Immsi
Società per Azioni

Share capital €178,464,000 fully paid up
Registered office: Piazza Vilfredo Pareto, 3 – 46100 Mantova
Mantova Register of Companies – Tax code and VAT registration number 07918540019

Interim Report on Operations 31 March 2021

This Interim Financial Report as of 31March 2021 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.

Immsi

Contents:

This document was approved by the Board of Directors of Immsi S.p.A. on 14 May 2021
and is available to the public at the Company's registered office,
in the authorised 'eMarket STORAGE' system available at www.emarketstorage.com
and on the Issuer's website www.immsi.it (section: "Investors/Financial reports/2021")

COMPANY BOARDS

The Board of Directors and the Board of Statutory Auditors of Immsi S.p.A. were appointed by shareholders' resolution of 30 April 2021 and will remain in office until the date the Shareholders' Meeting is convened to approve the financial statements for the year ending 31 December 2023.

BOARD OF DIRECTORS

Roberto Colaninno	***Chairman***
Daniele Discepolo	***Deputy Chairman***
Michele Colaninno	***Chief Executive Officer***
Matteo Colaninno	***Director***
Ruggero Magnoni	***Director***
Gianpiero Succi	***Director***
Patrizia De Pasquale	***Director***
Paola Mignani	***Director***
Alessandra Simonotto	***Director***
Giulia Molteni	***Director***
Rosanna Ricci	***Director***
Piercarlo Rossi	***Director***

BOARD OF STATUTORY AUDITORS

Antonella Giachetti	***Chairman***
Alessandro Lai	***Statutory Auditor***
Giovanni Barbara	***Statutory Auditor***
Gianmarco Losi	***Alternate Auditor***
Filippo Dami	***Alternate Auditor***

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.	***2021 - 2029***

GENERAL MANAGER

Michele Colaninno

In accordance with the principles of Corporate Governance recommended by the Corporate Governance Code (January 2020 version), and pursuant to Legislative Decree 231/01, the Board of Directors has established the following bodies:

RISK AND SUSTAINABILITY COMMITTEE

Daniele Discepolo	***Chairman***
Paola Mignani	
Rosanna Ricci	

RELATED-PARTIES COMMITTEE

Rosanna Ricci	***Chairman***
Paola Mignani	

COMPLIANCE COMMITTEE

Marco Reboa	***Chairman***
Giovanni Barbara	
Maurizio Strozzi	

APPOINTMENT PROPOSAL AND REMUNERATION COMMITTEE

Daniele Discepolo	***Chairman***
Paola Mignani	
Rosanna Ricci	

LEAD INDEPENDENT DIRECTOR

Daniele Discepolo

CHIEF EXECUTIVE OFFICER

Michele Colaninno

INTERNAL AUDIT MANAGER

Maurizio Strozzi

MANAGER IN CHARGE OF PREPARING THE COMPANY ACCOUNTS

Andrea Paroli

All information on powers reserved for the Board of Directors, the authority granted to the Chairman and CEO, as well as functions of various Committees of the Board of Directors, is available in the Governance section of the Issuer's website www.immsi.it.

Health emergency – COVID-19

During the first few months of 2021, the public health situation was still a cause for concern throughout the world. In general, while seasonal factors could potentially reduce the transmission of the virus during the summer months, leaving the crisis behind seems to be linked to the necessary and rapid distribution of the vaccine among the population. Only a few countries, thanks to particularly careful management of restrictions and lockdowns, or to a massive vaccination campaign, seemed to be on the verge of overcoming the crisis at the end of March.

With regard to the **Property and holding sector**, it should be noted that the Parent Company Immsi S.p.A. is continuing to adopt operating procedures for its personnel in line with general provisions for the protection of public health and at the same time is guaranteeing the continuity of activities, as is the subsidiary Is Molas S.p.A. which, despite the limitations related to the health emergency, is also continuing its commercial activities aimed at seeking potential buyers, also taking into account that this emergency could ease in the coming months, depending on the containment measures and vaccination campaigns planned by the governments and central banks of countries affected by the spread of the virus.

Since the virus first spread, the **Piaggio group** has taken all possible precautions to guarantee the safety of its employees' health at its sites.
The pandemic has made the need for safe personal transport increasingly important among the population – to the detriment of public transport, which is seen as a potential vector of transmission. The group continues to work to seize the opportunities presented by potential growth in demand, offering products that guarantee safe travel with low or no environmental impact.
The Group continues to manage the current scenario very carefully in terms of its commercial network of distributors and dealers, and in terms of its customers, to meet its commitments and to continue to offer maximum support.

The subsidiary Intermarine, which operates in the **marine sector**, also maintained the measures promptly put in place last year to comply with the requirements of the Government and relevant authorities aimed at combating the spread of the COVID-19 virus to protect the community and the health of its workers, in accordance with regulations. On the basis of the above and the specific characteristics of the business, the Directors believe that there are no elements that could jeopardise the Company's ability to meet its financial and commercial commitments related to the effects of the COVID-19 pandemic.

Financial highlights of the Immsi Group

The Immsi Group's first three months of 2021 were also characterised by the global health emergency caused by the COVID-19 virus, which affected production, sales and customer service activities, although to a much lesser extent than in the first quarter of last year.
As a result, all indicators have improved compared to the first three months of 2020: turnover increased by 19.5%, EBITDA by 34.6% and net profit including the portion attributable to non-controlling interests recorded was €5.1 million in the first three months of 2021, compared to a loss of €1.8 million in the same period of 2020. Net financial debt at 31 March 2021 was equal to €843.1 million, down by €88.2 million compared to figures for the first three months of the previous year.
Earnings for the period reflect a different performance with reference to the sectors comprising the Group, based on the different business trends and varying impact of seasonality of the period under review.
For a clearer interpretation, the following is reported on a preliminary basis:

- The "property and holding sector" consolidated the financial position and performance of Immsi S.p.A., Immsi Audit S.c.a r.l., ISM Investimenti S.p.A., Is Molas S.p.A., Apuliae S.r.l., Pietra S.r.l., Pietra Ligure S.r.l. and RCN Finanziaria S.p.A.;

- the "industrial sector" includes the companies owned by the Piaggio group, while

- the "marine sector" includes Intermarine S.p.A. and other minor subsidiaries or associated companies of Intermarine S.p.A..

Some of the main financial data of the Immsi Group are presented below, divided by business segment and determined, as already stated, in accordance with international accounting standards (IAS/IFRS). A more detailed description of the figures below may be found further on in this paragraph.

The Immsi Group at 31 March 2021

In thousands of Euros	***Sector property and holding***	***as a %***	***Sector industrial***	***as a %***	***Sector marine***	***as a %***	***Group Immsi***	***as a %***
Net revenues	161		384,653		8,739		393,553	
Operating income before depreciation and amortisation (EBITDA)	-1,499	n/m	56,037	14.6%	-800	-9.2%	53,738	13.7%
Operating income (EBIT)	-1,762	n/m	23,538	6.1%	-1,685	-19.3%	20,091	5.1%
Profit before tax	-5,358	n/m	18,497	4.8%	-2,148	-24.6%	10,991	2.8%
Earnings for the period including non-controlling interests	-4,300	n/m	11,098	2.9%	-1,656	-18.9%	5,142	1.3%
Group earnings for the period (which may be consolidated)	-2,335	n/m	5,573	1.4%	-1,201	-13.7%	2,037	0.5%
Net debt	-333,257		-448,565		-61,261		-843,083	
Personnel (number)	68		6,468		249		6,785	

Hereunder we give the same table referring to the same period of the preceding year. A comparison between the two periods is made in the specific comment related to the single business sectors presented further on.

The Immsi Group at 31 March 2020

In thousands of Euros	*Sector Property and holding*	*as a %*	*Sector industrial*	*as a %*	*Sector marine*	*as a %*	*Group Immsi*	*as a %*
Net revenues	104		311,358		17,847		329,309	
Operating income before depreciation and amortisation (EBITDA)	-1,686	n/m	39,811	12.8%	1,809	10.1%	39,934	12.1%
Operating income (EBIT)	-1,933	n/m	10,012	3.2%	931	5.2%	9,010	2.7%
Profit before tax	-5,490	n/m	5,223	1.7%	429	2.4%	162	0.0%
Earnings for the period including non-controlling interests	-5,131	n/m	3,134	1.0%	216	1.2%	-1,781	-0.5%
Group earnings for the period (which may be consolidated)	-2,464	n/m	1,574	0.5%	157	0.9%	-734	-0.2%
Net debt	-323,137		-548,619		-59,506		-931,262	
Personnel (number)	71		6,522		264		6,857	

The data in the previous tables refer to results that may be consolidated, i.e. net in particular of revenues and intergroup costs and any dividends of subsidiaries.

Alternative non-GAAP performance indicators

This Report contains some indicators that, although not indicated by IFRS ("Non-GAAP Measures"), derive from IFRS financial measures.

These indicators – which are presented to allow a better assessment of the Group's operating performance – should not be considered as an alternative to IFRS measures. They are identical to those contained in the Annual Report and Financial Statements at 31 December 2020 and in the periodical quarterly reports of the Immsi Group.

Moreover, the procedures for determining these indicators are not specifically regulated by reference accounting standards, so they might not be uniform with the measures adopted by other entities and therefore might not be sufficiently comparable.

In particular, the following alternative performance indicators have been used:

- **EBITDA**: defined as "Operating income" before the amortisation/depreciation and impairment costs of intangible assets, property, plant and equipment and rights of use, as resulting from the income statement;
- **Net financial debt (or net financial position):** represented by (current and non-current) financial liabilities, including liabilities for rights of use, minus cash on hand and other cash

and cash equivalents, as well as other (current and non-current) financial receivables. Net financial debt does not include other financial assets and liabilities arising from the fair value measurement of financial derivatives used as hedging or otherwise, the fair value adjustment of related hedged items, relative deferrals, interest accrued on loans and financial liabilities related to assets held for sale. This Report includes a table indicating the items used to determine the indicator. In this respect, pursuant to the CESR recommendation of 10 February 2005 “Recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses”, the indicator thus formulated represents items and trends monitored by *Group Management* and differs from that suggested by Consob Communication no. 6064293 of 28 July 2006 as it also includes the non-current portion of financial receivables.

Form and content

Italian Legislative Decree 25 of 2016, which implemented the new Directive Transparency II (2013/50/EU), eliminated the obligation of publication of the interim report on operations. The decision to continue to publish information on the first quarter and the first nine months of the Immsi Group was taken in continuity with the past, also in the light of changes in the regulatory framework. In this regard, it should be noted that Consob, with Resolution no. 19770 of 26 October 2016, approved the amendments to the Issuer Regulations on interim reports on operations (additional periodic financial information) through the introduction of the new Article 82-ter. The new provisions shall apply from 2 January 2017.

The disclosure on subsequent events and the operating outlook is provided later in the specific paragraph of this Report.

As provided for by Consob communication no. DEM/5073567 of 4 November 2005, the Company has indicated fewer details than required by IAS 34 – Interim Financial Reporting.
The information in this Report should be read together with the Consolidated Financial Statements at 31 December 2020, prepared according to IFRS.

The reclassified Income Statement and Statement of Comprehensive Income for the first three months of 2021 are given below, compared to the same period of 2020, as well as the reclassified Statement of Financial Position at 31 March 2021, compared to the situation at 31 December 2020 and 31 March 2020 and the Statement of Cash Flows at 31 March 2021 compared to the same period of 2020. The Statement of changes in shareholders' equity at 31 March 2021, compared with figures for the same period of the previous year is also presented.

In the first three months of 2021, and same period in 2020, there were no significant non-recurring transactions, as defined by Consob Communication no. DEM/6064293 of 28 July 2006, nor were there atypical or unusual transactions, as defined by Consob Communications no. DEM/6037577 of 28 April 2006 and no. DEM/6064293 of 28 July 2006.

The Manager in charge of preparing the company accounts and documents Andrea Paroli, hereby declares, in accordance with paragraph 2 of Article 154-bis of the Consolidated Finance Act, that the accounting disclosure in this document corresponds to accounting records.

The preparation of the Interim Report on Operations required the Management to make estimates and assumptions that particularly affect the reported amounts of revenues, expenses, assets and liabilities recorded in the financial statements and disclosure of contingent assets and liabilities at the closing date of the period. If in the future such estimates and assumptions deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances should change. In addition, some evaluative processes,

particularly the more complex ones such as the determination of impairment losses on intangible assets, are generally carried out completely only at the time of drawing up the annual financial statements, when all the potentially necessary information is available, saving the cases in which there are indicators of impairment that require immediate evaluation of possible impairment of assets.
This document may include forward-looking statements, regarding future events and operating, economic and financial results of the Immsi Group. Said statements have a certain degree of risk and uncertainty by nature, since they depend on the occurrence of future events and developments. The actual results may differ even significantly compared to the forecast ones, in relation to several factors.

The Group's activities, especially those regarding the industrial sector and the tourist/hospitality industries, are subject to significant seasonal changes in sales during the year.

The financial statements are prepared using the going concern assumption. The Directors considered that despite the extraordinary uncertainty caused by the global health emergency of COVID-19 and all its consequences, currently available funds, in addition to those that will be generated from operating and financing activities, will enable the Group to meet its own needs arising from investments, management of working capital and repayment of debts, and will ensure an adequate level of operational and strategic flexibility.
As regards financial requirements over the next few months, considering the credit lines expiring in the year and the Group's financial commitments undertaken to support the development of its initiatives, the Directors have adopted, and will adopt in the next few months, actions to seek solutions that guarantee a financial balance that takes into account the possible risk of future weak share market trends, that represent an element of uncertainty as regards the extent of credit lines currently granted to Immsi; specifically, current Piaggio share prices can guarantee coverage and compliance with the VTL of loans granted to the Parent company and subsidiaries.

This Interim Report on Operations is expressed in Euros since that is the currency in which most of the Group's transactions take place. Unless stated otherwise, the figures in the financial statements and explanatory notes that follow are expressed in thousands of euros.

The exchange rates used to translate the financial statements of companies included in the scope of consolidation into euros are shown in the table below:

	Exchange rate as of 31 March 2021	Average exchange rate first quarter 2021	Exchange rate as of 31 December 2020	Average exchange rate first quarter 2020
US Dollar	1.1725	1.20485	1.2271	1.10266
Pound Sterling	0.85209	0.873933	0.89903	0.86225
Indian Rupee	85.8130	87.84841	89.6605	79.90956
Singapore Dollars	1.5768	1.60543	1.6218	1.52808
Chinese Yuan	7.6812	7.80798	8.0225	7.69564
Croatian Kuna	7.5705	7.57243	7.5519	7.49037
Japanese Yen	129.91	127.80571	126.49	120.09734
Vietnamese Dong	26,239.02	26,951.31254	27,654.41	25,176.95266
Indonesian Rupiah	17,083.32	17,065.25937	17,029.69	15,742.82219
Brazilian Real	6.7409	6.59901	6.3735	4.91667

This Interim Report on Operations at 31 March 2021, which is not audited, was prepared pursuant to Italian Legislative Decree 58/1998 as amended, and to Consob Regulation on Issuers and includes reclassified consolidated financial statements and notes prepared adopting the IFRS issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") were also taken into account.
In preparing the Interim Report on Operations at 31 March 2021, the Immsi Group adopted the same accounting standards as those used for the Consolidated Financial Statements at 31 December 2020 (to which reference is made for further details), with the exception of the following.

New accounting standards, amendments and interpretations adopted from 1 January 2021

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform - Phase 1: These amendments provide some facilitations in relation to the reform of interest rate benchmarks. The issues relate to the recognition of hedging transactions and have the effect that IBOR reform should not generally result in the cessation of hedge accounting. However, if the hedge is ineffective it should continue to be recognised in profit or loss. Given the pervasive nature of hedging that involves contracts based on IBOR, the facilitations will affect companies from all sectors.

These amendments have applied since 1 January 2021. The effects are not considered to be significant.

Accounting standards, amendments and interpretations not yet applicable

At the date of these Financial Statements, competent bodies of the European Union had not completed the approval process necessary for the application of the following accounting standards and amendments:

- In May 2017, IASB issued the new standard IFRS 17 – Insurance Contracts. The new standard will replace IFRS 4 and will be effective from 1 January 2023.
- In January 2020, the IASB published some amendments to IAS 1 that clarify the definition of "current" or "non-current" liabilities based on rights existing at the reporting date. These amendments will apply from 1 January 2022.
- In May 2020, the IASB published narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and annual revisions to IFRS 1, IFRS 9, IAS 41 and IFRS 16. The amendments will be applicable with effect from 1 January 2022.
- In August 2020, the IASB published some amendments to IFRS 7, IFRS 4 and IFRS 16. The amendments will be effective from 1 January 2021.

- In February 2021, the IASB published narrow-scope amendments to IAS 1, Practice Statement 2 and IAS 8. The amendments aim to improve disclosure of accounting standards and to help users of the financial statements distinguish between changes in accounting estimates and changes in accounting standards. These amendments will apply from 1 January 2023.

The Group will adopt these new standards, amendments and interpretations, based on the application date indicated, and will evaluate potential impact, when the standards, amendments and interpretations are endorsed by the European Union.

Scope of consolidation

For the purposes of consolidation, the financial statements at 31 March 2021 of companies included in the scope of consolidation, appropriately modified and reclassified, where necessary, to bring them in line with international accounting standards and uniform classification criteria used by the Group, were used. The scope of consolidation includes the companies in which the Parent Company, directly or indirectly, owns more than half of the voting rights exercisable in Shareholders' Meetings, or has the power to control or direct voting rights by means of contractual or by-law clauses, or can appoint the majority of the members of the Boards of Directors. Excluded from the line-by-line consolidation are non-operating subsidiaries or those with low operating levels as their influence on the final result of the Group is insignificant.

The scope of consolidation at 31 March 2021 had not changed compared to the consolidated financial statements at 31 December 2020, while compared to 31 March 2020 it should be noted, with reference to the share held by the Parent Company Immsi S.p.A. in ISM Investimenti S.p.A., in consideration of the different equity rights of the two shareholders and analysis of impairment testing, the consolidated share of shareholders' equity of ISM Investimenti S.p.A. is estimated to be 47.64% at 31 December 2020, compared to 41.81% at 31 March 2020;

These changes are limited and did not affect the comparability of the balance sheet and income statement between the two reporting periods.

For further details of the Immsi Group structure, reference is made to the attachment to the Notes to the Half-Yearly Financial Report at 31 December 2020, to which reference is made.

Reclassified consolidated financial statements and relative notes

Reclassified income statement of the Immsi Group

In thousands of Euros	*31.03.2021*		*31.03.2020*		*Change*	
Net revenues	**393,553**	**100%**	**329,309**	**100%**	**64,244**	**19.5%**
Costs for materials	236,913	60.2%	197,517	60.0%	39,396	19.9%
Costs for services, leases and rentals	63,368	16.1%	52,241	15.9%	11,127	21.3%
Employee costs	65,067	16.5%	60,714	18.4%	4,353	7.2%
Other operating income	32,217	8.2%	26,179	7.9%	6,038	23.1%
Net reversals (write-downs) of trade and other receivables	-1,027	-0.3%	-954	-0.3%	-73	-7.7%
Other operating expense	5,657	1.4%	4,128	1.3%	1,529	37.0%
OPERATING EARNINGS BEFORE AMORTISATION AND DEPRECIATION (EBITDA)	**53,738**	**13.7%**	**39,934**	**12.1%**	**13,804**	**34.6%**
Depreciation and impairment costs of plant, property and equipment	14,102	3.6%	12,575	3.8%	1,527	12.1%
Impairment of goodwill	0	-	0	-	0	-
Amortisation and impairment costs of intangible assets with a definite useful life	19,545	5.0%	18,349	5.6%	1,196	6.5%
OPERATING INCOME (EBIT)	**20,091**	**5.1%**	**9,010**	**2.7%**	**11,081**	**123.0%**
Income/(loss) from investments	51	0.0%	160	0.0%	-109	-
Financial income	6,817	1.7%	6,415	1.9%	402	6.3%
Finance costs	15,968	4.1%	15,423	4.7%	545	3.5%
PROFIT BEFORE TAX	**10,991**	**2.8%**	**162**	**0.0%**	**10,829**	**6684.6%**
Taxes	5,849	1.5%	1,943	0.6%	3,906	201.0%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**5,142**	**1.3%**	**-1,781**	**-0.5%**	**6,923**	**388.7%**
Gain (loss) from assets held for sale or disposal	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	**5,142**	**1.3%**	**-1,781**	**-0.5%**	**6,923**	**388.7%**
Earnings for the period attributable to non-controlling interests	3,105	0.8%	-1,047	-0.3%	4,152	396.6%
GROUP PROFIT (LOSS) FOR THE PERIOD	**2,037**	**0.5%**	**-734**	**-0.2%**	**2,771**	**377.5%**

Statement of comprehensive income of the Immsi Group

	31.03.2021	*31.03.2020*
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	5,142	(1,781)
Items that will not be reclassified in the income statement		
Profit (loss) arising from the fair value measurement of assets and liabilities recognised in the statement of comprehensive income	383	(1,643)
Actuarial gains (losses) on defined benefit plans	208	2,395
Total	591	752
Items that may be reclassified in the income statement		
Effective portion of profit (losses) from instruments to hedge cash flows	2,935	1,968
Profit (loss) deriving from the translation of financial statements of foreign companies denominated in foreign currency	4,488	(3,955)
Total	7,423	(1,987)
Other Consolidated Comprehensive Income (Expense)	8,014	(1,235)
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	13,156	(3,016)
Comprehensive income of minority interests	6,907	(863)
COMPREHENSIVE GROUP PROFIT (LOSS) FOR THE PERIOD	6,249	(2,153)

The figures in the above table are net of the corresponding tax effect.

Net revenues

Consolidated net revenues at 31 March 2021 amounted to €393.6 million, of which 97.7%, equal to €384.7 million attributable to the industrial sector (Piaggio group), 2.2%, equal to €8.7 million, to the marine sector (Intermarine S.p.A.), and the remaining part, of approximately €0.2 million, to the property and holding sector (Immsi S.p.A. and Is Molas S.p.A. net of intergroup eliminations).

As regards the industrial sector, the Piaggio group received net revenues of €384.7 million in the first three months of 2021, up by 23.5% compared to the same period of 2020, following production activities and sales being stopped due to the health emergency that affected the group's reference markets from as early on as the first quarter of the previous year.

Consolidated revenues from the marine sector (Intermarine S.p.A.) amounted to €8.7 million at 31 March 2021, down by 51% compared to the figure of €17.8 million at 31 March 2020, in line with job order planning for the current year.

With regard to the property and holding sector, net revenues (€0.2 million) improved compared to 31 March 2020 (€0.1 million).

Operating income before depreciation, amortisation and impairment costs of plant, property and equipment and intangible assets (EBITDA)

Consolidated operating income before amortisation, depreciation and impairment costs (EBITDA) amounted to €53.7 million at 31 March 2021, equal to 13.7% of net revenues, up by €13.8 million compared to EBITDA for the first three months of 2020.

The component attributable to the industrial sector (Piaggio group) amounted to €56 million, improving by €16.2 million compared to the figure at 31 March 2020 (equal to €39.8 million), and accounting for 14.6% of sector net revenues (12.8% in the same period of 2020). The component attributable to the marine sector (Intermarine S.p.A.) was equal to €0.8 million negative, down compared to €1.8 million at 31 March 2020. Finally, the component attributable to the property and holding sector amounted to a loss of €1.5 million, while in the first three months of 2020, a loss of €1.7 million was recorded.

The main costs of the Immsi Group included personnel costs of €65.1 million, up on the figure recorded for the same period in 2020, which was equal to €60.7 million (accounting for 16.5% of net revenues, down from 18.4% for the first three months of 2020). The average workforce in the first three months of 2021 (6,587 units) was down compared to the same period of the previous year (6,652 units).

Operating income (EBIT)

Operating income (EBIT) in the first three months of 2021 amounted to €20.1 million, equal to 5.1% of net revenues. Consolidated operating income (EBIT) in the first three months of the previous year amounted to €9 million, accounting for 2.7% of net revenues.

The component attributable to the industrial sector (Piaggio group) amounted to €23.5 million, accounting for 6.1% of sector net revenues, increasing compared to €10 million at 31 March 2020. The component attributable to the marine sector (Intermarine S.p.A.) was equal to negative €1.7 million, compared to €0.9 million at 31 March 2020. Lastly, the component attributable to the property and holding sector was €1.8 million negative, compared to €1.9 million negative in the first three months of the previous year.

Depreciation and amortisation for the period, including impairment costs, totalled €33.6 million (up by €2.7 million compared to the first three months of 2020), accounting for 8.6% of net revenues, compared to 9.4% for the same period of 2020, comprising depreciation of property, plant and equipment amounting to €14.1 million (€12.6 million in the first three months of 2020) and amortisation of intangible assets for €19.5 million (€18.3 million in the same period of 2020). The item includes €2.2 million for the depreciation of rights of use (€2.3 million in the same period of 2020). Depreciation and amortisation referable to the industrial sector (Piaggio group) amounted to approximately €32.5 million, up on the figure at 31 March 2020 (€29.8 million), of which 13.5 million concerning property, plant and equipment and 19 million intangible assets.

Goodwill *impairment* in the first quarter of 2021 was not recognised because, on the basis of results expected from long-term development plans prepared by Group companies and used in *impairment* testing carried out on 31 December 2020, it was not considered necessary to carry out impairment, as this goodwill was considered recoverable through future financial flows. Moreover, no events occurred during the first three months of 2021 that would indicate that such goodwill was affected by a significant impairment loss. No impairment costs were recognised in the consolidated figures at 31 March 2020.

Considering that the analyses conducted to estimate the recoverable value for the Immsi Group cash-generating unit were also determined based on estimates, the Group cannot guarantee that there will be no goodwill impairment losses in future periods. Given the current ongoing difficulty of certain reference and financial markets, the various factors - both internal and external to cash generating units identified - used in making the estimates could be revised in future: the Group will constantly monitor these factors and the possible existence of future impairment losses.

Profit before tax

Profit before tax at 31 March 2021 amounted to €11 million, up on the consolidated figure for the first three months of the previous year, which amounted to €0.2 million.

Borrowing costs, net of income and earnings from investments, amounted to €9.1 million in the first three months of 2021, accounting for 2.3% of net revenues, with the contribution from the industrial sector amounting to €5 million (4.8 in the first three months of 2020), from the marine sector amounting to €0.5 million (the same as the first three months of 2020), and from the property and holding sector the remaining amount (€3.6 million in the first three months of 2021 and 2020).
Net financial borrowing costs recognised in the first three months of 2021 are therefore slightly higher than those recognised in the corresponding period of the previous year (€8.8 million, 2.7% of net revenues).

Earnings for the period attributable to the Group

Earnings for the period, net of taxes and the portion attributable to non-controlling interests, at 31 March 2021 recorded a profit of €2 million (0.5% of net revenues for the period), up €2.8 million compared to the loss of €0.7 million registered in the same period of the previous year.

Taxes accruing in the period represented a cost of approximately €5.8 million (during the first three months of 2020 a cost of €1.9 million was recorded): income tax, also in view of requirements of IAS 34, was on average determined, based on the best estimate of the average weighted rate expected for the entire year.

Earnings/(loss) per share

In Euros

From continuing and discontinued operations:	*31.03.2021*	*31.03.2020*
Basic	0.006	(0.002)
Diluted	0.006	(0.002)
Average number of shares:	340,530,000	340,530,000

Diluted earnings per share correspond to basic profit as there are no potential shares with a diluting effect.
At the end of the reporting period, no gains or losses from assets held for sale or disposal had been recognised.

Reclassified statement of financial position of the Immsi Group

In thousands of Euros	***31.03.2021***	***as a %***	***31.12.2020***	***as a %***	***31.03.2020***	***as a %***
Current assets:						
Cash and cash equivalents	223,084	9.8%	249,886	11.7%	180,015	8.1%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating activities	612,018	27.0%	447,339	21.0%	640,844	28.8%
Total current assets	**835,102**	**36.8%**	**697,225**	**32.8%**	**820,859**	**36.9%**
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	872,698	38.5%	866,099	40.7%	848,975	38.1%
Property, plant and equipment	339,350	15.0%	336,850	15.8%	334,711	15.0%
Other assets	221,646	9.8%	227,731	10.7%	221,914	10.0%
Total non-current assets	**1,433,694**	**63.2%**	**1,430,680**	**67.2%**	**1,405,600**	**63.1%**
TOTAL ASSETS	**2,268,796**	**100.0%**	**2,127,905**	**100.0%**	**2,226,459**	**100.0%**
Current liabilities:						
Financial liabilities	487,991	21.5%	481,273	22.6%	518,417	23.3%
Operating liabilities	740,446	32.6%	627,386	29.5%	660,482	29.7%
Total current liabilities	**1,228,437**	**54.1%**	**1,108,659**	**52.1%**	**1,178,899**	**52.9%**
Non-current liabilities:						
Financial liabilities	578,176	25.5%	571,517	26.9%	592,860	26.6%
Other non-current liabilities	87,078	3.8%	85,780	4.0%	83,620	3.8%
Total non-current liabilities	**665,254**	**29.3%**	**657,297**	**30.9%**	**676,480**	**30.4%**
TOTAL LIABILITIES	**1,893,691**	**83.5%**	**1,765,956**	**83.0%**	**1,855,379**	**83.3%**
TOTAL SHAREHOLDERS' EQUITY	**375,105**	**16.5%**	**361,949**	**17.0%**	**371,080**	**16.7%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,268,796**	**100.0%**	**2,127,905**	**100.0%**	**2,226,459**	**100.0%**

Analysis of capital invested by the Immsi Group

In thousands of Euros	31.03.2021	as a %	31.12.2020	as a %	31.03.2020	as a %
Current operating assets	612,018	46.9%	447,339	35.8%	640,844	46.2%
Current operating liabilities	-740,446	-56.7%	-627,386	-50.2%	-660,482	-47.7%
Net operating working capital	**-128,428**	**-9.8%**	**-180,047**	**-14.4%**	**-19,638**	**-1.4%**
Intangible assets	872,698	66.9%	866,099	69.3%	848,975	61.3%
Property, plant and equipment	339,350	26.0%	336,850	26.9%	334,711	24.2%
Other assets	221,646	17.0%	227,731	18.2%	221,914	16.0%
Capital employed	**1,305,266**	**100.0%**	**1,250,633**	**100.0%**	**1,385,962**	**100.0%**
Non-current non-financial liabilities	87,078	6.7%	85,780	6.9%	83,620	6.0%
Capital and reserves of non-controlling interests	139,412	10.7%	132,504	10.6%	137,657	9.9%
Consolidated shareholders' equity attributable to the Group	235,693	18.1%	229,445	18.3%	233,423	16.8%
Total non-financial sources	**462,183**	**35.4%**	**447,729**	**35.8%**	**454,700**	**32.8%**
Net Financial debt	**843,083**	**64.6%**	**802,904**	**64.2%**	**931,262**	**67.2%**

Capital employed

Capital employed at 31 March 2021 amounted to €1,305.3 million, up by €54.6 million compared to 31 December 2020, while this figure amounted to €1,386 million at 31 March 2020.
Net operating working capital at 31 March 2021 was €128.4 million negative, compared to €-180 million at 31 December 2020 and equal to €-19.6 million at 31 March 2020.
Intangible assets increased compared to 31 December 2020 and 31 March 2020, and were equal to €872.7 million; property, plant and equipment increased by €2.5 million compared to the figure at the end of 2020, and by €4.6 million compared to 31 March 2020.

Net financial debt of the Immsi Group

The net financial debt of the Immsi Group, equal to €843.1 million at 31 March 2021, is analysed below and compared with the same data at 31 December 2020 and 31 March 2020.

In this respect, it is recalled that - in conformity with the CESR recommendation of 10 February 2005 “Recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses” - the indicator, as formulated, represents the items and activities monitored by the Group's management.

In thousands of Euros	***31.03.2021***	***31.12.2020***	***31.03.2020***
Short-term financial assets			
Cash and cash equivalents	-223,084	-249,886	-180,015
Financial assets	0	0	0
Total short-term financial assets	**-223,084**	**-249,886**	**-180,015**
Short-term financial payables			
Bonds	11,047	11,038	11,031
Payables due to banks	405,571	399,021	440,320
Amounts due under leases	8,441	8,850	1,165
Amounts due to other lenders	62,932	62,364	65,901
Total short-term financial payables	**487,991**	**481,273**	**518,417**
Total short-term financial debt	**264,907**	**231,387**	**338,402**
Medium/long-term financial assets			
Receivables for loans	0	0	0
Other financial assets	0	0	0
Total medium/long-term financial assets	**0**	**0**	**0**
Medium/long-term financial payables			
Bonds	272,587	272,579	282,117
Payables due to banks	286,614	278,633	290,564
Amounts due under leases	18,657	19,987	6,569
Amounts due to other lenders	318	318	13,610
Total medium/long-term financial payables	**578,176**	**571,517**	**592,860**
Total medium/long-term financial debt	**578,176**	**571,517**	**592,860**
Net financial debt *)	**843,083**	**802,904**	**931,262**

*) The indicator does not include financial assets and liabilities arising from the fair value measurement of financial derivatives used for hedging, the fair value adjustment of relative hedged items, related accruals and interest on loans.i.

At 31 March 2021, the Group had increased its debt compared to 31 December 2020 by approximately €40.2 million: this change is mainly due to the seasonal nature of two-wheelers which, as is well-known, uses resources in the first part of the year and generates them in the second half.

Net financial debt decreased by €88.2 million compared to 31 March 2020. In the first quarter of 2020, the financial position was heavily affected by the sales freeze in the Piaggio group as a result of the lockdown due to COVID-19.

Investments

The Group's gross investments at 31 March 2021 totalled €36 million compared to €29.4 million in the first three months of 2020 (of which 36.1 million referred to the Piaggio group). These investments refer to €25 million for intangible assets (€18.9 million in the first three months of 2020) and €11 million for property, plant and equipment (compared to €10.6 million in the same period of the previous year).

Cash flow statement of the Immsi Group

In thousands of Euros	*31.03.2021*	*31.03.2020*
Operating activities		
Profit before tax	10,991	162
Depreciation of property, plant and equipment (including investment property)	14,102	12,575
Amortisation of intangible assets	19,545	18,349
Provisions for risks and for severance indemnity and similar obligations	4,878	3,941
Write-downs (reversals of fair value measurements)	1,029	972
Losses / (Gains) on the disposal of property, plant and equipment (including investment property)	(36)	2
Financial income	(298)	(606)
Finance costs	10,571	10,407
Amortisation of grants	(843)	(972)
Change in working capital	(40,986)	(115,500)
Change in non-current provisions and other changes	(18,317)	(19,034)
Cash generated from operating activities	636	(89,704)
Interest expense paid	(7,751)	(6,455)
Taxes paid	(5,653)	(7,500)
Cash flow from operations	(12,768)	(103,659)
Investing activities		
Acquisition of subsidiaries, net of cash and cash equivalents	0	(217)
Investment in property, plant and equipment (including investment property)	(11,056)	(10,555)
Sale price, or repayment value, of plant, property and equipment (including investment property)	4,697	45
Investments in intangible assets	(24,962)	(18,889)
Sale price, or repayment value, of intangible assets	19	1
Collected interests	97	668
Sale price from assets held for sale or disposal	0	(61)
Public grants collected	306	352
Cash flow from investing activities	(30,899)	(28,656)
Financing activities		
Loans received	42,904	125,973
Outflow for repayment of loans	(27,828)	(23,654)
Reimbursement of rights of use	(3,196)	(2,344)
Cash flow from financing activities	11,880	99,975
Increase / (Decrease) in cash and cash equivalents	(31,787)	(32,340)
Opening balance	248,699	212,055
Exchange differences	6,172	(785)
Closing balance	223,084	178,930

This schedule illustrates the changes in cash and cash equivalents totalling €223.1 million at 31 March 2021 (€180 million at 31 March 2020), gross of short-term bank overdrafts. At 31 March 2021, the Group had no short-term bank overdrafts outstanding, whereas at 31 March 2020 this item amounted to €1.1 million.

Total shareholders' equity and equity attributable to the Immsi Group

In thousands of Euros	***Shareholders' equity shareholders' equity attributable to the Group***	***Capital and reserves non-controlling interests***	***Total consolidated Group and non-controlling interests***
Balances at 1 January 2020	***240,430***	***133,883***	***374,313***
Other changes	*(4,854)*	*4,637*	*(217)*
Net comprehensive earnings for the period	*(2,153)*	*(863)*	*(3,016)*
Balances as at 31 March 2020	***233,423***	***137,657***	***371,080***

In thousands of Euros	***Shareholders' equity shareholders' equity attributable to the Group***	***Capital and reserves non-controlling interests***	***Total consolidated Group and non-controlling interests***
Balances as at 1 January 2021	***229,445***	***132,504***	***361,949***
Other changes	*0*	*(0)*	*0*
Net comprehensive earnings for the period	*6,249*	*6,907*	*13,156*
Balances as at 31 March 2021	***235,694***	***139,411***	***375,105***

Human resources

At 31 March 2021, the Immsi Group employed 6,785 staff, of which 68 in the property and holding sector, 6,468 in the industrial sector (Piaggio group) and 249 in the marine sector (Intermarine S.p.A.).
The following tables divide resources by category and geographic segment:

Human resources by category

numbers	31.03.2021			
	Property and holding sector	Industrial sector	Marine sector	Group total
Senior management	5	107	7	119
Middle managers and white-collar workers	34	2,288	143	2,465
Blue-collar workers	29	4,073	99	4,201
TOTAL	**68**	**6,468**	**249**	**6,785**

numbers	31.12.2020			
	Property and holding sector	Industrial sector	Marine sector	Group total
Senior management	5	107	6	118
Middle managers and white-collar workers	31	2,286	142	2,459
Blue-collar workers	22	3,463	105	3,590
TOTAL	**58**	**5,856**	**253**	**6,167**

numbers	Changes			
	Property and holding sector	Industrial sector	Marine sector	Group total
Senior management	0	0	1	1
Middle managers and white-collar workers	3	2	1	6
Blue-collar workers	7	610	-6	611
TOTAL	**10**	**612**	**-4**	**618**

Human resources by geographic segment

numbers	31.03.2021			
	Property and holding sector	Industrial sector	Marine sector	Group total
Italy	68	3,585	249	3,902
Rest of Europe	0	171	0	171
Rest of the world	0	2,712	0	2,712
TOTAL	**68**	**6,468**	**249**	**6,785**

numbers	31.12.2020			
	Property and holding sector	Industrial sector	Marine sector	Group total
Italy	58	3,057	253	3,368
Rest of Europe	0	171	0	171
Rest of the world	0	2,628	0	2,628
TOTAL	**58**	**5,856**	**253**	**6,167**

numbers	Changes			
	Property and holding sector	Industrial sector	Marine sector	Group total
Italy	10	528	-4	534
Rest of Europe	0	0	0	0
Rest of the world	0	84	0	84
TOTAL	**10**	**612**	**-4**	**618**

Employee numbers were also affected by seasonal workers in the summer (on fixed-term employment contracts). The Group effectively hires temporary staff to cover peaks in demand typical of the summer months.

For further information on Group employees (such as remuneration and training policies, diversity and equal opportunities, safety, etc.), reference is made to the section on the Social Dimension in the Consolidated Non-Financial Statement at 31 December 2020 prepared pursuant to Legislative Decree 254/2016.

Directors' comments on operations

As anticipated, during the first three months of 2021, the Immsi Group recorded a substantial improvement both from an economic and financial point of view, particularly in the industrial sector, also considering the impact of 2020 on the Group due to the lockdowns imposed to cope with the effects of the COVID-19 global health emergency that developed from the first months of 2020 onwards.
Final results for the period have different trends with reference to the various sectors comprising the Group, based on business trends and the different impact of seasonality.

Property and holding sector

In thousands of Euros	*31.03.2021*	*as a %*	*31.03.2020*	*as a %*	*Change*	*as a %*
Net revenues	161		104		57	54.8%
Operating income before depreciation and amortisation (EBITDA)	-1,499	n/m	-1,686	n/m	187	11.1%
Operating income (EBIT)	-1,762	n/m	-1,933	n/m	171	8.8%
Profit before tax	-5,358	n/m	-5,490	n/m	132	2.4%
Earnings for the period including non-controlling interests	-4,300	n/m	-5,131	n/m	831	16.2%
Group earnings for the period (which may be consolidated)	-2,335	n/m	-2,464	n/m	129	5.2%
Net debt	-333,257		-323,137		-10,120	-3.1%
Personnel (number)	68		71		-3	-4.2%

Overall, the **property and holding sector** reported a net loss for consolidation purposes of €2.3 million in the first three months of 2021, compared to a net loss for consolidation purposes of €2.5 million in the first three months of 2020. Net debt for the sector amounted to €333.3 million negative, (€328.8 million and €323.1 million at 31 December 2020 and 31 March 2020 respectively).

The operating outlook of main companies belonging to the sector in the first three months of 2021 is described below, with reference to the separate financial statements of each company (therefore including intergroup eliminations).

In the first three months of 2021, the **Parent Company Immsi S.p.A** posted revenues equal to €0.5 million, unchanged compared to the same period of 2020.
The operating income (EBIT) recorded at 31 March 2021 amounted to €0.8 million negative (in line with €0.7 million negative recorded in the first three months of the previous year), while net profit was €0.2 million, a slight decrease compared to the profit of €0.3 million at 31 March 2020.
In preparing this Interim Report at 31 March 2021, the Parent Company did not carry out any specific impairment analyses on the carrying amount of investments held in fully consolidated companies as these investments and any changes arising from the related impairment tests would have been fully eliminated on consolidation.

The net financial position at 31 March 2021 was a positive €3.5 million, down from a positive €6.8 million at 31 December 2020, mainly due to the cash flow absorbed by operations.

As regards initiatives in the **property sector** and in particular with reference to the subsidiary **Is Molas S.p.A.**, work site activities relative to the construction of the first 15 villas and first section of primary services were completed and the company handed over the four finished mock-up villas and the remaining 11 villas at an advanced construction stage, so that potential customers could select the flooring and interior finishes. The company has considered renting *mock-up villas* to enable end customers, including investors, to better understand the product and its services. At the same time, the company is continuing marketing activities to identify buyers, also at international level.
Revenues from the tourist/hospitality industry and golfing sector in the first three months of 2021 stood at €0.2 million, mainly in line with €0.1 million recorded in the same period of the previous year. In terms of margins, the company recorded an operating loss of approximately €0.8 million and a net loss for consolidation purposes equal to €0.2 million, improving on the figures recorded for the same period of 2020, equal to €1.1 and €0.6 million negative respectively.
Net debt of the company amounted to €75.7 million, compared to €75.1 million at 31 December 2020, due to net cash flows used by operations and investments.

With reference to the Pietra Ligure project, activities aimed at identifying potential parties interested in development of the Project continued.
The net result for consolidation purposes of **Pietra S.r.l.** in the first three months of 2021 was essentially break-even, in line with the same period of the previous year, and net financial debt was basically unchanged compared to 31 December 2020, amounting to €2.8 million.
Pietra Ligure S.r.l., a subsidiary of Pietra S.r.l. and which incorporates the property complex of Pietra Ligure with related Planning Permissions and Agreements, recorded an operating loss for consolidation purposes of €0.1 million, in line with the first three months of 2020, and an increase in net financial debt from €2.8 million to €3 million, in addition to financial debt relative to the discounting of cash flows related to the above concession (as provided for in IFRS 16) amounting to approximately €6 million.

With reference to the subsidiary **Apuliae S.r.l.,** there are no further updates since the Report of Directors and Financial Statements of the Immsi Group at 31 December 2020, to which reference is made. At 31 March 2021, the company posted a substantial break-even position, with net financial debt unchanged from 31 December 2020 and negative amounting to €0.8 million.

Other companies in the property and holding sector include RCN Finanziaria S.p.A. and ISM Investimenti S.p.A.:

- **RCN Finanziaria S.p.A.**, in which Immsi S.p.A. holds 72.51% and Intermarine S.p.A. is the sole member, recorded a net loss for consolidation purposes for the Immsi Group of approximately €1 million and net financial debt of €125.9 million at 31 March 2021, basically unchanged compared to the figure at 31 December 2020;

- **ISM Investimenti S.p.A.,** is held by Immsi S.p.A. with a share of 72.64% in terms of voting rights and the parent company Is Molas S.p.A. with a share of 92.59% at 31 March 2021. Considering the different equity rights of the two shareholders and analysis of *impairment testing,* the portion of consolidated shareholders' equity of ISM Investimenti S.p.A. was estimated to be equal to 47.64% at 31 March 2021. ISM Investimenti S.p.A. reported a consolidated net loss for the Immsi Group of approximately €1.1 million, in line with the figure reported in the corresponding period of 2020, and net financial debt at 31 March 2021 of €128.4 million, an increase of €0.3 million compared to the figure at 31 December 2020.

Industrial sector

In thousands of Euros	*31.03.2021*	*as a %*	*31.03.2020*	*as a %*	*Change*	*as a %*
Net revenues	384,653		311,358		73,295	23.5%
Operating income before depreciation and amortisation (EBITDA)	56,037	14.6%	39,811	12.8%	16,226	40.8%
Operating income (EBIT)	23,538	6.1%	10,012	3.2%	13,526	135.1%
Profit before tax	18,497	4.8%	5,223	1.7%	13,274	254.1%
Earnings for the period including non-controlling interests	11,098	2.9%	3,134	1.0%	7,964	254.1%
Group earnings for the period (which may be consolidated)	5,573	1.4%	1,574	0.5%	3,999	254.1%
Net debt	-448,565		-548,619		100,054	18.2%
Personnel (number)	6,468		6,522		-54	-0.8%

At 31 March 2021, the Piaggio group had sold a total of 135,000 vehicles worldwide (117,100 in the first three months of 2020). Sales increased in all geographic segments. As regards product type, sales of Two-Wheeler vehicles grew (+35.0%) while sales of Commercial Vehicles fell (-21.7%).

Consolidated net revenues of the Piaggio group were equal to €384.7 million, up by 23.5% compared to the figure of €311.4 million at 31 March 2020, negatively affected by the COVID-19 health emergency that resulted in production and commercial activities being stopped for several weeks in many countries.

EBITDA was equal to €56 million at 31 March 2021, improving by 40.8% compared to €39.8 million at 31 March 2020. EBITDA *margin* was equal to 14.6% (12.8% at 31 March 2020).

The operating income (EBIT) amounted to €23.5 million and showed an improvement compared to the first three months of 2020 of €13.5 million. The EBIT margin was 6.1% (3.2% at 31 March 2020).

Profit before tax amounted to €18.5 million, up by €5.2 million compared to 31 March 2020. Income taxes for the period amounted to €7.4 million, equivalent to 40% of profit before tax.

Net profit of the Piaggio group stood at €11.1 million in the first three months of 2021 (2.9% of turnover) also improving on the figure for the same period of the previous year, which amounted to €3.1 million (1% of turnover).

Net financial debt at 31 March 2021 was equal to €448.6 million, compared to €423.6 million at 31 December 2020. The increase is due to the absorption of cash by working capital. Net financial debt decreased by approximately €100 million compared to 31 March 2020.

Marine sector

In thousands of Euros	*31.03.2021*	*as a %*	*31.03.2020*	*as a %*	*Change*	*as a %*
Net revenues	8,739		17,847		-9,108	-51.0%
Operating income before depreciation and amortisation (EBITDA)	-800	-9.2%	1,809	10.1%	-2,609	-144.2%
Operating income (EBIT)	-1,685	-19.3%	931	5.2%	-2,616	-281.0%
Profit before tax	-2,148	-24.6%	429	2.4%	-2,577	-600.7%
Earnings for the period including non-controlling interests	-1,656	-18.9%	216	1.2%	-1,872	-866.7%
Group earnings for the period (which may be consolidated)	-1,201	-13.7%	157	0.9%	-1,357	-866.7%
Net debt	-61,261		-59,506		-1,755	-2.9%
Personnel (number)	249		264		-15	-5.7%

With reference to the income data of the **marine sector** (Intermarine S.p.A.), during the first three months of 2021, net sales revenues (consisting of sales and changes in work in progress) amounted to €8.7 million, compared to €17.8 million in the corresponding period of 2020. Production progress, including research and development, and the completion of constructions and deliveries, concerned in particular:

- the Defence division, with €7.2 million (€12.8 million in the first three months of 2020), mainly due to progress on orders related to the modernisation of the Italian Navy's Gaeta-class minesweeper, for the third integrated minesweeper platform with an Italian operator in the sector, and progress on the order related to the contract signed by Intermarine in February 2021 for the "Risk Reduction and Design Definition of New Generation Mine Countermeasures (CNG)" study for the Italian Navy. This contract is part of the modernisation programmes of the Italian Navy's Mine Countermeasures fleet, which include, also based on the Long-term Planning Documents of the Navy of the last two years, the construction of 12 new vessels over the next few years, to replace the 4 Lerici-class minesweepers and the 8 Gaeta-class minesweepers;
- the *Fast Ferries* and *Yacht*, divisions, with a total of €1.6 million (5 million during the first three months of 2020), mainly for activities at the Messina shipyard.

In view of the above, an operating loss (EBIT) of €1.7 million was recorded for the first three months of 2021, down on the same period of the previous year (when earnings of €0.9 million were recorded). Profit before tax amounted to €2.1 million (compared to a profit of €0.4 million in the same period of 2020), while at 31 March 2021 the Immsi Group had recorded a net loss for consolidation purposes of €1.2 million, compared to a profit of €0.2 million in the same period of the previous year.

The orders portfolio at 31 March 2021 was equal to approximately €51 million and referred to the following:

- Italian Navy, Gaeta *refitting* programme and related temporary support for €13.3 million,
- the Italian Navy, temporary support for 2 very high-speed multi-functional naval vessels for €3.7 million,
- the Italian Navy, feasibility study for new-generation minesweepers for €3.7 million,
- the Guardia di Finanza for €2 million,
- integrated mine sweeper platforms for an Italian operator for €26.7 million,
- a contract with the Ministry of Infrastructure and Transport - Harbour Offices for €1.6 million.

Moreover, in the first months of 2021, the company also pursued all possibilities to contain structural costs and business activities in all its business operations, in search of favourable business opportunities. Contacts also resumed with navies to evaluate possible supplies of minesweepers under the Defence Programmes of various countries.

Net financial debt at 31 March 2021 amounted to €61.3 million, up on the balance at 31 December 2020, equal to €50.5 million, and on the balance of €59.5 million at 31 March 2020.

Events occurring after 31 March 2021 and operating outlook

Despite forecasts remaining complex due to uncertainties over how the pandemic will evolve in the next few months of 2021, the Immsi Group will continue to work to meet its commitments and objectives, maintaining all the necessary measures to respond flexibly and immediately to unexpected and difficult situations that may still arise, thanks to a careful and efficient management of its economic and financial structure.

With reference to the **property sector and hospitality/tourist industry**, despite the limitations related to the COVID-19 pandemic, but taking into account that this emergency could ease off in the coming months depending on government containment measures and the vaccination campaigns rolled out in countries affected by the spread of the virus, a gradual return to normality is expected and therefore, in particular the subsidiary Is Molas is proceeding with commercial activities aimed at identifying possible buyers also at international level.
As regards events occurring after 31 March 2021, the Board of Directors of the Parent Company Immsi S.p.A. was reappointed, as per the shareholders' resolution of 30 April 2021. Details are given in the section on Corporate Bodies of this document.

As regards the **industrial sector**, in the year in which Moto Guzzi celebrates its first 100 years and Vespa its first 75, the group will continue its journey, launching 11 new two-wheeler models and a new light commercial vehicle, as well as building a new *e-mobility* department in Pontedera, starting up a new plant in Indonesia, and completely renovating the Moto Guzzi production site and museum areas.
As regards events occurring after 31 March 2021, the Board of Directors of the company Piaggio & C. S.p.A. was renewed, as per the shareholders' resolution of 14 April 2021. Details are given in documentation published by the subsidiary.

Also with reference to the **marine sector**, despite this difficult general context, production progress will be made in the next few months on job orders acquired, and commercial activities in all the company's business sectors will continue, seeking favourable commercial opportunities; management will continue to take all actions to keep costs down, and will carry out all activities necessary to obtain further job orders enabling it to increase its orders portfolio and consequently optimise production capacity over the next few years. Although the COVID-19 health emergency is continuing to slow down the development of Defence Programmes of several countries, contacts with the relevant navies have also resumed for the evaluation of possible supplies of minesweepers under these programmes.
In relation to expected future commercial developments in the Defence sector, the company has planned a major Investment Plan to upgrade its production capacity.