

PRESS RELEASE

IMMSI GROUP: FIRST QUARTER 2023

The Immsi Group closed the first quarter of 2023 with improvements on all its main financial and business indicators. Consolidated net sales grew by 19% to 556 million euro, EBITDA was 77.1 million euro with an EBITDA margin of 13.9%, and net profit including minority interests almost tripled from the year-earlier period to reach 15.6 million euro.

- **Consolidated net sales up 19.1% to 556.4 million euro, the highest ever first-quarter result** (467.1 €/mln at 31.03.2022)
- **EBITDA 77.1 million euro, the highest figure ever reported in the first quarter, up 34.8%** (57.2 €/mln at 31.03.2022). **EBITDA margin 13.9%** (12.2% at 31.03.2022)
- **EBIT 40.3 million euro, a strong improvement of 68.9%** (23.9 €/mln at 31.03.2022). **EBIT margin 7.2%** (5.1% at 31.03.2022)
- **Profit before tax 26.7 million euro, more than double** the 12.5 €/mln posted at 31.03.2022, subject to tax totalling 11.1 million euro
- **Net profit including minorities 15.6 million euro** (almost triple the 5.7 €/mln posted at 31.03.2022); minority interests 9.7 €/mln at 31.03.2023 (4.4 €/mln at 31.03.2022)
- **Consolidated net financial position of the Immsi Group -804.5 €/mln, an improvement of 32.3 €/mln** from -836.8 €/mln at 31.03.2022
- **Capital expenditure 34.7 million euro, up 29.5%** (26.8 €/mln at 31.03.2022)

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Mantua, 12 May 2023 – 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 2023.

Immsi Group financial and business performance at 31 March 2023

Consolidated net sales in the first quarter to 31 March 2023 amounted to **556.4 million euro, the best ever result, with an increase of 19.1%** (467.1 million euro in the first quarter of 2022).

Immsi Group consolidated **EBITDA** was **77.1 million euro, the highest result ever, up by 34.8%** (57.2 million euro in the first quarter of 2022). The **EBITDA margin** was **13.9%** (12.2% at 31 March 2022).

Consolidated EBIT was **40.3 million euro, up 68.9%** (23.9 million euro at 31 March 2022). The **EBIT margin** was **7.2%** (5.1% at 31 March 2022).

Profit before tax was **26.7 million euro, more than double** (+113.2%) the result of 12.5 million euro at 31 March 2022, and was **subject to tax totalling 11.1 million euro**.

Net profit including minorities was 15.6 million euro, a sharp increase (+173.8%) from 5.7 million euro at 31 March 2022 (minority interests 9.7 million euro at 31 March 2023, more than double the result of 4.4 million euro for the first quarter of 2022).

Immsi Group net financial debt at 31 March 2023 was -804.5 million euro, an improvement of 32.3 million euro from -836.8 million euro at 31 March 2022. The increase in net debt with respect to 31 December 2022 (-731.7 million euro) was due to the seasonal nature of the Piaggio Group's business, especially on Western markets.

In the first three months of 2023, Immsi Group **capital expenditure amounted to 34.7 million euro, an increase of 29.5%** from 26.8 million euro in the year-earlier period.

The Group's operations present seasonal variations in sales over the course of the year, especially in the industrial and tourism-hospitality sectors.

Performance of the Immsi Group businesses at 31 March 2023

Industrial Sector: Piaggio Group

In the year to 31 March 2023, the **Piaggio Group** sold 154,900 vehicles worldwide (141,800 in the year-earlier period), an increase of 9.2%, and reported record consolidated net sales of 546.8 million euro (+20%). Consolidated EBITDA was 81 million euro (+34.9%), with an EBITDA margin of 14.8%; EBIT was 44.9 million euro (+62.2%), with an EBIT margin of 8.2%; net profit was 24.1 million euro (+90.2%). Net financial debt at 31 March 2023 stood at -428 million euro, an improvement of 13 million euro from -441.1 million euro at 31 March 2022.

Naval Sector: Intermarine S.p.A.

The subsidiary **Intermarine S.p.A.** reported **consolidated net sales of 9.2 million euro** for the first quarter of 2023, arising for 4.6 million euro in the Military Sector and 4.6 million euro in the Fast Ferries division, largely on operations at the Messina shipyard.

Research and development work continues on the new-generation minesweeper, a vital naval unit for control of seabed safety and security; the project was commissioned by the Italian Navy.

Real Estate and Holding sector

The Real Estate and Holding sector had **net sales of 0.4 million euro** in the first quarter to 31 March 2023, given the seasonal nature of the tourism business and the work currently taking place to restyle its hospitality structures and the beach club. Is Molas plans to open the newly refurbished facility by the end of June.

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Significant events in and after the first quarter of 2023

Supplementing the information published above or at the time of approval of the 2022 draft financial statements (directors' meeting of 23 March 2023), this section illustrates key events in and after the first quarter of 2023.

On 10 March the Piaggio Group held the presentation of the Aprilia Racing team for the MotoGP 2023 world championship. The project continues to develop, and the first season will see four RS-GP bikes and four top-level riders on the circuits: Aleix Espargaró and Maverick Viñales –

confirmed as official riders – Miguel Oliveira and Raul Fernandez for the Aprilia RNF CryptoData satellite team.

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Outlook

In the industrial sector, although it is still difficult to provide guidance given the continuing difficulties caused by geopolitical tensions, thanks to its unique brand portfolio the Piaggio Group will continue its growth program, confirming its planned investments in new products and new facilities and strengthening its commitment to ESG issues. 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 2023.

In the naval sector (Intermarine S.p.A.), production will move ahead on existing orders over the coming months. Management will also continue to take all measures to contain costs and all necessary action to acquire new contracts in order to expand the order book and optimise, and where necessary raise, production capacity for the coming years.

In the real estate and holding sector, the Is Molas subsidiary will continue marketing and rental activities on its residences as well as activities to increase Resort clients for its newly designed hospitality and golf facilities and the Is Molas Beach Club.

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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 28 April 2023, 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 27 October 2024.

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The manager in charge of preparing the company accounts and documents, Stefano Tenucci, 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 2022 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: 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 2022 / 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, and interest on amounts due to third-party shareholders. The schedules in the Immsi Group Interim Report on Operations for the first three months to 31 March 2023 include a table illustrating the composition of net financial debt.

In drawing up the Interim Report on Operations as at and for the three months to 31 March 2023, 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 2022.

Immsi S.p.A. said that the Interim Report on Operations as at and for the three months to 31 March 2023 will be available to the public at the company registered office, on the website of Borsa Italiana S.p.A., www.borsaitaliana.it, in the “eMarket STORAGE” authorised storage mechanism at www.emarketstorage.com and on the issuer’s website www.immsi.it (section “Investors/Financial Reports/2023”) 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	31.03.2023		31.03.2022		Change	
Net sales	556,356	100%	467,129	100%	89,227	19.1%
Cost of materials	356,966	64.2%	294,873	63.1%	62,093	21.1%
Cost of services and use of third-party assets	79,013	14.2%	71,909	15.4%	7,104	9.9%
Employee expense	71,163	12.8%	69,406	14.9%	1,757	2.5%
Other operating income	35,581	6.4%	32,879	7.0%	2,702	8.2%
Impairment reversals (losses) net of trade and other receivables	-1,165	-0.2%	-972	-0.2%	-193	-19.9%
Other operating expense	6,558	1.2%	5,682	1.2%	876	15.4%
EBITDA	77,072	13.9%	57,166	12.2%	19,906	34.8%
Depreciation and impairment property, plant and equipment	16,514	3.0%	14,728	3.2%	1,786	12.1%
Goodwill impairment	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	20,239	3.6%	18,569	4.0%	1,670	9.0%
EBIT	40,319	7.2%	23,869	5.1%	16,450	68.9%
Results of associates	5	0.0%	-67	0.0%	72	-
Finance income	7,370	1.3%	6,447	1.4%	923	14.3%
Finance costs	21,020	3.8%	17,740	3.8%	3,280	18.5%
PROFIT BEFORE TAX	26,674	4.8%	12,509	2.7%	14,165	113.2%
Income tax	11,123	2.0%	6,829	1.5%	4,294	62.9%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	15,551	2.8%	5,680	1.2%	9,871	173.8%
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	15,551	2.8%	5,680	1.2%	9,871	173.8%
Minority interests	9,658	1.7%	4,399	0.9%	5,259	119.5%
GROUP PROFIT (LOSS) FOR THE PERIOD	5,893	1.1%	1,281	0.3%	4,612	360.0%

Immsi Group reclassified statement of financial position

In thousands of euro	31.03.2023	in %	31.12.2022	in %	31.03.2022	in %
Current assets:						
Cash and cash equivalents	250,994	10.4%	263,577	11.1%	235,098	9.8%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	726,243	30.0%	653,509	27.6%	694,580	29.0%
Total current assets	977,237	40.3%	917,086	38.7%	929,678	38.8%
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	899,249	37.1%	897,337	37.9%	889,121	37.1%
Property, plant, equipment	366,095	15.1%	369,668	15.6%	350,800	14.6%
Other assets	181,363	7.5%	186,229	7.9%	228,475	9.5%
Total non-current assets	1,446,707	59.7%	1,453,234	61.3%	1,468,396	61.2%
TOTAL ASSETS	2,423,944	100.0%	2,370,320	100.0%	2,398,074	100.0%
Current liabilities:						
Financial liabilities	481,320	19.9%	400,096	16.9%	480,611	20.0%
Operating liabilities	874,906	36.1%	895,063	37.8%	842,459	35.1%
Total current liabilities	1,356,226	56.0%	1,295,159	54.6%	1,323,070	55.2%
Non-current liabilities:						
Financial liabilities	574,132	23.7%	595,176	25.1%	591,255	24.7%
Other non-current liabilities	70,587	2.9%	71,129	3.0%	87,237	3.6%
Total non-current liabilities	644,719	26.6%	666,305	28.1%	678,492	28.3%
TOTAL LIABILITIES	2,000,945	82.5%	1,961,464	82.8%	2,001,562	83.5%
TOTAL SHAREHOLDERS' EQUITY	422,999	17.5%	408,856	17.2%	396,512	16.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,423,944	100.0%	2,370,320	100.0%	2,398,074	100.0%

Immsi Group Statement of Cash Flows

In thousands of euro	31.03.2023	31.03.2022
<i>Operating assets</i>		
Profit before tax	26,674	12,509
Depreciation of tangible assets (including investment property)	16,514	14,728
Amortisation of intangible assets	20,239	18,569
Provision for risks, severance liabilities and similar obligations	5,907	5,153
Impairment losses / (Reversals of impairment losses to fair value)	1,147	972
Losses / (Gains) on the sale of tangible assets (including investment property)	(3)	1
Finance income	(811)	(380)
Finance costs	14,695	9,845
Amortisation of public grants	(1,468)	(1,126)
Change in working capital	(98,403)	(73,733)
Change in non-current provisions and other variations	(3,754)	(17,939)
<i>Cash generated by operating activities</i>	<i>(19,263)</i>	<i>(31,401)</i>
Interest expense paid	(7,866)	(5,887)
Tax paid	(7,376)	(6,067)
<i>Cash flow relating to operating activities</i>	<i>(34,505)</i>	<i>(43,355)</i>
<i>Investing activities</i>		
Acquisition of subsidiaries, net of cash and cash equivalents	(78)	(206)
Investment in tangible assets (including investment property)	(12,119)	(8,051)
Sale price or redemption value of tangible assets (including investment property)	68	1
Investment in intangible assets	(22,619)	(18,790)
Sale price or redemption value of intangible assets	0	3
Interest collected	570	356
Public grants collected	184	61
<i>Cash flow relating to investing activities</i>	<i>(33,994)</i>	<i>(26,626)</i>
<i>Financing activities</i>		
Loans received	103,277	58,438
Outflow for loan repayments	(44,033)	(43,362)
Reimbursement of rights of use	(2,904)	(2,547)
<i>Cash flow relating to financing activities</i>	<i>56,340</i>	<i>12,529</i>
<i>Increase / (Decrease) in cash and cash equivalents</i>	<i>(12,159)</i>	<i>(57,452)</i>
<i>Opening balance</i>	<i>263,513</i>	<i>290,361</i>
Exchange differences	(2,425)	182
<i>Closing balance</i>	<i>248,929</i>	<i>233,091</i>