

Press release

BIFIRE: BOARD OF DIRECTORS APPROVED THE HALF-YEARLY REPORT AS AT JUNE 30, 2023

PROFITABILITY GROWING STRONGLY IN THE FIRST HALF

OPERATIONS IN THE FOURTH PLANT IN SEREGNO (MB) ON THE LAUNCH RAMP

NEW HIGH-TECH PRODUCTS READY FOR THE EUROPEAN GREEN HOUSES DIRECTIVE

IN OCTOBER THE ADVERTISING CAMPAIGN WILL START ON MEDIASET TV CHANNELS

Main economic and financial results as at 30 June 2023:

- Value of Production at 21.8 million Euro, -3.6% vs. 1st half 2022
- EBITDA growing to 5.5 million Euro, +10.3% vs. 1st half 2022
- EBITDA Margin¹ increased to 25.2% vs. 22.0% in the 1st half. 2022 and 20.0% in the year 2022, mainly benefits from the optimization of production processes
- Operating Result (EBIT) growing to 4.5 million Euro, +9.4% vs. 1st half 2022
- Net Profit growing to Euro 3.5 million, +13% vs. 1st half 2022
- Net Financial Position in balance, -0.1 million Euro, vs. +1.5 million as of 31 December 2022, also due to the high investments
- The expansion of production capacity continues: the third plant in Varedo is now operational, the fourth totally green plant in Seregno is starting up
- The first Bifire advertising campaign is ready to start on Mediaset television channels with the aim of strengthening brand awareness and sales of new thermal insulation products

Desio (MB), 26 September 2023 – The Board of Directors of BIFIRE® (EGM:FIRE) - a company specialized in the production of products for thermal insulation and fire protection in construction and industry - met today under the chairmanship of Alberto Abbo and approved the half-yearly financial report as at June 30, 2023, subject to limited audit.

Alberto Abbo, Chief Executive Officer of Bifire, commented: *"We are satisfied with the performance of Bifire in the first six months of 2023. The numbers give us a positive general picture with a particularly interesting emphasis on profitability which recorded strong growth in the half-year, a clear sign of our capability to keep volumes high with controlled costs. As regards the future, we are confident of seizing further opportunities, strengthened by the appreciation of our products on the market and greater attention towards the environment by citizens and European institutions who are paying ever more attention to trying to reduce emissions into the atmosphere, in using healthy and recyclable materials. Bifire solutions are able to fully capture these characteristics in the sector in which we operate. However, faced with this general picture we cannot fail to take into account the fact that in the short term the increase in the cost of money and the uncertainty of building bonuses in Italy are creating a decrease in demand and consumption. Bifire's propensity to operate on international markets protects us from contractions on the domestic market, and we continue to*

¹ EBITDA Margin is calculated on the Value of Production

develop the circuit of foreign markets, in particular the DACH area (Germany, Austria and Switzerland) which we have been watching with interest for several years and on which we aim to further strengthen ourselves in the future. Finally, we are happy to announce that to support sales we have decided to invest in the first Bifire advertising campaign on Mediaset television channels with the aim of strengthening brand awareness and promoting new thermal insulation products such as Vacunanex."

ECONOMIC AND FINANCIAL RESULTS AT 31 DECEMBER 2022

In the first half of the year, Bifire recorded a **very positive** performance in a difficult market context, with results that highlight a significant increase in income and margins.

The Company continues to invest in its **growth programs** both for the expansion of production capacity (third operational plant and fourth in activation) and for the research and development of new high-tech products (in particular for thermal insulation), so as to be able to best seize all the medium-long term development opportunities deriving from the energy transition both in our country and on foreign markets (especially DACH).

The following table summarizes the main economic and financial results of Bifire as at 30 June 2023:

€ Million	30-June-23	30-June-22	% Change 1° half 2023 / 1° half 2022
Production value	21,8	22,6	-3,6%
EBITDA	5,5	5,0	+10,3%
EBITDA Margin¹	25,2%	22,0%	
EBIT	4,5	4,1	+9,4%
Income before Taxes	4,4	4,1	+7,4%
Net income	3,5	3,1	+13,0%
€ Million	30-June-23	31-December-22	% Change 1° half 2023 / 1° half 2022
Net Invested Capital	34,7	30,3	+14,5%
Net Equity	34,6	31,8	+8,8%
Net Financial Position	-0,1	1,5	n.m.

The **Value of Production** (which includes Sales Revenues and Other Revenues) stood at €21.8 million, slightly down (-3.6%) compared to the first half of 2022.

EBITDA reached euro 5.5 million, recording growth of 10.3% over the first half of 2022, a particularly positive result in the difficult market context in which Bifire operates.

¹ EBITDA Margin is calculated on the Value of Production

EBITDA Margin rose to 25.2%, from 22.0% in the first half of 2022 and 20.0% in the full year of 2022, reaching historic levels of excellence. The strong increase in profitability was determined above all by the careful supply management policy and the optimization of the production process and is only partly due to the reduction in energy and raw material costs, also laying the foundations for further improvements in the medium- long period.

The first half of 2023 closes with a **Net Profit** of 3.5 million Euro, up 13% compared to 30 June 2022.

The **Investments** amount to a total of 3.5 million Euro, of which 2.3 million Euro relating to the third industrial plant located in Varedo (now operational) and the fourth industrial plant located in Seregno (in the start-up phase), equal to 16 % of Production Value.

The Net Financial Position as of 30 June 2023 is essentially in balance at -0.1 million Euro, vs. +1.5 million Euro (net cash) as of 31 December 2022, due to the important investments. It should be noted that the net financial position as of 30 June 2023 takes into account the tax credits relating to "Operation 110" acquired in the period, for an amount equal to approximately 1 million Euro, from a series of selected customers.

MARKET EVOLUTION

The long-term **positive trend** for Bifire products is confirmed thanks to:

- Increased **attention to the environment**, emissions into the atmosphere, the healthiness of materials, the recyclability of products.
- Approval of the **European directive on green houses** which provides for the improvement of the energy class of buildings by 2030 and 2033.
- Need for **energy saving** (to reduce Europe's dependence on external sources)

In the face of this, in the short term, the rise in rates and the contraction / uncertainty of building bonuses in Italy, is creating a decrease in demand.

SUSTAINABILITY

Bifire continues unabated on its path in the field of sustainability, which began in 2021 with the drafting of the first **sustainability report** and continued in 2022. The Management's commitment is constantly aimed at improving the **production process** for the purposes of recycling waste and strengthening of **circular economy** interventions. On this last front, the **production of Bilife** in the new Varedo production site will be **totally green**, with complete reuse of waste in subsequent processes.

Bifire has maintained the following **certifications** (Sa 8000; Emas; Iso 14000; Dm Sas):

- ISO 45001:2018;
- ISO 9001:2015;
- ISO 14001:2015.

SIGNIFICANT EVENTS OCCURRING IN THE FIRST HALF OF 2023

On **14 March 2023**, the European Parliament approved the **EU Green Houses Directive** which aims to make buildings more energy efficient. The text, which requires buildings to reach at least an E energy class by 2030, D by 2033 and absolute neutrality by 2050, had already obtained the favorable vote of the Industry, Research and Energy Commission on February 9th and now enters the phase of negotiations with the Council and the European Commission to arrive at the final version.

In **March** Bifire participated in **Klimahouse**, in Bolzano, a national reference event for energy saving issues in construction.

In **April** Bifire participated in the **BAU**, in Munich, an international trade fair for the architecture and construction sectors, with exhibitors and visitors from all over the world.

During 2023 Bifire participates in **Safety Village 2023**, the event that takes place in the main Italian cities and where the discussion is born and the change in the fire prevention chain is triggered.

SIGNIFICANT EVENTS OCCURRING AFTER JUNE 30, 2023

In the first half of the year, Bifire completed the renovation work on the **fourth plant**, located in **Seregno**, in the province of Monza Brianza, which joins those in Desio (MB), Paderno Dugnano (MI) and Varedo (MB). The fourth plant is dedicated to the production of Aquafire, a highly innovative sheet that will also allow sales to be developed in the DACH area. The first production tests are currently underway.

The first Bifire advertising campaign will start in **October** on **Mediaset television channels** with the aim of strengthening brand awareness and promoting the new thermal insulation products (Vacunanex).

FORESEEABLE EVOLUTION OF MANAGEMENT

Bifire has undertaken a number of important initiatives for its growth and development. In particular:

- **The Varedo plant has been completed**, has obtained the required certifications and **has started producing**. We are working to expand the product range: passive fire protection, thermal insulation and acoustics. But above all it will see the birth of a family of "green" products, completely ecological and recyclable from which a turnover contribution is expected from 2024.
- **The Seregno plant has been completed** as for the general building part and that relating to utilities is being completed. It will allow us to expand the range and production capacity of the **Aquafire** line and significantly enter the **DACH market**, Bifire's primary target.
- The project for the introduction of a **new latest generation ERP** is underway with consequent improvement of company processes and **greater internal efficiency**.
- **From October to December an important advertising campaign will start on the national media (Mediaset)** with the aim of creating brand awareness and knowledge of the Vacunanex product.
- Bifire, to support its customers, has also **created a payment system through the transfer of credits**, which is working and from which further increases in turnover are expected during the year.

Given the global scenarios and internal policies, **a temporary period of decline in the construction sector and therefore also in Bifire is foreseeable**. However, the important investments implemented by Bifire will make it possible to counteract the market trend.

The medium-term trend, also thanks to the "Green Houses" directive, is expected to be very positive.

DEPOSIT OF DOCUMENTATION

The half-yearly financial report as of 30 June 2023 is subject to a limited audit and will be made available within the legal deadlines at the registered office in via Lavoratori dell'Autobianchi, 1 in Desio (MB), in Borsa Italiana S.p.A. and in the "Investor Relations" section of the company website www.bifire.com, as well as on the authorized storage mechanism www.1info.it managed by Computershare S.p.A.

Bifire's 2023 half-year results presentation road show will be held in Milan on 3 October 2023.

Bifire's presentation will be made public on the morning of the event on the Company's website in the *Investor Relations - Presentations* section.

The Company, pursuant to art. 17 of the Issuers' Regulations Euronext Growth Milan, has updated the 2023 corporate events calendar with an indication of the date on which the event will be held and available on the Company's website in the *Financial Calendar* section.

This press release is available in the Investor Relations section on the website www.bifire.it, as well as on the authorized storage mechanism www.1info.it managed by Computershare S.p.A.

About Bifire

BIFIRE® is a company active in the production of materials for fire protection and thermal insulation in the building and industrial sectors. Bifire materials are used for the most part in the field of building renovations, in particular on the market of renovations carried out with so-called "dry" techniques. The spread of dry construction techniques has made it possible to reduce construction times and costs without this leading to a loss of performance. In fact, with dry construction techniques it is possible to accurately predict the times and phases of work, limiting as much as possible the dead times in the realization, which inevitably cause the increase in construction costs. In addition, dry systems are more environmentally sustainable, as the elements, thanks also to the ease of assembly-disassembly, can be recycled, replaced (in the case of degraded elements) or reused, making any future disposal less impactful. This type of technology gives the possibility to design and build the parts of the building in places other than the one where the building will rise, on site it is therefore possible to carry out the last phase of assembly which will therefore take place in a short and controlled time.

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ATTACHMENTS

Reclassified First Half Financial Statements as at 30 June 2023 Profit and Loss Account

<i>Eur 000</i>	30-June-23		30-June-22	
Revenues from sales	20.395		21.767	
Other revenues	1.406		855	
PRODUCTION VALUE	21.801	100,00%	22.622	100,00%
Purchases of raw materials	-7.529	-34,54%	-7.685	-33,97%
Costs for services	-6.090	-27,93%	-7.652	-33,83%
Costs for use of third party assets	-475	-2,18%	-489	-2,16%
Various management charges	-95	-0,44%	-61	-0,27%
VALUE ADDED	7.612	34,92%	6.733	29,77%
Taxes and payroll costs	-2.117	-9,71%	-1.752	-7,74%
EBITDA	5.495	25,21%	4.982	22,02%
Depreciation and impairment losses	-968	-4,44%	-843	-3,73%
OPERATING RESULT (EBIT)	4.527	20,77%	4.138	18,29%
Financial Income and Expenses	-76	-0,35%	-40	-0,18%
PROFIT BEFORE TAXES	4.451	20,42%	4.098	18,12%
Income taxes	-961	-4,41%	-1.011	-4,47%
NET PROFIT	3.490	16,01%	3.087	13,65%

Reclassified First Half Financial Statements as at 30 June 2023

Balance Sheet

<i>Eur 000</i>	30-June-23	31-December-22
A) NET NON CURRENT ASSETS	22.526	19.517
Intangible fixed assets	1.180	1.289
Tangible fixed assets	20.329	17.554
Financial fixed assets	1.017	674
B) NET WORKING CAPITAL	13.018	11.549
Inventory sotck	5.926	7.533
Receivables	13.312	11.008
Other receivables	737	1.361
Payables	-6.061	-7.466
Other payables	-1.111	-1.011
Others	215	124
C) GROSS WORKING CAPITAL	35.544	31.066
D) SEVERANCE PAY	-829	-744
E) NET INTESTED CAPITAL	34.715	30.322
Covered by		
F) EQUITY	-34.619	-31.800
G) NET FINANCIAL POSITION	-96	1.478
Medium and long-term debts	-4.430	-4.071
Short-term debts	-1.301	-1.214
Cash founds	5.635	6.763
H) TOTAL COVERAGE	-34.715	-30.322

Reclassified First half Financial Statements as at 30 June 2023

Cash Flow Statement

<i>Eur 000</i>	30-June-23	30-June-22
Net profit	3.489	3.087
Tax effect	962	1.011
Passive interest	81	38
Plus/Minus asset alienation	61	57
Depreciation and impairment losses	970	819
Cash flow	5.563	5.012
Working capital changes		
Inventory sotck	1.587	-2.394
Receivables	-2.334	-3.965
Active Accruals and Prepayments	-546	-529
Passive Accruals and Prepayments	-1.404	1.413
Payables	-206	468
Total working capital charges	-2.903	-5.007
Free cash flow	2.660	5
Net Investments	-3.562	-2.819
Financial corrections	0	-210
Investments cash flow	-3.562	-3.029
Increase (decrease) in bank debts	86	-16
new financing	1.000	0
Loan repayments	-642	-589
other changes in equity	-670	7.943
Cash flow from financial activities	-226	7.338
Net Cash flow	-1.128	4.314
Cash founds at the beginning of the period	6.763	4.544
Cash founds at the end of the period	5.635	8.858
Net cash founds increase (decrease)	-1.128	4.314