

PRESS RELEASE

IMMSI GROUP: FIRST QUARTER 2021

The Immsi Group reported very favourable results for the first quarter of 2021, with net sales up 19.5%, its highest-ever Q1 EBITDA, profit, including minority interests, for 5.1 million euro, while simultaneously cutting debt by more than 88 million euro from the end of March 2020. Nevertheless, the Covid pandemic should still be regarded as a risk and the Group therefore continues to monitor its businesses and markets with close attention.

- **Consolidated net sales 393.6 million euro, up 19.5%**
(329.3 €/mln in Q1 2020)
- **EBITDA 53.7 million euro, up 34.6%** (39.9 €/mln in Q1 2020)
EBITDA margin 13.7% (12.1% in Q1 2020)
- **EBIT 20.1 million euro, up 123%** (9 €/mln in Q1 2020)
EBIT margin 5.1% (2.7% in Q1 2020)
- **Profit before tax 11 million euro** (0.2 €/mln in Q1 2020) **subject to tax totalling 5.8 million euro**
- **Profit for 5.1 million euro** (a loss of 1.8 €/mln in Q1 2020), **including minority interests** (3.1 €/mln at 31.03.2021 and a loss of 1 €/mln at 31.03.2020)
- **Immsi Group consolidated net financial position -843.1 €/mln, an improvement of 88.2 €/mln** from -931.3 €/mln at 31.03.2020 (-802.9 €/mln at 31.12.2020)
- **Capital expenditure 36 million euro, up 22.4%** (29.4 €/mln in Q1 2020)

Mantua, 14 May 2021 - At a meeting today chaired by Roberto Colaninno, the Board of Directors of Immsi S.p.A. (IMS.MI) examined and approved the interim report on operations as at and for the three months to 31 March 2021.

Immsi Group financial and business performance at 31 March 2021

Consolidated net sales in the first quarter to 31 March 2021 amounted to **393.6 million euro, the best Q1 result since 2008, reflecting an increase of 19.5%** from 329.3 million euro in the year-earlier period.

Immsi Group consolidated EBITDA was **53.7 million euro, the highest Q1 result ever reported by the Group, up by a strong 34.6%** from 39.9 million euro in the year-earlier period. The **EBITDA margin was 13.7%** (12.1% in the first quarter of 2020).

Consolidated EBIT was 20.1 million euro, more than double (+123%) the 9 million euro in the first quarter of 2020. The **EBIT margin was 5.1%** (2.7% in the first quarter of 2020).

Profit before tax was 11 million euro (0.2 million euro in the year-earlier period) and was **subject to tax totalling 5.8 million euro**.

Net profit was 5.1 million euro (a loss of 1.8 million euro in the year-earlier period), **including minority interests (3.1 million euro at 31 March 2021 and a loss of 1 million euro at 31 March 2020)**.

Immsi Group net financial debt at 31 March 2021 was 843.1 million euro, an improvement of 88.2 million euro from 931.3 million euro at 31 March 2020 when there was a block on sales in connection with the Covid-19 pandemic. The improvement was secured by prudent management of working capital and by operating cash flow from the Group's positive business performance, which also made it possible to absorb a greater capital expenditure requirement. At 31 December 2020, the Group had net financial debt of 802.9 million euro. Group business, especially in the two-wheeler segment, is subject to seasonal trends, absorbing resources in the first half of the year and generating resources in the second half.

In the first quarter, Immsi Group **capital expenditure amounted to 36 million euro, an increase of 22.4%** from 29.4 million euro in the first quarter of 2020.

Performance of the Immsi Group businesses at 31 March 2021

Industrial Sector: Piaggio Group

In the first quarter to 31 March 2021, the **Piaggio Group sold 135,000 vehicles worldwide, reporting consolidated net sales of 384.7 million euro**. Consolidated EBITDA was 56 million euro, with an EBITDA margin of 14.6%; EBIT was 23.5 million euro, with an EBIT margin of 6.1%; net profit was 11.1 million euro.

Net financial debt at 31 March 2021 stood at 448.6 million euro, an improvement of 100.1 million euro from 548.6 million euro at 31 March 2020. The net financial position at 31 December 2020 was 423.6 million euro, giving cash absorption of 25 million euro in the first quarter of 2021.

Naval Sector: Intermarine S.p.A.

The subsidiary **Intermarine S.p.A.**, reported **consolidated net sales of 8.7 million euro** in the first quarter of 2021, arising for 7.2 million euro in the Military Sector and 1.6 million euro in the Fast Ferries and Yacht division, largely on operations at the Messina shipyard. The Intermarine order book at 31 March 2021 stood at approximately 51 million euro.

Real Estate and Holding sector

The Real Estate and Holding sector had net sales of 0.2 million euro at 31 March 2021.

The subsidiary **Is Molas S.p.A.**, which manages the Is Molas Golf Resort project in the province of Cagliari, completed four showhomes and took the remaining 11 villas in the first batch to an advanced unfinished stage, to enable potential clients to select floorings and internal finishes. The company confirmed the possibility of leasing the showhomes in order to enable end customers, including investors, to become familiar with the product and related services on offer. Commercial operations are underway to identify possible national/international purchasers.

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Significant events in and after the first quarter of 2021

Supplementing the information published above or at the time of approval of the 2020 draft financial statements (directors' meeting of 19 March 2021), this section illustrates key events in and after the first quarter of 2020.

On 10 March, the Standard & Poor's Global Ratings agency (S&P) said it had revised its outlook for the Piaggio Group (PIA.MI), upgrading it from negative to positive, and confirmed its B+ rating.

On 15 March, the Group celebrated the centenary of Moto Guzzi. A century of history, splendid motorcycles, triumphs, adventures and extraordinary personalities, who together built the legendary Eagle Brand.

On 29 March, the Moody's Investors Service ratings agency (Moody's) announced that it had revised its outlook for the Piaggio Group, upgrading it from negative to stable, and confirmed its Ba3 rating for the Group.

On 14 April, the Piaggio & C. S.p.A. AGM appointed the Board of Directors, confirming the number of members at 9. The following directors were appointed: Roberto Colaninno, Matteo Colaninno, Michele Colaninno, Graziano Gianmichele Visentin (independent director), Rita Ciccone (independent director), Patrizia Albano (independent director), Federica Savasi, Micaela Vescia (independent director) and Andrea Formica (independent director). At a meeting the following day, the Board of Directors confirmed Roberto Colaninno as the company's Chairman and Chief Executive Officer and Matteo Colaninno as Deputy Chairman. The Board also confirmed the strategic development powers assigned to director Michele Colaninno.

On 23 April, the Group celebrated the 75th anniversary of Vespa, which has reached the extraordinary figure of 19 million scooters since the Spring of 1946. The 19 millionth Vespa scooter was a GTS 300 in the 75th special edition, assembled at the factory in Pontedera, where the Vespa has been produced without interruption since it was first created.

During the first quarter, the Piaggio Group opened a representative office in Brussels in order to ensure constant direct contact with the European Union representations.

On 30 April, the Immsi S.p.A. Shareholders' Meeting appointed the Board of Directors, with 12 members (up from the previous 11 members). The following directors were appointed: Roberto Colaninno, Michele Colaninno, Matteo Colaninno, Daniele Discepolo (independent director), Ruggero Magnoni, Gianpiero Succi, Paola Mignani (independent director), Giulia Molteni (independent director), Alessandra Simonotto, Rosanna Ricci (independent director), Patrizia De Pasquale (independent director) and Piercarlo Rossi (independent director).

At a meeting on 4 May 2021, the Board confirmed Roberto Colaninno as Chairman of the Board of Directors, Daniele Discepolo as Deputy Chairman and Michele Colaninno as Managing Director (and also Chief Operating Officer of the company).

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Outlook

Although the complexity of providing guidance remains, given the uncertainty over the evolution of the pandemic in the coming months of 2021, the **Immsi Group** will continue to work to meet its commitments and targets, maintaining all the necessary measures to ensure a flexible and immediate response to any difficult and unexpected situations that might arise, thanks to careful and efficient business and financial management.

In the **Industrial Sector**, the Piaggio Group will continue operations with the launch in 2021 of 10 new two-wheelers and its new lightweight cargo vehicle, the expansion of the E-Mobility department in Pontedera, the start-up of a new facility in Indonesia and the complete refurbishment of the Moto Guzzi production site and museum.

In the **Naval Sector**, despite continuing uncertainty, advances in production work on contracts will continue as well as commercial operations in all the company's areas of business. Intermarine is also involved in a number of negotiations, in the Defence sector in particular, to win new orders that would enable it to expand its order book and consequently guarantee conditions allowing it to optimise its production capacity over the coming years. The company will also pursue every opportunity to contain direct and indirect costs.

In the **Real Estate and Tourism-Hospitality Sector** a gradual return to normality is expected, and the Is Molas S.p.A. subsidiary is therefore moving ahead with commercial operations to identify possible domestic and international buyers.

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Share buyback program

In connection with the authorisation for the purchase and disposal of own shares given by the Immsi S.p.A. AGM held on 30 April 2021, the Board of Directors approved the launch of a share buyback program, which represents a useful strategic investment opportunity for the purposes allowed under law, including the purposes contemplated in art. 5 of EU Regulation 596/2014 (Market Abuse Regulation, “MAR”), among which the purchase of own shares for subsequent cancellation, and in the practices allowed by Consob under art. 13 MAR.

Share purchase transactions under the program will be performed in the manner and in compliance with the limits set out in the aforementioned shareholder resolution, specifically:

- up to 10,000,000 no-par Immsi ordinary shares may be purchased, for a maximum outlay of 10,000,000 euro, thus within the legal limits (20% of share capital, pursuant to art. 2357, par 3, Italian Civil Code);
- share buybacks shall take place within the limits of distributable earnings and available reserves as reflected in the most recent financial statements (including interim financial statements) approved at the time of implementation of the transaction;
- share buybacks shall be effected on the regulated market in a manner that ensures shareholder equality of treatment pursuant to art. 132 of Lgs.Decree 58/1998), with the graduality deemed to be in the interests of the company and in accordance with current laws, adopting the procedures envisaged by art. 144-*bis*, paragraph 1, head b) of Consob Regulation 11971/1999 as subsequently amended, and taking into account the conditions relating to trading as per art. 3 of the Delegated Regulation (EU) 1052/1052 (“**Regulation 1052**”) enacting the MAR and the practices allowed by Consob compliantly with art. 13 MAR, where applicable (i) for a consideration that shall not be higher than the greater of the price of the most recent independent transaction and the price of the highest independent offer on the trading markets where the buyback is made, without prejudice to the condition that the per-share consideration shall not in any case be more than 20% below or 10% above the mean official Immsi share price in the ten trading days before each single purchase transaction; (ii) for volumes not exceeding 25% of the average daily volume of Immsi S.p.A. shares traded on the regulated market where the buyback is made, determined on the basis of the parameters as per art. 3 of Regulation 1052;
- the buyback program may be implemented, in one or more tranches, through 29 October 2022.

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The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, pursuant to paragraph 2 of art. 154-*bis* of the Consolidated Law on Financial Intermediation, that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

This press release may contain forward-looking statements relating to future events and Immsi Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

This press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Immsi Group 2020 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. Specifically, the following alternative performance indicators are used:

- EBITDA: earnings before amortisation and depreciation and impairment losses on property, plant and equipment, intangible assets, and rights of use, as reflected in the income statement;
- Net financial debt: this reflects financial liabilities (current and non-current) including liabilities for rights of use, less cash and cash equivalents, and other financial receivables (current and non-current). Determination of net financial debt does not include other financial assets and liabilities arising from measurement at fair value, derivatives designated or not as hedges, fair value adjustments of the related hedged items, related accruals, interest accrued on loans and financial liabilities relating to discontinued operations. The schedules in the Immsi Group Interim Report on Operations for the first three months to 31 March 2021 include a table illustrating the composition of net financial debt. In this regard, in compliance with CESR recommendation of 10 February 2005 “Recommendation for uniform enactment of the European Commission regulation on disclosures”, attention is drawn to the fact that the indicator determined as described represents the amount as monitored by Group management and differs with respect to Consob Communication no. 6064293 of 28 July 2006, since it also includes non-current financial receivables.

In drawing up the Interim Report on Operations as at and for the three months to 31 March 2021, the Immsi Group applied the same accounting policies as those used to draw up the Report on Operations and Financial Statements as at and for the year ended 31 December 2020.

Immsi S.p.A. said that the Interim Report on Operations as at and for the three months to 31 March 2021 will be available to the public at the company registered office, in the “eMarket STORAGE” authorised storage mechanism at www.emarketstorage.com and on the issuer’s website www.immsi.it (section “Investors/Financial Reports/2021”) as required by law.

The Immsi Group reclassified consolidated income statement, reclassified consolidated statement of financial position and consolidated statement of cash flows are set out below. In compliance with the Instructions to the Regulation for Markets organised and managed by Borsa Italiana S.p.A. section IA.2.6, the reclassified schedules are not subject to auditing by the independent auditors.

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Immsi Group reclassified income statement

In thousands of euro	31.03.2021		31.03.2020		Change	
Net sales	393,553	100%	329,309	100%	64,244	19.5%
Cost of materials	236,913	60.2%	197,517	60.0%	39,396	19.9%
Cost of services and use of third-party assets	63,368	16.1%	52,241	15.9%	11,127	21.3%
Employee expense	65,067	16.5%	60,714	18.4%	4,353	7.2%
Other operating income	32,217	8.2%	26,179	7.9%	6,038	23.1%
Impairment reversals (losses) net of trade and other receivables	-1,027	-0.3%	-954	-0.3%	-73	-7.7%
Other operating expense	5,657	1.4%	4,128	1.3%	1,529	37.0%
EBITDA	53,738	13.7%	39,934	12.1%	13,804	34.6%
Depreciation and impairment property, plant and equipment	14,102	3.6%	12,575	3.8%	1,527	12.1%
Goodwill impairment	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	19,545	5.0%	18,349	5.6%	1,196	6.5%
EBIT	20,091	5.1%	9,010	2.7%	11,081	123.0%
Results of associates	51	0.0%	160	0.0%	-109	-
Finance income	6,817	1.7%	6,415	1.9%	402	6.3%
Finance costs	15,968	4.1%	15,423	4.7%	545	3.5%
PROFIT BEFORE TAX	10,991	2.8%	162	0.0%	10,829	6684.6%
Income tax	5,849	1.5%	1,943	0.6%	3,906	201.0%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	5,142	1.3%	-1,781	-0.5%	6,923	388.7%
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	5,142	1.3%	-1,781	-0.5%	6,923	388.7%
Minority interests	3,105	0.8%	-1,047	-0.3%	4,152	396.6%
GROUP PROFIT (LOSS) FOR THE PERIOD	2,037	0.5%	-734	-0.2%	2,771	377.5%

Immsi Group reclassified statement of financial position

In thousands of euro	31.03.2021	in %	31.12.2020	in %	31.03.2020	in %
Current assets:						
Cash and cash equivalents	223,084	9.8%	249,886	11.7%	180,015	8.1%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	612,018	27.0%	447,339	21.0%	640,844	28.8%
Total current assets	835,102	36.8%	697,225	32.8%	820,859	36.9%
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	872,698	38.5%	866,099	40.7%	848,975	38.1%
Property, plant, equipment	339,350	15.0%	336,850	15.8%	334,711	15.0%
Other assets	221,646	9.8%	227,731	10.7%	221,914	10.0%
Total non-current assets	1,433,694	63.2%	1,430,680	67.2%	1,405,600	63.1%
TOTAL ASSETS	2,268,796	100.0%	2,127,905	100.0%	2,226,459	100.0%
Current liabilities:						
Financial liabilities	487,991	21.5%	481,273	22.6%	518,417	23.3%
Operating liabilities	740,446	32.6%	627,386	29.5%	660,482	29.7%
Total current liabilities	1,228,437	54.1%	1,108,659	52.1%	1,178,899	52.9%
Non-current liabilities:						
Financial liabilities	578,176	25.5%	571,517	26.9%	592,860	26.6%
Other non-current liabilities	87,078	3.8%	85,780	4.0%	83,620	3.8%
Total non-current liabilities	665,254	29.3%	657,297	30.9%	676,480	30.4%
TOTAL LIABILITIES	1,893,691	83.5%	1,765,956	83.0%	1,855,379	83.3%
TOTAL SHAREHOLDERS' EQUITY	375,105	16.5%	361,949	17.0%	371,080	16.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,268,796	100.0%	2,127,905	100.0%	2,226,459	100.0%

Immsi Group Consolidated Statement of Cash Flows

In thousands of euro	31.03.2021	31.03.2020
<i>Operating assets</i>		
Profit before tax	10,991	162
Depreciation of tangible assets (including investment property)	14,102	12,575
Amortisation of intangible assets	19,545	18,349
Provision for risks, severance liabilities and similar obligations	4,878	3,941
Impairment losses/(Reversals of impairment losses to fair value)	1,029	972
Losses / (Gains) on the sale of tangible assets (including investment property)	(36)	2
Finance income	(298)	(606)
Finance costs	10,571	10,407
Amortisation of public grants	(843)	(972)
Change in working capital	(40,986)	(115,500)
Change in non-current provisions and other variations	(18,317)	(19,034)
<i>Cash generated by operating activities</i>	636	(89,704)
Interest expense paid	(7,751)	(6,455)
Tax paid	(5,653)	(7,500)
<i>Cash flow relating to operating activities</i>	(12,768)	(103,659)
<i>Investing activities</i>		
Acquisition of subsidiaries, net of cash and cash equivalents	0	(217)
Investment in tangible assets (including investment property)	(11,056)	(10,555)
Sale price or redemption value of tangible assets (including investment property)	4,697	45
Investment in intangible assets	(24,962)	(18,889)
Sale price or redemption value of intangible assets	19	1
Interest collected	97	668
Sale price of discontinued operations	0	(61)
Public grants collected	306	352
<i>Cash flow relating to investing activities</i>	(30,899)	(28,656)
<i>Financing activities</i>		
Loans received	42,904	125,973
Outflow for loan repayments	(27,828)	(23,654)
Reimbursement of rights of use	(3,196)	(2,344)
<i>Cash flow relating to financing activities</i>	11,880	99,975
<i>Increase / (Decrease) in cash and cash equivalents</i>	(31,787)	(32,340)
<i>Opening balance</i>	248,699	212,055
Exchange differences	6,172	(785)
<i>Closing balance</i>	223,084	178,930