Report of the board of directors on operations as at 30 June 2022

attached to the Abridged Consolidated Half-Year Financial Report as at 30 June 2022

of the company "SEBINO S.p.A." based in Madone (BG),

Via E. Mattei n. 28

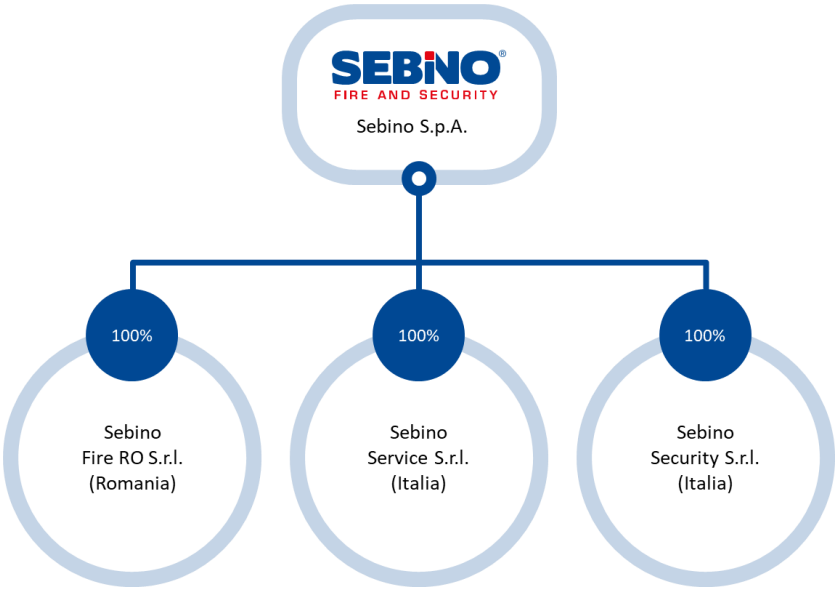
Share capital 1,347,757.60 euro (fully paid in).

Business Registration No. at Bergamo Chamber of Commerce: 398944.

Tax code and Bergamo Company Register entry number: 03678750161

GROUP STRUCTURE

As at 30 June 2022, the Group's corporate structure was as follows:



The Parent Company Sebino S.p.A., incorporated in Bergamo in 1979, is an Italian company listed on the multilateral trading system Euronext Growth Milan - EGM - organised and managed by Borsa Italiana (Euronext Group): The Group is active in the following sectors:

- design, development and installation of fire-fighting systems FIRE B.U. managed by Sebino SpA in Italy and Sebino Fire Ro in Romania);
- design, development and installation of security systems Security B.U. managed by Sebino Security Srl)
- specialist maintenance services for fire-fighting systems and equipment (Service B.U. managed by Sebino Service Srl)
- remote control of operational parameters of fire and security systems using the Sebino Connect® product, a trademark registered by Sebino SpA and distributed by all the companies in the Group.

The assets and liabilities of the Romanian subsidiary as at 30.06.2022 were converted at the exchange rate in force on that date equal to € 0.202167 per 1 RON, as indicated by the Bank of Italy. On the other hand, an average exchange rate for the period of

€ 0.202195 per 1 RON was applied to the profit and loss figures, again as indicated by the Bank of Italy.

The subsidiary Sebino Security Srl, incorporated on 23 November 2021 was the object, on 25 February 2022, of the transfer at book value by Sebino SpA of the B.U. for design and installation of intrusion detection, CCTV and access control security systems

This report has been drawn up in compliance with Article 40 of Legislative Decree No. 127/1991, to supplement the Sebino Group's Abridged Half-Yearly Consolidated Financial Statements as of 30 June 2022, in order to provide all additional useful information for a better understanding of the Group's performance and that of its member companies.

The following report on operations provides information on the Group's revenues, margins, assets and liabilities and financial position at a consolidated level for the period under review and the same period of the previous year; comparisons are also made with certain unaudited operational data.

The Directors are of the opinion that, based on the economic performance during the half-year period and the sound financial position, the Parent Company and its subsidiaries are able to continue operations in the foreseeable future and have prepared this Report as at 30 June 2022 on the basis of the going concern assumptions.

Unless otherwise specified, in this report amounts and percentages have been calculated in thousands of euro, and therefore any differences in some tables are due to rounding.

European and Italian macro-economic framework

On 14 July, the European Commission published its summer forecast for 2022, partially adjusting its spring forecast, estimating lower growth and higher inflation in the EU. Despite a slightly better than estimated first quarter and an encouraging start to the tourist season, growth in the EU economy is evidently slowing down. The main reason for the downward revision of estimates is Russia's war of aggression in Ukraine, the tragic developments of which have been going on for about five months now, and whose repercussions, especially on the energy markets, remain extremely serious and worrying. The economic impact on the European economy is very high, also due to the European states' high dependence on Russian-sourced fossil fuels, among which gas has almost reached its all-time price peaks. Aside from the Russian-Ukrainian conflict, other global factors are holding recovery back: in particular the growth slowdown in the US and the consequences of the new restrictions introduced by China as part of its "zero COVID" policies, which, as in the past two years, negatively impact supply and hinder supply chains. According to the Commission, the growth rate in the EU is expected to be 2. 7% in 2022 (2.6% in the eurozone), and then fall to 1.5% in 2023 (and 1.4% in the eurozone). There is not much good news on the inflation front either: The Commission has revised its spring forecast upwards, now estimating an annual growth of 8.3% in the EU (and 7.6% in the eurozone) in 2022, while in 2023 a substantial decline is expected: 4.6% in the EU and 4% in the eurozone. In addition to inflationary pressures on energy and raw materials, which will still be very strong at least through the third quarter of 2022, bottlenecks in global supply chains continue to weigh heavily. Monetary policy responses, in terms of rate hikes, will have to be quicker than expected in order to mitigate the impact of inflation on households and businesses, and it cannot be ruled out that these strategies may involve a tightening of lending conditions. In this uncertain and fraught with risk scenario, the labour market is nonetheless fairly strong, with the Commission pointing out that private consumption could be more resilient to the generalised rise in prices if households used the savings accumulated over the previous two years. Finally, there are further uncertainties related to potential future resurgences of the pandemic, possibly caused by new versions of COVID-19.

The numbering and sources of some tables included in this report are true to the original document from which they were extracted.

Table 1 - Overview - the 2022 Summer Economic Forecast (Interim) versus the 2022 Spring Economic Forecast

	Real GDP growth						Inflation					
	Summer 2022 interim Forecast			*Spring 2022 Forecast*			Summer 2022 interim Forecast			*Spring 2022 Forecast*		
	2021	2022	2023	*2021*	*2022*	*2023*	2021	2022	2023	*2021*	*2022*	*2023*
Euro area	5.3	2.6	1.4	*5.4*	*2.7*	*2.3*	2.6	7.6	4.0	*2.6*	*6.1*	*2.7*
EU	5.4	2.7	1.5	*5.4*	*2.7*	*2.3*	2.9	8.3	4.6	*2.9*	*6.8*	*3.2*

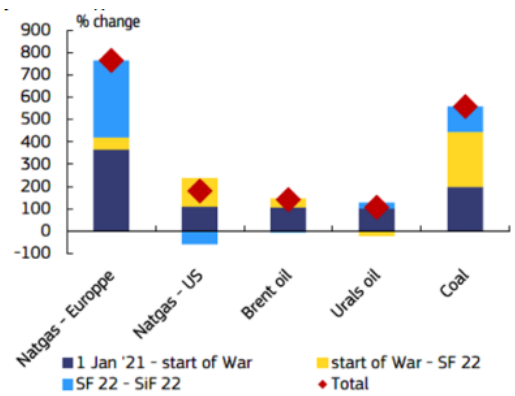
Fonte: Commissione europea, Previsioni economiche estate 2022.

Table 2 - Gross domestic product, volume (percentage change from previous year, 2003-2023) versus spring 2022

	5-year averages							Summer 2022 Forecast		*Spring 2022 Forecast*	
	2003 - 07	2008 - 12	2013 - 17	2018	2019	2020	2021	2022	2023	*2022*	*2023*
Belgium	2.6	0.7	1.4	1.8	2.1	-5.7	6.2	2.3	1.3	*2.0*	*1.8*
Germany	1.6	0.7	1.8	1.1	1.1	-4.6	2.9	1.4	1.3	*1.6*	*2.4*
Estonia	8.2	-1.7	3.0	4.1	4.1	-3.0	8.3	1.6	1.9	*1.0*	*2.4*
Ireland	5.2	-1.4	8.9	9.0	4.9	5.9	13.5	5.3	4.0	*5.4*	*4.4*
Greece	4.1	-5.5	-0.3	1.7	1.8	-9.0	8.3	4.0	2.4	*3.5*	*3.1*
Spain	3.5	-1.3	1.9	2.3	2.1	-10.8	5.1	4.0	2.1	*4.0*	*3.4*
France	2.0	0.4	1.2	1.9	1.8	-7.8	6.8	2.4	1.4	*3.1*	*1.8*
Italy	1.1	-1.4	0.4	0.9	0.5	-9.0	6.6	2.9	0.9	*2.4*	*1.9*
Cyprus	4.5	0.1	1.3	5.7	5.3	-5.0	5.5	3.2	2.1	*2.3*	*3.5*
Latvia	9.9	-2.7	2.7	4.0	2.5	-3.8	4.5	3.9	2.2	*2.0*	*2.9*
Lithuania	8.7	-0.4	3.2	4.0	4.6	-0.1	5.0	1.9	2.5	*1.7*	*2.6*
Luxembourg	4.7	0.6	2.9	2.0	3.3	-1.8	6.9	2.6	2.1	*2.2*	*2.7*
Malta	3.0	2.5	7.4	6.2	5.9	-8.3	10.4	4.9	3.8	*4.2*	*4.0*
Netherlands	2.3	0.0	1.7	2.4	2.0	-3.9	4.9	3.0	1.0	*3.3*	*1.6*
Austria	2.6	0.6	1.2	2.5	1.5	-6.7	4.8	3.7	1.5	*3.9*	*1.9*
Portugal	1.1	-1.4	1.4	2.8	2.7	-8.4	4.9	6.5	1.9	*5.8*	*2.7*
Slovenia	4.8	-1.0	2.4	4.4	3.3	-4.2	8.1	5.4	1.0	*3.7*	*3.1*
Slovakia	7.3	2.0	2.7	3.8	2.6	-4.4	3.0	1.9	2.7	*2.3*	*3.6*
Finland	3.6	-0.7	1.0	1.1	1.2	-2.2	3.0	1.8	1.2	*1.6*	*1.7*
Euro area	2.2	-0.3	1.5	1.8	1.6	-6.4	5.3	2.6	1.4	*2.7*	*2.3*
Bulgaria	6.4	1.4	1.9	2.7	4.0	-4.4	4.2	2.8	2.3	*2.1*	*3.1*
Czechia	5.5	0.2	3.0	3.2	3.0	-5.5	3.5	2.3	2.0	*1.9*	*2.7*
Denmark	2.0	-0.4	2.2	2.0	1.5	-2.0	4.9	3.0	1.2	*2.6*	*1.8*
Croatia	4.8	-1.8	1.7	2.9	3.5	-8.1	10.2	3.4	2.9	*3.4*	*3.0*
Hungary	3.5	-0.8	3.2	5.4	4.6	-4.5	7.1	5.2	2.1	*3.6*	*2.6*
Poland	5.0	3.4	3.3	5.4	4.7	-2.2	5.9	5.2	1.5	*3.7*	*3.0*
Romania	6.5	0.6	4.5	4.5	4.2	-3.7	5.9	3.9	2.9	*2.6*	*3.6*
Sweden	3.5	0.7	2.6	2.0	2.0	-2.2	5.1	1.3	0.8	*2.3*	*1.4*
EU	2.4	-0.1	1.7	2.1	1.8	-5.9	5.4	2.7	1.5	*2.7*	*2.3*

Fonte: Commissione europea, Previsioni economiche estate 2022.

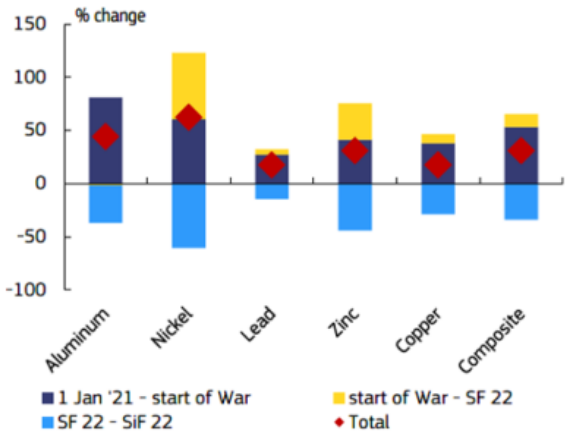
Figure 1 - Energy raw materials, price growth from January 2021



Source: Own calculation based on data from Commodity Research Bureau, ICE NYMEX, investing.com, ECB (exchange rates)

Fonte: Commissione europea, Previsioni economiche estate 2022.

Figure 2 - Base metals, price growth from January 2021



Source: Own calculation based on data from Standard & Poor's/Goldman Sachs, ECB (exchange rates)

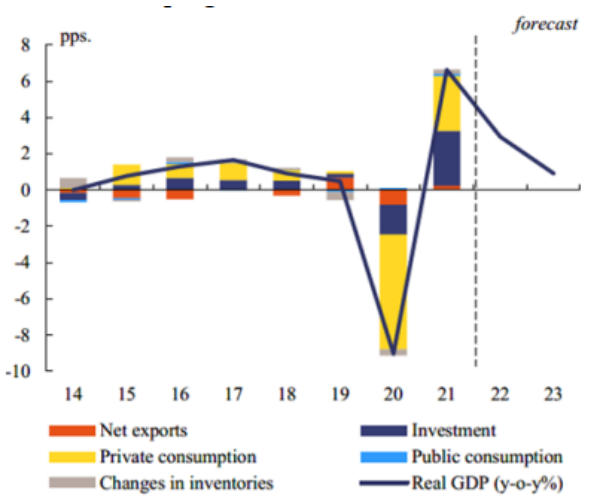
In the first quarter of 2022, GDP growth was stronger than expected in the EU, partly due to a good knock-on effect from the previous quarter. Compared to the spring forecast, the first quarter figure was +0.7%, up from the previously estimated 0.4%. Investment grew by 2.4 % in the EU in the first quarter (except for Ireland, whose figures are particularly volatile due to the

presence of large multinationals and their transactions), after 0.9 % in the previous quarter, significantly contributing to GDP growth. The construction sector is particularly bright for investments.

Italy's economy

The Italian economy proved to be more resilient than expected at the beginning of 2022, also **thanks to the vibrant construction sector**; for its trends, please refer to recent reports by industry players or analysts such as Savills, Jones Lang LaSalle and Cushman & Wakefield. In the short term, output growth is supported by the increase in services turnover following the lifting of almost all COVID-19 restrictions and the still vigorous construction activity. Real GDP growth in 2022 is forecast at 2.9%, benefiting from a substantial knock-on effect from 2021 and an upward revision of GDP growth in the first quarter of 2022. However, the loss of real household purchasing power, declining business and consumer confidence, supply-side and logistics bottlenecks, rising raw material and energy prices, and rising interest rates dim the economic outlook. Therefore, growth is expected to remain limited over the forecast period, with output growth estimated at only 0.9% in 2023. Risks to growth prospects are also influenced in particular by expectations of potential disruptions in natural gas supply, given Italy's heavy dependence on Russian supplies, despite its recent diversification efforts.

Figure 9 - Italy - Real GDP growth rate and factors contributing to growth



Fonte: Commissione europea, Previsioni economiche estate 2022.

In its bulletin, the Bank of Italy confirms the macroeconomic picture outlined above and, in particular, the forecasts in relation to GDP, which, although comforting in the first two quarters of the year, nevertheless shows that most companies report a cyclical downturn in industrial activity in June, also in relation to the difficulties in the supply of raw materials and to energy price rises. The Bank of Italy also emphasises that all the forecasts for the coming months are strongly interconnected with the length and intensity of the war in Ukraine, with possible repercussions in terms of further uncertainty; on top of this are the potential effects of a resurgence of the pandemic.

Table 5

GDP and its main components (1)
(percentage change on previous period and percentage points)

	2021	2021			2022
		Q2	Q3	Q4	Q1
GDP	6.6	2.7	2.6	0.7	0.1
Imports of goods and services	14.2	3.1	2.7	4.4	4.3
National demand (2)	6.6	2.3	2.1	1.9	0.4
National consumption	4.0	3.6	2.1	0.1	-0.6
Household spending (3)	5.2	5.0	2.8	0.0	-0.8
General government spending	0.6	-0.3	-0.1	0.1	0.2
Gross fixed investment	17.0	2.8	2.5	3.1	3.9
Construction	22.3	3.8	3.4	4.2	5.5
Capital goods (4)	12.6	1.9	1.7	2.2	2.4
Change in stocks (5)	0.2	-1.1	-0.1	1.2	0.0
Exports of goods and services	13.3	4.4	4.4	0.2	3.5
Net exports (6)	0.2	0.5	0.6	-1.1	-0.3

Source: Istat.
(1) Chain-linked values; quarterly data adjusted for seasonal and calendar effects. – (2) Includes the change in stocks and valuables. – (3) Includes non-profit institutions serving households. – (4) Include, as well as investment in plants, machinery and arms (which also include transport equipment), cultivated biological resources and intellectual property. – (5) Includes valuables; contributions to GDP growth on previous period; percentage points. – (6) Difference between exports and imports; contributions to GDP growth on previous period; percentage points.

Romanian Macroeconomic Framework (Sources: IMF and Italian Government Economic Monitor - updated April 2022)

For the Group's other geographical area of interest, namely Eastern Europe, and Romania in particular, the International Monetary Fund (IMF) estimates that the Romanian economy will grow by 3.5% in 2022 and 4.5% in 2023, marking an improvement on previous forecasts. According to an IMF representative, the Romanian economy has recovered well from the pandemic, although the war in Ukraine brings new risks. Indeed, IMF forecasts are valid without considering a further escalation of the Russian/Ukrainian conflict. The risks highlighted by the IMF are the shut-down of Russian gas supplies, which would increase energy prices. The IMF therefore emphasises that strong fiscal measures will be needed, but that the economic growth recorded by the Romanian economy in the first quarter of 2022 is promising.

Principali indicatori economici (ROMANIA)

	2017	2018	2019	2020	2021	2022	2023
PIL (mld € a prezzi correnti)	191,3	213,7	211,6	222,9	252,5	254,1	257,1
Tasso di crescita del PIL a prezzi costanti (variazioni %)	7,3	4,5	4,2	-3,8	6	2,8	4,1
PIL pro capite a prezzi correnti (US$)	27.051	29.260	31.913	32.301	35.850	39.120	42.170
Indice dei prezzi al consumo (variazioni %)	3,3	3,3	4	2,1	8,2	6,9	3,9
Tasso di disoccupazione (%)	6,1	5,2	4,9	6,1	5,6	5,4	5,3
Popolazione (milioni)	19,7	19,5	19,4	19,2	19,1	19	18,9
Indebitamento netto (% sul PIL)	-2,8	-2,9	-4,6	-9,6	-6,8	-6,5	-5,8
Debito Pubblico (% sul PIL)	35,1	34,7	35,3	47,2	49,1	50,7	52,1
Volume export totale (mld €)	63,9	70,8	65,4	64,4	80,7	88,7	92,2
Volume import totale (mld €)	77,2	86,5	81,8	83,4	104,6	111,1	112,2
Saldo bilancia commerciale(3) (mld €)	-13,1	-16	-16,9	-19,4	-24,3	-23,1	-20,9
Export beni & servizi (% sul PIL)	42	41,9	40,4	37,1	40,8	43,9	44,9
Import beni & servizi (% sul PIL)	44,5	45,3	44,5	41,5	46,5	49,4	49,4
Saldo di conto corrente (mld US$)	-6,6	-11,1	-12,2	-12,6	-19,8	-19,7	-18,6
Quote di mercato su export mondiale (%)	0,4	0,4	0,4	0,4	0,4	0,4	0,4

(1) Dati del 2021: Stime (2) Dati del 2022 e del 2023 : Previsioni (3) In tale voce, sia Import che Export sono considerati FOB

Fonte: elaborazioni Osservatorio Economico MAECI su dati Economist Intelligence Unit e Fondo Monetario Internazionale

Ultimo aggiornamento: 12/07/2022

Analysis of expected business outlook: trends in the sector

A significant trend for the Sebino Group's business is that of the logistics sector, a segment that is of great importance to the order portfolio of the company, which often serves major operators in the sector by equipping logistics centres with its own fire-fighting systems. As of the year 2020, the e-commerce sector recorded a turnover volume in Italy of approximately 64 billion

euros; the overall increase in e-commerce transactions therefore increased by 33%; with the end of the lockdown, according to Salesforce's Shopping Index, in the first two quarters of the financial year, compared to the same period of the previous year (YoY), the variations in e-commerce volumes at a global level and at an Italian level are shown in the following table:

However, in recent months a new and more powerful trend has gained momentum, one that is set to change the logistics industry for the next few years, if not decades; this trend is related to the risks of supply-chain disruption for companies, as well as energy and transport costs.

As many recent forums and articles on the sector testify, logistics has in recent decades experienced a dynamic linked to the lengthening of production chains, which companies have stubbornly sought in order to optimise their costs, often relocating production to distant countries. The pandemic has exposed the risk of this approach, as it has resulted in a supply lead-time from South-East Asia of 2-3 months, a figure that shows no sign of abating considering the periodic recurrence of this phenomenon and the difficulties of storing and handling this volume of goods encountered by the logistics hubs in those areas. For a limited time, companies have responded by increasing stocks, but this trend is not sustainable in the medium term, also considering what is happening in parallel with raw material prices. For many companies, this means not being able to deliver to their customers within the usual time frame, which in some cases is contractually defined.

According to industry experts, the answer to this phenomenon is relatively simple: a shorter supply chain, structured as a network and not as a supply chain. The impression that a review of the globalisation concept is in some respects just around the corner does not seem so far-fetched: the creation of production macro-regions (e.g. Europe enlarged to the East) - allowing for better management of logistics, delivery times and the efficiency of transport costs - seems to be one of the responses that could be implemented in the immediate future, with obvious potential benefits for the Sebino Group and its order portfolio. Indeed, the pandemic and the war have dramatically demonstrated how producing far away from the country of origin can have a cost unimaginable until before these events: an authoritative magazine such as the Economist has estimated that the cost of the logistical bottlenecks of the last few years have resulted in a 1% reduction in global GDP.

Of course, it is by no means certain that the potential scenario described above will come to fruition in the coming months/years: much will depend on the unfolding of the ongoing conflict in Europe and the pandemic. In particular, if geopolitical tension eases and there is no particular health crisis, we could see a return of delivery times to pre-pandemic levels (with transport and production costs down to pre-crisis levels) and thus a return to the old model. Should this not happen, however, an overall reorganisation of the production chain could take place.

Another relevant factor that could influence trends in the logistics sector, and thus constitute an opportunity for the Sebino Group, is sustainability: it will in fact influence the construction solutions adopted by logistics networks.

In the logistics sector, this concept can be translated, as numerous studies indicate, into logistics centres that are the main players in the modern supply-chain and that are more complex and nearby, guaranteeing the safety of workers and at the same time business continuity; spaces are then redesigned to reduce the risks of congestion at certain particular operational stages, with a strong push towards automation. Technologies and solutions that improve the energy efficiency and environmental impact of warehouses are also becoming more widespread.

Of all the additional trends in the industry, that of "social sustainability" is also worth mentioning. A research by the Contract

Logistics Observatory of the Milan Polytechnic shows that sensor systems for fire prevention and solutions for improving ergonomics, - which are being applied above all in the most critical activities in terms of assembly such as receiving, picking and shipping, as well as office activities - are becoming more and more widespread within logistics hubs.

It is not difficult at this point to understand the potential benefits for the Group in terms of both the protection of these new buildings, which will require increasingly sophisticated, interconnected and sustainable fire and security systems, and their maintenance, which will require remote, predictive, smart management systems, with a watchful eye on their cost.

Notes on the development of Internet of Things technology and NRRP

The National Recovery and Resilience Plan (NRRP) includes an ambitious project of reforms designed to revive the Italian economy and tackle our country's digital backwardness. In particular, the Plan's Mission called ''Digitisation, Innovation, Competitiveness and Culture'' will concentrate investments with a total value of around 50 billion euro precisely on the digital modernisation of our infrastructures in the public sector and in the production system.

On the one hand, this represents a great opportunity for growth; on the other hand, it will lead to new challenges, which companies and government agencies will have to face, in order to prove that they are ready for a technological modernisation that has long been overdue and cannot be postponed any longer. Precisely to support this development, which is essential to keep up with the rest of Europe, the NRRP plans to equip more and more public and private infrastructure with high levels of connectivity, also exploiting the capabilities of other technological applications, including IoT systems.

Therefore, not only advanced sensors applied to production processes, mobility or logistics, but entire connected ecosystems within public or private buildings. Transforming these structures into real Smart Buildings is the goal the NRRP is aiming at by allocating substantial funds: the achievement of energy efficiency also in cinemas, theatres, museums, and schools, for new construction, adaptation and improvement work, both in the energy and structural spheres, with substantial attention being paid to new anti-seismic and fire prevention systems.

In these facilities, the installation of IoT systems, capable of real-time monitoring of energy use, would allow optimised management of air conditioning, heating, video surveillance and lighting systems, with great benefits not only for the users, but also in terms of environmental impact.

The 2018 European Energy Performance Building Directive (better known by its acronym EPBD) also goes in this direction, introducing for the first time an indicator with which to measure the digital performance of a building, the Smart Readiness Indicator. On the one hand, this indicator makes it possible to establish how much a building's energy efficiency and performance improves as a result of the adoption of smart technologies, and on the other hand, in the future it could become the tool for implementing the certification of a building's status in terms of "digital readiness", encouraging the adoption of smart technologies for energy efficiency, sustainability, health, safety and well-being.

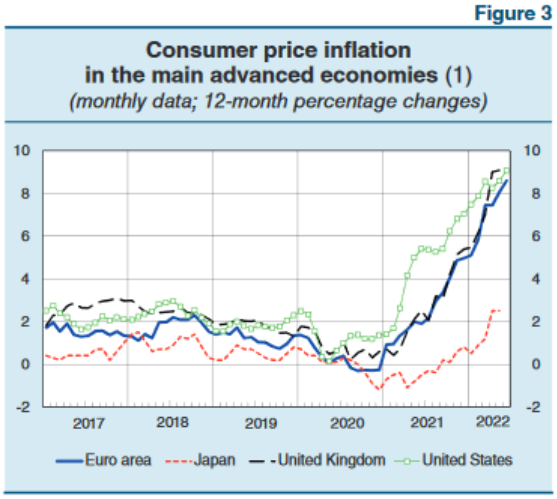
This might also present interesting implications for the Sebino Group's activities, which, in the opinion of the directors, make it possible to look to the future, with moderate optimism, despite the mentioned uncertainties.

GROUP CONSOLIDATED FINANCIAL PERFORMANCE

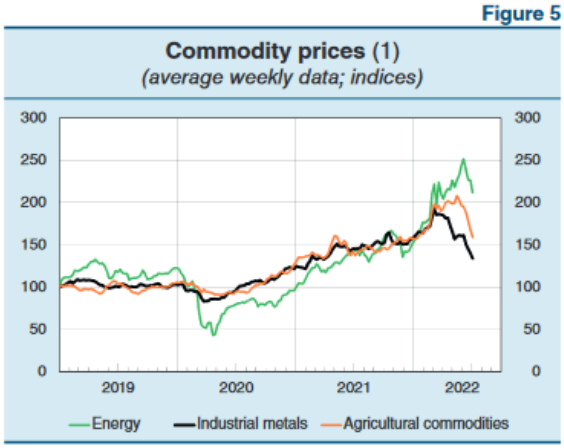
The consolidated statement of financial position as at 30 June 2022 is compared with the same period of the previous year on a same scope of consolidation basis.

The trend in commodity prices and inflation, whose upward trend was thought to have ended at the end of 2021, found new impetus from the outbreak of the Russian-Ukrainian conflict until the end of the first quarter of 2022, while showing clear signs of subsiding from April 2022 onwards, as shown in the following graphs.

As of 31 July 2022, according to ISTAT, inflation in Italy stands at 7.9% over July 2021.



Source: Refinitiv.
(1) For the euro area and the United Kingdom, harmonized consumer prices.



Source: Standard and Poor's.
(1) Indices: 1st week of January 2019 = 100.

The Group's results in the first half of the year strongly confirmed that its commercial and implementation capabilities are absolutely relevant as witnessed by **a 35.4% increase in aggregate Italy/Romania turnover to approximately 33.7 million euro** from approximately 24.9 million euro in the same period of 2021, and an increase in the order portfolio acquired by the Parent Company; while they saw a contraction in margins at the consolidated EBITDA level, which dropped from approximately 3,799 thousand approximately (adjusted EBITDA Euro 3,778 thousand approximately) in the first half of 2021 to Euro 3,389 thousand approximately (adjusted EBITDA Euro 3,494 thousand approximately) as at 30 June 2022.

Country	*30/06/2021*		*30/06/2022*		*Change*
	Figures in € million	*% of total revenues*	*Figures in € million*	*% of total revenues*	*Variation on previous year*
Italy(^)	*24,3*	*97,6%*	*31,3*	*93,0%*	*29,0%*
Romania	*0,6*	*2,4%*	*2,4*	*7,0%*	*294,5%*
Total(^)	***24,9***	***100,0%***	***33,7***	***100,0%***	*35,4%*

(^) aggregated core revenues

The consolidated half-year situation as at 30 June 2022, compared in the table below with the same period of the previous year. closes with a Consolidated Pre-tax Profit of about Euro 2,779 thousand

CONSOLIDATED EARNINGS TREND(^)

Date	*Operating revenue*	*Gross operating margin (EBITDA)*	*Operating income (EBIT)*	*Gross Profit (EBT)*	*Net profit for the period*
30/06/2021	*25.346*	*3.799*	*3.242*	*3.158*	*2.462*
30/06/2022	*31.560*	*3.389*	*2.883*	*2.779*	*1.988*

(^)figures in €/thousands

In addition to the description of operating performance, the following tables illustrate the reclassified consolidated economic situation as at 30 June 2022 and 30 June 2021.

CONSOLIDATED INCOME STATEMENT

(FIGURES IN EURO)	*30/06/2022*	*Impact at 30/06/22^*	*30/06/2021*	Impact at 30/06/21^
Turnover from sales	*33.079.308*		*24.670.322*	
Change in inventories	*-2.055.824*	-6,21%	*510.811*	2,07%
Other revenues	*536.628*	1,62%	*164.900*	0,67%
Total operating revenue	***31.560.112***		***25.346.033***	
Costs for raw and subsidiary materials	*-12.161.743*	-36,77%	*-9.034.740*	-36,62%
Costs for services	*-10.324.423*	-31,21%	*-7.547.737*	-30,59%
Costs for leased assets	*-675.242*	-2,04%	*-432.468*	-1,75%
Personnel cost	*-4.797.211*	-14,50%	*-4.397.430*	-17,82%
Other operating costs	*-212.031*	-0,64%	*-134.875*	-0,55%
Gross operating margin (EBITDA)	***3.389.462***	**10,25%**	***3.798.783***	**15,40%**
Amortisation, depreciation and write-downs	*-506.737*		*-556.297*	
Operating income (EBIT)	***2.882.725***	**8,58%**	***3.242.486***	
Financial (expenses) income	*-103.409*		*-84.666*	
Gross Profit (EBT)	***2.779.316***	**8,27%**	***3.157.820***	
Income taxes	*-791.376*		*-696.148*	
Operating result	***1.987.940***		***2.461.672***	

(^) all relevant % impacts are calculated on Sales Revenues

Consolidated EBITDA amounted to approximately 3,389 thousand euro as of 30 June 2022, a decrease of approximately 409 thousand euro compared to the previous reference period (approximately 3,799 thousand euro as of 30 June 2021); the margin calculated on sales revenue amounted to 10.25% as of 30 June 2022, a 5.15% decrease compared to the previous reference period (15.40% as of 30 June 2021).

This loss of margin is mainly attributable to the compound effect of: (i) the higher incidence of the costs for the purchase of raw materials on typical revenues, including the change in inventories, was 8.43% compared to the previous period, (ii) the lower incidence on typical revenues of personnel costs was 3.32% compared to the previous period.

The Group's positive operating leverage made it possible to cushion the negative hysteresis, which, greatly fuelled by inflation, generated the aforementioned loss in margins.

Negative hysteresis is defined as the impact on margins caused by the time difference between the prices at the time the order is placed and the time the corresponding goods are purchased.

Most of the materials that make up an order are specific and customised so that their actual purchase only takes place when

the customer authorises the commencement of work, which can be several months after an order is signed between the parties. In this regard, it should be noted that it is difficult to request a price adjustment from the customer, especially when it is a main contractor.

The calculation of consolidated Adjusted EBITDA as at 30 June 2022 and 30 June 2021 is presented below.

Adjusted Consolidated EBITDA		
€ '000	*30/06/2022*	*30/06/2021*
Profit (loss)	***1.988***	***2.462***
Tax	*791*	*696*
Financial result	*103*	*85*
Allocations	*101*	*182*
Amortisation	*406*	*374*
EBITDA	***3.389***	***3.799***
% Total revenues	*10,7%*	*15,0%*
IFN/EBITDA	*N/A*	*N/A*
Accounting adjustments:		
Contingent assets	*-87*	*-98*
Contingent liabilities	*125*	*62*
Total Accounting Adj.	***38***	***-36***
One-off adjustments:		
Capital gains	*-1*	*-1*
Capital losses	-	-
Compensation (+/-)	*-6*	-
Operating grants	*-43*	*-38*
Losses on receivables		-
Contractual penalties	*8*	*24*
Non-recurring HR expenses	*37*	-
Recurring AIM expenses	*60*	*31*
Fees for various executive consultancies	*12*	-
Surcharges and penalties	-	-
Non-compete clause	-	*16*
Total one-off adj.	***67***	
Normalisations:		-
Financial leases	-	-
Total normalisations	-	-
EBITDA ADJUSTED	***3.494***	***3.778***
% Total revenues	***11,07%***	***14,91%***
IFN/EBITDA Adj	***N/A***	***N/A***

Other key aspects of operations are summarised below.

This figure confirms the effectiveness of the so-called operating leverage whereby fixed costs, which are substantially stable, suitably support an increase in the Group's volume of business.

CONSOLIDATED BALANCE SHEET (FIGURES IN EURO)	30/06/2022	31/12/2021
Receivables from shareholders	-	-
Intangible Assets	1.727.759	1.827.913
Tangible Assets	3.580.958	3.626.666
Financial assets	244.499	104.589
Net Fixed Assets	**5.553.216**	**5.559.168**
Inventories	6.749.349	4.890.755
Trade receivables	26.747.861	26.208.745
Trade payables	-17.402.830	-13.980.036
Trade Working Capital	16.094.380	17.119.463
Other current assets	1.547.999	1.248.120
Other current liabilities	-4.129.217	-3.460.433
Tax receivables and payable	3.773.676	2.243.032
Net accruals and deferrals	-80.565	-83.945
Working Capital	**17.206.273**	**17.066.238**
Provisions for risks and charges	-551.811	-765.624
Post-employment benefits	-1.559.153	-1.489.082
Net Invested Capital (Uses)	**20.648.525**	**20.370.700**
Payable to banks s.t.	3.577.155	3.262.940
Payable to banks and other financial institutions m/l tern	18.557.428	13.883.862
Payable for dividends	-	-
Total financial liabilities	**22.134.583**	**17.146.802**
Cash and other current financial assets	-29.037.085	-22.081.669
Net Financial Indebtedness	**-6.902.502**	**-4.934.867**
Share capital	1.337.277	1.337.276
Reserves	24.225.810	16.803.258
Operating result	1.987.940	7.165.032
Shareholders' equity (Equity)	**27.551.027**	**25.305.567**
Total Sources	**20.648.525**	**20.370.700**

Consolidated Net Financial Indebtedness as of 30 June 2022 was positive for about 6.9 million euros (it was positive for about 4.9 million euros as of 31 December 2021), of which about 369 thousand euros, net positive, related to the Romanian subsidiary **Sebino Fire RO S.r.l.** which presents a negative financial exposure of about 391 thousand euro and **Sebino Security S.r.l.** a positive exposure of about 184.6 thousand euro.

NET FINANCIAL INDEBTEDNESS(^) (FIGURES IN EURO)	30/06/2022	31/12/2021	Variations 2022 v 2021	Var % 2022 v 2021
A. Cash	-28.656	-21.708	-6.948	32%
B. Cash equivalents	-381	-374	-7	2%
C. Other current financial assets	-	-	-	0%
D. Cash and cash equivalents (A+B+C)	-29.037	-22.082	-6.956	31%
(E) Current financial payable	14	117	-103	-88%
(F) Current part of non-current debt	3.563	3.146	417	13%
(G) Current financial debt (E)+(F)	3.577	3.263	314	10%
(H) Net current financial indebtness (G)-(D)	-25.460	-18.819	-6.641	35%
(I) Non-current financial debt (excluding current portion and debt instruments)	18.557	13.884	4.673	34%
(J) Debt instruments	-	-	-	0%
(K) Trade and other non-current payable	-	-	-	0%
(L) Non-current financial indebtedness (I)+(J)+(K)	18.557	13.884	4.673	34%
(M) Total financial indebtedness (H)+(L)	-6.903	-4.935	-1.968	40%

(^)figures in €/thousands

Key Alternative Performance Indicators (APIs)

Adjusted EBITDA, defined as EBITDA adjusted for extraordinary and non-recurring positive and negative items, amounted to about 3,494 thousand euro, compared to about 3,778 thousand Euro in the same period of the previous year (-7.5%)

Adjusted EBITDA/EBITDA, also referred to as Alternative Performance Indicators, indicate the result before financial and extraordinary operations, before taxes, depreciation and amortisation, provisions for risks and charges, and before impairment of receivables.

Adjusted EBITDA/EBITDA are performance indicators, whose definition is not regulated by the applicable accounting standards; therefore, the determination criterion applied may not be homogeneous with that adopted by other entities and/or groups, and therefore may not be comparable with the one drawn up by them.

Net Financial Indebtedness is calculated as the sum of current and non-current financial indebtedness net of cash and is determined in accordance with ESMA Guideline ESMA32-382-1138 of 4 March 2021 and Consob's "Attention Notice No. 5/21" of 29 April 2021.

Operational information on the Parent Company Sebino S.p.A.

Turnover increased from about 20,039 thousand euro to about **25,830 thousand euro**, up about 28.9% over the same period of the previous year, while EBITDA went from about 3,592.5 thousand euro to about **2,420.3 thousand euro**, a 32.6% decrease. The Parent Company's net financial indebtedness was positive, increasing and amounted to **about 7.1 million euros**; it was positive and amounted to about 4.63 million euros as of 31.12.2021.

The recent scenario and trends in the logistics sector, which go beyond e-commerce as extensively explained in the previous sections of this report, continue to look very favourable and have produced comforting results in the first half of 2022 in terms of turnover. The erosion of margins was caused by the continued increase in costs, particularly in raw materials, which continued throughout the first quarter of the year and wiped out what had been considered at the end of last year as the readjustment of the margins of the order portfolio as of 31 12 2021.

The strategies implemented by the Parent Company are directed at pursuing the organic growth plan, aiming at rebalancing the various areas of corporate business, in this case both in specialised services, with the subsidiary Sebino Service Srl, and in security systems plant engineering through the newly-incorporated company Sebino Security S.r.l., which inherited from the Parent Company the design and construction of special systems, such as anti-intrusion systems, access control, video surveillance and smoke and fire detection equipment.

We believe that it is precisely the technological development of security systems that could be the driver that will lead to a further convergence of sectors, belonging to the same or adjacent industries: *Security, Health and Environment*. This convergence has no longer remained merely conceptual and/or specific, but has become "systemic" and this is the real turning point and vision of the Group's future.

With this premise, the expansion by external lines focuses, in Italy, on merger and acquisition operations, even with medium and small-sized companies as targets, for the consolidation and development of its market share in the relevant sectors, as well

as the incorporation of new skills capable of bringing together the different technological drivers of smart building.

On the subject of financial needs to support business acquisitions, we inform you that in June 2022 the Company signed a € 5 million medium-term loan with Intesa San Paolo under the conditions and with the purposes offered by the ministerial decrees with regard to "aid in the form of loan guarantees as per point 3.2 of the Temporary Measures on State Aid to Support the Economy in the Current COVID 19 Emergency" (the so-called "temporary framework").

Information on the subsidiary Sebino Service S.r.l.

Typical Revenues for the first six months of 2022 amounted to Euro 5,405.7, +21.9% over the same period of the previous year when they amounted to approximately Euro 4,436.2 thousand, **pre-tax profit** was about Euro 589.5,000 compared to about Euro 244.6,000 as of 30 June 2021. The **Net Financial Indebtedness** as at 30 June 2022 was negative and amounted to approximately 390.8 thousand euro (425.5 euro as at 31 12 2021).

The reorganisation of the specialised maintenance services - Service Division - continued in the first half of 2022, concentrating the maintenance of fire-fighting and security systems and equipment in the subsidiary Sebino Service S.r.l.

In this regard, to the traditional offer of maintenance services, over the last few years Sebino has added remote control of Fire&Security systems, called **SebinoConnect®, a trademark owned by the Parent Company Sebino S.p.A.** This service is provided by the control room now owned by the subsidiary Sebino Security Srl with hardware and software designed and installed ad hoc.

In addition to the already mentioned integration and rationalisation activities, it is worth mentioning the key events that took place under the new management:

- During the first half of the year, Sebino Service S.r.l. sold the control room that manages the remote control of fire-fighting and security systems to Sebino Security S.r.l.;
- In January 2022, the company signed a medium-term loan agreement for €1 million with Intesa San Paolo under the conditions and with the purposes offered by the ministerial decrees with regard to "aid in the form of loan guarantees under point 3.2 of the Temporary Measures on State Aid to Support the Economy in the Current COVID 19 Emergency" (so-called "temporary framework").

The Company did not resort to furlough procedures or other measures granted by the Government to deal with the economic and financial impacts caused by the pandemic.

Information on the subsidiary Sebino Security S.r.l.

The subsidiary Sebino Security Srl was incorporated on 23 November 2021. In February 2022, Sebino Security was assigned by the Parent Company the business unit for the design and installation of special systems such as CCTV, access control and anti-intrusion, inheriting all the activities of the Security B.U. and thus providing a corporate identity to a business that historically previews remote control technologies adaptable to any type of system.

The Company began operations in April 2022; therefore, no comparisons with previous years are possible.

Revenues amounted to approximately 690.1 thousand euros as of 30 June 2022 and the **Net Financial Indebtedness** as of 30 June 2022 was negative, amounting to approximately 184.6 thousand euros.

In March 2022, the company signed a medium-term loan agreement for €500 thousand with Intesa San Paolo under the conditions and with the purposes offered by the ministerial decrees with regard to "aid in the form of loan guarantees under point 3.2 of the Temporary Measures on State Aid to Support the Economy in the Current COVID 19 Emergency" (so-called "temporary framework").

In September 2022, the Company took out a further loan for Euro 500 thousand with a 5-year maturity, repayable in quarterly instalments with a 9-month pre-amortisation at a fixed rate with Banco BPM. The loan is guaranteed by a surety issued by the Parent Company Sebino Spa.

Information on the subsidiary Sebino FIRE RO S.r.l. (Romania)

The second half of 2022 saw a recovery from the previous year's anomaly, especially in terms of revenue, due to the violence of the pandemic in the country, which caused the slowdown if not even the postponement of works at almost all open construction sites.

In fact, the first half of 2022 closed with revenues of about Euro 2,367 thousand, compared to about Euro 593.4 thousand in the same period of the previous year.

Relations with subsidiaries, affiliated, sister, parent and related companies

As required by the Euronext Growth Market Milan (EGM) Issuers' Regulations, the Company has adopted a "Procedure for Related Party Transactions".

Following an amendment to the Euronext Growth Milan (EGM) Issuers' Regulations concerning the Procedure for Related Party Transactions approved by the Company's Board of Directors on 1 June 2020, it became necessary on 7 June 2022 to adopt, by means of a specific decision, the new procedure, which was published on the Company's website.

Please refer to www.sebino.eu Investors section for more information.

Pursuant to Article 2428 of the Italian Civil Code, the table below shows debit-credit and cost-revenue transactions with associated, parent and related companies in the first half of 2022 of 2021 [sic]:

RELATED-PARTY TRANSACTIONS

Company	*Trade receivables*	*Non-trade receivables*	*Trade payables*	*Non-Trade payables*	*Sale of services*	*Sale of goods*	*Purchases of services*	*Purchases of goods*
MAYSON CLY SRL (Italy) *Controlled by Nexus I. SRL*							*2*	
SYTECHNO SAGL (Switzerland) *Controlled by Leo Holding SA*	*149*				*1.626*			
SERVICE & TECNOLOGY SRL (Italy) *Company owned by an employee off Sebino S.p.A.*					*3*			

It should be noted that sales of services in the amount of Euro 1,626 thousand refer to work progress on fire plant orders. These

transactions took place at arm's length.

Information on employees

As regards employees, it should be noted that no serious accidents at work resulting in serious or very serious injuries to employees occurred during the financial year.

During the first half of the year, with regard to employees, 29 persons were recruited at Group level while 15 left the Group. Accordingly, the Group's total workforce increased from 178 employees as at 31 December 2021 to 192 employees as at 30 June 2022.

For average tabular data, please refer to the Explanatory Note accompanying this report.

Information on the remuneration of directors, auditors and auditing firms

Please refer to the Explanatory Note accompanying this report.

Information on other financial instruments issued by the Parent Company

Please refer to the Explanatory Note accompanying this report.

Disclosures related to derivatives as per article 2427-bis of the Civil Code

Please refer to the Explanatory Note accompanying this report.

Commitments, guarantees, agreements and potential liabilities not reported on the balance sheet

Please refer to the Explanatory Note accompanying this report

Information on assets and loans for a specific business transaction

Please refer to the Explanatory Note accompanying this report

Environment

In 2022, the Parent Company and its subsidiaries were not subject to any definitive sanctions or penalties for environmental crimes or damage, and there are no legal proceedings pending in this regard.

Research and development

The constant effort to anticipate market developments has led in recent years to the start of a multi-year research project on feasibility studies, design and pre-industrialisation of standard components for fire-fighting systems. This work continued during 2022.

Our company's R&D costs incurred during the administrative period were charged to costs for the financial year.

Group Locations

During the last financial year, the Parent Company carried out its operations at its head office in Madone (BG), Via E. Mattei no. 28, as well as in the local unit located in Bergamo (BG), Piazzale G. Marconi no. 4, equipped with a warehouse and a technological signal monitoring room.

The Romanian subsidiary mainly operates in Timisoara and has an office in Bucharest.

The subsidiary Sebino Service Srl. carries out its operations at its head office in Casale Monferrato (AL) Via Turcotti 10 and at its local units in Cagliari, Cadoneghe (PD), Guidonia (ROME), Madone (BG).

The subsidiary Sebino Security Srl. carries out its activities at its administrative and operational headquarters in Bergamo (BG), Piazzale G. Marconi 4. The head office is in Madone (BG), Via E. Mattei n.28.

Risk management

Financial risks

Financial risks related to operations are constantly monitored in order to assess in advance their potential negative effects and take appropriate action to mitigate them.

a) Credit risk

Credit risk is the exposure to potential losses arising from the counterparties' failure to meet their obligations.

The company carries out periodic creditworthiness analyses in order to prevent potential solvency crises. A prudent estimate of losses is duly reflected in the financial statements. This credit risk is considered low.

b) Liquidity risk

Liquidity risk represents the risk of the unavailability of financial resources needed to meet the company's commitments and its financial needs in the short term. The main factors determining the level of liquidity are, on the one hand, the resources generated or absorbed by operating and investing activities and, on the other hand, the maturity and renewal terms of credit lines granted by banks and credit market conditions. In the case at hand, the Group's profitability, combined with its current and historical ability to generate cash, correlated with an acceptable level of exposure to the banking system, makes liquidity risk minimal.

c) Market risk

This type of risk includes risks directly or indirectly related to fluctuations in physical and financial market prices to which the Group is exposed, namely:

- exchange rate risk;
- interest rate risk;
- price risk for raw materials;

- competition-related risks.

With reference to these risks profiles, the following should be noted:

Exchange rate risk: The Group has a very limited exposure to exchange rate risk;

Interest-rate risk: The Group has a very limited exposure to exchange rate risk.

Price risk for raw materials; The Group is exposed to the risk of raw material price increases, in particular to the carbon steel used for fire fighting system piping; this risk is currently considered medium/high;

Competition risk: it should be noted that the reference market is highly competitive, with the presence of a number of competitors who may be able to expand their current market share with a resulting erosion of that held by the Group. The growth strategy described in the first part of this report also helps to contain this risk.

Non-Financial risks

No socio-environmental risks are identified.

Treasury shares

Pursuant to Articles 2435-bis and 2428 of the Italian Civil Code, it should be noted that the Parent Company did not hold any treasury shares at the end of the six-month period

Significant events after the end of the period

In conjunction with the listing of the Parent Company on the EGM market in June 2020, a total of 1,782,000 "Sebino S.p.A. Warrants 2020 – 2023" were issued. Starting from 01 July 2021, holders can obtain 1 (one) Sebino S.p.A compendium share for every 5 (five) converted warrants, at the following prices, in three time slots:

1. between 1 July 2021 and 31 July 2021 inclusive at a price of EUR 2.40;

2. between 1 July 2022 and 31 July 2022 inclusive at a price of EUR 2.64;

3. between and 31 July 2023 inclusive at a price of EUR 2.90.

On 31 July 2022, the second subscription of the three planned periods of the "Sebino S.p.A. Warrants 2020 – 2023", during which 524,035 warrants were converted, assigning 104,807 number of Sebino S.p.A. compendium shares, at a price of EUR 2.64 per share, for a total value of EUR 276,690.48.

The Company's new share capital amounts to Euro 1,347,757.6 divided into 13,477,576 Ordinary Shares without par value.

As of 1 August 2022, 804,120 warrants remain outstanding, which holders may convert into Sebino S.p.A. shares in the above-mentioned subsequent periods.

Outlook for operations

The Parent Company's order backlog amounted to approximately Euro 41.0 million as at 30 June 2022 and to approximately Euro 26.8 million as at 31 July 2021, a level that allows us to look at the current new period with cautious optimism. However, the political-economic events that we have been witnessing since the beginning of the current financial year present anomalies and discontinuities with respect to the past that may affect the normal course of business, with a potential slowdown in activities, or at least a potential postponement. However, as extensively described in this report, as a direct consequence of the aforementioned discontinuities, significant opportunities have opened up in the logistics sector that could offset for the Company the obvious negative effects of the current economic situation.

In a medium-term outlook, the primary management objective is, in continuity with the previous year, to:

1) maintain its leading position in the Italian and Romanian markets for all fire plant operations;
2) consolidate the Group in terms of size, as the market in the future will require the presence of players of more significant size than the current ones, and more structured;
3) better balance the three areas of operations, Fire, Security and Service, in order to mitigate the risks that may be caused by a specific market crisis in one of the three areas and to maximise the synergies resulting from the combined commercial and operational offer of the three areas in the market;
4) increase the share of recurring revenues, as a percentage of total Group turnover, of the Service B.U., already strengthened by the acquisition of Sebino Service (formerly Riccardi) in July 2020;
5) strengthen the sales of the 24/7 remote control system, Sebino Connect®, of the technological operating parameters for the fire extinguishing and detection systems, with the aim of guaranteeing their optimal level of efficiency over time, even without human presence or support;
6) consider going into protection and safety services such as machine protection and HSE (Health-Safety-Environment);
7) follow IOT technologies more closely with a view to smart and green building and evaluate potential partnerships with start-up incubators involved in augmented reality in the field of maintenance, and artificial intelligence in the field of accident prevention.

Madone, 28 September 2022

The Chairman of the Board of Directors
Prof. Franco Amigoni

The undersigned Franco Amigoni, born in CO (BG) on 18.12.1944, declares that he is aware of the criminal penalties provided for in art. 76 of Presidential Decree 445/2000 in the event of a false or untruthful declaration made pursuant to Article 47 of the same decree, that this document has been produced by means of an optical scan of the original analogue document and that it has been successfully compared with the original document pursuant to Article 4 of the Prime Ministerial Decree 13 November 2