



APPROVAL OF THE CONSOLIDATED FINANCIAL REPORT AT 30 JUNE 2021, LAUNCH OF THE SHARE BUY-BACK PROGRAMME, OTHER RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS AND ANNOUNCEMENT OF THE CAPITAL MARKET DAY ON 7 OCTOBER 2021

Novellara, 29 September 2021

APPROVAL OF THE CONSOLIDATED FINANCIAL REPORT AT 30 JUNE 2021

- **Consolidated revenues of Euro 22.8 million (+20% compared to Euro 19 million at 30 June 2020);**
- **Consolidated EBITDA of Euro 3 million, 13.3% on revenues (+71% compared to Euro 1.8 million, equal to 9.3% on revenues, at 30 June 2020);**
- **Consolidated profit for the period equal to Euro 0.7 million, corresponding to 2.9% of revenues (compared to a loss of Euro 0.4 million at 30 June 2020);**
- **Consolidated NFP equal to Euro 19.7 million (Euro 19.6 million at 31 December 2020 and Euro 21.8 million at 30 June 2020).**

The Board of Directors of Vimi Fasteners S.p.A. examined and approved today the Financial Report for the financial period ended 30 June 2021 concerning the Group's consolidated results, as prepared according to the International Accounting Standards (IAS/IFRS).

CONSOLIDATED INCOME STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT HIGHLIGHTS AT 30 JUNE 2021

REVENUES

Consolidated revenues for the period amount to Euro 22.8 million, showing an increase of 19.97% compared to the first half of 2020, as a result of the upturn in business activities following the outbreak of the Covid-19 pandemic, which is affecting the various market sectors in which the Group operates.

EBITDA

As at 30 June 2021 the Group recorded EBITDA of Euro 3 million, showing an improvement compared to Euro 1.8 million in the first half of 2020.

In percentage terms, consolidated EBITDA achieved 13.3% at 30 June 2021, compared to 9.3% as at the same date of the previous period.

This result is attributable to the Group's ability to take advantage of the trend of recovery in the target markets, together with careful management of structural costs and improved production efficiency at the Novellara plant that has just been refurbished.

NET PROFIT

The Group closed the half-year with a profit of Euro 650 thousand, compared to a loss of Euro 417 thousand reported in the first half of 2020. As in previous financial periods, the result was affected by a significant amount of amortisation and depreciation, arising from the plan of substantial investments implemented in recent years.

NET FINANCIAL POSITION

As at 30 June 2021, the Net Financial Position was in line with the value of Euro 19.7 million posted at 31 December 2020. This is a satisfactory result if we consider the impact due to the resumption of business activities following the lockdown months, with the consequent generation of new stock and a higher amount of trade receivables, against a recovery in sales that is strengthening in the second half of 2021.

Furthermore, it should be noted that this value includes an Earn-Out of Euro 2.8 million to be paid to the former quotaholders of subsidiary MF Inox; the amount is Euro 1 million less than at 31 December 2020 since it was already paid out during the first half of 2021.

Medium/long-term loans showed a reduction of more than Euro 3 million in the first half of 2021, as a result of the termination of the moratorium periods that had been granted by credit institutions during the previous year in order to allow businesses to cope with the emergency due to the Covid-19 pandemic; conversely, there was an increase of about Euro 1 million in the current portion of loans.

OUTLOOK

Increased consumer confidence following the vaccination campaigns carried out on a global scale, together with injections of cash on the part of the world's major banks into the most industrialised areas all over the world, boosted demand for goods and services, generating positive expectations for solid growth in the medium term. On the other hand, we are witnessing, in the short term, continuing difficulties in the procurement of raw materials and electronic components, which first have an impact on the automotive sector and, to a lesser extent, on the industrial sector.

Reshoring policies, which some companies have put in place to mitigate country risks following the outbreak of the Covid-19 pandemic, also offer opportunities for European manufacturers to regain the share of orders that was lost in past years, mainly to the benefit of supplies from Asian countries.

However, all these trends and developments, some of which are evolving rapidly, make it difficult to prepare reliable forecasts. Nevertheless, expectations remain positive and lead us to forecast year-end sales similar to those achieved before the outbreak of the pandemic due to the variety of applications in the various industrial sectors where Vimi achieves most of its business volumes.

MAIN SIGNIFICANT EVENTS AFTER THE REPORTING DATE

After more than a year, it is certainly worth mentioning that in July our customers resumed visiting our production site where, in addition to bridging the physical distance, they could see with great interest the renovations and investments made in the production area.

In July and August, the positive trend in orders gained from different industrial sectors continued, witnessing a revival in economy that is now spreading across the various market sectors. It is also worth mentioning that

work commenced on supplies of high performance screws for an Italian company that operates in the production and sale of connecting rods for racing and garage applications.

It should be mentioned that, during the brief summer shutdown, a new automatic thread rolling machine was installed at the Parent Company's plant to replace units with lower productivity, and another step was made towards the plant's re-layout project, which will be completed within the next two years.

The upward trend in industrial metal prices is slowing down after reaching a peak in August.

In the first few weeks of September the difficulties experienced by our end customers with regard to the procurement of electronic components intensified, with repercussions on supplies along the entire supply chain, as a result of their rescheduling.

FINANCIAL STATEMENTS

For more details on the schedules of financial statements, reference should be made to the information provided in **Annex 1** attached to this document.

LAUNCH OF THE SHARE BUY-BACK PROGRAMME

The Board of Directors of Vimi Fasteners S.p.A. resolved today, on 29 September 2021, to launch a programme for the purchase and sale of treasury shares (the "**Programme**") in implementation of the resolution passed by the Shareholders' Meeting held on 28 April 2021, which, among other things, authorised the Board of Directors to carry out transactions involving the purchase or disposal of the Company's ordinary shares.

The buy-back transaction may take place in one or more instalments and concern a maximum number of treasury shares which must not exceed the limit of 20% of the share capital, also taking into account the shares held from time to time in the portfolio by the Company or by its subsidiaries. The purchases, which may only concern fully paid-up shares, shall be carried out within the limits of distributable profits and available reserves as stated in the latest financial statements approved at the time the transaction takes place, by setting aside a reserve for treasury shares and, in any case, making any necessary accounting entry according to the methods and limits set out by law.

The term of the authorisation to buy back treasury ordinary shares is established for a period of eighteen months from 28 April 2021, i.e. the date on which the Shareholders' Meeting passed the related resolution; the term of the authorisation to dispose of the same shares is not subject to any time limit.

The buy-back of treasury shares may be carried out at a consideration per share that is at least 20% (twenty percent) lower and at most 20% (twenty percent) higher than the reference price recorded by the stock in the trading session on the day before each transaction - at a price, per single transaction, which may not exceed the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out (including when the shares are traded on different venues), - and, in any case, for a maximum countervalue of up to a total amount of Euro 1, 000,000.00 (one million/00), in compliance with the provisions governing the equal treatment of shareholders. The purchases relating to setting up a shares warehouse position shall also be carried out in accordance with the terms and conditions prescribed by the market practices applicable at the time, as provided for by Article 180, paragraph 1.c), of Legislative Decree no. 58 of 1998. For this purpose, the Programme will be coordinated by an appointed independent broker, who will make trading decisions on the timing of the purchases of treasury shares in full independence of the Company, within the limits set out under the authorisation approved by the Shareholders' Meeting and in accordance with the resolution passed by the Board of Directors.

The purposes of the Programme are: (i) to enable an efficient use of the liquidity generated by the Company's core business; (ii) to enable any possible share swap as part of strategic transactions consistent with the guidelines of the corporate policy that the Company intends to pursue; (iii) to set up a shares warehouse position, according to the market practices applicable from time to time, as identified by CONSOB (Italian Securities and Exchange Commission) (in accordance with Article 13 of Regulation (EU) No. 596/2014). The treasury shares that are bought back under the Programme may be sold, on one or more occasions, even before having completed the purchases and according to any such method as may be deemed appropriate, in line with the purposes that the Company intends to pursue and in compliance with any applicable provisions of law and regulations.

Finally, it should be noted that the purchases will be communicated to the market in the manner and within the time limits required by any applicable provisions of law and regulations.

OTHER RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS

It is informed that today, on 29 September 2021, the Board of Directors renewed the appointment of the members of its Supervisory Board, granting a three-year mandate to the control body, which will therefore remain in office until the date of approval of the financial statements at 31 December 2023.

ANNOUNCEMENT OF THE CAPITAL MARKET DAY ON 7 OCTOBER 2021

Vimi Fasteners S.p.A., a leading company in the design and production of fasteners, listed on the AIM Italy segment, announces that the Company's virtual Capital Market Day will be held on 7 October 2021, to present the data of the Group's half-year financial report at 30 June 2021 and strategic growth lines. In order to be closer to its investors and allow them to have a fair view of the performance of its operations, Vimi Fasteners S.p.A. has decided to publish the data on its turnover and net financial position on a quarterly basis as from the first quarter of 2022.

The presentation accompanying the event will be available on the Company's website at the link: <https://www.vimifasteners.com/presentazioni/>

The following issues will be dealt with during the event:

- Company and Business Overview
- Business Model & Customer Loyalty
- Manufacturing Process
- Strategic Plan Roadmap
- Financial & Dividend Policy

The event is organised by Hammer Research Partners; for accreditation to the event, please send an email to: valeria.corbellini@hammerresearchpartners.co.uk

Yours sincerely,

www.vimifasteners.com

Vimi Fasteners, based in Novellara (Reggio Emilia), operates in the high-precision mechanics sector and is a leading company in the design and production of highly engineered fasteners for the automotive, industrial, oil&gas and

aerospace sectors. The Group operates in partnership with its customers (OEMs, Tier1 partners and distributors) and develops customised solutions, which it exports all over the world, using special steel, superalloys and cutting-edge technology in the integrated manufacturing of its products.

ISIN code: **IT0004717200**

Ticker: **VIM**

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This release does not constitute an offer to the public of financial products in Italy under Article 1, paragraph 1.t), of Legislative Decree no. 58 of 24 February 1998. This release (including the information provided therein) does not constitute or form part of an offer to the public of financial products, or the solicitation of offers to purchase financial products, and no offer to sell such products will be made in any jurisdiction in which such offer or sale would be contrary to applicable law. This release does not constitute an offer to sell financial products in the United States of America, Australia, Canada and Japan and in any other jurisdiction in which such offer or sale is prohibited and may not be published or distributed, directly or indirectly, in such jurisdictions. The financial products referred to in this release have not been and will not be registered under the United States Securities Act of 1933, as amended; furthermore, they may not be offered or sold in the United States of America absent registration or an exemption from the application of the registration requirements. The offer documentation has not been and will not be submitted for approval by CONSOB (Italian Securities and Exchange Commission) and Borsa Italiana S.p.A. (Italian Stock Exchange).

ANNEX 1 SCHEDULES OF FINANCIAL STATEMENTS

The reclassified consolidated income statement and balance sheet, together with the cash flow statement, at 30 June 2021 are reported below.

For any other schedule of financial statements, reference should be made to the Consolidated Financial Report at 30 June 2021, prepared in accordance with IAS/IFRS, which will be made available on the Company's website and has been subject to limited review by the independent auditors Deloitte & Touche S.p.A., which issued their report on 29 September 2021.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2021

	30.06.2021	%	30.06.2020	%
Revenues	22,761	100.0%	18,985	100.0%
Cost of goods sold	(13,395)	-58.8%	(12,096)	-63.7%
Gross margin	9,366	41.2%	6,889	36.3%
Administrative costs	(3,420)	-15.4%	(2,940)	-15.5%
Commercial costs	(1,060)	-4.7%	(861)	-4.5%
Other operating costs	(1,867)	-7.8%	(1,324)	-7.0%
Gross operating margin (EBITDA)	3,018	13.3%	1,765	9.3%
Amortisation, depreciation and other impairment	(2,065)	-9.1%	(2,180)	-11.5%
Operating profit - (EBIT)	954	4.3%	(415)	-2.2%
Financial income	36	0.1%	19	0.1%
Financial costs	(286)	-1.3%	(230)	-1.2%
Profit (loss) before tax	704	3.1%	(626)	-3.3%
Taxes for the period	(54)	-0.2%	209	1.1%
Profit (loss) for the period	650	2.9%	(417)	-2.2%

RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2021

	30.06.2021	%	31.12.2020	%
Trade receivables and advances to suppliers	11,220	24%	9,642	21%
Inventories	12,043	26%	9,423	21%
Trade payables and advances from customers	(8,967)	-19%	(7,531)	-17%
Other net receivables and payables	(3,554)	-8%	(2,146)	-5%
Net working capital	10,713	23%	9,387	21%
Property, plant and equipment	15,906	34%	16,815	37%
Intangible assets	16,361	35%	15,999	35%
Non-current financial assets	1	0%	1	0%
Receivables from others and deferred tax assets	5,558	12%	5,584	12%
Fixed assets	37,826	81%	38,399	84%
Provision for Employee Severance Pay and other long-term	(2,012)	-5%	(2,197)	-5%

payables

Net invested capital	46,527	100	45,589	100
		%		%
Net financial position (A)	19,725	42%	19,593	43%
Shareholders' equity (B)	26,803	58%	25,996	57%
Total sources of Financing (A) + (B)	46,527	100	45,589	100
		%		%

CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2021

	30.06.2021	31.12.2020
OPERATING ACTIVITIES		
Profit for the period	650	(255)
<i>Adjustments for:</i>		
- Depreciation of property, plant and equipment and amortisation of intangible assets	1,612	4,284
- Capital (gains) losses on disposal of fixed assets	0	(20)
- Change in provisions for risks and charges and employee benefit liabilities	(27)	(25)
- Other non-monetary changes	685	628
- Taxes	54	(556)
Sub-Total	2,462	4,311
(Increase) decrease in trade receivables and other receivables	(1,737)	1,279
(Increase) decrease in inventories	(2,620)	43
Increase (decrease) in trade payables and other payables	1,898	(1,985)
Taxes paid	(23)	(455)
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES (A)	630	2,938
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(854)	(1,733)
Investments in intangible assets	(521)	(887)
Equity investments	0	0
Sale of fixed assets	0	168
CASH FLOWS USED IN INVESTING ACTIVITIES (B)	(1,513)	(2,452)
FINANCING ACTIVITIES		
Repayment of loans	(5,126)	(7,301)
Other changes in financial assets/liabilities	3,000	5,550
funds collected from listing on AIM	0	0
share buy-back	0	(1)
Dividends paid	0	0
Interest and dividends collected (paid)	(250)	(479)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	(2,376)	(2,231)
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(3,258)	(1,745)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	5,037	6,782
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (L=H+I)	1,779	5,037