
TOTAL	97,374,055		24,522,042	102,177,293		25,740,366
DEFERRED TAX LIABILITIES						
Tax effect on anticipated depreciation	26,367,861	24,4%	6,440,308	26,526,247	24,7%	6,541,399
Tax effect on leasing reclassification	12,164,645	25,2%	3,062,032	5,241,113	30,3%	1,588,759
Unrealised gains on exchange rates	705,347	23,7%	167,048	969,469	23,8%	231,020
Others	13,983,721	25,3%	3,544,278	21,573,215	21,7%	4,691,587
TOTAL	53,221,574		13,213,665	54,310,044		13,052,765
DEFERRED TAX LIABILITIES (ASSETS) NET			11,308,377			12,687,601

ANNEX 4

SALES, RECEIVABLES AND PAYABLES ANALYSIS BY GEOGRAPHIC AREA AS AT 12.31.2019

	CONSOLIDATED TURNOVER	CONSOLIDATED TRADE RECEIVABLES	OTHER RECEIVABLES	TRADE PAYABLES	OTHER PAYABLES
Italy	601,712,230	233,335,754	152,844,063	161,443,173	150,155,748
Western Europe	736,559,203	105,423,894	9,766,668	55,648,637	31,695,601
Eastern Europe	301,961,504	45,915,971	4,826,739	14,978,294	12,405,195
North America	806,157,762	79,428,115	6,924,098	35,798,743	11,056,366
Latin America	68,912,090	14,427,615	5,371,075	5,171,133	2,280,892
Middle East	45,727,844	21,017,461	442,550	5,250,993	1,206,346
Asia	116,330,978	22,372,474	1,851,223	13,623,440	7,009,378
Oceania	59,292,421	10,874,234	1,080,138	2,288,646	2,872,892
Africa	37,467,978	8,846,483	3,783,202	4,333,523	661,100
TOTAL	2,774,122,641	541,642,001	186,889,758	298,536,582	219,343,518







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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of
Mapei S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mapei Group (the Group), which comprise the balance sheet as at December 31st, 2019, the income statement and consolidated statement of cash flows for the year then ended, and explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Italian regulations governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Mapei S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The audit activity has been affected by the spreading of COVID 19 and all related measures imposed by the Italian government to protect the public health, including restrictions to all travel initiatives. Consequently, due to an objective situation of force majeure, the audit procedures performed in accordance with the applicable auditing standards have been carried out considering (i) a revised organization of our employees and audit teams, based on a wide use of smart working models, and (ii) different means to connect with client management personnel and gather audit evidence, that primarily involved the use of electronic support provided through remote communication networks.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the Italian regulations governing financial statements, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

EY S.p.A.
Sede Legale: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Mapei S.p.A. or to cease operations, or have no realistic alternative but to do so. The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Mapei S.p.A. are responsible for the preparation of the Report on Operations of Group Mapei as at December 31, 2019, including its consistency with the related consolidated financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations, with the consolidated financial statements of Mapei Group as at December 31, 2019 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of Mapei Group as at December 31, 2019 and comply with the applicable laws and regulations.

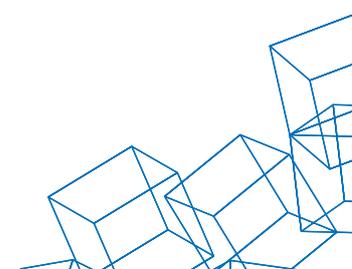
With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

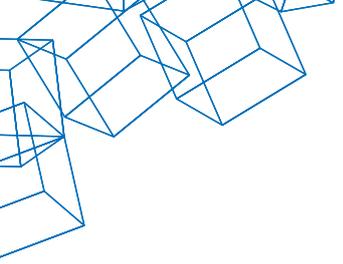
Milano, 3 luglio 2020

EY S.p.A.

Signed by: Renato Macchi, Auditor

This report has been translated into the English language solely for the convenience of international readers.







Major Projects 2019

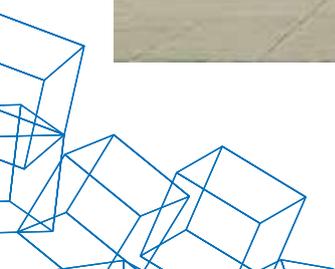
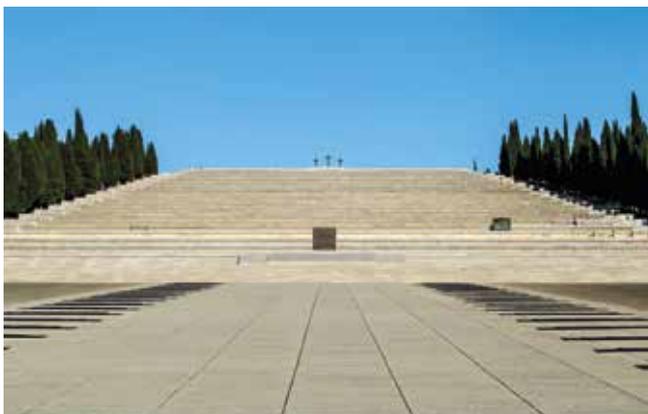


MILITARY MEMORIAL OF REDIPUGLIA



ITALY
Gorizia

The monument is the largest Military Memorial in Italy dedicated to fallen soldiers from the Great War. To return the monument to its original functional condition, Mapei took part in the project by supplying products from the COLOR PAVING Mapei Range to create decorative concrete floors and MAPESTONE System for areas where stone was to be installed.



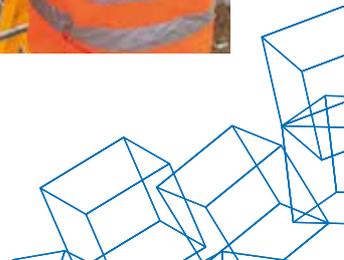
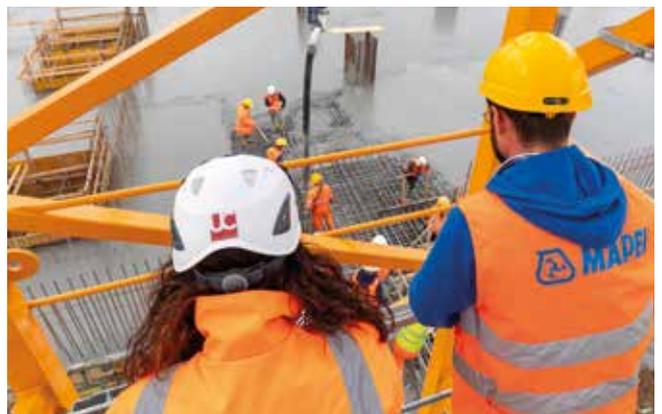


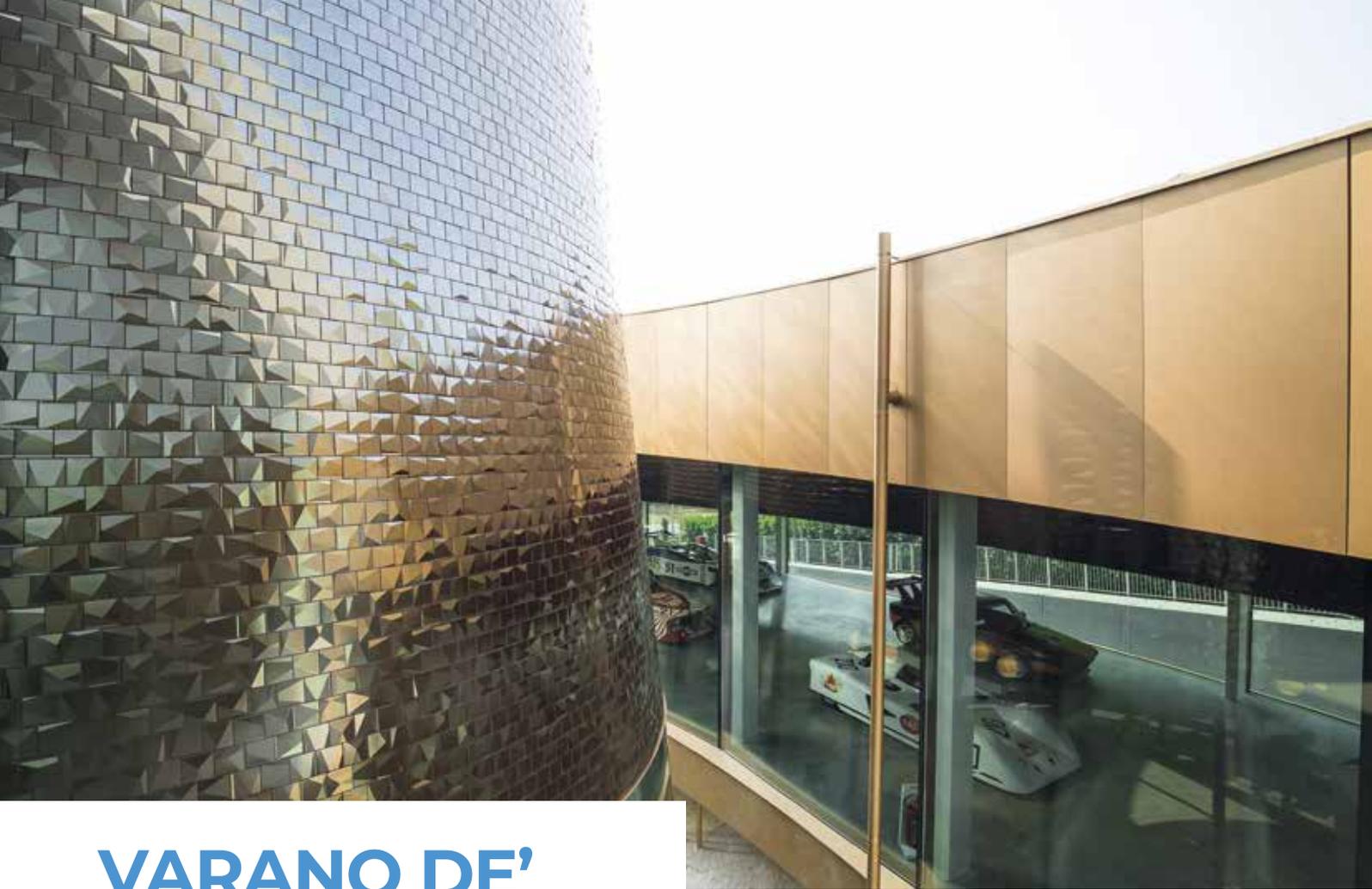
NEW GALEAZZI HOSPITAL



ITALY
Milan

More than 100 hours non-stop to pump the largest pour of concrete in Europe, with more than 34 thousand cubic metres of concrete which had been made particularly special and highly technological thanks to the use of admixtures from the DYNAMON Range. The hospital has been called a symbol of 21st century healthcare.





VARANO DE' MELEGARI DALLARA ACADEMY



ITALY
Parma

It is a structure with an audacious form, designed by the Genoese architect Alfonso Femia, and is highly focused on issues which are so important for Mapei: the bond with the local territory, technology and training. Mapei mainly supplied products for the installation of 3D mosaics on the façade and resins for the internal floors.



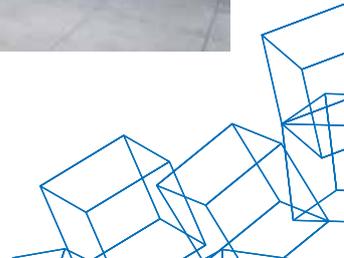


CANALICCHIO WINE CELLARS IN MONTALCINO



ITALY
Siena

Located in surroundings rich with biodiversity and spectacular countryside, it has been a UNESCO World Heritage site since 2004. To carry out extension work on the cellars, products supplied by Mapei included KERAFLEX MAXI S1 ZERO to install ceramics and KERAPOXY CQ to fill the grouts.





FOUNTAIN OF NEPTUNE



ITALY
Florence

For the Fountain of Neptune, one of the most important monuments in Florence, only Mapei has been able to supply solutions for repairing concrete and waterproofing.



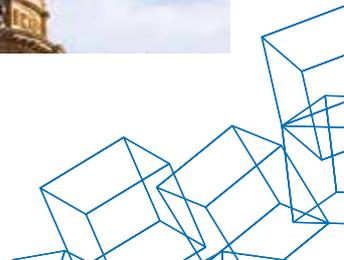


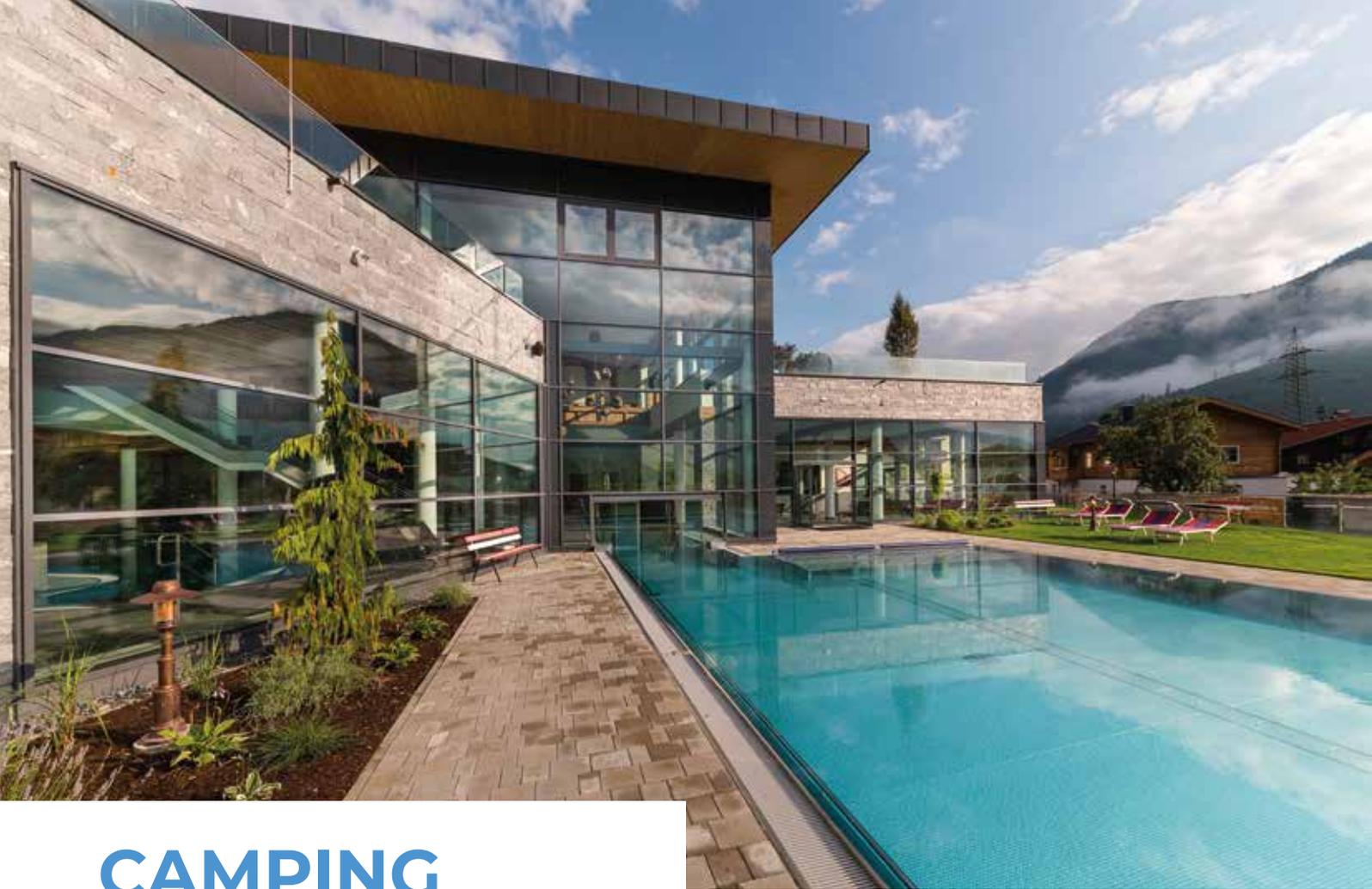
SANTA MARIA DELLE STELLE CHURCH IN COMISO



ITALY
Ragusa

Mapei always plays a key role when it is necessary to reach an agreement between the Superintendence and the professionals. Also in this case, the seepage problems in the historical masonry dome were solved mainly thanks to MAPE-ANTIQUÉ ECOLASTIC technology.





CAMPING & HOTEL SPORTCAMP WOFERLGUT



AUSTRIA
Salzburg

Mapei solutions for this brand-new wellbeing centre ensured that the performance properties and durability of wall and floor coverings in areas exposed to high levels of moisture and sudden temperature changes would be achieved and maintained. ELASTORAPID and ULTRACOLOR PLUS were amongst the winning choices.



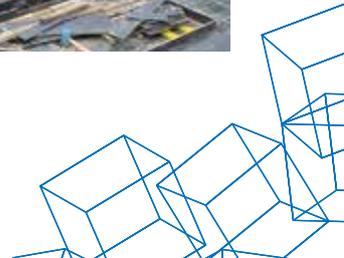


LINE 3 METRO RAILWAY



BULGARIA
Sofia

The use of Mapei solutions for the TBM sector made it possible to build the new Line 3 of the Metro Railway in Sofia, which connects the capital to the airport and the main city station. The new transport link carries more than 170,000 people every day.





MULTI-PURPOSE SPORTS FIELDS



CROATIA
Split and Salona

In these two important cities in Dalmatia, thanks to the innovative MAPECOATTNS MULTISPORT PROFESSIONAL system, Mapei helped install resin playing surfaces so that students would be able to practice their game on pro-grade playing surfaces in complete safety.



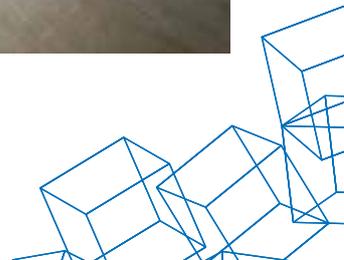


ARKEA ARENA



FRANCE
Flouirac

Used for sports events and concerts in particular, this structure in exposed concrete was designed by the renowned French architect, Rudy Ricciotti. Mapei supplied products to anchor steel structures in place, to treat concrete and to finish off and protect the structures.





SHOWROOM LÅGA



GERMANY
Leipzig

A complex formerly hosting stables for horses was re-converted into a unique modern and spacious show-room for fireplaces. This was possible also thanks to the installation of more than 300 square meters of wooden flooring made with ULTRABOND ECO P909 2K. Substrates were treated with EPORIP TURBO, ECO PRIM T PLUS, ECO PRIM GRIP and ULTRAPLAN MAXI.



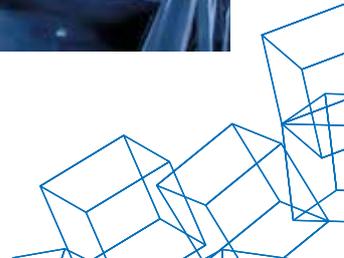


FREDRIKSTAD SEAFOODS



NORWAY
Fredrikstad

The largest on-shore salmon farm is located in Fredrikstad in Norway. Mapei helped waterproof the tanks with PURTOP 1000, the ideal product for coating storage tanks, and with MAPECOAT DV, an epoxy membrane used to protect concrete.





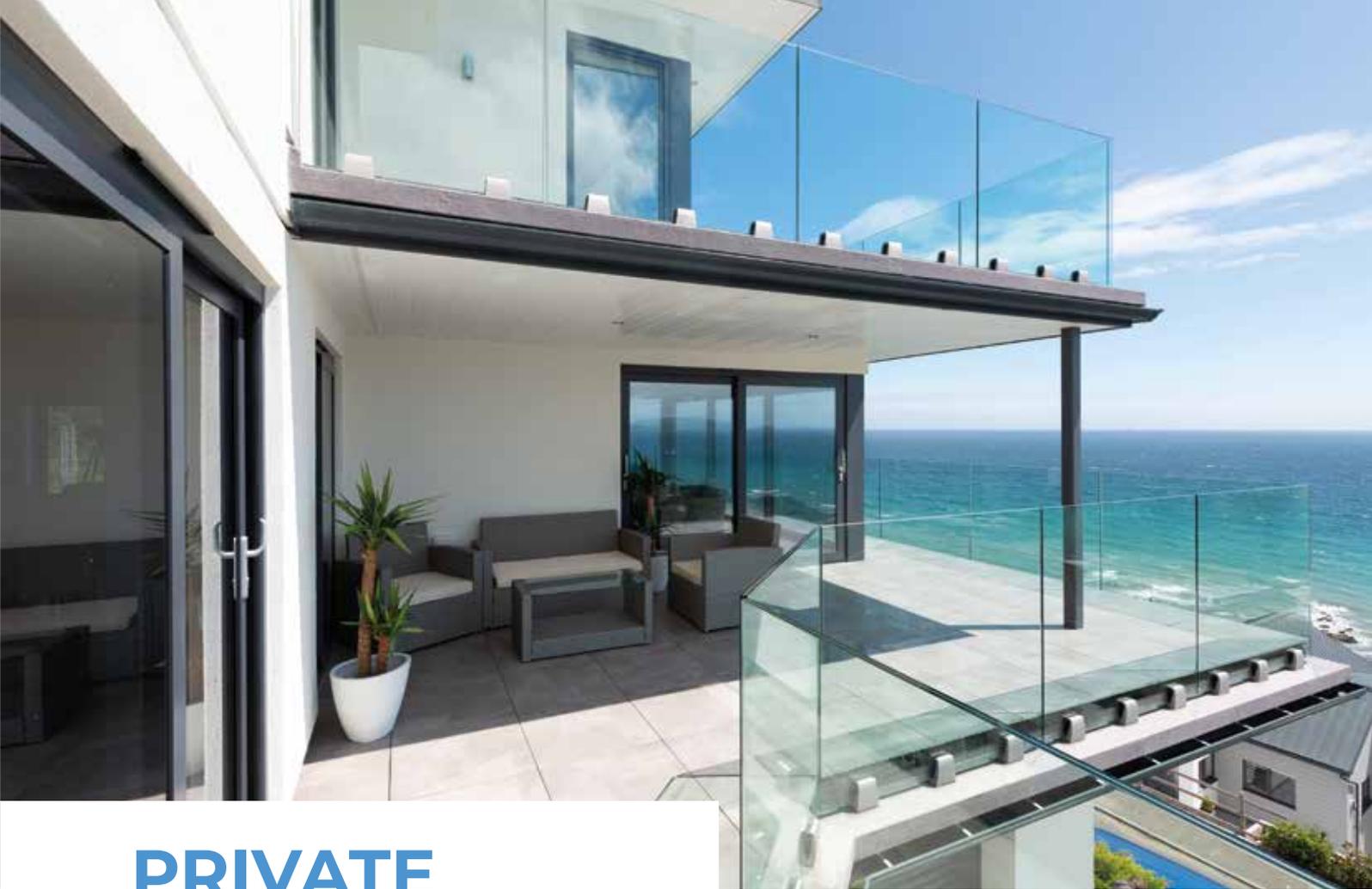
PONTA DELGATA WELCOME CENTRE



PORTUGAL
São Miguel-Azzorre

Mapei waterproofing products, external insulation systems, cementitious flooring and resin systems were supplied for this structure in such a pronounced architectural style with a double function: a drop-in centre for the homeless and a hub to promote social inclusivity.



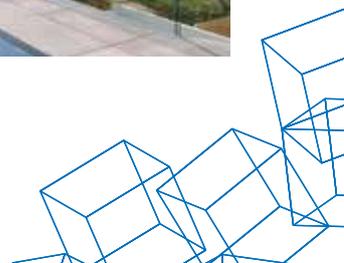


PRIVATE VILLA



UNITED KINGDOM
Downderry

Façade solutions and SILANCOLOR paints were the key products in restoration work on the façade of this luxury villa in the town of Downderry: very high insulating performance without compromising on aesthetics.



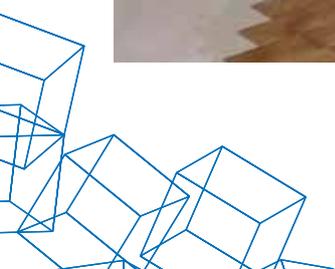


HERASTRAU COMPLEX



ROMANIA
Bucharest

Far from metropolitan life and immersed in beautiful parkland, this complex delights visitors thanks also to the recently restored restaurant inside the hotel. The floors were refurbished with LVT which was installed over an area of more than 2,000 m² with ULTRABOND ECO V4 SP adhesive.





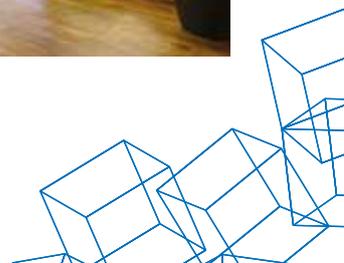
THERMAE OF THE WORLD



RUSSIA
Novosibirsk

The area of the spa complex is 5000 square meters divided into several recreation zones: areas with baths of different traditions and cultures, a vast aquazone, a private beach, a nursery center, a large food court.

MAPEI products were used for the entire complex, from indoor and outdoor swimming pools, hamams to install large-sized tiles on the floor in the corridors and thermae.





HISTORIC ROAD



SERBIA
Belgrade

Thanks to Mapei, the Karadjordjeva historic road in the centre of Belgrade was restored in record time and without interrupting the flow of traffic. MAPESTONE System was used to put the old stone blocks back into their original position along the entire stretch of the tramway.



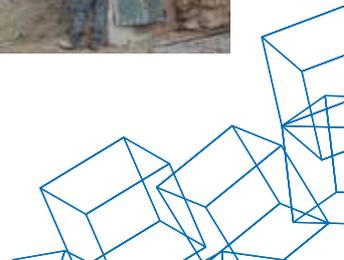


ANCIENT TOWN WALLS



SPAIN
Ibiza

It took forty years to build the ancient walls around the town in the 16th century to provide protection against attacks from the Turks. Conservative restoration work is currently being carried out on the walls with mortars from the MAPE-ANTIQUÉ Range.



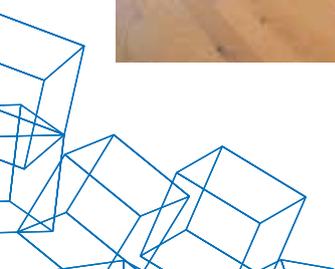


FHNW UNIVERSITY



SWITZERLAND
Muttenz

Amongst the various works undertaken inside this ultra-modern university, the one that stands out, apart from the installation of ceramic and resilient flooring, is the 20,000 m² of wood flooring installed with ULTRABOND ECO S940 1K after levelling off the substrates with ULTRAPLAN MAXI.



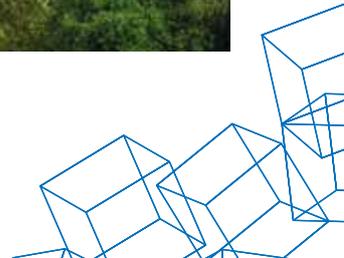


OROVILLE DAM



UNITED STATES
Oroville

Renovation work on the concrete of the tallest dam in the United States: Mapei supplied products to restore the concrete spillway, helping to save 200,000 people in the nearby city of Oroville and Butte County, threatened by the risk of flooding.



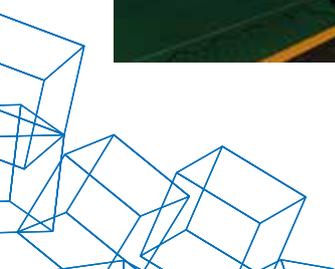


TOP GOLF KATY



UNITED STATES
Houston

It was the intuition of the Jolliffe brothers behind the creation of Topgolf Entertainment Group, giving life to golf tourism at the highest level by combining driving ranges with recreational activities and on-site restaurants. For the company's headquarters in Houston, Mapei supplied MAPESOIL System technology to stabilise the soil on the range and to upgrade the teeing areas.



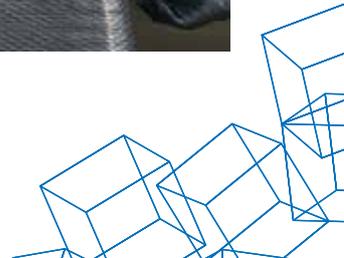


BRANTFORD MARKET CENTER



CANADA
Brantford

The concrete structure of the shopping centre's multi-storey carpark is made up of more than 200 columns and was upgraded and strengthened by applying products from the FRP System range of composites made from high-strength fibres and polymer resins.





NEW RING-ROAD



ARGENTINA
Cordoba

With more than 60,000 vehicles using this stretch of highway every day, the new ring-road around the City of Cordoba is one of the most important road projects in Argentina. Since 2017, enormous quantities of concrete admixtures from the DYNAMON Line have been supplied for the construction of the structure, made entirely from concrete.



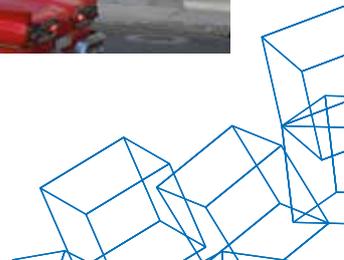


IBEROSTAR GRAND PACKARD



CUBA
Havana

With this intervention Mapei proved to be a leading player, once again combining the Company's most renowned aspects, tradition and innovation: and thanks to its solutions it also played a part in the construction of Hotel Packard, designed by the Pritzker prize-winning architect Rafael Moneo, a combination of a bygone age and modernity, by supplying all the products used to upgrade the structure.





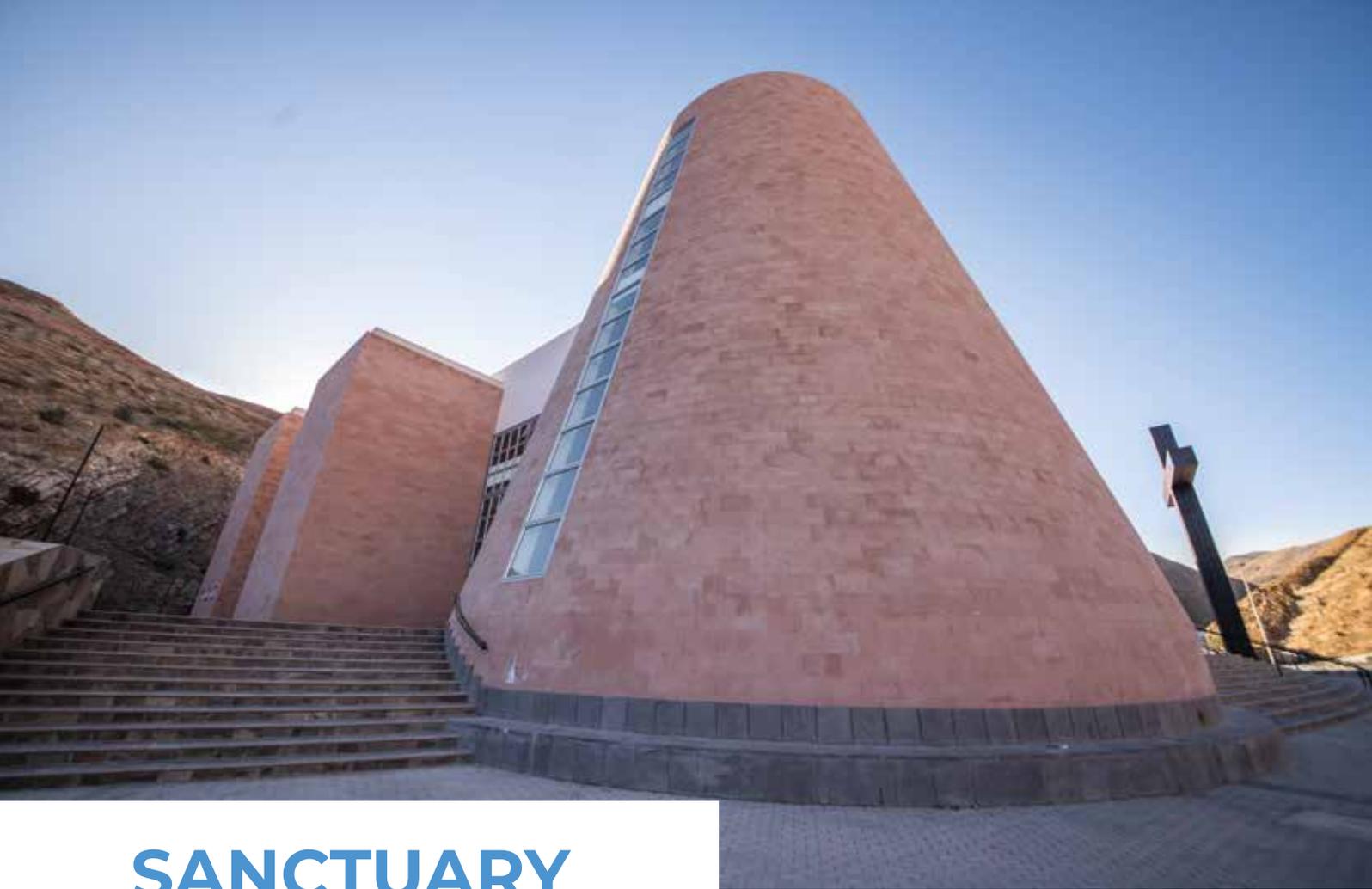
LINE 2 METRO RAILWAY



PANAMA
Panama City

More than 700 litres of DYNAMON SP 47 AC admixture, 150,000 kg of MAPEGROUT T60 and 70,000 kg of PLANITOP 540: these are just some of the figures for the materials supplied by Mapei during construction work on the new Metro Railway line, which can carry more than 40,000 passengers every hour.



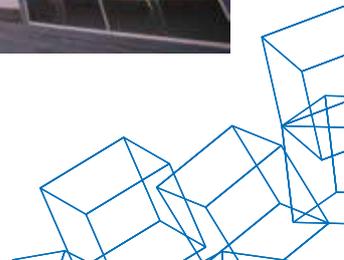
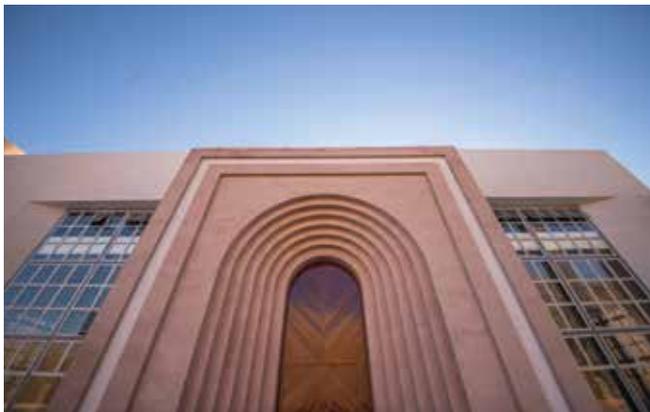


SANCTUARY OF THE VIRGIN OF CHAPI



PERÙ
Arequipa

Every year, from 29th April to 2nd May, thousands of pilgrims come to the Sanctuary, the epicentre of the most important religious festival in Arequipa, after crossing more than 90 kilometres of desert. Mapei supplied KERAFLEX MAXI S1 for the installation of volcanic rock on the façades of the Sanctuary.



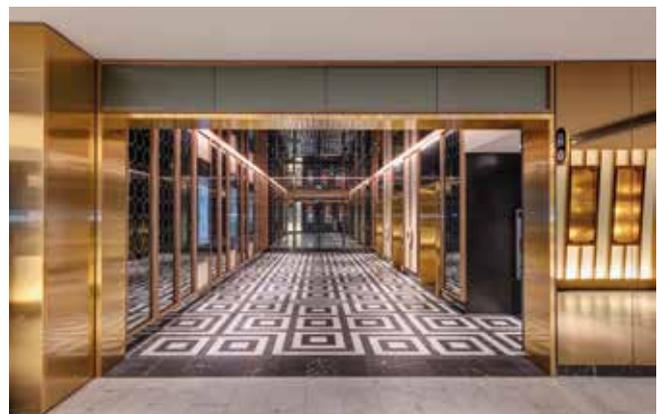


THE STAR CASINO



AUSTRALIA
Sydney

GRANIRAPID and KERAFLEX MAXI S1 adhesives are the key products used to install beautiful marble and granite slabs in the reception hall of this prestigious casino, the second largest in Australia.



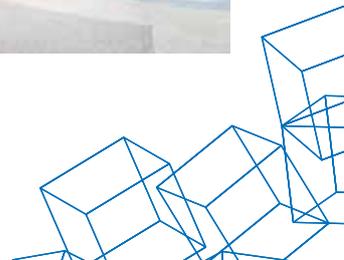


JOAN KIRNER WOMEN'S AND CHILDREN'S HOSPITAL



AUSTRALIA
Melbourne

Various types of PVC and rubber flooring were installed over an area of more than 60,000 square meters inside this brand-new and ultra-modern hospital inaugurated in 2019 in Melbourne. ULTRABOND ECO V4 SP was the star adhesive.





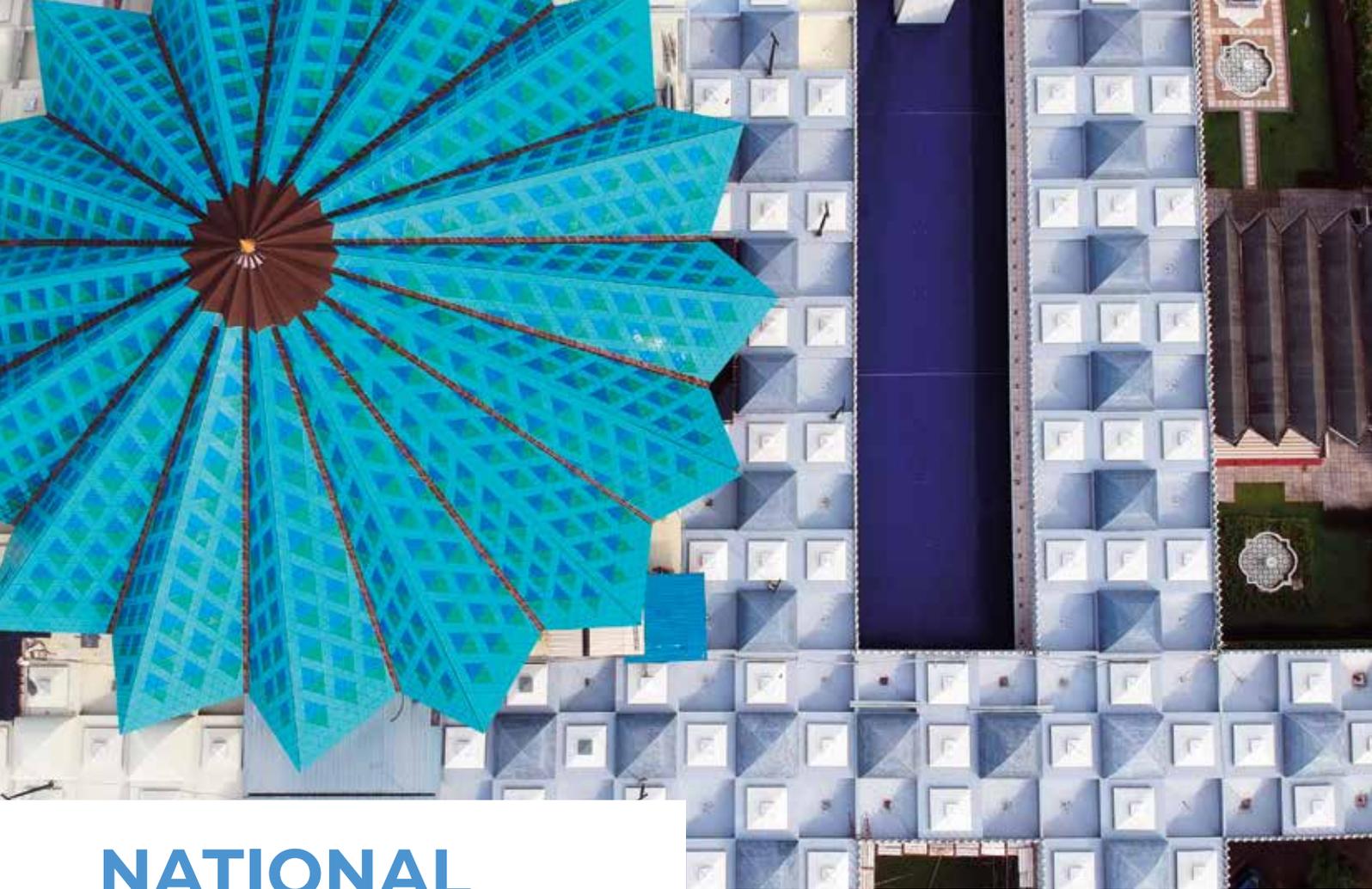
FANTASIA JINJIANG REAL ESTATE



CHINA
Chengdu

This residential building, designed by the Chinese star architect Li Wei Min, is situated along the famous Tianfu Avenue, one of the most fashionable areas of Chengdu. The MAPEFLOOR PARKING SYSTEM was chosen by the designers for more than 11,000 m² of parking space for the residents in this delightful setting.





NATIONAL MOSQUE



MALAYSIA
Kuala Lumpur

A symbol of Malaysian independence, the National Mosque was recently the subject of renovation work which included waterproofing of the external cupolas and pyramids and installation of mosaic coverings.





JEWEL CHANGI AIRPORT



SINGAPORE

Inside Singapore-Changi Airport, which was inaugurated on the 17th April, 2019, there are gardens, tourist attractions and a host of restaurants and stores. Mapei can be found in all these areas with its adhesives used to install natural stone and ceramic coverings.



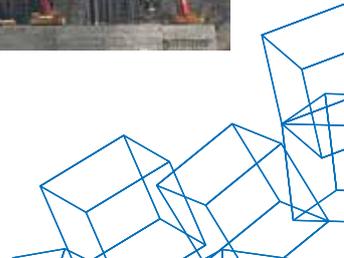


STATUE OF UNITY



INDIA
Vadodara

Four times taller than the Statue of Liberty, the Statue of Unity in India, dedicated to the famous Indian politician Sardar Vallabhbhai Patel, is the tallest in the world. Admixtures from the DYNAMON Range were used for the more than 2,500,000 cubic feet of concrete used to create the load-bearing structure of this impressive monument.





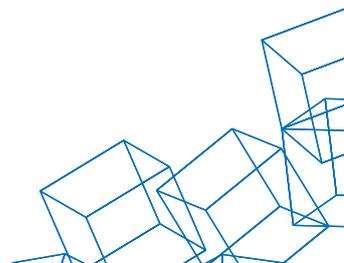
DOHA METRO RAILWAY

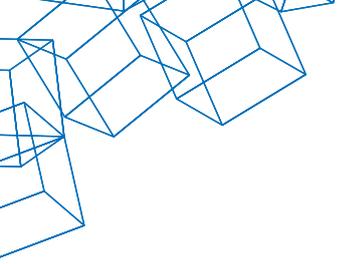


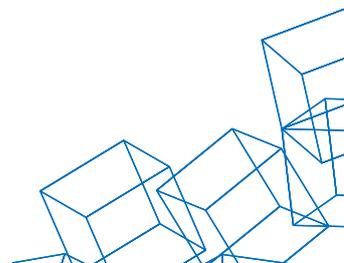
QATAR
Doha

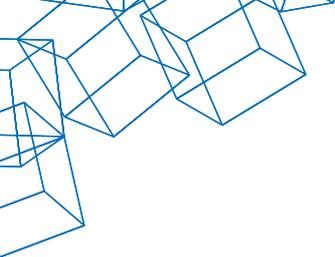
The Doha metro railway consists of 3 separate lines and 40 stations over a total length of 76 kilometres. Mapei supplied various solutions to dig the tunnel, ULTRATOP SYSTEM for the floors and adhesives to bond mosaics on the walls.











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