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QUARTERLY REPORT

AS AT 30 SEPTEMBER 2020

 **BIESSEGROUP**

CONTENTS

THE BIESSE GROUP

Group structure	pag.	4
Notes to the Financial Statements	pag.	5
Parent Company Corporate Bodies	pag.	6
Financial Highlights	pag.	10

DIRECTORS' REPORT ON OPERATIONS

Directors' report on operations	pag.	14
Economic Overview	pag.	16
Business sector review	pag.	20
Outlook	pag.	24
Main events	pag.	27
Financial Statements	pag.	30
Annex	pag.	30

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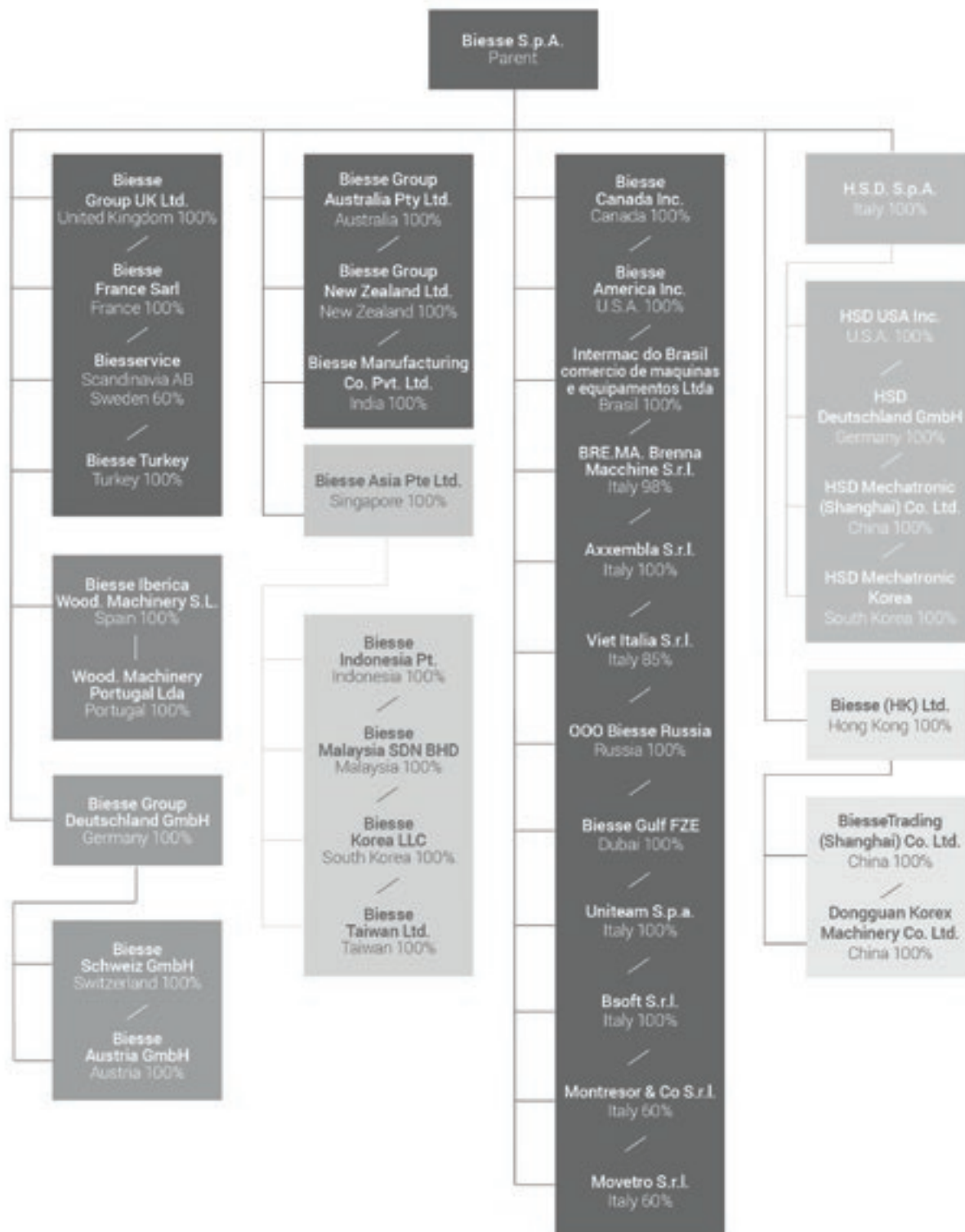
MECHATRONICS

Biese Group is a global leader in technologies for processing wood, glass, stone, plastic and metal. Founded in Pesaro in 1969 by Giancarlo Selci, the company has been listed on the STAR sector of Borsa Italiana since June 2001 and is currently a constituent of the FTSE IT Small Cap index.

ROVER

GROUP STRUCTURE

The following companies belong to the Biesse Group and are included in the scope of consolidation:



Notes: the different colours represent the subgroups of the control chain.

NOTES TO THE FINANCIAL STATEMENTS

The Biesse Group's consolidated quarterly report at 30 September 2020, unaudited, has been prepared pursuant to Article 154-ter, paragraph 2 of the Consolidated Law on Finance and in accordance with the recognition and measurement criteria established by the International Financial Reporting Standards (IFRS).

Accounting standards and recognition criteria are consistent with those of the 2019 Annual Report, to which reference should be made. Furthermore, it should be noted that:

- the quarterly financial statements have been prepared using the discrete approach, according to which the reference period is considered to be a discrete accounting period. In this respect, the income statement items for the period are recognised in the quarterly income statement on an accruals basis;
- the financial statements underlying the consolidation process are those prepared by subsidiaries with reference to the period ended 30 September 2020, adjusted, where necessary, to align them with the Group's accounting policies;
- some of the economic information contained in this report presents interim profitability indicators, including EBITDA. This indicator is considered by management to be an important parameter for measuring and assessing the Group's operational performance, in that it is not affected by the various methodologies adopted to determine taxable income, or by depreciation and amortisation policies. It should be noted, however, that this indicator is not identified as an accounting measure for IFRS purposes; therefore, the method used to determine taxable income might not be consistent with that indicated by other groups or companies.

Compared with the financial statements for the year ended 31 December 2019, the consolidation scope underwent no changes.

CORPORATE BODIES OF THE PARENT COMPANY

BOARD OF DIRECTORS

Chairman	Giancarlo Selci
Chief Executive Officer	Roberto Selci
Executive Director	Alessandra Parpajola
Non-Executive Director	Stefano Porcellini
Lead Independent Director	Elisabetta Righini
Independent Director	Giovanni Chiura
Independent Director	Federica Palazzi

BOARD OF STATUTORY AUDITORS

Chairman	Paolo de Mitri
Standing Statutory Auditor	Dario de Rosa
Standing Statutory Auditor	Silvia Cecchini
Alternate Statutory Auditor	Silvia Muzi

⁽¹⁾ On 1 September 2020, Biesse S.p.A. and the Director Stefano Porcellini reached a settlement agreement to terminate the employment relationship, with Mr Porcellini resigning from his position as general manager and staying on as non-executive director until the end of his term (approval of the 2020 financial statements).

In addition, on 29 September 2020 the Director Silvia Vanini terminated her employment relationship, resigning also from her position as member of the Board of Directors. The shareholders' meeting convened to approve the 2020 financial statements will also appoint the new Board of Directors, filling the vacancies on the board in accordance with the law.

CONTROL AND RISKS COMMITTEE - REMUNERATION COMMITTEE - RELATED PARTY COMMITTEE

Elisabetta Righini (Lead Independent Director)
Federica Palazzi

SUPERVISORY BODY

Giuseppe Carnesecchi (Chairman)
Domenico Ciccopiedi
Elena Grassetti

INDEPENDENT AUDITORS

Deloitte S.p.A.



FINAN CIAL

HIGHLIGHTS

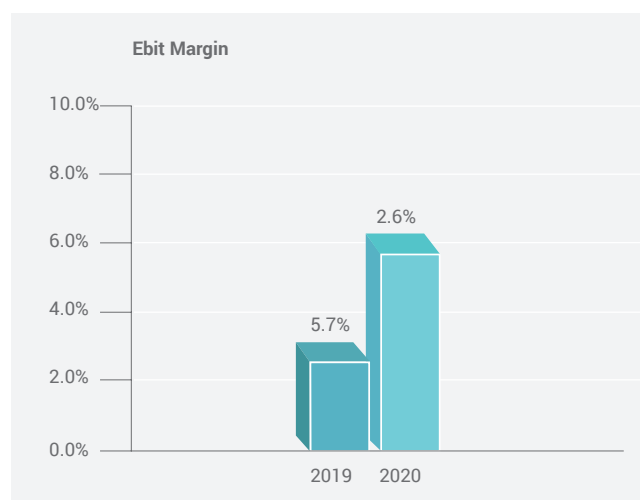
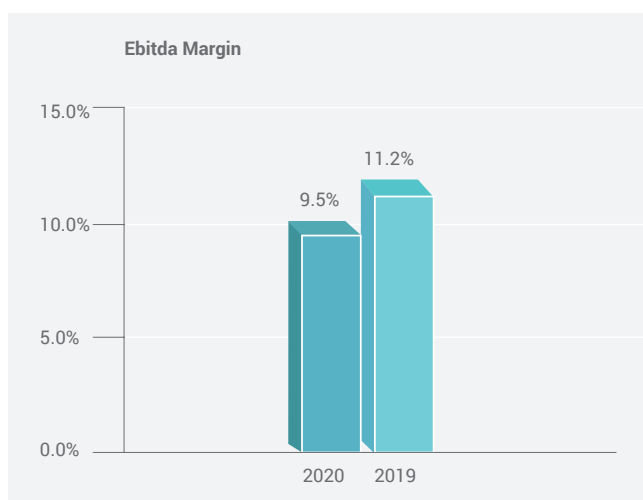




FINANCIAL HIGHLIGHTS

Income Statement

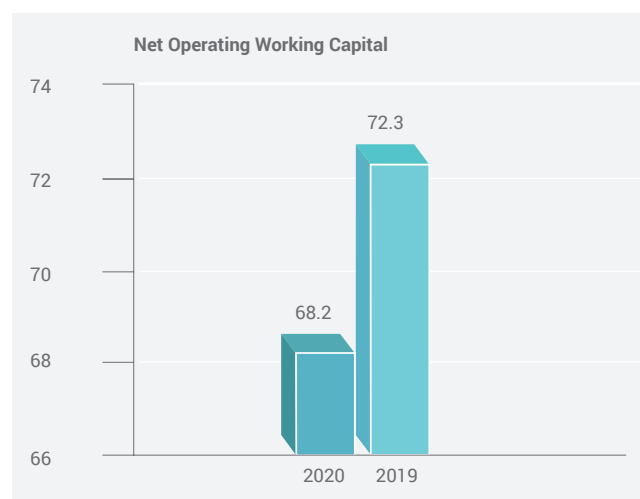
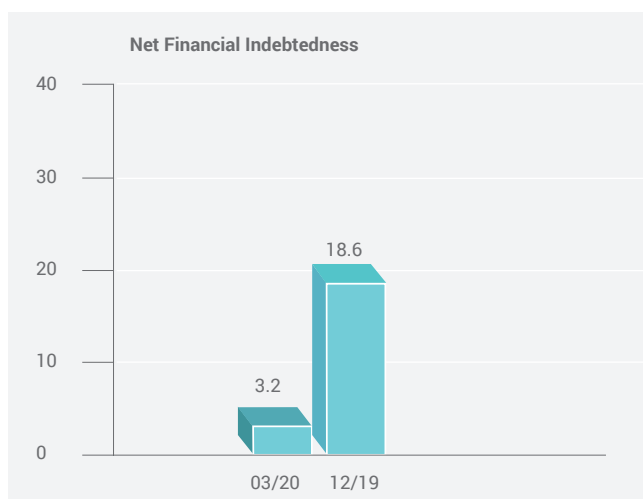
EURO 000'S	30 SEPTEMBER		30 SEPTEMBER		Change %
	2020	% ON SALES	2019	% ON SALES	
Revenue from sales and services	396,430	100.0%	511,142	100.0%	(22.4)%
Normalised Added value ⁽¹⁾	173,640	43.8%	220,405	43.1%	(21.2)%
Normalised EBITDA (Normalised gross operating profit) ⁽¹⁾	37,478	9.5%	57,109	11.2%	(34.4)%
Normalised EBIT (Normalised operating profit) ⁽¹⁾	10,173	2.6%	29,367	5.7%	(65.4)%
EBIT (Operating profit) ⁽¹⁾	8,245	2.1%	26,998	5.3%	(69.5)%
Profit for the year	3,730	0.9%	14,759	2.9%	(74.7)%



Statement of Financial Position

EURO 000'S	30 SEPTEMBER	31 DECEMBER
	2020	2019
Net invested capital ⁽¹⁾	220,797	237,285
Equity	217,644	218,675
Net financial indebtedness	3,152	18,609
Net operating working capital ⁽¹⁾	68,190	72,262
Gearing (net financial position/equity)	0.01	0.09
Fixed asset/standing capital ratio	1.03	0.98
Order in take	193,257	196,591

⁽¹⁾ Amounts referring to interim results and to aggregate equity and financial figures. The relevant calculation criteria are provided in the Directors' Report



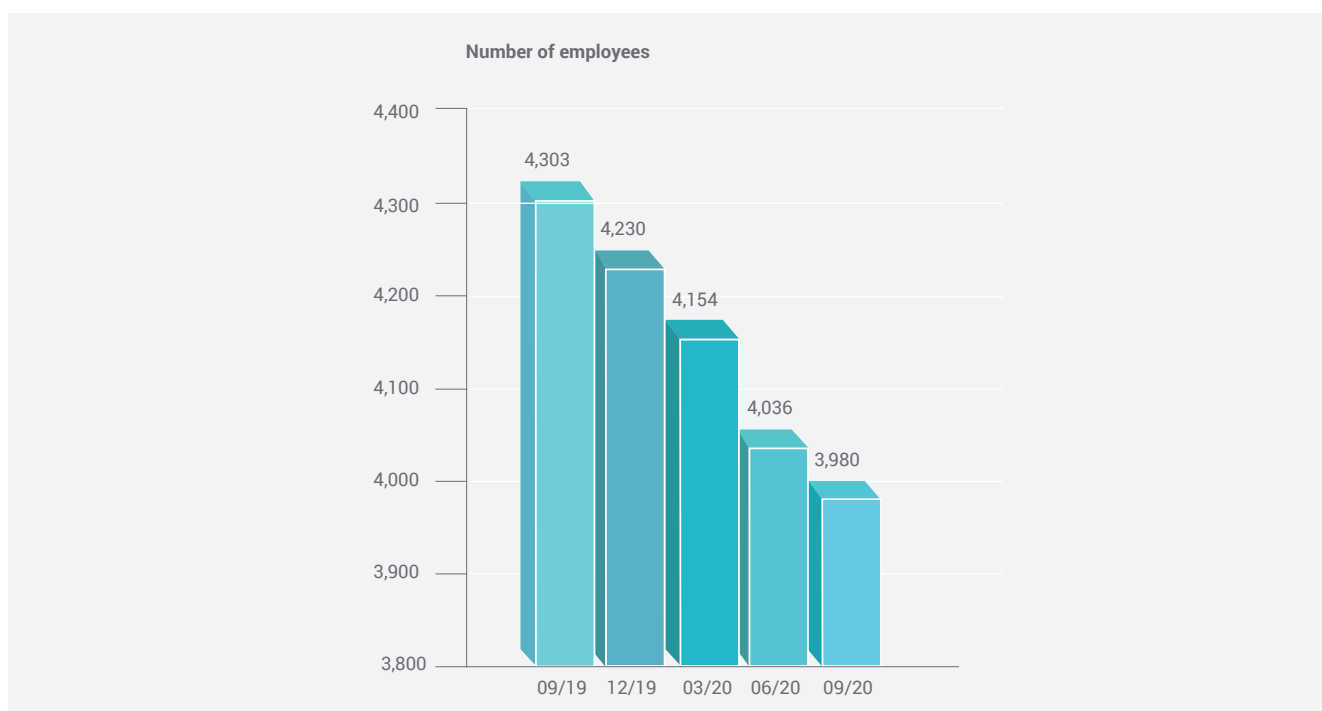
Cash flow

EURO 000'S	30 SEPTEMBER 2020	31 DECEMBER 2019
EBITDA (Gross operating profit)	35,696	75,601
Change in net working capital	2,125	(24,329)
Change in other operating assets/liabilities	(4,403)	(8,992)
Operating cash flow	33,418	42,280
Cash flow used in investment activity	(11,152)	(32,110)
Cash flow	22,266	10,170
Change in fixed assets / dividends	(23)	(13,149)
Exchange rate effect on PFN	(3,211)	729
Change in net financial indebtedness (net of IFRS 16)	19,032	(2,250)
Change in leasing and new loans	(3,575)	(15,127)
Change in leasing payables (adoption of IFRS 16)	-	(26,624)
Change in net financial indebtedness (net of IFRS 16)	15,457	(44,001)

Personnel

	30 SEPTEMBER 2020	30 SEPTEMBER 2019
Number of employees at period end	3,980	4,303

The figures include temporary staff



DIRECTORS' REPORT

REPORT
ON OPERATIONS





GENERAL ECONOMIC OVERVIEW

THE BASELINE SCENARIO

The coronavirus pandemic remains the major source of uncertainty for the global economy. The latest data confirm that global economic activity bottomed out in the second quarter and started to rebound in line with the gradual lifting of containment measures from mid-May onwards. The September 2020 ECB analysts' macroeconomic projections envisage that world real GDP (excluding the Eurozone) will contract by 3.7% this year and expand by 6.2% and 3.8% in 2021 and 2022, respectively. The contraction in global trade will be more severe than the fall in real GDP, given both its more pronounced procyclicality – especially during economic downturns – and also the distinctive nature of the COVID-19 crisis, which has entailed disruptions in global production chains and increased trade costs because of the containment measures. Risks to the global outlook remain skewed to the downside given the persistent uncertainty about the evolution of the pandemic, which may leave lasting scars on the global economy.

Other downside risks relate to the outcome of the Brexit negotiations, the risk of a rise in trade protectionism, and, relatedly, longer-term negative effects on global supply chains.

GLOBAL ECONOMIC ACTIVITY AND TRADE

The global economy entered a deep, synchronised recession in the first half of 2020 as a result of the COVID-19 pandemic. The outbreak and the containment measures adopted to limit the spread of the virus weighed on economic activity causing an unprecedented and synchronised fall in global output, which reached its trough in April 2020. Global uncertainty soared to levels not seen since the global financial crisis. The latest national accounts data for the second quarter confirm a sharp contraction in economic activity. The fall in global trade was even sharper, although less pronounced than envisaged in the June 2020 Eurosystem analysts' macroeconomic projections. This suggests a lower global trade elasticity than previously assumed.

At the same time, China was able to start lifting containment measures around late March and see its economy return to positive growth rates already in the second quarter.

Once the spread of COVID-19 started to abate and containment measures started to be lifted, the global economy began to recover, as confirmed by survey data. Global composite output Purchasing Managers' indices have been improving steadily since reaching the trough in April. In August, the global composite output PMI rose for a fourth consecutive month, up to 52.6 from 50 in July and from a low of 28.6 in April. The rebound is broad-based across both the manufacturing and service sectors. The recovery, however, appears uneven across countries. Among advanced economies, the composite output PMI continued growing in the United States and the United Kingdom, while it remained in contractionary territory in Japan.

Among emerging economies, the composite output PMI increased further in China, Russia and Brazil, but continued contracting in India.

Global real GDP will decline by 3.7% this year. According to the September 2020 ECB analysts' macroeconomic projections, global real GDP growth is assumed to edge into positive territory in the second half of 2020, as containment measures continue to be lifted gradually.

The lingering uncertainty about the evolution of the pandem-

ic delivers an incomplete economic recovery by the end of the projection horizon. The COVID-19 crisis has been a triple shock for the global economy: the initial supply shock, induced by the introduction of lockdown measures in most parts of the world, was simultaneously compounded by a demand shock, due chiefly to rising unemployment. An uncertainty shock followed as the world economy came to an unprecedented sudden stop, the consequences of which remain as yet largely unknown. Unlike past crises, this crisis hit private consumption particularly hard in the first half of 2020. Looking ahead, while the negative effects of containment measures will likely dissipate and global production will gradually recover, the prolonged uncertainty about the health and economic outlook will continue to weigh on consumption, thus holding back a more vigorous recovery in economic activity. Compared to the June 2020 Eurosystem analysts' macroeconomic projections, the trajectory for the level of economic activity is broadly unchanged, remaining below the pre-COVID-19 baseline projection throughout the forecast horizon. Therefore, world real GDP is projected to grow at 6.2% in 2021 and 3.8% in 2022.

EUROZONE

In the first quarter of 2020, real GDP in the Eurozone fell by 3.8% on the previous period and the new data show a further marked decline in the second quarter. The most recent economic indicators and the latest economic surveys confirm a sharp contraction of the economy in the Eurozone and a rapid deterioration in labour market conditions. The coronavirus pandemic and the required containment measures have severely affected both the manufacturing and services industries, with significant repercussions on the Eurozone's production capacity as well as domestic demand. The most recent indicators point to a slight reversal in the contraction during May, as part of the economy gradually reopened. If this trend continues, with containment measures further relaxing, in the third quarter the Eurozone's activity could recover on the back of favourable financial conditions, expansionary fiscal policies, and the restart of global economic activity, although overall there is still considerable uncertainty as to the speed and extent of the recovery.

This assessment is essentially backed up also by the June 2020 macroeconomic projections for the Eurozone issued by the Eurosystem's experts. Under the baseline scenario of said projections, real annual GDP would shrink by 8.7% in 2020 and then rise by 5.2% in 2021 and 3.3% in 2022. Compared to the March 2020 ECB analysts' projections, expectations for real GDP growth have been adjusted sharply downwards by 9.5% for 2020 and upwards for 2021 and 2020, by 3.9% and 1.9%, respectively. Given the unusual uncertainty surrounding the outlook, the projections include also two alternative scenarios. Generally speaking, the extent of the downturn and the recovery will depend heavily on the length and effectiveness of containment measures, the success of the policies intended to mitigate the negative impact on incomes and employment, and the extent to which production capacity and domestic demand will be permanently affected.

UNITED STATES

In the United States, economic activity is recovering in the third quarter on the back of income support measures. Real

GDP contracted by 31.7% year-on-year in the second quarter, according to the latest estimate. This contraction was slightly smaller than reported in the advance estimate, reflecting upward revisions to private inventory investments and personal consumption expenditures. Recent data releases for the United States have been positive overall. Total personal consumption expenditure, however, remains far below its pre-pandemic level, as spending on other services has fallen. Household spending had been supported by increased unemployment benefits and one-off direct income support. These payments largely expired in August, leading to a sizeable drop in income which could further undermine consumption. The pace of employment creation slowed in July compared to May and June and the unemployment rate still remains at historically high levels.

CHINA

In China, the economy is recovering strongly but retail sales remain weak. China's GDP increased in the second quarter by 11.5% quarter-on-quarter, returning to above its level at the end of 2019. Investment was the largest driver of growth, together with net exports, while consumption remained a drag. The latest data suggest that most of the Chinese economy has rebounded to pre-COVID-19 levels, but retail sales remain weak. While industrial production has recovered robustly, retail sales continue to decline presumably due to subdued household employment expectations. Fiscal policy remains supportive of economic activity, as expanded unemployment benefits, higher investments and tax relief measures are aimed at stabilising employment and economic growth.

JAPAN

In Japan, economic activity is recovering in the third quarter, while private consumption remains weak. Real GDP declined by 7.9% quarter-on-quarter in the second quarter, according to the latest estimates, and is slightly revised downward compared to the first estimate. A nationwide state of emergency in April and May dampened activity, with double-digit contractions in private consumption of services and in exports accounting for the bulk of the decline in activity. Recovery in foreign demand has contributed to a significant rebound in industrial production in July. However, the pace of economic recovery remains subdued as indicated by the composite output PMI which, while increasing for the fourth consecutive month in August to 45.2, still remains in contractionary territory. Private consumption of services, which accounts for 51% of household consumption, remains weak: in June it was almost 20% below its first-quarter level. Although improved mobility trends for visits to restaurants, shopping centres and theme parks may suggest an ongoing recovery, consumption of services has remained broadly unchanged in July as compared with June.

UNITED KINGDOM

In the United Kingdom, after an unprecedented decline in the second quarter, the recovery in economic activity looks timid and incomplete. In the second quarter, real GDP declined by 20.4% quarter-on-quarter, reflecting a broad-based contraction in all expenditure components and especially domestic demand. Business investment fell by almost a third in the second quarter in an environment of extreme uncertainty. While the composite output PMI points to a rebound in activity in the third quarter, the outlook seems rather uncertain as broader survey data suggest continued weakness in business confidence, together with growing fears of unemployment and concerns about future economic prospects.

OTHER EUROPEAN AREAS

In central and eastern European countries, economic activity is expected to gradually recover, reflecting the lifting of containment measures. Real GDP in these countries contracted substantially in the first half of 2020 because of the measures adopted to limit the spread of COVID-19. With these measures gradually being relaxed and production normalising, activity is expected to bounce back and gradually recover as of the third quarter, supported by robust fiscal and monetary policy measures. Looking ahead, activity is expected to remain below its pre-2019 levels until the end of 2021.

ITALY

According to the latest data, during the summer the economy gained more momentum than anticipated in our baseline scenario in July; that said, the recovery is still partial.

In the second quarter GDP was down 13% quarter-on-quarter, slightly more than forecast by Istat in July. The contraction was broad-based and driven primarily by the reduction in household spending as well as gross fixed capital expenditure. According to the latest data, in the third quarter GDP staged a robust but partial recovery that is currently estimated at around 12%. The most recent qualitative and quantitative economic indicators are consistent with a rebound in business activity across all sectors that appears to be more pronounced in manufacturing and more uncertain in the services industry. Overall, thanks also to monetary and fiscal measures to boost demand, in the third quarter the economy reportedly fared better than anticipated in July. Looking ahead, there remains a significant risk that the global evolution of the pandemic could negatively affect household and business confidence, or that global demand could remain soft.

Based on currently available information, industrial production continued recovering during the summer, returning to pre-epidemic levels. After the deterioration associated with the peak of the health crisis, businesses expect a more favourable trajectory in demand over the next few months, including abroad; the outlook on investments is improving, especially in the manufacturing industry.

BUSINESS SECTOR REVIEW

UCIMU–SISTEMI PER PRODURRE

The index of orders received by Italian manufacturers in the third quarter, which was just released by the Studies & Business Culture Dept. of UCIMU – SISTEMI PER PRODURRE, declined less than in the second quarter of 2020.

Specifically, the index of orders for the period between July and September 2020 was down 11.4% year-on-year (compared to -39.1% in the second quarter). While domestic orders fell by 24.9%, orders from abroad were down by only 6.6%.

In further evidence that the economic outlook is improving, Oxford Economics – a global forecasting and quantitative analysis institute – has just revised its data upwards and now expects spending on machine tools to recover across all global areas starting from 2021. Global demand for new machine tools is expected to grow by 18.4% next year, and specifically by 23.5% in Europe, 15.6% in Asia – led by China – and 19.7% in America.

Concerning specifically Italy, demand for machine tools should rise by 38.2% and spending should amount to € 3.1 billion, making up for most of the losses incurred.

“These data – said Barbara Colombo, Chair of UCIMU-SISTEMI PER PRODURRE – tell us that the market is starting to move again. Our hope is that the propensity to invest will persist despite the restrictions on people’s movement”. “In this regard – she added – we believe that the Transition 4.0 Plan should be made structural, i.e. it should last at least 5 years, thus allowing firms to plan their investments to upgrade and digitise their production operations over time. This is the only real industrial policy tool that Italy has rolled out in recent years, and it drives the growth of the national economic system. The Government must therefore keep it in place well beyond 2020”.

“The tax credit is certainly the most appropriate tool, as it is easy to use and accessible also to companies that are not profitable and can recoup the investment by deducting it from social security contributions. However, we ask the Government to raise the maximum amounts on which businesses can apply the tax credit and change the rates for both new machine purchases as well as purchases of new 4.0-enabled machines”.

“Specifically, with respect to purchases of new machines tools – which were previously subject to super-depreciation – we ask to double the tax credit rate from the current 6%. This is because the transformation of Italian manufacturing industry is a gradual process. Some companies are already at an extremely advanced stage of digitisation, while others need to refresh the machines currently in use in their workshops. We also need a government plan to support the revival of the automotive and infrastructure industries, which have historically been major drivers of Italy’s economic recovery”.

“Then – added Barbara Colombo – there is the matter of training. The change we are going through can be tackled only with a massive training plan within both businesses and schools. As for the former, we need incentives to hire the best trainers: the training tax credit must therefore include also the cost of the external consultant, which is currently too high for SMEs. Concerning schools, we must promote the acquisition of skills falling in between high-school diplomas and college degrees, bolstering Higher Technical Schools: in our industry, we cannot find prepared young mechanics, electronics, IT and mechatronics technicians”.

If innovation is the main driver or our companies’ growth, internalisation is a close second. The ban and, now, the restric-

tions on mobility imposed by this emergency have strongly affected our operations abroad, severely harming an industry that exports more than half of its national output. This is why, while fully complying with public health regulations, we ask to consider revising the requirements placed on travelling, which at the moment is severely hampered by the need to enter mandatory quarantine when returning from abroad. Our businesses are mostly SMEs, and the restrictions on employees are turning into a major challenge: they risk paralyzing business operations because of the lack of technical staff and slowing down the virtuous cycle of the acquisition of new business orders”.

OUTLOOK

The global crisis following the spread of the Covid-19 epidemic outside of China impacted on the activities of the Biesse Group. The lockdown measures imposed by governments since March and adopted by local administrations where the Group’s premises operate, led to a reduction in both manufacturing and commercial activities. Subsequently, thanks to the slowdown in the spread of the virus, these measures were progressively loosened, allowing a partial recovery of operations, albeit strong limitations remained on international travel and the possibility of participating in promotional events and trade fairs.

As already seen at the end of the first half of 2020, the Group, the Group has been able to mount a timely and versatile response by taking operational steps that allowed to maintain relationships with customers while ensuring the safety of the workforce. From an operational perspective, the manufacturing sites in Italy and India had to suspend operations for approximately 5 weeks in March and April, while sales branches continued performing essential activities to serve customers.

Given this broad situation of difficulty, Biesse Group’s revenues as at 30 September 2020 amounted to € 396,430 thousand, down 22.4% on 2019.

The decline was seen across all reference geographies, ranging from -16% in Eastern Europe to -27.6% in North America. Western Europe was once again the Group’s largest market, generating € 180,250 in turnover, i.e. 45.5% of the total.

The breakdown by segment also shows a broad-based decline, ranging from -13% for the Tooling Division to -28.8% for the Components Division. The Wood and Glass/Stone Divisions fell by 22.6% and 25.6% respectively and their share of consolidated turnover remained substantially unchanged (Wood: 71.7%; Glass & Stone: 17.2%).

The above-mentioned drop in volumes was reflected in the operating result for the period, as indicated by EBITDA, which, gross of non-recurring charges, amounted to € 37,478 thousand, down by 34.4%. Normalised EBIT decreased as well (€ 10,173 thousand in 2020 compared to € 29,367 thousand in 2019), with a negative delta of € 19,194 thousand; as a percentage of revenue, it decreased from 5.7% to 2.6%.

It should be noted that, thanks to Biesse’s cost-cutting efforts, also in the third quarter of 2020 (as in the second quarter) EBIT was in line with the same prior-year period. In fact, although sales were down (€ 139,703 thousand in the quarter, down 16.3% on the same prior-year period), normalised Gross Operating Profit amounted to € 14,933 thousand, accounting for 10.7% of turnover, compared to € 18,007 thousand (10.8% as a percentage of turnover) as at the end of the second quarter of 2019. Normalised operating profit for



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the third quarter amounted to € 5,816 thousand (4.2% as a percentage of turnover), down 37% from the same period in 2019 (€ 9,233 thousand profit) because of the decline associated with shrinking volumes as well as the greater provisions set aside for future expenses related to legal disputes with customers.

The order backlog amounted to approximately € 193 million, slightly down from December 2019 (-1.7%). Performance was mixed across the various divisions: except for the Wood Division, which declined by 11.6% (largely attributable to the sale of integrated plants and production systems), all other divisions showed an improvement (Glass Division +40.6%, Mechatronics Division +21.1%, Tooling Division +15.9%).

Order intake fell by 21.3% year-on-year, an improvement compared to the 36.1% decline at the end June. The Wood Division fared the worst (-26.3%), while the other divisions suffered single-digit contractions (Glass -9.2%, Mechatronics -8.2%, Tooling -5.2%).

As regards the financial situation, net operating working capital decreased by some € 4 million compared to December 2019. Trade Receivables and Contract Assets, amounting to € 96,406 thousand, decreased by € 20,567 thousand, following the contraction in sales volumes. Inventories, amounting to € 142,863 thousand, decreased by € 12,636 thousand,

mainly due to the reduction in stocks of finished goods, while stocks of raw materials and semi-finished goods are in line with the figure as at 31 December 2019.

Trade payables (amounting to € 109,413 thousand), whose trend is linked to the production cycle, decreased by € 23,260 thousand, while Contract Liabilities (amounting to € 61,665 thousand), usually linked to the order intake trend, decreased by € 5,871 thousand compared to 31 December 2019, but marked a reversal of the trend compared to the figure as at the end of June 2020 (€ 59,859 thousand).

As at 30 September 2020, the Group's Net Financial Position was negative for € 3,152 thousand, improving by € 15,457 thousand compared to the figure as at 31 December 2019.

The change is mainly due to the positive trend in net working capital and the postponement of some investment projects. It should be noted that, given the uncertainty scenario that emerged in the aftermath of the outbreak of the pandemic, the Directors deemed it appropriate to provide the Group with financing 2 times in excess of the expected maximum requirements. These medium/long-term lines of credit opened by the Group have caused a corresponding increase in cash on hand, as so far the business cycle has not deteriorated as originally and conservatively estimated.



MAIN EVENTS

COVID-19

With respect to the crisis caused by the spread of the Covid-19 pandemic outside China, since the beginning of March and until the end of May, the Group set up an Executive Committee that meets on a daily basis to monitor the global scenario as well as ensure the safety of individuals and the running of day-to-day operations. The Committee has identified measures to guarantee the safety of employees, customers, and all those who interact with the company.

At the same time, it has defined an extraordinary backup plan for the strategic functions responsible for shipping spare parts and machinery as well as performing all servicing and technical support operations intended to ensure the business continuity of Biesse's customers across the globe.

The Committee has also implemented operational measures, including remote working and incentives to use videoconferencing, to ensure the running of all operations related to sales and supporting the sales network. These allow working in a synergistic and integrated manner with the Group's 39 branches and our dealers around the world. As announced on 8 May 2020, given the negative international socio-economic outlook and considering the effects of the restrictions enacted in Italy as well as the main foreign countries Biesse serves (accounting for 85% of exports), as there is not enough visibility to comprehensively assess the impact of Covid-19, the Directors have withdrawn their guidance for 2020, thus deeming it no longer reliable, and reserving the option to issue new guidance as soon as the situation in the reference markets becomes more stable and clearer.

In light of the above, Biesse took prompt action to use every form of financial support envisaged by the law in force and allowed to it by its credit rating.

Considering the current uncertainty and limited visibility over the short term, the Directors considered it appropriate to provide the Group with financing 2 times in excess of the expected maximum requirements. These medium/long-term lines of credit opened by the Group have caused an increase in cash on hand, as so far the business cycle has not deteriorated as originally and conservatively estimated. As at the date of approval of this report, Biesse had credit lines of over € 290 million (€ 196 million of which expiring over 12 months), of which € 126 million had been drawn down.

Finally, the Directors revised the estimated operating cash flows for future financial years in order to conduct a new impairment test as required by the occurrence of a trigger event (i.e. the pandemic crisis). The new estimate is based on the 2020-2024 plan approved by the Board of Directors on 8 July 2020. The assessments were based on historical analyses of the Group's performance in the face of "disruptive" events. With respect to the potential recovery of the business cycle forecast by leading international institutions, the Directors have run a number of simulations: according to one of them, based on a more conservative approach, it would take 3 years for the Group's performance to return to pre-COVID levels. Amid limited visibility and heightened uncertainty, the Directors have decided to rely on the conservative scenario in preparing the updated impairment test. The above test results did not show the need to impair the Goodwill recorded in the consolidated financial statements as at 30 June 2020.

TRADE FAIRS AND EVENTS AROUND THE WORLD TO MEET CUSTOMERS

Trade fairs and events are at the heart of the marketing and communication strategy of Biesse Group, important opportunities to develop the relationship with the local areas, where the technical and commercial specialists can meet customers and study the needs of the specific market. It is an opportunity to get to know the company at first hand and to discover technological innovations, systems, software and services to automate and digitise factories.

Usually, during the year the Group manages directly from its headquarters, through branches and in collaboration with the main resellers, over 100 trade fairs and events each year in the various sectors of working wood, hi-tech materials, glass, stone and metal.

FROM TRADITIONAL TO DIGITAL EVENTS

In the first few months of 2020, the trade fairs Expobois in Lyon and Indiawood in Bangalore took place, as well as training events at the headquarters in Pesaro and other targeted events at the branches.

Following the spread in Italy and throughout the world of Covid-19, which caused the cancellation or postponement of planned trade fairs, the Group rethought and promptly implemented new strategies to guarantee business continuity and to keep building customer relations, offering new contents and new ways of interacting with the company, with specialists and technologies.

The Group has made available free of charge the video-assistance function, generally the exclusive prerogative of SOPHIA IOT, the platform developed in collaboration with Accenture, which gives customers a vast range of services to simplify and rationalise the management of work. In addition, it has enhanced its online training projects, has launched online demos to enable customers to take part in technological demonstrations directly from home and has launched "Tech Talk – Ideas to restart", a live webinar to analyse issues of various kinds, from specialist themes on a particular technology to advice and ideas on how to manage the emergency phase and how to take advantage of every possibility offered by the restart, putting the Group's skills at customers' service.

COOPERATING IN THE FIGHT AGAINST COVID-19 BY SUPPORTING THE COMMUNITY

As already mentioned, right from the start of the health-care emergency, the Group set up an Executive Committee to monitor the global scenario and intensify the measures aimed at guaranteeing the safety of employees, customers and all those who interact with the company. A major program for smart working has been launched, operational measures have been put in place, including online collaboration and facilitating the use of video conferences.

The Group has signed, in agreement with the unions, a safety protocol for the workplace, in view of the gradual restart of the manufacturing units. The protocol was outlined via a video conference in the presence of the Governor of the Marche Region, Luca Ceriscioli, who defined it as a "reference point for the whole business system. A major contribution to the life of the company and the whole community".

The Biesse Group made a 100,000 Euro donation which, together with other contributions from local entrepreneurs co-



ordinated by Confindustria Pesaro Urbino, enabled the hospitals in northern Marche (Ospedali Riuniti Marche Nord) to buy units that measure vital parameters, valuable technology to manage the most critical patients. It has also coordinated a fundraising campaign, inviting local companies to disseminate the initiative, in order to jointly achieve further important goals to support health.

It donated personal protection equipment, i.e. visors which are 100% Made in Biesse: the frame of the visor is 3D-printed at the plant in Via della Meccanica and the transparent protective screen is produced by Axxembla, a unit of the Group which makes protective structures for machines, thanks to the work undertaken on Rover A Plast FT, a Biesse solution for the processing of technological materials.

E-VENT, DIGITAL IN ACTION

In June 2020 the Group hosted “E-vent: Digital In Action”, the Biesse Group’s first digital event, which offered a unique opportunity to learn about all the latest developments in the wood and hi-tech material sectors.

By using an innovative digital platform, the Biesse Group offered training webinars and live demonstrations, as well as made major announcements regarding technology, software, and training activities that are the result of constantly investing in innovation, research and development, and training – confirming the Group’s role as a catalyst of innovation even in the present scenario.

“Biesse provides companies and other entities with the tools required to jump-start their business operations, seizing the opportunities and benefits offered by Industry 4.0. E-vent: “Digital in Action is a comprehensive experience that addresses the training needs of our customers” said Federico Broccoli, Chief Commercial and Subsidiaries Officer Machinery and Tooling. “We have developed a new formula to continue facilitating the success of our customers across the globe and support them as much as possible in terms of customer care and services”.

“We are going through a cultural shift that concerns also our marketing strategies and the way we use communication tools. This is why we stepped up our strategy to better serve customers around the world” said Raphaël Prati, Corporate Marketing Communications Director. “Indeed, we have launched Digital Arena, a new online platform that serves as a permanent repository of digital contents available to users anywhere in the world. Digital Arena is the interactive portal that hosts the digital events of Biesse, Intermac, and Diamut. Visitors can access it to connect to the webinars and watch live demos. It is a unique digital venue dedicated to wood, hi-tech materials, and the glass and stone industry that allows sharing stimulating contents as well as promotes the exchange of ideas and discussions”.

INSIDE IN ACTION: TECHNOLOGY, ON-LIFE

Participation, innovation, interaction: INSIDE IN ACTION is a brand new experience that stands out because of its exclusive on-life threefold format – LIVE, NEXT AND PLAY. Inside In Action, in its three forms, is taking place from 5 through 30 October at the Pesaro Campus and on <https://inside.biessegroup.com/>. It is the global digital and live event through which the Biesse Group launches its latest solutions for machining wood, advanced materials, glass, and stone.

ACTION IS PARTICIPATION

INSIDE LIVE, the traditional live event that confirms and strengthens Biesse’s, Intermac’s, and Diamut’s commitment to providing innovating solutions for automating and revolutionising production, is taking place from 5 through 30 October. The Biesse and Intermac showrooms in Pesaro have opened their doors in complete safety: over 40 machines, products, and digital services to be discovered in accordance with the protocol protecting the health and safety of customers, employees, and work environments. Thanks to a booking system set up exclusively for the event and available online, customers can book their visit themselves based on the availability for the day in accordance with safety measures.

ACTION IS INNOVATION

INSIDE NEXT is a bona fide virtual Tech Show, where the only star on the stage is technological innovation in the form of new products and processes. Exclusive contents and deep dives not to be missed are part of a new, all-digital format that combines know-how and the future. On 15 and 16 October, INSIDE NEXT featured new technologies for machining wood and advanced materials, and on 22 and 23 October a live presentation of advanced solutions for machining glass and stones, as well as of Diamut’s processing tools.

ACTION IS INTERACTION

From 26 through 30 October, participants were able to attend an exclusive series of over 40 training webinars and live demonstrations available on the virtual platform from desktop or mobile anywhere around the world and in the most widely-spoken languages: all this is INSIDE PLAY. Our experts are at customers’ disposal to showcase the most innovative solutions: customers can ask questions through a virtual chat, interacting in real time. In addition, registered users can also watch the webinars later on demand on the Digital Arena platform.



FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE THIRD QUARTER OF 2020

EURO 000'S	3Q 2020	% on sales	3Q 2019	% on sales	CHANGE %
Revenue from sales and services	139,703	100.0%	166,918	100.0%	(16.3)%
Change in inventories, wip, semi-finished products and finished products	(1,348)	(1.0)%	(9,592)	(5.7)%	(85.9)%
Other revenues	1,851	1.3%	682	0.4%	-
Revenue	140,206	100.4%	158,008	94.7%	(11.3)%
Raw materials, consumables, supplies and goods	(57,986)	(41.5)%	(57,716)	(34.6)%	0.5%
Other operating costs	(20,989)	(15.0)%	(32,068)	(19.2)%	(34.5)%
Added value	61,232	43.8%	68,224	40.9%	(10.2)%
Personnel expense	(46,299)	(33.1)%	(50,217)	(30.1)%	(7.8)%
Gross operating profit	14,933	10.7%	18,007	10.8%	(17.1)%
Depreciation and amortisation	(8,325)	(6.0)%	(8,532)	(5.1)%	(2.4)%
Provisions	(791)	(0.6)%	(242)	(0.1)%	-
Normalised operating profit	5,816	4.2%	9,233	5.5%	(37.0)%
Impairment losses and non recurring-items	(1,776)	(1.3)%	(1,327)	(0.8)%	33.9%
Operating profit	4,040	2.9%	7,906	4.7%	(48.9)%
Net financial expense	(293)	(0.2)%	(770)	(0.5)%	(62.0)%
Net exchange rate losses	64	0.0%	(785)	(0.5)%	-
Pre-tax profit	3,810	2.7%	6,351	3.8%	(40.0)%
Income taxes	(1,231)	(0.9)%	(1,942)	(1.2)%	(36.6)%
Profit/Loss for the period	2,579	1.8%	4,409	2.6%	(41.5)%

INCOME STATEMENT AS AT 30 SEPTEMBER 2020

EURO 000'S	30 SEPTEMBER 2020	% on sales	30 SEPTEMBER 2019	% on sales	CHANGE %
Revenue from sales and services	396.430	100,0%	511.142	100,0%	(22,4)%
Change in inventories, wip, semi-finished products and finished products	(1.766)	(0,4)%	10.874	2,1%	-
Other Revenues	6.038	1,5%	4.206	0,8%	43,6%
Revenue	400.702	101,1%	526.221	103,0%	(23,9)%
Raw materials, consumables, supplies and goods	(162.585)	(41,0)%	(208.371)	(40,8)%	(22,0)%
Other operating costs	(64.478)	(16,3)%	(97.444)	(19,1)%	(33,8)%
Added value	173.640	43,8%	220.405	43,1%	(21,2)%
Personnel expense	(136.162)	(34,3)%	(163.296)	(31,9)%	(16,6)%
Gross operating profit	37.478	9,5%	57.109	11,2%	(34,4)%
Depreciation and amortisation	(25.310)	(6,4)%	(25.049)	(4,9)%	1,0%
Provisions	(1.995)	(0,5)%	(2.693)	(0,5)%	(25,9)%
Operating profit before non recurring items	10.173	2,6%	29.367	5,7%	(65,4)%
Impairment losses and non recurring-items	(1.928)	(0,5)%	(2.368)	(0,5)%	(18,6)%
Operating profit	8.245	2,1%	26.998	5,3%	(69,5)%
Financial income	726	0,2%	191	0,0%	-
Financial expense	(1.992)	(0,5)%	(2.253)	(0,4)%	(11,6)%
Net exchange rate losses	(1.180)	(0,3)%	(2.528)	(0,5)%	(53,3)%
Pre-tax profit	5.799	1,5%	22.408	4,4%	(74,1)%
Income taxes	(2.069)	(0,5)%	(7.650)	(1,5)%	(73,0)%
Profit for the year	3.730	0,9%	14.759	2,9%	(74,7)%

Net revenue from sales and services as at 30 September 2020 amounted to € 396,430 thousand, down 22.4% on the prior-year period (€ 511,142 thousand).

As for the breakdown of revenue by operating segment, a general drop was recorded in all divisions, although with different trends: the Wood Division fell by 22.6%, the Glass/Stone Division decreased by 25.6% compared to the same period in 2019, while the Mechatronics and Components divisions dropped by 20.9% and 28.8% respectively. On the other hand, the Tooling Division's downturn was slightly less marked (down by 13%).

Analysing the breakdown of revenue by geographical area, the decrease concerned all the geographical areas of reference, and in particular Asia-Oceania (down 19.1%), Eastern Europe (down 16%) and Western Europe (down 22.5%), while North America and the Rest of the World fell by 27.6% and 24.5% respectively.

As at 30 September 2020, the value of production amounted to € 400,702 thousand, down 23.9% compared to September 2019, when it amounted to € 526,221 thousand. This trend is

due both to the drop in sales and the lower share of production linked to warehouses.

The analysis of consumption and other operating expenses as a proportion of the value of production, rather than of revenue, shows an increased absorption of raw materials (40.6% compared to 39.6% as at 30 September 2019), due to the different product mix and greater use of commercial discounts. Other operating expenses were down in absolute terms (delta of € 32,966 thousand) and decreased on a percentage basis (from 18.5% to 16.1%). This trend was largely attributable to the item Service costs, which fell from € 87,177 thousand to € 56,228 thousand, down 35.5%. The decrease is linked both to items relating to sales and production (-29.4% and -30.3% respectively, with cost savings of € 11,177 thousand in absolute terms), and to "semi-fixed" items, such as travel expenses (down 47.5% from € 16,447 thousand to € 8,636 thousand, due to travel restrictions on account of the health emergency) and costs for trade fairs and advertising (down 74.6% from € 7,567 thousand to € 1,921 thousand, due to the cancellation or postponement of most of the promotional events originally planned in 2020).

EURO 000'S	30 SEPTEMBER 2020	%	30 SEPTEMBER 2019	%
Revenue	400.702	100,0%	526.221	100,0%
Raw materials and goods	162.585	40,6%	208.371	39,6%
Other operating costs	64.478	16,1%	97.444	18,5%
Service costs	56.228	14,0%	87.177	16,6%
Use of third party assets	1.673	0,4%	3.268	0,6%
Sundry operating expense	6.577	1,6%	6.999	1,3%
Added value	173.640	43,3%	220.405	41,9%

Finally, it should be noted that added value as at 30 September 2020 was € 173,640 thousand, down by 21.2% compared to the same period in 2019 (€ 220,405 thousand).

As at 30 September 2020, personnel expense amounted to € 136,162 thousand, down € 27,134 thousand (16.6%) compared to the same prior-year period (€ 163,296 thousand). The decrease is essentially due to the fixed component of wages and salaries, which fell by € 28,371 thousand (18.3%) compared to the same prior-year period. In this regard, it should be noted that the Group has implemented all the procedures envisaged by local laws in order to take advantage of the various social safety nets and State subsidies, with the aim of protecting the company's human capital: this allowed to preserve the investments made in human resources, during recent years, while maintaining the necessary economic equilibrium and facing up to this difficult moment.

As at 30 September 2020, EBITDA was € 37,478 thousand (€ 57,109 thousand as at 30 September 2019), down by 34.4%.

Depreciation and amortisation grew overall by 1%, from € 25,049 thousand as at 30 September 2019 to € 25,310 thousand as at 30 September 2020: depreciation of property, plant and equipment (including rights of use) increased by €

588 thousand (+4%), while amortisation of intangible assets decreased by € 327 thousand (4%).

Provisions amounted to € 1,995 thousand: € 1 million related to adjustments to provisions for future risks and charges – against possible legal disputes with customers – and € 624 thousand related to the allowance for impairment. At the end of September 2019, provisions totalled € 2,693 thousand: € 301 thousand related to the allowance for impairment, while the remaining € 2,392 thousand related to adjustments to provisions for legal risks and penalties for disputes with customers and provisions for agents' retirement benefits. The receivables component was increased to take account of the greater uncertainty in the general economic scenario.

Impairment and non-recurring items, which amounted to € 1,928 thousand, include personnel costs related to early retirement incentives and write-downs of development costs, relating to projects no longer deemed strategic. As at 30 September 2019, charges of € 2,368 million had been recognised for leaving incentives, provisions for non-recurring retirement benefits and write-downs of development costs.

As regards financial operations, net financial expense amounted to € 1,266 thousand, down compared to the 2019 figure (€

2,062 thousand). The amount includes income of € 408 thousand, relating to the sale of part of the equity interest in Hyperlean Srl (previously 21.95% owned), a software house launched in 2011 in collaboration with the University of Ancona.

Exchange risk management resulted in a loss of € 1,180 thousand, improving compared to the € 2,528 thousand loss in the prior-year period.

Pre-tax profit thus amounted to € 5,799 thousand.

The estimated balance of income taxes was negative to the

tune of € 2,069 thousand. The impact relating to current taxes was a negative € 3,034 thousand (IRES – corporate income tax: € 10 thousand, IRAP – regional business tax: € 203 thousand; taxes from foreign jurisdictions: € 2,771 thousand; other income taxes and previous-year taxes: € 51 thousand), while deferred taxes were positive at € 966 thousand.

Therefore, net profit as at 30 September 2020 amounted to € 3,730 thousand.

NET FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

EURO 000'S	30 TH SEPTEMBER 2020	30 TH JUNE 2020	31 ST MARCH 2020	31 ST DECEMBER 2019	30 TH SEPTEMBER 2019
Financial assets:	159,097	141,296	79,314	88,714	69,519
<i>Current financial assets</i>	24,111	22,618	3,652	2,653	2,128
<i>Cash and cash equivalents</i>	134,986	118,677	75,661	86,061	67,391
Short term lease liabilities	(6,699)	(6,599)	(6,344)	(7,415)	(2,158)
Short-term bank loans and borrowings and loans from other financial backers	(37,077)	(55,804)	(16,211)	(46,859)	(47,373)
Short-term net financial position	115,322	78,894	56,760	34,439	19,988
Medium/Long-term lease liabilities	(23,914)	(25,188)	(26,858)	(27,043)	(29,879)
Medium/Long-term bank loans and borrowings	(94,560)	(76,292)	(54,564)	(26,006)	(32,728)
Medium/Long-term net financial position	(118,473)	(101,479)	(81,422)	(53,049)	(62,607)
Total net financial position	(3,152)	(22,587)	(24,663)	(18,609)	(42,619)

As at 30 September 2020, the Group's Net Financial Position was negative for € 3.2 million, whereas the final balance without the impact of rental and operating lease payables (pursuant to IFRS 16 transition), would have been positive for € 19.2 million. Compared to the same prior-year period, the ratio improved by some € 39.5 million. Since the beginning of 2020 it improved by some € 15.5 million, thanks to the good results obtained in terms of operational management and the postponement of some investment projects.

It should be noted that, given the uncertainty scenario that

emerged in the aftermath of the outbreak of the pandemic, the Directors deemed it appropriate to provide the Group with financing 2 times in excess of the expected maximum requirements. These medium/long-term lines of credit opened by the Group have caused a corresponding increase in cash on hand, as so far the business cycle has not deteriorated as originally and conservatively estimated.

As at the date of approval of this report, Biesse had credit lines of over € 290 million (€ 196 million of which expiring over 12 months), of which € 126 million had been drawn down.

SUMMARY STATEMENT OF FINANCIAL POSITION

EURO 000'S	30 SEPTEMBER 2020	31 DECEMBER 2019
Intangible assets	81,667	83,228
Property, plant and equipment	128,702	139,710
Financial assets	3,085	2,640
Non-current assets	213,455	225,578
Inventories	142,863	155,498
Trade receivables and contract assets	96,406	116,973
Trade payables	(109,413)	(132,673)
Contract liabilities	(61,665)	(67,536)
Net operating working capital	68,190	72,262
Post-employment benefits	(12,420)	(12,711)
Provision for risk and charges	(15,985)	(18,053)
Other net payables	(43,614)	(40,249)
Net deferred tax assets	11,170	10,458
Other net liabilities	(60,849)	(60,555)
Net invested capital	220,797	237,285
Share capital	27,393	27,393
Profit for the previous year and other reserves	185,664	177,397
Profit for the year	3,891	13,027
Non-controlling interests	696	858
Equity	217,644	218,675
Bank loans and borrowings and loans and borrowings from other financial backers	162,249	107,323
Other financial assets	(24,111)	(2,653)
Cash and cash equivalents	(134,986)	(86,061)
Net financial indebtedness	3,152	18,609
Total sources of funding	220,797	237,285

Net invested capital amounted to € 220.8 million, down compared to December 2019 (€ 237.3 million).

Equity amounted to € 217.6 million (€ 218.7 million as at 31 December 2019).

Compared to December 2019, fixed assets were down, as depreciation and amortisation more than offset new investments. In this regard, it should be noted that the shutdown of operating activities also had an impact on new projects, forcing a delay of those considered non-strategic (particularly in the product area), as well as a postponement of those not strictly essential to the business. New investments amounted to € 9.3 million with respect to intangible assets and € 5.5 million with respect to property, plant and equipment.

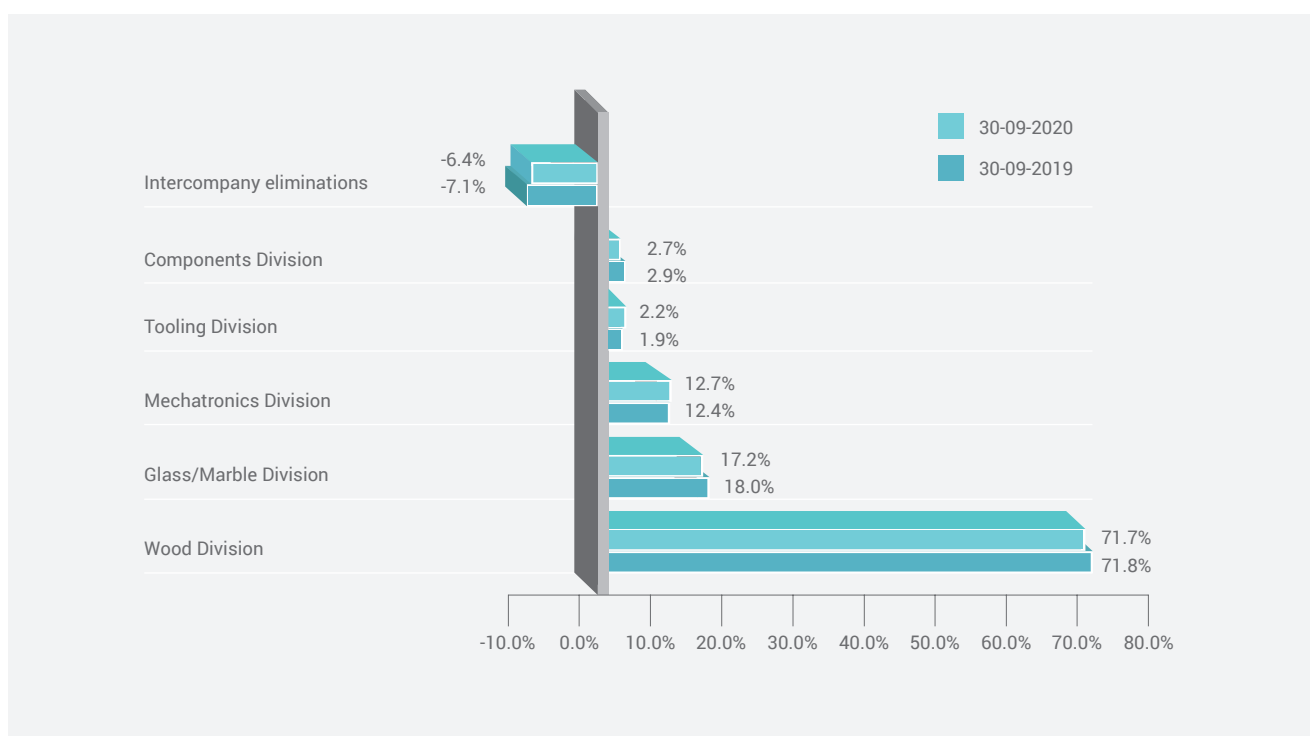
Net operating working capital decreased by some € 9 million

compared to December 2019. Trade Receivables and Contract Assets, amounting to € 96,406 thousand, decreased by € 20,567 thousand, following the contraction in sales volumes. Inventories, amounting to € 142,863 thousand, decreased by € 12,636 thousand, mainly due to the reduction in stocks of finished goods, while stocks of raw materials and semi-finished goods are in line with the figure as at 31 December 2019.

Trade payables (amounting to € 109,413 thousand), whose trend is linked to the production cycle, decreased by € 23,260 thousand, while Contract Liabilities (amounting to € 61,665 thousand), usually linked to the order intake trend, decreased by € 5,871 thousand compared to 31 December 2019, but marked a reversal of the trend compared to the figure as at the end of June 2020 (€ 59,859 thousand).

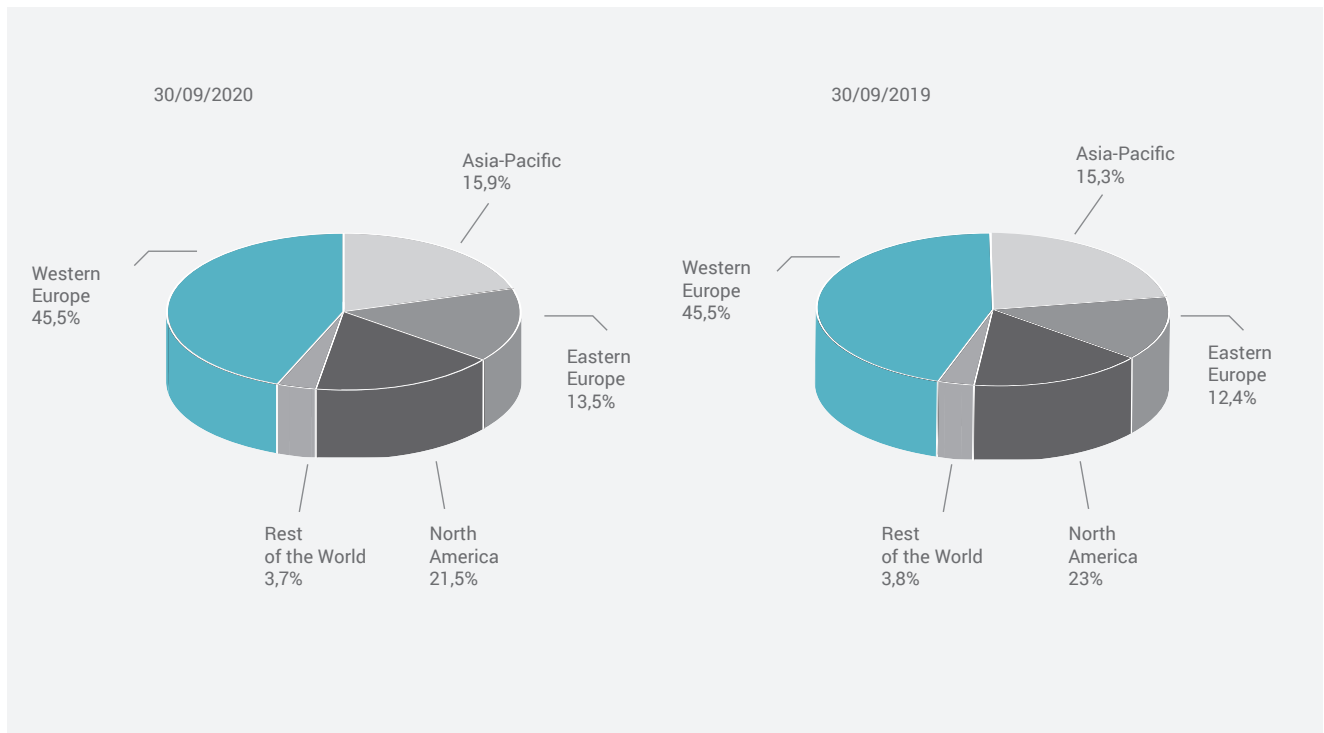
SEGMENT REPORTING - BREAKDOWN OF REVENUE BY DIVISION

EURO 000'S	30 SEPTEMBER 2020	%	30 SEPTEMBER 2019	%	CHANGE % 2020/2019
Wood Division	284,102	71,7%	367,152	71,8%	(22,6)%
Glass/Marble Division	68,350	17,2%	91,909	18,0%	(25,6)%
Mechatronics Division	50,183	12,7%	63,444	12,4%	(20,9)%
Tooling Division	8,667	2,2%	9,964	1,9%	(13,0)%
Components Division	10,558	2,7%	14,822	2,9%	(28,8)%
Intercompany eliminations	(25,430)	-6,4%	(36,149)	(7,1)%	(29,7)%
Total	396,430	100,0%	511,142	100,0%	(22,4)%



SEGMENT REPORTING - BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA

EURO 000'S	30 SEPTEMBER 2020		30 SEPTEMBER 2019		CHANGE % 2020/2019
		%		%	
Western Europe	180.250	45.5%	232.661	45.5%	(22.5)%
Asia-Pacific	63.169	15.9%	78.129	15.3%	(19.1)%
Eastern Europe	53.327	13.5%	63.501	12.4%	(16.0)%
North America	85.154	21.5%	117.613	23.0%	(27.6)%
Rest of the World	14.530	3.7%	19.238	3.8%	(24.5)%
Total	396.430	100.0%	511.142	100.0%	(22.4)%



Pesaro, October 30, 2020

The Chairman
of the Board of Directors

Giancarlo Selci

ANNEX

INCOME STATEMENT AS AT 30 SEPTEMBER 2020 WITHOUT NON-RECURRING ITEMS

EURO 000'S	30 SEPTEMBER 2020	% on sales	30 SEPTEMBER 2019	% on sales	CHANGE %
Revenue from sales and services	396,430	100.0%	511,142	100.0%	(22.4)%
Change in inventories, wip, semi-finished products and finished products	(1,766)	(0.4)%	10,874	2.1%	-
Other revenues	6,038	1.5%	4,206	0.8%	43.6%
Revenue	400,702	101.1%	526,221	103.0%	(23.9)%
Raw materials, consumables, supplies and goods	(162,585)	(41.0)%	(208,982)	(40.9)%	(22.2)%
Other operating costs	(64,478)	(16.3)%	(97,448)	(19.1)%	(33.8)%
Added value	173,640	43.8%	219,791	43.0%	(21.0)%
Personnel expense	(137,938)	(34.8)%	(163,815)	(32.0)%	(15.8)%
Gross operating profit	35,702	9.0%	55,976	11.0%	(36.2)%
Depreciation and amortisation	(25,310)	(6.4)%	(24,733)	(4.8)%	2.3%
Provisions	(1,982)	(0.5)%	(3,471)	(0.7)%	(42.9)%
Impairment losses	(165)	(0.0)%	(774)	(0.2)%	(78.7)%
Operating profit	8,245	2.1%	26,998	5.3%	(69.5)%
Net financial expense	(1,266)	(0.3)%	(2,062)	(0.4)%	(38.6)%
Net exchange rate losses	(1,180)	(0.3)%	(2,528)	(0.5)%	(53.3)%
Pre-tax profit	5,799	1.5%	22,408	4.4%	(74.1)%
Income taxes	(2,069)	(0.5)%	(7,650)	(1.5)%	(73.0)%
Profit for the year	3,730	0.9%	14,759	2.9%	(74.7)%

CERTIFICATION PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2 OF THE CONSOLIDATED LAW ON FINANCE (TUF)

Pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance (TUF), the Manager in charge of corporate financial reporting declares that the accounting information contained herein corresponds to the Company's documentary evidence and accounting books and records.

Manager in charge of
financial reporting

Pierre Giorgio Sallier de La Tour

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