

Draft 2021 Financial Statements Approved

<u>fourth quarter</u> (in € million)	IVQ 2021	IVQ 2020	IVQ 2019
Consolidated Net Revenues	215.2	182.4	194.8
EBITDA	17.8	18.5	20.7
Operating result (EBIT)*	1.2	-2.0	2.6
Net Profit/Loss	-1.2	-1.3	-1.8

<u>12 months</u> (in € million)	FY 2021	FY 2020	FY 2019
Consolidated Net Revenues	742.2	578.8	705.9
EBITDA	79.7	56.0	76.7
Operating result (EBIT)*	45.7	6.2	29.6
Net Profit/Loss	34.2	2.5	13.0

Net Financial Position (in € million)	+cash 124.6	+cash 49.5	-debt 18.6
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* after non-recurring events

other resolutions:

- o Corporate Governance Report for the year 2021 approved
- o Remuneration Report for the year 2021 approved
- o Sustainability Report for the year 2021 (non-financial statement) approved

proposed distribution of a dividend of 0.624 euros per share

proposed authorisation to buy and dispose of Biesse own shares

Pesaro, 14 March 2022 - During its meeting held in Pesaro today, the Board of Directors of Biesse S.p.A. – *Mid Cap company listed in the Euronext STAR - Milan* – approved the Consolidated Annual Financial Report 2021 as well as the Draft Financial Statements for the financial year ended on 31.12.2021.

Consolidated results achieved by the Biesse Group in the 12 months of 2021:

- Consolidated net revenues of 742.2 million euros (+28.2% compared to 2020 and +5.1% compared to 2019)
- Value Added of 312.1 million euros (+26.3% compared to 2020), 42.0% of revenues (42.7% in 2020)
- EBITDA of 79.7 million euros (+42.3% compared to 2020), 10.7% of revenues (9.7% in 2020)
- EBIT, after non-recurring events, of 45.7 million euros (6.2 million euros in 2020) 6.2% of revenues (1.1% in 2020)
- Net profit of 34.2 million euros (2.5 million euros in 2020), 4.6% of revenues - EPS (net profit per share) 1.25 tax rate 15.6% (23.8% in 2020)

Net Financial Position:

As at 31 December 2021, the Group Net Financial Position was positive for the amount of 124.6 million euros, including the impact of 20.4 million euros (higher payables) deriving from the application of IFRS16. Without the effects linked to the application of IFRS16, the financial position would therefore be positive for the amount of 145.0 million euros.

Compared to the previous year, net of non-recurring items for the year, the net financial position improved by 75.1 million euros (2021 cash flow). Compared to 2019, the improvement rises to 143.2 million euros.

Comment:

"What happened in the last quarter of last year," said the Group CFO Mr. P. La Tour on the sidelines of the Board meeting, "is a confirmation of the positive feeling that characterised the whole of 2021. The results approved today show how Biesse has fully benefited from the global demand for capital goods, closing 2021 with volumes higher than those of the pre-pandemic period.

Although this in itself represents a solid starting point, a prudent approach must be adopted for the future; the international scenario is characterised by unpredictable events that could undermine the foundations of a still fragile recovery. In this context, the positive outlook for us loses much of its significance; despite the fact that the Group's exposure is not significant in the geographical areas most at risk, it is unthinkable not to be affected by the uncertainties and instability that are contaminating international markets.

From a business point of view, 2022 started in line with the recent months of the previous year, but the continuation of the current year will need to be assessed in light of the possible changes in monetary policy in America and Europe (increasing interest rates), and it will be important to understand the fate of the economic and fiscal incentives approved some time ago.

The Group order backlog at the end of 2021 was significantly larger than in previous years but the issues affecting the product shipments and the difficulties in obtaining a stable sourcing persist – and there are no short-term solutions in sight.

The cost dynamics linked to logistics and production represent a real threat to profitability, since it is impossible to avoid the negative effects deriving from the increases announced for the main raw materials, transport and energy.

Since we cannot act on these inflationary factors, which are mostly external to the Group, we will continue to seek efficiency in our organisation. The road that Biesse has taken is to complete the organizational and technological evolution in line with the driver of the Group's Business Plan approved last July.

We will continue to promote innovation and research, convinced that these are two strategic and essential ingredients for a sustainable growth. The positive cash situation will be an important element in sustaining our desire for organic and external growth."

Order intake:

The order intake for Biesse Group (machinery only) for the full year 2021 increased by 61.1% compared to 2020 and 41.9% compared to 2019.

At the end of 2021, the order backlog amounted to 378.2 million euros (+78.3% compared to the same date of 2020 and +92.4% compared to the same date of 2019).

In the fourth quarter of 2021 alone, order intake was higher than both the same period in 2020 (+38.8%) and the last quarter of 2019 (+71.1%).

Revenue breakdown:

Geographically, the Group's sales at the end of December 2021 were broken down into the following macro-areas:

- Western Europe 51.5% (49.9% as at December 2020) – of which Italy 19.9% (15.8% at the end of 2020)
- Eastern Europe 16.1% (16.3% as at December 2020)
- North America 16.5% (18.8% as at December 2020)
- Asia Pacific 12.9% (12.0% as at December 2020)
- Rest of World 3.0% (3.0% as at December 2020)

By type, sales of machines & systems always account for the clear majority (91.1%) compared to mechatronics (8.9%).

Balance sheet:

Group Shareholders' Equity: 249.2 million euros

Net Invested Capital: 124.6 million euros

Net Operating Current Assets negative at 8.4 million euros

Dividends:

In the light of the brilliant earnings and financial results achieved, it is proposed to pay a gross dividend of 0.624 euros per share, 2,141,702.48 euros from net income for the year and 14,957,515.55 euros from the Extraordinary Reserve for yearly profits, as a temporary exception to the rule adopted by the Group in this regard (30% of net profit). The proposed dividend represents 50% of Group net profit achieved in 2021. The last dividend payment dates back to May 2019 when it was 0.48 euros per share.

The total disbursement for the proposed dividends amounts to 17,099,218.03 euros. Coupon date: 23 May 2022, Record date: 24 May 2022; Payment date: 25 May 2022. Coupon no. 16.

Authorisation to buy and dispose of Biesse own shares

The Board of Directors resolved to submit to the approval of the next Shareholders' Meeting the proposal to authorise the purchase and disposal of treasury shares, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and 132 of the Consolidated Law on Finance.

The authorisation to purchase and dispose of own shares serves the following purposes

- to set up a securities warehouse to sell, dispose of and/or use treasury shares, in line with the strategic guidelines that the Company intends to pursue, within the scope of extraordinary transactions, including, by way of example but not limited to, exchange, contribution or at the service of capital transactions or other corporate and/or financial transactions and/or other extraordinary transactions such as, by way of example but not limited to, acquisitions, mergers, spin-offs, convertible bond issues, bonds, warrants, etc;
- to service any share incentive plans that may be approved by the Company in the future;
- a medium- or long-term investment or, in any case, to take advantage of enhancement opportunities that may arise from market trends.

The request for authorisation will concern a maximum number of shares that, taking into account the ordinary shares of the Company held from time to time in the portfolio by the Company and the Companies it controls, does not exceed a total of 10% of the Company's share capital or any other maximum amount envisaged by the law in force at the time; taking into account the Biesse shares held from time to time in the portfolio by the Company and the Companies it controls, without prejudice to the maximum outlay of € 15 million.

The authorisation will have a duration of 18 months from the date of the Shareholders' Meeting resolution. The unit price for the purchase of shares will be established from time to time for each individual transaction, provided that the purchases are made at a price that does not differ by more than 15% from the reference price recorded by the share during the stock exchange session prior to each individual transaction. The purchase transactions will be carried out on regulated markets in accordance with the provisions of Article 144-bis, paragraph 1, letter b of the Issuers' Regulations, in strict compliance with Article 5 of EU Regulation 596/2014 and through intermediaries qualified in accordance with the law. The dispositions of shares may be carried out, in one or more times, even before having exhausted the quantity of own shares that can be purchased. The disposition may take place in the manner deemed most appropriate in the interest of the Company and in any case in compliance with applicable regulations and accepted market practices.

Corporate Governance, Remuneration Report & Sustainability Report:

During today's Board of Directors' meeting, the Biesse Report on corporate governance and the shareholding structure pursuant to Article 123-bis of the Consolidated Law on Finance and the Report on the 2021 remuneration policy and on the remuneration paid in 2021 pursuant to Article 123-ter of the Consolidated Law on Finance and Article 84-quater of the Issuers' Regulations were also approved. The Sustainability Report relating to the year 2021 was also approved.

Biesse Ordinary Shareholders' Meeting:

The Board of Directors has called the Biesse Ordinary Shareholders' Meeting to be held on 27 April 2022 at 9.00 a.m. in first call.

Conference Call

Biesse will hold a conference call today at 4.30 p.m. to comment on the approved Draft 2021 Financial Statements. The supporting presentation will be available on the corporate website www.biessegroup.com in the investor relations section. The same presentation will also be made available on the official storage website www.1info.it

The details needed for taking part in the conference call in question are on the company's website, in the section dedicated to investors.

"The Financial Reporting Officer (Pierre La Tour) declares that, pursuant to paragraph 2, Article 154-bis of the Consolidated Law on Finance, the accounting information in this press release corresponds to the results in the accounting documents, books and other records"

BIESSE S.p.A. - Biesse Group is an international company that designs, manufactures and distributes systems and machines for processing wood, glass, stone, metal, plastic and composite materials for the furniture, housing & construction, automotive and aerospace industries. Founded in Pesaro in 1969 by Giancarlo Selci, it has been listed in the STAR segment of Euronext Milan since June 2001. It generates approx. 85% of its consolidated turnover abroad, operating in more than 160 countries, thanks to 13 production plants and a direct presence in the main world markets.

Its customers include industry-leading companies and prestigious Italian and international design brands. It currently has a total of over 4,300 employees.

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FINANCIAL STATEMENTS (the statutory audit has already been completed)

Income Statement highlighting non-recurring components as at 31 December 2021

	31 December 2021	% on sales	31 December 2020	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	742,199	100.0%	578,789	100.0%	28.2%
Change in inventories, wip, semi-finished products and finished products	21,409	2.9%	(10,911)	(1.9)%	-
Other Revenues	7,007	0.9%	5,767	1.0%	21.5%
Revenue	770,615	103.8%	573,645	99.1%	34.3%
Raw materials, consumables, supplies and goods	(333,566)	(44.9)%	(234,320)	(40.5)%	42.4%
Other operating costs	(124,958)	(16.8)%	(92,130)	(15.9)%	35.6%
Personnel expense	(232,419)	(31.3)%	(191,209)	(33.0)%	21.6%
Gross Operating Profit	79,672	10.7%	55,985	9.7%	42.3%
Depreciation and amortisation	(33,236)	(4.5)%	(33,384)	(5.8)%	(0.4)%
Provisions	(12,372)	(1.7)%	(15,587)	(2.7)%	(20.6)%
Operating profit before non recurring items	34,064	4.6%	7,014	1.2%	-
Non recurring-items	11,657	1.6%	(791)	(0.1)%	-
Operating profit	45,721	6.2%	6,223	1.1%	-
Financial income	292	0.0%	1,080	0.2%	(73.0)%
Financial expense	(2,595)	(0.3)%	(3,190)	(0.6)%	(18.6)%
Exchange rate income and expenses (net)	(2,933)	(0.4)%	(891)	(0.2)%	-
Pre-tax profit	40,484	5.5%	3,222	0.6%	-
Income taxes	(6,289)	(0.8)%	(767)	(0.1)%	-
Profit for the year	34,195	4.6%	2,455	0.4%	-

Balance Sheet as at 31 December 2021

	31 December 2021	31 December 2020
<i>Euro 000's</i>		
Intangible assets	97,989	73,354
Property, plant and equipment	117,203	125,130
Financial assets	4,578	3,277
Non-current assets	219,770	201,761
Inventories	179,417	129,848
Trade receivables and contract assets	125,962	102,875
Trade payables	(186,660)	(132,790)
Contract liabilities	(127,093)	(72,189)
Net operating working capital	(8,375)	27,744
Post-employment benefits	(13,318)	(12,775)
Provision for risk and charges	(24,850)	(19,988)
Other net payables	(63,136)	(45,979)
Net deferred tax assets	14,660	14,508
Other net liabilities	(86,781)	(64,235)
Net invested capital	124,614	165,270
Share capital	27,393	27,393
Profit for the previous year and other reserves	186,957	184,099
Profit for the year	34,018	2,531
Non-controlling interests	849	790
Equity	249,217	214,812
Bank loans and borrowings and loans and borrowings from other financial backers	29,594	141,989
Other financial assets	(27,098)	(28,107)
Cash and cash equivalents	(127,099)	(163,425)
Net financial position (1)	(124,603)	(49,543)
Total sources of funding	124,614	165,270

Net Financial Position as at 31 December 2021

	31st December 2021	30th September 2021	30th June 2021	31st March 2021	31st December 2020
<i>Euro 000's</i>					
Financial assets:	154,197	143,509	178,143	171,946	191,532
<i>Current financial assets</i>	27,098	27,867	27,682	27,589	28,107
<i>Cash and cash equivalents</i>	127,099	115,641	150,461	144,357	163,425
Short-term financial lease payables	(7,384)	(6,628)	(7,876)	(6,929)	(6,746)
Short-term bank loans and borrowings and loans from other financial institutions	(5,998)	(5,539)	(34,996)	(41,101)	(68,763)
Short-term net financial position	140,815	131,343	135,271	123,916	116,023
Medium/Long-term financial lease payables	(15,320)	(16,546)	(21,303)	(22,939)	(23,526)
Medium/Long-term bank loans and borrowings	(680)	(916)	(915)	(40,838)	(42,954)
Trade payables and other medium/long-term payables	(213)	-	-	-	-
Medium/Long-term net financial position	(16,212)	(17,462)	(22,218)	(63,777)	(66,480)
Total net financial position	124,603	113,880	113,053	60,139	49,543