PFNonwovens a.s.

FIRST QUARTER RESULTS
2019

16 May 2019

First quarter of 2019 Unaudited Consolidated Financial Results

PFNonwovens a.s. announces its unaudited consolidated financial results for the first quarter to 31 March 2019 prepared according to International Financial Reporting Standards (IFRS).

"The EBITDA of CZK 347.5 million achieved in the first quarter met our expectations and is in line with our target for this year, which we have set in the range CZK 1.30 - 1.45 billion.

Compared to previous quarters, production volumes were slightly weaker, which together with strong sales resulted in a reduction of inventories of finished products.

Indebtedness expressed in terms of net debt to EBITDA reached 3.03 at the end of the first quarter.

Our investment projects are proceeding according to plan. The construction of the production plant in South Africa is practically complete and final building approvals are underway. The launch of the production line is on schedule and we expect to be producing the first commercial deliveries at the beginning of the second half. The installation of the new semi-commercial production line at the Znojmo-Přímětice plant is also proceeding according to our expectations and so we plan on achieving commercial operation during the third quarter of 2019.

We expect, that launching these new production capacities will further improve our operating results," said Marian Rašík, Chief Financial Officer and Member of the Board of Directors of PFNonwovens a.s.

Overview of Financial Results

	First quarter January - March 2019	yoy
Financials (CZK million)		
Revenues	**1,607.2**	**4.4%**
Operating costs without depreciation and amortization	(1,259.8)	3.9%
EBITDA	**347.5**	**6.2%**
Depreciation and Amortization	(124.5)	8.3%
Profit from operations (EBIT)	**223.0**	**5.2%**
FX changes and other financial income / (expense) (net)	32.1	n/a
Interest expense (net)	(27.5)	(39.7%)
Income tax – (expense)/income	(25.3)	(2.0%)
Net profit	**202.3**	**86.9%**
Net debt	4,138.2	(13.9%)
Capital expenditures (CAPEX)	78.5	(8.8%)
Profitability indicator ratios		
EBITDA margin	21.6%	0.3 pp.
Operating profit margin	13.9%	0.1 pp.
Net profit margin	12.6%	5.6 pp.
Operational indicators:		
Production output in tonnes	26,613	(1.7%)
Number of employees - at end of period	612	3.2%
Number of employees - average	608	3.0%
Exchange Rates		
EUR/CZK - average	25.682	1.1%
EUR/CZK - at end of period	25.800	1.5%
USD/CZK - average	22.613	9.4%
USD/CZK - at end of period	22.968	11.3%
ZAR/CZK - average	1.614	(6.5%)
ZAR/CZK - at end of period	1.587	(8.8%)

Consolidated Financial Results

Revenues, Costs and EBITDA

In the first quarter of 2019, consolidated revenues reached CZK 1,607.2 million, up by 4.4% yoy. The developments in polymer prices had a slightly positive effect on the year-on-year development of revenues. Likewise, sales volumes in tonnage terms, grew on a year-on-year basis.

Total consolidated operating costs without depreciation and amortization (net) went up by 3.9% yoy to CZK 1,259.8 million in the first quarter of 2019.

In the first quarter of 2019, EBITDA amounted to CZK 347.5 million, up by 6.2% yoy. This result is in line with the guidance range announced at the beginning of the year, when the Company indicated an increase in EBITDA in the range CZK 1.30 to 1.45 billion.

EBITDA margin reached 21.6% in the first quarter of 2019, growing by 0.3 percentage points compared with the same period last year.

Operating Costs

Total raw materials and consumables used in the first quarter of 2019 amounted to CZK 1,140.2 million, which represented an increase of 1.6% yoy.

In the first quarter of 2019, total staff costs amounted to CZK 87.1 million, an increase of 0.9% yoy. Total staff costs adjusted for the revaluation of the share option plan grew by 3.6% yoy.

In the first quarter of 2019, Other operating income (net) amounted to CZK 15.5 million.

Depreciation and Amortization

Consolidated depreciation and amortization amounted to CZK 124.5 million in the first quarter of 2019, up by 8.3% yoy, primarily resulting from the appreciation of USD against CZK, which was reflected in higher depreciation and amortization of the Egyptian production plant expressed in CZK.

Profit from Operations

In the first quarter of this year, profit from operations (EBIT) amounted to CZK 223.0 million, up by 5.2% compared with the first quarter of 2018.

Financial Income and Costs

In the first quarter of 2019, FX changes and other financial income/(expense) (net) amounted to an income of CZK 32.1 million compared with an expense of CZK 32.4 million achieved in the same period last year. This item includes realized and unrealized FX gains/losses and other financial income and expenses. The income in the first quarter was namely the result of the dollar appreciating by approximately 2%, which led to unrealized exchange rate gains related to the revaluation of balance sheet items denominated in EUR, in particular with respect to the intra-company loan to the subsidiary in Egypt.

Interest expenses (net) related to debt servicing reached CZK 27.5 million in the first quarter of 2019, which is down by 39.7% relative to the same period last year. The reason for the decline in interest expenses was the repayment of the public bond issue in November 2018.

Income Tax

In the first quarter of 2019, income tax expense amounted to CZK 25.3 million, down by 2.0% compared with 2018. Current tax payable amounted to CZK 32.5 million, while changes in deferred tax represented a gain of CZK 7.2 million.

Net profit

Net profit reached CZK 202.3 million in the first quarter of 2019, up by 86.9% yoy.

Investments

In the first quarter of 2019, total capital expenditure amounted to CZK 78.5 million, i.e. an 8.8% decrease compared with last year. Of this amount, CZK 30.0 million was spent on investments into production capacity expansion, with the remainder being maintenance CAPEX.

Cash and Indebtedness

The amount of net debt as at 31 March 2019 was CZK 4,138.2 million, down by 11.5% compared with the level as at 31 December 2018 and 13.9% yoy. Compared with the previous quarter, the net debt to EBITDA ratio fell to 3.03.

Business Overview for the first quarter of 2019

In the first quarter of 2019, the total production output (net of scrap) reached 26,613 tonnes, down by 1.7% compared with the same period in 2018.

In the first quarter of 2019, the share of revenues from sales of nonwoven textiles for the hygiene industry represented an 88.0% share of total revenues. In the first quarter of 2019, revenues from sales of non-hygiene products (for construction, agricultural and medical applications) amounted to a 12% share of total revenues.

Revenues from sales to Western Europe amounted to a 37.3% share of total revenues. Revenues from sales to Central and Eastern Europe and Russia amounted to a share of 40.1%. Revenues from sales to other territories amounted to a 22.5% share of total revenues.

Guidance for 2019

In the first quarter of 2019, the Group achieved financial results that are in line with its expectations and with the announced guidance for the entire year 2019.

Based on the results achieved in the first quarter of 2019 and respecting the developments in the European nonwoven textile market, including the expected development in the polymer market, the Group confirms its previously announced guidance for 2019 and expects this year's EBITDA to be in the range from CZK 1.30 to 1.45 billion.

The Group is planning for total CAPEX in 2019 not to exceed the CZK 1.45 billion level.

PFNonwovens a.s.

Interim Unaudited Consolidated Financial Statements
prepared in accordance with the International Financial Reporting Standards

for the three months ended 31 March 2019

Condensed Consolidated Statement of Comprehensive Income

'000 CZK	Three month period ending 31 March 2018 (unaudited)	31 March 2019 (unaudited)	% change
Revenue	1,539,346	1,607,224	4.4%
Raw materials and consumables used	(1,122,301)	(1,140,209)	1.6%
Staff costs	(86,347)	(87,124)	0.9%
Other operating income/(expense) net	(3,659)	(32,420)	786.0%
EBITDA	**327,038**	**347,472**	**6.2%**
EBITDA margin	***21.3%***	***21.6%***	***0.3 pp.***
Depreciation and amortization expense	(115,007)	(124,520)	8.3%
Profit from operations	**212,031**	**222,951**	**5.1%**
FX gains and other financial income	28,909	49,229	70.3%
FX losses and other financial expenses	(61,278)	(17,113)	(72.1%)
Interest income	727	2,123	192.0%
Interest expense	(46,325)	(29,605)	(36.1%)
Profit before tax	**134,065**	**227,586**	**69.8%**
Income Tax	(25,801)	(25,294)	(2.0%)
Net profit after tax	**108,264**	**202,292**	**86.8%**
Other comprehensive income			
Net value gain on cash flow hedges	8,936	-16,984	n/a
Changes in translation reserves	76,101	23,771	(68.8%)
Total comprehensive income for the period	**193,301**	**209,079**	**8.2%**
Net earnings per share			
Basic net earnings per share (CZK)	12.35	23.08	86.8%
Diluted net earnings per share (CZK)	12.35	23.08	86.8%

Condensed Consolidated Statement of Financial Position

'000 CZK	31 March 2018 (unaudited)	31 March 2019 (unaudited)
Assets		
Non-current assets		
Property, plant and equipment	4,841,188	5,195,904
Long term intangible assets	160,304	186,086
Goodwill	2,320,127	2,320,127
Total non-current assets	**7,321,619**	**7,702,118**
Current assets		
Inventories	665,530	614,250
Trade receivables. contract assets and other receivables	2,097,199	1,811,927
Cash and cash equivalents	1,437,307	645,146
Total current assets	**4,200,036**	**3,071,323**
Total assets	**11,521,655**	**10,773,441**
Total equity and liabilities		
Share capital and reserves		
Share capital	299,857	299,857
Legal reserve fund and other reserves	86,701	86,701
Translation reserves	92,848	81,365
Cash flow hedge reserves	50,208	(12,124)
Retained earnings	3,782,230	4,724,032
Total share capital and reserves	**4,311,844**	**5,179,831**
Non-current liabilities		
Deferred tax liabilities	509,369	317,241
Long-term bonds	3,894,904	3,930,185
Total non-current liabilities	**4,404,273**	**4,247,426**
Current liabilities		
Trade and other payables	431,729	458,508
Tax liabilities	10,910	28,545
Short-term bank loans	48,378	853,123
Short-term bonds	2,302,000	0
Provisions	12,521	6,008
Total current liabilities	**2,805,538**	**1,346,184**
Total liabilities	**7,209,811**	**5,593,610**
Total equity and liabilities	**11,521,655**	**10,773,441**

Condensed Consolidated Statement of Cash Flows

'000 CZK	2018 (unaudited)	2019 (unaudited)
Profit before tax	**134,065**	**227,586**
Adjustment for:		
Depreciation and Amortization	115,007	124,520
Foreign exchange changes	23,547	(11,018)
Interest expense	46,325	27,482
Other changes in equity	8,936	0
Other financial income/(expense)	10,944	6,307
Cash flows from operating activities		
Decrease/(increase) in inventories	40,816	(8,344)
Decrease/(increase) in receivables	(27,000)	338,620
Increase/(decrease) in payables	(63,254)	(33,236)
Income tax (paid) / received	(22,669)	(23,472)
Net cash from operating activities	**266,717**	**648,445**
Cash flows from investment activities		
Purchases of property, plant and equipment	(86,083)	(78,542)
Net cash used in investment activities	**(86,083)**	**(78,542)**
Cash flows from financing activities		
Increase/(decrease) in short-term bank loans and bonds	(223,040)	(302,467)
Increase/(decrease) in other long-term payables	(25,703)	551
Acquisition of own shares and other changes in equity	1	0
Distribution of dividends	0	0
Interest paid	(24,128)	(22,973)
Other financial income/(expense)	15,567	0
Net cash used in financing activities	**(257,303)**	**(324,890)**
Cash and cash equivalents at the beginning of the period	1,513,977	400,134
Net increase (decrease) in cash and cash equivalents	(76,670)	245,013
Cash and cash equivalents at the end of the period	**1,437,307**	**645,147**

Condensed Consolidated Statement of Changes in Equity

'000 CZK	Share capital	Legal reserve fund and other reserves	Translation reserves	Cash flow hedge reserves	Retained earnings	Total share capital and reserves
as at 1 January 2018	**299,857**	**86,701**	**16,747**	**41,272**	**3,673,966**	**4,118,544**
Other comprehensive income for the period	0	0	76,101	8,936	108,264	**193,301**
as at 31 March 2018	**299,857**	**86,701**	**92,848**	**50,208**	**3,782,230**	**4,311,844**
as at 1 January 2019	**299,857**	**86,701**	**57,594**	**4,860**	**4,521,740**	**4,970,752**
Other comprehensive income for the period	0	0	23,771	(16,984)	202,292	**209,079**
as at 31 March 2019	**299,857**	**86,701**	**81,365**	**(12,124)**	**4,724,032**	**5,179,831**

Selected explanatory notes to the interim consolidated financial statements

Rounding off and presentation

The figures presented in this interim financial statement were rounded off to a single decimal place in accordance with standard rounding principles. As a result of this, the sum of the individual figures may differ from the figure presented on the sum row.

Basis of preparation

These financial statements were prepared under International Financial Reporting Standards (IFRS) and International Accounting Standards IAS 34 for interim financial reporting as adopted by the European Union. Condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. This interim report was not audited by the Company´s external auditors.

Summary of Significant Accounting Policies

The same basis of preparation, accounting policies, presentation and methods of computation have been followed in these consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2018.

Disclosures on seasonal and economic influences

The business of the Group. is not typically subject to seasonal and economic influences other than the general economic cycle, although the hygiene market is to a large extent non-cyclical.

Estimates

The preparation of interim financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors. The objective of making estimates is to present a true and fair view of the financial position of the Group, namely for determining the values of assets and liabilities for which this value is not readily available from other sources. The actual results may differ from these estimates.

There were no material changes in the nature or size of the estimates since the issue of the previous financial reports.

Segment information

The IFRS 8 standard requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segments and to assess their performance. In accordance with IFRS 8, the Group identified one operating segment, the production of nonwoven textiles.

Disclosures on changes in the composition and consolidation of the entity

There were no changes in this field during the reporting period ended relative to the situation on 31 December 2018.

Issue, repurchase and repayments of debt and equity securities

During the course of the first quarter of 2019, the Group drew from an overdraft bank loan. The Group did not conclude any new bank facilities in the first quarter of 2019.

In the first three months of 2019, the Group did not make any repurchases of debt securities.

Important events and transactions

No significant events or transactions occurred during the first quarter of 2019.

Material events subsequent to the end of the interim period

The management of the Group is not aware of any other events that occurred subsequent to the end of the interim period, which would have a significant effect on the consolidated financial statements as at 31 March 2019.

Information about the fair value of financial instruments

During the period of the first three months of this year no changes occurred in the valuation methodology for financial instruments.

Cross currency swaps

As at 31 March 2019, the Group held two open cross currency swaps.

The first swap was concluded in July of 2015 at a total nominal value of CZK 678,000 thousand (receiving leg) against EUR 25,000 thousand (paying leg) with the objective of hedging the foreign currency risk related to the private bonds issued by the subsidiary PFNONWOVENS Czech s.r.o., denominated in CZK and maturing on 14 July 2025, bearing a variable interest rate of 6M PRIBOR + 2.00% p.a. The swap bears a fixed interest rate of 3.39% p.a.

The second swap was concluded in July of 2015 at a total nominal value of CZK 1,080,000 thousand (receiving leg) against EUR 39,852 thousand (paying leg) with the objective of hedging the foreign currency risk related to the private bonds issued by the holding company PFNONWOVENS a.s., denominated in CZK and maturing on 14 July 2022, bearing a fixed interest rate of 2.646% p.a. The swap bears a fixed interest rate of 3.15% p.a.

The Group performs hedge accounting for the first currency swap.

The fair value of these swaps, as at 31 March 2019, is presented in the following table. A positive value represents a receivable of the Group, a negative value a payable of the Group.

Counterparty	as at 31 March 2018	as at 31 March 2019	% hedging of the underlying liability
Česká spořitelna – EUR 90.201 mil.	186,983	--	--
ČSOB – EUR 25 mil.	32,268	(7,296)	100%
Česká spořitelna – EUR 39.852 mil.	18,618	(21,326)	100%
Total	**237,869**	**(28,622)**	**100%**

in thous. CZK

Fair value of these swap as at 31 March 2019 represents a liability of the Group. To this date, these swaps cover approximately 100% of the total nominal value of two private bond issues in the amount of CZK 1,080 million, resp. CZK 678 million.

The fair value of the swap is given by the EUR and CZK yield curve valid at the balance sheet date and calculated using the discounted cash flow method. The inputs used in the fair value calculation are categorised in accordance with IFRS 7 into level 2 of fair value hierarchy.

Sensitivity of the fair value of cross currency swaps
The appreciation, resp. depreciation of CZK against EUR by 1% would, as at 31 March 2019, increase, resp. decrease the fair value of the cross currency swaps by approximately CZK 17 million.

Foreign currency options

Foreign currency option structure I.
As at 31 March 2019, the Group held an open position in a foreign currency option structure that was concluded by the Group in March 2016 and which expires in July 2019. The objective of this foreign currency option structure is to hedge currency risk connected to revenues in EUR and their conversion to CZK in approximately the amount as the Group expends each month on the payment of wages and salaries.

The foreign currency option structure consists of two independent transactions, a series of synthetic forwards and barrier options with a monthly expiration up until July 2019. The purpose of the barrier options was, prior to the ČNB ending its commitment to maintaining an exchange rate, to improve the profile of the whole option structure around the exchange rate of 27 CZK/EUR.

Foreign currency option structure II.
In April 2018, the Group concluded a foreign currency option structure. The objective of this foreign currency option structure is to hedge currency risk connected to revenues in EUR and their conversion to CZK in approximately the amount as the Group expends each month on the payment of wages and salaries after the expiration of the aforementioned option structure from 2016.

The foreign currency option structure consists of two independent transactions, a series of synthetic forwards and written (sold) options with a monthly expiration from August 2019 to July 2021.

Foreign currency option structure III.
In March 2019, the Group concluded a foreign currency option structure. The objective of this foreign currency option structure is to hedge currency risk connected to revenues in EUR and their conversion to CZK in approximately the amount as the Group expends each month on the payment of wages and salaries after the expiration of the aforementioned option structure from 2018.

The foreign currency option structure consists of two independent transactions, a series of synthetic forwards and written (sold) options with a monthly expiration from August 2021 to March 2022.

Fair value
The fair value of these foreign currency option structures, as at 31 March 2019, is presented in the following table. A positive value represents a receivable of the Group, a negative value a payable of the Group.

Counterparty	as at 31 March 2018	as at 31 March 2019
Foreign currency option structure I. - series of synthetic forwards	20,021	3,529
Foreign currency option structure I. - series of barrier options	(126)	27
Foreign currency option structure II. – series of synthetic forwards	--	(7,550)
Foreign currency option structure II. – series of written options	--	(4,564)
Foreign currency option structure III. – series of synthetic forwards	--	(858)
Foreign currency option structure III. – series of written options	--	(1,685)
Total	**19,895**	**(11,101)**

Counterparty	as at 30 September 2017	as at 30 September 2018
Foreign currency option structure I. - series of synthetic forwards	16,705	9,076
Foreign currency option structure I. - series of barrier options	-354	10
Foreign currency option structure II. – series of synthetic forwards	--	-10,109
Foreign currency option structure II. – series of written options	--	-6,276
Total	**16,351**	**-7,299**

'000 CZK

Sensitivity of the fair value of the foreign currency option structure I.
The appreciation, resp. depreciation of CZK against EUR by 5% would, as at 31 March 2019, increase, resp. decrease the fair value of the foreign currency option structure by approximately CZK 10 million.

Sensitivity of the fair value of the foreign currency option structure II.
The appreciation, resp. depreciation of CZK against EUR by 5% would, as at 31 March 2019, increase, resp. decrease the fair value of the foreign currency option structure by approximately CZK 37 million.

Sensitivity of the fair value of the foreign currency option structure III.
The appreciation, resp. depreciation of CZK against EUR by 5% would, as at 31 March 2019, increase, resp. decrease the fair value of the foreign currency option structure by approximately CZK 11 million.

Earnings per share

Basic earnings per Share are calculated as the net profit for the period attributable to equity holders of the Company divided by the weighted average number of shares existing each day in the given period, which take into account (by reduction) the shares bought back.

Diluted earnings per share are calculated based on a weighted average number of shares in circulation (determined similarly as in the case of basic earnings per share) adjusted for the effect of the expected issue of all potential diluting securities.

Basic earnings per share

		Three months ended	
		31 March 2018	31 March 2019
Net profit attributable to equity holders	'000 CZK	108,264	202,292
Weighted average number of ordinary shares	amount	8,763,859	8,763,859
Basic earnings per share	**CZK**	**12.35**	**23.08**

Diluted earnings per share

		Three months ended	
		31 March 2018	31 March 2019
Net profit attributable to equity holders	'000 CZK	108,264	202,292
Weighted average number of ordinary shares	amount	8,763,859	8,763,859
Diluted earnings per share	**CZK**	**12.35**	**23.08**

Approval of the interim financial statements

The interim financial statements were approved by the Company's Board of Directors on 15 May 2019.

František Klaška
Member of the Board of Directors
of PFNonwovens a.s.

Marian Rašík
Member of the Board of Directors
of PFNonwovens a.s.

Alternative indicators of performance

In accordance with the ESMA (European Securities and Markets Authority) directive relating to transparency and investor protection in the European Union, contains this dictionary of alternative indicators of Group performance, which, however, are not defined within the scope of IFRS statements as standard measures. The definition of these indicators enables users of reports to gain additional information for the assessment of the financial situation and performance for the Group.

Performance indicator	Definition	Purpose	Reconciliation with the financial statements
CAPEX	Investments into intangible property and land, buildings and equipment, including investment expenses financed by leasing.	It represents the amount of available resources invested into operations for securing long term performance.	As per the Condensed Consolidated Statement of Cash Flows (line item Net cash used in investment activities.
Net debt	Financial indicator calculated as: Non-current bank loans + Non-current bonds + Current bank loans + Current bonds – (Cash and cash equivalents)	This indicator expresses the actual state of the Group's financial debt, i.e. the nominal debt value less financial assets, financial equivalents and highly liquid financial assets of the Group. The measure is used primarily for assessing the overall proportionality of the Group's indebtedness, i.e. e.g. when compared with selected profit or balance sheet indicators of the Group.	As per the Overview of Financial Results in CZK millions: 1-3/2019: 0 + 3,930.2 + 853.1 – 645.1 = 4,138.2
Net debt/EBITDA	Net Debt/EBITDA, where EBITDA uses a sliding value over the last 12 months.	It expresses, on the one hand the ability of the Group to lower and repay its debt and, on the other, also its ability to accept further debt for developing its business. The measure approximately expresses the time that it would take the Group to pay off its debts from its primary source of operating cash flow.	As per the Consolidated Financial Results – Cash and Indebtedness in CZK millions: 2019: 4.138,2 / 347.5 = 3.03
EBIT (Profit from operations)	Profit including revenues less cost of goods sold and selling, general, and administrative expenses, and depreciation and amortization (before the deduction of interest and taxes).	It is used to express the operating profit of the Group, whilst at the same time eliminating the impact of differences between local tax systems and various financial activities.	As per the Condensed Consolidated Statement of Comprehensive Income for the Three Month Period
EBITDA	Financial indicator that determines the operating margin of the company before the deduction of interest, taxes,	Since it does not contain financial and tax indicators or accounting costs not including outflows, it is used by management to	As per the Overview of Financial Results in CZK millions: 1-3/2019: 223.0 + 124.5 = 347.5

	depreciation and amortization. Calculated as net profit before taxation, interest expenses, interest income, exchange rate movements, other financial income/expenses and depreciation and amortization, i.e. profit from operations + depreciation and amortization.	assess the Group's results over the course of time.	
Net profit margin	Percentage margin is calculated as net earnings after income tax and before distribution to shareholders divided by total revenues.	It is used to express how well the Group converts revenues into profit available to shareholders.	As per the Overview of Financial Results in CZK millions: 1-3/2019: 202.3 / 1,607.2 = 12.6%
Operating profit margin	Percentage margin calculated as EBIT / total revenues.	It is used for assessing the operating performance of the Group.	As per the Overview of Financial Results in CZK millions: 1-3/2019: 223.0 / 1,607.2 = 13.9%
EBITDA margin	Percentage margin calculated as EBITDA / total revenues.	It is used for expressing the profitability of the Group.	As per the Overview of Financial Results in CZK millions: 1-3/2019: 347.5 / 1,607.2 = 21.6%
Planned EBITDA	A financial indicator defined as revenues minus costs of goods sold and other selling and administrative expenses.	It is used in the Group's business plan as a benchmark value for the evaluation of the performance in the management bonus scheme.	As per the Guidance for 2019: Set as a qualified estimation by the Group's management.