

PRESS RELEASE

IMMSI GROUP: FIRST QUARTER 2022

The Immsi Group closed the first quarter of 2022 with positive results. Consolidated net sales, EBITDA and net profit reached best-ever levels for the first quarter and net financial debt was down from 31 March 2021. Although the Immsi Group has virtually no exposure in the areas affected by the conflict between Russia and Ukraine, thanks to the broad geographical diversification of sales, it continues to monitor developments and maintain a careful cost management policy.

- **Consolidated net sales 467.1 million euro, up 18.7%** (393.6 €/mln at 31.03.2021)
- **EBITDA 57.2 million euro, up 6.4%** (53.7 €/mln at 31.03.2021)
EBITDA margin 12.2%
- **EBIT 23.9 million euro, up +18.8%** (20.1 €/mln at 31.03.2021)
EBIT margin 5.1%
- **Profit before tax 12.5 million euro, +13.8%** (11 €/mln at 31.03.2021) **subject to tax totalling 6.8 million euro**
- **Net profit 5.7 million euro, +10.5%** (5.1 €/mln at 31.03.2021), **including minority interests** of 4.4 €/mln (3.1 €/mln at 31.03.2021)
- **Consolidated net financial position of the Immsi Group -836.8 €/mln, an improvement of 6.3 €/mln** from -843.1 €/mln at 31.03.2021
- **Capital expenditure 26.8 million euro**

Mantua, 12 May 2022 - 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 2022.

Immsi Group financial and business performance at 31 March 2022

Consolidated net sales in the first quarter to 31 March 2022 amounted to **467.1 million euro, the best ever first-quarter result, with an increase of 18.7%** from 393.6 million euro in the year-earlier period.

Immsi Group consolidated **EBITDA** was **57.2 million euro, the highest Q1 result ever reported by the Group, up by 6.4%** from 53.7 million euro in the year-earlier period. The **EBITDA margin** was **12.2%** (13.7% in the first quarter of 2021).

Consolidated EBIT was **23.9 million euro, up 18.8%** from 20.1 million euro in the first quarter of 2021. The **EBIT margin** was **5.1%**, unchanged from the first quarter of 2021.

Profit before tax was **12.5 million euro, an increase of 13.8%** (11 million euro in the year-earlier period) and was **subject to tax totalling 6.8 million euro.**

Net profit was 5.7 million euro, an increase of 10.5% (5.1 million euro at 31 March 2021), **including minority interests of 4.4 million euro** (3.1 million euro at 31 March 2021).

Immsi Group net financial debt at 31 March 2022 was 836.8 million euro, an improvement of 6.3 million euro from debt of 843.1 million euro at 31 March 2021. At 31 December 2021, the Group had net financial debt of 764.2 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 of 2022, Immsi Group **capital expenditure amounted to 26.8 million euro** (36 million euro in the year-earlier period).

Performance of the Immsi Group businesses at 31 March 2022

Industrial Sector: Piaggio Group

In the first three months to 31 March 2022, the **Piaggio Group sold 141,800 vehicles worldwide (+5%), reporting consolidated net sales of 455.8 million euro, an increase of 18.5%**. Consolidated EBITDA was 60.1 million euro, with an EBITDA margin of 13.2%; EBIT was 27.7 million euro, with an EBIT margin of 6.1%; net profit rose 14.1% to 12.7 million euro. **Consolidated net sales, EBITDA and net profit reached best-ever levels for the first quarter.** Net financial debt at 31 March 2022 stood at 441.1 million euro, an improvement of 7.5 million euro from 448.6 million euro at 31 March 2021.

Naval Sector: Intermarine S.p.A.

The subsidiary **Intermarine S.p.A.** reported **consolidated net sales of 10.7 million euro** for the first quarter to 31 March 2022, **an increase of 22.8%** from 8.7 million euro in the year-earlier period. Net sales consisted of 8 million euro in the Military Sector and 2.7 million euro in the Fast Ferries and Yacht division, relating largely to operations at the Messina shipyard.

Real Estate and Holding sector

The real estate and holding sector had **net sales of 0.6 million euro** for the quarter to 31 March 2022 (0.2 million euro in the year-earlier period).

The subsidiary **Is Molas S.p.A.**, which manages the Is Molas Golf Resort project in the Sardinian province of Cagliari, completed five showhomes and took the remaining ten villas in the first batch to an advanced unfinished stage, to enable potential clients to select the finishes.

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Significant events in and after the first quarter of 2022

Supplementing the information published above or at the time of approval of the 2021 draft financial statements (directors' meeting of 23 March 2022), this section illustrates key events in and after the first quarter of 2020.

On 25 March, during the celebrations for the 30th anniversary of Italy's National Territorial Emergency Service (the so-called 118 service), Piaggio presented the Piaggio MP3 Life Support three-wheel scooter for the Italian Red Cross. The Piaggio MP3 Life Support is already used by the national emergency services in several countries, including the UK, France, Australia and

Israel; with more than 650 Piaggio scooters, Israel has made the three-wheeler a key element of its emergency fleet.

On 3 April, Aprilia won the Argentina GP with Aleix Espargarò, its first victory in the MotoGP class. For the Noale-based company, one of the most successful names in motorcycle racing, this was the 295th win in world motor-racing, and the first in the new four-stroke age of the top two-wheeler championship after its countless victories in the 125 and 250 cc categories.

On 20 April, pre-booking opened for the exclusive Vespa Sprint designed by international popstar Justin Bieber. JUSTIN BIEBER X VESPA is available in 50, 125 and 150 cc displacements.

On 4 May, Intermarine delivered the third CDMA3 minehunter to a leading industry player and the associated foreign navy.

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Russia - Ukraine crisis

The Immsi Group is paying close attention to developments in the Russia - Ukraine crisis, which has begun to trigger rises in the costs of raw materials and energy and could have significant repercussions for the world economy, in part as a result of the sanctions that have already been introduced or are under discussion. The extreme geographical diversification of the Group's sales and procurements means that its exposure in the area of the conflict is substantially non-existent. The Group has no manufacturing or commercial subsidiaries, associates or other legal entities in the areas affected by the conflict.

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Outlook

Although formulation of projections continues to be complex, 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**, Piaggio will continue along its growth path in 2022, confirming its planned investments in new products and new plants and strengthening its commitment to ESG issues, despite the current international geopolitical tensions.

In this general situation, Piaggio will continue as ever to work to meet its commitments and objectives, keeping a constant focus on efficient management of its economic and financial structure so that it can respond immediately and in a flexible manner to the challenges and uncertainties of 2022.

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**, the Is Molas subsidiary is monitoring developments in the Covid-19 health emergency and current geopolitical tensions, whose economic repercussions in terms of possible impact on the tourist season are difficult to

quantify at this time. Despite the uncertain situation, the subsidiary is continuing commercial operations to identify possible national and international purchasers.

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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 29 April 2022, 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 28 October 2023.

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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 2021 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 impairment losses on property, plant and equipment and intangible assets, as reflected in the income statement;
- Net financial debt (or net financial position): this reflects financial liabilities (current and non-current) including trade payables and other non-current liabilities that include a material implicit (or explicit) debt component, less cash and cash equivalents, and other current financial receivables (ESMA Indications 2021 / 32-382-1138). Net financial debt as determined by the Immsi Group, however, does not include derivatives designated or not as hedges, fair value adjustments of the related hedged items and related accruals, fair value adjustments to financial liabilities, payables and interest accrued on bank loans, interest on amounts due to third-party shareholders and financial liabilities relating to discontinued operations.
The accounting schedules in the Interim Report on Operations as at and for the three months to 31 March 2022 include a schedule detailing the components of the indicator.

In drawing up the Interim Report on Operations as at and for the three months to 31 March 2022, 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 2021.

Immsi S.p.A. said that the Interim Report on Operations as at and for the three months to 31 March 2022 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/2022”) 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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- ACCOUNTING SCHEDULES FOLLOW -

Immsi Group reclassified income statement

In thousands of euro	31.03.2022		31.03.2021		Change	
Net sales	467,129	100%	393,553	100%	73,576	18.7%
Cost of materials	294,873	63.1%	236,913	60.2%	57,960	24.5%
Cost of services and use of third-party assets	71,909	15.4%	63,368	16.1%	8,541	13.5%
Employee expense	69,406	14.9%	65,067	16.5%	4,339	6.7%
Other operating income	32,879	7.0%	32,217	8.2%	662	2.1%
Impairment reversals (losses) net of trade and other receivables	-972	-0.2%	-1,027	-0.3%	55	5.4%
Other operating expense	5,682	1.2%	5,657	1.4%	25	0.4%
EBITDA	57,166	12.2%	53,738	13.7%	3,428	6.4%
Depreciation and impairment property, plant and equipment	14,728	3.2%	14,102	3.6%	626	4.4%
Goodwill impairment	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	18,569	4.0%	19,545	5.0%	-976	-5.0%
EBIT	23,869	5.1%	20,091	5.1%	3,778	18.8%
Results of associates	-67	0.0%	51	0.0%	-118	-
Finance income	6,447	1.4%	6,817	1.7%	-370	-5.4%
Finance costs	17,740	3.8%	15,968	4.1%	1,772	11.1%
PROFIT BEFORE TAX	12,509	2.7%	10,991	2.8%	1,518	13.8%
Income tax	6,829	1.5%	5,849	1.5%	980	16.8%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	5,680	1.2%	5,142	1.3%	538	10.5%
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	5,680	1.2%	5,142	1.3%	538	10.5%
Minority interests	4,399	0.9%	3,105	0.8%	1,294	41.7%
GROUP PROFIT (LOSS) FOR THE PERIOD	1,281	0.3%	2,037	0.5%	-756	-37.1%

Immsi Group reclassified statement of financial position

In thousands of euro	31.03.2022		31.12.2021		31.03.2021	
	in %	in %	in %	in %	in %	in %
Current assets:						
Cash and cash equivalents	235,098	9.8%	290,373	12.6%	223,084	9.8%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	694,580	29.0%	547,368	23.7%	612,018	27.0%
Total current assets	929,678	38.8%	837,741	36.3%	835,102	36.8%
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	889,121	37.1%	888,962	38.5%	872,698	38.5%
Property, plant, equipment	350,800	14.6%	355,284	15.4%	339,350	15.0%
Other assets	228,475	9.5%	226,126	9.8%	221,646	9.8%
Total non-current assets	1,468,396	61.2%	1,470,372	63.7%	1,433,694	63.2%
TOTAL ASSETS	2,398,074	100.0%	2,308,113	100.0%	2,268,796	100.0%
Current liabilities:						
Financial liabilities	480,611	20.0%	449,829	19.5%	487,991	21.5%
Operating liabilities	842,459	35.1%	772,705	33.5%	740,446	32.6%
Total current liabilities	1,323,070	55.2%	1,222,534	53.0%	1,228,437	54.1%
Non-current liabilities:						
Financial liabilities	591,255	24.7%	604,777	26.2%	578,176	25.5%
Other non-current liabilities	87,237	3.6%	89,935	3.9%	87,078	3.8%
Total non-current liabilities	678,492	28.3%	694,712	30.1%	665,254	29.3%
TOTAL LIABILITIES	2,001,562	83.5%	1,917,246	83.1%	1,893,691	83.5%
TOTAL SHAREHOLDERS' EQUITY	396,512	16.5%	390,867	16.9%	375,105	16.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,398,074	100.0%	2,308,113	100.0%	2,268,796	100.0%

Immsi Group Statement of Cash Flows

In thousands of euro	31.03.2022	31.03.2021
<i>Operating assets</i>		
Profit before tax	12,509	10,991
Depreciation of tangible assets (including investment property)	14,728	14,102
Amortisation of intangible assets	18,569	19,545
Provision for risks, severance liabilities and similar obligations	5,153	4,878
Impairment losses / (Reversals of impairment losses to fair value)	972	1,029
Losses / (Gains) on the sale of tangible assets (including investment property)	1	(36)
Finance income	(380)	(298)
Finance costs	9,845	10,571
Amortisation of public grants	(1,126)	(843)
Change in working capital	(73,733)	(40,986)
Change in non-current provisions and other variations	(17,939)	(18,317)
<i>Cash generated by operating activities</i>	(31,401)	636
Interest expense paid	(5,887)	(7,751)
Tax paid	(6,067)	(5,653)
<i>Cash flow relating to operating activities</i>	(43,355)	(12,768)
<i>Investing activities</i>		
Acquisition of subsidiaries, net of cash and cash equivalents	(206)	0
Investment in tangible assets (including investment property)	(8,051)	(11,056)
Sale price or redemption value of tangible assets (including investment property)	1	4,697
Investment in intangible assets	(18,790)	(24,962)
Sale price or redemption value of intangible assets	3	19
Interest collected	356	97
Public grants collected	61	306
<i>Cash flow relating to investing activities</i>	(26,626)	(30,899)
<i>Financing activities</i>		
Loans received	58,438	42,904
Outflow for loan repayments	(43,362)	(27,828)
Reimbursement of rights of use	(2,547)	(3,196)
<i>Cash flow relating to financing activities</i>	12,529	11,880
<i>Increase / (Decrease) in cash and cash equivalents</i>	(57,452)	(31,787)
<i>Opening balance</i>	290,361	248,699
Exchange differences	182	6,172
<i>Closing balance</i>	233,091	223,084