

# Interim Report as at 30 June 2024

Biesse S.p.A.

## INTERIM REPORT AS AT 30 JUNE 2024

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## THE BIESSE GROUP

### BIESSE GROUP STRUCTURE

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

#### Biesse S.p.A.



\*The remaining 10% is owned directly by Biesse S.p.A.

## BIESSE GROUP PROFILE

The Biesse Group is an international manufacturer of integrated lines and machines for the processing of wood, glass, stone, plastics and composites. Founded in Italy in 1969 and listed on the Euronext STAR segment of the Italian Borsa Italiana stock exchange, the Group supports the business development of its customers in the furniture, supply & construction, automotive and aerospace sectors. Today, about 80% of consolidated revenues are made abroad thanks to a constantly growing global network with 12 production sites and more than 20 showrooms worldwide. Thanks to the expertise of our 4,250 employees, we inspire leading companies in their sectors and the most respected names in Italian and international design to unlock the potential of every material.

With respect to the consolidated financial statements for the year ended 31 December 2023, it should be noted that on 29 January 2024, the acquisition of the entire share capital of GMM Finance S.r.l., the holding company at the head of the GMM Group, which includes the companies GMM S.p.A., Bavelloni S.p.A. and Techni Waterjet Ltd., as well as their respective Italian and foreign subsidiaries, active in the fields of machine tools for processing stone, glass and other materials, was completed.

Therefore, the Biesse Group's economic and financial situation at 30 June 2024 has been affected by the line-by-line consolidation of the GMM Group from 1 January 2024. Also taking into account the agreements defined between the parties regarding the acquisition method of the GMM Group, the first consolidation of the GMM Group financial statements is represented as of 1 January 2024, the reference date for the Purchase Price Allocation (PPA) process required by IFRS 3. IFRS 3 requires that at the acquisition date, the difference between the cost of the combination – equal to the provisional price paid for the acquisition – and the fair value of the identifiable net assets acquired, including contingent liabilities, is determined. As at 30 June 2024, the allocation of the cost of the combination illustrated above (PPA) is still to be considered provisional; pursuant to IFRS 3, the accounting for business combinations can be finalised within twelve months from the date of acquisition. In view of the provisional price of €72.4 million, a positive consolidation difference emerged. This difference, provisionally determined, was entered in the balance sheet as detailed in point 25 of the notes below.

## 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 Biesse Group's performance. The criterion applied by the Biesse 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 Interim Report and the previous year used for comparison.

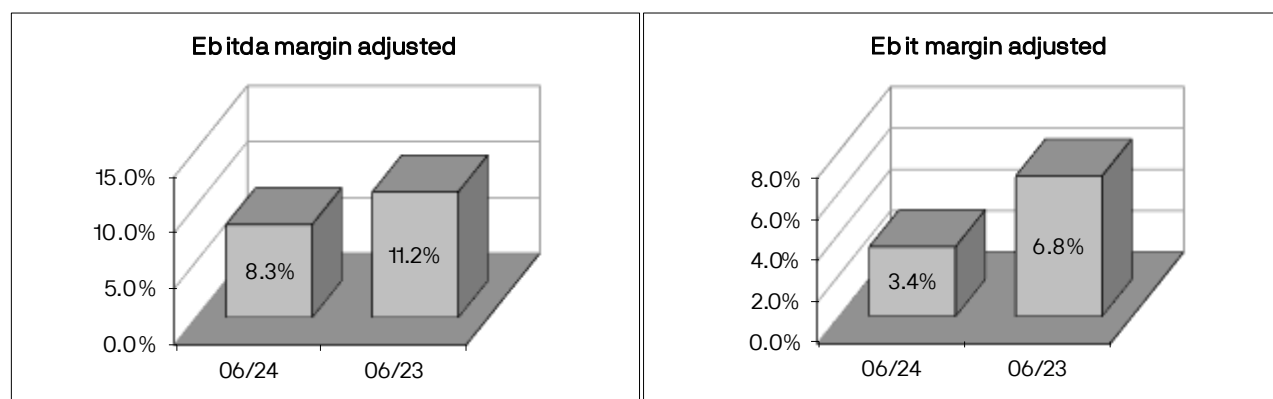
Performance indicators are to be regarded as complementary to and not a substitute for financial data prepared in accordance with IFRS. Hereafter is a description of the main indicators adopted.

- *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 Biesse 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 Biesse Group's ordinary operations.
- *Operating Profit or EBIT (Earnings Before Interest and Taxes):* this indicator is defined as Profit (Loss) for the year before income taxes, financial income and expenses, and foreign exchange losses and gains.
- *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 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.
- *Net Financial Position excluding IFRS 16*: 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 and without considering the effects resulting from the application of IFRS 16.

## FINANCIAL HIGHLIGHTS

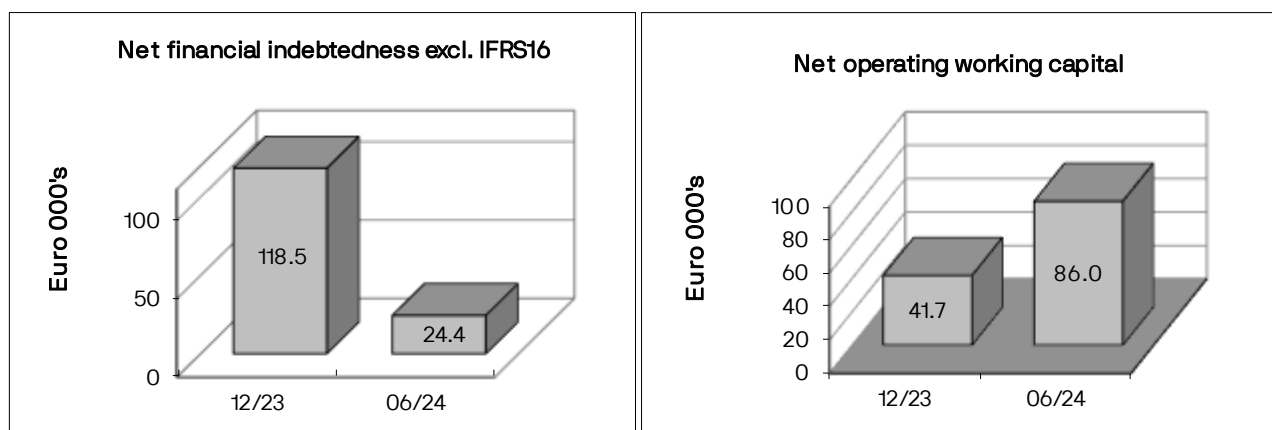
	30 June 2024	% on sales	30 June 2023	% on sales	Change %
<i>Euro 000's</i>					
Revenue from sales and services	395,721	100.0%	418,185	100.0%	(5.4)%
Ebitda (Gross operating profit) adjusted(1)	32,902	8.3%	46,983	11.2%	(30.0)%
Ebit adjusted (1)	13,323	3.4%	28,406	6.8%	(53.1)%
Ebit (1)	10,292	2.6%	30,343	7.3%	(66.1)%
Profit/Loss for the period	3,923	1.0%	19,504	4.7%	(79.9)%



## Statement of Financial Position

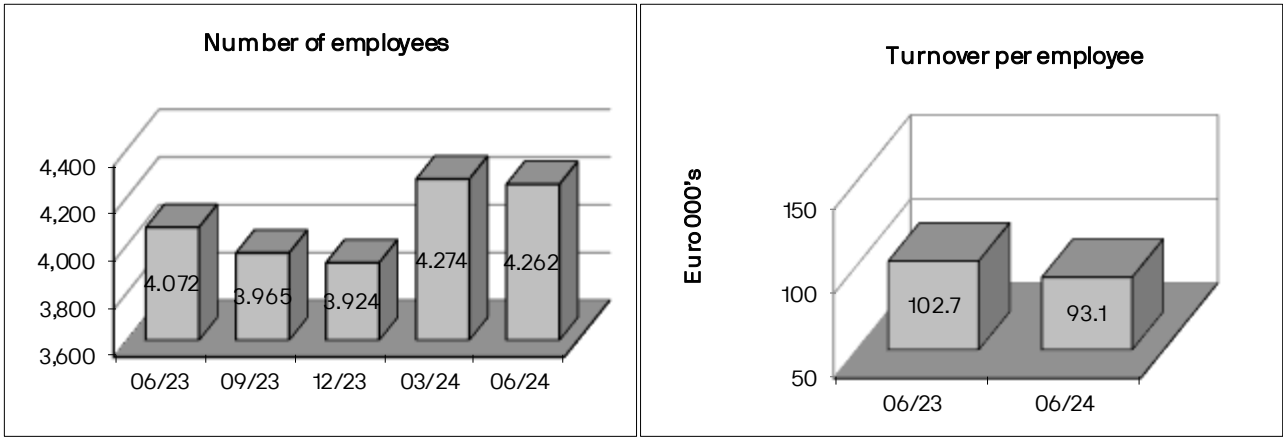
	30 June 2024	31 December 2023
<i>Euro 000's</i>		
Net Invested Capital <sup>(1)</sup>	271,521	168,495
Equity	264,110	261,448
Net Financial Position <sup>(1)</sup>	(7,411)	92,953
Net Financial Position excl. IFRS16 <sup>(1)</sup>	24,424	118,457
Net Operating Working Capital <sup>(1)</sup>	86,020	41,682
Order intake	277,399	282,320

(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 2024	30 June 2023
Number of employees at year end	4.252	4.072



*\* includes agency workers.*



## COMPOSITION OF CORPORATE BODIES

### Board of Directors

Chairman	Roberto Selci
Chief Executive Officer	Massimo Potenza
Non-executive director	Alessandra Baronciani
Lead Independent Director	Rossella Schiavini
Independent Director	Massimiliano Bruni
Independent Director	Federica Ricceri
Independent Director	Cristina Sgubin

### Board of Statutory Auditors

Chairman	Paolo De Mitri
Standing Statutory Auditor	Giovanni Ciurlo
Standing Statutory Auditor	Benedetta Pinna
Alternate Statutory Auditor	Silvia Muzi
Alternate Statutory Auditor	Maurizio Gennari

### Control, Risks and Sustainability Committee

Rossella Schiavini (Chairman)  
Federica Ricceri  
Massimiliano Bruni

### Remuneration Committee

Federica Ricceri (Chairman)  
Rossella Schiavini

### Related-Party Transactions Committee

Rossella Schiavini (Chairman)  
Cristina Sgubin

### Independent Auditors

Deloitte & Touche S.p.A.

## DIRECTORS' REPORT ON OPERATIONS

### GENERAL ECONOMIC OVERVIEW

#### GLOBAL ECONOMIC TREND

The latest data confirm a strengthening of global activity. In May 2024, the world composite Purchasing Managers' Index (PMI) for output (excluding the euro area) increased, as a result of output growth in both the manufacturing and services sectors. This is in line with evidence from the ECB's indicator on global activity, which points to an improvement in the dynamics of activity supported by the positive results of qualitative and quantitative data. The indicator showed a gradual improvement in global activity since the beginning of the year, with recent quantitative data more closely aligned with the positive signals coming from qualitative data. However, unfavourable circumstances for global growth remain, including shrinking excess savings reserves in advanced economies and weak domestic demand in China against the backdrop of difficulties in the residential construction sector. Moreover, labour markets in the major advanced economies are gradually cooling and nominal wage growth is moderating, contributing less to disposable income growth. As a result, global consumer spending, which supported the recovery of economic activity in the aftermath of the pandemic, remains subdued. Real world GDP growth in the first quarter of 2024 is estimated to have declined slightly to 0.8 per cent, down from 0.9 per cent in the fourth quarter of 2023. The global growth outlook remains broadly unchanged from the macroeconomic projections made by ECB experts in March 2024. The modest decline in growth this year reflects the impact of the aforementioned unfavourable circumstances, the continuation of restrictive monetary policies and the high uncertainty due to geopolitical tensions. Overall, world GDP in real terms is expected to stand at 3.3 per cent this year compared to 3.5 per cent in 2023. Real GDP growth worldwide is expected to remain at 3.3 per cent in 2025 and 3.2 per cent in 2026, slightly below the average rate of the last decade.

#### UNITED STATES

In the US, the prolonged vigour of economic activity and persistent inflation prompted the Federal Open Market Committee to postpone the first rate cut. In the first quarter of 2024, real GDP growth slowed to 0.3 per cent, down from 0.5 per cent observed in the fourth quarter of last year. However, domestic demand remained robust, as the negative contribution of net trade reflects a strong increase in imports. Real disposable income growth declined in the first quarter and the savings rate dropped further. Available estimates based on high-frequency data suggest that real GDP growth may increase slightly in the second quarter of 2024, although remaining below the pace observed in the second half of 2023. Labour market conditions in the US continue to show signs of cooling, although they remain very tight. Although employment in the non-farm sector increased in April, it was well below the average observed in the first quarter of 2024 and the unemployment rate rose slightly. Both the ratio of job vacancies to the unemployed and wage growth have remained high but are decreasing, albeit only slowly. Consumer inflation fell slightly in April, with headline and core inflation standing at 3.4 and 3.6 per cent respectively. Looking ahead, inflation is expected to slowly decline further, while remaining above the Federal Reserve's 2 per cent target for an extended period of time. Against the backdrop of this macroeconomic environment, the Federal Open Market Committee recently emphasised in its statements that interest rates will remain high for a longer period of time.

#### UNITED KINGDOM

In the UK, economic growth continued to increase in the first quarter of 2024 and the labour market shows signs of easing. Following the technical recession in the second half of 2023, real GDP in the first quarter of 2024 increased by 0.6 per cent over the previous period, well above official and market expectations. The contribution made by net trade was positive, due to a strong contraction in imports, which largely offset the decline in exports. Although the latest data point to a solid start in the second quarter, economic activity is expected to grow at a more moderate pace for the rest of this year. Moreover, private consumption remains relatively modest, in line with the compression of real wages, high interest rates and the restrictive stance of monetary and fiscal policies. Overall inflation declined further, but price pressures persist in the service sector. Overall inflation measured by the CPI continued to decline in April 2024, to 2.3 per cent from 3.2 per cent in March. However, services inflation surprised on the upside, coming in at 5.9 per cent in April, marking only a slight decline from the 6.0 per cent recorded in the previous month and reflecting strong wage growth as well as persistent labour shortages. Labour market tensions remain above the pre-pandemic average. Nominal wage growth, a key driver of persistent services inflation, continued to decline in the first quarter of the year, but remains at very high levels. According to Bank of England forecasts, wage pressures will continue to fall in the coming months.

#### CHINA

In China, domestic demand remains weak, although growth in the first quarter of 2024 turned out to be higher than expected. In the first quarter, real GDP growth over the previous period rose to 1.6 per cent,

from 1.2 per cent in the previous quarter. This reflects higher public investment from the fiscal stimulus measures implemented on the basis of a budget revision at the end of 2023, while private sources of domestic demand, in particular consumption, remained weak and declined in April 2024. In contrast, the resumption of strong growth in industrial production and investment continues to show steady improvement, thanks to the stimulus of infrastructure projects. There are some tentative signs of stabilisation in the housing market. Although overall the residential construction market is still rather stagnant, housing sales and investments have recently increased, accompanied by a slowdown in the decline of new construction. Statements made by the authorities in April 2024 signalled an increase in public support for the housing market through the direct takeover of uncompleted real estate projects from builders, arousing some optimism among industry players. In April, overall 12-month inflation measured by the CPI rose to 0.3 per cent, from 0.1 per cent in the previous month; core inflation also increased slightly over the same period, from 0.6 per cent to 0.7 per cent. The continued weakness in producer price dynamics, coupled with stagnating domestic demand, suggest that inflationary pressures in the Chinese economy remain subdued.

#### **EUROZONE**

In the first quarter of 2024, real GDP in the Euro area rose by 0.3 per cent over the previous period. This resumption of growth, following a five-quarter period of essentially stagnant activity, resulted from a positive contribution from net trade and domestic demand, against a negative contribution from changes in inventories. Survey results point to continued growth in the second quarter. In industry, production is still suffering from weak demand, especially in the energy-intensive sectors, while the service sector is showing clearer signs of a generalised improvement. On the supply side, the recovery in the first quarter was entirely due to employment, while productivity stagnated. The euro area economy is expected to continue its recovery over the course of the year, driven by rising real incomes due to falling inflation, rising wages and improved terms of trade, as well as the gradual fading of the effects of the restrictive stance of monetary policy. Export growth is also expected to continue in the coming quarters, in line with global demand, although downside risks due to external competition challenges remain. This outlook is broadly reflected in the macroeconomic projections for the euro area formulated by Eurosystem experts in June 2024, which forecast annual real GDP growth of 0.9 per cent in 2024, rising to 1.4 and 1.6 per cent in 2025 and 2026, respectively.

#### **ITALY**

In the first quarter of this year, GDP expanded by 0.3 per cent over the previous period. The main support for growth came from net foreign demand, as a result of both the increase in exports (0.6 per cent, especially business services) and the decline in imports (-1.7 per cent). Household consumption rose again, recovering only part of the sharp decline of the previous quarter. Gross fixed capital formation slowed: the increase in construction spending, still sustained but less marked than in the last months of 2023, was associated with a marked decrease in spending on plant, machinery and intangible assets. Finally, after subtracting almost one and a half points from output in the average of 2023, the change in inventories again made a negative contribution to GDP dynamics (-0.7 percentage points). Value added decreased again in industry in the narrow sense, while it increased markedly in agriculture and construction. The latter continued to benefit at the beginning of the year from the continuation of work commissioned before the Superbonus was remodelled. In services, activity more than recovered from the slight decline at the end of 2023, thanks to expansion in the financial and insurance sectors, professional and leisure activities. On 13 June, the projections for the Italian economy for the period 2024-26 prepared by the Bank of Italy as part of the Eurosystem's coordinated exercise were published. The scenario assumes, in line with the assumptions adopted by leading forecasters, that international trade will gradually accelerate over the three-year period. It also assumes that, even in a context of global instability, there will be no particular tensions in the financial and commodity markets. Consistent with the expectations embedded in futures contracts, energy commodity prices would gradually decline, reaching a level slightly below the current level by the end of 2026. The cost of financing for businesses and households would remain high in 2024, gradually decreasing over the following two years. Output would increase moderately this year, by 0.6 per cent, and accelerate slightly thereafter, to 0.9 in 2025 and 1.1 in 2026. Without taking into account the correction for working days, GDP growth would be 0.8 per cent this year and next, and 1.2 per cent in 2026. Activity would be supported by consumption and exports, which would benefit from the recovery of disposable income and foreign demand. Investment would slow down markedly, held back both by the overall restrictive, albeit gradually improving, financing conditions and by the sharp downsizing of housing incentives. These factors would be mitigated by the growth in infrastructure spending and the private investment stimulus measures in the NRRP. Employment would continue to expand over the three-year period, albeit at a more moderate pace overall than output. Labour supply would slow, suffering from the structural decline in the working-age population, the effects of which would only be partially offset by those of increased labour market participation. The unemployment rate would remain stable over the period. Consumer inflation would remain low, at 1.1 per cent this year and just over 1.5 in the average of the two-

year period 2025-26. The decline from the high levels of 2023 would mainly reflect lower energy and intermediate product prices.

## BUSINESS SECTOR REVIEW

### UCIMU – SISTEMI PER PRODURRE (SYSTEMS TO PRODUCE)

2023 proved to be a good year for the Italian machine tool, robot and automation industry. The new production record, however, was driven solely by the excellent export performance; domestic demand declined. With these results, the Italian industry once again confirmed its position as one of the main players on the international scene, where it ranked fifth in the world production ranking and fourth in that of exports and consumption. The forecast for 2024 is for a moderate drop in production: the positive export trend countered by a reduction in domestic deliveries, affected by weak domestic demand. On the other hand, the slowdown in order intake in the first part of the year was the result of the uncertain environment both in Italy and abroad.

According to final figures compiled by UCIMU's Centre for Studies & Business Culture, Italian production of machine tools, robots and automation set a new record in 2023, reaching 7,615 million euro, an increase of 4.6% over 2022. The result was solely determined by the excellent response on the foreign market: exports reached a record value of €4,223 million, or 21.8% more than in 2022. Consumption fell, by 7.8%, to €5,816 million, penalising deliveries by Italian manufacturers, down 11%, to €3,392 million, and imports, down 3%, to €2,425 million. The export-to-production ratio returned to growth, rising from 47.6% in 2022 to 55.5% in 2023. In 2023, the main markets for Italian supply were: United States (567 million, +17.5%), Germany (359 million, +17.2%), China (286 million, +26.6%), France (247 million, +28.2%), Poland (215 million, +14.5%), Turkey (211 million, +70.9%), Mexico (195 million, +133.1%), Spain (130 million, +9.4%), India (117 million, +77%), United Kingdom (85 million, +44.1%). Capacity utilisation is still high, with the average annual capacity utilisation slightly decreasing from 86.6% in 2022 to 86.2% in 2023. The order book also declined slightly to 7.3 months of assured production, compared to 8 months in the previous year. Turnover in the sector reached €11,012 million.

According to forecasts drawn up by UCIMU's Centro Studi & Cultura di Impresa, 2024 will mark a slight setback for the Italian machine tool, robot, and automation industry, which will nevertheless remain at an average high level. The moderate decline recorded by all major economic indicators is contrasted by the growth of exports, which will set a new record. Production stood at €7,450 million (-2.2%). Exports, which are still expected to grow (+3%), will reach a new record of €4,350 million. Deliveries to the domestic market will suffer the most (-8.6%), stagnating at 3,100 million, penalised by the decline in domestic consumption, which will fall (-7.1%) to 5,405 million. Imports also decreased, standing at €2,305 million (-4.9%). The order intake of Italian manufacturers in the first half of the year, on the other hand, set the pace. In the first six months of 2024, the UCIMU index fell by 17.3% compared to the same period of the previous year. Domestic orders fell by 18.7%; foreign orders fell by 16.2%. This lacklustre result is mainly due to the general conditions of instability in Italy and around the world.

Barbara Colombo, Chair of UCIMU-SISTEMI PER PRODURRE, stated: *"After a truly resounding two-year period, marked by double-digit growth in all the main economic indicators, 2023 proved to be a favourable year for Italian industry, which set a new production record. The positive result, however, was driven solely by the excellent export performance, which soared. This success once again demonstrates the flexibility of Italian companies, which are able to quickly reorient their business towards the most dynamic markets. But at the same time, it highlights the clear weakness of the Italian market, which had already begun to creak by the end of 2022. On the other hand, the trend in order intake in these first six months confirms the weakness of demand, which, both in Italy and abroad, is suffering from the unstable environment. For the domestic market, while this slowdown can be considered partly physiological, given the exceptional expansion of the past two years, it is equally true that the uncertainty surrounding Transition 5.0 weighed on the result. The prolonged wait for the measure to become operational and the lack of implementing decrees created a double negative effect. On the one hand, they led to the suspension of purchase decisions by users, pending clarification of the measure. On the other hand, they have at least partially obscured the availability of Measure 4.0, which is still in force but has been 'forgotten' by many operators. With the launch of Transition 5.0, Italian manufacturing companies will be able to choose to work with one or the other measure, knowing that 5.0 combines digital and energy saving, while 4.0 continues to insist on digital only. And a good amount of resources will be available. This amounts to about 13 billion in total: 6.4 billion is estimated for 4.0; 6.3 billion from the Repower EU Fund for 5.0. The point is, however, that if Transition 5.0 is not operational in the immediate future, a significant proportion of the benefits it has on paper will be lost. Such a compressed timeframe between the availability of the measure and the deadline for delivery and connection of the machine (set for December 2025) puts Italian manufacturers specialising in super-customised products at a disadvantage, with production times of around six to eight months. Also,*

*in view of the government's promise to work to support Made in Italy, we believe that these delays are a real own goal because, in fact, they risk favouring first and foremost importers who have large warehouses."*

*"The United States, China, India, Vietnam and Mexico, and of course the European Union, are the countries we look at most closely. Exporting is our first way of managing them, but it cannot and should not be the only one. Structuring ourselves to be truly competitive in the global market is a long process. For this reason," Barbara Colombo said, "it is important that the authorities increase the resources allocated to supporting the internationalisation activities of companies, from incoming missions of foreign operators to international trade fairs held in Italy, to tours of Italian companies and forums abroad to present the most attractive sectors of Italian products. But I am also thinking of the initiatives with SACE, to cover export activities, and with SIMEST, to finance foreign development projects, as well as participation in international trade fairs around the world. And then," concluded the UCIMU president, "when we look at the giants around us, we have to realise that the size of our companies and our country are not in our favour. That is why our membership of the European Union, within which we will be able to help steer programmes, directives and economic-industrial plans, will be increasingly important to the extent that we will be able to have a seat at the strategic tables at all levels'.*

#### **ACIMALL – ITALIAN WOODWORKING TECHNOLOGY ASSOCIATION (PERFORMANCE OF THE FIRST QUARTER OF 2024)**

In the period under review, exports amounted to €379.4 million, 6.1% less than in the same quarter of 2023. Notwithstanding the fact that one quarter is too short a period of time to be able to accurately outline any significant developments, looking at the main destination areas we can nevertheless grasp the 30% drop in sales in non-EU Europe in the light of the conflict between Russia and Ukraine. The same tragic dynamic led to the contraction of exports to the Middle East, which fell by 55.1%. In addition to the considerable stability of the European Union (the most important partner, accounting for 52.8% of our total exports), there is the important confirmation of the expansionary phase of Italian technology purchases in North America (up 4%), thanks in particular to the policy of the United States to bring back to its borders productions that had been "delegated" to neighbouring countries. Markets that remain attractive, albeit at very low levels, include South America (up 28%), Oceania (up 18%) and Africa (up 9.3%). Of particular note is the 16.4% drop in exports to Asia, a decline that is undoubtedly due to the growing importance of 'made in China' woodworking and furniture technology products, which are becoming increasingly attractive in neighbouring markets. Focusing on individual countries, we highlight the "comeback" of the United States and France, the best customers of the quarter, with a marked recovery compared to Italian technology purchases for the whole of 2023, down 16% in the US and 4.6% in the French-speaking world. Purchases from Sweden were very good (+137% compared to the same quarter 2023), mainly spare parts and integration of existing technologies. The UK confirmed the collapse of Italian machinery imports (minus 36.6%), which follows the similar contraction recorded for the whole of 2023. Despite the increase in domestic production, China is confirming its interest in our technologies (up 12.9% in the first three months of 2024, following the 10% increase in the first three months of 2023); India continues to lose ground in the ranking of client countries (down 30.5%), although it remains in the list of markets from which good satisfaction can be expected, despite the real results it offers our companies.

An analysis of foreign technology imports into our market in the first quarter of 2024 further confirms the standstill in Italy, although the absolute figures are small: purchases from Germany decreased by 35.6%, imports from China by 20.5 and imports from Switzerland by 12.3%; Austria sees its sales in our country grow by 8.7%. In more general terms, imports in the January-March 2024 period amounted to €39.4 million, just over 10% of exports, and down 23.9% compared to the same period in 2023. Looking at the data by geographical area, the European Union remains the most 'interesting' origin with €23.3 million over the period: although down 24.6% over the same period in 2023, it still accounts for 59.2% of total Italian imports.

*"The figure that should perhaps make us think more than others is the marginalisation of Africa for Italian manufacturers," said Acimall director Dario Corbetta. "Despite the geographical proximity and the commitment of our government to establish more fruitful relations, for our sector the penetration of "Made in Italy" in Africa is still very limited, especially if we consider that in 2023 China would have sold wood technology worth around 100 million. North America remains a very important partner for our companies, an argument that can easily be extended to Europe, although one wonders whether we should now be talking about expanding the domestic market rather than exports."*

#### **TREND IN THE FIRST HALF OF 2024**

As is now well known, the protracted conflict between Russia and Ukraine and the risk of tensions spreading beyond the Israeli-Palestinian area continued to have a major impact on international markets,



confirming the persistence of general conditions of instability and high tension, with consequent effects on financial market performance.

The reference framework continues to be characterised by uncertainties stemming from the evolution of the international geopolitical context described above and the continuation of restrictive monetary policies, with the consequent impact on financial dynamics and supply chains, which nevertheless remained quite solid despite the persistent risks to inflation and international trade linked to the ongoing disruptions in the Suez Canal and the Red Sea.

The global context in which the Biesse Group finds itself is therefore marked by political and economic difficulties that have inevitably had an impact on the Group's performance. In particular, the slowdown in orders, which became apparent during the course of 2023, and the financial difficulties caused by high interest rates, which Biesse Group's customers continue to face, affected the dynamics of the sales trend in the first half of the year.

At the end of the first half of 2024, the Biesse Group's portfolio stood at €277,399 thousand, down 1.7% compared to December 2023 (€282,320 thousand), positively impacted by the acquisition of the GMM Group, despite the generalised slowdown in order intake seen during the first half of the year.

In this scenario, Biesse Group revenues at 30 June 2024 amounted to €395,721 thousand, down 5.4% compared to 30 June 2023. This performance was characterised by the downsizing of sales dynamics in certain geographical areas, a phenomenon partially muffled by the consistency of the order book present at the beginning of the year and the acquisition of the GMM Group.

The analysis of the turnover by geographic area shows that the decrease concerned the Europe, Middle East and Africa area (-14.9%), while the Americas and the Asia-Pacific area recorded an increase of 12.0% and 28.8% respectively.

The Europe Middle East and Africa area remains the Biesse Group's reference area, closing with a turnover of €252,584 thousand, representing 63.8% of the total. If, on the other hand, we analyse the distribution of revenues by operating segments (Machine-Systems and Mechatronics), they recorded a decrease compared to the first half of 2024 of 4.3% and 18.1% respectively.

The reduction in volumes was in fact reflected in the operating profitability for the period, as indicated by Adjusted Ebitda, which, gross of non-recurring expenses, amounted to €32,902 thousand, a decrease of 30.0% compared to the same period of the previous year. At the same time, there was a decrease in the operating result before non-recurring events (EBIT Adjusted) (€13,323, thousand in the first half of 2024 against €28,406 thousand in the first half of 2023) with a negative delta of €15,083 thousand and a decreasing ratio to revenue, from 6.8% to 3.4%.

It should be noted that the Biesse Group's economic result for the period in question was negatively impacted by 'non-recurring events' in the amount of €3,031 thousand, of which €1,031 thousand related to the costs incurred for the acquisition of the GMM Group's shares and €2,000 thousand to the adjustment of the corporate restructuring provision already recognised in the financial statements at 31 December 2023.

In addition to what has been described so far on the trend in economic performance, it should be noted that financial performance is also influenced by the dynamics of net operating working capital, which increased by €44,338 thousand compared to December 2023, with a consequent contraction in cash generation. This phenomenon is mainly attributed to the change in the scope of consolidation due to the acquisition of the GMM Group, which significantly impacted the balance of inventories, trade receivables and payables in the first half of 2024. The decrease in contractual liabilities (amounting to € 4,265 thousand) is, however, influenced by the slowdown in order intake already manifested in 2023.

The net financial position (hereinafter also referred to as "NFP") of the Biesse Group at 30 June 2024 was negative for €7,411 thousand (positive for €24,424 thousand excluding the effects of IFRS 16), a decrease of €100,364 thousand compared to the figure at 31 December 2023, when it was positive for €92,953 thousand (and positive for €118,457 thousand excluding the effects of IFRS 16). The change is mainly influenced by the finalisation of the acquisition of the GMM Group (which entailed the payment of a provisional consideration of approximately €69 million), while the remainder of the change is attributable to the consolidation of the GMM Group's net financial debt, the distribution of dividends during the first half of 2024, as well as the dynamics of net operating working capital commented on above, offset by the positive results achieved at the operating level.

Despite the context described above, the Biesse Group will continue for the remainder of the year the process of integrating the GMM Group and strengthening its presence in international markets, with a particular focus on controlling costs and monitoring cash flow dynamics.

## MAIN EVENTS OF THE HALF-YEAR

On **29 April 2024**, the Shareholders' Meeting of Biesse S.p.A. approved:

- the Financial Statements at 31/12/2023 of the parent company Biesse S.p.A., which closed with a net profit of €18,510,616.00 and examined the Group Consolidated Financial Statements and the Sustainability Report;
- the allocation of the profit for the year 2023 and the distribution of a total gross dividend of €0.14 per share;
- the Company's remuneration policy set forth in the first section of the Remuneration Policy Regulation pursuant to Article 123-ter, subsections 3-bis and 3-ter of Legislative Decree No. 58/1998 and resolved in favour of the second section of the aforesaid report pursuant to Article 123-ter, subsection 6, of Legislative Decree No. 58/1998;
- appointed the Board of Directors and the Board of Statutory Auditors for the three-year period 2024-2026.

## INCOME STATEMENT

	30 June 2024	% on sales	30 June 2023	% on sales	Change %
<i>Euro 000's</i>					
<b>Revenue from sales and services</b>	<b>395,721</b>	<b>100.0%</b>	<b>418,185</b>	<b>100.0%</b>	<b>(5.4)%</b>
Change in inventories, wip, semi-finished products and finished products	10,173	2.6%	(10,413)	(2.5)%	(197.7)%
Other Revenues	2,759	0.7%	3,457	0.8%	(20.2)%
<b>Revenue</b>	<b>408,653</b>	<b>103.3%</b>	<b>411,229</b>	<b>98.3%</b>	<b>(0.6)%</b>
Raw materials, consumables, supplies and goods	(165,789)	(41.9)%	(165,159)	(39.5)%	0.4%
Other operating costs	(79,996)	(20.2)%	(73,021)	(17.5)%	9.6%
Personnel expense	(129,966)	(32.8)%	(126,065)	(30.1)%	3.1%
<b>Gross operating profit</b>	<b>32,902</b>	<b>8.3%</b>	<b>46,983</b>	<b>11.2%</b>	<b>(30.0)%</b>
Depreciation and amortisation	(18,193)	(4.6)%	(15,602)	(3.7)%	16.6%
Provisions	(1,386)	(0.4)%	(2,974)	(0.7)%	(53.4)%
<b>Operating profit before non recurring items</b>	<b>13,323</b>	<b>3.4%</b>	<b>28,406</b>	<b>6.8%</b>	<b>(53.1)%</b>
Non recurring-items	(3,031)	(0.8)%	1,937	0.5%	(256.5)%
<b>Operating profit</b>	<b>10,292</b>	<b>2.6%</b>	<b>30,343</b>	<b>7.3%</b>	<b>(66.1)%</b>
Financial income	1,471	0.4%	730	0.2%	101.5%
Financial expense	(3,028)	(0.8)%	(1,236)	(0.3)%	145.0%
Net exchange rate losses	(914)	(0.2)%	(2,745)	(0.7)%	(66.7)%
<b>Pre-tax result</b>	<b>7,822</b>	<b>2.0%</b>	<b>27,093</b>	<b>6.5%</b>	<b>(71.1)%</b>
Income taxes	(3,899)	(1.0)%	(7,588)	(1.8)%	(48.6)%
<b>Result for the period</b>	<b>3,923</b>	<b>1.0%</b>	<b>19,504</b>	<b>4.7%</b>	<b>(79.9)%</b>

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 Biesse Group's performance and result. In addition, please note that the criterion used by the Biesse 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 first half of 2024 amounted to €395,721 thousand, down 5.4% compared to the figure for the same period of 2023 (revenues of €418,185 thousand), in line with the sales trend for the period and positively impacted by the acquisition of the GMM Group.

**Value of production** amounted to €408,653 thousand, a slight decrease of 0.6% compared to the figure for the first half of 2023 (€411,229 thousand).

**Consumption** as a percentage of sales net of **changes in inventories** decreased slightly by 2.7 p.p. due to the different product and market mix and lower inventory write-downs.

**Other operating expenses** increased in absolute value by €6,974 thousand, increasing their percentage weight over the same period of the previous year (from 17.5% to 20.2%). This phenomenon is solely attributable to the consolidation of the GMM Group, which led to a general increase in all categories within operating expenses.

**Personnel expense** as at 30 June 2024 amounted to €129,966 thousand and recorded an increase in value of €3,901 thousand compared to the figure for the same period of 2023 (€126,065) thousand, +3.1% over the same period of 2023, substantially related to the wages, salaries and related social security charges component attributable to the increase in headcount as a result of the GMM Group integration process (4,252 employees as at 30 June 2024 compared to 4,072 employees as at 30 June 2023), partially offset by the reduction in costs realised thanks to the operation of the solidarity institution in line with the business model defined under the *One Company* project launched in previous years and the business volumes generated.

**Adjusted EBITDA** for the first half of 2024 was positive at €32,902 thousand, while in the same period of 2023 it was positive at €46,983 thousand, down 30.0%.

**Depreciation and amortisation** increased overall by 16.6% (from €15,602 thousand at 30 June 2023 to €18,193 thousand at 30 June 2024): the component relating to tangible fixed assets (including rights of use) up by €2,223 thousand (+23.0%), while that relating to intangible fixed assets increased by €368 thousand (+6.0%). This change is mainly attributable to the higher depreciation charged on assets allocated as a result of the provisional PPA.

**Provisions and impairment** amounted to €1,386 thousand, and included provisions mainly attributable to €605 thousand for write-downs of trade receivables, €587 thousand for adjustments to provisions for future risks and charges, and finally €620 thousand for the supplementary customer indemnity provision, net of utilisations made in the first half of 2024.

**Adjusted EBIT** was positive at €13,323 thousand, down 53.1% from the same period of the previous year (at €28,406 thousand).

**Non-recurring items** show a negative value of €3,031 thousand, of which €1,031 thousand refer to the costs incurred for the acquisition of the GMM Group's shares and €2,000 thousand to the adjustment of the corporate restructuring provision already recognised in the financial statements at 31 December 2023 in line with the organisational transformation process initiated in previous years by the Biesse Group.

With reference to **financial operations**, financial expenses of €1,557, thousand were recorded, up from the June 2023 figure (net expenses of €506 thousand), of which €1,471 thousand related to interest income and financial income and €3,028 thousand to interest expense and financial expenses.

**Exchange rate risk** management resulted in a net loss of €914 thousand, down compared to the €2,745 thousand loss in the prior-year period.

**Pre-tax profit** was therefore €7,822 thousand, a decrease compared to 2023 (equal to €27,093 thousand).

The estimated balance of **income taxes** was negative to the tune of €3,899 thousand. The amount relating to current taxes was a negative €5,411 thousand (IRES – corporate income tax: €918 thousand, IRAP – regional business tax: €671 thousand; taxes from foreign jurisdictions: €2,944 thousand; other income taxes and previous-year taxes: negative for €878 thousand), while deferred taxes were positive at €1,512 thousand.

As a result, the Biesse Group's **net profit** for the six months ended 30 June 2024 was a positive €3,923 thousand.



## STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

	30 June 2024	31 December 2023
<i>'Euro 000's</i>		
Intangible assets	132,692	83,446
Property, plant and equipment	138,953	117,213
Real estate investments	3,029	3,519
<b>Financial assets</b>	<b>274,674</b>	<b>204,179</b>
Inventories	216,330	168,393
Trade receivables and contract assets	129,219	116,619
Trade payables	(155,746)	(135,281)
Contract liabilities	(103,784)	(108,049)
<b>Net operating working capital</b>	<b>86,020</b>	<b>41,682</b>
Post-employment benefits	(12,807)	(10,041)
Provision for risk and charges	(36,855)	(37,512)
Other net payables	(50,822)	(47,175)
Net deferred tax assets	11,311	17,362
<b>Other net liabilities</b>	<b>(89,173)</b>	<b>(77,365)</b>
<b>Net invested capital</b>	<b>271,521</b>	<b>168,495</b>
Share capital	27,403	27,403
Result for the previous year and other reserves	232,784	221,562
<b>Result for the period</b>	<b>3,923</b>	<b>12,483</b>
Non-controlling interests	-	-
<b>Equity</b>	<b>264,110</b>	<b>261,448</b>
Bank loans and borrowings from other financial backers	109,193	28,279
Other financial assets	(16,112)	(16,758)
Cash and cash equivalents	(85,671)	(104,473)
<b>Net financial indebtedness</b>	<b>7,411</b>	<b>(92,953)</b>
<b>Total sources of funding</b>	<b>271,521</b>	<b>168,495</b>

Net invested capital amounted to €271,521 thousand, up compared to 31 December 2023 (€168,495 thousand).

Compared to 31 December 2023, net assets increased by €70,495 thousand, an increase deriving mainly from the consolidation of the GMM Group following the aforementioned acquisition and mainly referring to the values of the assets allocated (albeit provisionally) as described in section 25 of the notes to the financial statements.

Net operating working capital increased by €44,338 thousand compared to 31 December 2023. This increase is mainly attributed to the change in the scope of consolidation due to the acquisition of the GMM Group, which significantly impacted the balance of inventories, trade receivables and payables in the first half of 2024. The decrease in contractual liabilities (amounting to € 4,265 thousand) is, however, influenced by the slowdown in order intake already manifested in 2023.

Equity amounted to €264,110 thousand (€261,448 thousand as at 31 December 2023).

## Net financial position

	At 30th June 2024	At 31st March 2024	At 31st December 2023	At 30th June 2023
<i>Euro 000's</i>				
Financial assets:	101,783	117,542	121,232	115,812
<i>Current financial assets</i>	16,112	16,696	16,758	28,682
<i>Cash and cash equivalents</i>	85,671	100,846	104,473	87,130
Short term lease liabilities	(9,882)	(9,111)	(7,027)	(6,553)
Short-term bank loans and borrowings from other financial backers	(62,415)	(85,093)	(2,358)	(1,464)
<b>Short-term net financial position</b>	<b>29,486</b>	<b>23,339</b>	<b>111,847</b>	<b>107,795</b>
Medium/Long-term lease liabilities	(21,953)	(20,849)	(18,478)	(15,528)
Medium/Long-term bank loans and borrowings	(14,737)	(46)	(264)	(284)
Trade payables and other medium/long-term payables	(206)	(142)	(152)	(128)
<b>Medium/Long-term net financial position</b>	<b>(36,896)</b>	<b>(21,036)</b>	<b>(18,894)</b>	<b>(15,941)</b>
<b>Total net financial position</b>	<b>(7,411)</b>	<b>2,302</b>	<b>92,953</b>	<b>91,855</b>

The NFP statement complies 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.

For the sake of clarity, the fair value of derivatives has also been excluded from financial assets.

The net financial position of the Biesse Group at 30 June 2024 was negative for €7,411 thousand (positive for €24,424 thousand excluding the effects of IFRS 16), a decrease of €100,364 thousand compared to the figure at 31 December 2023, when it was positive for €92,953 thousand (and positive for €118,457 thousand excluding the effects of IFRS 16). The change is mainly influenced by the finalisation of the acquisition of the GMM Group (which entailed the payment of a provisional consideration of approximately €69 million), while the remainder of the change is attributable to the consolidation of the GMM Group's net financial debt, the distribution of dividends during the first half of 2024, as well as the dynamics of net operating working capital commented on above, offset by the positive results achieved at the operating level.

At the date of approval of this report, the Biesse Group has credit lines in excess of €302 million, of which €102.4 million revocable with a duration of up to 12 months and €200.0 million committed with a duration within 12 months. Of these committed lines, €100.0 million will expire within the end of September 2024 and will not be usable anymore. As at 30 June 2024, revocable lines were utilised for €2.1 million, while committed lines were utilised for €53.0 million as at the same date. All credit lines are unsecured and with no collateral. In addition, as of 30 June 2024, GMM S.p.A.'s outstanding unsecured loan debt amounted to €14.0 million and Bavelloni S.p.A.'s outstanding unsecured loan debt amounted to €3.4 million, for a total of €17.4 million of outstanding unsecured loan debt of the original amount of €38.2 million.

## SEGMENT REPORTING

### Breakdown of revenue by operating segment

	30 June 2024	%	30 June 2023	%	Change % 2024/2023
<i>Euro 000's</i>					
Machines and Systems Division	366,224	92.5%	382,494	91.5%	(4.3)%
Mechatronics Division	42,258	10.7%	51,620	12.3%	(18.1)%
Inter-segment eliminations	(12,761)	(3.2)%	(15,929)	(3.8)%	(19.9)%
<b>Total</b>	<b>395,721</b>	<b>100.0%</b>	<b>418,185</b>	<b>100.0%</b>	<b>(5.4)%</b>

## Breakdown of revenue by geographical area

	30 June 2024	%	30 June 2023	%	Change % 2024/2023
<i>Euro 000's</i>					
EMEA	252.584	63,8%	296.731	71,0%	(14,9)%
AMERICAS	88.835	22,4%	79.289	19,0%	12,0%
APAC	54.300	13,7%	42.165	10,1%	28,8%
<b>Total</b>	<b>395.719</b>	<b>100,0%</b>	<b>418.185</b>	<b>100,0%</b>	<b>(5,4)%</b>

The breakdown of revenues by operating segment was affected by the acquisition of the GMM Group (with the Machine-Systems segment accounting for 92.5% of Biesse Group revenues), while both segments recorded a decrease of 4.3% for Machine-Systems and 18.1% for Mechatronics, respectively.

The analysis of the turnover by geographic area shows that the decrease concerned the EMEA (Middle East and Africa) area (-14.9%), while the Americas and the APAC (Asia-Pacific) area recorded an increase of 12.0% and 28.8% respectively. The EMEA area remains the Biesse Group's reference area, closing with a turnover of €252,584 thousand, representing 63.8% of the total.

## TRANSACTIONS WITH ASSOCIATES, PARENTS AND THE LATTER'S SUBSIDIARIES

As at 30 June 2024, in line with the situation as at 31 December 2023, there were no associates.

Regarding relations with the Parent Company Bi.Fin. S.r.l., please refer to Note 26 in the Notes.

## OTHER RELATED-PARTY TRANSACTIONS

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

As for transactions with these companies during the first half of the year, please refer to Note 26 in the Notes.

## "ATYPICAL AND/OR UNUSUAL" TRANSACTIONS OCCURRED DURING THE SIX-MONTH PERIOD

In 2024, there were no such transactions.

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE AND FULL-YEAR OUTLOOK

### Events after the reporting date

At the date of this report, there are no significant subsequent events worth mentioning.

### Outlook for the remainder of 2024

The global context in which the Biesse Group finds itself today is still characterised by significant political and economic uncertainties due to the evolution of the international geopolitical context that will inevitably have repercussions on the Group's performance. In particular, the slowdown in orders highlighted during 2023 and the first half of 2024, the financial difficulties due to high interest rates, which Biesse Group customers will continue to face, will influence the dynamics of sales trends for the remainder of the year.

The Directors of the Biesse Group, despite operating in a sector with reduced visibility, will work with determination to achieve the objectives set, continuing the process of integrating the GMM Group and strengthening its presence in international markets, while paying particular attention to controlling costs and monitoring cash flow dynamics.

The strategy of the Biesse Group for 2024 can be summarised as follows:

**Strengthening the Implementation of the One Company model** aimed at achieving a further rationalisation and adequate sizing of the structure consistent with the defined business model and the volumes of

activities generated through a) a better focus of attention on customers, 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.

This journey will allow the company to reorganise itself with an approach that will have an impact on the way we work and how we meet our customers' needs. It is a project that concerns the rationalization of the corporate structure and an internal and international reorganization, with the ultimate goal of making the Biesse Group increasingly lean, efficient and innovative, simplifying its processes, and able to adapt quickly to constantly changing world contexts.

A cross-cutting process logic will be introduced, which will facilitate the implementation of development projects. This path will also involve the international offices, with the aim of strengthening the company's international network through more effective structures.

**Visual identity:** the new visual identity was identified, necessary to align the group's positioning and brands, making explicit the new values and identity traits of the Biesse Group, while maintaining the distinctive features of the various sectors in which it operates.

**Strengthening the digitalisation process** started a few years ago, which will ensure digital, automated and networked factories for all customers through software solutions and new advanced services.

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

**Strengthening the Network**, the Biesse Group plans to strengthen its geographic reach, in line with the path of growth and internationalisation of the last twenty years.

# Condensed Consolidated Interim Financial Statements as at 30 June 2024 and Financial Statements

Biesse S.p.A.

## CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2024

### CONSOLIDATED INCOME STATEMENT

<i>Euro 000's</i>			30 June 2024	30 June 2023
	Note			
Revenue	5		395.721	418.185
Other operating income			2.759	5.408
Change in inventories of finished goods and work in progress			10.173	(10.413)
Purchase of raw materials and consumables			(165.789)	(165.159)
Personnel expense	7		(129.966)	(126.065)
Depreciation, amortisation and impairment			(21.579)	(18.577)
Other operating costs			(81.027)	(73.035)
<b>Operating profit</b>			<b>10.292</b>	<b>30.343</b>
Financial income			1.471	730
Financial expense			(3.028)	(1.236)
Exchange rate gains (losses)	8		(914)	(2.745)
<b>Pre-tax result</b>			<b>7.822</b>	<b>27.093</b>
Income taxes	9		(3.899)	(7.588)
<b>Half year result</b>			<b>3.923</b>	<b>19.504</b>
Attributable to owners of the parent			3.923	19.506
Attributable to non-controlling interests			-	(1)
Earnings per share (Euro)	10		0,14	0,71
Diluted earnings per share (Euro)	10		0,14	0,71

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Euro 000's</i>		<b>30 June</b>	<b>30 June</b>
	Note	<b>2024</b>	<b>2023</b>
<b>Result for the period</b>		3,923	19,504
Translation differences of foreign operations	17	1,978	(1,062)
Profit/Loss on financial asset at fair value OCI		(12)	69
Taxes on profit/(losses) on financial assets at fair value OCI		3	(17)
<b>Total components that will or can be reclassified in the half-year income statement</b>		<b>1,969</b>	<b>(1,010)</b>
Measurement of liabilities (asset) defined-benefit plans net		195	(21)
Income taxes not on other comprehensive income		(47)	12
<b>Total components that will not be reclassified in the income statement for the period</b>		<b>148</b>	<b>(10)</b>
<b>Total comprehensive income for the period</b>		<b>6,040</b>	<b>18,485</b>
<b>Attributable to:</b>			
Non-controlling interests		-	(16)
Owners of the parent		<b>6,040</b>	<b>18,501</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>1</sup>**

<i>'Euro 000's</i>		<b>30 June</b>	<b>31 December</b>
	Note	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>			
Non Current Assets			
Property, plant and equipment	12	138.953	117.213
Goodwill	13	71.893	46.693
Other intangible assets		60.799	36.753
Deferred tax assets		26.972	25.168
Other financial assets and receivables (including derivatives)		2.860	3.404
Other equity investments		169	115
<b>Total non current assets</b>		<b>301.646</b>	<b>229.346</b>
Inventories	14	216.330	168.393
Trade receivables and contract assets	15	129.219	116.619
Other financial assets and receivables (including derivatives)		19.343	13.146
Cash and cash equivalents		16.592	17.828
<b>Total current assets</b>		<b>85.671</b>	<b>104.473</b>
<b>Total assets available for sale</b>		<b>467.155</b>	<b>420.459</b>
<b>TOTAL ASSETS</b>		<b>768.801</b>	<b>649.805</b>
<i>Euro 000's</i>			
	Note	<b>30 June</b>	<b>31 December</b>
		<b>2024</b>	<b>2023</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital and reserves			
Share capital	16	27.403	27.403
Profit for the period	17, 18	232.784	221.562
<b>Equity attributable to the owners of the parent</b>		<b>264.110</b>	<b>261.448</b>
Non-controlling interests		-	-
<b>TOTAL EQUITY</b>		<b>264.110</b>	<b>261.448</b>
Non Current Liabilities			
Financial liabilities	19	36.689	18.742
Post-employment benefits		12.807	10.041
Deferred tax liabilities		15.662	7.805
Other liabilities		297	167
<b>Total non current liabilities</b>		<b>65.455</b>	<b>36.755</b>
Current Liabilities			
Financial liabilities	19	72.298	9.384
Provisions for risks and charges	22	36.855	37.512
Trade payables	20	155.746	135.281
Contract liabilities	21	103.784	108.049
Other liabilities		66.095	59.326
Income tax payables		4.459	2.049
<b>Total current liabilities</b>		<b>439.236</b>	<b>351.602</b>
<b>LIABILITIES</b>		<b>504.691</b>	<b>388.357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>768.801</b>	<b>649.805</b>

<sup>1</sup> 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

	Note	30 June 2024	30 June 2023
<i>Euro 000's</i>			
<b>OPERATING ACTIVITIES</b>			
Profit for the year		3,923	19,504
Change for:			
Income taxes	9	3,899	7,588
Depreciation and amortisation of current and non-current owned assets	12	12,372	11,019
Depreciation and amortisation of current assets in leasing	12	5,821	4,583
Gains/losses from sales of property, plant and equipment		(29)	(1,880)
Impairment losses on intangible assets		0	1,258
Accrual to post-employment benefits		3,680	4,026
Income from investment activities		(18)	0
Net Financial expense		2,987	2,248
<b>SUBTOTAL OPERATING ACTIVITIES</b>		<b>32,635</b>	<b>48,347</b>
Change in trade receivables and contract assets		4,754	(14,911)
Change in inventories		(4,241)	2,748
Change in trade payables and contract liabilities		(18,996)	(30,404)
Change in post-employment benefits and in others funds		(7,235)	(1,696)
Other changes in operating assets and liabilities		(4,987)	(1,488)
<b>Cash flow Cash flow generated / (absorbed) by operating activities</b>		<b>1,930</b>	<b>2,596</b>
Tax paid		(4,281)	(4,766)
Interest paid		(1,406)	(235)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(3,757)</b>	<b>(2,406)</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	12	(3,850)	(6,295)
Proceeds from the sale of tangible assets			4,399
Acquisition of intangible assets	12	(2,178)	(6,280)
Investments in other companies		22	0
Cash flow from acquisition of investments in subsidiaries		(52,988)	(3,000)
Cash flow from sale of investments in subsidiaries		0	
Changes in other financial assets		1,356	(7,904)
Income received on financial assets held for trading			
Interest received and income from investment activities		224	
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(57,414)</b>	<b>(19,080)</b>
<b>FINANCING ACTIVITIES</b>			
Loan refunds and changes in overdrafts		(8,987)	(1,247)
New bank loans obtained		60,000	
Finance lease payments		(6,183)	(4,528)
Purchase of additional controlling shares		0	0
Other changes		364	(81)
Dividends paid		(3,832)	(9,023)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>41,362</b>	<b>(14,879)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(19,808)</b>	<b>(36,365)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>		<b>104,473</b>	<b>125,039</b>
Effect of exchange rate fluctuations on cash held		1,005	(1,544)
<b>CLOSING CASH AND CASH EQUIVALENTS AT 30 JUNE</b>		<b>85,671</b>	<b>87,130</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Euro 000's	Attributable to the owners of the parent									TOTAL EQUITY
	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	
Opening balances at 01/01/2023	27.403	(12.797)	(4.265)	(202)	36.202	183.959	30.248	260.548	245	260.793
Other comprehensive income		(1.048)	(10)	52				(1.005)	(14)	(1.020)
Profit for the period as at 30 June 2023							19.506	19.506	(1)	19.504
Total comprehensive income/expense for the year		(1.048)	(10)	52			19.506	18.501	(16)	18.485
Dividend payout							(9.043)	(9.043)		(9.043)
Allocation of profit for the previous year						21.205	(21.205)			
Transactions with minority shareholders										
Other changes						(81)		(81)		(81)
Closing balances at 30/06/2023	27.403	(13.845)	(4.275)	(149)	36.202	205.084	19.506	269.925	229	270.154

Euro 000's	Attributable to the owners of the parent									TOTAL EQUITY
	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	
Opening balances at 01/01/2024	27.403	(15.204)	(4.392)	(32)	36.202	204.989	12.483	261.448		261.448
Other comprehensive income		1.978	148	(9)				2.117		2.117
Profit for the period as at 30 June 2024							3.923	3.923		3.923
Total comprehensive income/expense for the year		1.978	148	(9)			3.923	6.040		6.040
Dividend payout							(3.836)	(3.836)		(3.836)
Allocation of profit for the previous year						8.647	(8.647)			
Other changes						458		458		458
Closing balances at 30/06/2024	27.403	(13.226)	(4.245)	(41)	36.202	214.094	3.923	264.110		264.110

## NOTES TO THE CONSOLIDATED 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.

The 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. It should also be noted 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 30 July 2024 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 2024 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
<b><i>Parent Company</i></b>						
<b>Biesse S.p.A.</b> Via della Meccanica, 16 Chiusa di Ginestreto (PU) - Italy	EUR	27,402,593				
<b><i>Italian subsidiaries:</i></b>						
<b>HSD S.p.A.</b> Via della Meccanica, 16 Chiusa di Ginestreto (PU) - Italy	EUR	1,141,490	100%			100%
<b>Forvet S.p.A. Special Machinery Construction</b> Strada Piossasco, 46 Volvera (TO) - Italy	EUR	500,000	100%			100%
<b><i>Foreign subsidiaries:</i></b>						
<b>Biesse America Inc.</b> 4110 Meadow Oak Drive Charlotte, North Carolina – USA	USD	11,500,000	100%			100%
<b>Biesse Canada Inc.</b> 18005 Rue Lapointe – Mirabel (Quebec) – Canada	CAD	180,000	100%			100%
<b>Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda</b> Rua Liege 122 - Vila Vermelha - Sao Paulo - Brazil	BRL	29,114,007	100%			100%
<b>Biesse Group UK Ltd.</b> Lampton Drive – Daventry Northamptonshire – Great Britain	GBP	655,019	100%			100%
<b>Biesse France Sarl</b> 4, Chemin de Moninsable – Brignais – France	EUR	1,244,000	100%			100%

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
<b>Biesse Group Deutschland GmbH</b> Gewerberstrasse, 6 – Elchingen (Ulm) – Germany	EUR	1,432,600	100%			100%
<b>Biesse Schweiz GmbH</b> Luzernerstrasse 26 – 6294 Ermensee – Switzerland	CHF	100,000		100%	Biesse G. Deutschland GmbH	100%
<b>Biesse Iberica Woodworking Machinery s.l.</b> C/De La Imaginació, 14 Poligon Ind. La Marina – Gavà Barcelona – Spain	EUR	699,646	100%			100%
<b>Biesse Portugal, Unipessoal, Ida.</b> Sintra Business Park, 1, São Pedro de Penaferrim – Sintra – Portugal	EUR	5,000		100%	Biesse Iberica W. M. s.l.	100%
<b>Biesse Group Australia Pty Ltd.</b> 3 Widemere Road Wetherill Park – Sydney – Australia	AUD	15,046,547	100%			100%
<b>Biesse Group New Zealand Ltd.</b> Unit B, 13 Vogler Drive Manukau – Auckland – New Zealand	NZD	3,415,665	100%			100%
<b>Biesse India Private Limited</b> Jakkasandra Village, Sondekoppa rd. Nelamanga Taluk – Bangalore –India	INR	721,932,182	100%			100%
<b>Biesse Asia Pte. Ltd.</b> Zagro Global Hub 5 Woodlands Terr. – Singapore	EUR	1,548,927	100%			100%
<b>Biesse Indonesia Pt.</b> Jl. Kh.Mas Mansyur 121 – Jakarta – Indonesia	IDR	2,500,000,000	10%	90%	Biesse Asia Pte. Ltd.	100%
<b>Biesse Malaysia SDN BHD</b> No. 5, Jalan TPP3 47130 Puchong – Selangor, Malaysia	EUR	1,435,704		100%	Biesse Asia Pte. Ltd.	100%
<b>Biesse Korea LLC</b> Geomdan Industrial Estate, Oryu-Dong, Seo-Gu – Incheon – South Korea	KRW	500,000,000		100%	Biesse Asia Pte. Ltd.	100%
<b>Biesse (HK) Ltd.</b> Room 1530, 15/F, Langham Place, 8 Argyle Street, Mongkok, Kowloon – Hong Kong	HKD	182,074,637	100%			100%
<b>Biesse Trading (Shanghai) Co. Ltd.</b> Room 301, No.228, Jiang Chang No. 3 Road, Zha Bei District– Shanghai – China	RMB	99,544,240		100%	Biesse (HK) Ltd.	100%
<b>Biesse Turkey Makine Ticaret Ve Sanayi A.S.</b> Şerifali Mah. Bayraktar Cad. Nutuk Sokak No:4 Ümraniye, Istanbul –Turkey	TRY	45,500,000	100%			100%
<b>Biesse Group Israel Ltd.</b> 8 Ha-Taas St. Ramat-Gan 5251248, Israel	ILS	192,346	100%			100%
<b>OOO Biesse Group Russia</b> Mosrentgen area, settlement Zavoda Mosrentgen, Geroya Rossii Solomatina street, premises 6, site 6, office 3, 108820, Moscow, Russian Federation	RUB	197,236,440	100%			100%
<b>Biesse Gulf FZE</b> Dubai, free Trade Zone	AED	11,242,857	100%			100%
<b>Biesse Taiwan Ltd.</b> 6F-5, No. 188, Sec. 5, Nanking E. Rd., Taipei City 105, Taiwan (ROC)	TWD	500,000		100%	Biesse Asia Pte Ltd.	100%
<b>Biesse Japan K.K.</b> C/O Mazars Japan K.K., ATT New Tower 11F, 2-11-7, Akasaka, Minato-ku, Tokyo	JPY	5,000,000		100%	Biesse Asia Pte Ltd.	100%
<b>HSD Mechatronic (Shanghai) Co. Ltd.</b> D2, 1 <sup>st</sup> floor, 207 Taiguoroad, Waigaoqiao Free Trade Zone – Shanghai – China	RMB	2,118,319		100%	Hsd S.p.A.	100%

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
<b>Hsd Usa Inc.</b> 3764 SW 30th Avenue – Hollywood, Florida – USA	USD	250,000		100%	Hsd S.p.A.	100%
<b>HSD Mechatronic Korea LLC</b> 414, Tawontakra2, 76, Dongsan-ro, Danwon-gu, Ansan-si 15434, South Korea	KWN	101,270,000		100%	HSD S.p.A.	100%
<b>HSD Deutschland GmbH</b> Brükenstrasse, 2 – Gingen – Germany	EUR	25,000		100%	Hsd S.p.A.	100%
<b>Gmm Finance S.r.l.</b> Via Nuova 155/B Gravellona Toce (VB) - Italy	EUR	1,000,100	100%			100%
<b>Gmm S.p.a.</b> Via Nuova 155/B Gravellona Toce (VB) - Italy	EUR	1,000,000		100%	Gmm Finance S.r.l.	100%
<b>Gmm Steinbearbeitungsmaschinen GmbH</b> Karlshöhlichen ö 76872 Freckenfeld - Germany	EUR	100,000		100%	Gmm S.p.a.	100%
<b>Gmm Usa Inc.</b> 8610 Airpark West Drive Suite 100, Charlotte - USA	USD	75,336		100%	Gmm S.p.a.	100%
<b>Gmm International Ltd.</b> Unit 1717, New Tech Plaza, 34 Tai Yau Street, Kowloon - HONG KONG	CNY	140,866		100%	Gmm S.p.a.	100%
<b>Mectoce S.r.l.</b> Via Nuova 155/B Gravellona Toce (VB) - Italy	EUR	62,500		100%	Gmm S.p.a.	100%
<b>Waterjet Production Academy GmbH</b> Zeppelinstrasse 7a – Karlsruhe – Germany	EUR	25,000		100%	Gmm S.p.a.	100%
<b>Techni Waterjet Pty. Ltd.</b> 47 Barry road – Campbellfield (Victoria) – Australia	AUD	441,001		100%	Gmm S.p.a.	100%
<b>Techni Waterjet Ltd.</b> 300/21 Moo 1, Tambol Tasith – Ampur Pluakdaeng, Rayong – Thailand	THB	15,000,000		100%	Techni Waterjet Pty. L.t.d.	100%
<b>Techni Waterjet Llc.</b> 8610 Air Park West Drivesuite 100 – Charlotte – Usa	USD	2,150,000		100%	Techni Waterjet Pty. L.t.d.	100%
<b>Bavelloni S.p.a.</b> Via Giulio Natta 16 – Lentate sul Seveso (MB) - Italy	EUR	2,000,000		100%	Gmm S.p.a.	100%
<b>Bavelloni do Brasil comércio de maquinas Ltda.</b> Rua Jose Versolato 111 - Sao Bernardo do Campo - Brazil	BRL	205,554		100%	Bavelloni S.p.a.	100%
<b>Bavelloni France Sasu</b> Quai du commerce, 12 – Lione - France	EUR	20,000		100%	Bavelloni S.p.a.	100%
<b>Bavelloni America Inc.</b> 4361 Federal Drive Suite 160 – Greensboro – Usa	USD	200,000		100%	Bavelloni S.p.a.	100%
<b>Z. Bavelloni Mèxico Sa de CV</b> Privada calle nr.30 no.2646 zona industrial – Guadalajara – Mexico	MXN	366,246		100%	Bavelloni S.p.a.	100%

With respect to the consolidated financial statements for the year ended 31 December 2023, it should be noted that on 29 January 2024, the acquisition of the entire share capital of GMM Finance S.r.l., the holding company at the head of the GMM Group, which includes the companies GMM S.p.A., Bavelloni S.p.A. and Techni Waterjet Ltd., as well as their respective Italian and foreign subsidiaries, active in the fields of machine tools for processing stone, glass and other materials, was completed.

Therefore, the Biesse Group's economic and financial situation at 30 June 2024 has been affected by the line-by-line consolidation of the GMM Group from 1 January 2024. Also taking into account the agreements defined between the parties regarding the acquisition method of the GMM Group, the first consolidation of the GMM Group financial statements is represented as of 1 January 2024, the reference date for the 'Purchase Price Allocation' (PPA) process required by IFRS 3.

## 2. 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 Directors of the Biesse Group 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.

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 2023, to which reference should be made for completeness, with the exception of that described in paragraph 4 below 'IFRS accounting principles, amendments and interpretations that have been applied for the first time by the Biesse Group as of 1 January 2024' with the clarification that the changes introduced at IFRS level have not had 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 Consob. The statements used are considered adequate for fair presentation of the Biesse 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 Biesse Group's economic performance. The statements comprising the Financial Statements are:

#### ***Consolidated Income Statement***

Expenses are classified based on their nature, highlighting interim results with respect to operating and pre-tax profit. Specifically, this operating result is defined as Profit (Loss) for the year before income taxes, financial income and expenses, and foreign exchange losses and gains. This indicator is not identified as an accounting measure under IFRS (NON-GAAP measures) and the determination criteria applied by the Biesse Group may not be consistent with those adopted by other groups.

#### ***Consolidated Statement of Comprehensive Income***

This statement includes the items that make up the profit or loss for the financial year. For each group of categories, it also shows income and expenses that have been recognised directly in equity pursuant to IFRSs.

#### ***Consolidated Statement of Financial Position***

This statement shows a breakdown of current and non-current assets and liabilities.

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 Biesse 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/(loss) 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.

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.

Interest and taxes paid are classified within operating activities, while interest and dividends received are presented within investing activities.

### **Translation of foreign currency financial statements**

The financial statements of companies whose functional currency is different from the presentation currency of the Consolidated Financial Statements (Euro) and that do not operate in countries with hyperinflationary economies, are translated as follows:

- a) assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at the closing exchange rate;
- b) income and expense are translated at the average exchange rate for the year, considered as a reasonable approximation of the exchange rate at the dates of the transactions.

It should be noted that with reference to the Turkish subsidiary, which operates in a country with a hyper-inflationary economy, the Biesse Group has proceeded to translate income statement balances at the average exchange rate and balance sheet balances at the year-end spot exchange rate in consideration of the insignificance of the Turkish subsidiary's economic contribution to the Biesse Group's income statement.

Exchange rate gains (losses) emerging from the conversion process are recorded in other comprehensive income and included under equity in the hedging and translation reserve.

On disposal of the economic entity that gave rise to exchange rate gains (losses), the cumulative amount of exchange differences recognised in a separate component of equity will be recognised in the income statement.

Shown below are the exchange rates used as at 30 June 2024, 31 December 2023 and at 30 June 2023 for converting finance and equity entries in foreign currency (source [www.bancaditalia.it](http://www.bancaditalia.it)). It should be noted that with reference to the Russian rouble, the conversion of economic and asset items as of 30 June 2024 took place using the Bank of Russia source.



Currency	30 June 2024		31 December 2023		30 June 2023	
	Closing	Final	Closing	Final	Closing	Final
US Dollar / Euro	1,0813	1,0705	1,0813	1,1050	1,0807	1,0866
Brazilian Real / Euro	5,4922	5,8915	5,4010	5,3618	5,4827	5,2788
Canadian Dollar / Euro	1,4685	1,4670	1,4595	1,4642	1,4565	1,4415
Pound Sterling / Euro	0,8547	0,8464	0,8698	0,8691	0,8764	0,8583
Swedish Krone / Euro	11,3914	11,3595	11,4788	11,0960	11,3329	11,8055
Australian Dollar / Euro	1,6422	1,6079	1,6288	1,6263	1,5989	1,6398
New Zealand Dollar / Euro	1,7752	1,7601	1,7622	1,7504	1,7318	1,7858
Indian Rupee / Euro	89,9862	89,2495	89,3001	91,9045	88,8443	89,2065
Chinese Renmimbi Yuan / Euro	7,7145	7,6787	7,6425	7,8218	7,4894	7,8983
Swiss Franc / Euro	0,9615	0,9634	0,9718	0,9260	0,9856	0,9788
Indonesian Rupiah / Euro	17.205,1500	17.487,2100	16.479,6200	17.079,7100	16.275,0900	16.384,5400
Hong Kong Dollar / Euro	8,4540	8,3594	8,4650	8,6314	8,4709	8,5157
Malaysian Ringgit / Euro	5,1107	5,0501	4,9320	5,0775	4,8188	5,0717
South Korean Won / Euro	1.460,3200	1.474,8600	1.412,8800	1.433,6600	1.400,4300	1.435,8800
Turkish Lira / Euro	34,2364	35,1868	25,7597	32,6531	21,5662	28,3193
Russian Rouble / euro	97,9779	92,4184	92,8741	99,1919	83,2208	95,1052
UAE Dirham / euro	3,9709	3,9314	3,9710	4,0581	3,9687	3,9905
Taiwan Dollar / euro	34,4763	34,7970	33,6983	33,8740	33,0264	33,8158
Japanese Yen / euro	164,4613	171,9400	151,9903	156,3300	145,7604	157,1600
Israeli Shekel / euro	3,9951	4,0200	3,9880	3,9993	3,8828	4,0486

### 3. MEASUREMENT CRITERIA AND USE OF ESTIMATES

The preparation of the 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. 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.

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 Biesse Group 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 Biesse Group, calculated on the basis of 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 from a forward-looking perspective.

#### Allowance for inventory write-downs

The allowance for inventory write-downs reflects the Management's estimate of impairment losses expected by the Biesse Group and is calculated on the basis of past 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.

#### **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 Biesse 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 Biesse Group's latest plans.

#### **Product warranties**

When a product is sold, the Biesse 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 Biesse 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 Biesse 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 Biesse Group is subject to possible legal and tax cases involving a wide range of issues that are subject to the jurisdiction of different states and possible commercial disputes. 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 Biesse 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 legal advisors and experts in legal and tax matters, as well as with the corporate functions most involved in cases of customer disputes. The Biesse Group recognises a liability for said disputes when it seems probable that an outflow of financial resources will be required to settle the obligation, and the appropriate amount can be measured reliably, taking into account information related to historical trends. If a financial outlay becomes probable, but its amount cannot be determined, this fact is disclosed in the notes to the financial statements.

#### **Restructuring provision**

The estimate of the provision for restructuring is made using the information available regarding the status and terms of negotiations with counterparties, as well as taking into account applicable laws and practices.

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

### **a) ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED AS OF 1 JANUARY 2024**

The following accounting standards, amendments and IFRS interpretations have been adopted by the Biesse Group for the first time as from 1 January 2024:

- On 23 January 2020, the IASB issued ***“Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current”*** and on 31 October 2022 published an amendment entitled ***“Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants”***. These changes are intended to clarify how to classify debts and other liabilities as current or non-current. In addition, the changes also improve the information that an entity must provide when its right to defer the repayment of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants).

The adoption of these amendments had no impact on the consolidated financial statements of the Biesse Group.

- On 22 September 2022, the IASB published an amendment ***“Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback”***. The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use.

The adoption of these amendments had no impact on the consolidated financial statements of the Biesse Group.

- On 25 May 2023, the IASB published an amendment called ***“Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements”***. The document requires an entity to provide additional information about reverse factoring arrangements that enables users of financial statements to assess how financial arrangements with suppliers may affect the entity’s liabilities and cash flows and to understand the effect of such arrangements on the entity’s exposure to liquidity risk.

The adoption of these amendments had no impact on the consolidated financial statements of the Biesse Group.

**b) 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 30 May 2024, the IASB published the document ***“Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7”***. The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:
  - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions.

With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.

The amendments will apply as of the financial statements for financial years beginning on or after 1 January 2026. 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 May 2024, the IASB published a new standard ***“IFRS 19 Subsidiaries without Public Accountability: Disclosures”***. The new standard introduces some simplifications with respect to the disclosures required by other IAS-IFRS standards. This standard can be applied by an entity that meets the following main criteria:
  - is a subsidiary company;

- it has not issued equity or debt instruments listed on a market and is not in the process of issuing them;
- it has its own parent company that prepares consolidated financial statements in accordance with IFRS.

The new standard will enter into force on 1 January 2027, but earlier application is 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 April 2024, the IASB published a new standard ***“IFRS 18 Presentation and Disclosure in Financial Statements”***, which will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of the main financial statements and introduces important changes with regard to the income statement. In particular, the new standard requires:
  - the classification of revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
  - the presentation of two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT).

The new standard also:

- requires more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and,
- introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will enter into force on 1 January 2027, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the consolidated financial statements of the Biesse Group.

- On 15 August 2023, the IASB published an amendment called ***“Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability”***. The document requires an entity to apply a methodology to be applied consistently in order to verify if one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the information to be provided in a supplementary note.

The change will apply from 1 January 2025, but an 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 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 accordance with the previous accounting standards adopted.

Since the Biesse 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 Biesse 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.

Due to the nature of its business, the GMM Group has been placed in the Machinery and Systems operating segment.

#### Revenue

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

<i>'Euro 000's</i>	<b>At 30th June</b>			
	<b>2024</b>	<b>%</b>	<b>2023</b>	<b>%</b>
Machines and Systems Division	366,224	92.5%	382,494	91.5%
Mechatronics Division	42,258	10.7%	51,620	12.3%
Inter-segment eliminations	(12,761)	(3.2)%	(15,929)	(3.8)%
<b>Total</b>	<b>395,721</b>	<b>100.0%</b>	<b>418,185</b>	<b>100.0%</b>

Net revenue for the first half of 2024 amounted to €395,721 thousand, compared to €418,185 thousand as at 30 June 2023, a decrease of 5.4% compared to the 2023 figure.

The breakdown of revenue by operating segment was affected by the acquisition of the GMM Group. The Machinery and Systems segment is the Biesse Group's largest segment, contributing 92.5% of consolidated revenues (91.5% in June 2023); sales decreased by 4.3%, from €382,494 thousand at 30 June 2023 to €366,224 thousand at 30 June 2024. The operating result for this segment decreased from €21,852 thousand to €5,945 thousand, due to the reduction in sales volumes. The Mechatronics segment, in terms of revenues, recorded a decrease of 18.1% (going from €51,620 thousand at 30 June 2023 to €42,258 thousand at 30 June 2024), slightly reducing its contribution to consolidated revenues. The operating result of this segment increased from €8,491 thousand to €4,347 thousand.

### Operating profit (loss)

The following table shows operating profit by Segment as at 30 June 2024 and 30 June 2023:

<b>30th June 2024</b>	<b>Machines and Systems Division</b>	<b>Mechatronics Division</b>	<b>Eliminations</b>	<b>Total</b>
<i>'Euro 000's</i>				
<b>Total revenue</b>	<b>366,224</b>	<b>42,258</b>	<b>(12,761)</b>	<b>395,721</b>
<b>Operating profit of segment</b>	<b>5,945</b>	<b>4,347</b>		<b>10,292</b>
Financial expense				(2,471)
<b>Pre-tax profit</b>				<b>7,822</b>
Income taxes				(3,899)
<b>Profit for the period</b>				<b>3,923</b>

<b>30th June 2023</b>	<b>Machines and Systems Division</b>	<b>Mechatronics Division</b>	<b>Eliminations</b>	<b>Total</b>
<i>Euro 000's</i>				
<b>Total revenue</b>	<b>382,494</b>	<b>51,620</b>	<b>(15,929)</b>	<b>418,185</b>
<b>Operating profit of segment</b>	<b>21,852</b>	<b>8,491</b>		<b>30,343</b>
Financial expense				(3,251)
<b>Pre-tax profit</b>				<b>27,092</b>
Income taxes				(7,588)
<b>Profit for the period</b>				<b>19,504</b>

### Inventories

The following table shows an inventory breakdown by Operating Segment:

	<b>Machines and Systems Division</b>	<b>Mechatronics Division</b>	<b>Total</b>
<i>Euro 000's</i>			
<b>30th June 2024</b>	196,344	19,986	<b>216,330</b>
<b>31th December 2023</b>	151,660	16,733	<b>168,393</b>

This level of detail is in line with what is periodically analysed by Management at the level of internal reporting.

## BREAKDOWN BY GEOGRAPHICAL AREA

### Revenue

€ '000	At 30 June			
	2024	%	2023	%
EMEA	252,584	63.8%	296,731	71.0%
AMERICAS	88,835	22.4%	79,289	19.0%
APAC	54,300	13.7%	42,165	10.1%
<b>Group Total</b>	<b>395,719</b>	<b>100.0%</b>	<b>418,185</b>	<b>100.0%</b>

The analysis of sales by geographic area compared to 30 June 2023 shows that the decrease only affected the EMEA (Europe, Middle East and Africa) region (-14.9%), while the Americas and APAC (Asia and Pacific) regions recorded increases of 12.0% and 28.8% respectively.

The EMEA area remains the Biesse Group's reference area, closing with a turnover of €252,584 thousand, representing 63.8% of the total.

## 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 Biesse 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

Personnel costs for the first half of 2024 amounted to €129,966 thousand and recorded an increase of €3,091 thousand compared to the 2023 figure (€126,065 thousand, +3.1%), substantially related to the wages, salaries and related social security charges component attributable to the increase in headcount as a result of the GMM Group integration process (4,252 employees as at 30 June 2024 compared to 4,072 employees as at 30 June 2023), partially offset by the reduction in costs realised thanks to the implementation of the solidarity institution in line with the business model defined under the *One Company* project launched in previous years and the business volumes generated. The incidence in percentage terms also increased slightly, from 30.1% to 32.8%.

## 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 Biesse Group's funding sources. At 30 June 2024, this component showed a negative balance of €914 thousand.

## 9. TAXES

The Italian corporate income tax (IRES) rate was 24% (24% in 2023) 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.

At 30 June 2024, the Biesse Group had deferred tax assets of €26,972 thousand, an increase compared to 31 December 2023 (+€1,804 thousand) also due to the consolidation of the GMM Group. Management recognised deferred tax assets to the extent they are likely to be recovered.

Total taxes recognised in the income statement amounted to €3,899 thousand with a tax rate of 49.8%, a significant increase over the same period of the previous year (28%), mainly due to the negative effect of higher taxes from previous years paid in the first months of the current year.

The Biesse Group has applied the temporary exception to the recognition of deferred tax assets and liabilities in connection with the application of the Pillar Two provisions of IAS 12. The perimeter of Pillar Two identifies with that of the consolidated financial statements of Bi.Fin S.r.l. (which qualifies as the parent company 'Ultimate Parent Entity' or 'UPE' as it directly holds a controlling interest in Biesse S.p.A. equal to 50.98%) and includes all entities consolidated on a line-by-line basis, including the new subsidiaries following the completion of the acquisition of the GMM Group. As a UPE, Bi. End. S.r.l. will be responsible for calculating the effective judicial tax rate according to the rules of Pillar Two. The "UPE" will generally be required to pay a tax in Italy on the profits of subsidiaries located in the same jurisdiction that are taxed at an effective rate (determined on the basis of the provisions of the Italian Decree on Pillar Two) of less than 15%.

Based on preliminary analyses performed on data as at 30 June 2024, which therefore also take into account the subsidiaries of the GMM Group, all jurisdictions in which Biesse Group companies are located appear to satisfy at least one of the Transitional Safe Harbours. The legislation is complex and Management is evaluating its impact on the Group: from the information available to date and from the forecast of future financial results, the Biesse Group does not expect significant impacts in application of the standard for the first year of entry into force (i.e. the year ending on 31 December 2024).

## 10. EARNINGS PER SHARE

Basic earnings per share for the period ended 30 June 2024 totalled 0.14 Euro/cent (0.71 Euro/cent in 2023) and were calculated by dividing the profit attributable to the owners of the Parent, amounting to €3,923 thousand, by the weighted average number of ordinary shares outstanding during the period, which totalled 27,402,593.

As at 30 June 2024, 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*

€ '000	30th June 2024	30th June 2023
Profit for the year	3,923	19,504
Weighted average number of shares used to calculate basic and diluted earnings per share	27,403	27,403
<b>Base and diluted profit for the year (in Euro)</b>	<b>0.14</b>	<b>0.71</b>

### *Weighted average number of outstanding ordinary shares*

€ '000	30th June 2024	30th June 2023
Weighted average number of outstanding shares – for the calculation of basic earnings	27,403	27,403
Effect of treasury shares	-	-
Weighted average number of outstanding shares – for the calculation of basic earnings	27,403	27,403
Dilutive effects	-	-
<b>Weighted average number of outstanding shares – for the calculation of diluted earnings</b>	<b>27,403</b>	<b>27,403</b>



## 11. DIVIDENDS

On 29 April 2024, the Ordinary Shareholders' Meeting approved the separate and consolidated financial statements as at 31 December 2023. At the same meeting, it was resolved to distribute a total gross dividend of €0.14 per share, the full amount of which was paid to shareholders in May.

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

In the reporting period, the Group made new investments totalling €3,850 thousand in intangible assets and €2,178 thousand in property, plant, and equipment.

## 13. GOODWILL

Compared to the end of the previous financial year, in the first half of 2024 the value of goodwill shows a significant change due, to a lesser extent, to the exchange rate effect suffered by the goodwill of the Australian and American subsidiaries and, for the most part (€25,138 thousand), to the portion that emerged from the completion of the purchase by Biesse S.p.A. of the entire share capital of GMM Finance S.r.l., the holding company at the head of the GMM Group. The amount was determined as the difference between the total purchase price and the fair value of net assets acquired, with consequent provisional allocation to the item Goodwill, allocating it to the Machine and Systems CGU, as better represented in note 25, to which reference should be made for details of the transaction.

The following table shows the allocation of goodwill by CGU:

€ '000	30th June 2024	31th December 2023
Machines and Systems Division	66,294	41,094
Mechatronics Division	5,599	5,599
<b>Total</b>	<b>71,893</b>	<b>46,693</b>

The Directors, considering the results achieved by the Biesse Group in the first half of 2024 and the contraction of the order backlog, as well as the forecasts for the sector in which the Group operates, while confirming the medium/long-term assumptions contained in the 2024-2026 Business Plan (the 'Plan'), which was already based on a prudential view of future scenarios, have performed a sensitivity analysis assuming a further reduction in revenues over the three years of the Plan to reflect, based on the information available to date, the most conservative scenario; the results of the above analyses supported the maintenance of the headroom identified for each CGU with the impairment tests at 31 December 2023, also confirming the results of the sensitivity analyses prepared last year. In view of the above, the Directors considered that there were no indicators of impairment as at 30 June 2024.

Finally, as of the date of this report, although the value of the stock has been declining since 31 December 2023, it continues to show a capitalisation of the company in excess of the amount of the Group's equity.

## 14. INVENTORIES

€ '000	30th June 2024	31th December 2023
Raw materials, consumables and suppliers	78,085	59,043
Work in progress and semi-finished goods	32,026	25,141
Finished goods	86,499	63,892
Spare parts	19,721	20,316
<b>Inventories</b>	<b>216,330</b>	<b>168,393</b>



Inventories, amounting to €216,330 thousand, are net of the allowances for inventory write-downs, amounting to €7,526 thousand for raw materials (up €2,892 thousand compared to 31 December 2023), €5,808 thousand for spare parts (up €408 thousand compared to 31 December 2023) and €14,075 thousand for finished products (up €614 thousand compared to 31 December 2023). The allowance for write-downs of raw materials on the historical cost of the related inventories is 8.8%, that of the provision for finished goods is 14.0%, and that of the provision for spare parts is 22.8%.

Biesse Group inventories increased by €47,937 thousand compared to 31 December 2023. In particular, the change is mainly attributable to the consolidation of the GMM Group's inventory balances following the aforementioned acquisition transaction.

## 15. TRADE RECEIVABLES FROM THIRD PARTIES

Trade receivables, amounting to €129,219 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 €12,601 thousand (before the relevant allowance for impairment) compared to December 2023, the balance for the period being affected by the consolidation of the GMM Group.

The allowance for impairment amounted to €8,835 thousand. This provision also includes the write-down made on the trade receivables during the previous year 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 did not change during the six-month period in question.

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

## 17. HEDGING AND TRANSLATION RESERVES

As at 30 June 2024, the translation reserve was negative and amounted to €13,226 thousand (negative €15,204 thousand at the end of 2023).

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 €1,978 thousand during the period.

## 18. OTHER RESERVES

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

€ '000	30 June 2024	31 December 2023
Legal reserve	5,479	5,479
Extraordinary reserve	135,524	120,849
Reserve for treasury shares	-	-
Retained earnings and other reserves	73,092	78,661
<b>Other reserves</b>	<b>214,094</b>	<b>204,989</b>

As indicated in the statement of changes in equity, the change in the item Other reserves mainly refers to the allocation of the profit for 2023 to the Extraordinary Reserve for €14,674 thousand and for the decrease in Undistributed Profits for €5,569 thousand.

Please refer to the Statement of Changes in Consolidated Shareholders' Equity for the six months ended 30 June 2024 for other changes during the period.

## 19. FINANCIAL LIABILITIES

Compared to the financial statements for the year ended 31 December 2023, the Biesse Group's financial liabilities increased by €80,860 thousand, an increase mainly attributable to the completion of the acquisition of the GMM Group, which involved the use of a committed credit line of €60.0 million, the change in financial payables for rights of use and the consolidation of the balance of bank overdrafts and loans of €19,075 thousand attributable to the GMM Group.

At the date of approval of this report, the Biesse Group has credit lines in excess of €302 million, of which €102.4 million revocable with a duration of up to 12 months and €200.0 million committed with a duration within 12 months. Of these committed lines, €100.0 million will expire within the end of September 2024 and will not be usable anymore. As at 30 June 2024, revocable lines were utilised for €2.1 million, while committed lines were utilised for €53.0 million as at the same date. All credit lines are unsecured and with no collateral. In addition, as of 30 June 2024, GMM S.p.A.'s outstanding unsecured loan debt amounted to €14.0 million and Bavelloni S.p.A.'s outstanding unsecured loan debt amounted to €3.4 million, for a total of €17.4 million of outstanding unsecured loan debt of the original amount of €38.2 million.

As at 30 June 2024, the Biesse 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 €20,465 thousand compared to the 2023 figure, from €135,281 thousand to €155,746 thousand, mainly attributed to the change in the scope of consolidation due to the acquisition of the GMM Group, which thus impacted the balance of trade payables in the first half of 2024.

## 21. CONTRACT LIABILITIES

Contract liabilities amounted to €103,784 thousand as at 30 June 2024 (€108,049 thousand as at 31 December 2023) and are made up as follows:

€ '000	30th June 2024	31th December 2023
Advances from customers before the sale of the goods	89,716	93,494
Net advances from customers for services	14,068	14,555
<b>Contract liabilities</b>	<b>103,784</b>	<b>108,049</b>

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 decrease in this item is attributable to the slowdown in order intake manifested during the first half of the year, although it was mitigated by the acquisition of the GMM Group.

## 22. PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges, amounting to €36,855 thousand as at 30 June 2024, comprised €7,420 thousand for the product warranty provision, €12,660 thousand for the corporate restructuring provision, €3,943 thousand for the provision for litigation risks, €3,667 thousand for the supplementary customer indemnity provision, and €9,165 thousand for other provisions.

As at 31 December 2023, the provisions for risks and charges amounted to €37,512 thousand, consisting of €7,025 thousand for product warranty provision, €15,157 thousand for corporate restructuring provision, €4,534 thousand for provision for litigation risks, €2,539 thousand for supplementary customer indemnity provision and €8,257 thousand for other risk provisions.

The slight decrease in the provisions for risks and charges is mainly attributable to updated estimates for outstanding disputes and/or litigations as at 30 June 2024, expected warranty costs (impacted by the reduction in revenue), additional accruals to the supplementary customer indemnity provision and the adjustment and utilisation of the provision for restructuring. The latter represents the best estimate of the current expenses related to the organisational transformation process, which must lead to an adequate sizing of the structure consistent with the business model defined as part of the One Company project launched in previous years and the volumes of activities generated. To this end, a number of initiatives were launched in 2023, such as the defensive solidarity contract for the period November 2023 - October 2024 and the rationalisation of sites aimed at the management of redundancies already identified at 31 December 2023, based on technical organisational criteria, territorial location and the principle of non-opposition to redundancies, favoured by economically incentivised redundancies.

## 23. COMMITMENTS, CONTINGENT LIABILITIES AND FINANCIAL 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.

### RISK MANAGEMENT

The Biesse 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 Biesse Group's products is marginal compared to the final production cost. Therefore, the Biesse Group has a limited exposure to the "commodities" risk.

#### **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 Biesse Group is exposed to fluctuations in interest rates regarding finance expenses relating to payables due to banks, which is currently not significant, and lease companies for fixed assets acquired under finance leases.

Interest rate risks derive primarily from bank lending. Given the largely positive net financial position, the company's choice is to avoid borrowing given the current level of interest rates, which are high even in the presence of possible hedges.

The Biesse Group continues to maintain credit lines with banks, although the need to use them did not arise in the first half of the year, in order to be able to rely on adequate financial resources.

Despite the current context of general instability in the global scenario, the Biesse Group believes that the current availability is sufficient to cover any possible need.

#### **CREDIT RISK**

Credit risk represents 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. In order to limit this risk, the Biesse Group has implemented procedures for assessing the financial potential and soundness of its customers, monitoring expected cash flows from collections and for any debt collection activities.

Such procedures typically involve the finalisation of sales against the receipt of advances; in the case of customers considered strategic by the Management, the credit limits granted to them are defined and monitored.

The carrying amount of financial assets, net of any impairment for expected losses, represents the maximum exposure to credit risk. 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.

#### **LIQUIDITY RISK**

Liquidity risk is the risk that available financial resources will be insufficient to meet financial and commercial obligations as and when they fall due.

Negotiation and management of banking relationships are centralised at the Biesse Group level, by virtue of the Cash Pooling agreement, so as to ensure that short and medium-term financial needs will be met at the lowest possible cost. Raising medium and long-term capital funds on the market is also optimised with centralised management.

The type of prudent risk management described above implies maintaining an adequate level of cash and/or easily convertible short-term securities. The portfolio of trade receivables and the conditions attaching to them contribute to balancing the working capital and, in particular, to hedging payables to suppliers.

## 24. CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

€ '000	30th June 2024	31th December 2023
<b>FINANCIAL ASSETS</b>		
<i>Designated at fair value through profit or loss:</i>		
<i>Derivative financial assets</i>	480	1,070
<b>Designated at fair value through OCI:</b>		
<i>- other current financial assets</i>	16,112	16,758
<b>Measured at amortised cost :</b>		
<i>Trade receivables</i>	129,119	116,619
<i>Other assets</i>	<b>3,462</b>	<b>3,530</b>
<i>- other financial assets and non current receivables</i>	3,460	3,519
<i>- other current assets</i>	2	11
<b>Cash and cash equivalents</b>	<b>85,671</b>	<b>104,473</b>
<b>FINANCIAL LIABILITIES</b>		
<i>Designated at fair value through profit or loss:</i>		
<i>Derivative financial liabilities</i>	976	1,266
<b>Measured at amortised cost :</b>		
<i>Trade payables</i>	174,423	135,100
<i>Bank loans, borrowings and lease liabilities</i>	76,176	1,355
<i>Financial leasing liabilities</i>	31,835	25,505
<b>Other liabilities</b>	<b>48,013</b>	<b>43,648</b>
<i>Other current liabilities</i>	47,717	43,481
<i>Other not current liabilities</i>	297	167

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 2024. The Biesse 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 2024, there were no transfers between the various fair value levels indicated above.

## 25. BUSINESS COMBINATIONS

Business combination transactions were accounted for in accordance with IFRS 3. In particular, the management started the fair value measurement analyses of assets or liabilities and contingent liabilities, based on the information on facts and circumstances available at the acquisition date. The measurement process of the acquired companies is still ongoing at the date of these half-yearly financial statements.

Specifically, on 29 January 2024, the acquisition of the entire share capital of GMM Finance S.r.l., the holding company at the head of the GMM Group, which includes the companies GMM S.p.A., Bavelloni S.p.A. and Techni Waterjet Ltd., as well as their respective Italian and foreign subsidiaries, active in the fields of machine tools for processing stone, glass and other materials, was completed. The provisional acquisition price (so-called Equity Value) is approximately €72.4 million euro (€69.0 million paid at 30 June 2024) and the final price, which will be calculated over the next few months, provides for the usual price adjustment mechanisms (up or down), based on the change in the net financial position of GMM Finance S.r.l. as of 31 December 2023.

The following table shows the assets and liabilities acquired in the business combination measured at their provisional fair value, based on information currently available:

<i>(in thousands of Euro)</i>	<b>Total fair value of net assets acquired</b>
<b>Total intangible fixed assets</b>	28,129
<b>Total property, plant and equipment</b>	16,859
<b>Net commercial working capital</b>	22,759
<b>Investments</b>	57
<b>Net financial position</b>	(13,455)
<b>Deferred tax assets/liabilities</b>	(7,060)
<b>TOTAL NET IDENTIFIED ASSETS ACQUIRED</b>	<b>47,288</b>
<b>(+) Goodwill</b>	<b>25,156</b>
<b>TOTAL NET ASSETS ACQUIRED</b>	<b>72,444</b>

The estimate of the fair values of the net assets acquired, carried out through the engagement of an independent expert, resulted in the quantification of higher values with respect to the balance sheet data inferred from the accounting situation at the date of acquisition, equal to €36,500 thousand, gross of the related tax effect. Specifically, these assessments concerned the following cases:

- customer relations (so-called customer list), the fair value of which is (€11,300 thousand);
- software, the fair value of which is (€6,004 thousand);
- patents, the fair value of which is (€4,944 thousand);
- trademark, the fair value of which is (€4,448 thousand);
- higher value attributed to land and buildings (€4,179 thousand);
- higher value attributed to plant and machinery (€2,350 thousand).

The deferred tax effect determined in relation to the value adjustments described above amounts to a total of €8,707 thousand. As mentioned above, the valuations were determined on the basis of a provisional report prepared by an independent expert.

The difference (€25,156 thousand) between the total purchase price (€72,444 thousand) and the fair value of the net assets acquired (€47,288 thousand) is necessarily allocated to goodwill, which in turn is allocated to the "Machinery and Systems" CGU.

## 26. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Please refer to the Directors' Report on Operations.

## 27. RELATED-PARTY TRANSACTIONS

The Biesse 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 Biesse Group and other related entities are specified below.

€ '000	Revenue		Costs	
	30th June 2024	30th June 2023	30th June 2024	30th June 2023
Parent	1	1	10	11
Bi. Fin. S.r.l.	1	1	10	11
Other related companies	7	15	1,134	1,338
Se. Mar. S.r.l.	7	15	1,053	
Wirutex S.r.l.	-	-	-	1,338
Others			81	
Members of the Board of Directors	-	-	709	670
Members of the Board of Statutory Auditors	-	-	204	79
Total	8	16	2,058	2,098

€ '000	Receivables		Payables	
	30th June 2024	31th December 2023	30th June 2024	31th December 2023
Parent	-	-	988	1,066
Bi. Fin. S.r.l.	-	-	988	1,066
Other related companies	6	7	890	632
Se. Mar. S.r.l.	6	7	849	632
Others	-	-	41	-
Members of the Board of Directors			106	106
Members of the Board of Statutory Auditors			99	69
Total	6	7	2,084	1,872

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](http://www.biesse.com).

Pesaro, 30 July 2024

*The Chairman of the Board of Directors*  
Roberto 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 Roberto Selci and Nicola Sautto, 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 2024.

The assessment of the adequacy of administrative and accounting procedures for the preparation of the Condensed Consolidated Interim Financial Statements as at 30 June 2024 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.

Pesaro, 30 July 2024

**The Chairman  
of the Board of Directors**

Roberto Selci

**The Manager  
of financial reporting**

Nicola Sautto

## REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of  
Biesse S.p.A.

### Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Biesse S.p.A. and its subsidiaries (the “Biesse Group”), which comprise the statement of financial position as of June 30, 2024 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (“Consob”) for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of Biesse Group as at June 30, 2024 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Giovanni Fruci**  
Partner

Bologna, Italy  
July 30, 2024

*This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*