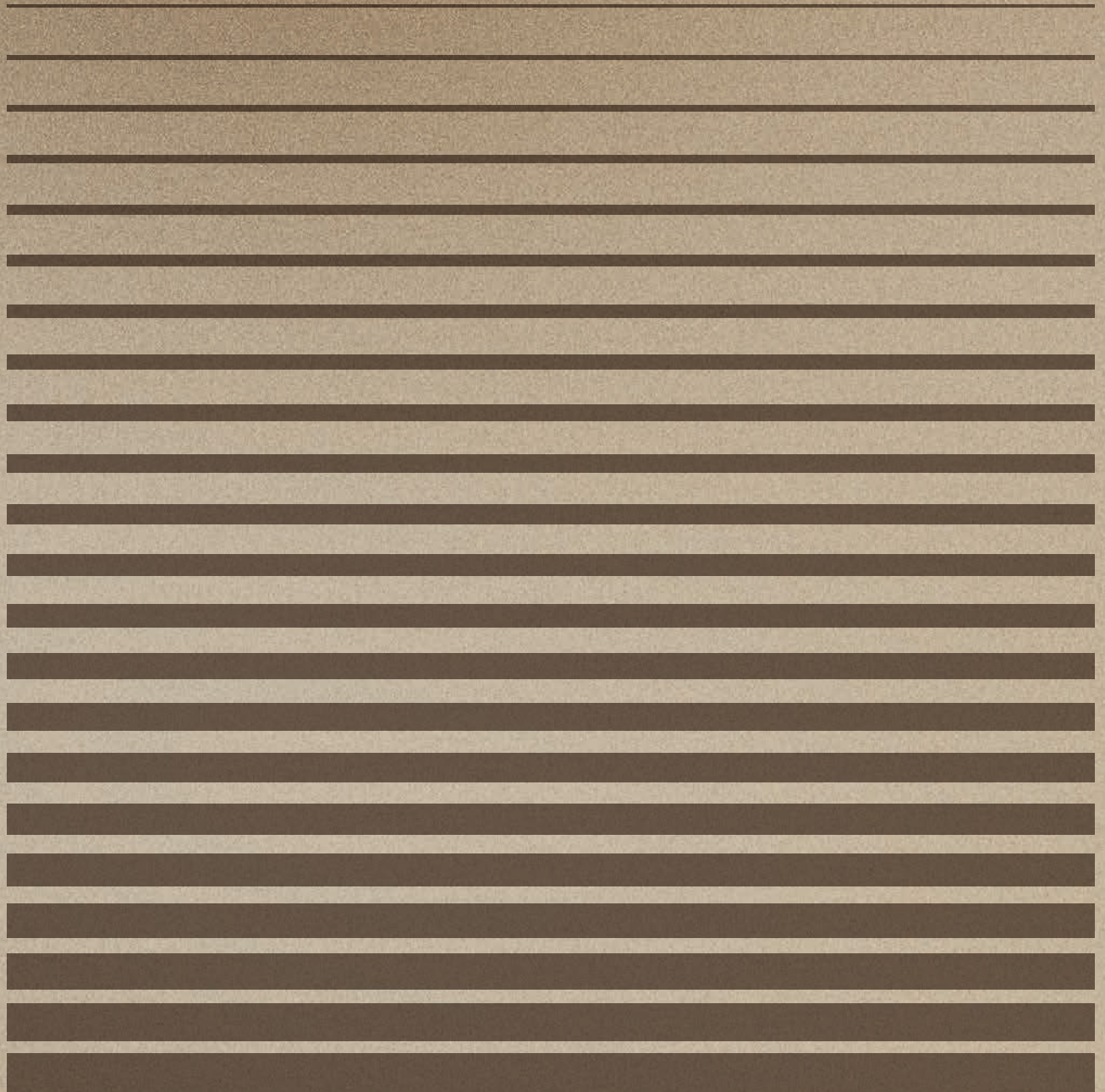


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INTERIM
REPORT
ON OPERATIONS

AS AT 31/03/2022



SUMMARY

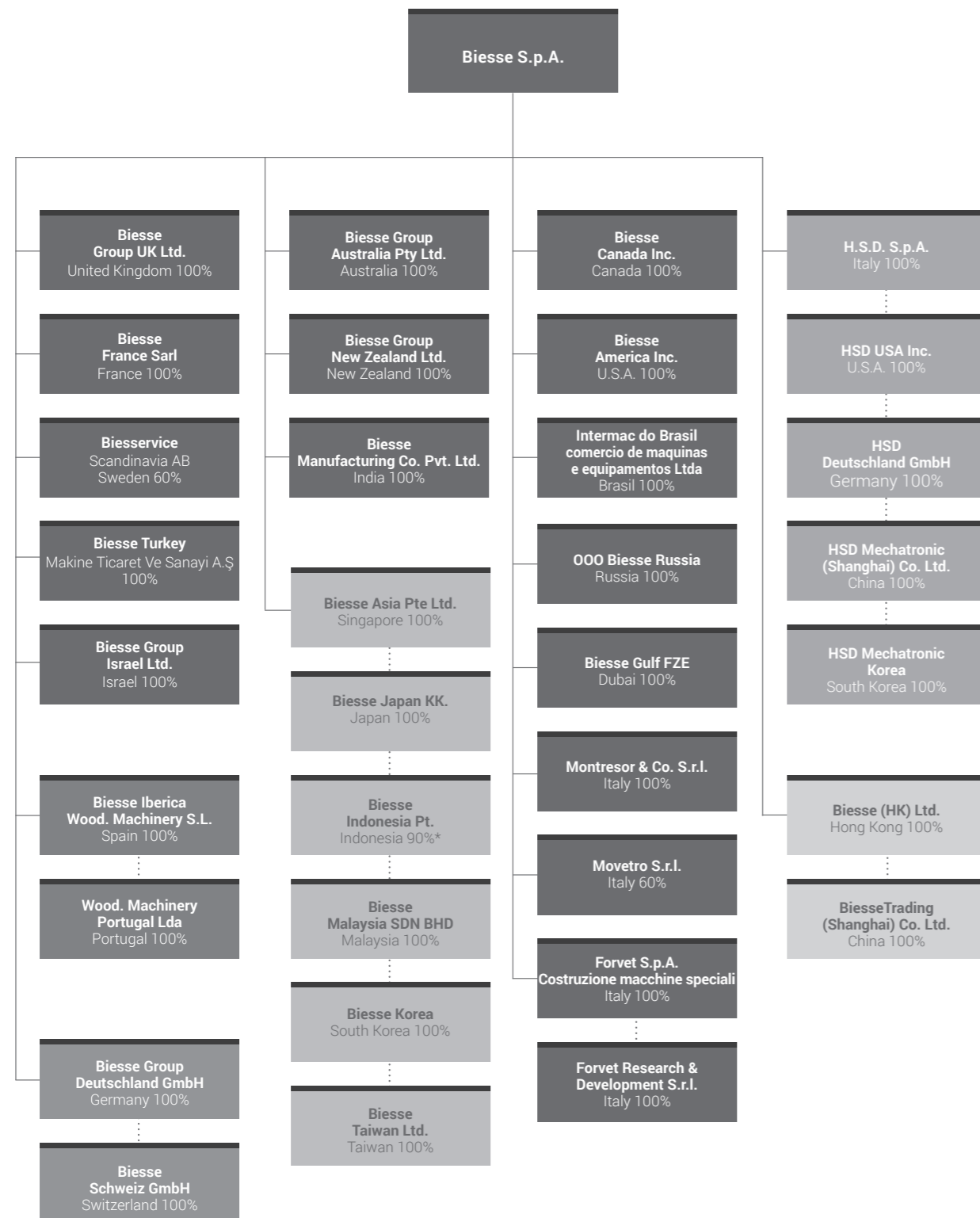
BIESSE GROUP

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DIRECTORS' REPORT ON OPERATIONS

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GROUP STRUCTURE



* Il restante 10% è detenuto direttamente da Biesse S.p.A.
The remaining 10% is owned directly by Biesse S.p.A.

GROUP PROFILE

Biesse Group is a leading multinational in the processing of wood, glass, stone, plastic and metal. It designs, makes and distributes machinery, integrated systems and software for manufacturers of furnishings, windows and doors, building components, boats and planes. It invests 3% of its annual turnover in research and development and has filed over 250 patents. It operates through 14 industrial plants, 34 branches and exports 80% of its production. Among its customers are the most prestigious brands in Italian and international design. It was founded in Pesaro in 1969 by Giancarlo Selci and since June 2001 it has been listed in the Euronext Star segment managed by Borsa Italiana. It now has more than 4,300 employees distributed across the main production and

distribution sites located in Pesaro, Gradara, Padua, Villafranca (province of Verona), Thiene (province of Vicenza), Alzate Brianza (province of Como), Volvera (TO), Bangalore and the branches/representative offices in Europe, North America, Latin America, Middle and Far East Asia, and Oceania.

Compared to the consolidated financial statements for the year ended 31 December 2021, the scope of consolidation has changed following the merger of the subsidiary Bre.Ma. Brenna Macchine S.r.l. into the parent company Biesse S.p.A. and the purchase of an additional shareholding in Montresor S.r.l. (through which its controlling interest increases from 60% to 100%).

INTRODUCTION

Biesse Group's consolidated quarterly report as at 31 March 2022, 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 Financial Statements as at 31 December 2021, 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 31/03/2022, adjusted, where necessary, to align them with the Group's accounting policies.

ALTERNATIVE PERFORMANCE INDICATORS

Management uses some performance indicators, which are not identified as accounting measures under the IFRS (non-GAAP measures), to enable a better assessment of the Group's performance. The criterion applied by the Group to set these indicators might not be the same as that adopted by other groups and the indicators might not be comparable with those set by the latter. These performance indicators, which were set in compliance with the Guidelines on performance indicators issued by ESMA/2015/1415 and adopted by CONSOB with its communication No. 92543 of 3 December 2015, refer to performance in the accounting period covered by this Annual Report on Operations and the year used for comparison.

The performance indicators must be considered as complementary and do not replace of the information prepared in accordance with the IFRS. Hereafter is a description of the main indicators adopted.

- **Value Added:** this indicator is defined as the Profit (Loss) for the year before income taxes, finance income and expense, exchange rate gains and losses, amortisation of intangible assets, depreciation of property, plant and equipment, impairment losses on fixed assets, allocations to provisions for risks and charges, costs and revenues arising from transactions that are considered by Management as non-recurring relative to the Group's ordinary operations, as well as personnel expense.
- **Adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation):** this indicator is de-

defined as the Profit (Loss) for the period before income taxes, finance income and expense, exchange rate gains and losses, amortisation of intangible assets, depreciation of property, plant and equipment, impairment losses on fixed assets, allocations to provisions for risks and charges, as well as costs and revenues arising from transactions that are considered by Management as non-recurring relative to the Group's ordinary operations.

- **Adjusted EBIT (Adjusted Earnings Before Interest and Taxes):** this indicator is defined as the Profit (Loss) for the year before income taxes, finance income and expense, exchange rate gains and losses, impairment losses on fixed assets, as well as costs and revenues arising from transactions that are considered by Management as non-recurring relative to the Group's ordinary operations.
- **Net Operating Working Capital:** this indicator is calculated as the total of Inventories, Trade receivables and Contract assets, net of Trade payables and Contract liabilities.
- **Net Working Capital:** this indicator is calculated as the total of Net Operating Working Capital and other Current Assets and Liabilities including Provisions for short-term risks and charges.
- **Net Invested Capital:** this indicator represents the total of Current and Non-Current Assets, excluding financial assets, net of Current and Non-Current Liabilities, excluding financial liabilities.
- **Net Financial Position:** this indicator is calculated in accordance with the provisions contained in Communication No. 5/21 of 29 April 2021 issued by Consob which refers to the ESMA Recommendations of 4 March 2021.



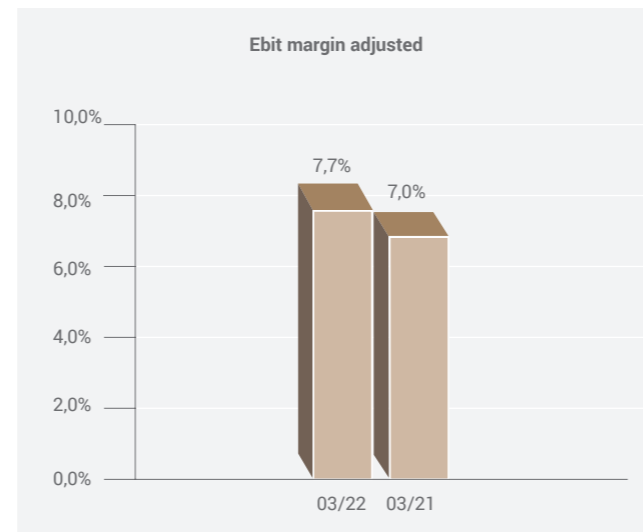
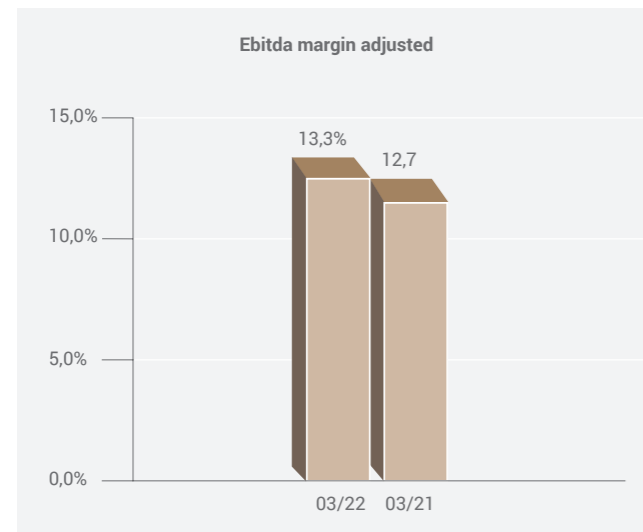
FINANCIAL

Highlights

INCOME STATEMENT

	31 MARCH 2022	% ON SALES	31 MARCH 2021	% ON SALES	CHANGE %
Revenue from sales and services	196.599	100,0%	161.391	100,0%	21,8%
Normalized Added value (1)	87.392	44,5%	76.399	47,3%	14,4%
EBITDA adjusted(1)	26.098	13,3%	20.539	12,7%	27,1%
EBIT adjusted (1)	15.146	7,7%	11.310	7,0%	33,9%
EBIT (1)	15.146	7,7%	11.310	7,0%	33,9%
Result for the year	9.758	5,0%	6.816	4,2%	43,2%

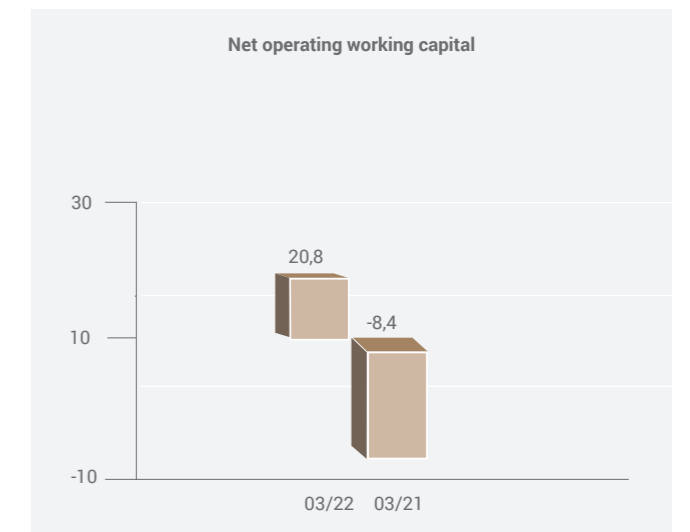
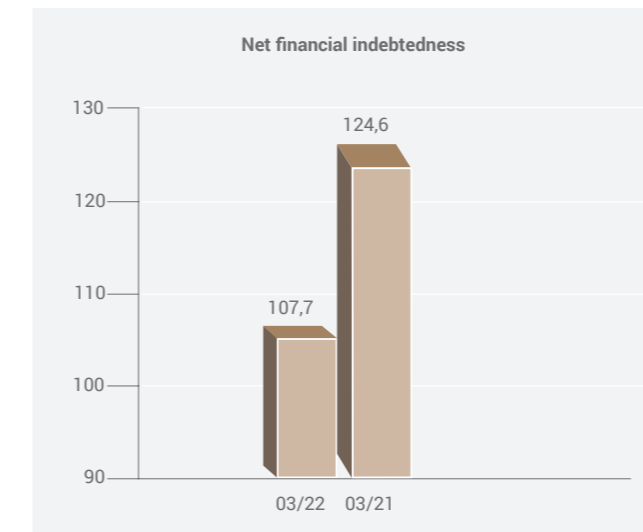
(1) Amounts referring to interim results and to aggregate equity and financial figures. The relevant calculation criteria are provided in the Directors' Report.



Statement of Financial Position

EURO 000'S	31 MARCH 2022	31 DECEMBER 2021
Net invested capital (1)	150.989	124.614
Equity	258.651	249.217
Net financial position (1)	107.661	124.603
Net operating working capital (1)	20.828	(8.375)
Fixed asset/standing capital ratio	1,22	1,16
Order in take	409.197	378.213

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

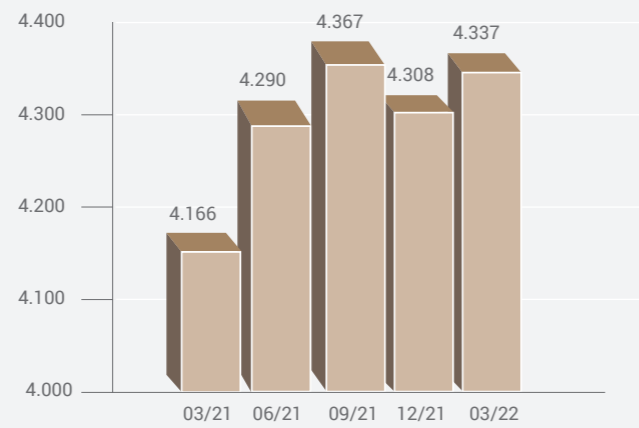


Personnel

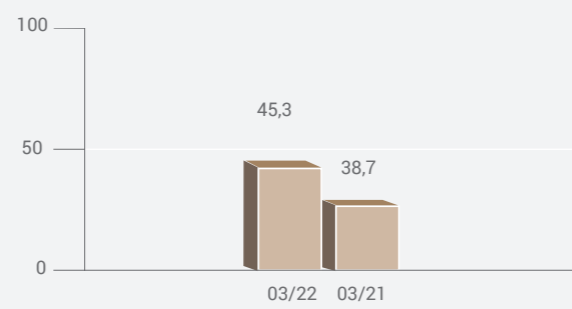
	31 MARCH 2022	31 MARCH 2021
Number of employees at period end	4,337	4,166

* The figure includes temporary staff.

Number of employees



Turnover per employees



COMPOSITION OF CORPORATE BODIES

BOARD OF DIRECTORS

Chairman
Chief Executive Officer
Co-Chief Executive Officer
Non-Executive Director
Lead Independent Director
Independent Director
Independent Director

Giancarlo Selci
Roberto Selci
Massimo Potenza
Alessandra Baronciani
Rossella Schiavini
Ferruccio Borsani
Federica Ricceri

COLLEGIO SINDACALE

Chairman
Standing Statutory Auditor
Standing Statutory Auditor
Standing Statutory Auditor
Standing Statutory Auditor

Paolo de Mitri
Giovanni Ciurlo
Enrica Perusia
Silvia Muzi
Maurizio Gennari

CONTROL AND RISKS COMMITTEE – REMUNERATION COMMITTEE

Federica Ricceri
Rossella Schiavini

RELATED-PARTY TRANSACTIONS COMMITTEE

Ferruccio Borsani
Rossella Schiavini

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.





DIRECTORS'
report on operations

GENERAL ECONOMIC OVERVIEW

GLOBAL ECONOMIC TREND

The global economy grew at a robust pace in 2021, despite difficulties related to the resurgence of the coronavirus pandemic and supply-side bottlenecks. In the first quarter of 2022, there was evidence of continued growth in economic activity. Recent surveys indicate that, as pandemic and supply-side pressures eased, growth gained momentum from January to February. However, due to the economic impact of the Russia-Ukraine conflict and the gradual reduction of stimulus measures, global growth projections for 2022 have been revised downwards compared to 2021.

EUROZONE

Russia's invasion of Ukraine is having a major impact on economic activity and inflation, through higher energy and commodity prices, disruption of international trade and worsening confidence. The extent of these effects will depend on the evolution of the conflict, the impact of current sanctions and any possible further measures. The impact of the war has to be assessed in the light of the solid underlying conditions of the euro area economy, which benefits from substantial economic policy support. The recovery of the economy is being aided by the gradual dissipation of the impact of the coronavirus (Covid-19) Omicron variant, and supply-side bottlenecks have shown signs of easing. In the baseline scenario of the macroeconomic projections made in March 2022, which incorporate an initial assessment of the implications of the war in Ukraine, GDP growth was revised downwards for the short term due to the conflict. Inflation continued to be higher than expected due to unexpectedly high energy costs, while price increases also became more generalised. The baseline scenario outlined for inflation in the new expert projections has been significantly revised upwards, however, inflation is projected to decline gradually to levels close to the 2% inflation target in 2024.

UNITED STATES

The US economy expanded strongly in the fourth quarter of 2021, mainly driven by a significant replenishment of inventories. Growth is expected to have declined at the turn of the year due to the impact of the Omicron variant and the drop in private consumption induced by the reduction in government subsidies. Subsequently, economic activity should pick up, albeit gradually, as the Russian-Ukrainian war is expected to weigh on business, especially in the second quarter. Consumer inflation, both headline and core, has continued to exceed expectations in recent months, prompting the Federal Reserve to gradually withdraw its monetary policy stimulus and raise rates in March 2022. At the same time, there are the total number of rate hikes projected for 2022 by the Federal Open Market's recently published March 2022 projections.

CHINA

Economic activity in China remained subdued at the turn of the year, weakened by continuing unfavourable conditions. Real GDP growth slowed in the second half of 2021 on a year-on-year basis, reflecting the turmoil in the residential real estate sector and the persistence of areas affected by the

Covid-19 pandemic. Specifically, the adoption of particularly stringent lockdown policies in major Chinese cities is contributing to a significant slowdown in the economy and trade. These unfavourable conditions continued to weigh on investment and consumption in the first few months of the year, so much so that GDP growth is expected to slow in the first quarter of 2022. In the second quarter, the effect of the Russian-Ukrainian war is expected to somewhat limit the strength of the expected recovery. Headline consumer inflation declined from 1.5 per cent in December to 0.9 per cent in January (over the corresponding period), mainly due to food price deflation associated with the normalisation of pork prices and the recovery of food supply after the disruption caused by adverse weather conditions. Core inflation as measured by the CPI excluding food and energy remained unchanged at 1.2 per cent (over the corresponding period). In early 2022, rising commodity prices led to upward revisions in inflation forecasts, but no significant changes are expected in the inflation outlook for 2022-2024. Economic policy is becoming more accommodative to counterbalance adverse growth trends.

JAPAN

In Japan, the recovery is expected to consolidate further in a longer-term outlook, after the temporary slowdown in growth observed in early 2022. The economic recovery picked up towards the latter part of 2021, after restrictions were lifted in late summer and there was a first easing of some supply-side constraints. Although an economic slowdown is expected in early 2022 as a result of the Omicron variant and continued supply-side constraints, a more consolidated recovery is on the horizon in the longer term, based on recent announcements of further fiscal stimulus measures. The repercussions of the Russian-Ukrainian war are thought to be rather limited at this stage and mainly confined to the short term. Economic growth is expected to moderate thereafter and gradually return to trend values. Twelve-month inflation as measured by the CPI is expected to increase in the short term, partly due to the disappearance of some temporary factors (including the decline in mobile phone tariffs), but remaining below the central bank's target over the projection horizon.

UNITED KINGDOM

In the UK, the outlook is expected to remain rather subdued, in the face of strong price pressures and persistent supply-side bottlenecks. The pace of economic recovery remained sluggish in the last quarter of 2021, mainly due to the rapid spread of the Omicron variant in December, which added to tensions arising from supply-side bottlenecks and labour shortages in some sectors. While the dampening effect of the Omicron variant seems short-lived, the repercussions of the Russian-Ukrainian war are expected to weigh on growth in the short term. In the longer term, other obstacles of a more structural nature, partly related to Brexit, are expected to continue to weigh on UK economic activity over the projection horizon. Consumer inflation turned out to be higher than expected in January due to high food prices and rising service costs.

Headline inflation is expected to peak at close to 7% in the second quarter of 2022, against the backdrop of expectations of further rate hikes by the Bank of England, and then moderate thereafter.

OTHER EUROPEAN AREAS

In the EU Member States located in Central and Eastern Europe, adverse developments, not least due to the war in Ukraine, are expected to dampen the pace of expansion. Economic activity in Central and Eastern Europe continued to expand at a robust pace in the second half of 2021, driven by robust household consumption. Looking ahead, real GDP growth is expected to moderate in the face of the economic fallout from the war in Ukraine, persistent supply-side bottlenecks, price pressures and a temporary increase in new COVID-19 infections. Economic activity is expected to remain resilient over the medium term, driven by recovering domestic demand. Developments in energy markets and the latest data point to continued inflationary pressures for 2022 and 2023, while projections point to a normalisation towards lower rates at the end of the forecast horizon.

ITALY

At the end of last year, growth in the Italian economy lost momentum, held back by stagnant consumption and the negative contribution of net foreign demand. Industrial production fell in the first quarter, returning to slightly lower levels than before the outbreak of the pandemic. Input costs and difficulties in procuring raw materials and intermediate products contributed to the decline. According to the assessments made by companies between February and March, the conditions for investment have worsened, but the impact on expected investment growth in 2022 should be limited. Expansion of exports came to a halt in the fourth quarter of 2021, while imports continued to expand at a sustained pace. The surplus

on the current account remained high in 2021 as a whole, but was impacted by the deterioration in the energy balance. Russia accounts for more than a fifth of Italy's imports of energy inputs; for natural gas alone the share exceeds 45 per cent. According to preliminary assessments, around two-fifths of any interruption in Russian gas flows could be compensated for by the end of 2022, without affecting domestic methane reserves, through increased imports of liquefied natural gas, increased use of other suppliers and increased extraction of natural gas from domestic fields. In the medium term, it would be possible to fully compensate for Russian gas imports by increased investments in renewable energy sources, as well as by increasing imports from other countries. The possible macroeconomic consequences of the war in Ukraine are examined in three illustrative scenarios, defined on the basis of alternative assumptions about the development of commodity prices, international trade, consumer and business uncertainty and confidence, and natural gas supplies. In the best-case scenario, which assumes a rapid resolution of the conflict and a significant reduction in associated tensions, GDP growth would be around 3% in 2022 and 2023. Inflation would rise to 4.0 and 1.8 per cent respectively. In the intermediate scenario, which assumes a continuation of hostilities, GDP would increase by around 2% in both years. Inflation would be 5.6 and 2.2 per cent. In the worst-case scenario - which also assumes a disruption of Russian gas flows only partly compensated by other sources - GDP would fall by almost half a percentage point in 2022 and 2023. Inflation would approach 8% in 2022 and fall to 2.3% the following year. This broad range of estimates does not take into account possible new economic policy responses that will be essential to counter recessionary and price pressures resulting from the conflict. In the first two months of 2022, the growth in the number of jobs slowed. The unemployment rate fell slightly. Recent price increases have not been reflected in contractual wages, which remain subdued.

BUSINESS SECTOR REVIEW

UCIMU-SISTEMI PER PRODURRE

In the first quarter of 2022, the machine tool order index compiled by the UCIMU-SISTEMI PER PRODURRE Research & Business Culture Centre showed a slight drop (-3%) compared to the period January-March 2021. The absolute value of the index was 164 (base value of 100 in 2015). The result was adversely affected by the decline in order intake on the domestic market, while orders from abroad increased.

In particular, on the foreign front, orders collected increased by 5.3% compared to the same period last year. The absolute value of the index was 163.2.

In contrast, the domestic order intake index fell by 15.9% compared to the same period last year. The absolute value of the index was 164.4.

Barbara Colombo, Chair of UCIMU-SISTEMI PER PRODURRE, stated: "business on foreign markets is indispensable for Italian manufacturers, which is why, despite the difficulties caused first by the pandemic and then by the conflict, we need to strengthen our cross-border initiative, not only to make up the ground lost in the last two years. The current situation should prompt Italian machine tool manufacturers to review the order of priority of their markets. While it is important to continue to explore new areas of destination for Italian products in the sector, today it is essential to monitor and develop activities in traditional markets, I am thinking of Europe and the United States in particular, so as to secure market shares in areas whose economies are more likely to establish trade relations in the near future".

"On the domestic front, there are two reasons for the slow-down recorded by Italian manufacturers on the domestic market. On one hand, there are the results of the first quarter of 2021, which are decidedly positive. On the other, it is reasonable to assume that they are due to users bringing forward their purchase decisions in the last quarter, to benefit from the 4.0 incentives whose rates provided by the last budget law (2021) were higher than those of the current one (2022)". Furthermore," continued the president of UCIMU-SISTEMI PER PRODURRE, "although the drop is decidedly limited and order intake is still very high at the moment, as shown by the absolute index values, there is some concern among manufacturers about a possible cooling of the propensity to invest, caused by the uncertainty brought about by the war between Russia and Ukraine. "The ongoing conflict is already inflicting heavy damage on the production activities of our companies, which are having to wait an inordinate amount of time for the delivery of machinery while waiting for supplies of electronic components and materials, such as nickel, steel and cast iron."

"All this," said Barbara Colombo, "risks causing inconvenience to our customers who have to wait longer than the agreed deadlines for delivery of machines. But not only that. The time between ordering machinery and its delivery, the point of in-

voicing, is now set at 9-12 months compared to the usual 6-8 months. Over such a long period of time, and in such an uncertain environment, changes in raw material prices can have a major impact on the cost of machine production, eroding margins for machine tool manufacturers. To add to this, inflation is becoming increasingly important and can act as a price multiplier, to the further detriment of production activity profits". "To avoid us manufacturers, at a certain point, deciding not to take any more orders, or our customers deciding to wait to order until the situation is clearer," continued Barbara Colombo, "we need immediate action from government authorities, and UCIMU-SISTEMI PER PRODURRE, together with other associations, ASSOFERMET, ANIMA and ANFIA, representing the most at-risk sectors, have asked for a meeting to assess possible measures to mitigate the effects of the ongoing conflict". "In particular, we have called for a working table with the Ministry of Economic Development and the Ministry of Foreign Affairs and International Cooperation to be set up immediately, to define new supply channels for raw materials as an alternative to those normally used, which have been disrupted by the current situation. In addition, to ensure the proper functioning of production chains that use metals - chains that represent a fundamental part of European industry - we believe that the temporary suspension of EU measures (established in 2018 in response to US duties on steel imports from Europe) that set quotas for the entry of steel material from third countries and impose, for the exceeding quotas, duties that are decidedly penalising for European manufacturing players should be considered".

"In addition to this, we call on the government authorities, who have already been working for several weeks on measures to lower energy costs for private citizens and businesses, to extend the cap on the cost of energy from renewables alone to all energy sources that companies use for production.

"While we are aware of the need to support the green transition, we are obliged to stress that, in an emergency situation such as the current one, first and foremost it is necessary to ensure that manufacturing, the main pillar of the economic system of our country and of the whole of Europe, can continue its activities as smoothly as possible".

"We cannot allow companies to go out of business because they are burdened with unsustainable costs or because they are bogged down by an inability to produce. This would result in irreparable social damage. That is why we believe that all the EU green measures should be revised. I am thinking above all of the electrification of engines. We are not asking for any changes, of course, but for a rescheduling of the timetable for the transition from endothermic engines to electric engines, bearing in mind the current situation, which is already very complex."



OUTLOOK

As is widely known, since January 2022, the escalation of tensions between Russia and Ukraine, which led to Russia's declaration of war on Ukraine and the invasion of Ukrainian territory by the Russian army on 24 February, is continuing to have major repercussions on international markets, both in terms of financial market trends and commodity prices. For Biesse Group, which operates in Russia through its commercial subsidiary in Moscow, the Russian market represents around 3% of turnover. The machines are invoiced in Euros, so the company is protected from the impact of Ruble fluctuations. Nevertheless, the impact of economic sanctions and geopolitical tensions is likely to have an impact on business development, leading to a reassessment of performance. The evolution of the situation is being continuously monitored by the company's Management, which is committed to guaranteeing the branch's employment level with a view to business continuity. The reference context is therefore still characterised by significant uncertainties due not only to the spread of Covid-19 variants (which are having a significant impact on the Chinese market), but also to the evolution of the international geopolitical context. Nonetheless, the order backlog as at 31 March

2022 and the trend in orders in the first quarter 2022 are in line with corporate goals.

At the end of the first quarter, the Group had an order intake up 15% compared to 2021, while the portfolio stood at € 409,197, up 8% compared to December 2021.

This performance was made possible by both the particularly positive market situation in the first two months of the year and the Group's extensive distribution network.

The positive trend is also reflected in both economic performance (with growing revenues and margins) and financial performance (with constant cash generation). The positive market situation also has effects on the balance sheet, which showed a sustained growth in inventories, necessary to meet the orders received, a phenomenon also visible in the trend of trade receivables and advances from customers.

On the basis of the scenario described above, for the whole of 2022, the Group will continue a determined implementation of cost containing activities, in particular by monitoring both the inflationary dynamics impacting on raw materials and energy costs.

MAIN EVENTS

On **21 December 2021**, by deed of Notary Luisa Rossi, the subsidiary Bre.Ma. Brenna Macchine S.r.l. was merged into Biesse S.p.A. and the accounting and tax effects of this transaction will start on 1 January 2022, without impacting the consolidated financial statements.

On **14 February 2022**, by deed of the Notary Luisa Rossi, 40% of the share capital of the subsidiary Montresor S.r.l. was purchased, increasing the shareholding to 100%. The consideration for the purchase of this shareholding is € 1,173 thousand.

On **27 April 2022**, the Shareholders' Meeting of Biesse S.p.A. approved:

- the Financial Statements at 31/12/2021 of the parent company Biesse S.p.A., which closed with a net profit of € 2,141,702.48 and examined the Group Consolidated Financial Statements and the Sustainability Report;
- the allocation of the profit for the year 2021 - distribution of a total gross dividend of EUR 0.624 per share, of which EUR 0.078 from the profit for the year and EUR 0.546 per share from the extraordinary profit reserve;
- the 2022 Report on remuneration policy and remuneration paid in 2021;
- the authorisation to purchase and dispose of treasury shares.

PARTICIPATION IN THE PAN-EUROPEAN SMALL MID CAP CONFERENCE

Biesse Group remotely took part in the conference organised by J.P. Morgan-Cazenove for European Mid/Small Cap companies. During the event, the CEO Roberto Selci outlined the main features of the Group, the short-term industrial objectives and the impact of recent events in the international arena.

PARTICIPATION IN THE EURONEXT STAR CONFERENCE 2022

Biesse Group took part, virtually, in the conference organised by Borsa Italiana Euronext Star Conference 2022 reserved for companies in the Star segment. During the event, the Biesse management had the opportunity to share its strategies and activities with Italian and foreign investors and analysts. In particular, in relation to the ongoing conflict in Ukraine, the management clarified that the Group has limited exposure to countries involved in the war and/or affected by EU sanctions, namely Ukraine, Russia and Belarus. Together, these three countries make up an extremely small percentage of the Group's order book (sales only). Although there are currently no tangible economic or financial impacts, the Company is constantly monitoring any developments that may have potential effects on its business.

INCOME STATEMENT HIGHLIGHTS

INCOME STATEMENT AS AT 31 MARCH 2022

EURO 000'S	31 MARCH 2022	% ON SALES	31 MARCH 2021	% ON SALES	CHANGE %
Revenue from sales and services	196.599	100,0%	161.391	100,0%	21,8%
Change in inventories, wip, semi-finished products and finished products	17.931	9,1%	14.886	9,2%	20,5%
Other Revenues	995	0,5%	1.113	0,7%	(10,6)%
Revenue	215.524	109,6%	177.390	109,9%	21,5%
Raw materials, consumables, supplies and goods	(94.574)	(48,1)%	(75.796)	(47,0)%	24,8%
Other operating costs	(33.558)	(17,1)%	(25.195)	(15,6)%	33,2%
Personnel expense	(61.294)	(31,2)%	(55.860)	(34,6)%	9,7%
Gross operating result	26.098	13,3%	20.539	12,7%	27,1%
Depreciation and amortisation	(7.991)	(4,1)%	(7.434)	(4,6)%	7,5%
Provisions	(2.961)	(1,5)%	(1.794)	(1,1)%	65,0%
Operating result before non recurring items	15.146	7,7%	11.310	7,0%	33,9%
Non recurring items	-	-	-	-	-
Operating result	15.146	7,7%	11.310	7,0%	33,9%
Financial income	89	0,0%	105	0,1%	(15,0)%
Financial expense	(439)	(0,2)%	(701)	(0,4)%	(37,3)%
Exchange rate income and expenses net	(1.427)	(0,7)%	(1.300)	(0,8)%	9,8%
Pre-tax result	13.368	6,8%	9.415	5,8%	42,0%
Income taxes	(3.611)	(1,8)%	(2.599)	(1,6)%	38,9%
Result for the year	9.758	5,0%	6.816	4,2%	43,2%

Net revenue from sales and services as at 31 March 2022 amounted to € 196,599 thousand, up 21.8% on the same period of 2021 (€ 161,391 thousand).

As at 31 March 2022, the **value of production** amounted to € 215,524 thousand, up 21.5% compared to March 2021, when it amounted to € 177,390 thousand. In addition to the positive contribution made by sales in the period, there was also an increase in production linked to inventory, which was necessary to meet growing demand and in line with the order trend for the first quarter of 2022.

The figures relating to consumption show an increased absorption of raw materials (€ 94,574 thousand compared to € 75,796 thousand as at 31 March 2021) due to the increase in raw material costs recorded over the last 6 months. This is measured on value of production, rather than revenues.

Other operating expenses were up in absolute terms (delta of € 8,363 thousand) and their incidence on the value of production increased from 14.2% to 15.6%. This phenomenon is mainly attributable to service costs, which rose from € 22,345 thousand to € 29,420 thousand, an increase of 31.7%. The change is mainly due to higher costs for services to production, including outsourcing and transport on purchases (up by € 3,171 thousand), consultancy expenses (up by € 922 thousand), commissions payable and transport on sales (up by € 1,277 thousand), costs related to participation in trade fairs and events (up by € 229 thousand). In addition to the above-mentioned increases, there were also increases for travel expenses (up by € 765 thousand) and utilities (up by € 1,066 thousand) due to the increase in energy and heating costs.



EURO 000'S	31 MARCH 2022	%	31 MARCH 2021	%
Revenue	215.524	100,0%	177.390	100,0%
Raw materials and goods	94.574	43,9%	75.796	42,7%
Other operating costs	33.558	15,6%	25.195	14,2%
Service costs	29.420	13,7%	22.345	12,6%
Use of third party assets	964	0,4%	531	0,3%
Sundry operating expense	3.175	1,5%	2.319	1,3%
Added value	87.392	40,5%	76.399	43,1%

As at 31 March 2022, **personnel expense** amounted to € 61,294 thousand, up € 5,434 thousand (+9.7%) compared to 2021 (€ 55,860 thousand). In this regard, it is noted that during the first quarter of 2021, the Group benefited from various forms of welfare cushions and government grants, aimed at protecting the company's workforce. Compared to 31 March 2021, the number of employees at the end of the period increased by 171.

As at 31 March 2022, **adjusted EBITDA** was € 26,098 thousand (€ 20,539 thousand as at 31 March 2021), up by 27.1%.

Depreciation and amortisation increased overall by 7.5% (from € 7,434 thousand at 31 March 2021 to € 7,991 thousand at 31 March 2022): the component relating to tangible fixed assets (including rights of use) fell by € 1,439 thousand (-1.2%), while that relating to intangible fixed assets fell by € 2,096 thousand (-2.1%).

Provisions and impairment amounted to € 2,961 thousand and included provisions of € 3,780 thousand (of which € 3,331 thousand for adjustments to provisions for future risks and charges and € 391 thousand for the adjustment of the estimate of the product warranty provision). There was also a release of € 989 thousand relating to the allowance for impairment, while impairment losses amounted to € 161 thousand, mainly relating to intangible assets, including development costs.

At 31 March 2022, there were no **impairment losses or non-recurring items** in the financial statements.

As regards **financial operations**, net financial expense amounted to € 350 thousand, down compared to the figure for 2021 (€ 596 thousand).

Exchange risk management resulted in a net loss of € 1,427 thousand, worsening compared to the € 1,300 thousand loss in the prior-year period.

Pre-tax profit thus amounted to € 13,368 thousand.

The estimated balance of **income taxes** was negative to the tune of € 3,611 thousand. The impact relating to current taxes was a negative € 5,199 thousand (IRES – corporate income tax: € 2,184 thousand, IRAP – regional business tax: € 477 thousand; taxes from foreign jurisdictions: € 2,309 thousand; other income taxes and previous-year taxes: € 229 thousand), while deferred taxes were positive at € 1,588 thousand.

Therefore, **net profit** as at 31 March 2022 amounted to € 9,758 thousand.



STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

EURO 000'S	31 MARCH 2022	31 DECEMBER 2021
Intangible assets	95.894	97.989
Property, plant and equipment	115.764	117.203
Financial assets	4.717	4.578
Non-current assets	216.374	219.770
Inventories	205.243	179.417
Trade receivables and contract assets	136.780	125.962
Trade payables	(183.534)	(186.660)
Contract liabilities	(137.662)	(127.093)
Net operating working capital	20.828	(8.375)
Post-employment benefits	(13.149)	(13.318)
Provision for risk and charges	(28.153)	(24.850)
Other net payables	(61.154)	(63.136)
Net deferred tax assets	16.244	14.660
Other net liabilities	(86.213)	(86.781)
Net invested capital	150.989	124.614
Share capital	27.403	27.393
Result for the previous year and other reserves	220.714	186.957
Net Result	9.895	34.018
Non-controlling interests	639	849
Equity	258.651	249.217
Bank loans and borrowings and loans and borrowings from other financial backers	28.878	29.594
Other financial assets	(27.141)	(27.098)
Cash and cash equivalents	(109.398)	(127.099)
Net financial position	(107.661)	(124.603)
Total sources of funding	150.989	124.614

Net invested capital amounted to € 151 million, up compared to December 2021 (€ 124.6 million).

Equity amounted to € 258.7 million (€ 249.2 million as at 31 December 2021).

Compared to December 2021, fixed assets were down, as depreciation and amortisation were higher than new investments for the period.

Net operating working capital increased by € 29.2 million compared to December 2021. Inventories, amounting to € 205,243 thousand, increased by € 25,826 thousand, while the increase in trade receivables (amounting to € 10,819 thousand) was almost entirely offset by the increase in contractual liabilities (amounting to € 10,569 thousand), phenomena that confirm the positive trend in sales and order intake in the first quarter of 2022.

Trade payables decreased by €3,126 compared to December 2021, mainly due to a decrease in average payment days.

NET FINANCIAL POSITION AS AT 31 MARCH 2022

EURO 000'S	31 MARCH 2022	31 DECEMBER 2021	31 SEPTEMBER 2021	31 JUNE 2021	31 MARCH 2021
Financial assets:	136.539	154.197	143.508	178.143	171.946
<i>Current financial assets</i>	27.141	27.098	27.867	27.682	27.589
<i>Cash and cash equivalents</i>	109.398	127.099	115.641	150.461	144.357
Short-term financial lease payables	(7.194)	(7.384)	(6.628)	(7.876)	(6.929)
Short-term bank loans and borrowings and loans from other financial backers	(5.826)	(5.998)	(5.539)	(34.996)	(41.101)
Short-term net financial position	123.520	140.815	131.343	135.271	123.916
Medium/Long-term financial lease payables	(15.179)	(15.320)	(16.546)	(21.303)	(22.939)
Medium/Long-term bank loans and borrowings	(395)	(680)	(916)	(915)	(40.838)
Trade payables and other medium/long-term payables	(285)	(213)	-	-	-
Medium/Long-term net financial position	(15.859)	(16.212)	(17.462)	(22.218)	(63.777)
Total net financial position	107.661	124.603	113.880	113.053	60.139

In the NFP statement at 31/03/2022, in application of the new provisions contained in Communication No. 5/21 of 29 April 2021 issued by Consob which refers to the ESMA Recommendations of 4 March 2021, trade payables due beyond one year have been included. For comparative purposes, it should be noted that these payables at the various dates are € 225 thousand at 30 September 2021, € 238 thousand at 30 June 2021 and € 249 thousand at 31 March 2021.

For the sake of clarity, the fair value of derivatives outstanding at 31/03/2022 and 31/12/2021 have also been excluded from financial assets. For comparative purposes, it should be noted that the fair value asset at the various dates was € 643 thousand at 30 September 2021, € 596 thousand at 30 June 2021 and € 557 thousand at 31 March 2021.

The Group's Net Financial Position at 31 March 2022 was positive for € 107,661 thousand, down compared to the figure at 31 December 2021 (positive for € 124,603 thousand).

Compared to year-end 2021, the indicator decreased by € 16,942 thousand, mainly influenced by the dynamics of net working capital, despite the good results at operating level.

For the sake of completeness of information, it should be noted that, as these matters are not specifically regulated, the Net Financial Position does not include i) the debt of one million euros, discounted to 31 March 2022, related to the exercise of the put/call option on the minority shares of Movetro ii) the estimated earn-out liability of € 3 million related to the acquisition of Forvet S.p.A. and due after 12 months, recorded in the financial statements.

At the date of approval of this report, Biesse has credit lines in excess of € 210.5 million, of which € 85.5 million revocable with a duration of up to 12 months and € 125 million committed with a duration of more than 12 months. All undrawn credit lines are unsecured and free of any collateral.

SEGMENT REPORTING

BREAKDOWN OF REVENUE BY OPERATING SEGMENT

EURO 000'S	31 MARCH 2022	%	31 MARCH 2021	%	CHANGE % 2022/2021
Machines and Systems Division	178.023	90,6%	145.639	90,2%	22,2%
Mechatronics Division	26.853	13,7%	23.483	14,6%	14,4%
Inter-segment eliminations	(8.277)	(4,2)%	(7.731)	(4,8)%	7,1%
Total	196.599	100,0%	161.391	100,0%	21,8%

BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA

EURO 000'S	31 MARCH 2022	%	31 MARCH 2021	%	CHANGE % 2022/2021
Western Europe	102.420	52,1%	80.843	50,1%	26,7%
Asia - Pacific	24.721	12,6%	21.720	13,5%	13,8%
Eastern Europe	27.301	13,9%	26.841	16,6%	1,7%
North America	35.983	18,3%	27.925	17,3%	28,9%
Rest of the World	6.174	3,1%	4.062	2,5%	52,0%
Totale	196.599	100,0%	161.391	100,0%	21,8%

The breakdown of revenues by operating segment shows a significant increase in both segments. Machinery-Systems (which accounts for 90.6% of the group's turnover) and Mechatronics increased by 22.2% and 14.4% respectively, compared to the first quarter of 2021.

Looking at the turnover by geographical area, the increase concerned all the geographical areas of reference: Western Europe (26.7%), Asia-Oceania (13.8%), Eastern Europe (1.7%), North America (28.9%) and the Rest of the World (52.0%).

Pesaro, 12 May 2022

The Chairman of the Board of Directors
Giancarlo Selci



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
corporate financial reporting

Pierre Giorgio Sallier de La Tour

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