

Press Release

BIFIRE: DRAFT FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022 APPROVED

STRONG REVENUE GROWTH +46% AND OPERATING AND NET PROFITABILITY +26%

PRODUCTION READY TO START IN THE THIRD FACTORY IN VAREDO (MB), THE FOURTH ITALIAN PLANT IN SEREGNO (MB) IS BEING COMPLETED

NEW TECHNOLOGICALLY ADVANCED PRODUCTS (SUPERSIL 20MM, AQUAGLASS) COMPLIANT WITH THE NEW EUROPEAN REGULATION ON GREEN HOUSES

Economic and financial results as at 31 December 2022:

- **Net Revenues at Euro 42 million, up 46% compared to Euro 28.8 million as at 31 December 2021**
- **Gross Operating Profit (EBITDA) at Euro 8.8 million, up 27.5% compared to Euro 6.96 million in 2021**
- **Operating Profit (EBIT) equal to Euro 6.9 million, up by 25.5% compared to Euro 5.5 million in 2021**
- **EBITDA Margin¹ at 20% vs. 23.5% in 2021, due to the increase in energy and raw material costs, in line with analyst forecasts**
- **Net Profit at Euro 5.3 million, up 26% vs. Euro 4.2 million in 2021**
- **Positive Net Financial Position at Euro 1.4 million, vs. Net Debt of Euro 2 million as at 31 December 2021, also thanks to the proceeds from Bifire listing on the Stock Exchange**
- **Investments for growth continue: operations in the third plant in Varedo are underway, the fourth plant in Seregno is nearing completion**

Desio (MB), 27 March 2023 – The Board of Directors of BIFIRE® (EGM:FIRE) - a company specialized in the production of products for thermal insulation and fire protection in construction and industry - met today under the chairmanship of Alberto Abbo and approved the draft financial statements for the fiscal year 2022.

Alberto Abbo, Chief Executive Officer of Bifire, commented: “We are very satisfied with the results obtained in our first year of listing on the Stock Exchange which report growth both in volumes and margins. We are particularly proud that we also managed to exceed the analysts expectations for net sales which were very positive, but we managed to go further.

Our target for the next few years remains growth, in Italy and abroad, based on our strength of innovative proprietary products and solutions, capable of meeting the expectations of the markets in which we operate and also of supporting the building sector, increasingly attentive to improving the insulation of homes and industrial buildings. In fact, we are proud to be able to state that our products have anticipated, by several years, the quality requirements indicated today by European legislation in terms of insulation. With a view to strengthening our positioning in European markets and our production capacity, we are finally completing the construction of a fourth plant, located in Seregno, in the province of Monza Brianza, which joins those of Desio, Paderno Dugnano and Varedo. In light of these premises, we are ready to seize every market opportunity, offering our high-tech and 100% Made in Italy products”.

¹ EBITDA Margin calculated on Production Value

MAIN ECONOMIC AND FINANCIAL RESULTS AS AT 31 DECEMBER 2022

2022 recorded a **growing demand for thermal insulation products** (also driven by the so-called 110% bonus) and the entire construction sector benefited from the various bonuses with a positive effect on volumes. In particular, the **construction sector had a growth trend**, while the industrial sector was substantially stable.

The **increase in prices** during 2022 added to the increase in volumes has generated for Bifire an important growth in turnover (+46%) and profitability (EBITDA +27%, net profit +26%).

Bifire has consolidated its position in the field of fire protection and external cladding; it also **increased its market share** in the thermal insulation sector, especially with high-tech products with the Vacunanex range.

The following table summarizes the **main economic and financial results** of Bifire as at 31 December 2022:

€ Million	31-Dec-22	31-Dec-21	% Change 2022 / 2021
Net Revenues	42,0	28,8	46,0%
Production Value	44,0	29,6	48,9%
EBITDA	8,8	6,9	27,5%
EBIT	6,9	5,5	25,5%
Income before Taxes	6,8	5,5	23,6%
Net Income	5,3	4,2	26,2%
€ Million	31-dec-22	31-dec-21	
Net Invested Capital	28,9	19,4	48,8%
Net Equity	31,8	17,6	80,8%
Net Financial Position	1,4	-2,0	40,8%

Net Revenues as at 31 December 2022 amounted to 42 million Euros, **up by 46%** compared to 2021 (28.8 million Euros), which had already recorded a +49% on 2020. This is a particularly positive figure when considering the substantially stable trend of the building market in the second half of the year. The increase in turnover also reflects a relative increase in list prices.

Thanks to its **innovative and easy to install products** (lines such as: Aquafire, Supersil, and the new Aquaglass and Bilife), Bifire is strongly benefiting from the ever-increasing customer attention towards energy saving and the use of high-tech products for thermal insulation, as well as a generally greater attention to fire-fighting materials.

The **Value of Production** reached 44 million Euros, up 49% on 2021 (29.6 million Euros), in addition to Sales Revenues, this figure includes tax credits and other transport revenues.

EBITDA grew to Euro 8.8 million, **up 27.5%** compared to 2021 (Euro 6.9 million). The gross operating margin (EBITDA margin, calculated on the Value of Production) stood at 20%, down from 23.5% in 2021 and from 22% in the first half of 2022, in line with the analysts expectations. The slight drop in margins, widely expected, is attributable to the sharp increase in energy and raw material costs, especially in the second half of the year, and only partially mitigated by the consequent price list adjustments.

To face this widely expected decrease in margins, that falls within the 2022 estimates, Bifire is putting in place specific measures aimed at improving purchase policy as well as cost management.

EBIT is equal to 6.9 million Euros, with an **increase of 25.5%** vs. 2021 (5.5 million euros), after 1.8 million euros of amortization and depreciation (vs. 1.4 million euros in 2021).

The 2022 financial year closed with a **Net Profit** of 5.3 million Euros, with a **growth of 26%** compared to the previous year (4.2 million Euros).

Investments total of 5.1 million euros, equal to **12.26% of turnover**, a significant increase compared to 1.8 million euros in 2021 (6.25% of turnover). The investment activity was mainly aimed at the completion of the third industrial plant located in Varedo and, from the second half of the year, the start of work on the fourth industrial plant located in Seregno, pertaining to the purchase and modernization of the production site, as well as to the design and purchase of new machinery and systems.

Shareholders' Equity stood at €31.8 million as at 31 December 2022, up compared to €17.6 million at the end of 2021, benefiting from the growth in profitability and also from the capital increase carried out at the time of the IPO.

The **Net Financial Position** as at 31 December 2022 was positive by EUR 1.4 million, an improvement from the EUR 2.0 million of debt as at 31 December 2021, also due to the proceeds from the listing on the Stock Exchange which took place in May and equal to approximately 9.0 million Euros.

PROPOSAL FOR ALLOCATION OF THE PROFIT FOR THE YEAR

The Board of Directors resolved to propose to the Shareholders' Meeting the allocation of the profit of €5,337,118 as follows: €24,500 to the legal reserve and €5,312,618 to the extraordinary reserve.

MARKET EVOLUTION

The last three years have seen an important change in people's mentality and life, with increasing **attention to health and the environment**, emissions into the atmosphere, the healthiness of materials, the recyclability of products.

The energy crisis linked to the Russian-Ukrainian conflict has highlighted that Europe does not have its own energy supply sources, but rather depends on external countries. This has led governments to embark on a path of creating (clean) energy and likewise reducing consumption. On 14 March 2023, the European Parliament approved the **Directive on Green Houses** which provides for the improvement of the energy class of buildings by 2030 and 2033. This will allow to reduce emissions into the atmosphere, improving the environment in which we live, but also decrease gas consumption, of which Europe is lacking.

The European Directive, together with the greater sensitivity of consumers towards environmental issues, therefore represents a **great medium-long term growth opportunity for the thermal insulation sector**, laying the foundations for the **development of demand for Bifire products in the coming 10 years**.

With this in mind, **Bifire**, precisely to meet growing demand, has invested in **new production capacity** (fourth plant dedicated to business implementation) and in research and **development of new products**, such as the brand new 20mm Supersil panel.

RESEARCH & DEVELOPMENT

The Research & Development costs incurred by Bifire in the 2022 financial year amounted to **2.0 million Euros**, equal to **4.8% of turnover**, aimed at the realization of the following projects:

- continuation of development activities for new products and solutions for the passive fire protection, acoustic insulation and thermal insulation sectors;
- continuation of development and prototyping activities with laboratory tests for the Aquafire product with the study of innovative solutions for the improvement of the production process;
- continuation of the analysis, study and creation of a new technical panel;
- continuation of the analysis, study and construction of a new technical panel with super insulating technology;
- analysis, study and implementation of a new software for online order monitoring; transport documents and shipments – Aquafire quality control.

We are confident that the positive outcome of these innovations can generate good results in terms of turnover with favorable effects on the Company's economy.

SUSTAINABILITY

Bifire continues its path in the field of sustainability which began in 2021 with the drafting of the first **sustainability report**. In particular, an investment plan for a **photovoltaic park** is being evaluated; moreover, the commitment aimed at improving the production process for the purpose of reducing waste and enhancing **circular economy interventions** is relentless. On the latter front, the production of Bilife in its new production site of Varedo will be **totally green**, with complete reuse of waste in subsequent processes.

In the years 2021 - 2022 Bifire renewed the following **certifications** (Sa 8000; Emas; Iso 14000; Dm Sas):

- ISO 45001:2018;
- ISO 9001:2015;
- ISO 14001:2015.

SIGNIFICANT EVENTS DURING THE 2022 FINANCIAL YEAR

Since **31 May 2022 Bifire has been listed on the Euronext Growth Milan market**, a multilateral trading facility organized and managed by Borsa Italiana S.p.A. The offering price was set at €3.67 per share. Following the placement, the Company's share capital amounts to €872,500 and is made up of 17,450,000 ordinary shares. The free float is equal to 15.62%. The listing of Bifire on the Stock Exchange allowed for an income of **almost €9 million in capital increases**. The decision to list came about in the belief that with the proceeds raised, Bifire will be able to undertake the planned **growth** path, expanding horizontally, by market growth with strengthening in the DACH markets (Germany, Austria, Switzerland), as well as by seizing possible M&A opportunities.

Bifire products (in particular Vacunanex, Supersil and Aquafire) are ideal for responding to the requirements of the **fire regulations that came into force on 7 July 2022**, in relation to the new Vertical Technical Rule (contained in the Ministerial Decree 03/30/2022) on the area closure of civil buildings. The new law against the risk of fire, which supplements the Fire Prevention Code DM 3 August 2015, in fact obliges the owners and managers of hospitals, schools, hotels, shopping centres, offices and

private residences (over 24 meters high) to use safer and more performing materials against the possible spread of flames.

In **July**, Bifire started the renovation works to make the **fourth plant** operational, located in **Seregno**, in the province of Monza Brianza, which joins those of Desio (MB), Paderno Dugnano (MI) and Varedo (MB). The fourth plant will be dedicated to the production of Aquafire, the incombustible (class A1) fibre-reinforced lightweight concrete slab, highly insulating and water resistant, characterized by high eco-sustainability both in the production process and in the impact of the materials used. The start of full operation is scheduled for the second half of 2023.

From 22 to 24 **September**, Bifire took part in **Edilsocialexpo** at the Fiera di Roma, a one-of-a-kind event that alternates annually between Italy and the United Arab Emirates. The format allows manufacturing companies to meet the most important professional studios in the world, buyers and sector organisations.

Starting from **September**, Bifire participates in the tour of **Edilportale**, the largest publishing group dedicated to the building sector, which includes 12 meetings in Italy with operators in the sector, in relation to 'Renovation Wave', the EU plan to improve the energy performance of buildings. The events aim to put companies in communication with over 8,000 designers, helping them to forge professional relationships, take advantage of the opportunities offered by the territory and develop their own commercial network.

On **11 November 2022**, the Bifire Shareholders' Meeting authorized the Board of Directors to purchase and dispose of **treasury shares** in strict compliance with the provisions of current EU and national legislation.

The **buy-back**, which **began on 9 December 2022**, is at the service of the 2022-2025 employee incentive and retention plans.

In **November** Bifire participated in **Eurobaustoff** in Cologne, one of the main international trade events dedicated to building materials, wood and tiles aimed at development in countries such as Germany, Austria, Italy, France, the Netherlands, Switzerland, Liechtenstein and Luxembourg.

SIGNIFICANT EVENTS OCCURRING AFTER DECEMBER 31, 2022

After 31 December 2022, no events have occurred that have made it necessary to adjust the values in the financial statement report or that could compromise the going concern.

In **March**, Bifire took part in **Klimahouse**, in Bolzano, a national reference event for energy saving issues in the building industry.

In 2023 Bifire participates in **Safety Village 2023**, the event that takes place in the main Italian cities and where the confrontation is born and the change in the fire prevention chain is triggered.

On **14 March 2023**, the European Parliament approved the **EU Green House Directive** which aims to improve the energy efficiency of buildings. The text, which requires buildings to achieve at least one energy class E by 2030, D by 2033 and absolute neutrality by 2050, had already obtained the favorable vote of the Industry, Research and Energy Commission on 9 February and now enters the stage of negotiations with the Council and the European Commission to arrive at the final version.

In the first quarter of this year, the **own shares purchase program** aimed at the incentive plans continued. Following these operations, Bifire owns, as of 24 March 2023, a total of no. 165,500 treasury shares, equal to 0.948% of the share capital.

FORESEEABLE EVOLUTION OF MANAGEMENT

A series of global and Italian events are underway that will have a major impact on 2023 and future years.

At a **global level**, a monetary policy of **rising interest rates** is in place with the aim of cooling the economy and reducing investments with a negative impact on economic growth with also the risk of recession. Furthermore, the **cost of transport** (maritime freight) continues to decrease, resulting in greater competitiveness of goods from Asia and America.

At the **European level**, the persistence of the war in Ukraine still affects the **cost of energy**. In the first months of 2023, energy seems to have stabilized at high values (approximately 3 times higher than the values of 2020), even if much lower than the values of mid-2022. The uncertainty of state contributions (so-called tax credit for energy) starting from April 2023.

Price dynamics and the supply of **raw materials** have now stabilised.

The aforementioned **Green House Directive** recently approved by the European Parliament has the priority objective of acting on the 15% of the most energy-intensive buildings, **in Italy it is about 1.8 million residential buildings** (out of the total of 12 million, according to Istat). EU countries will establish the necessary measures to achieve these objectives in their national restructuring plans, which will have to include support schemes to facilitate access to subsidies and financing.

At the **Italian level**, after the remodulation of the **superbonus** which took place at the end of 2022, in an unexpected and opposite way compared to the European directive "green houses", with the decree law n. 11 of 16 February 2023, the Government significantly modified the rules on the **transfer of credits** relating to tax deductions for building bonuses contained in Legislative Decree 34/2020, effectively blocking the transfer of credits and putting an end to the **discount on the invoice**. This decree, which immediately entered into force, represents an important risk factor as by blocking the transfer of credits it is creating liquidity problems for companies in the sector and furthermore by blocking the discount on invoices it reduces (especially for the less affluent classes) the possibility of accessing to bonuses and therefore effectively it reduces demand. The recent legislation is therefore **penalizing the entire construction sector** (not just the one linked to bonuses). It should be emphasized that building incentives generated 22% of the growth of the Italian economy in 2022 (source Cresme).

In the face of these events, **Bifire has undertaken a series of important initiatives for its future growth**. In particular, we remind you that:

- The **new factory in Varedo** is being completed, which will make it possible to expand the range of products for passive fire protection, thermal and acoustic insulation. But above all it will see the birth of a **family of "green" products**, that is to say completely ecological and completely recyclable (for example: Bilife).
- In September, the **fourth plant in Seregno** will also be completed, which will make it possible to expand the range and production capacity of the Aquafire line. It will also allow for an important entry into the DACH market, the primary objective of Bifire.
- A project is underway to introduce a **new latest generation ERP** with consequent improvement of business processes and **greater efficiency**.
- 2023 foresees an important **investment in communication** for Bifire with presence in major **trade fairs** (Klimahouse in Italy and Bau in Germany), **traveling tours** in Italy (Safety Village), **advertising campaigns** with Edilportale, You Build and You Trade.
- In the first three months of the year, Bifire has already presented **two new products**:

- **Supersil 20mm sheet** – latest generation sheet for passive fire protection;
- **Aquaglass** – new solution for external cladding of buildings.

- Finally, Bifire, to support its customers, has also created a **payment system by assigning credits**.

Based on the evolution of the global scenario and internal policies, it is foreseeable to think of a **temporary period of decline in the construction sector and therefore also in Bifire**. However, the important investments implemented by Bifire will make it possible to reverse the market trend, with a **recovery expected as early as the end of 2023**.

The medium-term trend, also thanks to the "green houses" directive, is instead expected to be very positive.

SHAREHOLDERS' MEETING AND PROPOSAL ALLOCATION OF PROFIT

The Board of Directors has resolved to convene the Ordinary Shareholders' Meeting for 27 April 2023 at 2.30 pm.

The Board of Directors also resolved to propose to the Shareholders' Meeting to allocate the profit for the year of €5,337,118 as follows:

5% to legal reserve	Euro	24,500
in extraordinary reserve	Euro	5,312,618

The documentation relating to the items on the agenda will be made available to the public at the registered office and on the website www.bifire.it within the terms established by current legislation.

DEPOSIT OF DOCUMENTATION

The financial statements as at 31 December 2022 and the financial report will be made available within the legal deadlines at the registered office in via Laboratori dell'Autobianchi, 1 in Desio (MB), in Borsa Italiana S.p.A. and in the "Investor Relations" section of the corporate website www.bifire.com, as well as on the authorized storage mechanism www.1info.it managed by Computershare S.p.A.

Bifire's 2022 results presentation **road show** will be held in Milan **on 14 April 2023**.

Bifire's presentation will be made public on the morning of the event on the Company's website in the *Investor Relations - Presentations* section.

The Company, pursuant to art. 17 of the Euronext Growth Milan Issuers' Regulation, has taken steps to update the 2023 corporate events calendar with indication of the date on which the event will be held and available on the Company's website in the *Financial Calendar* section.

About Bifire

BIFIRE® is a company active in the production of materials for fire protection and thermal insulation in the building and industrial sectors. Bifire materials are used for the most part in the field of building renovations, in particular on the market of renovations carried out with so-called "dry" techniques. The spread of dry construction techniques has made it possible to reduce construction times and costs without this leading to a loss of performance. In fact, with dry construction techniques it is possible to accurately predict the times and phases of work, limiting as much as possible the dead times in the realization, which inevitably cause the increase in construction costs. In addition, dry systems are more environmentally sustainable, as the elements, thanks also to the ease of assembly-disassembly, can be recycled, replaced (in the case of degraded elements) or reused, making any future disposal less impactful. This type of technology gives the possibility to design and build the parts of the building in places other than the one where the building will rise, on site it is therefore possible to carry out the last phase of assembly which will therefore take place in a short and controlled time.

Contacts:

Investor Relations Bifire

Alessandro Porro

investor.relations@bifire.it

Tel: 0362 364570

Investor Relations

CDR Communication SRL

Paola Buratti

Paola.buratti@cdr-communication.it

Tel. +39 335 226561

Euronext Growth Advisor

Alantra Capital Markets

Stefano Bellavita

Stefano.bellavita@alantra.com

Tel. +39 335 605 8447

Media Relations

CDR Communication SRL

Lorenzo Morelli

Lorenzo.morelli@cdr-communication.it

Tel. +39 347 7640744

ATTACHMENTS

Annual Financial Statements as at 31 December 2022

Profit and Loss Account

<i>Eur 000</i>	31-Dec-22		31-Dec-21	
Sales Revenues	42,030		28,794	
Other Revenues	1,993		779	
PRODUCTION VALUE	44,023	100,00%	29,573	100,00%
Purchases of Raw Materials	-14,964	-33,99%	-10,276	-34,75%
Costs for Services	-15,561	-35,35%	-8,304	-28,08%
Costs for Use of Third-party Assets	-901	-2,05%	-777	-2,63%
Other Operating Costs	-116	-0,26%	-106	-0,36%
VALUE ADDED	12,481	28,35%	10,110	34,19%
Taxes and Payroll Costs	-3,672	-8,34%	-3,154	-10,67%
EBITDA	8,809	20,01%	6,956	23,52%
Depreciation and Impairment Losses	-1,783	-4,05%	-1,397	-4,72%
Other Provisions	-90	-0,20%	0	0,00%
OPERATING RESULT (EBIT)	6,936	15,75%	5,559	18,80%
Financial Income and Expenses	-147	-0,33%	-54	-0,18%
PROFIT BEFORE TAXES	6,789	15,42%	5,506	18,62%
Income Taxes	-1.452	-3,30%	-1.264	-4,27%
NET PROFIT	5,337	12,12%	4,242	14,34%

Annual Financial Statements as at 31 December 2022

Balance Sheet

<i>Eur 000</i>	31-Dec-22	31-Dec-21
A) NET NON CURRENT ASSETS	18,879	12,757
Intangible Fixed Assets	1,289	361
Tangible Fixed Assets	17,554	12,381
Financial Fixed Assets	36	16
B) NET WORKING CAPITAL	10,987	6,196
Inventory Stock	7,533	4,157
Receivables	11,008	9,500
Other Receivables	2,013	1,841
Payables	-7,466	-6,096
Other Payables	-2,226	-3,342
Others	124	136
C) GROSS WORKING CAPITAL	29,653	19,988
D) SEVERANCE PAY FUND	-693	-563
E) NET INVESTED CAPITAL	28,960	19,425
<i>Covered by</i>		
F) EQUITY	-31,800	-17,584
G) NET FINANCIAL POSITION	1,441	-2,014
Medium and Long-term Debts	-4,107	-5,286
Short-term Debts	-1,214	-1,273
Cash Funds	6,763	4,544
H) TOTAL COVERAGE	-28,918	-19,599

Annual Financial Statements as at 31 December 2022

Cash Flow Statement

<i>Eur 000</i>	31-Dec-22	31-Dec-21
Net Profit	5,337	4,242
Tax Effect	1,451	1,264
Interest Charge	144	52
Plus/Minus Asset Alienation	0	-14
Depreciation and Impairment losses	2,027	1,469
Cash Flow	8,960	7,014
Working Capital Changes		
Inventory Stock	-3,417	-1,761
Receivables	-1,509	-2,724
Active Accruals and Prepayments	12	-11
Passive Accruals and Prepayments	0	-3
Payables	1,369	2,059
Other Inc. or Dec. in Net Working Capital	-2,992	-1,478
Total Working Capital Charges	-6,536	-3,918
Free Cash Flow	2,424	3,096
Net Investments	-7,828	-1,961
Financial Corrections	-20	2,6
Investments Cash Flow	-7,848	-1,958
Increase (Decrease) in Bank Debts	-59	58
Loan Repayments	-1,178	-805
Equity Increase (Decrease)	8,992	68
Purchase of Own Shares	-113	0
Financing Activity Cash Flow	7,642	-678
Net Cash Flow	2,218	460
Cash Funds Increase (Decrease)	2,218	460
Cash Funds at the Beginning of the Period	4,544	4,084
Cash Funds at the end of the period	6,763	4,544
Net Cash Funds Increase (Decrease)	2,218	460