



# **Interim report on operations** at 31 March 2022



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# INFORMATION ABOUT THE COMPANY AND INFORMATION FOR SHAREHOLDERS

## REGISTERED OFFICE

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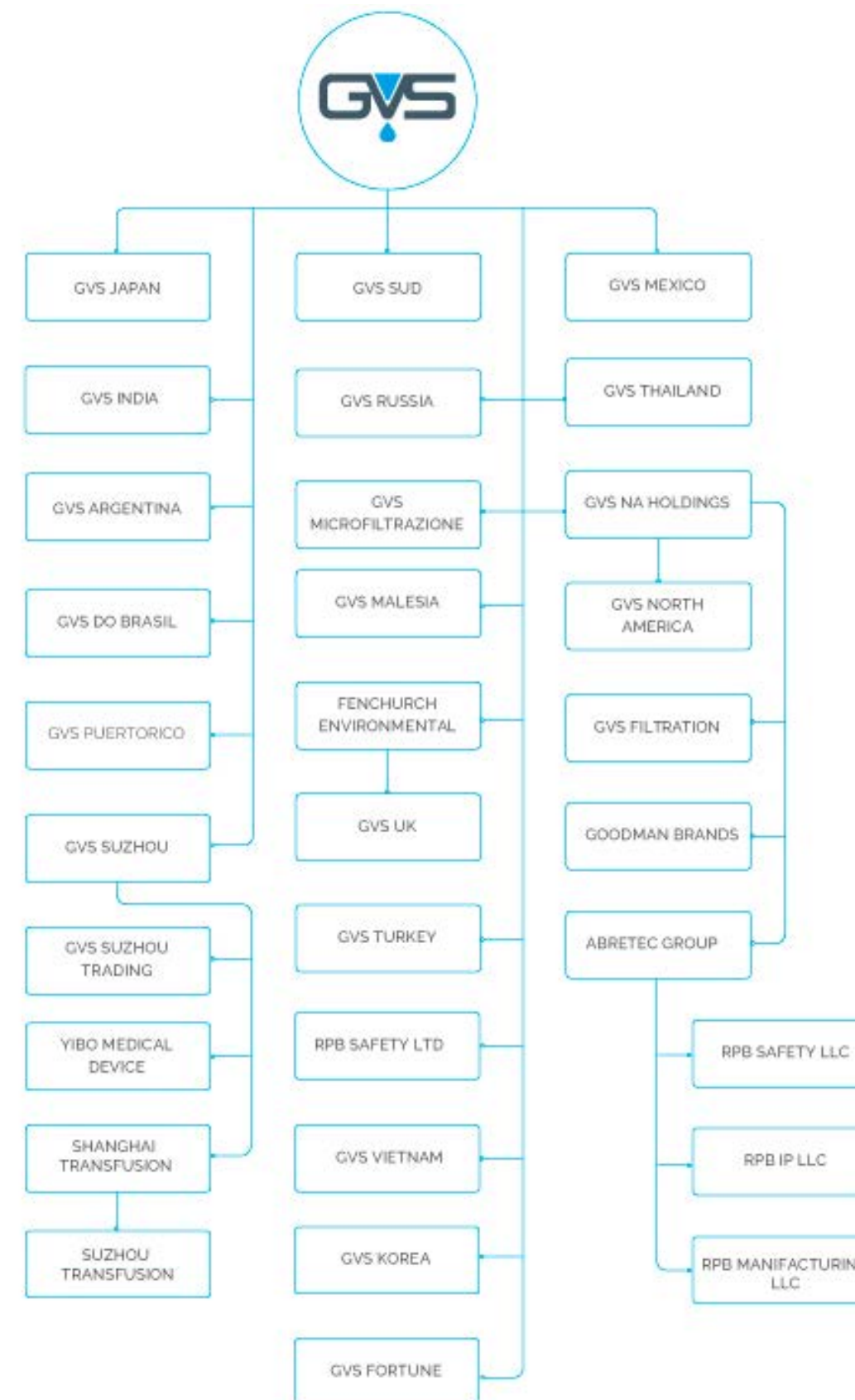
## LEGAL INFORMATION

Share capital: Euro 1.750.000  
Tax code 03636630372  
VAT number 00644831208  
REA of Bologna 0305386  
Register of Companies of Bologna 45539

## INVESTOR RELATIONS

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## GROUP STRUCTURE\*



\* Per le informazioni relative alla denominazione sociale, alla sede legale, alla valuta funzionale, al capitale sociale delle società del Gruppo GVS e alla quota detenuta da GVS SpA, si rimanda alle Note di commento.



CORPORATE BODIES

Board of Directors

Chair  
Chief Executive Officer  
Executive Directors

Grazia Valentini <sup>(2)</sup>  
Massimo Scagliarini  
Marco Scagliarini  
Mario Saccone  
Matteo Viola  
Nadia Buttignol <sup>(1)</sup>  
Arabella Caporello <sup>(1)</sup>  
Alessandro Nasi <sup>(2)</sup>  
Michela Schizzi <sup>(1) (2)</sup>

Independent Directors

Board of Auditors

Chair  
Standing auditors

Patrizia Lucia Maria Riva  
Francesca Sandrolini  
Stefania Grazia  
Daniela Baesi  
Mario Difino

Substitute auditors

Manager responsible for the preparation of the company's accounting documents

Emanuele Stanco

Independent auditors

PricewaterhouseCoopers SpA

(1) Member of the Control, Risk and Sustainability Committee  
(2) Member of the Nominations and Remuneration Committee.







04.

# DIRECTORS' REPORT ON OPERATIONS



## Foreword

The Interim Report on Operations of GVS SpA (hereinafter "**GVS**", the "**Company**", or the "**Parent Company**" and together with its subsidiaries the "**GVS Group**" or the "**Group**") is presented together with the interim consolidated financial statements at 31 March 2022.

The Interim Report on Operations is intended to provide information on the situation of the GVS Group and on operations as a whole and in the various sectors in which it operates, including through subsidiaries.

The tables below have been prepared on the basis of the consolidated financial statements at 31 March 2022, to which reference should be made. The latter were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union, as well as with measures issued in implementation of Article 9 of Legislative Decree no. 38/2005.

## Group performance and analysis of the results for the period ending on 31 March 2022

The GVS Group is one of the world's leading suppliers of filter solutions for applications in the following industries: Healthcare & Life Sciences, Energy & Mobility and Health & Safety.

The table below breaks down revenues from contracts with customers by division in the periods ending on 31 March 2021 and 31 March 2022.

(in thousands of Euro)	Period ended 31 March	
	2022	2021
Healthcare Liquid	28.102	24.143
Healthcare Air & Gas	7.749	12.332
Laboratory	8.398	8.396
<b>Healthcare &amp; Lifesciences</b>	<b>44.249</b>	<b>44.871</b>
Powertrain & Drivetrain	8.265	7.996
Safety & Electronics	5.685	5.774
Sport & Utility	6.173	5.904
<b>Energy &amp; Mobility</b>	<b>20.123</b>	<b>19.674</b>
Personal Safety	15.561	36.892
Air Safety	1.167	1.589
<b>Health &amp; Safety</b>	<b>16.728</b>	<b>38.481</b>
<b>Ricavi da contratti con i clienti</b>	<b>81.100</b>	<b>103.026</b>

During the first quarter of 2022, GVS achieved consolidated revenues of Euro 81.1 million, compared to Euro 103 million recorded in the same period of the previous year (-21.3%). By neutralizing the impact of sales deriving from the spread of the COVID-19 pandemic, equal to Euro 33.9 million in the first quarter of the previous year, revenues for the quarter would have increased by 17.3%, thanks also to the contribution of the latest acquisitions.

The revenues of the Healthcare & Life Sciences division are stable with respect to the trend of the last quarter of 2021 and record a significant growth of the Healthcare Liquid business (+ 16.4%), compared to the first quarter of last year, almost completely absorbing the correction recorded in the Healthcare Air & Gas business.

The Energy & Mobility division recorded growth of +2.3% compared to the same period of the previous year, thanks to the gradual recovery of production levels prior to the pandemic and of +28% compared to the fourth quarter of 2021, thanks to the recovery of orders that had been rescheduled due to the "disruption" of the logistics and supply chain.

Once the effects of extraordinary consumption deriving from the pandemic had been overcome, the Health & Safety division refocused on the development of the business of professional masks, also benefiting from the positive contribution of the acquisition of the RPB business which recorded revenues of 8 million euros in the first quarter of 2022.

In terms of performance and breakdown of revenues from contracts with customers as of 31 March 2022:

- the Healthcare & Life Sciences division, which represents 54.5% of the total, recorded revenues of Euro 44.2 million substantially in line with the first quarter of 2021. STT, acquired and consolidated from 1 March 2022, contributed approximately Euro 2 million;
- the Energy & Mobility division, which represents 24.8% of the total, recorded an increase of 2.3% compared to 2021, reaching Euro 20.1 million;
- the Health & Safety division, which benefited from RPB's contribution for approximately Euro 8 million in the quarter, represents 20.6% of the total and settled at Euro 16.7 million with a significant reduction compared to the first quarter of 2021; it was characterized by exceptional sales from disposable masks due to Covid-19.

Financial statements for the period closing at 31 March 2022 are shown below in comparison with those of the same period of the previous year, reclassified on the basis of current practice in financial analysis.

The 3-month period closed on 31st March								
(in thousands of Euro)	2022	of which non-recurring	2022 from ordinary operations	%	2021	of which non-recurring	2021 from ordinary operations	%
Revenues from sales and services	81.100		81.100	100.0%	103.026		103.026	100.0%
Other revenues and proceeds	533		533	0.7%	2.438	2.119	319	0.3%
<b>Total revenues</b>	<b>81.633</b>	<b>-</b>	<b>81.633</b>	<b>100.7%</b>	<b>105.463</b>	<b>2.119</b>	<b>103.344</b>	<b>100.3%</b>
Cost of raw materials purchases and variations in inventories	(24.341)	(486)	(23.855)	-29.4%	(23.626)		(23.626)	-22.9%
Services	(9.319)		(9.319)	-11.5%	(9.264)	(991)	(8.273)	-8.0%
Various operating costs	(1.099)		(1.099)	-1.4%	(1.822)	(921)	(901)	-0.9%
<b>Added value</b>	<b>46.875</b>	<b>(486)</b>	<b>47.361</b>	<b>58.4%</b>	<b>70.752</b>	<b>207</b>	<b>70.545</b>	<b>68.5%</b>
Cost of labour	(27.639)	(1.060)	(26.579)	-32.8%	(27.609)		(27.609)	-26.8%
<b>EBITDA</b>	<b>19.236</b>	<b>(1.546)</b>	<b>20.782</b>	<b>25.6%</b>	<b>43.143</b>	<b>207</b>	<b>42.936</b>	<b>41.7%</b>
Amortisation and depreciation	(7.314)	(2.303)	(5.011)	-6.2%	(5.021)	(940)	(4.081)	-4.0%
Provisions and writedowns	(27)		(27)	0.0%	(56)		(56)	-0.1%
<b>EBIT</b>	<b>11.895</b>	<b>(3.849)</b>	<b>15.744</b>	<b>19.4%</b>	<b>38.066</b>	<b>(733)</b>	<b>38.799</b>	<b>37.7%</b>
Financial proceeds and charges	5.450	(398)	5.848	7.2%	3.410		3.410	3.3%
<b>Pre-tax result</b>	<b>17.345</b>	<b>(4.247)</b>	<b>21.592</b>	<b>26.6%</b>	<b>41.476</b>	<b>(733)</b>	<b>42.209</b>	<b>41.0%</b>
Income tax	(4.347)	892	(5.239)	-6.5%	(10.081)	78	(10.159)	-9.9%
<b>Group's and minority shareholders' net profit or loss</b>	<b>12.998</b>	<b>(3.355)</b>	<b>16.352</b>	<b>20.2%</b>	<b>31.395</b>	<b>(655)</b>	<b>32.050</b>	<b>31.1%</b>

#### Analysis of reclassified financial position

The consolidated economic results of operations of the period closing at 31 March 2022 were as follows: total revenues from ordinary operations amounted to Euro 81.6 million (Euro 103.3 million in the first quarter of 2021).

EBITDA from ordinary operations amounted to Euro 20.8 million (Euro 42.9 million in the first quarter of 2021); EBIT from ordinary operations came to Euro 15.7 million (Euro 38.8 million in the first quarter of 2021).

EBITDA from ordinary operations shows a margin on revenues of 25.6% and is equal to 20.8 million euros (-51.6%) compared to 42.9 million euros in the first quarter of 2021 (value of 25.9 million euros from ordinary operations excluding the effects of COVID in the first quarter of the previous year).

This difference stems from:

- a different mix of sales achieved in the periods under comparison, due to a change in the mix of products sold, mainly driven by the progressive normalization of consumption of disposable masks and the consequent reduction of absorption of fixed costs;
- by an increase in costs for services, compared to the first quarter of 2021, in absolute value due to the acquisition of the RPB group in the second half of last year, and as a percentage of turnover due also to the decrease in sales between the two periods

compared;

- the reduction in absolute value of personnel costs in the period ended 31 March 2022 compared to the same period of the previous year, despite the acquisitions completed in 2021 and in the first quarter of 2022. During the pandemic, the Group had in fact equipped itself with a direct staff structure with the aim of promptly and effectively coping with the strong growth in volumes and only in the third and fourth quarter of 2021 did GVS begin to implement the reduction of the employees directly involved in production. Consequently starting from the second half of 2021 and in the first quarter of 2022 there was a reduction in absolute value of the cost of direct personnel. On the other hand, costs for indirect personnel increased in the quarter for strengthening the Group structure, mainly in the commercial and managerial areas to support growth.
- The percentage impact of personnel costs on revenues from sales and services rose from the previous year, from 26.8% in 2021 to 32.8% in 2022 owing to the effect of the drop in sales mentioned above.

EBIT from ordinary operations with a margin on revenues of 19.4% is equal to Euro 15.7 million (-59.4%) compared to the Euro 38.8 million of the previous year (value of Euro 21.8 million from ordinary operations excluding the effects of COVID in the first quarter of the previous year). There was an increase in the item amortization, depreciation and write-downs for Euro 0.9 million of which Euro 0.4 million attributable to the acquisitions of RPB and STT and for the remaining part attributable to the acceleration of the investment plans implemented by the Group over the last few years, in order to cope with the necessary increase in production capacity.

Net financial charges (net of exchange rate gains of Euro 6.332 thousand and Euro 3.907 thousand recorded respectively in the periods ended 31 March 2022 and 31 March 2021) settle at approximately Euro 0.5 million, essentially stable compared to the same period of the previous year.

The pre-tax result of recurrent activities reached Euro 21.6 million in 2022, Euro 20.6 million lower than the 2021 figure of Euro 42.2 million, due to the effect of the factors described above.

Non-recurrent proceeds and charges in the period ending on 31 March 2022 represent: (i) to the higher costs related to the higher inventory value attributed following the purchase price allocation of the RPB group (Euro 486 thousand); (ii) costs allocated to the provision for risks and reorganization relating to Group personnel (totalling Euro 1,060 thousand); (iii) amortization of intangible and depreciation of tangible assets recognized following the purchase price allocation of the Kuss and RPB groups (Euro 2,303 thousand) and finally (iv) interest recorded following the discounting of the debts for earn out to be paid for the acquisitions of the STT group and the RPB group (Euro 398 thousand), net of the related tax effect.

Non-recurrent proceeds and charges in the period ending on 31 March 2021 represent: (i) the capital gain realised following the sale of the Suzhou production site to the Chinese government (€1,908 thousand); (ii) contributions obtained from the Chinese government for the relocation of the same production site (€211 thousand); (iii) one-off CONSOB supervisory costs paid in relation to the IPO procedure (€991 thousand); (iv) costs allocated to the above-mentioned fund for the relocation of the Chinese production site (€921 thousand) and (v) amortisation of intangible and tangible assets recorded following the purchase price allocation of the Kuss group (€940 thousand), net of the related tax effect



<i>(in thousands of Euro)</i>	<b>At 31 March 2022</b>	<b>At 31 December 2021</b>
Net intangible fixed assets	286.009	227.743
Net usage rights	9.656	10.420
Net tangible fixed assets	83.708	77.622
Financial fixed assets	1.347	978
Other fixed assets	2.458	1.965
<b>Fixed capital (A)</b>	<b>383.178</b>	<b>318.727</b>
Net trade receivables	56.440	52.975
Inventories	83.396	72.353
Payables to suppliers	(22.562)	(23.820)
<b>Net commercial working capital (B)</b>	<b>117.274</b>	<b>101.508</b>
Other current assets	19.879	19.279
Other current liabilities	(25.257)	(21.629)
<b>Total current assets/liabilities (C)</b>	<b>(5.377)</b>	<b>(2.351)</b>
<b>Net working capital (D) = (B) + (C)</b>	<b>111.897</b>	<b>99.157</b>
Other non-current liabilities (E)	(7.339)	(5.675)
Employee termination indemnity and end of service indemnity (F)	(4.409)	(4.366)
Provisions for risks and charges (G)	(5.612)	(4.654)
<b>Net invested capital (H) = (A+D+E+F+G)</b>	<b>477.715</b>	<b>403.188</b>
Shareholders' equity	(311.592)	(295.346)
<b>Consolidated shareholders' equity (I)</b>	<b>(311.592)</b>	<b>(295.346)</b>
(Short-term financial indebtedness)/Liquidity	<b>27.119</b>	79.095
(Net medium/long term financial indebtedness)	(193.242)	(186.937)
<b>Net financial indebtedness (L)</b>	<b>(166.124)</b>	<b>(107.843)</b>
<b>Own funds and net financial indebtedness (M) = (I+L)</b>	<b>(477.715)</b>	<b>(403.188)</b>

#### Analysis of reclassified equity position

Fixed capital at 31 March 2022 shows an increase of Euro 64.451 thousand, mainly due to the acquisition of the STT group for a total amount of Euro 61.589 thousand. Specifically, net intangible assets increased by € 58.266 thousand, of which € 54.799 thousand due to the additional goodwill resulting from STT and tangible fixed assets increased by € 6.086 thousand, of which € 5.703 thousand relating to STT.

The balance of commercial net working capital at 31 March 2022 shows an increase of Euro 15.766 thousand, compared to 31 December 2021, due for Euro 9.336 to the net working capital relating to the STT group. Excluding the increase in inventories to be attributed to this extraordinary operation for Euro 5.195 thousand, the increase in inventory of Euro 5.848 thousand mainly concerned raw materials to anticipate future price increases and to avoid production disruption due to logistical problems in some markets, including the Chinese market

The increase in other current assets at 31 March 2022, equal to Euro 601 thousand, was mainly due to the increase in prepaid expenses net of the reduction of receivables for direct taxes.

The increase in other current liabilities at 31 March 2022 compared to 31 December 2021, equal to Euro 3.627 thousand, is attributable to the STT group for Euro 2.961 thousand and the remainder mainly to the increase in payables for current taxes and payables for indirect taxes.

Shareholders' equity at 31 March 2022 increased by Euro 16.244 thousand mainly due to the overall result for the period equal to Euro 16.978 thousand, reduced by Euro 1.405 thousand following the purchase of treasury shares.

The reader is referred to the next section for information on changes in net financial indebtedness.



### Analysis of net financial indebtedness and net financial position

Trends in net financial indebtedness and net financial position are analysed below.

<i>(in thousands of Euro)</i>	At 31 March 2022	At 31 December 2021
(A) Cash on hand	66.618	136.893
(B) Cash equivalents	-	-
Term deposits	-	727
Shares held for trading	1.928	7.437
Financial receivables due to leasing	177	173
(C) Other current financial assets	2.105	8.337
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>68.723</b>	<b>145.230</b>
Financial payables to other companies in the GVS Group due to leasing	3.067	2.117
Financial payables for leasing	<b>2.179</b>	<b>2.643</b>
Other current payables		19.670
Other financial payables		567
(E) Current financial indebtedness	5.246	24.997
(F) Current portion of non-current indebtedness	36.358	41.138
<b>(G) Current financial indebtedness (E)+(F)</b>	<b>41.604</b>	<b>66.135</b>
<b>(H) Net current financial indebtedness (G)-(D)</b>	<b>27.119</b>	<b>79.095</b>
Non-current bank debts	159.016	155.320
Non-current bonded loans	20.504	24.758
Other financial payables	7.784	87
Financial payables to other companies in the GVS Group due to leasing	3.538	2.784
Non-current financial payables for leasing	2.400	3.989
(I) Non-current financial indebtedness	193.242	186.937
Passive derivative financial instruments	-	0
(J) Debt instruments	-	0
(K) Trade payables and other non-current payables	-	-
<b>(L) Non-current financial indebtedness (I)+(J)+(K)</b>	<b>193.242</b>	<b>186.937</b>
<b>(M) Total net financial indebtedness (H)-(L)</b>	<b>(166.124)</b>	<b>(107.843)</b>

The change in net financial indebtedness at 31 March 2022 compared to 31 December 2021, totalling € 58.281 thousand, is mainly due to the net liquidity used for the acquisition of the STT group equal to € 50.278 thousand, to the financial indebtedness obtained with the same STT (€10.479 thousand) and paid off in the quarter and to the non-current financial indebtedness for earn out, equal to Euro 7.697 thousand, relating to the same extraordinary transaction. In terms of current operations, the cash generated by operations was much higher than the liquidity necessary to meet the ordinary investments made in the period, the cash absorbed by working capital and that used for the payment of financial charges and the purchase of treasury shares. The decrease in current financial debt, equal to Euro 24.531 thousand, is mainly attributable to the payable for earn out relating to the BPS group, the payment of which was made during the period under review. The increase

in non-current financial indebtedness, equal to Euro 6.305 thousand, is mainly attributable to the payable for earn out related to the STT group, the payment of which will be made in forthcoming years.

The Group's net financial position (excluding non-current active derivatives and net current and non-current leasing liabilities, measured in accordance with the provisions of IFRS 16 and equal to a total of Euro 11.007 thousand at 31 March 2022 and Euro 11.020 thousand at 31 December 2021 respectively), amounted to negative Euro 154.513 thousand and negative Euro 96.700 thousand as of these dates..

<i>(in thousands of Euro)</i>	At 31 March 2022	At 31 December 2021
<b>(M) Total net financial indebtedness</b>	<b>(166.124)</b>	<b>(107.843)</b>
Non-current active derivative financial instruments	603	123
Financial payables for leasing (net)	11.007	11.020
<b>Total net financial position</b>	<b>(154.513)</b>	<b>(96.700)</b>

### Cash flow statement

The cash flow statement appears below.

<i>(in thousands of Euro)</i>	Quarter ended 31 March	
	2022	2021
Pre-tax result	17.345	41.476
- Adjustment for:		
Amortisation, depreciation and writedowns	7.314	5.021
Capital losses / (capital gains) from sale of assets	(14)	(1.919)
Financial charges / (proceeds)	(5.450)	(3.410)
Other non-monetary variations	2.000	1.865
<b>Cash flow generated / (absorbed) by operations before variations in net working capital</b>	<b>21.195</b>	<b>43.033</b>
Variation in inventories	(3.664)	(3.343)
Variation in trade receivables	3.119	(16.817)
Variation in trade payables	(3.389)	1.290
Variation in other assets and liabilities	(870)	3.098
Use of provisions for risks and charges and for employee benefits	(301)	(253)
Taxes paid	(2.122)	(2.790)
<b>Net cash flow generated / (absorbed) by operations</b>	<b>13.969</b>	<b>24.218</b>
Investments in tangible assets	(2.139)	(4.277)
Investments in intangible assets	(1.359)	(1.343)
Disposal of tangible assets	62	3.955
Investment in financial assets	(30)	16



Disinvestment in financial assets	6.451	
Payment for purchase of business unit net of cash on hand acquired	(70.347)	-
<b>Net cash flow generated / (absorbed) by investment</b>	<b>(67.362)</b>	<b>(1.648)</b>
Repayment of long-term financial payables	(15.979)	(5.270)
Repayment of leasing liabilities	(669)	(1.062)
Financial charges paid	(1.007)	(1.415)
Financial proceeds collected	149	27
Treasury shares	(1.405)	-
<b>Net cash flow generated/(absorbed) by financial assets</b>	<b>(18.911)</b>	<b>(7.719)</b>
<b>Total variation in cash on hand</b>	<b>(72.304)</b>	<b>14.851</b>
<b>Cash on hand at the start of the period</b>	<b>136.893</b>	<b>125.068</b>
Total variation in cash on hand	(72.304)	14.851
Conversion differences on cash on hand	2.030	3.442
<b>Cash on hand at the end of the period</b>	<b>66.618</b>	<b>143.361</b>

During the period ending on 31 March 2022, operations generated Euro 21.838 thousand less liquidity than in the same period of the previous year, primarily as a result of the decreased EBITDA; in addition, cash flows absorbed by working capital were Euro 11.589 thousand lower.

During the period ended 31 March 2022, net investment activity (ordinary and for extraordinary acquisitions) shows a greater absorption of liquidity, compared to the same period of the previous year, for Euro 65.714 thousand following the acquisition of the STT group and the payment of the debt for earn out relating to the RPB group, also liquidated in the first quarter of 2022.

The item financial assets shows a greater absorption of cash compared to the same period of the previous year, for Euro 11.192, due to the financial debt acquired with the same STT (€ 10.479 thousand) and paid after the acquisition, and due to the cash used for the purchase of treasury shares for € 1.405 thousand.

### Indicators

The Group's principal economic and financial indicators and other indicators at 31 March 2021 and 31 March 2022 are listed below.

<i>(in thousands of Euro)</i>	Period ended 31 March	
	2022	2021
ROE (net profit/total net shareholders' equity)	17%	45%
ROI (EBIT from ordinary operations/net invested capital)	13%	69%
ROS (EBIT from ordinary operations/ordinary total revenues)	19%	38%
EBITDA	19.236	43.143
EBITDA from ordinary operations	20.782	42.936
Net interest expense (excluding gains/losses on exchanges)	(882)	(497)
Net Financial Debt	(166.124)	54.763

Net financial position	(154.513)	63.424
Total intangible fixed assets/Total fixed assets	75%	54%
Total intangible fixed assets/Total assets	47%	21%
Acid test (short-term assets/short-term liabilities)	1,6	1,1
Net interest expense / payables to lenders	0,5%	0,7%
Indebtedness ratio (net financial indebtedness/shareholders' equity)	0,53	(0,20)
Net financial position/shareholders' equity	0,50	(0,23)
EBITDA/Interest	21,82	86,87
EBITDA from ordinary operations/Interest	23,57	86,45
Net financial position/EBITDA	2,01	(0,37)
Net financial position/EBITDA from ordinary operations	1,86	(0,37)
Net financial debt / EBITDA	2,16	(0,32)
Net financial indebtedness/EBITDA from ordinary operations	2,00	(0,32)

### INVESTMENTS

The Group's investment policy aims to achieve diversification in terms of product range and creation of new technological solutions for integration into the range of products it offers for sale. The development of new products is important for the Group, in order to continuously increase the satisfaction of its customers. Moreover, in the period under examination here, the Group has invested in improvement of the efficiency of production through reinforcement and boosting of automation processes and adaptation of its productive capacity to ensure immediate flexibility in response to a possible increase in activity and adaptability to emerging trends.

Investments for the period ended 31 March 2022 are mainly attributable to the strengthening of the production capacity of the Healthcare & Life Sciences division.

Furthermore, it should be noted that, with reference to the period ended 31 March 2022, the main investments concerned the production plants in Italy as well as the plants in the United States of America and Mexico.

### RESEARCH AND DEVELOPMENT

With research and development centres all over the world, GVS offers an extremely efficient service tailored to respond to its customers' requests: from product conception and design to validation and mass production.

The Group's R&D work aims to introduce new products and implement new production processes. These activities are divided into a number of different phases, from conception and start of the process of designing and new product process to large-scale industrial production. The main indicators for the period under review compared with the same period of the previous year are shown below.

<i>(in thousands of Euro)</i>	Period ended 31 March	
	2022	2021
Research and development costs	5.526	4.829
Research and development costs/revenues from contracts with customers	6,8%	4,7%



ADDITIONAL INFORMATION

The Company does not own, and never has owned, stocks or shares in its parent company, even through an intermediary, and therefore did not buy or sell any such stocks or shares in 2022.

Starting from 8 October 2021, the Company launched the buyback program authorized by the Shareholders' Meeting of 27 April 2021. As of 31 March 2022, treasury shares in portfolio are 450.000 shares for a total amount equal to 0,26% of the Company's share capital.

The Group did not conduct any atypical or unusual transactions during the period.

PRINCIPAL RISKS AND UNCERTAINTIES

In conducting its business, the Company is exposed to financial risk, as described in the Explanatory Notes, representing:

- market risk, deriving from oscillating exchange rates between the Euro and the other currencies in which the Group operates, and of interest rates;
- credit risk, deriving from the possibility of a counterpart defaulting;
- liquidity risk, deriving from insufficiency of financial resources to fulfil financial commitments.

The Group's goal is to maintain balanced management of its financial exposure over the years in order to guarantee a debt structure that is balanced with the composition of the company's assets and capable of guaranteeing the necessary flexibility in operations through use of liquidity generated by current operations and resort to bank loans.

The capacity of characteristic management to generate liquidity and the capacity for indebtedness allow the Group to adequately satisfy the requirements of its operations and financing of operative working capital and investment capital, and to fulfil its financial obligations.

The Group's financial policy and management of financial risk are guided and monitored at the central level. In particular, the central finance function assesses and approves provisional financial requirements, monitors trends and applies appropriate corrective actions where necessary.

In relation to the war conflict that broke out between Ukraine and Russia, the Company monitors the geopolitical context and the situation in Russia on a daily basis to assess the potential direct and indirect effects in future, both in terms of strengthening the inflation dynamics in the supply markets of raw materials and energy costs, and in terms of sales reduction in the affected areas. Currently, the Group's financial exposure to the areas concerned is marginal and is around 0,3% of turnover.

Inter-group and related party transactions

With regard to relations with subsidiary, associated, parent and affiliated companies, please see the analytical indications given in the explanatory notes to these interim financial statements. The following is a summary of the types of transactions that have taken place:

Company	Type of transaction
Parent Company - GVS Group S.r.l.	Financial, consolidated fiscal
Subsidiaries	Commercial, performance of services and financial
Associated companies - Companies in the GVS Group	Services

GVS SpA and its Italian subsidiary GVS Sud S.r.l. participate in the optional national tax consolidation system under GVS Group S.r.l. Transactions with subsidiaries are primarily commercial (sale of raw materials and finished goods, and providing of services for production) and financial (providing infragroup loans) in nature and are conducted under the conditions normally in effect on the market. The Company and a number of its subsidiaries have stipulated contracts for the leasing of real estate properties with companies directly or indirectly controlled by GVS Group S.r.l., under the conditions normally in effect on the market.

With regard to transactions with related parties, including inter-group transactions, it should be noted that these were neither atypical nor unusual and are part of the normal course of business of Group companies. They were carried out in compliance with internal procedure that contains rules aimed at ensuring their transparency and fairness, pursuant to the CONSOB Regulation No. 17221/2010.



In the notes to the consolidated financial statements, the Company provides the disclosures required pursuant to Art. 154-ter of the TUF as indicated by the CONSOB Regulation No. 17221 of 12 March 2010 and subsequent CONSOB Resolution No. 17389 of 23 June 2010. The disclosure on transactions with related parties required by the CONSOB Communication of 28 July 2006 is presented in the attached tables.

#### SIGNIFICANT EVENTS OCCURRING DURING THE PERIOD

In October 2021, the Company launched the treasury share purchase program authorized by the Shareholders' Meeting of 27 April 2021 (the "Buyback Plan"), within the terms already disclosed to the market. In execution of the aforementioned shareholders' resolution, the first part of the Buyback Plan was concluded in the first quarter of 2022, for a number of treasury shares equal to 450.000 shares (equal to 0,26% of the subscribed and paid-up share capital).

On 02 March 2022, the GVS Group, through its subsidiary GVS Technology (Suzhou) Co. Ltd, has completed the acquisition of the entire share capital of Shanghai Transfusion Technology Co. Ltd ("STT"), a historic Chinese company, leader in the production and sale of products related to blood treatment. The closing of the transaction took place following the meeting of all conditions precedent set out in the sale contract. The consideration paid at the closing was equal to approximately 55 million euros. A deferred payment, of a maximum amount of approximately 9 million euros, will be paid to the seller in the event that STT obtains the authorization to produce and market a new strategic line of products. The price may be subject to some adjustments on the basis of the working capital and net financial position. The acquisition was financed with the available liquidity of GVS. After the closing, STT repaid the loan of approximately CNY 73.5 million (approximately EUR 10.5 million) granted by the seller in order to finance certain pre-closing payments and provide STT with adequate working capital.

In March 2022, GVS obtained from the lending banks of the loan for the RPB acquisition, a waiver to pay the principal amount initially scheduled for financial year 2022.

In March 2022, GVS agreed with the RPB sellers on the amount to pay as earn out on the basis of achievement of the Adjusted EBITDA targets of the RPB Group in the course of 2021 and provided for liquidation of the same amount in the same month.

#### EVENTS SUBSEQUENT TO THE CLOSE OF THE PERIOD

No significant events occurred after the end of the period.

#### BUSINESS OUTLOOK

GVS continues to pursue the organic consolidation of the results obtained so far thanks to the progressive industrial and commercial integration of the recent acquisitions. The objective is to confirm the organic growth trend that, net of extraordinary trends in the period, has historically characterized the Group, maintaining a high level of attention for timeliness in responding to the demands of the market and of its customers with ever greater integration of ESG factors in the business strategy. Particular attention to the performance of operations is linked to the current situation of geopolitical tension, which, although marginal in terms of direct exposure for the GVS Group, may have indirect economic impacts to be faced during the year. After the results achieved in the first quarter of 2022, and in consideration of economic and geopolitical cyclical uncertainty variables, for 2022 we confirm the forecast for moderate growth in terms of turnover compared to 2021, thus positively absorbing the reduction in the extraordinary values recorded last year for the sale of disposable masks, thanks to the positive contribution of the most recent acquisitions. In terms of EBITDA margin a limited dilution is expected, compared to the results achieved in 2021, due to the same acquisitions.

Zola Predosa, 10 May 2022

For the Board of Directors  
Massimo Scagliarini  
Chief Executive Officer







05.

# **FINANCIAL STATEMENTS AT 31 March 2022**



# Consolidated statement of assets and liabilities\*

(in thousands of Euro)	At 31 March 2022	At 31 December 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	286.009	227.743
Assets represented by usage rights	9.656	10.420
Tangible assets	83.708	77.622
Advance tax assets	1.553	1.502
Non-current financial assets	1.649	1.318
Non-current derivative financial instruments	603	123
<b>Total non-current assets</b>	<b>383.178</b>	<b>318.728</b>
<b>Current assets</b>		
Inventories	83.396	72.353
Trade receivables	56.440	52.975
Assets from contracts with customers	1.655	1.678
Current tax receivables	6.253	7.590
Other receivables and current assets	11.971	10.011
Current financial assets	2.105	8.337
Cash on hand	66.618	136.893
<b>Total current assets</b>	<b>228.438</b>	<b>289.837</b>
<b>TOTAL ASSETS</b>	<b>611.616</b>	<b>608.565</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	1.750	1.750
Reserves	296.805	225.967
Net income	12.996	67.590
<b>Group net shareholders' equity</b>	<b>311.551</b>	<b>295.307</b>
<b>Shareholders' equity attributable to non-controlling interests</b>	<b>40</b>	<b>40</b>
<b>Total shareholders' equity</b>	<b>311.591</b>	<b>295.347</b>
<b>Non-current liabilities</b>		
Debt for the purchase of equity investments and earn out	7.697	-
Non-current financial liabilities	179.607	180.164
Non-current leasing liabilities	5.938	6.773
Deferred tax liabilities	7.339	5.675
Provisions for employee benefits	4.409	4.366
Provisions for risks and charges	5.612	4.654
<b>Total non-current liabilities</b>	<b>210.602</b>	<b>201.632</b>
<b>Current liabilities</b>		
Debt for the purchase of equity investments and earn out	-	19.670
Current financial liabilities	36.358	41.706
Current leasing liabilities	5.246	4.760
Trade payables	22.563	23.820
Liabilities from contracts with customers	5.520	3.417
Current tax payables	2.285	3.047
Other current payables and liabilities	17.451	15.166
<b>Total current liabilities</b>	<b>89.423</b>	<b>111.586</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>611.616</b>	<b>608.565</b>

(\*) Pursuant to the CONSOB Resolution No. 15519 of 27 July 2016, the effects of transactions with related parties on consolidated statement of assets and liabilities are highlighted in the attached tables.

# Consolidated income statement\*

(in thousands of Euro)	Notes	Quarter ended 31 March	
		2022	2021
Revenue from customer contracts	9.1	81.100	103.026
Other revenues and proceeds	9.2	533	2.438
<b>Total revenues</b>		<b>81.633</b>	<b>105.463</b>
Purchases and consumption of raw materials, semi-products and finished products	9.3	(24.341)	(23.626)
Personnel costs	9.4	(27.639)	(27.609)
Service costs	9.5	(9.319)	(9.264)
Other operating costs	9.6	(1.099)	(1.822)
<b>EBITDA</b>		<b>19.236</b>	<b>43.143</b>
Net writedowns of financial assets	9.7	(27)	(56)
Amortisation, depreciation and writedowns	9.8	(7.314)	(5.021)
<b>EBIT</b>		<b>11.895</b>	<b>38.066</b>
Financial proceeds	9.9	6.481	3.934
Financial charges	9.9	(1.031)	(524)
<b>Pre-tax result</b>		<b>17.345</b>	<b>41.476</b>
Income tax	9.10	(4.347)	(10.081)
<b>Net income</b>		<b>12.998</b>	<b>31.395</b>
<i>Group's share</i>		<i>12.996</i>	<i>31.394</i>
<i>Minority share</i>		<i>2</i>	<i>1</i>
<i>Basic net profit per share</i>	9.11	<i>0,07</i>	<i>0,18</i>
<i>Diluted net profit per share</i>	9.11	<i>0,07</i>	<i>0,18</i>

(\*) Pursuant to the CONSOB Resolution no. 15519 of 27 July 2016, the effects of transactions with related parties on consolidated income statement are highlighted in the attached tables.

# Comprehensive consolidated income statement

(in thousands of Euro)	Quarter ended 31 March	
	2022	2021
<b>Net income</b>	<b>12.998</b>	<b>31.395</b>
<b>Other components of the comprehensive income statement which will be reclassified in the income statement in subsequent years</b>		
Profits (losses) on cash flow hedges, net of tax effect	365	-
Difference due to conversion of financial statements in foreign currency	3.615	3.935
	<b>3.980</b>	<b>3.935</b>
<b>Other components of the comprehensive income statement which will not be reclassified in the income statement in subsequent years</b>		
Actuarial profit (loss) due to employee defined benefit plans net of tax effect	-	-
	-	-
<b>Total other components in the comprehensive income statement</b>	<b>3.980</b>	<b>3.935</b>
<b>Comprehensive net profit</b>	<b>16.978</b>	<b>35.330</b>
Group's share	16.978	35.330
Minority share	-	-





# Prospectus of changes in consolidated shareholders' equity

(in thousands of Euro)	Share capital	Reserves							Net income	Group net shareholders' equity	Shareholders' equity attributable to non-controlling interests	Total shareholders' equity
		Share premium reserve	Legal reserve	Extraordinary reserve	Translation reserve	Negative reserve for treasury shares	Actuarial profits and losses reserve	Profit (loss) carried over and other reserves				
<b>At 31 December 2020</b>	<b>1.750</b>	<b>92.770</b>	<b>329</b>	<b>30.485</b>	<b>(11.636)</b>	<b>-</b>	<b>(187)</b>	<b>51.093</b>	<b>78.063</b>	<b>242.667</b>	<b>30</b>	<b>242.697</b>
Net income	-	-	-	-	-	-	-	-	31.394	31.394	1	31.395
Total other components in the comprehensive income statement	-	-	-	-	3.936	-	-	-	-	3.936	(1)	3.935
<i>Comprehensive net profit</i>	-	-	-	-	3.936	-	-	-	31.394	35.330	-	35.330
Allocation of net profit from previous year	-	-	-	-	-	-	-	78.063	(78.063)	-	-	-
Increase in reserves for long-term incentives	-	-	-	-	-	-	-	648	-	648	-	648
Adjustment of cash flow hedge reserves	-	-	-	-	-	-	-	(52)	-	(52)	-	(52)
<b>At 31 March 2021</b>	<b>1.750</b>	<b>92.770</b>	<b>329</b>	<b>30.485</b>	<b>(7.700)</b>	<b>-</b>	<b>(187)</b>	<b>129.752</b>	<b>31.394</b>	<b>278.593</b>	<b>30</b>	<b>278.623</b>

(in thousands of Euro)	Share capital	Reserves							Net income	Group net shareholders' equity	Shareholders' equity attributable to non-controlling interests	Total shareholders' equity
		Share premium reserve	Legal reserve	Extraordinary reserve	Translation reserve	Negative reserve for treasury shares	Actuarial profits and losses reserve	Profit (loss) carried over and other reserves				
<b>At 31 December 2021</b>	<b>1.750</b>	<b>92.770</b>	<b>350</b>	<b>35.022</b>	<b>(3.246)</b>	<b>(3.448)</b>	<b>(113)</b>	<b>104.632</b>	<b>67.590</b>	<b>295.307</b>	<b>40</b>	<b>295.347</b>
Net income	-	-	-	-	-	-	-	-	12.996	12.996	2	12.998
Total other components in the comprehensive income statement	-	-	-	-	3.617	-	-	365	-	3.982	(2)	3.980
<i>Comprehensive net profit</i>	-	-	-	-	3.617	-	-	365	12.996	16.978	-	16.978
Allocation of net profit from previous year	-	-	-	-	-	-	-	67.590	(67.590)	-	-	-
Increase in reserves for long-term incentives	-	-	-	-	-	-	-	671	-	671	-	671
Purchase of treasury shares	-	-	-	-	-	(1.405)	-	-	-	(1.405)	-	(1.405)
<b>At 31 March 2022</b>	<b>1.750</b>	<b>92.770</b>	<b>350</b>	<b>35.022</b>	<b>371</b>	<b>(4.853)</b>	<b>(113)</b>	<b>173.258</b>	<b>12.996</b>	<b>311.551</b>	<b>40</b>	<b>311.591</b>

# Consolidated statement of cash flows\*

(in thousands of Euro)	Quarter ended 31 March	
	2022	2021
Pre-tax result	17.345	41.476
- Adjustment for:		
Amortisation, depreciation and writedowns	7.314	5.021
Capital losses / (capital gains) from sale of assets	(14)	(1.919)
Financial charges / (proceeds)	(5.450)	(3.410)
Other non-monetary variations	2.000	1.865
<b>Cash flow generated / (absorbed) by operations before variations in net working capital</b>	<b>21.195</b>	<b>43.033</b>
Variation in inventories	(3.664)	(3.343)
Variation in trade receivables	3.119	(16.817)
Variation in trade payables	(3.389)	1.290
Variation in other assets and liabilities	(870)	3.098
Use of provisions for risks and charges and for employee benefits	(301)	(253)
Taxes paid	(2.122)	(2.790)
<b>Net cash flow generated / (absorbed) by operations</b>	<b>13.969</b>	<b>24.218</b>
Investments in tangible assets	(2.139)	(4.277)
Investments in intangible assets	(1.359)	(1.343)
Disposal of tangible assets	62	3.955
Investment in financial assets	(30)	16
Disinvestment in financial assets	6.451	
Payment for purchase of business unit net of cash on hand acquired	(70.347)	-
<b>Net cash flow generated / (absorbed) by investment</b>	<b>(67.362)</b>	<b>(1.648)</b>
Repayment of long-term financial payables	(15.979)	(5.270)
Repayment of leasing liabilities	(669)	(1.062)
Financial charges paid	(1.007)	(1.415)
Financial proceeds collected	149	27
Treasury shares	(1.405)	-
<b>Net cash flow generated/(absorbed) by financial assets</b>	<b>(18.911)</b>	<b>(7.719)</b>
<b>Total variation in cash on hand</b>	<b>(72.304)</b>	<b>14.851</b>
<b>Cash on hand at the start of the period</b>	<b>136.893</b>	<b>125.068</b>
Total variation in cash on hand	(72.304)	14.851
Conversion differences on cash on hand	2.030	3.442
<b>Cash on hand at the end of the period</b>	<b>66.618</b>	<b>143.361</b>

(\*) Pursuant to the CONSOB Resolution no. 15519 of 27 July 2016, the effects of transactions with related parties on consolidated cash flows are highlighted in the attached tables.

# EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

## 1. General information

### 1.1 Foreword

GVS S.p.A. (hereinafter referred to as “GVS”, the “Company” or the “Parent Company” and, with its subsidiaries, as the “GVS Group” or simply the “Group”) is a company established and domiciled in Italy, with registered offices in Zola Predosa (BO), Via Roma 50, organised according to the law of the Republic of Italy.

GVS is owned by the company GVS Group S.p.A. (hereinafter the “GVS Group”), which directly holds 60% of the share capital. There is no other entity exercising direction and coordination of the Company.

The GVS Group is a leading supplier of advanced filtering solutions for highly critical applications and offers advanced filtering solutions for a multitude of applications in a number of highly regulated sectors, organised into the following business divisions: Healthcare & Life Sciences, Energy & Mobility and Health & Safety.

## 2. Structure and content of the consolidated financial statements

### 2.1 BASIC METHOD OF PREPARATION

The Interim Report on Operations at 31 March 2022 was prepared in accordance with the valuation and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure set out in Art. 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, while reference was made to Art. 154-ter of Legislative Decree No. 58 of 24 February 1998 for the purpose of this report.

The accounting standards adopted for this interim report are the same as those used to prepare the annual consolidated financial statements closing at 31 December 2021, to which reference should be made for further details, with the exception of the following:

- accounting standards, or amendments to existing accounting standards, effective from 01 January 2022 (see note 3 for more details), and
- income taxes, recognised on the basis of the best estimate of the weighted average tax rate expected for the entire year, in line with the provisions of IAS 34.



For comparison purposes, the consolidated financial statements at 31 March 2022 show, for the income statement the figures related to the first three months of 2021, while for the balance sheet the balances for the year ended 31 December 2021.

The Group chose to represent its statement of profit and loss according to the nature of the expense, while the assets and liabilities in the statement of financial position are divided into current and non-current. The statement of cash flows is prepared by the indirect method. The schemes employed are those that best represent the Group's economic and financial standing.

The currency in which the Company operates and uses for presentations is the Euro.

The statements and tables contained in this periodic report are shown in thousands of Euros.

The Interim Report on Operations is not subject to audit.

It should also be noted that with reference to business continuity, cash equivalents at 31 March 2022, amounting to Euro 66.6 million, the credit lines currently available and the cash flows that will be generated by operations are considered more than sufficient to meet the Group's obligations and to finance its operations.

With regard to performance in the first three months of 2022, please read the Directors' Report on Operations.

## 2.2 Consolidation criteria and methods

The interim report on operations includes the statement of financial position and the statement of profit and loss of the Company and its subsidiaries, prepared on the basis of their accounting situations and, where applicable, opportunely corrected to ensure that they conform to EU-IFRS.

The table below lists information on the company name, registered offices, currency of operation, share capital and portion thereof owned directly by the Group for all GVS's subsidiaries.

Company name	Registered offices	Currency	Share capital at 31 March 2022	Direct owner	Percentage of control	
					At 31 March 2022	As of 31 December 2021
GVS Sud Srl	Italia - Zola Predosa (BO)	EUR	10.000	GVS SpA		
YUYao Yibo Medical Device Co. Ltd	Cina - Yuyao	CNY	5.420.000	GVS Technology (Suzhou) Co. Ltd.	100,00%	100,00%
GVS Technology (Suzhou) Co. Ltd.	Cina - Suzhou (RPC)	CNY	25.297.047	GVS SpA	100,00%	100,00%
Suzhou GVS Trading Co. Ltd.	Cina - Ningbo	CNY	250.000	GVS Technology (Suzhou) Co. Ltd.	100,00%	100,00%
GVS Fortune Holding Ltd	Hong Kong (RPC)	HKD	1	GVS SpA	100,00%	100,00%
GVS North America Inc	USA - Sanford (MA)	USD	Na	GVS North America Holdings Inc	100,00%	100,00%

GVS Filtration Inc	USA - Findlay (OH)	USD	10	GVS North America Holdings Inc	100,00%	100,00%
GVS NA Holdings Inc	USA - Sanford (MA)	USD	0,10	GVS SpA	100,00%	100,00%
Fenchurch Environmental Group Ltd	Regno Unito - Morecambe	GBP	1.469	GVS SpA	100,00%	100,00%
GVS Filter Technology UK Ltd	Regno Unito - Morecambe	GBP	27.000	Fenchurch Environmental Group Ltd	100,00%	100,00%
GVS do Brasil Ltda	Brasile - Município de Monte Mor, Campinas	BRL	20.755.226	GVS SpA	99,95%	99,95%
GVS Argentina Sa	Argentina - Buenos Aires	ARS	1.510.212	GVS SpA	94,12%	94,12%
GVS Filter Technology de Mexico	Messico - Nuevo Leon	MXN	50.000	GVS SpA	99,90%	99,90%
GVS Korea Ltd	Korea - Seul	KRW	100.000.000	GVS SpA	100,00%	100,00%
GVS Microfiltrazione Srl	Romania - Ciorani	RON	1.600	GVS SpA	100,00%	100,00%
GVS Japan KK	Giappone - Tokyo	JPY	1.000.000	GVS SpA	100,00%	100,00%
GVS Russia LLC	Russia - Mosca	RUB	10.000	GVS SpA	100,00%	100,00%
GVS Filtre Teknolojileri	Turchia - Istanbul	TRY	100.000	GVS SpA	100,00%	100,00%
GVS Puerto Rico LLC	Puerto Rico - Fajardo	USD	Na	GVS SpA	100,00%	100,00%
GVS Filtration SDN. BHD.	Malesia - Petaling Jaya	MYR	1	GVS SpA	100,00%	100,00%
GVS Filter India Private Limited	India - Mumbai	INR	100.000	GVS SpA	100,00%	100,00%
Abretec Group LLC	USA - Detroit (MI)	USD	14.455.437	GVS North America Holdings Inc	100,00%	100,00%
Goodnan Brands LLC	USA - Detroit (MI)	USD	0	GVS North America Holdings Inc	100,00%	100,00%
RPB Safety LLC	USA - Detroit (MI)	USD	0	Abretec Group LLC	100,00%	100,00%
RPB Manufacturing LLC	USA - Detroit (MI)	USD	0	Abretec Group LLC	100,00%	100,00%
RPB IP LLC	USA - Detroit (MI)	USD	0	Abretec Group LLC	100,00%	100,00%
RPB Safety Ltd	New Zeland Christchurch	NZD	1.000	GVS SpA	100,00%	100,00%
GVS Filtration Co., Ltd.	Thailandia - Bangkok	THB	3.000.000	GVS SpA	100,00%	100,00%
Shanghai Transfusion Technology Co. Ltd	Cina - Shanghai (RPC)	CNY	40.000.000	GVS Technology (Suzhou) Co. Ltd.	100,00%	na
Suzhou Laishi Transfusion Equipment Co. Ltd.	Cina - Suzhou (RPC)	CNY	2.271.895	GVS Technology (Suzhou) Co. Ltd.	100,00%	na

In the period ended 31 March 2022, the scope of consolidation changed from the previous year, following the acquisition of the entire share capital of Shanghai Transfusion Technology Co. Ltd ("STT"), a historic Chinese company, leader in the production and sale of products related to blood treatment. In particular, GVS Technology (Suzhou) Co. Ltd., (100% owned by GVS SpA) acquired 100% of the share capital of the Chinese company Shanghai Transfusion Technology Co. Ltd. and its subsidiary Suzhou Laishi Transfusion Equipment Co. Ltd. The acquisition took place on 02 March 2022 against which the economic effects from the closing date (28 February 2022), have been recorded in the Interim Report on Operations, resulting in an increase in the consolidated profit and loss and in the consolidated shareholders' equity for the period of €267 thousand.

The table below lists the exchange rates used for conversion of the financial statements of companies operating in a currency other than the Euro for the periods indicated:

Currency	At 31 March	At 31 December	Period ended 31 March	
	2022	2021	2022	2021
Brazilian Real	5,3009	6,3101	5,8696	6,5990
Argentine Peso	123,1020	116,3622	119,4929	106,6983
Chinese Renminbi	7,0403	7,1947	7,1212	7,8080
American Dollar	1,1101	1,1326	1,1217	1,2048
Hong Kong Dollar	8,6918	8,8333	8,7551	9,3465
Japanese Yen	135,1700	130,3800	130,4636	127,8057
Korean Won	1,347,3700	1,346,3800	1,352,2919	1,343,2116
Russian Ruble	90,9626	85,3004	88,3971	89,6675
Turkish Lira	16,2823	15,2335	15,6725	8,9156
Mexican Peso	22,0903	23,1438	22,9919	24,5272
Romanian Ron	4,9463	4,9490	4,9465	4,8793
British Pound	0,8460	0,8403	0,8364	0,8739
Malaysian Ringgit	4,6677	4,7184	4,7027	4,7163
Indian Rupee	84,1340	84,2292	84,3944	87,8484
New Zealand Dollar	1,6014	1,6579	1,6584	na
Vietnamese Dong	25,365,0000	na	25,541,7500	na
Thai Baht	36,9110	37,6530	37,0771	na

Consolidation is carried out by using the line-by-line method, which consists of the inclusion of all assets and liabilities in their entirety. Subsidiaries are consolidated from the date on which control is effectively transferred to the Group, and cease to be consolidated on the date on which control is transferred outside the Group. The assets and liabilities, expenses and income of companies consolidated on a line-by-line basis are fully included in the consolidated financial statements. The book value of equity investments is eliminated against the corresponding portion of shareholders' equity of the investee companies by assigning to the individual assets and liabilities their current value at the date of acquisition of control (acquisition method as defined by IFRS 3 "Business Combinations"). Any residual difference, if positive, is recorded at the asset item "Goodwill"; if negative, on the income statement. Reciprocal payables and receivables, costs and revenues between consolidated companies and the effects of all significant transactions between them are eliminated. Minority interests in equity and results for the period are shown separately in the consolidated shareholders' equity and income statement: such an interest is determined on the basis of the percentage they hold in the fair values of assets and liabilities recognised at the original acquisition date and in the changes in equity after that date. Subsequently, profits and losses are attributed to minority shareholders according to the percentage held by them and losses are attributed to minority shareholders even if this implies that minority interests have a negative balance. Changes in the parent company's interest in a subsidiary that do not result in the loss of control are entered in the accounts as equity transactions. If the parent company loses control of a subsidiary, it eliminates the assets (including any goodwill) and liabilities of the subsidiary, eliminates the book values of any non-controlling interest in the former subsidiary, eliminates cumulative exchange differences recognised in equity, recognises the fair value of the consideration received,

recognises the fair value of any retained interest in the former subsidiary, recognises any gain or loss in profit or loss, and finally reclassifies the parent company's share of the components previously recognised in comprehensive income to the income statement or loss or retained earnings, as appropriate.

### 3. Valuation criteria

The valuation criteria used for the preparation of the consolidated financial statements for the period ended 31 March 2022 do not differ from those used for the preparation of the consolidated financial statements for the year ended 31 December 2021, with the exception of the new accounting principles, amendments and interpretations applicable from 1st January 2022, which, however, have not had a significant impact on the Group's current financial position and results.

#### a) IFRS accounting standards, amendments and interpretations effective from 1 January 2022

On 14 May 2020, the IASB published the following amendments entitled:

- Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this resulting in any changes to the provisions of the standard;
- Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is not to allow the deduction from the cost of property, plant and equipment of the amount received from the sale of goods produced in the test phase of the asset. These sales revenues and related costs will therefore be recognised on the income statement;
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that when estimating whether a contract is onerous, all costs directly attributable to the contract shall be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of the material used in the processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the depreciation of machinery used to perform the contract);
- Annual Improvements 2018-2020: amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

All amendments entered into force on 1 January 2022. The adoption of this amendment had no impact on the Group's consolidated financial statements.

#### b) IFRS accounting standards, amendments and interpretations not yet applicable and not adopted early by the Group

- On 23 January 2020, the IASB published an amendment entitled 'Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current'. The document aims to clarify how to classify debts and other short-term or long-term liabilities. The amendments enter into force on 1 January 2023; however, earlier application is permitted. The directors do not expect that the adoption of these amendments will have any meaningful effect on the Group's consolidated financial statements;



- On 12 February 2021, the IASB published two amendments entitled 'Disclosure of Accounting Policies-Amendments to IAS 1 and IFRS Practice Statement 2' and 'Definition of Accounting Estimates-Amendments to IAS 8'. The amendments are intended to improve the disclosure of accounting policies so as to provide more useful information to investors and other primary users of financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies. The amendments will apply from 1 January 2023, but earlier application is permitted. The directors are currently evaluating the possible effects of the introduction of these amendments on the Group's consolidated financial statements;
- On 7 May 2021, the IASB published an amendment entitled "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how deferred taxes should be accounted for on certain transactions that may generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments will apply from 1 January 2023, but earlier application is permitted. The directors do not expect that the adoption of this amendment will have any meaningful effect on the Group's consolidated financial statements.

#### 4. ESTIMATES AND ASSUMPTIONS

The preparation of this Report requires the Directors to make estimates and assumptions that affect the values of costs, assets and liabilities on the financial statements. If in the future these estimates and assumptions, which are based on management's best valuation, should differ from the actual circumstances, they will be modified appropriately in the period in which the circumstances change. It should also be noted that certain valuation processes, in particular the more complex ones such as the determination of any impairment of fixed assets, are generally carried out in full only at the time of preparation of the annual financial statements, when all the necessary information is available, except in cases where there are impairment indicators that require an immediate assessment of any loss in value.

#### 5. BUSINESS COMBINATIONS

##### TAKEOVER OF THE STT GROUP

On 02 March 2022, the GVS Group, through its subsidiary GVS Technology (Suzhou) Co. Ltd, has completed the acquisition of the entire share capital of Shanghai Transfusion Technology Co. Ltd ("STT"), a historic Chinese company, leader in the production and sale of products related to blood treatment. The closing of the transaction took place following the meeting of all conditions precedent set out in the sale contract. The consideration paid at the closing was equal to approximately 55 million euros. A deferred payment, of a maximum amount of approximately 9 million euros, will be paid to the seller in the event that STT obtains the authorization to produce and market a new strategic line of products. The price may be subject to some adjustments on the basis of the working capital and net financial position. The acquisition was financed with the available liquidity of GVS. After the closing, STT repaid the loan of approximately CNY 73.5 million (approximately EUR 10.5 million) granted by the seller in order to finance certain pre-closing payments and provide STT with adequate working capital.

The table below reports the fair value of the assets and liabilities identifiable as of the date of the takeover.

<i>(in thousands of Euro)</i>	Provisional fair value as of the purchase date
<b>ASSETS</b>	
<b>Non-current assets</b>	
Intangible assets	451
Tangible assets	5.732
Advance tax assets	75
Non-current financial assets	384
Total non-current assets	6.641
<b>Current assets</b>	
Inventories	5.540
Trade receivables	6.233
Other receivables and current assets	56
Cash on hand	4.859
<b>Total current assets</b>	<b>16.688</b>
<b>Total assets</b>	<b>23.329</b>
<b>Non-current liabilities</b>	
Deferred tax liabilities	112
<b>Total non-current liabilities</b>	<b>112</b>
<b>Current liabilities</b>	
Current financial liabilities	10.479
Trade payables	1.564
Liabilities from contracts with customers	1.299
Current tax payables	450
Other current payables and liabilities	1.390
<b>Total current liabilities</b>	<b>15.182</b>
<b>Total liabilities</b>	<b>15.294</b>
<b>Total net assets acquired (A)</b>	<b>8.035</b>
<b>Consideration (B)</b>	<b>62.834</b>
<b>Goodwill (B) - (A)</b>	<b>54.799</b>

Goodwill has been provisionally recognised for an amount of Euro 54.799 thousand, as the valuation period as defined by IFRS 3 is in progress.

The contribution made by the acquired business to the Group's revenues from contracts with customers in the period ending on 31 March 2022 was Euro 2.159 thousand.

## 6. Explanatory Notes to the main consolidated income statement items

### 6.1 Revenue from customer contracts

The table below breaks down revenues from contracts with customers by division in the periods ending on 31 March 2021 and 31 March 2022.

(in thousands of Euro)	Quarter ended 31 March	
	2022	2021
Healthcare Liquid	28.102	24.143
Healthcare Air & Gas	7.749	12.332
Laboratory	8.398	8.396
<b>Healthcare &amp; Life Sciences</b>	<b>44.249</b>	<b>44.871</b>
Powertrain & Drivetrain	8.265	7.996
Safety & Electronics	5.685	5.774
Sport & Utility	6.173	5.904
<b>Energy &amp; Mobility</b>	<b>20.123</b>	<b>19.674</b>
Personal Safety	15.561	36.892
Air Safety	1.167	1.589
<b>Health &amp; Safety</b>	<b>16.728</b>	<b>38.481</b>
<b>Revenue from customer contracts</b>	<b>81.100</b>	<b>103.026</b>

The decrease in revenues in the period ended 31 March 2022 compared to the same period of the previous year is mainly attributable to the performance of the Health & Safety division, whose extraordinary growth in the previous year had been driven by the needs deriving from the spread of the COVID-19 pandemic. The contraction in revenues from contracts with customers, recorded by the Energy & Mobility division in 2020, was also due to the exceptional events of the period, and during 2021 there was a return to the trend prior to the pandemic, which was also confirmed in the first quarter of 2022. Compared to the corresponding period of the previous year, the revenues of the Healthcare & Life Sciences division decreased slightly during the period in question, despite a sustained growth trend of the Healthcare Liquid business, which only partially offset the decline in the Healthcare Air & Gas division.

The table below breaks down revenues from contracts with customers by type of sale in the periods ending on 31 March 2021 and 31 March 2022.

(in thousands of Euro)	Quarter ended 31 March	
	2022	2021
Business to business (BTB)	56.407	54.403
Business to consumer (BTC)	24.693	48.623
<b>Revenue from customer contracts</b>	<b>81.100</b>	<b>103.026</b>

The table below breaks down revenues from contracts with customers by geographic area in the periods ending on 31 March 2021 and 31 March 2022.

(in thousands of Euro)	Quarter ended 31 March	
	2022	2021
North America	39.592	35.410
Europe	21.463	47.718
Asia	13.669	14.551
Other countries	6.376	5.347
<b>Revenue from customer contracts</b>	<b>81.100</b>	<b>103.026</b>

### 6.2 Other revenues and proceeds

The table below breaks down other revenues and proceeds for the periods ending on 31 March 2021 and 31 March 2022.

(in thousands of Euro)	Quarter ended 31 March	
	2022	2021
Contributions for operating expenses	69	3
Recovery and chargeback	280	111
Recovery of scrap	58	65
Capital gains on sales	14	1.919
Other	112	340
<b>Other revenues and proceeds</b>	<b>533</b>	<b>2.438</b>

The item other revenues and proceeds, for the period ended 31 March 2021, includes non-recurring proceeds relating to the capital gain realized following the sale to the Chinese government of the production site in Suzhou (Euro 1.908 thousand) and grants obtained from the Chinese government for the relocation of the same production site (Euro 211 thousand).

### 6.3 Purchases and consumption of raw materials, semi-products and finished products

The table below breaks down purchases and consumption of raw materials, semi-products and finished products in the periods ending on 31 March 2021 and 31 March 2022.

(in thousands of Euro)	Quarter ended 31 March	
	2022	2021
Purchases of raw materials	27.753	27.119
Variation in inventories of products in progress, semi-products and finished products	(2.594)	(2.017)
Variation in inventories of raw materials, subsidiary materials and goods	(818)	(1.476)
<b>Purchases and consumption of raw materials, semi-products and finished products</b>	<b>24.341</b>	<b>23.626</b>



## 6.4 Personnel costs

The table below breaks down personnel costs in the periods ending on 31 March 2021 and 31 March 2022.

<i>(in thousands of Euro)</i>	Quarter ended 31 March	
	2022	2021
Salaries and wages	20.3311	21.158
Social security contributions	5.930	6.211
Cost of termination indemnity	307	240
Other costs	1.071	-
<b>Personnel costs</b>	<b>27.639</b>	<b>27.609</b>

Personnel costs in the period ended 31 March 2021 are mainly influenced by the extraordinary turnover trend achieved in the Healthcare & Life Sciences division during the first quarter of 2021. The item at 31 March 2022 includes extraordinary personnel costs for Euro 1.060 thousand. For more details, see paragraph 7 below.

## 6.5 Service costs

The table below breaks down service costs in the periods ending on 31 March 2021 and 31 March 2022.

<i>(in thousands of Euro)</i>	Quarter ended 31 March	
	2022	2021
Utilities and cleaning services	2.131	1.892
Maintenance	898	1.086
Transportation	1.365	1.305
Consulting services	978	876
Travel and lodging	408	113
Subcontracting	168	349
Marketing and trade fairs	281	153
Insurance	483	308
Cafeteria	372	398
Commissions	606	168
Directors' fees	984	942
Other services	645	1.674
<b>Service costs</b>	<b>9.319</b>	<b>9.264</b>

In 2021, the item other services includes, for €991 thousand, the 2021 CONSOB supervisory fee, relevant to the approval of the prospectus and the listing supplement.

## 6.6 Other operating costs

The table below breaks down other operating costs in the periods ending on 31 March 2021 and 31 March 2022.

<i>(in thousands of Euro)</i>	Quarter ended 31 March	
	2022	2021
Leasing costs	602	349
Indirect taxation	234	209
Membership fees and charity contributions	53	78
Allocation to provision for risks	-	921
Other minor costs	210	265
<b>Other operating costs</b>	<b>1.099</b>	<b>1.822</b>

The item other operating expenses, for the period ended 31 March 2021, included non-recurrent charges related to costs allocated to the provision for the relocation of the Chinese production site for the amount of € 921 thousand.

Leasing costs include: (i) leasing fees for properties of modest value, for which the Group avails itself of the exemption permitted under IFRS 16, (ii) variable components of a number of leasing fees and (iii) costs connected with use of property under leasing agreements not subject to IFRS 16.

## 6.7 Amortisation, depreciation and writedowns

The table below breaks down amortisation, depreciation and writedowns in the periods ending on 31 March 2021 and 31 March 2022.

<i>(in thousands of Euro)</i>	Quarter ended 31 March	
	2022	2021
Amortisation and writedowns of intangible assets	2.974	1.406
Depreciation and writedowns of tangible assets	3.279	2.689
Amortisation and writedowns of assets represented by usage rights	1.061	926
<b>Amortisation, depreciation and writedowns</b>	<b>7.314</b>	<b>5.021</b>

## 6.8 Financial proceeds and charges

The table below breaks down financial proceeds in the periods ending on 31 March 2021 and 31 March 2022.

<i>(in thousands of Euro)</i>	Quarter ended 31 March	
	2022	2021
Net profits on exchanges	6.332	3.907
Other financial proceeds	149	27
<b>Proventi Financial proceeds</b>	<b>6.481</b>	<b>3.934</b>

The table below breaks down financial charges in the periods ending on 31 March 2021 and 31 March 2022.

<i>(in thousands of Euro)</i>	Quarter ended 31 March	
	2022	2021
Interest on bonded loans	330	386
Interest on loans	146	60
Interest on leasing liabilities	83	54
Amortised cost	58	19
Interest for discounting for earn out	398	-
Other financial charges	16	5
<b>Financial charges</b>	<b>1.031</b>	<b>524</b>

The item financial proceeds includes in the period ended 31 March 2021 and 31 March 2022 the net unrealized profits on exchanges deriving from the adjustment in Euro of the bond loan denominated in dollars and the intra-group loans granted in dollars by GVS to foreign subsidiaries.

## 6.9 Annual income tax

The table below breaks down annual income tax in the periods ending on 31 March 2021 and 31 March 2022.

<i>(in thousands of Euro)</i>	Quarter ended 31 March	
	2022	2021
Current taxes	2.775	9.424
Deferred taxes	1.560	666
Taxes pertaining to previous financial years	12	(9)
<b>Income tax</b>	<b>4.347</b>	<b>10.081</b>

In accordance with the provisions of IAS 34, income taxes are recognised on the basis of management's estimate of the weighted average expected annual effective tax rate for the entire year, equal to 25,1% for the period ended 31 March 2022 (24,3% for the period ended 31 March 2021).

## 6.10 Net profit per share

The table below reports net profit per share, calculated as the ratio between net profit and the weighted average number of ordinary shares in circulation in the period, excluding treasury shares.

	Quarter ended 31 March	
	2022	2021
Group's share of net profit (in thousands of Euro)	12.621	31.394
Weighted average number of shares in circulation	174.693.198	175.000.000
<b>Profit per share (in Euro)</b>	<b>0,07</b>	<b>0,18</b>

Diluted earnings per share at 31 March was positive at 0,07 (positive at €0,18 at 31 March 2021) calculated by dividing the result attributable to the shareholders of GVS SpA by the weighted average number of shares in circulation, adjusted to take into account the effects of all potential ordinary shares with dilutive effect. As potential ordinary shares with dilutive effect, those linked to the performance shares plan have been considered.

## 7. Non-recurring revenues and operating costs

Non-recurrent proceeds and charges in the period ending on 31 March 2022 represent: (i) to the higher costs related to the higher inventory value attributed following the purchase price allocation of the RPB group (Euro 486 thousand); (ii) costs allocated to the provision for risks and reorganization relating to Group personnel (totalling Euro 1,060 thousand); (iii) amortization of intangible and depreciation of tangible assets recognized following the purchase price allocation of the Kuss and RPB groups (Euro 2,303 thousand) and finally (iv) interest recorded following the discounting of the debt for earn out to be paid for the acquisitions of the STT group and the RPB group (Euro 398 thousand), net of the related tax effect.

Non-recurrent proceeds and charges in the period ending on 31 March 2021 represent: (i) the capital gain realised following the sale of the Suzhou production site to the Chinese government (€1,908 thousand); (ii ) contributions obtained from the Chinese government for the relocation of the same production site (€211 thousand); (iii ) one-off CONSOB supervisory costs paid in relation to the IPO procedure (€991 thousand); ( iv ) costs allocated to the above-mentioned fund for the relocation of the Chinese production site (€921 thousand) and (v) amortisation of intangible and tangible assets recorded following the purchase price allocation of the Kuss group (€940 thousand), net of the related tax effect.

## 8. Additional information

Economic transactions between group companies are carried out at market prices and are eliminated in the consolidation process. Transactions carried out by Group companies with related parties, which according to IAS 24 are companies and persons able to exercise control, joint control or significant influence over the Group and its subsidiaries, are part of the ordinary course of business and are settled at market conditions. With reference to the provisions of Art. 150, 1st paragraph of Legislative Decree no. 58 of 24 February 1998, no transactions potentially in conflict of interest with Group companies were carried out by members of the Board of Directors.



## ATTACHED TABLES

## Consolidated statement of financial position, with indication of the amounts of positions with related parties

<i>(in thousands of Euro)</i>	At 31 March 2022	of which with related parties	percentage	At 31 December 2021	of which with related parties	percentage
<b>ASSETS</b>						
<b>Non-current assets</b>						
Intangible assets	286.009			227.743		
Assets represented by usage rights	9.656	4.058	42,0%	10.420	4.155	39,9%
Tangible assets	83.708	17	0,0%	77.622	18	0,0%
Advance tax assets	1.553			1.502		
Non-current financial assets	1.649			1.318		
Non-current derivative financial instruments	603			123		
<b>Total non-current assets</b>	<b>383.178</b>			<b>318.728</b>		
<b>Current assets</b>						
Inventories	83.396			72.353		
Trade receivables	56.440			52.975		
Assets from contracts with customers	1.655			1.678		
Current tax receivables	6.253	2.406	38,5%	7.590	3.462	45,6%
Other receivables and current assets	11.971			10.011	12	0,1%
Current financial assets	2.105			8.337		
Cash on hand	66.618			136.893		
<b>Total current assets</b>	<b>228.438</b>			<b>289.837</b>		
<b>TOTAL ASSETS</b>	<b>611.616</b>			<b>608.565</b>		
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>						
Share capital	1.750			1.750		
Reserves	296.805			225.967		
Net income	12.996			67.590		
<b>Group net shareholders' equity</b>	<b>311.551</b>			<b>295.307</b>		
<b>Shareholders' equity attributable to non-controlling interests</b>	<b>40</b>			<b>40</b>		
<b>Total shareholders' equity</b>	<b>311.591</b>			<b>295.347</b>		
<b>Non-current liabilities</b>						

Debt for the purchase of equity investments and earn out	7.697			-		
Non-current financial liabilities	179.607			180.164		
Non-current leasing liabilities	5.938	2.293	38,6%	6.773	2.783	41,1%
Deferred tax liabilities	7.339			5.675		
Provisions for employee benefits	4.409	1.711	38,8%	4.366	1.699	38,9%
Provisions for risks and charges	5.612			4.654		
Non-current derivative financial instruments	-			-		
Other non-current payables and liabilities	-			-		
<b>Total non-current liabilities</b>	<b>210.602</b>			<b>201.632</b>		
<b>Current liabilities</b>						
Debt for the purchase of equity investments and earn out	-			19.670		
Current financial liabilities	36.358			41.706		
Current leasing liabilities	5.246	2.288	43,6%	4.760	1.970	41,4%
Trade payables	22.563			23.820		
Liabilities from contracts with customers	5.520			3.417		
Current tax payables	2.285			3.047		
Other current payables and liabilities	17.451	3.307	19,0%	15.166	2.667	17,6%
<b>Total current liabilities</b>	<b>89.423</b>			<b>111.586</b>		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>611.616</b>			<b>608.565</b>		

## Consolidated income statement, with indication of the amounts of positions with related parties.

(in thousands of Euro)	Period ended 31 March					
	2022	of which with related parties	percentage	2021	of which with related parties	percentage
Revenue from customer contracts	81.100			103.026		
Other revenues and proceeds	533	25	4.7%	2.438		
<b>Total revenues</b>	<b>81.633</b>			<b>105.463</b>		
Purchases and consumption of raw materials, semi-products and finished products	(24.341)			(23.626)		
Personnel costs	(27.639)	(1.060)	3,8%	(27.609)	(929)	3,4%
Service costs	(9.319)	(984)	10,6%	(9.264)	(942)	10,2%
Other operating costs	(1.099)			(1.822)		
<b>EBITDA</b>	<b>19.236</b>			<b>43.143</b>		
Net writedowns of financial assets	(27)			(56)		
Amortisation, depreciation and writedowns	(7.314)	(475)	6,5%	(5.021)	(234)	4,7%
<b>EBIT</b>	<b>11.895</b>			<b>38.066</b>		
Financial proceeds	6.481			3.934		
Financial charges	(1.031)	(48)	4,7%	(524)	(12)	2,3%
<b>Pre-tax result</b>	<b>17.345</b>			<b>41.476</b>		
Income tax	(4.347)			(10.081)		
<b>Net income</b>	<b>12.998</b>			<b>31.395</b>		
<i>Group's share</i>	<i>12.996</i>			<i>31.394</i>		
<i>Minority share</i>	<i>2</i>			<i>1</i>		

## Consolidated statement of cash flows, with indication of the amounts of positions with related parties

(in thousands of Euro)	Period ended 31 March					
	2022	of which with related parties	percentage	2021	of which with related parties	percentage
Pre-tax result	17.345	(2.542)	-15%	41.476	(2.117)	-5%
- Adjustment for:						
Amortisation, depreciation and writedowns	7.314	475	6%	5.021	234	5%
Capital losses / (capital gains) from sale of assets	(14)			(1.919)		
Financial charges / (proceeds)	(5.450)	48	-1%	(3.410)	12	0%
Other non-monetary variations	2.000	12	1%	1.865	12	1%
<b>Cash flow generated / (absorbed) by operations before variations in net working capital</b>	<b>21.195</b>			<b>43.033</b>		
Variation in inventories	(3.664)			(3.343)		
Variation in trade receivables	3.119	-	0%	(16.817)		0%
Variation in trade payables	(3.389)	0	0%	1.290	353	27%
<b>Variation in other assets and liabilities</b>	<b>(870)</b>	<b>652</b>	<b>-75%</b>	<b>3.098</b>	<b>(837)</b>	<b>-27%</b>
Use of provisions for risks and charges and for employee benefits	(301)			(253)		
Taxes paid	(2.122)	1.056	-50%	(2.790)		0%
<b>Net cash flow generated / (absorbed) by operations</b>	<b>13.969</b>			<b>24.218</b>		
Investments in tangible assets	(2.139)	1	0%	(4.277)		
Investments in intangible assets	(1.359)			(1.343)		
Disposal of tangible assets	62			3.955		
Investment in financial assets	(30)			16		
Disinvestment in financial assets	6.451			-		
Payment for purchase of business unit net of cash on hand acquired	(70.347)			-		
<b>Net cash flow generated / (absorbed) by investment</b>	<b>(67.362)</b>			<b>(1.648)</b>		
Repayment of long-term financial payables	(15.979)			(5.270)		
Repayment of leasing liabilities	(669)	(550)	82%	(1.062)	(397)	37%
Financial charges paid	(1.007)	(48)	5%	(1.415)	(12)	1%
Financial proceeds collected	149			27		
Treasury shares	(1.405)					
<b>Net cash flow generated/(absorbed) by financial assets</b>	<b>(18.911)</b>			<b>(7.719)</b>		
<b>Total variation in cash on hand</b>	<b>(72.304)</b>			<b>14.850</b>		
<b>Cash on hand at the start of the year</b>	<b>136.893</b>			<b>125.068</b>		
Total variation in cash on hand	(72.304)			14.851		
Conversion differences on cash on hand	2.030			3.442		
<b>Cash on hand at the end of the year</b>	<b>66.618</b>			<b>143.361</b>		



# Consolidated income statement, with indication of the amounts deriving from non-recurring transactions

The 3-month period closed on 31st March								
(in thousands of Euro)	2022	of which non-recurring	2022 from ordinary operations	Incid. %	2021	of which non-recurring	2021 from ordinary operations	Incid. %
Revenue from customer contracts	81.100		81.100		103.026		103.026	
Other revenues and proceeds	533		533		2.438	2.119	319	86,9%
<b>Total revenues</b>	<b>81.633</b>	<b>-</b>	<b>81.633</b>		<b>105.463</b>	<b>2.119</b>	<b>103.344</b>	
Purchases and consumption of raw materials, semi-products and finished products	(24.341)	(486)	(23.855)	2,0%	(23.626)		(23.626)	
Personnel costs	(27.639)	(1.060)	(26.579)	3,8%	(27.609)		(27.609)	
Service costs	(9.319)		(9.319)		(9.264)	(991)	(8.273)	10,7%
Other operating costs	(1.099)		(1.099)		(1.822)	(921)	(901)	50,5%
<b>EBITDA</b>	<b>19.236</b>	<b>(1.546)</b>	<b>20.782</b>		<b>43.143</b>	<b>207</b>	<b>42.936</b>	
Net writedowns of financial assets	(27)		(27)		(56)		(56)	
Amortisation, depreciation and writedowns	(7.314)	(2.303)	(5.011)	31,5%	(5.021)	(940)	(4.081)	18,7%
<b>EBIT</b>	<b>11.895</b>	<b>(3.849)</b>	<b>15.744</b>		<b>38.066</b>	<b>(733)</b>	<b>38.799</b>	
Financial proceeds	6.481		6.481		3.934		3.934	
Financial charges	(1.031)	(398)	(633)	38,6%	(524)		(524)	
<b>Pre-tax result</b>	<b>17.345</b>	<b>(4.247)</b>	<b>21.592</b>		<b>41.476</b>	<b>(733)</b>	<b>42.209</b>	
Income tax	(4.347)	892	(5.239)	-20,5%	(10.081)	78	(10.159)	-0,8%
<b>Net income</b>	<b>12.998</b>	<b>(3.355)</b>	<b>16.353</b>		<b>31.395</b>	<b>(655)</b>	<b>32.050</b>	

## DECLARATION OF THE MANAGER RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S ACCOUNTING DOCUMENTS PURSUANT TO ARTICLE 154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE 58/98

The Manager responsible for the preparation of the Company's financial reports, Mr. Emanuele Stanco, hereby declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in these Consolidated Interim Financial Statements corresponds to the results of documents, accounting books and entries.

Emanuele Stanco  
Manager responsible for the preparation of the Company's accounting documents



Zola Predosa, 10 May 2022

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