

PRESS RELEASE

IMMSI GROUP:

NEW GOVERNANCE STRUCTURE

Matteo Colaninno Executive Chairman

Michele Colaninno continues as Chief Executive Officer and Chief Operating Officer

APPROVAL OF THE 2023 HALF-YEAR REPORT

- **Consolidated net sales 1,187.4 million euro, up 10.2 %** (1,077.5 €/mln at 30.06.2022)
- **EBITDA 183.4 million euro, up 22.8%** (149.4 €/mln at 30.06.2022)
EBITDA margin 15.4% (13.9% at 30.06.2022)
- **EBIT 108.5 million euro, up 33.6%** (81.2 €/mln at 30.06.2022).
EBIT margin 9.1% (7.5% at 30.06.2022)
- **Profit before tax 78.1 million euro, up 28.3%** (60.9 €/mln at 30.06.2022), subject to tax totalling 31 million euro
- **Net profit 47.1 million euro, up 36.9%** (34.4 €/mln at 30.06.2022), **including minority interests** of 27.5 €/mln (19.7 €/mln at 30.06.2022)
- **Consolidated net financial position -767.2 €/mln** (-758.3 €/mln at 30.06.2022)
- **Capital expenditure 70.9 million euro** (67.7 €/mln at 30.06.2022)

FABRIZIO QUARTA COOPTED TO THE BOARD

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Mantua, 5 September 2023 - Meeting after the death of the Chairman Roberto Colaninno, **the Board of Directors of Immsi S.p.A. (IMS.MI) reformulated the corporate governance structure**, after receiving the recommendations of the board committees.

Director Matteo Colaninno has been appointed to the post of Executive Chairman.

Director Michele Colaninno continues as Chief Executive Officer and Chief Operating Officer.

Director Daniele Discepolo continues as Deputy Chairman.

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The Board of Directors of Immsi S.p.A. (IMS.MI) then examined and approved the report on operations for the six months to 30 June 2023.

Immsi Group financial and business performance at 30 June 2023

Consolidated net sales in the first half to 30 June 2023 amounted to **1,187.4 million euro**, the best result ever, with an increase of **10.2%** (1,077.5 million euro in the first half of 2022).

Immsi Group consolidated EBITDA was **183.4 million euro**, the highest result ever, up by **22.8%** (149.4 million euro in the first half of 2022). The EBITDA margin was **15.4%** (13.9% at 30 June 2022).

Consolidated EBIT was **108.5 million euro**, up **33.6%** (81.2 million euro at 30 June 2022). The EBIT margin was **9.1%** (7.5% at 30 June 2022).

Profit before tax rose **28.3%** to **78.1 million euro** (60.9 million euro at 30 June 2022) and was subject to tax totalling 31 million euro.

Net profit including minorities was **47.1 million euro**, an increase of **36.9%** from 34.4 million euro at 30 June 2022 (minority interests were 27.5 million euro at 30 June 2023; 19.7 million euro at 30 June 2022).

Immsi Group net financial debt at 30 June 2023 was **-767.2 million euro** (-758.3 million euro at 30 June 2022). The increase in net debt with respect to 31 December 2022 (-731.7 million euro) was largely due to the seasonal nature of the Piaggio Group's business, especially on Western markets.

In the first half of 2023, Immsi Group **capital expenditure** amounted to **70.9 million euro** (67.7 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 in the six months to 30 June 2023

Industrial Sector: Piaggio Group

In the six months to 30 June 2023, the **Piaggio Group** sold 324,600 vehicles worldwide (320,600 in the year-earlier period), an increase of 1.2%, and reported **record consolidated net sales of 1,172 million euro** (+11.3%). Consolidated EBITDA was 191.2 million euro (+25.6%), with an EBITDA margin of 16.3%; EBIT was 117.6 million euro (+37.1%), with an EBIT margin of 10%; net profit was 64.8 million euro (+43.4%). Net financial debt at 30 June 2023 stood at -384.4 million euro, an improvement of 13 million euro from -397.4 million euro at 30 June 2022.

Naval Sector: Intermarine S.p.A.

The subsidiary **Intermarine S.p.A.** reported **consolidated net sales of 13.8 million euro** for the first half of 2023, arising for 6.6 million euro in the Military Sector and 7.2 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 1.5 million euro** in the first half to 30 June 2023. During the six months, the IS Molas subsidiary carried out important restyling work on its hospitality facilities and the beach club.

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Significant events in and after the first half of 2023

Supplementing the information published above or at the time of approval of the interim report at 31 March 2023 (directors' meeting of 12 May 2023), this section illustrates key events in and after the first half of 2023.

As already announced, Cavaliere del Lavoro Roberto Colaninno, Chair of Immsi S.p.A., died in the night between 18 and 19 August 2023.

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Outlook

Although it is still difficult to provide guidance given the difficulties caused by geopolitical tensions, the Immsi Group will continue to work to meet its commitments and achieve its profit and productivity targets, through careful and efficient management of its business and financial structure.

In the industrial sector, despite the complex macro-economic situation, thanks to its portfolio of iconic brands Piaggio confirms that it will continue to pursue profit margin and productivity goals in the management of its production, logistic and procurement costs and in the management of all its international markets, in line with the first half of the year. The productivity improvements will offset the temporary slowdown in the Asian region, which has maintained a growth rate of 23% in the last five years.

The Indian, European and US markets remain positive despite the increase in interest rates in the last 12 months.

In light of this, Piaggio confirms the investments planned in new products in the two-wheeler sector and in commercial vehicles, and the consolidation of its commitment to ESG issues.

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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The Immsi S.p.A. Board of Directors coopted Fabrizio Quarta, so keeping the number of directors unchanged.

The 12 members of the Board of Directors – of whom 6 meet the statutory independence requirements – are therefore:

Matteo Colaninno (executive chairman), Michele Colaninno (chief executive officer), Daniele Discepolo (independent deputy chair), Ruggero Magnoni, Gianpiero Succi, Paola Mignani (independent director), Giulia Molteni (independent director), Alessandra Simonotto, Rosanna Ricci (independent director), Patrizia De Pasquale (independent director), Piercarlo Rossi (independent director) and Fabrizio Quarta.

In compliance with legal requirements, the new director will remain in post until the next meeting of the shareholders. The term of office of the current Board of Directors is due to end when the shareholders meet to approve the financial statements as at and for the year ending 31 December 2023.

As of today, Fabrizio Quarta does not own any Immsi S.p.A. shares.

The curriculum vitae of the new director has been posted on the company website at www.immsi.it page *governance*.

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 Half-Year Report at 30 June 2023 include a table illustrating the composition of net financial debt.

In drawing up the Report on Operations as at and for the six months to 30 June 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 Report on Operations as at and for the six months to 30 June 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 Consolidated Income Statement

| In thousands of euro | 30.06.2023 | | 30.06.2022 | | Change | |
|--|------------------|--------------|------------------|--------------|----------------|--------------|
| Net sales | 1,187,439 | 100% | 1,077,521 | 100% | 109,918 | 10.2% |
| Cost of materials | 752,242 | 63.3% | 688,035 | 63.9% | 64,207 | 9.3% |
| Cost of services and use of third-party assets | 165,512 | 13.9% | 159,979 | 14.8% | 5,533 | 3.5% |
| Employee expense | 150,210 | 12.6% | 143,126 | 13.3% | 7,084 | 4.9% |
| Other operating income | 84,502 | 7.1% | 78,858 | 7.3% | 5,644 | 7.2% |
| Impairment reversals (losses) net of trade and other receivables | -2,262 | -0.2% | -1,976 | -0.2% | -250 | -12.7% |
| Other operating expense | 18,304 | 1.5% | 13,853 | 1.3% | 4,487 | 32.4% |
| EBITDA | 183,411 | 15.4% | 149,410 | 13.9% | 34,001 | 22.8% |
| Depreciation and impairment property, plant and equipment | 33,933 | 2.9% | 30,587 | 2.8% | 3,346 | 10.9% |
| Goodwill impairment | 0 | - | 0 | - | 0 | - |
| Amortisation and impairment intangible assets with finite life | 40,973 | 3.5% | 37,587 | 3.5% | 3,386 | 9.0% |
| EBIT | 108,505 | 9.1% | 81,236 | 7.5% | 27,269 | 33.6% |
| Results of associates | 139 | 0.0% | -80 | 0.0% | 219 | - |
| Finance income | 16,097 | 1.4% | 26,981 | 2.5% | -10,884 | -40.3% |
| Finance costs | 46,637 | 3.9% | 47,268 | 4.4% | -631 | -1.3% |
| PROFIT BEFORE TAX | 78,104 | 6.6% | 60,869 | 5.6% | 17,235 | 28.3% |
| Income tax | 31,031 | 2.6% | 26,472 | 2.5% | 4,559 | 17.2% |
| PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | 47,073 | 4.0% | 34,397 | 3.2% | 12,676 | 36.9% |
| Profit (loss) for the period from discontinued operations | 0 | - | 0 | - | 0 | - |
| PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS | 47,073 | 4.0% | 34,397 | 3.2% | 12,676 | 36.9% |
| Minority interests | 27,505 | 2.3% | 19,674 | 1.8% | 7,831 | 39.8% |
| GROUP PROFIT (LOSS) FOR THE PERIOD | 19,568 | 1.6% | 14,723 | 1.4% | 4,845 | 32.9% |

Immsi Group Reclassified Consolidated Statement of Financial Position

| In thousands of euro | 30.06.2023 | in % | 31.12.2022 | in % | 30.06.2022 | in % |
|---|------------------|---------------|------------------|---------------|------------------|---------------|
| Current assets: | | | | | | |
| Cash and cash equivalents | 267,484 | 11.0% | 263,577 | 11.1% | 251,174 | 10.4% |
| Financial assets | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Operating assets | 734,770 | 30.2% | 653,509 | 27.6% | 720,385 | 29.9% |
| Total current assets | 1,002,254 | 41.2% | 917,086 | 38.7% | 971,559 | 40.3% |
| Non-current assets: | | | | | | |
| Financial assets | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Intangible assets | 900,847 | 37.0% | 897,337 | 37.9% | 891,599 | 37.0% |
| Property, plant, equipment | 365,115 | 15.0% | 369,668 | 15.6% | 368,935 | 15.3% |
| Other assets | 166,809 | 6.9% | 186,229 | 7.9% | 176,382 | 7.3% |
| Total non-current assets | 1,432,771 | 58.8% | 1,453,234 | 61.3% | 1,436,916 | 59.7% |
| TOTAL ASSETS | 2,435,025 | 100.0% | 2,370,320 | 100.0% | 2,408,475 | 100.0% |
| Current liabilities: | | | | | | |
| Financial liabilities | 458,543 | 18.8% | 400,096 | 16.9% | 420,175 | 17.4% |
| Operating liabilities | 909,884 | 37.4% | 895,063 | 37.8% | 919,441 | 38.2% |
| Total current liabilities | 1,368,427 | 56.2% | 1,295,159 | 54.6% | 1,339,616 | 55.6% |
| Non-current liabilities: | | | | | | |
| Financial liabilities | 576,182 | 23.7% | 595,176 | 25.1% | 589,256 | 24.5% |
| Other non-current liabilities | 71,921 | 3.0% | 71,129 | 3.0% | 70,718 | 2.9% |
| Total non-current liabilities | 648,103 | 26.6% | 666,305 | 28.1% | 659,974 | 27.4% |
| TOTAL LIABILITIES | 2,016,530 | 82.8% | 1,961,464 | 82.8% | 1,999,590 | 83.0% |
| TOTAL SHAREHOLDERS' EQUITY | 418,495 | 17.2% | 408,856 | 17.2% | 408,885 | 17.0% |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 2,435,025 | 100.0% | 2,370,320 | 100.0% | 2,408,475 | 100.0% |

Immsi Group Consolidated Statement of Cash Flows

| | 30.06.2023 | 30.06.2022 |
|---|-----------------|-----------------|
| Operating assets | | |
| Profit before tax | 78,104 | 60,869 |
| Depreciation of tangible assets (including investment property) | 33,842 | 30,587 |
| Amortisation of intangible assets | 40,973 | 37,167 |
| Provision for risks, severance liabilities and similar obligations | 16,876 | 11,971 |
| Impairment losses / (Reversals of impairment losses to fair value) | 2,300 | 1,706 |
| Losses / (Gains) on the sale of tangible assets (including investment property) | (2,187) | (164) |
| Finance income | (1,654) | (825) |
| Finance costs | 31,582 | 19,465 |
| Amortisation of public grants | (3,080) | (3,144) |
| Share of pre-tax results of associates (and other equity-accounted companies) | (139) | 80 |
| Change in working capital: | | |
| (Increase) / Decrease in trade receivables and other receivables | (76,407) | (66,799) |
| (Increase) / Decrease in inventories | 2,973 | (98,725) |
| Increase / (Decrease) in trade payables and other payables | 2,447 | 148,839 |
| (Increase) / Decrease in contract work in progress | (82) | 2,469 |
| Increase / (Decrease) in provisions for risks | (6,704) | (9,427) |
| Increase / (Decrease) in provisions for severance liabilities and similar obligations | (6,324) | (6,463) |
| Other movements | (5,500) | (20,407) |
| Cash generated by operating activities | 107,020 | 107,199 |
| Interest expense paid | (26,411) | (16,568) |
| Tax paid | (13,389) | (12,586) |
| Cash flow relating to operating activities | 67,220 | 78,045 |
| Investing activities | | |
| Acquisition of subsidiaries, net of cash and cash equivalents | (158) | (3,552) |
| Investment in tangible assets (including investment property) | (25,834) | (28,397) |
| Sale price or redemption value of tangible assets (including investment property) | 2,483 | 697 |
| Investment in intangible assets | (45,091) | (39,269) |
| Sale price or redemption value of intangible assets | 43 | 24 |
| Purchase non-consolidated equity investments | 0 | (8) |
| Interest collected | 1,640 | 564 |
| Sale price of discontinued operations (*) | 0 | 15,535 |
| Public grants collected | 466 | 579 |
| Cash flow relating to investing activities | (66,451) | (53,827) |
| Financing activities | | |
| Loans received | 121,386 | 60,499 |
| Outflow for loan repayments | (80,080) | (101,842) |
| Reimbursement of rights of use | (5,111) | (5,602) |
| Outflow for dividends paid to Shareholders of the Parent | (13,281) | (10,216) |
| Outflow for dividends paid to Minority Shareholders | (17,528) | (11,547) |
| Cash flow relating to financing activities | 5,386 | (68,708) |
| Increase / (Decrease) in cash and cash equivalents | 6,155 | (44,490) |
| Opening balance | 263,513 | 290,361 |
| Exchange differences | (2,184) | 5,303 |
| Closing balance | 267,484 | 251,174 |