



Approval of the draft Financial Statements of Vimi Fasteners and the Consolidated Financial Statements for 2020

- **Consolidated revenues of € 39.1 million (-17% compared to € 47.1 million in 2019);**
- **Consolidated EBITDA of € 4 million, or 10.1% of revenue, up compared to 8.8% in the previous year. The final result can be compared to € 4.2 million in 2019;**
- **Net consolidated loss of € 250,000, down compared to the 2019 profit of € 1.1 million;**
- **Consolidated NFP of € 19.6 million, in line with the figure at 31 December 2019.**

Novellara, 31 March 2021

Today, the Board of Directors of Vimi Fasteners S.p.A. approved the draft financial statements as at 31 December 2020, prepared in accordance with international accounting standards (IAS/IFRS), as well as the 2020 consolidated financial statements prepared in accordance with the same accounting standards.

The Board of Directors also resolved to convene the ordinary and extraordinary Shareholders' Meeting on 28 April 2021, in a single call, for the approval, among other things, of the financial statements as at 31 December 2020.

KEY CONSOLIDATED FINANCIALS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AS AT 31 December 2020

REVENUE

Revenue for the year totals € 39.1 million, a 17% decrease compared to the previous year due to the COVID-19 pandemic and the resulting contraction seen in the Group's market sectors.

After an initial two months in line with 2019, March, April and May saw a significant decrease in sales, returning in June to the levels seen at the beginning of the year. The first half was especially impacted by the effects of the lockdown, with a 21% decrease when compared to 2019. During the second half, the decline was lower, at 13%.

The decrease in revenue was more significant for clients in the automotive sector, especially in the passenger car sector. This is an important sector for Vimi Fasteners which, however, has seen its portion of total sales fall in recent years due to diversification in other industrial segments.

EBITDA

EBITDA for the year improved by over a percentage point, rising from 8.8% in 2019 to 10.1% in 2020. As an absolute value, EBITDA stood at € 4 million, compared to € 4.2 million the previous year.

This result can be traced to improvements in production efficiency in the updated Novellara plant, as well as careful management of fixed overhead costs.

NET PROFIT

The loss for the year is € 250,000, compared with net profit of € 1.1 million the previous year. As in 2019, the final result was affected by amortisation/depreciation coming from the investment plan carried out in prior years.

NET FINANCIAL POSITION

At 31 December 2020, the Net Financial Position is in line with the figure at the end of 2019, at € 19.6 million. This result is satisfactory when considering the effects of the lockdown and the resulting significant decrease in sales.

This amount includes the € 3.8 million Earn Out to be paid to the former shareholders of the subsidiary MF Inox. The amount is € 1 million lower compared to 2019 after the payment of a portion during the current financial year.

Medium/long-term financing increased after a € 5.6 million loan was obtained, repayable over 5 years. At the same time, short-term financing decreased.

BUSINESS OUTLOOK

Weekly inflows of new orders from clients began to increase in the first few weeks of 2021. This trend continued in March, driven by the automotive, industrial and agricultural sectors.

This increased demand can be traced to the re-establishment of warehouse stocks and to higher demand supported by development and economic assistance policies put in place by the largest industrialised countries. Strong market growth is also expected during the second half of 2021, after the implementation of large-scale vaccination programmes throughout the globe.

Hence, the expectation is that 2021 will be a year of growth, with revenue similar to 2019 and an increase in industrial profitability.

AUTHORISATION TO PURCHASE AND DISPOSE OF TREASURY SHARES

The Shareholders' Meeting on 28 April 2021 will be called upon to approve the project to purchase and dispose of treasury shares. The authorisation will be valid for eighteen months, starting from the date of the resolution.

The authorisation to purchase, to be done directly and/or through intermediaries, in compliance with the law, involves a maximum limit of € 1,000,000 (one million).

The price cannot be more than 20% higher or lower than the reference price recorded for the Company's shares on the trading day prior to the date of each individual transaction.

The purchase or disposal of treasury shares will be done to (i) use treasury shares, directly or through intermediaries, in transactions to stabilise and/or support the liquidity of the Company's shares, if necessary; (ii) assign treasury shares to beneficiaries of any stock option and/or stock grant programmes approved by the relevant company bodies; (iii) allow use of treasury shares in transactions involving core business, or for projects consistent with the Company's strategic guidelines, in relation to which the expediency of share

transactions becomes concrete; (iv) use treasury shares to effectively manage the Company's capital, creating investment opportunities also in relation to sustainable liquidity.

For additional information regarding the authorisation to purchase and dispose of treasury shares, please see the Directors' Report, which will be published in accordance with the terms and methods established under the law and in current regulations.

AMENDMENT OF THE ARTICLES OF ASSOCIATION TO PROVIDE FOR AN HONORARY CHAIRPERSON

Among other things, on 28 April 2021 the Shareholders' Meeting will be called upon to resolve upon a proposal to amend the Articles of Association to establish an Honorary Chairperson for the Company.

The Honorary Chairperson will be selected from among renowned individuals who have helped to strengthen and develop the Company over the years.

This individual, although they will not hold the position of Director, may participate at meetings of the Board of Directors and at Shareholders' Meetings, with a merely consulting role and no voting rights. The Honorary Chairperson may also be assigned tasks in which they represent the Company.

VERIFICATION OF THE ACHIEVEMENT OF THE 2018-2020 STOCK GRANT PLAN OBJECTIVES

Regarding the Stock Grant Plan approved by the Shareholders' Meeting on 6 July 2018, effective for 3 financial years and to which the reader is referred for more information, Company management submitted the report on (i) the future verification of the achievement of the objectives under the Plan and, in particular, achievement of the sole Price Objective, as well as (ii) the consequent assignment of Shares to the Beneficiary to the Independent Director Ivano Accorsi.

This Transaction is classified as a Related Party Transaction, in that the Beneficiary of the Shares for the Plan is the Company's Chief Executive Officer.

The Transaction is also classified as of Lesser Importance, pursuant to Art. 7 of the CONSOB Regulation concerning Related Party Transactions, given that the ratio between the value of the Transaction and the consolidated shareholders' equity of the Vimi Fasteners Group as at 30 June 2020 does not exceed the 5% threshold, established in Annex 3 to the CONSOB Regulation concerning Related Party Transactions.

SHAREHOLDERS' MEETING

The Shareholders of Vimi Fasteners S.p.A. (the “**Company**”) will be called to the ordinary and extraordinary meeting at the Company's registered offices at Via Labriola no. 19, Novellara (Reggio Emilia), Italy **Wednesday 28 April 2021 at 10:30 am, first call**, to discuss and resolve on the following

AGENDA

Extraordinary part:

1. Amendment to Art. 12 of the Articles of Association to include amendments regarding Related Party Transactions and revocation of negotiations as established in the new AIM Italy Issuers Regulation. Related and consequent resolutions.
2. Amendment to the Articles of Association to provide for an Honorary Chairperson. Related and consequent resolutions.

Ordinary part:

1. Approval of the Financial Statements as at 31 December 2020. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Related and consequent resolutions. Presentation of the Group's Consolidated Financial Statements as at 31 December 2020.
2. Allocation of the result for the year. Related and consequent resolutions.
3. Authorisation to purchase and dispose of treasury shares. Related and consequent resolutions.
4. Appointment of the Board of Directors. Related and consequent resolutions.
 - 4.1. Determination of the number of members on the Board of Directors.
 - 4.2. Determination of the term in office for the Board of Directors.
 - 4.3. Appointment of the members of the Board of Directors.
 - 4.4. Determination of the fees paid to members of the Board of Directors.
5. Appointment of the Board of Statutory Auditors. Related and consequent resolutions.
 - 5.1. Appointment of the members of the Board of Statutory Auditors.
 - 5.2. Determination of the fees paid to the Board of Statutory Auditors.
6. Appointment of the Honorary Chairperson. Related and consequent resolutions.
 - 6.1. Appointment of the Honorary Chairperson.
 - 6.2. Determination of the fees paid to the Honorary Chairperson.

It is established that the Shareholders' Meeting may be established and resolve **at the first call**.

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It should be noted that the date and/or place and/or the manner in which the Shareholders' Meeting is to be held and/or voted on and/or conducted, as indicated in the call notice, remain subject to compatibility with the regulations in force or measures issued by the competent Authorities in relation to the COVID-19 emergency (the “**Health Emergency**”). Any changes will be promptly disclosed in the same manner the notice was published and/or through the information channels provided for by the regulations in force from time to time.

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In particular, the Board of Directors proposes to cover the loss of € 1.718 million by using the Extraordinary Reserve until the said amount is met, and to take the amount of € 20,000 from the Extraordinary Reserve to be used to establish a specific reserve, pursuant to Article 2426 of the Italian Civil Code, as a Exchange Gains Reserve, which cannot be distributed until they are realised.

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The full call notice for the Shareholders' Meeting will be made available to the public under the terms of the law, while the documentation relating to the items on the agenda will be made available to the public at the company's registered office and on its website, www.vimifasterners.com

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Financial statements

The following are set out below:

- the consolidated financial statements as at 31 December 2020 approved today and prepared in accordance with international accounting standards (IAS/IFRS).
- the financial statements as at 31 December 2020, for Vimi Fasteners S.p.A. only, approved today and prepared in accordance with international accounting standards (IAS/IFRS).

With reference to the accounting data presented in this press release, it should be noted that these are figures for which statutory audit activities have not been completed by the Independent Auditors nor has the Board of Statutory Auditors verified them. The draft financial statements as at 31 December 2020 will be available within the terms of the law at the registered office and on the company's website.

Consolidated Income Statement as at 31 December 2020

	2020		2019	
Sales	39,087	100.0%	47,057	100.0%
Cost of Goods Sold	(25,167)	-64.4%	(31,262)	-66.4%
Gross industry profits	13,920	35.6%	15,795	33.6%
Costs of Services	(5,475)	-14.0%	(5,932)	-12.6%
Commercial Expense	(1,768)	-4.5%	(2,268)	-4.8%
Other operating Costs	(2,719)	-7.0%	(3,431)	-7.3%
Gross operating margin (EBITDA)	3,958	10.1%	4,164	8.8%
Amortisation, depreciation and write-downs	(4,289)	-11.0%	(4,320)	-9.2%
Operating profit (Loss) (EBIT)	(331)	-0.8%	(156)	-0.3%
Financial income	11	0.0%	42	0.1%
Financial charges	(490)	-1.3%	(438)	-0.9%
Profit (Loss) before taxes	(811)	-2.1%	(552)	-1.2%
Taxes for the year	556	1.4%	1,673	3.6%
Net Income (Loss)	(255)	-0.7%	1,121	2.4%

Consolidated Balance Sheet as at 31 December 2020

€/000	31.12.2020		31.12.2019	
	Amounts	%	Amounts	%
Trade receivables and advances to suppliers	9,642	21%	9,570	21%
Inventories	9,423	21%	9,777	21%
Trade receivables and advances to customers	(7,531)	-17%	(9,023)	-20%
Other Current receivables and (payables)	(2,146)	-5%	(1,940)	-4%
Net operating capital	9,387	21%	8,384	18%
Property, plant and equipment	16,815	37%	19,116	42%
Intangible assets	15,999	35%	15,510	34%
Financial fixed assets	1	0%	1	0%
Other Non-Current Receivables (Payables)	5,584	12%	5,113	11%
Fixed capital	38,399	84%	39,741	86%
Reserve for employee severance indemnities	(2,197)	-5%	(2,113)	-5%
Net invested capital	45,589	100%	46,012	100%
Net financial position (A)	19,593	43%	19,599	43%
Shareholders' equity (B)	25,996	57%	26,413	57%
Total Financing sources (A) + (B)	45,589	100%	46,012	100%

Consolidated Cash Flow Statement as at 31 December 2020

€/000	31.12.2020	31.12.2019
OPERATING ACTIVITIES		
Profit for the year	(255)	1,129
<i>Adjustments for:</i>		
- Amortisation of intangible assets and depreciation of property, plant and equipment	4,284	3,902
- Capital (gains) losses on disposal of fixed assets	(20)	(37)
- Change in provisions for risks and charges and liabilities for employee benefits	(25)	72
- Other non-monetary changes	628	63
- Taxes	(556)	(1,681)
Sub Total	4,056	3,448
(Increase) decrease in trade and other receivables	1,279	4,257
(Increase) decrease in inventories	43	718
Increase (decrease) in trade and other payables	(1,985)	(7,711)
Taxes paid	(455)	(2,747)
CASH AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES (A)	2,938	(2,035)
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(1,733)	(2,671)
Investments in intangible assets	(887)	(645)
Equity investments	0	0
Sale of fixed assets	168	75
CASH AND CASH EQUIVALENTS USED IN INVESTING ACTIVITIES (B)	(2,452)	(3,241)
FINANCING ACTIVITIES		
Repayment of financial debts	(7,301)	(5,500)
Other changes in financial assets/liabilities	5,550	13,129
collection from AIM listing	0	0
purchase of treasury shares	(1)	(268)
Dividends paid	0	0
Interest and dividends received (paid)	(479)	(396)
CASH AND CASH EQUIVALENTS USED IN FINANCING ACTIVITIES (C)	(2,231)	6,965
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(1,745)	1,689
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (E)	6,782	5,093
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (L=H+I)	5,037	6,782

Income Statement as at 31 December 2020

€/000	31.12.2020		31.12.2019	
	Amounts	%	Amounts	%
Sales	31,948	100.00%	38,646	100.00%
Cost of Goods Sold	(21,853)	-68.40%	(27,713)	-71.71%
Gross industry profits	10,095	31.60%	10,934	28.29%
Costs of Services	(5,113)	-16.00%	(5,558)	-14.38%
Commercial Expense	(1,183)	-3.70%	(1,644)	-4.25%
Other operating Costs	(2,562)	-8.02%	(3,052)	-7.90%
Gross operating margin (EBITDA)	1,237	3.87%	679	1.76%
Amortisation, depreciation and write-downs	(3,842)	-12.03%	(3,883)	-10.05%
Operating profit (Loss) (EBIT)	(2,605)	-8.15%	(3,204)	-8.29%
Financial income	140	0.44%	881	2.28%
Financial charges	(391)	-1.22%	(353)	-0.91%
Profit (Loss) before taxes	(2,856)	8.94%	(2,677)	-6.93%
Taxes for the year	1,138	3.56%	634	1.64%
Net Income (Loss)	(1,718)	-5.38%	(2,943)	-5.29%

Balance Sheet as at 31 December 2020

€/000	31.12.2020		31.12.2019	
	Amounts	%	Amounts	%
Trade receivables and advances to suppliers	8,348	23.2%	8,776	23.9%
Inventories	8,097	22.5%	8,267	22.5%
Trade receivables and advances to customers	(6,940)	-19.3%	(8,572)	-23.4%
Other Current receivables and (payables)	(2,205)	-6.1%	(1,343)	-3.7%
Net operating capital	7,300	20.3%	7,128	19.4%
Property, plant and equipment	14,833	41.3%	16,714	45.6%
Intangible assets	1,789	5.0%	1,300	3.5%
Financial fixed assets	11,154	31.1%	11,754	32.0%
Other Non-Current Receivables (Payables)	2,620	7.3%	1,555	4.2%
Fixed capital	30,396	84.6%	31,323	85.4%
Reserve for employee severance indemnities	(1,775)	-4.9%	(1,768)	-4.8%
Net invested capital	35,921	100.0%	36,684	100.0%
Net financial position (A)	(16,199)	-45.1%	(15,200)	-41.4%
Shareholders' equity (B)	(19,722)	-54.9%	(21,484)	-58.6%
Total Financing sources (A) + (B)	-35,921	-100.0%	(36,684)	-100.0%

Statement of cash flow as at 31 December 2020

€/000	31.12.2020	31.12.2019
OPERATING ACTIVITIES		
Profit for the year	(1,718)	(2,043)
<i>Adjustments for:</i>		
- Amortisation of intangible assets and depreciation of property, plant and equipment	3,842	3,503
- Capital (gains) losses on disposal of fixed assets	2	(2)
- Change in provisions for risks and charges and liabilities for employee benefits	(10)	32
- Other non-monetary changes	434	276
- Taxes	(1,141)	(634)
Sub Total	1,409	1,132
(Increase) decrease in trade and other receivables	1,835	2,614
(Increase) decrease in inventories	(141)	756
Increase (decrease) in trade and other payables	(2,792)	(539)
Taxes paid	0	0
CASH AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES (A)	311	3,963
INVESTING ACTIVITIES		
(Investments) in property, plant and equipment	(1,566)	(2,680)
(Investments) in intangible assets	(887)	(644)
Equity (Investments) Divestments	600	0
Sale of fixed assets	(2)	2
CASH AND CASH EQUIVALENTS USED IN INVESTING ACTIVITIES (B)	(1,855)	(3,322)
FINANCING ACTIVITIES		
Repayment of financial debts	(3,786)	(5,500)
Other changes in financial assets/liabilities	5,550	6,800
collection from AIM listing	0	0
purchase of treasury shares	(1)	(268)
Dividends paid	0	0
Interest and dividends received (paid)	(167)	563
CASH AND CASH EQUIVALENTS USED IN FINANCING ACTIVITIES (C)	1,596	1,595
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	52	2,236
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (E)	5,020	2,784
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (L=H+I)	5,072	5,020

www.vimifasteners.com

Vimi Fasteners, based in Novellara (Reggio Emilia), Italy, works in the high-precision mechanics sector and is a leader in the design and production of high-level fasteners for the automotive, industrial oil and gas and aerospace sectors. The Group works in partnership with its customers (OEM, Tier 1 and distributors) and develops personalised solutions, which it exports all over the world, using special steels, superalloys and cutting-edge technology in the integrated manufacturing of its products.

ISIN Code: **IT0004717200**

Ticker: **VIM**

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