



Highlights 2022



UMBRA GROUP

Dear Shareholders,

I write to you as the Chairperson of the Board of Directors. I have only been in this role for one year. In such a short space of time however, I have witnessed changes within the Umbra Group and globally that are unlikely to be repeated in such a concentrated way again.

The year of 2022 shall not be forgotten. Firstly as it was Umbragroup's 50th birthday, and also as many factors - both internal and external - have changed the face of the parent company and the Group.

Internally, we have seen a change in our governance which - beginning in January 2022 with the appointment of the new Chief Executive Officer Matteo Notarangelo - in June 2022 saw the renewal of the Board of Directors. We have also continued to strengthen the management team during the year, with the hiring of new Group level managers.

In Europe, the war between Russia and Ukraine has upset the balance of international relations, prompting the procurement prices of components and energy to spiral, while resulting in longer supply lead times.

This terrible latter event, aside from causing a massive loss of life among civilians and the military, has created instability in the European economy and, to a lesser extent, globally.

At the same time, the Umbragroup shareholder structure has changed significantly. The IPOC3 fund, which held 18.75% of the company, disposed of its entire holding. The shares were bought back by POLISCOM and SAFIN (the Baldaccini and Ortolani family companies) and partly by Umbragroup itself.

In this new scenario, the company has concentrated resources on launching a new phase of development in order to ensure a long and solid future for all stakeholders.

The new Board of Directors immediately set about reviewing the 2021-2025 business plan, which was approved in January 2021. The new 2023-2027 business plan was approved by the Board of Directors in January 2023.

Against such intensive developments, Umbragroup marked its 50th birthday with a series of celebrations. I mention only some of the most significant events: September 16, the meeting with local authorities and customers; November 25, the meeting with suppliers; December 18, the meeting with employees and family members. On each of these occasions, the desire to maintain those values that the founding father, Valter Baldaccini, passed on to all his staff and that have enabled Umbragroup to become a beacon of excellence both locally and internationally was strongly reaffirmed.

Before commenting on some of the figures, I would like to underscore that the 2022 consolidated financial statements were drawn up in accordance with IAS/IFRS, which have replaced Italian GAAP. The new standards were essentially applied in view of our strong international presence, providing therefore an opportunity to adopt the prevailing set of accounting standards.

The first key figure regards the restart to hiring across all production sites. The headcount in fact increased from 1,066 to 1,153.

Revenues amounted to Euro 189,235 thousand, compared to Euro 171,441 thousand in the previous year, up 10.4%. Specifically, the Aerospace line returned Euro 105,996 thousand of revenues, up 12.2%, while the Industrial line reported revenues of Euro 81,370 thousand, increasing 8.2%.



Reno Ortolani

President

UMBRA GROUP S.p.A.

The EBITDA margin was Euro 25,975 thousand (13.7% margin), decreasing on 2021 (Euro 26,450 thousand, 15.4%). We indicate that energy cost movements impacted for approx. Euro 5 million compared to that budgeted. Excluding this effect, EBITDA would have amounted to Euro 31 million, with a 16.5% margin, significantly improving on 2021.

From a financial viewpoint, the net financial debt decreased from a cash position of Euro 34,047 thousand to a debt of Euro 15,811 thousand, a decline of approx. Euro 40 million. This is mainly due to the treasury share buyback transactions (from the IPOC3 fund and other senior managers departing the Group), which impacted for Euro 47,292 thousand.

The solid performances in 2022, considering the external and internal factors which the Group has faced, is testament to our ability to provide, also in challenging circumstances, efficient solutions, thanks to our undisputed expertise, commitment, and passion. These factors, principles, and values have always been shared by the Company's personnel, whose significant value will no doubt allow us to pursue our continued growth.

Also during the year, the Group made advances in terms of the ESG (Environmental, Social, Governance) criteria, which are aspects frequently taken into consideration by international groups looking to build business models that will allow them to engage in responsible investment projects from a financial management perspective, and in consideration of the environmental, social, and governance topics. These activities were undertaken ahead of drawing up the sustainability report, which shall be made official together with the approval of the 2024 financial statements.

Despite a complex domestic and international environment, the Group continued to invest in projects to help vulnerable people by making significant financial contributions through the Valter Baldaccini Foundation, among other types of support.

We can all be proud of the fact Umbragroup is now a leading manufacturer of ballscrews and electromechanical actuators. And we owe it all to a well-established, unified, and close-knit Group that has made innovation its creed.

We can be proud of the current and future successes of the Group, which continues - thanks to its human capital - to bring innovation, passion, respect and social development.

Foligno, May 29, 2023



The Chairperson
Reno Ortolani



2022 will go down in history as **UMBRAGROUP's** half century!

A very satisfying year, in which we celebrated an historic milestone, that the contributions of every Person on our worldwide team made possible.

Matteo Notarangelo

CEO UMBRAGROUP



Celebrating 50 years of history, in such a difficult moment globally, fills us with pride, confirming that we are a strong and solid Group.

On a global level, in fact, the beginning of the year still presented important criticalities and uncertainties: starting with the international political context, the outbreak of war between Ukraine and Russia led to an increase in the price of raw materials and the consequent procurement problems, putting our Supply Chain in difficulty. And even though there was improvement, the disruption caused by the Covid-19 pandemic remained problematic. Despite this, the UMBRAGROUP team worked with professionalism, passion, dedication, and foresight and held its head high in a market that was undoubtedly difficult to manage.

We have protected, as far as possible, our commitments to customers and shareholders with long-term competitiveness and strategic priorities in mind.

In the Aerospace and Defense sector, during 2022 we harvested the fruits of the innovative work begun in previous years. It was an important year in which we concentrated on increasing the technology and quality of the solutions offered in the civil aviation, space, and defense sectors. We have also acquired new strategic customers, which have allowed us to enter new programs and to work on the development of increasingly cutting-edge and high-tech solutions. During 2022, we renewed important contracts that will bind us to leading customers on a global scale in the coming years.

As far as the civil aviation market is concerned, we recorded strong growth, so much so that we were able to exceed the pre-pandemic level, thanks also to the entry into new markets, such as that of Urban Air Mobility. We want to continue in this direction, to be pioneers in the advanced and sustainable air mobility sector, which is why we have invested in Research & Development and People.

Moreover, In the industrial sector, in 2022 we increased orders for the supply of ball screws, sales volumes in the biomedical sector and strengthened relationships with long-standing customers, reconfirming their trust in terms of technology and quality. Furthermore, we have also recorded significant growth

volumes in robot applications, and we have developed new prototypes for injection molding. Also in the electromechanical actuator market, we have begun the study of innovative prototypes and programs, together with new opportunities for Drive-by-Wire solutions. As far as bearings are concerned, on the other hand, in addition to having supported rapidly growing production rates, we have supported our largest customer in the design and development of new bearings with longer life, which will open us up to opportunities in new segments and applications. Finally, for the electrospindles market we have seen a significant increase for solutions with application on wood and marble.

Speaking globally, we have worked and will continue to do so on an increasingly compact, organized, and structured Group approach; as well as continuing to give priority to the standardization of processes, the sharing of best practices and the achievement of KPIs in all Group offices.

Looking at our future, we must continue to focus on the three fundamental guidelines, which have already been the cornerstone of our actions throughout 2022: Innovation, Quality and People. We will be increasingly committed to enhancing our community, training, attracting, and retaining people. We will continue to invest in technology, to be promoters of new and innovative solutions, to work with the aim of guaranteeing the highest quality of products and architectures and creating cutting-edge and highly technological solutions to contribute to change and build a more sustainable tomorrow. The clear, solid, and defined leitmotif for the future of UMBRAGROUP is:

Acting for the next generation!

Matteo Notarangelo
UMBAGROUP CEO

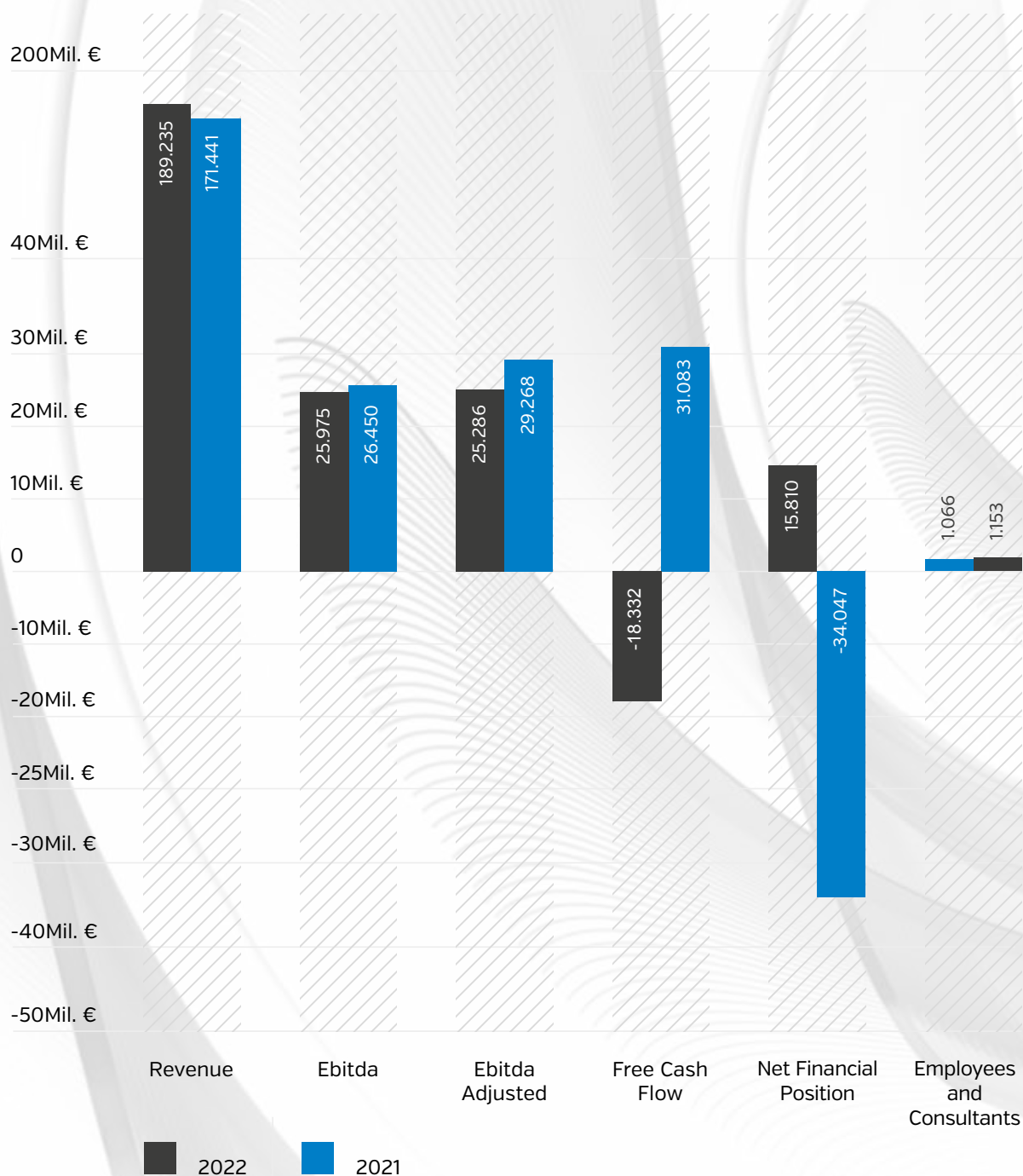
2022

UMBRA GROUP 2022

2022 was a particularly challenging year one, due to events that negatively affected the economic situation globally and nationally. The post-pandemic recovery phase portended growth, but we moved on to an international geopolitical crisis, which also affected the economic landscape. Despite the volatile macroeconomic environment, the Group once again managed to maintain double-digit EBITDA this year, in line with last year.

Consolidated revenues increased by +10 percent over 2021, due to the market recovery, especially in the Aerospace sector. EBITDA, in line with 2021, posted a margin on revenues of 14%, up from 15% in the previous year. Finally, the Net Financial Position was negative for euro 15,811 thousand, worsening by euro 49,858 thousand compared to the figure at the end of 2021. The decrease of euro 47,732 thousand is due to the extraordinary buyback of treasury shares to the IPOC fund.

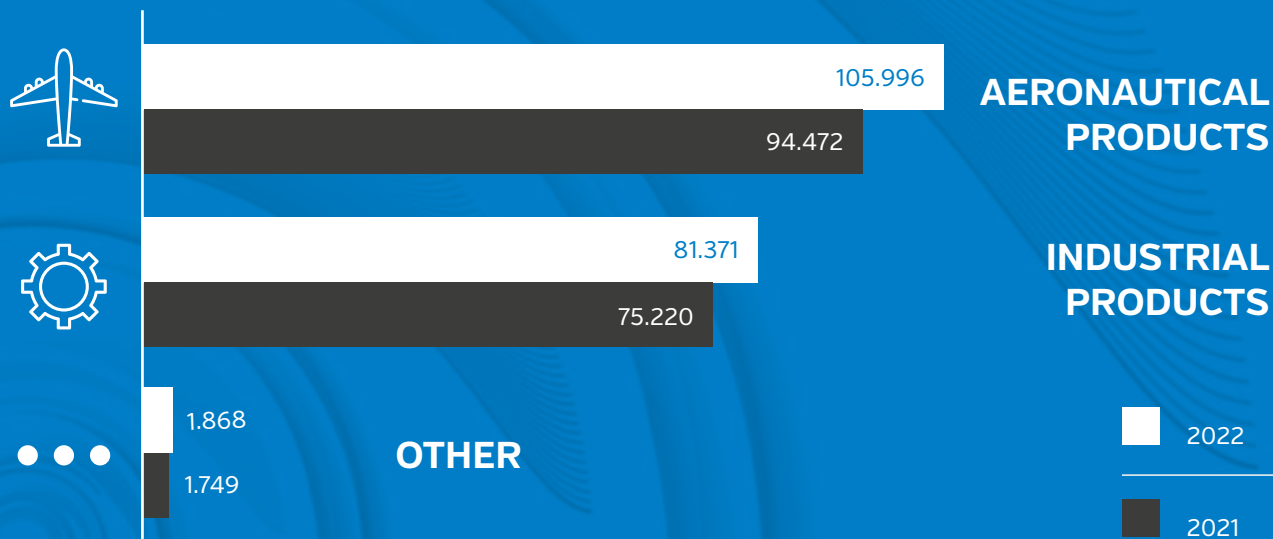
The Consolidated Financial Statements for the year ended December 31st, 2022, feature the novelty of adopting IAS/IFRS, instead of the national OIC accounting standards. The application of the new standards is due to the Group's strong international presence and the desire to conform to the prevailing accounting model. The 2022 and 2021 indicators were calculated considering the new Accounting Standards; for more comparability with previous years, please refer to the 2022 Financial Statements.



Revenues by Business line

The Aerospace Line in 2022 recorded a turnover of €106 million, an increase of +12% compared to 2021.

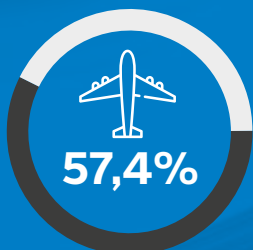
The increase is mainly attributable to the market recovery following the crisis caused by the Covid 19 pandemic, which led to a strong contraction in demand. The Industrial Line recorded a turnover of €81 million, an increase of +8% compared to 2021, thanks to the significant increase in bearings sales.



Revenues by Business Line Percentage

The results by business line are shown below, comparing 2021 and 2022.

AERONAUTICAL PRODUCTS

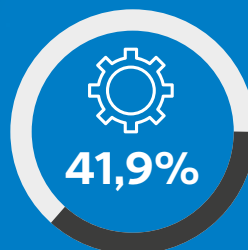


2020

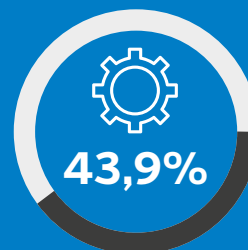


2021

INDUSTRIAL PRODUCTS

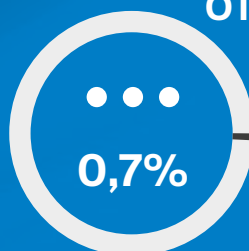


2020

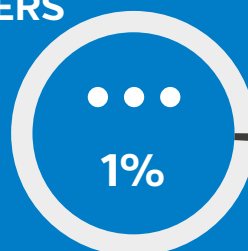


2021

OTHERS



2020



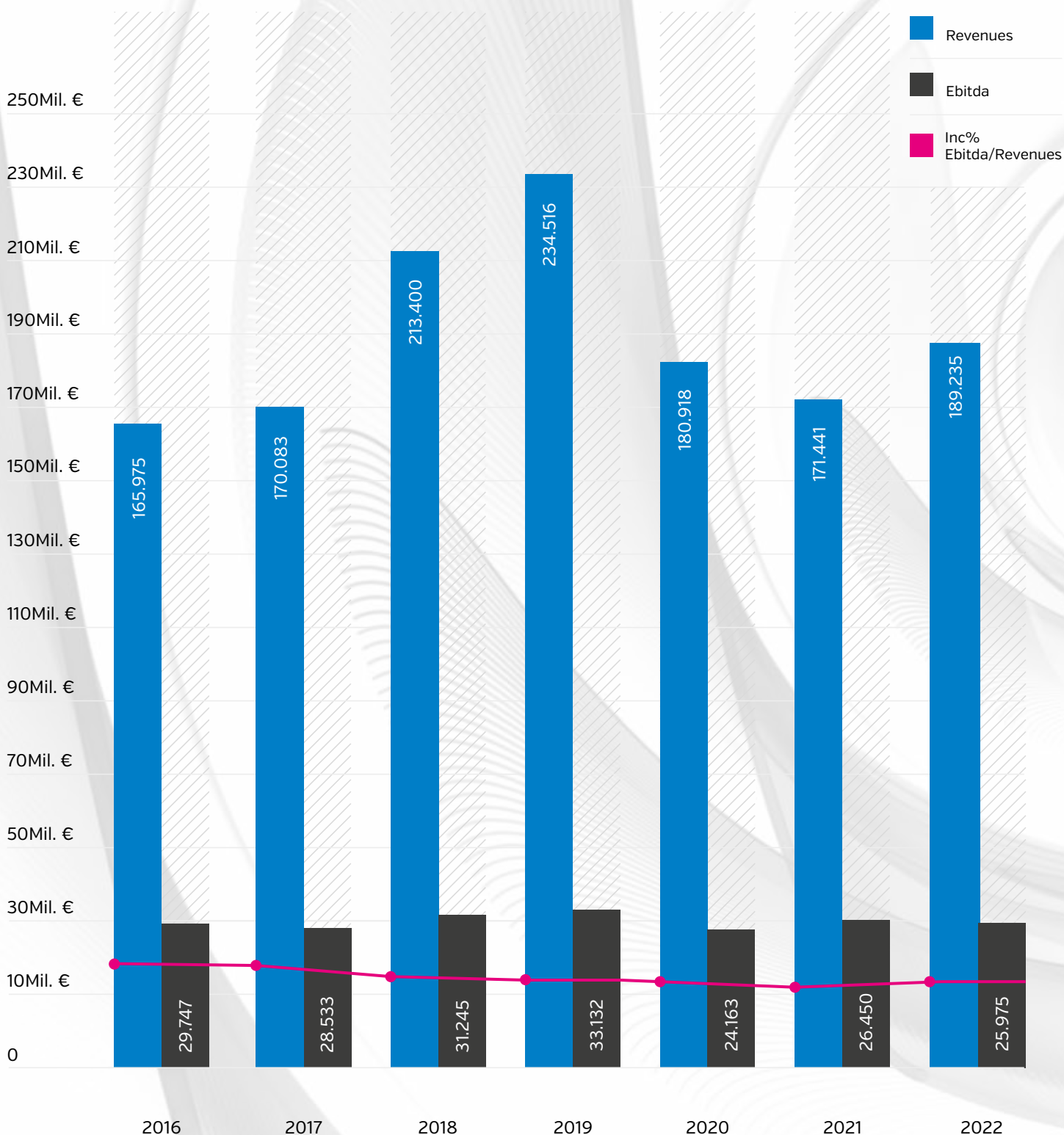
2021

2022

Trends, revenues and historical results

Exploring new acquisition opportunities is an integral part of the development strategies outlined in the Group's 2023-2027 Business Plan.

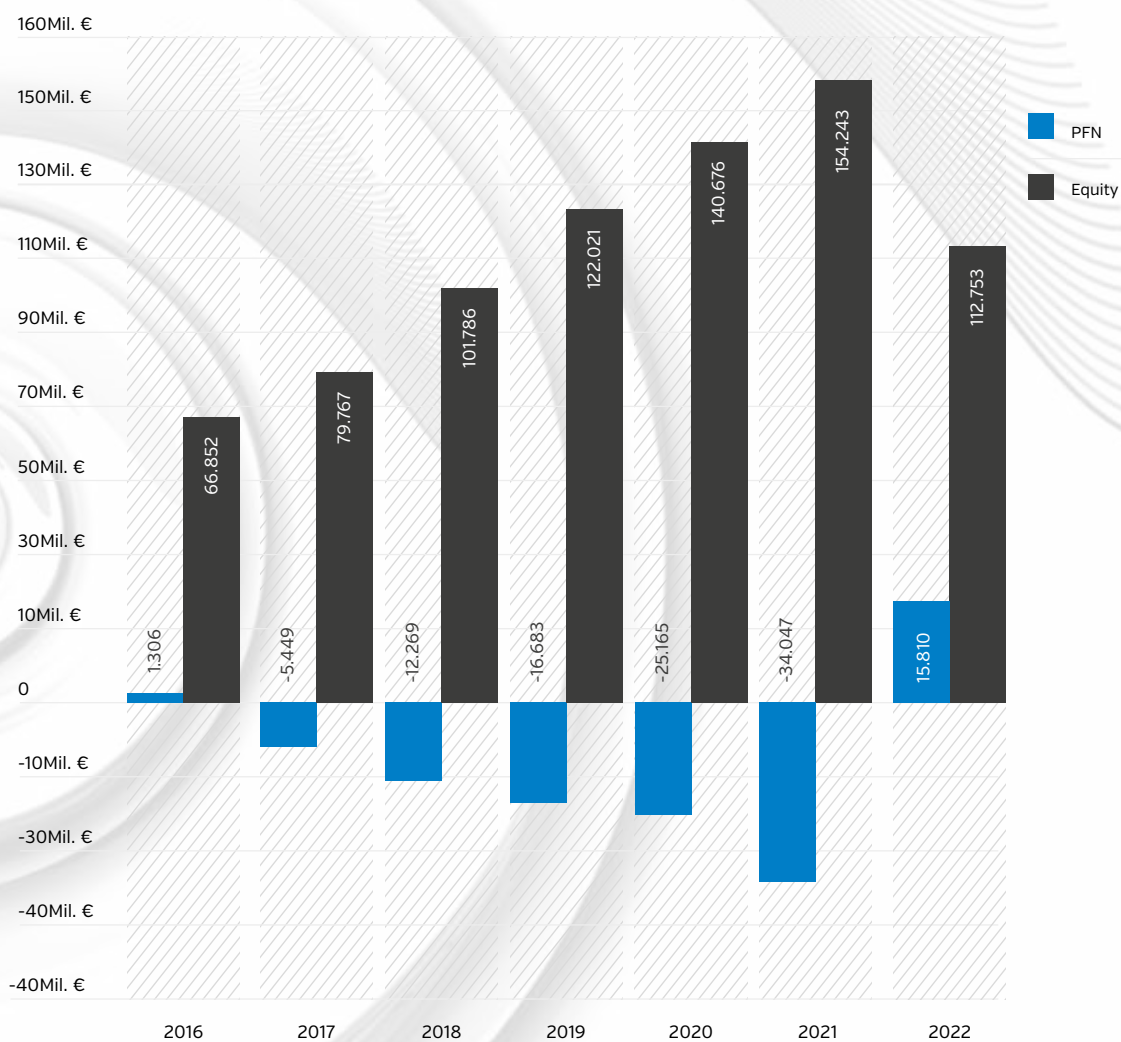
To date, the Group is composed of seven companies which allow us to offer a wide range of products and services for numerous industries and applications.



Trends, equity and financial results

Net equity in 2022 suffered a decrease due to the repurchase of the stake owned by the IPOC fund, due to the registration of treasury shares for approximately Euro 47 million.

The Net Financial Position, for the same reason, in 2022 was negative by Euro 15,811 thousand, worsening by Euro 49,858 thousand compared to the figure at the end of 2021.

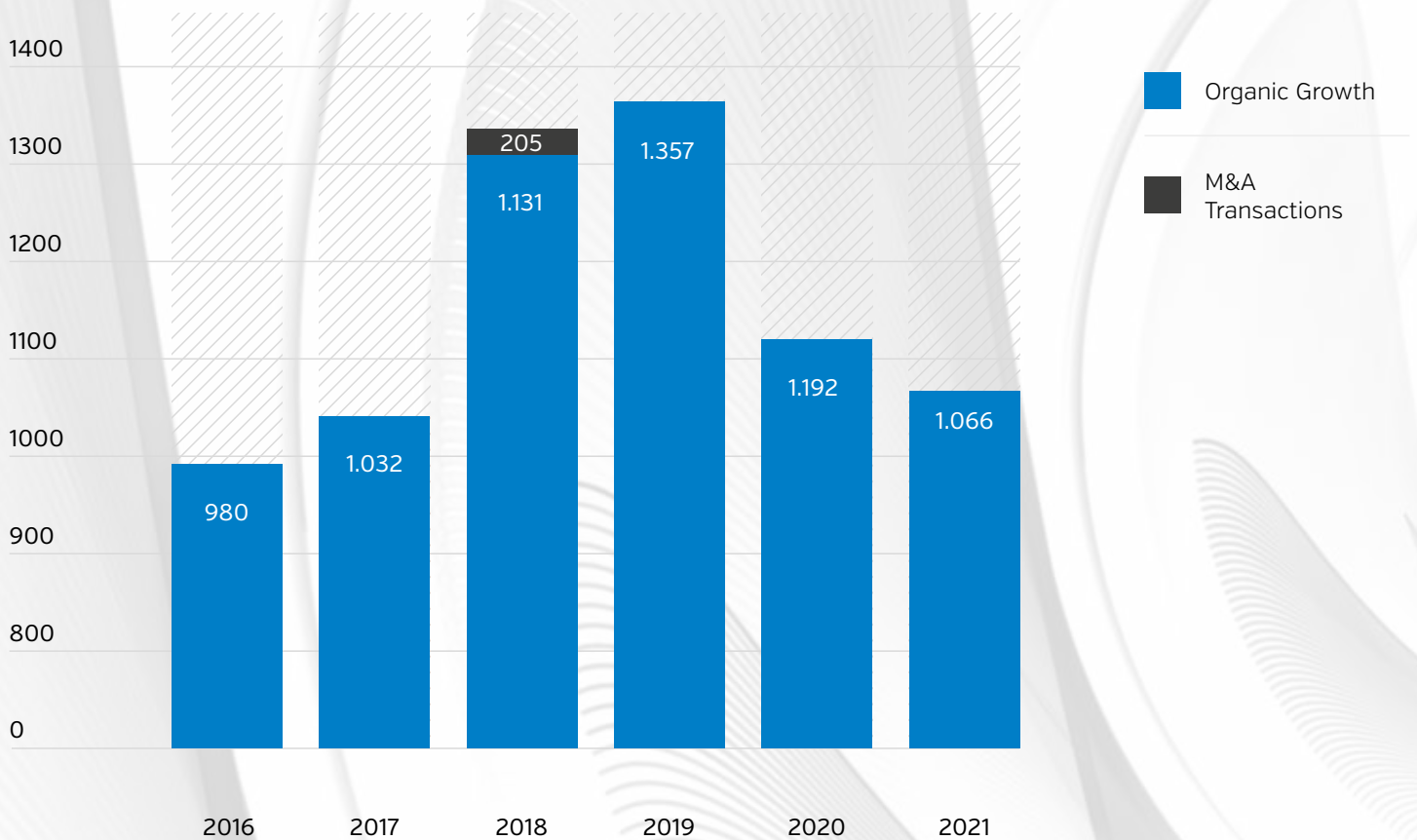


2022

Human Resources of the Group

The following graph shows the trend relating to the Group's personnel from 2016 to 2022. As of 12/31/2022, the Group employs 1,153 employees.

In UMBRAGROUP, People represent enormous added value and are at the center of work activity. The Group's goal is to attract, train and retain them. Through continuous investment in training, development and corporate welfare, all Group companies have achieved excellent results by retaining their employees



*Treat others well, treat them as equals,
and involve them in teamwork. There is only one fundamental system
for creating a dignified workplace: humanize the organization.*

Dale Carnegie



The Valter Baldaccini Foundation was born in 2015, one year after the passage to eternal life of Valter Baldaccini, founder of UMBRAGROUP. It was established to preserve his testimony of life, his values and his actions as a Christian man and enlightened entrepreneur.

The Foundation supports those who need help most by carrying out projects designed for families in difficulty in Italy and around the world, initiatives that create job opportunities and educational paths that are opportunities for redemption.

Projects 2021 - ITALY

WITH FAMILIES (fourth year, carried out with La Tenda and USL 2 health district. Parenting support for 9 fragile families in the area [Foligno and Social Zone 8].

With the **ANT Umbria Foundation** two days of free visits [March 25-26] for melanoma prevention open to all citizens. 48 screenings were donated.

With **VIDES MIC MAG TBM** and the **Parish of Santa Maria Madre del Redentore of Tor Bella Monaca [Rome]** support for the work of an educator at the day care center "My home, our home" for minors.

With **Caritas Diocesan of Foligno** continuation of the "Family and work" project with the activation of 3 job grants for fragile people [2 fixed-term subordinate contracts and 1 permanent contract].

PROJECTS 2021 - WORLD

Fourth-year support for house managers at **Emmaus House**, which helps women scarred by a difficult past regain independence [Saginaw, Michigan, U.S.A.].

University support for two young girls from **Leskoc House** who began attending history and exercise science majors. During the academic year, one of them decided to discontinue her studies, while the other chose instead to change faculties.

MUTANU THE ROSE GARDEN - Vegetable greenhouse and goat herd cared for by 20 women [Kenya]. For the fifth year of the project implementation of a chicken coop.

A JOB FOR THE MOMS OF MATHARE [Kenya] for the second-year project of job training and psychological support for 15 very young mothers, some underage, who due to the situation of extreme poverty were forced into prostitution.

Distance support for 32 children and youth and a university pathway [Kenya]

Distance support for 24 children [Burkina Faso]

2022 MAIN NUMBERS

Number of projects in Italy and around the world

10

Total donations received
of which donations from UMBRAGROUP

€ 200.933,00

€ 100.000,00 for projects
and activities of the Foundation
€ 15.0000 for the publication of writings
and speeches of Valter Baldaccini

Disbursements for projects

€ 106.705,00



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