

UmbraGroup S.p.A.
Consolidated Financial Statements
December 31, 2024



Dear Shareholders,

I am pleased to present the 2024 financial statements, together - as always - with some of my considerations.

Unlike in previous years, this year I would like to start with a question focused on the future: "*What awaits us in 2025?*"

The need to strengthen our global market presence to meet the ever-emerging challenges continues to be a strategic priority for the Group. Acquisition-led growth remains a central pillar of our vision. We will continue to work on expanding our family in 2025. I expect this year to welcome a few more "sisters" into the Group - testament to our focus on consolidating our position.

The strategy remains clear and consistent: the new Companies will strengthen our supply chain and expand the range of products sold. This is good news, which gives us momentum and confidence.

Along with the opportunities, we should also highlight some of the complex challenges ahead.

One of the most notable is the ongoing contraction of the industrial line, particularly the slowdown of the bearings business. This decline is mainly a result of the contraction in the market of the multi-national Schaeffler, a customer of both UmbraGroup (Foligno) and PKE (Germany). UmbraGroup is not in a position to influence the market. It however must do its best to meet customer demands - quality, on-time delivery, competitiveness - while maintaining the strength of the "F" in our acronym FIRST: Focus on the Customer. The goal is to ensure that the impact on our Group is kept to a minimum.

The urban mobility sector has also faced challenges: many of the start-ups emerging to develop electric air taxis have held back investments due to major technical obstacles, while a number have already abandoned their projects. We remain convinced that urban air mobility is a significant part of the future, although emerging over a longer timeframe than envisioned only a few years ago. This means for our Group a dilution of expected revenues over time, and possibly even for 2025.

Finally, we must address the geopolitical environment. Solutions to the ongoing wars do not appear to be on the horizon. This climate of instability does not support the global "tranquillity" that is needed to address far more serious problems, such as world hunger, climate change and social inequality.

In addition, we consider the uncertainty linked to the "tariff war" with the United States an additional element of tension that may affect international economic relations.

Constant exposure to high-impact news - whether positive or negative - can generate instability and is not conducive to a calm and rational approach to investing.

Many companies are waiting for tariffs to stabilise and are avoiding the associated risk.

UmbraGroup needs to remain vigilant and agile in order to find possible solutions to mitigate the effects on our businesses.

"It has been a difficult year, and next year will be even more so" has now become a saying, which we have used far too many times. On reflection, perhaps it would be better to avoid it.

Each year in fact differs from the previous: it brings with it new activities, challenges and unforeseeable outside events.

The word "difficult" is often used to justify the energy expended in overcoming obstacles and set-backs; energies that, after all, we would have preferred to employ differently. In many cases, it is also a way to explain a result that falls short of expectations, as if to justify a failure.

I remember my father's words. When he had to work both sides of the rows of vines by hand, to keep the soil soft and free of weeds, and the rows seemed endless. In those moments, he would repeat to himself: *"If our hands were as afraid as our eyes, we would do nothing"*.

The moral? Work hard and steadily, as only then will you succeed.

Translated into the business world, while new issues that arise may seem insurmountable, it is critical not to be intimidated and to maintain the belief that you can overcome any obstacle.

Looking to the UmbraGroup, we should reflect on how we dealt with the decline in industrial line business levels outlined above, which began at the end of 2023.

Over the past two years, the line has lost nearly 35% of its sales (from Euro 81 million in 2022 to Euro 51 million in 2024 - excluding the 2023 acquisitions).

At Group level, this could have reduced the workforce by approximately 200 - but we did not lose heart. In view of the growth of the Aerospace line, we decided to steadfastly focus on internal mobility, including among the Group Companies.

This allowed us to effectively reorganise staff, supporting their movement to expanding areas.

This strategy and the flexibility of our personnel has allowed us to absorb almost all of the departures through retirements, without resorting to more drastic measures.

This was truly UmbraGroup's great success of 2024.

I will now briefly comment on the Group's financial results.

Following on from that stated thus far, the reader - and particularly the shareholder - might expect less than encouraging numbers. This surprisingly is however not the case.

It is with great satisfaction that I can thank all Group managers for their hard work, dedication - and I would also say love for what they do - as the Group's overall consolidated results have set new records:

- Revenues of Euro 255.7 million;
- EBITDA margin of 17.6%;
- Adjusted EBITDA of Euro 47.3 million.

How can we not be extremely satisfied? How can we not say thank you to all 1,650 employees?

Some of the Group highlights were:

- Revenues of Euro 255.7 million, up 14.8% on the previous year, partly due to the contribution of the Companies acquired at the end of 2023;
- The Group maintains solid operating capacity: EBITDA was Euro 45.0 million, with a margin of 17.6%.
- On the equity and financial front, the 11.0% increase in shareholders' equity of Euro 129.7 million reflects the Group's strength and its ability to sustain future investments.
- The financial debt, increasing 9.3%, reflects the development and innovation initiatives, with the goal of strengthening the competitive positioning in the Aerospace sector.

Let me move on to the issue of sustainability.

The Group's work to reduce CO₂ emissions is constantly evolving. Specifically, work recently began to commission the photovoltaic system installed at the UmbraGroup S.p.A. employee car park, which delivers a peak power of 850 kW. This new plant brings the total installed capacity at Foligno to 2,900 kW.

This infrastructure will cover approximately 20% of energy needs with self-generated energy, saving an estimated 1,000 tonnes of CO₂ per year.

By the end of 2025, a 200kW peak photovoltaic system will also be installed on the roof of the subsidiary AMCO S.r.l., saving around 70 tonnes of CO₂ per year.

May 2025 saw us take a key step in our journey toward sustainability, with the publication on the company website of our first Sustainability Report, which covered FY 2023. The document was prepared in line with the GRI standards, an internationally recognised reporting method, pending the formal adoption of the Corporate Sustainability Reporting Directive (CSRD). This is a highly significant achievement in that it constitutes the first step toward preparing the sustainability report according to the EFRAG standards, which will be obligatory from 2027.

By the end of 2025, we will publish the Sustainability Report for FY 2024, in compliance with the EFRAG standards required by the CSRD.

The Report 2023 also adopts a structured approach to reporting ESG (environmental, social and governance) topics, in line with the requirements of the new European framework.

We invite everyone to read the document, which provides an opportunity to learn more about the company's concrete sustainability commitment.

I am pleased to note that some social activities were also made possible by the invaluable collaboration with the Valter Baldaccini Foundation.

In this regard, I take comfort in knowing that opportunities to help those around us not only exist but are also being taken. I can assure you that the initiatives described in the Foundation's reports are real, tangible, and deeply rooted in our shared values.

This is why our Company will continue to work alongside the Foundation both today and in the future, supporting its projects and objectives with conviction.

I would like to conclude with a clear message to our shareholders: our Company does not stand still and wait for external pressures to drive our evolution.

We are full cognisant that some factors - historical, economic or market events - are beyond our control. We know just as well, however, that we can choose how to respond.

And that is exactly what we do every day: we adapt and act decisively; we remain vigilant, proactive and innovation-orientated.

Our goal is to be ready, in collaboration with the right partners, to seize the opportunities offered by every transformation. Meanwhile, we are preparing to support and develop the new business that awaits, convinced that by following our vision and staying true to our values, the future will not only arrive... but will find us already prepared to embrace it.

Foligno, May 22, 2025

The Chairperson

Reno Ortolani

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Company Information

Registered office of the parent company

Via V. Baldaccini 1-Loc. Paciana
06034 Foligno PG
Italy

Parent Company Legal Details

Share capital approved Euro 12,055,987.94 fully paid-in
Share Capital subscribed and paid-in Euro 12,055,987.94
Perugia Companies Registration Office No. 02016930543
R.E.A. No. 174039

Registered Offices of the Subsidiaries

- **Umbra Cuscinetti Inc.**
Hardeson Rd, 6707
98203, Everett
WA, United States
- **KUHN Präzisionsspindeln und Gewindetechnik GmbH**
Alte Bahnlinie, 2
71691, Freiberg am Neckar, Germany
- **PräzisionsKulgen Eltmann GmbH**
Industriestrasse, 2
97483, Eltmann, Germany
- **UGI Holding Inc.**
Hardeson Rd, 6707
98203, Everett
WA, United States
- **AMCo S.r.l.**
Via E. Bartolomei, 24
06034, Foligno (PG), Italy
- **SERMS S.r.l.**
Via V. Baldaccini 1-Loc. Paciana
06034, Foligno (PG), Italy
- **Co.Me.Ar. S.r.l.**
Via della Tecnica, 5
06038, Spello (PG), Italy
- **BSP S.r.l.**
Via della Tecnica, SNC
06038, Spello (PG), Italy
- **ERA Electronic Systems S.r.l.**
Via G. Benucci, 206
06135, Perugia (PG), Italy

Composition of the corporate boards at the date of approval of the financial statements at December 31, 2024

Board of Directors

Reno Ortolani
Matteo Adolfo Notarangelo
Beatrice Baldaccini
Sara Ortolani
Leonardo Baldaccini
Marco Rossi
Sonia Bonfiglioli
Marco Fumagalli
Claudio Becchetti

Board of Statutory Auditors

Mariano Spigarelli
Gianluca Bogini
Giuliano Cervini
Monia Bazzucchi
Roberto Ortolani

Supervisory Board

Cristiana Buchetti
Tiziana Lolli
Fabio Maccarelli

The independent audit firm

KPMG S.p.A.

Directors' Report

Dear Shareholders,

The 2024 results confirm the Group's strength. Despite the slowdown in the Industrial business and the international geopolitical situation, the Group grew both Revenues and EBITDA.

Revenues amounted to Euro 255,700 thousand, up 14.8% on the previous year, partly due to the contribution of the Companies acquired at the end of 2023.

The Group maintains solid operating capacity: EBITDA was Euro 45,029 thousand, with a margin of 17.6%. The net profit increased in the year to Euro 13,903 thousand, demonstrating the Group's ability to generate value even in a more challenging environment.

On the equity and financial front, the 11.0% increase in shareholders' equity of Euro 129,676 thousand reflects the Group's strength and its ability to sustain future investments. The financial debt, increasing 9.3%, reflects the development and innovation initiatives, with the goal of strengthening the Aerospace sector's competitive positioning.

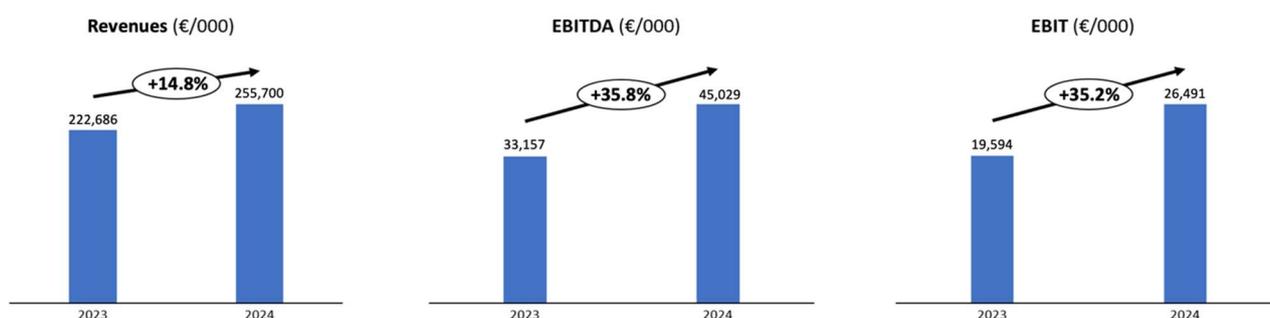
Looking ahead, the Group resolutely continues on its growth trajectory, focusing on innovation and new high added-value projects. The strategy remains focused on efficiency, quality, and the development of cutting-edge technology solutions to best tap into the market opportunities emerging over the coming years.

Shown below are the financial highlights that will be discussed in greater detail below.

(euro thousands)

Operating Performance	2024	2023	Change	Change %
Revenues	255,700	222,686	33,014	14.8%
EBITDA	45,029	33,157	11,872	35.8%
<i>EBITDA Margin</i>	<i>17.6%</i>	<i>14.9%</i>		
Adj EBITDA	47,384	33,836	13,548	40.0%
<i>Adj EBITDA Margin</i>	<i>18.5%</i>	<i>15.2%</i>		
EBIT	26,491	19,594	6,898	35.2%
Group Net Profit	13,903	11,318	2,585	22.8%

Financial results	2024	2023	Change	Change %
Group equity	129,676	116,838	12,838	11.0%
Financial debt	46,896	42,895	4,002	9.3%



The figures above, and throughout this report, have been measured based on the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

Operating conditions and developments

In accordance with Article 2428, the company operates from the registered office in Foligno, with secondary offices also in Foligno and at the Albanella (SA) research centre.

Regarding the Group Structure, please refer to the following paragraph.

Group Governance Structure

UmbraGroup S.p.A. directly controls the companies involved in complementary and support activities to the Group's core business.

The graphic below presents the companies of the Group, the interest held in each, and the geographical area covered as at December 31, 2024.



Umbra Cuscinetti Inc. – Everett, WA, USA

Holding 100%

Direct control

Activities carried out - Production and Sale of aerospace components



Kuhn GmbH – Freiberg am Neckar, Germany

Holding 100%

Direct control

Activities - Production and Sale of ball screws for industrial applications



Präzisionskugeln Eltmann GmbH – Eltmann, Germany

Holding 100%

Direct control

Activities - Production and Sale of ball bearings



UGI Holding Inc. – Everett, WA, USA

Holding 100%

Direct control

Activities carried out - Financial Holding company



Linear Motion LLC – Saginaw, MI, USA

Holding 100%

Direct control through UGI Holding Inc.

Activities - Production and Sale of aerospace components and maintenance services



Equiland LLC – Saginaw, MI, USA

Holding 100%
 Direct control through UGI Holding Inc.
 Activities carried out - Real estate company



AMCO S.r.l. – Foligno, Italy

Holding 100%
 Direct control
 Activities carried out - Production and Sale of Aerospace products



Serms S.r.l. – Terni, Italy

Holding 100%
 Direct control
 Activities – materials testing



CO.ME.AR. S.r.l. – Spello PG, Italia

Holding 51%
 Direct control
 Activities - Production and sale of Aerospace components



B.S.P. S.r.l. – Spello PG, Italia

Holding 51%
 Direct control
 Activities - Production and sale of Industrial components



ERA Electronic Systems S.r.l. – Ponte San Giovanni PG, Italia

Holding 100%
 Direct control
 Activities - Production and sale of electronic systems for application
 Aerospace and Defence



Vision and Mission

Our Vision:

"We seek to be an Intelligent Partner that works with passion and dedication to always offer innovative solutions that are flexible and customisable to the customer's needs, creating products that can revolutionise an ever-changing market".

"AGILE, PASSIONATE PARTNER REVOLUTIONIZING MOTION SOLUTION"



Our Mission:

“TO BE, IN THE EYES OF THE CUSTOMER, THE SMART SUPPLIER OF ACTUATORS, BALL SCREWS, BEARINGS, AND COMPONENTS FOR THE HIGH-TECH MARKETS”

An excellent service shall be at the heart of all operations. We don't want to be *at* the cutting edge; we want to *be* the cutting edge!



Structure and Governance model

The system of corporate governance adopted by the Parent Company plays a key role in achieving our strategic objectives by helping to create sustainable value over the medium and long term.

At December 31, 2024, the Group comprised nine direct subsidiaries and the Parent Company UmbraGroup S.p.A., and two indirect subsidiaries through UGI Holding Inc.

The Parent Company has a traditional governance system comprising the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors in an oversight role.

The audit is carried out by the independent audit firm KPMG S.p.A.

The shareholders act solely to pass resolutions within their purview as defined by law and limited to the most important decisions concerning the company.

The Board of Directors, comprising 9 members, including 3 women, is granted broad strategic decision-making powers over the Group and for corporate governance and the management of the internal control procedures. Its functions include the setting of the type and level of risk compatible with the strategic objectives, with their assessments also including all risks considered significant with regard to the sustainability of operations over the medium/long-term.

The Parent Company has adopted an organisation model compliant with Italian Legislative Decree 231/2001 and appointed a related Supervisory Board.

The Board of Statutory Auditors of the Parent Company comprises three Statutory Auditors and two Alternate Auditors, verifies compliance with law and the By-Laws, with the principles of correct administration and in particular the adequacy of the organisation, administration and accounting structure adopted and its correct functioning and the adequacy of the internal control system.

Finally, the Supervisory Board, comprising three members, of which one internal, verifies the efficacy of the Organisation, Management and Control Models approved by the Parent Company. In particular, the Supervisory Board controls the procedures for the prevention of the following sustainability-related offenses: offenses in violation of workplace health and safety rules, environmental offenses, tax offenses, and offenses against the individual.

Board of Directors of the Parent Company at December 31, 2024

Office	Members
Chairperson	Ortolani Reno
Chief Executive Officer	Notarangelo Matteo Adolfo
Vice Chairperson of the Board of Directors	Baldaccini Beatrice
Director	Bonfiglioli Sonia*
Director	Ortolani Sara
Director	Rossi Marco
Director	Baldaccini Leonardo
Director	Becchetti Claudio
Director	Fumagalli Marco

*Independent Director

Board of Statutory Auditors of the Parent Company at December 31, 2024

Office	Members
Chairperson	Spigarelli Mariano
Statutory Auditor	Bogini Gianluca
Statutory Auditor	Cervini Giuliano
Alternate Auditor	Ortolani Roberto
Alternate Auditor	Bazzucchi Monia
Independent Audit Firm	KPMG S.p.A.

Supervisory Board of the Parent Company at December 31, 2024

Office	Members
Chairperson	Buchetti Cristiana
Standing member (external)	Maccarelli Fabio
Standing member (internal)	Lolli Tiziana

The Board of Directors of the parent company was appointed on June 29, 2023 and will serve until the approval of the financial statements at December 31, 2024.

The Board of Statutory Auditors and Independent Audit Firm of the Parent Company were appointed by the Shareholders' Meeting on June 10, 2022 and will hold office until the approval of the Financial Statements at December 31, 2024.

Operating overview

Economic overview

General economic overview

Early 2024 saw signs that the global economy was strengthening, particularly in the services sector.

In the US, consumption remained especially robust and employment growth exceeded expectations; by contrast, aggregate demand remains weak in China, in part as a result of the ongoing crisis in the real estate sector. Tensions in the Middle East have had a limited impact on goods trading.

Bank of Italy forecasts predicted a 2.4% expansion in international trade (below global output), with significant downside risks to the global economy associated with the potential escalation of existing conflicts.

Eurozone GDP continued to stagnate in early 2024 because of weakness in industry, but there were signs of recovery in the service sector. Consumer inflation continued to trend downwards, especially for non-energy industrial goods and food, while inflation in services remains high.

Bank of Italy estimates suggest that recent price increases in shipping due to tensions in the Red Sea have not caused significant inflationary pressures. According to ECB projections in March, inflation will fall to 2.3% this year, returning to target levels in 2025 and 2026.

In late 2024, economic activity remained robust in the United States but began to flag in other advanced economies. In China, the crisis of the real estate market is continuing to weigh on domestic demand. Based on Bank of Italy forecasts, global trade in 2025 will expand slightly to over 3%, in line with global output estimates. The outlook for global trade however maybe impacted by - in addition to heightening geopolitical tensions - the announced tightening of US trade policy. Oil prices have barely risen; natural gas prices remain volatile and subject to upward pressure from factors related to both demand and supply.

Based on the information available, Eurozone economic growth weakened in late 2024, impacted by struggling consumption and weak investments and exports. Manufacturing output remains disappointing, particularly in Germany, and was also weakened by the services segment. Inflation remains contained at approximately 2%, with the core component substantially stable: services inflation remains relatively high, partly reflecting lagging adjustments to past inflation. In December, Eurosystem experts revised downwards the zone’s growth forecasts to over 1% for the 2025-27 three-year period. Inflation is expected to stabilise at around the ECB’s 2% target.

The Board of the ECB in December cut the reference rate by a further 25 basis points. Markets expects a fresh cut of around 75 basis points in 2025. (18/12/2024 ECB reference rate 3.15%).

Despite the gradual easing of monetary policy, lending conditions in the Eurozone remained subdued within a framework of uncertainty and weak demand.

Currency markets

The foreign currency with the most potential to influence the Company’s performance is the United States Dollar, as volumes in the aerospace market are mainly expressed in USD.

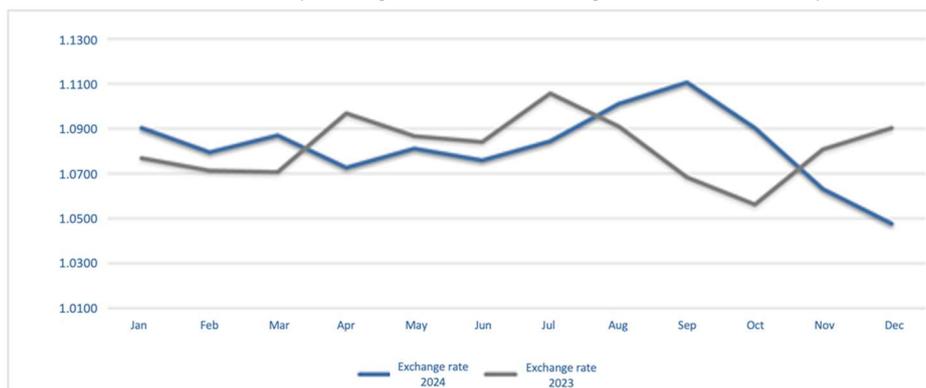
In 2024, the average Euro/USD exchange rate stood at 1.0824, a level that was substantially in line with the 2023 average (1.0813).

Exchange rates continued to fluctuate throughout the year.

These trends resulted in the following low, average and high exchange rates in 2024:

- Average Value: 1.0824
- Average Minimum Value: 1.0389 on December 31, 2024
- Average Maximum Value: 1.1196 on September 30, 2024

The figure below shows the trend in monthly average EUR/USD exchange rates in 2024 compared to the previous year.



The table below presents the average 2024 rates and the December 31, 2024 rates for the most significant Group currencies, in addition to the percentage change against the Euro compared to the average and year-end rates for 2023.

	Average exchange rate			Year-end exchange rate		
	2024	2023	Change on 2023	31.12.2024	31.12.2023	Change on 2023
	:1 Euro	:1 Euro	%	:1Euro	:1Euro	%
US Dollar (USD)	1.0824	1.0813	0.1%	1.0389	1.1050	-6.0%
UK Sterling (GBP)	0.8466	0.8698	-2.7%	0.8292	0.8691	-4.6%

Group operating performance

Aerospace Sector

Aerospace and defence companies are currently facing quality issues in the supply chain, which has led to a growing demand to extend the life of existing commercial aircraft. Against this backdrop, particular focus is placed on effective maintenance activities that can extend the operational life of aircraft.

Companies are also identifying opportunities to increase value by integrating digital technologies to respond to the need for greater efficiency and cost-effectiveness and to achieve the aforementioned improvement in maintenance and repair services.

A recent survey found that 81% of respondents in the A&D sector already use or plan to use artificial intelligence and machine learning technologies. Responses from aftermarket companies also suggested that AI and generative AI will be the most important technologies for the next one to three years.

In 2024, the A&D sector continued to focus on human resource management to attract and retain talent, objectives that are likely to continue into 2025. The issue of workforce ageing persists in the industry, with 25% of the workforce having more than 20 years of experience and reaching or exceeding retirement age. Emerging technologies such as extended reality will help the industry as it begins to improve the training environment and reduce the time it takes employees to update their skills.

While demand for A&D products and services comes from both the commercial and defence sectors, much strategic spending is driven or significantly sustained by defence priorities.

The U.S. defence budget requirement for FY 2025 reflects the Defence Department's continued focus on investing in strategic areas to strengthen its defence industrial base.

Unmanned aircraft are at the forefront of defence and commercial expansion, with operators finding applications for unmanned aerial systems in a range of sectors including construction, real estate, infrastructure, oil and gas, agriculture, and logistics.

From military requirements to commercial applications, 2025 promises to see continued growth for a number of next-generation unmanned technologies in aerospace and defence.

In recent years, the Advanced Air Mobility (AAM) industry, which focuses chiefly on electric vertical take-off and landing (eVTOL) aircraft, has received particular attention and investment. Electric propulsion systems make EVTOL aircraft quieter and more environmentally friendly than their counterparts.

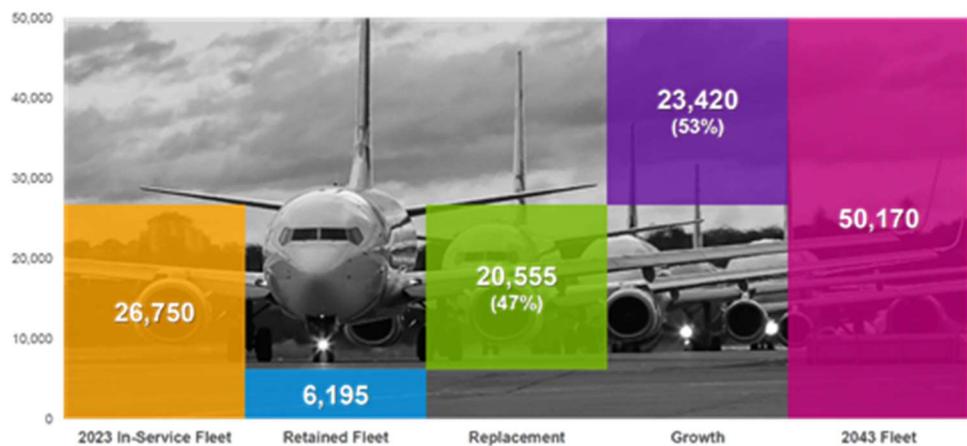
AAM industry leaders are carrying out flight tests and collaborating with various stakeholders to enhance or produce various parts and components, including airframe structures, batteries, and avionics.

Many AAM manufacturers and operators are setting ambitious targets for the start of operations, while newcomers continue to make progress toward flight certification.

The A&D Sector features a very complex supply chain.

While many companies have begun work to balance supply chain resilience with efficiency, the industry is likely to continue to face part shortages and delivery delays, shipping costs and supply issues, making supply chain visibility a key focus for the coming year.

In 2025, this may lead to more companies utilising digital technologies to track the flow of materials from upstream suppliers to end users and to help monitor supplier compliance.

Boeing's Outlook


(Source: Boeing Commercial Market Outlook 2024 – 2043)

Boeing's Commercial Market Outlook (CMO) 2024 forecasts that demand for air travel will outpace economic growth until 2043, with emerging markets and global demand for single-aisle aircraft remaining the main drivers of industry growth.

The global commercial fleet is expected to grow 3.2% per year, slower than air traffic, allowing airlines to continue to boost productivity, increasing load factors and using aircraft for more hours per day. The speed and reliability of the air cargo fleet will see it steadily overtake other transport modes and increase by two-thirds over the next 20 years, supporting annual air cargo traffic growth of 4.1%.

South Asian passenger traffic will increase by 7.4%, followed by Southeast Asia (7.2%) and Africa (6.4%), as emerging markets return to historical growth levels during the forecast period.

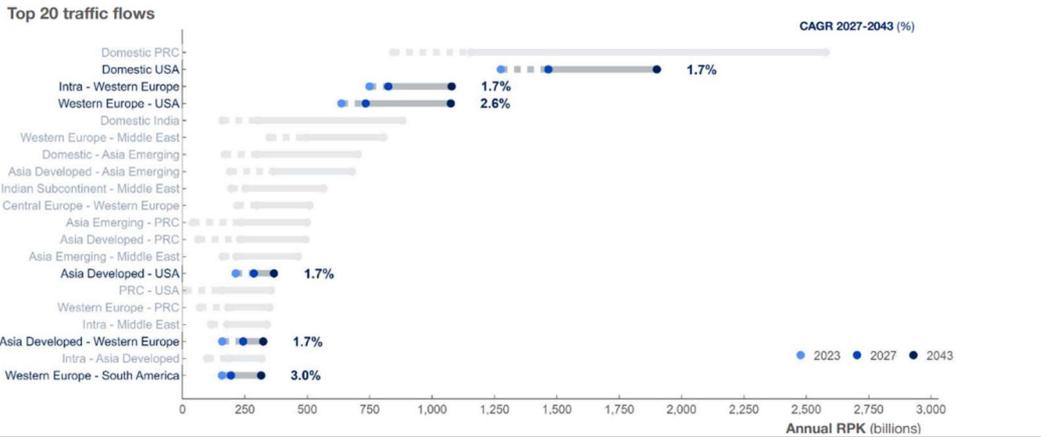
Eurasia is expected to lead all markets in aircraft deliveries (22% of the total), followed by North America (20%) and China (20%). Single-aisle aircraft will constitute 71% of the 2043 fleet, after 33,380 new deliveries, and will provide versatility in serving short and medium-haul routes.

The global widebody fleet will more than double in size, with twin-aisle aircraft making up 44% of the Middle East fleet. Boeing forecasts that the demand for commercial services will be worth USD 4.4 trillion.

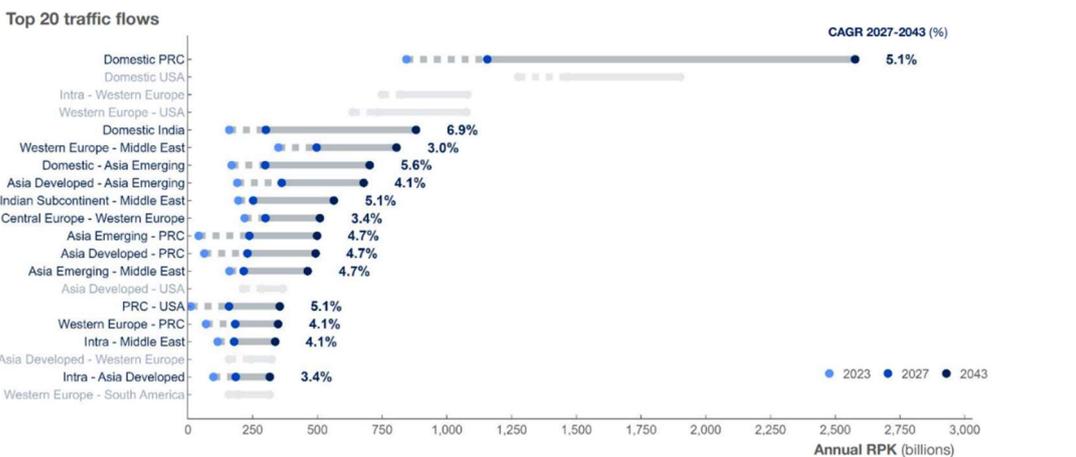
As air travel expands, particularly in emerging markets, the commercial aviation industry will require nearly 2.4 million new employees, along with training for new pilots, maintenance technicians and cabin crew.

Airbus's Outlook

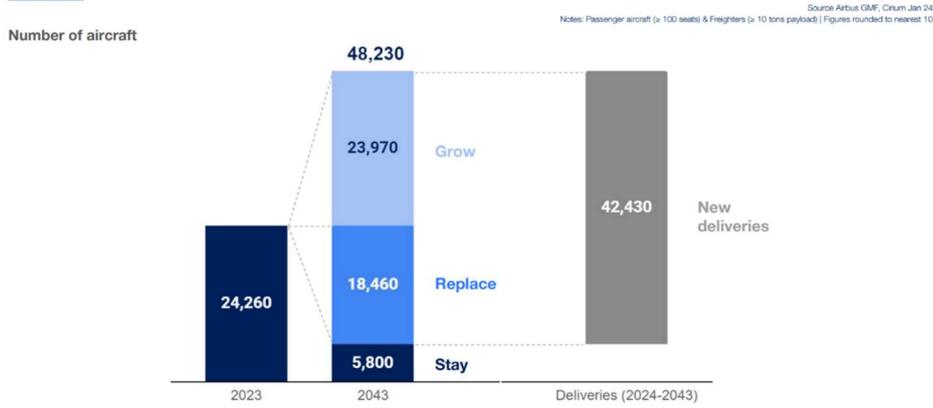
Modest traffic growth in mature flows...



...and stronger traffic growth in Asia and Middle East, led by India and PRC



Demand for 42,430 new aircraft between 2024 and 2043



(Source: Global Market Forecast Airbus 2024 – 2043)

The latest edition of Airbus' Global Market Forecast (GMF) for the period 2024-2043 offers an encouraging outlook on the evolution of air traffic and airline fleets.

Over the past four years, air transport has once again showed its resilience through the deepest and longest crisis in its history. Airline traffic and operations have now largely returned to pre-COVID levels or above, with limited exceptions. For the first time since 2019, Airbus therefore believes that 2023 can be taken as the base year for traffic and fleet.

The GMF 2024-2043 compares short- and long-term trends, reflecting the dynamic evolution of future traffic, especially in regions where there is significant latent demand, particularly Asia-Pacific.

In the short term, Airbus believes the conditions still exist for strong growth. In the longer term, the forecast compares drivers of aviation demand (macroeconomics, demographics, etc.) with existing measures related to decarbonising the sector using sustainable aviation fuels (SAFs) and CO₂ prices.

People want to travel, and in the next 20 years Airbus forecasts that traffic will more than double (x2.4 growth). In the first three years, Airbus expects traffic to grow approximately 8% per year, making up for the growth lost during the pandemic, before returning to annual growth of around 3.6% from 2027 onward.

Deliveries of new aircraft (passenger over 100 seats and cargo over 10 tonnes payload) will increasingly replace older, less fuel-efficient aircraft. Airbus expects demand for more than 42,000 new deliveries over the next 20 years. These aircraft will further reduce fuel consumption per passenger-kilometre (RPK), which has already been halved since 1990. Today, approximately 30% of the world's functioning aircraft fleet is latest generation. Key steps in Airbus' decarbonisation journey will be the replacement of the remaining 70% of last-generation aircraft, along with more efficient modes of operation, SAF, future technologies such as hydrogen and hybridisation, and the use of carbon capture technologies.

Industrial Line

Machine tool sector

This segment closes 2024 with a significant decline in almost all earnings indicators for the Italian machine tool, robot and automation industry. 2025 may not be outstanding but a tentative turnaround is still forecast.

In 2024, Machine Tools production totalled Euro 6,745 million, an 11.4% decrease on the previous year.

The decline was driven entirely by a steep drop in manufacturers' deliveries to the domestic market, the value of which came in at Euro 2,255 million, 33.5% down on 2023 due to Italian users' reduced investment appetite.

The extent of this weakness is evident from the figure for household consumption, which plummeted 34.8% to Euro 3,795 million. This trend also affected import performance, which decreased 36.5% to Euro 1,540 million.

This was contrasted by the performance of Italian manufacturers on the foreign market: exports grew by 6.3% on 2023 to Euro 4,490 million, an unprecedented new record.

Total imports plummeted 41.2% to Euro 858 million. Purchases from all suppliers also fell sharply. Germany (-35.5%) retains the highest value, at Euro 279 million; Belgium (-49.7%), South Korea (-53%), China (-15.7%), and Japan (-51.2%) were also down.

(Source UCIMU 24.01.2025 - ECONOMIC AND MARKET ANALYSIS).

Bearings sector

The global bearing market was estimated to be worth USD 43.98 billion in 2023 and was forecast to grow to USD 46.82 billion in 2024.

The market is segmented by product into ball bearings, roller bearings, plain bearings and others.

The market can also be segmented by application into automotive, industrial machinery, aerospace, and others.

The first detailed analyses regarding 2024, provided by the world's leading bearing manufacturers such as Schaeffler and NSK, suggest that volumes contracted, particularly in the Industrial and Automotive sectors.

While Japanese giant NSK was able to take advantage of the Yen's weakness against the Euro and a partial recovery of volumes in Japan, Schaeffler continues to suffer from the slowdown in the Wind, Automotive, and general Industrial sectors.

Uncertainty around the future of European electric vehicle production has had a significant effect on production, even causing a number of plant closures.

The second half of the year also saw a volume contraction in the Robotics field worldwide.

Geographically, Asia-Pacific is expected to maintain its dominance in the bearing market thanks to the adoption of automation and the IoT (Internet of Things).

Among the key factors that will increase demand for precision bearings are growth in manufacturing and industrial process automation.

(Source "Press Release NSK" January 2025, Fortune Business Insight 2024, Schaeffler Report Q4-2024)

Significant events in 2024

Another extraordinary milestone reached! UmbraGroup S.p.A., is the first Umbrian company to achieve the prestigious "Top Employer 2024" certification!

This award celebrates excellence in HR practices, contributing to the creation of a better work environment for everyone. We consider it a great honour to be certified as “employers of choice”. The Top Employers program has been active for more than 30 years and has already certified more than 2,230 companies in 121 countries. It rewards those companies that make a difference in their employees’ lives through dedication to and innovation in HR.

UmbraGroup is the first company to join "Azienda Giusta", the Valter Baldaccini Foundation membership programme for companies, businesses and small commercial activities that wish to help those most in need by way of donations.

For UmbraGroup S.p.A., "Azienda Giusta" means more than simply joining a programme: it is a heartfelt commitment. The heart in question is that of Valter Baldaccini, our founder, who always made corporate social responsibility one of the pillars of his management philosophy. Valter Baldaccini was not only a successful entrepreneur, but a man of great humanity, who always looked to the well-being of people and the extended community.

Ten years after Valter Baldaccini's passing, and fully in step with the inclusion projects run by the Foundation that bears his name, this programme is being promoted and opened to a range of companies.

The project to restore and modernise the Auditorium or former church of St. Catherine was officially presented at the building as part of the Art Bonus program on **January 19, 2024**. The project was made possible by a contribution from UmbraGroup. As part of the national programme promoted by the Ministry of Culture, UmbraGroup S.p.A. offered to be a patron, contributing the entire amount needed for the Auditorium renovation work. Speaking at the press conference were the Mayor of Foligno, Stefano Zuccarini; Beatrice Baldaccini, UmbraGroup Chief People & Brand Officer; and Councillor for Culture and Environmental Policy Decio Barili.

The business idea that underpins UmbraGroup's work could be called an “US” economy, where the goal is to give back to the community that has hosted us for more than 50 years, providing an asset that can be dedicated to all.

From **April 9-11, 2024**, UmbraGroup was at MRO Americas 2024, held in Chicago, USA, at the McCormick Place Convention Center. This provided a valuable opportunity for professionals in the field to meet and exchange ideas, to strengthen synergies and create new ones. MRO Americas is the leading aviation aftermarket trade show and one of the most significant worldwide. The event is an important arena for industry professionals, allowing them to discover the latest innovations, technologies and services for the maintenance and repair of UmbraGroup-branded solutions and others. MRO Americas attracts more than 16,000 industry professionals every year, including airline operators, manufacturers, service providers and industry specialists, creating the perfect opportunity for networking, knowledge exchange and the development of new business opportunities.

From **July 22-26, 2024** UmbraGroup participated in the Farnborough International Airshow 2024, held at Farnborough Airport in England. This prestigious event is held every two years and is among the aviation industry’s most significant globally. It provides a unique opportunity to discuss and share the innovations that will shape the future of aerospace.



From **September 10-14, 2024**, UmbraGroup took part in AMB in Stuttgart, one of the metalworking industry's most significant events worldwide. The show has been held every two years since 1982 and is recognised as one of the key events in the industry. It attracts professionals from across the world and showcases the most significant new products and innovations in the metalworking industry. AMB is not just a showcase of solutions and technologies, but a benchmark for the industry. It is a place that brings together innovation, education and networking, creating a dynamic and stimulating environment for both visitors and exhibitors.

On **November 6, 2024**, UmbraGroup officially launched the LinkedIn Learning platform. The event was held at the Group's headquarters and enthusiastically attended by many employees, who were able to explore the new training and skills development opportunities offered by this innovative approach.

On **December 10, 2024**, 40 employees of UmbraGroup S.p.A. officially became new shareholders in the company. In the presence of Reno Ortolani, Chairperson of the UmbraGroup Board of Directors, and Beatrice Baldaccini, UmbraGroup VP, each employee officially signed the UmbraGroup shareholders' register.

UmbraGroup is proud to have been the first company in Umbria to introduce widespread shareholding, first in 2008 and then again in 2011. With the addition of 40 new shareholders in 2024, the total number of employees owning shares in the company rises to 70 (9% of the workforce). This significant step is testament to UmbraGroup's commitment to fostering an inclusive and participatory work environment, where every employee feels that they are an integral part of the company's success.

UMBRA GROUP's decision to expand shareholding opportunities to its employees does more than simply strengthen the bond between the company and its employees: it is further confirmation of an increasingly advanced business model whose policies have an international scope.

On **December 18, 2024**, after two years of work, Serms S.r.l. delivered and installed the space device test facility at the ESTEC centre in Noordwijk, the Netherlands, the beating heart of the European Space Agency (ESA). The facility focuses specifically on the research, development and testing of the most advanced space technologies.

Operating Results

The year 2023 saw a 17.7% increase in revenues from the previous year. The operating results came in higher than the previous year, mainly thanks to the improved performance of the Parent Company.

Net debt was Euro 42,895 thousand at December 31, 2023, increasing Euro 15,810 thousand on the previous year.

The Group's key performance indicators (KPIs) for the period and main changes are shown below:

(in Euro thousands)

Operating performance	2024	2023	Change	Change %
Revenues	255,700	222,686	33,014	14.8%
Value of production	261,533	237,117	24,416	10.3%
Value added	145,532	116,077	29,455	25.4%
EBITDA	45,029	33,157	11,872	35.8%
Adj. EBITDA	47,384	33,836	13,548	40.0%
EBITDA Margin (EBITDA/Revenues)	17.6%	14.9%	2.7%	
Adj EBITDA Margin (Adj EBITDA/Revenues)	18.5%	15.2%	3.3%	
EBIT	26,491	19,594	6,898	35.2%
EBIT/Revenues	10.4%	8.8%	1.6%	
Net Profit	13,903	11,318	2,585	22.8%
Financial performance	2024	2023	Change	Change %
Capital Employed	356,078	337,405	18,673	5.5%
Total investments	20,256	14,234	6,022	42.3%
Net working capital	87,474	72,251	15,224	21.1%
Net Capital Employed	179,151	162,380	16,772	10.3%
Financial debt	46,896	42,895	4,002	9.3%

The Group's alternative performance indicators are defined as follows:

- **Value of production:** the sum of revenues from sales and services, other operating revenues, the increase in internal work capitalised and changes in inventories of semi-finished and finished products.
- **Value added:** margin attained as the difference between revenues net of premiums and consumables, services (including outsourcing costs) and operating costs. The added value in fact measures the wealth generated by the Group in the year against that distributed.
- **EBITDA:** the difference between revenues from sales and consumables, service costs, personnel expense and net operating income/charges. It represents the margin before amortisation, depreciation, financial management (financial income/charges) and income taxes. EBITDA so defined is not recognised under Italian GAAP and therefore the measurement criteria employed by the Group may differ from those of other Groups and is therefore not comparable. This indicator is commonly used by analysts in order to assess a company's performance.
- **Adjusted EBITDA:** EBITDA adjusted for extraordinary and/or non-recurring income and expenses.
- **EBIT:** the difference between EBITDA and amortisation, depreciation and write-downs. It represents the margin before financial management and income taxes.
- **Adjusted Net Profit:** Book net profit net of extraordinary income and charges.
- **Net working capital:** the difference between current assets and current liabilities (excluding cash and cash equivalents, financial payables and provisions for risks and charges).
- **Net capital employed:** the sum of fixed assets and net working capital, net of provisions for risks and charges and post-employment benefits.
- **Financial debt:** the difference between cash and cash equivalents and current and non-current financial payables.

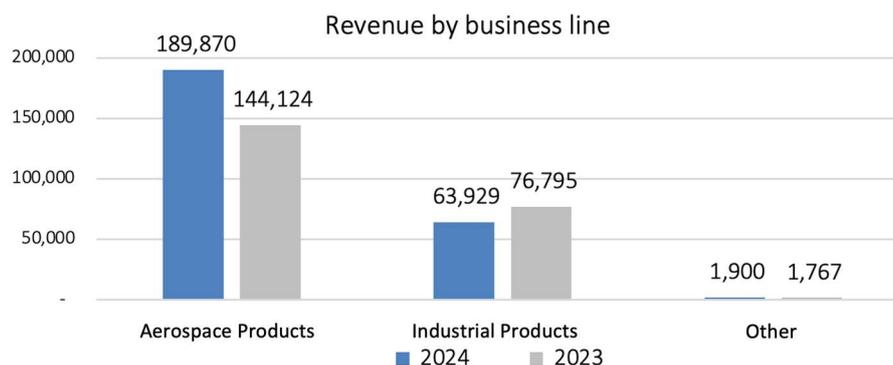
The above indicators are not governed by the Group's accounting standards.

Revenues

Revenues from sales and services in 2024 amounted to Euro 255,700 thousand, compared to Euro 222,686 thousand in 2023 (+14.8%). The increase in the period was mainly driven by the Aerospace business. This segment also benefited from the full contribution to the consolidation scope of Co.Me.Ar. and ERA, which increased Group sales net of intercompany transactions by Euro 16,100 thousand, and from the performance of the American Companies, which increased their sales by 22.5% on 2023.

The Industrial sector declined 16.8%, with a particularly pronounced effect in Italy and Germany. The reduction can be attributed to a European macroeconomic environment that saw stagnant growth, high energy costs and slowing industrial investment, especially in the German manufacturing and automotive sectors. Geopolitical uncertainty and weak domestic demand have also contributed to caution regarding orders. Revenues by business line and the change on the previous year are outlined in the table below.

(in Euro thousands)	2024	2023	Change	Change %
Aerospace Products	189,870	144,124	45,747	31.7%
Industrial Products	63,929	76,795	(12,866)	-16.8%
Others	1,900	1,767	133	7.5%
TOTAL	255,700	222,686	33,014	14.8%



Aerospace Line breakdown:

(in Euro thousands)	2024	2023	Change	Change %
Aerospace Products	151,476	118,523	32,953	27.8%
EMA Aerospace	38,395	25,601	12,794	50.0%
Total	189,870	144,124	45,747	31.7%

The Aerospace Products category saw growth of 31.7% on the previous year, driven by the continuing recovery of commercial sales and by the Aero spares line.

The significant growth in the Electromechanical Actuators (EMA) line is attributable to the launch of new programmes for the Commercial, Defence and Advanced Air Mobility sectors. The success of the EMA line is related to new UmbraGroup patents for fault tolerant linear and ball screw rotary actuators.

The following figure shows the percentage share of the product categories of the Aerospace business line.


Industrial Line breakdown:

(in Euro thousands)	2024	2023	Change	Change %
Bearings	23,395	35,630	(12,236)	-34.3%
EMA Industrial	2,466	1,785	681	38.2%
Other Industrial Products	38,069	39,380	(1,311)	-3.3%
Total	63,929	76,795	(12,866)	-16.8%

The reduction in the Industrial Line is chiefly due to the decline in Bearings and other industrial products, including screws and electrospindles.

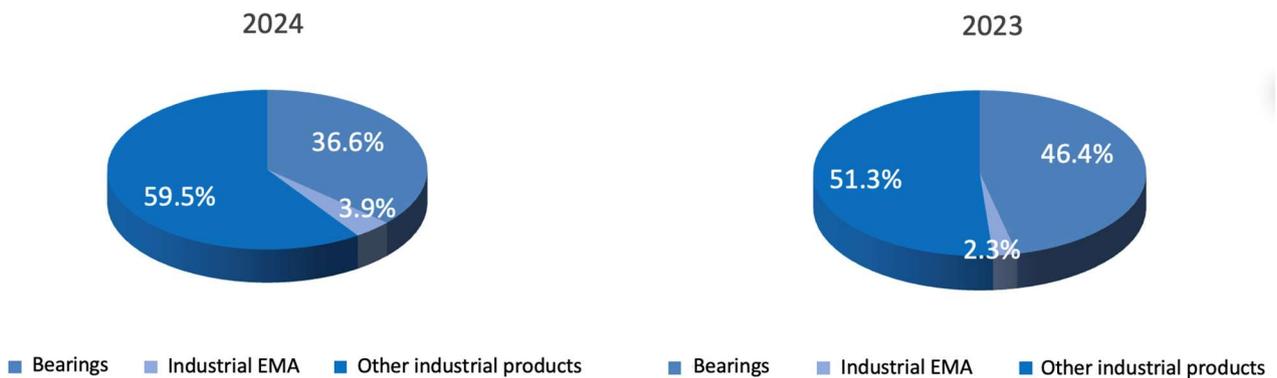
2024 also saw a general downturn in the Industrial Sector, which led to a decline in sales on those product lines most related to the applications that were hardest hit by the downturn.

The Bearings line, which is heavily dependent on the performance of Schaeffler, suffered from the reduction in volumes that the German giant has faced for more than 12 months. The mix continues to shift from ball bearings to tapered roller bearings. This change relates to Schaeffler's ongoing insourcing of some ball bearing families; the company is also sourcing standard-diameter ball bearings from its low-cost Asian suppliers.

There are signs of recovery in special applications required by the defence sector. Forecasts suggest that in 2025 there will be a greater distribution of sales to other customers than Schaeffler and a prevalence of ball bearings in the product mix.

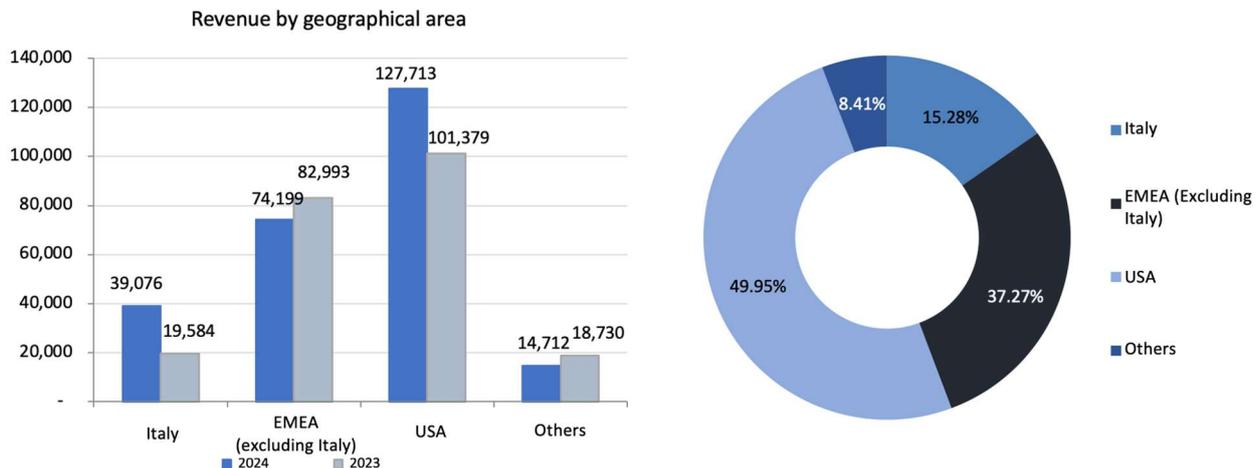
The cutting sector is among those most affected by the market downturn. In this area, the segments most impacted are machines, aluminium and the Machine Tools sector in general. For UmbraGroup, this has led to a significant slowdown in the production of electrospindles, which are mainly sold in the Americas and for wood applications. By contrast, ball screws sales volumes have varied according to the type of screw and the type of application. Micro screws remain at stable levels, especially for the biomedical and robotics sectors, with a positive outlook for 2025. Demand for high-load and high-speed screws are also on the rise, driven by the Simulation segment. The contraction in volume mainly relates to standard screws, which are suffering from stagnation in the Automotive and Sheet Metal areas.

The following figure expresses the percentage share of the product categories of the Industrial business line.



Sales by geographic area

The graphs below present sales by geographic area.



The United States of America was the largest Group sales market in 2024, accounting for 49.9% of the total. For the breakdown of revenues from the other Group companies, reference should be made to the section “*Transactions with subsidiary, associated, parent and other related companies*”.

Costs

The core operational costs (extensively detailed in the explanatory notes) are as follows:

(in Euro thousands)	2024	% Revenues	2023	% Revenues	Change	Change %
Raw Materials	68,247	26.7%	63,355	28.5%	4,892	7.7%
Service costs	43,482	17.0%	45,602	20.5%	(2,120)	-4.6%
Personnel expenses	100,501	39.3%	83,067	37.3%	17,433	21.0%
Total operating charges	212,230	83.0%	192,024	86.2%	20,206	10.5%
Amortisation & depreciation	18,365	7.2%	13,007	5.8%	5,358	41.2%
Write-downs and provisions	173	0.1%	557	0.2%	(384)	-68.9%

Against a 14.8% increase in revenues, total operating charges compared with the previous year increased by Euro 20,206 thousand (+10.5%). The increase was also affected by the full entry of Co.Me.Ar., BSP and ERA into the consolidation scope.

The main movement in operating costs related to **personnel expense**, which increased 21.0% from Euro 83,067 thousand in 2023 to Euro 100,501 thousand. The full consolidation of Co.Me.Ar., BSP and ERA contributed Euro 11,000 thousand to the increase in personnel expense. In addition, the increase also concerns the Parent Company, which applied the overall minimum increases of 13.5% in both June 2023 and June 2024.

Amortisation and depreciation totalled Euro 18,365 thousand, compared to Euro 13,007 thousand in the previous year (7.2% of Revenues - 5.8% in 2023). The increase is mainly due to the full entry into the consolidation of Co.Me.Ar., BSP and ERA (Euro 2,900 thousand) and the amortisation of the result of the Purchase Price Allocation carried out at December 31, 2023 for Euro 2,300 thousand.

The financial performance follows:

(in Euro thousands)	2024	% Revenues	2023	% Revenues	Change	Change %
Interest and other financial charges	(7,472)	-2.9%	(4,560)	-2.0%	(2,912)	63.9%
Other financial income/(expenses)	1,111	0.4%	887	0.4%	224	25.2%
Net financial expense	(6,361)	-2.5%	(3,673)	-1.6%	(2,689)	73.2%
Currency (Losses)/Gains	1,904	0.7%	(1,405)	-0.6%	3,309	-235.5%
Adjust. to financial assets/liabilities	(2,582)	-1.0%	489	0.2%	(3,071)	-627.9%
Financial management	(7,040)	-2.8%	(4,589)	-2.1%	(2,451)	53.4%

Net financial expenses in 2024 were Euro 6,361 thousand, of which financial expense of Euro 7,472 thousand and financial income of Euro 1,111 thousand. The increase in financial expense is mainly due to: (i) the draw down of loans for Euro 35,000 thousand at the end of 2023 by the parent company; (ii) the entry of Co.Me.Ar., BSP and ERA into the scope, which had a negative impact of Euro 1,002 thousand.

Net Currency gains of Euro 1,904 thousand are reported. Currency gains and losses consist of: (i) currency gains of Euro 2,450 thousand, of which Euro 1,118 thousand realised; (ii) currency losses of Euro 547 thousand, of which Euro 319 thousand realised.

Adjustments to financial assets were negative for Euro 2,582 thousand and represented changes in the fair value of derivatives at December 31, 2024.

Income taxes and net profit

The 2023 **net profit was Euro 13,903 thousand** (Euro 11,318 thousand in 2023, +22.8% on the previous year), after ordinary amortisation and depreciation of Euro 18,365 thousand (Euro 13,007 thousand in 2023) and **income taxes** (current and deferred) of Euro 5,621 thousand (Euro 4,562 thousand in 2023). **EBIT** was Euro 26,491 thousand, increasing Euro 6,898 thousand (+35.2% on 2023).

The reclassified income statement follows:

(in Euro thousands)	2024	2023	Change	Change %
Value of production	261,533	237,117	24,416	10.3%
Consumables & external costs	116,003	120,893	(4,890)	-4.0%
Personnel expense	100,501	83,067	17,434	21.0%
% on value of production	38.4%	35.0%	3.4%	
EBITDA	45,029	33,157	11,872	35.8%
% on value of production	17.2%	14.0%	3.2%	
Write-downs and Provisions	173	556	(383)	-68.9%
Amortization & depreciation	18,365	13,006	5,359	41.2%
Operating profit - EBIT	26,491	19,595	6,896	35.2%
% on value of production	10.1%	8.3%	1.9%	
Financial income	1,111	887	224	25.2%
Financial expenses	(7,472)	(4,560)	(2,912)	63.9%
Currency gains and losses	1,904	(1,405)	3,309	-235.5%
Net financial expense	(4,458)	(5,078)	620	-12.2%
% on value of production	-1.7%	-2.1%	0.4%	
Adjustments to fin. asset/liability values	(2,582)	489	(3,071)	-628.1%
% on value of production	-1.0%	0.2%	-1.2%	
Result before taxes	19,451	15,006	4,445	29.6%
% on value of production	7.4%	6.3%	1.1%	
Income taxes	(5,621)	(4,562)	(1,059)	23.2%
Profit (loss) for the year	13,831	10,444	3,387	32.4%
Consolidated Net Result	13,831	10,444	3,387	32.4%
Minority interest result	(73)	(874)	801	-91.7%
Group Net Profit	13,903	11,318	2,585	22.8%

The Tax rate was substantially in line with the previous year - decreasing from 30.4% in 2023 to 28.9% in 2024

	2024	2023	Change	Change %
Current income taxes	(6,326)	(5,842)	(484)	8.3%
Taxes from previous years	(32)	141	(173)	-122.7%
Deferred tax liabilities	684	1,053	(369)	-35.0%
Income from tax consolidation	53	86	(33)	-38.4%
Total taxes	(5,621)	(4,562)	(1,059)	23.2%
Result before taxes	19,451	15,005	4,446	29.6%
Tax rate	28.9%	30.4%		

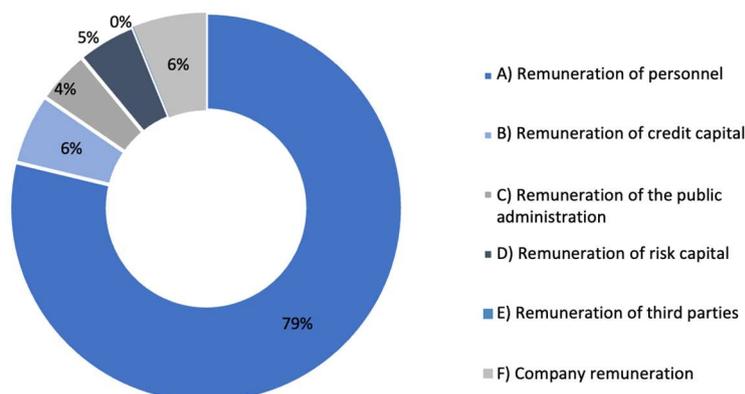
A further reclassification of the added value income statement for 2024 compared with the previous year is reported below, with a breakdown of the net global added value.

(in Euro thousands)	2024	2023	Change	Change %
Value of production	261,533	237,117	24,416	10.3%
Costs	116,001	121,040	(5,039)	-4.2%
Gross added value	145,532	116,077	29,455	25.4%
Net added value	127,424	102,632	24,792	24.2%

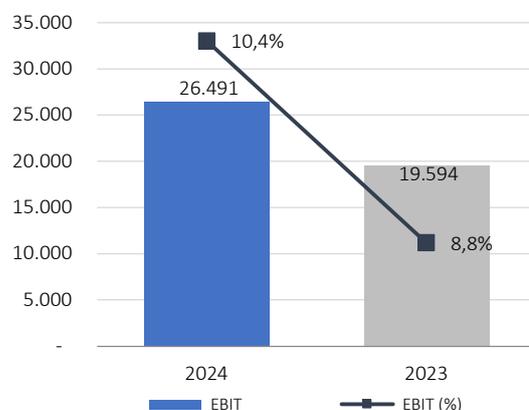
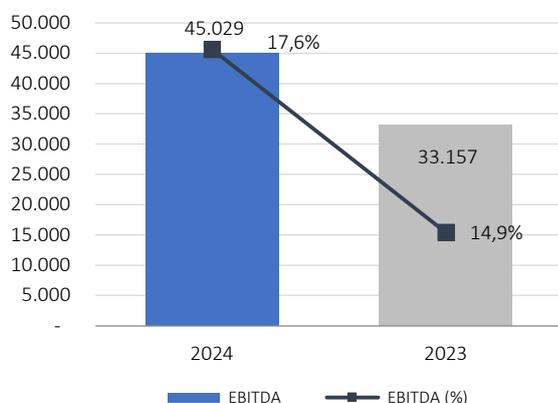
	2024	2023	Change	%
Net added value	127,424	102,632	24,792	24.2%
A) Remuneration of personnel (Employee)	100,501	83,067	17,433	21.0%
B) Remuneration of credit capital (financial expense)	7,472	4,560	2,912	63.9%
C) Remuneration of the public administration (direct taxes)	5,621	4,562	1,059	23.2%
D) Remuneration of risk capital (Dividends)	6,200	5,800	400	6.9%
E) Remuneration of third parties (Minority interest profit)	(73)	(874)	802	>100%
F) Company remuneration	7,703	5,518	2,185	39.6%

The wealth generated by the Group was distributed among the following:

Net global added value at December 31, 2024



The following graphs outline the EBITDA and EBIT performance for 2023 and 2024 (Euro thousands), and as a percentage of Revenue.



EBITDA in 2024 totalled Euro 45,029 thousand, increasing Euro 11,872 thousand on the previous year (+35.8%). EBIT was Euro 26,491 thousand, increasing 35.2% on 2023. The increase in revenue in the year resulted in a better absorption of

overheads. In addition, a more favourable mix enabled an improved operating performance thanks to the start-up of development projects in the prototyping phase.

Adjusted EBITDA

Adjusted EBITDA for 2024 is presented below, compared with the previous year and excluding other extraordinary or non-recurring charges and income i.e. significant or exceptional events outside of core business operations.

	2024	2023	Change	Change %
EBITDA	45,029	33,157	11,872	35.8%
<i>EBITDA % on Revenue</i>	17.6%	14.9%		
UmbraGroup S.p.A. extraordinary costs	415	545	(130)	-23.9%
Umbra Cuscinetti Inc. extraordinary costs	1,386	134	1,252	933.4%
Extraordinary costs Linear Motion LLC	554	-	554	>100%
ADJ EBITDA	47,384	33,836	13,548	40.0%
<i>Adj EBITDA % on Revenue</i>	18.5%	15.2%		

The EBITDA and EBIT of the Group companies is reported below, with indication of the percentage contribution of each to the consolidated results.

Company	EBITDA				EBIT			
	2024	%	2023	%	2024	%	2023	%
UmbraGroup S.p.a	24,027	52.3%	29,210	87.7%	16,424	54.3%	21,815	107.0%
Umbra Cuscinetti Inc.	3,379	7.4%	3,159	9.5%	2,613	8.6%	2,184	10.7%
UGI Holding	10,022	21.8%	714	2.1%	8,545	28.2%	(702)	-3.4%
Kuhn GmbH	(336)	-0.7%	(632)	-1.9%	(816)	-2.7%	(966)	-4.7%
PKE GmbH	(510)	-1.1%	13	0.0%	(1,364)	-4.5%	(929)	-4.6%
AMCO S.r.l	694	1.5%	523	1.6%	65	0.2%	(85)	-0.4%
Serms S.r.l	199	0.4%	81	0.2%	134	0.4%	(63)	-0.3%
Co.Me.Ar. S.r.l.	3,930	8.6%	(27)	-0.1%	1,786	5.9%	(842)	-4.1%
BSP S.r.l.	1,861	4.1%	280	0.8%	739	2.4%	(27)	-0.1%
ERA S.r.l.	2,647	5.8%			2,134	7.1%		
Total	45,913	100%	33,321	100%	30,260	100%	20,385	100%
Eliminations	(884)		(164)		(3,769)		(791)	
Consolidated result	45,029		33,157		26,491		19,594	

The performance is summarised by the following indicators:

	2024	2023
ROE	10.5%	9.5%
ROS	10.4%	8.8%
ROI	7.4%	5.8%
ROACE	15.5%	13.5%
EBITDA Margin (EBITDA/Revenues)	17.6%	14.9%
Adj EBITDA Margin (Adj EBITDA/Revenues)	18.5%	15.2%

The operating indicators generally improved in view of that outlined above.

- The ROE (Return on Equity) was determined as the ratio between the Group net profit (NP) and the net equity (NE) in the period.
- The ROS (Return on sales) is the ratio between the period operating result (OR) and Revenues.
- The ROI (Return on Investments) is the ratio between the operating result (OR) and the Net capital employed (NCE).

- Return on average capital employed (ROACE) is the ratio of: (i) ordinary EBIT excluding items not related to core business, e.g. gains on the sale of assets and impairment of assets, which are considered extraordinary items for the purposes of calculating ordinary earnings; and (ii) average net capital employed, based on the opening and year-end balances of capital employed.
- The EBITDA margin is the ratio between EBITDA and Revenues; the Adjusted EBITDA Margin was also calculated, net of the effects related to non-recurring revenues and costs.

These two indicators should not be considered separately or as a replacement of the financial statement accounts drawn up according to IFRS; rather, these indicators should be used to supplement the results calculated according to IFRS and to assist the reader's understanding of the Group's operating performances.

The Adjusted Group Net Profit increased by Euro 4,261 thousand - from Euro 11,997 thousand to Euro 16,258 thousand.

The reconciliation between adjusted net profit and the net result is presented in the table below.

(in Euro thousands)	2024	2023	Change	Change %
Net Result	13,903	11,318	2,585	22.8%
Leaving incentives	-	134	(134)	-100.0%
Extraordinary costs	2,355	545	1,810	332.1%
Adj. Net Profit	16,258	11,997	4,261	35.5%

Balance sheet overview

The reclassified balance sheet as presented according to the financial criterion is shown below.

Balance Sheet	2024	2023	Change
Net trade receivables	36,403	35,907	496
Other receivables	22,402	22,417	(15)
Inventories	94,649	83,360	11,289
Current financial assets	515	549	(33)
Current non-financial liabilities	(66,495)	(69,982)	3,487
A) Net Working Capital	87,474	72,251	15,224
Receivables beyond 12 months	41	38	3
Equity investments	1,170	905	265
Financial Instruments - Assets	42	380	(338)
Intangible assets	22,859	25,150	(2,291)
Property, plant and equipment	88,690	83,667	5,023
Long-term non-financial liabilities	-	(384)	384
B) Net Fixed Assets	112,802	109,756	3,046
C) Post-employment benefit provision	(5,852)	(5,610)	(242)
D) Provisions for risks and charges	(15,273)	(14,017)	(1,256)
E) Capital employed net of current liabilities (A+B+C+D)	179,151	162,380	16,772
Financed by:			
Financial receivables from subsidiaries	-	-	-
Short-term debt	35,163	31,769	3,394
Financial payables – Medium-term	101,040	96,158	4,882
Short-term liquidity & financial receivables	(89,307)	(85,032)	(4,274)
F) Net financial debt	46,896	42,895	4,002
Minority Interest Equity	2,579	2,647	(68)
Group Equity	129,676	116,838	12,838
G) Consolidated Equity	132,255	119,485	12,770
H) Total (F+G) as in E	179,151	162,380	16,772

Compared to December 31, 2023, capital employed net of current liabilities increased by Euro 15,224 thousand (+21.1%). The accounts reporting the greatest changes were:

- **Inventories:** the account amounted to Euro 94,649 thousand, increasing Euro 11,289 thousand (+13.5%) on 2023. Inventories account for 37.0% of revenue, in line with 2023 (37.4%).
- **Current non-financial liabilities:** this mainly includes trade payables. The account decreased Euro 3,487 thousand on the previous year (-5.0%);
- **Intangible Assets:** the account decreased by Euro 2,291 thousand. This is mainly due to the amortisation in the year of the Customer List emerging as a result of the PPA related to the 2023 acquisitions;
- **Property, plant and equipment:** the account increased by Euro 5,023 thousand. This was as a combined effect of the following events: (i) investments in the year of Euro 18,875 thousand; (iv) depreciation in the year of approx. Euro 14,834 thousand;
- **Financial payables:** the account increased by a total of Euro 8,276 thousand, of which short-term Euro 3,394 thousand and long-term Euro 4,882 thousand. The increase was caused by the following events: (i) the draw down of loans by the parent company for Euro 17,200 thousand; (ii) the draw down of loans by Co.Me.Ar. for Euro 3,950 thousand; (iii) the draw down of loans by BSP for Euro 2,010 thousand; and (iv) the draw down of loans by Linear Motion for USD 10,000 thousand.
- **Equity:** this account increased by Euro 12,770 thousand. This movement reflects, in addition to the net result and the payment of dividends for Euro 5,800 thousand, the adjustment of the negative reserve related to the fair value of derivative instruments used to hedge interest expense of Euro 58 thousand, and the decrease in the negative reserve related to the fair value of derivative instruments to hedge commodities of Euro 1,091 thousand.

The rotation indexes are shown below:

	2024	2023
Trade receivable days outstanding (trade receivables / net revenues *365)	52	59
Trade payables days outstanding (trade payables / purchase of goods and services *365)	130	141
Inventory rotation days (final inventories/consumables total * 365)	392	333

The **Financial Debt** in 2024 of Euro 46,896 thousand increased Euro 4,002 thousand on the end of 2023. This mainly follows the renewal of PKE's property lease with an impact of Euro 4,207 thousand.

Description	2024	2023
Cash and cash equivalents	(89,307)	(85,032)
Current loans and borrowings	30,979	28,301
Payables to other lenders	4,184	3,468
Current financial debt	(54,144)	(53,263)
Non-current loans and borrowings	88,364	87,833
Payables to other lenders	12,676	8,325
Medium/long-term financial debt	101,040	96,158
Total	46,896	42,895

Cash and cash equivalents increased by Euro 4,274 thousand compared to the previous year. It should also be noted that the balance of Euro 89,307 thousand includes Euro 12,300 thousand in highly-liquid time deposits subscribed by the Group companies.

Bank payables (current and non-current) at December 31, 2024 amounted to Euro 119,343 thousand (Euro 116,134 thousand in 2023), increasing Euro 3,209 thousand on the previous year; this followed, in addition to the repayment of

outstanding loans, the issue of new loans totalling Euro 23,160 thousand in 2024 to the Parent Company, to Co.Me.Ar and to BSP and of a new loan to Linear Motion for USD 10,000 thousand. Other lenders includes loans at subsidised rates related to R&D projects and amounts due to Leasing Companies as an effect of the application of IFRS 16; the increase is mainly due to the renewal of the lease of PKE's building, as outlined above.

The movement of the Financial Debt and Equity since 2021 is presented below:

	2021	2022	2023	2024
ST+ML Financial debt	(34,047)	15,810	42,895	46,896
Equity	154,243	112,753	116,838	129,676
	N.C	0.14	0.37	0.36

The development of the financial and equity structure may be summarised by the following ratios:

(in Euro thousands)	2024	2023
Financial debt	46,896	42,895
Shareholders' Equity / Total Assets	0.36	0.35
Net Debt / NE	0.36	0.37
Financial Debt / EBITDA	1.04	1.29

The Financial Debt/Equity Indicator (Financial Debt on Equity) for 2024 was 0.36, slightly increasing on the previous year (0.37). Similarly, the Financial Debt/EBITDA ratio, calculated as the ratio between financial debt and EBITDA, was 1.04 in the present year.

Cash and cash equivalents and financial payables by maturity are respectively presented at December 31, 2024:

	2024	2023	%
Cash	89,307	85,032	73%
Bank payables	119,343	116,134	100%
Maturity 2024	30,979	28,301	24%
Maturity 2025	24,881	25,723	22%
Maturity 2026	23,164	19,396	17%
Maturity 2027	18,140	16,784	14%
Maturity 2028	13,760	11,606	10%
Over 5 years	8,418	14,324	12%
Total	119,343	116,134	100%

Investments

Operating investments totalling Euro 12,615 thousand (+13.4% on 2023) were made in the year.

The areas of investment were as follows:

Intangible assets	Total 2024	Total 2023
Development costs	325	281
Software licenses	1,024	334
Industrial patents & intellectual property rights	32	-
Assets in progress and advances	-	37
Total Operating investments	1,381	652
Investments from Acquisition and PPA	-	22,510
Total investments	1,381	23,162

Property, plant and equipment	Total 2024	Total 2023
Land & buildings	915	1,025
Plant & machinery	6,787	5,936
Industrial & commercial equipment	1,947	1,181
Other assets	266	427
Assets in progress and advances	1,319	1,898
Total Operating investments	11,234	10,468
Investments from Acquisition and PPA	-	8,554
Total investments	11,234	19,022
Total Operating investments	12,615	11,120

The Group has continued pursuing an investment strategy aimed at maintaining the full efficiency of our cutting-edge production technologies. Investments in information systems and in digitalisation are of increasing importance as they are essential to the innovation process.

The following table presents the ratio between operating investments and revenues. The percentage decreased from 6.5% in 2023 to 4.9% in 2024.

	2024	2023
Operating investments	12,615	11,120
Revenues from sales	255,700	222,686
Total Investments / Revenues ratio	4.9%	6.5%

The movements in Property, plant and equipment and Intangible assets are reported upon in the Explanatory Notes.

Human Resources and Organisation

UmbraGroup continues to maintain a climate of trust and a sense of belonging and satisfaction among personnel, protecting health and safety, while also promoting the principles of legal correctness and transparency, fairness and diligence. A major organisational change was made in 2024 in order to support UmbraGroup's growth internationally. With the support of Korn Ferry, a leading global human resources consultancy firm, an organisational model was drawn up which outlines the leadership and strategic direction role of the Corporate functions for all Group companies, while developing at Divisional level synergies between the various legal entities.

In general, 2024 featured:

- Introduction of Group-wide HR structure;
- Support activities to ERA for payroll management integration and the introduction of the INAZ HR Portal;
- Drawing up of Group People Policy and indicators to be monitored at all subsidiaries;
- Dissemination of the UmbraGroup Leadership Model (S.A.F.E.T.Y.) based on the various organisational levels;
- Creation of a new organisational structure - Integrated Supply Chain;
- Support activities by UmbraGroup S.p.A. for the Group companies in selecting a number of roles hired in 2024 and in the changing of key corporate processes.

Details on Group personnel is presented below.

Employees by geographical area

Geographic area	2024	2023
Italy	1,274	1,237
<i>of whom temporary</i>	80	70
Rest of Europe	125	136
<i>of whom temporary</i>	-	-
North America	231	240
<i>of whom temporary</i>	-	-
Total	1,630	1,613

Employees by company
(including temporary workers)

	2024			2023		
	Male	Female	Total	Male	Female	Total
UmbraGroup Spa	795	67	862	786	60	846
Amco Srl	54	3	57	53	3	56
Serms Srl	4	1	5	4	1	5
Co.Me.Ar. Srl	184	12	196	173	12	185
BSP S.r.l.	93	11	104	95	11	106
ERA S.r.l.	32	18	50	28	11	39
Pke	90	11	101	93	9	102
Kuhn	21	3	24	29	5	34
Linear Motion	142	22	164	147	20	167
Umbra Cuscinetti Inc	53	14	67	58	15	73
UmbraGroup	1,468	162	1,630	1,466	147	1,613

Employees by company and category

UmbraGroup S.p.A.	2024			2023		
	Male	Female	Total	Male	Female	Total
Executives	11	2	13	9	2	11
Managers	17	4	21	19	2	21
White-collar	253	52	305	227	49	276
Blue-collar	514	9	523	531	7	538
Total	795	67	862	786	60	846

Amco S.r.l.	2024			2023		
	Male	Female	Total	Male	Female	Total
Executives	-	-	-	-	-	-
Managers	-	-	-	-	-	-
White-collar	6	-	6	6	-	6
Blue-collar	48	3	51	47	3	50
Total	54	3	57	53	3	56

SERMS	2024			2023		
	Male	Female	Total	Male	Female	Total
Executives	-	-	-	-	-	-
Managers	1	-	1	1	-	1
White-collar	3	1	4	3	1	4
Blue-collar	-	-	-	-	-	-
Total	4	1	5	4	1	5

COMEAR	2024			2023		
	Male	Female	Total	Male	Female	Total
Executives	-	-	-	-	-	-
Managers	-	-	-	-	-	-
White-collar	28	12	40	24	12	36
Blue-collar	156	-	156	149	-	149
Total	184	12	196	173	12	185

BSP	2024	2023
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	Male	Female	Total	Male	Female	Total
Executives	-	-	-	-	-	-
Managers	-	-	-	-	-	-
White-collar	8	11	19	8	11	19
Blue-collar	85	-	85	87	-	87
Total	93	11	104	95	11	106

ERA	2024			2023		
	Male	Female	Total	Male	Female	Total
Executives	1	-	1	-	-	-
Managers	4	-	4	4	-	4
White-collar	18	11	29	15	10	25
Blue-collar	9	7	16	9	1	10
Total	32	18	50	28	11	39

KUHN	2024			2023		
	Male	Female	Total	Male	Female	Total
Executives	-	-	-	1	-	1
Managers	1	-	1	2	1	3
White-collar	2	1	3	3	2	5
Blue-collar	18	2	20	23	2	25
Total	21	3	24	29	5	34

PKE	2024			2023		
	Male	Female	Total	Male	Female	Total
Executives	4	-	4	3	-	3
Managers	11	1	12	11	1	12
White-collar	3	5	8	5	4	9
Blue-collar	72	5	77	74	4	78
Total	90	11	101	93	9	102

LINEAR MOTION	2024			2023		
	Male	Female	Total	Male	Female	Total
Executives	5	-	5	1	3	4
Managers	6	2	8	7	1	8
White-collar	43	12	55	49	10	59
Blue-collar	88	8	96	90	6	96
Total	142	22	164	147	20	167

UCI	2024			2023		
	Male	Female	Total	Male	Female	Total
Executives	1	2	3	2	1	3
Managers	4	1	5	4	1	5
White-collar	7	5	12	13	5	18
Blue-collar	41	6	47	39	8	47
Total	53	14	67	58	15	73

Female

	2024	2023
% female Board of Directors	33.0%	38.0%
% female Executives	15.4%	27.3%
% female employees	9.9%	9.1%

Employee age

The data below does not include temporary workers

Employees age	UGS	AMCO	SERMS	COMEAR	BSP	ERA	PKE	KUHN	LINEAR MOTION	UCI	Total 2024
Up to 30 years	72	8	3	54	12	5	12	3	27	9	205
From 31 to 40 years	161	22	-	70	39	17	29	7	23	17	385
From 41 to 50 years	267	14	2	52	35	18	21	5	26	22	462
over 50 years	287	8	-	20	18	10	39	9	88	19	498
Total	787	52	5	196	104	50	101	24	164	67	1,550

Employees age	UGS	AMCO	SERMS	COMEAR	BSP	ERA	PKE	KUHN	LINEAR MOTION	UCI	Total 2023
Up to 30 years	70	17	3	64	21	5	15	6	21	10	232
From 31 to 40 years	172	21	-	60	37	12	29	11	21	18	381
From 41 to 50 years	271	12	2	44	34	14	18	4	28	22	449
over 50 years	263	6	-	17	14	8	40	13	97	23	481
Total	776	56	5	185	106	39	102	34	167	73	1,543

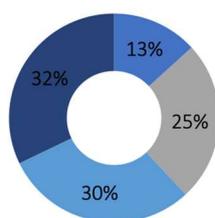
Employees age - Group average

The data below does not include temporary workers

Employees age	2024	2023
Up to 30 years	205	232
From 31 to 40 years	385	381
From 41 to 50 years	462	449
over 50 years	498	481
Total	1,550	1,543

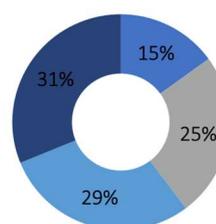
Age of employees - Group percentage

Group Percentage 2024



■ Up to 30 ■ Between 31 and 40
■ Between 41 and 50 ■ Over 50

Group Percentage 2023



■ Up to 30 ■ Between 31 and 40
■ Between 41 and 50 ■ Over 50

Contract type, internal mobility and turnover

The data below does not include temporary workers

Contract method	UGS	AMCO	SERMS	COMEAR	BSP	ERA	PKE	KUHN	LINEAR MOTION	UCI
Permanent employees	767	51	5	196	104	48	100	24	164	67
Temporary employees	20	1	-	-	-	2	1	-	-	-
Employees Full time	771	50	5	178	87	49	95	21	163	66
Employees Part time	16	2	-	18	17	1	6	3	1	1
Number of hires	27	3	-	21	1	14	8	1	33	22
Number of departures	17	-	-	10	3	3	9	8	30	27
Promoted	18	1	-	-	-	-	1	1	9	3
Turnover rate (%)	5.6%	5.8%	0.0%	15.8%	3.8%	34.0%	16.8%	37.5%	38.4%	73.1%

Employees by qualification

Due to the differences between the education systems of the various countries, educational qualifications are classified as follows:

- Elementary and Secondary: those who did not go on to university education;
- Diploma (Higher Education): those who undertook a university education or studies which permitted direct entry into a profession (e.g. surveyor diploma);
- Degree: Includes all those undertaking university or post-university (e.g. Masters) studies.

GROUP	2024			2023		
	Male	Female	Total	Male	Female	Total
University or post-graduate	214	87	301	196	78	274
Secondary-school diploma	870	49	919	879	53	932
Middle-school diploma	174	2	176	191	4	195
Elementary school diploma	142	12	154	131	11	142
Total	1,400	150	1,550	1,397	146	1,543

Training

In 2024, the Group provided training to ensure compliance with local and industry laws and regulations, alongside all training necessary in order to ensure full operational continuity, such as obtaining and maintaining technical certification in the areas of business in which we operate.

The following points encapsulate the training focus:

- Aerospace Culture: Knowledge and application of rules and regulations with an emphasis on Safety Culture;
- Training on the new S.A.F.E.T.Y. leadership model;
- Lean Culture: Continuous Improvement and Process Transformation applied to the Supply Chain;
- Sustainability; Anthropocene and the challenges of sustainability;
- Production Technology: Non-destructive testing;
- English language improvement;
- Health, Safety and Environment.

Human Resources continued its ongoing dialogue with the various stakeholders to identify training and development needs. The processes of needs planning and of conducting and monitoring training efforts involve the various units of the company, with the Human Resources department engaged in integrating the various specific needs across the organisation.

	2024	2023
Average hours of training per capita <i>(UmbraGroup, ERA, Kuhn, PKE, Serms)</i>	13.1	13.8
Average hours of training per capita female <i>(UmbraGroup, ERA, Serms)</i>	18.3	12.6
Training costs <i>(UmbraGroup, ERA, Kuhn, PKE, Serms, Linear Motion, UCI)</i>	472.6	600.0

Performance Management

The performance management system is designed to improve the effectiveness and efficiency of individual performance, aligning it with the company's short, medium and long-term goals. For each beneficiary, the variable remuneration (target bonus) relates to the characteristics of the role performed. The system also provides for continuous performance monitoring to ensure consistency with the objectives set.

Targets are assigned annually and linked to indicators that reflect the performance of the relevant organisational level (Group, Division, Country, Legal Entity) and individual performance. The company's indicators include: EBITDA, Net Financial Position, Revenues, Inventories, "On Time Delivery" and "Safety". Individual performance is monitored in relation to the achievement of three operational targets and behaviours based on the UmbraGroup Leadership Model. The performance management system measures performance against set targets, ensuring constructive feedback and the potential for continuous improvement.

To ensure that the system is sustainable and that value is created, payment of the variable incentive is subject to achievement of the Group's target EBITDA value. The system also provides for periodic review of performance indicators, thereby ensuring that they remain relevant and aligned with corporate strategy.

Agile Work

The agile work project that began in 2020 has produced excellent results in terms of both performance and efficiency, as well as in terms of employee wellness for all those involved, so much so that, at UmbraGroup, it has been made a permanent option when well balanced with in-office work.

The three B's that make work AGILE, are:

- Bricks: changes to physical spaces and selection of the most comfortable setting that meets business and personal needs, so as to maximise performance, creativity, and collaboration. The synthesis of an optimal work-life balance.
- Bytes: Innovation and Technology. Technology is key to implementing an effective agile working model. It enables people to overcome differences in space and time and make work flexible, efficient and productive.
- Behaviour: the focus on people, making them feel accountable and fostering a relationship of trust between managers and their employees. A change in management culture is essential, particularly in terms of evaluations based on defined objectives and achieving predetermined results. It is a different way of working and of interacting, one that is based on autonomy and on the convergence of personal and organisational goals.

Company welfare

UmbraGroup S.p.A. chose to introduce a company welfare policy as an integral part of its remuneration policies, both in terms of collective and company level agreements.

All welfare credits, whether from ordinary welfare or contractual welfare, have been uploaded to the Timeswapp platform, through which employees can purchase goods or services. Via the welfare platform employees can also use their welfare credits to pay for benefits not covered by their health plan, including excluded services, excesses and dental benefits. The Timeswapp platform is currently in use at UmbraGroup S.p.a., Serms S.r.l. and Amco S.r.l. In 2024, ERA S.r.l. also introduced the INAZ Portal and connected to Timeswapp, enabling welfare payments determined by national collective bargaining agreements to be managed from 2025.

Sponsorships and charitable donations

Introduction

2024 marks the 10th anniversary of the passing of UmbraGroup founder Valter Baldaccini, an enlightened entrepreneur who left an indelible mark on his community. His values and ideas continue to inspire our Group and all our people, guiding us towards a vision of business that is based on mutual respect and human relationships.

In this special year, we organised a number of events and initiatives to celebrate our founder and promote the values that Valter Baldaccini unflinchingly upheld. These events did more than just strengthen ties within our community: they also emphasised the importance of peace, personal growth and improved human relations.

Activities in 2024 included sponsorships and charitable donations to support numerous social, cultural and sports causes, as described below.

Sponsorships

The year began with a new musical sponsorship project: a partnership with Mariangela Vacatello, one of Italy's most successful and internationally recognised pianists. The *Dieci colori per 10 sonate* (Ten Colours for 10 Sonatas) project, carried out in collaboration with Fazioli Pianoforti, Cidim (Comitato Nazionale Italiano Musica) and the Pinerolo Academy, highlights the pianist's versatility and performance skills. Ms Vacatello is one of the few pianists in the world, and the only Italian, to have performed the entire cycle of Scriabin's Sonatas. "Ten Colours for 10 Sonatas" was broadcast on RAI 5 on the evenings of January 22 and 23, 2024.

As part of this collaboration and the relationship established with the artist, a leading light in Italy, Mariangela Vacatello honoured us with her performance at the concert *Emozioni e Sogni* (Emotions and Dreams) organised by UmbraGroup on November 28 at the Auditorium of San Francesco al Prato. The pianist's talent, which celebrates the power of music and its expressive value, made for a magical evening. Ten years after his passing, it was a heartfelt tribute to Valter Baldaccini, who always believed in the power of music as an instrument of unity and peace.

We continue to support sports initiatives as opportunities for training, personal growth and the development of young talent. The most important commitment in 2024 was once again in favour of the football school ASD Cannara Calcio, with which we have a strong bond thanks to Valter Baldaccini, who always believed deeply in the school. The objective is to bring young people closer to sports and the healthy values it represents.

Continuing the focus on the value of sports as a socio-educational tool and an opportunity for growth, another important commitment in 2024 was the organisation of the event "A Goal for Valter" event, in collaboration with the Valter Baldaccini Foundation. This was a two-day tournament dedicated to our Founder and aimed at boys under the age of 13. The objective here was to bring young people closer to the positive values of sports, including fair play and respect for the opponent.

Support continued for the fencer Andrea Santarelli in 2024, his Olympic year, in the belief that to get to the top, in sport as much as in the manufacturing sector, sacrifice, work and dedication are needed, as well as the team spirit, vision and continuous improvement that allow you to stay at the top of your game. This shared outlook formed the basis of a journey that culminated with the Foligno-native fencer's participation in the 2024 Paris Olympic games, the high point of any athlete's career.

Also worthy of note is the second year of the "Adopt a Nectariferous Forest", which underlines the importance that environmental sustainability has for UmbraGroup. The project's goal is to create new habitats for pollinators and therefore protect local biodiversity. Having already committed to the project in 2022, UmbraGroup renewed its commitment this year through the sub-project entitled "Adopt a Hive-tech Beehive", a hive that allows constant monitoring of bee conditions and is located in the Umbertide area of Umbria.

The project promotes the creation of pastures with nectar-producing blooms, so that pollinators can find honey supplies in all the seasons in which they are active. The nectariferous forest we have adopted is located in Umbria, near to the town of Gubbio. The project allows us to actively participate in a positive change, as a promoter of environmental regeneration, in favour of biodiversity and ecosystems, with not only environmental but also important social and economic impacts. This initiative represents the start of a sustainable and ethical path.

Among other smaller sponsorships was that of Atletica Winner, an athletics association that continues to gather together in Foligno numerous athletes of different disciplines, of all ages and abilities, including both beginners and professionals.

Charitable donations

Social development remains a fundamental and non-negotiable institutional value for UmbraGroup. Every year, we take concrete action to redistribute wealth within our extended community. As the founding member and a major donor to the Valter Baldaccini Foundation, 2024 saw us again contribute significantly to supporting national and international projects for the most vulnerable people, supporting the Foundation's initiatives in the areas of family, education and work.

The partnership with ANT continued through the MEN'S ANT project, which sought to promote worker health and well-being through targeted nutritional education and diet therapy activities. Core activities include personalised nutrition counselling, meetings on nutritional education, and ongoing follow-ups. Nutrition counselling, which is available both in-person at the company and online, includes anthropometric and impedance examinations, energy balance analysis, and the creation of personalised diet plans. The main goals of the project include: lifestyle changes to adopt proper nutrition, increased awareness and promotion of proper eating habits, and increased knowledge and awareness of healthy eating. A particularly significant extended community project was the support provided to help the Assisi Misericordia purchase a new ambulance, a real lifesaver for the health and social services offered by the organisation. The acquisition ensures greater support and service coverage for anyone who needs it.

As a company with a constant focus on the local area, we are proud to be able to make such a significant contribution to the well-being of the community.

Valter Baldaccini Foundation

In 2024, the Valter Baldaccini Foundation carried out **nine national and international projects**, supporting continuity and implementation of the work already in place. In Italy, and above all for the community closest to the Foundation, the following were carried out:

1. "WITH FAMILIES"

With the collaboration of the "La Tenda" educational community and the Umbria 2 Health Authority, support continued renewed for the sixth year for the "Con le Famiglie" (With the Families) project, conceived by doctors Marta Franci and Maria Frigeri from the Foundation's Scientific Committee. Since its inception, the project has supported 39 children born into disadvantaged and vulnerable families with home visits by two specialised educators. The educational initiative follows a precise method: the Touchpoints approach of the US paediatrician Brazelton. The multidisciplinary team benefits from supervision from Dr. Gianni Di Cesare. A total of six families and six children were supported in 2024.

2. MELANOMA PREVENTION DAYS

Together with the ANT Foundation in Umbria, two days of free examinations for all citizens (October 10-11, 2024) to prevent thyroid tumours were organised. 48 checkups were conducted in a fully equipped ambulatory camper van parked in Piazza San Domenico Foligno.

3. FAMILY AND WORK

As part of the "Family and Work" project, implemented for the first time by the Foundation in 2024 in collaboration with the Regional Delegation of Caritas Umbria, two one-year work grants were launched for two vulnerable people in local homes managed by Caritas.

Also in Italy, three extraordinary support initiatives were introduced:

- an extraordinary donation was made to "TMA - *Tienimi per Mano* (Hold my Hand)," which cares for children and young people with autism, for the purchase of a minibus. This is essential in carrying out the association's various activities as it provides access to social inclusion events such as sports, cultural visits and experiences in nature.
- the F. Morlacchi Music Group was supported in purchasing new musical instruments as part of the project "Do, Re, Mi... You're an instrument, too!". This project was promoted by the Cannara band in collaboration with the Cannara and Bevagna high school and sought to make music accessible to all. Scientific studies continue to show that music promotes inclusive relationships and supports the cognitive and emotional development of the people who play it;
- following up on the fundraising carried out following the flood in Emilia-Romagna (May 2023), the association La Piccola Betlemme of Faenza, which runs a soup kitchen and emporium for vulnerable families and has assisted a number of flood victims, was identified as a beneficiary. The donation was provided to purchase a refrigerated cart and another to keep food warm.

At the international level, six projects were funded in Europe and Africa.

1. SUPPORT FOR CHILDREN IN BURKINA FASO

Distance adoptions continued in Burkina Faso, enabling 24 children to attend school in 2024. The contact person at the Sisters Apostles of the Sacred Heart, Sister Philomène Kiendrébégo, keeps us updated on academic progress, and each year the children send us their photograph, which we in turn send to donors. An extraordinary donation was also made in 2024 to give three young girls the opportunity to attend tailoring school.

2. SUPPORT FOR CHILDREN IN KENYA

The distance support project in Kenya, carried out in partnership with Opus Mariae Paulo Melo, enabled 37 children to attend school in 2023. Joab Omoto, our contact person, periodically updates us on the stories of the children supported through a newsletter, and twice a year we receive letters with photos of them. University education was supported for two particularly deserving girls and Mary graduated in December 2024. In 2024, Kenya was hit by heavy rains that flooded part of the Mathare slum. To support some of the hardest-hit families, the Foundation made an extraordinary donation of Euro 1.5 thousand.

3. JOBS FOR YOUNG MOTHERS IN MATHARE, NAIROBI

Also in Kenya, in the Mathare slum, 2021 saw the launch of a project dedicated to 15 very young mothers, some of them minors, who were victims of violence and/or forced into prostitution. This project continued in 2024. For one year, they were given the opportunity to learn a skill and receive psychological care and a small contribution for their own and their children's expenses.

4. MUTANU: "PINK VEGETABLE GARDEN"

Also in Kenya, the "Mutanu: pink vegetable garden" project continues to thrive, thanks in part to the collaboration with the "KATHONZWENI CATHOLIC DISPENSARY". In the now fifth year of the project, twenty women, led by Sister Federica Zoia, continue with the cultivation of vegetables and the breeding of goats, chickens, cows and bulls. Due to drought and some thefts, in 2024 the greenhouse was moved and the fruitful entrepreneurial activity of renting tents and chairs for events was increased.

5. UNIVERSITY EDUCATION AND JOB PLACEMENT FOR YOUNG PEOPLE IN KOSOVO

Project partner: NGO Shoqata and Agrikultur Sociale Zllakuqan (CSZ) and Caritas Gubbio (La Cordata)

In Kosovo, with the collaboration of the NGO Shoqata, Agrikultur Sociale Zllakuqan (CSZ) and Caritas of Gubbio (La Cordata), support for the University for Dardana continued for the third year. Internships designed to lead to job placement also began for Hasimet in the bakery, Valentina in housework and housekeeping, and Laura, who supports the activities of the children taken in.

6. TRAINING FOR WOMEN IN UKRAINE

For the second year, a project was carried out in Ukraine. For 2024, a training course was organised for a Group of 20 women, which sought to help them create a real business plan and apply for funding to implement their idea through funds made available to displaced women. Contact and the subsequent collaboration of the University of Lviv came through Director Marco Moschini.

In terms of foreign collaborations, we also note:

- a contribution of Euro 1,000 to Emmaus House, Michigan, USA, which helps women affected by addictions, prison and violence on their path to rehabilitation;
- a contribution of Euro 3,000 to the sisters in Mathare, Kenya, which is earmarked each year for the most urgent situations they face.

Initiatives and significant events

- To mark its ninth anniversary, the fairy tale "Valter dei desideri" (PAV editions), written by Loretta Bonamente and illustrated by Annalisa Beghelli, was published. The public presentation (May 25) took the form of a theatrical adaptation, written and performed by Loretta Bonamente, directed by Giacomo Nappini Casuzzi and with the collaboration of the boys and girls of Protemus.
- 2024 marked the 10th anniversary of Valter Baldaccini's passing. The Foundation therefore joined UmbraGroup in an event to name the Cannara Stadium after Valter (June 15).
- Valter Baldaccini also received two awards in 2024: the June 20 "*Io sono una persona per bene*" (I am a decent person) award, sponsored by the association of the same name. On September 21, on the International Day of Peace, Pro Foligno awarded him the "plaque of honour" for his ability to bring the values of peace to the world.
- The book "*Valter Baldaccini: un imprenditore illuminato al servizio del bene comune*" (Valter Baldaccini: an enlightened entrepreneur in the service of the common good)", a collection of his writings and speeches, edited by Professor Marco Moschini and published by FrancoAngeli, was presented at the Serafico in Assisi (February 5) and, on the initiative of the Ente Festa della Cipolla di Cannara, at the Ettore Thesoreri Theater in Cannara (September 14).

- On the afternoons of August 29 and 30, the fourth edition of the "Un goal per Valter" soccer tournament was held at the "Parco XXV Aprile" stadium in Cannara (PG). This is an event organised by ASD Cannara in memory of Valter Baldaccini. Together with UmbraGroup, the Foundation supported its organisation and implementation.
- Throughout 2024, the radio programme *Donne d'impatto. Storie di donne che cambiano il mondo* (Impact women: stories of women changing the world) continued. The show is produced in collaboration with Radio Gente Umbra and hosted by Beatrice Baldaccini and Fabio Luccioli. The goal of the programme is to give a voice to women who, through their work in different sectors, contribute to their community by promoting positive values of sharing, tenacity and courage. The protagonists of this season were:
 - **Teresa Messore** Captain of the Spoleto Carabinieri Company since 2021. Through her passion, deep-seated values and great humanity, she has made a professional choice of great responsibility, a commitment that dovetails every day with her other great love: family.
 - **Stefania Proietti** is a mechanical engineer, second-term Mayor of the City of Assisi and Chairperson of the Province of Perugia (now President of the Region of Umbria). Her interview revolves around the word courage, which is fundamental - along with the support of her family - in governing Assisi, a city that combines the daily needs of by its citizens with those of pilgrims from all over the world who come seeking the message of dialogue and peace in the land of St. Francis.
 - **Maymouna Abdel Qader** is a cultural mediator and head of Perugia's Islamic Cultural Centre. Calling herself a "Muslim of Catholic culture", she was born in Italy to parents of Jordanian and Palestinian descent, is married to a man from Puglia, and is the mother of two children. We talked with her about interfaith dialogue, trust in the younger generation, and commitment to the future of women.

Communication and fundraising

The Foundation was able to draw on an UmbraGroup contribution worth Euro 110 thousand. Overall donations in 2024 also increased from previous years. The upward trend in donations withheld from UmbraGroup employees' paychecks is also noteworthy (up Euro 2 thousand on 2023). The same is true for donations of annual leave hours, which increased by Euro 1.7 thousand.

The 5x1000 campaign, which is very important to the Foundation, was introduced and in 2024 saw an increase in both the number of choices and the value given.

Thanks to an initiative introduced by Vice-Chairperson Sara Ortolani, the Foundation was for the second year involved in the fantasy literary contest *Fuga della realtà... con un pizzico di magia* (Escape from Reality...with a Dash of Magic). This saw the publication of an anthology whose proceeds go to the "With Families" project. The links to fantasy were also on show as the project "With Families" was the recipient of the important fundraiser sponsored by "Eteria Cultural Association" at the second edition of Fantasy Dinner (November 30).

The Friends of Bonsai Club also made an additional contribution to the "With Families" project at the fourth "Autumn Bonsai and Solidarity" luncheon (November 17, 2023).

The Foundation's projects have also benefitted from gestures of solidarity related to the celebration of birthdays, weddings, baptisms and spontaneous initiatives suggested by UmbraGroup workers.

Late 2024 also saw the launch of **Azienda Giusta**, the membership programme for companies willing to pledge a donation to support the Foundation's projects. The amount raised, not including UmbraGroup's contribution, was Euro 34 thousand.

In terms of communication in 2024, work continued to improve communication of the Foundation's activities and projects through constant updates to the institutional website, social media, and the semi-annual periodical "Dalle Radici", produced in Italian and English and also sent as a printed version to around a hundred contacts. A newsletter is also sent every two months or so to all subscribers.

Staff and volunteers

In 2024, the Foundation had one full-time staff member. Since 2024, the Foundation has made use of the external consulting services of No profit Factory (Ms. Veronica Manna and Ms. Giulia Barbieri).

Overall, fifty volunteers - the majority UmbraGroup employees - decided to stand with the Foundation, supporting it in its activities and serving at the Caritas canteen in Foligno. Volunteer contributions are also crucial in running events promoted by the Foundation, and we took a small group to Leskoc House, Kosovo, in July 2024.

The 2024 edition of the Golden Heart Award, established in thanks to those who particularly distinguish themselves in proposing new support for the Foundation or who have made a gesture that has particularly impressed us, was awarded to volunteer Simona Pergolesi, a tireless cook in life and in her free time, to the UmbraGroup football team for donating a day's holiday to the Valter Baldaccini Foundation from their trip to Hamburg, and to the cultural association Eteria for the attention it always pays to solidarity by creatively involving the Valter Baldaccini Foundation in many fantasy-themed initiatives and for always supporting the "With Families" project with great generosity.



Conclusions and outlook

In 2025, the Foundation will celebrate its 10th anniversary. Existing projects and relationships will continue to be strengthened, while space will also be given to new ideas and projects built around the needs emerging in the Valter Baldaccini Foundation's three areas of intervention: family, education and work. The Foundation's development strategy is to increasingly function as a creator of its own projects and to detach itself more and more from the idea of a "disbursing institution". Strengthening the Azienda Giusta programme will be crucial in 2025.

In 2025, UmbraGroup renewed its support for the Foundation's projects and activities through a contribution of Euro 110 thousand. It also resolved to provide Euro 50 thousand of extra support to produce a documentary dedicated to the life of Valter Baldaccini, which will be presented to the public in May 2025.

The Valter Baldaccini Foundation's 2024 Financial Statements, with details of all the activities and the projects carried out, is available on the website www.fondazionevb.org

Code of Ethics

The Ethics Code presents the set of values which the Group recognises, shares and promotes, in its awareness that the principles of correctness, loyalty and transparency are a major driver for economic and social development.

The ethics code was extended to all Italian and overseas subsidiaries and consists of 7 sections whose contents, based on the main national and international laws and regulations on corporate social responsibility, commit the Group's corporate boards, management, employees and collaborators.

Environment, Safety and Health

Health and Safety

In 2024, strategic action was taken that enabled us to achieve important objectives, not only financially, but also in increasing awareness of ESG (Environmental, Social and Governance) issues and monitoring the KPIs related to environmental and social impact, all with a view to constant improvement. Sustainability is part of the Group's DNA, and will increasingly be a competitive advantage in the energy transition.

In order to ensure the continued growth of its business, UmbraGroup focuses closely on workplace health and safety and on environmental impacts, in addition to the commitment to continually improve processes in order to minimise health and safety risks. The Group is aware of its responsibility to its employees. The utmost care is therefore paid to reducing risks and improving the psycho-physical well-being of all staff.

Safety indicators

Occupational health and safety*	2024	2023
Number of injuries	8	13
Injury hours	1,113	1,951
Hours worked	2,669,378	1,983,246
<i>Index "i" [injury hours*100/hours worked]</i>	<i>0.042</i>	<i>0.098</i>

**including temporary staff - excluding commuting injuries - 2023 data not including COMEAR, BSP and ERA as they are not yet part of the Group*

Accidents and Occupational illnesses

At the Group level, there were eight work-related injuries in 2024, five fewer than the 13 reported in 2023. Total injury hours at Group level decreased from 1,951 in 2023 to 1,113 in 2024, and considering the increase in hours worked from 1,983,246 in 2023 to 2,669,378 in 2024, the I-index improved significantly, from 0.098 in 2023 to 0.043 in 2024.

Certifications

At parent company level, in November, TÜV Italy conducted an audit for the renewal of ISO 45001 (Occupational health and safety) and ISO 14001 (Environmental management) certification of our integrated management system. Both certifications have been renewed until December 2027, and no non-conformities in the management system were encountered. Also in November, TÜV audited the UmbraGroup to maintain management system certification under ISO 50001 (energy management issued in January 2023). The audit was successful and no non-conformities were identified. In 2024, German subsidiary Präzisionskugeln Eltmann GmbH also passed audits related to UNI EN ISO 14001 (environmental protection) and UNI EN ISO 50001 (energy management) certifications. The same was true for ERA, which achieved ISO 45001 and 14001 certification for the first time. COMEAR and BSP also renewed their certifications under ISO 45001 and 14001.

Environmental indicators

For the Group, protecting the environment and natural resources is a key objective for sustainable growth in the medium/long-term. The Group is constantly committed to protecting natural resources, as we seek to reduce the environmental impact and risks of our operations.

The specific KPIs for electricity consumption, natural gas consumption, water consumption and waste generation will be commented on below in detail.

Energy Consumption

The Group has begun a process to achieve energy efficiency and gradual decarbonisation through various structural and managerial measures. We are also working to increase awareness within the Group surrounding energy saving, the use of renewable energy, the responsible use of natural resources, and lifestyle changes, to promote responsible, sustainable conduct among all our employees.

Electricity

Electricity	2024	2023
Electricity acquired from the grid [MWh]	33,512	31,559
Electricity produced by renewable sources [MWh]	3,083	329
Total electricity consumption [MWh]	36,595	31,888
Turnover [k€]	255,700	222,686
KPI [Kwh/k€]	14.3%	14.3%
KPI [% renewable energy]	8.4%	1.0%

* 2023 data not including COMEAR, BSP and ERA as not yet part of the Group

Non-financial data

The index that monitors electricity consumption improved in 2024 compared to 2023. This is the result of proper plant management using automatic logic and constantly monitoring consumption to avoid waste.

Methane gas

Cubic metres	2024	2023
Methane gas [smc]	711,719	749,332
Degree days [days]	NA	NA
KPI [smc/days]	N/A	N/A

* 2023 data not including COMEAR, BSP and ERA as not yet part of the Group

Non-financial data

Methane gas consumption in 2024 reduced on 2023 thanks to the focus on containing scope 1 emissions

CO₂eq emissions

CO ₂ eq emissions*	2024	2023
Scope 1 emissions [tonne CO ₂ eq]	1,859	2,030
Scope 2 emissions [tonne CO ₂ eq] - Location-based	11,517	10,707
Scope 1 + Scope 2 Location-based emissions [tonne CO ₂ eq].	13,376	12,737
Turnover [k€]	255,700	222,686
KPI [tonneCO ₂ eq/k€]	0.052	0.057

* 2023 data not including COMEAR, BSP and ERA as not yet part of the Group

Non-financial data

The index that monitors Group-wide CO₂ emissions has improved since 2023 as a result of subsidiaries' increased use of self-generated renewable energy.

Water (Drinking and non-drinking)

m ³ (cubic metres)	2024	2023
Water (Drinking and non-drinking) (m ³)	47,803	43,282
Turnover [k€]	255,700	222,686
KPI (m ³ /k€)	0.187	0.194

* 2023 data not including COMEAR, BSP and ERA as not yet part of the Group

Non-financial data

Water consumption in 2024 increased in absolute terms compared to 2023 but the KPI for water consumption as a percentage of revenue shows a sharp reduction due to water management efficiency.

Waste

Waste	2024	2023
Waste to recovery [Kg]	3,632,880	2,046,154
Waste to landfill [Kg]	231,530	289,191
Total waste produced	3,864,410	2,335,345
Revenues [€/000]	255,700	222,686
KPI [Kg/€/000]	15.11	10.49
KPI [% recovered]	94.0%	87.6%

* 2023 data not including COMEAR, BSP and ERA as not yet part of the Group

Non-financial data

As regards waste management, to raise our standards of environmental sustainability as far as possible, we are working on two aspects:

- reducing the amount of waste generated in relation to the turnover generated
- increasing the proportion of recyclable waste to total waste generated.

As shown by the table above, since 2023 we have greatly improved the recyclability of waste, from 87.6% to 94.0%.

Management and co-ordination

UmbraGroup S.p.A. is controlled by the company Poliscom S.r.l., with Registered Office in Florence, and Tax Code 02778900544.

The company is not subject to management and co-ordination pursuant to Art. 2497 and subsequent of the Civil Code. This is due to the fact that the majority shareholder does not carry out management duties within the Company, and, regardless of having the right to vote at the Shareholder's Meeting, does not participate in the preparation of strategic, business, financial or budgeting plans, or issue any binding instructions or directives. The Company is administered by a Board of Directors that autonomously defines its strategic, business, financial and budgeting plans and dictates operational directives. The Parent carries out its operations through an autonomous and independent decision-making process; it has independent decision-making capacity with clients and suppliers and independently manages its treasury in accordance with the corporate scope and any other service. The Company has also appointed an independent CEO, to whom it has given broad powers.

Transactions with subsidiary, associated, parent and other related companies (see Article 2427(1), No. 22-bis, of the Civil Code)

UmbraGroup S.p.A. transactions with other Group companies are part of ordinary operations and are regulated at market conditions, i.e. the conditions that would be applied between two independent parties, and are undertaken in the interests of the Company.

UmbraGroup S.p.A. transactions with subsidiaries and associates are undertaken in the interest of Group synergies in terms of operating integration and the efficient use of existing expertise, operating structures and financial resources.

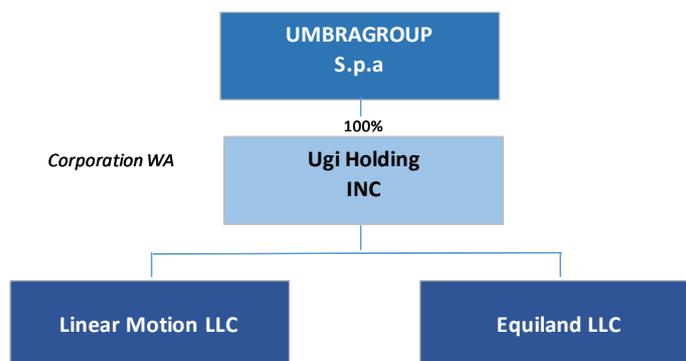
Financial transactions were executed at market interest rates.

The Parent Company holds investments in the following subsidiaries:

1. Kuhn GmbH – Freiberg – Germany
2. Umbra Cuscinetti Inc. – Everett – USA
3. UGI Holding Inc – Everett – USA
4. Prazisionkugeln Eltmann GmbH – Eltmann – Germany
5. AMCO S.r.l – Foligno (PG)- Italy
6. Serms Srl – Foligno (PG) - Italy
7. Co.Me.Ar. Srl – Spello (PG) – Italy

- 8. BSP Srl – Spello (PG) – Italy
- 9. ERA Electronic Systems Srl – Perugia - Italy

It should be noted that the subsidiary UGI Holding Inc in turn owns 100% of Linear Motion LLC and Equiland LLC, according to the structure shown below:



The other Group companies approved the respective 2024 financial statements or drafts thereof, with their results and balance sheets reported and outlined in the condensed statement attached to the Explanatory Notes. With regards to Article 2364 of the Civil Code, UmbraGroup S.p.A., as a company required to prepare consolidated financial statements, opted for the extended deadline for approval of the Financial Statements.

Commercial and financial transactions with the other Group companies are summarised below:

Company	Financial receivables	Trade receivables	Trade payables	Revenue and other income	Purchases	Other
Umbra Cuscinetti Inc.	4,321	9,198	146	3,778	231	190
Kuhn GmbH	-	728	-	1,411	71	-
UGI Holding Inc	5,852	-	-	-	-	234
Linear Motion LLC.	-	5,962	252	6,760	967	44
PrazisionkugelIn Eltmann GmbH	-	216	71	315	1,130	-
AMCO S.r.l	-	99	-	271	4,985	-
Serms S.r.l	-	25	131	22	178	-
Co.Me.Ar. S.r.l.	-	53	-	71	4,735	-
BSP S.r.l.	-	288	237	859	910	-
ERA Electronic Systems S.r.l.	-	300	1,168	260	2,445	-
Total	10,173	16,870	2,005	13,746	15,651	468

Transactions with the Parent Company under the Tax Consolidation are reported below.

Company (Euro thousands)	Receivables	Payables
Poliscom S.r.l.	1,645	-

The Parent Company undertook transactions with the related party EDIL UMBRA S.r.l.; these are commercial transactions, are part of ordinary operations and are regulated at market conditions, i.e. the conditions that would be applied between two independent parties, and are undertaken in the interests of the Parent Company.

Commercial transactions are summarised below:

Company (Euro thousands)	Trade receivables	Trade payables	Sales	Components and treatments purchased	Other
EDIL UMBRA S.r.l	-	19	-	-	71

Subsequent events

On **January 30, 2025**, the Board of Directors of the Parent Company approved the new rolling 2025-2029 Business Plan as an update of the previous plan approved by the Board of Directors on January 30, 2024.

The strategic and value creation pillars were confirmed with a view to consolidating the processes introduced in the preceding years.

Outlook

Looking ahead to 2025, UmbraGroup retains its ambition to remain for customers the intelligent supplier of actuators, ball screws, bearings and components for high-tech markets, developing innovative and sustainable solutions to successfully meet the challenges that shape the global market.

At a time of great uncertainty, on the basis of the order book and considering the changes in the macroeconomic and geopolitical context in late 2024, having implemented commercial risk mitigation and management actions, the Group expects to see revenue growth on the previous year.

For the Parent Company in particular, in January 2025, the Aerospace line had an order book providing almost total coverage of the forecast volumes. In the same period, the Industrial line order backlog bucks the trend, despite the ongoing stagnation of the global market; expected volume coverage exceeds 50%, in contrast to 40% last year. In the Aerospace segment, market interest in the Ema line products continues in 2025, though several programmes have been subject to slippage. In the Industrial sector, the Automotive and Sheet Metal segments continue to contract, while the recovery in the Biomedical and Robotics sector continues.

In April, a new risk factor emerged in the macroeconomic and geopolitical environment: the imposition of US tariffs on other countries. This was to be expected following Donald Trump's election campaign, but not on such a scale. It is too early to estimate the impact on our sales volumes, which in any case will be minimally affected in 2025.

Principal risks and uncertainties

With reference to the disclosure required by Article 2428 of the Civil Code, paragraph 2, No. 6-*bis*, it is reported that the Group operates in a very dynamic market environment and therefore faces multiple risks in the conduct of its business, which are nevertheless an indispensable condition for conducting business in the market sectors in which UmbraGroup operates. The management of risks is therefore an integral part of company operations.

Risk management fosters awareness in company decision-making, reduces the volatility of results against objectives and is managed with a view to obtaining a competitive advantage.

The outlook on operations for 2025 could be influenced by risks and uncertainties that depend on a great many factors – first and foremost concerning the conflict in Ukraine and the Middle East, market performance, the imbalance in the supply and demand of certain goods and services, inflation and climate change – most of which are beyond the Group's sphere of control.

In relation to these outside variables, the Company's objectives may be affected by the variability of certain risk factors, including: the instability of the markets, the possibility of adequately and promptly procuring raw materials and other resources necessary for production, the ability of customers and suppliers to comply with contractual obligations undertaken and to undertake new ones, the review, by customers, of purchasing strategies, the restrictions arising from any measures to protect the health of individuals, with repercussions on the Company's commercial and industrial action. Given that the Company does not carry out speculative actions assuming risks that are not related to its core business, we can classify risks into four main categories: external risks, strategic risks, operational risks, and financial risks.

External Risks

Risks associated with Macroeconomic developments

In early 2025, the International Monetary Fund confirmed its 3.3% forecast for global GDP in 2025 and 2026; this is against a backdrop of disinflation and falling rates, flanked by risks related to conflict and protectionism and confirmed by Trump's decisions in April 2025, which could revive inflation and trigger new global shocks.

Strategic risks

Market risk

UmbraGroup operates in the Industrial and Aerospace sectors, and is exposed to market risks related to specific trends in these sectors. In order to mitigate such market risks, the Company is working on expanding products and applications in line with customer demand, and on diversifying the customer portfolio as much as possible.

Operating risks

Product risk

The "Product" category includes all risks related to product defects as a result of "quality levels" which expose the Group to replacement and repair costs and which, if not handled correctly and if repeated over time, may result in reputational damage. Product non-conformity may be attributable to suppliers or internal processes. A rigorous quality control system has been introduced to mitigate this risk. The Group has also taken out insurance contracts to protect the Group from issues caused by product defects.

Raw materials risk

Critical raw materials are of major importance to aerospace and industrial applications, particularly those that entail high levels of technology, such as sensors, the microprocessors used in EMA production, and other similar components. In certain cases, these raw materials are of strategic importance and can impact the equilibrium of supply and demand and effect market prices and/or the availability of goods, particularly under scenarios such as the current geopolitical landscape, including the outbreak of wars that are deteriorating relations between sovereign states. To mitigate such risks, the Company builds up safety stocks to cope with critical moments and market tensions.

Supply chain risk

The Group relies on a range of suppliers both of raw materials and semi-finished products and components in undertaking its operations. Group activities are shaped by the capacity of its suppliers to meet quality standards and the related classifications. In order to contain these risks, the Group undertakes a detailed selection and periodic assessment of its suppliers on the basis of professional and functional criteria, utilising international benchmarks.

Price risk

Raw material prices depend on a broad range of factors which are difficult to predict and largely outside the Group's control. Although historically the Group has not encountered particular difficulties in acquiring adequate amounts of and appropriate quality raw materials, it may not be discounted that difficulties may arise in terms of supply, resulting in increased costs with impacts on Group results.

IT security, data management and dissemination risks

The growing importance of the company's technology infrastructure increases the Group's exposure to various types of both internal and external cyber risks. Among them, the most critical are cyberattacks, which are a threat that must be defended against. The Group has developed operational policies and technical security measures to ensure adequate protection of corporate data and information. We also note that, for several years, the Group has had coverage in place for cyber security risks.

Environmental and sustainability risks

The main risks that may arise from climate change and the transition to a low-carbon energy model are related to the improper management of energy and emission sources, risks related to rule/regulatory changes associated with combating climate change, and risks related to health and physical well-being. Among the main risk factors to which the Group may be exposed are greater reporting requirements on emissions produced, expectations with respect to the use of low-impact energy sources, and uncertain market signals with potential unforeseen changes on energy prices. Finally, we highlight the risks arising from progressively changing weather conditions and extreme weather events that expose the Group to damage to infrastructure, such as industrial buildings or plant and machinery, or potential disruptions to essential supplies and the potential contraction of production capacity. In order to partially mitigate this risk, the Group

has taken out an insurance policy that covers direct damages from weather events such as hurricanes, blizzards, storms, wind, hail, floods, and earthquakes. Transition risks associated with moving to a low-carbon economy also include reputational risks: failing to undertake a gradual process of decarbonization could have negative impacts on the Group's reputation and consequently on its financial performance. To mitigate energy price variation risks, the Parent Company has concluded commodity hedging contracts and invested in photovoltaic systems that cover approximately 80% of its needs.

Financial Risks

Interest rate risk

The Group is exposed to fluctuating interest rates on funding operations, payables and bank loans and on leasing contracts.

As at December 31, 2024, the Parent Company's medium to long term fixed-rate debt represents 24% of total debt. Considering the debt covered through interest rate fluctuation risk management tools, the percentage rises to 78%.

Currency risk

The Group is exposed to fluctuations in the exchange rates of the currencies in which sales transactions are executed (principally US Dollars). In 2024, approx. 44% of the Parent Company's revenues were in USD (at the average exchange rate for the year), compared to 41% in 2023.

This risk is in addition to the possibility that the Euro value of revenues reduces following unfavourable exchange rate movements, impacting the achievement of the desired margin.

In order to contain the currency risk from commercial operations, the Parent Company undertakes derivative contracts to fix in advance the conversion rate, or a preset range of conversion rates, at future dates.

Liquidity risk

The Group manages liquidity risk through close control of the operating working capital components and in particular trade receivables and trade payables.

The Group is committed to strong cash generation to meet supplier payments, without therefore compromising short-term treasury equilibrium and avoiding current liquidity difficulties. The Treasury department constantly monitors forecast needs with a view to guaranteeing adequate credit lines, and ensuring a good balance between short term and medium to long term debt.

Credit risk

Credit risk represents the exposure of the Group to potential losses due to the non-compliance with obligations by commercial and financial counterparties.

The Group generally favours consolidated ongoing commercial relationships. According to Group policy, customers that request payment extensions are subject to a credit rate check, both using information which may be sourced from specialised agencies and from observation and analysis of existing client data. Moreover, the collection of receivables is constantly monitored during the year in order to ensure timely action and to reduce the risk of losses.

The risk that significant non-performing positions arise for certain clients may not, however, be excluded. Such positions would result in impairments, with consequent impacts on the Group's income statement.

Information in accordance with Article 2428 of the Civil Code

The most significant research and development projects pursued in 2024 are described below.

The Parent Company continued to strengthen research by focusing increasingly on "More electric aircraft", where participation in research programmes in the aeronautical sector (with possible spin-offs also in the industrial sector and particularly for the shipbuilding market) continued in order to develop cutting-edge technologies that go beyond the technological state-of-the-art. The UmbraGroup's main areas of development in the year related to electric motor replacements for conventional propulsion, propulsion motors with integrated actuators for blade pitch variation, actuators for primary surfaces, ultra-compact actuators for wings of the future, screw component status monitoring systems in actuation systems, electric motors and electromechanical actuation for auxiliary systems, and actuation for Advanced Air Mobility.

Industrial relations for the research activities in progress have been developed and were further consolidated with sector leaders (such as Airbus) which, thanks to identified innovations, can boost business volumes.

Digital and ecological transition activities also continued during 2024.

Treasury shares

At December 31, 2024, the parent company holds 45,499 treasury shares, comprising 13.65% of the share capital.

Description	Number held	Share capital (%)
Treasury shares	45,499	13.65%

We outline below the holding and movement of treasury shares in 2024:

Description	Start of year	Sold	Year-end
Treasury shares	47,620	2,121	45,499

The change is attributable to the sale of treasury shares to parent company employees in December 2024, which is discussed under significant events.

The Parent Company does not hold treasury shares through trust companies or nominees.

The Parent Company in addition has not held and does not hold, neither directly or indirectly, parent company shares.

Tax consolidation participation

As it has done since 2009, in 2024 the Parent Company exercised the national tax consolidation option with the Holding Company Poliscom S.r.l.

Legislative Decree 231/01

The Parent Company adopted an Organisational Model modelled on its specific needs, setting out a complete system of internal control and organisation in order to ensure legality, correctness and transparency in the conducting of business, in addition to the protection of UmbraGroup S.p.A. from liability under Legislative Decree No. 231/01, and therefore in protection of all Company stakeholders.

In 2024, the Supervisory Board carried out its institutional role and regular meetings allowed for useful discussion of the 231 System adopted by the Company and enabled the Supervisory Board to look more closely at specific processes, particularly those that are involved in the company's organisation as it evolves in line with the Group's vision.

As indicated in its annual report for 2024, the Supervisory Board did not find any critical issues or anomalies in conduct, facts or events relevant to UmbraGroup's liability for administrative offences, or any violations of the ethical principles enshrined in the Ethics Code.

The Company introduced, by the deadline of December 17, 2023, a whistleblowing reporting process as per Legislative Decree 24/2023, establishing an IT platform with an internal reporting channel in compliance with ANAC guidelines. Furthermore, the Board of Directors appointed the Supervisory Board as Reporting Manager, as per Article 5 of the aforementioned Legs. Decree No. 24/2023.

In 2024, no reports of violations set out by the Whistleblowing Decree were received, nor were any reports filed against UmbraGroup and sent through the external channels under the relevant regulations.

We thank you for the trust afforded to us and invite you to approve the financial statements as presented.

Chairperson of the Board of Directors

Reno Ortolani

Foligno, May 22, 2025

Financial Statements at December 31, 2024

Consolidated Balance Sheet at December 31, 2024

<i>In Euro thousands</i>	Note	December 31, 2024	December 31, 2023
INTANGIBLE ASSETS	6	10,785	13,076
GOODWILL	7	12,074	12,074
RIGHT-OF-USE ASSETS	8	15,898	11,863
PROPERTY, PLANT AND EQUIPMENT	9	72,792	71,804
NON-CURRENT FINANCIAL ASSETS	10	1,170	905
NON-CURRENT DEFERRED TAX ASSETS	11	756	502
OTHER NON-CURRENT ASSETS	12	41	38
NON-CURRENT ASSETS		113,516	110,262
INVENTORIES	13	94,649	83,360
TRADE RECEIVABLES	14	36,403	35,907
TAX RECEIVABLES	15	2,315	890
OTHER CURRENT FINANCIAL ASSETS	10	12,815	36,696
CURRENT DEFERRED TAX ASSETS	11	8,583	8,879
OTHER CURRENT ASSETS	12	10,748	12,146
CASH AND CASH EQUIVALENTS AND DEPOSITS	16	77,006	48,885
DERIVATIVE INSTRUMENT ASSETS (CURRENT)	17	42	380
CURRENT ASSETS		242,561	227,143
ASSETS		356,077	337,405
SHARE CAPITAL	18	12,031	12,031
LEGAL RESERVE	18	2,406	2,406
SHARE PREMIUM RESERVE	18	24,144	24,144
TREASURY SHARES	18	(48,803)	(50,284)
OTHER RESERVES	18	124,466	116,197
RETAINED EARNINGS/(ACCUMULATED LOSSES)	18	1,529	1,026
NET PROFIT/(LOSS) FOR THE YEAR	18	13,903	11,318
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT		129,676	116,838
NON-CONTROLLING INTEREST EQUITY	18	2,579	2,647
EQUITY		132,255	119,485
EMPLOYEE BENEFITS	19	5,852	5,610
PROVISIONS FOR RISKS AND CHARGES	20	5,150	3,762
NON-CURRENT LOANS & BORROWINGS	21	88,364	87,833
NON-CURRENT FINANCIAL PAYABLES	22	12,676	8,325
NON-CURRENT DEFERRED TAX LIABILITIES	11	2,776	3,494
OTHER NON-CURRENT LIABILITIES	23	-	384
NON-CURRENT DERIVATIVE INSTRUMENT LIABILITIES	17	6,372	5,582
NON-CURRENT LIABILITIES		121,190	114,990
TRADE PAYABLES	24	40,106	42,838
CURRENT LOANS & BORROWINGS	21	30,979	28,301
FINANCIAL PAYABLES	22	4,184	3,468
CURRENT DEFERRED TAX LIABILITIES	11	975	1,179
INCOME TAX PAYABLES	25	1,808	3,633
OTHER CURRENT LIABILITIES	23	24,580	23,511
CURRENT LIABILITIES		102,632	102,930
LIABILITIES		223,822	217,920
SHAREHOLDERS' EQUITY & LIABILITIES		356,077	337,405

Consolidated Income Statement 2024

<i>In Euro thousands</i>	Note	2024	2023
REVENUES	26	255,700	222,686
PURCHASES OF RAW MATERIALS, COMPONENTS, GOODS AND CHANGE IN INVENTORIES	27	68,247	63,355
SERVICE COSTS	28	43,482	45,602
DEVELOPMENT COSTS CAPITALISED	29	(524)	(171)
PERSONNEL EXPENSES	30	100,501	83,067
OTHER INCOME/(EXPENSE)	31	1,037	2,176
AMORTISATION, DEPRECIATION & WRITE-DOWNS	32	18,540	13,416
OPERATING RESULT (EBIT)		26,491	19,594
NET FINANCIAL INCOME/(EXPENSES)	33	(6,197)	(3,673)
CURRENCY GAINS/(LOSSES)	33	(843)	(916)
PROFIT BEFORE TAXES		19,451	15,005
INCOME TAXES	34	5,621	4,562
NET PROFIT		13,831	10,444
NON-CONTROLLING INTERESTS	18	(73)	(874)
GROUP NET PROFIT		13,903	11,318

Consolidated comprehensive income statement 2024

<i>In Euro thousands</i>	2024	2023
Net Profit	13,831	10,444
Profit/(loss) on cash flow hedges	1,360	(3,731)
Tax effect	(327)	909
<i>Total Gain/(Loss) on cash flow hedges</i>	<i>1,033</i>	<i>(2,822)</i>
Profit/(Loss) from translation reserve of subsidiaries	2,943	(1,209)
Tax effect	(821)	337
<i>Total Profit/(Loss) from translation reserve of subsidiaries</i>	<i>2,122</i>	<i>(872)</i>
Total Gains/(Losses) to be subsequently reclassified to Profit/(Loss) for the year	3,155	(3,694)
Actuarial gains/(losses) on defined benefit plans	130	880
Tax effect	(36)	(211)
<i>Total actuarial gains/(losses) on defined benefit plans</i>	<i>94</i>	<i>669</i>
Total Gains/(Losses) which will not be subsequently reclassified to Profit/(Loss) for the year	94	669
Total gains/(losses) recognised to equity	3,249	(3,025)
<i>Comprehensive profit/(loss) - Non-controlling interests</i>	<i>(73)</i>	<i>(791)</i>
<i>Comprehensive profit/(loss) - Group</i>	<i>17,152</i>	<i>8,210</i>
Total comprehensive income/(expense)	17,079	7,418

Statement of Changes in Consolidated Shareholders' Equity

At December 31, 2024

<i>In Euro thousands</i>	Share capital	Legal reserve	Share premium reserve	Treasury shares reserve	IAS 19 Reserve	CFH reserve	Translation reserve	Other reserves	Retained earnings	Net result	Group Equity	Non-controlling interest equity	Equity
January 1, 2023	12,056	2,411	24,194	(49,775)	(326)	(1,302)	2,874	112,366	766	9,489	112,753	-	112,753
<i>Allocation of prior year result</i>								9,489		(9,489)	-		-
Net result										11,318	11,318	(874)	11,318
Other comprehensive income/(losses)					608	(2,844)	(872)	-	-		(3,108)	83	(3,025)
<i>Total comprehensive income/(loss) for the year</i>	-	-	-	-	608	(2,844)	(872)	-	-	11,318	8,210	(791)	7,418
Capital held by subsidiaries	(25)	(5)	(50)	(494)	-	-	-	(237)	(2)	-	(813)	(385)	(1,198)
Acquisition of treasury shares											-	3,906	3,906
Dividends								(3,582)			(3,582)	-	(3,582)
Other changes				(15)	61	22		(59)	262		271	(83)	188
December 31, 2023	12,031	2,406	24,144	(50,284)	343	(4,124)	2,002	117,977	1,026	11,318	116,839	2,647	119,485
<i>Allocation of prior year result</i>								11,318		(11,318)	-		-
Net result										13,903	13,903	(73)	13,831
Other comprehensive income/(losses)					94	1,033	2,122				3,249		3,249
<i>Total comprehensive income/(loss) for the year</i>	-	-	-	-	94	1,033	2,122	-	-	13,903	17,152	(73)	17,079
Capital held by subsidiaries				(4)						-	(4)		(4)
Acquisition of treasury shares				1,485						-	1,485		1,485
Dividends								(5,800)			(5,800)		(5,800)
Other changes								(498)	503		5	5	10
December 31, 2024	12,031	2,406	24,144	(48,803)	437	(3,091)	4,124	122,997	1,529	13,903	129,677	2,578	132,255

Consolidated cash flow statement

At December 31, 2024

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023
A) Cash flows from operating activities		
Net profit/(loss)	13,830	10,444
Income taxes	5,621	4,562
Interest expense/(income)	6,197	3,673
(Dividends)	-	-
(Gains)/losses on sale of assets	(9)	(4)
Profit/(loss) for the year before taxes, interest, dividends and gains/losses from disposals	25,640	18,675
Provisions for risks and charges/inventory obsolescence provision/doubtful debt provision	6,284	5,912
Employee benefits provision	3,084	2,618
Amortisation & depreciation	18,366	13,006
Change in fair value of derivative instruments	2,488	(316)
Cash flow before net working capital changes	30,222	21,219
Decrease / (increase) in inventories	(9,260)	(10,787)
Decrease / (increase) in trade receivables	385	1,429
Increase / (Decrease) in trade payables	(4,346)	7,666
Other changes in net working capital	1,763	3,671
Cash flow after net working capital changes	(11,458)	1,979
Interest received / (paid)	(6,026)	(3,673)
Taxes paid	(9,748)	(879)
Dividends received	-	-
(Utilisation of provisions)	(4,476)	(4,289)
(Utilisation of employee benefit liability)	(3,013)	(2,979)
Cash flow after net working capital changes	(23,263)	(11,820)
Cash flow from operating activities (A)	21,141	30,053
B) Cash flows from investing activities		
(Investments) /Disposals of intangible assets	(1,189)	(611)
(Investments) /Disposals of property, plant and equipment	(11,166)	(10,051)
(Investments)/Disposals of financial assets	(268)	(230)
(Increase)/Decrease in financial instruments	24,245	(6,245)
Acquisition Co.Me.Ar., BSP and ERA	-	(22,900)
Cash and cash equivalents from acquisitions	-	7,347
Cash flow from investing activities (B)	11,622	(32,690)
C) Cash flow from financing activities		
<i>Third party funds</i>		
New loans	32,919	35,508
Repayment of loans	(33,311)	(21,477)
Repayment leases liabilities	(604)	(2,430)
<i>Own funds</i>		
Dividends paid	(5,772)	(3,582)
Other Changes in Equity	1,485	(15)
Cash flow from financing activities (C)	(5,283)	8,005
Conversion exchange difference effect on cash and cash equivalents	641	(173)
D) Increase (decrease) in cash and cash equivalents (A+B+C)	28,121	5,194
Opening cash and cash equivalents	48,885	43,691
Closing cash and cash equivalents	77,006	48,885

*Notes to the Consolidated Financial
Statements at December 31, 2024*

Note 1 - Corporate information

The publication of the consolidated financial statements of UmbraGroup S.p.A. and its subsidiaries (together the Group) for the year ended December 31, 2024 was authorised by the Board of Directors on May 22, 2025. UmbraGroup S.p.A. is a joint-stock company, registered and domiciled in Italy. The registered office is located at Foligno (PG), via V. Baldaccini 1-Z.I. Loc Paciana, 06304.

The information on transactions of the Company with the other related parties are presented in Note 38 "Related party transactions".

These Consolidated Financial Statements concern the year ended December 31, 2024 (hereafter the "Consolidated Financial Statements").

Note 2 - Main accounting standards

2.1 Accounting policies

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and related interpretations (SIC/IFRIC) and endorsed by the European Union, in force at the date of the financial statements, as well as the provisions issued in implementation of Article 9 of Legislative Decree No. 38/2005, which also governs the ability to apply the above standards on an optional basis. The date of first application of IFRS ("FTA") is January 1, 2021.

The Explanatory Notes to the financial statements were supplemented with the additional information required by the Civil Code. IFRS also means the International Accounting Standards ("IAS") currently in force, as well as all interpretative documents issued by the IFRS Interpretation Committee, formerly the International Financial Reporting Interpretation Committee ("IFRIC"), and even earlier the Standing Interpretations Committee ("SIC") and endorsed by the European Commission, in force at the reporting date.

The statements adopted by the Group are as follows:

- consolidated balance sheet - the balance sheet is presented through the separate disclosure of current and non-current assets and current and non-current liabilities, separating for each item of assets and liabilities the amounts expected to be settled or recovered within or beyond 12 months from the reporting date;
- consolidated income statement - reports items by nature, as considered that which provides the most explanatory information;
- consolidated comprehensive income statement - includes items recognised directly to equity when IFRS permits;
- consolidated cash flow statement - the cash flow statement presents cash flows from operating, investing and financing activities. The cash flow statement is presented in accordance with the indirect method, whereby net income is adjusted for the effects of non-cash transactions, any deferrals or provisions for previous or future operating cash receipts or payments, and items of income or expense associated with cash flows from investing or financing activities;
- statement of changes in consolidated equity: the statement of changes in equity shows the comprehensive income for the year and the effect, for each equity item, of changes in accounting policies and correction of errors as required by International Accounting Standard No. 8. In addition, the statement presents the balance of accumulated gains or losses at the beginning of the year, movements during the year and the balance at the end of the year.

The Consolidated Financial Statements have been prepared under the historical cost convention, except for derivative financial instruments and financial assets represented by equity securities, which are recorded at fair value. The carrying amount of assets and liabilities subject to fair value hedging and which otherwise would be recognised at amortised cost is adjusted to take account of fair value changes attributable to the hedged risks.

The consolidated financial statements are presented in Euro and all the amounts are rounded to the nearest thousandth, unless otherwise specified.

2.2 Consolidation principles and scope

UmbraGroup's Consolidated Financial Statements include the financial statements of the Parent Company and those of the Italian and overseas companies in which UmbraGroup S.p.A. directly or indirectly controls the majority of votes exercisable at Shareholders' Meetings.

The Group exercises control when it is exposed to or has the right to variable income streams, based on the relationship with the investee, and, at the same time, has the capacity to affect such income streams through the exercise of power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- the power over the investment entity (or holds valid rights which confer it the current capacity to control the significant activities of the investment entity);
- the exposure or rights to variable returns deriving from involvement with the investment entity;
- the capacity to exercise its power on the investment entity to affect its income streams.

The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses this control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements at the date in which the Group obtains control until the date in which the Group no longer exercises control.

Minority interests represent the portion of profits or losses and of net assets not held by the Group and are shown in a separate income statement account and in the balance sheet under equity, separately from the Group equity.

Acquisitions of Subsidiaries are accounted for under the purchase method, which involves allocating the cost of the business combination to the fair values of the assets, liabilities, and contingent liabilities acquired as of the acquisition date, and including the result of the acquisition accrued from the acquisition date to the end of the fiscal year. Changes in the Group's holding in a subsidiary that do not result in loss of control are accounted for as capital transactions.

The following table summarises, with respect to the Subsidiaries, the information at December 31, 2024 regarding name, registered office, and the portion of share capital held directly and indirectly by the Group:

Company	Note	Registered Office	Currency	Share capital	Percentage held			Group Interest
					Direct	Indirect	Total	
Amco S.r.l.		Foligno (ITA)	EUR	100,000	100%	0%	100%	100%
KUHN GmbH		Freiberg (GER)	EUR	782,000	100%	0%	100%	100%
Serms S.r.l.		Terni (ITA)	EUR	15,625	100%	0%	100%	100%
PKE GmbH		Eltmann (GER)	EUR	100,000	100%	0%	100%	100%
Umbra Cuscinetti Inc.		Everett (USA)	USD	5,580,604	100%	0%	100%	100%
UGI Holding Inc.		Everett (USA)	USD	5,208,469	100%	0%	100%	100%
Linear Motion LLC	1	Saginaw (USA)	USD	14,841,026	0%	100%	100%	100%
Equiland LLC	2	Saginaw (USA)	USD	500,000	0%	100%	100%	100%
Co.Me.Ar. S.r.l.		Spello (ITA)	EUR	150,000	51%	0%	51%	51%
BSP S.r.l.		Spello (ITA)	EUR	150,000	51%	0%	51%	51%
ERA Electronic Sysyems S.r.l.		Perugia (ITA)	EUR	110,000	100%	0%	100%	100%

At the date of preparation of the Consolidated Financial Statements at December 31, 2024, there were no Subsidiaries not included in the consolidation scope.

The Consolidated Financial Statements, in the absence of uncertainties or doubts about the ability to continue business in a foreseeable future, have been prepared on the basis of business continuity. Based on the aforementioned principle, the Company was considered able to continue its business and therefore the assets and liabilities were accounted for on the assumption that the company will be able to carry out its activities and meet its liabilities during the normal course of business activity.

Note 3 - Summary of the main accounting policies

3.1 Business combinations and goodwill

Business combinations are recognised using the acquisition method. The purchase cost is calculated as the sum of the consideration transferred, measured at the fair value at the acquisition date, and the value of the holding in the investee. For each business combination, the Group decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed in the year and classified under administration expenses.

When the group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract.

Any contingent payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The contingent amount classified as equity is not remeasured and its subsequent payment is accounted under shareholders' equity. The change in the fair value of the contingent amount classified as an asset or liability, as a financial instrument covered by IFRS 9 Financial instruments must be recognised in the income statement in accordance with IFRS 9. The contingent amount that does not fall within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognised in the income statement.

3.2 Goodwill

Goodwill is initially recognised at cost represented by the excess of the total amount paid and the amount recognised for minority interests in respect of the net identifiable assets acquired and the liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group again verifies if it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedure utilised to determine the amount to be recorded at the acquisition date. If from the new valuation the fair value of the net assets acquired is still above the consideration, the difference (profit) is recorded in the income statement.

After its initial recognition, goodwill is measured at cost, net of accumulated impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's cash-generating units expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of the disposal. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

3.3 Intangible assets

Intangible assets acquired separately are initially recognized at cost, while those acquired through business combinations are recognized at fair value on the acquisition date. After initial recognition, intangible assets are recognised at cost, net of accumulated amortisation and accumulated impairment, if any. Intangible assets internally generated, with the exception of development costs, are not capitalized and are recorded in the income statement of the financial year in which they were incurred.

The useful life of the intangible assets is measured as finite or indefinite.

Intangible assets with a finite useful life are amortised over their useful life and tested for impairment whenever there is evidence of an impairment loss. The amortisation period and the amortisation method of an intangible asset with finite useful life are reviewed at least at each year-end. Changes in the expected useful life or in the manner in which the future economic benefits related to the asset will be realized are recognized through the change in the period or amortization method, as the case may be, and are considered changes in accounting estimates. The amortisation of intangible assets with finite useful life is recorded in the income statement under the category of costs relating to intangible assets.

Intangible assets with indefinite useful life are not amortised but are subject to an annual impairment test at an individual level or at cash-generating unit level. The valuation of the indefinite useful life is reviewed annually to determine whether this allocation continues to be sustainable, otherwise, the change from indefinite useful life to finite useful life is applied on a prospective basis.

An intangible asset is derecognised upon disposal (i.e. on the date on which the acquirer obtains control of it) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal of the asset

(calculated as the difference between the net disposal consideration and the carrying amount of the asset) is included in the income statement.

Research and development costs

Research costs are fully expensed to the income statement in the period in which they are incurred. Development costs incurred for a particular project are recorded as intangible assets where the Group can demonstrate:

- the technical feasibility to complete the intangible asset, so as to be available for use or sale;
- the intention to complete the asset and its capacity and intention to utilise or sell the asset;
- the means by which the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the capacity to reliably value the cost attributable to the asset during development.

After initial recognition, the development activities are measured at cost, reduced for amortisation or cumulative impairments. Amortisation begins when the development is completed and the asset is available for use. Development activities are amortised over the period of expected benefits and the relative accumulated amortisation is included in the cost of sales. During the development, period the asset is subject to an annual impairment test.

Patents and licenses

The patents were granted for use by the relevant body for a minimum period of 10 years, with an option to renew at the end of that period. Licenses for the use of intellectual property were granted for a period of five to ten years, depending on the specific license. Licenses may be renewed at no or minimal cost. As a result, these licenses are considered to have an indefinite useful life.

The policies applied by the Group for intangible assets are summarised below:

	Licenses and Patents	Development costs
Useful life	Defined (5 years)	Defined (5 years)
Amortisation method used	Amortised on a straight-line basis over the life of the patent	Amortized on a straight-line basis over the period of expected future sales from the related project
Internally produced or acquired	Acquired	Generated internally

3.4 Property, plant and equipment

Property, plant and equipment are recorded at historical cost, less accumulated depreciation and accumulated impairment losses. This cost includes costs for the replacement of part of machinery and plant at the time they are incurred, if they meet the recognition criteria. In the case of extraordinary work, the cost is included in the carrying amount of the plant or machinery where the criterion for recognition is met. All other repair and maintenance costs are recognised to the income statement when incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Buildings: 33 years
- Plant and machinery 10 years and 6 years
- Equipment: 4 years and 3 years
- Other assets:
 - EDP: 5 years
 - office furniture and fittings: 8 years
 - automobiles: 4 years

The Group reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually. In particular, the Group considers the impact of health, safety and environmental legislation when assessing expected useful lives and estimated residual values.

The carrying amount of property, plant and equipment and any significant component initially recognised is derecognised upon disposal (i.e. on the date the acquirer obtains control) or when no future economic benefit is expected from its use or disposal. The gain/loss arising when the asset is derecognised (calculated as the difference between the net carrying amount of the asset and the consideration received) is recognised in the income statement when the item is derecognised.

The residual values, useful lives, and depreciation methods of property, plant, and equipment are reviewed at each fiscal year-end and, where appropriate, adjusted prospectively.

3.5 Leasing

The Group assesses when entering into a contract whether it is, or contains, a lease. In other terms, whether the contract confers the right to control the use of an identified asset for a period of time in exchange for a fee.

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and low value leases. The Group recognises the lease liabilities and the right-of-use asset representing the right to use the asset underlying the contract.

Right-of-use assets

The Group recognises right-of-use assets at the initial lease date (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liabilities. The cost of the right-of-use assets includes the amount of the lease liabilities recognised, the initial direct costs incurred and the lease payments made at the commencement date or before, net of any incentives received. Right-of-use assets are depreciated on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right of use or at the end of the lease term, whichever is earlier, as follows:

- Plant and machinery 10 years and 6 years
- Equipment: 4 years and 3 years
- Other assets:
 - EDP: 5 years
 - office furniture and fittings: 8 years
 - automobiles: 4 years

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right-of-use reflects the fact that the lessee will exercise the option to purchase, the lessee shall depreciate the asset consisting of the right-of-use from the commencement date to the end of the useful life of the underlying asset.

Lease liabilities

At the lease commencement date, the Group recognises the lease liabilities measuring them at the present value of the payments due for leasing not yet settled at that date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option shall be exercised by the Group and the lease termination penalty payments, where the lease duration takes account of the exercise by the Group of the termination option on the lease.

The variable lease payments not depending on an index or a rate are recognised as costs in the period (unless incurred in the production of inventories) in which the event or the condition generating the payment occurs.

In calculating the present value of the future payments, the Group uses the incremental borrowing rate at the commencement date where the implicit interest rate can not be readily determined. After the commencement date, the amount of the lease liability increases to take account of the interest on the lease liabilities and reduces to consider the payments made. In addition, the carrying amount of the lease liabilities are restated in the case of any changes to the lease or a review of the contractual terms with regards to the change in the payments; it is also restated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine those payments.

Short-term leases and low value asset leases

The Group applies the exception for the recognition of short-term leases for machinery and equipment (i.e. leasing with a duration of 12 months or less from the commencement date and not containing a purchase option). The Group has also applied the exception for leases concerning assets of a modest value with regards to the leasing contracts on office equipment whose value is considered low. The short-term lease instalments and those for low value assets are recognised as costs on a straight-line basis over the lease duration.

3.6 Impairment of non-financial assets

At the end of each year, the Group verifies the existence of indicators of loss in value of the assets. In this case, or in the cases where an annual verification of the loss in value is required, the Group makes an estimate of the recoverable value. The recoverable value is the higher between the fair value of the asset or cash generating unit, net of selling costs, and its value in use. The recoverable value is determined by individual asset except when this asset generates cash flows

which are not sufficiently independent from those generated by other assets or groups of assets. If the carrying amount of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value.

In the determination of the value in use, the estimated future cash flows are discounted by the Group at a pre-tax rate that reflects the market assessment of the present value of money and the risks specific to the asset. In the determination of the fair value net of selling costs, account is taken of recent market transactions. Where it is not possible to identify these transactions, an adequate valuation model is utilised. These calculations are made utilising appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.

The Group bases its impairment test on the five-year Business Plan, prepared separately for each Group cash generating unit to which the individual assets have been allocated. A long-term growth rate is calculated to project future cash flows beyond the fifth year.

The losses in value of operating assets are recorded in the income statement in the category of costs relating to those assets. An exception are fixed assets previously revalued, where the revaluation was recorded under other items of the statement of comprehensive income. In this case, the loss in value is recorded under other items of the statement of comprehensive income up to the amount of the previous revaluation.

For assets other than goodwill, at each reporting date, the Group evaluates the existence of indicators of a recovery (or reduction) in the loss in value previously recorded and, where these indicators exist, estimates the recoverable value of the asset or of the CGU. The value of an asset previously written down may be restated only if there have been changes in the assumptions used to determine the recoverable value, after the last recording of a loss in value. The recovery of value cannot exceed the carrying amount which would have been calculated, net of amortisation, where no such loss in value was recorded in previous years. This recovery is recorded in the company income statement unless the fixed asset is recorded at a revalued amount, in which case the recovery is treated as a revaluation gain.

Goodwill is tested for impairment at least once a year (at December 31) or more frequently when circumstances suggest that the carrying value may be subject to impairment.

The impairment of goodwill is determined through a valuation of the recoverable value of the cash generating unit to which the goodwill is allocated. Where the recoverable amount of the cash generating unit is less than the carrying amount of the cash generating unit to which the goodwill has been allocated, an impairment loss is recognised. The decrease in the value of goodwill cannot be restated in future years.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

The costs incurred in bringing each asset to its present location and condition are recognised as follows:

- Raw materials: purchase cost calculated by the weighted average cost method
- Finished and semi-finished goods: directly incurred industrial cost of materials and labour, plus a share of production overheads, defined on the basis of normal production capacity, excluding financial expenses.

Inventory cost includes the transfer, from other comprehensive income, of gains and losses from any qualified cash flow hedging transactions related to the purchase of raw materials.

Net realisable value is the estimated normal selling price in the normal course of business, less estimated costs of completion and estimated costs to realise the sale.

3.8 Trade Receivables

A receivable is recognised where the consideration is unconditionally due from the customer i.e., it is only necessary for time to elapse for payment of the consideration to be obtained. Please refer to the section concerning Financial assets and liabilities for initial recognition and subsequent measurement.

3.9 Cash and cash equivalents and short-term deposits

Cash and cash equivalents and short-term deposits include cash on hand and on demand, short-term and highly liquid deposits with a maturity of three months or less, which are readily convertible into a given amount of money and subject to insignificant risk of changes in value.

3.10 Financial assets and liabilities

A financial instrument is any contract which gives rise to a financial asset for one entity and a financial liability or an equity instrument for another.

Financial assets

Initial recognition and measurement

Upon initial recognition, financial assets are classified according to the subsequent measurement method, as appropriate, i.e., amortised cost, fair value through OCI comprehensive income, and fair value through profit or loss.

The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are valued at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value recognised in OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid (“solely payments of principal and interest (SPPI)”). This assessment is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (e.g., SPPI) are classified and measured at fair value through profit or loss.

Financial assets that are classified and measured at amortised cost are held as part of a business model whose objective is to own financial assets for the collection of contractual cash flows, while financial assets that are classified and measured at fair value through OCI are held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

Subsequent measurement

Subsequently, the financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

(i) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.

The Group's financial assets at amortised cost include trade receivables, a loan to an associate, and a loan to a director included in other non-current financial assets.

(ii) Investments in equity instruments

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments recognized at fair value through OCI when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. Classification is determined for each individual instrument.

Gains and losses on these financial assets are never reversed through profit or loss. Dividends are recognised as other income in the income statement when the right to payment has been approved, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognised to OCI. Equity instruments recorded at fair value through OCI are not subject to impairment testing.

The Group has chosen to irrevocably classify its unlisted equity investments in this category.

(iii) Financial assets at fair value through profit or loss

Financial instruments at fair value with changes recognised to the income statement are recorded in the balance sheet at fair value and net changes in fair value through profit or loss.

This category includes derivative instruments and non qualified equity investments that the Group has not irrevocably elected to classify at fair value through OCI. Dividends on non qualified equity investments are recognised as other income to the income statement when the right to payment has been established.

The embedded derivative contained in a hybrid non-derivative contract, financial liability or master non-financial contract is separated from the host contract and accounted for as a separate derivative if: its economic characteristics and associated risks are not closely related to those of the host contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. The embedded derivatives are measured at fair value through profit or loss. A redetermination

occurs only in the case of a change in the terms of the contract which significantly modify the cash flows otherwise expected or a reclassification of a financial asset to a category other than fair value through profit or loss.

Derecognition

A financial asset is derecognised firstly when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Where the Group has transferred the rights to receive the cash flows of an asset or has signed an agreement under which to maintain the contractual rights to receive the cash flows of a financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), they shall assess if and to what extent they have maintained the risks and rewards relating to ownership. Where they have neither transferred or maintained substantially all of the risks and rewards or have not lost control, the asset continues to be recorded in the financial statements of the Group up to the amount of its residual holding in the asset. In this case, the Group also recognises an associated liability. The assets transferred and the associated liabilities are measured in order to reflect the rights and obligations maintained by the Group.

When the entity's continuing involvement is a guarantee on the transferred asset, involvement is measured based on the lesser of the amount of the asset or the maximum amount of consideration received that the entity may have to repay.

Impairment losses

The Group recognises a write-down for expected credit losses (ECLs) on all financial assets represented by debt instruments not held at fair value recognised to the Income Statement. ECLs are based on the difference between the contractual cash flows due under the contract and all cash flows that the Group expects to receive, discounted at an approximation of the effective original interest rate. Expected cash flows will include the cash flows from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual conditions.

The Group takes a simplified approach to calculating the expected credit losses on trade receivables and assets deriving from contracts. Accordingly, the Group does not monitor changes in credit risk, but recognizes the full expected credit loss at each reporting date. The Group has implemented a matrix system based on historical information, revised to consider prospective elements with regard to specific types of debtors and their economic environment, as a means of determining expected credit losses.

For assets represented by debt instruments measured at fair value through OCI, the Group applies the simplified approach allowed for assets with low credit risk. At each reporting date, the Group assesses whether the debt instrument is considered to have low credit risk using all available information that can be obtained without undue cost or effort. In making this assessment, the Group monitors the creditworthiness of the debt instrument. In addition, the Group assumes that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Financial liabilities

Recognition and initial measurement

Financial liabilities are classified, on initial recognition, under financial liabilities at fair value through profit or loss, as loans and borrowings or as derivatives designated as hedging instruments.

All financial liabilities are initially recognised at fair value in addition, in the case of loans, borrowings and payables, directly attributable transaction costs.

The financial liabilities of the Group include trade payables and other payables, loans and borrowings, including bank overdrafts and derivative financial instruments.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are liabilities held-for-trading and those initially designated as financial liabilities at fair value through profit or loss.

Liabilities held-for-trading are all those assumed with the intention of settling or transferring them in the short term. This category also includes derivative financial instruments underwritten by the Group which are not designated as hedging instruments as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the income statement.

Financial liabilities are designated at fair value through profit or loss from the date of first recognition, only when in compliance with the criteria as per IFRS 9. Upon initial recognition, the Group did not designate financial liabilities at fair value with changes recognised in the income statement.

(ii) Financial liabilities at amortised cost (loans and borrowings)

This is the most relevant category for the Group. After initial recognition, loans are measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is settled and through the amortisation process.

The amortised cost is calculated taking into consideration all discounts or purchase premiums and includes commissions and transaction costs which are an integral part of the effective interest rate. The interest is recognised under financial expenses in the consolidated income statement.

This category generally includes interest-bearing receivables and loans.

Derecognition

A financial liability is derecognised when the underlying obligation of the liability is settled, cancelled or fulfilled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the income statement.

3.11 Fair value measurement

The Group values financial instruments, such as derivatives and non-financial assets at fair value at year-end.

Fair value concerns the price that will be received for the sale of an asset or which will be paid for the transfer of a liability, in a transaction settled between market operators at the measurement date. Fair value measurement requires that the sale of the asset or transfer of the liability has taken place:

- in the main market of the asset or liability;

or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Group.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilise in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilising the asset to its maximum and best use or of selling to another market operator that would utilise the asset to its maximum or best use.

The Group utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the utilisation of relevant observable inputs and minimising the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorised based on the fair value hierarchy, as described below:

- Level 1 - listed prices (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;
- Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;
- Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same fair value hierarchical level in which the lowest hierarchical input level utilised for the measurement is classified.

For assets and liabilities recognised to the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels of the hierarchy by reviewing the categorisation at each reporting date. At each reporting date, the Group Finance Department analyses the changes in the values of assets and liabilities for which the revaluation or recalculation is required, based on the Group's accounting policies.

For this analysis, the main inputs applied in the most recent assessments are verified by comparing information used in the assessment to contracts and other relevant documents.

For fair value disclosure purposes, the Group classifies assets and liabilities according to type, characteristics and the risks associated with the assets and the liabilities and the fair value hierarchy level, as previously illustrated.

3.12 Revenue from contracts with customers

The Group is engaged in the supply of high-precision ball screws, bearings, actuators and balls, mechanical and mechatronic components for the aerospace, defence and industrial markets.

Revenues from contracts with customers are recognised when the control of the goods and services is transferred to the customer for an amount which reflects the consideration that the Group expects to receive in exchange for these goods and services. The Group concluded that it acts as a Principal in agreements from which revenues arise.

The Group considers whether there are other promises in the contract that represent obligations in relation to which a portion of the transaction consideration should be allocated. In calculating the sales transaction price, the Group considers the effects from variable fees, significant financial components and monetary and non-monetary fees to be paid to the client (if existing).

Where the fee concluded in the contract includes a variable amount, the Group estimates the amount of the fee to which it will be entitled in exchange for the transfer of the goods to the customer.

Variable consideration is estimated at the time the contract is entered into, and its recognition is not possible until it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved, a significant downward adjustment to the amount of cumulative revenue that has been recognized should be implemented. Some contracts for sale provide customers with a right to return goods within a specified timeframe. The Group guarantees volume discounts on quantities sold to certain customers when the quantities of goods purchased in the period exceed specific contractually defined thresholds.

The Group then applies the guidance on variable consideration recognition to determine the amount of variable consideration that can be included in the price of the transaction and recognised as revenue.

The Group typically provides warranties for repairs of defects existing at the time of sale, as required by law. Revenues for additional guarantee services are recognised over the period in which the service is provided based on the elapsed time.

3.13 Public grants

Public grants are recognised when there is reasonable certainty that they will be received and that all conditions attached to them are met. Grants related to cost components are recognised as revenue, but are allocated systematically between periods so as to be commensurate with the recognition of the costs they are intended to offset. Grants related to an asset are recognised as revenue on a straight-line basis over the expected useful life of the asset to which they refer.

3.14 Income taxes

a. Current taxes

Tax receivables and payables for the year are measured at the amount expected to be paid to / received from the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially in force at the reporting date of the financial statements, in the countries in which the Group operates and generates its assessable income.

Current taxes relating to items recorded directly in shareholders' equity are also recorded directly to shareholders' equity and not to the separate income statement. Management periodically assesses the positions assumed in the income tax returns where the fiscal regulations are subject to interpretations and, where appropriate, record appropriate provisions.

b. Deferred tax liabilities

Deferred taxes are calculated using the liability method on temporary differences at the reporting date between the fiscal values of the assets and liabilities and the corresponding values in the financial statements.

Deferred tax liabilities are recognised on all taxable temporary differences, and also arise from the recognition of lease taxation.

Deferred tax assets are recognised on all temporary deductible differences, receivables, inventories, derivative financial instruments and unused fiscal losses carried forward, to the extent of the probable existence of adequate future tax profits, that can justify the use of the temporary deductible differences, credits and fiscal losses carried forward. The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent it is unlikely that sufficient future taxable income will be available, so that some or all of the asset may be used. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent of the probability that the taxable income is sufficient to permit such deferred tax assets to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forward-looking assumptions used in the financial statements, which, among other matters, reflect the potential impact of climate-related developments on the business, such as increased production costs as a result of measures to reduce carbon emissions. Deferred tax assets and liabilities are calculated on the basis of the tax rates expected to be applied in the year in which the assets are realised or the amounts are paid, considering the rates in effect and those already issued or substantially issued as of the closing date of the financial statements. Deferred taxes concerning items recognised outside of the income statement are also recognised outside of the income statement and therefore to equity or to the comprehensive income statement, in line with the item to which they refer.

c. Indirect taxes

Costs, revenues, assets and liabilities are recognized net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible; in this case, it is recognized as part of the purchase cost of the asset or part of the cost recognized in the income statement;
- trade receivables and payables include the indirect tax applicable.

The net amount of the indirect taxes to be recovered or be paid to the Tax Authorities is included in the financial statements under receivables or payables.

3.15 Conversion of accounts in foreign currencies

The consolidated financial statements are presented in Euro, which is the Parent Company's functional currency. Each Group company decides the functional currency to be used to measure the accounts in the financial statements. The Group utilises the direct consolidation method; the gain or loss reclassified to the income statement on the sale of a foreign subsidiary represents the amount deriving from the use of this method.

	Average exchange rate					
	2024	2023	Change on 2023	31.12.2024	31.12.2023	Change on 2023
	:1 Euro	:1 Euro	%	:1Euro	:1Euro	%
US Dollar (USD)	1.0824	1.0813	0.1%	1.0389	1.105	-6.0%
UK Sterling (GBP)	0.8466	0.8698	-2.7%	0.8292	0.8691	-4.6%

a. Transactions and balances

Foreign currency transactions are initially recorded in the functional currency, applying the exchange rate at the transaction date.

Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Exchange rate differences realised or arising on the translation of monetary items are recorded in the income statement, with the exception of monetary items which hedge a net investment in a foreign operation. These differences are recorded in the comprehensive income statement until the sale of the net investment, and only then is the total amount reclassified to the income statement. The income taxes attributable to the exchange differences on the monetary items are recorded in the comprehensive income statement.

Non-monetary items, measured at historical cost in foreign currency, are translated using the exchange rates on the date the transaction was first recorded. Non-monetary items recorded at fair value in foreign currencies are translated using the exchange rate at the date this value was determined. The gain or loss deriving from the translation of non-monetary items is treated in line with the recognition of the gain or loss recorded on the change in the fair value of these items (i.e. the translation differences on the accounts to which the fair value changes in the comprehensive income statement or in the income statement are recorded, respectively in the comprehensive income statement or in the income statement). In determining the spot exchange rate to be used upon initial recognition of the related asset, expense or revenue (or portion thereof) upon derecognition of a non-monetary asset or non-monetary liability related to the upfront consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability resulting from the upfront consideration. If there are multiple payments or advances, the Group determines the transaction date for each payment or advance.

b. Group companies

At the reporting date, the assets and liabilities of the Group companies are translated into Euro at the exchange rate at that date, while revenues and costs included in the comprehensive income statement or separate income statement are translated at the average exchange rate for the year. The exchange differences from the translation are recorded in the statement of comprehensive income. On the sale of a net investment in a foreign operation, the items in the statement of comprehensive income relating to this foreign operation are recorded in the income statement.

The goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are recorded as assets and liabilities of the foreign operation and therefore are recorded in the functional currency of the foreign operation and translated at the exchange rate at the reporting date.

3.16 Dividends

The Parent Company recognises a liability for the payment of a dividend when the distribution is properly authorised and is no longer at the discretion of the company. Based on company law in Europe, a distribution is authorised when it is approved by the shareholders. The corresponding amount is recorded directly in shareholders' equity.

3.17 Financial expenses

Financial charges that are directly attributable to the acquisition, construction or production of an asset which requires a lengthy period before availability for use shall be capitalised as part of the cost of that asset. All other financial charges are recognised as a charge in the period in which they are incurred. Financial expenses consist of interest and other costs that an entity incurs in connection with obtaining financing.

3.18 Derivative financial instruments and hedge accounting**a. Initial recognition and subsequent measurement**

The Group uses derivative financial instruments including: currency forward contracts, interest rate swaps, and commodity purchase swaps to hedge its currency exchange risks, interest rate risks, and commodity price risks, respectively. These derivative financial instruments are initially recognized at fair value at the date on which they are obtained, and this fair value is periodically remeasured. They are recorded as financial assets when the fair value is positive, and as financial liabilities when negative. For hedge accounting purposes, the Group undertakes fair value hedges on interest rates and commodity purchases.

At the beginning of the hedge, the Group establishes and documents formally the hedge relationship, upon which it will apply hedge accounting, its risk management objectives and the strategy undertaken. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements. The hedging relationship meets the eligibility criteria for hedge accounting if it meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not prevail over changes in value resulting from the above economic report;
- the hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Group actually hedges and the amount of the hedging instrument that the Group actually uses to hedge that amount of the hedged item.

The change in fair value of hedging derivatives is recognised to other costs in the income statement. The change in fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying value of the hedged item and is also recognised to other costs in the income statement.

With regard to fair value hedges referring to items accounted for under the amortised cost method, any adjustment to the carrying amount is amortized in the income statement over the remaining period of the hedge using the effective interest rate (EIR) method. Amortisation determined in this way may begin as soon as an adjustment is made, but may not extend beyond the date on which the hedged item ceases to be adjusted due to changes in fair value attributable to the hedged risk.

If the hedged item is derecognized, the unamortized fair value is recognised immediately to the income statement.

When an unrecognised firm commitment is designated as a hedged item, subsequent cumulative changes in its fair value attributable to the hedged risk are recognised as assets or liabilities and the corresponding gains or losses recognised to the income statement.

3.19 Treasury shares

Treasury shares acquired are recorded at cost and as a reduction of shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the purchase price and the payment received, in the case of reissue, is recorded in the share premium reserve.

3.20 Provisions for risks and charges

Provisions for risks and charges are recorded when the Group has a legal or implicit obligation (that derives from a past event) and a payment of resources is probable to satisfy the obligation and the amount of this payment can be reliably estimated.

If the Group has an onerous contract, the current obligation in the contract is recognised and determined as a provision. However, before making a specific provision for an onerous contract, the Group recognises any impairment losses that the assets related to the contract have suffered.

An onerous contract is one under which the non-discretionary costs (i.e. costs that the Group cannot avoid because it has the contract) of fulfilling the obligations assumed by the contract exceed the economic benefits expected to be received from the same contract. The non-discretionary costs of a contract reflect the lowest net cost of exiting the contract, which is the lower of the cost of performance and any compensation or penalties resulting from non-performance. Costs to fulfil a contract include costs that relate directly to the contract.

3.21 Post-employment benefit liabilities

Post-employment benefits are defined on the basis of programs, even if not formalized, which according to their characteristics are divided into "defined benefit" programs and "defined contribution" programs. Italian legislation (Article 2120 of the Civil Code) provides that, on the date on which each employee terminates the employment contract with the company, indemnity referred to as TFR is received. The calculation of this indemnity is based on some items that make up the employee's annual salary for each year of work (appropriately re-evaluated) and on the length of the employment relationship. According to Italian civil law, this indemnity is reflected in the financial statements according to a calculation method based on the indemnity accrued by each employee at the reporting date, in the event that all employees terminate the employment contract on that date. The International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) addressed the subject of the Italian TFR and concluded that, in application of IAS 19, it must be calculated according to a method called Projection Unitary Credit Method (PUCM), according to which the amount of liabilities for the benefits acquired must reflect the date of expected resignation and must be discounted.

The actuarial assumptions and the related effects take into consideration the regulatory changes introduced by the Italian legislator, which provided for the option for the employee to allocate the TFR accrued from July 1, 2007 to INPS or supplementary pension funds. The net obligation deriving from defined benefit plans is calculated by estimating the amount of the future benefit that employees have accrued in exchange for the activity performed in the current year and in previous years; this benefit is discounted to calculate the current value. The actuarial gains and losses referring to the defined benefit plans accumulated up to the previous year and which reflect the effects deriving from changes in the actuarial assumptions used, are recognized in full in the comprehensive income statement.

The actuarial valuation of the liability was entrusted to an independent actuary. The Group does not have other defined benefit pension plans. The obligation deriving from defined contribution plans is limited to the payment of contributions to the State or to a legally separate asset or entity (fund), and is determined on the basis of the contributions due.

Note 4 - Change of accounting standards and disclosure

4.1 New accounting standards, interpretations and amendments adopted by the Group

The Group has applied for the first time a number of standards and amendments entering into force from January 1, 2024. The Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

The accounting standards, amendments and interpretations not adopted in advance for the year ended December 31, 2024 govern facts and cases that do not have significant effects on the balance sheet, income statement, cash flow statement and the information contained in the consolidated financial statements.

The Group is assessing the impact of the modifications, amendments and interpretations to the approved accounting standards not adopted early or in the process of being approved.

4.2 Supplier financing arrangements (Amendments to IAS 7 and IFRS 7)

In May 2023, the IASB issued amendments to "IAS 7 Statement of Cash Flows" and "IFRS 7 Financial Instruments: Disclosures" to clarify the characteristics of supplier financing arrangements and request further disclosure on such arrangements. The disclosure requirements in the amendments are intended to help financial statement users understand the effects of supplier financing agreements on an entity's liabilities, cash flows, and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosure in any interim period in the year in which the amendments are first implemented. The amendments therefore did not have any impact on the Group consolidated financial statements.

4.3 Lease liability arising from a sale and leaseback transaction (Amendments to IFRS 16)

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a selling lessee uses in assessing the lease liability arising from a sale and leaseback transaction to ensure that the selling lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments did not have any impact on the Group consolidated financial statements.

4.4 Classification of liabilities as current and non-current (Amendments to IAS 1)

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by the right to defer settlement
- That there must be a right of deferment at the end of the reporting period
- This classification is not affected by the likelihood that an entity will exercise its right.
- Only where a derivative embedded in a convertible liability is itself an equity instrument do the terms of a liability not affect its classification.

In addition, a requirement was introduced that an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent upon meeting future covenants within 12 months. The amendments did not have any impact on the Group consolidated financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION AT DECEMBER 31, 2024

At the approval date of these financial statements, the following amendments have been issued by the IASB, although have not yet been endorsed by the European Commission:

- Changes to the classification and measurement criteria for financial instruments (Amendments to IFRS 9 and IFRS 7);
- IFRS Annual improvements – Volume 11;
- IFRS 18 - Presentation and disclosure in financial statements;
- IFRS 19 - Subsidiaries without public accountability: disclosures;
- Disposal or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).

The impact that these standards, amendments and interpretations to be applied shortly may possibly have on financial disclosure is still being examined and assessed. It should also be noted that the Group has not adopted in advance any standards, interpretations or amendments that have been issued but are not yet in force.

Note 5 - Discretionary valuations and significant accounting estimates

The preparation of the financial statements requires the directors of the Group to undertake discretionary valuations, estimates and assumptions which impact upon the amount of revenue, costs, assets and liabilities and related disclosures, as well as potential liabilities. The uncertainty concerning these assumptions and estimates could result in significant changes in the book value of these assets and/or liabilities in the future.

4.1 Period of depreciation of tangible assets and amortization of intangible assets and impairment test

Depreciation and amortisation of assets with definite useful life of tangible assets and intangible assets and the forecast data used for the purposes of impairment tests require a discretionary valuation by the directors. At each reporting date,

this valuation is revised in order to verify that the amounts recorded are representative of the best estimate of costs that may be incurred by the Group and, if significant changes are detected, the amounts recognised to the financial statements are reviewed and updated.

With regard to the impairment test, reference should be made to the paragraph “Impairment of assets” below in the present consolidated financial statements at December 31, 2024.

4.2 Provision for expected losses on trade receivables

The Group uses a matrix to calculate ECLs for trade receivables. Provisioning rates are based on days past due for each class of customers grouped into the various segments that present similar historical loss performances.

At each reporting date, they are updated and changes in estimates of forecast elements are analysed.

The amount of ECLs is sensitive to changes in circumstances and expected economic conditions. The Group’s historical credit loss experience and forecast economic conditions might also fail to be representative of actual defaults by customers in the future.

4.3 Income taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that there will be a taxable profit in the future such that the losses can be utilised. Significant estimating by management is required to determine the amount of tax assets that may be recognised based on the level of future taxable profits, the timing of their realisation, and applicable tax planning strategies.

4.4 Employee benefit plans (Post-employment benefit provisions) and accruals to the supplementary indemnity provision

The evaluation of the severance indemnity is carried out using actuarial valuations. The actuarial valuation requires the development of assumptions about discount rates, future salary increases, turnover and mortality rates. Due to the long-term nature of these plans, these estimates are subject to uncertainty.

4.5 Fair value of financial instruments

When the fair value of a financial asset or financial liability recorded in the balance sheet may no longer be measured based on the prices on an active market, the fair value is determined utilising various valuation techniques, including the discounted cash flow model. The inputs inserted in this model are recorded from observable markets, where possible, but when this is not possible, a certain level of estimation is required to define the fair values. The estimates include considerations on variables such as the liquidity risk, the credit risk and volatility. The changes of the assumptions on these elements may have an impact on the fair value of the financial instrument recorded.

4.6 Development costs

The Group capitalises costs related to new product development projects. The initial capitalisation of costs is based on whether the Directors’ opinion on the technical and economic feasibility of the project is confirmed, usually when the project has reached a definite stage in the development plan.

4.7 Lease - Estimate of the marginal borrowing rate

The Group may not easily determine the implied interest rate of the lease and therefore uses the marginal borrowing rate to measure the lease liability. The marginal borrowing rate is the interest rate that the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase an asset of a similar value to the underlying right-of-use asset in a similar economic context. The marginal funding rate therefore reflects what the Group would have had to pay, and this requires estimation when there is no observable data. The Group estimates the marginal lending rate using observable data, such as market interest rates, and making specific considerations about the conditions of the investee, such as creditworthiness.

Note 6 - Intangible Assets

The breakdown of Other intangible assets at December 31, 2024, compared with December 31, 2023, is shown below.

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023
Development costs	2,021	3075
Patents and intellectual property rights	1,843	1,390
Concessions, licenses, trademarks and similar rights	1	1

Other intangible assets	6,357	7963
Assets in progress and advances	563	647
Total intangible assets	10,785	13,076

The table below presents the changes in the individual items of Intangible Assets for the year ended December 31, 2024:

<i>In Euro thousands</i>	Development costs	Patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets in progress and advances	Total intangible assets
Net carrying amount						
December 31, 2023	3,075	1,390	1	7,963	647	13,076
Increases	326	1,024	32			1,382
Decreases	(192)					(192)
Other changes		84	(16)	16	(84)	-
Currency differences	11	33		6		50
Amortisation & depreciation	(1,199)	(688)	(16)	(1,628)		(3,531)
December 31, 2024	2,021	1,843	1	6,357	563	10,785

"*Development costs*" includes costs incurred for the development of prototypes by the parent company UmbraGroup S.p.A. and by the subsidiaries acquired in 2023. The item "*Patent and intellectual property rights*" relates to the use of Computer Software (ERP and Management). "*Other intangible assets*" comprise the costs incurred by the parent company UmbraGroup S.p.A. and the subsidiary Linear Motion LLC for the development of the software used in production, and to develop the Customer Lists of BSP S.r.l. and ERA S.r.l. The balance of the Customer Lists, net of amortisation at December 31, 2024, was Euro 6,236 thousand.

"*Assets in progress and advances*" is mainly composed of the D365 management revamping project initiated by UmbraGroup S.p.A. and not yet concluded.

At the reporting date, there were no indicators of impairment deriving either from internal sources (business strategies) or external sources (regulatory, economic, technological environment in which the Group operates) related to the intangible assets as a whole.

Note 7 - Goodwill

The value of Goodwill was Euro 12,074 thousand.

The breakdown of the account by CGU is presented below:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023
AMCO S.r.l.	96	96
Serms S.r.l.	565	565
Co.Me.Ar. S.r.l.	5,959	5,959
ERA S.r.l.	5,454	5,454
Goodwill	12,074	12,074

Goodwill consists of the difference between the fair value of the amount transferred and the net value of the amounts at the acquisition date of the identifiable assets acquired and of the liabilities assumed identifiable at fair value.

Goodwill was allocated to the following Cash Generating Units (CGUs):

- Serms S.r.l. for an amount of Euro 565 thousand following its acquisition;
- Amco S.r.l. for an amount of Euro 96 thousand following its acquisition in 2021;
- Co.Me.Ar. S.r.l. for an amount of Euro 5,959 thousand;
- ERA S.r.l. for an amount of Euro 5,454 thousand.

At December 31, 2024, the recoverable value of the CGUs was subject to impairment testing, taking into account the provisions of IAS 36, in order to verify the existence of any impairment, by comparing the carrying amount of the unit with its value in use, i.e. the present value of the expected future cash flows from its continued use and disposal at the end of its useful life. The results of these tests follow.

Serms S.r.l.: the value in use was determined using the Unlevered Discounted Cash Flow (UDCF) method by discounting the cash flows presented in the 2025-2029 business plan approved by the Board of Directors of UmbraGroup S.p.A. In order to calculate the value in use of the CGU, the prospective cash flows used in the impairment test, which have been calculated by taking as reference the EBITDA expected net of notional taxes and less the notional contribution of fixed assets and working capital, were considered. In the light of that presented, in conducting the impairment test it was decided to refer to a growth rate g of 2.00%. The assumptions and method used are consistent with the company's historical results and the reference market. The discount rate applied to prospective cash flows (WACC) is 11%.

Determining the value in use on the basis of these parameters resulted in no reduction in the value of goodwill. A sensitivity analysis of the results was also performed assuming a change in WACC of +/-1, with a change in the CGU's prospective EBITDA level of +/-1%. The equilibrium WACC at December 31, 2024 is approx. 25%.

AMCO S.r.l.: the value in use was determined using the Unlevered Discounted Cash Flow (UDCF) method by discounting the cash flows contained in the 2025-2029 business plan approved by the Board of Directors of UmbraGroup S.p.A. In order to calculate the value in use of the CGU, the prospective cash flows used in the impairment test, which have been calculated by taking as reference the EBITDA expected net of notional taxes and less the notional contribution of fixed assets and working capital, were considered. In the light of that presented, in conducting the impairment test it was decided to refer to a growth rate g of 2.00%. The assumptions and method used are consistent with the company's historical results and the reference market. The discount rate applied to prospective cash flows (WACC) is 11%.

Determining the value in use on the basis of these parameters resulted in no reduction in the value of goodwill. A sensitivity analysis of the results was also performed assuming a change in WACC of +/-1, with a change in the CGU's prospective EBITDA level of +/-1%. The equilibrium WACC at December 31, 2024 is greater than 100%.

Co.Me.Ar. S.r.l.: the value in use was determined using the Unlevered Discounted Cash Flow (UDCF) method by discounting the cash flows contained in the 2025-2029 business plan approved by the Board of Directors of UmbraGroup S.p.A..

In order to calculate the value in use of the CGU, the prospective cash flows used in the impairment test, which have been calculated by taking as reference the EBITDA expected net of notional taxes and less the notional contribution of fixed assets and working capital, were considered. In the light of that presented, in conducting the impairment test it was decided to refer to a growth rate g of 2.00%. The assumptions and method used are consistent with the company's historical results and the reference market. The discount rate applied to prospective cash flows (WACC) is 11%.

Determining the value in use on the basis of these parameters resulted in no reduction in the value of goodwill. A sensitivity analysis of the results was also performed assuming a change in WACC of +/-1, with a change in the CGU's prospective EBITDA level of +/-1%. The equilibrium WACC at December 31, 2024 is approx. 24%.

ERA S.r.l.: the value in use was determined using the Unlevered Discounted Cash Flow (UDCF) method by discounting the cash flows contained in the 2025-2029 business plan approved by the Board of Directors of UmbraGroup S.p.A..

In order to calculate the value in use of the CGU, the prospective cash flows used in the impairment test, which have been calculated by taking as reference the EBITDA expected net of notional taxes and less the notional contribution of fixed assets and working capital, were considered. In the light of that presented, in conducting the impairment test it was decided to refer to a growth rate g of 2.00%. The assumptions and method used are consistent with the company's historical results and the reference market. The discount rate applied to prospective cash flows (WACC) is 11%.

Determining the value in use on the basis of these parameters resulted in no reduction in the value of goodwill. A sensitivity analysis of the results was also performed assuming a change in WACC of +/-1, with a change in the CGU's prospective EBITDA level of +/-1%. The equilibrium WACC at December 31, 2024 is greater than 100%.

As a result of the updated analyses, management did not identify an impairment of this company.

Note 8 - Right-of-use assets

Right-of-use assets amounted to Euro 15,898 thousand at December 31, 2024 and increased Euro 4,035 thousand.

The breakdown of the account is presented below:

The Group used the internal rate of return implied for contracts previously classified as "financial" and used the marginal interest rate residually for certain contracts previously classified as "operational". The marginal borrowing rate is the rate the lessee would have to pay for a loan

with a similar term and security and required to obtain an asset of similar value to the asset consisting of the right-of-use in a similar economic environment. The Group estimated this rate using observable data.

The following table provides information on the carrying amounts of right-of-use assets and their movements during the year:

<i>In Euro thousands</i>	Property	Plant & machinery	Other assets	Total
December 31, 2023	2,614	8,673	576	11,863
Increases	5,389	1,906	346	7,641
Currency differences	-	-	4	4
Depreciation costs	(460)	(2,768)	(382)	(3,610)
December 31, 2024	7,543	7,811	544	15,898

Property mainly includes the production properties of the subsidiaries AMCO S.r.l., PKE GmbH and ERA S.r.l.

Plant and Machinery includes plants leased, mainly by Co.Me.Ar. S.r.l. and by BSP S.r.l., which were revalued to fair value during the Purchase Price Allocation.

Other assets mainly relates to the leased machinery of all Group Companies and from other assets of low value.

Note 9 – Property, plant and equipment

The breakdown of Property, Plant and Equipment at December 31, 2024, compared with December 31, 2023, is presented below:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023
Land & buildings	37,229	37,629
Plant & machinery	26,758	24,642
Industrial & commercial equipment	4,826	4,407
Assets in progress and advances	2,762	3,906
Other tangible assets	1,217	1,220
Total property, plant and equipment	72,792	71,804

The table below presents the changes in the individual items of Property, Plant and Equipment for the year ended December 31, 2024:

<i>In Euro thousands</i>	Land & buildings	Plant & machinery	Industrial & commercial equipment	Assets in progress and advances	Other property, plant and equipment	Total intangible assets
Net carrying amount						
December 31, 2023	37,629	24,642	4,407	3,906	1,220	71,804
Increases	915	6,623	2,112	1,318	266	11,234
Disposals	-	(51)	(17)	-	-	(68)
Other changes	236	2,488	(103)	(2,606)	(15)	-
Currency differences	551	281	83	144	(12)	1,047
Depreciation	(2,102)	(7,225)	(1,656)	-	(242)	(11,225)
December 31, 2024	37,229	26,758	4,826	2,762	1,217	72,792

"*Land and Buildings*" includes all production properties of the Group Companies:

- The property located in Foligno (PG), where the parent company UmbraGroup S.p.A. operates;
- The property located in Freiberg (DE), where the German subsidiary Kuhn GmbH operates;
- The property located in Saginaw (MI - USA), where the US subsidiary Linear Motion LLC operates;
- The property located in Everett (WA - USA), where the US subsidiary Umbra Cuscinetti Inc. operates;
- The properties located in Spello (PG), where the subsidiaries Co.Me.Ar. S.r.l. and BSP S.r.l. operate.

"*Plant and machinery*" is substantially related to investments made by the parent company UmbraGroup S.p.A. at December 31, 2024.

"*Industrial and commercial equipment*" refers mainly to UmbraGroup and its subsidiaries PKE, UCI, Co.Me.Ar. and BSP. The main investments for the year mainly concern control instruments and industrial production equipment.

The increases in the category "*Other tangible assets*" are mainly attributable to new motor vehicles, furniture and fixtures, and electronic machines.

"*Assets in progress and advances*" are mainly attributable to the parent company and in particular Advances concerning investments in plant and machinery planned for 2025.

Note 10 - Financial Assets

Financial assets totalled Euro 13,985 thousand at December 31, 2024 and Euro 37,601 thousand at December 31, 2023. The breakdown of the account is presented below:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Non-current financial assets	1,170	905	265	29%
Other current financial assets	12,815	36,696	(23,881)	-65%
Financial assets	13,985	37,601	(23,616)	-63%

Non-current financial assets at December 31, 2024 amounted to Euro 1,170 thousand, compared to Euro 905 thousand at December 31, 2023.

The balance refers partly to the shares subscribed by the Parent Company in the "Eureka! Fund I - Technology Transfer" fund. Eureka is a venture capital fund specialised in deep tech with the goal of promoting the transfer of technology in Italy by way of startups and spin-offs connected with Italian universities and research centres that work to commercialise the results of their scientific research, thereby promoting innovative, often cutting-edge technologies that can have a profound impact on individual lives and on society as a whole.

On April 30, 2020, the Board of Directors resolved to proceed with the subscription of the above fund up to the maximum amount of Euro 1 million. At December 31, 2024, the value was Euro 500 thousand.

The remainder is fully attributable to the three Companies acquired in 2023 and is represented by minority interests in consortia or industry associations.

Current financial assets at December 31, 2024 amounted to Euro 12,815 thousand, compared to Euro 36,696 thousand at December 31, 2023. The item mainly includes non-current financial assets related to the parent company UmbraGroup S.p.A. and to Serms S.r.l..

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Current financial assets	12,300	36,147	(23,847)	-66%
Other financial assets	515	549	(34)	-6%
Other current financial assets	12,815	36,696	(23,881)	-65%

The balance at December 31, 2024 of current financial assets refers mainly to:

- 1 Time Deposit subscribed with Intesa Private for a total of Euro 5,000 thousand, maturing in January 2025 and accruing a creditable interest rate at maturity. The fair value at the reporting date was Euro 5,000 thousand;
- 1 Mediobanca bond subscribed with Mediobanca for a total of Euro 5,000 thousand, maturing in December 2026, subject to early closure. The bond pays a quarterly liquidating interest rate coupon;
- 1 Cash Collect Protection certificate subscribed with Unicredit for a total of Euro 2,000 thousand, maturing in September 2027, subject to early closure. The certificate pays a quarterly liquidating interest rate coupon.
- 2 Time Deposits for Euro 150 thousand each, subscribed with Unicredit for a total of Euro 300 thousand, maturing on January 15, 2025 and accruing an interest rate payment at maturity. The fair value at the reporting date was Euro 300 thousand.

Note 11 - Deferred tax assets and liabilities

The breakdown of deferred tax assets and liabilities at December 31, 2024 and December 31, 2023 is presented below:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Deferred tax assets				
of which non-current	756	502	254	51%
of which current	8,583	8,879	(296)	-3%
Total deferred tax assets	9,339	9,381	(42)	0%
Deferred tax liabilities				
of which non-current	(2,776)	(3,494)	718	-21%
of which current	(975)	(1,179)	204	-17%
Total deferred tax liabilities	(3,751)	(4,673)	922	-20%
Net balance	5,588	4,708	880	19%

The Group's net deferred tax assets and liabilities at December 31, 2024 amounted to Euro 5,588 thousand, compared with a net value for the previous year of Euro 4,708 thousand. The item mainly concerns the parent company, the American subsidiaries, and the subsidiaries acquired in 2023, and mainly reflects the recognition of deferred taxes related to the recognition of the fair values of the revalued assets.

Regarding deferred tax assets, the item is mainly composed as follows:

- Temporary difference related to the Inventory obsolescence provision;
- Temporary difference related to the accrual to the Employee bonuses provision;
- Tax effect of recording hedging derivatives on commodities and loan interest rates;
- Deferred tax assets related to UCI's and Co.Me.Ar.'s tax losses;
- Deferred tax assets related to the depreciation of the property owned by UGI Holding.

Deferred tax liabilities mainly comprise those arising from the fair value measurement of the Companies acquired in 2023.

Note 12 - Other assets

Other assets at December 31, 2024 amounted to Euro 10,789 thousand, compared to Euro 12,184 thousand at December 31, 2023.

The breakdown of the account is presented below:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Other non-current assets	41	38	3	8%
Other current assets	10,748	12,146	(1,398)	-12%
Total other assets	10,789	12,184	(1,395)	-11%

Other non-current assets, entirely concerning security deposits, amounted to Euro 41 thousand at December 31, 2024, compared with Euro 38 thousand at December 31, 2023.

Other current assets amounted to Euro 10,789 thousand at December 31, 2024 and to Euro 12,146 thousand at December 31, 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Receivables for Grants	4,216	6,323	(2,107)	-33%
VAT receivables	1,846	1,736	110	6%
Other tax receivables	1,672	1,334	338	25%
Advances to suppliers	1,309	756	553	73%
Other receivables	1,705	1,467	238	16%
Total other current assets	10,748	11,616	(868)	-7%

Receivables for Grants mainly concern the parent company. The following table provides further details:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
ASTIB Grant	24	133	(109)	-82%
AG2 Grant	22	22	-	0%
IMARE Grant	54	54	-	0%
PON MIUR (Lub for Life) Grant	-	76	(76)	-100%
PON MIUR SIAD Grant	-	168	(168)	-100%
Diprovel Grant	34	224	(190)	-85%
Costar Grant	161	161	-	0%
Simest Grant	200	200	-	0%
UP Wing Grant	1,094	1,211	(117)	-10%
UAM4UAM Grant	2,259	3,227	(968)	-30%
Remix Grant	346	-	346	>100%
Subsidiaries Grants	22	847	(825)	-97%
Receivables for Grants	4,216	6,323	(2,107)	-33%

The grant and amount received during the year is presented below:

- The amount of Euro 24 thousand relates to the receivable from the European Union, through the Clean Sky 2 programme, for the European research project called ASTIB (Total grant Euro 2,388 thousand - Amount received Euro 2,364 thousand);
- The amount of Euro 22 thousand relates to the receivable from the European Union for the European research project called AG2 co-ordinated by the Italian Aerospace Research Centre (Total grant Euro 183 thousand - Amount received Euro 161 thousand);
- The amount of Euro 54 thousand relates to the receivable from the Ministry for Economic Development for the European research project called Imare co-ordinated by Costruzioni Motori Diesel S.p.A. (Total grant Euro 227 thousand - Amount received Euro 174 thousand);
- The amount of Euro 34 thousand relates to the receivable from the Ministry for Economic Development for the European research project called Diprovel (Total grant Euro 356 thousand - Amount received Euro 322 thousand);
- The amount of Euro 161 thousand relates to the receivable from the European Union for a European research project called Costar (Total grant Euro 1,280 thousand - Amount received Euro 1,119 thousand);
- The amount of Euro 200 thousand refers to the receivable from Simest (CDP Group Company). The grant is related to the National Recovery and Resilience Plan project - "Digital and Ecological Transition of SMEs with an international focus" (Total grant Euro 400 thousand - Amount received Euro 200 thousand);
- The amount of Euro 1,094 thousand relates to the receivable from the European Union for a European research project called Up Wing, whose co-ordinator is Airbus GMBH (Total grant Euro 1,864 thousand - Amount received Euro 769 thousand);

- The amount of Euro 2,259 thousand relates to the receivable from the Ministry of Enterprises and Made in Italy, pertaining to the Sustainable Growth Fund - Innovation Agreements, as per Ministerial Decree of December 31, 2021 and Executive Decree of March 18, 2022, for a research project called UAM4UAM (Total grant Euro 3,227 thousand - Amount received Euro 968 thousand);
- The amount of Euro 346 thousand relates to the receivable from SviluppUmbria for an Industrial research and experimental development project issued under the PR FESR UMBRIA 2021 - 2027, O.S. 1.1 Action 1.1.2. (Total grant Euro 577 thousand - Amount received Euro 231 thousand).

The *VAT receivable* balance refers mainly to the parent company and relates to the annual credit resulting from the December settlement carried forward.

The balance of *other tax receivables* mainly refers to the parent company. The main tax receivables accrued as of December 31, 2024 are listed below:

- the tax credit of Euro 12 thousand in the form of bonuses on investments in capital goods (FY 2020) as per Article 1, para. 184 – 197, of Law No. 160 of December 27, 2019, Euro 12,158 thousand of which beyond one year;
- the tax credit of Euro 26 thousand in the form of bonuses on investments in capital goods (FY 2022) as per Article 1, para. 1055, of Law No. 178 of December 30, 2020, Euro 26,611 thousand of which beyond one year;
- the tax credit of Euro 738 thousand in the form of bonuses on investments in capital goods (FY 2023) as per Article 1, para. 1057, of Law No. 178 of December 30, 2020, Euro 64 thousand of which beyond one year;
- the tax credit of Euro 213 thousand related to R&D (FY 2021) as per Law No. 160 of December 27, 2019;
- the tax credit of Euro 103 thousand related to R&D (FY 2022) as per Law No. 160 of December 27, 2019;
- the tax credit of Euro 129 thousand related to R&D in 2023 as per Law No. 160 of December 27, 2019, Euro 64 thousand of which beyond one year;
- the tax credit of Euro 229 thousand related to R&D in 2024 as per Law No. 160 of December 27, 2019, Euro 153 thousand of which beyond one year;
- the tax credit of Euro 5 thousand related to the Art Bonus of the year 2022, as per Law No. 106 of July 29, 2014;
- the tax credit of Euro 11 thousand related to the Art Bonus of the year 2023, as per Law No. 106 of July 29, 2014, Euro 5 of which beyond one year;

The tax credit relating to R&D expenses and technological innovation can be used exclusively by means of offsetting, in three equal annual instalments, starting from the tax period following that in which it accrues, subject to fulfilment of the certification obligations.

Note 13 - Inventories

Inventories amount to Euro 94,649 thousand at December 31, 2024 and to Euro 83,360 thousand at December 31, 2023. The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Raw materials, ancillaries and consumables	34,270	27,749	6,521	23%
Semi-finished products	43,717	42,359	1,358	3%
Finished products	13,439	11,588	1,851	16%
Goods in transit	1,556	962	594	62%
Contract work-in-progress	1,667	702	965	137%
Total inventory at the lower of cost and net realisable value	94,649	83,360	11,289	14%

In the year ended December 31, 2024, the item increased by Euro 11,289 thousand, with the increase mainly related to the Parent Company, to the American Companies and to ERA.

The inventory obsolescence provision at December 31, 2024 is Euro 7,632 thousand and represents 7.5% of the value of gross inventories. The provision was set aside to account for obsolescence and slow turnaround.

The provision is broken down below:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Obsoles. prov. Raw materials, ancillaries and consumables	2,672	2,895	(223)	-8%
Obsoles. prov. Semi-finished products	3,080	2,719	361	13%
Obsoles. prov. Finished products	1,880	1,761	119	7%
Total inventory obsolescence provision	7,632	7,375	257	3%

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023
Present value of the provision at the beginning of the year	7,375	6,897
Increase from Acquisitions	-	138
Utilisation of the inventory obsolescence provision in the year	(917)	(1,624)
Accrual to the obsolescence provision in the year	1,249	1,859
Other changes	(75)	105
Balance Inventory obsolescence provision	7,632	7,375

The utilisation in 2024 is attributable to the parent company for Euro 485 thousand, and for Euro 432 thousand to the subsidiaries Linear Motion and PKE.

The provision for the year 2024 is attributable to the parent company for Euro 980 thousand and to subsidiaries for Euro 270 thousand. Other changes include that related to the exchange rate effect.

The movements in the Inventory obsolescence provision result from the application of the new inventory obsolescence policy, which sets out separate guidelines according to the segment and business line.

Note 14 - Trade receivables

Trade receivables amounted to Euro 36,403 thousand at December 31, 2024, compared to Euro 35,907 thousand at December 31, 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Trade receivables from third-party customers	37,854	37,177	677	2%
Doubtful debt provision	(1,451)	(1,270)	(181)	14%
Total trade receivables	36,403	35,907	496	1%

The doubtful debt provision represents the best possible estimate made by management, based on information available as of the date the financial statements were prepared. Estimates and assumptions are made by the Directors with the support of the corporate function, consistent with the regulations of IFRS 9.

Impairment on trade receivables is carried out through the simplified approach allowed by the standard. This approach involves estimating the expected loss over the life of the loan at initial recognition and in subsequent evaluations. For each customer segment, the estimate is principally made through the calculation of the average expected non-recoverability of receivables, based on historical-statistical indicators, which are eventually adjusted using prospective elements. For certain categories of receivables characterised by specific elements of risk, specific valuations are instead made on the individual credit positions.

The changes in the account were as follows:

<i>In Euro thousands</i>	2024	2023
Present value of the provision at the beginning of the year	1,270	1,194
Utilisation/release of doubtful debt provision in the year	(1)	(425)
Accrual to doubtful debt provision in the year	176	501
Other changes	6	-
Balance doubtful debt provision	1,451	1,270

Note 15 - Tax receivables

Tax receivables amounted to Euro 2,315 thousand at December 31, 2024, compared to Euro 890 thousand at December 31, 2023.

At December 31, 2024, this item consists primarily of:

- state and federal taxes related to subsidiaries operating in other states, amounting to Euro 242 thousand;
- settlements under the tax consolidation, amounting to Euro 1,698 thousand, and IRES/IRAP advances for Euro 375 thousand;

The increase is due to the higher advances in 2024 than the results achieved.

Note 16 - Cash and cash equivalents

Trade receivables amounted to Euro 77,006 thousand at December 31, 2024, compared to Euro 48,885 thousand at December 31, 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Cash in hand and similar	76,988	48,866	28,122	58%
Bank and postal deposits	18	19	(1)	-5%
Total cash and cash equivalents	77,006	48,885	28,121	58%

The amounts shown can be readily converted into cash and do not have a significant risk of change in value. The Group believes that the credit risk associated with cash and cash equivalents is limited because they primarily consist of deposits held with various national Italian banking institutions.

Note 17 - Derivative instruments assets and liabilities

Derivative instrument assets, relating to Co.Me.Ar. S.r.l., amount to Euro 42 thousand at December 31, 2024.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Current derivative instrument assets	42	380	(338)	-89%
Total current derivative instrument assets	42	380	(338)	-89%

Non-current derivative instruments liabilities, relating to the Parent Company and BSP S.r.l., amount to Euro 6,372 thousand at December 31, 2024.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Non-current derivative instruments liabilities	6,372	5,582	790	14%
Total Non-current derivative instruments liabilities	6,372	5,582	790	14%

Financial instruments are used by the parent company with the intention of hedging risks arising from interest rate assessments of bank debt, hedging exchange rate fluctuations, and hedging energy price fluctuations. These derivative financial instruments are initially recorded at fair value at the date on which they are agreed; subsequently this fair value is periodically recalculated.

Interest rate derivatives are over-the-counter (OTC) instruments, meaning that they are entered into bilaterally with market counterparties and their current value is determined on the basis of valuation techniques based on inputs (such as interest rate curves) observable on the market (level 2 of the fair value hierarchy established in IFRS 7).

The financial instruments at December 31, 2024 are all measured at fair value and fall under Level 2.

Derivative instrument liabilities for Euro 6,372 thousand include the fair value at December 31, 2024 related to derivatives hedging interest rate movements and Euro/USD exchange rate movements, and energy price hedging derivatives, for Euro 1,129 thousand, Euro 2,228 thousand and Euro 3,014 thousand respectively.

The fair value and information (concerning the present year and the previous year) on the extent and nature of each category of derivative financial instruments issued by the Group are detailed below. These are sub-divided by category taking in account the characteristics of the instruments and their purpose. There are no contractual terms or conditions in derivative contracts that can influence the amount, maturities and certainties of future cash flows which are also guaranteed by the reliability of counterparties represented by leading banking institutions.

Derivative financial instruments designated for accounting purposes as hedging instruments

The derivative financial instruments summarised in the table below concern hedges of risks related to changes in electricity prices.

<i>In Euro thousands</i>					2024		2023	
Company	Counterparty	Type	Maturity date	Notional capital	Current portion	Non-current portion	Current portion	Non-current portion
UmbraGroup	Unicredit	Commodity Swaps	31/12/2027	4,014	(569)	(1,393)	(675)	(2,093)
UmbraGroup	Unicredit	Commodity Swaps	31/12/2027	3,574	(236)	(816)	(385)	(1,296)

The derivative financial instruments summarised in the table below concern hedges of risks related to changes in the bank interest on outstanding loans.

<i>In Euro thousands</i>					2024	2023
Company	Counterparty	Type	Maturity date	Notional capital	Fair value	Fair value
UmbraGroup	Intesa SanPaolo	IRS	21/01/2027	4,875	(50)	(30)
UmbraGroup	Unicredit	IRS	30/09/2029	10,179	(177)	(124)
UmbraGroup	Intesa SanPaolo	IRS	05/07/2030	9,638	(261)	(260)
UmbraGroup	BNL Gruppo BNP Paribas	IRS	27/07/2030	23,958	(639)	(637)
Co.Me.Ar.	Intesa SanPaolo	IRS	30/04/2027	604	17	42
Co.Me.Ar.	Intesa SanPaolo	IRS	06/10/2026	170	4	11
Co.Me.Ar.	Unicredit	IRS	22/03/2024	-	-	(57)
Co.Me.Ar.	Unicredit	IRS	30/09/2027	750	21	48
BSP	BPER	IRS	30/06/2026	800	(2)	-

Derivative financial instruments not designated for accounting purposes as hedging instruments

The derivative financial instruments in the following table hedge cash flows in foreign currencies and in particular the US Dollar.

<i>In Euro thousands</i>	Positive fair value		Negative fair value	
	2024	2023	2024	2023
US Dollar	-	279	2,228	24

Note 18 - Equity

The approved fully paid-up share capital of the Parent Company is Euro 12,056 thousand, comprising 333,333 shares.

Umbragroup S.p.A. in addition holds 45,499 treasury shares, with a par value of Euro 48,305 thousand and equal to 13.65% of the share capital.

It should be noted that the acquired BSP S.r.l. holds 1,393 shares of the Parent Company, corresponding to a purchase value of Euro 1,198 thousand. In this regard, the Consolidated Share Capital at December 31, 2023 underwent a reduction of Euro 25 thousand to Euro 12,031 thousand. The acquisition of BSP S.r.l., given the 0.42% shareholding in Umbragroup S.p.A., is a transaction categorised as a reciprocal share purchase.

As required by IAS 32, the excess value resulting from the reduction of the share capital to par value was reflected as an allocation to the Treasury Share Reserve for Euro 597 thousand and allocated to Minority Interest Equity for Euro 576 thousand.

Equity amounted to Euro 132,256 thousand at December 31, 2024, compared to Euro 119,485 thousand at December 31, 2023.

Please refer to the Statement of Changes in Equity at December 31, 2024 and at December 31, 2023 for details of changes in Equity at December 31, 2024 and December 31, 2023.

Reconciliation of parent company and consolidated equity and result

The reconciliation between the equity and result of the Parent Company and the corresponding consolidated figures at December 31, 2024 and December 31, 2023 follows:

<i>In Euro thousands</i>	December 31, 2024		December 31, 2023	
	Equity	Net Result	Equity	Net Result
Financial Statements of the Parent Company	92,384	8,718	86,947	13,812
Adjustment of Parent Company financial statements to IAS/IFRS standards	895	69	754	(166)
IAS adjusted Financial Statements of the Parent Company	93,279	8,787	87,701	13,646
Consolidation effects of the subsidiary companies	38,976	5,044	31,784	(3,202)
Total Consolidated	132,255	13,831	119,485	10,444
Minority interest equity and result	2,579	(73)	2,647	(874)
Total Group	129,676	13,903	116,838	11,318

Note 19 - Employee benefits

Employee benefits amount to Euro 5,852 thousand at December 31, 2024 and to Euro 5,610 thousand at December 31, 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Post-employment benefits	15,506	14,718	788	5%
Treasury Fund	(9,669)	(9,128)	(541)	6%
Accrued post-employment benefits	15	20	(5)	-25%
Total employee benefits	5,852	5,610	242	4%

The movements in the item are reported below:

<i>In Euro thousands</i>	2024	2023
Present value of the obligation at the beginning of the fiscal year	5,610	3,857
Increase from Acquisitions	-	2,114
Service Cost	270	216
Interest cost	170	142

Provisions/ Advances and Settlements	(104)	150
Actuarial losses/(gains)	(94)	(869)
Total employee benefits	5,852	5,610

The item includes the total value of post-employment benefits accrued by the employees in service at December 31, 2024 and December 31, 2023 of the parent company UmbraGroup S.p.A. and the Italian subsidiaries Serms S.r.l., AMCO S.r.l., Co.Me.Ar. S.r.l., BSP S.r.l. and ERA S.r.l., in application of current laws and labour contracts, net of advances granted, determined in accordance with Article 2120 of the Civil Code, and the transfer to other entities as supplementary pension benefits.

In accordance with paragraphs 67 to 69 of IAS 19, the obligation was calculated using the Projected Unit Credit Method (PUCM); this is an actuarial approach based on average valuations of future charges. More specifically, the assessment was done through a generalisation of the previous PUCM method, i.e. it financially takes into account events that cause the employee's actual seniority to change, such as advances and similar to supplementary pension funds.

The technical bases used for the valuation of post-employment benefits under IAS 19 involves two categories of assumptions, demographic and financial.

For demographic technical bases, the probability of the active employee's transition to different states, such as retirement due to old age, seniority, disability, and especially resignation, are estimated, as this eventuality results in the company's settlement of the employee's accrued post-employment benefits. In addition, the knowledge of the rules for granting post-employment benefit advances, the availability of historical data on the frequency of their use by workers and their average size is crucial information in order to correctly quantify the amounts.

Financial assumptions, on the other hand, concern:

- The annual discount rate used to determine the present value of the bond was derived, consistent with para. 83 of IAS 19, from the Iboxx Corporate AA index with duration 7-10 recognised at the valuation date. For these purposes, the yield with a comparable duration to the duration of company employees subject to valuation was chosen;
- the annual rate of increase of post-employment benefits, as stipulated in Article 2120 of the Civil Code, is 75% of inflation plus 1.5 percentage points;
- the annual rate of salary increase applied exclusively for Companies with an average of less than 50 employees during 2006 was determined on the basis of that reported by Company Managers.

The demographic technical bases used are presented below:

Death	The RG48 mortality tables of the General State Controller
Disability	INPS tables by age and gender
Retirement	100% on satisfying AGO requirements

The application of the calculation model considered, based on the assumptions described previously, allows the following valuation results to be obtained:

- the initial DBO, i.e., the expected present value of benefits payable in the future, related to past work activity, already available at the beginning of the period;
- the Curtailment/Settlement, i.e., the change in the liability due to plan changes or events involving a reduction in personnel, such as plant closures, mobility, etc.;
- the Service Cost (SC), i.e., the expected present value of benefits payable in the future related to the work performed in the present period, conceptually comparable to the accrued portion of the statutory post-employment benefits;
- the Interest Cost (IC), i.e., interest, on that set aside at the beginning of the period and on the corresponding movements, referring to the same observed period; this element is conceptually comparable to the net revaluation attributed to statutory post-employment benefits;

- the Benefits paid and Transfers in/(out) representative of all payments and any transfers in and out related to the observed period, elements that give rise to the use of the accrued liability.

The sum of the previous elements allows the identification of the value of the expected provision at the end of the observation period (Expected DBO) which, compared with the recalculated DBO at the end of the period on the basis of the actual collective resulting at that date and the new valuation assumptions, allows the identification of the actuarial gains or losses called Actuarial Gains/Losses (AGL).

Such Actuarial Gains/Losses are categorised into three types:

- from experience: due to the changes to the collective being evaluated between evaluations, in terms of new entrants, resignations, retirements, request for advances, etc., differing from what was assumed;
- from changing demographic assumptions: determined by changes in demographic assumptions between evaluations;
- from changes in financial assumptions: determined by changes in economic assumptions and mainly due to the change in the annual discount rate.

Note 20 - Provision for risks and charges

Provisions for risks and charges totalled Euro 5,150 thousand at December 31, 2024 and Euro 3,762 thousand at December 31, 2023.

The changes in the account in the year were as follows:

<i>In Euro thousands</i>	2024	2023
Balance at beginning of the year	3,762	2,453
Increases from Acquisitions	-	2
Provisions	4,859	3,560
Releases/Utilisations	(3,558)	(2,227)
Other changes	87	(26)
Total provision for risks and charges	5,150	3,762

The provision for risks and charges at December 31, 2024 is comprised as follows:

- Euro 3,156 thousand related to the valuation of 2024 production bonuses, MBO and LTI due to all employees of the parent company on the basis of an agreement signed between the Parent Company and the Trade Union Representatives;
- Euro 403 thousand related to the valuation of compensation policies pertaining to 2024 of the parent company;
- Euro 1,444 thousand related to the contingent liability of Umbra Cuscinetti Inc. related to the repayment of a Covid grant received in 2021 and considered a non-repayable grant;
- Euro 147 thousand for product warranty coverage provisions and other minor provisions related to other Group Companies.

Note 21 - Bank loans and borrowings

Bank loans and borrowings totalled Euro 119,343 thousand at December 31, 2024 and Euro 116,134 thousand at December 31, 2023.

The breakdown of the account is presented below:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Non-current bank borrowings	88,364	87,833	531	1%
Current loans and borrowings	30,979	28,301	2,678	9%
Total loans and borrowings	119,343	116,134	3,209	3%

Bank loans and borrowings include bank loans and advances; the following table summarises by Company amounts due to lending institutions, with the initial nominal amount, the outstanding debt and the portion due within and beyond one year, as well as beyond 5 years:

Group companies	Credit institution	Assessable	Maturity	December 31, 2024	December 31, 2023
UmbraGroup S.p.A.	Monte dei Paschi	5,000	31/12/2027	2,190	2,904
UmbraGroup S.p.A.	Intesa San Paolo	10,000	28/03/2025	734	2,193
UmbraGroup S.p.A.	Intesa San Paolo	10,000	25/02/2027	3,571	5,000
UmbraGroup S.p.A.	Intesa San Paolo	10,000	05/07/2030	9,638	10,000
UmbraGroup S.p.A.	Mediocredito (Intesa San Paolo)	10,000	29/09/2025	1,476	2,936
UmbraGroup S.p.A.	Banca Pop. Ancona (UBI)	5,000	17/11/2024	-	732
UmbraGroup S.p.A.	Unicredit	10,000	30/11/2027	4,286	5,714
UmbraGroup S.p.A.	Unicredit	15,000	30/09/2029	10,179	12,321
UmbraGroup S.p.A.	Banco Popolare	5,000	31/12/2024	-	733
UmbraGroup S.p.A.	Cariparma (Credito Agricole)	5,000	31/03/2025	179	893
UmbraGroup S.p.A.	BNL	7,000	31/03/2025	257	1,281
UmbraGroup S.p.A.	UBI (Tiltro)	3,000	21/01/2024	-	253
UmbraGroup S.p.A.	UBI (Cassa Debiti e Prestiti)	7,000	21/01/2027	4,875	6,295
UmbraGroup S.p.A.	Banco BPM	12,500	29/12/2028	8,433	10,479
UmbraGroup S.p.A.	Banco BCC	10,000	08/09/2025	2,143	5,000
UmbraGroup S.p.A.	Cassa Depositi e Prestiti	25,000	27/07/2030	23,958	25,000
UmbraGroup S.p.A.	Banco BCC	2,200	30/11/2029	2,200	-
UmbraGroup S.p.A.	Banca Popolare di Sondrio	5,000	31/01/2031	5,000	-
UmbraGroup S.p.A.	Banca Centro	5,000	31/12/2029	5,000	-
UmbraGroup S.p.A.	Monte dei Paschi	5,000	31/12/2030	5,000	-
AMCO S.r.l.	Intesa San Paolo	500	26/10/2025	62	135
PKE GmbH	STILL Financial Services	34	30/06/2027	23	31
Umbra Cuscinetti Inc.	BNL	3,523	22/06/2026	963	1,508
Umbra Cuscinetti Inc.	Bank of America	1,410	14/04/2026	43	70
UGI Holding Inc.	BNL	7,927	30/06/2024	-	3,394
UGI Holding Inc.	BNL	9,626	31/06/2029	9,626	-
Co.Me.Ar. S.r.l.	Monte dei Paschi	230	31/07/2026	82	133
Co.Me.Ar. S.r.l.	Monte dei Paschi	200	31/07/2026	72	117
Co.Me.Ar. S.r.l.	Monte dei Paschi	300	30/11/2024	-	300
Co.Me.Ar. S.r.l.	Monte dei Paschi	300	30/11/2025	300	-
Co.Me.Ar. S.r.l.	Intesa San Paolo	1,750	30/04/2027	604	877
Co.Me.Ar. S.r.l.	Mediocredito Centrale	800	23/12/2026	406	604
Co.Me.Ar. S.r.l.	Unicredit	39	27/09/2025	10	23
Co.Me.Ar. S.r.l.	Unicredit	3,000	20/03/2025	971	3,000
Co.Me.Ar. S.r.l.	Unicredit	1,500	30/09/2027	750	1,023
Co.Me.Ar. S.r.l.	Unicredit	1,500	30/09/2030	1,438	-
Co.Me.Ar. S.r.l.	Banco Popolare	700	14/03/2026	179	320
Co.Me.Ar. S.r.l.	Banco Popolare	1,000	06/07/2028	539	678
Co.Me.Ar. S.r.l.	Banco Popolare	350	19/02/2025	292	-
Co.Me.Ar. S.r.l.	Banco di Desio e della Brianza	395	10/07/2029	282	341
Co.Me.Ar. S.r.l.	Banco di Desio e della Brianza	400	10/07/2025	60	162
Co.Me.Ar. S.r.l.	FCA Bank	13	06/12/2024	-	13
Co.Me.Ar. S.r.l.	Banca CARIGE	225	30/06/2026	86	142
Co.Me.Ar. S.r.l.	Banca CARIGE	125	30/06/2026	48	79
Co.Me.Ar. S.r.l.	Banca Popolare di Cortona	300	01/02/2026	75	136
Co.Me.Ar. S.r.l.	Banca Popolare di Cortona	250	01/09/2026	93	143
Co.Me.Ar. S.r.l.	Banca Popolare di Cortona	800	01/06/2029	729	-
Co.Me.Ar. S.r.l.	Banca Popolare dell'Emilia Romagna	250	12/10/2026	116	179
Co.Me.Ar. S.r.l.	Unione di Banche Italiane	450	06/10/2028	243	303
Co.Me.Ar. S.r.l.	BCC Umbria Credito Cooperativo	1,200	10/11/2030	1,185	1,200
Co.Me.Ar. S.r.l.	BCC Umbria Credito Cooperativo	1,000	05/03/2025	784	-
BSP S.r.l.	Monte dei Paschi	500	31/07/2026	82	133
BSP S.r.l.	Monte dei Paschi	1,700	31/07/2026	144	233
BSP S.r.l.	Monte dei Paschi	150	30/11/2024	-	150
BSP S.r.l.	Monte dei Paschi	200	28/02/2026	200	-
BSP S.r.l.	Mediocredito Centrale	1,000	23/12/2026	530	790
BSP S.r.l.	Banca Popolare di Cortona	400	01/09/2026	149	228
BSP S.r.l.	Banca Popolare di Cortona	300	01/02/2026	75	136

BSP S.r.l.	Banco Popolare	400	21/10/2026	186	286	
BSP S.r.l.	Banco Popolare	1,000	16/06/2028	502	642	
BSP S.r.l.	Banco Popolare	210	04/01/2024	-	54	
BSP S.r.l.	Banco di Desio e della Brianza	500	10/06/2029	351	426	
BSP S.r.l.	Banco di Desio e della Brianza	400	10/08/2025	69	171	
BSP S.r.l.	Banca CARIGE	400	30/06/2026	149	246	
BSP S.r.l.	Banca CARIGE	400	30/06/2026	80	133	
BSP S.r.l.	Cassa di Risparmio di Orvieto	1,700	31/12/2028	1,360	1,700	
BSP S.r.l.	Banca Popolare dell'Emilia Romagna	800	30/09/2032	800	-	
BSP S.r.l.	Monte dei Paschi	210	30/11/2025	210	-	
BSP S.r.l.	Banco Popolare	800	31/12/2032	800	-	
ERA S.r.l.	Unicredit	285	30/09/2024	-	43	
ERA S.r.l.	Unicredit	115	31/01/2025	2	24	
ERA S.r.l.	BNL	400	27/10/2026	160	240	
ERA S.r.l.	Intesa San Paolo	350	15/12/2026	144	214	
ERA S.r.l.	Intesa San Paolo	250	15/12/2026	103	153	
ERA S.r.l.	Intesa San Paolo	250	30/05/2030	196	233	
ERA S.r.l.	Banco BPM	750	30/05/2030	589	691	
ERA S.r.l.	Banco di Desio e della Brianza	550	10/10/2026	208	320	
Total loans		144,850		116,269	113,891	
Co.Me.Ar. S.r.l.	Various banks			2,507	2,234	
BSP S.r.l.	Various banks			555	-	
ERA S.r.l.	Various banks			12	9	
Total bank advances				3,074	2,243	
Total loans and borrowings				119,343	116,134	
				<i>of which current portion</i>	30,979	28,301
				<i>of which within 5 years</i>	79,946	73,509
				<i>of which beyond 5 years</i>	8,418	14,324

A number of the loans listed above, in relation to the parent company, require compliance with financial covenants.

They are reported below in detail:

- **Credit Agricole - Cariparma Loan:** On January 16, 2017, the parent company drew down a loan of Euro 5,000 thousand; the loan is repayable in quarterly instalments in arrears concluding on March 31, 2025 at a fixed interest rate; the residual payable at December 31, 2024 is Euro 179 thousand. The covenants on the loan and the relative value at December 31, 2024, with non-compliance of just one of the above-indicated parameters resulting in an increase in the spread, were as follows: These covenants concern the consolidated financial statements.

	Covenants	31.12.2024
Net Financial Position / Equity	< = 1.5	0.38
Net Financial Position / EBITDA	< = 3.5	1.04

- **BNP Paribas Loan:** On January 31, 2017, the company drew down a loan of Euro 7,000 thousand; the loan is repayable in 28 quarterly instalments in arrears concluding on March 31, 2025 at a fixed interest rate; the residual payable at December 31, 2024 is Euro 257 thousand. The covenants on the loan and the relative value at December 31, 2024, whose non-compliance triggers the acceleration clause, were as follows: These covenants concern the consolidated financial statements.

	Covenants	31.12.2024
Net Financial Position / EBITDA	< = 3.0	1.04

- **Mediocredito Loan:** On September 29, 2017, the parent company drew down a loan of Euro 10,000 thousand; the loan is repayable in half-yearly instalments in arrears concluding on September 29, 2025 at a fixed interest rate; the residual payable at December 31, 2024 is Euro 1,476 thousand.

The covenants on the loan and the relative value at December 31, 2024, with non-compliance of at least one of the above-indicated parameters resulting in an increase in the spread, were as follows: These covenants concern the consolidated financial statements.

	Covenants	31.12.2024
EBITDA / Gross Financial Charges	> 4.5	6.25
Net Financial Position / Equity	< 1.2	0.36
Net Financial Position / EBITDA	< 3	1.00

- Unicredit loan: on September 8, 2021 the parent company drew down a loan for Euro 15,000 thousand; the loan, subject to a grace period until September 30, 2022, is repayable in quarterly instalments concluding on September 30, 2029 with a variable interest rate. The residual payable at December, 31 2024 is Euro 10,179 thousand. These covenants concern the consolidated financial statements.

	Covenants	31.12.2024
Net Financial Position / EBITDA	< = 3.0	1.18

- Banco BPM loan: on November 15, 2021, the Parent Company drew down a loan for a first tranche of Euro 500 thousand; on March 10, 2022, the second tranche of Euro 12,000 thousand was disbursed. The total loan amounts to Euro 12,500 thousand. The loan has a grace period until December 31, 2023 and is repayable in quarterly instalments concluding on December 29, 2028 with interest at a fixed rate. The residual payable at December, 31 2024 is Euro 8,433 thousand. These covenants concern the consolidated financial statements.

	Covenants	31.12.2024
Net Financial Position / Equity	< 2	0.39
Net Financial Position / EBITDA	< 3.5	1.07

- BNP Paribas Loan: the loan, drawn down by the US subsidiary Linear Motion LLC on June 17, 2024 for an amount of USD 10,000 thousand, with a grace period until May 28, 2025, is repayable in 16 quarterly instalments maturing on May 28, 2029 with interest based on the Libor at three months plus a spread; the residual payable at December 31, 2024 is USD 10,000 thousand. These covenants concern the consolidated financial statements.

	Covenants	31.12.2024
Net Financial Position / Equity	< 1.0	0.38
Net Financial Position / EBITDA	< 3.0	1.04

- BNP Paribas Loan: the loan, drawn down by the US subsidiary Umbra Cuscineti Inc. on January 22, 2019 for an amount of USD 4,000 thousand, with a grace period until June 22, 2019, is repayable in 24 quarterly instalments maturing on June 22, 2026 with interest based on the Libor at three months plus a spread; the residual payable at December 31, 2024 is USD 1,000 thousand. These covenants concern the consolidated financial statements.

	Covenants	31.12.2024
Net Financial Position / Equity	< 1.0	0.38
Net Financial Position / EBITDA	< 3.0	1.04

- Cassa Depositi e Prestiti Loan: on August 3, 2023, the Parent Company drew down a loan for Euro 25,000 thousand; the loan, with a grace period until July 27, 2024, is repayable in quarterly instalments maturing on July 27, 2030 with a variable interest rate based on the three-month Euribor rate plus a spread. The residual payable at December, 31 2024 is Euro 23,958 thousand. Euro 3,125 thousand of the payable is due beyond 5 years. This loan was hedged against the risk of interest rate fluctuations; the Company secured a maximum

interest rate, including spread, of 4.62%. The covenants on the loan and the relative value at December 31, 2024, whose non-compliance with at least one of the above indicators, triggers the acceleration clause, were as follows: These covenants concern the consolidated financial statements.

	Covenants	31.12.2024
Net Financial Position / Equity	< 1.5	0.41
Net Financial Position / EBITDA	< 3.5	1.21

- Unicredit Loan: on July 30, 2024, the subsidiary Co.Me.Ar. S.r.l. drew down a loan for Euro 1,500 thousand; the loan is repayable in quarterly instalments in arrears from December 31, 2024, concluding on September 30, 2030, with variable interest on the basis of the Euribor at three months plus a spread. The residual payable at December, 31 2024 is Euro 1,438 thousand. The covenants on the loan and the relative value at December 31, 2024, whose non-compliance triggers the acceleration clause, were as follows: These covenants concern the consolidated financial statements.

	Covenants	31.12.2024
Net Financial Position / EBITDA	< = 3.5	1.04

Note 22 – Financial payables

Financial payables totalled Euro 16,860 thousand at December 31, 2024 and Euro 11,793 thousand at December 31, 2023.

The breakdown of the account is presented below:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Non-current financial payables	12,676	8,325	4,351	52%
Current financial payables	4,184	3,468	716	21%
Total financial payables	16,860	11,793	5,067	43%

Non-current financial payables totalled Euro 12,676 thousand at December 31, 2024 and Euro 8,325 thousand at December 31, 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Non-current payables to leasing companies	9,645	5,331	4,314	81%
Payables to other lenders	3,031	2,994	37	1%
Total non-current financial payables	12,676	8,325	4,351	52%

Current financial payables totalled Euro 4,184 thousand at December 31, 2024 and Euro 3,468 thousand at December 31, 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Current payables to leasing companies	2,157	2,016	141	7%
Payables to other lenders	1,518	772	746	97%
Other payables	509	680	(171)	-25%
Total current financial payables	4,184	3,468	716	21%

Payables to leasing companies refer to the recognition of the residual financial payables recorded in accordance with IFRS 16, specifically see *Note 8 - Right-of-use assets*.

Note 23 – Other liabilities

Other liabilities totalled Euro 24,581 thousand at December 31, 2024 and Euro 23,511 thousand at December 31, 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Other non-current liabilities	-	384	(384)	-100.0%
Other current liabilities	24,581	23,511	1,070	4.6%
Total other liabilities	24,581	23,895	686	2.9%

Other non-current liabilities amounted to Euro 0 thousand at December 31, 2024 and Euro 384 thousand at December 31, 2023 and includes the payable to the Ministry of Productive Activities (former Ministry of Industry) and refers entirely to the Parent Company, and in particular the research and development projects related to an electromechanical actuator for the Agusta - Westland helicopter and the VRS A380. It concerns an interest-free loan disbursed in several tranches.

Other liabilities totalled Euro 24,581 thousand at December 31, 2024 and Euro 23,511 thousand at December 31, 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Payables to staff	6,812	6,024	788	13.1%
Payables to social security institutions	3,325	3,165	160	5.1%
Other payables	11,574	11,959	(385)	-3.2%
Payables to other lenders	384	384	-	0.0%
Payables for withholding taxes	2,178	1,835	343	18.7%
VAT tax liabilities	199	65	134	206.2%
Other tax payables	109	79	30	38.0%
Total Other current liabilities	24,581	23,511	1,070	4.6%

Note 24 – Trade payables

Trade payables amount to Euro 40,106 thousand at December 31, 2024 and to Euro 42,838 thousand at December 31, 2023. The item is recorded net of trade discounts. In addition, the nominal value is adjusted on returns or rebates (billing adjustments) to the extent corresponding to the amount defined with the counterparty.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Trade payables	32,178	33,239	(1,061)	-3%
Customer advances	7,928	9,599	(1,671)	-17%
Total trade payables	40,106	42,838	(2,732)	-6%

Note 25 - Current tax liabilities

Trade payables amount to Euro 1,808 thousand at December 31, 2024 and to Euro 3,633 thousand at December 31, 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	December 31, 2024	December 31, 2023	Change	Change %
Tax payables	1,808	1,012	796	79%
IRES payable for tax consolidation	-	2,621	(2,621)	-100%
Total Tax payables	1,808	3,633	(1,825)	-50%

The item at December 31, 2024 consists mainly of the income taxes for the year of the American subsidiaries.

The item at December 31, 2023 consists mainly of:

- IRAP payables of the Parent Company and all Italian subsidiaries for Euro 617;
- IRES payables of the subsidiary ERA S.r.l.;
- Income taxes of UCI of Euro 78 thousand.

Note 26 - Revenues

Revenues amounted to Euro 255,700 thousand in 2024, up Euro 33,014 thousand on 2023 (Euro 222,686 thousand).

The breakdown of the account is presented below:

<i>In Euro thousands</i>	2024	2023	Change	Change %
Aerospace Products	189,870	144,124	45,747	32%
Industrial Products	63,929	76,795	(12,866)	-17%
Others	1,900	1,767	133	8%
Total Revenues	255,700	222,686	33,014	15%

The following table presents total revenues by region and the movement from the previous year:

<i>In Euro thousands</i>	2024	2023	Change	Change %
Italy	39,076	19,584	19,492	100%
EMEA (excluding Italy)	74,199	82,993	(8,794)	-11%
USA	127,713	101,379	26,334	26%
Others	14,712	18,730	(4,018)	-21%
Total Revenues	255,700	222,686	33,014	15%

The increase in the year was mainly driven by the Aerospace business. This segment also benefited from the full contribution to the consolidation scope of Co.Me.Ar. and ERA, which increased Group sales net of intercompany transactions by Euro 16,100 thousand, and from the performance of the American Companies, which increased their sales by 22.5% on 2023.

The Industrial sector declined 16.8%, with a particularly pronounced contraction in Italy and Germany. The reduction can be attributed to a European macroeconomic environment that saw stagnant growth, high energy costs and slowing industrial investment, especially in the German manufacturing and automotive sectors. Geopolitical uncertainty and weak domestic demand have also contributed to caution regarding orders. Revenues by business line and the change on the previous year are outlined in the table below.

Note 27 - Raw Material costs

The cost of raw materials, supplies, consumables and goods amounted to Euro 68,247 thousand in 2024, increasing by a total of Euro 4,892 thousand compared to 2023 (Euro 63,355 thousand).

The changes in the account were as follows:

<i>In Euro thousands</i>	2024	2023	Change	Change %
Purchase of materials	73,548	71,459	2,089	3%
Accessory purchase costs	3,017	2,704	313	12%
Change in inventories	(8,318)	(10,808)	2,490	-23%
Total raw materials costs	68,247	63,355	4,892	8%

The increase in the item for FY 2024 is partly attributable to the change in consolidation scope and the increase in revenues.

Note 28 – Service costs

Service costs amounted to Euro 43,482 thousand in 2024, and Euro 45,602 thousand in 2023 (-Euro 2,120 thousand).

The changes in the account were as follows:

<i>In Euro thousands</i>	2024	2023	Change	Change %
Outsourcing	13,497	17,382	(3,885)	-22%
Maintenance	5,819	5,223	596	11%
Utilities	7,207	7,491	(284)	-4%
Transport	824	745	79	11%
Commercial services	928	936	(8)	-1%
Travel & transfer	1,471	1,273	198	16%
Consulting	4,938	5,496	(558)	-10%
Insurance	1,672	1,354	318	23%
Other services	7,126	5,702	1,424	25%
Total service costs	43,482	45,602	(2,120)	-5%

The decrease in Service costs in FY 2024 is mainly due to the inter-company efficiencies on the outsourcing of works.

Note 29 - Capitalised development costs

Capitalised development costs include only increases in fixed assets for internal work. The item amounted to Euro 524 thousand in 2024, an increase of Euro 353 thousand compared to 2023.

Note 30 – Personnel expenses

Personnel expenses amounted to Euro 100,501 thousand in 2024, and Euro 83,067 thousand in 2023 (+Euro 17,434 thousand).

The changes in the account were as follows:

<i>In Euro thousands</i>	2024	2023	Change	Change %
Salaries and wages	71,545	58,364	13,181	23%
Social security charges	15,764	12,434	3,330	27%
Post-employment benefits	3,084	2,622	462	18%
Other personnel expenses	10,108	9,647	461	5%
Total personnel expense	100,501	83,067	17,434	21%

The full consolidation of Co.Me.Ar., BSP and ERA contributed Euro 11,000 thousand to the increase in personnel expense. The increase also affects the parent company in terms of hiring staff and increased national collective bargaining agreements in June 2023 and June 2024. The Parent Company's personnel expense also includes in other personnel expense the production bonus, MBO and LTI, which resulted in higher charges of Euro 3,012 thousand.

Note 31 - Other income and expenses

Other income and expenses amounted to Euro 1,037 thousand in 2024, a decrease of Euro 1,139 thousand on 2023 (Euro 2,176 thousand).

The changes in the account were as follows:

<i>In Euro thousands</i>	2024	2023	Change	Change %
Other revenues and income	2,709	3,745	(1,036)	-28%
Other expenses	(1,672)	(1,569)	(103)	7%
Total Other income and expenses	1,037	2,176	(1,139)	-52%

The decrease in this item is mainly attributable to the decrease in other revenues and income, which decreased by a total of Euro 1,036 thousand in 2024 due to lower grants received compared to 2023.

Note 32 – Amortisation, depreciation and write-downs

Amortisation, depreciation and write-downs amounted to Euro 18,540 thousand in 2024, and Euro 13,416 thousand in 2023, an increase of Euro 5,124 thousand.

The changes in the account were as follows:

<i>In Euro thousands</i>	2024	2023	Change	Change %
Amortisation	3,530	1,167	2,363	202%
Depreciation	11,225	9,715	1,510	16%
Depreciation Right-of-use	3,610	2,125	1,485	70%
Doubtful debt provision	175	409	(234)	-57%
Total amortisation, depreciation and write-downs	18,540	13,416	5,124	38%

The increase is mainly due to the full entry into the consolidation of Co.Me.Ar., BSP and ERA (Euro 2,900 thousand) and the amortisation of the result of the Purchase Price Allocation for Euro 2,300 thousand.

Amortisation and depreciation has been calculated based on the duration of the useful life of the asset and on its use in production.

Note 33 - Financial income and expenses and Currency gains and losses

Financial income and expenses report a net expense of Euro 6,197 thousand in 2024, increasing on a net expense of Euro 2,524 thousand in 2023. This increase was due to the combined effect of an increase in interest expense of Euro 2,913 thousand, and an increase in financial income from Time Deposits of Euro 389 thousand.

The increase in financial expenses is mainly due to: (i) the draw down of loans for Euro 35,000 thousand in the final part of 2023 by the parent company; (ii) the entry of Co.Me.Ar., BSP and ERA into the scope, which had a negative impact of Euro 1,002 thousand.

The changes in the account were as follows:

<i>In Euro thousands</i>	2024	2023	Change	Change %
Financial income	1,276	887	389	44%
Financial expenses	(7,473)	(4,560)	(2,913)	64%
Total financial income and expenses	(6,197)	(3,673)	(2,524)	69%

Currency gains and losses report a net loss of Euro 843 thousand in 2024, a decrease of Euro 73 thousand on 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	2024	2023	Change	Change %
Currency gains	2,450	799	1,651	207%
Currency fin. instrument revaluation/write-down	(2,747)	489	(3,236)	-662%
Currency losses	(546)	(2,204)	1,658	-75%
Total currency gains and losses	(843)	(916)	73	-8%

Note 34 - Income taxes

Group income taxes amounted to Euro 5,621 thousand in 2024, an increase of Euro 1,059 thousand on 2023.

The changes in the account were as follows:

<i>In Euro thousands</i>	2024	2023	Change	Change %
IRES for the year	3,320	4,728	(1,408)	-30%
IRAP for the year	982	1,186	(204)	-17%
Other taxes for the year	1,970	(158)	2,128	-1347%
Deferred tax charges	(974)	(873)	(101)	12%
Deferred tax income	291	(181)	472	-261%
Prior year taxes	32	(140)	172	-123%
Total income taxes	5,621	4,562	1,059	23%

The item includes income taxes for the year. As for IRES, the tax liability is recognised under Current Income Taxes, net of advance payments made, withholding taxes incurred and, in general, tax credits. The Group joined the tax consolidation promoted by Poliscom S.r.l. as the consolidating company.

Note 35 - Significant non-recurring, atypical and/or unusual transactions

In the year ended December 31, 2024, there were no non-recurring revenue and expense items, while no atypical and/or unusual transactions were undertaken.

Note 36 - Remuneration of the Directors, Statutory Auditors and of the Independent Audit Firm

Remuneration accrued for any reason and in any form to Group Directors totalled Euro 1,918 thousand.

The remuneration accrued by the Board of Statutory Auditors of the Parent Company and of the Italian Group companies in 2024 amounted to Euro 124 thousand.

The remuneration of the independent audit firm accrued for the year 2024 amounted to Euro 68 thousand.

Note 37 - Subsequent events

On January 30, 2025, the Board of Directors of the Parent Company approved the new rolling 2025-2029 Business Plan as an update of the previous plan approved by the Board of Directors on January 30, 2024.

The strategic and value creation pillars were confirmed with a view to consolidating the processes introduced in the preceding years.

Note 38 - Related party transactions

The parent company undertook the following related party transactions:

- EDIL UMBRA S.r.l.

These transactions are of a commercial nature and concern the management of the former production site of UmbraGroup at Via Piave, Foligno. These transactions are part of ordinary operations and are regulated at market

conditions, i.e. the conditions that would be applied between two independent parties, and are undertaken in the interests of the company.

The commercial transactions are summarised below (in Euro thousands):

Company	Trade Receivables	Trade Payables	Sales	Components and treatments purchased	Other
Edil Umbra S.r.l.	-	20	-	-	71

Note 39 - Information pursuant to Article 1, paragraph 125 of Law No. 124 of August 4, 2017

With reference to the fulfilment of the transparency and publication of public disbursements requirements, governed by Article 1, paragraphs 125-129 of Law No. 124/2017, as also most recently amended by Law No. 160/2023, it should be noted that the Company, has benefited during the year from the State aid/de minimis aid contained in the "National Register of State Aid" referred to in Article 52 of Law No. 234 of December 24, 2012.

For such aid, as also provided for in Article 1, paragraph 125-*quinquies*, Law No. 124/2017, registration in the system indicated, with consequent publication in the transparency section provided therein, carried out by the entities that grant or manage such aid pursuant to the relevant framework, replaces the publication obligations on the entities referred to in paragraphs 125 and 125-*bis*.

Note 40 - Management of financial and operational risks

Reference should be made to that outlined in the "Principal risks and uncertainties" section of the Directors' Report.

Conclusions

These consolidated financial statements, consisting of the balance sheet, the income statement, the cash flow statement and the Explanatory Notes, present a true and fair view of the equity and financial position and results for the year. They correspond with the parent company accounting records and the information transmitted by the companies included in the consolidation.

Chairperson of the Board of Directors
 Reno Ortolani
 May 22, 2025



(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Umbragroup Group

**Consolidated financial statements as at and for the year
ended 31 December 2024**

(with independent auditors' report thereon)

KPMG S.p.A.

10 July 2025



KPMG S.p.A.
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

*To the shareholders of
UmbraGroup S.p.A.*

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the UmbraGroup Group (the "group"), which comprise the statement of financial position as at 31 December 2024, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the UmbraGroup Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of the parent in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the parent's directors and board of statutory auditors ("*Collegio Sindacale*") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



UmbraGroup Group

Independent auditors' report

31 December 2024

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



UmbraGroup Group
Independent auditors' report
31 December 2024

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10

The parent's directors are responsible for the preparation of the group's directors' report at 31 December 2024 and for the consistency of such report with the related consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report with the consolidated financial statements;
- express an opinion on the compliance of the directors' report with the applicable law;
- issue a statement of any material misstatements in the directors' report.

In our opinion, the directors' report is consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, the directors' report has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Perugia, 10 July 2025

KPMG S.p.A.

(signed on the original)

Maurizio Cicioni
Director of Audit