

The Most Trusted Brands in Bulk Solids Handling & Processing and Wastewater Treatment

Annual Report 2021



WAMGROUP®

STRONG ETHICS, WINNING SPIRIT.

www.wamgroup.com



www.wamgroup.com



Marcello Marchesini

Vainer Marchesini
WAMGROUP® President

Roberto Marchesini

Elena Marchesini

CORPORATE PHILOSOPHY

WAMGROUP® aims for worldwide leadership in the supply of equipment for Bulk Solids Handling & Processing, Wastewater Treatment and Renewable Energy Generation.

Vision & Mission

WAMGROUP® regards honesty and fairness as cornerstones in its relationship with customers, suppliers, business partners, stakeholders and employees.

WAMGROUP® intends to be innovative in the development, industrial manufacturing and distribution of market-oriented equipment through specialised distribution channels.

WAMGROUP® is determined to supply the most comprehensive range of equipment available to deliver the one-stop-solution in the area of Bulk Solids Handling & Processing, Dust Filtration, Mixing, Wastewater & Sludge Treatment, and Renewable Energy Generation.

WAMGROUP® will always do its best to offer any customer in any place in the world the highest possible quality product and service at the most competitive price.

Vainer Marchesini
WAMGROUP® President

A handwritten signature in blue ink, appearing to read 'V. Marchesini', written in a cursive style.



[CORPORATE] [PROFILE]

At WAMGROUP® we believe that our people are our greatest asset. Thanks to men and women who dedicate their talents and energy to the Group's growth, in more than five decades what began as a small workshop has grown into a global player.

CORPORATE PROFILE



WAMGROUP® is the global market leader in Screw Conveyors and amongst the most prominent players in the field of Bulk Solids Handling & Processing Equipment. The company founded in Modena, Italy in 1968, employs around 2,400 people at 60 locations in 40 countries.

The Company's comprehensive product range includes equipment for Bulk Solids Handling & Processing, Dust Filtration, Wastewater Treatment and Renewable Energy Generation.

Strongly focused on the requirements of the market, WAMGROUP® aims to produce market-oriented solutions turning them into a particularly user-friendly standard tailored for a variety of industries. Industrial quality and an excellent price-performance ratio make WAMGROUP® equipment the ideal choice for project engineers and provide customers all over the world with the best deal available on the market.

Uncompromising dedication to R&D is the foundation of the Company's vast product range and leads time and again to the development of highly innovative equipment from standardised modular components.

Highly rationalised and cost-effective automated production methods and logistics are constantly improved determining "state of the art" in the industry. Global quality management gives WAMGROUP® customers the assurance that their equipment has been checked and tested in each phase of the manufacturing process.

Currently, WAMGROUP® manufactures its product range on four continents and distributes it through its worldwide subsidiary network offering customers professional advice, smooth order management and 'round the clock' spares service.

www.wamgroup.com



CREATIVE & RESPONSIBLE PROFESSIONALS

The multicultural profile of WAMGROUP® means we are able to build an international knowledge-based organisation of talented and qualified people motivated to bring their own ideas to the creative process. This combination of expertise and experience enables us to meet the challenges of tomorrow.



YESTERDAY'S PIONEERING SPIRIT, TODAY'S LEADERSHIP

In the 1960s, young Vainer Marchesini worked in the technical office of a concrete plant manufacturer in the northern Italian city of Modena. One of Marchesini's tasks was to provide cement screw conveyors. The only options were either in-house manufacturing or subcontracting to local artisans. This was the moment when the idea was born of turning hitherto custom-made machines into an industrial product.

GEAR MARCHESINI VAINER
TRASPORTATORI A CICLO
IMPIANTI DI FLUIDIFICAZIONE
CENTRALI - DOSAGGIO
TEL. 0531/20439

[HISTORY]

Since Vainer Marchesini, founder and current President of the Group, manufactured his first Screw Conveyor in 1968, the name WAMGROUP® has come to stand for innovation in bulk material handling technology and equipment supply.

1968



Present



Future



HISTORY



For five decades, WAMGROUP® has been one of the world's leading manufacturers of screw conveyors and feeders, with an annual production of thousands of units in sizes varying from small screw diameters for mass production to diameters beyond four metres for special applications, such as Archimedean water lifting screw pumps.

To this date, WAMGROUP® has produced way close to a million screw conveyors of various lengths and configurations.

Headquartered near the northern Italian city of Modena, the Group currently employs around 2,500 employees worldwide.

Since 1968, the year in which Vainer Marchesini, the Group's founder and current president, manufactured his first screw conveyor, the name WAM® has come to stand for innovation in bulk solids handling technology and equipment supply.

The start was made in the concrete industry. The Italian building boom of the 1960s had produced numerous concrete



batching plant manufacturers with considerable demand for cement screw conveyors. Once the first customers were established, investments could begin. Until then, for the assembly of screw conveyors, bearing assemblies, couplings and drive units available on the market were used, although often these did not meet the special requirements of machines operating under tough field conditions.

First of all, Marchesini began to design his own end bearing assemblies and intermediate hanger bearings, later followed by gear reducers with integrated drive bearing assemblies. Both bearing assemblies and gear reducers were perfectly coordinated with customers' requirements. For the end bearing assemblies, flanged cast iron casings with integrated self-adjusting shaft seals were developed. Special gaps in the casing prevented material handled from invading the bearing zone. The main feature of the

intermediate hanger bearings was a particularly flow-dynamic cast hanger with an incorporated slide bush. Marchesini's idea of manufacturing his own gear reduction units could be considered revolutionary. Up until then, screw conveyor manufacturers relied on flanged or foot-mounted gear motors joined to the screw conveyor by means of a flexible coupling. Marchesini's solution, on the other hand, was a single casing for shaft seals, end bearings and gears.

Manufacture of mechanical components on custom-built machinery and jigs guaranteed perfect centring and parallelism. For the fabricated parts and for the assembly of the augers, too, special machines and tools were installed in order to obtain the highest possible quality and the smallest possible tolerances. The objective was to achieve higher throughput rates without altering the screw diameter. A prerequisite for higher r.p.m., however, was a particularly suitable shaft coupling. The solution consisted in mounting splined shafts and fitting matching splined bushes on the centre pipe of the auger.

The new technology was soon applied in industries other than concrete and modified according to their requirements. After the asphalt industry came cement milling, lime and plaster processing, screw conveyors for de-watered biological sludge, for animal feed and flour mills, metering screw feeders for the chemical, the food and the glass industry, to name but a few.

In 1978, the former artisan business turned into a private joint-stock company. Meanwhile, butterfly valves, slide valves and dust collectors were added to the product range. The successful philosophy of series production led the management to open new manufacturing divisions.

1979 saw the setting up of SPECO®, manufacturers of wastewater treatment equipment, such as water screw pumps, grit separating and recycling screws, screw screens and screw compactors.

In 1983, MAP®, specialists in manufacturing industrial mixers, blenders and dust conditioners, started its business.

In 1986, the development and production of complete computer-controlled dosing and weighing systems was well underway.

One year later, TOREX® supplied its first rotary valves followed by telescopic loading spouts, pinch valves and level monitoring equipment.

By the beginning of 1991, a new powder discharging division, named EXTRAC®, introduced its new range of products including automatic bagsplitters, bulk bag emptying and filling units, and discharging bin activators. Today, WAM®'s EXTRAC® Division ranks at the top among bin activator manufacturers worldwide.

Since 1984, in the same way as the manufacturing divisions, over fifty foreign trading subsidiaries controlled by WAMGROUP® Holding have been established in various countries. Today, assembly lines for screw conveyors and dust collectors are operational in the USA to produce according to both U.S. and WAM® standards. Other manufacturing and assembly plants were set up in China, Brazil, India, Australia, Croatia, Romania, Malta and Türkiye. In areas where there is no subsidiary under corporate control to service the constantly growing number of customers, a global dealer network guarantees professional advice, smooth order management and a round-the-clock spare parts service.

Thanks to an experienced and determined management and a dynamic team, both the manufacturing divisions and the trading subsidiaries have succeeded not only in better assisting long-term customers but also in the ongoing conquest of new markets and industries.

One of the cornerstones of WAMGROUP®'s Vision & Mission is innovation. In order to live up to this claim, the Group invests a considerable amount of its global turnover every year in R&D. Related activities, which are mainly dedicated to handling and processing of powders and granular materials, are divided into basic and applied research.

In this context WAMGROUP®'s Corporate R&D department has taken part in various research programmes in collaboration with Italian and international institutes, working together on long-term international projects with partners from industry, as well as Italian and international universities.

The general analysis of powdery and granular material behaviour is based on the analysis of internal material characteristics during conveying and mixing processes and the interaction of those materials with containers and conveying devices.

WAMGROUP®'s R&D department takes particular interest in the advanced analysis of innovative materials, with a strong focus on engineering polymers, which has led up to the development of components for screw conveyors, dust collectors, mixers, valves and other WAMGROUP® products.

Another branch of R&D is involved in the analysis of new production processes for the manufacture of components destined for the Group's product range.

Even though today a holding company controls the companies of the Group, one fact has not changed since the beginning: The goal of each company and each individual member of staff still is, and always will be, to offer high-quality, industrially made, application-oriented, attractively priced products designed for the world market.



[THE PRODUCT RANGE]

Highly focused on the requirements of the market, WAMGROUP® aims to produce market-oriented solutions and turn them into a particularly user-friendly standard.

Today, WAMGROUP® manufactures and supplies a comprehensive product range including equipment for Bulk Solids Handling & Processing, Dust Filtration, Mixing, Wastewater & Sludge Treatment, and Renewable Energy Generation.

MARKET-ORIENTED SOLUTIONS DESIGNED FROM STANDARD COMPONENTS



Screw Conveyors & Feeders



Level & Pressure Monitoring Instruments



Bucket Elevators



Silo Safety Components



Drag Chain Conveyors



Pneumatic Conveying System Components



Dust Collectors



Rotary Valves



Flow Intercepting & Diverter Valves



Mixers, Blenders, Conditioners, Granulators



Discharging Equipment for Powders & Granules



Equipment for Wastewater & Sludge Treatment



Bag Emptying Equipment



Hydrodynamic Screws



Bulk Bag Filling & Emptying Equipment



Biogas Plant Equipment



Feeding & Metering Equipment



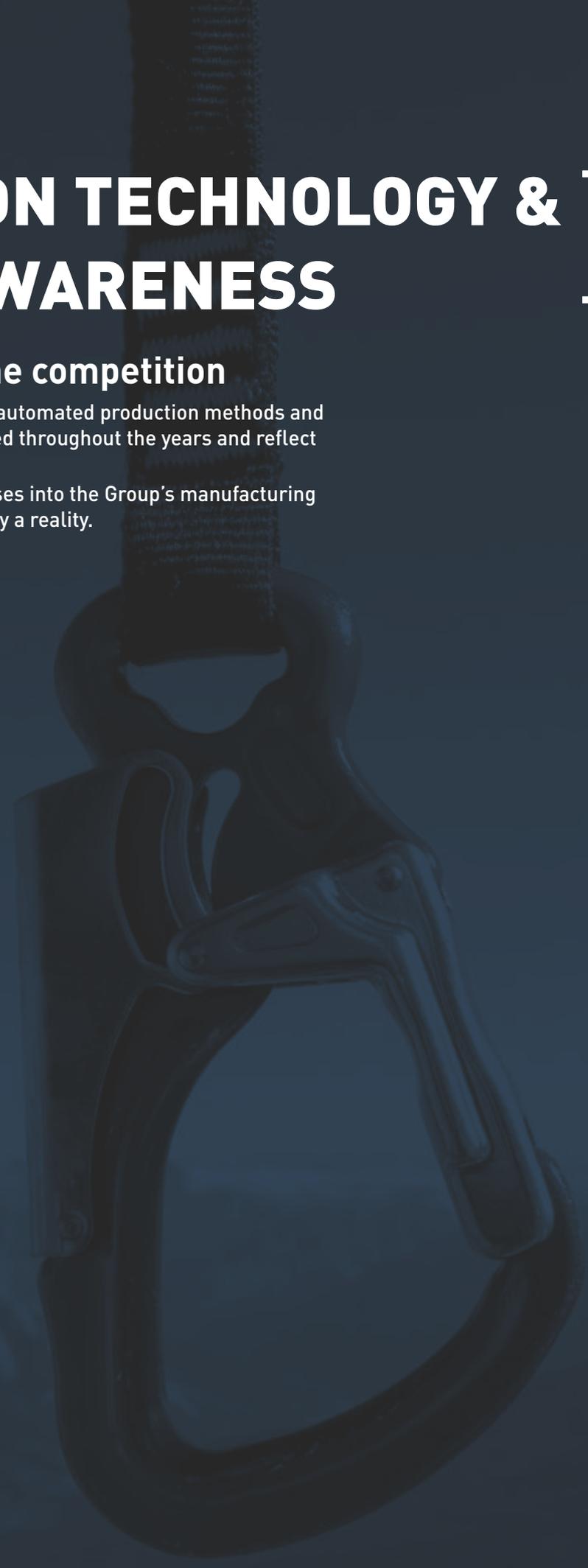
Manure and Biogas Digestate Separators

[PRODUCTION TECHNOLOGY &] [QUALITY AWARENESS]

Two steps ahead of the competition

Highly rationalised and cost-effective automated production methods and logistics have been constantly improved throughout the years and reflect the latest state of the art.

Today, the integration of these processes into the Group's manufacturing companies all over the world is already a reality.





LEADING WITH QUALITY

High quality and a price-performance ratio second to none make WAMGROUP® equipment the ideal choice for every project engineer and provide the customer with the best deal available on the market.

Consistent quality and constant improvement of products and manufacturing methods are guaranteed by the global ISO Quality Management System. This gives every WAMGROUP® customer the assurance that the equipment they are going to use has been checked and tested in each phase of the manufacturing process.

As a global player WAMGROUP® sets great store by having the quality management system of all manufacturing companies worldwide certified by the same certifying body.



[RESEARCH & DEVELOPMENT]

Uncompromising dedication to R&D is the foundation of the Group's vast product range and leads time and again to the development of newly designed equipment manufactured from standardised modular components.



PROTECTING INTELLECTUAL PROPERTY

Dedicated to Innovation

WAMGROUP® takes pride in having patented a large number of inventions. Setting new trends in the market has become a tradition and is a commitment for the future.

Customers all over the world today identify WAMGROUP® products with their distinctive registered trademark.

[APPLICATIONS]

WAMGROUP®'s know-how and expertise lie in designing, developing and manufacturing machines and equipment for mechanical and pneumatic conveying, feeding and metering, flow interception, discharging of powders and granules, mixing, wastewater and sludge treatment as well as renewable energy generation.

THE PERFECT MATCH BETWEEN PRODUCT AND APPLICATION



WAMGROUP®'s products are widely used in a vast number of industrial sectors such as building and construction, food processing, flour and animal feed milling, chemicals and plastics, quarrying and mining, glass processing and environmental technology, to name but a few.



CORPORATE SERVICES & STAFF TRAINING

Since the 1990s, the Group has been controlled by a holding company. In addition to issuing the Group's consolidated balance report and supporting all members in financial matters, WAMGROUP S.p.A. provides the Group with a number of services: global cash management, international insurance programmes, support in legal affairs, as well as global marketing.

WORKING WITH WAMGROUP®

Corporate Human Resources has been developing global schemes for selection and training of our personnel. In fact, WAMGROUP® considers management and staff training a cornerstone of its corporate philosophy. Regular meetings and seminars, frequent training courses and workshops - open to WAMGROUP® staff from all over the world - keep our people updated and strengthen intercultural communication.



*International Sales & Marketing Training at WAMGROUP®
Headquarters in Ponte Motta, Italy*

[INTERNATIONALISATION]

In 1984, WAMGROUP® established its first foreign branch in France, followed by a long series of trading subsidiaries. For a more comprehensive integration into overseas markets, in the late 1990s WAMGROUP® started to set up manufacturing and assembly plants for its major product lines in Eastern Europe, the Middle East, in the Americas and Asia.

THINK GLOBAL, ACT LOCAL

Today, WAMGROUP® is present in more than eighty countries, where a global team of highly motivated professionals ensures that customers find professional advice, smooth order management and after-sales service in their own language.

[A GLOBAL PLAYER WITH ITALIAN ORIGINS]



20+  **MANUFACTURING SITES**

- ⦿ WAM Industriale (Italy)
- ⦿ CHIOR (Italy)
- ⦿ FLITECH (Italy)
- ⦿ MVM (Italy)
- ⦿ TOREX (Italy)
- ⦿ RONCUZZI (Italy)
- ⦿ SAVI (Italy)
- ⦿ TECNO CM (Italy)
- ⦿ WAM do Brasil Industrial (Brazil)
- ⦿ WAM EurAsia (Turkiye)
- ⦿ WAM USA - Georgia Division
- ⦿ WAM USA - Texas Division
- ⦿ WAM India
- ⦿ WAM Product (Croatia)
- ⦿ WAM Romania
- ⦿ WAM Wuxi (P.R.C.)
- ⦿ SILOFAB (Turkiye)
- ⦿ TOREX (Malta)
- ⦿ TECNO CM (Romania)



47+ TRADING SUBSIDIARIES

- ⦿ WAM Adria (Croatia)
- ⦿ WAM Argentina
- ⦿ WAM Australia
- ⦿ WAM Baltic (Estonia)
- ⦿ WAM B.H.M (Belgium)
- ⦿ WAM Chile
- ⦿ WAM do Brasil (Brazil)
- ⦿ WAM Egypt
- ⦿ WAM Engineering (UK)
- ⦿ WAM EurAsia (Turkiye)
- ⦿ WAM Finland
- ⦿ WAM France
- ⦿ WAM GmbH (Germany)
- ⦿ WAM Helvetia (Switzerland)
- ⦿ WAM Holland
- ⦿ WAM India
- ⦿ WAM Inc. Georgia Division (USA)
- ⦿ WAM Inc. Texas Division (USA)
- ⦿ WAM Indonesia
- ⦿ WAM Italia (Italy)
- ⦿ WAM Japan
- ⦿ WAM Korea (South Korea)
- ⦿ WAM Latin (USA)
- ⦿ WAM Malaysia
- ⦿ WAM Maroc (Morocco)
- ⦿ WAM Mexico
- ⦿ WAM Middle East (U.A.E.)
- ⦿ WAM Moscow (Russia)
- ⦿ WAM M.H.E. (New Zealand)
- ⦿ WAM Polska (Poland)
- ⦿ WAM Romania Trading
- ⦿ WAM Scandinavia (Denmark)
- ⦿ WAM Shanghai Trading (P.R.C.)
- ⦿ WAM Singapore
- ⦿ WAM South Africa
- ⦿ WAM Spain
- ⦿ WAM Thailand
- ⦿ WAM Ukraine
- ⦿ WAM Vietnam
- ⦿ MAP GmbH (Germany)
- ⦿ SAVECO Environmental (UK)
- ⦿ SAVECO Italia (Italy)
- ⦿ SAVECO France
- ⦿ SAVECO Ibérica (Spain)
- ⦿ SAVECO Middle East (U.A.E.)
- ⦿ SAVECO North America (USA)

SAFETY & ENVIRONMENT

LIABLE TO FUTURE GENERATIONS

At WAMGROUP® we care deeply about our future. By treating our customers, our stakeholders, our suppliers and our employees with integrity and fairness, we intend to create a strong platform from which we can pass on our moral values to those who will continue the work in future.

*“ The world has
been loaned to us
by our children. ”*

A GLOBAL RESPONSIBILITY

WAMGROUP®'s business decisions are also driven by their impact on the environment. Layout and equipment of our factories worldwide follow global state-of-the-art guidelines on health & safety and protection of the environment.

2021 FINANCIAL YEAR

WAMHOLDING S.P.A.

Head office: Modena, - Strada degli Schiocchi, 12
Share capital: € 5,000,000.00= fully paid up
Business Registry of Modena
TIN: 01639830361

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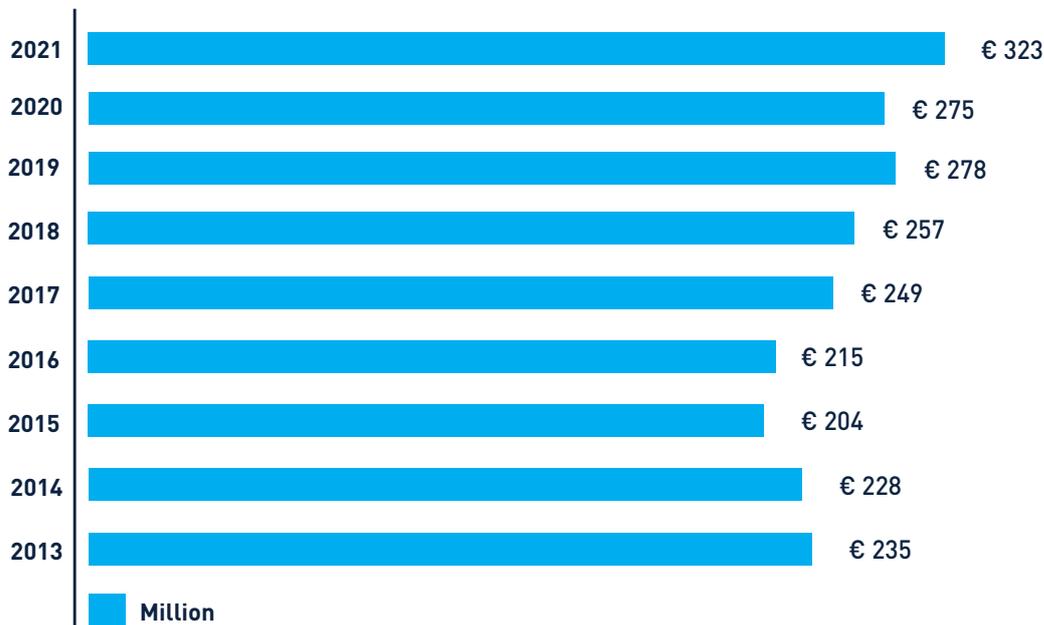
DIRECTOR'S REPORT ON THE MANAGEMENT OF THE GROUP FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31st, 2021

Dear Shareholders,

The Group achieved positive results in 2021, continuing and consolidating the already brilliant positions achieved, in the face of continuing uncertainties related to the performance of the economies linked to the spread of the COVID pandemic. The volume of sales was equal to EUR 322.8 million, with an increase of EUR 47.4 million (equal to 17.2%) compared to the previous financial year, due to the progress in all the reference markets, in particular the Asian ones. The consolidated profit is equal to EUR 46.7 million, an increase of 47.4% compared to the previous financial year.

The Group confirmed the excellent recovery on the domestic market, which went from EUR 46.3 million to EUR 55 million, an increase of 20.7%, as well as on the Asian market, which reached EUR 103 million in sales, substantially equalizing the volumes of the European market. The performance of the American market was positive, with a growth of 18.9%, reaching a turnover of EUR 50 million. Excellent results were achieved in the markets of Africa and Oceania as well,

CONSOLIDATED REVENUES



with volumes of EUR 5.3 million (+27.7%) and EUR 5.6 million (+15.4%) respectively, which, although constituting marginal percentages, will be the areas of greatest future expansion.

The confirmation of the excellent operating margins with an EBITDA of EUR 67.4 million, an increase compared to the previous financial year, and equal to 19.8% of the value of production, despite the increases in the costs of raw materials and wages, is worthy of note.

In compliance with the provisions of art. 2428 of the Italian Civil Code, this management report has been drawn up to accompany and supplement the documents composing the consolidated financial statement related to the financial year ended on 31/12/2021, in accordance with the company by-laws.

The financial statements show a consolidated net profit, including shares attributable to third parties, amounting to EUR 46.7 million compared to EUR 31.7 million realised in 2020. The difference between costs and production values was equal to EUR 51.3 million, compared to EUR 48.2 million in 2020.

CONSOLIDATED PROFIT



The exchange rate dynamics had a positive impact of EUR 3.2 million, compared to the negative figure of EUR 6.1 million of the previous year. Financial management was therefore overall negative at EUR 6.48 million, with excellent profitability from liquid financial assets (EUR 2.2 million), and a reduced incidence of financial charges (EUR 1.65 thousand). The pre-tax profit is of EUR 55.777 million after the allocation of EUR 14.52 million to the depreciation/amortisation funds. The financial position of the Group shows cash and cash equivalents of EUR 168.8 million (over EUR 10.03 million of liquid financial investments) and total payables to banks (mainly medium/long-term) of EUR 49.56 million, with a positive net balance of EUR 119.6 million (EUR 129.63 including liquid financial investments), an improvement of EUR 4.3 million (EUR 14.33 including liquid financial investments) compared to the previous financial year.

WAMHOLDING S.p.A. - as the non-operating group parent company - manages through the subholding WAMGROUP S.p.A. all the equity of the Group's companies. The subholding WAMHOLDING S.p.A. controls all Group financing for the companies and shareholdings, coordinating their activities from a strategic, commercial, financial and administrative point of view, providing technical and commercial services. In particular, WAMGROUP S.p.A. has centralised the management of the sales and marketing communication at its own premises, along with the accounts and administrative checks and inspection functions for all the directly and indirectly controlled subsidiaries with head offices in Italy and in some EU countries. Other centralised processes include the management of the accounts systems and procedures, human resources and the relative administrative and legal issues, the treasury, the coordination of all the financial transactions of the directly and indirectly controlled subsidiaries and affiliates with head offices in Italy and in some countries of the European Union. As of 2011, the subsidiary WAMGROUP S.p.A. has gone through a reorganisation process, re-allocating resources and professional skills and concentrating all research and development activities - including the research laboratory, the marketing, technical and commercial activities - in order to provide new and more adequate services to all of its subsidiaries. The operative sub-

holding, Archimede S.p.A., created with a demerger in 2020, has centralized the real estate activities and the financial resources necessary for the important investment programs in progress.

The Group operates in the mechanics sector and more specifically, in the production of machinery for the transportation of granular materials and powders for water purification. The production generally concerns screw feeders, filters for the collection of powders, various kinds of valves and other accessories for concrete-mixing, grinding, extraction and stocking and storing systems for powdery, granular and various kinds of materials. Among the complementary activities the Group engages in, is the production of mixers, vibrators, polymeric components and water conditioning systems, as well as continuous steel screw feeders. It is present in the agricultural sector, with the company Azienda Agricola Risaia del Duca, which, with major investments, is creating a new "smart farm" model that also includes the use of certain SAVECO machines. Risaia del Duca is a circular economy project that is based on the sustainability of the environment, on animal welfare and on the enhancement of the territory through social and inclusive ethics that can give young people, through specific training courses, new skills and professionalism.

The Group's strategy, aimed at satisfying market demand with an ever-increasing effort to improve the overall efficiency through contained costs and careful attention to quality and service continues to confirm its effectiveness, allowing the consolidation of sales volumes with the acquisition of new market shares.

The containment of sales prices, the rationalization of costs, the location of the production on the reference markets and the search for a concrete and effective proximity to customer needs, with a quick response to every need, have, in fact, allowed to increase the sales volume, thus consolidating market leadership. Despite the pressure of competition with high degrees of competitiveness, margins have increased, following the recovery of industrial efficiency and the huge economies of scale; the introduction of new product lines and technologies, together with the search for new applications for the Group's products, are creating a new cycle of expansion of the added value generated. Effective customer orientation strategies include the establishment of branch offices in each relevant country, as well as an appropriate centralised organization, capable of providing assistance to each market area involved and aimed at satisfying market demand with prompt commercial and technical solutions.

GROUP'S FINANCIAL SITUATION AND MANAGEMENT TREND.

Valuation data and comparison of results with those of the previous financial year, with reference to the economic trend and the financial and patrimonial situation are shown in the charts enclosed at the foot of this document. Observations deemed of major importance are reported below.

Economic situation analysis

Revenues from sales amounted to EUR 322.8 million, with an increase of 17.2% compared to the previous financial year, while the value of production went from EUR 285.49 million to EUR 342.80 million. Below is a chart showing sales revenues divided by main geographical areas (figures in millions of euros):

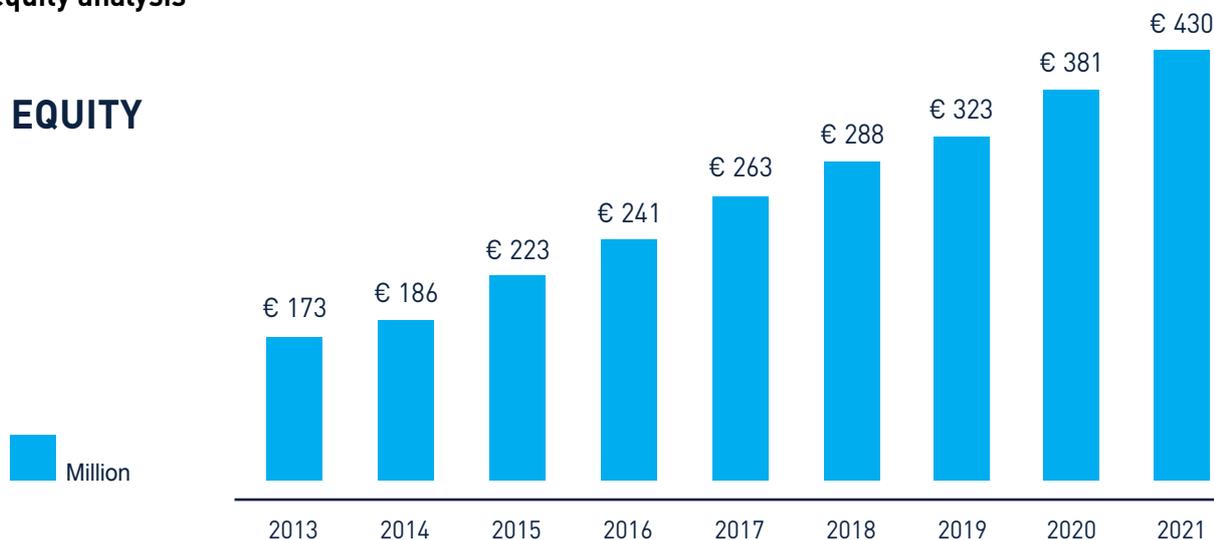
	2021			2020			2019	
Italy	55,040,984	15.84%	+26.17%	43,625,346	15.84%	47,175,863	17.00%	
Europe	103,945,528	35.12%	+7.46%	96,734,012	35.12%	98,030,278	35.32%	
Asia	103,030,900	31.24%	+19.75%	86,035,894	31.24%	77,917,889	28.07%	
Americas	49,962,644	14.70%	+23.37%	40,499,022	14.70%	45,761,438	16.49%	
Oceania	4,697,884	1.71%	+0.02%	4,697,884	1.71%	4,491,387	1.62%	
Africa	5,331,202	1.40%	+38.33%	3,854,623	1.40%	4,207,596	1.52%	
	322,009,145			275,446,781			277,584,451	

Total production costs amounted to EUR 291.5 million with an 85.03% incidence on production value, being slightly worse than the previous financial year. The difference between value and production costs went from EUR 48.2 million to EUR 51.3 million, with an improvement of 3.08 million. The total of financial income and charges is positive for EUR 6.48 million, due to the exchange rate dynamics and the good profitability of liquid assets, confirming the absolute financial solidity of the Group.

Extraordinary items are non-material.

The overall result of the Group went from EUR 31.7 million to EUR 46.7 million, equal to 13.6% of the volume of production, after having paid EUR 11.07 million in income taxes.

Net equity analysis



The analysis of the Group's balance sheet shows its balance and absolute solidity, constantly improving, with total shareholders' equity of EUR 430.26 million, equal to 69.7% of liabilities. Total assets amount to EUR 617 million, an increase compared to the previous period, consisting of EUR 178.87 million in cash and liquid financial assets. Current assets amount to EUR 425.53 million, consisting of 42% of liquidity. Cash and cash equivalents, including liquid securities, increased from EUR 159.55 million to EUR 178.87 million, due to the liquidity created, also net of the huge investments made (EUR 25.7 million).

Total payables increased from EUR 112.88 million to EUR 161.43 million, mainly due to the increase in bank loans and payables to suppliers for purchases of raw materials and assets made in the last part of the year.

Financial position analysis

Consistently with the net equity, the financial position of the company confirms the Group's solidity. The overall financial position is positive for EUR 119.26 million (EUR 129.3 million, including liquid financial investments). The Group's self-financing capacity and its investment sustainability is further underlined by all the financial indexes.

INVESTMENTS

Throughout 2021, the Group invested a total of EUR 25.7 million in fixed assets, achieved with EUR 12.18 million in buildings and EUR 13.51 million in plants and machinery, to guarantee the industrial capacity required for the growth in turnover and volumes expected during the next few years.

MAIN RISKS AND UNCERTAINTIES

The main area of risk is linked to the general market trend, which, due to an uncertain global economic situation marked by a high growth differential between the different geographical areas, is characterized by an extremely variable demand.

Thanks to its widespread range of products and commercial activities worldwide, the Group maintains an unquestioned leading market position for a wide range of products in specific sectors. Moreover, thanks to high degree of innovation, combined with technological excellence, its products can be utilized within a wide range of industrial sectors, with the possibility of opening new markets and business areas. At the same time, the Group is able to minimize the impact of recession periods and take full advantage of recovery periods.

The valuation of all asset items did not bring to light any particular element of uncertainty.

EXPOSURE TO FINANCIAL RISKS

The Group is exposed to the financial risks, which are broken down as follows:

- credit risk as regards business relations with the clientèle;
- liquidity risks with reference with availability of financial resources;
- market risks as regards operations subject to variables linked to exchange rate and interest rate risk.

Credit risk.

The credit risk implies the exposure of the Group to clients' insolvency with regards to the obligations undertaken by clients. The credit risk is distributed across a large a number of clients all over the world, for single amounts with no relevant impact in relation to the turnover.

The credit risk related to clients is constantly monitored through careful examination of clients' background information and other evaluation procedures.

Liquid asset risk.

The main liquidity risk to which the Group is exposed, is represented by the potential difficulty to obtain funding within the required time frame for sustaining the Group's characteristic

activities and investments. The Group's financial and monetary situation, with an overall positive financial position of EUR 119.26 million and a liquidity of EUR 168.82 million is constantly monitored: the Group's financial solidity, its high credit rating, together with its remarkable self-financing capacity broadly explained above, render the foregoing risk negligible.

Market risk

This category mainly implies risks related to currency and exchange rate variations.

The Group is exposed to the currency risk in that it trades in a large number of different currencies. The presence of various commercial branches, in part productive branches located in each country, with a part of costs made in the specific currency, significantly minimizes the effects of exchange rate variations, despite the presence of an extremely volatile market.

The Group is exposed to an exchange rate risk in that accrued interest on the existing financial liabilities has a variable interest rate: however, said risk exists to a limited extent given the irrelevant degree of indebtedness incurred by the Group and the consequent low incidence rate on the financial burden reported in the company's profit and loss account.

INFORMATION ON PERSONNEL MANAGEMENT

While performing its business activities, the Group complies with the provisions in force regarding occupational safety and hygiene, and, broadly speaking, with all the regulations, standards and rules concerning employee protection.

The risks deriving from the personnel regulations are carefully monitored and managed, also through the help and assistance of professionals and/or external bodies and training courses on occupational safety.

The profuse attention towards human resources focuses, above all, on the issues of health, safety and human rights, through the adoption of rules and standards of conduct strongly shared and supported by a formative effort and a close encounter with the employees.

The growth and professional development of people, as a determining factor for the evolution and development of its activities, remains one of the Group's primary objectives. The high level of skills and knowledge acquired, as well as the commitment, flexibility, dedication to the tasks assigned and the daily pursuit of excellence in work are a precious asset that is intended to be preserved and increased as much as possible.

INFORMATION ON THE ENVIRONMENT

At the centre of the Group's daily commitment is the preservation of the environment and natural resources, which are essential elements of the business model.

To this end, the Group carries out its activities in full compliance with the provisions relating to the environment and processes and performs its operations by ensuring that the environment is guaranteed protection as accurately as possible, engaging in the constant improvement of environmental performance, intended as an integral part of the company's economic and operating performance.

RESEARCH AND DEVELOPMENT

The Group carries out thorough research and development activities mainly within the Italian production companies, through specific laboratories and divisions. The said activities are primarily aimed at product innovation, utilization of new materials & applications and innovative use of machinery.

The total expense of the Group, fully expensed in the profit and loss account, amounts to EUR 2.94 million, higher than 1% of the sales volume, mainly made by WAMGROUP S.p.A. (EUR 2 million).

MAIN NON-FINANCIAL INDICATORS

Pursuant to the second paragraph of art. 2428 of the Italian Civil Code, it is hereby declared that for the specific activity carried out and for a better understanding of the Group's situation and of the performance and results of the management, the exposure of non-financial indicators is not considered relevant.

FINANCIAL INSTRUMENTS

The Group's subsidiaries do not use any kind of financial instruments, except for financial leasing coverage in relation to specific operations, the coverage from the risk of tax variation risk.

OPERATIONS ON HOLDINGS OWNED BY THE PARENT COMPANY

The parent company does not own shares in its own name, and the subsidiaries do not hold any shares of the parent company.

FORESEEABLE EVOLUTION OF THE MANAGEMENT

The trend in the first months of 2022 is positive, with an increase in volumes on all markets, and positive forecasts for the entire year. The generalized increases in the costs of raw materials, which will have a negligible impact on profitability levels, do not cause any particular concern. It should be noted that no particular negative effects are expected related to the economic slowdown due to the COVID 19 emergency. The war between Russia and Ukraine at present will not have an impact on the volume of sales, unchanged at present on the Russian market and, in any case, marginal compared to the total turnover.

Modena, June, 2022
THE SOLE DIRECTOR
Vainer Marchesini

PRODUCTION VALUE PROFIT AND LOSS ACCOUNT	31-Dec-21	%	Var %	31-Dec-20	%
Revenue from sales	322,861.9	95.0%	17.2%	275,446.8	97.0%
Other revenues	5,896.0	1.7%	32.8%	4,439.1	1.6%
In-house production	11,087.4	3.3%	163.0%	4,215.6	1.5%
A. PRODUCTION VALUE	339,845.2	100.0%	19.6%	284,101.5	100.0%
Raw, subsidiary materials and consumable materials and goods	126,850.4	37.3%	30.9%	96,935.0	34.1%
Other operating costs	61,480.1	18.1%	24.1%	49,541.2	17.4%
B. EXTERNAL COSTS	188,330.6	55.4%	28.6%	146,476.2	51.6%
C. ADDED VALUE (A-B)	151,514.6	44.6%	10.1%	137,625.3	48.4%
D. Personnel cost	84,111.2	24.7%	11.4%	75,474.6	26.6%
E. GROSS OPERATING MARGIN (EBITDA) (C-D)	67,403.4	19.8%	8.5%	62,150.7	21.9%
Depreciation of intangible fixed assets	1,098.2	0.3%	14.1%	962.8	0.3%
Depreciation of tangible fixed assets	13,425.3	4.0%	32.5%	10,135.8	3.6%
Financial lease instalments (capital share)	425.8	0.1%	8.2%	393.6	0.1%
Other allocations to provisions and devaluations	777.8	0.2%	12.5%	691.3	0.2%
F. DEPRECIATION AND DEVALUATIONS	15,727.2	4.6%	29.1%	12,183.5	4.3%
G. OPERATING RESULT (EBIT)	51,676.2	15.2%	3.4%	49,967.2	17.6%
Extraordinary earnings	2,220.9	0.7%	59.0%	1,396.6	0.5%
Extraordinary charges	-1,402.4	-0.4%	0.1%	-1,401.1	-0.5%
H. EXTRAORDINARY RESULT	818.5	0.2%	-18452.6%	-4.5	0.0%
I. ORDINARY RESULT OF PRODUCTION MANAGEMENT (G+H)	52,494.7	15.4%	5.1%	49,962.7	17.6%
Extraordinary income	5,635.5	1.7%	112.4%	2,652.8	0.9%
Extraordinary charges	-1,928.0	-0.6%	10.2%	-1,749.5	-0.6%
L. EXTRAORDINARY RESULT	3,707.5	1.1%	310.5%	903.3	0.3%
M. PRODUCTION MANAGEMENT RESULT (I+L)	56,202.2	16.5%	10.5%	50,866.0	17.9%
N. Financial charges	-1,571.2	-0.5%	-123.1%	6,787.6	2.4%
O. GROSS RESULT (M-N)	57,773.437	0.170	0.311	44,078.335	15.5%
P. Income taxes	11,069.418	0.033	-0.106	12,382.506	4.4%
NET RESULT (O-P)	46,704.019	0.137	0.474	31,695.829	11.2%

RECLASSIFIED BALANCE SHEET (financial criterion)	31-Dec-21	%	Var %	31-Dec-20	%
ASSETS					
FIXED ASSETS	187,995.2	31.4%	14.7%	163,933.5	32.3%
Intangible fixed assets	4,361.5			4,046.6	
Historical cost	8,462.9			7,801.1	
Depreciation fund	-4,101.5			-3,754.5	
Tangible fixed assets	177,093.9			153,303.3	
Historical cost	260,243.2			221,551.8	
Depreciation fund	-83,149.3			-68,248.5	
Financial fixed assets	6,539.9			6,583.6	
CURRENT ASSETS	410,970.6	68.6%	19.7%	343,294.6	67.7%
Systematic variance	108,077.6			86,041.3	
Non-financial deferred cash funds	124,024.3			97,689.7	
Financial deferred cash funds	10,039.8			5.3	
Available cash funds	168,828.9			159,558.4	
INVESTED CAPITAL	598,965.8	100.0%	18.1%	507,228.1	100.0%
EQUITY AND LIABILITIES					
EQUITY	430,259.2	71.8%	13.0%	380,704.8	75.1%
Share capital	5,000.0			5,000.0	
Reserves	425,259.2			375,704.8	
CONSOLIDATED LIABILITIES	48,373.9	8.1%	11.1%	43,542.3	8.6%
Financial consolidated liabilities	39,668.4			34,797.2	
Non-financial Consolidated liabilities	8,705.5			8,745.2	
CURRENT LIABILITIES	120,332.7	20.1%	45.0%	82,981.0	16.4%
Financial current liabilities	10,166.9			10,210.4	
Current non-financial liabilities	110,165.8			72,770.6	
FINANCING CAPITAL	598,965.8	100.0%	18.1%	507,228.1	100.0%
BALANCE SHEET FINANCIAL BREAKDOWN					
	31-Dec-21			31-Dec-20	
FIXED ASSETS					
Intangible fixed assets	-4,361.5			-4,046.6	
Tangible fixed assets	-177,093.9			-153,303.3	
Financial fixed assets	-6,539.9			-6,583.6	
EQUITY					
Share capital	5,000.0			5,000.0	
Reserves	425,259.2			375,704.8	
CONSOLIDATED LIABILITIES	48,373.9			43,542.3	

STRUCTURE MARGIN (A)	290,637.9	260,313.6
Non-financial deferred cash funds	124,024.3	97,689.7
Systematic variance	108,077.6	86,041.3
Current non-financial liabilities	-110,165.8	-72,770.6
NET CURRENT CAPITAL (B)	121,936.1	110,960.3
Available cash funds	168,828.9	159,558.4
Financial deferred cash funds	10,039.8	5.3
Financial current liabilities	-10,166.9	-10,210.4
NET SHORT - TERM FINANCIAL POSITION (A-B)	168,701.8	149,353.3

RECLASSIFIED BALANCE SHEET (by functional area)	31-Dec-21	%	Var %	31-Dec-20	%
INVESTMENTS					
FIXED CAPITAL	181,455.3			157,349.9	
NET CURRENT CAPITAL	114,230.5			103,215.2	
NET OPERATING INVESTED CAPITAL	295,685.9	61.6%	13.5%	260,565.1	61.2%
EXTRA-OPERATING INVESTMENTS	184,408.5	38.4%		165,147.2	38.8%
NET INVESTED CAPITAL	480,094.4	100.0%	12.8%	425,712.3	100.0%
SOURCES					
EQUITY	430,259.2	89.6%		380,704.8	89.4%
FINANCIAL DEBT	49,835.2	10.4%		45,007.6	10.6%
FINANCING SOURCES	480,094.4	100.0%	12.8%	425,712.3	100.0%

INDEX ANALYSIS	31-Dec-21	31-Dec-20
SELF-FINANCING AND DEBT SUSTAINABILITY:		
Self financing ratio [EBITDA/(Rv+Ra)]	20.5%	22.2%
Self-financing index [AuF/(Rv+Ra)]	15.7%	16.7%
Incidence rate of financial payables on sales [DF/(Rv+Ra)]	15.2%	16.1%
Incidence rate of financial debt on EBITDA [(PconsF+PcorrF)/EBITDA]	73.9%	72.4%
Incidence rate of financial debt on self- financing [DF/AuF]	96.3%	96.3%
Incidence rate of financial charges on sales [Of/(Rv+Ra)]	-0.5%	2.4%
Incidence rate of financial charges on EBITDA [Of/EBITDA]	-2.3%	10.9%
Incidence rate of financial charges on self-financing [Of/AuF]	-3.0%	14.5%

INDEX ANALYSIS
31-Dec-21
31-Dec-20
COMPOSITION RATIOS FOR INVESTMENTS AND SOURCES
Composition ratios for investments

Rigidity index (AF/CI)	0.31	0.32
Flexibility ratio (AC/CI)	0.69	0.68
Availability Index of the Systematic Variance (Ds/CI)	0.18	0.17
Total liquidity ratio $[(Li+Ld+LdF)/CI]$	0.51	0.51

Composition ratios of the sources

Financial autonomy ratio (MP/CF)	0.72	0.75
Indebtedness ratio $[(Pcons+Pcorr)/CF]$	0.28	0.25
Medium/long-term indebtedness ratio (Pcons/CF)	0.08	0.09
Short-term indebtedness ratio (Pcorr/CF)	0.20	0.16
Capital protection ratio (R/MP)	0.99	0.99

FINANCIAL SOLIDITY RATIO
Financing of assets

Structure primary ratio (MP/AF)	2.29	2.32
Structure primary margin (MP-AF)	242,263.97	216,771.27
Structure secondary ratio $[(MP+Pcons)/AF]$	2.55	2.59
Structure secondary margin (MP+Pcons-AF)	290,637.87	260,313.58
Degree of tangible asset depreciation (faMat/csMat)	0.32	0.31
Fixed asset liquidation speed $[Amm/(cslimm+cslmat)]$	0.05	0.05

Financial autonomy

Leverage ratio (MP/CI)	71.8%	75.1%
Total indebtedness $[(Pcons+Pcorr)/MP]$	0.39	0.33
Financial Debt Ratio or Financial Leverage (DF/MP)	0.12	0.12
Tangible equity value (MP-limm)	425,897.72	376,658.15

LIQUIDITY RATIOS

Current ratio (AC/Pcorr)	3.42	4.14
Current margin (AC-Pcorr)	290,637.87	260,313.58
Treasury ratio $[(Li+Ld+LdF)/Pcorr]$	2.52	3.10
Treasury margin (Li+Ld+LdF-Pcorr)	182,560.24	174,272.32
Net short-term financial position (Li-PcorrF)	158,662.06	149,347.99
Hedging ratio of non-liquid assets $[(Ds+AF)/(MP+Pcons)]$	0.62	0.59
Security Quotient $[AC/(Pcorr+Pcons)]$	2.44	2.71

DURATION RATIOS OF MANAGEMENT CURRENT CAPITAL CYCLE

Net Working Capital intensity $[NWC/(Rv+Ra)]$	34.7%	36.9%
Net Working Capital turnover ratio $[(Rv+Ra)/NWC]$	2.9	2.7
Systematic Variance Rotation (Rv/Ds)	3.0	3.2

INDEX ANALYSIS

31-Dec-21

31-Dec-20

MAIN PROFITABILITY RATIOS

Return on production ROP (RO/VP)	15.2%	17.6%
Return on net invested capital (VP/CION)	1.15	1.09
Return on sales ROS [RO/(Rv+Ra)]	15.7%	17.9%
Operating invested capital turnover [(Rv+Ra)/CION]	1.11	1.07
Return on net operating invested capital ROI (RO/CION)	17.5%	19.2%
profitability before taxes of "unlevered" net operating capital		
Financial leverage effect [(RONAat-ROD)*(1-t)*Lf]	1.38%	-0.28%
Return On Equity - ROE (RN/MP)	10.9%	8.3%
profitability after tax on equity		

CONSOLIDATED ANNUAL ACCOUNTS at 31st December 2021

Amounts in Euro Units

BALANCE SHEET

ASSETS	31-Dec-2021	31-Dec-2020
B) Fixed assets		
I. Intangible assets		
1) Start-up and capital increase costs	46,339	46,890
3) Industrial patents and rights to use intellectual property	678,006	585,906
4) Concessions, licenses, trademarks and similar rights	261,529	316,150
5) Goodwill	108,894	133,105
6) Intangible assets under formation and advances	428,522	466,598
7) Other	2,838,170	2,497,956
Total intangible assets	4,361,460	4,046,605
II. Tangible assets		
1) Land and buildings	110,280,800	102,073,734
2) Plant and machinery	35,700,557	33,291,291
3) Industrial and commercial equipment	7,359,799	7,464,180
4) Other assets	3,906,324	3,060,837
5) Assets in course of construction and advances	19,846,408	7,413,253
Total tangible assets	177,093,888	153,303,295
III. Investments		
1) Shares in:		
A) subsidiary companies	322,215	268,336
B) associated companies	1,164,306	1,016,806
D-bis) other companies	4,053,347	4,298,442
Total investments	5,539,868	5,583,584
Total fixed assets (B)	186,995,216	162,933,484
C) Current assets		
I. Stocks		
1) Raw, subsidiary materials and consumables	49,021,708	26,595,425
2) Work in progress and semi-finished goods	3,685,352	11,620,818
3) Work in progress on contracts	437,508	88,252
4) Finished goods and goods for resale	60,975,695	47,092,910
5) Payments on account	3,674,807	3,267,500
Total stocks	117,795,070	88,664,905

II. Debtors		
1) Trade debtors		
falling due within 1 year	83,283,884	70,582,353
3) Amounts owed by associated companies		
falling due within 1 year	6,212,705	2,655,745
falling due after more than 1 year	1,000,000	1,000,000
5-bis) Tax credit		
falling due within 1 year	14,427,007	10,730,760
5-ter) Advanced taxes	8,368,609	6,714,866
5-quater) Other debtors		
falling due within 1 year	15,580,054	9,354,446
Total debtors	128,872,259	101,038,170
III. Financial assets not held as fixed assets		
6) Other securities	10,039,753	5,267
Total financial assets not held as fixed assets	10,039,753	5,267
IV. Liquid assets		
1) Deposits with banks and post offices	163,621,278	154,724,780
2) Cheques	1,558,847	1,057,440
3) Cash and cash equivalents in hand	3,648,788	3,776,167
Total liquid assets	168,828,913	159,558,387
Total current assets (C)	425,535,995	349,266,729
D) Prepayments and accrued income	4,520,628	4,366,397
Total assets (A+B+C+D)	617,051,839	516,566,610

LIABILITIES AND SHAREHOLDERS' EQUITY	31-Dec-2021	31-Dec-2020
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A) Capital and reserves

A1) group's equity :

I. Called up share capital	5,000,000	5,000,000
III. Revaluation reserve	35,138,538	35,291,200
IV. Legal reserve	1,000,000	1,000,000
VI. Other reserves	147,863,830	140,619,836
of which reserve for translation differences	-5,974,233	-13,218,227
of which consolidation reserve	141,711,314	141,711,314
of which other reserves	12,126,749	12,126,749
VIII. Profits (losses) carried forward	186,650,688	157,984,229
IX. Net profit (loss) for the year	44,169,926	28,666,459
Total (A1)	419,822,982	368,561,724

A2) Minority interests:

Share of capital and reserves	7,902,109	9,113,664
Share of net profit (loss) for the year	2,534,094	3,029,370
Total (A2)	10,436,203	12,143,034

Total capital and reserves (A)	430,259,185	380,704,758
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B) Provisions for liabilities and charges

1) Pensions and similar obligations	501,080	507,697
2) Taxation	814,311	710,834

BALANCE SHEET

4) Other provisions	8,204,444	8,237,457
Total provisions for liabilities and charges (B)	9,519,835	9,455,988
C) Staff severance fund	10,813,536	10,268,055
D) Creditors:		
4) Bank loans and overdrafts:		
falling due within 1 year	9,894,594	9,799,962
falling due after more than 1 year	39,668,377	34,797,155
5) Other providers of finance:		
falling due within 1 year	272,260	410,435
6) Payments on account:		
falling due within 1 year	18,086,051	9,338,513
7) Trade creditors:		
falling due within 1 year	64,361,803	34,614,202
10) Amounts owed to associated companies:		
falling due within 1 year	0	37,207
12) Taxation:		
falling due within 1 year	9,907,716	8,925,510
13) Due to social security authorities:		
falling due within 1 year	3,678,673	3,408,942
14) Other creditors:		
falling due within 1 year	15,559,641	11,548,429
Total creditors (D)	161,429,115	112,880,355
E) Accruals and deferred income	5,030,168	3,257,454
Total liabilities and shareholders' equity (A+B+C+D+E)	617,051,839	516,566,610

PROFIT AND LOSS ACCOUNT

	31-Dec-2021	31-Dec-2020
A) Value of production		
1) Turnover	322,861,855	275,446,781
2) Changes in stocks of finished and semi-finished goods and in work in progress	9,066,458	4,106,714
4) Own work capitalised	2,020,924	108,895
5) Other operating income	8,840,343	5,828,037
of which grants for operating expenses	350,095	724,046
Total value of production (A)	342,789,580	285,490,427

B) Cost of production

6) Raw and subsidiary materials, consumables and goods	143,432,223	95,013,909
7) Services	49,682,703	40,537,437
8) Leases and rentals	5,471,948	5,430,136
9) Staff costs:		
A) wages and salaries	68,375,313	60,619,067
B) social security costs	11,871,737	11,298,316
C) termination indemnities	2,519,745	2,018,629
E) other costs	1,344,452	1,538,619
10) Depreciation, amortisation and write-downs:		
A) amortisation of intangible assets	1,098,194	962,787
B) depreciation of tangible assets	13,425,323	10,135,824
C) other amounts written off fixed assets	0	133
D) amounts written off current and liquid assets	777,849	645,189
11) Changes in raw and subsidiary materials, consumables and goods	-16,581,778	1,921,088
12) Provisions for risks	0	46,016
14) Other operating charges	10,081,742	7,117,807
Total cost of production (B)	291,499,451	237,284,957

Difference between value and cost of production (A+B) 51,290,129 48,205,470

C) Financial income and expense

15) Income from equity investments	2,692,754	1,264,605
16) Other financial income:		
D) financial income other than that above	2,219,325	1,395,892
17) Interest payable and similar charges	1,657,425	684,385
of which related to subsidiary companies	230,022	9,981
17bis) Profits and losses on exchange rates	3,228,655	-6,103,246
Total financial income and expense (C)	6,483,309	-4,127,134

Profit (loss) before taxation (A+B+C+D+E) 57,773,438 44,078,336

22) Tax on profit for the year		
A) current	13,443,890	12,798,720
C) advanced	-2,374,472	-416,213
23) Net profit (loss) for the year	46,704,020	31,695,829

24) Minority interests - share of profit (loss) for the year 2,534,094 3,029,370

25) Group's profit (loss) for the year 44,169,926 28,666,459

ADDENDUM

The consolidated financial statement as of December 31, 2021 of WAMHOLDING S.p.A. (Parent Company) and its subsidiaries (collectively referred to as the Group), of which this addendum is an integral part, are prepared in accordance with the provisions of Legislative Decree n° 127 of April 9, 1991, and with the applicable accounting standards, reviewed by the Italian Accounting Body (OIC) following the reform made by the legislator in the field of company law by Legislative Decree n° 139/2015.

The financial statements consist of the consolidated Balance Sheet and Profit and Loss Account, prepared according to the formats referred to in art. 2424 and 2425 of the Italian Civil Code, appropriately amended as required by art. 32 of the aforementioned Legislative Decree n° 127/1991 – as well as of the consolidated Cash-Flow Statement, as required by art. 29 of the amended Legislative Decree n° 127/91, and are also accompanied by the Management Report prepared pursuant to art. 40 of the same Legislative Decree.

For a more comprehensive information, the statement of changes in the shareholders' equity and the reconciliation statement between the shareholders' equity and the result for the financial period, resulting from the financial statements of the Parent Company and those resulting from the consolidated financial statements, have been attached to this addendum.

For comparative purposes, the consolidated figures present a comparison with the consolidated Balance Sheet and Profit and Loss Account of the financial statements as of December 31, 2020. In this regard, it should be noted that we availed of the option referred to in art. 2423 ter. of the Italian Civil Code if there are items whose contents are not covered by any of those provided for by art. 2424 and 2425 of the Italian Civil Code.

The financial statements are expressed in Euros, which is the currency used to conduct most of the Group's operations. The foreign assets are included in the consolidated financial statements according to the principles indicated in the notes that follow.

The consolidated financial statements are prepared using the financial statements of the individual companies included in the scope of consolidation prepared by the respective corporate bodies, appropriately amended and reclassified, where necessary, to bring them into line with the accounting principles of the Group's uniform classification criteria.

The reference date of the consolidated financial statements coincides with the closing date of the Parent Company's financial year and with that of all the companies included in the consolidation area.

The consolidated financial statements are drawn up in compliance with the current legal provisions and the general postulates of clarity and truthful and correct representation of the financial position and results of the Group, on the assumption of business continuity. Pursuant to art. 2423-bis c.1 section 1-bis of the Italian Civil Code, the recognition and presentation of the items is carried out taking into account the substance of the operation or contract.

We affirm that, pursuant to art. 29 of Legislative Decree no. 127/91, if the information required by specific legal provisions are not sufficient to give a truthful and correct representation of the company's situation, additional information, deemed necessary for the purpose, shall be provided.

Below there is a description of the consolidation principles applied in the drafting of the consolidated financial statements, the scope of consolidation, the criteria adopted for the assessment of the main items that make up the balance sheet and the profit and loss account, while the information required by art. 38 of Legislative Decree no. 127/1991 and by accounting principle n° 17 of the OIC is also illustrated.

The cash flow statement required by art. 29 of Legislative Decree no. 127/91, which represents the summary document that relates the changes occurred during the financial year in company assets to the changes in the financial situation, has been prepared; this highlights the values relating to the financial resources that the company needed during the financial year, as well as the relative uses.

With regard to the method used, it is specified that the same has adopted, according to the OIC 10 forecast, the indirect method based on which the cash flow is reconstructed by adjusting the financial year results of non-monetary components.

1. CONSOLIDATION PRINCIPLES

The consolidated financial statements include the financial statements of the Parent Company and those of its subsidiaries, prepared as of December 31 of each year. Control is obtained when the parent company has the power to determine the financial and management policies of a company in such a way as to obtain benefits from its activity.

The financial statements of the subsidiaries are drawn up adopting the same accounting standards as the Parent Company for each accounting closing. Where necessary, consolidation adjustments are made to homogenise the items that are affected by the application of different accounting standards.

All intergroup balances and transactions, including any unrealised gains deriving from relations between Group companies, are eliminated. Unrealised losses are eliminated, with the exception of cases where these cannot be recovered later.

Subsidiaries are consolidated starting from the financial year in which control was effectively transferred to the Group, and cease to be consolidated from the financial year in which control is transferred outside the Group.

Where there is a loss of control of a company falling within the scope of consolidation, the consolidated financial statements include, if significant, the result for the financial year in

proportion to the period of the financial year in which the Group has maintained control.

Holdings in subsidiaries included in the scope of consolidation are consolidated on a line-by-line basis.

The criteria adopted for the application of this method mainly include:

- the elimination of the book value of holdings in consolidated companies against the related shareholders' equity and the simultaneous assumption of all their assets and liabilities;
- the elimination of debit and credit items and intra-company transactions, including intergroup profits and losses not yet realised;
- any negative difference between the acquisition cost of the holding and the related shareholders' equity at book value at the purchase date is allocated to the "Consolidation Reserve" shareholders' equity item, not in any way corresponding to a real lower value of specific assets and liabilities of the investee companies at the time of the acquisition of the holdings themselves, nor being attributable to the forecast of unfavourable economic results of the investee companies;

In particular, it should be noted that the exclusion of holdings was carried out on the basis of the book values relating to the financial year ended on 31/12/2013 for the companies belonging to the group at that date, in which the consolidation process was again carried out with the same criteria applied at the time of the first consolidation. With regards to this, the following points should be noted:

- the holdings in the companies held by the Group were registered under the acquisition cost, which coincides with the contributions made by the holding companies during the incorporation phase or any subsequent contributions and revaluations, with the exception of any devaluations made by the holding companies and excluded during the consolidation phase;
- the difference resulting from the exclusion of the account "holdings" is derived largely from the results and other variations in the shareholders' equity, which occurred after the acquisition of the holdings up to the date of their first inclusion in the consolidation;
 - o this difference does not correspond in any way to a real greater or lower value of the assets and liabilities of the investee companies at the time of the acquisition of said holdings. Therefore in the consolidation, the following measures were adopted:
 - o the surplus of the shareholders' equity at 31/12/2013 was recorded as "Consolidation Reserve";
 - o the surplus of the acquisition cost compared to the value of the shareholders' equity on the date of the first consolidation or on the date of the inclusion in the consolidation was deducted from the Consolidation Reserve, as it was not derived, as mentioned earlier, from an actual higher value of the investee companies;
 - o the results and other changes in the shareholders' equity of the consolidated companies, which occurred in the financial years that ended prior to 31/12/2013, were included in the "Consolidation Reserve" as a result of the new consolidation process.

Exceptions to the above mentioned procedure are represented by the holding in the subsidiary Punta Bianca S.r.l., Savi S.r.l., Immobiliare Muginaro S.r.l., Chior Meccanica S.r.l. and Archi Immobiliare S.r.l. for the acquisition of which the price paid was higher than the company's net shareholders' equity of the company, and the difference was attributed as follows:

- for PUNTA BIANCA S.r.l. the difference - due to the higher value attributed to its fixed assets in relation to the historical cost entered in the accounting books - was used to increase the value of the real assets it is referred to;
- for SAVI S.r.l., whose participation was acquired during 2014, given that the company existed and was active for a long time, and in consideration of the economic benefits that its activities will enable the group to achieve (representing an effective higher value of the investee, recoverable through future revenues generated by the same), has been recorded under the item "Consolidation differences" and has been fully amortized;
- for Immobiliare Muginaro S.r.l., whose participation was purchased in 2018, consisting in the greater value attributable to the fixed assets it owns compared to the historical cost entered in the accounting books, it was brought to increase the value of the real estate assets to which it refers, together with the provision for deferred taxes;
- for Chior Meccanica S.r.l., whose participation was purchased in 2018, consisting in the greater value attributable to the intangible assets it owns compared to the historical cost entered in the accounting books, it was brought to increase the value of the patents to which it refers;
- for Archi Immobiliare S.r.l., whose participation was purchased during 2019, consisting in the greater value attributable to the fixed assets it owns compared to the historical cost entered in the accounting books, it was brought to increase the value of the real estate assets to which it refers, together with the provision for deferred taxes;

The financial statements of subsidiaries expressed in currencies other than Euro have been converted by applying the following criteria:

- the balance sheet items, with the exception of the shareholders' equity items, at the exchange rates prevailing at the closing date of the financial statements;
- shareholders' equity items at historical exchange rates, by year of formation;
- the items of the profit and loss account at the average exchange rates of the financial year.

The exchange rate differences resulting from the comparison between the initial shareholders' equity converted at the current exchange rates at the end of the financial year and the same converted at historical exchange rates, as well as the difference between the economic result expressed at the average exchange rates of the financial year and that expressed at the exchange rates prevailing on the date of the financial statements, are recorded under the item "Conversion Reserve".

The exchange rates used to calculate the equivalent value in Euro of the subsidiaries' financial statements expressed in foreign currencies (currency for 1 Euro) are shown in the following table:

Currency	2021		2020	
	F - closing rate	A - average rate	F - closing rate	A - average rate
AED	4.16	4.15	4.51	4.19
ARS	116.36	115.12	103.25	80.92
AUD	1.56	1.58	1.59	1.65
BRL	6.31	6.38	6.37	5.89
CHF	1.03	1.04	1.08	1.07
CLP	964.35	959.88	872.52	903.14
CNY	7.19	7.20	8.02	7.87
DKK	7.44	7.44	7.44	7.45
EGP	17.80	17.77	19.32	18.07
EUR	0.84	0.85	0.90	0.89
GBP	7.52	7.52	7.55	7.54
HRK	84.23	85.18	89.66	84.64
INR	130.38	128.80	126.49	121.85
JPY	1,346.38	1,338.49	1,336.00	1,345.58
KRW	10.48	10.46	10.92	10.82
MAD	23.14	23.62	24.42	24.52
MXN	4.72	4.76	4.93	4.80
MYR	1.66	1.66	1.70	1.76
NZD	4.60	4.61	4.56	4.44
PLN	85.30	83.49	91.47	82.72
RON	10.25	10.27	10.03	10.48
RUB	1.53	1.54	1.62	1.57
SEK	37.65	37.93	36.73	35.71
SGD	15.23	15.40	9.11	8.05
THB	30.92	30.76	34.77	30.85
TRL	1.13	1.13	1.23	1.14
UAH	25,819.00	25,899.00	28,331.00	26,534.00
USD	18.06	17.93	18.02	18.77
VND	16,100.42	16,184.17	17,240.76	16,627.37
ZAR	4.87	4.84	4.87	4.84
IDR	17,240.76	16,627.37	15,595.60	15,835.27

2. SCOPE OF CONSOLIDATION

The consolidated financial statements as at December 31, 2021 include, with the line-by-line method, the financial statements of the Parent Company and its subsidiaries, both Italian and foreign (none excluded), either by virtue of direct or indirect ownership of the majority of shares or shares with voting rights, as a result of the exercise of a dominant influence expressed by the power to determine, even indirectly, the financial and management choices of the same, even without participatory relationships.

Subsidiaries are consolidated starting from the financial year in which control is acquired and are deconsolidated starting from the financial year in which the control ceases. It is to be noted that no company was excluded from the scope of consolidation.

The companies included in the scope of consolidation are listed in the attached sheet A), with indication of the percentage of ownership and of their assets.

3. CRITERIA APPLIED TO THE FINANCIAL STATEMENT EVALUATIONS

The most significant criteria applied for the valuation of financial statement items are those provided for by art. 2424-bis and 2426 of the Italian Civil Code, as analytically highlighted below.

Intangible fixed assets

The intangible fixed assets are recorded in the accounts only if they are identifiable and are likely to generate future economic benefits. They are recorded at purchase or production cost, including additional charges, net of accumulated depreciation and any permanent losses in value. Depreciation starts when the asset is available for use and is broken down systematically for the period of its expected future usefulness.

The costs for start-up and expansion, development, goodwill, patent rights and use of intellectual property, as well as for concessions, licenses and trademarks, are amortised on a straight-line basis over a period never exceeding five financial years.

Goodwill values are recorded among the assets of the subsidiary SAVECO North America Inc., with reference to the company acquired by the same. The said goodwill is depreciated according to the duration of the economic benefits that the Group will earn in relation to the activities of the companies acquired. It should be noted that the values entered are quite negligible compared to the size of the Group.

Development costs are generally recognised in the profit and loss account at the time they are incurred. When capitalised, they are amortised on a straight-line basis over five financial years.

Tangible fixed assets

They are recorded at purchase or production cost, net of accumulated depreciation and any permanent losses in value, adjusted for certain assets in application of specific revaluation laws. The costs include the additional charges, as well as the direct and indirect costs reasonably attributable to the asset.

Maintenance and repair costs are fully charged to the profit and loss account for the financial year in which they are incurred; the costs for modernisation and improvements that prolong the economic life of the asset are attributed to the asset to which they refer and are amortised according to the rate applicable to the asset in relation to its residual possibility of use.

The assets are systematically depreciated each financial year, on a straight-line basis, on account of economic-technical rates determined in relation to the residual possibility of their use.

In the year of entry into operation of the assets, the depreciation rates are reduced by 50%, which are considered to be reasonably representative of their period of use.

Land is not depreciated.

Durable goods of low value were fully expensed in the profit and loss account, in the year when the cost was incurred.

The book values of the assets alienated or disposed of, as well as the related accumulated depreciation are eliminated from the corresponding balance sheet items; the realised capital gains and losses are recorded in the profit and loss account.

Tangible fixed assets under construction are valued at a specific cost, including the directly attributable charges; the depreciation will be calculated starting from the year in which they will be operational.

In the financial year 2020, the companies of the Italian group have revalued the assets (industrial properties and plants) pursuant to art. 110 of Legislative Decree no. 104/2020, with higher value entries for EUR 36.4 million, and revaluation reserves for EUR 35.3 million.

Leased Assets

Assets acquired under financial leasing, consisting mainly of industrial properties of the real estate operating sub-holding Archimede S.p.A. and by Flitech S.r.l., are accounted for, as required by the legislator, according to the equity method, with the recording of the leasing charges between the operating costs. The implications deriving from the difference in accounting with respect to the financial method consist of the value of leased assets for a total of EUR 17.24 million (EUR 11.65 million for Wamgroup and EUR 5.59 million for Flitech), the current value of unpaid instalments of EUR 6.42 million, depreciation for EUR 517 thousand and financial charges for EUR 131 thousand.

Financial fixed assets

Holdings

The financial fixed assets were entered at the acquisition cost, including additional costs. This method was used for both the subsidiaries excluded from the consolidation and the shareholdings in affiliated companies, as these holdings are immaterial for the purposes of a true and correct representation of the consolidated financial statement. The holdings in subsidiaries have all been included in the scope of consolidation.

Capitalised Receivables

The receivables classified as financial fixed assets have been recorded in the financial statements according to the amortised cost criterion, as defined by art. 2426 c.2 of the Italian Civil Code, taking into account the time factor and the estimated break-up value, in compliance with the provisions of art. 2426, para. 1, no. 8 of the Italian Civil Code.

For receivables for which the irrelevance of the application of the amortised cost method and/or

discounting has been verified, for the purpose of providing a truthful and correct representation of the financial and economic corporate situation, the entry was maintained according to the presumed break-up value.

This event occurs, for example, in the case of receivables with a maturity of less than twelve months or, with reference to the amortised cost criterion, in the event that transaction costs, commissions and any other difference between the initial value and the value on maturity are of little importance or, again, in the case of discounting, in the presence of an interest rate inferable from the contractual conditions not significantly different from the market interest rate.

Furthermore, it is specified that, based on the provisions of art. 12 para. 2 of Legislative Decree no. 139/2015, the amortised cost criterion was applied exclusively to receivables classified as financial fixed assets arising in the current financial year.

Stocks

The final stocks of raw materials, subsidiary materials and finished products or goods were evaluated at the lesser value of the acquisition cost or manufacturing price and the break-up value inferable from the market trend, mainly applying the L.I.F.O. yearly indexation method, for the yearly average cost increases, and the weighted average cost. The final stocks of products under processing were evaluated according to the costs borne during the financial year.

Please note that the stock value obtained with the application of the aforesaid method does not differ significantly from the current costs at the end of the financial year.

Receivables

The receivables classified as current assets have been recorded in the financial statements according to the amortised cost criterion, as defined by art. 2426 c.2 of the Italian Civil Code, taking into account the time factor and the estimated break-up value, in compliance with the provisions of art. 2426, para. 1, no. 8 of the Italian Civil Code.

The adjustment to the presumable break-up value was made by allocating a "provision for bad debts" fund. On the basis of the examination of the various credit items performed during the drafting of the financial statements, the adjustments made from the fund can be considered coherent.

For receivables for which the irrelevance of the application of the amortised cost method and/or discounting has been verified, for the purpose of providing a truthful and correct representation of the financial and economic corporate situation, the entry was maintained according to the presumed break-up value. This event occurs, for example, in the case of receivables with a maturity of less than twelve months or, with reference to the amortised cost criterion, in the event that transaction costs, commissions and any other difference between the initial value and the value on maturity are of little importance or, again, in the case of discounting, in the presence of an interest rate inferable from the contractual conditions not significantly different from the market interest rate. Furthermore, it is specified that, based on the provisions of art. 12 para. 2 of Legislative Decree no. 139/2015, the amortised cost criterion was applied exclusively to receivables classified as current assets arising in the current financial year.

Losses on receivables are recorded in the financial statements when there is objective evidence that the Group will not be able to recover the amount due from the counterparty on the basis of the contractual terms.

Cash funds

The cash funds are recorded at their nominal value.

Accruals and Deferred Income

These items include the portions of costs and income, common to two or more financial years, valued by means of a time-based breakdown, in order to achieve the accrual principle.

Funds for Risks and Charges

Funds for risks and charges are allocated to cover liabilities whose existence is considered certain or probable, but whose amount or date of occurrence could not be determined at the end of the financial year. The allocations reflect the best possible estimate based on the elements available; the establishment of the funds was carried out on the basis of the principles of competence, observing the requirements of OIC Accounting Principle no. 31. For the assessment of risks and charges, the risks and losses, which became known after the end of the financial year and up to the date of preparation of the financial statements, have been taken into account.

It is believed that, at present, any situation not covered by a specific provision can be resolved in a satisfactory manner and without a significant impact on the result.

Employee Severance Pay Funds

The employee severance pay funds were updated on the closing day of the financial year as per the provisions of article 2120 of the Italian Civil Code, and represent the effective payables on that day.

Payables

The payables have been recorded in the financial statements according to the amortised cost criterion, as defined by art. 2426 c.2 of the Italian Civil Code, taking into account the time factor, in compliance with the provisions of art. 2426, para. 1, no. 8 of the Italian Civil Code. For payables for which the irrelevance of the application of the amortised cost method and/or discounting has been verified, for the purpose of providing a truthful and correct representation of the financial and economic corporate situation, the entry was maintained according to the nominal value. This event occurs, for example, in the case of payables with a maturity of less than twelve months or, with reference to the amortised cost criterion, in the event that transaction costs, commissions and any other difference between the initial value and the value on maturity are of little importance or, again, in the case of discounting, in the presence of an interest rate inferable from the contractual conditions not significantly different from the market interest rate.

Furthermore, it is specified that, based on the provisions of art. 12 para. 2 of Legislative Decree no. 139/2015, the amortised cost criterion was applied exclusively to payables recorded in the financial statements in the current financial year.

Foreign Currency Transactions

Transactions in currencies other than the Euro are initially recorded at the exchange rates. Monetary assets and liabilities denominated in the aforementioned currencies, for which no hedging transactions have been carried out, are re-stated at the exchange rates prevailing at the end of the financial year. The emerging exchange gains and losses are recognised in the profit and

loss account of the financial year. Non-monetary assets and liabilities, valued at the historical cost expressed in foreign currency, are not reconverted at the date of the financial statements.

In the consolidated financial statements, the assets and liabilities of foreign subsidiaries are converted at the exchange rates prevailing at the date of the financial statements. Income and expenses are converted at the average exchange rates of the period. Emerging exchange differences are recorded in the statement of profits and losses recognized in the shareholders' equity and classified under the item "Conversion Reserve".

Costs and Revenues

They are recognized on the basis of the criterion of prudence and economic competence referred to in art. 2423-bis of the Italian Civil Code, pursuant to art. 2425-bis of the Italian Civil Code, with recording of the related accruals and deferrals. Costs and revenues are shown net of returns, discounts, allowances and bonuses, as well as taxes directly connected to the purchase and sale of goods and services. Revenues for contracts and other services are recognised upon completion of the execution of the services provided; revenues from product sales are recognised upon transfer of ownership, which is normally identified with the delivery or shipment of the goods.

Financial Income

Financial income is recorded on an accruals basis. These include interest income on invested funds, exchange gains and income from financial instruments, when not offset as part of hedging transactions. Interest income is recognised in the profit and loss account at the time it is accrued, considering the actual yield.

Financial Charges

Financial charges are recorded on an accruals basis. They include the interest payable on financial debts calculated using the effective interest method, exchange losses and losses on derivative financial instruments.

Income Taxes for the Financial Year

The income taxes for the financial year represent the sum of the current and deferred taxes. Current taxes are based on the taxable result for the financial year, using the rates applicable in the countries in which the Group operates, in force at the date of the financial statements.

Deferred taxes are the taxes that are expected to be paid or recovered on the temporary differences between the book value of the assets and liabilities in the financial statements and the corresponding tax value resulting from the calculation of the taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that there will be future taxable results that allow the use of temporary deductible differences. Assets and liabilities are not recorded if the temporary differences derive from goodwill.

Deferred taxes are calculated based on the tax rate that is presumed to be in effect at the time the asset is realised or the liability is settled. Deferred taxes are charged directly to the profit and loss account, with the exception of those relating to items recognised directly in the shareholders' equity, in which case the related deferred taxes are also recognised in the shareholders' equity.

Deferred tax assets and liabilities are offset when they relate to taxes due to the same tax authority

and the Group intends to liquidate the current tax assets and liabilities on a net basis.

Overall, the valuation of the financial statement items is carried out with a view to prudence and the continuity of the business activity, taking into account the economic function of the assets and liabilities, indicating only profits made on an accrual basis at the closing of the financial year, as well as the risks and losses, even if becoming aware thereof after the end of the financial year, and taking care to safeguard clarity and to represent the financial and economic situation of the Group in a truthful and correct manner.

EXAMINATION OF THE STATEMENT OF ASSETS AND LIABILITIES ITEMS

Tangible and Intangible Fixed Assets

The following table shows the movements of the fixed assets in question:

Intangible fixed assets	Previous Finan. Year	Var.	Current Finan. Year
1) Start-up and expansion costs	46,890	-551	46,339
Gross value	90,041	-38,832	51,209
Depreciation fund and impairment	-43,151	38,281	-4,870
2) Development costs	0	0	0
3) Industrial patent and intellectual property rights	585,906	92,100	678,006
Gross value	1,014,404	21,904	1,036,308
Depreciation fund and impairment	-428,498	70,196	-358,302
4) Concessions, licences, trademarks and similar rights	316,150	-54,621	261,529
Gross value	805,354	-25,546	779,808
Depreciation fund and impairment	-489,204	-29,075	-518,279
5) Goodwill	133,105	-24,211	108,894
Gross value	325,972	27,198	353,170
Depreciation fund and impairment	-192,867	-51,409	-244,276
6) Fixed assets in progress and payments in advance	466,598	-38,076	428,522
7) Others	2,497,956	340,214	2,838,170
Gross value	5,098,721	715,184	5,813,905
Depreciation fund and impairment	-2,600,765	-374,970	-2,975,735
TOTAL INTANGIBLE FIXED ASSETS	4,046,605	314,855	4,361,460

Depreciation for the current financial year amounted to a total of EUR 1.098 thousand, while those of the previous financial year to EUR 962 million, a slight increase. There were no significant investments.

Tangible fixed assets

The following table shows the movements of the fixed assets in question:

Tangible fixed assets	Previous Finan. Year	Var.	Current Finan. Year
1) Land and buildings	102,073,734	8,207,066	110,280,800
Gross value	119,536,380	12,765,110	132,301,490
Depreciation fund and impairment	-17,462,646	-4,558,044	-22,020,690
2) Plants and machinery	33,291,291	2,409,266	35,700,557
Gross value	62,546,786	9,535,869	72,082,655
Depreciation fund and impairment	-29,255,495	-7,126,603	-36,382,098
3) Industrial and commercial equipment	7,464,180	-104,381	7,359,799
Gross value	21,435,806	1,752,334	23,188,140
Depreciation fund and impairment	-13,971,626	-1,856,715	-15,828,341
4) Other assets	3,060,837	845,487	3,906,324
Gross value	10,619,561	2,204,952	12,824,513
Depreciation fund and impairment	-7,558,724	-1,359,465	-8,918,189
5) Fixed assets in progress and payments in advance	7,413,253	12,433,155	19,846,408
TOTAL TANGIBLE ASSETS	153,303,295	23,790,593	177,093,888

The variations of the tangible assets, for a total gross of EUR 23.7 million, can be referred as increasing compared to the investments performed in the various companies of the Group, decreasing compared to the disinvestments performed, mainly for the acquisition of industrial land and buildings and for the renewal of plants and machinery to assure the growth of the production volumes in the various companies of the group as follows:

- ▶ For the acquisition of new industrial areas and the construction and modernization of new warehouses in Italy, mainly by the companies Archimede Immobiliare S.p.A. (EUR 3.014 million) and Capelletta del Duca S.r.l.(EUR 5.34 million) and MVM S.r.l. (EUR 301 thousand), and by the foreign companies Wam Holland RE (EUR 361 thousand) and Wam WUXI Ltd (RPC) (EUR 1.02 million);
- ▶ For the automation of lines and systems, especially in the Italian companies Wam Industriale S.p.A. (EUR 2.89 million), Torex S.p.A. (EUR 2.98 million), Flitech S.r.l. (EUR 1.32 million), Roncuzzi S.r.l. (EUR 994 thousand), and by the foreign manufacturing companies Wam Product (Croatia) (EUR 263 thousand), Wam Romania (EUR 639 thousand), Wam B.H.M. (Wuxi) (RPC) (EUR 1.13 million);
- ▶ For the acquisition or replacement of various assets for amounts that are not overall significant in the various companies;

The investments made during the financial year are detailed hereunder according to the type and company that made said investments, including the fixed assets in progress and the

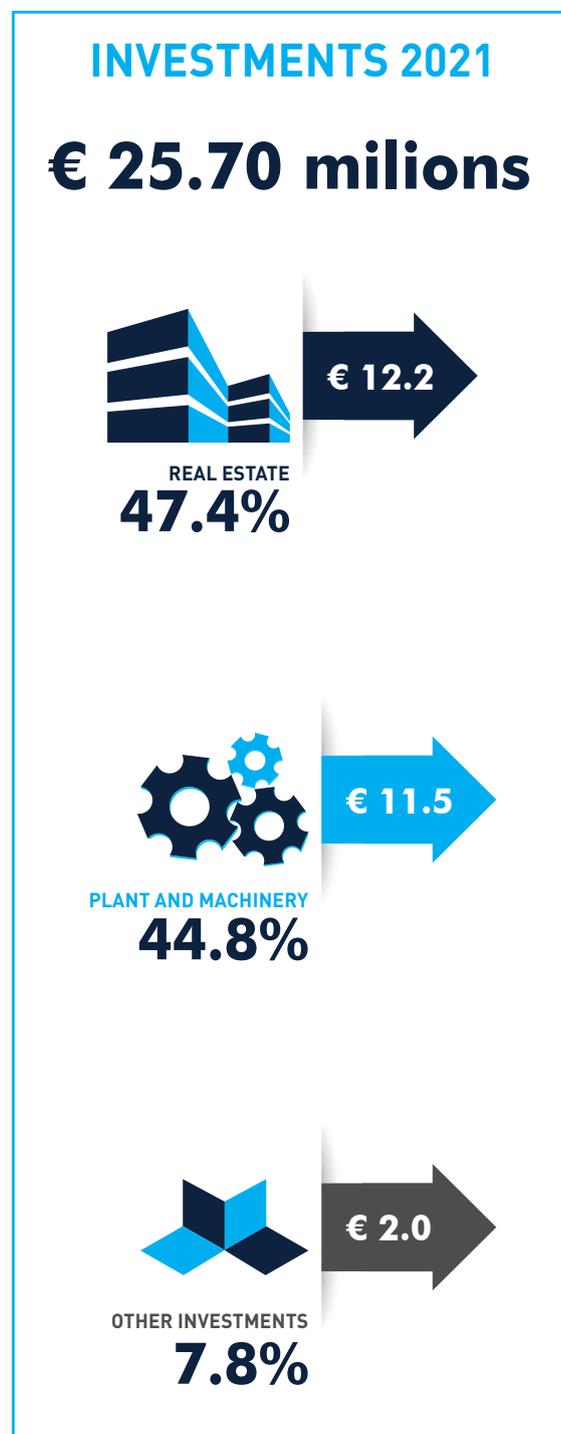
down-payments made in the previous years and during 2021, permanently ascribed to the relevant fixed assets. No tangible investments were made through leasing. Investments during the financial year 2021

ANALYSED BY TYPE

Land and buildings	12,187,094
Plants, machinery and equipment	11,515,818
Other assets	1,995,874
TOTAL	25,698,787

ANALYSED BY COMPANY

AZ. AGR. RISAIA DEL DUCA S.r.l.	200,592
FLITECH S.r.l.	1,474,895
ARCHIMEDE S.p.A.	3,043,820
MVM S.r.l.	394,097
WAM HOLLAND REAL ESTATE	360,912
RONCUZZI S.R.L.	1,026,435
CAPPELLETTA DEL DUCA S.r.l.	5,338,302
WAM PRODUCT	358,662
TOREX S.p.A.	3,189,512
TECNO CM S.r.l.	479,054
WAM INDUSTRIALE S.p.A.	3,172,265
WAM Shanghai Ltd.	1,030,689
WAM Wuxi Ltd.	2,388,102
WAM ROMANIA S.R.L.	666,833
Other companies	2,574,617
TOTAL	25,698,787



The investments made by the various companies are mainly aimed at the modernisation and replacement of plants and machinery.

Financial fixed assets

Holdings in subsidiaries

All shares in subsidiaries have been consolidated with the exception of the stake held by the subsidiary WAMGROUP S.p.A. equal to USD 300,000 of the capital of the to-be-established company, Wam Equipment Trading Ltd, based in Sri Lanka;

Holdings in affiliated companies

The amount recorded as holdings in affiliated companies, substantially unchanged with respect to the previous year, refers to:

- a share owned by the subsidiary WAM Industriale S.p.A. equal to 49% of the capital in the company WAM (THAILAND) Co., Ltd., with head office in Bangkok, Thailand;
- stake held by the subsidiary WAMGROUP S.p.A., equal to 25% of capital in the company Mede Immobiliare S.r.l. based in Modena;
- stake held by the subsidiary WAMGROUP S.p.A., equal to 50% of capital in the company Canalgrande 84 S.r.l. based in Modena;

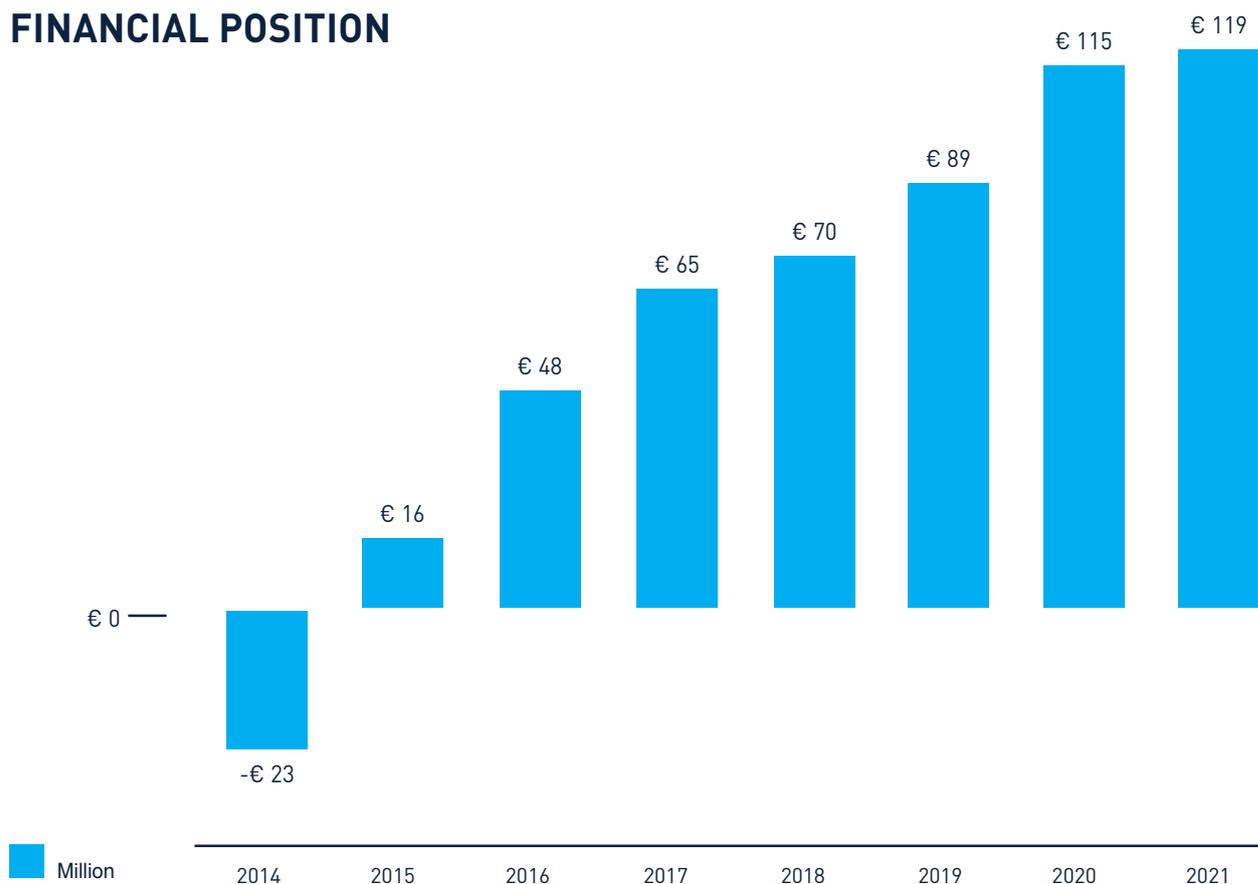
Holdings in other companies

As for the shareholdings in other companies, they refer to:

- stake held by the subsidiary WAMGROUP S.p.A., equal to 8% of the OLI S.p.A capital;
- a share owned by the subsidiary WAM Industriale S.p.A. equal to 10% of the Zhejiang Mantovani Machinery Co., Ltd, capital, based in China;
- share held by the subsidiary WAM B.H.M. (Shanghai) Co. Ltd., equal to 5.19% of the capital of SIR Zhejiang Co. Ltd., based in China;
- share held by the subsidiary WAMGROUP S.p.A., equal to 8% of the Zhejiang OLI Drive System Co. Ltd., based in China;
- minority share owned by WAMGROUP S.p.A. in the company MODENA CAPITALE S.p.A., with head office in Modena;
- minority share owned by WAMGROUP S.p.A. in the limited liability company CRIT (Centro di Ricerche Innovazione Tecnologiche S.r.l.);
- minority share owned by WAMGROUP S.p.A. in the company TWB Sistema Italia S.p.A. (a low-profit company aimed at aggregating and promoting companies), with head office in Rome;
- shares of company consortium (whose amount, both singly and collectively, is very low).

Income from holdings consisted of dividends from Italian companies for immaterial amounts.

FINANCIAL POSITION



Payables to Banks

The short-term net cash/debt of the Group (cash and cash equivalents net of short-term bank debt) at the end of the financial year is positive for EUR 158.9 million (EUR 168.97 million including liquid financial investments); the net financial debt (short- and long-term debt to banks minus cash and cash equivalents) is positive for EUR 119.26 million (EUR 129.3 million including liquid financial investments), an improvement compared to the previous financial year of EUR 4.3 million (EUR 19.21 million including liquid financial investments), despite investments of over EUR 25.7 million, owing to the liquid assets generated by the operations net of the investments in current capital.

Long-term financing has been almost entirely acquired by the operative subholding company WAMGROUP S.p.A.

Other Asset and Liability Items

Receivables from customers amounted to EUR 83.3 million, an increase compared to the previous financial year, in line with the increase in sales volume. Stocks increased from EUR 88.66 million to EUR 117.79 million, both as a function of the increase in sales and as a result of a specific industrial and commercial policy of increasing quantities to cope with procurement difficulties and the variability of purchase costs. Receivables from affiliated companies are almost entirely made up of loans granted for various reasons by WAMGROUP S.p.A. to the affiliated company Mede Immobiliare S.p.A.

Tax assets have increased compared to the previous financial year, and are focused in the Italian companies, both due to the dynamics of direct (IRES) and indirect taxes (VAT on investments by real estate companies).

Prepaid taxes, slightly increased compared to the previous financial year, refer to, as for EUR 3.58

million, to amounts registered during consolidation for taxes relating to profits within the Group and consolidation adjustments; for EUR 2.48 million to amounts registered by WAM Industriale S.p.A. and TOREX S.p.A. based on risk provisions subject to taxes; the remainder for individual amounts not relevant to the various companies of the Group.

Receivables from others amounted to EUR 15.58 million, consisting of EUR 4.8 million of receivables due by Archi Immobiliare from a Chinese company of the Wolong Electric Group Ltd. (already a partner in numerous industrial investments) for the sale of an equity investment, the collection of which took place in the first months of 2022.

Payables to suppliers amounted to EUR 64.36 million, an increase compared to the previous financial year due to the acceleration of the volume of purchases in the last part of the year. Advance payments increased to EUR 18.08 million, and are concentrated in Wam Shangai (PRC) for EUR 12.97 million and Wam Moscow (Russia) for EUR 904 thousand, and are linked to the specific sales methods of the related markets.

The residual items of the assets and liabilities have not registered any significant changes, but they represent the sum of the single insignificant changes of the various consolidated companies, mainly connected to the changes in the volumes registered during the year.

Shareholders' Equity

The shareholders' equity is equal to EUR 430.26 million, with an increase of EUR 49.55 million as compared to the previous financial year. For the analysis and information, please refer to table B). The change in the shareholders' equity is due almost entirely to the allocation of profits from previous years.

4. COMPOSITION OF THE ITEMS "START-UP AND EXPANSION COSTS" AND "DEVELOPMENT COSTS"

The "start-up and expansion costs" of residual amount to be depreciated non-materially, refer to expenses incurred for operations of extraordinary nature (e.g. business start-up, adaptations of the company by-laws, transfer of production units or sites or other extraordinary operations) in various companies of the Group.

5. INCREASE OF THE RECEIVABLES AND PAYABLES WITH RESIDUAL PAYMENT TERMS OF OVER FIVE YEARS AND THE PAYABLES COVERED BY REAL GUARANTEES

At the closing date of the financial year, there are outstanding loans, granted mainly to WAMGROUP S.p.A. with average maturities beyond the next financial year, for a total amount of EUR 39 million. There are no debts and loans secured by mortgages.

6. COMPOSITION OF THE ENTRIES "PREPAYMENTS AND DEFERRED INCOME", "ACCRUED EXPENDITURE AND LIABILITIES" AND "OTHER PROVISIONS"

The accrued income and prepaid expenses refer to the amount of EUR 2.3 million leasing fees anticipated by Archimede S.p.A. for two real estate leaseings, for EUR 516 thousand to fees anticipated by FLITECH S.r.l. to leasing fees and for the remainder, by the various companies for single unrecognized amounts, referring mainly to leasing fees, lease payments or rent, interest and insurance premiums.

Accrued liabilities and deferred income refer to, for EUR 1.4 million, capital gains on the lease-back transaction made by Archimede S.p.A., from EUR 1.76 million for costs to be incurred for

the completion of plants of Saveco North America (USA), and to the remainder from leasing fees or rent and interest on loans, as well as costs to be incurred, relating to the consolidated companies and non-tangible single amount.

Other provisions for liabilities for EUR 8.2 million refer almost thoroughly to the accrued warranty liability, set aside by WAM Industriale S.p.A. (EUR 4.39 million) and by TOREX S.p.A. (EUR 3.12 million).

7. AMOUNT OF FINANCIAL CHARGES ALLOCATED IN THE FINANCIAL YEAR TO THE VALUES ENTERED UNDER ASSETS

No financial charges have been allocated to any of the values recorded in the assets of the balance sheet.

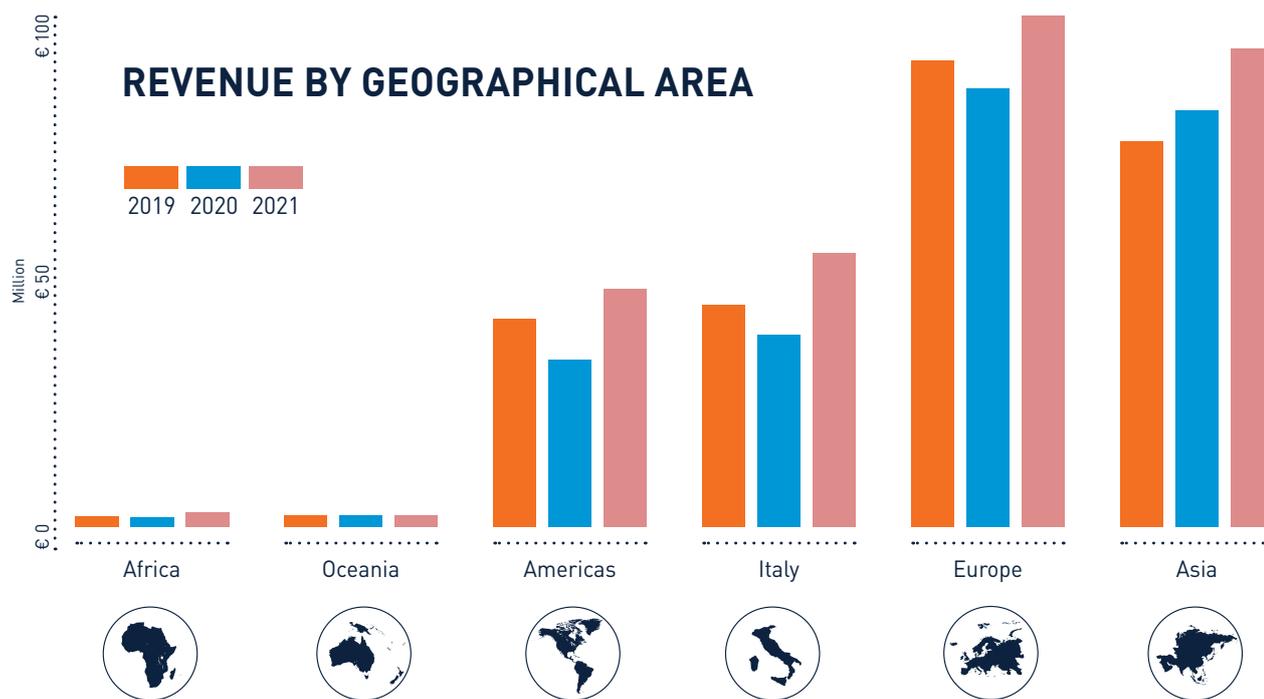
8. POTENTIAL COMMITMENTS, GUARANTEES AND LIABILITIES NOT RESULTING FROM THE BALANCE SHEET

There are no potential commitments, guarantees and liabilities of significant amount and/or material that do not result from the balance sheet.

10. REVENUES DIVIDED BY GEOGRAPHICAL AREA

During 2021, the Group increased its sales, both in terms of quantity and volume. Significant increases on all markets (with the exception of Europe, which is more influenced by a poor overall demand), in particular on the domestic and Chinese markets. The revenues at December 31, 2021, broken down by geographical area, are shown below:

	2021	%	Delta	2020	%
Italy	55,040,985	17.0%	20.7%	43,625,346	15.84%
Europe	103,945,528	32.2%	6.9%	96,734,012	35.12%
Asia	103,030,901	31.9%	16.5%	86,035,894	31.24%
Americas	49,962,644	15.5%	18.9%	40,499,022	14.70%
Oceania	5,550,594	1.7%	15.4%	4,697,884	1.71%
Africa	5,331,203	1.7%	27.7%	3,854,623	1.40%
Total	322,861,855	100.00%	14.7%	275,446,781	100.00%



11. SUBDIVISION OF THE INTEREST AND OTHER FINANCIAL CHARGES ARISING FROM DEBENTURE DEBTS OR PAYABLES TO BANKS AND OTHERS

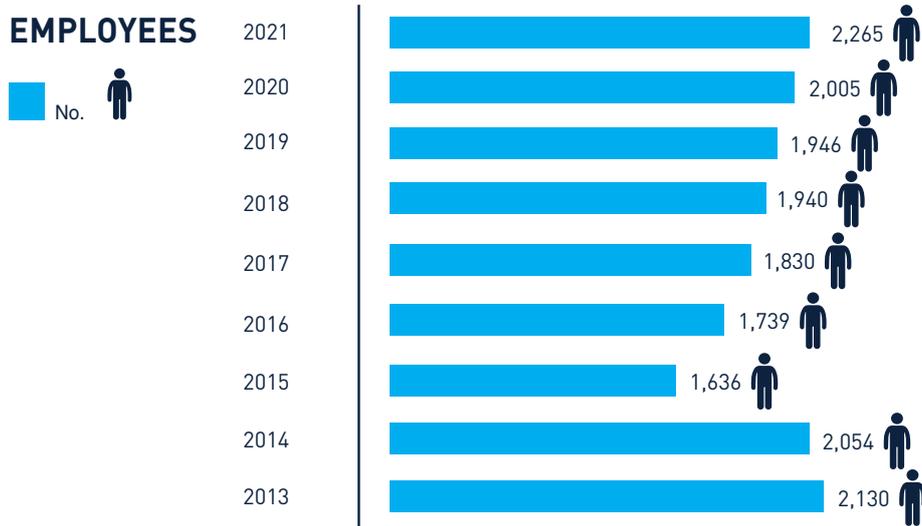
Interest payable to banks amounted to a total of EUR 108 thousand, of which EUR 24 thousand on loans contracted by WAM GmbH (Germany). The remainder relates to interests of the various companies of the Group for individual insignificant amounts.

12. AMOUNT AND NATURE OF THE INDIVIDUAL ELEMENTS OF REVENUE/COST OF ENTITIES OR EXCEPTIONAL INCIDENCE

These include capital gains realized by Archi Immobiliare S.r.l. on the sale of an equity investment for EUR 2.4 million. There are no items of income and expenditure arising out of transactions of an exceptional nature being of a significant and/or tangible amount are present.

13. AVERAGE NUMBER OF EMPLOYEES, DIVIDED BY CATEGORY, OF COMPANIES INCLUDED IN THE CONSOLIDATION

The average number of employees of consolidated companies is a total of 2,265, with an increase of 260 employees compared to the previous year.



14. AMOUNT OF THE FEES DUE TO THE DIRECTORS AND TO THE CONTROLLING AND AUDITING BODY OF THE PARENT COMPANY FOR THE EXECUTION OF THESE FUNCTIONS, ALSO IN OTHER COMPANIES INCLUDED IN THE CONSOLIDATION

The amount of the fees to which the members of the Board of Directors of the Parent Company (sole director) are entitled to for performing these functions, also within the other consolidated companies, amounts to EUR 390,000=.

The sum of the fees to which the members of the parent company's Board of Auditors are entitled for performing their duties, also within the other consolidated companies, amounts to EUR 143,512=.

15. INFORMATION ON DERIVATIVE AGREEMENT

At the end of the financial year, the Group's companies had no derivative agreements in force. No such agreements were executed during the financial year.

16. INFORMATION ON FINANCIAL FIXED ASSETS ENTERED FOR A VALUE HIGHER THAN THE FAIR VALUE

The financial fixed assets other than holdings in subsidiaries and affiliated companies are all recorded in the financial statements, at a value that does not exceed their fair value.

17. OPERATIONS CARRIED OUT WITH RELATED PARTIES

With reference to the information required by art. 38 para. 1 letter o-quinques of Legislative Decree no. 127/91, it should be noted that the transactions carried out during the financial year by the companies included in the scope of consolidation with related parties, whose definition is envisaged in Accounting Principle no. 12 of OIC, concern normal economic and financial relations, and were made on terms similar to those applied for transactions concluded with independent third parties and on the basis of assessments of reciprocal economic convenience, and the definition of the conditions to be applied was made in compliance with substantial correctness.

The operations carried out with related parties include:

- directly or indirectly controlled companies not included in the scope of consolidation;
- affiliated companies;
- directors of the Group's companies;
- close relatives of the directors and executives carrying out strategic tasks, companies controlled by (or affiliated to) directors and executives carrying out strategic tasks or by (to) their close relatives;
- shareholders of the Group's parent company.

Among the operations carried out, only the following should be noted:

- fees granted to the major shareholder and sole director of the Group's parent company, as indicated under point 10 above;

- fees granted to the members of the Board of Auditors, as indicated under points 10 and 11 above;

The operations carried out during the financial year by companies included in the scope of consolidation with related parties were executed at arm's length; in particular, no atypical and/or unusual operations were carried out, which, due to their significance/importance, could originate doubts about the preservation of the Group's equity.

18. INFORMATION ON AGREEMENTS NOT RESULTING FROM THE BALANCE SHEET

With reference to the information required by art. 38 para. 1 letter o-sexies of Legislative Decree no. 127/91, it is specified that, during the financial year, no agreements were entered into that were not shown on the balance sheet, which could generate significant risks and/or benefits, in order to assess the Group's financial position and assets, in addition to what is possibly commented on in this addendum.

19. AMOUNTS DUE TO THE STATUTORY AUDITOR

With reference to the information required by art. 38 comma 1 letter o-septies of Legislative Decree no. 127/91, the only fee payable to the statutory auditor is the amount of EUR 6,500 due for auditing the accounts of the consolidating and the consolidated company.

20. COMPANIES THAT DRAW UP THE FINANCIAL STATEMENTS OF THE LARGEST/SMALLEST GROUP OF COMPANIES IN WHICH THEY ARE A SUBSIDIARY

The company draws up these consolidated financial statements as the controlling company; therefore, there is no case in point in art. 38 para. 1 letter o-octies and o-novies of Legislative Decree no. 127/91.

21. INFORMATION ON SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSING OF THE FINANCIAL YEAR

With reference to the requirements of art. 38 para. 1 letter o-decies of Legislative Decree no. 127/91, we must highlight the effects that the COVID 19 pandemic and the Russia-Ukraine war will have on the real economy in the year 2022; at present, generalized increases in the volume of sales can be expected, despite the dynamics of the increase in the costs of raw materials. The volume of sales on the Russian and Ukrainian market at the date of this note has not undergone significant changes, and, in any case, their amount weighs less than 3% on the total volume, making the impact of any variation minimal.

Lastly, tables A), B) and C), contain respectively the list of companies included in the consolidation, the statement linking the parent company's equity and financial year results and the consolidated equity and financial year results, as well as the statement linking the variations in the consolidated equity.

SOLE DIRECTOR
Vainer Marchesini

CASH FLOW STATEMENT AT 31st December 2021

Amounts expressed in Euro

	31-Dec-21	31-Dec-20
A. FINANCIAL FLOWS DERIVING FROM OPERATING ACTIVITY (INDIRECT METHOD)		
Profit (loss) for the financial year	46,704,019	31,695,829
Income taxes	11,069,418	12,382,506
Interest payable/(Interest income)	-4,020,577	5,381,758
(Dividends)	-1,620	-740
(Gains)/losses deriving from the sale of assets	-5,419,619	-2,707,693
1. Profit (loss) for the financial year before income taxes, interest, dividends and gains/losses from sale	48,331,621	46,751,660
ADJUSTMENTS FOR NON-MONETARY ITEMS THAT DID NOT HAVE AN OFFSET IN THE NET CURRENT CAPITAL		
Provisions for funds	2,519,745	2,064,645
Depreciation of fixed assets	14,523,517	11,098,610
Devaluations for lasting losses in value	777,849	645,322
2. Financial flow before changes in the net current capital	66,152,732	60,560,237
CHANGES IN THE NET CURRENT CAPITAL		
Decrease/(increase) of stocks	-29,130,165	1,206,893
Decrease/(increase) of receivables vs. customers	-13,479,380	3,067,028
Increase/(decrease) in payables to suppliers	29,747,601	772,731
Decrease/(increase) of accruals and deferred income	-154,230	472,540
Decrease/(increase) of accruals and deferred expenses	1,772,713	-535,780
Other changes in the net current capital	494,660	-13,189,927
3. Financial flow after changes in the net current capital	55,403,931	52,353,722
OTHER ADJUSTMENTS		
Interest received/(paid)	4,020,577	-5,381,758
(Income taxes paid)	-13,443,890	-12,798,720
Dividends received	1,620	740
(Use of funds)	-33,013	-19,666
Other proceeds/(payments)	-1,156,675	-1,469,398
FINANCIAL FLOW FROM OPERATING ACTIVITIES (A)	44,792,550	32,684,920

At 31-Dec-21

At 31-Dec-20

B. FINANCIAL FLOWS DERIVING FROM INVESTMENT ACTIVITIES

TANGIBLE FIXED ASSETS		
(Investments)	-30,003,981	-10,774,194
Disinvestments	2,958,508	1,453,809
INTANGIBLE FIXED ASSETS		
(Investments)	-1,413,047	0
FINANCIAL FIXED ASSETS		
(Investments)	0	-268,336
Disinvestments	2,504,828	2,393,363
SHORT-TERM FINANCIAL ASSETS		
(Investments)	-10,034,486	-5,267
FINANCIAL FLOW FROM INVESTMENT ACTIVITIES (B)	-35,988,178	-6,932,289

C. FINANCIAL FLOWS DERIVING FROM FINANCING ACTIVITIES

THIRD-PARTY FINANCING		
Increase (decrease) of short-term payables to banks	-256,220	-634,133
New financing	15,000,000	21,936,759
(Repayment of loans)	-9,916,099	-7,435,314
EQUITY		
Contributions	0	405,457
of which: Contributions due to third parties	0	405,457
(Reimbursements)	-2,489,991	0
of which: (Reimbursements due to third parties)	-2,489,991	0
(Dividends (and advances on dividends) paid)	-1,871,536	-835,825
FINANCIAL FLOW FROM FINANCING ACTIVITIES (C)	466,154	13,436,944
INCREASE (DECREASE) OF LIQUID ASSETS (A ± B ± C)	9,270,526	39,189,575
Liquid assets at the beginning of the financial year	159,558,387	120,368,812
of which:		
bank and postal deposits	154,724,780	118,052,457
checks	1,057,440	2,018,984
cash and equivalents in hand	3,776,167	297,371
Liquid assets at the end of the financial year	168,828,913	159,558,387
of which:		
bank and postal deposits	163,621,278	154,724,780
checks	1,558,847	1,057,440
cash and equivalents in hand	3,648,788	3,776,167

RECONCILIATION OF PARENT COMPANY'S SHAREHOLDERS' EQUITY AND YEAR'S RESULT TO THE CONSOLIDATED SHAREHOLDER'S EQUITY AND YEAR'S RESULTS

WAMHOLDING S.p.A.'S SHARE						MINORITY INTERESTS			TOTAL
Capital	Reserves	Consolidation reserve	Year's result	Reserve for translation	Total	Capital and reserves	Year's result	Total	
Shareholders' equity and year's result as per parent's annual accounts									
5,000,000	17,158,246		497,188		22,655,434				22,655,434
Capital and reserves in consolidated companies									
	209,846,721	258,502,930	-11,272,295		457,077,355	12,653,574	-146,105	12,507,469	469,584,825
Book value of investments in consolidated companies									
	1,725,351	-112,921,365	-1,978,288		-113,174,302				-113,174,302
Reserve for translation difference									
	-447,516	-1,754,586		-5,974,233	-8,176,335	91,348		91,348	-8,084,987
Year's results in consolidated companies									
			58,141,120		58,141,120		2,903,801	2,903,801	61,044,921
Intercompany's profits included in inventory changes									
	-491,831	-8,398,974	-3,900,618		-12,791,423	-1,678,223	-207,868	-1,886,091	-14,677,514
Other adjustments									
	7,125,004	6,283,310	2,682,819		16,091,133	-3,164,590	-15,735	-3,180,324	12,910,808
Shareholders' equity and year's result as per consolidated annual accounts									
5,000,000	234,915,975	141,711,315	44,169,926	-5,974,233	419,822,982	7,902,109	2,534,094	10,436,203	430,259,185

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' EQUITY

WAMHOLDING S.p.A.'S SHARE						MINORITY INTERESTS			TOTAL
Capital	Reserves	Consolidation reserve	Year's result	Reserve for translation difference	Total	Capital and reserves	Year's result	Total	
Consolidated annual accounts at 31/12/2020									
5,000,000	206,402,178	141,711,315	28,666,459	-13,218,227	368,561,725	9,113,664	3,029,370	12,143,034	380,704,759
Year's result allocated to reserves									
	28,666,459		-28,666,459		0	3,029,370	-3,029,370	0	0
Exchange differences									
				7,243,994	7,243,994	-32,061		-32,061	7,211,933
Dividends paid and extraordinary allocations									
					0	-1,871,536		-1,871,536	-1,871,536
First consolidation for purchased companies									
					0			0	0
Minority share transfer									
					0	-2,339,430		-2,339,430	-2,339,430
Revaluation for Italian Legislative Decree 104/2020									
	-152,663				-152,663	152,663		152,663	0
Other adjustments									
					0	-150,562		-150,562	-150,562
Disposal of 5% shares in WAM Eng. Ltd									
					0	0		0	0
Year's result 2021									
			44,169,926		44,169,926		2,534,094	2,534,094	46,704,020
Consolidated annual accounts at 31/12/2021									
5,000,000	234,915,974	141,711,315	44,169,926	-5,974,233	419,822,982	7,902,109	2,534,094	10,436,203	430,259,185

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ART. 14 OF LEGISLATIVE DECREE NO. 39 OF JANUARY 27, 2010 ON THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2021

To the WAMHOLDING S.p.A. associates

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

I carried out the audit of the attached consolidated financial statements of Wamholding S.p.A., which belong to the Wamgroup group, consisting of the Balance Sheet at December 31, 2021, the Income Statement for the year then ended, the Consolidated Statement of Cash Flows and the Explanatory Notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that provide a true and fair view in accordance with the Italian regulations governing their preparation.

AUDITOR'S RESPONSIBILITY

It is my responsibility to express an opinion on these consolidated financial statements based on the audit. I conducted the audit in accordance with the International Standards on Auditing (ISA Italy) established pursuant to art. 11, paragraph 3, of Legislative Decree no. 39/10.

Those standards require that we comply with the ethical requirements and with the audit plan and performance in order to obtain reasonable assurance whether the consolidated financial statements are free from significant errors.

An audit involves performing certain procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of significant errors risks in the consolidated financial statements due to fraud or to unintentional conduct or events.

In making those risk assessments, the auditor considers the internal control relevant to the preparation of the entity's consolidated financial statements that give a true and fair view in order to design audit procedures appropriate to the circumstances, and not to express an opinion on the effectiveness of the company's internal controls. The audit also includes evaluating the appropriateness of the accounting principles adopted, the reasonableness of accounting estimates made by the directors, as well as evaluating the presentation of the consolidated financial statements as a whole.

I believe that I have acquired sufficient and appropriate audit evidence on which to base my opinion.

OPINION

In my opinion, the consolidated financial statements give a true and fair view of the financial position of the company Wamholding S.p.A., part of the WAMGROUP group at December 31, 2021, of the financial performance and cash flows for the year then ended, in accordance with the Italian regulations that govern their preparation.

REPORT ON OTHER LEGAL AND REGULATORY PROVISIONS

Opinion on the consistency of the management report with the consolidated financial statements.

I have carried out the ISA procedures (ISA Italy) no. 720B in order to express, as required by law, an opinion on the consistency of the management report, which is the responsibility of the Wamholding S.p.A. administrators, with the Wamgroup group consolidated financial statements at December 31, 2021. In my opinion, the management report is consistent with the Wamgroup consolidated financial statements at December 31, 2021.

Modena, June 2022

Signed

THE EXTERNAL AUDITOR

Dr. Maria Cristina Pasquinelli

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