
FAIST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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FAIST LIMITED

COMPANY INFORMATION

Director	Mr R Nava
Company secretary	CJB Secretarial Limited
Registered number	02081194
Registered office	Northern & Shell Building 8th Floor 10 Lower Thames Street London EC3R 6AF
Independent auditor	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor 45 Pall Mall St James's London SW1Y 5JG

FAIST LIMITED

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FAIST LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

FAIST Limited is the Holding company of a global industrial component group. Using innovative technologies and focused on finding solutions to its customers' and market requirements, the Group's technical offering ranges from die casted aluminium parts, to plastic and sheet metals components, emission control actuators, truck bodies and most recently energy management solutions. The Group is active in Europe, Asia and North America and continues to develop as one of the foremost innovators in several industrial sectors, including automotive, light commercial vehicles, heavy trucks, telecommunication and renewable energy.

Business review

The year was solid for the Group with a significant recovery in volume and profitability after 2020 impacted by the COVID-19 pandemic. In 2021, the COVID-19 pandemic also had a significant effect on both working methods and processes. The year has been impacted globally by the limitation of availability of semiconductors in the supply and a significant increase in raw materials market price, with an overall limitation to the potential of recovery after 2020. The year was characterized by continuous efforts in order to optimize production efficiency and sales price adaptation, while developing new projects and alliances.

Despite the uncertainty and challenges of the year, the Group maintained efficient operations and performed well in 2021, creating the condition of a new sustainable and positive profitable growth for the future.

The FAIST Group is divided broadly into four main business units, with a new entry:

Controls & Propulsion Systems & Industrial (CPS&IND): (two business units which have been integrated to take advantage of industrial and business synergies): accounting for over 25% of the total Group revenues it represents the origins of the Group. These two business units delivered solid results also in 2021, with increased level of activities versus previous year in all market segments.

Light Metal (LM): Accounting for 42% of the total Group revenues, this business unit showed in 2021 an increase in volumes after the pandemic both in Automotive/Truck market and in the Telecom market. The BU continued to invest for the expected further business expansion with a focus in North America.

Truck Bodies (TB): Accounting for over 32% of the total Group revenues. Despite the uncertainty and challenges of year this BU performed very well with a positive recovery in volume versus previous year. This BU continued to focus in operational efficiency and business development creating the conditions of a reinforcement of the leadership position in the Light Commercial Vehicle/Truck market.

Electronics (EL): this BU is focused in Energy Management Solution. 2021 saw the birth of a new strategic alliance with a primary player in the naval construction that resulted in the creation of Power4Future, a joint venture dedicated to the production of lithium-ion batteries and energy storage systems for various applications. The BU continued to work in the implementation of the new organizational model creating the condition to achieve the expected developments in a very attractive, sustainable and growing market.

Principal risks and uncertainties

The Board identifies risks and uncertainties and seeks to minimize these where possible. The Group is subject to both Business Risks and Market Risks.

The principal Market Risks affect many companies and the sector as a whole. As with every global business, local political or economic issues can arise which can unsettle markets and cause unexpected problems. The Group is not directly involved in the more unstable areas of the world, but it does keep careful watch on local developments, in order to minimize its risks. The Group controls treasury carefully wherever it perceives cash risks, and uses local management who are aware of and familiar with local events and changes.

FAIST LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The global pandemic that affected the population worldwide (i.e. Covid-19) could still cause, in addition to potential impact on the macroeconomic context, a slowdown in the Group activities. The Group has adopted processes and procedure to identify, manage and monitor events that could cause potential impact on its resources and business, with the intent to optimize the timeliness and efficiency of actions taken.

In terms of Business Risks, as described above, a significant element of our operations concern TB BU assembly and components. This business segment is dependent upon strong relationships with truck manufacturers, and we are proud of the close relationships.

Our CPS&IND BU operations, while also closely aligned to large and prestigious business customers, mitigate risks by developing relationships that act in the interest of all parties and as a consequence all opportunities to mitigate risks to us and to our customers are taken.

LM BU has been developed historically in the Telecom marked where there is a high and close relation from key market leaders; the BU strongly continue the diversification strategy, in particular in Automotive market, in order to develop overall growth potential and reduce customer concentration risk.

Financial key performance indicators

Overall, Group activity showed a volume increase of 16.9% in the year from €301m to €352m in line with market main trends.

Although each division and each company operate with numerous key performance indicators, for the group as a whole, we consider that turnover (as above) and operating profit to turnover are our most useful indicators.

We also consider net financing costs to turnover and pre-tax profits to shareholders funds (basic returns on capital employed) to be important.

These KPI's are summarized as:

Operating profit to turnover represents a positive result at 3.6% on sales compared to 1.6% in the prior year. The positive Operating Profit has been achieved nevertheless the difficulties to manage the strong material inflation and volume fluctuation due to customer demand impacted by supply chain disruptions, with a positive leverage in the increased volumes. The positive result shows a strong resilience to overcome difficult market conditions and put the base of a planned improvement of the positive results and the consolidation of the market leadership.

Net Financing costs to turnover represents 1.1% compared to 1.2% showing consistency with the prior year.

Basic return on capital employed has increased to 5% from 2% in prior year significantly improving compared to 2020 and showing a strong consistency of positive results.

Reporting currency

These financial statements are denominated in Euros. The equivalent Euro conversion rates were:

- At 31 December 2021 €1:£0.840633 (At 31 December 2020 €1:£0.895424)
- Average for the period €1:£0.859849 (Average for 2020 €1:£0.889866)

FAIST LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Director's statement of compliance with duty to promote the success of the Group

The Director of the Company must act in accordance with a set of general duties, as detailed in Section 172 of the Companies Act 2006, in order to promote the success of the Company for the benefit of its members as a whole. A summary of these sections that are relevant to our business, along with the actions undertaken by the board to meet these requirements are shown below:

A Director of the Company work in order to achieve the Company Mission respecting the Company core Values for a long-term Sustainability, using a collection of regulations as defined in the Code of Conduct.

Mission

We want to be the land of possibilities, providing our clients with the most advanced technical solutions, anticipating their needs and offering the richest expertise and know-how of the business, helping them to realize their products and to accomplish their goals.

Values

We stand by the values of pioneering, reliability, synergy and adaptability, embracing the company's inspiring spirit in every behaviour and every action: trying to see further, ahead of time, never afraid to challenge the status quo; thinking and acting by the ideal of honesty, giving high value to our words, keeping our promises; taking advantage from being part of a network which is both technological and geographically global; being eager to share and open to the change, thrilled to drive out solutions.

Sustainability

We aim to create long-term value and focus on safeguarding the environment and the communities in which we are active. The health and safety of the people who work with and for us, respect for human rights, ethics and transparency are paramount.

We promote a broad portfolio of initiatives for local communities in those Countries in which it operates with the aim of producing a positive impact over the long term.

Code of Conduct

This Code is a collection of regulations addressed to every single member the Company, to be used in promoting attitudes and behaviours based on ethics, appropriateness and respect for both the environment and future generations (available in the Company web site at <https://www.faistgroup.com/who-we-are/sustainability/>).

This report was approved by the board and signed on its behalf.



.....
Mr R Nava
Director

Date: 30/09/2022

FAIST LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents his report and the financial statements for the year ended 31 December 2021.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to €3,698,609 (2020 - loss €3,518,945).

During the period under review, dividends of €nil (2020: €nil) were paid by the group.

Director

The director who served during the year was:

Mr R Nava

Future developments

No significant changes are anticipated.

Engagement with employees

The Directors take an active and open approach to engaging with employees. This is achieved through a number of initiatives.

FAIST LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption are as follows:

	2021
Emissions resulting from activities for which the Group is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO2 equivalent)	25,296
Emissions resulting from the purchase of the electricity by the Group for its own use, including the purposes of transport (in tonnes of CO2 equivalent)	7,442
Energy consumed from activities for which the Group is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and the annual quantity of energy consumed resulting from the purchase of electricity by the Group for its own use, including for the purposes of transport, in kWh	373,150

The calculations for emissions resulting from activities for which the Group is responsible involving the combustion of gas or consumption of fuel for the purposes of transport was calculated based on the vehicles owned by UK companies and estimating the annual mileage of each vehicle.

The emissions resulting from the purchase of the electricity by the Group for its own use, including the purposes of transport are calculated based on a report prepared by an Energy Broker for the UK companies.

The energy consumed from activities for which the Group is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and the annual quantity of energy consumed resulting from the purchase of electricity by the Group for its own use, including for the purposes of transport, has been calculated using a Carbon Trust Carbon Footprint calculator by the UK group companies.

Disclosure of information to auditor

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There are no post balance sheet events affecting the company.

Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

FAIST LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report was approved by the board and signed on its behalf.



.....
Mr R Nava
Director

Date: 30/09/2022

FAIST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIST LIMITED

Opinion

We have audited the financial statements of Faist Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

FAIST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

FAIST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIST LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's 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 ISAs (UK) 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management, internal audit and component auditors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and component auditors regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

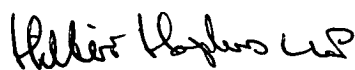
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

FAIST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIST LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Franks FCA (Senior Statutory Auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

45 Pall Mall
St James's
London

SW1Y 5JG

Date: 30/09/2022

FAIST LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 €	2020 €
Turnover	4	352,336,252	301,270,940
Cost of sales		(298,506,246)	(256,913,928)
Gross profit		53,830,006	44,357,012
Distribution costs		(9,898,247)	(8,122,741)
Administrative expenses		(32,594,606)	(32,791,751)
Other operating income	5	1,305,276	1,298,204
Operating profit	6	12,642,429	4,740,724
Income from participating interests		(187,069)	-
Currency translation differences		(4,030,281)	(4,125,461)
Interest receivable and similar income	10	263,006	56,624
Interest payable and similar expenses	11	(3,871,391)	(3,472,406)
Profit/(loss) before taxation		4,816,694	(2,800,519)
Tax on profit/(loss)	12	(1,423,411)	(1,298,226)
Profit/(loss) for the financial year		3,393,283	(4,098,745)
Foreign exchange movements		3,959,789	(5,440,250)
Revaluation of tangible fixed assets		14,927	14,696,819
Other comprehensive income for the year		3,974,716	9,256,569
Total comprehensive income for the year		7,367,999	5,157,824
Profit/(loss) for the year attributable to:			
Non-controlling interests		(305,326)	(579,800)
Owners of the parent Company		3,698,609	(3,518,945)
		3,393,283	(4,098,745)
Total comprehensive income for the year attributable to:			
Non-controlling interest		(305,326)	(579,800)
Owners of the parent Company		7,673,325	5,737,624
		7,367,999	5,157,824

FAIST LIMITED
REGISTERED NUMBER: 02081194

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 €	2020 €
Fixed assets			
Intangible assets	14	10,058,273	11,470,151
Tangible assets	15	178,821,190	177,522,301
Investments	16	2,540,018	1,084,295
		<u>191,419,481</u>	<u>190,076,747</u>
Current assets			
Stocks	17	83,023,189	63,471,575
Debtors	18	95,196,719	97,792,122
Cash at bank and in hand	19	34,345,059	29,826,601
		<u>212,564,967</u>	<u>191,090,298</u>
Creditors: amounts falling due within one year	20	151,142,256)	141,112,006)
Net current assets		<u>61,422,711</u>	<u>49,978,292</u>
Total assets less current liabilities		<u>252,842,192</u>	<u>240,055,039</u>
Creditors: amounts falling due after more than one year	21	116,223,983)	109,306,789)
Net assets		<u><u>136,618,209</u></u>	<u><u>130,748,250</u></u>
Capital and reserves			
Called up share capital	26	44,990,816	44,458,133
Share premium account	27	1,283,346	1,283,346
Foreign exchange reserve	27	(6,874,868)	(10,834,657)
Other reserves	27	15,195,545	23,990,442
Profit and loss account	27	76,178,439	65,700,729
Equity attributable to owners of the parent Company		<u>130,773,278</u>	<u>124,597,993</u>
Non-controlling interests		5,844,931	6,150,257
		<u><u>136,618,209</u></u>	<u><u>130,748,250</u></u>

FAIST LIMITED
REGISTERED NUMBER: 02081194

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Mr R Nava
Director

Date: 30/09/2022

The notes on pages 25 to 51 form part of these financial statements.

FAIST LIMITED
REGISTERED NUMBER: 02081194

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 €	2020 €
Fixed assets			
Intangible assets	14	92,950	92,950
Investments	16	70,211,280	67,868,585
		<u>70,304,230</u>	<u>67,961,535</u>
Current assets			
Debtors	18	18,315,013	16,837,570
Cash at bank and in hand	19	108,296	75,315
		<u>18,423,309</u>	<u>16,912,885</u>
Creditors: amounts falling due within one year	20	(761,954)	(723,644)
Net current assets		<u>17,661,355</u>	<u>16,189,241</u>
Total assets less current liabilities		<u>87,965,585</u>	<u>84,150,776</u>
Creditors: amounts falling due after more than one year	21	(13,909,942)	(12,314,487)
Net assets		<u><u>74,055,643</u></u>	<u><u>71,836,289</u></u>
Capital and reserves			
Called up share capital	26	44,990,816	44,458,133
Share premium account	27	1,283,346	1,283,346
Merger reserve	27	5,748,265	5,748,265
Profit and loss account	27	22,033,216	20,346,545
		<u><u>74,055,643</u></u>	<u><u>71,836,289</u></u>

FAIST LIMITED
REGISTERED NUMBER: 02081194

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Mr R Nava
Director

Date: 30/09/2022

The notes on pages 25 to 51 form part of these financial statements.

FAIST LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Foreign exchange reserve	Other reserves	Profit and loss account
	€	€	€	€	€
At 1 January 2021	44,458,133	1,283,346	(10,834,657)	23,990,442	65,700,729
Comprehensive income for the year					
Profit for the year	-	-	-	-	3,698,609
Foreign exchange movements	-	-	3,959,789	-	-
Revaluation of tangible fixed assets	-	-	-	-	14,927
Total comprehensive income for the year	-	-	3,959,789	-	3,713,536
Dividends: Equity capital	-	-	-	-	(2,030,723)
Shares issued during the year	532,683	-	-	-	-
Transfer to/from profit and loss account	-	-	-	(8,794,897)	8,794,897
Total transactions with owners	532,683	-	-	(8,794,897)	6,764,174
At 31 December 2021	44,990,816	1,283,346	(6,874,868)	15,195,545	76,178,439

FAIST LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Equity attributable to owners of parent Company €	Non- controlling interests €	Total equity €
At 1 January 2021	124,597,993	6,150,257	130,748,250
Comprehensive income for the year			
Profit for the year	3,698,609	(305,326)	3,393,283
Foreign exchange movements	3,959,789	-	3,959,789
Revaluation of tangible fixed assets	14,927	-	14,927
Total comprehensive income for the year	<u>7,673,325</u>	<u>(305,326)</u>	<u>7,367,999</u>
Dividends: Equity capital	(2,030,723)	-	(2,030,723)
Shares issued during the year	532,683	-	532,683
Transfer to/from profit and loss account	-	-	-
Total transactions with owners	<u>(1,498,040)</u>	<u>-</u>	<u>(1,498,040)</u>
At 31 December 2021	<u><u>130,773,278</u></u>	<u><u>5,844,931</u></u>	<u><u>136,618,209</u></u>

FAIST LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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FAIST LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital €	Share premium account €	Foreign exchange reserve €	Other reserves €	Profit and loss account €
At 1 January 2020	44,458,133	1,283,346	(5,394,407)	20,255,701	58,257,596
Comprehensive income for the year					
Loss for the year	-	-	-	-	(3,518,945)
Foreign exchange movements	-	-	(5,440,250)	-	-
Revaluation surplus	-	-	-	-	14,696,819
Total comprehensive income for the year	-	-	(5,440,250)	-	11,177,874
Transfer to/from profit and loss account	-	-	-	3,734,741	(3,734,741)
Total transactions with owners	-	-	-	3,734,741	(3,734,741)
At 31 December 2020	44,458,133	1,283,346	(10,834,657)	23,990,442	65,700,729

FAIST LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Equity attributable to owners of parent Company €	Non- controlling interests €	Total equity €
At 1 January 2020	118,860,369	6,730,057	125,590,426
Comprehensive income for the year			
Loss for the year	(3,518,945)	(579,800)	(4,098,745)
Foreign exchange movements	(5,440,250)	-	(5,440,250)
Revaluation surplus	14,696,819	-	14,696,819
Total comprehensive income for the year	5,737,624	(579,800)	5,157,824
Transfer to/from profit and loss account	-	-	-
Total transactions with owners	-	-	-
At 31 December 2020	124,597,993	6,150,257	130,748,250

The notes on pages 25 to 51 form part of these financial statements.

FAIST LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital €	Share premium account €	Merger reserve €	Profit and loss account €	Total equity €
At 1 January 2020	44,458,133	1,283,346	5,748,265	22,986,096	74,475,840
Loss for the year	-	-	-	(2,639,551)	(2,639,551)
At 1 January 2021	44,458,133	1,283,346	5,748,265	20,346,545	71,836,289
Profit for the year	-	-	-	1,686,671	1,686,671
Contributions by and distributions to owners					
Shares issued during the year	532,683	-	-	-	532,683
At 31 December 2021	44,990,816	1,283,346	5,748,265	22,033,216	74,055,643

The notes on pages 25 to 51 form part of these financial statements.

FAIST LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 €	2020 €
Cash flows from operating activities		
Profit/(loss) for the financial year	3,393,283	(4,098,745)
Adjustments for:		
Amortisation of intangible assets	2,825,794	2,783,557
Depreciation of tangible assets	20,755,561	19,879,921
Impairments of fixed assets	-	800,000
Government grants	(23,316)	(22,993)
Interest paid	3,871,391	3,472,406
Interest received	(75,937)	(56,624)
Taxation charge	1,423,411	1,298,226
(Increase)/decrease in stocks	(19,551,614)	6,293,837
Decrease in debtors	4,157,955	16,680,263
Increase/(decrease) in creditors	15,335,926	(8,851,430)
Corporation tax received	1,199,790	1,930,572
FX movement	(142,395)	4,125,461
(Loss) from investments in realted companies	187,069	-
Net cash generated from operating activities	33,356,918	44,234,451
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,689,672)	(2,218,235)
Sale of intangible assets	42,805	141,446
Purchase of tangible fixed assets	(20,715,226)	(32,665,109)
Sale of tangible fixed assets	877,215	720,093
Government grants received	23,316	22,993
Purchase of share in associates	(1,536,100)	-
Interest received	263,006	56,624
Income from investments in related companies	(187,069)	-
Exchange movement on intangible assets	(174,457)	218,970
Exchange movement on tangible assets	(1,796,552)	4,315,714
Revaluation of tangible fixed assets	14,927	(14,696,819)
Net cash from investing activities	(24,877,807)	(44,104,323)

FAIST LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 €	2020 €
Cash flows from financing activities		
Issue of ordinary shares	532,683	-
New secured loans	5,546,933	-
Repayment of loans	-	(4,388,008)
Other new loans	-	7,938,313
Repayment of other loans	(1,991,012)	-
Repayment of/new finance leases	(2,147,143)	9,610,501
Dividends paid	(2,030,723)	-
Interest paid	(3,871,391)	(3,472,406)
Net cash used in financing activities	(3,960,653)	9,688,400
Net increase in cash and cash equivalents	4,518,458	9,818,528
Cash and cash equivalents at beginning of year	29,826,601	20,008,073
Cash and cash equivalents at the end of year	34,345,059	29,826,601
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	34,345,059	29,826,601
	34,345,059	29,826,601

The notes on pages 25 to 51 form part of these financial statements.

FAIST LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 €	Cash flows €	At 31 December 2021 €
Cash at bank and in hand	29,826,601	4,518,458	34,345,059
Debt due after 1 year	(67,805,694)	(6,406,322)	(74,212,016)
Debt due within 1 year	(54,437,890)	2,850,401	(51,587,489)
Finance leases	(21,222,102)	2,147,143	(19,074,959)
	<u>113,639,085</u>	<u>3,109,680</u>	<u>110,529,405</u>

The notes on pages 25 to 51 form part of these financial statements.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Faist Limited is a limited company incorporated in the United Kingdom, registered office Northern & Shell Building, 8th Floor, 10 Lower Thames Street, London, EC3R 6AF. The principal activity of the Company is that of a holding and management company.

The principal activity of the group is the manufacturing and assembly of technical components for several industrial sectors, including automotive, telecommunications and renewable energy.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land & buildings and plant & machinery and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The principal accounting policies set out below have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intra-group transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

2.3 Going concern

Following the outbreak of the coronavirus pandemic during the year, the group has seen a reduction in activity, in common with many businesses throughout the world. The directors remain satisfied that the going concern basis is appropriate for the preparation of these financial statements.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

The Group's and the company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

On consolidation, the results of overseas operations are translated into Euros at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Turnover comprises revenue in respect of manufacturing and assembly components and services supplied during the year, exclusive of Value Added Tax (and the equivalent sales taxes outside of the EU) and trade discounts.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income as the interest becomes receivable.

2.10 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the related debt as the interest becomes payable. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Intangible assets

Goodwill represents the difference between the cost of a business combination and the Group's interest in the fair value of the Group's share of the identifiable assets and liabilities of the acquired entity at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Development costs

Research and development costs are recognised in the profit and loss account in the year in which they arise.

Research and development costs are capitalised from the development phase of a project, when projects are won, but are not yet in mass production.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 3% per annum
Plant & machinery	- 15-25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit "CGU" to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in associates are stated at the amount of the company's share of net assets. The Profit and Loss Account includes company's share of the associated companies' profits after taxation using the equity accounting basis.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.18 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the Group's share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.19 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.20 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.21 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.22 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost.

2.23 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.24 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.25 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

2.26 Dividends

Equity dividends are recognised when they become legally payable.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Depreciation, amortisation and residual values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

Impairment

The Directors have considered the valuation of investments in intangible fixed assets, tangible fixed assets and group undertakings. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired requiring the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired or not requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. The Directors have concluded that the valuation of assets as at the year end are appropriate.

Deferred taxation

Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date, in the form of future cash flows using a suitable growth rate.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 €	2020 €
General Industrial	352,336,252	301,270,940
	<u>352,336,252</u>	<u>301,270,940</u>

Analysis of turnover by country of destination:

	2021 €	2020 €
United Kingdom	37,967,056	26,439,246
Rest of Europe	225,511,645	188,457,771
Rest of the world	88,857,551	86,373,923
	<u>352,336,252</u>	<u>301,270,940</u>

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Other operating income

	2021 €	2020 €
Other operating income	1,281,960	1,275,211
Government grants in relation to COVID-19	23,316	22,993
	<u>1,305,276</u>	<u>1,298,204</u>

6. Operating profit

The operating profit is stated after charging:

	2021 €	2020 €
Research & development charged as an expense	3,522,230	4,738,763
Depreciation	20,755,561	19,879,921
Amortisation	2,825,794	2,783,557
Impairment of intangible fixed assets	-	800,000
	<u></u>	<u></u>

7. Auditor's remuneration

	2021 €	2020 €
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>21,801</u>	<u>21,801</u>
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	750	750
All other services	2,500	2,500
	<u>3,250</u>	<u>3,250</u>

FAIST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Employees

Staff costs, including director's remuneration, were as follows:

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Wages and salaries	65,842,914	60,189,924	45,086	43,119
Social security costs	12,485,212	10,584,977	-	827
Cost of defined contribution scheme	1,772,580	1,871,310	43	29
	<u>80,100,706</u>	<u>72,646,211</u>	<u>45,129</u>	<u>43,975</u>

The average monthly number of employees, including the director, during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Staff	3,807	3,853	1	1
Directors	1	1	1	1
	<u>3,808</u>	<u>3,854</u>	<u>2</u>	<u>2</u>

9. Director's remuneration

	2021 €	2020 €
Director's emoluments	8,692	9,227
Group contributions to defined contribution pension schemes	-	29
	<u>8,692</u>	<u>9,256</u>

10. Finance income

	2021 €	2020 €
Other interest receivable	263,006	56,624
	<u>263,006</u>	<u>56,624</u>

FAIST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Finance expenses

	2021 €	2020 €
Bank interest payable	3,871,391	3,472,406
	<u>3,871,391</u>	<u>3,472,406</u>

12. Taxation

	2021 €	2020 €
Corporation tax		
Current tax on profits for the year	170,952	-
	<u>170,952</u>	<u>-</u>
Foreign tax		
Foreign tax on income for the year	1,168,002	2,498,076
	<u>1,168,002</u>	<u>2,498,076</u>
Total current tax	<u>1,338,954</u>	<u>2,498,076</u>
Deferred tax		
Origination and reversal of timing differences	84,457	(1,199,850)
Total deferred tax	<u>84,457</u>	<u>(1,199,850)</u>
Taxation on profit on ordinary activities	<u>1,423,411</u>	<u>1,298,226</u>

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 €	2020 €
Profit/(loss) on ordinary activities before tax	<u>4,816,694</u>	<u>(2,800,519)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	915,172	(532,099)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	76,000	76,000
Higher rate taxes on overseas earnings	1,168,002	2,498,076
Short term timing difference leading to an increase (decrease) in taxation	84,457	(1,199,850)
Other differences leading to an increase (decrease) in the tax charge	(820,220)	456,099
Total tax charge for the year	<u>1,423,411</u>	<u>1,298,226</u>

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Taxation (continued)

Factors that may affect future tax charges

The standard rate of corporation tax applicable to the Company for the year ended 31 December 2021 was 19.0%. The Government has indicated that the rate of corporation tax may be increased to 25% with effect from 1 April 2023. Should legislation increasing the rate to 25% be substantively enacted, any timing differences which exist at that point would reverse at 25% rather than 19%.

13. Dividends

	2021 €	2020 €
Dividends	2,030,723	-
	<u>2,030,723</u>	<u>-</u>

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Intangible assets

Group

	Patents €	Goodwill €	Total €
Cost			
At 1 January 2021	48,857,122	3,455,351	52,312,473
Additions	1,689,672	-	1,689,672
Disposals	(169,461)	-	(169,461)
Foreign exchange movement	(203,704)	-	(203,704)
At 31 December 2021	50,173,629	3,455,351	53,628,980
Amortisation			
At 1 January 2021	38,845,752	1,996,570	40,842,322
Charge for the year on owned assets	2,653,027	172,767	2,825,794
On disposals	(126,656)	-	(126,656)
Foreign exchange movement	29,247	-	29,247
At 31 December 2021	41,401,370	2,169,337	43,570,707
Net book value			
At 31 December 2021	8,772,259	1,286,014	10,058,273
At 31 December 2020	10,011,370	1,458,781	11,470,151

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Intangible assets (continued)

Company

	Patents €
Cost	
At 1 January 2021	4,892,950
At 31 December 2021	<u>4,892,950</u>
Amortisation	
At 1 January 2021	4,800,000
At 31 December 2021	<u>4,800,000</u>
Net book value	
At 31 December 2021	<u>92,950</u>
At 31 December 2020	<u>92,950</u>

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Tangible fixed assets

Group

	Freehold property €	Plant & machinery €	Total €
Cost or valuation			
At 1 January 2021	112,441,000	223,743,985	336,184,985
Additions	954,691	19,760,535	20,715,226
Disposals	(11,438)	(5,816,512)	(5,827,950)
Revaluations	-	(8,156)	(8,156)
Exchange adjustments	(198,374)	4,039,493	3,841,119
At 31 December 2021	113,185,879	241,719,345	354,905,224
Depreciation			
At 1 January 2021	24,095,706	134,566,978	158,662,684
Charge for the year on owned assets	3,399,917	17,355,644	20,755,561
Disposals	(2,592)	(4,948,143)	(4,950,735)
Impairment charge	-	(428,043)	(428,043)
Exchange adjustments	299,083	1,745,484	2,044,567
At 31 December 2021	27,792,114	148,291,920	176,084,034
Net book value			
At 31 December 2021	85,393,765	93,427,425	178,821,190
At 31 December 2020	88,345,294	89,177,007	177,522,301

FAIST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Fixed asset investments

Group

	Investments in associates €	Other fixed asset investments €	Total €
Cost or valuation			
At 1 January 2021	1,020,271	64,024	1,084,295
Additions	1,536,100	-	1,536,100
Foreign exchange movement	-	106,692	106,692
Transfers intra group	(917,571)	917,571	-
Share of profit/(loss)	(187,069)	-	(187,069)
At 31 December 2021	<u>1,451,731</u>	<u>1,088,287</u>	<u>2,540,018</u>
Net book value			
At 31 December 2021	<u>1,451,731</u>	<u>1,088,287</u>	<u>2,540,018</u>
At 31 December 2020	<u>1,020,271</u>	<u>64,024</u>	<u>1,084,295</u>

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies €
Cost or valuation	
At 1 January 2021	70,748,585
Additions	4,579,653
Disposals	(2,236,957)
At 31 December 2021	<u>73,091,281</u>
Impairment	
At 1 January 2021	<u>2,880,000</u>
At 31 December 2021	<u>2,880,000</u>
Net book value	
At 31 December 2021	<u><u>70,211,281</u></u>
At 31 December 2020	<u><u>67,868,585</u></u>

Details of group companies are set on the next page.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Faist Componenti Spa	Italy	Ordinary	100%
Faist Light Metals Limited	England and Wales	Ordinary	85%
Scattolini Otomotiv	Turkey	Ordinary	100%
Scattolini Spa	Italy	Ordinary	100%
Moor of Venice Srl	Italy	Ordinary	100%
Faist Electronics Srl	Italy	Ordinary	100%
Faist Precision Technology Suzhou Co. Ltd	China	Ordinary	50%

FAIST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Faist Light Metals Tennessee LLC	United States of America	Ordinary	85%
Faist Alucast S. de. R.L. de C.V.	Mexico	Ordinary	85%
Faist Systeme GmbH	Germany	Ordinary	85%
Faist Light Metals Switzerland GmbH	Switzerland	Ordinary	85%
Faist Light Metals Engineering Srl	Italy	Ordinary	85%
Faist Mekatronik Srl	Romania	Ordinary	85%
Scattolini FBT GmbH	France	Ordinary	100%
Scattolini Iberica Slu	Spain	Ordinary	100%
VFS Southampton	England and Wales	Ordinary	100%
Scattolini France SARL	France	Ordinary	100%
Cabreta SARL	France	Ordinary	100%
Sanmarco Industrial Srl	Italy	Ordinary	100%
Faist Greentek LLC	United States of America	Ordinary	100%
Faist MetalMex S.de.R.L	Mexico	Ordinary	100%
Faist Romania Srl	Romania	Ordinary	100%
Faist Metalworking Srl	Romania	Ordinary	99.98%
E-Lectra Srl	Italy	Ordinary	54%

Joint venture

The following was a joint venture of the Company:

Name	Registered office	Holding
Power4Future S.p.A	Italy	47%

FAIST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Stocks

	Group 2021 €	Group 2020 €
Raw materials and consumables	42,773,049	32,803,509
Work in progress (goods to be sold)	19,369,315	15,854,979
Finished goods and goods for resale	20,880,825	14,813,087
	<u>83,023,189</u>	<u>63,471,575</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Due after more than one year				
Amounts owed by group undertakings	-	-	14,921,573	12,894,476
Prepayments and accrued income	562,535	1,054,461	-	-
	<u>562,535</u>	<u>1,054,461</u>	<u>14,921,573</u>	<u>12,894,476</u>
Due within one year				
Trade debtors	67,557,271	72,733,330	-	-
Amounts owed by group undertakings	-	-	2,646,269	3,255,101
Other debtors	10,398,806	9,265,920	111,221	78,266
Prepayments and accrued income	5,773,997	5,396,852	599,124	515,506
Tax recoverable	5,466,192	3,819,184	-	-
Deferred taxation	5,437,918	5,522,375	36,826	94,221
	<u>95,196,719</u>	<u>97,792,122</u>	<u>18,315,013</u>	<u>16,837,570</u>

19. Cash and cash equivalents

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Cash at bank and in hand	34,345,059	29,826,601	108,296	75,315
	<u>34,345,059</u>	<u>29,826,601</u>	<u>108,296</u>	<u>75,315</u>

FAIST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Creditors: Amounts falling due within one year

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Bank loans	51,192,642	54,437,890	-	-
Other loans	394,847	-	-	-
Trade creditors	80,566,353	73,027,069	52,828	243,028
Amounts owed to group undertakings	-	-	331,970	-
Corporation tax	4,599,241	4,396,501	-	-
Obligations under finance lease and hire purchase contracts	4,068,305	3,469,779	-	-
Other creditors	7,414,151	2,645,295	156	258
Accruals and deferred income	2,906,717	3,135,472	377,000	480,358
	151,142,256	141,112,006	761,954	723,644

21. Creditors: Amounts falling due after more than one year

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Bank loans	68,373,644	59,581,463	-	-
Other loans	5,838,372	8,224,231	-	-
Net obligations under finance leases and hire purchase contracts	15,006,654	17,752,323	-	-
Other creditors	25,529,704	22,432,969	13,909,942	12,314,487
Accruals and deferred income	1,475,609	1,315,803	-	-
	116,223,983	109,306,789	13,909,942	12,314,487

Bank loans payable in more than five years after the balance sheet date are payable in installments. Each loan is payable at a different rate of interest, with the effective interest rate ranging from 1.6% to Euribor 3m +3%.

FAIST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Loans

Analysis of the maturity of loans is given below:

	Group 2021 €	Group 2020 €
Amounts falling due within one year		
Bank loans	51,192,642	54,437,890
Other loans	394,847	-
	<u>51,587,489</u>	<u>54,437,890</u>
Amounts falling due 1-2 years		
Bank loans	18,932,156	17,874,438
Other loans	5,838,372	8,224,231
	<u>24,770,528</u>	<u>26,098,669</u>
Amounts falling due 2-5 years		
Bank loans	34,186,623	29,790,732
	<u>34,186,623</u>	<u>29,790,732</u>
Amounts falling due after more than 5 years		
Bank loans	15,254,865	11,916,293
	<u>15,254,865</u>	<u>11,916,293</u>
	<u>125,799,505</u>	<u>122,243,584</u>

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 €	Group 2020 €
Within one year	4,068,305	3,469,779
Between 1-5 years	12,013,426	14,224,880
Over 5 years	2,993,228	3,527,443
	<u>19,074,959</u>	<u>21,222,102</u>

FAIST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Financial instruments

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Financial assets				
Financial assets measured at fair value through profit or loss	34,345,059	29,826,601	108,296	75,315
Financial assets that are debt instruments measured at amortised cost	78,555,200	82,514,756	18,278,186	16,743,348
	<u>112,900,259</u>	<u>112,341,357</u>	<u>18,386,482</u>	<u>16,818,663</u>
Financial liabilities				
Financial liabilities measured at amortised cost	239,686,713)	220,829,275)	-	-

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade receivables and other debtors.

Financial liabilities measured at amortised cost comprise third party loans, trade payables, other creditors and accruals.

25. Deferred taxation

Group

	2021 €
At beginning of year	5,522,375
Charged to profit or loss	(84,457)
At end of year	<u>5,437,918</u>

FAIST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Deferred taxation (continued)

Company

	2021			
	€			
At beginning of year				94,221
Charged to profit or loss				(57,395)
At end of year				36,826
				<hr/>
	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Tax losses carried forward	5,437,918	5,522,375	36,826	94,221
	<hr/> 5,437,918 <hr/>	<hr/> 5,522,375 <hr/>	<hr/> 36,826 <hr/>	<hr/> 94,221 <hr/>

26. Share capital

	2021 €	2020 €
Allotted, called up and fully paid		
44,990,816 (2020 - 44,458,133) ordinary shares of €1.00 each	44,990,816	44,458,133
	<hr/> 44,990,816 <hr/>	<hr/> 44,458,133 <hr/>

On 31 December 2021, 447,486 ordinary shares of £1.00 each were issued at par. As the financial statements are prepared in a Euro's, these were converted at the spot rate on the issue date which equated to an additional share capital of €532,683.

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

27. Reserves

Share premium account

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

The foreign exchange reserve comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Euros (€).

Other reserves

Other reserves comprise legal and other reserves arising during the normal course of business.

Profit & loss account

Includes all current and prior period retained profits and losses. Included within the Profit and Loss Account is €11,107,729 (2020: €11,107,729) of non-distributable reserves.

28. Pension commitments

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in an independently administered fund. The pension cost charge represents the contributions payable by the Group to the fund. The total pension charge for the group for the year was €1,772,537 (2020: €1,871,281).

FAIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

29. Related party transactions

The company has taken advantage of the exemptions available under FRS102 "Related Party Disclosures" from disclosing transactions entered into between members of a group who are wholly owned within that group.

At the balance sheet date, the company owed €nil (2020: €nil) to the directors of the company. This balance is included in other creditors.

During the year, the company had transactions with companies under common directors totalling €30,287 (2020: €33,827). At the balance sheet date the company owed €682 (2020: €7,608) in respect of these fees, which was included in trade creditors.

During the year, the company had transactions with the ultimate controlling party, totalling €350,000 (2020: €455,000) in relation to consultancy services provided to Faist Limited. At the balance sheet date, the company owed €350,000 (2020: €176,195). This balance is included in accruals (2020: included in trade creditors).

During the year, the group and company had the following transactions with the ultimate controlling party in relation to loans:

	Group 2021 €	Company 2021 €	Group 2020 €	Company 2020 €
Loans received	1,595,197	1,595,197	300,001	300,001
Loans repaid	-	-	(959,925)	(500,000)
Amounts due at the balance sheet date	<u>(13,909,942)</u>	<u>(13,909,942)</u>	<u>(12,314,475)</u>	<u>(12,314,475)</u>

30. Controlling party

The controlling party is Mr G. Natali by virtue of his majority shareholding.