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Oggetto : Tesmec S.p.A. - The BoD approved draft
Financial Statement at 31.12.2021 and
Consolidated Financial Statement
31.12.2021

Testo del comunicato

Vedi allegato.



TESMEC S.P.A.: THE BOARD OF DIRECTORS APPROVED THE FINANCIAL STATEMENTS AND THE 2021 CONSOLIDATED FINANCIAL STATEMENTS, THAT RECORDED AN IMPROVEMENT OF THE OF THE MAIN ECONOMIC RESULTS FOR THE PERIOD COMPARED TO 2020 AND AN INCREASE IN NET FINANCIAL POSITION.

Main consolidated results of 2021:

- **Revenues: Euro 194.3 million** with an increase compared to €170.6 million as at 31 December 2020;
- **EBITDA¹: Euro 28.1 million** with an increase compared to Euro 21.0 million as at 31 December 2020.
- **EBIT: Euro 5.7 million** with an improvement compared to a negative value of 0.9 million euro at 31 December 2020;
- **Net result: Euro 1.2 million** with an increase compared to a negative net result of 6.8 million euros as at 31 December 2020;
- **Net financial indebtedness²: Euro 121.0 million** compared to € 104.4 million at 31 December 2020;
- **Total order backlog: Euro 284.2 million** with an increase both with respect to the 262.6 million euros as at 30 September 2021, and with respect to the 282.4 million euros as at 31 December 2020;
- **Sustainability:** in line with the provisions of Regulation (EU) 2020/852 so-called Taxonomy Regulation, Tesmec disclose the share of "taxonomy-eligible" revenues, capital expenditure (Capex) and operating expenses (Opex) ³: around 46% Revenues, 30% Capex, 38% Opex are eligible under the Taxonomy and contribute to the first objective identified by the European Commission, namely the mitigation of climate change. The Group's Sustainability Policy has been approved in accordance with the guidelines of the Sustainability Plan which will drive investments for the next few years.

Other resolutions:

- **The Board of Directors approved the Consolidated Disclosure of non-financial information for 2021 in accordance with Italian Legislative Decree no. 254/2016.**
- **The Shareholders' Meeting was convened on 21 April 2021 in virtual mode.**

¹ The EBITDA is represented by the operating income gross of amortization/depreciation. The EBITDA thus defined represents a measurement used by Company management to monitor and assess the company's operating performance. EBITDA is not recognized as a measure of performance by the IFRS and therefore is not to be considered an alternative measurement for assessing the performance of the Group's operating income. As the composition of EBITDA is not governed by the reference accounting standards, the criterion for determination applied by the Group may not be in line with the criterion adopted by others and is therefore not comparable.

² The net financial indebtedness is calculated as the sum of cash and cash equivalents, current financial assets including available-for-sale securities, current and non-current financial liabilities, including leasing liabilities, fair value of hedging instruments and excluding non-current trade and other payables.

³ The share of "taxonomy-eligible" revenues, capital expenditure (Capex) and operating expenses (Opex) in line with the provisions of Regulation (EU) 2020/852 is out of scope of the limited assurance engagement on the Consolidated Non-Financial Statements of the engaged auditor.



Grassobbio (Bergamo - Italy), 11 March 2022 – The Board of Directors of **Tesmec S.p.A.** (EURONEXT STAR MILAN STAR: TES) (“**Tesmec**” or the “**Company**”), at the head of a group leader in the market of technologies for infrastructures (overhead, underground and railway networks) related to the transport of energy, data and materials (oil and derivatives, gas and water), and of technologies in surface mining, convened today and chaired by Ambrogio Caccia Dominioni, examined and approved the **Financial Statements and the Consolidated Financial Statements as at 31 December 2021**, with revenues and margins improving compared to 2020, thanks to the performance of the Energy and Rail sectors that compensated the temporary slowdown in the activities of the Trencher sector, the most one affected by criticality generated by exogenous factors linked to material supply, deliveries and exponential growth in the cost of electricity and raw materials; as well as the sudden worsening of emergency status from Covid-19. Net financial debt is affected by the change in net working capital resulting from orders to be processed, mainly in the Trencher sector, the delay in invoicing in the Trencher Sector and the slowdown in activities related to some contracts in the Railway sector.

The **Chairman and CEO Ambrogio Caccia Dominioni** commented as follows: *“2021 was characterized by a still uncertain macroeconomic context, with the impact of the fourth wave of the pandemic at the end of the year. The results recorded in 2021 are improving compared to those of 2020 but are not yet aligned with the Group's targets. Despite the critical political scenario, further aggravated by the Ukrainian-Russian conflict and further increases in energy prices, and the difficulties of the period related to delays in the supply chain, we are confident about the respect of the guidelines of the Business Plan. The Energy Automation and Railway businesses are, in fact, recording positive performances, the Stringing is recovering his past marginality, while the activities related to the Trencher sector will be normalized during the 2022 financial year. We also confirm the focus on the businesses that generate recurring revenues, less sensitive to changes in the period. The growing attention of the Group towards ESG topics is increasingly strategic and recognized by the market and its stakeholders. The sustainability path undertaken aims at a sustainable approach in all our businesses. The main 2021 KPIs were analysed according to the "European Taxonomy" and in the next few years our goal will be to give further priority to investments with a high sustainable impact, especially in key sectors linked to the opportunities arising from the Recovery and Resilience Plan - PNRR (Piano Nazionale di Ripresa e Resilienza).”*

MAIN CONSOLIDATED RESULTS AS AT 31 DECEMBER 2021

Tesmec Group **revenues** amounted to **Euro 194.3 million** as at **31 December 2021**, with an increase compared to Euro 170.6 million as at 31 December 2020. This variation is mainly due to the growth of the Railway and Energy sectors in line with the expected growth targets, while the Trencher sector, albeit growing, has suffered from delays on the American and Australian market and the exogenous criticalities. In particular, as at 31 December 2021, revenues from sales of products and changes in work in progress amounted to Euro 141.2 million, with an increase compared to Euro 131.7 million as at 31 December 2020, and revenues from services of Euro 53.1 million, with an increase compared to Euro 39.0 million at 31 December 2020.



Results at 31 December (Euro in thousands)	Revenues from sales and services		
	2021	2020	Delta 21 vs 20
Trencher	110,283	100,444	9.8%
<i>Effect on Consolidated Revenues</i>	<i>56.8%</i>	<i>58.9%</i>	
Ferrovionario	32,885	26,399	24.6%
<i>Effect on Consolidated Revenues</i>	<i>16.9%</i>	<i>15.5%</i>	
Energy	51,118	43,812	16.7%
<i>Effect on Consolidated Revenues</i>	<i>26.3%</i>	<i>25.7%</i>	
Consolidato	194,296	170,655	13.8%

In detail, the revenues of the **Trencher sector** as at 31 December 2021 amounted to **Euro 110.3 million** compared to Euro 100.4 million as at December 2020. This performance, albeit with an improvement compared to 2020, impacted by the delays in the supply chain and performance in the USA and in Australia, whose recovery was further delayed by the exacerbation of the spread of the pandemic during the last quarter. As at 31 December 2021, the Trencher segment's order backlog was Euro 75.4 million (compared to Euro 84.6 million at 31 December 2020) but with a strong acceleration in the collection of orders in the first months of the year 2022.

The **Railway sector** recorder **Revenues** as at 31 December 2021 of **Euro 32.9 million**, with an increase compared to Euro 26.4 million as at 31 December 2020. This sector was less affected in the previous year by the lock down period and over the period has launched higher value-added projects related to diagnostic products and energy transition. In the rail sector, the confirmed order backlog amounted to Euro 109.9 million at 31 December 2021 (compared to Euro 121.6 million at 31 December 2020).

With reference to the **Energy sector**, **Revenues** as at 31 December 2021 were **Euro 51.1 million**, with an increase compared to Euro 43.8 million as at 30 September 2020. In particular, the Stringing segment recorded revenues of Euro 34.1 million, with an increase compared to Euro 30.3 million as at 31 December 2020, while the Energy Automation segment recorded revenues of Euro 17.0 million, with an increase compared to Euro 13.5 million as at 31 December 2020. The commercial activities recorded a strong acceleration and in fact the order backlog amounted to Euro 98.9 million (compared to Euro 76.2 million at 31 December 2020), of which Euro 80.7 million in the Energy Automation segment. For the next months the Group expects a strong growth trend in the Energy sector, driven by the energy transition process that is involving the countries in which Tesmec operates.

In geographic terms, Tesmec Group recorded a better contribution of sales in Italy that offset the slowdown of the American and Australian market and a different contribution of the European market. It also underlines the recovery in the Middle East for which the Group expects significant growth in the current year.

The **EBITDA** amounted to **Euro 28.1 million**, with an increase compared to the Euro 21.0 million as at 31 December 2020. This result is mainly attributable to the performance of the Business developed in recent



years, the Energy and Rail sectors, which partially offset the difficulties of the Trencher sector most affected by the current situation. The profitability of the period is also conditioned by the change in the energy component recorded in the last quarter of the year and by the changes in the prices of materials and components that has been affecting the price list for the sale of products and services, but not yet for supply contracts to medium / long term, for which negotiations are underway with the relative contracted stations.

The **EBIT** of Tesmec Group amounted to **Euro 5.7 million**, with an increase compared to the negative result of Euro 0.9 million at 31 December 2020. This value is mainly related to changes that affect the EBITDA and the depreciation component related to the Trencher fleet.

The **Net Financial Expenses** of the Tesmec Group were **Euro 3.0 million** as at 31 December 2021, compared to Euro 8.2 million as at 31 December 2020. This change is attributable to foreign exchange gains of approximately Euro 3.2 million, mainly unrealized, which improved compared to the trend of the reference period, with a contrary and positive performance of the US dollar, partially offset by the write-down of financial items equal to approximately 1.2 million euros.

The **Net result** as at 31 December 2021 was **Euro 1.2 million**, with a strong increase compared to negative Euro 6.8 million as at 31 December 2020.

The **Net financial indebtedness** was **Euro 121.0 million** as at 31 December 2021, compared to Euro 104.1 million as at 31 December 2020. The change compared to the end of the 2020 financial period is mainly related to the increase in operating working capital, particularly in the inventory item, which grew to meet tensions in the supplies and rental market, as well as the delay in delivery of finished goods. The net financial indebtedness included Euro 24.5 million of financial liabilities relating to rights of use (IFRS 16), mainly related to the Grassobbio premises and to the Trencher rental fleet.

The **Total Order Backlog** of the Tesmec Group as at 31 December 2021 amounted to **Euro 284.2 million – Euro 109.9 million** of which referring to the **Railway segment, Euro 75.4 million** to the **Trencher segment** and **Euro 98.9 million** to the **Energy segment** – with an increase both compared to Euro 262.6 million as at 30 September 2021, and Euro 282.4 million as at 31 December 2020. The order backlog confirms the strong presence of the Group in strategic sectors with high potential related to the energy, digital and green transition processes driven by the Recovery Plans introduced by the Governments of the countries in which Tesmec operates. Summary of financial data are reported below:

(Euro Milion)	Balance	Balance
	2020	2021
Revenues	170.6	194.3
Ebitda	21.0	28.2
<i>Ebitda Margin</i>	<i>12.3%</i>	<i>14.5%</i>
Ebit	-0.9	5.7
Net result	-6.8	1.2
Net financial indebtedness	104.4	121.0



BUSINESS OUTLOOK

The first months of 2022 are being characterized by the persistence of the criticalities in the supply chain, freights and energy markets. The break out of a conflict between Russia and Ukraine caused further tensions and uncertainties in the markets, raising the increase of energy and raw materials. The Group, despite the high grade of uncertainties in the global context and in the supply chain of goods and services, confirms its guidelines for the 2020-2023 Plan, also corroborated by the status of activities of the first quarter, and will disclose the 2022 Outlook in May, concurrently with the disclosure of the first quarter results.

Tesmec is active in sectors that will benefit from new investments and development policies aimed at strengthening the key infrastructures of main countries: the Group's business is concentrated in strategic sectors that are extremely lively and have significant growth prospects. Huge investments are planned in the Trencher segment to strengthen and digitalize telecommunications networks, in addition to strong development in the mining sector. The Rail segment is benefiting from a significant increase in investments to reduce traffic congestion of road vehicles and increase sustainable mobility, as well as for the maintenance of lines with the aim of ensuring the safety of rail transport. In the Energy segment, the transition to renewable energy sources is confirmed, with consequent updated of the power grids due to this trend.

With regard to the emerging uncertainties of operations in Russia, Tesmec developed, over the last years, its commercial presence and offering of services through a local subsidiary. The Group invested and developed specific solutions and technologies for that environment but with a limited contribution to the consolidated turnover in the last period (approx. 2%). Nevertheless, Tesmec management is constantly monitoring the situation in order to make evaluations in full respect of international and European rules and estimates possible effects in the short period, related to currency trends and to the completion of orders in progress, however without significant impacts on the Group results for 2022 or on the guidelines for the 2020-2023 Plan.

SUSTAINABILITY

At today's meeting, the Board of Directors of Tesmec also approved the 2021 Consolidated Non-Financial Declaration pursuant to D. Lgs. 254/2016.

Tesmec strategy is focused on integrating ESG principles into its growth path. In line with the Sustainable Development Goals (SDGs) of the United Nations and the priorities identified in the sustainability plan, the Group aims to increase the share of green & digital technological solutions, paying particular attention to climate issues.

In line with the provisions of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework that promotes sustainable investments and amending Regulation (EU) 2019/2088, so-called Taxonomy Regulation, Tesmec, in the Consolidated Non-Financial Statement disclose the share of "taxonomy-eligible" revenues, capital expenditures (Capex) and operating expenses (Opex) that means those sustainable activities, which are included in the list of activities listed in the Delegated Acts of the Taxonomy.



The Group considers that its economic activities contribute to the first objective identified by the European Commission, namely that of climate change mitigation. Economic activities considered are "3.1. Manufacture of renewable energy technologies", "3.3. Manufacture of low carbon technologies for transport" and "Manufacture of other low carbon technologies" of Annex I of the Regulation.

In detail, around 46% Revenues, 30% Capex, 38% Opex are eligible under the Taxonomy.

2021 is the first year of application of the European Taxonomy, with reference to the information obligations concerning non-financial companies required to draw up the Non-Financial Statement. For this reason, the above findings are based on currently available information, which may be subject to future revisions also based on the evolution of current legislation. For more information, please refer to the dedicated paragraph of the Consolidated Non-Financial Statement which will be published in accordance with the law.

The Board of Directors approved the sustainability Policy that defines the principles that drive Tesmec Group in contributing to the development of a responsible business from an economic, social and environmental point of view along the entire value chain, in order to create positive impacts and minimize negative ones, generate value both for the company and for all stakeholders.

COVID-19

During the first nine months of the year, the COVID-19 pandemic did not prevent the Group from continuing its operations, albeit within a context of elevated uncertainty that impacted the order collection, which was in any case high. The potential introduction of additional forms of restrictions to cope with the further spread of COVID-19 cannot lead to the Group excluding the possibility of a very short-term slowdown, without, however, affecting the overall forecasts for the 2020-2023 Business Plan in the medium to long term. In fact, the short-term objectives and the Plan are based on the assumption that the pandemic situation does not entail the adoption of new restrictive measures similar to those imposed in the first part of 2020 and a significant worsening of the international macroeconomic scenario.

SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY TESMEC S.P.A.

The Parent Company Tesmec S.p.A. closed the fiscal year 2021 with Net revenues of Euro 91.1 million, compared to Euro 88.8 million as at 31 December 2020.

In the 2021 fiscal year, the EBITDA of Tesmec S.p.A. amounted to around Euro 6.0 million compared to Euro 9.3 million as at 31 December 2020.

The result has been impacted by delays in the recovery of the Trencher segment, by the increase of energy costs in the last quarter of the year, by the increase in the costs of components and materials, whose recharge on sales price list has not been fully implemented during the year, and to the depreciation of certain receivables.

The Net Result of the Parent Company as at 31 December 2021 amounted to negative Euro 0.8 million, compared to negative Euro 0.4 million as at 31 December 2020.



The net financial indebtedness of the Parent Company as at 31 December 2021 amounted to Euro 45.5 million compared to Euro 38.9 million as at 31 December 2020.

MAIN EVENTS OCCURRING DURING THE PERIOD UNDER REVIEW

On **9 November 2021** the parent company Tesmec S.p.A. presented in Gandino, near Bergamo, a pilot project on connectivity and evolved digitalization for a smart city model, with the start of the installation works of an ultra-broadband fiber optic network with up to at 10 Gbps between the Planetel fiber optic network node in Leffe and the industrial area including the historic company Torri Lana S.r.l..

On **12 November 2021** Tesmec S.p.A. celebrated the 70th anniversary of its foundation also in Monopoli, with a two-days of in-depth studies on technologies for a safe, efficient and sustainable railway infrastructure.

On **20 December 2021** Tesmec S.p.A. announced the award, through the subsidiary Tesmec Rail, of two important international contracts in the railway sector, in the Czech Republic and in Israel.

MAIN EVENTS OCCURRING AFTER THE PERIOD UNDER REVIEW

On **24 February 2022**, with the beginning of the Russian-Ukrainian conflict, Tesmec activated all the necessary actions in order to mitigate the impact of this conflict and slowed down its activities on Russian territory. Over the years, the Group has developed a commercial presence and service offering through a local entity, investing and developing specific solutions and technologies for the area but with a limited contribution to the consolidated turnover in the last period (around 2%). The Tesmec Management team is constantly monitoring the situation in order to be able to carry out assessments in full compliance with EU and international rules.

Treasury shares

At the time of this press release, the Company holds 4,711,879 treasury shares, equal to 0.777% of the Share Capital. The amount is unchanged compared to 31 December 2020.

Other resolutions

The Board of Directors of Tesmec S.p.A. approved the Report on Corporate Governance and Ownership Structures and made the periodic review of the independence requirements of the members of the Board of Directors, deeming that there were no changes in the situation already announced to the market.

Then the Board of Directors approved the remuneration policy of the directors and executives with strategic responsibilities and the annual Report on Remuneration that will be submitted to the Shareholders.



In today's session, the Tesmec Board of Directors also approved the board regulations and the policy for managing the dialogue with the generality of shareholders and assessed the adequacy of the size, composition and functioning of the Board.

Finally, the Board of Directors decided to convene the Ordinary Shareholders' Meeting of the Company on 22 April 2021, at 10:30 am, in single call.

The shareholders are convened to discuss and deliberate on the following:

- 1. Approval of the financial statements as at 31 December 2021 and presentation of the Tesmec Group's consolidated financial statements and relevant reports, including the consolidated non-financial statement; allocation of result for the period; related and consequent resolutions.**
 - 1.1 Approval of the financial statements as at 31 December 2021 and the Board of Directors' report on operations;**
 - 1.2 Allocation of profit or loss for the period.**
- 2 Resolutions regarding the report on the policy of remuneration and compensation paid pursuant to Article 123-ter of Legislative Decree 58/1998 and Article 84-quater of CONSOB Regulation no. 11971/1999; related and consequent resolutions.**
 - 2.1 Binding vote on the remuneration policy relating to 2022 illustrated in the first section of the report;**
 - 2.2 Consultation on the second section of the report regarding the fees paid in 2021 or relating to them.**
- 3. Proposal of authorisation to purchase and dispose of treasury shares, subject to the withdrawal of the resolution passed by the Shareholder's Meeting of 22 April 2021; related and consequent resolutions.**
- 4. Appointment of the Board of Directors; related and consequent resolutions;**
 - 4.1 determination of the number of members of the Board of Directors;**
 - 4.2 determination of their term in office;**
 - 4.3 appointment of the Board of Directors;**
 - 4.4 appointment of the Chairperson of the Board of Directors;**
 - 4.5 determination of Directors' compensation;**
- 5. Appointment of the Board of Statutory Auditors; related and consequent resolutions;**
 - 5.1 appointment of three standing auditors and two alternate Auditors;**
 - 5.2 appointment of the Chairperson of the Board of Statutory Auditors;**
 - 5.3 determination of the compensation of the Board of Statutory Auditors;**

The documents relating to the Shareholders' Meeting will be available to the public through the system eMarket-Storage, at www.emarketstorage.com, through publication on the website of Borsa Italiana S.p.A. and the website www.tesmec.com. The call of the Shareholders' ordinary meeting will be at Studio Notarile



SNPZ Notai a Milano, in Piazza della Repubblica 28, on 21 April 2022, at 10:30 a.m., in single call. The following documents are also available to the public at Tesmec S.p.A. operating office, in Grassobbio (BG) - Via Zanica 17/O, through the system eMarket-Storage, at www.emarketstorage.com, through publication on the website of Borsa Italiana S.p.A. and the website www.tesmec.com: Directors' report on the draft resolutions submitted to the Shareholders Meeting and the Proxy Forms.

Conference Call

At 3:00 PM (CET) – 2:00 PM BST, Friday 11 March 2022, Ambrogio Caccia Dominioni, Chairman and CEO of Tesmec S.p.A., and the Top Management of the Company will present the consolidated results for the year 2021 to the financial community during a conference call.

To participate, you are kindly requested to call this number:

from Italy: +39 02 805 88 11
from UK: +44 121 281 8003
from Germany: +49 69 255 11 4451
from France: +33 170918703
from Switzerland: +41 225954727
from USA: +1 718 7058794

The manager responsible for the preparation of the corporate accounting documents, Marco Paredi, declares, pursuant to article 154-bis, paragraph 2, of Legislative Decree No. 58/1998 ("Consolidated Law on Finance") that the information contained in this press release corresponds to the document results, books and accounting records.

Note that in this press release, in addition to financial indicators required by IFRS, there are also some alternative performance indicators (e.g. EBITDA) in order to allow a better understanding of the economic and financial management. These indicators are calculated according to the usual market practice.

The financial statements and the consolidated financial statements as at 31 December 2019 will be available to the public at the administrative office, in Grassobbio (Bergamo) Italy, Via Zanica n. 17/O, through the system eMarket-Storage, at www.emarketstorage.com, through publication on the company website www.tesmec.com, according to law.

For further information:

Tesmec S.p.A.

Marco Paredi
Investor Relations Manager
Tel: +39 035 4232840 – Fax: +39 035 3844606
E-mail: ir@tesmec.com

Image Building - Media Relations

Alfredo Mele, Carlo Musa
Tel: +39 02 89011300
E-mail: tesmec@imagebuilding.it



The press release to analysts and investors is available in the Investors section of the website:
<http://investor.tesmec.com/it/Investors/PressReleases>.

Tesmec Group

Tesmec Group is active in the design, production and marketing of systems and integrated solutions for the construction, maintenance and diagnostics of infrastructures (overhead, underground and railway networks) for the transport of energy, data and materials (oil and derivatives, gas and water), as well as technologies for quarries and surface mining. The Group operates in the following sectors: - **Energy**. Tesmec Group designs, manufactures and markets machines and integrated systems for the construction and maintenance of overhead and underground power lines, fibre optic networks (Stringing segment), as well as advanced equipment and systems for the automation, efficiency, management and monitoring of high, medium and low voltage electrical networks and substations (Energy Automation Segment); - **Trencher**. Tesmec Group carries out the design, production, sale and rental of trencher machines functional to four types of activities (excavation and mines, excavations for the installation of pipelines, for the construction of telecommunication and optical fibre infrastructures, excavations for the construction of underground power networks), as well as the provision of specialized excavation services. The trencher machines are rented by the Group both with the operator (hot rental or wet rental) and without the operator (cold rental or dry rental); - **Railway**. The Group designs, manufactures and markets machines and integrated systems for the installation and maintenance of the railway catenary, devices for the diagnostics of the railway catenary and track, as well as customized machines for special operations on the line.

Born in Italy in 1951 and led by the Chairman and CEO Ambrogio Caccia Dominioni, the Group counts on more than 900 employees and has its production sites in Grassobbio (Bergamo), Endine Gaiano (Bergamo), Sirone (Lecco), Monopoli (Bari) and Bitetto (Bari) in Italy, Alvarado (Texas) in the USA and Durtal in France. It relies on three research and development units in Fidenza (Parma), Padua and Patrica (Frosinone). Listed on the EURO NEXT STAR segment of the MTA Market of the Italian Stock Exchange, the Group boasts a global commercial presence through foreign subsidiaries and sales offices in the USA, in South Africa, West Africa, Australia, New Zealand, Russia, Qatar and China.

In its development strategy, the Group intends to consolidate its position as a solution provider in the three abovementioned business areas, by exploiting the trends of energy transition, digitalization, and sustainability.

Below are the reclassified statements of balance sheet, income statement, statement of cash flows and the prospectus of sources and uses of the Tesmec Group and Tesmec S.p.A. as at 31 December 2021.



Tesmec Group reclassified consolidated income statements

<i>(€ in thousands)</i>	As at 31 December	
	2021	2020
Revenues	194,286	170,665
Total operating costs	(188,599)	(171,518)
Operating Income	5,687	(863)
Financial (income) / expenses	(6,187)	(4,688)
Foreign exchange gains/losses	3,227	(3,616)
Share of profit / (loss) of associates and joint ventures	(25)	129
Income before tax	(2,702)	(9,038)
Net income for the period	1,209	(6,811)
EBITDA	28,134	20,979
EBITDA (% on revenues)	14.5%	12.3%

**Tesmec Group reclassified consolidated statements of financial position**

<i>(€ in thousands)</i>	31 December 2021	31 December 2020
Non-current assets	127,377	122,475
Current assets	230,755	240,474
Total assets	358,132	362,949
Non-current liabilities	133,499	110,468
Current liabilities	151,991	183,033
Total liabilities	285,490	293,501
Equity	72,642	69,448
Total equity and liabilities	358,132	362,949



Tesmec Group other consolidated financial information

<i>(€ in thousands)</i>	As at 31 December	
	2021	2020
Net cash provided/(used) by operating activities (A)	9,081	20,578
Net cash provided/(used) by investing activities (B)	(28,695)	(32,424)
Net cash provided/(used) by financing activities (C)	(1,084)	64,731
Increase / (decrease) in cash and cash equivalents (D=A+B+C)	(20,698)	52,885
Cash and cash equivalents at the beginning of the period (F)	70,426	17,935
Net effect of conversion of foreign currency on cash and cash equivalents E)	461	(394)
Total cash and cash equivalents at end of the period (G=D+E+F)	50,189	70,426



Tesmec Group other consolidated financial information

(€ in thousands)	<u>As at 31 December 2021</u>	<u>As at 31 December 2020</u>
Net working capital ⁴	77,802	64,256
Non current assets	102,946	99,530
Other Non current assets and liabilities	12,906	10,032
Net invested capital ⁵	<u>193,654</u>	<u>173,818</u>
Net financial indebtedness ⁶	121,012	104,370
Equity	72,642	69,448
Total equity and net financial indebtedness	<u>193,654</u>	<u>173,818</u>

⁴ The net working capital is calculated as current assets net of current liabilities excluding financial assets and financial liabilities. Net working capital is not recognized as a measure of performance by the IFRS. The valuation criteria applied by the Company may not necessarily be the same as those adopted by other groups and therefore the balance obtained by the Company may not necessarily be comparable therewith.

⁵ The net invested capital is calculated as net working capital plus fixed assets and other non-current assets less non-current liabilities. The net invested capital is not recognized as a measure of performance under IFRS. The valuation criteria applied by the Company may not necessarily be the same as those adopted by other groups and therefore the balance obtained by the Company may not necessarily be comparable therewith.

⁶ The net financial indebtedness is calculated as the sum of cash and cash equivalents, current financial assets including available-for-sale securities, non-current financial liabilities, fair value of hedging instruments and other non-current financial assets.



Reclassified income statement of the Parent Company Tesmec S.p.A.

Income statement

(€ in thousands)	As at 31 December	
	2021	2020
Revenues from sales and services	91,110	88,818
Total operating costs	(91,519)	(85,746)
Operating income	(409)	3,072
Net financial income/(expenses)	(568)	(4,145)
Pre-tax profit	(977)	(1,073)
Net profit for the period	(752)	(455)
EBITDA	6,001	9,312
EBITDA (% on revenues)	6.6%	10.5%

**Reclassified balance sheet of the Parent Company Tesmec S.p.A.**

Balance sheet		
(€ in thousands)	31 December 2021	31 December 2020
Total non-current assets	107,325	105,437
Total current assets	161,331	172,580
Total assets	268,656	278,017
Total non-current liabilities	94,335	78,886
Total current liabilities	86,347	110,428
Total liabilities	180,682	189,314
Total shareholders' equity	87,974	88,703
Total shareholders' equity and liabilities	268,656	278,017



Reclassified consolidated cash flow statement of the Parent Company Tesmec S.p.A.

Summary of the cash flow statement

(€ in thousands)	As at 31 December	
	2021	2020
Net cash flow generated by (used in) operating activities (A)	(138)	10,363
Net cash flow generated by (used in) investing activities (B)	(19,815)	(16,382)
Net cash flow generated by financing activities (C)	8,933	51,257
Total cash flow for the period (D=A+B+C)	(28,886)	45,238
Cash and cash equivalents at the beginning of the period (F)	49,887	4,649
Effect of exchange-rate changes on cash and cash equivalents (E)	-	-
Cash and cash equivalents at the end of the period (G=D+E+F)	21,001	49,887



Statement of Funding Sources and Uses of the Parent Company Tesmec S.p.A

Funding Sources and Uses

(€ in thousands)	<u>As at 31 December 2021</u>	<u>As at 31 December 2020</u>
Net working capital ⁷	31,107	25,709
Fixed assets	98,072	96,798
Other long-term assets and liabilities	4,340	5,160
Net invested capital ⁸	<u>133,519</u>	<u>127,667</u>
Net financial indebtedness ⁹	45,546	38,964
Shareholders' equity	87,973	88,703
Total sources of funding	<u>133,519</u>	<u>127,667</u>

⁷ The net working capital is calculated as current assets net of current liabilities excluding financial assets and financial liabilities. Net working capital is not recognized as a measure of performance by the IFRS. The valuation criteria applied by the Company may not necessarily be the same as those adopted by other groups and therefore the balance obtained by the Company may not necessarily be comparable therewith.

⁸ The net invested capital is calculated as net working capital plus fixed assets and other non-current assets less non-current liabilities. The net invested capital is not recognized as a measure of performance under IFRS. The valuation criteria applied by the Company may not necessarily be the same as those adopted by other groups and therefore the balance obtained by the Company may not necessarily be comparable therewith.

⁹ The net financial indebtedness is calculated as the sum of cash and cash equivalents, current financial assets including available-for-sale securities, non-current financial liabilities, fair value of hedging instruments and other non-current financial assets.

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