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

30 September 2021

This Interim Financial Report as of 30 September 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 12 November 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	
Patrizia De Pasquale	

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

EXECUTIVE IN CHARGE OF FINANCIAL REPORTING

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.
At the time of writing, according to the weekly report from the World Health Organization (WHO), the global prevalence of the coronavirus has started to rise again following a slow decline since August. The areas of greatest concern are Eastern Europe, New Zealand and the United Kingdom.
The key to ending the crisis worldwide appears to be rapid distribution of the vaccine among the population and its effectiveness against any new variants.

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 the general measures for the protection of public health and, at the same time, guaranteeing the continuity of its activities. This is also the case for its subsidiary Is Molas S.p.A., which, despite the limitations imposed by the health emergency, is continuing its commercial activities to seek potential villa buyers. The pandemic has had a significant impact on Is Molas S.p.A.'s business, in particular on the period in which the hotel has been open to the public (limited to 1 June 2021 onwards), on the general reduction in the flow of customers during the opening periods compared to pre-pandemic periods, and on the intermittent availability of its services. In response to the situation, a series of actions were taken to reduce costs (in view of postponing the hotel's opening), including optimising existing resources and utilising the support measures made available by the government. This made it possible to apply for access to welfare payments and protect existing jobs.

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 S.p.A., which operates in the **marine sector**, also maintained the measures it promptly put in place last year to comply with the requirements of the Government and relevant authorities to combat the spread of the Covid-19 virus to protect the community and the health of its workers, in accordance with regulations. In line with national legal provisions, during the first nine months of 2021 the company made use of the Covid-19 furlough scheme fund for a temporary reduction in work volumes; it also put in place a scheme for its workers to take holidays owed to them. From an economic and financial point of view, the Covid-19 pandemic has led to the interruption or slowing down of sales programmes with potential customers; in 2021, contact resumed, albeit at a slower pace, with navies to evaluate possible supplies of minesweepers under the Defence Programmes of various countries.

Financial highlights of the Immsi Group

A recovery seen over the first nine months of 2021 was extremely positive for the Immsi Group. Volumes and financial indicators both showed growth compared to the same period of the previous year when the world first began to be affected by the Covid-19 virus, leading to the temporary shutdown of production activities, sales and services to customers – particularly in the industrial sector and tourist/hospitality industry.
All indicators were up on the figures for the first nine months of 2020: turnover increased by 29.6%, EBITDA by 24.1% and the net profit including the portion attributable to non-controlling interests was €32.7 million in the first nine months of 2021, compared to a profit of €16.1 million in the same period of 2020. Net financial debt at 30 September 2021 was equal to €744.9 million, down by 9.6% compared to the corresponding period of the previous year (€823.7 million).

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., as well as intergroup eliminations;

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

- the "marine sector" includes 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.

Immsi Group at 30 September 2021

In thousands of Euros	*Property and holding sector*	*as a %*	*Industrial sector*	*as a %*	*Marine sector*	*as a %*	*Immsi Group*	*as a %*
Net revenues	2,071		1,319,224		28,533		1,349,828	
Operating income before depreciation and amortisation (EBITDA)	-5,127	n/m	192,886	14.6%	-600	-2.1%	187,159	13.9%
Operating income (EBIT)	-5,977	n/m	97,444	7.4%	-3,292	-11.5%	88,175	6.5%
Profit before tax	-16,950	n/m	83,171	6.3%	-4,787	-16.8%	61,434	4.6%
Earnings for the period including non-controlling interests	-15,168	n/m	51,566	3.9%	-3,677	-12.9%	32,721	2.4%
Group earnings for the period (which may be consolidated)	-8,630	n/m	25,895	2.0%	-2,666	-9.3%	14,599	1.1%
Net debt	-313,953		-372,742		-58,170		-744,865	
Personnel (number)	97		6,045		242		6,384	

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.

Immsi Group at 30 September 2020

In thousands of Euros	*Property and holding sector*	*as a %*	*Industrial sector*	*as a %*	*Marine sector*	*as a %*	*Immsi Group*	*as a %*
Net revenues	1,218		993,819		46,824		1,041,861	
Operating income before depreciation and amortisation (EBITDA)	-4,289	n/m	150,060	15.1%	5,095	10.9%	150,866	14.5%
Operating income (EBIT)	-5,030	n/m	63,648	6.4%	2,460	5.3%	61,078	5.9%
Profit before tax	-15,757	n/m	48,539	4.9%	841	1.8%	33,623	3.2%
Earnings for the period including non-controlling interests	-13,408	n/m	29,123	2.9%	335	0.7%	16,050	1.5%
Group earnings for the period (which may be consolidated)	-5,637	n/m	14,624	1.5%	243	0.5%	9,230	0.9%
Net debt	-326,920		-444,842		-51,952		-823,714	
Personnel (number)	112		6,312		253		6,677	

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):** equal to financial liabilities (current and non-current) including trade payables and other non-current payables that include a significant component of implicit (or explicit) finance, minus cash and cash equivalents, and other current financial receivables. In derogation from the ESMA Guidelines 2021 / 32-382-1138, the Immsi Group has determined that net financial debt does not include other financial assets and liabilities arising from fair value measurements, interest accrued on loans to third party shareholders and financial liabilities related to assets held for sale. A detailed table highlighting the items that contribute to the indicator is included in this Report.

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 relative to the first nine months of 2021 are given below, compared to the same period of 2020, as well as the reclassified Statement of Financial Position at 30 September 2021, compared to the situation at 31 December 2020 and 30 September 2020 and the Statement of Cash Flows at 30 September 2021 compared to the same period of 2020. The Statement of changes in shareholders' equity at 30 September 2021, compared with figures for the same period of the previous year is also presented.

In the first nine 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 Executive in charge of financial reporting 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.

The Group carried out the following impairment assessments on the recoverability of goodwill at 30 June 2021: with reference to goodwill pertaining to the Piaggio group CGU – the analysis carried out by management to compare the actual result and the budgeted data for 2021, supplemented by forecast data for the 2022-2024 period, did not reveal any indicators that would require an update of the impairment test conducted for the purposes of the consolidated financial statements at 31 December 2020, thus confirming the results; As regards the goodwill pertaining to the Intermarine CGU, given the postponement of certain assumptions envisaged in the 2021-2025 business plan, management deemed it appropriate to carry out a sensitivity analysis approved by the Intermarine S.p.A. Board of Directors
on 29 July 2021. This updates the 2021 data projections and the 2022-2025 forecast and extends the evaluation to 2026, thus updating the related impairment test of the net capital employed of the Intermarine CGU at 31 December 2020. The analysis found write-downs unnecessary.
No impairment indicators have been identified in the last 90 days requiring an immediate measurement of impairment losses.

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 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, also bearing in mind the credit lines maturing in the next 12 months and the Group’s financial commitments, and will ensure an adequate level of operational and strategic flexibility.

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 30 September 2021	Average exchange rate first nine months of 2021	Exchange rate as of 31 December 2020	Average exchange rate first nine months of 2020
US Dollar	1.1579	1.19622	1.2271	1.12503
Pound Sterling	0.86053	0.863634	0.89903	0.885085
Indian Rupee	86.0766	88.04203	89.6605	83.49460
Singapore Dollars	1.5760	1.60196	1.6218	1.56354
Chinese Yuan	7.4847	7.73756	8.0225	7.86593
Croatian Kuna	7.4889	7.53206	7.5519	7.53124
Japanese Yen	129.67	129.83203	126.49	120.91083
Vietnamese Dong	25,740.86	26,712.09531	27,654.41	25,559.90
Indonesian Rupiah	16,584.60	17,122.72813	17,029.69	16,497.96297
Brazilian Real	6.2631	6.37645	6.3735	5.71002

This Interim Report on Operations at 30 September 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 30 September 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.

<u>New accounting standards, amendments and interpretations adopted from 1 January 2021</u>

Derivatives and measurement of hedging transactions
Until 31 December 2020, the Group had chosen to apply the hedge accounting provisions of IAS 39, as permitted by IFRS 9. As of 1 January 2021, IFRS 9 has been applied. This change has not had a significant impact on the values or disclosures in the financial statements.

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.

The application of the new amendments did not have a significant impact on values or on the financial statements.

<u>Accounting standards, amendments and interpretations not yet applicable</u>

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, the IASB issued the new standard IFRS 17 "Insurance Contracts". The new standard, which will replace IFRS 4 and will be effective from 1 January 2023, was amended in June 2020.
- 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 2023.

- 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 June 2020, the IASB published amendments to IFRS 4 that postpone the exemption from the application of IFRS 9 to 1 January 2023.
- 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. In any case, the IASB plans to publish a draft in the fourth quarter of 2021, in which it will propose deferring the effective date of application to 1 January 2024 at the earliest.
- In March 2021, the IASB published amendments to IFRS 16 that move the final date from 30 June 2021 to 30 June 2022, for a practical expedient for measuring leases where renegotiated lease payments have been made as a result of Covid-19. The lessee may opt to recognise the concession in the accounts as a variable lease payment in the period when a lower payment is recognised. These amendments will apply from 1 April 2021.
- In May 2021, the IASB issued amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments require companies to recognise deferred taxes when an asset or liability is initially recognised in a transaction that results in equal amounts of temporary deductible and taxable differences. 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 30 September 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.

Compared to 31 December 2020, the only change to the scope of consolidation has arisen due to Piaggio & C. S.p.A.'s buyback of 17,000 shares. the consolidated portion of shareholders' equity of the Piaggio group, which amounted to 50.21% at 30 September and 31 December 2020, was equal to 50.22% at 30 September 2021. With reference to the portion held by the Parent Company Immsi S.p.A. in ISM Investimenti S.p.A., considering the various equity rights of the two partners and analysis of impairment testing, the portion of consolidated shareholders' equity of ISM Investimenti S.p.A. was estimated to be 47.64% at 31 December 2020, up on the 41.81% at 30 September 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 2021, to which reference is made.

Reclassified consolidated financial statements and relative notes

Reclassified income statement of the Immsi Group

In thousands of Euros	*30.09.2021*		*30.09.2020*		*Change*	
Net revenues	**1,349,828**	**100%**	**1,041,861**	**100%**	**307,967**	**29.6%**
Costs for materials	839,599	62.2%	628,366	60.3%	211,233	33.6%
Costs for services, leases and rentals	217,684	16.1%	164,541	15.8%	53,143	32.3%
Employee costs	195,289	14.5%	170,204	16.3%	25,085	14.7%
Other operating income	112,758	8.4%	90,679	8.7%	22,079	24.3%
Net reversals (write-downs) of trade and other receivables	-1,514	-0.1%	-2,043	-0.2%	529	25.9%
Other operating costs	21,341	1.6%	16,520	1.6%	4,821	29.2%
OPERATING EARNINGS BEFORE AMORTISATION AND DEPRECIATION (EBITDA)	**187,159**	**13.9%**	**150,866**	**14.5%**	**36,293**	**24.1%**
Depreciation and impairment costs of plant, property and equipment	41,307	3.1%	37,237	3.6%	4,070	10.9%
Impairment of goodwill	0	-	0	-	0	-
Amortisation and impairment costs of intangible assets with a definite useful life	57,677	4.3%	52,551	5.0%	5,126	9.8%
OPERATING INCOME (EBIT)	**88,175**	**6.5%**	**61,078**	**5.9%**	**27,097**	**44.4%**
Income/(loss) from investments	609	0.0%	772	0.1%	-163	-
Financial income	19,683	1.5%	21,804	2.1%	-2,121	-9.7%
Borrowing costs	47,033	3.5%	50,031	4.8%	-2,998	-6.0%
PROFIT BEFORE TAX	**61,434**	**4.6%**	**33,623**	**3.2%**	**27,811**	**82.7%**
Taxes	28,713	2.1%	17,573	1.7%	11,140	63.4%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**32,721**	**2.4%**	**16,050**	**1.5%**	**16,671**	**103.9%**
Gain (loss) from assets held for sale or disposal	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	**32,721**	**2.4%**	**16,050**	**1.5%**	**16,671**	**103.9%**
Earnings for the period attributable to non-controlling interests	18,122	1.3%	6,820	0.7%	11,302	165.7%
GROUP PROFIT (LOSS) FOR THE PERIOD	**14,599**	**1.1%**	**9,230**	**0.9%**	**5,369**	**58.2%**

Statement of comprehensive income of the Immsi Group

	30.09.2021	30.09.2020
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	32,721	16,050
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 ("FVTOCI")	1,077	(1,673)
Actuarial gains (losses) on defined benefit plans	4	(365)
Total	1,081	(2,038)
Items that may be reclassified in the income statement		
Effective portion of profit (losses) from instruments to hedge cash flows	3,976	275
Profit (loss) deriving from the translation of financial statements of foreign companies denominated in foreign currency	4,421	(6,866)
Share of subsidiaries/associates valued with the equity method	787	(206)
Total	9,184	(6,797)
Other Consolidated Comprehensive Income (Expense)	10,265	(8,835)
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	42,986	7,215
Comprehensive income of minority interests	22,686	3,279
COMPREHENSIVE GROUP PROFIT (LOSS) FOR THE PERIOD	20,300	3,936

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

Net revenues

Consolidated net revenues at 30 September 2021 amounted to €1,349.8 million, of which 97.7%, equal to €1,319.2 million attributable to the industrial sector (Piaggio group), 2.1%, equal to €28.5 million, to the marine sector (Intermarine S.p.A.), and the remaining part, corresponding to €2.1 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 €1,319.2 million in the first nine months of 2021, up by 32.7% 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 during the previous year.

Consolidated revenues from the marine sector (Intermarine S.p.A.) amounted to €28.5 million at 30 September 2021, down by 39.1% compared to the figure of €46.8 million in the first nine months of 2020, in line with job order planning for the current year.

With regard to the property and holding sector, net revenues (€2.1 million) improved compared to 30 September 2020 (€1.2 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 €187.2 million at 30 September 2021, equal to 13.9% of net revenues, up by €36.3 million compared to EBITDA for the first nine months of 2020.

The component attributable to the industrial sector (Piaggio group) amounted to €192.9 million, improving by €42.8 million compared to the figure at 30 September 2020 (equal to €150.1 million), and accounting for 14.6% of sector net revenues (15.1% in the same period of 2020). The component attributable to the marine sector (Intermarine S.p.A.) was equal to €0.6 million negative, down compared to €5.1 million positive at 30 September 2020. Finally, the component attributable to the real estate and holding sector amounted to a loss of €5.1 million, while in the first nine months of 2020 a loss of €4.3 million was recorded.

The main costs of the Immsi Group included personnel costs of €195.3 million, up on the figure recorded for the same period in 2020, which was equal to €170.2 million (accounting for 14.5% of net revenues, down from 16.3% for the first nine months of 2020). The average workforce in the first nine months of 2021 (6,614 units) was slightly down compared to the same period of the previous year (6,652 units).

Operating income (EBIT)

Operating income (EBIT) in the first nine months of 2021 amounted to €88.2 million, equal to 6.5% of net revenues. In the previous year, consolidated operating income (EBIT) in the first nine months amounted to €61.1 million, accounting for 5.9% of net revenues.

The component attributable to the industrial sector (Piaggio group) amounted to €97.4 million, accounting for 7.4% of sector net revenues, up compared to €63.6 million at 30 September 2020. The component attributable to the marine sector (Intermarine S.p.A.) was equal to negative €3.3 million, compared to €2.5 million at 30 September 2020. Lastly, the component attributable to the property and holding sector was approximately €6 million negative, compared to €5 million negative in the first nine months of the previous year.

Depreciation and amortisation for the period, including impairment costs, totalled €99 million (up by €9.2 million compared to the figure for the first nine months of 2020), accounting for 7.3% of net revenues, compared to 8.6% for the same period of 2020, comprising depreciation of property, plant and equipment amounting to €41.3 million (€37.2 million in the first nine months of 2020) and amortisation of intangible assets for €57.7 million (€52.6 million in the same period of 2020). Depreciation and amortisation referable to the industrial sector (Piaggio group) amounted to approximately €95.4 million, up on the figure at 30 September 2020 (€86.4 million), of which €39.5 million relative to property, plant and equipment and €55.9 million to intangible assets.

No goodwill *impairments* were recognised in the first nine months of 2021 or in the consolidated figures as at 30 September 2020. with reference to goodwill pertaining to the Piaggio group CGU – the analysis carried out by management to compare the actual result and the budgeted data for 2021, supplemented by forecast data for the 2022-2024 period, did not reveal any indicators that would require an update of the impairment test conducted for the purposes of the consolidated financial statements at 31 December 2020, thus confirming the results; As regards the goodwill pertaining to the Intermarine CGU, given the postponement of certain assumptions envisaged in the 2021-2025 business plan, management deemed it appropriate to carry out a sensitivity analysis approved by the Intermarine S.p.A. Board of Directors on 29 July 2021. This updates the 2021 data projections and the 2022-2025 forecast and extends the evaluation to 2026, thus updating the related impairment test of the net capital employed of the Intermarine CGU at 31 December 2020. The analysis found write-downs unnecessary.

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 30 September 2021 amounted to €61.4 million, up on the consolidated figure for the first nine months of the previous year, which amounted to €33.6 million.

Borrowing costs, net of income and earnings from investments, amounted to €26.7 million in the first nine months of 2021, accounting for 2% of net revenues, with the contribution from the industrial sector amounting to €14.3 million (€15.1 in the first nine months of 2020), from the marine sector amounting to €1.5 million (€1.6 million at 30 September 2020) and from the property and holding sector the remaining amount (€11 million in the first nine months of 2021 compared to €10.7 million in the same period of 2020).
Net financial borrowing costs recognised in the first nine months of 2021 are therefore slightly lower than those recognised in the corresponding period of the previous year (€27.5 million, 2.6% of net revenues).

Group profit/loss for the period

Earnings for the period, net of taxes and the portion attributable to non-controlling interests, at 30 September 2021 recorded a profit of €14.6 million (1.1% of net revenues for the period), up €5.4 million compared to the profit of €9.2 million registered in the same period of the previous year.

Taxes accruing in the period represented a cost of approximately €28.7 million (during the first nine months of 2020 a cost of €17.6 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:	*30.09.2021*	*30.09.2020*
Basic	0.043	0.027
Diluted	0.043	0.027
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	*30.09.2021*	*as a %*	*31.12.2020*	*as a %*	*30.09.2020*	*as a %*
Current assets:						
Cash and cash equivalents	246,301	10.9%	249,886	11.7%	267,275	12.4%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating activities	581,489	25.7%	447,339	21.0%	496,562	23.1%
Total current assets	**827,790**	**36.6%**	**697,225**	**32.8%**	**763,837**	**35.5%**
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	879,093	38.9%	866,099	40.7%	855,007	39.7%
Property, plant and equipment	341,565	15.1%	336,850	15.8%	329,174	15.3%
Other assets	213,305	9.4%	227,731	10.7%	205,770	9.6%
Total non-current assets	**1,433,963**	**63.4%**	**1,430,680**	**67.2%**	**1,389,951**	**64.5%**
TOTAL ASSETS	**2,261,753**	**100.0%**	**2,127,905**	**100.0%**	**2,153,788**	**100.0%**
Current liabilities:						
Financial liabilities	447,326	19.8%	481,273	22.6%	436,363	20.3%
Operating liabilities	799,865	35.4%	629,755	29.6%	608,421	28.2%
Total current liabilities	**1,247,191**	**55.1%**	**1,111,028**	**52.2%**	**1,044,784**	**48.5%**
Non-current liabilities:						
Financial liabilities	543,840	24.0%	571,517	26.9%	654,626	30.4%
Other non-current liabilities	85,573	3.8%	83,411	3.9%	82,846	3.8%
Total non-current liabilities	**629,413**	**27.8%**	**654,928**	**30.8%**	**737,472**	**34.2%**
TOTAL LIABILITIES	**1,876,604**	**83.0%**	**1,765,956**	**83.0%**	**1,782,256**	**82.7%**
TOTAL SHAREHOLDERS' EQUITY	**385,149**	**17.0%**	**361,949**	**17.0%**	**371,532**	**17.3%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,261,753**	**100.0%**	**2,127,905**	**100.0%**	**2,153,788**	**100.0%**

Analysis of capital invested by the Immsi Group

In thousands of Euros	*30.09.2021*	*as a %*	*31.12.2020*	*as a %*	*30.09.2020*	*as a %*
Current operating assets	581,489	47.8%	447,339	35.8%	496,562	38.9%
Current operating liabilities	-799,865	-65.8%	-629,755	-50.5%	-608,421	-47.6%
Net operating working capital	**-218,376**	**-18.0%**	**-182,416**	**-14.6%**	**-111,859**	**-8.8%**
Intangible assets	879,093	72.3%	866,099	69.4%	855,007	66.9%
Property, plant and equipment	341,565	28.1%	336,850	27.0%	329,174	25.8%
Other assets	213,305	17.5%	227,731	18.2%	205,770	16.1%
Capital employed	**1,215,587**	**100.0%**	**1,248,264**	**100.0%**	**1,278,092**	**100.0%**
Non-current non-financial liabilities	85,573	7.0%	83,411	6.7%	82,846	6.5%
Capital and reserves of non-controlling interests	141,240	11.6%	132,504	10.6%	135,955	10.6%
Consolidated Group shareholders' equity	243,909	20.1%	229,445	18.4%	235,577	18.4%
Total non-financial sources	**470,722**	**38.7%**	**445,360**	**35.7%**	**454,378**	**35.6%**
Net Financial debt	**744,865**	**61.3%**	**802,904**	**64.3%**	**823,714**	**64.4%**

Capital employed

Capital employed at 30 September 2021 amounted to €1,215.6 million, down by €32.7 million compared to 31 December 2020, while this figure amounted to €1,278.1 million at 30 September 2020.

Net operating working capital at 30 September 2021 was €218.4 million negative, compared to €-

182.4 million at 31 December 2020 and equal to €-111.9 million at 30 September 2020.
Intangible assets increased compared to 31 December 2020 and 30 September 2020, and were equal to €879.1 million; property, plant and equipment increased by €4.7 million compared to the figure at the end of 2020, and by €12.4 million compared to 30 September 2020.

Net financial debt of the Immsi Group

Net financial debt as at 30 September 2021, amounting to €744.9 million, is presented below in accordance with the provisions of ESMA Guidelines 32-382-1138 of 4 March 2021, and compared with the same figure as at 31 December 2020 (€802.9 million).

In thousands of Euros	***30.09.2021***	***31.12.2020***
A Cash and cash equivalents	-246,301	-249,886
B Cash equivalents	0	0
C. Other financial assets	0	0
D Total liquidity (A + B + C)	**-246,301**	**-249,886**
E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)		
- Bonds	0	11,038
- Payables due to banks	244,326	276,816
- Lease liabilities	7,690	8,850
- Amounts due to other lenders	63,141	62,364
F Current portion of non-current financial debt	132,169	122,205
G Total current financial debt (E + F)	**447,326**	**481,273**
H Net current financial debt (G + D)	**201,025**	**231,387**
I Non-current financial debt (excluding current portion and debt instruments)		
- Payables due to banks	282,060	278,633
- Lease liabilities	18,159	19,987
- Amounts due to other lenders	282	318
J Debt instruments	243,339	272,579
K Trade payables and other non-current payables	0	0
L Non-current financial debt (I + J + K)	**543,840**	**571,517**
M Net financial debt (H + L)	**744,865**	**802,904**

*) In derogation from the ESMA Guidelines 2021 / 32-382-1138, described above, the Immsi Group has determined that net financial debt does not include other financial assets and liabilities arising from fair value measurements, interest accrued on loans to third party shareholders and financial liabilities related to assets held for sale.

As of 30 September 2021, the Group has reduced its debt by around €58 million compared to 31 December 2020 and by around €78.8 million compared to 30 September 2020: .The reduction was driven, mainly in the industrial sector, by the careful management of working capital, as well as by operating cash flow from the positive performance of the business, which also made it possible to absorb higher capital expenditure requirements.

Investments

The Group's gross investments at 30 September 2021 totalled €106.7 million compared to €90.6 million in the first nine months of 2020 (of which €102.2 million referred to the Piaggio group). These investments refer to €69.4 million relative to intangible assets (€60.1 million in the first nine months of 2020) and €37.3 million relative to property, plant and equipment (compared to €30.5 million in the same period of the previous year).

Cash flow statement of the Immsi Group

In thousands of Euros	*30.09.2021*	*30.09.2020*
Operating activities		
Profit before tax	61,434	33,623
Depreciation of property, plant and equipment (including investment property)	41,307	37,237
Amortisation of intangible assets	57,677	52,551
Provisions for risks and for severance indemnity and similar obligations	18,895	13,670
Write-downs (reversals of fair value measurements)	1,516	3,950
Losses / (Gains) on the disposal of property, plant and equipment (including investment property)	(116)	(108)
Financial income	(773)	(969)
Dividend income	0	(25)
Borrowing costs	31,861	33,098
Amortisation of grants	(3,197)	(3,546)
Change in working capital	39,104	(42,106)
Change in non-current provisions and other changes	(30,800)	(13,736)
Cash generated from operating activities	216,908	113,639
Interest paid	(23,183)	(21,603)
Taxes paid	(16,540)	(11,836)
Cash flow from operations	177,185	80,200
Investment activities		
Acquisition of subsidiaries, net of cash and cash equivalents	(53)	(217)
Investment in property, plant and equipment (including investment property)	(37,292)	(30,505)
Sale price, or repayment value, of plant, property and equipment (including investment property)	5,703	325
Investment in intangible assets	(69,408)	(60,072)
Sale price, or repayment value, of intangible assets	60	8
Collected interests	470	796
Public grants collected	1,062	954
Dividends from investments	0	25
Cash flow from investing activities	(99,458)	(88,686)
Financing activities		
Loans received	132,391	228,216
Outflow for repayment of loans	(191,857)	(144,082)
Reimbursement of rights of use	(7,478)	(7,198)
Outflow for dividends paid to non-controlling interests	(19,733)	(9,779)
Cash flow from financing activities	(86,677)	67,157
Increase / (Decrease) in cash and cash equivalents	(8,950)	58,671
Opening balance	248,699	212,055
Exchange differences	6,552	(3,452)
Closing balance	246,301	267,274

This schedule illustrates the changes in cash and cash equivalents totalling €246.3 million at 30 September 2021 (of which 267.3 million at 30 September 2020), gross of short-term bank overdrafts. The Group had no short-term bank overdrafts outstanding at 30 September 2021, while at 30 September 2020 the Group had only a small amount (€1,000) outstanding.

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***
Distribution of dividends	*0*	*(9,779)*	*(9,779)*
Other changes	*(8,789)*	*8,572*	*(217)*
Net comprehensive earnings for the period	*3,936*	*3,279*	*7,215*
Balances at 30 September 2020	***235,577***	***135,955***	***371,532***

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***
Distribution of dividends	*0*	*(19,733)*	*(19,733)*
Other changes	*(5,836)*	*5,783*	*(53)*
Net comprehensive earnings for the period	*20,300*	*22,686*	*42,986*
Balances at 30 September 2021	***243,909***	***141,240***	***385,149***

Human resources

At 30 September 2021, the Immsi Group employed 6,384 staff, of which 97 in the property and holding sector, 6,045 in the industrial sector (Piaggio group) and 242 in the marine sector (Intermarine S.p.A.).
The following tables divide resources by category and geographic segment:

Human resources by category

numbers	**30.09.2021**			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Senior management	4	111	7	122
Middle managers and white-collar workers	34	2,285	142	2,461
Blue-collar workers	59	3,649	93	3,801
TOTAL	**97**	**6,045**	**242**	**6,384**

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	-1	4	1	4
Middle managers and white-collar workers	3	-1	0	2
Blue-collar workers	37	186	-12	211
TOTAL	**39**	**189**	**-11**	**217**

Human resources by geographic segment

numbers	30.09.2021			
	Property and holding sector	**Industrial sector**	**Marine sector**	**Group total**
Italy	97	3,350	242	3,689
Rest of Europe	0	168	0	168
Rest of the world	0	2,527	0	2,527
TOTAL	**97**	**6,045**	**242**	**6,384**

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	39	293	-11	321
Rest of Europe	0	-3	0	-3
Rest of the world	0	-101	0	-101
TOTAL	**39**	**189**	**-11**	**217**

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 nine 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.
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	*30.09.2021*	*as a %*	*30.09.2020*	*as a %*	*Change*	*as a %*
Net revenues	2,071		1,218		853	70.0%
Operating income before depreciation and amortisation (EBITDA)	-5,127	n/m	-4,289	n/m	-838	-19.5%
Operating income (EBIT)	-5,977	n/m	-5,030	n/m	-947	-18.8%
Profit before tax	-16,950	n/m	-15,757	n/m	-1,193	-7.6%
Earnings for the period including non-controlling interests	-15,168	n/m	-13,408	n/m	-1,760	-13.1%
Group earnings for the period (which may be consolidated)	-8,630	n/m	-5,637	n/m	-2,993	-53.1%
Net debt	-313,953		-326,920		12,967	4.0%
Personnel (number)	97		112		-15	-13.4%

Overall, at 30 September 2021 the **property and holding sector** recorded a consolidated net loss of approximately €8.6 million, a worsening compared to the loss of €5.6 million reported in the same period of last year. The latter result benefited from the reversal of deferred tax assets on tax losses by the parent company Immsi S.p.A. of approximately €1.6 million allocated on the basis of forecasts calculating the likelihood of recovery.
The sector reported net debt of €314 million, an improvement on the debt of €326.9 million at 30 September 2020.

The **Parent Company Immsi S.p.A.** recorded a net profit for the period of approximately €19.3 million, compared to €12.2 million at 30 September 2020; .the increase was mainly due to the higher flow of dividends (€10 million) distributed by the subsidiary Piaggio & C. S.p.A. in the first nine months of 2021 compared to the corresponding period of 2020, partially offset by lower revenues for services rendered to subsidiaries and the reversal of deferred tax assets in the previous year, as discussed above.
The net financial position at 30 September 2021 showed net cash of €8.5 million, compared to €6.8 million net cash at 31 December 2020, mainly due to the cash flows from dividends in the period, partially offset by the capital consolidation of the subsidiaries RCN Finanziaria S.p.A. and

ISM Investimenti S.p.A. with reserves for the subscription of future capital increases through waivers of financial receivables with subsidiaries, for a total of €13.3 million.

The Parent Company carried out specific impairment testing, at a consolidated level, on the carrying value of goodwill recognised at 30 June 2021, with no impairment losses being recorded in the income statement. No impairment indicators have been identified in the last 90 days requiring an immediate measurement of any impairment losses. Therefore no impairment cost is recognised in consolidated data. Specific impairment testing on the carrying value of investments held in companies consolidated on a line-by-line basis was not carried out, as these investments and any changes arising from relative impairment testing would have been entirely eliminated during consolidation.

With regard to the real-estate activities of the subsidiary **Is Molas S.p.A.**, it should be noted that commercial activities aimed at identifying possible buyers, including at an international level, are proceeding. It should also be noted that, after evaluation, the company has decided to allow the mock-up villas to be rented out in order to allow end customers – including investors – to better understand the product and the associated services offered (e.g. wellness and home catering), so as to be able to assess their profitability.
Revenues generated by the hotel and golf business in the first nine months of 2021 (amounting to €2.1 million) were up by approximately €0.9 million compared to the same period of the previous year. This increase was mainly due to the earlier opening of the hotel (June 2021 compared to July 2020) and a higher number of guests in the third quarter of 2021 compared to the same period of 2020. In terms of margins, at 30 September 2021 the company recorded an operating loss of approximately €2 million and a net loss for consolidation purposes of €1.2 million, an improvement on the figure recorded for the same period of 2020.
The net debt of the company amounted to €78.1 million, with a cash flow absorption of €3 million compared to 31 December 2020 (when it stood at €75.1 million) due to net cash flows used by operations and investments in property, plant and equipment.

With regard to Pietra Ligure, it should also be noted that on 22 July 2021 Pietra S.r.l. (77.78% owned by Immsi and 22.22% owned by Intesa Sanpaolo S.p.A.), signed a preliminary contract with Polifin S.p.A. (the holding company of the Bosatelli family) for the sale of the entire equity investment held in Pietra Ligure S.r.l., for a total consideration of €30 million. The execution of the contract is subject, as is practice, to certain condition precedents (specifically, two of an administrative nature involving the Liguria Region and the Municipality of Pietra Ligure). The transaction is expected to be executed by the first quarter of 2022.
The net result for consolidation purposes of **Pietra S.r.l.** in the first nine months of 2021 was substantially at breakeven and in line with the same period of the previous year. Pietra S.r.l.'s net financial position showed a cash balance of €7.1 million (a debt of €2.8 million at 31 December 2020) as a result of the advance received from Polifin S.p.A. (€10 million) under the contract for the sale of Pietra Ligure S.r.l.. The net loss for consolidation purposes of Pietra Ligure S.r.l., a subsidiary of Pietra S.r.l., amounted to a €0.4 million (in line with the first nine months of 2020). Net financial debt amounted to €3.1 million (€2.8 million as at 31 December 2020), in addition to financial debt arising from the discounting of cash flows related to the state concession (in accordance with IFRS16) of approximately €6.2 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 30 September 2021, the company posted a substantial break-even position and net debt that was more or less unchanged compared to 31 December 2020, at a negative value of €0.8 million.

The other major companies falling within the property and holding sector also include RCN Finanziaria S.p.A. and ISM Investimenti S.p.A.. With reference to main financial data of the company:

- **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 €2.9 million (broadly in line with the first nine months of 2020), and net financial debt of €125.9 million at 30 September 2021, largely unchanged compared to 31 December 2020;

- **ISM Investimenti S.p.A.** recorded a net loss for consolidation purposes for the Immsi Group of approximately €3.4 million (down by approximately €0.5 million compared to the first nine months of 2020), and net financial debt at 30 September 2021 equal to €121.5 million, down by approximately €6.7 million compared to the figure at 31 December 2020, mainly due to Immsi S.p.A.'s waiver of financial receivables, converting them into reserves for future capital increases.

Industrial sector

In thousands of Euros	*30.09.2021*	*as a %*	*30.09.2020*	*as a %*	*Change*	*as a %*
Net revenues	1,319,224		993,819		325,405	32.7%
Operating income before depreciation and amortisation (EBITDA)	192,886	14.6%	150,060	15.1%	42,826	28.5%
Operating income (EBIT)	97,444	7.4%	63,648	6.4%	33,796	53.1%
Profit before tax	83,171	6.3%	48,539	4.9%	34,632	71.3%
Earnings for the period including non-controlling interests	51,566	3.9%	29,123	2.9%	22,443	77.1%
Group earnings for the period (which may be consolidated)	25,895	2.0%	14,624	1.5%	11,271	77.1%
Net debt	-372,742		-444,842		72,100	16.2%
Personnel (number)	6,045		6,312		-267	-4.2%

At 30 September 2021, the Piaggio group had sold 430,600 vehicles worldwide (353,900 in the first nine months of 2020). Sales increased in all geographic segments. As regards product type, sales of Two-Wheeler vehicles grew (+28.9%) while sales of Commercial Vehicles fell (-7.5%).

The Piaggio group' s consolidated net revenues amounted to €1,319.2 million, up sharply (+32.7%) compared to the €993.8 million recorded as of 30 September 2020.

EBITDA amounted to €192.9 million at 30 September 2021, an improvement of 28.5% on the €150.1 million reported in the first nine months of 2020. *The EBITDA* margin was equal to 14.6% (15.1% at 30 September 2020).

Operating income (EBIT) amounted to €97.4 million, up 53.1% compared to €63.6 million at 30 September 2020. The EBIT margin was equal to 7.4% (6.4% at 30 September 2020).

Profit before tax amounted to €83.2 million, up by 71.3% compared to €48.5 million at 30 September 2020. Income taxes for the period amounted to €31.6 million, equivalent to 38% of profit before tax.

Net profit of the Piaggio group stood at €51.6 million in the first nine months of 2021 (3.9% of turnover) also improving (+77.1%) on the figure for the same period of the previous year, which amounted to €29.1 million (2.9% of turnover).

Net financial debt at 30 September 2021 was equal to €372.7 million, compared to €423.6 million at 31 December 2020. Net financial debt decreased by €72.1 million compared to 30 September 2020.

Marine sector

In thousands of Euros	*30.09.2021*	*as a %*	*30.09.2020*	*as a %*	*Change*	*as a %*
Net revenues	28,533		46,824		-18,291	n/m
Operating income before depreciation and amortisation (EBITDA)	-600	-2.1%	5,095	10.9%	-5,695	n/m
Operating income (EBIT)	-3,292	-11.5%	2,460	5.3%	-5,752	n/m
Profit before tax	-4,787	-16.8%	841	1.8%	-5,628	n/m
Earnings for the period including non-controlling interests	-3,677	-12.9%	335	0.7%	-4,012	n/m
Group earnings for the period (which may be consolidated)	-2,666	-9.3%	243	0.5%	-2,909	n/m
Net debt	-58,170		-51,952		-6,218	-12.0%
Personnel (number)	242		253		-11	-4.3%

With reference to the income data of the **marine sector** (Intermarine S.p.A.), during the first nine months of 2021, net sales revenues (consisting of sales and changes in work in progress) amounted to €28.5 million, compared to €46.8 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 €24.4 million (35.9 million in the first nine months of 2020), mainly due to progress with the job order for the modernisation of Gaeta Class minesweepers for the Italian Navy, and the third integrated minesweeper platform for an Italian sector operator;
- the *Fast Ferries* and *Yacht* divisions, with a total of €4.1 million (10.9 million during the first nine months of 2020), mainly for activities at the Messina shipyard.

In view of the above, an operating loss (EBIT) of €3.3 million was recorded for the first nine months of 2021, down on the same period of the previous year (when earnings of €2.5 million were recorded). Profit before tax amounted to €4.8 million (compared to a profit of €0.8 million in the same period of 2020), while at 30 September 2021 the Immsi Group had recorded a net loss for consolidation purposes of €2.7 million, compared to a profit of €0.2 million in the same period of the previous year.

The total value of the orders portfolio of the company amounted to €41.5 million at 30 September 2021 (mainly relating to the Defence division), referring to the remaining part of existing contracts still to be developed in terms of revenues.

Net financial debt at 30 September 2021 amounted to €58.2 million, up on the balance at 31 December 2020 equal to €50.5 million, but down on the balance of €52 million at 30 September 2020.

Events occurring after 30 September 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 the **industrial sector**, the general climate of uncertainty is compounded by a number of difficulties such as the generalised increase in the cost of raw materials, the shortage of microchips and logistics difficulties, especially from the Far East. Despite these issues, during the year in which Moto Guzzi celebrated its 100th birthday and Vespa its 75th, the Piaggio group will continue to move forward with the launch of 11 new two-wheeler models planned for 2021, as well as the major investments announced at the beginning of the year, such as the new E-mobility department, the new factory in Indonesia and the complete renovation of the Moto Guzzi production site and museum complex.
Regarding events occurring after 30 September 2021, bp and Piaggio signed a Memorandum of Understanding in October for the development and implementation of a wide range of services to support the growing popularity of two- and three-wheeler electric vehicles in Europe, India and Asia.

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 and patrol boats 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.
Regarding events occurring after 30 September 2021, at the end of October, Intermarine S.p.A. delivered to the General Command of the Corps of Harbour Offices - Coast Guard at the Messina shipyard the CP421 "Roberto Aringhieri", the second ship in the "Angeli del Mare" class, the longest selfrighting and unsinkable ships ever built in Italy and one of the largest SAR (Search and Rescue) ships in the world.