

GEFRAN S.p.A. BOARD APPROVES CONSOLIDATED RESULTS AT 31 March 2022

- Revenues of 45.3 million Euro (+21.1% over 31 March 2021)
- EBITDA positive by 8.6 million Euro (+30.7% over 31 March 2021)
- Net profit of 4.8 million Euro (+30.9% over 31 March 2021)
- Positive net financial position of 2.4 million Euro (positive by 3.3 million Euro on 31 December 2021)

Group income statement highlights

(Euro / 000)	31 March 2022		31 March 2021	
Revenues	45,301	100.0%	37,407	100.0%
EBITDA	8,636	19.1%	6,606	17.7%
EBIT	6,485	14.3%	4,575	12.2%
Profit (loss) before tax	6,670	14.7%	4,717	12.6%
Group net profit (loss)	4,843	10.7%	3,699	9.9%

Group statement of financial position highlights

(Euro / 000)	31 March 2022	31 December 2021
Invested capital from operations	88,679	82,278
Net working capital	39,531	31,160
Shareholders' equity	91,106	85,538
Net financial position	2,427	3,260

(Euro / 000)	31 March 2022	31 March 2021
Operating cash flow	839	6,864
Investments	1,369	1,057

Provaglio d'Iseo (BS), 12 May 2022 – The GEFran S.p.A. Board of Directors met today chaired by Maria Chiara Franceschetti to approve its financial statement at 31 March 2022.

Revenues in the first three months of 2022 amounted to 45.3 million Euro, compared to 37.4 million Euro in revenues in the same period in 2021, an increase of 7.9 million Euro (+21.1%), largely attributable to steadily growing sales.

The breakdown of revenues by **geographical region** reveals double-digit growth in almost all the areas served by the Group, particularly in Italy (+38.2%), Europe (+32.1% overall) and the Americas (+29.2%). The only one of the principal areas served to go against this trend is Asia, where sales shrank in the first quarter of 2022 as compared to the same period in 2021 (-7.6%). A new spike in the spread of Covid-19 in China contributed to this decline, with introduction of addition, even stricter restrictions and even new lockdowns in certain parts of the country, particularly Shanghai, where one of the Group's production facilities is located.

Added value at 31 March 2022 amounts to 29.4 million Euro, up 4.8 million Euro thanks to growth in revenues over the same period in 2021, only partially offset by increased raw materials costs causing a drop in the percentage of profit margins.

Higher sales volumes in the first three months of the year led to an increase in **other operating costs**, and particularly cost of external processing and utility costs, which together amount to 6.8 million Euro.

Personnel costs were also on the rise, amounting to 14 million Euro as of 31 March 2022, as compared to a figure of 12.4 million Euro for the first three months of 2021.

EBITDA in the first quarter of 2022 was positive by 8.6 million Euro (equal to 19.1% of revenues), 2 million Euro higher than on 31 March 2021 (when it was 6.6 million Euro, representing 17.7% of revenues). The increase in EBITDA is attributable to the increased revenues recorded in the period, only partially offset by greater ordinary operating costs.

The item **depreciation and amortisation** amounted to 2.1 million Euro in the first three months of 2022, in line with the same period of the previous year.

EBIT in the first quarter of 2022 was positive by 6.5 million Euro (14.3% of revenues), compared to an EBIT of 4.6 million Euro for the same period in 2021 (12.2% of revenues), an increase of 1.9 million Euro. The change is linked to the same dynamics described for EBITDA.

Income from financial assets/liabilities in the first three months of 2022 totalled 177 thousand Euro (137 thousand Euro in 2021). This item includes the positive balance of foreign currency transactions, equal to 265 thousand Euro (in the first three months of 2021 the balance was positive by 245 thousand Euro). In addition to this, the item includes financial charges linked with the Group's indebtedness, totalling 88 thousand Euro in the first quarter of 2022, down from the figure for the same quarter in the previous year, when it amounted to 116 thousand Euro.

The **Group net result** as of the close of the first quarter of 2022 was positive by 4.8 million Euro, an increase of 1.1 million Euro compared to the figure for the same period in 2021, 3.7 million Euro. As in the case of EBIT, the change is primarily a result of increased sales in the period.

Working capital was 27 million Euro at 31 March 2022, compared with 20.8 million Euro at 31 December 2021, an overall increase of 6.2 million Euro. The change in working capital may be attributed to increased inventory (+4 million Euro over the end of 2021) required to guarantee business continuity in plants in view of the current longer supply times and to dispatch customers' orders on time. Receivables from customers are also up (+4.4 million Euro) as a result of increased sales, and the net balance of other assets/liabilities (+2.2 million Euro) is higher due to an increase in other payables represented by current tax payables.

Shareholders' equity as of 31 March 2022 amounted to 91.1 million Euro, compared to 85.5 million Euro on 31 December 2021, up 5.6 million. The change is primarily a result of entry of the positive result of the period, as well as the impact generated by movements in the conversion reserve and the reserve for stocks at fair value.

Investments in the first three months of 2022 amounted to 1.4 million Euro, 0.4 million Euro higher than in the same period in 2021, and mainly related to investments made in production departments, in research and development, and in the buildings housing the Group's plants.

Net financial position at 31 March 2022 is positive by 2.4 million Euro, as compared to a positive figure of 3.3 million Euro for the end of 2021.

The change in net financial position is mainly due to the positive cash flow from typical operations (0.8 million Euro), partially mitigated by expenditure on technical investments in the first quarter of the year (1.4 million Euro) and by payment of interest, taxes and rental fees (totalling 0.5 million Euro).

Net financial position is positive and comprises short-term cash and cash equivalents totalling 18.9 million Euro, and medium/long-term debts of 16.5 million Euro.

Marcello Perini, Chief Executive Officer of the Gefran Group, comments: *“The company’s economic and financial results in the first quarter are excellent in every way. Our timeliness and efficiency have allowed us to address the difficulty obtaining supplies and take full advantage of demand that continues to be strong.*

The increase in raw material and energy costs has been effectively managed and absorbed also thanks to an increase in volumes. The level and quality of orders from the market reflect Gefran’s solid position as a technological partner in the process of digital transformation that many companies are now addressing.

Despite the current uncertainty and concern (problems obtaining supplies of materials, the impact of the Russia-Ukraine conflict on the world economy, and new lockdowns in China), we believe operations will evolve in a positive direction, with growth of revenues and maintenance of profit margins”.

Pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance, Marcello Perini, the executive in charge of financial reporting, declares that the information contained in this press release accurately represents the figures contained in the Group’s accounting records.

The Interim Financial Statement at 31 March 2022 is available at the company’s headquarters and may also be viewed in the “Investor relations/reports and financial statements” section of the company’s website (www.gefran.com), and via the “1 Info” distribution and storage system operated by Computershare S.p.A. (www.1info.it).

This press release contains some “alternative performance indicators” not included in the IFRS accounting principles, whose meaning and content, in line with recommendation ESMA/2015/1415 of 5 October 2015, are illustrated below.

Specifically, the alternative indicators used in the report on the income statement are:

- **Added value:** the direct margin resulting from revenues, including only direct material, gross of other production costs, such as personnel costs, services and other sundry costs;
- **EBITDA:** the operating result before depreciation, amortisation and impairment. The purpose of this indicator is to present the Group’s operating profitability before the main non-monetary items;
- **EBIT:** operating profit before financial management and taxes. The purpose of this indicator is to present the Group’s operating profitability.

Alternative indicators used in the report on the reclassified statement of financial position are:

- **Net non-current assets:** the algebraic sum of the following items in the statement of financial position:
 - Goodwill
 - Intangible assets
 - Property, plant, machinery and tools
 - Equity investments valued at equity
 - Equity investments in other companies

- Receivables and other non-current assets
- Deferred tax assets

- **Working capital:** the algebraic sum of the following items in the statement of financial position:
 - Inventories
 - Trade receivables
 - Trade payables
 - Other assets
 - Tax receivables
 - Current provisions
 - Tax payables
 - Other liabilities

- **Net invested capital:** the algebraic sum of fixed assets, operating capital and provisions;

- **Net financial position:** algebraic sum of the following items:
 - Medium/long-term financial payables
 - Short-term financial payables
 - Financial liabilities for derivatives
 - Financial assets for derivatives
 - Non-current financial investments
 - Cash and cash equivalents and short-term financial receivables

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*The **Gefran Group** directly serves the principal world markets with sales offices in Italy, France, Germany, Switzerland, the United Kingdom, Belgium, Turkey, the United States, Brazil, China, Singapore and India, as well as production plants in Germany, Switzerland, Brazil, the United States and China.*

*The **Gefran Group** currently has approximately 800 employees.*

*The key factors behind **Gefran's** success are specialist know-how, design and production flexibility, capacity for innovation and the quality of its processes and products. With total control of process technology and application know-how, **Gefran** creates instruments and integrated systems for specific applications in various industrial sectors, including plastics processing, food, pharmaceuticals, and packaging and die-casting machines.*

***Gefran**, which has been listed on the Italian Stock Exchange since 9 June 1998, became part of the STAR (high-requisite stock) segment in 2001 and has been listed in the ALL STAR class since 31 January 2005, which became Euronext STAR Milan (abbreviated as "STAR") on 25 October 2021.*

Attachments:

Consolidated Income Statement, Consolidated Results by Line of Business, Breakdown of Consolidated Income by Geographical Region, Consolidated Statement of Financial Position and Consolidated Cash Flow Statement.

Reclassified schedule of the consolidated Income Statement of the Gefran Group at 31 March 2022
(Not audited by independent auditors)

(Euro / 000)	Q1 2022	Q1 2021	Changes 2022-2021	
	Final balance	Final balance	Value	%
a Revenues	45,301	37,407	7,894	21.1%
b Increases for internal work	385	494	(109)	-22.1%
c Consumption of materials and products	16,247	13,250	2,997	22.6%
d Added value (a+b-c)	29,439	24,651	4,788	19.4%
and Other operating costs	6,814	5,673	1,141	20.1%
f Personnel costs	13,989	12,372	1,617	13.1%
g EBITDA (d-e-f)	8,636	6,606	2,030	30.7%
h Depreciation, amortisation and impairment	2,151	2,031	120	5.9%
i EBIT (g-h)	6,485	4,575	1,910	41.7%
l Gains (losses) from financial assets/liabilities	177	137	40	29.2%
m Gains (losses) from shareholdings valued at equity	8	5	3	60.0%
n Profit (loss) before tax (i±l±m)	6,670	4,717	1,953	41.4%
o Taxes	(1,827)	(1,018)	(809)	-79.5%
p Group net profit (loss)(n±o)	4,843	3,699	1,144	30.9%

Results by business of the Gefran Group at 31 March 2022
(Not audited by independent auditors)

(Euro / 000)	Q1 2022					Q1 2021				
	Revenues	EBITDA	% of revenues	EBIT	% of revenues	Revenues	EBITDA	% of revenues	EBIT	% of revenues
Sensors	22,818	7,362	32.3%	6,455	28.3%	18,001	5,289	29.4%	4,425	24.6%
Automation components	13,823	1,786	12.9%	1,071	7.7%	10,952	1,197	10.9%	515	4.7%
Motion Control	10,874	(512)	-4.7%	(1,041)	-9.6%	10,451	120	1.1%	(365)	-3.5%
Eliminations	(2,214)	-	n.s.	-	n.s.	(1,997)	-	n.s.	-	n.s.
Total	45,301	8,636	19.1%	6,485	14.3%	37,407	6,606	17.7%	4,575	12.2%

Revenues by geographical region of the Gefran Group at 31 March 2022
(Not audited by independent auditors)

(Euro / 000)	Q1 2022		Q1 2021		Changes 2022-2021	
	value	%	value	%	value	%
Italy	15,358	33.9%	11,115	29.7%	4,243	38.2%
European Union	11,383	25.1%	8,829	23.6%	2,554	28.9%
Non-EU Europe	2,027	4.5%	1,325	3.5%	702	53.0%
North America	4,908	10.8%	3,753	10.0%	1,155	30.8%
South America	1,345	3.0%	1,088	2.9%	257	23.6%
Asia	10,146	22.4%	10,981	29.4%	(835)	-7.6%
Rest of the World	134	0.3%	316	0.8%	(182)	-57.6%
Total	45,301	100%	37,407	100%	7,894	21.1%

Schedule of the Consolidated Statement of Financial Position of the Gefran Group at 31 March 2022
(Not audited by independent auditors)

(Euro / 000)	31 March 2022	31 December 2021
NON-CURRENT ASSETS		
Goodwill	5,946	5,894
Intangible assets	9,470	9,543
Property, plant, machinery and tools	43,860	44,034
of which related parties:	10	188
Usage rights	2,963	2,973
Shareholdings valued at equity	103	95
Equity investments in other companies	2,111	2,118
Receivables and other non-current assets	90	89
Deferred tax assets	4,282	4,279
Non-current financial investments for derivatives	143	-
Other non-current financial investments	58	67
TOTAL NON-CURRENT ASSETS	69,026	69,092
CURRENT ASSETS		
Inventories	32,094	28,039
Trade receivables	39,251	34,803
of which related parties:	62	68
Other receivables and assets	5,130	5,251
Current tax receivables	490	407
Cash and cash equivalents	32,290	35,723
TOTAL CURRENT ASSETS	109,255	104,223
TOTAL ASSETS	178,281	173,315
SHAREHOLDERS' EQUITY		
Share capital	14,400	14,400
Reserves	71,863	57,446
Profit/(loss) for the year	4,843	13,692
Total Group Shareholders' Equity	91,106	85,538
Shareholders' equity of minority interests	-	-
TOTAL SHAREHOLDERS' EQUITY	91,106	85,538
NON-CURRENT LIABILITIES		
Non-current financial payables	14,799	16,483
Non-current financial payables for IFRS 16 leases	1,923	1,258
Non-current financial liabilities for derivatives	-	88
Employee benefits	4,029	4,008
Non-current provisions	572	1,035
Deferred tax provisions	955	916
TOTAL NON-CURRENT LIABILITIES	22,278	23,788
CURRENT LIABILITIES		
Current financial payables	12,266	12,952
Current financial payables for IFRS 16 leases	1,076	1,749
Trade payables	31,814	31,682
of which related parties:	82	102
Current provisions	1,637	1,625
Current tax payables	4,545	2,789
Other payables and liabilities	13,559	13,192
TOTAL CURRENT LIABILITIES	64,897	63,989
TOTAL LIABILITIES	87,175	87,777
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	178,281	173,315

Reclassified Schedule of the Consolidated Cash Flow Statement of the Gefran Group at 31 March 2022
(Not audited by independent auditors)

(Euro / 000)	31 March 2022	31 March 2021
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	35,723	41,943
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD		
Net profit (loss) for the period	4,843	3,699
Depreciation, amortisation and impairment	2,151	2,031
Provisions (Releases)	752	603
Net result from financial operations	(185)	(142)
Taxes	1,854	927
Change in provisions for risks and future liabilities	(699)	(284)
Change in other assets and liabilities	453	(112)
Change in deferred taxes	(30)	92
Change in trade receivables	(4,322)	(1,292)
of which related parties:	6	4
Change in inventories	(4,054)	(2,300)
Change in trade payables	76	3,642
of which related parties:	(20)	(152)
TOTAL	839	6,864
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES		
Investments in:		
- Property, plant & equipment and intangible assets	(1,369)	(1,057)
of which related parties:	(10)	-
- Financial receivables	(1)	2
Disposal of non-current assets	10	4
TOTAL	(1,360)	(1,051)
D) FREE CASH FLOW (B+C)	(521)	5,813
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES		
Repayment of financial payables	(2,397)	(2,050)
Increase (decrease) in current financial payables	-	2
Outgoing cash flow due to IFRS 16	(321)	(307)
Taxes paid	(97)	(86)
Interest paid	(120)	(257)
Interest received	9	17
TOTAL	(2,926)	(2,681)
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(3,447)	3,132
G) Exchange rate translation differences on cash at hand	14	482
H) NET CHANGE IN CASH AT HAND (F+G)	(3,433)	3,614
I) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+H)	32,290	45,557