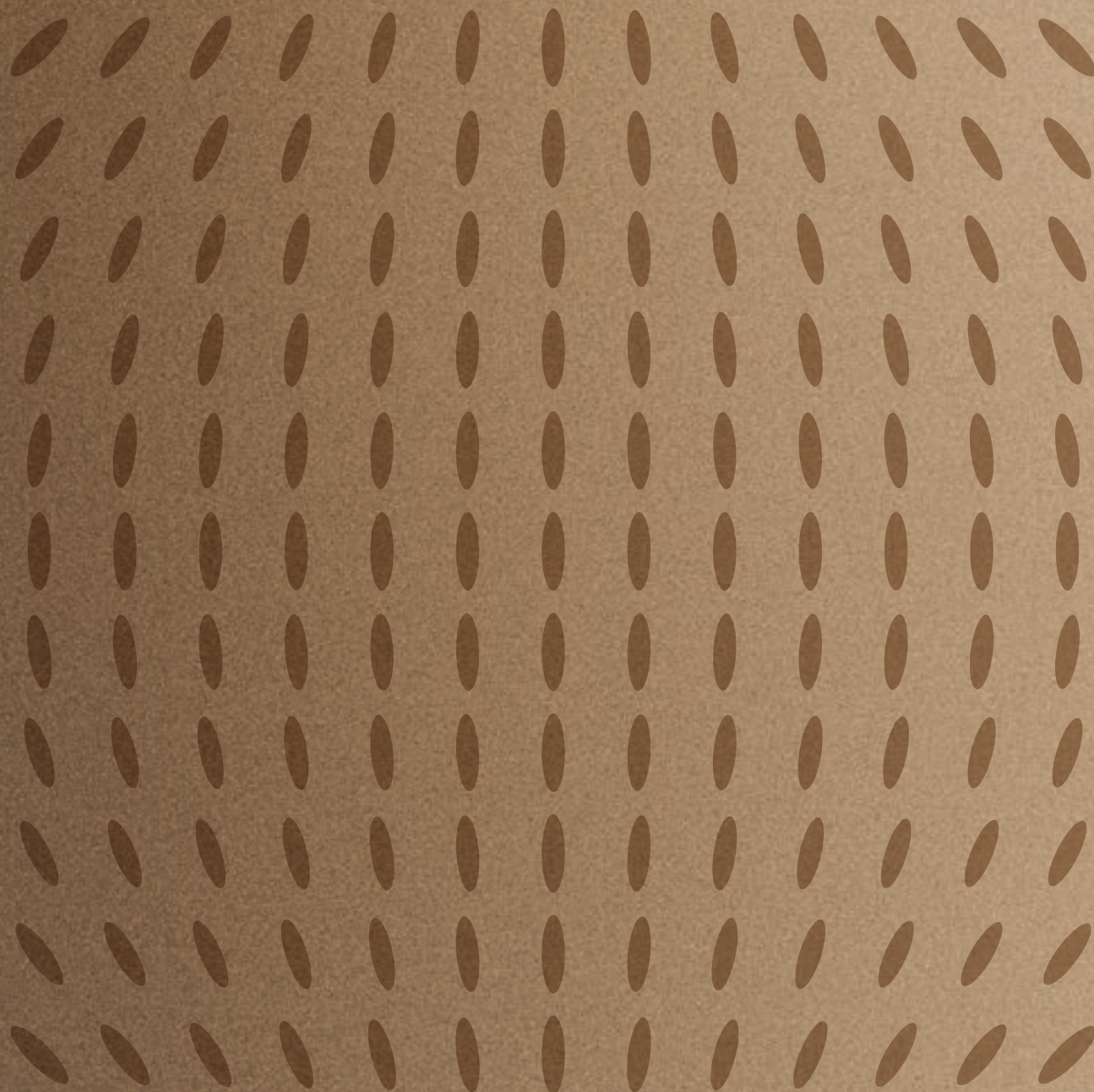


R

INTERIM REPORT ON OPERATIONS

AS AT 30 JUNE 2022



SUMMARY

BIESSE GROUP

Group Structure	pag.	4
Group Profile	pag.	5
Alternative Performance Indicators	pag.	5
Financial Highlights	pag.	8
Composition Of Corporate Bodies	pag.	10

DIRECTORS' REPORT ON OPERATIONS

General economic overview	pag.	14
Business sector review	pag.	16
Trend in the first half of 2022	pag.	18
Main events of the half year	pag.	20
Income Statement Highlights	pag.	22
Statement Of Financial Position Highlights	pag.	24
Segment Reporting	pag.	28
Transactions With Associates, Parents And The Latter's Subsidiaries	pag.	28
Other Related-Party Transactions	pag.	28
"Atypical And/Or Unusual" Transactions Occurring During The Six-Month Period	pag.	30
Significant Events After The Reporting Date And Full-Year Outlook	pag.	30

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2022

Consolidated income statement	pag.	34
Consolidated statement of comprehensive income	pag.	34
Consolidated statement of cash flows	pag.	36
Consolidated statement of changes in equity	pag.	37

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information	pag.	41
2. Declaration of compliance with international financial reporting standards, basis of presentation and consolidation and foreign currency translation principles	pag.	44
3. Measurement criteria, use of estimates and reclassifications	pag.	45
4. Adoption of new accounting standards, amendments and ifrs interpretations	pag.	46
A) accounting standards, amendments and ifrs interpretations applied as of 1 january 2022	pag.	46
B) accounting standards, amendments and ifrs interpretations endorsed by the european union, not yet mandatorily applicable and not yet adopted in advance by the group as at 30 june 2022	pag.	47
C) accounting standards, amendments and ifrs interpretations not yet endorsed by the european union	pag.	47
5. Revenue and analysis by operating segment and geographical area	pag.	48
6. Seasonality	pag.	50
7. Personnel expense	pag.	50
8. Exchange rate gains and losses	pag.	50
9. Taxes	pag.	50
10. Earnings per share	pag.	50
11. Dividends	pag.	51
12. Property, plant, machinery and other tangible and intangible assets	pag.	51
13. Goodwill	pag.	51
14. Inventories	pag.	52
15. Trade receivables from third parties	pag.	52
16. Share capital and treasury shares	pag.	52

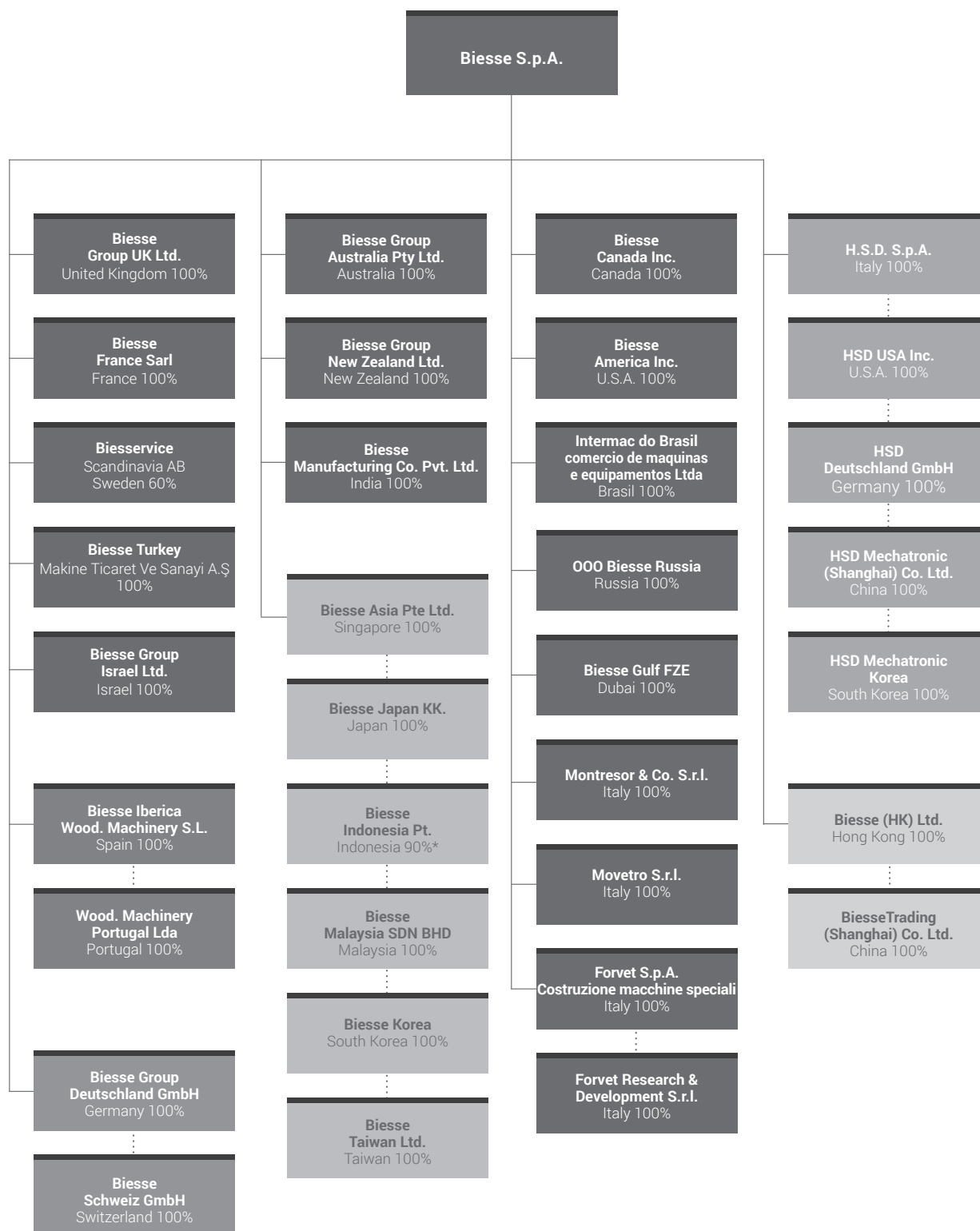
SUMMARY

17. Hedging and translation reserves	pag.	52
18. Other reserves and actuarial reserve	pag.	53
19. Financial liabilities	pag.	53
20. Trade payables	pag.	53
21. Contract liabilities	pag.	54
22. Acquisition of minority interests	pag.	54
23. Commitments, contingent liabilities and risk management commitments	pag.	55
24. Classification of financial instruments	pag.	56
25. Significant events after the reporting date	pag.	57
26. Related-party transactions	pag.	57

INDEPENDENT AUDITORS' REPORT AS AT 30/06/2022	pag.	58
--	------	----

GROUP STRUCTURE

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



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

Note: The different colours represent the subgroups of the control chain

GROUP PROFILE

Biesse Group is a leading multinational in processing 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 and 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., previously 98% owned, into the Parent Company Biesse S.p.A. (effective as of 01/01/2022) and the purchase of an additional shareholding in Montresor S.r.l. (through which its controlling interest increased from 60% to 100%) which took place in February 2022. For further details on these transactions, please refer to the section "Scope of Consolidation" in the Notes to the Financial Statements. Please also note that the purchase of the remaining 40% of the equity investment in Movetro S.r.l. was finalised in May 2022. This transaction did not entail a change in the scope of consolidation as the Company was still consolidated at 100% because it was considered possible to exercise the put/call option on the aforementioned minority interest.

ALTERNATIVE PERFORMANCE INDICATORS

Management uses some performance indicators, which are not identified as accounting measures under the IFRS (non-GAAP measures), to better assess 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 complementary and not replacing the information prepared under 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 Management considers 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 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 Management considers 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 Management considers 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 compliance 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.

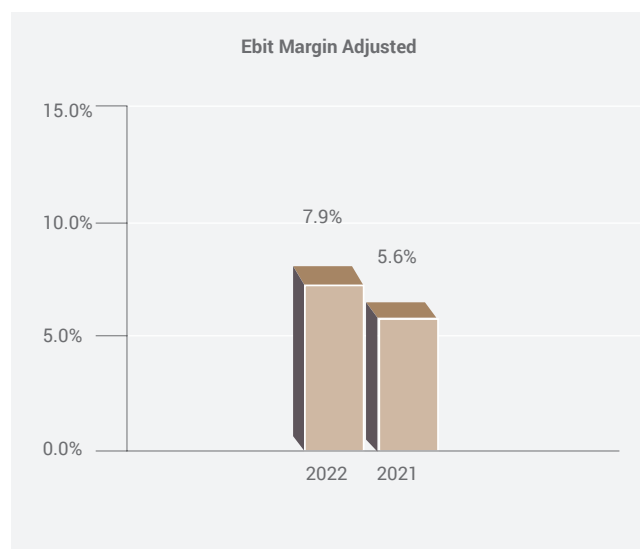
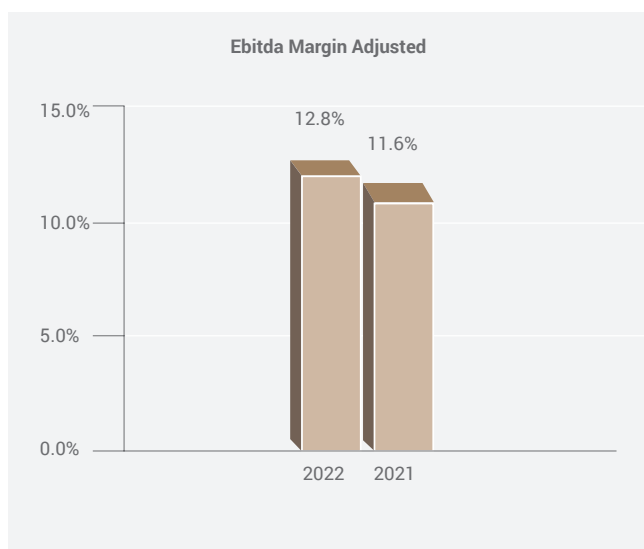


FINANCIAL

Highlights

FINANCIAL HIGHLIGHTS

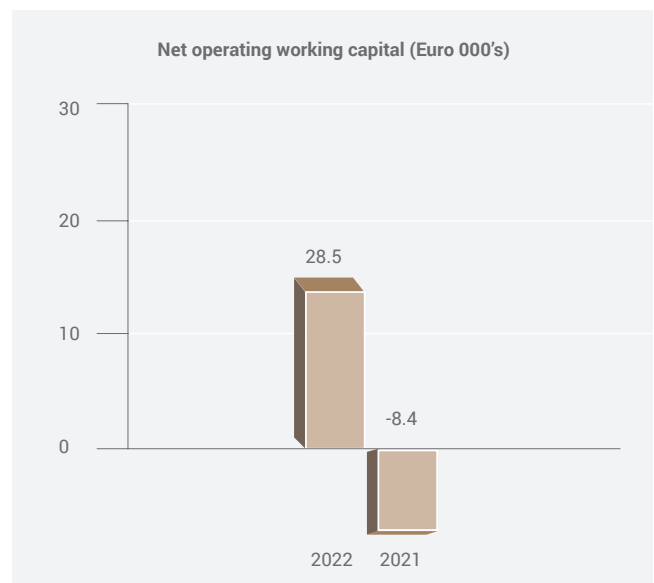
EURO 000'S	30 JUNE 2022	% ON SALES	30 JUNE 2021	% ON SALES	CHANGE %
Revenue from sales and services	419,084	100.0%	354,117	100.0%	18.3%
EBITDA adjusted (1)	53,693	12.8%	41,014	11.6%	30.9%
EBIT adjusted (1)	33,266	7.9%	19,719	5.6%	68.7%
EBIT (1)	33,266	7.9%	33,718	9.5%	(1.3)%
Profit/Loss for the period	19,383	4.6%	28,426	8.0%	(31.8)%



Statement of financial position data and financial ratios

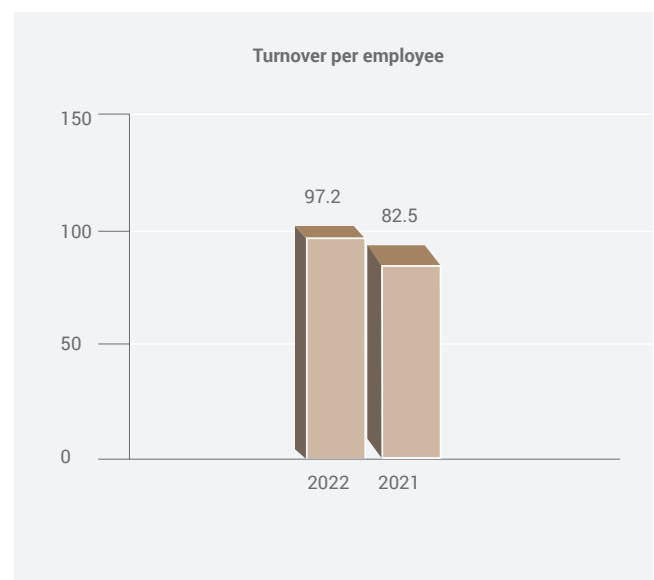
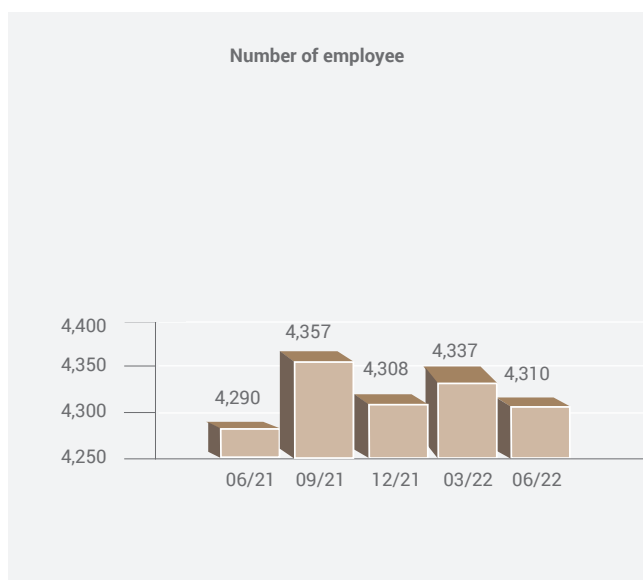
EURO 000'S	30 JUNE 2022	31 DECEMBER 2021
Net invested capital (1)	168,714	124,614
Equity	253,679	249,217
Net financial position (1)	84,965	124,603
Net operating working capital (1)	28,486	(8,375)
Fixed asset/standing capital ratio	1,19	1,16
Order in take	386,951	378,213

1) The criteria for determining amounts relating to interim results and aggregate equity and financial data are described in the Directors' Report on Operations and the Notes to the Financial Statements.



Personnel (*)

	30 JUNE 2022	30 JUNE 2021
Number of employees at period end	4.310	4.290



* the figure includes temporary staff.

COMPOSITION OF CORPORATE BODIES

BOARD OF DIRECTORS

Chairman	Giancarlo Selci
Chief Executive Officer	Roberto Selci
Co-Chief Executive Officer	Massimo Potenza
Non-executive director	Alessandra Baroncini
Lead Independent Director	Rossella Schiavini
Independent Director	Ferruccio Borsari
Independent Director	Federica Ricceri

BOARD OF STATUTORY AUDITORS

Chairman	Paolo De Mitri
Standing Statutory Auditor	Giovanni Ciurlo
Standing Statutory Auditor	Enrica Perusia
Alternate Statutory Auditor	Silvia Muzi
Alternate Statutory Auditor	Maurizio Gennari

CONTROL AND RISKS COMMITTEE – REMUNERATION COMMITTEE

Federica Ricceri
Rossella Schiavini

RELATED-PARTY TRANSACTIONS COMMITTEE

Ferruccio Borsari
Rossella Schiavini

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.





DIRECTORS'

report
on operations

GENERAL ECONOMIC OVERVIEW

GLOBAL ECONOMIC TREND

Starting in the first quarter of 2022, the economic picture weakened in the major advanced countries, initially due to the temporary worsening of the pandemic and later to the consequences of Russia's invasion of Ukraine. In spring, purchasing managers' indices (PMI) signalled downside risks to activity in most economies, including emerging economies. The costs of energy commodities, especially natural gas in Europe, recorded particularly high increases; inflation was affected, which reached new highs, also driven by food prices. The Federal Reserve accelerated the normalisation of monetary policy and provided guidance on the start of its balance sheet reduction. The most recent forecasts from international institutions anticipate a marked slowdown in the global economic cycle and continued inflationary pressures in 2022.

In the second quarter of 2022, consumer confidence and PMI indices in advanced economies generally fell, affected by continuing high geopolitical tensions and high inflation.

In the US, the PMI fell sharply in June, although it remained at levels consistent with an expansion of output. In the UK, household confidence fell to record lows as purchasing power deteriorated and the services PMI index deteriorated sharply. On the other hand, in Japan the improvement of the pandemic picture contributed to the recovery of the tertiary index. This index rose in June to its highest level since the beginning of the year. In China, the zero-tolerance policy toward Covid-19 led to total lockdowns in several key areas of the country. Despite the announcement of a new fiscal stimulus plan, indicators - especially in services - point to a slowdown in activity in the second quarter average; the persistent difficulties in the real estate market also weigh on it. According to forecasts released in June by the OECD, world output growth will stand at 3.0% in 2022, a downward revision of 1.5 percentage points from last December's scenario. This dynamic is affected by the repercussions of the war in Ukraine, the erosion of household purchasing power due to high inflation, and the negative impact of increased uncertainty on private investment. The downward correction was particularly pronounced for Russia, where output contracted by 10%. A total disruption of Russian gas supplies would have significant repercussions on growth, especially in Europe, while other regions would be less impacted by high inflation and weakening European demand. The normalisation of monetary policies poses a particularly pronounced risk for emerging economies, especially those with higher external financing needs, already affected by rising food and commodity prices.

UNITED STATES

The US saw a contraction of economic activity in the first quarter of 2022. Real GDP fell by 0.4%, but while this weak result generally surprised observers, it showed that domestic demand remained relatively solid. At the same time, activity was held back by negative contributions from net exports and changes in inventories. Looking forward, a return to positive, albeit moderate, growth rates is expected in the short to medium term, amid high inflation, a substantial tightening of monetary policy and lower fiscal stimulus.

Due to moderating energy goods prices, overall consumer inflation over the twelve months fell to 8.3% in April, while core inflation fell to 6.2%. Nevertheless, core inflation over the previous month increased by 0.6%, because underlying pressures remain high. In particular, service prices continue to rise steadily, against a backdrop of continuously rising rents and transport costs.

JAPAN

In Japan, the economic recovery stalled in early 2022 with the spread of the Omicron variant and continuing supply-side constraints. A stronger recovery is expected thanks to support from pent-up demand and policies, along with an upturn in global demand and a gradual easing of pressures on supply chains. Economic growth is expected to slow down in the longer term and gradually return to trend values. Twelve-month inflation measured by the CPI is projected to rise in the short term, driven by higher food and energy prices and smaller effects from specific factors, such as reductions in mobile phone charges.

UNITED KINGDOM

In the UK, economic activity recovered from the Omicron wave more markedly than expected. However, the outlook is expected to remain relatively subdued, with the war in Ukraine exacerbating already intense price pressures and supply-side bottlenecks. Consumer confidence deteriorated sharply due to the decline in real disposable household income. Labour market conditions were still tight, and the unemployment rate continued to fall despite the ending of the furlough scheme in September 2021. The projections indicate that supply-side bottlenecks and commodity price increases would drive consumer inflation to significantly higher levels than reported in the study prepared by ECB experts in March 2022, at least until the second quarter of this year.

CHINA

In China, real GDP growth showed resilience in the first quarter of 2022, despite the worst resurgence of coronavirus cases since the beginning of the pandemic. However, the drastic mobility restrictions implemented as part of the zero-Covid strategy and the associated changes in consumer behaviour are expected to affect the business in the second quarter of 2022. More accommodative policies are being implemented to mitigate the negative impact of lockdown measures on economic growth. In particular, the Central Bank of China reduced the benchmark rate on first home loans. It announced that it would intensify its support for development banks to transmit the fiscal stimulus.

EUROZONE

The economic situation in the euro area is still impacted by tensions stemming from the conflict in Ukraine. Growth continued in the second quarter, at a moderate rate; domestic demand is dampened by rising energy commodity prices and new supply difficulties for companies. Consumer inflation rose above 8.6% in June. The Governing Council of the European Central Bank took further steps to normalise monetary policy, ending net purchases of financial assets and announcing its intention to increase official interest rates in July and September. Faced with threats to the functioning of the monetary transmission mechanism, it announced the application of flexibility in reinvestments and acceleration of work on a new instrument to counter market fragmentation. The European Commission has proposed to finance the plan to reduce energy dependency on Russia and accelerate the green transition (REPowerEU) using funds from the Recovery and Resilience Facility so far not requested by member countries.

The most recent economic indicators suggest that the area's GDP grew moderately in the second quarter. In April and May, industrial production increased by 0.5% and 0.8%, respectively, only partially recovering the sharp decline in March, when the effects of the conflict in Ukraine began to show. The PMI index of the manufacturing sector declined in the second quarter, although it remained consistent with an expansion. Business was affected by the marked rise in energy and other raw materials prices and by procurement difficulties for intermediate goods.

According to Eurosystem experts' projections published in early June, GDP would grow by 2.8% in 2022 and 2.1% in the following two years. Estimates were revised downwards for 2022 and 2023 from last March's scenario but upwards for the following year, mainly due to the economic fallout of the war in Ukraine and its gradual overcoming; Downward revisions were also affected by rising interest rate expectations, driven by tightening monetary policies worldwide, especially in the US.

ITALY

In Italy, after barely growing in the first quarter, GDP accelerated in the spring, holding up overall in the face of high uncertainty about developments surrounding the invasion of Ukraine, persistent supply difficulties and sharp rises in energy and food prices. GDP was buoyed by an increase in consumption and, albeit slower than in the previous three months, investment and exports. Activity accelerated in the second quarter, despite rising energy costs and persistent difficulties in the supply of intermediate inputs. GDP is estimated to have grown by about half a percent over the previous period. In particular, the services sector - whose PMI index in June remained higher than at the start of the year - benefited from the improved health situation, allowing the phasing out of anti-pandemic measures, and the strong recovery of tourism-recreation and transport activities. The return to value-added growth in manufacturing and, with a smaller contribution, further expansion in construction also contributed to the increase in output.

BUSINESS SECTOR REVIEW

UCIMU – SISTEMI PER PRODURRE (SYSTEMS TO PRODUCE)

The year 2021 was decidedly positive for the Italian machine tool, robot and automation industry, which recorded double-digit increases for all the leading economic indicators: production, exports, domestic deliveries and consumption. With these results, the Italian industry has once again proved to be one of the leading players on the international scene. In particular, it was fifth in manufacturing, losing one position to the United States, fourth among exporters, and fourth among consumers, climbing one position from last year. In 2022, the positive trend will continue strongly despite the general climate of uncertainty. As a result, the Italian industry is expected to hit new all-time highs for most indicators. This, in a nutshell, is the picture illustrated by UCIMU-SISTEMI PER PRODURRE (the Italian machine tools, robots and automation systems manufacturers' association) president Barbara Colombo at the shareholders' meeting attended by CONFINDUSTRIA president Carlo Bonomi. Barbara Colombo explained: "Today, we live in a paradoxical situation: Italian manufacturers have more orders than ever before but can only produce a fraction of the orders received between the end of 2021 and this first half of 2022. And while the scarcity and price of raw materials are gradually receding as an issue, we will continue to experience difficulties in sourcing electronic components over the coming months. Then there is the problem of spiralling energy costs, a phenomenon that fuels inflation and directly impacts the production costs of many sectors upstream and downstream of the supply chain in which we operate. That is why we consider essential all measures designed, on one hand, to find new energy supply sources and, on the other, to limit the disproportionate rise in prices, to avert a halt in manufacturing activity next autumn." "Added to these problems is the great uncertainty created by the profound transformation affecting the automotive sector and its enormous supply chain for the EU's target of ending production of vehicles with endothermic combustion engines by 2035." "Based on the discussions between the organisations, including UCIMU, participating in the working table managed by the MISE, our government authorities have expressed Italy's clear position on the need to ensure a gradual transition to green vehicle production, for the sake of what we have called technological neutrality." "In Italy, we have a strong and deep-rooted tradition in automotive production, which includes not only vehicle production but also that of components, made mostly by small and medium-sized companies, operating in the supply chains of the automotive sectors all over the world, starting from Germany. We machine tool manufacturers dedicate around 50% of our domestic production to the automotive industry. This enormous macro-sector is an asset that we must absolutely protect, also because it is the product and expression of Italian knowledge and know-how." The president of UCIMU continued: "This is why we really do not want to resist change. We only ask that the measures be properly balanced and that a reasonably timed agenda be drawn up that also allows the reconversion of those plants that, by necessity, will have to turn to new production and alternative sectors, ensuring the related vocational training." "On the other hand, the Italian machine tool industry is extremely aware of the green manufacturing issue. Indeed, the Industry 4.0 transition featured in the latest generation of production technologies provides the answer to the need to deliver solutions and systems that can deliver a sustainable approach to manufacturing." "The "Officina Italia" modernisation has been underway and supported by

the Industry 4.0 incentives that have been in place for more than five years, but the digital transformation of the plants and the expansion of production capacity are certainly not complete and must, therefore, continue. This is why we ask the government authorities to consider a structural measure to incentivise the replacement of obsolete machinery and the introduction of Industry 4.0 technologies and, at the same time, we ask the government to extend and simplify the operation of the training tax credit measure." "People are the critical success factor for our companies. And young people in particular. This is why we consider it essential for the country to make a major investment in all those schools of all levels - vocational schools, technical institutes, ITS, universities and post-graduate courses - whose course of study has a direct connection to the world of manufacturing and high-tech manufacturing in particular. For our part, we businesspeople are committed to building an offer adapted to the needs of today's candidates to be more attractive to new graduates. However, we call for more support from the government authorities to recognise the elimination of the tax wedge, which should be extended to all workers but, pending reasoning on the possible implementation, must necessarily be applied immediately to young hires, to help them join our workforce, which must be able to rely on a necessary generational change." The UCIMU president concluded: "Finally, for a sector that exports half of its production, internationalisation cannot be optional: it is a must, even in particularly complicated times like now. Therefore, we will continue our presence in emerging markets without losing sight of traditional markets." "First, the health emergency and then the war in Ukraine have shown the fragility of a system based on taking the concept of globalisation to extremes. The production and sourcing of goods, even strategic goods, from places that are very distant or with a high level of instability have created quite a few problems for value chains that are now gradually becoming shorter. As a result, European manufacturing is reorganising itself, increasingly favouring geographically and culturally closer supplies and partnerships. We Italian manufacturers must look very carefully at the (European) Union and the United States. Once again, we are using our flexibility and responsiveness to beat our competitors to the punch, repositioning ourselves, now that new spaces are emerging within the new supply chains." "Participation in international trade fairs abroad and in Italy is essential for promoting Italian products in the sector because they attract operators from around the world. That is why we consider all those measures designed to incentivise companies to participate very important. The action taken by trade associations and exhibition centres to emphasise the strategic nature of trade fairs, which are still the most important tool for promoting companies in the sector, has led, among other things, to the insertion of an amendment in the Aid Decree just a few days ago that grants a bonus of 10,000 for Italian companies participating in international fairs held in Italy by the end of 2022."

BIESSE
in collaboration with Factory Unit

L-F
CONCEPT FACTORY



TREND IN THE FIRST HALF OF 2022

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 the 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.

Regarding the direct impact of the conflict on the Group, please note that as of 30 June 2022 the credit exposure to the Russian market was € 2 million and the cash held in roubles was € 4.5 million. Inventories at the Russian subsidiary amounted to € 2.1 million as at 30 June 2022.

Management believes that economic sanctions and geopolitical tensions may have consequences on business development, especially from the second half of 2022 onwards, involving an update on performance forecasts. Company management is continually monitoring the evolution of the armed conflict and the direct and indirect impact it may have on the Russian subsidiary's economic-financial performance, taking this into account in its assessments of the recoverability of the trade receivables and inventories mentioned above. Since the outbreak of the armed conflict, the Group has worked to enable the commercial branch to maintain operations and job levels, despite the difficulties encountered in making machine deliveries to Russia. As at 30 June 2022, the order backlog for the Russian market amounted to € 9 million, in line with the figure as at 31 December 2021.

The reference context is therefore still characterised by significant uncertainties due not only to the spread of Covid-19 variants, which have a substantial impact on the Chinese market but also to the evolution of the international geopolitical context. Nonetheless, the order backlog as at 30 June 2022 and the trend in orders in the first half of 2022 are in line with corporate goals.

At the end of the first half of 2022, the Group's order book was slightly down (-6.3%) compared to the first half of 2021, while the portfolio stood at € 386,391 thousand, virtually unchanged from December 2021.

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

The positive trend is also reflected in the economic performance (with increasing revenues and margins), while the financial performance is affected by the persistent critical issues in the supply chain. Against this backdrop, in the first half of 2022, the Group embarked on a deliberate strategy to minimise the impact of uncertainties in the procurement of materials by providing itself with inventory coverage. This increases trade payables, but this is more than offset by the increase in trade receivables, in line with the trend in sales and inventories.

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



DIGITAL HUB

BEYOND MACHINERY

Production Planning & Control
"SMART CONNECTION"

Sponsors
OPTI NEST

SOLID

PRODUCTION PLANNING & CONTROL

CAD/CAM & OPTIMIZERS

BS AI BN RI

CAD/CAM

Computer-Aided Design

S



MAIN EVENTS OF THE HALF-YEAR

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 this transaction's accounting and tax effects will start on 1 January 2022 without impacting the consolidated financial statements.

On **14 February 2022**, by deed of 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 the Group Consolidated Financial Statements and the Sustainability Report;
- the allocation of the profit for the year 2021 - resolving the distribution of a total gross dividend of 0.624 per share, of which € 0.078 from the profit for the year and € 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.

Please also note that on 19 May 2022, the purchase was finalised of the remaining 40% of the equity investment in Movetro S.r.l.; already fully consolidated Company due to evaluating the possible exercise of the put/call option on the above minority stake. The price of this transaction was substantially in line with the put/call option valuation already recognised in the Group's consolidated financial statements on 31 December 2021.

PARTICIPATION IN THE PAN-EUROPEAN SMALL MID CAP CONFERENCE

Biesse remotely participated 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 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, concerning 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 a tiny 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 potentially affect its business.

BIESSE

VIRTUAL REALITY

Powered by SIGNUM

BIESSE MACHINES ON YOUR SCREEN:
INTERACTIVE ENVIRONMENTALLY FRIENDLY



INCOME STATEMENT HIGHLIGHTS

INCOME STATEMENT AS AT 30 JUNE 2022 HIGHLIGHTING NON-RECURRING ITEMS

EURO 000'S	30 JUNE 2022	% ON SALES	30 JUNE 2021	% ON SALES	CHANGE %
Revenue from sales and services	419,084	100.0%	354,117	100.0%	18.3%
Change in inventories, wip, semi-finished products and finished products	38,319	9.1%	18,183	5.1%	110.7%
Other Revenues	3,698	0.9%	2,296	0.6%	61.1%
Revenue	461,101	110.0%	374,596	105.8%	23.1%
Raw materials, consumables, supplies and goods	(207,060)	(49.4)%	(160,910)	(45.4)%	28.7%
Other operating costs	(72,489)	(17.3)%	(55,500)	(15.7)%	30.6%
Personnel expense	(127,859)	(30.5)%	(117,171)	(33.1)%	9.1%
Gross operating result	53,693	12.8%	41,014	11.6%	30.9%
Depreciation and amortisation	(16,317)	(3.9)%	(16,612)	(4.7)%	(1.8)%
Provisions	(4,111)	(1.0)%	(4,683)	(1.3)%	(12.2)%
Operating result before non recurring items	33,266	7.9%	19,719	5.6%	68.7%
Impairment losses and non recurring-items	-	-	13,999	4.0%	-
Operating result	33,266	7.9%	33,718	9.5%	(1.3)%
Financial income	288	0.1%	216	0.1%	33.3%
Financial expense	(1,253)	(0.3)%	(1,480)	(0.4)%	(15.3)%
Exchange rate income and expenses (net)	(3,327)	(0.8)%	(711)	(0.2)%	-
Pre-tax result	28,973	6.9%	31,743	9.0%	(8.7)%
Income taxes	(9,590)	(2.3)%	(3,317)	0.9%	-
Result for the period	19,383	4.6%	28,426	8.0%	(31.8)%

Please note that interim results set out in the table were not identified as an accounting measure under the International Accounting Standards; therefore, they must not be considered a replacement measure for assessing the Group's performance and result. In addition, please note that the criterion used by the Group to determine interim results may not be consistent with that adopted by other companies and/or groups in the sector and, consequently, these figures may not be comparable.

Revenues for the six months of 2022 amounted to € 419,084,000, compared to € 354,117,000 in 2021, with an overall increase of 18.3% over the previous six months. This increase is attributable to the positive sales trend and the change in the scope of consolidation, which sees, compared to H1 2021, the entry of the subsidiary Forvet S.p.A., acquired at the end of 2021.

Value of production amounted to € 461,101,000, up 23.1% compared to June 2021 (€ 374,596,000). 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 continue to meet demand and substantially in line with the order trend for the first half of 2022.

The following table shows a breakdown of costs as a percentage of the value of production.

EURO 000'S	30 JUNE 2022	%	30 JUNE 2021	%
Revenue	461,101	100.0%	374,596	100.0%
Raw materials and goods	207,060	44.9%	160,910	43.0%
Other operating costs	72,489	15.7%	55,500	14.8%
Service costs	64,123	13.9%	48,980	13.1%
Use of third party assets	1,975	0.4%	1,241	0.3%
Sundry operating expense	6,390	1.4%	5,278	1.4%
Added value	181,552	39.4%	158,186	42.2%

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 (equal to 44.9% against 43.0% at 30 June 2021) due to the increase in raw material costs recorded during 2022. Other operating expenses increased in absolute terms (€ 16,989,000), increasing their percentage weight compared to the first half of 2021 (from 14.8% to 15.7%). This phenomenon is mainly attributable to service costs, which rose from € 48,980 thousand to € 64,123 thousand, an increase of 30.9%. The change is mainly due, taking into account the change in the scope of consolidation that sees, compared to the first half of 2021, the entry of the subsidiary Forvet S.p.A. acquired at the end of 2021, to higher costs for production services, including external processing and transport on acquisitions (up by € 3,837 thousand), consultancy expenses (up by € 1,806 thousand), commissions payable and transport on sales (up by € 8,482 thousand), costs related to participation in trade fairs and events (up by € 330 thousand). In addition to the above-mentioned increases, there were also increases for travel expenses (up by € 1,983 thousand) and utilities (up by € 1,726 thousand) due to the increase in energy and heating costs. Finally, please note that added value as at 30 June 2022 was € 181,552 thousand, up by 14.8% compared to the same period in 2021 (€ 158,186 thousand). As a percentage of the value of production, it improved from 42.2% to 39.4%.

Personnel costs at 30 June 2022 amounted to € 127,859 thousand with an increase in value of € 10,688 thousand compared to the 2021 figure (€ 117,171 thousand, +9.1%). In this regard, please note that during the first half of 2021 the Group had benefited from various forms of welfare cushions and government grants aimed at protecting the Company's workforce.

As at 30 June 2022, **adjusted EBITDA** was € 53,693 thousand (€ 41,014 thousand as at 30 June 2021), up by 30.9%.

Depreciation and amortisation decreased by 1.8% overall (from € 16,612 thousand as at 30 June 2021 to € 16,317 thousand as at 30 June 2021): The component relating to tangible

fixed assets (including rights of use) increased by € 441 thousand (4.8%), while that relating to intangible fixed assets fell by € 737 thousand (-10.0%).

Provisions and impairment amounted to € 4,111 thousand. They included provisions of € 3,899 thousand (mainly attributable to € 1,910 thousand for adjustments to provisions for future risks and charges and € 680 thousand for the adjustment of the product warranty reserve estimate) and impairment write-downs of € 212 thousand, mainly related to intangible assets, including development costs.

Adjusted EBIT was positive at € 33,266 thousand, up 68.7% from the previous half-year (at € 19,719 thousand).

At 30 June 2022, there were no **non-recurring items** in the financial statements.

Regarding financial operations, net financial expense amounted to € 966 thousand, down compared to the figure for June 2021 (€ 1,264 thousand).

Exchange risk management resulted in a net loss of € 3,327 thousand, worsening compared to the € 711 thousand loss in the prior-year period.

The **pre-tax result** was therefore positive at € 28,973 thousand, down from the 2021 figure (€ 31,743 thousand, a result positively affected by € 13,999 thousand of non-recurring items).

The balance of tax items was negative (a charge) for € 9,590 thousand. The negative balance is determined as a result of the following factors: IRES taxes and other deferred taxes (negative for € 4,465 thousand) and IRAP (negative for € 1.352 thousand); provisions for income taxes of foreign companies (€ 3,642 thousand) and taxes relating to previous years (negative for € 132 thousand).

There was a sharp increase in the year-on-year tax rate because in 2021, the sale of the equity investment held in Dongguan Korex Machinery Co. Ltd. (Korex), which had generated a capital gain of € 17,814 thousand tax-free.

The Group, therefore, recorded a **profit for the year** of € 19,383 thousand.

STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

EURO 000'S	30 JUNE 2022	31 DECEMBER 2021
Intangible assets	93,898	97,989
Property, plant and equipment	118,587	117,203
Financial assets	3,995	4,578
Non-current assets	216,480	219,770
Inventories	227,123	179,417
Trade receivables and contract assets	148,874	125,962
Trade payables	(205,746)	(186,660)
Contract liabilities	(141,765)	(127,093)
Net operating working capital	28,486	(8,375)
Post-employment benefits	(11,723)	(13,318)
Provision for risk and charges	(25,403)	(24,850)
Other net payables	(54,741)	(63,274)
Net deferred tax assets	15,614	14,660
Other net liabilities	(76,252)	(86,781)
Net invested capital	168,714	124,614
Share capital	27,403	27,393
Profit for the previous year and other reserves	206,688	186,957
Result for the period	19,341	34,018
Non-controlling interests	247	849
Equity	253,679	249,217
Bank loans and borrowings and loans and borrowings from other financial backers	32,236	29,594
Other financial assets	(7,266)	(27,098)
Cash and cash equivalents	(109,935)	(127,099)
Net financial indebtedness	(84,965)	(124,603)
Total sources of funding	168,714	124,614

Net invested capital amounted to € 168,714 thousand, up compared to 31 December 2021 (€ 124,614 thousand). Compared to 31 December 2021, net fixed assets decreased by about € 3,290,000 due to the fact that depreciation and amortisation are higher than new investments for the period. Net operating working capital increased by € 36,861 thousand compared to 31 December 2021. The change is mainly due to the increase in inventories (€47,706,000), largely at-

tributable to the strategy of minimising the impact of critical issues in the supply chain. This was also confirmed by the increase in trade payables (amounting to € 19,086 thousand). This was more than offset by the increase in trade receivables (of € 22,912 thousand), in line with the trend in turnover, which increased by 18.3% compared to 30 June 2021. Equity amounted to € 253,679 thousand (€ 249,217 thousand as at 31 December 2021).



NET FINANCIAL POSITION

EURO 000'S	AT 30 JUNE 2022	AT 31 MARCH 2022	AT 31 DECEMBER 2021	AT 30 JUNE 2021
Financial assets:	117,201	136,539	154,197	178,143
<i>Current financial assets</i>	7,266	27,141	27,098	27,682
<i>Cash and cash equivalents</i>	109,935	109,398	127,099	150,461
Short-term financial lease payables	(8,524)	(7,194)	(7,384)	(7,876)
Short-term bank loans and borrowings and loans from other financial backers	(7,493)	(5,826)	(5,998)	(34,996)
Short-term net financial position	101,183	123,520	140,815	135,271
Medium/Long-term financial lease payables	(15,508)	(15,179)	(15,320)	(21,303)
Medium/Long-term bank loans and borrowings	(525)	(395)	(680)	(915)
Trade payables and other medium/long-term payables	(185)	(285)	(213)	-
Medium/Long-term net financial position	(16,218)	(15,859)	(16,212)	(22,218)
Total net financial position	84,965	107,661	124,603	113,053

In the Net Financial Position (hereinafter also "NFP") statement at 30/06/2022, 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, please note that these payables amounted to € 238,000 as at 30 June 2021, when the provisions mentioned above had not yet been applied.

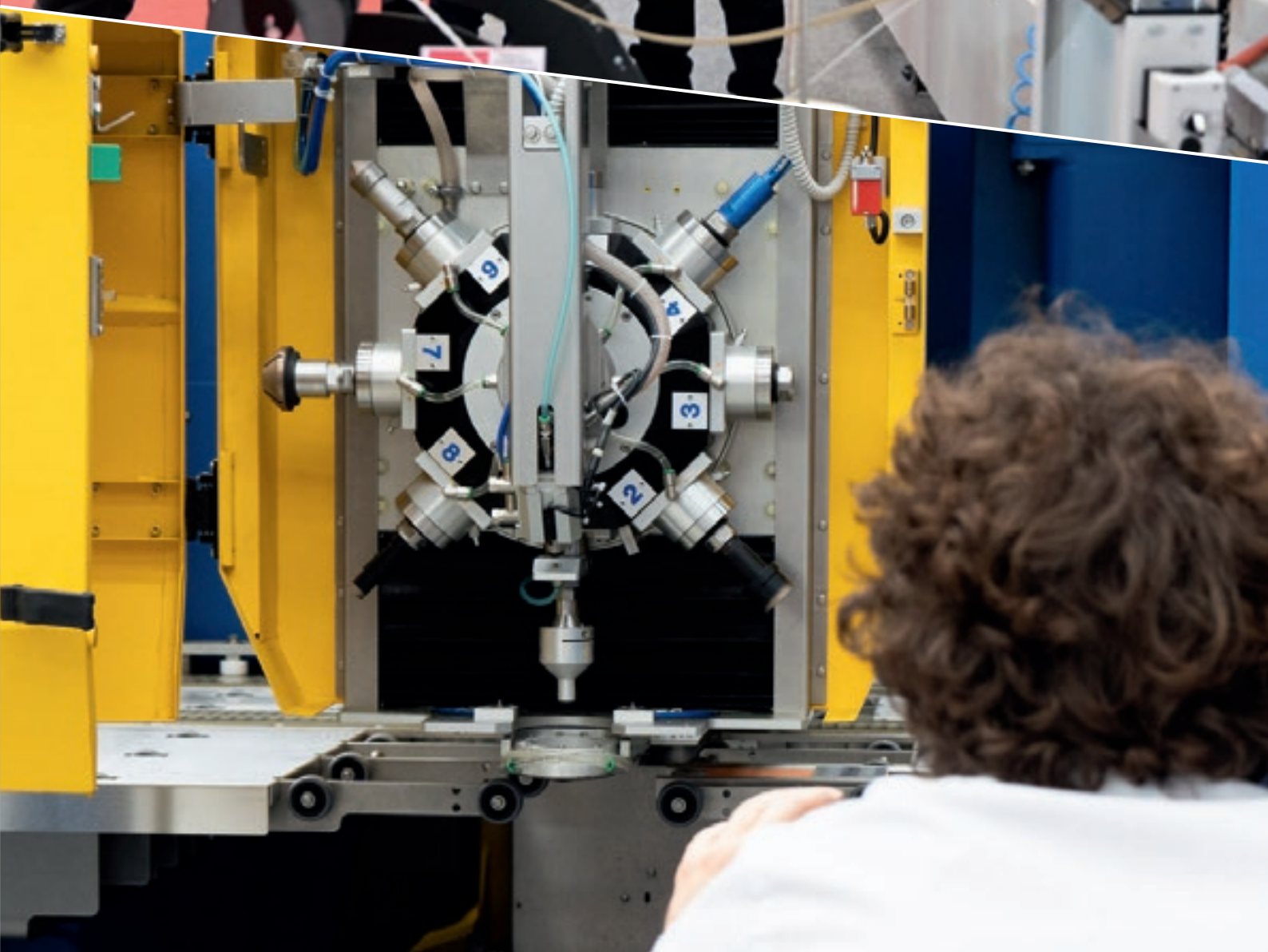
To better represent the Net Financial Position, the fair value of outstanding derivatives has been excluded from financial assets. For comparative purposes, please note that the fair value of derivatives at 30 June 2021 was € 596,000.

The Group's Net Financial Position as at 30 June 2022 was positive at € 84,965 thousand, down from the figure for the same period of the previous year (positive at € 113,053 thou-

sand). Compared to year-end 2021, the indicator decreased by € 39,638 thousand, mainly influenced by the dynamics of net working capital, despite the promising results at operating level and the distribution of dividends during the half year.

For the sake of completeness, please note that, since this case is not specifically regulated, the estimated earn-out liability of € 3 million related to the acquisition of Forvet S.p.A. and due within 12 months does not appear in the Net Financial Position.

At this report's approval date, Biesse S.p.A. has credit lines of € 210.5 million, of which € 85.5 million is revocable and € 125 million committed with duration beyond 12 months. All undrawn cash credit lines are unsecured, free of collateral and/or other constraints.



SEGMENT REPORTING

BREAKDOWN OF REVENUE BY OPERATING SEGMENT

MIGLIAIA DI EURO	30 JUNE 2022	%	30 JUNE 2021	%	VAR% 2022/2021
Segmento Macchine e Sistemi	380,194	90.7%	321,003	90.6%	18.4%
Segmento Meccatronica	56,810	13.6%	48,784	13.8%	16.5%
Elisioni Inter segmento	(17,920)	(4.3)%	(15,670)	(4.4)%	14.4%
Totale	419,084	100.0%	354,117	100.0%	18.3%

RIPARTIZIONE RICAVI PER AREA GEOGRAFICA

MIGLIAIA DI EURO	30 JUNE 2022	%	30 JUNE 2021	%	VAR% 2022/2021
Europa Occidentale	224,875	53.7%	176,782	49.9%	27.7%
Asia – Oceania	49,075	11.7%	47,307	13.4%	3.7%
Europa Orientale	60,396	14.4%	59,263	16.7%	1.9%
Nord America	72,025	17.2%	60,225	17.0%	19.6%
Resto del Mondo	12,712	3.0%	10,542	3.0%	20.6%
Totale Gruppo	419,084	100.0%	354,117	100.0%	18.3%

The breakdown of revenues by operating segment remains substantially unchanged for both the Machine-Systems segment (which accounts for 90.7% of group sales) and the Mechatronics segment, up 18.4% and 16.5%, respectively, compared to the first half of 2021. Looking at the turnover by geographical area, the increase concerned all the geographical areas of reference: Western Europe (27.2%), Asia-Oceania (3.7%), Eastern Europe (1.9%), North America (19.6%) and the Rest of the World (20.6%).

TRANSACTIONS WITH ASSOCIATES, PARENTS AND THE LATTER'S SUBSIDIARIES

As at 30 June 2022, in line with the situation as at 31 December 2021, there were no associates.
Regarding relations with the Parent Company Bi.Fin. S.r.l., please refer to Note 25 in the Notes.

OTHER RELATED-PARTY TRANSACTIONS

The following have been identified as related parties: the Board of Directors, the Board of Statutory Auditors, SEMAR S.r.l., Wirutex S.r.l. and Fincobi S.r.l.

As for transactions with these companies during the first half of the year, please refer to Note 25 in the Notes.



“ATYPICAL AND/OR UNUSUAL” TRANSACTIONS OCCURRING DURING THE SIX-MONTH PERIOD

In the first half of 2022 there were no such transactions.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE AND FULL-YEAR OUTLOOK

Outlook for the remainder of 2022

The reference context is still characterised by significant uncertainties due to the spread of Covid-19 variants and the evolution of the international geopolitical context.

Nonetheless, the order backlog as of 30 June 2022 and the trend in orders during the first half of the year align with corporate goals. Underlining the difficulties in forecasting in an industry that operates on average with a three-month order backlog (source: Acimall), the Directors of Biesse – based on the most respected macro-economic forecasts and the Group’s strategies of product innovation and market penetration, will work resolutely in pursuit of the set objectives.

Based on this scenario, Biesse will continue for all of 2022 to implement with determination the initiatives aimed at containing costs.

The Directors of Biesse believe that, due to the financial strength of the Group and the Company’s forecasts for the foreseeable future, there are no uncertainties, as defined by paragraph 25 of IAS 1, regarding the going concern assumption.

The strategy of the Biesse Group for 2022 can be summarised as follows:

Enhancement of the digitalisation process, which started some years ago and will guarantee digital, automated factories that are interconnected to all customers thanks to software solutions and new advanced services through SOPHIA, the IOT platform developed by the Group that sets up customers with a range of services to simplify and rationalise the management of work, optimising the performance and productivity of technologies used by customers.

Product innovation, thanks to investments in Research & Development, accounting for 3% of annual turnover, the Group enhances its product offer by consolidating the technological solutions that are already in use, in the wood, advanced materials, glass and stone and ceramics sectors, continuing the study and development of new solutions that will contribute to improving technological standards in the reference sectors.

Strengthening of the Network to improve brand awareness in the sectors in which the Group is a recent arrival and has excellent growth potential, such as advanced materials, structural wood and metal. In addition to the new sectors, the Group plans to strengthen its geographic reach, in line with the path of growth and internationalisation of the last twenty years.

Implementation of the One Company model aimed at rationalising and simplifying the organisational structure of the Biesse Group through a) a better focus on clients, their needs and development prospects; b) speeding up business decisions by implementing a comprehensive and integrated management model based on common processes and tools; c) the evolution of the leadership model towards more collaboration, empowerment of people, and ability to manage discontinuity and change.



CONDENSED CONSOLIDATED

Interim financial
statements and financial
statements

AS AT 30 JUNE 2022

 **BIESSEGROUP**

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2022

CONSOLIDATED INCOME STATEMENT

EURO 000'S	NOTE	30 JUNE 2022	30 JUNE 2021
Revenue	5	419,084	354,117
Other operating income		3,698	19,918
Change in inventories of finished goods and work in progress		38,319	18,183
Purchase of raw materials and consumables		(207,060)	(160,910)
Personnel expense	7	(127,859)	(117,171)
Depreciation, amortisation and impairment		(20,427)	(24,919)
Other operating costs		(72,489)	(55,500)
Operating profit		33,266	33,718
Financial income		288	216
Financial expense		(1,253)	(1,480)
Exchange rate income and expenses (net)	8	(3,327)	(711)
Pre-tax profit		28,973	31,743
Income taxes	9	(9,590)	(3,317)
Half year result		19,383	28,426
Attributable to owners of the parent		19,341	28,312
Attributable to non-controlling interests		42	114
Earnings per share	10	0,71	1,03
Diluted (€/cents)	10	0,71	1,03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURO 000'S	NOTE	30 JUNE 2022	30 JUNE 2021
Half year result		19,383	28,426
Translation differences of foreign operations	17	2,532	(525)
Profit/Loss on financial asset at fair value OCI		51	80
Taxes on profit/(losses) on financial assets at fair value OCI		(12)	(19)
Total components that will or can be reclassified in the half-year income statement		2,570	(464)
Measurement of liabilities (asset) defined-benefit plans net		1,031	126
Income taxes not on other comprehensive income		(245)	(30)
Total components that will not be reclassified in the income statement for the half year		786	96
Total comprehensive income for the half year		22,739	28,065
Attributable to:			
Non-controlling interests		31	112
Owners of the parent		22,708	27,952

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EURO 000'S	NOTE	30 JUNE 2022	31 DECEMBER 2021
ASSETS			
Equipment and other items of property, plant and equipment			
Property, plant and equipment	12	112,374	117,203
Goodwill	13	46,872	46,694
Other intangible assets	12	47,026	51,296
Deferred tax assets	9	24,329	23,763
Other financial assets and receivables (including derivatives)		3,855	4,440
Other receivables		139	137
Total non current assets		234,595	243,533
Inventories	14	227,123	179,417
Trade receivables and contract assets	15	148,874	125,962
Other receivables		18,429	18,774
Other financial assets and receivables (including derivatives)		8,123	27,991
Cash and cash equivalents		109,935	127,099
Total current assets		512,483	479,242
TOTAL ASSETS AVAILABLE FOR SALE	12	6,213	-
TOTAL ASSETS		753,291	722,774

EURO 000'S	NOTE	30 JUNE 2022	31 DECEMBER 2021
LIABILITIES			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	27,403	27,393
Reserves	17, 18	206,688	186,957
Profit/Loss for the period		19,341	34,018
Equity attributable to the owners of the parent		253,431	248,368
Non-controlling interests		247	849
TOTAL EQUITY		253,679	249,217
Financial liabilities	19	16,033	16,000
Post-employment benefits		11,723	13,318
Deferred tax liabilities		8,714	9,102
Provisions for risks and charges	23	550	484
Other liabilities		185	4,195
Total non current liabilities		37,205	43,099
Financial liabilities	19	16,017	13,382
Provisions for risks and charges	23	24,853	24,366
Trade payables	20	205,746	186,660
Contract liabilities	21	141,765	127,093
Other liabilities		64,710	68,787
Income tax liability		9,316	10,170
TOTAL CURRENT LIABILITIES		462,407	430,459
LIABILITIES		499,612	473,557
TOTAL EQUITY AND LIABILITIES		753,291	722,774

* Under Consob Resolution No. 15519 of 27 July 2006, the effects of related-party transactions and non-recurring transactions on the Statement of Financial Position are shown in the relevant statement in Annex 1

CONSOLIDATED STATEMENT OF CASH FLOWS

EURO 000'S	NOTE	30 JUNE 2022	30 JUNE 2021
OPERATING ACTIVITIES			
Profit for the year		19,383	28,426
<i>Change for:</i>			
Income taxes		9,590	3,317
Depreciation and amortisation of current and non-current owned assets		11,876	12,469
Depreciation and amortisation of current assets in leasing		4,441	4,143
Gains/losses from sales of property, plant and equipment		(25)	(17,680)
Impairment losses on intangible assets		212	1,624
Accrual to post-employment benefits		5,408	6,683
Income from investment activities		0	(48)
Net Financial expense		5,513	1517
SUBTOTAL OPERATING ACTIVITIES		56,398	40,450
Change in trade receivables and contract assets		(24,639)	(1,402)
Change in inventories		(44,040)	(28,654)
Change in trade payables and contract liabilities		27,729	44,201
Change in post-employment benefits and in others funds		(4,138)	(346)
Other changes in operating assets and liabilities		(4,006)	1,495
CASH FLOW CASH FLOW GENERATED / (ABSORBED) BY OPERATING ACTIVITIES		7,303	55,745
Tax paid		(12,166)	(2,247)
Interest paid		(677)	(1,300)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(5,540)	52,198
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(4,537)	(3,118)
Acquisition of intangible assets		(2,566)	(4,398)
Investments in other companies		(2)	
Cash flow from acquisition of investments in subsidiaries		(3,150)	
Cash flow from sale of investments in subsidiaries		0	22,087
Changes in other financial assets		19,883	(76)
INTEREST RECEIVED		0	48
NET CASH FLOWS USED IN INVESTING ACTIVITIES		9,628	14,544
FINANCING ACTIVITIES			
Loan refunds and changes in overdrafts		(743)	(75,616)
Finance lease payments		(4,064)	(3,995)
Purchase of additional controlling shares		(1,173)	(550)
OTHER CHANGES		0	44
DIVIDENDS PAID		(16,922)	
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(22,901)	(80,116)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(18,814)	(13,374)
OPENING CASH AND CASH EQUIVALENTS		127,099	163,425
Effect of exchange rate fluctuations on cash held		1,649	410
CLOSING CASH AND CASH EQUIVALENTS		109,935	150,462

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURO 000'S	ATTRIBUTABLE TO THE OWNERS OF THE PARENT									
	SHARE CAPITAL	HEDGING AND TRANSLATION RESERVES	ACTUARIAL RESERVE	OCI RESERVES	EQUITY RESERVES	OTHER RESERVES	PROFIT FOR THE PERIOD	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Opening balances at 01/01/2021	27,393	(12,293)	(5,146)		36,202	165,336	2,531	214,022	790	214,812
Other comprehensive income		(525)	104	61				(360)	(1)	(362)
Profit for the year at 30 giugno 2021							28,312	28,312	114	28,426
Total comprehensive income/expense for the year		(525)	104	61			28,312	27,952	112	28,065
Allocation of profit for the previous year						2,531	(2,531)			
Transactions with non-controlling shareholders			(8)			(295)		(303)	(247)	(550)
Other changes						(4)		(4)	(3)	(7)
Closing balances at 30/06/2021	27,393	(12,819)	(5,050)	61	36,202	167,568	28,312	241,667	652	242,319

EURO 000'S	ATTRIBUTABLE TO THE OWNERS OF THE PARENT									
	SHARE CAPITAL	HEDGING AND TRANSLATION RESERVES	ACTUARIAL RESERVE	OCI RESERVES	EQUITY RESERVES	OTHER RESERVES	PROFIT FOR THE PERIOD	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Opening balances at 01/01/2022	27,393	(11,162)	(5,597)	75	36,202	167,439	34,018	248,368	849	249,217
Other comprehensive income		2,543	786	39				3,367	(11)	3,356
Profit for the period at 30 giugno 2022							19,341	19,341	42	19,383
Total comprehensive income/expense for the year		2,543	786	39			19,341	22,708	31	22,739
Dividend payout						(14,958)	(2,142)	(17,099)		(17,099)
Allocation of profit for the previous year						31,876	(31,876)			
Transactions with minority shareholders	10		(10)			(539)		(540)	(633)	(1,173)
Other changes						(5)		(5)		(5)
Closing balances at 30/06/2022	27,403	(8,619)	(4,822)	113	36,202	183,814	19,341	253,431	247	253,679



NOTE

to the condensed
consolidated interim
financial statements



KUKA
System powered electronically

BIESSE

DIGITAL
HUB

MACHINERY

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The subject preparing the financial statements

Biesse S.p.A. (hereinafter the "Company" or the "Parent Company") is an Italian company, with registered office in Pesaro, Via della Meccanica 16.

Biesse Group (hereinafter the "Group") operates in the mechanical engineering sector and is fully controlled by BI.Fin. S.r.l., a company active in the production and sale of machinery and systems for working wood, glass and stone. Biesse S.p.A. is listed on the Milan Stock Exchange in the Euronext Star segment.

Reporting criteria

The currency in which the Financial Statements are presented is the Euro. Balances are expressed in thousands of Euros, unless otherwise stated. Please also note that some differences might be found in tables due to the rounding of values shown in thousands of Euro.

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on 29 July 2022 and were subject to a limited audit by Deloitte & Touche S.p.A.

Scope of consolidation

The consolidated statement of financial position and income statement as at 30 June 2022 include the financial statements of the Parent Company Biesse S.p.A. and of its subsidiaries, which are listed below.

LIST OF COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

NAME AND REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	DIRECTLY CONTROLLED	INDIRECTLY CONTROLLED	OWNERSHIP VEHICLE	BIESSE GROUP
PARENT COMPANY						
Biesse S.p.A. Via della Meccanica, 16 Loc. Chiusa di Ginestreto (PU) - Italy	EUR	27,402,593				
ITALIAN SUBSIDIARIES:						
HSD S.p.A. Via della Meccanica, 16 Loc. Chiusa di Ginestreto (PU) - Italy	EUR	1,141,490	100%			100%
Bre.Ma. Brenna Macchine S.r.l. Via Manzoni, snc Alzate Brianza (CO) - Italy	EUR	70,000	98%			98%
Uniteam S.p.A. Via della Meccanica 12 Thiene (VI) - ITALY	EUR	390,000	100%			100%
Montesor & Co. S.r.l. Via Francia, 13 Villafranca (VR) - Italy	EUR	1,000,000	60%			60%
Movetro S.r.l. Via Marco Polo, 12 Carmignano di Sant'Urbano (PD) - Italy	EUR	51,000	60%			100% ¹

NAME AND REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	DIRECTLY CONTROLLED	INDIRECTLY CONTROLLED	OWNERSHIP VEHICLE	BIESSE GROUP
FOREIGN SUBSIDIARIES:						
Biesse America Inc. 4110 Meadow Oak Drive Charlotte, North Carolina – USA	USD	11,500,000	100%			100%
Biesse Canada Inc. 18005 Rue Lapointe – Mirabel (Quebec) – Canada	CAD	180,000	100%			100%
Biesse Group UK Ltd. Lampport Drive Daventry Northamptonshire - Great Britain	GBP	655,019	100%			100%
Biesse France Sarl 4, Chemin de Moninsable Brignais – France	EUR	1,244,000	100%			100%
Biesse Group Deutschland GmbH Gewerberstrasse, 6 Elchingen (Ulm) – Germany	EUR	1,432,600	100%			100%
Biesse Schweiz GmbH Luzernerstrasse 26 6294 Ermensee – Switzerland	CHF	100,000		100%	Biesse G. Deutschland GmbH	100%
Biesse Austria GmbH Am Messezentrum, 6 Salisburgo – Austria	EUR	685,000		100%	Biesse G. Deutschland GmbH	100%
Biesservice Scandinavia AB Maskinvagen 1 Lindas – Sweden	SEK	200,000	60%			50%
Biesse Iberica Woodworking Machinery s.l. C/De La Imaginació, 14 Poligon Ind. La Marina – Barcellona – Spain	EUR	699,646	100%			100%
WMP- Woodworking Machinery Portugal, Unipessoal Lda Sintra Business Park, 1 São Pedro de Penaferrim, Sintra – Portugal	EUR	5,000		100%	Biesse Iberica W. M. s.l.	100%
Biesse Group Australia Pty Ltd. 3 Widemere Road Wetherill Park Sydney – Australia	AUD	15,046,547	100%			100%
Biesse Group New Zealand Ltd. Unit B, 13 Vogler Drive Manukau Auckland – New Zealand	NZD	3,415,665	100%			100%
Biesse Manufacturing Co. Pvt. Ltd. Jakkasandra Village, Sondekoppa rd. Nelamanga Taluk, Bangalore – India	INR	1,224,518,391	100%			100%
Biesse Asia Pte. Ltd. Zagro Global Hub 5 Woodlands Terr. – Singapore	EUR	1,548,927	100%			100%
Biesse Indonesia Pt. Jl. Kh.Mas Mansyur 121 Jakarta – Indonesia	IDR	2,500,000,000		100%	Biesse Asia Pte. Ltd.	100%
Biesse Malaysia SDN BHD No. 5, Jalan TPP3 47130 Puchong -Selangor – Malaysia	MYR	5,000,000		100%	Biesse Asia Pte. Ltd.	100%

NAME AND REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	DIRECTLY CONTROLLED	INDIRECTLY CONTROLLED	OWNERSHIP VEHICLE	BIESSE GROUP
Biesse Korea LLC Geomdan Industrial Estate, Oryu-Dong Seo-Gu, Incheon – South Korea	KRW	100,000,000		100%	Biesse Asia Pte. Ltd.	100%
Biesse (HK) Ltd. Room 1530, 15/F, Langham Place, 8 Argyle Street Mongkok, Kowloon – Hong Kong	HKD	325,952,688	100%			100%
Biesse Trading (Shanghai) Co. Ltd. Room 301, No.228, Jiang Chang No.3 Road Zha Bei District – Shanghai – China	RMB	76,000,000		100%	Biesse (HK) LTD	100%
Intermac do Brasil Comercio de Maquinas e Equipamentos Ltda. Andar Pilotis Sala, 42 San Paolo – 2300 – Brazil	BRL	12,964,254	100%			100%
Biesse Turkey Makine Ticaret Ve Sanayi A.S. Şerifali Mah. Bayraktar Cad. Nutuk Sokak No:4 Ümraniye, Istanbul – Turkey	TRY	45,500,000	100%			100%
OOO Biesse Group Russia Mosrentgen area, settlement Zavoda Mosrentgen, Geroya Rossii Solomatina street, premises 6, site 6, office 3, 108820 Moscow - Russian Federation	RUB	59,209,440	100%			100%
Biesse Gulf FZE Dubai, Free Trade Zone United Arab Emirates	AED	6,400,000	100%			100%
Biesse Taiwan 6F-5, No. 188, Sec. 5, Nanking E. Rd. Taipei City 105 – Taiwan (ROC)	TWD	500,000		100%	Biesse Asia Pte Ltd.	100%
Biesse Japan K.K. C/O Mazars Japan K.K., ATT New Tower. 11F, 2-11-7, Akasaka, Minato-ku, Tokyo – Japan	JPY	5,000,000		100%	Biesse Asia Pte Ltd.	100%
HSD Mechatronic (Shanghai) Co. Ltd. D2, 1st floor, 207 Taiguroad, Waigaoqiao Free Trade Zone Shanghai – China	RMB	2,118,319		100%	Hsd S.p.A.	100%
Hsd Usa Inc. 3764 SW 30th Avenue Hollywood, Florida – USA	USD	250,000		100%	Hsd S.p.A.	100%
HSD Mechatronic Korea LLC 414, Tawontakra2, 76, Dongsan-ro Danwon-gu, Ansan-si 15434 – South Korea	KWN	101,270,000		100%	Hsd S.p.A.	100%
HSD Deutschland GmbH Brükenstrasse, 2 Gingen – Germany	EUR	25,000		100%	Hsd S.p.A.	100%

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. (effective from 01/01/2022) and the purchase of an additional shareholding in Montresor S.r.l. (through which its controlling interest increased from 60% to 100%) which took place in February 2022.

Please also note that the purchase of the remaining 40% of the equity investment in Movetro S.r.l. was finalised in May 2022. This transaction did not entail a change in the scope of consolidation as the Company was still consolidated at 100% because it was considered possible to exercise the put/call option on the aforementioned minority interest. The price of this transaction was substantially in line with the put/call option valuation already recognised in the Group's consolidated financial statements on 31 December 2021.

2. DECLARATION OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS, BASIS OF PRESENTATION AND CONSOLIDATION AND FOREIGN CURRENCY TRANSLATION PRINCIPLES

Statement of compliance with international financial reporting standards and general standards

The Condensed Consolidated Interim Financial Statements have been prepared in compliance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standard Board ("IASB") and endorsed by the European Union, as well as with the implementing provisions issued pursuant to Art. 9 of Italian Law Decree 38/2005 and the CONSOB regulations and provisions regarding financial statements.

The Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis, with the exception of derivative financial instruments, held-for-sale financial assets and financial instruments classified as available for sale, which are measured at fair value; the financial statements have also been prepared on a going concern basis. This disclosure was prepared in compliance with the provisions of Consob (Commissione Nazionale per le Società e la Borsa – the regulatory authority for the Italian securities' market), with particular reference to resolutions No. 15519 and 15520 of 27 July 2006 and to communication No. DEM6064293 of 28 July 2006.

The condensed consolidated interim financial statements were prepared in compliance with IAS 34 - Interim Financial Reporting. The accounting standards applied were the same as those already adopted for preparing the consolidated financial statements as at 31 December 2021, to which reference is made for completeness. Any exceptions are described in section 3.1 below "Accounting standards, amendments and IFRS interpretations effective as from 1 January 2022", with the specification that the changes introduced at IFRS level did not have any impact.

The figures shown in these condensed consolidated interim financial statements are comparable with the same period of the previous year.

Financial statements

All statements conform to the minimum content requirements set by the International Financial Reporting Standards and the applicable provisions laid down by national legislation and the CONSOB, and consist of:

Consolidated Income Statement

Expenses are classified based on their nature, highlighting interim results with respect to operating and pre-tax profit. Operating profit is calculated as the difference between net revenue from sales and services and operating expense (including non-cash costs relating to depreciation, amortisation and impairment losses on current and non-current assets, net of any reversal of impairment losses) and including capital gains and losses on the sale of non-current assets. Compared to the income statement structure adopted until 31 December 2021, the Group saw fit to separately disclose the impact arising from exchange rates gains and losses without affecting the representation of interim and final results.

Consolidated Statement of Comprehensive Income

This statement includes the components that make up the result for the year and the items of income and expense recognised directly in Equity arising from transactions other than those carried out with shareholders.

Consolidated Statement of Financial Position

This statement shows a breakdown of current and non-current assets and liabilities, with the description in the Notes – for each item of assets and liabilities – of the amounts that are expected to be settled or recovered within or after 12 months from the reporting date.

An asset/liability is considered to be current when it satisfies any of the following criteria:

- it is expected to be recovered/settled or intended for sale or consumption in the Group's normal operating cycle
- it is held primarily to be traded
- it is expected to be recovered/settled within 12 months after the reporting date
- in the absence of all three conditions, the assets/liabilities are classified as non-current.

Consolidated Statement of Changes in Equity

This statement shows the changes in equity items related to:

- the allocation of the Parent Company's and subsidiaries' profit for the year to non-controlling interests;
- amounts relating to transactions with shareholders (purchase and sale of treasury shares);
- any gains or losses net of any tax effects which, as required by IFRSs, are either recognised directly in equity (gains or losses from trading of treasury shares, actuarial gains or losses arising from the measurement of defined-benefit plans) or have an offsetting entry under equity (share-based payments for stock option plans);
- changes in valuation reserves relating to derivative instruments hedging future cash flows, net of any tax effects.

Consolidated Statement of Cash Flows

The Statement of Cash Flows is prepared using the indirect method, whereby net profit (loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Income and expense relating to interests, dividends received, and income taxes are classified as cash flows according to the underlying transaction that generated them.

Cash and cash equivalents recognised in the statement of cash flows include the balance of this item at the reporting date. Foreign currency cash flows have been translated at the average exchange rate for the period.

Lastly, please note that, concerning Consob Resolution No. 15519 of 27 July 2006, the format of financial statements, specific additional income statement and statement of financial position were included, highlighting significant related-party transactions, to improve the readability of the information.

The statements used are considered adequate for fair presentation of the Group's financial position, results of operations and cash flows. In particular, it is believed that the income statements reclassified by nature provide reliable and relevant information for a correct representation of the Group's economic performance.

The average and final foreign exchange rates used for accounting purposes were as follows:

Currency	30 JUNE 2022		31 DECEMBER 2021		30 JUNE 2021	
	Closing	Final	Closing	Final	Closing	Final
US Dollar / Euro	1.0934	1.0387	1.1827	1.1326	1.2053	1.1884
Brazilian Real / Euro	5.5565	5.4229	6.3779	6.3101	6.4902	5.9050
Canadian Dollar / Euro	1.3900	1.3425	1.4826	1.4393	1.5030	1.4722
Pound Sterling / Euro	0.8424	0.8582	0.8596	0.8403	0.8680	0.8581
Swedish Krone / Euro	10.4796	10.7300	10.1465	10.2503	10.1308	10.1110
Australian Dollar / Euro	1.5204	1.5099	1.5749	1.5615	1.5626	1.5853
New Zealand Dollar / Euro	1.6491	1.6705	1.6724	1.6579	1.6810	1.7026
Indian Rupee / Euro	83.3179	82.1130	87.4392	84.2292	88.4126	88.3240
Chinese Renminbi Yuan / Euro	7.0823	6.9624	7.6282	7.1947	7.7960	7.6742
Swiss Franc / Euro	1.03	1.00	1.08	1.03	1.09	1.10
Indonesian Rupiah / Euro	15798.5500	15552.0000	16920.7200	16100.4200	17225.8200	17280.3000
Hong Kong Dollar /Euro	8.5559	8.1493	9.1932	8.8333	9.3551	9.2293
Malaysian Ringgit /Euro	4.67	4.58	4.90	4.72	4.94	4.93
South Korean Won /Euro	1347.8400	1351.6000	1354.0600	1346.3800	1347.5400	1341.4100
Turkish Lira/Euro	16.2579	17.3220	10.5124	15.2335	9.5226	10.3210
Russian Rouble/Euro	56.3548	56.3548	87.1527	85.3004	89.5502	86.7725
UAE Dirham/Euro	4.0155	3.8146	4.3436	4.1595	4.4266	4.3644
Taiwan Dollar/Euro	31.3697	30.8788	33.0361	31.3671	33.7755	33.1584
Japanese Yen/Euro	134.3071	141.5400	129.8767	130.3800	129.8681	131.4300
Israeli Shekel/Euro	3.5765	3.6392	3.8208	3.5159	3.9373	3.8763

3. MEASUREMENT CRITERIA, USE OF ESTIMATES AND RECLASSIFICATIONS

Preparing the Condensed Consolidated Interim Financial Statements and related notes pursuant to IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosures relating to contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on historical experience, and other factors deemed as material. In preparing these Condensed Consolidated Interim Financial Statements, Management also considered the impact of the ongoing Covid-19 pandemic, including in terms of forward-looking analyses/estimates, by relying on leading external sources of information as required. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis and the effect of any resulting changes is reflected in the income statement in the reporting period in which the estimates are reviewed if the review affects only that reporting period, or also in subsequent reporting periods if the review affects both the current year and future years.

The Directors assessed the going concern assumption and did not find any uncertainties regarding its continuing in the foreseeable future.

A summary follows of the critical judgements and the key assumptions made by Management in applying the accounting standards with regard to the future and which may have a significant impact on the amounts recognised in the consolidated financial statements or have the risk of resulting in material adjustments to the carrying amount of assets and liabilities in the following financial year.

Allowance for impairment

The allowance for impairment reflects Management's estimates of impairment losses on the portfolio of receivables due from end customers and the sales network. The estimate of the allowance for impairment is based on losses expected by the Group, calculated based on past experience for similar receivables, current and historical overdue receivables, losses and collections, the careful monitoring of credit quality, and projections of economic and market conditions, also taking into account uncertainties related to significant events (as in the case of Covid-19) from a forward-looking perspective and that of the current Russian geopolitical situation.

Allowance for inventory write-downs

The allowance for inventory write-downs reflects the Management's estimate of impairment losses expected by the Group. It is calculated based on experience as well as historical and expected trends in the market for second-hand equipment and spare parts and any losses due to specific activities implemented by the companies included in the scope of consolidation (as, for example, the Russian subsidiary).

Recoverable amount of non-current assets (including goodwill)

Non-current assets include property, plant and equipment, intangible assets (including goodwill), equity investments and other financial assets. When events and circumstances call for such review, management regularly reviews the carrying amount of non-current assets owned and used and of assets to be disposed of. For goodwill and intangible assets with an indefinite useful life, this analysis is carried out at least once a year and whenever events and circumstances so require. The

analysis of the recoverability of non-current assets' carrying amount is generally performed using estimates of cash flows expected from the use or sale of the assets and appropriate discount rates to calculate their present value. When the carrying amount of a non-current asset is impaired, the Group recognises an impairment loss equal to the difference between the carrying amount of the asset and the amount recoverable through its use or sale calculated with reference to the cash flows projections in the Group's latest plans.

Product Warranties

When a product is sold, the Group provides for the relevant estimated warranty costs (annual and multi-year). Management establishes the amount of this provision based on historical information regarding the nature, frequency and average cost of repairs under warranty. The Group is working to improve product quality and to minimise the cost of repairs under warranty.

Pension plans and other post-employment benefits

The provisions for employee benefits, the relevant assets, costs and net finance expenses are measured with an actuarial method that uses estimates and assumptions for measuring the net value of the liability or asset. The actuarial method considers financial variables such as, for instance, the discount rate or the long-term expected return on plan assets and the growth rates of salaries, and considers the probability that potential future events will occur using demographic variables such as, for instance, mortality rates and employee turnover or retirement rates.

More precisely, the discount rates taken as reference are the rates or rate curves on high-quality corporate bonds (Euro Composite AA interest-rate curve) in the respective reference markets. The expected return on assets is calculated based on the different data provided by experts on long-term expectations of capital market yields, inflation, current yield on bonds, and other variables. It may be adjusted to take account of the asset investment strategies. The rates of future salary increases reflect the Group's long-term expectations for the reference markets and the trend in inflation. Any change in these variables may affect future contributions to the provisions.

Commercial, legal and tax disputes

The Group is subject to legal and tax claims regarding a wide range of issues that are within the jurisdiction of various countries. Owing to the uncertainties inherent to these issues, it is hard to estimate the outflow of resources that could arise from said disputes. The claims and disputes against the Group frequently arise from complex and difficult legal issues, subject to varying degrees of uncertainty, including the facts and circumstances inherent to each case and the jurisdiction and the different laws applicable to each case. In the ordinary course of business, Management consults with its own legal advisors as well as legal and tax experts. The Group recognises a liability for said disputes when it deems it probable that an outflow of financial resources will be required to settle the obligation and the relevant amount can be measured reliably. If a financial outlay becomes probable but its amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Contingent liabilities

The Group is subject to legal and tax claims regarding a wide range of issues that are within the jurisdiction of various countries. Owing to the uncertainties inherent to these issues, it is hard to estimate the outflow of 32 resources that could arise from said disputes. The claims and disputes against the Group frequently arise from complex and difficult legal issues, subject to varying degrees of uncertainty, including the facts

and circumstances inherent to each case and the jurisdiction and the different laws applicable to each case. In the ordinary course of business, Management consults with its own legal advisors as well as legal and tax experts.

The Group recognises a liability for said disputes when it deems it probable that an outflow of financial resources will be required to settle the obligation and the relevant amount can be measured reliably. If a financial outlay becomes probable but its amount cannot be determined, this fact is disclosed in the notes to the financial statements.

4. ADOPTION OF NEW ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS

a) ACCOUNTING STANDARD, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED AS OF 1 JANUARY 2022

The following accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union have been applied as of 1 January 2022.

- On 14 May 2020, the IASB issued the following amendments:
 - **Amendments to IFRS 3 Business Combinations:** the amendments are intended to update the reference in IFRS 3 to the revised version of the Conceptual Framework without changing the standard's requirements.
 - **Amendments to IAS 16 Property, Plant and Equipment:** the amendments are intended to prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is testing the asset. Instead, a company will recognise such sales proceeds and the relevant costs in profit or loss.
 - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** the amendments specify that when assessing whether a contract will be loss-making, a company must consider all costs directly attributable to the contract. Therefore, when assessing whether a contract will be loss-making a company must consider not only incremental costs (such as direct material costs), but also all costs that the Company cannot avoid because of the contract's existence (such as the depreciation charge for equipment used to fulfil the contract).
 - **Annual Improvements 2018-2020:** the IASB made amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture, and the Illustrative Examples of IFRS 16 Leases.

The adoption of this amendment had no impact on the consolidated financial statements of the Group.

b) ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT YET ADOPTED IN ADVANCE BY THE GROUP AS AT 30 JUNE 2022

- On 18 May 2017, the IASB issued IFRS 17 – Insurance Contracts, which will replace IFRS 4 – Insurance Contracts.

The new standard aims to guarantee that an entity provides relevant information that faithfully represents the rights and obligations arising from the insurance contracts issued. The IASB developed the Standard to eliminate inconsistencies and weaknesses in existing accounting practices by providing a single principle-based framework to account for all insurance

contracts, including an insurer's reinsurance contracts.

The Standard also specifies presentation and disclosure requirements to enhance comparability between entities in this industry.

The new standard measures an insurance contract under either the General Model or a simplified version, called the Premium Allocation Approach ("PAA").

The main features of the General Model are:

- estimates and assumptions of future cash flows are always current;
- measurement reflects the time value of money;
- estimates make maximum use of observable market consistent information;
- there is a current and explicit measurement of risk
- expected profit is deferred and aggregated in groups of insurance contracts at initial recognition; and,
- expected profit is recognised over the coverage period after adjustments from changes in the cash flow assumptions related to each Group of contracts.

Under PAA, an entity may measure the liability for remaining coverage of a group of insurance contracts on the condition that, at initial recognition, the entity reasonably expects that this liability will be an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach. The simplifications derived from applying the PAA approach do not apply to the valuation of liabilities for outstanding claims, which are measured with the General Model. However, there is no need to discount those cash flows if the balance is expected to be paid or received in one year or less from the date the claims are incurred.

An entity shall apply the Standard to issued insurance contracts, including reinsurance contracts issued, reinsurance contracts held, and also to investment contracts with a discretionary participation feature (DPF).

The standard is applicable from 1 January 2023, but early adoption is permitted only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. The Directors do not expect the adoption of these amendments to have a significant impact on the consolidated financial statements of the Group.

- On 12 February 2021, the IASB issued two amendments: **"Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2"** and **"Definition of Accounting Estimates—Amendments to IAS 8"**. The amendments seek to improve accounting policy disclosures to provide more helpful information to investors and other primary users of the financial statements and help companies distinguish changes in accounting estimates from changes in accounting policies.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. The Directors do not expect the adoption of these amendments to have a significant impact on the consolidated financial statements of the Group.

c) ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

At the reporting date, the relevant authorities of the European Union have not yet completed the necessary endorsement process for the adoption of the amendments and standards mentioned above.

- On 23 January 2020, the IASB issued "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current". The document is intended to clarify how to classify debts and other liabilities as current or non-current.

The changes will be effective from 1 January 2023; however, early application is allowed. The Directors do not expect the adoption of this amendment to have a significant impact on the consolidated financial statements of the Group.

- On 7 May 2021, the IASB issued "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how companies should account for deferred tax on transactions that could generate assets and liabilities of equal amounts, such as leases and decommissioning obligations.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. The Directors do not expect the adoption of this amendment to have a significant impact on the consolidated financial statements of the Group.

- On 9 December 2021, the IASB published an amendment called "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment is a transition option relating to comparative information about financial assets presented at the date of the initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and insurance contract liabilities and thus improve the usefulness of comparative information for readers of financial statements.

The amendments will apply from 1 January 2023, with the application of IFRS 17. The Directors do not expect a material effect on the Group's consolidated financial statements from adopting this amendment.

- On 30 January 2014, the IASB issued IFRS 14 - Regulatory Deferral Accounts, which allows an entity that is a first-time adopter of IFRS to continue to account for Rate-Regulated Activities in compliance with the previous accounting standards adopted. Since the Group is not a first-time adopter, this standard is not applicable.

5. REVENUE AND ANALYSIS BY OPERATING SEGMENT AND GEOGRAPHICAL AREA

Analysis by operating segment

IFRS 8 - Operating Segments - defines an operating segment as an entity:

- that engages in business activities generating both revenues and expenses;
- whose operating results are reviewed regularly by the chief decision maker; and;
- for which discrete financial information is available

In particular, the Group monitors the business's performance in the following two Operating Segments, as it did in the same period last year:

- Machines and Systems – production, distribution, installation, and after-sales service of wood, glass, stone, and advanced materials processing machines, grinders, tools, components, and systems;
- Mechatronics – production and distribution of industrial mechanical and electronic components.

Revenue

The information relating to the revenues of the Operating Segments mentioned above is as follows:

EURO 000'S	AT 30 JUNE			
	2022	%	2021	%
Machines and Systems Division	380,194	90.7%	321,003	90.6%
Mechatronics Division	56,810	13.6%	48,784	13.8%
Inter-segment eliminations	(17,920)	(4.3)%	(15,670)	(4.4)%
Total	419,084	100.0%	354,117	100.0%

Net revenue for the first half of 2022 totalled € 419,084,000, compared to € 354,117,000 as at 30 June 2021, with an overall increase of 18.3% over the same period last year. As previously mentioned, this increase is attributable not only to the positive sales trend but also to the change in the scope of consolidation, which sees, compared to H1 2021, the entry of the subsidiary Forvet S.p.A., acquired at the end of 2021. The Machinery and Systems segment is the Group's largest segment, contributing 90.7% of consolidated revenues (90.6% in 2021); sales increased by 18.4%, from € 321,003 thousand at 30 June 2021 to € 380,194 thousand at 30 June 2022. Segment operating profit decreased from € 29,346 thousand to

€ 22,686 thousand (operating profit for June 2021, however, positively impacted by € 13,999 thousand of impairment and non-recurring items). In terms of revenues, the Mechatronics segment increased by 16.5%, from € 48,784 thousand at 30 June 2021 to € 56,810 thousand at 30 June 2022, while its contribution to consolidated revenues remained virtually unchanged. The operating result of this segment improved from € 8,155 thousand in the first half of 2021 to € 10,580 thousand in the first half of 2022.

Operating profit (loss)

The following table shows operating profit by Segment as at 30 June 2022 and 30 June 2021:

30 JUNE 2022 EURO 000'S	MACHINES AND SYSTEMS DIVISION	MECHATRONICS DIVISION	ELIMINATIONS	TOTAL
TOTAL REVENUE	380,194	56,810	(17,920)	419,084
Operating profit of segment	22,686	10,580		33,266
Unallocated financial expense				(4,293)
Pre-tax profit				28,973
Income taxes				(9,590)
Profit for the period				19,383

30 JUNE 2021 EURO 000'S	MACHINES AND SYSTEMS DIVISION	MECHATRONICS DIVISION	ELIMINATIONS	TOTAL
TOTAL REVENUE	321,003	48,784	(15,670)	354,117
Operating profit of segment	25,563	8,155		33,718
Unallocated financial expense				(1,975)
Pre-tax profit				31,743
Income taxes				(3,317)
Profit for the period				28,426

Inventories

The following table shows an inventory breakdown by Operating Segment:

EURO 000'S	MACHINES AND SYSTEMS DIVISION	MECHATRONICS DIVISION	TOTAL
30 June 2022	203,831	23,292	227,123
31 December 2021	160,373	19,044	179,417

BREAKDOWN BY GEOGRAPHICAL AREA

Revenue

EURO 000'S	AT 30 JUNE 2022			
	2022	%	2021	%
Western Europe	224,875	53.7%	176,782	49.9%
Asia - Pacific	49,075	11.7%	47,307	13.4%
Eastern Europe	60,396	14.4%	59,263	16.7%
North America	72,025	17.2%	60,225	17.0%
Rest of the World	12,712	3.0%	10,542	3.0%
Group Total	419,084	100.0%	354,117	100.0%

The analysis of sales by geographical area compared to the first half of 2021 shows that the increase concerned all markets, although with different trends: Western Europe (the Group's core market) grew by 27.2%, North America increased by 19.6%, while Asia - Oceania and Eastern Europe recorded a slight increase (3.7% and 1.9%, respectively). Finally, the Rest of the World recorded an increase of 20.6%, although in percentage terms it contributed only 3% to Group revenues.

6. SEASONALITY

The business segments in which the Biesse Group operates experience significant seasonality. Demand for machine tools is typically concentrated in the second part of the year (especially in the last six months). This is because of end customers' purchasing habits, which are significantly affected by expectations concerning investment incentive policies and forecasts for their reference markets.

Another aspect to be considered is the Group's structure, as overseas branches (in USA, Canada, Oceania, and Far East) generate on average a third of total business volumes. Given the lead time necessary for delivering machine tools to these markets, and that the end market is particularly sensitive to the turnaround between order and delivery, these branches typically replenish their inventories in the first half to handle year-end sales.

7. PERSONNEL EXPENSE

In the first half of 2022, personnel expenses amounted to € 127,859 thousand, up € 10,688 thousand, compared to 2021 (€ 117,171 thousand, + 9.1%). In this regard, please note that this change is affected both by the change in the scope of consolidation, which sees, compared to the first half of 2021, the entry of the subsidiary Forvet S.p.A., acquired at the end of 2021, and by the fact that during the first half of 2021, the Group had benefited from various forms of social safety nets and government grants, aimed at protecting the Company's human capital.

8. EXCHANGE RATE GAINS AND LOSSES

Exchange rate gains and losses are presented separately from other financial items to improve the presentation of financial impacts associated with the structure of the Group's funding sources. At 30 June 2022, this component showed a negative balance of € 3,327,000.

9. TAXES

The Italian corporate income tax (IRES) rate was 24% (24% in 2021) of the taxable income of the Parent Company and the Italian subsidiaries, while income taxes for other jurisdictions are calculated based on the rates in force in the relevant countries. For calculating the income tax expense for the period, the Group applied the tax rate to the estimated year-end results to the interim profit.

As at 30 June 2022, the Group's deferred tax assets totalled € 24,329 thousand, up compared to 31 December 2021 (+ € 567 thousand). Management recognised deferred tax assets to the extent they are likely to be recovered.

Total taxes recognised in the income statement amounted to € 9.590 thousand with a tax rate of 33.1%.

10. EARNINGS PER SHARE

Basic earnings per share for the period ended 30 June 2022 totalled 0.71 Euro/cent (1.03 Euro/cent in 2021) and were calculated by dividing the profit attributable to the owners of the Parent, amounting to € 19,341 thousand, by the weighted average number of ordinary shares outstanding during the period, which totalled 27,402,593.

As at 30 June 2022, the number of treasury shares held was 0. As there were no dilutive effects, the calculation used for Basic EPS is also applicable to Diluted EPS. The calculations are shown in the following tables:

Profit attributable to owners of the Parent

EURO 000'S	30 JUNE 2022	30 JUNE 2021
Profit for the year	19,341	28,312
Weighted average number of shares used to calculate basic and diluted earnings per share	27,403	27,393
Base and diluted profit for the year (in Euro)	0.71	1.03

Weighted average number of outstanding ordinary shares

EURO 000'S	30 JUNE 2022	30 JUNE 2021
Weighted average number of outstanding shares – for the calculation of basic earnings	27,403	27,393
Effect of treasury shares	-	-
Weighted average number of outstanding shares – for the calculation of basic earnings	27,403	27,393
Dilutive effects	-	-
Weighted average number of outstanding shares – for the calculation of diluted earnings	27,403	27,393

11. DIVIDENDS

On 27 April 2022, the Ordinary Shareholders' Meeting approved the separate and consolidated financial statements as at 31 December 2021. At the same meeting, a resolution was passed to distribute a total gross dividend of EUR 0.624 per share, of which EUR 0.078 was paid from the profit for the year and EUR 0.546 per share from the extraordinary profit reserve.

12. PROPERTY, PLANT, MACHINERY AND OTHER TANGIBLE AND INTANGIBLE ASSETS

In the reporting period, the Group made new investments totalling € 2,566 thousand in intangible assets and € 4,553 thousand in property, plant, and equipment.

Also worth mentioning is the reclassification of € 6,213 thousand to "Assets available for sale" relating to a plot of land and a building owned by the Parent Company. Their sale procedures started during the half-year.

13. GOODWILL

Compared to the previous year-end, goodwill remains unchanged. The changes during 2022 are due to the effect of exchange rate movements on the goodwill of the Australian and American branches.

The following table shows the allocation of goodwill by CGU:

EURO 000'S	30 JUNE 2022	31 JUNE 2021
Machines and Systems Division	41,273	41,095
Mechatronics	5,599	5,599
Total	46,872	46,694

Based on currently available information, and considering specifically the performance during the first six months of the year and the order backlog, the Group did not identify any impairment indicators as at 30 June 2022, and therefore the impairment test will be conducted at the end of the year.

14. INVENTORIES

Sulla base delle informazioni attualmente disponibili, tenendo in particolar modo conto degli andamenti del semestre e del portafoglio ordini, non si ravvisano indicatori di impairment al 30 giugno 2022 e pertanto l'impairment test verrà effettuato a fine anno.

EURO 000'S	30 JUNE 2022	31 DECEMBER 2021
Raw materials, consumables and suppliers	81,173	67,094
Work in progress and semi-finished goods	34,521	26,653
Finished goods	92,783	67,869
Spare parts	18,646	17,801
Inventories	227,123	179,417

Inventories, amounting to € 227,123 thousand, are net of the allowances for inventory write-downs, amounting to € 8,529 thousand for raw materials (up € 1,699 thousand compared to 2021), € 5,545 thousand for spare parts (up € 216 thousand compared to 2021) and € 7,318 thousand for finished products (down € 369 thousand compared to 2021). The allowance for write-downs of raw materials on the historical cost of the related inventories is 9.5%, that of the provision for finished goods is 7.3%, and that of the provision for spare parts is 22.9%. The allowance for write-downs also includes the write-down made on the inventories of the Russian branch.

Group inventories increased by € 47,706 thousand compared to 31 December 2021. Specifically, raw material inventories increased by € 14,079 thousand while finished products and goods inventories by € 24,914 thousand.

15. TRADE RECEIVABLES FROM THIRD PARTIES

Trade receivables, amounting to € 148,874 thousand, are recognised net of the allowance for impairment, which is conservatively estimated regarding non-performing loans and loans past due by more than 180 days and in compliance with IFRS 9.

Trade receivables were up € 22,714 thousand (before the relevant allowance for impairment) compared to December 2021.

The allowance for impairment amounted to € 8,528 thousand. This provision also includes the write-down made on the trade receivables of the Russian subsidiary.

The "Expected Credit Loss" model under IFRS 9 requires measuring expected credit losses and accounting for forward-looking information, considering "an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes" and "reasonable and supportable information that is available without undue

cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions".

This model requires assessing to what extent the high level of uncertainty and changes in the short-term economic outlook could affect the asset's entire useful life.

16. SHARE CAPITAL AND TREASURY SHARES

Share capital amounts to € 27,403 thousand and consists of 27,402,593 ordinary shares, each with a par value of € 1 and a dividend payable by the Parent Company. This item increased in the first half of the year by € 10 thousand due to the share capital increase given in exchange to the minority shareholders of Bre.Ma. Brenna Macchine S.r.l. as part of the merger of the subsidiary into the Parent Company, previously commented on.

On the date these financial statements were approved, the Group held no treasury shares.

17. HEDGING AND TRANSLATION RESERVES

As at 30 June 2022, the translation reserve was negative and amounted to € 8,619 thousand (negative € 11,162 thousand at the end of 2021).

The reserves for the translation of foreign currency financial statements include the differences arising from the translation of the financial statements denominated in foreign currencies of countries that do not belong to the Eurozone (United States, Canada, Singapore, United Kingdom, Sweden, Switzerland, Australia, New Zealand, India, China, Indonesia, Hong Kong, Malaysia, South Korea, Israel, Brazil, Russia, Turkey, Taiwan, United Arab Emirates and Japan), increasing by € 2,543 thousand during the period.

18. OTHER RESERVES AND ACTUARIAL RESERVE

The balance sheet value of the item Other reserves is broken down as follows:

EURO 000'S	30 JUNE 2022	31 DECEMBER 2021
Legal reserve	5,479	5,479
Extraordinary reserve	110,049	125,004
Reserve for treasury shares	-	-
Retained earnings and other reserves	68,286	36,949
Other reserves	183,814	167,431

As shown in the statement of changes in shareholders' equity, the item Other reserves changed mainly due to the distribution of dividends (- €14,958 thousand), plus the change related to the acquisition of minority interests in Montresor S.r.l. and Bre. Ma. Brenna Macchine S.r.l (with an effect on Group Shareholders' Equity of -€ 539 thousand and minority interests of -€ 633 thousand).

The item Actuarial reserve increased during the half-year by € 776,000 mainly due to the effects of the change in the economic technical bases used in the actuarial report compared to 31 December 2021.

Please refer to the Statement of Changes in Consolidated Shareholders' Equity for the six months ended 30 June 2022 for other changes during the period.

19. FINANCIAL LIABILITIES

Compared to the financial statements for the year ended 31 December 2021, the Group's financial liabilities increased by € 2,668,000, mainly attributable to the liability for derivative financial instruments.

At this report's approval date, Biesse S.p.A. has credit lines of € 210.5 million, of which € 85.5 million is revocable and € 125 million committed with duration beyond 12 months. All undrawn cash credit lines are unsecured, free of collateral and/or other constraints.

As at 30 June 2022, the Group, in compliance with the current Treasury Policy, has financial investments in place to optimise liquidity and avoid the imposition of fees on inventories

20. TRADE PAYABLES

Trade payables to third parties refer primarily to payables to suppliers for the procurement of materials delivered at the end of the period.

Please note that trade payables are due within twelve months, and it is believed that their carrying amount at the reporting date is a reasonable approximation of their fair value.

The value of trade payables to suppliers increased by € 19,086 thousand compared to the 2021 figure, from € 186,660 thousand to € 205,746 thousand, due to the increase in purchase volumes, linked to the increase in production volumes and the order backlog as at 30 June 2022.

21. CONTRACT LIABILITIES

Contract liabilities amounted to € 141,765 thousand as at 30 June 2022 (€ 127,093 thousand as at 31 December 2021) and are made up as follows:

EURO 000'S	30 JUNE 2022	31 DECEMBER 2021
Advances from customers before the sale of the goods	127,896	113,755
Net advances from customers for services	13,868	13,337
Contract liabilities	141,765	127,093

Contract liabilities mainly relate to customer advances for products not yet delivered and for which revenue is recognised when the customer obtains control of the asset. For the remaining part, they relate to advances received from customers for services recognised over time, for the part that exceeds the activities already carried out. The increase in these liabilities is in line with the trend in sales in the first half of 2022 and the dynamics of orders.

22. ACQUISITION OF MINORITY INTERESTS

A. Acquisition of an additional stake in Montresor & Co S.r.l

In February 2022, the Group acquired an additional stake in Montresor & Co S.r.l., increasing its controlling interest in the Company from 60% to 100%. The Group paid non-controlling interests € 1,173 thousand to acquire the additional 40% stake. The consideration was paid in full during the half-year.

The impacts of this transaction are shown below:

EURO 000'S	
Carrying amount of the interest acquired	608
Consideration paid to non-controlling interests	1,173
Decrease in the Group's equity	565

The decrease in the Group's equity results from the € 558 thousand reduction in Consolidated undistributed profits, included in Other reserves, and the € 7 thousand reduction in the Actuarial reserve for defined-benefit plans.

On the other hand, there was a decrease in minority interests of € 600 thousand, as shown in the table above. These effects can be seen in the consolidated statement of changes in equity, to which reference should be made.

23. COMMITMENTS, CONTINGENT LIABILITIES AND RISK MANAGEMENT

Commitments

At the reporting date, there were no material commitments.

Contingent liabilities

The Parent Company and some subsidiaries are parties to various lawsuits and disputes. Nevertheless, the Group believes that the settlement of such disputes will not give rise to further liabilities in addition to the amounts already set aside in a specific risk provision.

The financial statements include provisions for risks and charges for € 25,403 thousand, consisting of € 8,569 thousand for product warranty provision, € 1,518 thousand for corporate restructuring provision, € 3,073 thousand for tax risk provisions, € 2,141 thousand for supplementary customer indemnity provision, and € 10,102 thousand for other risk provisions.

As at 31 December 2021, the provisions for risks and charges amounted to € 24,850 thousand, consisting of € 7,896 thousand for product warranty provision, € 695 thousand for corporate restructuring provision, € 2,936 thousand for tax risk provisions, € 2,370 thousand for supplementary customer indemnity provision and € 10,953 thousand for other risk provisions. The increase in the provisions for risks and charges is mainly attributable to updated estimates of outstanding disputes and/or litigations as at 30 June 2022 and expected warranty costs (impacted by revenue growth).

Risk management

The Group is subject to financial risks connected to its operations:

- market risks, consisting primarily of risks relating to fluctuations in exchange and interest rates;
- credit risk, relating specifically to trade receivables and, to a lesser extent, to other financial assets;
- liquidity risk, with reference to the availability of financial resources to meet the obligations related to financial liabilities.

The impact of the main raw materials, steel in particular, on the average value of the Group's products is marginal compared to the final production cost. Therefore, the Group has a limited exposure to the "commodities" risk.

Regarding the evolution of the geopolitical scenario in Russia, the Group assessed the risks mentioned above related to credit, inventory and currency exposure outstanding as at 30 June 2022 (for further details, please refer to the section "Trend in the first half of the year" of the Director's Report on Operations

Exchange rate risk

The risk related to exchange rate fluctuations is represented by the potential fluctuation in the amount in Euro of the foreign currency position (or net foreign currency exposure), i.e. the algebraic result of sales invoices issued, outstanding orders, purchasing invoices received, the balance of foreign currency loans, and cash held in foreign currency. The risk management policy approved by the Board of Directors of the Parent Company provides that forward contracts (outright/currency swap) or also derivatives (currency option) can be used for exchange risk hedging.

Interest rate risk

The Group is exposed to fluctuations in interest rates regarding finance expenses relating to payables due to banks and lease companies for fixed assets acquired under finance leases.

Interest rate risks derive primarily from bank lending. Given the current trend in interest rates, the Company confirms its decision not to hedge its debt any further, as interest rates are expected to remain substantially stable.

During the reporting period, the Group repaid loans and negotiated new long-term financing – currently pending approval – to have adequate financial resources.

Despite the current uncertainty, the Group believes that its current resources are more than sufficient to meet any potential needs, including in the event the financial situation deteriorates due to the pandemic.

Credit risk

Credit risk refers to the Biesse Group's exposure to potential financial losses deriving from the failure of commercial and financial counterparties to fulfil their contractual obligations. The main exposure is towards customers. The management of credit risk is constantly monitored with reference both to the reliability of customers and to the monitoring of cash inflows and debt collection activities if required. In the case of customers considered strategic by the Management, the credit limits granted to them are defined and monitored. In other cases, the sale involves advance payments, lease-type payments and, in the case of foreign customers, letters of credit. In contracts relating to some sales without adequate guarantees, the Group reserves property rights on the goods being sold until the purchase price is paid in full.

The carrying amount of financial assets, net of any impairment for expected losses, represents the maximum exposure to credit risk. As already mentioned, the current pandemic crisis could cause receivables to deteriorate compared to the Group's historical trends. The Directors are constantly monitoring receivables and, in compliance with IFRS 9, have adopted a forward-looking approach to account for current and future uncertainties.

For more information on how the impairment allowance was determined and the characteristics of overdue receivables, please refer to Note 15 above on trade receivables.

24. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Below are the types of financial instruments included in the financial statements:

EURO 000'S	AT 30 JUNE 2022	AT 31 DECEMBER 2021
FINANCIAL ASSETS		
Designated at fair value through profit or loss:		
<i>Derivative financial assets</i>	857	892
<i>Cash and cash equivalents</i>	109,935	127,099
Measured at fair value through OCI :		
Other financial asset short term	7,266	27,098
FINANCIAL LIABILITIES		
Designated at fair value through profit or loss:		
Derivative financial liabilities	3,664	1,845
Measured at amortised cost :		
Other non-current liabilities	185	212
Bank loans and borrowings	4,354	4,833
Lease liabilities	24,032	22,704

Financial assets and liabilities from derivative instruments are equal to the fair value of foreign currency hedging transactions ("forward" and "swap" contracts) in place as at 30 June 2022. The Group has chosen not to adopt hedge accounting policies to recognise this instrument.

IFRS 13 identifies the three levels of FV:

Level 1 – quoted prices represent input data used in the measurements in active markets for assets or liabilities identical to those being measured;

Level 2 – input data other than quoted prices included within

level 1 that are observable in the market, either directly (i.e. prices) or indirectly (i.e. derived from prices);

Level 3 – input data that are not based on observable market data.

Financial instruments exposed to fair value are classified in level 2. During the first half of 2022, there were no transfers between the various fair value levels indicated above

25. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Please refer to the Directors' Report on Operations.

26. RELATED-PARTY TRANSACTIONS

The Group is directly controlled by Bi. Fin. S.r.l. (operating in Italy) and indirectly by Mr Giancarlo Selci (resident in Italy).

Transactions between Biesse S.p.A. and its subsidiaries, which are entities related to the Parent Company, have been eliminated from the consolidated financial statements and are not included in these Notes. The details of transactions between the Group and other related entities are specified below.

EURO 000'S	REVENUE		COSTS	
	30 JUNE 2022	30 JUNE 2021	30 JUNE 2022	30 JUNE 2021
PARENT				
Bi. Fin. S.r.l.	-	-	12	13
Other related companies				
Fincobi S.r.l.	1	1	-	-
Se. Mar. S.r.l.	7	10	1,442	1,521
Wirutex S.r.l.	12	3	1,067	973
Members of the Board of Directors				
Members of the Board of Directors	-	-	670	876
Members of the Board of Statutory Auditors				
Members of the Board of Statutory Auditors	-	-	79	64
Total	20	14	3,270	3,445

EURO 000'S	RECEIVABLES		PAYABLES	
	30 JUNE 2022	30 DECEMBER 2021	30 JUNE 2022	30 DECEMBER 2021
PARENT				
Bi. Fin. S.r.l.	-	-	1,216	1,235
Other related companies				
Fincobi S.r.l.	-	-	11	12
Se. Mar. S.r.l.	7	1	1,151	1,295
Wirutex S.r.l.	10	14	1,012	806
Members of the Board of Directors				
Members of the Board of Directors	-	-	755	-
Members of the Board of Statutory Auditors				
Members of the Board of Statutory Auditors	-	-	79	110
Total	17	15	4,225	3,459

The terms and conditions agreed with the above-related parties do not differ from those that would have been established between parties at arm's length.

The amounts payable to related parties are trade payables and refer to transactions undertaken to sell goods and/or render services.

For full details regarding the remuneration of Directors and Statutory Auditors, please refer to the Remuneration Report published on the company website www.biesse.com.

Pesaro, 29 July 2022

The Chairman of the Board of Directors

Giancarlo Selci

CERTIFICATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS IN COMPLIANCE WITH ART. 81-TER OF CONSOB REGULATION NO.11971 OF 14 MAY 1999 AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED

The undersigned Giancarlo Selci and Pierre Giorgio Sallier de La Tour, in their capacities as, respectively, Chairman and Manager in charge of the financial reporting of Biesse S.p.A, having also taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the characteristics of the business and
- the effective implementation of the administrative and accounting procedures for the preparation of the Condensed Consolidated Interim Financial Statements during the first half of 2022.

The assessment of the adequacy of administrative and accounting procedures for the preparation of the Condensed Consolidated Interim Financial Statements as at 30 June 2022 is based on a process established by Biesse S.p.A. consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is an internationally accepted reference framework.

We also certify that:

- a) the Condensed Consolidated Interim Financial Statements:
 - have been drawn up in compliance with the applicable international accounting standards endorsed by the European Union in compliance with Regulation (EC) No. 1606/2002 of the European Parliament and the Council dated 19 July 2002 and, in particular, with IAS 34 – Interim Financial Reporting – as well as the enabling legislation for Art. 9 of Italian Legislative Decree No. 38/2005;
 - are consistent with the entries in accounting books and records;
 - as far as we know, they provide an accurate and fair view of the financial position, financial performance and cash flows of the issuer and the Group of companies included in the consolidation;
- b) the Directors' interim report contains references to significant events that occurred during the reporting period and to their impact on the Condensed Consolidated Interim Financial Statements, together with a brief description of the main risks and uncertainties for the remaining six months of the year as well as information on any material transactions undertaken with related parties.

Chairman
Giancarlo Selci

The Manager of financial reporting
Pierre Giorgio Sallier de La Tour



REPORT

RELAZIONE DI REVISIONE CONTABILE LIMITATA SUL BILANCIO CONSOLIDATO SEMESTRALE ABBREVIATO

**Agli Azionisti della
Biesse S.p.A.**

Introduzione

Abbiamo svolto la revisione contabile limitata del bilancio consolidato semestrale abbreviato, costituito dalla situazione patrimoniale-finanziaria, dal conto economico, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative della Biesse S.p.A. e controllate ("Gruppo Biesse") al 30 giugno 2021. Gli Amministratori sono responsabili per la redazione del bilancio consolidato semestrale abbreviato in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea. È nostra la responsabilità di esprimere una conclusione sul bilancio consolidato semestrale abbreviato sulla base della revisione contabile limitata svolta.

Portata della revisione contabile limitata

Il nostro lavoro è stato svolto secondo i criteri per la revisione contabile limitata raccomandati dalla Consob con Delibera n. 10867 del 31 luglio 1997. La revisione contabile limitata del bilancio consolidato semestrale abbreviato consiste nell'effettuare colloqui, prevalentemente con il personale della società responsabile degli aspetti finanziari e contabili, analisi di bilancio ed altre procedure di revisione contabile limitata. La portata di una revisione contabile limitata è sostanzialmente inferiore rispetto a quella di una revisione contabile completa svolta in conformità ai principi di revisione internazionali (ISA Italia) e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti significativi che potrebbero essere identificati con lo svolgimento di una revisione contabile completa. Pertanto, non esprimiamo un giudizio sul bilancio consolidato semestrale abbreviato.

Conclusioni

Sulla base della revisione contabile limitata svolta, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il bilancio consolidato semestrale abbreviato del Gruppo Biesse al 30 giugno 2021 non sia stato redatto, in tutti gli aspetti significativi, in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea.

DELOITTE & TOUCHE S.p.A.



Stefano Montanari
Socio

Bologna, 30 luglio 2021

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.320.00 i.v.

Codice fiscale/registro delle imprese di Milano Monza Brianza Lodi n. 03048560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03048560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse collegate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'Informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.

BIESSEGROUP.COM