Company Registration number: 02081194 (England and Wales)

Group Annual Report and

Consolidated and Parent Financial Statements for the Year Ended 31 December 2022

for

FAIST LIMITED

FAIST LIMITED

Contents of the Consolidated and Parent Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022

FAIST LIMITED

Company Information

FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTOR:	Mr Nava Richard Alexander
Company secretary	CJB Secretarial Limited
REGISTERED OFFICE:	Northern & Shell Building 8th Floor, 10, Lower Thames Street London EC3R 6AF
REGISTERED NUMBER:	02081194 (England and Wales)
AUDITORS:	A.C.T. Audit Limited 48 Dover Street Mayfair, London W1S 4FF

FAIST LIMITED

Strategic Report

FOR THE YEAR ENDED 31 DECEMBER 2022

Faist Group

The Director presents strategic report on the affairs of Faist Limited (the "Company") and its subsidiaries (together "the Group") for the year ended 31 December 2022.

The Group is 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 aluminum 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 Passengers cars, Light Commercial Vehicles, Heavy Trucks, Telecommunication, Energy Management and Renewable Energy.

Business review

In 2022 Faist Group was able to deliver improved results notwithstanding quite adverse market environment.

The group recorded a turnover of €391.3m (2021: £353.4m) which is an increase of 10.7% on the previous year and generated an operating profit of €17.6m (2021: €12.4m). The group generated a gross profit of €52.1m (2021: €45.4m).

The year was still marked by the long-term economic effects of COVID, intensified due to the lockdowns in China in early 2022 and the policy turnaround towards reopening by the end of the year. Moreover, the impact of the war in Ukraine drove inflation and costs for raw materials further up. All of this has led to demand fluctuations and continuous request of adaptation to revised scenarios. In this difficult economic scenario, the Group was able to make a significant growth in Sales and confirm positive results thanks to the geographic and business diversification that confirm to be a strong asset of the Group. In this difficult scenario the Group continued to invest in all Business Units and Regions in order to further develop the capability to be resilient to market headwinds while putting the base for a long-term sustainable growth.

The Faist Group is divided broadly into four main business units:

- Controls & Propulsion Systems & Industrial (CPS&IND): (two business units which have been integrated to take advantage of industrial and business synergies): accounting for over 26% of the total Group revenues it represents the origins of the Group. The BU delivered solid results also in 2022, with increased overall level of activities versus previous year nevertheless market difficulties in particular with the semiconductor shortages, showing overall strong resilience.

- Light Metal (LM): Accounting for 42% of the total Group revenues, this business unit showed in 2022 an increase in volumes after the pandemic in particular in Automotive/Truck market with positive results. The BU continued to invest for the expected further business expansion with a focus in North America with the intent to leverage the global footprint to better satisfy customer needs.

- Truck Bodies (TB): Accounting for over 32% of the total Group revenues. Despite the uncertainty and challenges of year the BU was able to perform positively with increased Sales. 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. In 2022, 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. In particular the activities in 2022 were focused on the support of the newly created Power4Future, the joint venture dedicated to the production of lithium-ion batteries and energy storage systems for various applications.

FAIST LIMITED

Strategic Report

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

The Group analyses continuously the exposure to Currency Risk and Interest Risk and eventually decide on reducing the risk with mitigation actions at local level, including hedging solutions on Interest Risk and third parties risk transfer on Currency Risk.

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 procedures 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 concerns 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

For the first time the Group consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as universally recognized principles at the international level, and IFRS 1 "First-time Adoption of International Financial Reporting Standards" has been applied for the purposes of their preparation.

Overall, Group activity showed a volume increase of 10.7% in the year from €353.4m to €391.3m leveraging the global footprint and market differentiation that is a core asset of the Group.

Although each division and each company operate with numerous key performance indicators, for the group as a whole, we consider that turnover (as above), operating profit to turnover and Earnings Before Interest, Depreciation and Amortization (EBITDA) and acquisition of Property Plant & Equipments, as our most relevant indicators.

We also consider net financing costs to turnover and pre-tax profits to shareholders funds (basic returns on capital employed) to be important, as well as the Net Debt to Ebitda and Net Debt to Equity.

These KPI's are summarized as:

Financial KPIs

€/Millions	31-Dec-22	31-Dec-21	Var. %/Pts
Sales	391.3	353.4	10.7%
Ebitda %	11.3%	11.0%	0.2pt
Operatin Profit %	4.5%	3.5%	1.0pt
Net Financing Cost To Sales %	1.3%	1.1%	0.2pt
Return on Capital Employed %	7.0%	5.0%	2.0pt
Net Investments in PP&E	29.2	13.7	113.1%
Net Debt (*) to Ebitda	3.4	3.3	0.1pt
Net Debt (*) to Equity	1.0	1.1	-0.1

(*) Net Debt represents the sum of financial debts cash on hands. In order to present comparable KPI the Net Debt as of 31 December 2021 do not include a not bearing interest shareholder loan that has been converted to capital in 2022 for €12M.

Operating profit to turnover represents a positive result at 4.5% on sales compared to 3.5% in the prior year. The improvement in the Operating Profit has been achieved nevertheless the difficulties due to adverse global market conditions with customer demand fluctuation due to components shortages, geopolitical crisis that lead to energy crisis and cost inflation. The positive result shows a strong resilience to overcome difficult market conditions thanks to industrial productivities achieved supported but the overall increase in volumes produced and put the base of the planned further improvement with consistent positive results and the consolidation of the market leadership.

Acquisitions in PP&E reflect the strong commitment of the Group to continue the path of growth and continuous development of industrial capabilities in order to satisfy customer demand with innovative technologies. Acquisitions increased significantly in the year in all BU following the current and expected volume growth and the reinforcement of the strategic intent to create.long term capabilities to offer innovative solution to the markets the Group operate.

Net Financing costs to turnover represents 1.3 % compared to 1.1% showing consistency with the prior year while slightly increasing as a consequence of overall market cost increase.

Basic return on capital employed has increased to 7% from 5% in prior year significantly improving and showing a strong consistency of positive results.

Net Debt to Ebitda is stable at 3.4 compared to the same value in the prior year, confirming the capability to finance the growth and investments with steady debt leverage, while Net Debt to Equity further improve at 1.0 compared to 1.1 in the prior year showing improved strong commitment to maintain a well-balanced capital structure.

Expected Evolution of the Business

Globally the macroeconomic environment confirms to be very uncertain also in 2023, with strong volatility in different market as a consequence of the geopolitical instability, the cost of living crisis, the energy crisis and the natural disaster and extreme weather events that could affect our businesses.

Nevertheless, this global macro-economic uncertainty, the Group expect to further growth with improved profitability leveraging the capability to create value added solutions to customers, with new cost efficient products and services, and being able to count on a strong diversification in term of markets, customer base and geographical footprint.

FAIST LIMITED

Strategic Report

FOR THE YEAR ENDED 31 DECEMBER 2022

Reporting currency

These financial statements are denominated in Euros.

Director's statement of compliance with duty to promote the success of the Group (Section 172 (1) Statement)

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).

On behalf of the board

Mr Nava Richard Alexander
Director
Date 6th November 2023

FAIST LIMITED

Director's Report

FOR THE YEAR ENDED 31 DECEMBER 2022

The director of Faist Ltd, incorporated in the United Kingdom, registered office Northern & Shell Building, 8th Floor, 10 Lower Thames Street, London, EC3R 6AF, presents his report and Financial Statements for the period ended 31 December 2022. This report has been prepared in accordance with International Financial Reporting Standard ("Adopted IFRSs").

Results and dividends

The profit for the period after taxation amounts to €12,667 thousand (2021: €2,636 thousand).

Dividends paid during the period amounted to €2,295 thousand (2021: €2,031 thousand).

Political and charitable contributions

The Company made no political or charitable donations during the period.

Principal activities and review of the business

Faist Ltd is a holding company, controlling all the foreign subsidiaries of the Group. The main activities of the subsidiaries are the manufacturing and assembly of technical components for several industrial sectors, including automotive, telecommunications and renewable energy. These Financial Statements were prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Significant events during the period

No significant events occurred during the year.

Going concern

After making enquiries, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continue to adopt the going concern basis in preparing the Financial Statements.

Further details regarding the adoption of the going concern basis can be found in the notes to the Financial Statements.

Director

The Director who served during the period and up to the date of signing the financial statements, unless otherwise stated, were:

Mr Nava Richard Alexander

Post balance sheet events

There are no post balance sheet events affecting the company and the Group.

Qualifying third party indemnity provision

The Group has provided ad indemnity to its Director, which is a qualifying third parti indemnity provision for compliance with the Companies Act 2006.

Greenhouse gas emissions, energy consumption and energy efficiency action

Group's greenhouse gas emissions and energy consumption	**2022**	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)	**17,696**	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)	**8,481**	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 tonnes of CO2 equivalent)	**363,110**	373,150

FAIST LIMITED

Director's Report

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, the Director' Report and the 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 International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006 and applicable law ("Adopted IFRSs"). Under company law, the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently ;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for maintaining adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable to ensure that the financial statements comply with the Companies Act 2006. They are 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditor

Each director who held office at the date of approval of this report confirms that:

so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

the director has taken all the steps that they ought to have taken as director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditors

In accordance with the Company's articles the reappointment of A.C.T. Audit Limited as auditor of the company will be discussed at the general meeting.

On behalf of the board

Mr Nava Richard Alexander
Director
Date 6th November 2023

Independent Auditor's Report to the Members of
Faist Limited

Opinion

We have audited the Consolidated and Parent financial statements ("financial statements") of Faist Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Notes to the Consolidated Financial Statement, and the Notes to the Parent Company Financial Statements, including a summary of significant accounting policies. The group financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards. The parent company financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, comprising FRS 101 Reduced Disclosure Framework).

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 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Auditors' 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 UK, including the FRC'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 and 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.

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 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. 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.

Independent Auditor's Report to the Members of
Faist Limited

Opinions 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 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 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 Strategic Report or the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 director

As explained more fully in the Statement of Director's Responsibilities set out on page 9, 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 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 has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Auditors' responsibilities for the audit of the financial statements – continued

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the director and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Auditors.

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 a Report of the Auditors 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.

ACT AUDIT LIMITED

Francesco Lepri (Senior Statutory Auditor)

for and on behalf of A.C.T. Audit Limited

48 Dover Street

Mayfair, London

W1S 4FF

15th November 2023

FAIST LIMITED

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 31 DECEMBER 2022

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	Note	31-Dec-22	31-Dec-21
Revenue	6	391,326	353,368
Cost of sales	7	(339,214)	(307,979)
Gross profit		**52,111**	**45,389**
Other income		2,229	3,555
Research and development expenses	7	(2,914)	(3,500)
Selling and distribution expenses	7	(3,326)	(3,031)
Administrative expenses	7	(29,348)	(28,218)
Other expenses		(1,204)	(1,837)
Operating profit		**17,548**	**12,359**
Finance income	8	14,817	7,722
Finance costs	8	(18,326)	(15,913)
Net finance costs		**(3,509)**	**(8,191)**
Share of profit of equity-accounted investees, net of tax	16	5	(187)
Profit before tax		**14,045**	**3,981**
Income tax expense	10	(1,377)	(1,345)
Profit for the period		**12,667**	**2,636**
Profit /(Loss) attributable to the owners of the parent		9,071	1,564
Profit /(Loss) attributable to non controlling interests		3,596	1,072

FAIST LIMITED

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2022

€'000

	Note	31-Dec-22	31-Dec-21
Profit for the period (A)		**12,667**	**2,636**
Items that will not be reclassified subsequently to profit or loss:			
- Actuarial gains (losses)		(47)	(31)
Total items that will not be reclassified subsequently to profit or loss (B1):		**(47)**	**(31)**
Items that are or may be reclassified subsequently to profit or loss:			
- Cash flow hedges – changes in fair value		1,496	178
- Foreign operations – exchange differences		(1,727)	4,914
Total items that are or may be reclassified subsequently to profit or loss (B2):		**(231)**	**5,092**
Other comprehensive income for the period, net of tax (B1) + (B2) = (B) :		**(278)**	**5,061**
Comprehensive income for the period (A) + (B)		**12,390**	**7,697**
Comprehensive income attributable to the owners of the parent		*9,243*	*4,416*
Comprehensive income (expense) attributable to non-controlling interests		*3,147*	*3,282*

FAIST LIMITED

Consolidated Statement of Financial Position

31 DECEMBER 2022

€'000

ASSETS	Note	31-Dec-22	31-Dec-21
Non-current assets			
Property, plant and equipment	**14**	154,561	138,435
Intangible assets and goodwill	**15**	8,778	7,576
Investment property	**14.a**	6,741	6,712
Right-of-use assets	**25**	55,743	51,862
Other non-current assets		549	292
Non-current financial assets	**16**	1,902	117
Equity-accounted investees	**16**	1,354	1,349
Deferred tax assets	**10**	10,713	8,728
Total non-current assets		**240,341**	**215,071**
Current assets			
Trade receivables	**12**	78,275	66,734
Inventories	**11**	98,019	82,849
Other current assets	**12**	16,789	13,114
Cash and cash equivalents	**13**	30,998	34,353
Total current assets		**224,081**	**197,049**
TOTAL ASSETS		**464,422**	**412,120**

FAIST LIMITED

Consolidated Statement of Financial Position(Continued)

31 DECEMBER 2022

€'000

EQUITY AND LIABILITIES	Note	31-Dec-22	31-Dec-21
Equity			
Share capital		47,789	44,991
Other reserves		69,303	51,558
Profit for the period		9,071	1,564
Equity attributable to the owners of the parent		**126,164**	**98,113**
Share capital and reserves attributable to non-controlling interests		19,831	21,013
Profit (loss) attributable to non-controlling interests		3,596	1,072
Equity attributable to non-controlling interests		**23,427**	**22,086**
Total equity	**17**	**149,592**	**120,199**
Non-current liabilities			
Non-current financial liabilities	**18**	57,784	73,894
Non-current lease liabilities	**18**	33,717	32,820
Provisions	**21**	1,511	1,781
Employee benefits	**9**	3,634	2,009
Other non-current liabilities	**19**	1,485	1,546
Deferred tax liabilities	**10**	6,015	4,953
Total non-current liabilities		**104,145**	**117,003**
Current liabilities			
Current financial liabilities	**18**	79,542	60,737
Current lease liabilities	**18**	10,814	8,838
Trade payables	**20**	88,706	74,733
Employee benefits	**9**	960	2,006
Current tax liabilities		2,673	5,693
Other current liabilities	**19**	27,990	22,912
Total current liabilities		**210,686**	**174,918**
TOTAL EQUITY AND LIABILITIES		**464,422**	**412,120**

The financial statements were approved and authorised for issue by the parent's sole director on 6NOV23 and were signed by:

....

Mr Nava Richard Alexander
Director

The notes form part of these financial statements.

FAIST LIMITED

Consolidated Statement of Changes in Equity

31 DECEMBER 2022

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	Attributable to the owners of the parent								
	Share capital	Other reserves and retained earnings	Actuarial reserve	Translation reserve	Hedging reserve	Profit for the period	Total	Non-controlling interest	Total Equity
Balance at 1 January 2021	44,458	52,418	-	(4,076)	(256)	-	92,543	20,382	112,926
Profit for the period						1,564	1,564	1,072	2,637
Other comprehensive income for the period			(31)	2,711	172		2,851	2,209	5,061
Totale comprehensive income for the period	-	-	(31)	2,711	172	1,564	4,416	3,282	7,697
Increase	533	630					1,163	453	1,615
Dividends							-	(2,031)	(2,031)
Other changes		(9)					(9)		(9)
Balance at 31 December 2021	44,991	53,039	(31)	(1,366)	(84)	1,564	98,113	22,086	120,199
Allocation of the profit for the previous year		1,564				(1,564)	-	-	-
Hyperinflation on opening		4,020					4,020		4,020
Profit for the period						9,072	9,072	3,596	12,668
Other comprehensive income for the period			(47)	(1,256)	1,475		172	(449)	(278)
Totale comprehensive income for the period	-	-	(47)	(1,256)	1,475	9,072	9,243	3,147	12,390
Increase	2,799	12,000					14,799	490	15,289
Dividends							-	(2,295)	(2,295)
Other changes		(10)					(10)		(10)
Balance at 31 December 2022	47,789	69,049	(78)	(2,622)	1,391	10,636	126,165	23,427	149,592

The increase of €12,000 thousand in 2022 is the result of a shareholder's loan conversion to capital.

FAIST LIMITED

Consolidated Statement of Cash Flow

31 DECEMBER 2022

€'000

	Note	2022	2021
Cash flows from operating activities			
Profit for the year		12,667	2,636
Monetary correction for the period		(1,974)	-
Adjustments for:			
– Depreciation of property, plant and equipment	14	16,736	16,840
– Amortisation of intangible assets	15	1,971	1,980
– Depreciation of right-of-use assets	25	7,572	7,287
– Accruals for provisions and employee benefits	9	98	82
– Net financial expense	8	5,477	8,191
– Gain / (loss) on sale of property, plant and equipment	14	(59)	-
– Foreign exchange gains/(losses), translation and other minor differences		(1,460)	1,244
– Share of profit of equity-accounted investee, net of tax	16	5	187
– Income taxes	10	1,377	1,345
Changes in:			
– Inventories	11	(15,166)	(19,531)
– Trade receivables	12	(11,541)	6,307
– Other current assets and liabilities	12 - 19	3,601	(6,380)
– Trade payables	20	13,973	7,353
– Provision and employee benefits	9	261	(1,213)
Cash generated from operating activities		**33,539**	**26,326**
Interest paid	8	(5,348)	(1,889)
Income taxes paid	10	(1,968)	(3,098)
Net cash from operating activities (A)		**26,224**	**21,339**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	14	59	-
Acquisition of property, plant and equipment	14	(31,744)	(14,582)
Acquisition of intangible assets	15	(2,145)	(2,275)
Acquisition of other financial assets	16	-	(1,536)
Net cash from investing activities (B)		**(33,830)**	**(18,393)**
Cash flows from financing activities			
Proceeds from financial liabilities	18	47,472	26,827
Repayments of financial liabilities	18	(35,081)	(17,225)
Payment of lease liabilities	25	(9,132)	(7,650)
Proceeds from issue of share capital	17	3,289	1,615
Dividends paid	16	(2,295)	(2,031)
Net cash from financing activities (C)		**4,253**	**1,535**
Net increase (decrease) in cash and cash equivalents (A)+(B)+(C)		**(3,353)**	**4,481**
Opening cash and cash equivalents		**34,353**	**29,872**
Closing cash and cash equivalents		**30,998**	**34,353**

FAIST LIMITED

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022

1. *Reporting entity:*

Faist Limited (or the "parent" or the "company") is a private company limited by shares incorporated in England and Wales with its registered office at Northern & Shell Building, 8th Floor, 10 Lower Thames Street, London, EC3R 6AF – registered number 02081194. These consolidated financial statements comprise the financial statements of the parent and its subsidiaries (together referred to as the "group" or the "Faist Ltd Group"), as described below. Note 23 contains a list of the subsidiaries. The group is a global industrial component player. 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.

Reference should be made to the director's report that accompanies these consolidated financial statements for information on the group's business. Please refer to Note 28 for further information concerning transactions with Director and other related parties.

2. *Basis for preparation*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

3. *Functional and presentation currency*

These consolidated financial statements are presented in Euro, which is also the parent's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. *Use of judgements and estimates*

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Notes 14, 15, 5.a(I), 5.a(J) and 5.a(O): calculating the useful life of non-financial assets and right of use assets. In calculating the useful life of property, plant and equipment and intangible assets with finite useful lives, the group not only considers the future economic benefits – embodied in the assets – consumed through usage, but also many other factors such as physical wear and tear, obsolescence of the product or service output of the asset (e.g., technical, technological or commercial), legal or similar restrictions (e.g., security, environmental, etc.) to the use of the asset, if the useful life of the asset is tied to the useful life of other assets;
- Note 25: lease term: whether the group is reasonably certain to exercise extension options.

B. Assumptions and key sources of uncertainties

Information about assumptions and key sources of uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 15(B): impairment test of goodwill: key assumptions underlying recoverable amounts;
- Note 11: measurement of the recoverability of inventories;
- Note 22(C): measurement of loss allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate;
- Note 10: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences can be utilised;
- Note 9: measurement of defined benefit obligations: key actuarial assumptions;
- Note 21: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

C. Measurement of fair values

A number of the group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 22.

5. Changes in accounting policies

Accounting standards, amendments and interpretations in force in 2022

The following accounting standards, amendments and interpretations issued by the IASB came into force in 2022.

IFRS 3 Amendement – Business Combinations

The purpose of the amendment is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without affecting the provisions of the standard.

IAS 16 Amendement – Property, plant and equipment

The purpose of the amendment is to disallow the deduction from the cost of property, plant and equipment of the amount received from the sale of goods produced in the test phase of the business. These sales revenues and related costs will therefore be recognised in the statement of profit or loss.

IAS 37 Amendement – Provisions, Contingent Liabilities and Contingent Assets

The amendment clarifies that all costs directly attributable to a contract are to be taken into account when estimating whether a contract is onerous. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as, for example, the cost of direct material used in the processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the depreciation of machinery used in the performance of the contract).

Annual Improvements 2018-2020

The amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

The application of the above amendments had no significant impact on the group's consolidated financial statements.

Accounting standards, amendments and interpretations effective from 2022 and 2023

The following accounting standards, amendments and interpretations issued by the IASB will come into force in the following years, in detail:

- Amendments to IAS 8 - Accounting Rules, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (mandatory application from 1 January 2023);
- Amendments to IAS 1 - Presentation of Financial Statements (mandatory application from 1 January 2023);
- Amendments to IFRS Guideline 2 (mandatory application from 1 January 2023);
- Amendments to IFRS 17 - 'Insurance Contracts' and amendments to IFRS 9 - 'Comparative Information' (mandatory application from 1 January 2023);
- Amendments to IAS 12 - 'Income Taxes': deferred taxes on assets and liabilities arising from a single transaction (mandatory application from 1 January 2023).

The group is still assessing the possible impact of the adoption of the new standards listed above.

5.a Significant accounting policies

The group has consistently applied the following accounting policies to all years presented in these consolidated financial statements, except if mentioned otherwise (see also Note 5 – Changes in accounting policies) and except the application of the accounting principle IAS 29 "Financial reporting in hyperinflationary economies" as the scope of consolidation includes an entity that operates, as of the financial statements closing on December 31, 2022, in a currency of a hyperinflationary economy. However, the comparative data in these financial statements have not been restated in the consolidated statement of financial position, cash flows and income statement because the Group prepares the consolidated financial statements with a non-hyperinflationary presentation currency. This approach is in line with paragraph 42(b) of International Accounting Standard IAS 21 – 'The Effects of Changes in Foreign Exchange Rates'.

Certain balance sheet, income statement and financial figures have been reclassified in order to make the data presented more representative.

Set out below is an index of the significant accounting policies:

A. Basis of consolidation
B. Foreign currency
C. Revenue from contracts with customers
D. Employee benefits
E. Government grants
F. Financial income and expense
G. Income tax
H. Inventories
I. Property, plant and equipment
J. Intangible assets and goodwill
K. Financial instruments
L. Share capital
M. Impairment losses
N. Provisions
O. Leases
P. Operating profit
Q. Fair value measurement
R. Hyperinflation
S. Investment property
T. Cash and cash equivalents

FAIST LIMITED

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022

A. *Basis of consolidation*

i. *Business combinations*

The group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the group (see Note 5.a(A)(ii)). In determining whether a particular set of activities and assets is a business, the group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 5.a(M)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Such business combinations are outside the scope of IFRS 3 and the other standards. As there is no standard of reference, prudence is applied in choosing an accounting policy for these business combinations, for which there is no significant influence over future cash flows. Accordingly, the group applies the same amounts as the net assets acquired. The assets are recognised at the carrying amounts as per the financial statements of the transferred entity before the business combination or, if available, at the carrying amounts as per the consolidated financial statements of the common parent. If the transfer amounts are higher than the historical amounts, the excess is eliminated by reducing the equity of the receiving entity.

ii. *Subsidiaries*

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. *Non-controlling interests*

Non-controlling interests (NCI) are initially measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as owner transactions, i.e., transactions with owners in their capacity as owners.

iv. *Loss of control*

When the group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. *Transactions eliminated on consolidation*

In preparing the consolidated financial statements, intragroup balances and transactions, and any unrealised income and expenses (except for exchange differences) arising from intragroup transactions, were eliminated.

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the group companies' respective functional currencies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency ruling at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are generally recognised in profit or loss and presented within financial expense.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the closing rates. The income and expenses of foreign operations are translated into euro at the exchange rates at the transaction dates.

Exchange differences are recognised in OCI and accumulated in the translation reserve, except to the extent that exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

The exchange rates used in translating the financial statements of foreign operations are set out below:

	Closing rates		Average rates	
	2022	2021	2022	2021
€/USD	1.067	1.133	1.053	1.183
€/GBP	0.887	0.840	0.853	0.860
€/TRY	19.965	15.234	19.965	10.512
€/RON	4.950	4.949	4.931	4.922
€/CNY	7.358	7.195	7.079	7.628
€/CHF	0.985	1.033	1.005	1.081
€/MXN	20.856	23.144	21.187	23.985

C. Revenue from contracts with customers

Information about the group's accounting policies relating to contracts with customers is provided in Note 6.

D. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

The defined benefit plans refer to post-employment benefits (TFR), a benefit related to the Italian entities.

The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

E. Government grants

Government grants related to assets are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grants related to emissions certificates are recognised in profit or loss when they are sold to third parties on a trading platform. Grants that compensate the group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

F. Financial income and expense

The group's financial income and expense include:

- interest income;
- interest expense;
- net gains or losses on financial assets at FVTPL;
- exchange rate gains or losses;
- impairment losses (gains) on debt securities recognised at amortised cost.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

G. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, contingent liabilities and contingent assets.

i. Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or tax loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

H. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

I. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment at 1 January 2021, the group's date of transition to the IFRS, was determined with reference to its fair value at that date.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Land is not depreciated.

Based on the estimated useful life, the following depreciation rates were used for the current and comparative period:

Category	Rate
Buildings	2-3,00%
Light constructions	10,00%
Generic and specific plant	10,00%
Automatic systems	15,50%
Equipment	8-15,00%
Warehouse furnishings	15,00%
Shelving	15,00%
Industrial and commercial vehicles	20%/25%
Ordinary office furniture and equipment	12,00%
Electronic office equipment	20-33,00%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

J. Intangible assets and goodwill

i. Recognition and measurement

Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Other intangible assets	Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the asset and starts when the asset is available for use. Goodwill is not amortised.

The estimated useful lives for current and comparative years are as follows:

- Development costs — 5 years
- industrial patents: — 5 years
- software: — 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

K. Financial instruments

i. Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Contracts containing an obligation for the group to purchase the equity securities of the parent or its subsidiaries in exchange for cash and cash equivalents or other financial assets generate a financial liability representing the present value of the repayment amount. The group recognises such contracts using the present access method.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt security; FVOCI – equity security; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity security that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on a case-by-case basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the group's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior years, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

L. Share capital

i. Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12 (see Note 5.a(G)).

ii. Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

M. Impairment losses

i. Non-derivative financial assets

Financial instruments and contract assets

The group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt securities measured at FVOCI; and
- contract assets.

The group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment, that includes forward-looking information.

The group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of loss allowance in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The group expects no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

ii. Non-financial assets

At each reporting date, the group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

N. Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as financial expense.

Provision for sundry risks	The group recognises a provision for sundry risks when it has an obligation as a result of a past event and it is probable that the group will pay the amount. The caption mainly includes requests for damages received from customers, which are accrued when the obligation is deemed probable and the relevant amount can be reliably estimated.

O. Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

P. Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the group as well as other income and expenses related to operating activities. Operating profit excludes financial income and expense and income taxes.

Q. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see Note 22).

When one is available, the group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received.

R. Hyperinflation

The standard provides that the financial statements of an entity, that its functional currency is of a hyperinflationary economy, must be presented in the unit of measurement current at the balance sheet date.

Group companies operating in hyperinflationary countries evaluate the non-monetary assets and liabilities present in their respective original financial statements to eliminate the distorting effects due to the loss of purchasing power of the currency with an offset account in "Finance income and (costs)". In particular, the balance sheet values not expressed yet in the unit of measurement current at the balance sheet date are restated in order to reflect the general price index (CPI) at the reference date. All items in the income statement must be expressed in the unit of measurement current at the reporting date, applying the change in the general price index that has occurred since the date on which revenues and costs were initially recorded in the financial statements.

Gains or losses on the net monetary position are charged to the consolidated income statement.

In relation to the Group's companies that operate in hyperinflationary countries, their financial statements prepared in currencies other than euro are converted into euro by applying the period-end exchange rate for both, balance sheet and income statement items.

Starting from current year, this principle finds concrete application with reference to the operations held by the Group in Turkey, whose economy has been declared hyperinflationary since April 2022. In the light of this, and in application of the standard IAS 29, the Group recognized the effects of its adoption from the start date of this financial year (January 1, 2022).

In particular, the macroeconomic and political situation in Turkey has been and will continue to be highly volatile; the change in the general consumer price index (CPI) exceeded the threshold of 80% compared to 2021, leading the cumulative inflation rate for the three-year period 2020-2022 to even exceed the quantitative threshold of 100% taken as a reference for the application of the aforementioned principle. These situations led the Group to adopt, starting from 1 January 2022 with reference to the Turkish subsidiary Scattolini Otomotiv LTD, the accounting standard IAS 29 - 'Accounting reporting in hyperinflationary economies'.

The inflation rate used for the purpose of adopting inflation accounting is the consumer price index (CPI). At the reference date of these financial statements, this index was equal to 1,128.45, compared to the last three-year period in which the same index stood at 100, (686.95 as at December 31, 2021) with a change compared to the previous year equal to 64% (36% change in 2021 versus 2020).

In accordance with standard IAS 21, since the presentation currency of the Group is the euro (thus, a non-hyperinflationary currency), the comparative data have not been restated and the profits and losses on the net monetary position relating to previous years are reflected directly in the conversion reserve of consolidated equity as at December 31, 2022.

S. *Investment Property*

Investment property is initially measured at cost and subsequently at fair value with any changes therein recognize in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

When investment property that was previously classified as property, plan and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Rental income from investment property is recognized as other revenue on a-straight-line basis over the term of the lease.

Lease incentive granted are recognized as integral part of the total rental income, over the term of the lease.

T. *Cash and cash equivalents*

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

6. *Revenue*

A. *Revenue streams*

The group generates revenues in several industrial sectors, including automotive, light commercial vehicles, heavy trucks, telecommunication and renewable energy.

in thousand Euros	**2022**	**2021**
Revenue from contracts with customers	388,132	352,104
Other revenue	3,193	1,265
- Services rendered	3,182	1,228
- Rental income	11	37
Total	**391,326**	**353,368**

B. *Disaggregation of revenue from contracts with customers*

In the following table, revenue from contracts with customers is disaggregated by primary geographical market. All revenue from contracts with customers is recognised at a point in time.

in thousand Euros	**2022**	**2021**
Europe	237,050	217,783
Asia	72,012	65,259
North America	78,384	67,206
South America	686	1,855
Revenue from contracts with customers	**388,132**	**352,104**
Other revenue	3,193	1,265
Total	**391,326**	**353,368**

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Revenues for the year ended December 31, 2022 amounted to €391,326 thousand (2021: €353,368 thousand). This growth of €37,958 thousand in 2022 relate to increased mainly due to volumes, new products entered into production and a positive price effect due to the renegotiation of contracts with customers reflecting raw materials costs variations.

C. *Performance obligations and revenue recognition policies*

Revenue is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control of a good or service to a customer.

7. Costs

A. Cost of sales

in thousand Euros	**2022**	**2021**
Raw materials and finished goods	199,208	176,652
Inventory Variance	(8,095)	(9,070)
Direct Labour	44,492	42,946
Indirect Labour	25,153	22,544
Production Costs	37,198	36,924
Depreciation	23,465	22,598
Amortization	1,656	1,484
Outsourced Activities	16,138	13,901
Total	**339,214**	307,979

B. Research and Development Costs

in thousand Euros	**2022**	**2021**
Labour	2,783	3,425
Samples	10	6
Travelling Expenses	122	69
Total	**2,914**	3,500

C. Selling and Distribution Expenses

in thousand Euros	**2022**	**2021**
Labour	1,914	1,729
Transportation Costs	372	186
Warehousing Costs	464	-
Impairment loss on trade receivables	138	347
Other Selling and Distribution Expenses	437	769
Total	**3,326**	3,031

D. General and Administrative Expenses

in thousand Euros	**2022**	**2021**
Labour	17,251	15,805
Consultancy fees	3,219	2,250
Depreciation and Amortization	1,490	2,075
Other General and Administrative	7,388	8,088
Total	**29,348**	28,218

E. Operating Profit

Operating profit to turnover represents a positive result at 4.5% on sales compared to 3.45% in the prior year. The improvement in the Operating Profit has been achieved nevertheless the difficulties due to adverse global market conditions with customer demand fluctuation due to components shortages, geopolitical crisis that lead to energy crisis and cost inflation. The positive result shows a strong resilience to overcome difficult market conditions thanks to industrial productivities achieved supported but the overall increase in volumes produced and put the base of the planned further improvement with consistent positive results and the consolidation of the market leadership.

8. *Financial income and expense*

See the accounting policies in Note 5.a(F).

in thousand Euros	**2022**	**2021**
Interest income from bank accounts	166	275
Total financial interest income	**166**	275
Exchange gains	12,659	7,536
Other financial income	12	(89)
Total Financial income	**12,837**	7,722
Interest expenses on leasing	(599)	(638)
Financial expenses on liabilities	(4,425)	(3,120)
Exchange losses	(12,497)	(11,566)
Bank commissions	(805)	(588)
Total Financial expenses	**(18,326)**	(15,913)
Finacial income/ (expenses) due to hyperinflation	**1,980**	-
Total financial profit / (costs) - net	**(3,509)**	**(8,191)**

9. *Employee benefits*

See the accounting policies in Note 5.a(D).

in thousand Euros	**2022**	**2021**
Italian Retirement benefits obligation ("TFR")	1,595	1,763
Other Long Term Provisions for Employee Benefits	2,038	246
Provisions for employee benefits - non current	**3,634**	**2,009**
Short Term Provisions for Employee Benefits	960	2,006
Provisions for employee benefits - current	**960**	2,006
Provisions for employee benefits	**4,594**	**4,015**

in thousand Euros	**Wages and salaries (including social secuity)**	**Headcount**
Blue collar	62,334	2,547
White collar	20,747	1,049
Managers	3,809	54
Exectuive managers	1,597	24
Directors	1,193	32
Total	**89,679**	**3,706**

i. Actuarial assumptions

The following were the principal actuarial assumptions relating to post-employment benefits of the Italian entities ("Trattamento di fine rapporto" or "TFR", a post-employment benefit provided by the Italian Law) at the reporting date:

TFR		
	2022	**2021**
Discount Rate	3.80%	0.98%
Annual Inflation Rate	2.50%	1.75%

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation related to TFR by the amounts shown below.

	Estimated TFR at 31 December	
	2022	**2021**
Discount rate +1%	4,638	4,641
Discount rate -1%	4,550	3,974
Inflation rate +1%	4,639	4,054
Inflation rate -1%	3,976	4,016

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

10. Income taxes

See the accounting policy in Note 5.a(G).

A. Amounts recognised in profit or loss

housand Euros	**2022**	**2021**
Current Income Tax		
Current period	(2,347)	(1,661)
Deferred Taxes		
Reversal / Charges through income statement	970	316
ome taxes	**(1,377)**	(1,345)

in thousand Euros	**Year ended 31-Dec-22**	**Year ended 31-Dec-21**
Profit / (loss) on ordinary activities before taxation	14,045	3,981
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(2,668)	(756)
Short term timing difference leading to an increase (decrease) in taxation	970	316
Other timing difference leading to an increase (decrease) in taxation and different rate taxes on overseas earnings	(649)	(1,221)
Total tax chage for the year	**(2,347)**	**(1,661)**

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B. Amounts recognised in OCI

	2022			2021		
in thousand Euros	Taxable Amount	**Tax effect**	Net Amount	Taxable Amount	**Tax effect**	Net Amount
Items that will not be reclassified to profit / (loss)						
Actuarial gains / (losses) on future employee benefits	(65)	18	(47)	(43)	12	(31)
Items that may be subsequently reclassified to profit / (loss)						
Currency translation adjustments	(2,396)	668	(1,727)	6,815	(1,901)	4,914
Hedging reserve	2,076	(579)	1,496	247	(69)	178
Deferred income tax assets and liabilities charged on equity	**(385)**	**108**	**(278)**	**7,019**	**(1,958)**	**5,061**

C. Movement in deferred tax balances

					Dec 31, 2021					Dec 31, 2022	
in thousand Euros	Opening balance	Reversal / (Charges) through income statement	Impact on Equity	Currency translation and other adjustments	Deferred Tax Assets	Deferred Tax Liabilities	Reversal / (Charges) through income statement	Impact on Equity	Currency translation and other adjustments	Deferred Tax Assets	Deferred Tax Liabilities
Right of use assets	(1,297)	(68)	-	-	48	(1,413)	(57)	-	5	81	(1,498)
Intangible Assets	222	(148)	-	-	74	-	(17)	-	8	146	(81)
Inventory	386	32	-	-	429	-	26	-	205	659	-
Property, plant, equipment	(2,036)	(343)	-	-	453	(2,824)	959	-	47	1,816	(3,174)
Other	(538)	784	(1,901)	1,640	872	(707)	(23)	668	(960)	443	(592)
Current liabilities	754	(411)	-	-	343	-	(1,118)	-	2,271	1,496	-
Financial assets	-	11	(69)	16	-	-	64	(579)	319	-	(196)
Pension liabilitites	16	(6)	12	-	32	(10)	3	18	(55)	(3)	(7)
Tax losses carried forward	6,507	465	-	(263)	6,476	-	1,133	-	(2,001)	6,075	(467)
Deferred income tax assets and liabilities	4,015	316	(1,958)	1,393	8,728	(4,954)	970	108	(162)	10,713	(6,015)

Deferred tax assets have been recognised on the basis of the expectation of future taxable profits against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

11. Inventories

See the accounting policy in Note 5.a(H).

in thousand Euros	2022	2021
Raw Materials, Subsidiary Materials and Consumables	52,322	42,822
Work in Progress and Semi-Finished Goods	19,647	19,369
Finished Goods	14,205	13,459
Traded Products	11,844	7,198
Total	**98,019**	82,849

As seen in the below table, the Group has accrued allowances for inventory write-down, mainly related to finished goods and semi-finished products, estimated on the basis of obsolete and slow-moving items, and considered to represent actual obsolescence at year end.

Movements in the allowance for inventory write-down were as follows:

in thousand Euros	
Opening balance at 1 January 2021	**(2,145)**
Accruals	(235)
Utilisations	-
Exchange differences	(179)
Closing balance at 31 December 2021	**(2,560)**
Accruals	(939)
Utilisations	-
Exchange differences	3
Closing balance at 31 December 2022	**(3,496)**

12. Trade receivables and other assets

See the accounting policies in Notes 6(C) and 5.a(K).

in thousand Euros	2022	2021
Trade Receivables	79,333	67,827
Bad debt provision	(1,057)	(1,093)
Total Trade Receivables	**78,275**	66,734

Movements in the allowance for trade receivables write-down were as follows:

in thousand Euros	2022	2021
Opening balance	**(1,093)**	(555)
Charges for the year	(210)	(543)
Uses	245	13
Releases	-	-
Exchange differences	-	(8)
Allowance for doubtful accounts	**(1,057)**	(1,093)

Other current and non-current assets are summarised below:

in thousand Euros	2022	2021
Other Accounts Receivables	4,266	4,545
Short Term Prepayments	3,906	3,697
Tax Credits	8,617	4,871
Other receivables and current assets	**16,789**	13,114

The main increase in other current assets is related to VAT receivables mainly attributable to the Italian and the Mexican subsidiaries of the group and other tax benefits granted to Italian entities.

A. Factoring of trade receivables

As at December 31, 2022, the Group sold with recourse trade receivables to banks for cash proceeds. These trade receivables have not been derecognised from the statement of financial position, because the Group retains risks and rewards, primarily credit risk. The amount received on transfer has been recognised as a financial liability. The arrangement with the factors is such that the customers remit cash directly to the Group and the Group transfers the collected amounts to the factors. The receivables are considered to be held within a held-to-collect business model consistent with the group's continuing recognition of the receivables. The carrying amount of the associated liabilities was €3,957 thousand at December 31, 2022 (2021: €0 thousand).

B. Credit and market risks, and impairment losses

Information about the group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 22.

13.Cash and cash equivalents

See the accounting policies in Notes 5.a(K), 5.a(M) and 5.a(T).

in thousand Euros	2022	2021
Cash	36	34
Bank and Other Deposits	30,962	34,318
Total cash and cash equivalents	**30,998**	34,353

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

14.Property, plant and equipment

See the accounting policies in Notes 5.a(I) and 5.a(M).

A. Reconciliation of carrying amount

in thousand Euros	Land and Buildings	Production Equipment	Other Industrial Equipment	Commercial and Administrative Assets	Construction in Progress	Total
Cost						
Balance at Jan 1, 2021	93,979	137,102	43,231	14,557	11,414	300,283
Increases	472	523	1,828	872	10,887	14,582
Decreases	(11)	(4,571)	(488)	(777)	(27)	(5,874)
Write-offs	-	-	-	-	-	-
Transfers	123	7,547	2,949	5	(10,624)	(0)
Exchange differences	(75)	1,552	654	64	880	3,075
Balance at Dec 31, 2021	94,487	142,153	48,174	14,699	12,531	312,045
Accumulated depreciation and impairment losses						
Balance at Jan 1, 2021	(27,422)	(88,602)	(32,837)	(11,210)	-	(160,071)
Depreciations	(2,649)	(9,292)	(3,832)	(1,067)	-	(16,840)
Disposals	3	3,882	420	680	-	4,985
Exchange differences	(304)	(880)	(476)	(25)	-	(1,684)
Balance at Dec 31, 2021	(30,372)	(94,893)	(36,724)	(11,621)	-	(173,610)
Net book value Jan 1, 2021	66,557	48,500	10,394	3,325	11,414	140,213
Net book value Dec 31, 2021	64,116	47,260	11,450	3,079	12,531	138,435

in thousand Euros	Land and Buildings	Production Equipment	Other Industrial Equipment	Commercial and Administrative Assets	Construction in Progress	Total
Cost						
Balance at Jan 1, 2022	94,487	142,153	48,174	14,699	12,531	312,045
Hyperinflation on opening	2,338	1,040	-	-	-	3,378
Increases	645	6,507	2,499	1,040	21,052	31,744
Decreases	(946)	(5,424)	(792)	(263)	(413)	(7,839)
Write-offs	-	-	-	-	-	-
Transfers	6,044	7,659	2,637	121	(16,041)	420
Hyperinflation charged to PL	992	441	-	46	50	1,528
Exchange differences	(718)	(1,514)	95	(61)	(249)	(2,447)
Balance at Dec 31, 2022	102,841	150,863	52,614	15,582	16,928	338,828
Accumulated depreciation and impairment losses						
Balance at Jan 1, 2022	(30,372)	(94,893)	(36,724)	(11,621)	-	(173,610)
Depreciations	(2,796)	(8,867)	(4,158)	(1,253)	-	(17,074)
Write-offs	-	-	-	-	-	-
Disposals	614	3,932	740	204	-	5,491
Exchange differences	214	704	(39)	45	-	925
Balance at Dec 31, 2022	(32,339)	(99,123)	(40,181)	(12,624)	-	(184,268)
Net book value Jan 1, 2022	64,116	47,260	11,450	3,079	12,531	138,435
Net book value Dec 31, 2022	70,502	51,740	12,432	2,958	16,928	154,561

B. Impairment loss and subsequent reversal

There were no impairment losses or reversals of impairment losses recognised over the years.

C. Guarantees

The Group's property, plant and equipment are subject to the following guarantees:

BU	Borrower	Original Amount/Available Credit Line For ST Loans	Outstanding Amount/Utilized Credit Line for ST Loans	Currency	Maturity	Collateral
Truck bodies	SCATTOLINI SPA	3,500,000	1,166,667	EUR	12/31/2024	Building
Truck bodies	SCATTOLINI SPA	11,000,000	11,000,000	EUR	9/30/2024	Building
Truck bodies	VFS	1,834,000	1,385,608	GBP	6/1/2032	Building
Faist Light Metals	Faist Mekatronic SRL	2,400,000	717,712	EUR	4/22/2025	Other
Faist Light Metals	Faist Mekatronic SRL	5,440,000	5,108,563	EUR		Other
Faist Light Metals	Faist Mekatronic SRL	1,000,000	1,000,241	EUR		Other
Faist Light Metals	Faist Mekatronic SRL	12,000,000	9,997,245	RON	12/1/2024	Other
Faist Light Metals	Faist Mekatronic SRL	1,229,004	621,713	EUR	8/2/2025	Other
Faist Light Metals	Faist Mekatronic SRL	3,800,000	3,716,602	EUR		Other
Faist Light Metals	FAIST Precision Technology Co.Ltd.	73,000,000	20,320,830	CNY	3/15/2026	Building
Faist Light Metals	FAIST Light Metals Engineering	2,400,000	1,813,333	EUR	7/31/2033	Building

14.Investment property

This caption is mainly composed (€ 5,300 thousand) of a property located in Città di Castello in the municipality of Perugia (Italy).

15. Intangible assets and goodwill

See the accounting policies in Notes 5.a.(J) and 5.a.(M).

A. *Reconciliation of carrying amount*

in thousand Euros	Development Costs	Industrial Patent, Trademarks and Intellectual Property Rights	Concessions, Licenses, Software and Similar Right	Goodwill	Work in Progress	Other Intangible Assets	Total
Cost							
Balance at Jan 1, 2021	3,800	26,674	3,304	3,124	1,458	3,677	42,038
Increases	549	126	328	-	740	533	2,275
Decreases	(104)	(17)	(125)	-	(380)	(24)	(630)
Write-offs	-	-	-	-	(163)	-	(163)
Transfers	-	(1)	-	-	(553)	554	0
Exchange differences	(38)	(112)	156	100	0	182	288
Balance at Dec 31, 2021	4,208	26,670	3,669	3,224	1,122	4,922	43,816
Accumulated depreciation and impairment losses							
Balance at Jan 1, 2021	(1,486)	(26,024)	(2,579)	(789)	-	(3,199)	(34,077)
Amortizations	(876)	(300)	(305)	-	-	(498)	(1,980)
Disposals	16	17	25	-	-	-	58
Exchange differences	17	2	(228)	-	-	(32)	(240)
Balance at Dec 31, 2021	(2,330)	(26,305)	(3,087)	(789)	-	(3,728)	(36,240)
Net book value Jan 1, 2021	2,314	651	732	2,335	1,458	478	7,961
Net book value Dec 31, 2021	1,877	365	582	2,435	1,122	1,194	7,576

in thousand Euros	Development Costs	Industrial Patent, Trademarks and Intellectual Property Rights	Concessions, Licenses, Software and Similar Right	Goodwill	Work in Progress	Other Intangible Assets	Total
Cost							
Balance at Jan 1, 2022	4,208	26,670	3,669	3,224	1,122	4,922	43,816
Hyperinflation on opening	-	-	476	-	-	34	511
Increases	606	80	313	-	723	424	2,145
Decreases	(184)	(44)	(1)	-	(60)	(929)	(1,217)
Write-offs	-	-	-	-	-	-	-
Transfers	172	186	148	-	(683)	177	-
Hyperinflation charged to PL	-	-	817	-	-	20	837
Exchange differences	(0)	(2)	(260)	81	32	(55)	(204)
Balance at Dec 31, 2022	4,801	26,890	5,163	3,305	1,134	4,594	45,887
Accumulated depreciation and impairment losses							
Balance at Jan 1, 2022	(2,330)	(26,305)	(3,087)	(789)	-	(3,728)	(36,240)
Amortizations	(800)	(294)	(329)	-	-	(547)	(1,971)
Disposals	67	44	-	-	-	760	871
Exchange differences	2	(10)	171	-	-	93	256
Balance at Dec 31, 2022	(3,087)	(26,564)	(3,246)	(789)	-	(3,422)	(37,109)
Net book value Jan 1, 2022	1,877	365	582	2,435	1,122	1,194	7,576
Net book value Dec 31, 2022	1,714	326	1,916	2,516	1,134	1,173	8,778

Goodwill derives from the following:

a) CGU Truck Bodies (€1,025 thousand)

- €165 thousand from the business combination which took place in 2012 concerning the acquisition of a business from Alustar S.r.l.;
- €275 thousand from the business combination which took place with Sanmarco Industrial S.r.l.;
- €521 thousand from the business combination which took place with VFS Southampton Ltd;
- €64 thousand related to other minors.

b) CGU FLM (€1,491 thousand)

- €106 thousand from the business combination which took place in 2015 concerning the acquisition of BGS SRL
- €1,385 thousand from the business combination which took place in 2016 concerning the acquisition of a business from Quaprotek USA LP.

B. Impairment loss

There were no impairment losses or reversals of impairment losses recognised over the years.

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the sub-consolidated Faist Light Metals CGU and to the sub-consolidated Truck Bodies CGU.

The recoverable amount of the cash-generating units was calculated on the basis of its value in use, discounting future cash flows deriving from continuous use of the CGU.

The recoverable amount of the CGU's was estimated to be higher than its carrying amount and no impairment was required.

Management has identified that a reasonably possible change in two key assumptions could not cause the carrying amount to exceed the recoverable amount.

16. Financial assets and equity-accounted investee

See the accounting policies in Note 5.a(K).

in thousand Euros	**2022**	**2021**
Investments in other companies	11	12
Other non current financial assets	1,892	105
Non current financial assets	**1,902**	117

in thousand Euros	**2022**	**2021**
Power4Future S.r.l.	1,354	1,349
Equity-accounted investees	**1,354**	1,349

Investments in equity-accounted investees consist of interest in Power4Future S.r.l. in which the stake held by the Group is 48% of the issued share capital. This investment is accounted for using the equity method. At December 31, 2022 the investment is considered an associate while at December 31, 2021 it was a joint venture due to shareholder agreements.

Power4Future S.r.l., located in Italy, is a leading system integrator of electric propulsion and complex electro-mechanical systems in the maritime industry (cold ironing) and terrestrial applications.

In 2021 the Group injected €1,536 thousand to obtain an equity stake equal to 48% of the issued share capital in the investment.

17. Share capital and reserves

See the accounting policies in Note 5.a(L).

A. Share capital and shares

The parent's issued shares represent the entire share capital of GBP 37,205,085 (equal to € 47,789,351) with a nominal amount of GBP 1 each. The share capital is fully paid in and all shares rank equally with regard to the parent's residual assets.

The shares issued are ordinary, nominal, cannot be split and are freely transferable. They give their holders equal rights. Specifically, each ordinary share grants its holder the right to a vote in the parent's ordinary and extraordinary shareholders' meetings along with different dividend and voting rights, as provided for by law and in the by-laws.

The following table includes the number and par value of shares issued during the period:

In Gbp	Balance at 1 January 2021	Shares issued in 2021	Balance at 31 December 2021	Shares issued in 2022	Balance at 31 December 2022
No. Issued shares	34,355,926	447,486	34,803,412	2,401,673	37,205,085
Share value	34,355,926	447,486	34,803,412	2,401,673	37,205,085

B. Nature and purpose of reserves

I. Translation reserve

The translation reserve comprises all exchange differences arising from the translation of the financial statements of foreign operations.

II. Actuarial reserve

The actuarial reserve comprises the effects of the actuarial measurement of the group's defined benefit plans.

C. Capital management

The group's policy is to maintain a strong capital base so as to maintain stakeholder confidence and to sustain future development of the business.

The Director seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

In 2022 the sole shareholder decided to convert a loan for the amount of € 12,000 thousands into equity reserve and to execute a share capital allotment of € 2,799 thousands.

Reconciliation of parent company's result and shareholders' equity with the result and shareholders' equity of the Consolidated Financial Statements

in thousand Euros	2021		2022	
	Result	Net Equity	Result	Net Equity
Faist Limited 31 December financial statements	1,698	74,056	2,387	91,241
Elimination of the equity consolidated subsidiaries	2,032	46,143	11,517	58,351
Elimination of intra-group dividends	(1,094)		(1,237)	
Consolidated Financial Statements 31 December	2,636	120,199	12,667	149,592

18. *Financial liabilities*

See the accounting policies in Note 5.a(K).

in thousand Euros	2022	2021
Loans and borrowings - Non current	57,422	58,848
Lease liabilities - Non current	33,717	32,820
Other financial liabilities - Non current	362	1,136
Long term loans from shareholders	-	13,910
Financial Liabilities - Non current	**91,501**	**106,713**
Overdrawn Accounts	34,734	30,535
Lease liabilities - Current	10,814	8,838
Factoring Liabilities - Current	3,957	-
Other financial liabilities - Current	14,041	4,983
Loans and borrowings - Current	26,810	25,219
Financial Liabilities - Current	**90,356**	**69,575**

Loans and borrowings: breakdown for business unit and terms

in thousand Euros	*2022*		*2021*	
Entity	**Current**	**Non Current**	**Current**	**Non Current**
CPS & Ind. BU	9,230	14,406	-	28,231
Faist Light Metals	9,384	12,836	8,028	18,398
Truck Bodies	8,189	30,180	7,690	21,720
E-Lectra S.r.l.	6	-	-	-
Total Loans and Borrowings	**26,810**	**57,422**	**15,718**	**68,349**

Currency	Interest rate	Year of maturity	BU	Carrying amount 2022
Rmb	variable	2026	CPS & IND	1,348
Eur	variable	2023	CPS & IND	340
Eur	variable	2023	CPS & IND	600
Eur	variable	2023	CPS & IND	272
Eur	variable	2023	CPS & IND	500
Eur	fixed	2023	CPS & IND	221
Eur	fixed	2026	CPS & IND	3,500
Eur	fixed	2026	CPS & IND	1,778
Eur	fixed	2026	CPS & IND	2,550
Eur	fixed	2027	CPS & IND	2,500
Eur	fixed	2023	CPS & IND	501
Eur	variable	2026	CPS & IND	1,250
Eur	fixed	2027	CPS & IND	4,750
Eur	variable	2024	CPS & IND	1,000
Eur	variable	2025	CPS & IND	750
Eur	variable	2026	CPS & IND	350
Eur	variable	2025	CPS & IND	67
Rmb	variable	2026	CPS & IND	1,359
Usd	fixed	2031	FLM	984
Eur	fixed	2022	FLM	150
Eur	fixed	2033	FLM	1,813
Eur	fixed	2028	FLM	320
Eur	fixed	2024	FLM	181
Eur	fixed	2024	FLM	269
Eur	fixed	2026	FLM	469
Eur	fixed	2024	FLM	169
Eur	fixed	2024	FLM	188
Eur	fixed	2026	FLM	455
Eur	fixed	2027	FLM	1,000
Eur	variable	2025	FLM	2,161
Eur	variable	2025	FLM	1,428
Eur	variable	2025	FLM	717
Eur	variable	2024	FLM	550
Eur	variable	2025	FLM	623
Ron	variable	2024	FLM	2,020
Eur	variable	2027	FLM	86
Rmb	fixed	2026	FLM	476
Rmb	fixed	2026	FLM	221
Rmb	fixed	2026	FLM	352
Rmb	fixed	2026	FLM	328
Rmb	fixed	2026	FLM	292
Rmb	fixed	2026	FLM	257
Rmb	fixed	2026	FLM	111
Rmb	fixed	2026	FLM	105
Rmb	fixed	2026	FLM	243
Rmb	fixed	2026	FLM	238
Rmb	fixed	2026	FLM	139
Usd	fixed	2023	FLM	2,719
Usd	fixed	2023	FLM	474
Usd	fixed	2023	FLM	2,228
Eur	fixed	2027	FLM	455
Eur	variable	2024	TRUCK BODIES	1,167
Eur	variable	2024	TRUCK BODIES	513
Eur	variable	2028	TRUCK BODIES	4,000
Eur	variable	2026	TRUCK BODIES	1,129
Eur	variable	2024	TRUCK BODIES	11,000
Eur	variable	2024	TRUCK BODIES	525
Eur	variable	2024	TRUCK BODIES	1,077
Eur	variable	2024	TRUCK BODIES	1,081
Eur	variable	2023	TRUCK BODIES	454
Eur	variable	2025	TRUCK BODIES	329
Eur	variable	2025	TRUCK BODIES	2,000
Eur	variable	2025	TRUCK BODIES	1,932
Eur	variable	2027	TRUCK BODIES	4,750
Gbp	variable	2032	TRUCK BODIES	1,562
Gbp	variable	2023	TRUCK BODIES	219
Eur	fixed	2023	TRUCK BODIES	501
Eur	fixed	2023	TRUCK BODIES	318
Eur	fixed	2023	TRUCK BODIES	91
Eur	variable	2025	TRUCK BODIES	1,500
Eur	variable	2027	TRUCK BODIES	1,500
Eur	variable	2024	TRUCK BODIES	574
Trl	variable	2025	TRUCK BODIES	567
			other minor	1,588
Total loans and borrowings				**84,232**

Information about the group's exposure to interest rate, currency and liquidity risks is included in Note 22.

All the financial and non-financial covenants on the group's loans are fulfilled.

19. *Other liabilities*

in thousand Euros	2022	2021
Other Long Term payable	275	75
Long Term Deferred Revenue	1,210	1,472
Other Liabilities - Non current	**1,485**	**1,546**
Payments Received on Account	8,274	5,835
Short Term Deferred Income	2,777	2,530
Other Accounts payable	16,939	14,547
Other Liabilities - Current	**27,990**	**22,912**

20. *Trade payables*

See the accounting policies in Note 5.a(K).

in thousand Euros	2022	2021
Accounts Payable to Suppliers	88,706	74,733
Trade Payables	**88,706**	**74,733**

Information about the group's exposure to currency and liquidity risks is included in Note 22.

21. *Provisions*

See the accounting policy in Note 5.a(N).

in thousand Euros	**Provisions for risks and charges**	
	2022	**2021**
Balance at 1 January	1,781	2,307
Accruals	420	555
Utilisations	(695)	(1,083)
Exchange differences	4	2
Balance at 31 December	**1,511**	**1,781**

A. *Provision for risks and charges*

This caption mainly comprises:

- the €208 thousand accrual for estimates related to possible charges related to certain disputes outstanding at the date of approval of this document:
- the €750 thousand provision related to a dispute with a tax authority for circumstances referring to past years.

FAIST LIMITED

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022

22. *Financial instruments – Fair values and risk management*

A. *Accounting classifications and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

In thousands Euro	Carrying amount				Fair value			
31-Dec-22	**Mandatory at FVOCI**	**Financial assets measured at amortised cost**	**Other financial assets / liabilities**	**Total**	**Level 1**	**Level 2**	**Livello 3**	**Total**
in thousands Euro								
Financial assets measured at fair value								
Non current financial assets	1,902					1,902		1,902
Financial assets not measured at fair value								
Trade receivables and other assets		95,064						
Cash and cash equivalents		30,998						
Non-current financial assets								
Financial liabilities measured at fair value								
Financial liabilities - liabilities for contractual obligations to purchase equity securities								
Financial liabilities not measured at fair value								
Financial liabilities		137,326						
Lease liabilities		44,531						
Other liabilities		29,475						
Trade payables		88,706						

In thousands Euro	Carrying amount				Fair value			
31-Dec-21	**Mandatory at FVOCI**	**Financial assets measured at amortised cost**	**Other financial assets / liabilities**	**Total**	**Level 1**	**Level 2**	**Livello 3**	**Total**
in thousands Euro								
Financial assets measured at fair value								
Non current financial assets	117					117		117
Financial assets not measured at fair value								
Trade receivables and other assets		79,848						
Cash and cash equivalents		34,353						
Non-current financial assets								
Financial liabilities measured at fair value								
Financial liabilities - liabilities for contractual obligations to purchase equity securities								
Financial liabilities not measured at fair value								
Financial liabilities		134,631						
Lease liabilities		41,658						
Other liabilities		24,458						
Trade payables		74,733						

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The Level 2 fair value hierarchy includes current financial assets measured at fair value through OCI pursuant to IFRS 9 comprised derivative instruments.
Financial derivatives fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on the quoted swap rates, futures prices and interbank borrowings rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.

ii. Transfers between Levels

There were no transfers between the different fair value levels during the last three years.

C. Financial risk management

The group is exposed to the following risks arising from financial instruments:

i) credit risk;
ii) liquidity risk;
iii) market risk;
iv) currency risk;
v) interest rate risk.

The group constantly maps and manages its risk in order to identify the probability and magnitude of factors that could prevent it reaching its objectives.

i. Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's trade receivables and investments in debt securities. The carrying amounts of financial assets represent the group's maximum credit exposure.

There were no impairment losses on financial assets except for trade receivables.

Trade receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including their geographical location, trading history with the group and existence of previous financial difficulties.

The analysis of the impairment loss is performed on an individual basis.

Cash and cash equivalents

The group held cash and cash equivalents of €30,998 thousand at December 31, 2022 (2021: €34,353 thousand). The cash and cash equivalents are held to leading banks and financial institutions.

The group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. It did not recognise any loss allowance.

ii. Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Cash flows from ordinary operating activities cover a large part of the group's cash flows used in investing activities. The group also holds freely available cash and cash equivalents and financial assets that can be liquidated relatively quickly if needed. Finally, the group has lines of credit granted by banks that have not yet been drawn down.

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, due to changes in exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

iv. Currency risk

The group is exposed to currency risk where sales, purchases, trade receivables and borrowings are denominated in currencies other than the respective functional currencies of group companies, which are primarily the euro, the renminbi, Romanian Leu and the US dollar. To date, the group has no currency hedges with derivative instruments in place.

v. Interest rate risk

To date, interest rate risk is linked to bank loans and borrowings regulated at variable rates based on trends in the reference parameter (usually the Euribor).

FAIST LIMITED

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23. List of subsidiaries

See the accounting policy in Note 5.a(A).

Below is a list of subsidiaries at each year end:

2022

Company	Registered office	Activity	Currency	Share/quota capital	% held	Parent
Faist Limited	United Kingdom Northern & Shell Building, 8th Floor, 10 Lower Thames Street, London, EC3R 6AF	Holding	Gbp	37,205,085	100%	Parent company
Faist Componenti Spa	Italy	Manufacturing - Holding	Eur	516,500	100%	Faist Limited
Faist GreenTek LLC	United States of America	Manufacturing	Usd	4,394,172	100%	Faist Componenti Spa
Faist MetalMex S.de.R.L.	Mexico	Manufacturing	Mex	100,000	10%	Faist Componenti Spa
		Manufacturing		100,000	90%	Faist GreenTek LLC
Faist Emission Controls (Suzhou) Co.,Ltd.	China	Manufacturing	Cny	40,629,687	100%	Faist Componenti Spa
Faist Romania Srl	Romania	Manufacturing	Ron	11,135,120	100%	Faist Componenti Spa
Faist Metalworking Srl	Romania	Manufacturing	Ron	11,374,140	100%	Faist Componenti Spa
Faist PrecisionTechnology (Suzhou)	China	Manufacturing - Holding	Cny	72,463,120	35%	Faist Limited
FAIST Trade Co. Ltd.	*China*	*Manufacturing*	*Cny*	*1,000,000*	*35%*	*Faist PrecisionTechnology (Suzhou)*
Faist Mekatronic SRL	Romania	Manufacturing	Ron	9,807,880	85%	FAIST Light Metals Limited
FAIST Light Metals Engineering	Italy	Manufacturing	Eur	120,000	85%	FAIST Light Metals Limited
Faist Light Metals GmbH	Switzerland	Manufacturing	Chf	-	85%	FAIST Light Metals Limited
Faist Systeme Gmbh	Germany	Manufacturing	Eur	500,000	85%	FAIST Light Metals Limited
FAIST ALUCAST S DE RL DE CV	Mexico	Manufacturing	Mex	551,120,383	85%	FAIST Light Metals Limited
FAIST Light Metals Tennessee LLC	United States of America	Manufacturing	Usd	3,239,000	85%	FAIST Light Metals Limited
FAIST Light Metals Limited	United Kingdom Northern & Shell Building, 8th Floor, 10 Lower Thames Street, London, EC3R 6AF	Manufacturing - Holding	Gbp	31,442,395	85%	Faist Limited
Scattolini Otomotiv Ltd	Turkey	Manufacturing	Try	39,844,020	100%	Faist Limited
Scattolini Spa	Italy	Manufacturing - Holding	Eur	600,000	100%	Faist Limited
Scattolini FBT GmbH	Germany	Manufacturing	Eur	25,000	100%	Scattolini Spa
Scattolini Iberica Slu	Spain	Manufacturing	Eur	100,007	100%	Scattolini Spa
VFS Southampton Ltd	United Kingdom Unit 8, Barton Park Industrial Estate, Chicken Hall Ln, Eastleigh SO50 6RR, United Kingdom	Manufacturing	Gbp	2,028,267	100%	Scattolini Spa
Scattolini France SARL	France	Manufacturing	Eur	100,000	100%	Scattolini Spa
Cabreta SAS	France	Manufacturing	Eur	400,000	100%	Scattolini Spa
Morgane SAS	France	Manufacturing	Eur	45,735	100%	Cabreta SAS
Sanmarco Industrial Srl	Italy	Manufacturing	Eur	50,000	100%	Scattolini Spa
Moor of Venice Srl	Italy	Manufacturing	Eur	440,001	100%	Faist Limited
Faist Electronics Srl	Italy	Manufacturing	Eur	1,750,000	100%	Faist Limited
E-Lectra Srl	Italy	Manufacturing	Eur	20,000	54%	Faist Electronics Srl

In 2022 no changes in terms of consolidated entities occurred.

2021

Company	Registered office	Activity	Currency	Share/quota capital	% held	Parent
Faist Limited	United Kingdom Northern & Shell Building, 8th Floor, 10 Lower Thames Street, London, EC3R 6AF	Holding	Gbp	34,803,412	100%	Parent company
Faist Componenti Spa	Italy	Manufacturing - Holding	Eur	516,500	100%	Faist Limited
Faist GreenTek LLC	United States of America	Manufacturing	Usd	4,394,172	100%	Faist Componenti Spa
Faist MetalMex S.de.R.L.	Mexico	Manufacturing	Mex	100,000	10%	Faist Componenti Spa
		Manufacturing		100,000	90%	Faist GreenTek LLC
Faist Emission Controls (Suzhou) Co.,Ltd.	China	Manufacturing	Cny	40,629,687	100%	Faist Componenti Spa
Faist Romania Srl	Romania	Manufacturing	Ron	11,135,120	100%	Faist Componenti Spa
Faist Metalworking Srl	Romania	Manufacturing	Ron	11,374,140	100%	Faist Componenti Spa
Faist PrecisionTechnology (Suzhou)	China	Manufacturing - Holding	Cny	72,463,120	35%	Faist Limited
FAIST Trade Co. Ltd.	China	Manufacturing	Cny	1,000,000	35%	Faist PrecisionTechnology (Suzhou)
Faist Mekatronic SRL	Romania	Manufacturing	Ron	9,807,880	85%	FAIST Light Metals Limited
FAIST Light Metals Engineering	Italy	Manufacturing	Eur	120,000	85%	FAIST Light Metals Limited
Faist Light Metals GmbH	Switzerland	Manufacturing	Chf	18,459	85%	FAIST Light Metals Limited
Faist Systeme Gmbh	Germany	Manufacturing	Eur	500,000	85%	FAIST Light Metals Limited
FAIST ALUCAST S DE RL DE CV	Mexico	Manufacturing	Mex	96,653,436	85%	FAIST Light Metals Limited
FAIST Light Metals Tennessee LLC	United States of America	Manufacturing	Usd	3,239,000	85%	FAIST Light Metals Limited
FAIST Light Metals Limited	United Kingdom Northern & Shell Building, 8th Floor, 10 Lower Thames Street, London, EC3R 6AF	Manufacturing - Holding	Gbp	28,435,097	85%	Faist Limited
Scattolini Otomotiv Ltd	Turkey	Manufacturing	Try	7,500,000	100%	Faist Limited
Scattolini Spa	Italy	Manufacturing - Holding	Eur	600,000	100%	Faist Limited
Scattolini FBT GmbH	Germany	Manufacturing	Eur	25,000	100%	Scattolini Spa
Scattolini Iberica Slu	Spain	Manufacturing	Eur	100,007	100%	Scattolini Spa
VFS Southampton Ltd	United Kingdom Unit 8, Barton Park Industrial Estate, Chicken Hall Ln, Eastleigh SO50 6RR, United Kingdom	Manufacturing	Gbp	2,028,267	100%	Scattolini Spa
Scattolini France SARL	France	Manufacturing	Eur	100,000	100%	Scattolini Spa
Cabreta SAS	France	Manufacturing	Eur	1,639,980	100%	Scattolini Spa
Morgane SAS	France	Manufacturing	Eur	45,735	100%	Cabreta SAS
Sanmarco Industrial Srl	Italy	Manufacturing	Eur	50,000	100%	Scattolini Spa
Moor of Venice Srl	Italy	Manufacturing	Eur	440,001	100%	Faist Limited
Faist Electronics Srl	Italy	Manufacturing	Eur	1,750,000	100%	Faist Limited
E-Lectra Srl	Italy	Manufacturing	Eur	20,000	54%	Faist Electronics Srl

The subsidiary Faist Precision Technology (Suzhou) in which the Group held an equity stake equal to 35% of the issued shared capital is consolidated thanks to the power deriving form a shareholder agreement which grants the current ability to direct the relevant activities of the subsidiary.

24. Non-controlling interests

See the accounting policies in Note 5.a(A).

The following table summarises the information relating to NCI, before any intragroup eliminations.

31-dic-22	Sub consolidated FPTS	Sub consolidated FLM	E-Lectra	Total
NCI perentage	65%	15%	46%	
Non-current assets	25,833	94,720	581	
Current assets	44,759	55,446	1,019	
Non-current liabilities	(4,953)	(70,676)	(110)	
Current liabilities	(30,354)	(77,817)	(936)	
Net assets	35,286	1,673	554	
Net assets attributable to NCI	22,936	237	255	23,427
Revenue	64,703	95,228	2,749	
Profit / (loss) for the year	5,955	(3,166)	463	
Other comprehensive income	(752)	261	-	
Comprehensive income	5,203	(2,905)	463	
Profit / (loss) attributable to NCI	3,871	(488)	213	3,596
Other comprehensive income attributable to NCI	(489)	39	-	(449)

31-dic-21	Sub consolidated FPTS	Sub consolidated FLM	E-Lectra	Total
NCI perentage	**65%**	**15%**	**46%**	
Non-current assets	25,745	94,124	84	
Current assets	44,888	54,708	465	
Non-current liabilities	(7,023)	(78,045)	(12)	
Current liabilities	(29,996)	(69,495)	(447)	
Net assets	**33,613**	**1,292**	**90**	
Net assets attributable to NCI	**21,849**	**194**	**43**	**22,085**
Revenue	60,576	85,287	611	
Profit / (loss) for the year	2,729	(4,888)	68	
Other comprehensive income	3,502	(447)	-	
Comprehensive income	**6,231**	**(5,335)**	**68**	
Profit / (loss) attributable to NCI	1,774	(733)	31	**1,072**
Other comprehensive income attributable to NCI	2,276	(67)	-	**2,209**

25. *Leases*

See the accounting policy in Note 5.a(O).

Leases as lessee

The group leases buildings, cars and equipment.

Information about leases for which the group is a lessee is presented below:

i. Right-of-use assets

The table below shows movements in right-of-use assets in 2021:

In thousand Euros	Opening Balance, January 1, 2021	Additions to right-of-use assets	Depreciation charge for the year	Exchange differences	Closing Balance, December 31, 2021
Land and Buildings	28,064	3,110	(3,323)	706	28,558
Production Equipment	20,714	5,660	(3,900)	138	22,612
Other Industrial Equipment	26	211	(39)	(12)	185
Construction in Progress and advances for tangible asests	-	456	-	-	456
Concessions, Licenses, Software and Similar Right	76	-	(25)	-	52
Right of use assets	**48,879**	**9,438**	**(7,287)**	**832**	**51,862**

The table below shows movements in right-of-use assets in 2022:

in thousand Euros	Opening Balance, January 1, 2022	Hyperinflation on opening	Additions to right-of-use assets	Depreciation charge for the year	Exchange differences	Hyperinflation charged to PL	Opening Balance, December 31, 2022
Land and Buildings	27,126	-	2,129	(2,701)	428	-	26,982
Production Equipment	22,680	15	9,755	(4,785)	646	191	28,502
Other Industrial Equipment	148	-	77	(60)	(2)	-	162
Construction in Progress and advances for tangible asests	456	-	(386)	-	-	-	70
Concessions, Licenses, Software and Similar Right	52	-	-	(25)	-	-	27
Right of use assets	**50,462**	**15**	**11,575**	**(7,572)**	**1,072**	**191**	**55,743**

ii. Amounts recognised in profit or loss

in thousand Euros	**2022**	**2021**
Interest on lease liabilities	(599)	(638)
Expenses relating out of scope leases	(244)	(574)

iii. Extension options

Some property leases contain extension options exercisable by the group up to one year before the end of the non-cancellable contract period. Where practicable, the group seeks to include extension options in new leases to provide operational flexibility. The group assesses whether it is reasonably certain to exercise the extension options at the lease commencement date if there is a significant event or significant changes in circumstances within its control.

26. Commitments

The group has no commitments to purchase assets or other goods.

The following table sets out a maturity analysis of lease liabilities, showing the undiscounted lease payments by maturity at the reporting date:

Maturity LL undiscounted	*in thousands Euro*
< 1 Year	9,911
1 - 5 Years	26,225
> 5 Years	9,460
Total undiscounted lease liabilities	**45,596**
Interest	(1,065)
Lease liabilities	**44,531**

27. Contingent liabilities

The group's provisions refer to disputes under way as described in Note 21, the probable outlays in the event of a ruling against the group have been fully accrued. There are no significant contingent liabilities as of December 31, 2022.

28. Related parties

A. Controlling party

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

B. Transactions with Director and executive officers

In 2022 a related party received compensations for €450 thousand from the parent company for advisory services; moreover, a loan owed by the sole shareholder have been partially converted into equity in 2022. The outstanding loan as at December 31, 2022 amount to €864 thousand.

29. Events after the reporting date

Regarding events that occurred after the reporting date that could have a significant impact on the financial and economic performance, it should be noted that the pressure on raw material and energy prices and inflation continue to lead to a situation of heavy uncertainty.

As of today, however, no significant risks are reported: i) on the business continuity of the parent company and the Group, ii) on the need to account in the year 2023 for significant adjustments in the value of assets reflected in the 2022 financial statements, and iii) to accrue significant amounts for risks and charges.

Please refer to the section "Outlook for the Future" in the Director's Report on Operations accompanying these financial statements for further information on the impacts of the emergency on the Group's operations.

30. Remuneration of the Audit Firm

During the year, the following auditing services fees have been granted to the parent's auditing company (ACT):

in thousand Euros	Fees
Audit of the financial statements of the group and company	19
Audit of the financial statements of the company's subsidiaries	18
Total Audit services	**37**
Tax services	2
Other services	6
Total Other services	**8**
Total	**45**

31. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

Item	Basis of measurement
Financial instruments at FVOCI	*Fair value*

FAIST LIMITED

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022

32. Explanation of transition to IFRSs

A. Basis of preparation

As stated in note 2, these are the Group's first consolidated financial statements prepared in accordance with IFRSs.

The accounting policies set out in note 5.a have been applied in preparing the financial statements for the year ended December 31, 2022, the comparative information presented in these financial statements for the year ended December 31, 2021, and in the preparation of an opening IFRS statement of financial position at January 1, 2021 (the Group's date of transition).

In preparing its opening IFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with UK GAAP (previous GAAP). An explanation of how the transition from previous GAAP to IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

B. Explanation of transition to IFRSs – Reconciliation of equity and statement of financial position

				OCI			
	Notes	Balance at 1 January 2021	Profit for the period	Translation reserve	Other reserves	Other changes	Balance at 31 December 2021
Under previous GAAPs		130,748	4,004	3,960	(1,670)	(424)	136,618
IAS 19 - Employee Benefits	a)	(103)	25	-	(31)	-	(110)
IAS 12 - Income taxes	b)	(2,012)	(6)	-	-	-	(2,018)
IFRS 16 - Leases	c)	3,421	(602)	-	-	-	2,819
IAS 38 - Intangible Assets	d)	(758)	549	-	-	-	(209)
IAS 28 - Investments in Associates and Joint Ventures	e)	-	(187)	-	-	-	(187)
Recognition of assets and liabilities whose recognition is required by IFRSs	f)	(18,370)	(1,146)	954	1,848	-	(16,714)
Effect of transition to IFRSs		(17,822)	(1,368)	954	1,817	-	(16,419)
Under IFRSs		112,926	2,636	4,914	147	(424)	120,199

ASSETS	Under previous GAAPs 1st January 2021	Effect of transition to IFRSs	IFRSs 1st January 2021	Under previous GAAPs 31th December 2021	Effect of transition to IFRSs	IFRSs 31th December 2021
Non-current assets						
Property, plant and equipment	177,522	(37,309)	140,213	178,821	(40,386)	138,435
Intangible assets and goodwill	11,470	(3,510)	7,961	10,058	(2,483)	7,576
Investment property	-	6,712	6,712	-	6,712	6,712
Right-of-use assets	-	48,879	48,879	-	51,862	51,862
Other non-current assets	1,020	49	1,069	1,452	(1,160)	292
Non-current financial assets	64	176	240	1,088	(971)	117
Equity-accounted investees	-	-	-	-	1,349	1,349
Deferred tax assets	5,522	2,936	8,458	5,438	3,290	8,728
Total non-current assets	195,599	17,934	213,533	196,857	18,214	215,071
Current assets				-	-	-
Trade receivables	72,733	308	73,041	67,557	(823)	66,734
Inventories	63,472	(154)	63,317	83,023	(174)	82,849
Other current assets	19,536	(13,159)	6,378	22,202	(9,088)	13,114
Cash and cash equivalents	29,827	45	29,872	34,345	8	34,353
Total current assets	185,568	(12,960)	172,607	207,127	(10,078)	197,049
TOTAL ASSETS	381,167	4,973	386,140	403,984	8,136	412,120

EQUITY AND LIABILITIES	Under previous GAAPs 1st January 2021	Effect of transition to IFRSs	IFRSs 1st January 2021	Under previous GAAPs 31th December 2021	Effect of transition to IFRSs	IFRSs 31th December 2021
Equity						
Share capital	44,458	-	44,458	44,991	-	44,991
Other reserves	80,140	(32,055)	48,085	85,782	(32,660)	53,122
Equity attributable to the owners of the parent	**124,598**	**(32,055)**	**92,543**	**130,773**	**(32,660)**	**98,113**
Share capital and reserves attributable to non-controlling interests	6,150	14,232	20,382	5,845	16,241	22,086
Equity attributable to non-controlling interests	**6,150**	**14,232**	**20,382**	**5,845**	**16,241**	**22,086**
Total equity	130,748	(17,822)	112,926	136,618	(16,419)	120,199
Non-current liabilities						
Non-current financial liabilities	67,806	194	67,999	74,212	(318)	73,894
Non-current lease liabilities	17,752	17,447	35,199	15,007	17,813	32,820
Provisions	-	2,223	2,223	-	1,781	1,781
Employee benefits	-	2,022	2,022	-	2,009	2,009
Other non-current liabilities	23,749	(17,444)	6,305	27,005	(25,459)	1,546
Deferred tax liabilities	-	4,443	4,443	-	4,953	4,953
Total non-current liabilities	109,307	8,884	118,191	116,224	779	117,003
Current liabilities						
Current financial liabilities	54,438	2,340	56,778	51,587	9,150	60,737
Current lease liabilities	3,470	3,915	7,385	4,068	4,770	8,838
Trade payables	73,027	(5,647)	67,380	80,566	(5,834)	74,733
Employee benefits	-	2,734	2,734	-	2,006	2,006
Current tax liabilities	4,397	1,003	5,399	4,599	1,093	5,693
Other current liabilities	5,781	9,566	15,347	10,321	12,591	22,912
Total current liabilities	141,112	13,911	155,023	151,142	23,776	174,918
TOTAL EQUITY AND LIABILITIES	381,167	4,973	386,140	403,984	8,136	412,120

FAIST LIMITED

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022

C. Explanation of transition to IFRSs - Reconciliation of comprehensive income for the year ended December 31, 2021

in thousands Euro	Under previous GAAPs 31th December 2021	Effect of transition to IFRSs	IFRSs 31th December 2021
Revenue	352,336	1,032	353,368
Cost of sales	(298,506)	(9,473)	(307,979)
Gross profit	**53,830**	**(8,441)**	**45,389**
Other income	1,305	2,250	3,555
Research and development expenses	-	(3,500)	(3,500)
Selling and distribution expenses	(9,898)	6,868	(3,031)
Administrative expenses	(32,595)	4,376	(28,218)
Other expenses	-	(1,837)	(1,837)
Operating profit	**12,642**	**(283)**	**12,359**
Finance income	263	7,459	7,722
Finance costs	(8,089)	(7,824)	(15,913)
Net finance costs	**(7,826)**	**(365)**	**(8,191)**
Share of profit of equity-accounted investees, net of tax	-	(187)	(187)
Profit before tax	**4,817**	**(835)**	**3,981**
Income tax expense	(1,423)	78	(1,345)
Profit for the period	**3,393**	**(757)**	**2,636**
Profit /(Loss) attributable to the owners of the parent	3,699	(2,134)	1,564
Profit /(Loss) attributable to non controlling interests	(305)	1,377	1,072

in thousands Euro	Under previous GAAPs 31th December 2021	Effect of transition to IFRSs	IFRSs 31th December 2021
Profit for the period (A)	**3,393**	**(757)**	**2,636**
Items that will not be reclassified subsequently to profit or loss:			
- Actuarial gains (losses)	-	(31)	(31)
Total items that will not be reclassified subsequently to profit or loss (B1):	**-**	**(31)**	**(31)**
Items that are or may be reclassified subsequently to profit or loss:			
- Cash flow hedges – changes in fair value	15	163	178
- Foreign operations – exchange differences	3,960	954	4,914
Total items that are or may be reclassified subsequently to profit or loss (B2):	**3,975**	**1,117**	**5,092**
Other comprehensive income for the period, net of tax (B1) + (B2) = (B) :	**3,975**	**1,086**	**5,061**
Comprehensive income for the period (A) + (B)	**7,368**	**329**	**7,697**
Comprehensive income attributable to the owners of the parent	7,673	(3,258)	4,416
Comprehensive income (expense) attributable to non-controlling interests	(305)	3,587	3,282

The following are the explanatory notes of the adjustments made in the transition to IFRSs.

a) Employee benefits (TFR)

According to IFRSs, post-employment benefits are divided into defined contribution plans and defined benefit plans. The Severance Pay (hereinafter "TFR"), in accordance with IAS 19, is similar to a defined benefit plan up to December 31, 2006, to be valued on the basis of statistical and demographic assumptions, as well as actuarial valuation methodologies. Following the modification undergone by Italian legislation, the TFR accrued from January 1, 2007 has been assimilated to a defined contribution plan.

According to Italian accounting standards, post-employment benefits related to TFR have been recognized at nominal value.

b) Income taxes

As a result of the transition to IFRSs, the Group accounted for deferred tax assets and liabilities on temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements.

c) Leases

According to IFRSs, an entity assesses whether a contract is, or contains, a lease and, in case the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, then an asset (right-of-use asset) and a liability (lease liability) should be accounted for as a balance sheet item.

d) Intangible assets

According to some local accounting standards, with some exceptions it is possible to capitalize start-up and expansion costs as well as costs incurred for opening a new infrastructure or introducing a new service or product (including advertising costs).

In accordance with IFRSs, expenditures to acquire an intangible asset or generate it internally (including start-up and expansion costs) are expensed when incurred.

e) Investments in Associates and Joint Ventures

Under previous GAAPs investments in associates have been accounted for at cost.

According to IAS 28, investments in associates and joint ventures are accounted for using the equity method. Changes in value are recognized in profit or loss or in OCI depending on their nature.

f) Recognition of assets and liabilities whose recognition is required by IFRSs

Such differences are attributable to those assets and liabilities which are not eligible to be accounted for under IFRSs.

FAIST LIMITED

Company Statement of Financial Position

31 DECEMBER 2022

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ASSETS		31-Dec-22	31-Dec-21
Intangible assets and good-will	36	93	93
Investments	37	73,109	70,211
Non-current financial assets	38	16,372	16,409
Deferred tax assets	39	37	37
Total non-current assets		**89,611**	**86,750**
Trade receivables	40	2,848	1,536
Other current assets	40	9	0
Cash and cash equivalents	41	74	108
Total current assets		**2,932**	**1,644**
TOTAL ASSETS		**92,542**	**88,394**

EQUITY AND LIABILITIES		31-Dec-22	31-Dec-21
Equity			
Share capital		47,789	44,991
Other reserves		41,065	27,367
Profit for the period		2,365	1,698
Total equity	**44**	**91,219**	**74,056**
Non-current liabilities			
Non-current financial liabili-ties	42	-	13,910
Deferred tax liabilities		0	0
Total non-current liabilities		**0**	**13,910**
Current liabilities			
Current financial liabilities	42	864	0
Trade payables	43	459	429
Total current liabilities		**1,324**	**429**
TOTAL EQUITY AND LIABILI-TIES		**92,542**	**88,394**

Advantage has been taken of the option under section 444 of Companies Act 2006 to not deliver the Profit and loss account.

The financial statements were approved by the Director and authorised for issue on 6NOV23 and were signed by:

....

Mr Nava Richard Alexander
Director

The notes form part of these financial statements.

FAIST LIMITED

Company Statement of Changes in Equity

31 DECEMBER 2022

	Attributable to the owners of the parent				
	Share capital	Share premium account	Merger reserve	Retained earnings	Total Equity
Balance at 1 Jan 2021	**44,458**	**1,283**	**5,748**	**20,346**	**71,825**
Profit/(Loss) for the period				1,687	1,698
Increase	533				533
Balance at 31 Dec 2021	**44,991**	**1,283**	**5,748**	**22,033**	**74,056**
Profit for the period				2,365	2,365
Increase	2,799	12,000			14,799
Balance at 31 Dec 2022	**47,789**	**13,283**	**5,748**	**24,398**	**91,219**

33. STATUTORY INFORMATION

Faist Limited is a private company limited by shares incorporated in England and Wales. The registered office is Northern & Sheel Building, 8th Floor, 10 Lower Thames Street, London, EC3R 6AF. The company's principal activities and the nature of its operations are disclosed in the director's report.

34. ACCOUNTING POLICIES

Basis of preparation

The parent company's financial statements are prepared in accordance with United Kingdom Accounting Standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the Standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition measurement and disclosure requirements of UK-adopted international accounting standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

the requirements of paragraph 17 of IAS 24 'Related Party Transactions', to disclose information related to key management personnel, and the requirements of IAS 24 to disclose related party transactions between two or more members of a group for wholly owned subsidiaries;

the requirements of paragraphs 30 and 31 of IAS 8 to disclose information assessing the possible impact of new standards issued but which are not yet effective;

the requirements of paragraphs 45(b) and 46-52 of IFRS 2 to disclose information about share-based payments;

the requirements of IFRS 7 and IFRS 13 for disclosure of financial instruments and fair values.

presentation of a statement of cash flows and related notes.

The financial statements under the historical cost convention and in euros, which is the functional currency of the company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The company applies accounting policies consistent with those applied by the group. To the extent that an accounting policy is relevant to both group and parent company financial statements, please refer to the group financial statements for disclosure of the relevant accounting policy.

Going concern

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

Any overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Adoption of new and revised standards and changes in accounting policies

There were no new standards, amendments or interpretations affecting the company in the financial year.

Critical accounting estimates and judgements - company

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Key sources of estimation uncertainty

Assessment of impairment of investments

Investments are tested for impairment usually annually or more frequently, whenever there is an indication that the asset may be impaired. An impairment occurs when the carrying amount is less than the recoverable amount. The recoverable amount of an asset is the higher of fair value, less disposal costs, and its value in use. In assessing its value in use, the pre-tax estimated future cash flows are discounted at their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The process of determining a fair value and value in use inherently requires the use of es mates which cannot be assessed with certainty and any variation between the current estimate and actual figures will affect the value of the impairment.

Assessment of deferred consideration

Costs of acquisitions and business combinations in the year are included in investments in the Statement of Financial Position and comprise the initial consideration paid/payable plus best estimate of future considerations for earn-outs in relation to the original signed contracts determined at the date of the acquisition. Adjustments to the earn-outs are taken to the profit and loss account in accordance with IFRS 3 Business combinations.

Assessment of the value of revenue

Assessment of the value of revenue in respect of long-term contracts and contracts for ongoing services is calculated based on the percentage completion on fixed price contracts. Percentage complete is calculated by reference to actual man months worked as a percentage of the total estimated man months to completion.

35. Employee Benefits

in thousand Euros	2022	2021
Wages and salaries (including social secuity)	12	12
Cost of defined contribution scheme	-	-
Total	**12**	**12**

Average Monthly number of employees	2022	2021
Staff	1	1
Directors	1	1
Total	**2**	**2**

Director's remuneration during the year:

in thousand Euros	2022	2021
Director's emoluments	8	9
Group contributions to defined contribution pension schemes	-	-
Total	**8**	**9**

36. Intangible Assets

in thousand Euros	Industrial Patent, Trademarks and Intellectual Property Rights	Total
Cost		
Balance at Jan 1, 2022	4,893	4,893
Balance at Dec 31, 2022	4,893	4,893
Accumulated amortization and impairment losses		
Balance at Jan 1, 2022	(4,800)	(4,800)
Balance at Dec 31, 2022	(4,800)	(4,800)
Net book value Jan 1, 2022	93	93
Net book value Dec 31, 2022	93	93

37. *Investments*

	Group	Group	Company	Company
in thousand Euros	2022	2021	2022	2021
Investments in subsidiaries	-	-	73,109	70,211
Investments in subsidiaries	**-**	**-**	**73,109**	**70,211**

Increase in the year mainly relates to € 2,882 thousand additional working capital invested in Faist Light Metals Ltd.

Details of the company's principal operating subsidiaries are included in note 23.

38. *Non-Current Financial Assets*

in thousand Euros	2022	2021
Amounts owed by group udertakings	16,372	16,409
Non current financial assets	**16,372**	**16,409**

Amounts owed by Group undertakings were unsecured, with an average interest rate of 2.5% and due for repayment in 2024.

Fair value of financial assets carried at amortised cost

The fair value of financial assets and financial liabilities are estimated for recognition and measurement and for disclosure purposes. The carrying value of cash, accounts receivable, other receivables and accounts payable approximate to their fair values due to their short term nature

39. *Deferred Tax Assets*

Company's Deferred tax assets at year end of €37 thousand (2021: €37 thousand) relate to Tax losses carried forward.

40. *Trade Receivables & Other Current Assets*

in thousand Euros	2022	2021
Amounts owed by group undertakings	2,047	827
Prepayment and accrued income	625	599
Other Debtors	176	110
Total Trade Receivables	**2,848**	**1,536**

Amounts owed by group undertakings are unsecured, interest-free, and repayable on demand.

in thousand Euros	2022	2021
Tax Credits	9	(0)
Other receivables and current assets	**9**	**(0)**

41. *Cash And Cash Equivalents*

in thousand Euros	2022	2021
Bank and Other Deposits	74	108
Total cash and cash equivalents	**74**	**108**

42. Current Financial Liabilities

in thousand Euros	2022	2021
Long term loans from shareholders	-	13,910
Financial Liabilities - Non current	**-**	**13,910**
Short term loans from shareholders	864	-
Financial Liabilities - Non current	**864**	**-**

During the year the sole shareholder decided to convert loan for the amount of € 12,000 thousands into equity reserve and for the amount of € 1,046 thousands in the form of ordinary shares.

43. Trade Payables

in thousand Euros	2022	2021
Accounts Payable to Suppliers	459	429
Trade Payables	**459**	**429**

44. Called Up Share Capital

Refer to note 17 of the group financial statements.