Interim Report as at 30 June 2025

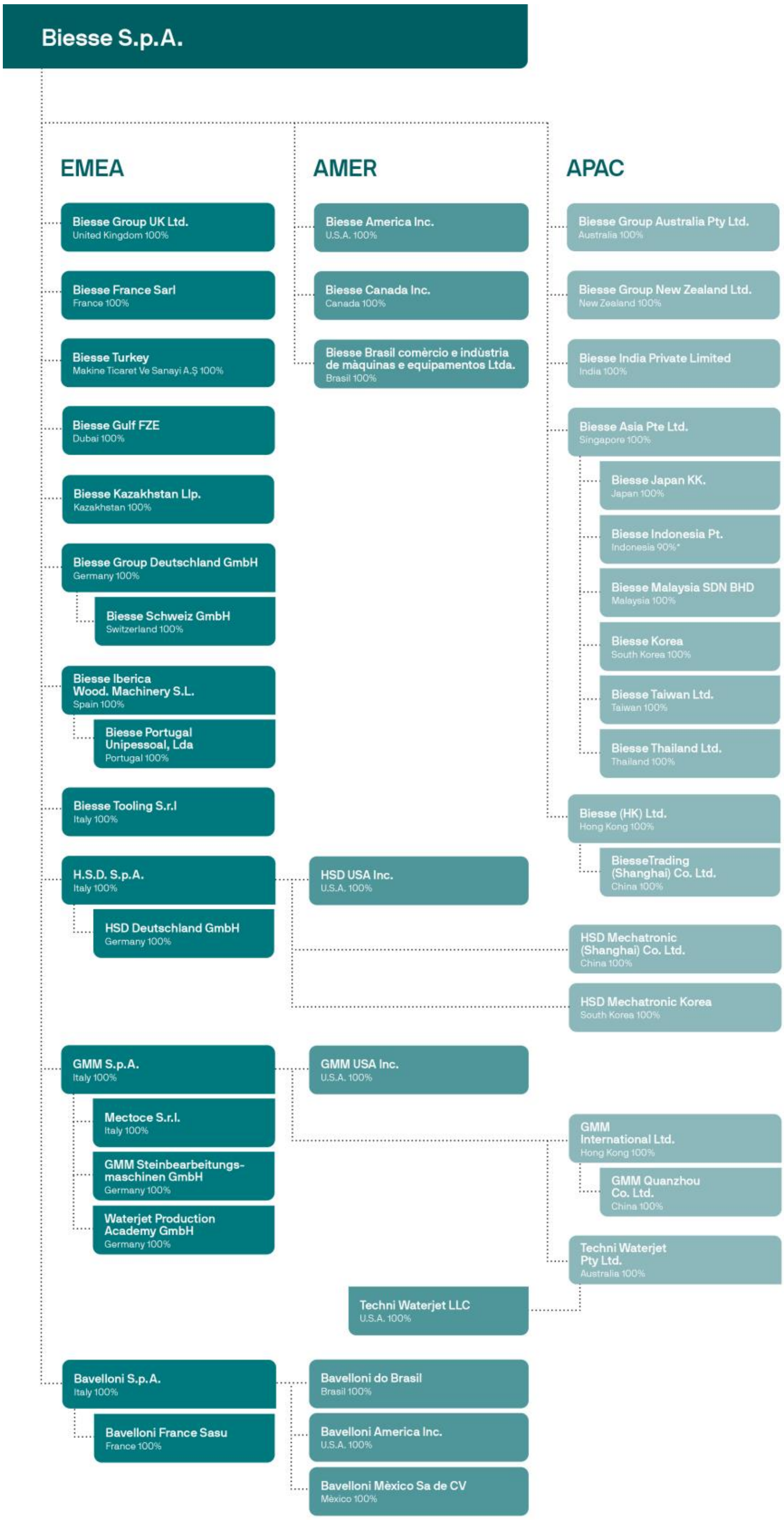
Biesse S.p.A.

INTERIM REPORT AS AT 30 JUNE 2025

THE BIESSE GROUP

BIESSE GROUP STRUCTURE

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



* Il restante 10% è detenuto direttamente da Biesse Spa

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 an ever-growing global network with 3 production areas and sales showrooms in 19 countries. Thanks to the expertise of our over 3,700 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.

Compared to the consolidated financial statements for the year ended 31 December 2024, the scope of the Biesse group has changed as a result of the liquidation of the subsidiary Biesse Group Israel Ltd. on 4 February 2025 and the transfer of 100% of the interest in Biesse Thailand Ltd. (formerly Techni Waterjet Ltd.) from the Australian subsidiary Techni Waterjet Pty Ltd. to the subsidiary Biesse Asia Pte Ltd. Singapore, which took place on 14 March 2025. It should be noted that this last transaction, since it took place within the Group, has no impact on the consolidated financial statements.

ALTERNATIVE PERFORMANCE INDICATORS

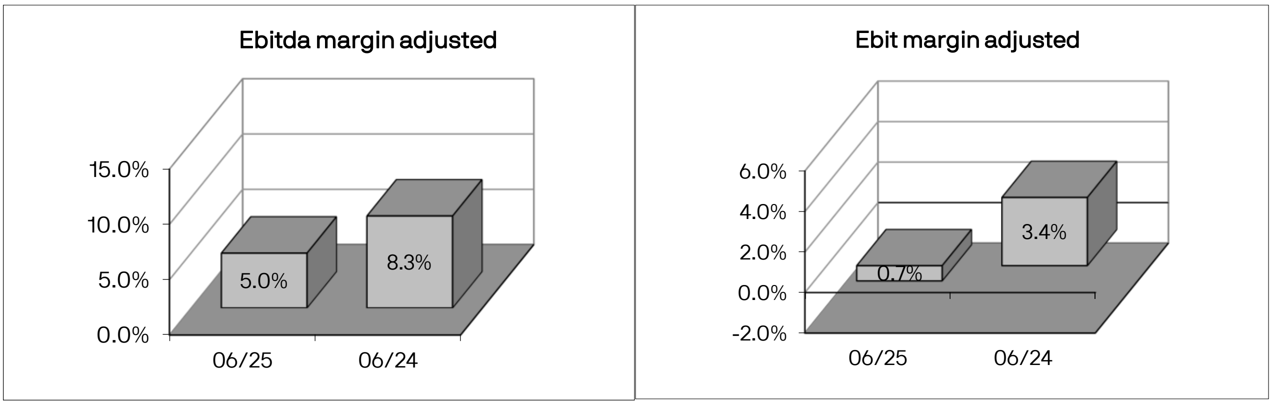
Management uses some performance indicators, which are not identified as accounting measures under the IFRS (non-GAAP measures), to better assess the Biesse group's performance. The criterion applied by the Biesse group to set these indicators might not be the same as that adopted by other groups, and 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 Annual Report on Operations 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

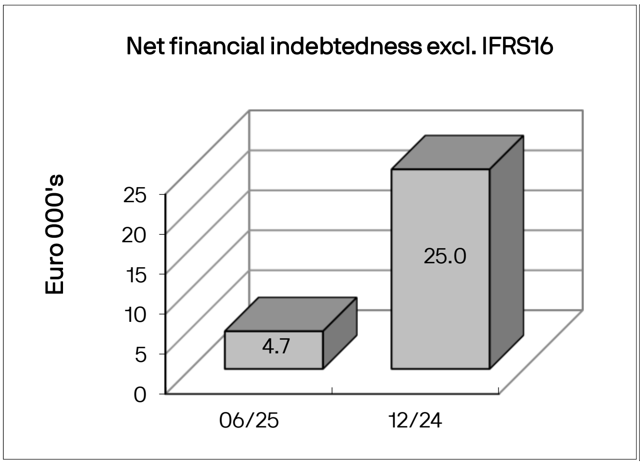
Euro 000's	30 June 2025	% on sales	30 June 2024	% on sales	Change %
Revenue from sales and services	322,808	100.0%	395,721	100.0%	(18.4)%
Ebitda (Gross operating profit) adjusted(1)	15,997	5.0%	32,902	8.3%	(51.4)%
Ebit adjusted (1)	(2,421)	(0.7)%	13,323	3.4%	-
Ebit (1)	(6,727)	(2.1)%	10,292	2.6%	-
Profit/Loss for the period	(7,090)	(2.2)%	3,923	1.0%	-

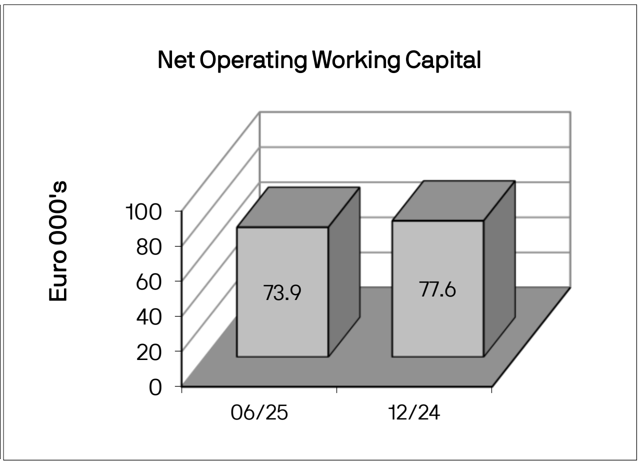


Statement of Financial Position

Euro 000's	30 June 2025	31 December 2024
Net Invested Capital [1]	270,147	268,112
Equity	244,583	263,373
Net Financial Position [1]	(25,564)	(4,739)
Net Financial Position excl. IFRS16 [1]	4,711	24,969
Net Operating Working Capital [1]	73,940	77,623
Order intake	250,359	255,207

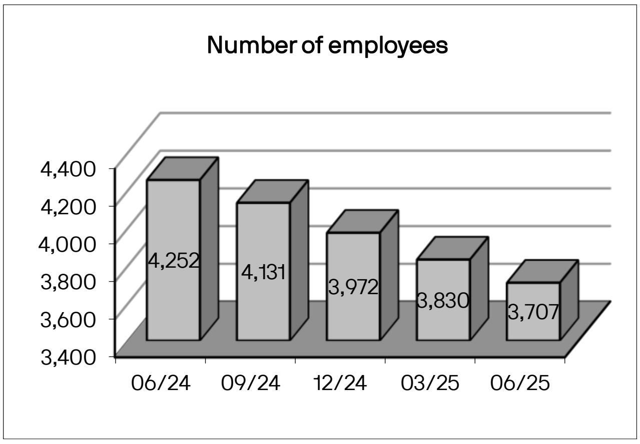
(1) The criteria for determining amounts relating to interim results and aggregate equity and financial data are described in the Directors' Report on Operations and the Notes to the Financial Statements.





Personnel (*)

	30 June 2025	30 June 2024
Number of employees at year end	3,707	4,252



* *includes agency workers.*

COMPOSITION OF CORPORATE BODIES

Board of Directors

Chairman and Chief Executive Officer	Roberto Selci
Non-executive director	Alessandra Baronciani
Lead Independent Director	Rossella Schiavini
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

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

Global activity growth declined in the first quarter of 2025 and is expected to moderate further. In the first quarter of 2025, real GDP growth worldwide (excluding the euro area) fell to an estimated 0.7% over the previous period, down from 1.1 in the fourth quarter of 2024. Global economic activity is expected to weaken further and remain at subdued levels for the rest of the year. The index of world economic activity developed by the ECB's experts points to a moderation in activity since April, as the results of the latest surveys have brought this index below its historical average. The world composite Purchasing Managers' Index (PMI) for output fell in April 2025, mainly due to slower growth in the services sector. World growth is expected to slow down over the projection horizon, to an even lower level than the pre-pandemic average. According to the June 2025 macroeconomic projections by Eurosystem experts, world GDP in real terms is expected to grow by 3.1% in 2025, slowing from the 3.6% growth recorded last year. World GDP in real terms is projected to decline further, to 2.9% in 2026, before stabilising at 3.2% in 2027. Compared to the ECB's March 2025 expert macroeconomic projections, the global growth outlook for 2025 and 2026 was revised downwards by 0.3 percentage points, while the outlook for 2027 remained unchanged. Growth prospects have clearly deteriorated in all major economies, but it is particularly evident in the US and China. Tariffs and policy uncertainty are two main factors behind the downward revisions. Tariffs hurt growth, as they increase the cost of final and intermediate goods imported from abroad. This in turn burdens domestic consumption and erodes the competitiveness of exporters by raising production costs. High uncertainty induces precautionary behaviour among consumers and businesses, which curbs consumption and investment. The set of risks concerning global growth projections are tilted to the downside and, in particular, depend on the future evolution of trade policies. Specifically, the US government and those of its partners that have successfully concluded trade negotiations could lead to lower tariffs and support global activity. In contrast, higher tariffs and potential retaliation by trading partners could further dampen growth prospects.

UNITED STATES

In the US, the growth outlook deteriorated after the finalisation of the March 2025 macroeconomic projections by ECB experts on 6 February 2025. Real GDP turned slightly negative in the first quarter of 2025, as the anticipation of imports led to a strong negative contribution of net trade. At the same time, domestic demand remained relatively solid. However, a slowdown is expected as the impact of the tariffs consolidates. In general, widespread and high tariffs are expected to increase the cost of imported intermediate and final goods, which is likely to be passed on to domestic prices. Projections for June 2025 point to lower trade flows and higher production costs, as well as weaker domestic demand, in a context where real household disposable income declines due to higher inflation. The negative impact of tariffs on the outlook is further accentuated by increasing policy uncertainty, which induces precautionary savings and delayed investments. The outlook is also held back by tighter financial conditions, which translates into negative wealth effects
and in higher financing costs. On the nominal side, measures of consumer inflation do not yet reflect the impact of tariff-driven price pressures. Overall 12-month inflation measured by the CPI decreased to 2.3% in April from 2.4 in March. In the same month, core inflation measured by the CPI, which excludes energy and food prices, remained unchanged at 2.8%. Although the impact of tariffs is not yet evident in the CPI inflation data, high-frequency price data from large retailers indicate upward pressures stemming mainly from rising prices of imported goods, particularly from China. In May, the Federal Open Market Committee kept the target for the federal funds rate unchanged, in a range between 4.25% and 4.50%, against a background of increasing risks and uncertainty about the outlook.

UNITED KINGDOM

In the UK, real GDP growth intensified in Q1 2025, driven by vigorous investment growth and net trade. However, this recovery is likely to be short-lived, as growth is expected to decline due to high uncertainty and global trade tensions. Available short-term indicators, including purchasing managers' surveys and consumer and business confidence indicators, suggest a rather weak start for the second quarter of 2025. Despite recent positive news on trade policies, including bilateral trade agreements with the US and India, as well as a new agreement with the EU, uncertainty remains high against the backdrop of high tariffs. Twelve-month inflation measured by the CPI rose sharply to 3.5% in April from 2.6 in March. This increase can be attributed to the increase in the service and energy goods components, while core inflation for goods remained unchanged. Looking ahead, overall inflation is expected to remain above the Bank of England's 2% target through 2025. At its May meeting, the Bank of England lowered the reference rate by 25 basis points to 4.25 per cent.

CHINA

In China, real GDP growth proved solid in the first quarter of 2025, supported by the vigour of domestic demand and the advance of exports. Looking ahead, however, high US tariffs and ongoing corrections in the real estate sector are expected to weigh on economic activity. In April, activity indicators softened, with 12-month growth in retail sales falling to 5.1%, from 5.9% in the previous month, although remaining above the January-February average. The 12-month growth of industrial production decreased to 6.1%, while investment slowed down in all sectors. The manufacturing PMI index of new orders from abroad fell sharply in April. Overall, activity data signalled a further weakening of already subdued domestic demand, in a context where rising US tariffs weigh on short-term growth prospects. Deflationary pressures persist in the Chinese economy. In April, overall 12-month inflation measured by the CPI remained negative at -0.1%, while output inflation dropped further, to -2.7%. As US tariffs on Chinese imports remain high, despite the temporary trade agreement, pressure on Chinese exporters continues. The current profit margins of Chinese exporting companies have room for manoeuvre for a further reduction of export prices. Export price deflation, coupled with the continuing weakness of domestic demand and industry overcapacity, looks set to continue.

EUROZONE

The outlook for euro area economic growth is clouded by trade tensions and high global uncertainty. Considering the year 2025 as a whole, these effects would be partly offset by stronger-than-expected economic activity in the first quarter, probably reflecting at least in part the export anticipation of higher tariffs. In the medium term, economic activity would be supported by the newly announced budgetary measures. The baseline scenario of the June 2025 projections assumes that US duties on EU goods, which rose to 10%, remain in place over the entire projection horizon. Together with high uncertainty on trade policies and the recent appreciation of the euro, higher tariffs will affect exports, investments and, to a lesser extent, consumption in the euro area. In contrast, new public allocations for infrastructure and defence, especially in Germany, should stimulate domestic demand in the area from 2026 onwards. Overall, the conditions for a strengthening of the area's GDP growth over the projection horizon remain in place. In particular, rising real wages and employment, less restrictive financing conditions, especially as a result of recent monetary policy decisions, and a recovery in external demand later in the forecast period should together support a gradual recovery. Compared to the macroeconomic projections made in March 2025, the outlook for GDP growth was not revised for the current year, as better-than-expected recent data would be largely offset by the effects of trade tensions and the appreciation of the euro. Instead, trade tensions and the strengthening of the exchange rate led to a downward revision of the growth outlook for 2026, while the rate indicated for 2027 remains unchanged. In line with projections made in June 2025, the survey data overall point to a weaker outlook in the short term. Despite the strengthening of the manufacturing sector, also supported by the advance in trade in view of the tariff increase, the more domestically oriented service sector is slowing down. Rising tariffs and a stronger euro are expected to make it more difficult for companies to export and high uncertainty is expected to weigh on investments. At the same time, several factors support the resilience of the economy and should stimulate growth in the medium term. The strength of the labour market,
rising real incomes, robust private sector balance sheets, and more favourable financing conditions should, overall, help consumers and businesses cope with the impact of a changing global environment. The recently announced measures for increased investment in defence and infrastructure should also promote growth. In the current geopolitical context, it is even more urgent that structural and budgetary policies increase the productivity, competitiveness and resilience of the euro area economy. The European Commission's Compass for Competitiveness initiative is a concrete action plan, whose proposals, including those on simplification, should be implemented promptly. This includes the completion of the Savings and Investment Union, according to a clear and ambitious roadmap. It is also important to quickly define the legislative framework to be applied in view of the possible introduction of a digital euro. Governments should ensure the sustainability of public finances in line with the EU economic governance framework and prioritise structural reforms and growth-enhancing strategic investments.

ITALY

In early 2025, Italian GDP continued to expand moderately. The increase in output (0.3% compared to the previous quarter) was driven by both domestic and, to a lesser extent, net foreign demand. The increase in capital expenditure was sustained and affected all major components, particularly machinery and equipment. The expansion in consumption, in line with the previous quarter, was driven by the recovery in purchasing power; the rise in expenditure on services was offset by a decline in purchases of durable goods, probably due to increased uncertainty about the outlook for the economy. Exports returned to growth and increased mainly to the United States; the anticipation of purchases by this country in anticipation of the tightening of trade policies contributed, according to Bank of Italy estimates, more than one third to the growth of goods exports. However, the increase in imports partially offset the effects on

GDP. The value added of industry in the narrow sense expanded by 1.1%, mainly due to the recovery of production in energy-intensive sectors. The increased demand from the US was not reflected in a significant rise in production in the sectors most exposed to this country and may also have been met by a decumulation of inventories. Activity grew the most in construction (1.4 per cent), partly driven by the implementation of works related to the National Recovery and Resilience Plan (NRRP). In contrast, value added stagnated in services, held back by the decline in trade and tourism-related sectors. According to Bank of Italy estimates, output rose again in the second quarter of 2025, albeit at a lower rate than in the previous period. Value added grew in both industry and services. The expansion of consumption remained subdued, as in previous months, while the expansion of investment weakened after two particularly favourable quarters. Despite the good performance of services related to international tourism, in a context of considerable uncertainty, data on foreign trade in goods indicate a slightly negative contribution of net foreign demand. According to the Bank of Italy's macroeconomic projections published last June, GDP will increase by 0.6% this year, 0.8% next year, and 0.7% in 2027.

BUSINESS SECTOR REVIEW

FEDERMACCHINE

In 2024, the Italian capital goods industry saw all major economic indicators decline. The overall result expresses all the difficulties that the entire manufacturing sector has experienced over the past year. Following one of the worst years in recent memory in 2024, 2025 should show positive signs, albeit underwhelming ones.

FINAL BALANCES 2024

In 2024, industry turnover stood at € 52.5 billion, 7.4% lower than in 2023. The drop was mainly caused by the reduction in deliveries by Italian manufacturers on the domestic market, which were penalised by the consumption freeze. But exports also took the hit, although limiting the damage. In particular, exports dropped, by 4.2%, to € 36 billion. Deliveries by Italian manufacturers on the domestic market, on the other hand, recorded a much heavier setback, stopping at € 16.4 billion, 13.7% lower than the 2023 figure. Household consumption declined even more, to just over € 26 billion, 14.3% less than the previous year's result. Imports were also strongly penalised by the blockage of domestic demand, registering -15.2% or € 9.8 billion. Italian companies in the sector demonstrated, once again, that they know how to guard the local market well, as evidenced by the import/consumption figure of 37.3%. The export/turnover ratio increased, to 68.7%.

FORECASTS 2025

The year 2025 can only be considered a turnaround year, as it sees a shift from negative figures in 2024 to positive figures in 2025. However, it cannot be considered a revival year, as the increases are very small. Turnover will grow by 1.6% to € 53.3 billion. Exports will remain stationary at € 36.3 billion (+0.6%), due to the general uncertainty in the international environment. Consumption, up by 2%, will stand at 26.7 billion. This weak increase will mainly benefit Italian manufacturers, who will see their domestic deliveries grow by 3.7% to 17 billion. Imports will remain weak, falling further to € 9.7 billion (-1%).

GEOGRAPHICAL DESTINATION OF SALES IN 2024

With regard to the distribution of sales, in 2024, the share of turnover achieved in Italy stood at 31.3%. 36.3% of the total went to the other countries of Europe. The European region thus absorbs 68% of Italian industry turnover. This is followed by exports to the Americas (16.6%) and Asia (11.8%). In 2024, Italian exports fell in all major markets except Spain and India. The main destination areas were: United States (€ 5 billion, -0.1%); Germany (3.6 billion, -8.5%); France (2.5 billion, -5.2%); China (1.6 billion, -12.7%); Spain (1.5 billion, +3%).

Bruno Bettelli, president of FEDERMACCHINE, said: "*despite the rather steep descent, turnover 2024 still remained at a high level, not least because of the exploits of previous years. The year 2025 is expected to be positive thanks to the slight recovery of Italian manufacturers' activity on the domestic market and thanks to the substantial stability of exports. The trade war is creating considerable problems for all players in the manufacturing world. For us machinery manufacturers, the US is the number one export market. A good result that is unfortunately in danger of being downgraded by the decision to impose too high tariffs. And this is likely only the first effect although probably not the worst.'* Bruno Bettelli continued*, 'we believe that President Trump will think twice before setting excessively high tariffs on products that he badly needs, and Italian machinery is among them because domestic production is unable to meet the needs of local demand and because our supply has always been highly valued. What concerns us most is the climate of uncertainty fuelled by his constant announcements. This instability threatens to create a real demand blockage, which some entrepreneurs are already starting to noticing. The risk is that, amid continuous announcements, relaunches and denials, companies will stop investing while waiting to find out the actual* *tipping point. We therefore trust the authorities in Brussels to persuade Trump to engage in reasonable negotiations. However, we must be prepared with an alternative plan in case the dialogue does not lead to the desired results. I am thinking of free trade agreements, along the lines of the one between the EU and MERCOSUR*.

'*On the domestic front*,' concluded Bruno Bettelli, '*2025 coincides with the end of the operation of the 4.0 and 5.0 measures that supported domestic demand for new technologies. We therefore call on government authorities to immediately start thinking about an industrial policy plan to support the Italian manufacturing industry from 2026 onwards.*'

UCIMU – SISTEMI PER PRODURRE (SYSTEMS TO PRODUCE)

In the second quarter of 2025, the machine tool order index compiled by the UCIMU-SISTEMI PER PRODURRE Research & Business Culture Centre showed an increase of 22% compared to the period April-June 2024. The absolute value of the index was 64.4 (base value of 100 in 2021). The result was driven by the increase in order intake in both the foreign and domestic markets. In particular, orders collected on the domestic market increased by 70.3%, compared to Q2 2024, for an absolute value of 54.0. On the foreign market, order intake was up by 9.5% compared to the same period last year. The absolute value of the index was 74.6.
Riccardo Rosa, President of UCIMU-SISTEMI PER PRODURRE, said, '*This latest UCIMU index confirms the positive trend in order intake that Italian machine tool manufacturers have recorded for the last four quarters. However, concerns remain because the context conditions are worsening month by month". 'Looking at the absolute indices,*' Riccardo Rosa continued, '*the weakness of demand, particularly domestic demand, is still evident. The increase recorded by manufacturers on the domestic market is also due to the fact that it is being compared with a truly disastrous quarter (the second of 2024), which was the worst in the last 10 years, except for the quarter in which the pandemic began in 2020. On the international front, President Trump's recent statements and the contents of the letter sent to the President of the European Commission, announcing new tariff rates for EU-originating products, are certainly discouraging. Once again, we manufacturing entrepreneurs must keep our nerve and wait and see, fully aware that the US president's attitude is unpredictable to say the least. A war on 'Made in Europe' exports would be a very heavy penalty for the eurozone, the US and its people in particular. Therefore, we trust the Brussels authorities' ability to engage in dialogue and bring Trump back to the negotiating table. However, at this point, we cannot do without an alternative plan in case the dialogue does not lead to the desired results. This is because the continuation of this situation fuels uncertainty, which I cannot reiterate enough is the primary factor blocking investment in production technologies, not only in the US market but elsewhere too. The situation has now become widespread and impacts all the supply chains in which we operate, as well as all those markets that export goods to the other side of the ocean. I am thinking of the automotive industry, various mechanical industries, and component manufacturers. Given the enormous efforts companies are making to differentiate markets and outlet sectors, we urge the European authorities to accelerate the planning of free trade agreements with countries experiencing or about to experience long periods of development, starting with Africa and some Asian regions. At the same time, however, we are calling for strong intervention to limit bureaucracy and support economic players based in the EU, in order to release the full potential of our internal market.*'

'On the domestic front,' concluded President Riccardo Rosa*, 'we hope that Transition 5.0 can still be extended beyond 31 December to allow machine tool and machinery manufacturers to collect a further round of orders, we emphasise the need to open a roundtable discussion as soon as possible after the August break. This will allow us to discuss the needs of manufacturing companies and develop a clearer industrial policy for the coming years, given that the 4.0 and 5.0 measures are coming to an end.' We reiterate UCIMU's willingness to participate in the working groups to Confindustria and the government authorities. We hope these groups will lead to a new plan to support the evolution of the country's manufacturing sector.'*

TREND IN THE FIRST HALF OF 2025

The international geopolitical context remains strongly conditioned by the continuing trade tensions caused by the tariffs imposed by the United States, a situation that fuels uncertainty worldwide with consequent repercussions on investments not only with reference to the US market, but with a generalised impact on all supply chains on a global scale.

Added to the already complex global scenario are the prolonged conflicts in Ukraine (with the consequent closure of the Russian market for European countries) and Palestine, as well as government incentives related to Industry 5.0 that are struggling to take off, negatively affecting the entire manufacturing sector, where the world of woodworking technology and the furniture industry continues to record a season of contraction that has now lasted for several quarters.

The economic framework of reference therefore continues to be significantly conditioned by uncertainties due to the evolution of the international geopolitical context described so far, whose tensions have inevitably slowed down exports to certain markets, confirming the persistence of general conditions of instability and strong tensions, with consequent impacts on financial market trends characterised by strong volatility in these first six months of the year, despite the fact that the last few months of the half-year period saw an improvement in financing conditions, which were less restrictive, especially due to recent monetary policy decisions.

The above-mentioned global context in which the Biesse group is placed has significantly impacted the trend in sales as early as 2024, with further repercussions in the half year under review.

At the end of the first half of 2025, the Biesse group's order portfolio stood at € 250,359,000, a decrease of 1.9% compared to December 2024 (€ 255,207,000), the decrease being influenced by both the downward trend in order intake and the contraction in turnover manifested during the first half of the year.

The uncertainty and trade tensions stemming from the anticipation surrounding the definition and introduction of import tariffs in the U.S. market — the second most important reference market for the Biesse Group — had a negative impact on order intake during the first half of 2025, as well as on the revenue slowdown of the Group's U.S.-based commercial subsidiaries, as outlined below.

In this scenario, Biesse group revenues at 30 June 2025 amounted to € 322,808 thousand, down 18.4% compared to 30 June 2024.

The analysis of turnover by geographic area shows that the decrease is generalised across all areas, EMEA (Europe, Middle East and Africa) -21.9%, America -14.1% and APAC (Asia Pacific) -9.5%. The EMEA area remains the Biesse group's reference area, closing with a turnover of € 197,392 thousand, representing 61.1% of the total (€ 252,584 thousand at 30 June 2024, representing 63.8% of the total).

The breakdown of revenues by operating segment remains substantially unchanged (with the Machine-Systems segment accounting for 92.1% of Biesse group revenues), while both segments show a decrease of 18.8% for Machine-Systems and 13.7% for Mechatronics, respectively.

The reduction in sales 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 € 15,997 thousand, a decrease of 51.4% compared to the same period of the previous year. At the same time, the decrease in the operating result before non-recurring events (Adjusted EBIT) (€ - 2,421 thousand in the first half of 2025 against € 13,323 thousand in the first half of 2024) with a negative delta of € 15,744 thousand in absolute value.

It should be noted that the Biesse group's economic result for the period was negatively impacted by 'non-recurring events' in the amount of € 4,306 thousand, of which € 1,805 thousand related to the adjustment of the company restructuring provision already recognised in the financial statements at 31 December 2024 and € 2,501 thousand to redundancy incentives both future and already paid.

In addition to what has been described so far on the economic performance, it should be noted that the financial performance is also affected by the dynamics of net operating working capital, which decreased compared to December 2024 by € 3,683 thousand, positively impacting cash flow dynamics. The positive cash flow is mainly attributable to the decrease in trade receivables (amounting to € 4,317 thousand), while the increase in inventory (amounting to € 10,254 thousand), together with the decrease in contractual liabilities (amounting to € 10,076 thousand), influenced by the slowdown in sales and order intake for the period, are almost entirely offset by the increase in trade payables (amounting to € 19,696 thousand).

The Net Financial Position excluding IFRS 16 of the Biesse group as at 30 June 2025 was positive at € 4,711 thousand (negative € 25,564 thousand if the effects of IFRS 16 are included), down € 20,258 thousand compared to 31 December 2024, when it was positive € 24,969 thousand (and negative € 4,739 thousand including the effects of IFRS 16). The change is mainly influenced by the purchase of treasury shares, the distribution of dividends in the first half of 2025, the payment of the price adjustment debt related to the acquisition of the GMM group, non-recurring financial outlays arising from the payment of exit incentives and investments in tangible and intangible fixed assets, only partially offset by the results achieved in terms of operations.

Despite the turbulent and complex context described above, the Biesse group is determined to continue the strategic transformation process within the One Company project. In particular, we are:

- reorganising all sales networks in the markets in an organic and sustainable way with the aim of putting the customer at the centre and increasing the level of service;

- investing in development and innovation to design advanced technological solutions, capable of responding to and anticipating customers' needs and transforming material processing in an efficient, digital and sustainable way;
- continuing to pursue with determination the process of organisational transformation aimed at an appropriate sizing of the corporate structure; and
- continuing to maintain a significant focus on rationalising costs in order to maintain a balanced economic-financial situation.

MAIN EVENTS OF THE HALF-YEAR

On **28 April 2025**, the Ordinary Shareholders' Meeting of Biesse S.p.A. approved:

- the Financial Statements as of 31/12/2024 of the parent company Biesse S.p.A., which closed with a net profit of € 6,630 thousand, examined the Group Consolidated Financial Statements and the Consolidated Sustainability Report;
- the allocation of the profit for the year 2024 and the distribution of a total gross dividend of € 0.04 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;
- the appointment of Deloitte & Touche S.p.A. to provide limited assurance of the conformity of Biesse's consolidated sustainability reporting for the financial years 2025-2027.

On **28 April 2025**, the Extraordinary Shareholders' Meeting of Biesse S.p.A. approved:

- an amendment to the Articles of Association which, pursuant to Article 127-quinquies, paragraph 2, of the Consolidated Law on Finance, provides for the introduction of the so-called "enhanced" increased voting rights, with the attribution, after the expiry of the first 24-month period required for the "ordinary" increase, which attributes 2 votes per share, of one additional vote at the end of each further 12-month period of uninterrupted holding of the shares, up to a total maximum of 10 votes per share.

On **May 14, 2025**, the Board of Directors of Biesse S.p.A. resolved to withdraw the 2024-2026 Three-Year Plan, reserving the right to adopt a new plan in the future, when the market environment becomes more stable. In particular, the Board of Directors noted that the current economic situation, together with the serious uncertainties stemming from the geopolitical and macroeconomic context, meant that the earnings and financial targets contained in the 2024-2026 Three-Year Plan were no longer deemed achievable. However, the guidelines and strategic objectives included in the 2024-2026 Three-Year Plan itself remain confirmed.

On **12 June 2025**, Biesse S.p.A. announced that Mr Massimo Potenza, non-independent director, has resigned as Chief Executive Officer and general manager in order to pursue new professional opportunities. The resignation is effective as of 12 June 2025. The Board of Directors of Biesse S.p.A. proceeded to appoint Chairman Roberto Selci as new Chief Executive Officer, granting him the same powers that had been granted to Mr Massimo Potenza.

INCOME STATEMENT

	30 June 2025	% on sales	30 June 2024	% on sales	Change %
Euro 000's					
Revenue from sales and services	**322,808**	**100.0%**	**395,721**	**100.0%**	**(18.4)%**
Change in inventories, wip, semi-finished products and finished products	18,193	5.6%	10,173	2.6%	78.8%
Other Revenues	3,712	1.1%	2,759	0.7%	34.5%
Revenue	**344,713**	**106.8%**	**408,653**	**103.3%**	**(15.6)%**
Raw materials, consumables, supplies and goods	(143,266)	(44.4)%	(165,789)	(41.9)%	(13.6)%
Other operating costs	(65,371)	(20.3)%	(79,996)	(20.2)%	(18.3)%
Personnel expense	(120,079)	(37.2)%	(129,966)	(32.8)%	(7.6)%
Gross operating profit	**15,997**	**5.0%**	**32,902**	**8.3%**	**(51.4)%**
Depreciation and amortisation	(17,638)	(5.5)%	(18,193)	(4.6)%	(3.1)%
Provisions	(780)	(0.2)%	(1,386)	(0.4)%	(43.7)%
Operating profit before non recurring items	**(2,421)**	**(0.7)%**	**13,323**	**3.4%**	**(118.2)%**
Non recurring-items	(4,306)	(1.3)%	(3,031)	(0.8)%	42.1%
Operating profit	**(6,727)**	**(2.1)%**	**10,292**	**2.6%**	**(165.4)%**
Financial income	2,821	0.9%	1,471	0.4%	91.7%
Financial expense	(3,822)	(1.2)%	(3,028)	(0.8)%	26.2%
Net exchange rate loses	443	0.1%	(914)	(0.2)%	(148.4)%
Pre-tax result	**(7,285)**	**(2.3)%**	**7,822**	**2.0%**	**(193.1)%**
Income taxes	196	0.1%	(3,899)	(1.0)%	(105.0)%
Result for the period	**(7,090)**	**(2.2)%**	**3,923**	**1.0%**	**(280.7)%**

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 2025 amounted to € 322,808 thousand, a decrease of 18.4% compared to the figure for the same period in 2024 (revenues of € 395,721 thousand), negatively affected by the sales trend for the period and the consequent reduction in volumes.

The **value of production** amounted to € 344,713 thousand, a decrease of 15.6% compared to the figure for the first half of 2024 (€ 408,653 thousand).

Consumption as a percentage of sales net of **changes in inventories** decreased slightly by 0.6 p.p. due to the different product mix and lower inventory write-downs.

Other operating expenses decreased in absolute value by € 14,625 thousand, maintaining their percentage weight almost unchanged compared to the same period of the previous year (incidence decreasing from 20.2% to 20.3%). This phenomenon is entirely attributable to a generalised decrease in the item attributable to service costs, which fell from € 71,951 thousand to € 57,826 thousand, a decrease of 19.6%. The change is mainly due to lower costs for production services (down by € 5,047 thousand), which include outsourced processing, transport on purchases and technical services, commissions payable and transport on sales (down by € 3,122 thousand), costs for consultancy (down by € 2.328 thousand) and the decrease of € 1,733 thousand in travel and transfer costs for personnel. Costs for insurance services and utilities remained essentially constant compared to the previous year.

Personnel expense as at 30 June 2025 amounted to € 120,079 thousand, down € 9,887 thousand compared to the same period in 2024 (€ 129,966 thousand), -7.6% on the same period in 2024, mainly linked to salaries, salaries and related social security contributions attributable to the decrease in headcount (3,707 employees as at 30 June 2025 compared to 4,252 as at 30 June 2024), as well as the reduction in costs achieved through the implementation of the solidarity scheme in line with the business model defined in the *One Company* project launched in previous financial years. Despite the decrease in absolute value, the incidence of personnel expenses increased compared to the same period of the previous year by 4.4 p.p. as a result of the decrease in turnover.

Adjusted EBITDA for the first half of 2025 was positive at € 15,997 thousand, while in the same period of 2024 it was positive at € 32,902 thousand, down 51.4% as a result of the change in revenues and costs mentioned above.

Depreciation and amortisation decreased by 3.1% overall (from € 18,193 thousand as at 30 June 2024 to € 17,638 thousand as at 30 June 2025): the component relating to tangible fixed assets (including rights of use) increased by € 315 thousand (+ 2.6%), while that relating to intangible fixed assets fell by € 871 thousand (-13.9%).

Provisions and impairment amounted to € 780 thousand, and included provisions mainly attributable to € 864 thousand for write-downs of trade receivables, € 206 thousand for provisions for legal disputes, € 163 thousand for adjustments to provisions for future risks and charges, and finally € 299 thousand for the supplementary customer indemnity provision, net of releases made in the first half of 2025.

Adjusted EBIT was negative at € 2,421 thousand, down € 15,744 compared to the same period last year (positive at € 13,323 thousand).

Non-recurring items showed a negative value of € 4,306 thousand, referring for € 1,805 thousand to the adjustment of the corporate restructuring provision already recognised in the financial statements as at 31 December 2024 and for € 2,501 thousand to redundancy incentives both future and already paid.

With reference to **financial operations**, financial expenses of € 1,002, thousand were recorded, an improvement on the June 2024 figure (net expenses of € 1,557 thousand), of which € 2,820 thousand related to interest income and financial income and € 3,822 thousand to interest expense and financial expenses.

Exchange rate risk management resulted in a net profit of € 443 thousand, up compared to the € 914 thousand loss in the prior-year period.

Ppre-tax profit was negative by € 7,285 thousand compared to the positive figure of € 7,822 thousand in 2024.

Taxes, which were positive compared to the negative figure for 2024, totalled € 196 thousand; this balance is determined as a result of the following factors: IRES taxes and other deferred taxes (negative for € 2.735 thousand) and IRAP (positive for € 243 thousand); provisions for income taxes of foreign companies (negative for € 2.411 thousand) and taxes relating to previous years (negative for € 114 thousand).

The Biesse group, therefore, recorded a **loss for the year** of € 7,090 thousand.

STATEMENT OF FINANCIAL POSITION

	30 June 2025	31 December 2024
'Euro 000's		
Intangible assets	125,185	128,775
Property, plant and equipment	136,425	137,923
Real estate investments	2,268	2,967
Financial assets	**263,877**	**269,664**
Inventories	187,584	177,331
Trade receivables and contract assets	116,485	120,801
Trade payables	(140,633)	(120,937)
Contract liabilities	(89,496)	(99,572)
Net operating working capital	**73,940**	**77,623**
Post-employment benefits	(11,992)	(11,860)
Provision for risk and charges	(32,659)	(33,319)
Other net payables	(40,657)	(47,512)
Net deferred tax assets	17,637	13,516
Other net liabilities	**(67,670)**	**(79,175)**
Net invested capital	**270,147**	**268,112**
Share capital	27,403	27,403
Result for the previous year and other reserves	224,270	232,221
Result for the period	(7,090)	3,750
Non-controlling interests	-	-
Equity	**244,583**	**263,373**
Bank loans and borrowings from other financial backers	152,238	208,489
Other financial assets	(79,551)	(22,739)
Cash and cash equivalents	(47,123)	(181,012)
Net financial indebtedness	**25,564**	**4,739**
Total sources of funding	**270,147**	**268,112**

Net invested capital amounted to € 270,147 thousand, up compared to 31 December 2024 (€ 268,112 thousand).

Compared to 31 December 2024, net fixed assets decreased by € 5,787 thousand due to the fact that depreciation and amortisation are higher than new investments for the period.

Net operating working capital decreased by € 3,683 thousand compared to 31 December 2024. The decrease is mainly attributable to the decrease in trade receivables (amounting to € 4,317 thousand), while the increase in inventory (amounting to € 10,254 thousand), together with the decrease in contractual liabilities (amounting to € 10,076 thousand), influenced by the slowdown in sales and order intake for the period, are almost entirely offset by the increase in trade payables (amounting to € 19,696 thousand).

Equity amounted to € 244,583 thousand (€ 263,373 thousand as at 31 December 2024).

Net financial position

	At 30th June 2025	At 31st March 2025	At 31st December 2024	At September 2024	At 30th June 2024
Euro 000's					
Financial assets:	126,674	112,047	203,750	103,636	101,783
Current financial assets	*79,551*	*68,673*	*22,739*	*23,985*	*16,112*
Cash and cash equivalents	*47,123*	*43,374*	*181,012*	*79,651*	*85,671*
Short term lease liabilities	(9,222)	(9,844)	(10,139)	(10,257)	(9,882)
Short-term bank loans and borrowings and loans from other	(29,124)	(7,039)	(78,824)	(99,221)	(62,415)
Short-term net financial position	**88,329**	**95,164**	**114,787**	**(5,842)**	**29,485**
Medium/Long-term lease liabilities	(21,053)	(18,657)	(19,569)	(22,002)	(21,953)
Medium/Long-term bank loans and borrowings	(92,770)	(99,877)	(99,857)	(41)	(14,737)
Trade payables and other medium/long-term payables	(69)	(89)	(101)	(196)	(206)
Medium/Long-term net financial position	**(113,892)**	**(118,622)**	**(119,526)**	**(22,239)**	**(36,896)**
Total net financial position	**(25,564)**	**(23,459)**	**(4,739)**	**(28,081)**	**(7,411)**

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 have also been excluded from financial assets.

The net financial position of the Biesse group at 30 June 2025 was negative for € 25,564 thousand (positive for € 4,711 thousand excluding the effects of IFRS 16), a decrease of € 20,825 thousand compared to the figure at 31 December 2024, when it was positive for € 4,739 thousand (and positive for € 24,969 thousand excluding the effects of IFRS 16). The change is mainly influenced by the purchase of treasury shares, the distribution of dividends in the first half of 2025, the payment of the price adjustment debt related to the acquisition of the GMM group, non-recurring financial outlays arising from the payment of exit incentives and investments in tangible and intangible fixed assets, only partially offset by the results achieved in terms of operations.

At the date of approval of this report, the Biesse group had credit lines of € 238.8 million, broken down as follows:

- € 95.6 million of revocable lines with duration within 12 months (utilised for € 144 million as at 30 June 2025);
- € 40.0 million committed with a duration within 12 months (€ 18.0 million of which was utilised as at 30 June 2025);
- € 103.2 million related to long-term loans.

The above credit lines are unsecured and with no collateral.

SEGMENT REPORTING

Breakdown of revenue by operating segment

	30 June 2025	%	30 June 2024	%	Change % 2025/2024
Euro 000's					
Machines and Systems Division	297,317	92.1%	366,224	92.5%	(18.8)%
Mechatronics Division	36,479	11.3%	42,258	10.7%	(13.7)%
Inter-segment eliminations	(10,989)	(3.4)%	(12,761)	(3.2)%	(13.9)%
Total	**322,808**	**100.0%**	**395,721**	**100.0%**	**(18.4)%**

Biesse

Breakdown of revenue by geographical area

Euro 000's	30 June 2025	%	30 June 2024	%	Change % 2025/2024
EMEA	197,392	61.1%	252,584	63.8%	(21.9)%
AMERICAS	76,285	23.6%	88,835	22.4%	(14.1)%
APAC	49,131	15.2%	54,300	13.7%	(9.5)%
Totale	**322,808**	**100.0%**	**395,719**	**100.0%**	**(18.4)%**

The breakdown of revenues by operating segment remains substantially unchanged (with the Machine-Systems segment accounting for more than 92.1% of Biesse group revenues), while both segments show a decrease of 18.8% for Machine-Systems and 13.7% for Mechatronics, respectively.

An analysis of turnover by geographic area shows that the decrease affected all areas, EMEA (Europe, Middle East and Africa) -21.9%, America -14.1% and APAC (Asia Pacific) -9.5%. The EMEA area remains the Biesse group's reference area, closing with a turnover of € 197,392 thousand, representing 61.1% of the total.

TRANSACTIONS WITH ASSOCIATES, PARENTS AND THE LATTER'S SUBSIDIARIES

As at 30 June 2025, in line with the situation as at 31 December 2024, 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 25 in the Notes.

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

In 2025, 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 2025

The scenario outlined so far remains defined by significant difficulties in our reference sector as a result of external factors such as the continuation of trade tensions linked to the tariffs imposed by the US government and the prolongation of the conflicts in Ukraine and the Middle East, as well as government incentives linked to Industry 5.0 that are struggling to take off, negatively affecting investments in the period.

In particular, the Board of Directors has reflected in the projected cash flows for future fiscal years the direct impact on the U.S. market resulting from the application of tariffs, in terms of a reduction in revenue from the Group's U.S. subsidiaries.

However, the plan's guidelines and strategic objectives remain confirmed. In particular, the ***6 'Must-Win Battles'*** have been redefined as follows:

Brand Architecture and Product Experience: invest in the coming months on upgrading our showrooms in line with the Material Hub policy, recognising the central role of the showroom for our business and customer engagement.

Offering Development: invest in the expansion of components and mechatronics, invest in the HMI structure of software to ensure full integration with machines, invest in the innovation of machines, components and mechatronics to ensure a sustainable transformation of the Biesse Group's portfolio.

Geographical Focus: exploit new technologies to increase and improve the level of customer service, leverage a review of market clusters to increase the effectiveness and strength of our territorial presence, significantly increase the service provided by our customer care to customers.

Inorganic Expansion: continue the integration of tooling, invest in the integration of stone and glass products in the major international markets.

Supply Chain Evolution: prepare a new strategy to locate production where cost efficiencies can be achieved, create a lean and flexible supply chain, and review the organisation of production sites.

People, Processes & Technology Management: rebalance and readjust the weight of the service and sales teams worldwide, in order to increase geographical coverage, rebalance the corporate structures present in the markets and in the headquarters, invest in people in order to foster their sense of belonging to the Biesse world.

Condensed Consolidated Interim Financial Statements as at 30 June 2025 and Financial Statements

Biesse S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2025

CONSOLIDATED INCOME STATEMENT

Euro 000's	Note	30 June 2025	30 June 2024
Revenue	5	322,808	395,721
Other operating income		3,712	2,759
Change in inventories of finished goods and work in progress		18,193	10,173
Purchase of raw materials and consumables		(143,266)	(165,789)
Personnel expense	6	(121,133)	(129,966)
Depreciation, amortisation and impairment		(21,669)	(21,579)
Other operating costs		(6,727)	(81,027)
Operating profit		**(6,727)**	**10,292**
Financial income		2,821	1,471
Financial expense		(3,822)	(3,028)
Exchange rate gains (losses)	7	443	(914)
Pre-tax result		**(7,285)**	**7,822**
Income taxes	8	196	(3,899)
Half year result		**(7,090)**	**3,923**
Attributable to owners of the parent		(7,090)	3,923
Attributable to non-controlling interests		-	-
		-	
Earnings per share (Euro)	9	(0.26)	0.14
Diluted earnings per share (Euro)	9	(0.26)	0.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Euro 000's	Note	30 June 2025	30 June 2024
Result for the period		(7,090)	3,923
Translation differences of foreign operations	16	(9,261)	1,978
Profit/Loss on financial asset at fair value OCI		(10)	(12)
Taxes on profit/(losses) on financial assets at fair value OCI		2	3
Total components that will or can be reclassified in the half-year income statement		**(9,269)**	**1,969**
Measurement of liabilities (asset) defined-benefit plans net		43	195
Income taxes not on other comprehensive income		(10)	(47)
Total components that will not be reclassified in the income statement for the period		**33**	**148**
Total comprehensive income for the period		**(16,326)**	**6,040**
Attributable to:			
Non-controlling interests		-	-
Owners of the parent		**(16,326)**	**6,040**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION[1]

'Euro 000's	Note	30 June 2025	31 December 2024
ASSETS			
Non Current Assets			
Property, plant and equipment	11	136,425	137,923
Goodwill	12	72,235	72,083
Other intangible assets		52,950	56,692
Deferred tax assets		31,925	28,826
Other financial assets and receivables (inluding derivatives)		2,098	2,797
Other equity investments		169	169
Total non current assets		**295,802**	**298,491**
Inventories	13	187,584	177,331
Trade receivables and contract assets	14	116,485	120,801
Other receivables		20,228	17,507
Other financial assets and receivables (inluding derivatives)		81,490	23,077
Cash and cash equivalents		47,123	181,012
Total current assets		**452,910**	**519,727**
Total assets		**748,712**	**818,218**

Euro 000's	Note	30 June 2025	31 December 2024
EQUITY AND LIABILITIES			
Share capital and reserves	15	27,403	27,403
Share capital	15 , 16	224,270	232,221
Profit for the period		(7,090)	3,750
Equity attributable to the owners of the parent		**244,583**	**263,373**
Non-controlling interests		-	-
TOTAL EQUITY		**244,583**	**263,373**
Financial liabilities	18	113,823	119,426
Post-employment benefits		11,992	11,860
Deferred tax liabilities		14,287	15,311
Other liabilities		128	176
Total non current liabilities		**140,230**	**146,773**
Financial liabilities	18	38,346	88,963
Provisions for risks and charges	21	32,660	33,318
Trade payables	19	140,633	120,937
Contract liabilities	20	89,496	99,572
Other liabilities		60,660	63,286
Income tax payables		2,106	1,996
Total current liabilities		**363,900**	**408,072**
LIABILITIES		**504,129**	**554,845**
TOTAL EQUITY AND LIABILITIES		**748,712**	**818,218**

1 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 2025	30 June 2024
Euro 000's			
OPERATING ACTIVITIES			
Profit for the year		(7,090)	3,923
Change for:			
Income taxes	8	(196)	3,899
Depreciation and amortisation of current and non-current owned assets	11	11,845	12,372
Depreciation and amortisation of current assets in leasing	11	5,792	5,821
Gains/losses from sales of property, plant and equipment		530	(29)
Impairment losses on intangible assets		0	0
Accrual to post-employment benefits		1,784	3,680
Income from investment activities		(84)	(18)
Net Financial expense		(795)	2,987
SUBTOTAL OPERATING ACTIVITIES		**11,787**	**32,635**
Change in trade receivables and contract assets		944	4,754
Change in inventories		(14,922)	(4,241)
Change in trade payables and contract liabilities		15,719	(18,996)
Change in post-employment benefits and in others funds		(3,755)	(7,235)
Other changes in operating assets and liabilities		(1,767)	(4,987)
Cash flow Cash flow generated / (absorbed) by operating activities		**8,004**	**1,930**
Tax paid		(3,316)	(4,281)
Interest paid		(1,112)	(1,406)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**3,577**	**(3,757)**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	11	(6,630)	(3,850)
Proceeds from the sale of tangible assets			0
Acquisition of intangible assets	11	(1,693)	(2,178)
Investments in other companies		0	22
Cash flow from acquisition of investments in subsidiaries		(3,941)	(52,988)
Cash flow from sale of investments in subsidiaries		0	0
Changes in other financial assets		(58,190)	1,356
Income received on financial assets held for trading			0
Interest received and income from investment activities		189	224
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(70,265)**	**(57,414)**
FINANCING ACTIVITIES			
Loan refunds and changes in overdrafts		(55,431)	(8,987)
New bank loans obtained			60,000
Finance lease payments		(5,884)	(6,183)
Purchase of additional controlling shares		0	0
Other changes		(27)	364
Share buyback		(1,227)	
Dividends paid		(1,089)	(3,832)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(63,657)**	**41,362**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(130,345)**	**(19,808)**
OPENING CASH AND CASH EQUIVALENTS		**181,012**	**104,473**
Effect of exchange rate fluctuations on cash held		(3,543)	1,005
CLOSING CASH AND CASH EQUIVALENTS AT 30 JUNE		**47,123**	**85,671**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Euro 000's	Attributable to the owners of the parent									
	Share capital	Hedging and translation reserves	Actuarial Reserve	OCI Reserves	Equity reserves	Other reserves	Profit for the period	**Equity attributable to the owners of the parent**	Non-controlling interests	**TOTAL EQUITY**
Opening balances at 01/01/2024	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 perod 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

Euro 000's	Attributable to the owners of the parent										
	Share capital	Hedging and	Actuarial Reserve	OCI Reserves	Equity reserves	Other reserves	Profit for the	Own Shares	**Equity attributable**	Non-controlling	**TOTAL**
Opening balances at 01/01/2025	27,403	(136,111)	(4,354)	158	36,202	213,826	3,750		263,373		263,373
Other comprehensive income		(9,261)	33	(8)					(9,236)		(9,236)
Profit for the perod as at 30 June 2025							(7,090)		(7,090)		(7,090)
Total comprehensive income/expense for the year		(9,261)	33	(8)			(7,090)		(16,326)		(16,326)
Dividend payout							(1,096)		(1,096)		(1,096)
Allocation of profit for the previous year						2,654	(2,654)				
Share buy-back								(1,227)	(1,227)		(1,227)
Other changes						(141)			(141)		(141)
Closing balances at 30/06/2025	27,403	(22,872)	(4,245)	(41)	36,202	214,094	(7,090)	(1,227)	244,583		244,583

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 1 August 2025 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 2025 include the financial statements of the Parent Company Biesse S.p.A. and of its subsidiaries, which are listed below.

List of companies consolidated on a line-by-line basis

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
Parent Company						
Biesse S.p.A. Via della Meccanica, 16 Chiusa di Ginestreto (PU) - Italy	EUR	27,402,593				
Italian subsidiaries:						
HSD S.p.A. Via della Meccanica, 16 Chiusa di Ginestreto (PU) - Italy	EUR	1,141,490	100%			100%
Biesse Tooling S.r.l Via della Meccanica, 16 Chiusa di Ginestreto (PU) - Italy	EUR	10,000	100%			100%
Gmm S.p.a. Via Nuova 155/B Gravellona Toce (VB) - Italy	EUR	1,000,000	100%			100%
Bavelloni S.p.A. Via Giulio Natta 16 Lentate sul Seveso (MB) - Italy	EUR	2,000,000	100%			100%
Mectoce S.r.l. Via Nuova 155/B Gravellona Toce (VB) - Italy	EUR	62,500		100%	Gmm S.p.a.	100%
Foreign subsidiaries:						
Biesse America Inc. 4110 Meadow Oak Drive Charlotte, North Carolina – USA	USD	11,500,000	100%			100%

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
Biesse Canada Inc. 18005 Rue Lapointe – Mirabel (Quebec) – Canada	CAD	180,000	100%			100%
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda Rua Liege 122 - Vila Vermelha - Sao Paulo - Brazil	BRL	45,275,328	100%			100%
Biesse Group UK Ltd. Lamport Drive – Daventry Northamptonshire – Great Britain	GBP	655,019	100%			100%
Biesse France Sarl 4, Chemin de Moninsable Brignais - France	EUR	1,244,000	100%			100%
Biesse Group Deutschland GmbH Gewerberstrasse, 6 Elchingen (Ulm) - Germany	EUR	1,432,600	100%			100%
Biesse Schweiz GmbH Luzernerstrasse 26 6294 Ermensee – Switzerland	CHF	100,000		100%	Biesse G. Deutschland GmbH	100%
Biesse Iberica Woodworking Machinery s.l. C/De La Imaginaciò, 14 Poligon Ind. La Marina – Gavà Barcelona – Spain	EUR	699,646	100%			100%
Biesse Portugal, Unipessoal, lda. Sintra Business Park, 1, São Pedro de Penaferrim – Sintra – Portugal	EUR	5,000		100%	Biesse Iberica *W. M. s.l.*	100%
Biesse Group Australia Pty Ltd. 3 Widemere Road Wetherill Park – Sydney – Australia	AUD	15,046,547	100%			100%
Biesse Group New Zealand Ltd. Unit B, 13 Vogler Drive Manukau – Auckland – New Zealand	NZD	3,415,665	100%			100%
Biesse India Private Limited Jakkasandra Village, Sondekoppa rd. Nelamanga Taluk – Bangalore –India	INR	721,932,182	100%			100%
Biesse Asia Pte. Ltd. Zagro Global Hub 5 Woodlands Terr. – Singapore	EUR	1,548,927	100%			100%
Biesse Indonesia Pt. Jl. Kh.Mas Mansyur 121 – Jakarta – Indonesia	IDR	2,500,000,000	10%	90%	Biesse Asia Pte. Ltd.	100%
Biesse Malaysia SDN BHD No. 5, Jalan TPP3 47130 Puchong - Selangor, Malaysia	EUR	1,435,704		100%	Biesse Asia Pte. Ltd.	100%
Biesse Korea LLC Geomdan Industrial Estate, Oryu-Dong, Seo-Gu – Incheon – South Korea	KRW	500,000,000		100%	Biesse Asia Pte. Ltd.	100%
Biesse Thailandia Ltd. 300/21 Moo 1, Tambol Tasith – Ampur Pluakdaeng, Rayong – Thailand	THB	15,000,000		100%	Biesse Asia Pte. Ltd.	100%
Biesse (HK) Ltd. Room 1530, 15/F, Langham Place, 8 Argyle Street, Mongkok, Kowloon – Hong Kong	HKD	203,263,887	100%			100%
Biesse Trading (Shanghai) Co. Ltd. Room 301, No.228, Jiang Chang No. 3 Road, Zha Bei District,– Shanghai – China	RMB	118,581,740		100%	Biesse (HK) Ltd.	100%
Biesse Turkey Makine Ticaret Ve Sanayi A.S. Şerifali Mah. Bayraktar Cad. Nutuk Sokak No:4 Ümraniye, Istanbul –Turkey	TRY	229,214,500	100%			100%
Biesse Kazakhstan LLP. 9th floor, "Baykonyr" business-center, 42 Abay ave.,050022, Almaty, Republic of Kazakhstan	KZT	94,300,000	100%			100%

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
Biesse Taiwan Ltd. 6F-5, No. 188, Sec. 5, Nanking E. Rd., Taipei City 105, Taiwan (ROC)	TWD	500,000		100%	Biesse Asia Pte Ltd.	100%
Biesse Gulf FZE Dubai, free Trade Zone	AED	19,827,957	100%			100%
Biesse Japan K.K. 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%
HSD Mechatronic (Shanghai) Co. Ltd. D2, 1st floor, 207 Taiguroad, Waigaoqiao Free Trade Zone – Shanghai – China	RMB	2,118,319		100%	Hsd S.p.A.	100%
Hsd Usa Inc. 3764 SW 30th Avenue – Hollywood, Florida – USA	USD	250,000		100%	Hsd S.p.A.	100%
HSD Mechatronic Korea LLC 414, Tawontakra2, 76, Dongsan-ro, Danwon-gu, Ansan-si 15434, South Korea	KWN	101,270,000		100%	HSD S.p.A.	100%
HSD Deutschland GmbH Brükenstrasse, 2 – Gingen – Germany	EUR	25,000		100%	Hsd S.p.A.	100%
Gmm Steinbearbeitungsmaschinen Gmbh Karlshöhlchen 6 76872 Freckenfeld - Germany	EUR	100,000		100%	Gmm S.p.a.	100%
Gmm Usa Inc. 8610 Airpark West Drive Suite 100, Charlotte - USA	USD	182,283		100%	Gmm S.p.a.	100%
Gmm International Ltd. Unit 1717, New Tech Plaza, 34 Tai Yau Street, Kowloon - HONG KONG	CNY	156,386		100%	Gmm S.p.a.	100%
Waterjet Production Academy Gmbh Zeppelinstrasse 7a – Karlsruhe – Germany	EUR	25,000		100%	Gmm S.p.a.	100%
Techni Waterjet Pty. Ltd. 47 Barry road – Campbellfield (Victoria) – Australia	AUD	441,001		100%	Gmm S.p.a.	100%
Techni Waterjet LLC. 8610 Air Park West Drivesuite 100 Charlotte - Usa	USD	2,150,000		100%	Techni Waterjet Pty. L.t.d.	100%
Bavelloni do Brasil comércio de maquinas Ltda. Rua Jose Versolato 111 - Sao Bernardo do Campo - Brazil	BRL	205,554		100%	Bavelloni S.p.a.	100%
Bavelloni France Sasu Quai du commerce, 12 – Lione - France	EUR	20,000		100%	Bavelloni S.p.a.	100%
Bavelloni America Inc. 4361 Federal Drive Suite 160 – Greensboro – Usa	USD	200,000		100%	Bavelloni S.p.a.	100%
Z. Bavelloni Mèxico Sa de CV Privada calle nr.30 no.2646 zona industrial – Guadalajara – Mexico	MXN	390,405		100%	Bavelloni S.p.a.	100%

Compared to the consolidated financial statements for the year ended 31 December 2024, the scope of the Biesse group has changed as a result of the liquidation of the subsidiary Biesse Group Israel Ltd. on 4 February 2025 and the transfer of 100% of the interest in Biesse Thailand Ltd. (formerly Techni Waterjet Ltd.) from the Australian subsidiary Techni Waterjet Pty Ltd. to the subsidiary Biesse Asia Pte Ltd. Singapore, which took place on 14 March 2025. It should be noted that this last transaction, since it took place within the Group, has no impact on the consolidated financial statements.

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 2024, 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 2025' 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 2025, 31 December 2024 and at 30 June 2024 for converting finance and equity entries in foreign currency (source www.bancaditalia.it). It should be noted that with reference to the Chinese Renmimbi Yuan, the source 'China National Interbank funding Centre' was used for the conversion of income statement and balance sheet items as at 30 June 2025.

Currency	30 June 2025		31 December 2024		30 June 2024	
	Closing	*Final*	*Closing*	*Final*	*Closing*	*Final*
US Dollar / Euro	1.0927	1.1720	1.0824	1.0389	1.0813	1.0705
Brazilian Real / Euro	6.2913	6.4384	5.8283	6.4253	5.4922	5.8915
Canadian Dollar / Euro	1.5400	1.6027	1.4821	1.4948	1.4685	1.4670
Pound Sterling / Euro	0.8423	0.8555	0.8466	0.8292	0.8547	0.8464
Swedish Krone / Euro	11.0961	11.1465	11.4325	11.4590	11.3914	11.3595
Australian Dollar / Euro	1.7229	1.7948	1.6397	1.6772	1.6422	1.6079
New Zealand Dollar / Euro	1.8827	1.9334	1.7880	1.8532	1.7752	1.7601
Indian Rupee / Euro	94.0693	100.5605	90.5563	88.9335	89.9862	89.2495
Chinese Renmimbi Yuan / Euro	7.8863	8.4024	7.7885	7.5257	7.7145	7.6787
Swiss Franc / Euro	0.9414	0.9347	0.9526	0.9412	0.9615	0.9634
Indonesian Rupiah / Euro	17962.6500	19021.0300	17157.6800	16820.8800	17205.1500	17487.2100
Hong Kong Dollar /Euro	8.5168	9.2001	8.4454	8.0686	8.4540	8.3594
Malaysian Ringgit /Euro	4.7798	4.9365	4.9503	4.6454	5.1107	5.0501
South Korean Won /Euro	1556.5000	1588.2100	1475.4000	1532.1500	1460.3200	1474.8600
Turkish Lira/Euro	41.0912	46.5682	35.5734	36.7372	34.2364	35.1868
Russian Rouble/euro	94.5010	92.2785	100.2801	106.1028	97.9779	92.4184
UAE Dirham/euro	4.0131	4.3042	3.9750	3.8154	3.9709	3.9314
Taiwan Dollar/euro	34.7615	34.1548	34.7483	34.0566	34.4763	34.7970
Japanese Yen/euro	162.1195	169.1700	163.8519	163.0600	164.4613	171.9400
Israeli Shekel/euro	3.9291	3.9492	4.0067	3.7885	3.9951	4.0200
Mexican Peso/Euro	21.8035	22.0899	19.8314	21.5504	18.5089	19.5654
Thai Baht/Euro	36.6160	38.1250	38.1810	35.6760	39.1190	39.3190
Tenge Kazakhstan/Euro	559.3500	609.3100	507.9100	544.9800	485.6700	501.6900
Singapore dollar/Euro	1.4461	1.4941	1.4458	1.4164	1.4561	1.4513

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.

Biesse

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

a) ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED AS OF 1 JANUARY 2025

The following accounting standards, amendments and IFRS interpretations have been adopted by the Biesse group for the first time as from 1 January 2025:

- 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 identify a methodology, to be applied consistently, for verifying whether 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 adoption of this amendment had no impact on the consolidated financial statements of the Biesse group.

b) NEW IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT YET ADOPTED IN ADVANCE BY THE GROUP AS AT 30 JUNE 2025

At the reporting date, the relevant authorities of the European Union have completed the necessary endorsement process for the adoption of the amendments and standards mentioned above, but these standards are not mandatorily applicable and have not been early adopted by the Group as at 31 December 2024:

- 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 18 December 2024, the IASB published an amendment entitled **'Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7'**. The document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). On the basis of these contracts, the amount of electricity generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - a clarification regarding the application of the 'own use' requirements to this type of contract;
  - of the criteria for allowing such contracts to be accounted for as hedging instruments; and,
  - of new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

  The change will apply from 1 January 2026, 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.

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

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 18 July 2024, the IASB published a document entitled '**Annual Improvements Volume 11'.** The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The amended standards are:
    - IFRS 1 First-time Adoption of International Financial Reporting Standards;
    - IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7;
    - IFRS 9 Financial Instruments;
    - IFRS 10 Consolidated Financial Statements; and
    - IAS 7 Statement of Cash Flows.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The Directors do not expect the adoption of these amendments to have a significant impact on the consolidated financial statements of the Biesse 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 financial statements, with particular reference 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 9 May 2024, the IASB published a new standard **IFRS 19 Subsidiaries without Public Accountability: Disclosures.** The new standard introduces some simplifications with regard to the disclosure required by the IFRS Accounting Standard in the financial statements of a subsidiary that meets the following requirements:
    - it has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them;
    - its parent company 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 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:

'Euro 000's	At 30th June			
	2025	**%**	**2024**	**%**
Machines and Systems Division	297,317	92.1%	366,224	92.5%
Mechatronics Division	36,479	11.3%	42,258	10.7%
Inter-segment eliminations	(10,989)	(3.4)%	(12,761)	(3.2)%
Total	**322,808**	**100.0%**	**395,721**	**100.0%**

Net revenue for the first half of 2025 amounted to € 322,808 thousand, compared to € 395,721 thousand as at 30 June 2024, a decrease of 18.4% compared to the 2024 figure.

The Machinery and Systems segment is the Biesse group's largest segment, contributing 92.1% of consolidated revenues (92.5% in June 2024); segment sales decreased by 18.8%, from € 366,224 thousand at 30 June 2024 to € 297,317 thousand at 30 June 2025. The operating result for this segment decreased from € 5,945 thousand to € -12,462 thousand, influenced by the reduction in sales volumes.

The Mechatronics segment recorded a decrease of 13.7% (going from € 42,258 thousand at 30 June 2024 to € 36,479 thousand at 30 June 2025), reducing its contribution to consolidated revenues. The operating result of this segment increased from € 4,347 thousand to € 5,850 thousand.

Operating profit (loss)

The following table shows operating profit by Segment as at 30 June 2025 and 30 June 2024:

30th June 2025 *'Euro 000's*	Machines and Systems Division	Mechatronics Division	Eliminations	Total
Total revenue	297,317	36,479	(10,989)	322,808
Operating profit of segment	(12,462)	5,850		(6,612)
Financial expense				(559)
Pre-tax profit				(7,171)
Income taxes				144
Profit for the period				(7,027)

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

Inventories

The following table shows an inventory breakdown by Operating Segment:

Euro 000's	Machines and Systems Division	Mechatronics Division	**Total**
30th June 2025	170,360	17,225	**187,584**
31th December 2024	159,163	18,168	**177,331**

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	30th June			
	2025	%	2024	%
EMEA	197,392	61.1%	252,584	63.8%
AMERICAS	76,285	23.6%	88,835	22.4%
APAC	49,131	15.2%	54,300	13.7%
Group Total	**322,808**	**100.0%**	**395,719**	**100.0%**

The analysis of sales by geographic area compared to 30 June 2024, shows that the decrease is generalised across all areas, EMEA (Europe, Middle East and Africa) -21.9%, America -14.1% and APAC (Asia Pacific) -9.5%.

The EMEA area remains the Biesse group's reference area, closing with a turnover of € 197,392 thousand, representing 61.1% of the total.

6. PERSONNEL EXPENSE

Personnel expense for the first half of 2025 amounted to € 120,079 thousand and recorded a decrease in value of € 9,887 thousand compared to the figure for the same period of 2024 (€ 129,966) thousand, -7.6% on the same period of 2024, mainly linked to salaries, salaries and related social security contributions attributable to the decrease in headcount (3,707 employees as at 30 June 2025 compared to 4,252 employees as at 30 June 2024), as well as the reduction in costs achieved through the implementation of the solidarity scheme in line with the business model defined in the *One Company* project launched in previous years. Despite the decrease in absolute value, the incidence of personnel expenses increased compared to the same period of the previous year by 4.4 p.p. as a result of the decrease in turnover.

7. 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 2025, this component showed a positive balance of € 443 thousand.

8. TAXES

The Italian corporate income tax (IRES) rate was 24% (24% in 2024) of the taxable income of the Parent Company and the Italian subsidiaries, while income taxes for other jurisdictions are calculated based on the rates in force in the relevant countries. For calculating the income tax expense for the period, the Group applied the tax rate to the estimated year-end results to the interim profit.

As at 30 June 2025, the Biesse group's deferred tax assets totalled € 31,925 thousand, up compared to 31 December 2024 (+€ 3,099 thousand). Management recognised deferred tax assets to the extent they are likely to be recovered.

The variance between the effective tax rate (-2%) and the theoretical tax rate (-28.73%) is mainly related to the non-recognition of deferred taxation on tax losses incurred by certain foreign subsidiaries for which it was deemed prudentially correct not to recognise deferred tax assets.

Articles 8 et seq. of Legislative Decree 209/2023 transposed into Italian law Directive 2022/2523/EU on the so-called "European Union". 'Global Minimum Tax', i.e. a new tax mechanism whereby multinational companies with consolidated revenues of more than € 750 million must ensure a minimum level of income taxation of 15% in each of the countries in which these groups operate.

The scope of application of this new form of taxation has been regulated by the OECD/G20 BEPS in the Pillar Two anti-Base Erosion rules ('GloBE Rules'); these rules have been implemented by various jurisdictions in which the Biesse group operates and are applicable as of the consolidated financial statements for the year ending 31 December 2024.

The scope of Pillar Two is identified with that of the Consolidated Financial Statements of Bi.Fin S.r.l. (which qualifies as the parent company 'Ultimate Parent Entity' or 'UPE', directly holding a controlling interest in Biesse S.p.A. equal to 67.53%) and includes all the entities consolidated with an integral method.

As a UPE, Bi. Fin. S.r.l. is responsible for preparing the calculation of the jurisdictional effective tax rate ('ETR') and is obliged to pay a tax on the profits earned in Italy:

- by subsidiaries located in the same jurisdiction (i.e. Italy) - determined in accordance with the provisions of Legislative Decree 209/2023 and by means of the so-called 'national minimum tax'; and
- by subsidiaries located in jurisdictions that have not implemented the GloBE Rules in their jurisdictions - determined in accordance with the provisions of the GloBE Rules and by means of the so-called 'income inclusion rule (IIR)' or 'minimum supplementary tax';

if those jurisdictions achieve a jurisdictional ETR of less than 15%.

On the basis of the preliminary analyses carried out and the findings of the so-called 'Transitional CbC Safe Harbours' on the figures as at 30 June 2025, the Biesse group considers that there is no significant impact resulting from this legislation.

9. EARNINGS PER SHARE

Basic earnings per share as at 30 June 2025 was negative at -0.26 euro/cent (0.14 euro/cent in 2024) and is calculated by dividing the profit attributable to the owners of the Parent, negative for € 7,090 thousand, by the weighted average number of ordinary shares outstanding during the period, corresponding to 27,218,256.

As at 30 June 2025, the number of treasury shares held was 184,337.

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 2025**	**30th June 2024**
Profit for the year	(7,090)	3,923
Weighted average number of shares used to calculate basic and diluted earnings per share	27,587	27,403
Base and diluted profit for the year (in Euro)	**(0.26)**	**0.14**

Weighted average number of outstanding ordinary shares

€ '000	**30th June 2025**	**30th June 2024**
Weighted average number of outstanding shares – for the calculation of basic earnings	27,403	27,403
Effect of treasury shares	184	-
Weighted average number of outstanding shares – for the calculation of basic earnings	27,587	27,403
Dilutive effects	-	-
Weighted average number of outstanding shares – for the calculation of diluted earnings	**27,587**	**27,403**

10. DIVIDENDS

On 28 April 2025, the Ordinary Shareholders' Meeting approved the Annual and Consolidated Financial Statements as at 31 December 2024, including sustainability reporting. At the same meeting, it was resolved to distribute a total gross dividend of €0.04 per share, the full amount of which was paid to shareholders in May.

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

In the reporting period, the Group made new investments totalling € 1,693 thousand in intangible assets and € 6,630 thousand in property, plant, and equipment.

12. GOODWILL

Goodwill is allocated to cash-generating units ('CGUs'), where CGUs are identified as the smallest group of assets that generate cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets. In line with the provisions of the reference accounting principles, and consistent with the business and organisational structure control methods, the Biesse group has identified 2 CGUs that correspond to the two Operating Sectors (Machinery and Systems and Mechatronics), with no changes to the approach adopted in the previous year.

The following table shows the allocation of goodwill to the Biesse group's two CGUs:

(Consolidated figures in thousands of Euro)	30 June 2025	31 December 2024
Machines and Systems	66,636	66,484
Mechatronics	5,599	5,599
Total	**72,235**	**72,083**

The changes in the first half of 2025 were 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, to the acquisition of a business unit by the subsidiary Bavelloni S.p.A..

As required by accounting standards, at least once a year the Directors determine the recoverable amount of goodwill by calculating the value in use. By its nature, this method requires the Directors to materially assess the performance of operating cash flows during the period being used for the calculation, as well as assessing the discount rate and growth rate for said cash flows.

On 14 May 2025, the Board of Directors approved the quarterly financial results as of 31 March 2025 - which were significantly impacted by the uncertainties reflected in the macroeconomic framework with respect to the forecasts contained in the 2025 Budget - and considering the continuation of the current economic situation, deemed the economic and financial targets contained in the 2024-2026 Three-Year Plan ("the Plan") approved on 28 February 2024 no longer achievable. While confirming the guidelines and strategic objectives included in the Plan, which the Group will continue to pursue in the conviction that the long-term strategy outlined therein is appropriate, the Board of Directors has withdrawn the Plan, reserving the right to adopt a new plan in the future, when the market context becomes more stable.

The changed environment described above combined with the contraction in the estimated operating cash flows expected for future years is an indicator of impairment under the applicable IAS 36; therefore, the Group performed a new impairment test.

The recoverable amount of the Cash Generating Unit was verified by determining its value in use, taken as the present value of future cash flows generated by the CGU, and calculated in accordance with the discounted cash flow method.

The Directors also deemed it necessary to carry out the impairment test also on the Biesse group, as a second level test, in the presence of a value of consolidated shareholders' equity higher than the stock market capitalisation value of Biesse shares, as recommended by the Bank of Italy / Consob / Isvap document no. 4 of 3 March 2010.

Assumptions underlying cash flow estimates

Pending the preparation of the new Multi-Year Business Plan by the Directors, the determination of the estimate of operating cash flows for future years (five years 2025-2029) and the related impairment test, approved by the Board of Directors on 1 August 2025, was made based on: i) in relation to the second half of 2025, the data from the Forecast 2025, which forecast a significant decrease in economic performance compared to the 2025 Budget approved last December 2024; (ii) in relation to the years 2026-2029, forecasting moderate growth compared to Forecast 2025, having appropriately taken into account the current economic situation and the serious uncertainties arising from the geopolitical context, including the direct impact of the application of import tariffs on the US market in terms of contraction of revenues and margins.

The expected future cash flows refer to the individual CGU in its current condition and exclude the estimates of future cash flows that may arise from future restructuring plans or other structural changes.

The main assumptions underlying the determination of the Business Plan's prospective cash flows are set out below:

Main assumptions of the Business Plan	**As at 30 June 2025**	**As at 31 December 2024**
CAGR forecast revenue	3.75%(*)	3.14%(**)
Average incidence of the cost of sales on plan revenue	41.1%	41.1%
Average incidence of personnel expense on plan revenue	31.7%	31.3%
Average incidence of fixed operating costs on revenue of the plan	19.6%	19.4%

(*) The CAGR as at 30 June 2025 refers to the financial years 2025-2029; over the same time horizon financial years 2024–2029, the CAGR would be 0.87%.

(**) The CAGR as at 31 December 2024 refers to the financial years 2024-2029.

Assumptions based on the applied parameters

The primary assumptions used by the Biesse group to the parameters used for the purposes of the impairment test are as follows:

Parameters	**As at 30 June 2025**	**As at 31 December 2024**
Biesse group WACC	12.1%	11.3%
Machines and Systems CGU WACC	12.1%	
Mechatronics CGU WACC	11.8%	
Growth rate of the final value	2.0%	2.0%

The following factors were considered to determine the discount rate:

- with reference to the yield on risk-free securities, reference was made to the yield curve German government bonds with a maturity of 15 years on 30 June 2025;
- With regard to the systematic riskiness ratio(β), the specific risk determined on the basis of the average unlevered *beta* of comparable companies (Source Beta Bar) was considered, then levered on the basis of the ratio of debt to the average total capitalisation of comparable companies and the tax rate;
- as for the market risk premium (MRP), it was assumed to be 6%;
- With regard to the additional risk premium, a value of 2.7% was assumed, corresponding to the additional risk associated with investing in smaller companies, and a country risk premium estimated as the weighted average of the countries in which the companies belonging to the two CGUs and the Biesse group operate, and equal to 1.0% for Machinery and Systems and 0.9% for Mechatronics, respectively.
- Finally, a rate of 3.8% was considered as the gross cost of debt, determined on the basis of the yield on risk-free bonds increased by a spread estimated on the basis of the spread between the 15-year EUR Composite (BBB) index (source: Bloomberg) and the yield on 15-year German government bonds of 2.9%.

Finally, for the Machines and Systems CGU and the Biesse group, an additional specific risk of 0.25%.

Impairment test results

Consolidated figures in millions of € (BIESSE GROUP)	**As at 30 June 2025**
Carrying amount of Net Invested Capital	266.7
Recoverable value	338.2
Impairment	-

Consolidated figures in millions of € (MACHINES AND SYSTEMS (	**As at 30 June 2025**
Carrying amount of Net Invested Capital	235.5
Recoverable value	274.1
Impairment	-

Consolidated figures in millions of € (MECHATRONICS CGU)	**As at 30 June 2025**
Carrying amount of Net Invested Capital	30.2
Recoverable value	63.9
Impairment	-

The above test results did not show the need to impair the Goodwill values recorded in the consolidated financial statements as at 30 June 2025.

Finally, it should be noted that the estimates and projections of operating cash flows to which the above parameters are applied, are determined by Biesse group Management on the basis of past experience and expectations regarding developments in the markets in which the Biesse group operates, it being understood that the estimate of the recoverable value of the cash-generating unit requires discretion and the use of estimates by Management.

The Directors believe that the assumptions incorporated in the Financial projections underlying the impairment test are reasonable and that the Group has the necessary skills and resources to achieve the planned objectives, taking into account the application of an appropriate plan execution risk, which has been reflected both in the projection of operating cash flows and in the determination of the discount rate with reference to the Group as a whole and to the Machines and Systems CGU.

Sensitivity analysis and Break-even point

A sensitivity analysis of the results was performed for both the Biesse group and the CGUs under review; the value in use remains higher than the book value even assuming deteriorating changes in key parameters such as:

- 0.6 percentage point increase in the discount rate;
- reduction of 0.6 percentage points in the growth rate.

The break-even point between use value (recoverable value) and book value, in relation to the impairment check carried out for the year ended 30 June 2025, both for the Biesse group and the individual CGUs, would be determined in the following alternative scenarios:

	Biesse Group	Machines and Systems	Mechatronics
Wacc	15.0%	13.9%	22.9%
Growth rate	-3.1%	-0,8%	NC*
Terminal value EBITDA	-20.8%	-13.5%	-58.2%

* to reach the breakeven point, the growth rate would have to be significantly negative

13. INVENTORIES

€ '000	30 June 2025	31 December 2024
Raw materials, consumables and suppliers	60,208	62,316
Work in progress and semi-finished goods	32,934	28,478
Finished goods	75,234	66,846
Spare parts	19,209	19,689
Inventories	**187,584**	**177,331**

Inventories, amounting to € 187,584 thousand, are shown net of obsolescence provisions amounting to € 6,689 thousand for raw materials (down € 799 thousand compared to 31 December 2024), € 4.819 thousand for spare parts (down € 195 thousand compared to 31 December 2024), € 201 thousand for work in progress and semi-finished goods (up € 5 thousand compared to 31 December 2024) and € 8,988 thousand for finished goods (down € 1,962 thousand compared to 31 December 2024). The allowance for write-downs of raw materials on the historical cost of the related inventories is 10.0%, that of the provision for finished goods is 10.7%, and that of the provision for spare parts is 20.1%.

Biesse group inventories increased by € 10,254 thousand compared to 31 December 2024. In particular, the change is mainly attributable to the shrinking dynamics of turnover that characterised the first half of 2025.

14. TRADE RECEIVABLES FROM THIRD PARTIES

Trade receivables amounting to € 116,485 thousand are recognised net of the allowance for impairment, which is determined in accordance with IFRS 9. The allowance for impairment amounted to € 7,133 thousand.

Trade receivables decreased compared to December 2024 by € 4,317 thousand (net of the allowance for impairment), the balance for the period being influenced by the sales performance of the half-year.

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.

15. 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 184,337 treasury shares.

16. HEDGING AND TRANSLATION RESERVES

As at 30 June 2025, the translation reserve was negative and amounted to € 22,538 thousand (negative € 13,304 thousand at the end of 2024).

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, Turkey, Taiwan, United Arab Emirates and Japan), increasing by € 9,234 thousand during the period.

17. OTHER RESERVES

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

€ '000	**30 June 2025**	**31 December 2024**
Legal reserve	5,479	5,479
Extraordinary reserve	139,831	135,524
Own shares reserve	1,227	-
Retained earnings and other reserves	69,802	72,823
Other reserves	**216,338**	**213,826**

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 2024 to the Extraordinary Reserve for € 5,534 thousand, for the increase of the Own Shares Reserve for € 1,227 thousand and for the decrease in Undistributed Profits for € 3,021 thousand.

Please refer to the Statement of Changes in Consolidated Shareholders' Equity for the six months ended 30 June 2025 for other changes during the period.

18. FINANCIAL LIABILITIES

Compared to the financial statements for the year ended 31 December 2024, the Biesse group's financial liabilities decreased by € 56,220 thousand, a decrease mainly attributable to the repayment of the Crédit Agricole *revolving* line for € 57.5 million, thus concentrating banking operations on the main Italian banks.

At the date of approval of this report, the Biesse group had credit lines of € 238.8 million, broken down as follows:

- € 95.6 million of revocable lines with duration within 12 months (utilised for € 144 million as at 30 March 2025);
- € 40.0 million committed with a duration within 12 months (€ 18.0 million of which was utilised as at 30 June 2025);
- € 103.2 million related to long-term loans.

The above credit lines are unsecured and with no collateral.

As at 30 June 2025, 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.

19. TRADE PAYABLES

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

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

The value of trade payables to suppliers increased by € 19,696 thousand over the 2024 figure, from € 120,937 thousand to € 140,633 thousand, fully attributed to the payment dynamics of the period.

20. CONTRACT LIABILITIES

Contract liabilities amounted to € 89,496 thousand as at 30 June 2025 (€ 99,572 thousand as at 31 December 2024) and are made up as follows:

€ ‘000	30th June 2025	31th December 2024
Advances from customers before the sale of the goods	77,096	85,788
Net advances from customers for services	12,399	13,784
Contract liabilities	**89,496**	**99,572**

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 of € 10,076 is attributable to the slowdown in order intake during the first half of the year.

21. PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges, amounting to € 32,659 thousand as at 30 June 2025, comprised € 6,339 thousand for the product warranty provision, € 9,745 thousand for the corporate restructuring provision, € 6,042 thousand for the provision for litigation risks, € 2,009 thousand for the supplementary customer indemnity provision, and € 8,525 thousand for other provisions.

As at 31 December 2024, the provisions for risks and charges amounted to € 33,319 thousand, consisting of € 7,155 thousand for product warranty provision, € 10,831 thousand for corporate restructuring provision, € 4,268 thousand for provision for litigation risks, € 2,751 thousand for supplementary customer indemnity provision and € 8,313 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 2025, expected warranty costs (impacted by the reduction in revenue), the utilisation of the provision for corporate restructuring (only partially offset by the adjustment of the provision made in the first half of 2025) and the supplementary customer indemnity provision. The corporate restructuring provision 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 do this, a series of initiatives were implemented, such as the defensive solidarity contract for the period November 2023 - October 2024, renewed until the end of June 2025 and subsequently extended until 31 December 2025, from which redundancies were identified on the basis of technical-organisational criteria, territorial location and the principle of non-opposition to redundancies favoured by economically incentivised redundancies. The outlays that occurred in the financial year 2024 and in the first half of the financial year 2025, against which the provision set aside in previous years was partially utilised, confirm the appropriateness of the estimate of the charges reflected in the amount of the provision remaining as at 30 June 2025 for the completion of the organisational transformation process.

22. 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 utilise 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.

23. CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

€ '000	**30th June 2025**	**31th December 2024**
FINANCIAL ASSETS		
Designated at fair value through profit or loss:		
Derivative financial assets	*1,939*	*338*
Designated at fair value through OCI:		
- other current financial assets	*79,551*	*22,739*
Measured at amortised cost :		
Trade receivables	*116,485*	*120,801*
Other assets	6,106	*5,631*
- other financial assets and non current receivables	*2,268*	*2,966*
- other current assets	*3,838*	*2,665*
Cash and cash equivalents	***47,123***	***181,012***
FINANCIAL LIABILITIES		
Designated at fair value through profit or loss:		
Derivative financial liabilities	*262*	*1,354*
Measured at amortised cost :		
Trade payables	140,633	120,937
Bank loans, borrowings and lease liabilities	*121,632*	*177,327*
Financial leasing liabilities	*30,275*	*29,708*
Other liabilities	***45,181***	***43,361***
Other current liabilities	*45,054*	*43,185*
Other not current liabilities	*128*	*176*

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 2025. 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 2025, there were no transfers between the various fair value levels indicated above.

24. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Please refer to the Directors' Report on Operations.

25. RELATED-PARTY TRANSACTIONS

The Biesse group is directly controlled by Bi. Fin. S.r.l. (operating in Italy) and indirectly by Mr Roberto 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	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Parent	1	1	6	10
Bi. Fin. S.r.l.	1	1	6	10
Other related companies	-	*7*	-	1,134
Se. Mar. S.r.l.	-	*7*	-	*1,053*
Others	-	-	-	*81*
Members of the Board of Directors	-	-	988	709
Members of the Board of Statutory Auditors	-	-	200	204
Members of the Board of Statutory Auditors	-	-	200	204
Total	1	8	1,194	2,058

€ '000	Receivables		Payables	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Parent	-	-	-	44
Bi. Fin. S.r.l.	-	-	-	44
Other related companies	-	-	-	317
Se. Mar. S.r.l.	-	-	-	317
Others	-	-	-	-
Members of the Board of Directors	-	-	788	73
Members of the Board of Directors	-	-	788	73
Members of the Board of Statutory Auditors	-	-	132	71
Members of the Board of Statutory Auditors	-	-	132	71
Total	-	-	920	505

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

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

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

Pesaro, 1 August 2025

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 2025.

The assessment of the adequacy of administrative and accounting procedures for the preparation of the Condensed Consolidated Interim Financial Statements as at 30 June 2025 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, 1 August 2025

The Chairman of the Board of Directos in charge	**The Manager of financial reporting**
Roberto Selci	Nicola Sautto

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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 subsidiaries (the “Biesse Group”), which comprise the statement of financial position as of June 30, 2025 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 issued by the International Accounting Standards Board and 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 S.p.A. as at June 30, 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Fruci
Partner

Bologna, Italy
August 1, 2025

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.