


2024 ANNUAL REPORT

METAL WORK®
PNEUMATIC

INDEX

METAL WORK PNEUMATIC

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Chairman
Donatina Dell'Anna

Deputy Chairman
Riccardo Cavagna

Managing Directors
Valentino Pellenghi
Daniele Marconi

Other Managing Directors
Fausto Rodella
Jacopo Marconi

Term of office: date of approval of the financial statements for the year ended 31 December 2026

BOARD OF STATUTORY AUDITORS

Chairman
Dr. Renato Camodeca

Standing statutory auditors
Dr. Stefano Colpani
Dr. Silvio Piccinelli

Alternate standing statutory auditors
Dr.ssa Cecilia Accampi
Avv. Giulia Mina

Term of office: date of approval of the financial statements for the year ended 31 December 2026.

AUDITING COMPANY AND AUDITING BODY

KPMG S.p.A.

Term of office: date of approval of the financial statements for the year ended 31 December 2024

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31/12/2024

KEY MANAGEMENT INDICATORS

	Income Statement - Valuesi in €/1000	2024	2023	2022
	Turnover	248.829	250.206	245.065
	Gross Operating Margin (EBITDA)	32.297	34.509	38.010
(A)	Depreciation/Provisions	16.865	18.449	17.289
	Operating profit (EBIT)	15.432	16.061	20.721
	Earnings before taxes (EBT)	12.197	13.096	19.799
(B)	**Net income (EAT)**	**8.861**	**10.160**	**14.532**
(A)+(B)	Net Cash Flow	25.726	28.609	31.821

Balance sheet - Values in €/1000	2024	2023	2022
Net Working Capital	71.715	74.440	72.514
Net Plant and Equipment	115.868	120.498	110.969
Financial fixed assets	4.209	4.175	3.642
Severance indemnity and other provisions	-10.533	-9.624	-9.202
Net Invested Capital	**181.259**	**189.489**	**177.923**
Net financial position	**48.745**	**58.086**	**51.076**
Net Equity	**132.514**	**131.403**	**126.847**

Values in €/1000	2024	2023	2022
Investments in Real Estate	2.191	3.884	5.732
Factory-related investments	5.161	9.858	7.657
Information technology & communication	1.433	1.871	960
Other investments	978	2.473	4.668
Total investments	**9.763**	**18.086**	**19.017**
Expenses for R&S personnel only	1.632	1.599	1.579
of which capitalised	0	0	0

Geographical distribution of sales - Values in €/1000	2024	2023	2022
Italy	114.837	116.844	123.587
UE	77.726	80.415	73.393
Asia	19.049	16.897	13.869
South America	5.982	6.327	5.917
North America	12.621	12.142	13.077
Extra UE	12.273	11.812	10.440
Oceania	4.943	4.215	4.134
Africa	1.398	1.554	648
Total	**248.829**	**250.206**	**245.065**
% Italy sales on total	46%	47%	50%

	delta 2024-2023	delta 2024-2022
Italia	-2.007	-8.750
Export	630	12.514
Total Delta	-1.377	3.764
	-1%	2%

MANAGEMENT REPORT

Metal Work is an industrial group dealing in the design, production and marketing of components for pneumatic automation, based in Concesio, in the province of Brescia, Italy.

The company produces fittings, air treatment units, actuators and valves and markets other products in the industrial pneumatics sector. The company was established in 1998 as a Limited Liability Company and was the subject, at the time, of a double contribution by the companies Metal Work Service S.p.A. and Metal Fin S.p.A., now Metal Work Holding S.p.A

The structure of the Metal Work S.p.A. Group includes:

- for the distribution of its product in Italy, 17 companies named Metal Work Service, mainly located in northern Italy, which carry out both commercial and manufacturing activities relating to the creation of automation solutions for end customers;

- for the distribution of its product in Europe, 15 companies, exercising both commercial and manufacturing activities, with reference to the accomplishment of automation solutions for the end customer, called Metal Work or Metal Work Pneumatic, located in the main countries of the European Union as well as in Ukraine, Russia, Great Britain and Switzerland;

- for the coverage of the South American market, the company Metal Work Pneumatica do Brasil, a Brazilian production company held indirectly, through a holding company, and jointly with local management;

- for the distribution of its product in the rest of the world, 10 companies with both commercial and manufacturing activities, with reference to the implementation of automation solutions for the end customer, called Metal Work or Metal Work Pneumatic, located in the United States of America, South-East Asia, Oceania, China, South Africa and India;

- the company Eurofit S.r.l., which produces and distributes its own range of fittings and other accessories;

- the company Alfa Meccanica S.r.l., dealing in the industrial automation and handling sector;

- the company Fluid Force S.r.l., dealing in the production of speed regulators and hydraulic brakes;

- the companies Assemblaggi Industriali S.r.l., Tecnopolimeri S.r.l. and Meridian S.r.l., production satellites of Metal Work S.p.A. in the areas of fitting assembly, plastic moulding and mechanical turning;

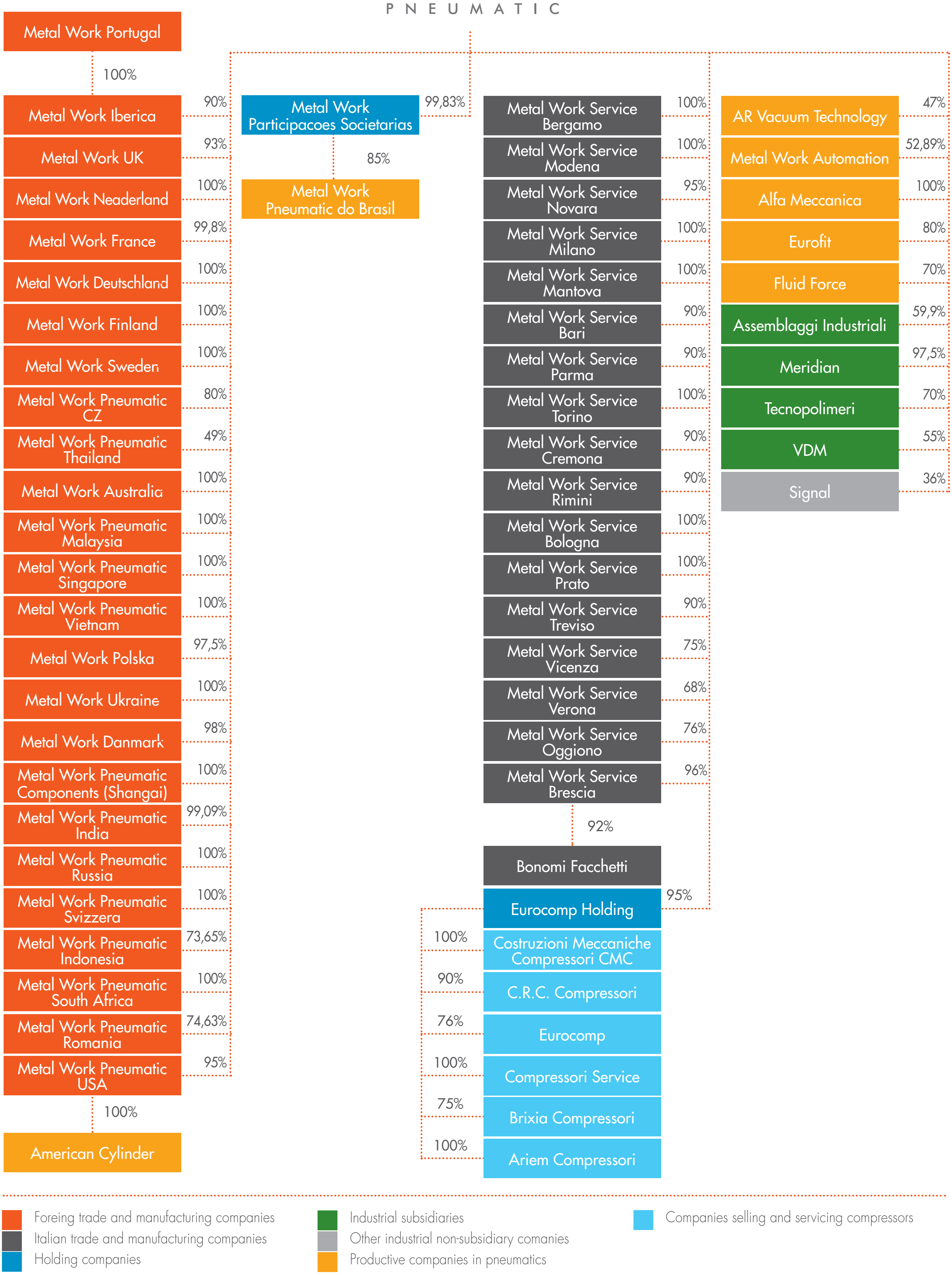
- the company Metal Work Automation S.r.l., dealing in the production of special assembly and assembly machines and switchboards, as well as in the implementation of software for industrial purposes;

- the company Signal S.r.l., an associated company operating in the field of electronics applied to industrial automation;

- the Spanish associated company Ar Vacuum Tecnologies S.l., operating in the vacuum sector, the majority of whose share capital was acquired in early 2025;

- the company American Cylinder Inc., based in Peotone (IL), wholly owned through Metal Work Pneumatic USA Inc., which manufactures cylinders for the American market;

- the holding company Eurocomp Holding S.r.l., which in turn holds six shareholdings in Italian companies operating in the field of assistance and sales of compressors.


Metal Work Portugal
100%
Metal Work Iberica
90%
Metal Work UK
93%
Metal Work Neaderland
100%
Metal Work France
99,8%
Metal Work Deutschland
100%
Metal Work Finland
100%
Metal Work Sweden
100%
Metal Work Pneumatic CZ
80%
Metal Work Pneumatic Thailand
49%
Metal Work Australia
100%
Metal Work Pneumatic Malaysia
100%
Metal Work Pneumatic Singapore
100%
Metal Work Pneumatic Vietnam
100%
Metal Work Polska
97,5%
Metal Work Ukraine
100%
Metal Work Danmark
98%
Metal Work Pneumatic Components (Shangai)
100%
Metal Work Pneumatic India
99,09%
Metal Work Pneumatic Russia
100%
Metal Work Pneumatic Svizzera
100%
Metal Work Pneumatic Indonesia
73,65%
Metal Work Pneumatic South Africa
100%
Metal Work Pneumatic Romania
74,63%
Metal Work Pneumatic USA
95%
100%
American Cylinder
Metal Work Participacoes Societarias
99,83%
85%
Metal Work Pneumatic do Brasil
Metal Work Service Bergamo
100%
Metal Work Service Modena
100%
Metal Work Service Novara
95%
Metal Work Service Milano
100%
Metal Work Service Mantova
100%
Metal Work Service Bari
90%
Metal Work Service Parma
90%
Metal Work Service Torino
100%
Metal Work Service Cremona
90%
Metal Work Service Rimini
90%
Metal Work Service Bologna
100%
Metal Work Service Prato
100%
Metal Work Service Treviso
90%
Metal Work Service Vicenza
75%
Metal Work Service Verona
68%
Metal Work Service Oggiono
76%
Metal Work Service Brescia
96%
92%
Bonomi Facchetti
Eurocomp Holding
95%
100%
Costruzioni Meccaniche Compressori CMC
90%
C.R.C. Compressori
76%
Eurocomp
100%
Compressori Service
75%
Brixia Compressori
100%
Ariem Compressori
AR Vacuum Technology
47%
Metal Work Automation
52,89%
Alfa Meccanica
100%
Eurofit
80%
Fluid Force
70%
Assemblaggi Industriali
59,9%
Meridian
97,5%
Tecnopolimeri
70%
VDM
55%
Signal
36%
Foreing trade and manufacturing companies
Italian trade and manufacturing companies
Holding companies
Industrial subsidiaries
Other industrial non-subsidiary comanies
Productive companies in pneumatics
Companies selling and servicing compressors

SCENARIO ANALYSIS

2024 proved to be a year of transition, with the global economy slowly recovering after the inflationary and geopolitical shocks of the 2020–2023 period. The main common challenges were:

- Restrictive monetary policies still easing;
- Energy and digital transition as key drivers of transformation;
- Geopolitical tensions (US-China, Ukraine-Russia, Middle East) weighing on uncertainty;
- Weak domestic demand in many advanced economies.

Emerging economies such as India and Brazil have shown greater vitality than many developed economies, signalling a trend towards a multipolar rebalancing of the global economy.

In 2024, the US economy showed moderate resilience, with growth estimated at around 2.1%. Inflation, although down from its 2022 peaks, continued to influence the Federal Reserve's monetary policy, which kept rates high for most of the year before beginning a gradual easing in the third quarter. The labor market remained strong, with unemployment rates around 3.8%. However, consumer spending slowed. The technology sector remained central, with AI and automation driving investment.

China recorded more modest growth than in previous decades, settling at around 4.8%. Difficulties in the real estate sector continued to weigh on investor confidence. The expansion of the high-tech industry and the push towards green transition supported GDP. Geopolitical tensions accelerated the strategy of technological self-sufficiency.

Germany has had a difficult year, with growth barely positive (+0.3%) or stagnant. High energy costs have penalized manufacturing, especially the automotive industry. The energy transition has accelerated, but without an immediate impact on economic recovery.

India, destined to become an increasingly important market, has stood out for its robust growth of around 6.5%. The government has focused on infrastructure, digitalization and structural reforms. The expanding middle class and young population are supporting domestic demand. India is consolidating its position as a global technology hub.

The United Kingdom recorded modest growth (+0.6%), held back by the post-Brexit effects and persistent inflation. The financial sector showed stability, but private consumption was penalized by high interest rates. France, for its part, maintained moderate growth (around +0.8%), supported by public spending and tourism. High debt limited fiscal policy. Social tensions had temporary effects on the economy. Inflation remained under control.

Brazil recorded modest growth (+2.0%), with a policy aimed at balancing development and fiscal stability. Raw material exports benefited from Asian demand. Inflation fell gradually, allowing interest rate cuts.

Finally, regarding our domestic market, Italy experienced weak growth (+0.6%), with divergent trends between the North and South. Exports were the driving force behind growth. The NRRP provided resources, but implementation has been difficult. The sustainability of public debt remains a concern.

In 2024, Italian industrial production recorded a negative trend, with an overall annual contraction of -3.5% compared to 2023. This was a prolonged downward trend, characterised by an almost constant decline throughout the year, culminating in a sharp fall in December, when the year-on-year change reached -7.1% and the monthly change -3.1%. The fourth quarter showed a significant deterioration with a 1.2% decline compared to the third quarter. The situation was already weak in the previous months: in March, the annual change was -3.5%, and in September -4.0%. Only the energy (+5.5%) and food sectors recorded growth. The sectors most affected include capital goods (-10.7%), intermediate goods (-9.5%) and consumer goods (-7.3%). In particular, the transport sector suffered a 23.6% collapse, followed by textiles (-18.3%) and metallurgy (-14.6%).

The main causes can be traced back to weakening domestic and foreign demand, a slowdown in productive investments and the persistent impact of high energy prices on numerous manufacturing supply chains. The outlook remains uncertain, although at the beginning of 2025 some signs suggest a slight recovery.

Italy thus closes 2024 with an industrial performance well below the European average, highlighting the urgent need for industrial policies to revive and provide structural support to the competitiveness of the manufacturing sector.

THE INDUSTRIAL AUTOMATION MARKET AND OUR PLANS

As in 2023, the complex international situation continued to have a negative impact on the development of the main Western economies in 2024, particularly in Italy. Our Metal Work Service subsidiaries throughout the country suffered a drastic reduction in demand from the main machine manufacturers, with the textile and packaging sectors being particularly affected.

Despite this, both Metal Work Spa and the Group as a whole maintained the values of the previous year, which, in view of the above, is to be considered extremely positive.

Cetop forecasts for 2024 highlight the development and consolidation of the Asian market, with China and India taking the lion's share, although other emerging countries such as Vietnam, the Philippines and Laos are beginning to have a significant weight in the automation market.

The European and American markets have been virtually stable, although within them, Germany in particular, some markets have suffered significant crises.

During 2024, we completed the necessary procedures to exercise our option to acquire a majority stake in the Spanish company AR Vacuum, which will be fully integrated into the Group from next year.

At Metal Work in the Czech Republic, we have started construction of a new building, which has become necessary due to the lack of space at our current location. We expect to complete construction in 2025 and then prepare for the transfer of the headquarters in the coming months. In line with the new business plan, we have begun to restructure the companies, especially those abroad, by hiring new sales staff and, where necessary, internal technical personnel.

Following the implementation of the generational agreement signed with all branch managers, we have begun the search for potential replacements for current managers who will be leaving the company due to reaching retirement age in the next three years, identifying people in Spain and the US (directly affected by this change) to be trained to fill these important roles.

Also in Spain, specifically in the Basque Country, we have acquired a property where we have transferred the headquarters of the Basque branch of Metal Work Iberica.

As far as marketing is concerned, we have entered the world of AI with the creation of a chatbot called Metal-bot, which is able to independently answer a large number of questions that were previously requested from our customer service department.

During 2024, work was carried out on the necessary preparations for the integration of C4C with service modules (ticketing management) and sales 2.0 with (opportunity management). Finally, we began reviewing the architecture of SAP Commerce and the new product and order flow configurations with the aim of creating the new e-commerce site.

Eurocomp Holding continues to perform well. In a sector related to compressed air, namely compressors, it has acquired two more companies of provincial importance with a value of between €1.5 million and €3 million. To date, Eurocomp Holding's sub-consolidated pro-forma sales value is €18 million (2023: €10.8 million), characterized by extensive commercial coverage.

Business Outlook

VALUE ADDED INCOME STATEMENT

	Dec.24	%Dec.24	Dec.23	%Dec.23	Dec.22	%Dec.22
REVENUES	248.829	100,00 %	250.206	100,00 %	245.065	100,00 %
COST OF SALES	140.037	56,28 %	143.338	57,29 %	137.492	56,10 %
ADDED VALUE	**108.792**	**43,72 %**	**106.867**	**42,71 %**	**107.573**	**43,90 %**
LABOR COST	76.495	30,74 %	72.359	28,92 %	69.563	28,39 %
GROSS OPERATING MARGIN (EBITDA)	**32.297**	**12,98 %**	**34.509**	**13,79 %**	**38.010**	**15,51 %**
DEPRECIATIONS, WRITE-OFF, RISK PROVISIONS	16.865	6,78 %	18.448	7,37 %	17.288	7,05 %
OPERATING PROFIT (EBIT)	**15.432**	**6,20 %**	**16.061**	**6,42 %**	**20.721**	**8,46 %**
NET FINANCIAL EXPENSES (INCOMES)	3.235	1,30 %	2.965	1,19 %	922	0,38 %
PRE-TAX PROFIT (EBT)	**12.197**	**4,90 %**	**13.096**	**5,23 %**	**19.799**	**8,08 %**
TAXES	3.336	1,34 %	2.935	1,17 %	5.267	2,15 %
PROFIT OR LOSS FOR THE FINANCIAL YEAR	**8.861**	**3,56 %**	**10.160**	**4,06 %**	**14.532**	**5,93 %**
Group Profit Share	**8.054**	**3,24 %**	**9.039**	**3,61 %**	**12.931**	**5,28 %**
Minority Shareholders' Profit Share	**807**	**0,32 %**	**1.121**	**0,45 %**	**1.601**	**0,65 %**

Revenues amounted to €248.8 million, compared to €250.2 million as at 31 December 2023, down 0.5%, or 1% when taking into account acquisitions made during the year. The impact of exchange rate fluctuations compared to the previous year was positive by €465,000.

The value of production includes €576 thousand (2023: €1,563 thousand) deriving from Increases for internal work: €179,000 relates to sales of machinery by the subsidiary Metal Work Automation to the Parent Company, correctly reclassified in accordance with the accounting principles relating to consolidation.

The cost of sales, amounting to €140,037,000, accounts for 56.3% of revenues, compared to 57.3% in the previous period, an improvement due to a general decline in purchased components, which had undergone significant increases in the years 2021-2023, as well as the completion of certain investments.

Added value, amounting to €108,792, stood at 43.7% of revenues, compared to 42.7% in 2023.

Labour costs, amounting to €76,495,000, accounted for 30.7%, compared to 29% in 2023. The average number of people employed by the Group, including workers hired through employment agencies, was 1,418, compared to 1,389 in the previous year.

The gross operating margin stood at €32,297,000, equal to 13% of sales (2023: €34,509,000, 13.8% of sales). Amortisation, depreciation, write-downs and provisions amounted to €16,865,000 (2023: €18,448,000), representing 6.7% (2023: 7.4%) of sales, bringing operating income to €15,432,000.

Net financial expenses amounted to €3,179,000 compared to €3,672,000 in 2022, representing 1.28% of revenue, compared to 1.47% in 2023, while adjustments to financial assets were negative for €55,000 (2023: positive for 707 Euro/000) and relate to the valuation of securities recorded under current assets and the valuation at equity of associated companies.

Pre-tax profit amounted to €12,197,000, on which taxes of €3,336,000 were levied, with a tax rate of 27.4%, compared to 22.4% in 2023.

Net profit, including the share attributable to minority interests, amounted to €8,861 thousand (previous year: €10,160 thousand).

Net self-financing, consisting of the sum of the operating result, amortisation, depreciation and provisions for risks, amounted to 25,726 Euro/000, equal to 10.3% of revenues (previous year: 11.4%).

INVESTED CAPITAL BALANCE SHEET

The reclassified balance sheet of the Metal Work Group's consolidated financial statements is shown below in Euro 000's:

METAL WORK HOLDING CONSOLIDATED FINANCIAL STATEMENT	Dec. 24	Dec. 23	Dec. 22
Trade Receivables	65.030	65.801	62.055
Closing Inventory	59.884	59.860	62.019
Trade Payables	-40.073	-40.224	-46.216
Other receivables	14.985	16.870	14.057
Other payables	-28.111	-27.867	-19.701
NET WORKING CAPITAL	**71.715**	**74.440**	**72.214**
Total intangible fixed assets	15.024	15.063	5.590
Total tangible fixed assets	100.845	105.435	105.379
Total financial fixed assets	4.209	4.175	3.642
TECHNICAL AND FINANCIAL FIXED ASSETS	**120.077**	**124.673**	**114.610**
SEVERANCE INDEMNITY AND OTHER ALLOWANCES	**-10.533**	**-9.624**	**-9.202**
NET INVESTED CAPITAL	**181.259**	**189.489**	**177.622**
GROUP NET EQUITY INCLUDING MINORITY INTERESTS	**132.514**	**131.403**	**126.547**
NET FINANCIAL POSITION	**48.745**	**58.086**	**51.076**
TOTAL SOURCE OF INVESTMENT	**181.259**	**189.489**	**177.622**

The reclassified balance sheet shows that net working capital relating to current operations decreased from €74,440,000 to €71,715,000, a decrease of €2,725,000 compared to 2023, despite the consolidation of two new entities.

The value of technical fixed assets, net of depreciation, totalled €115,869,000. The net book value of buildings and land at consolidated level amounted to €59,207,000. Investments amounted to €9.7 million (2023: €18.1 million).

Financial assets amounted to €4,209,000, compared to €4,175,000 in the previous year, mainly comprising investments in the associated companies Signal S.r.l. and AR Vacuum.

Consolidated shareholders' equity, including the value attributable to third parties, amounted to €132,514,000. the net financial position decreased by €9,341/000 compared to 2023 and is negative by €48,745/000, after the distribution of part of the extraordinary reserve of €4,440/000 during 2024, the purchase of treasury shares for €2,721,000 and investments of over €9.7 million.

In terms of assets and financial position, the table below shows the three-year trend in the main indices used as covenants by credit institutions. 2024 shows a general improvement except for the coverage of financial expenses, which is characterised by the general level of interest rates, which remained high for most of the year.

	31/12/2024	31/12/2023	31/12/2022
Net financial position / Net equity	0,38	0,47	0,43
Net financial position / Ebitda	1,5	1,7	1,3
Ebitda / Financial expenses	8,73	9,35	24,71

DESCRIPTION OF RISKS

In relation to the provisions of Article 2428, item 6) bis, concerning the use of financial instruments, we would like to point out that, for several years now, the company has been operating with derivative instruments with the sole purpose of actively managing both the risk related to exchange rate fluctuations, and in particular certain crosses such as €/Usd, €/Gbp, €/Pln, €/Cny, €/Aud being an exporter in foreign currencies, as well as the risk linked to interest rate fluctuations, since the overall financial debt is partly at variable rates, and, finally, the risk linked to the trend of non-ferrous metals and electricity prices. All these instruments are intended to produce a benefit in economic terms, where the underlying hedged item, currency or interest rate, leads to losses or higher charges, and vice versa.

To cope with risks arising from financial markets, the company's objectives and policies follow the following main guidelines:

- exchange rate risk: conclude transactions that allow for a limited risk profile and good flexibility in terms of overall benefit; ensure that the exchange rate is in line with the budget; operate for amounts, in notional terms, related to the value of exports in foreign currency; operate 'upstream' hedges that are not specific to individual receivables and payables, including in relation to future financial years; specifically, as at 31 December 2024, the company had no currency options outstanding and had other hedging transactions outstanding for €11.6 million (2023: €6.6 million) for currency to be delivered.

- interest rate risk: enter into transactions that allow for a limited risk profile and good flexibility in terms of overall benefits; limit the impact of financial expenses; operate for amounts, in notional terms, related to total financial debt, including Group debt, and not related to specific financial liabilities or assets; as at 31 December 2024, the Metal Work Group had an outstanding cap option contract for a notional amount of €3.5 million linked to the amortisation schedule of a property lease, several IRS contracts for €2.2 million and a collar for €12.7 million. At the same date, debt related to medium/long-term transactions, including leases, amounted to €39.5 million, of which 45%, or €18 million, is exposed to the risk of interest rate increases.

- raw material risk: conclude transactions that allow for a limited risk profile, while bearing in mind that the market for the raw material used (brass scrap) may not be correlated with the performance of the underlying asset (copper). At the date of preparation of the financial statements, the company had no hedging transactions on the copper or aluminium market and had locked in the cost of electricity until the end of the financial year.

- Commercial credit risk: given that over 80% of sales are made through the company's own sales organisation, generating what is by definition 'uninsurable' credit, the company has policies in place to insure against the risk of non-payment by customers in specific geographical markets, as well as the risk arising from all independent customers in Italy with exposure above a certain limit. Despite this, at Group level, credit risk is monitored using innovative tools, with systems that continuously analyse the economic and financial situation of our customers.

INVESTMENTS AND RESEARCH AND DEVELOPMENT ACTIVITIES

The R&D Department:

The development of new products for 2024 followed some well-defined guidelines: introducing new high-tech products, expanding the existing range, enhancing the range of energy-saving products, and manufacturing low-cost components.

The wireless EB80 module certainly falls into the first category, allowing Fieldbus islands to connect remotely to control systems via Bluetooth® or WiFi®. As with other similar devices already developed, the EB80 can now also connect to mobile devices (smartphones or tablets) using the dedicated app, making it possible to configure certain parameters and read the status of the EB80 island in real time. It is also possible to collect data over long periods and process dashboards in order to monitor systems and machines. In this regard, we have also carried out specific work in collaboration with the University of Brescia and a company specialising in the development of Artificial Intelligence algorithms, which has enabled us to create a demonstration bench for checking the operating status of certain cylinders using the potential of the EB80 and the FLUX Series flow meters. This bench will also be used to continue research and experimentation with specially developed algorithms. Still in the field of advanced technology, Metal Work has launched the first electric rotary actuator, called RBA, which has expanded our Elektro product range by introducing, for the first time, a rotary movement controlled by brushless or stepper motors.

In terms of expanding the range, Metal Work has released the new ISO 15552 MCR (Medium Corrosion Resistance) series pneumatic cylinders, which feature anodised heads, stainless steel adjustment pins and screws with chemical nickel plating. Metal Work has thus expanded its range of cylinders in terms of corrosion resistance: the new MCR cylinders are positioned between standard cylinders and HCR (High Corrosion Resistance) cylinders. The range of P3 and P12 series pneumatic grippers has also been expanded during the year with the introduction of new double-acting versions with springs, which allow the workpiece to be held even in the event of a loss of air. In addition, the stroke of the CS series electric slides and the SSC series compact electric cylinders has been significantly increased to 200 mm.

As for the R5 series pneumatic rotary actuator with palm, the new ø25 size has been added to the previously produced ø16 size. Finally, also in terms of range expansion, in 2024 Metal Work proposed a line of educational benches that can be used to teach the basic principles of pneumatic and electro-pneumatic system design.

Moving on to the Energy Saving chapter, in 2024 we developed an electrical connector for 22 mm coils and 24 VDC voltage which, thanks to a specially developed electronic board, reduces valve power consumption by 65% through a 'speed up' & holding control. The full power supplied for a few milliseconds guarantees high performance and fast and safe valve switching; subsequently, during the maintenance phase, energy savings are guaranteed by a reduction in power, also allowing a reduction in temperature. Also in the Green sector, our FLUX Series flow meter range has been expanded with the introduction of new sizes 3 and 4, for measuring flow rates up to 15,000 Nl/min! These new sizes, which had been requested in the past, are mainly installed at the inlet of pneumatic systems.

Finally, with regard to the introduction of new low-cost products, Metal Work has proposed some interesting innovations. The first concerns the release of the new Syntronic Series proportional pressure regulator which, based on the technopolymer structure of the Syntesi Size 1 air treatment unit, is an economical and simplified alternative (both in terms of mechanical and electronic components) to our long-standing product, Regtronic. Another new feature is the introduction of the SKO Series electric screw axis which, thanks to the simplicity of the extrusion (based on an extrusion already used for rodless pneumatic cylinders), the low cost of the technopolymer guides and the technical choices relating to the simplified screw and nut, fills the lower end of our range of electric screw axes. The latest product released in 2024 is also one of the most interesting: the new EB80 module with 16 configurable M8 digital inputs/outputs is an innovative component with 8 connectors and 16 digital signals, each of which can be configured as either an input or an output. Configuration is carried out via software by connecting to the fieldbus module of the island via PLC. In addition, the signals from the first two connectors can also be used as inputs for reading DC motor encoders (VDC). This means that customers who need both digital inputs and outputs are not obliged to purchase two separate modules but can flexibly exploit the potential of a single module, which also costs significantly less than the sum of the other two.

During the 2024 financial year, our company carried out activities that meet the eligibility criteria set out in Law 160/2019 and subsequent amendments and additions, and in this regard, it has dedicated a significant amount of its resources to the implementation of the projects highlighted below, carried out at the plant in VIA SEGNI, 5/7/9 CONCESIO (BS):

Project 1 - Technological innovation project for new product configurations
Project 2 - Technological innovation activities for the study and testing of technical and technological solutions to improve process performance

For the development of these projects, the company incurred costs relating to technological innovation activities amounting to €3,420,717 during the past financial year.

It is hoped that the positive outcome of these innovations will generate good results in terms of turnover, with favourable repercussions on the company's economy.

For technological innovation activities, the company intends to take advantage of the tax credit provided for by Law 160/2019, Article 1, paragraphs 198/209, as amended by Law 178/2020, Article 1, paragraph 1064, as amended and supplemented.

The cost incurred for the above research and development expenses, in accordance with Article 2426, point 5 of the Italian Civil Code, national accounting standard no. 24 of the CNDC and CNR revised by the OIC and in accordance with Article 108 of Presidential Decree 917/86 (TUIR) and subsequent amendments, have been considered as operating costs and charged entirely to the income statement.

While acknowledging full regulatory discretion in choosing whether to expense these costs in the financial year or through an amortisation plan, in any case not exceeding five years, it was not considered appropriate to capitalise these costs in the balance sheet, preferring the broad civil law principle of prudence, also in consideration of the fact that the recoverability of the costs in question through future revenues is a highly subjective and uncertain assessment.

The costs of the product design function alone, which comprises 23 units (2023: 24 units), amounted to €3.1 million (2023: €3.2 million), reflecting the company's ongoing commitment to investing in the product and its continuous improvement. During the financial year, as previously reported, these costs were not capitalised.

In 2024, the company invested in R&D, i.e. in new product development and engineering, for a total amount of €5,419,000 (2023: €4,985,000), equal to 4.7% of sales (2023: 4.4%).

ACTIVITIES OF CORPORATE DEPARTMENT

The ICT department:

For the ICT department, 2024 was a year that saw the activation of the first application extensions, for which the SAP S/4 HANA system upgrade carried out the previous year was a prerequisite: the implementation phase of the SAP PLM and SAP DMC projects began.

The SAP PLM (Product Lifecycle Management) system was introduced to provide greater support to the design departments (Product Design and Process Design), also enabling efficient integration with the ERP in the coding and management of technical data for materials.

The SAP DMC (Digital Manufacturing in Cloud) system was introduced to start the technological renewal of the integration between the shop floor and ERP. Activated in one of the Group's production facilities and limited to certain functions, the project provides for its gradual extension in terms of functional scope and rapid activation in the production departments of Metal Work SpA.

Feasibility studies (and a POC) have been carried out with a view to the gradual introduction of business-oriented AI (Artificial Intelligence) functionalities supported by the SAP BTP platform into S/4 HANA processes (particularly in SD and FI/CO).

To better support the product compliance verification process with regard to SVHC substances covered by numerous international regulations (e.g. REACH, RoHS and SCIP), we carried out a detailed feasibility study for the adoption of the SAP Product Compliance system. The study was completed successfully and has enabled us to plan the adoption of the module over the next year.

With a view to Industry 4.0, the integration of new automated warehouses, each with its own WMS (Warehouse Management System), installed at Italian and foreign branches, into SAP S/4 HANA continued.

The GoLive of several Group companies specialising in the provision of plant maintenance services was also carried out, for which the planned SAP process had been implemented the previous year, and the project to enable electronic invoicing in Germany, required by law from January 2025, was completed.

During the year, the company's email system was upgraded and migrated to the Office365 platform, and activities were carried out for technological renewal, networking, infrastructure and training in the field of cyber security.

The Engineering department:

In 2024, the Industrialisation Department focused its resources mainly on improving the plants and services for the production departments.

The need to better organise and manage the tool supply, reordering and commitment services led to the development of a dedicated TDM (Tool Data Management) software, an interconnected system that greatly facilitates the management of cutting tools.

Until now, the purchase, reordering and storage of consumable tools required the involvement of several people, but from tomorrow it will be possible to relieve the company of non-value-added activities by making more profitable use of the time spent by staff on tasks that cannot be delegated to IT systems. More prudent and automated management will also allow for more effective cost control. The project is long-term and is expected to be completed in 2025, with implications for other services not related to mere warehouse management and tool costing. The information will also be used to simplify production planning and the drafting of work cycles, right up to the migration of functional data from the tool management department directly to the machine (from tool presetting to correctors on the machining centre).

We have decided to exploit the potential of this new management system to also control the spare parts warehouse dedicated to Maintenance and Gauges; every component in stock will be managed and tracked for its use; every gauge code and serial number will maintain a constant link between the physical object and its digital twin, i.e. its specific technical documentation and related test and measurement certificates.

The company's approach towards increasingly sustainable industrial development (environment and well-being) is taking shape in the centralisation of some service facilities at the work centres. The first step, completed in 2024, involved moving the boilers used for industrial washing systems outside the production site. As these are important sources of heat, this will reduce the energy used to cool the production areas during the temperate period from spring to autumn. The compressor room is also undergoing extensive modernisation. The replacement of outdated machines with new inverter systems (which independently modulate compressed air production according to demand) will ensure more efficient use of energy for their operation. The project to centralise the machine refrigeration units is also underway. Instead of having a refrigeration unit at each centre to lower the temperature of the cutting oils, three will be installed externally. The result will be a reduction in electricity consumption and a reduction in the heat generated inside the production plant.

Of course, the process of technological modernisation and increase in production capacity.

The year 2024 saw the introduction of a multi-spindle numerically controlled lathe and two automatic valve assembly lines. At the same time, we have started purchasing automatic assembly and testing systems (valves and fittings) worth €1,500,000, which will be launched in 2025, and work centres worth €500,000.

Training for production department staff in the use of kaizen tools structured in workshops and problem-solving activities increased by a further 4% this year, bringing the total number of people directly involved to date to 215. During 2024, 528 hours of training were spent on kaizen courses involving 35 people.

Staff training to increase coverage of specific tasks, using the TWI training tool, was further increased by 19% compared to the previous year (+22% in production departments + 9% in the Cylinder Assembly department). During 2024, skills were also mapped for the assembly, pilot, valve and shipping departments, so it will be possible to account for training activities in these departments from 2025 onwards.

The Company Wide Quality Control departmentl:

During 2024, Metal Work's Quality Service continued to pursue its objectives aimed at preventing manufacturing defects and reducing waste, and ultimately guaranteeing the quality of the product sold. Checks are carried out by sampling pieces from each individual machine at set intervals. Testing is then carried out by qualified personnel using the latest electronic instruments, which guarantee high-precision readings of the dimensions being checked.

Each testing session is entered into the computer system using SPC (statistical process control) software, which generates control charts that allow the operator to assess the quality trend during the process and take preventive action before the process deviates and generates defective parts. All the data entered forms a fundamental database available to process engineers for improving manufacturing cycles.

Furthermore, during 2024, through the use of a new IT tool, SAQ refined its methodology for monitoring and periodically checking the measuring instruments in the department and those loaned to certain subcontractors.

The ongoing consolidation of the management systems for which Metal Work has been certified for several years now has continued, in accordance with ISO 9001:2015 for quality management systems, ISO 14001:2015 for the environment and ISO 45001:2018 for occupational health and safety management systems. It should be noted that, in all three cases, these are international standards that Metal Work has decided to adhere to voluntarily, without any legal obligation, demonstrating the company's considerable commitment to issues as important as product quality, processes, the health and safety of its workers and respect for the environment. The three systems, which are integrated with each other, are subject to annual audits by the German certification body DEKRA Certifications, which have always been successful.

In 2023, work began on the implementation of a Quality Management System at Metal Work Automation S.r.l., which was certified in November 2024. The Group's Quality Manual was shared with them, and the Procedures Manual was extended to cover the procedures common to all companies, while specific procedures were created for their design and production activities.

During 2024, the management system dedicated to MOCA products (materials and objects in contact with food) was also consolidated at Metal Work spa and in the Group companies in Italy, in order to meet market demands in the food sector. In practice, this means ensuring that the components produced are constantly monitored to ensure compliance with the applicable regulations and quality standards appropriate to their intended use, without posing a risk to human health or causing an unacceptable change in the composition of the food product or a deterioration in its organoleptic characteristics. Inspections carried out by competent bodies (AST) have been carried out on a sample basis in some of these companies with fully positive results.

The logistics department and the operations:

The downward trend in inventories observed in 2023 continued in 2024, albeit at a slower pace. The value of inventories as at 31 December 2024 was €59 million, in line with the previous year.

Purchase lead-times contributed further to the decline in the value of inventories, confirming the return to standard delivery times and the consequent revision of safety stocks.

2024 was a year of consolidation and maintenance of the work that led to the sharing, with all Italian branches, of a standardised method for managing their final inventories (stock parameters, non-rotating warehouses and service levels). Starting from the initial premise that optimising the value of inventories cannot be separated from the logistics management of subsidiaries, we continued to optimise the value of the goods stocks of these companies.

The decline in coverage was also facilitated by the analysis of non-rotating and slow-moving codes, which is carried out regularly and continuously by the subsidiaries.

This standardised stock management method was also shared with other subsidiaries in 2024:

- Fluid Force Srl: work began on the periodic updating of warehouse parameters and analysis of non-rotating stock at the end of 2024;
- Alfa Meccanica Srl: preliminary analysis at the end of 2024 of certain families of codes with the aim of establishing a method for updating warehouse parameters tailored to the specific company;
- Eurocomp Group: work began on the periodic updating of warehouse parameters and analysis in the non-rotating warehouse at the end of 2024.

Specific continuous improvement activities continue to be carried out in the production departments by a dedicated team. In particular, "worksites" have been set up for preventive maintenance in both the production and assembly departments.

In general, we have achieved significant increases in departmental efficiency through the MUDA reduction project in both the pilot department and the cylinder processing department. Monitoring of the "first time right" projects confirms that stable data above 80% has been achieved for many processing departments, while improvements in the ergonomics of the MCM machine line have led to a reduction in the handling of cassettes and the number of washes, in the belief that the movement of goods can result in loss of value.

Capital and own Shares

Pursuant to Article 2428 of the Italian Civil Code, we hereby disclose that as at 31 December 2024, the company's share capital amounted to €21,000,000, unchanged from the previous financial year.

The share capital is represented by 21,000,000 shares with a nominal value of 1 Euro, 97.5% of which is owned by Metal Work Holding S.p.A., 0.5% by Metal Work S.p.A. through treasury shares and the remainder by the management.

Outlook

At the date of preparation of these financial statements, the overall situation is positive, with growth of around 3% net of acquisitions made in the meantime. The contraction of the Italian market has probably stabilised and is showing tentative signs of recovery, while exports are growing strongly, with some areas performing particularly well.

Concesio, 30/05/2025

The Board of Directors

Chairman: Donatina Dell'Anna

Deputy Chairman: Riccardo Cavagna

Daniele Marconi

Jacopo Marconi

Valentino Pellenghi

Fausto Rodella

BALANCE SHEET	31/12/2024	31/12/2023
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE		
B) FIXED ASSETS		
I - Intangible fixed assets:		
1) Start-up and expansion costs	1.751	2.910
2) Development costs	625.256	689.630
3) Industrial patent and intellectual property rights	1.783.746	2.237.228
4) Concessions, licences, trademarks and similar rights	64.781	70.070
5) Goodwill	12.193.680	11.280.024
6) Assets under construction and advances	2.415	10.415
7) Other	351.998	772.298
Total intangible fixed assets	**15.023.627**	**15.062.574**
II - Tangible fixed assets:		
1) Land and buildings	59.207.645	58.794.745
2) Plants and machinery	29.977.536	34.656.869
3) Industrial and commercial equipment	7.749.679	7.931.534
4) Other assets	2.834.031	2.927.353
5) Assets under construction and advances	1.032.690	1.124.511
Total tangible assets	**100.801.581**	**105.435.012**
III - Financial fixed assets:		
1)Shareholdings in:		
b) associated companies	3.086.240	2.912.160
d-bis) other companies	57.800	44.231
Total shareholdings	**3.144.040**	**2.956.391**
2) Receivables:		
d-bis) other account receivables	**920.750**	**915.869**
- other account receivables – within the next financial year	920.750	915.869
Total Receivables	**920.750**	**915.869**
3) Other equities	**218.665**	**5.680**
4) Financial derivative assets	**143.772**	**302.932**
Total financial fixed assets	**4.427.227**	**4.180.872**
TOTAL FIXED ASSETS (B)	**120.252.435**	**124.678.458**

BALANCE SHEET	31/12/2024	31/12/2023
C) CURRENT ASSETS		
I - Inventory:		
1) Raw, ancillary materials and consumables	10.180.510	11.118.218
2) Work-in-progress and semi-finished products	12.410.635	11.516.846
3) Contract work in progress	490.257	413.197
4) Finished products and goods	36.639.280	36.728.858
5) Advances	163.417	83.311
Total Inventory	**59.884.099**	**59.860.430**
II - Receivables:		
1) from customers	**59.122.376**	**58.926.331**
- from customers – within the next financial year	59.122.376	58.926.331
3) from associated companies	**37.269**	**2.101**
- from associated companies – within the next financial year	37.269	2.101
4) from parent companies	**5.870.300**	**6.851.097**
- from parent companies – within the next financial year	5.870.300	6.851.097
- from parent companies – after the next financial year		
5) from companies subject to the control of parent companies		**21.490**
- from companies subject to the control of parent companies – within the next financial year		21.490
5 bis) tax receivables	**9.895.907**	**11.213.830**
- tax receivables – within the next financial year	9.895.907	11.213.830
5 ter) deferred tax assets	**2.480.890**	**2.376.181**
- deferred tax assets - within the next financial year	2.480.890	2.376.181
5 quarter) from others	**1.800.345**	**2.135.444**
- from others - within the next financial year	1.800.345	2.135.444
Total Receivables	**79.207.087**	**81.526.474**
III - Current financial assets		
6) Other assets	5.644.452	4.219.014
Total current financial assets	**5.644.452**	**4.219.014**
IV - Liquid assets:		
1) Bank and post deposits	14.974.879	13.194.766
2) Cheques	19.051	2.993
3) Cash and valuables in hand	36.352	30.800
Total liquid assets	**15.030.282**	**13.228.560**
TOTAL CURRENT ASSETS (C)	**159.765.920**	**158.834.478**

BALANCE SHEET	31/12/2024	31/12/2023
D) ACCRUALS AND DEFERRALS		
- Accrual and Deferrals	807.816	1.144.343
TOTAL ASSETS	**280.826.171**	**284.657.279**
A) NET EQUITY		
I - Share capital	**21.000.000**	**21.000.000**
II - Share premium reserve	**19.324.088**	**19.324.088**
III - Revaluation reserves	**14.341.517**	**14.341.517**
IV - Legal reserves	**4.200.000**	**4.200.000**
V - Statutory reserves		
VI - Other reserves, separately indicated	**27.613.144**	**26.546.244**
foreign currency exchange reserve	-3.301.545	-3.075.469
group consolidation reserve	8.384.440	7.893.742
Other reserves	22.530.249	21.727.972
VIII - Profits (losses) carried forward	**33.842.094**	**30.044.889**
IX - Operating (loss) profit	**8.054.331**	**9.039.486**
X - Negative reserve for own shares in portfolio	**-2.721.734**	**-**
TOTAL NET EQUITY (A)	**125.653.440**	**124.496.223**
Share capital and reserves of third parties	6.860.520	6.906.398
TOTAL NET EQUITY AND SHARE CAPITAL AND RESERVES OF THIRD PARTIES	**132.513.960**	**131.402.622**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
1) For post-employment benefits	674.641	705.933
2) For taxes	1.563.595	1.260.632
3) Derivate financial instruments liabilities	251.743	15.973
4) Other	166.538	295.805
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	**2.656.517**	**2.278.343**
C) EMPLOYMENT SEVERANCE INDEMNITY	**7.876.531**	**7.346.056**

BALANCE SHEET	31/12/2024	31/12/2023
D) PAYABLES		
4) Payables to banks	**60.180.993**	**64.535.209**
- payables to banks – within the next financial year	35.399.966	41.949.287
- payables to banks – after the next financial year	24.781.026	22.585.922
5) Payables to other lenders	**9.414.179**	**11.004.178**
- payables to other lenders- within the next financial year	2.453.809	1.906.603
- payables to other lenders – after the next financial year	6.960.371	9.097.575
6) Advances	**475.927**	**634.556**
- advances – within the next financial year	475.927	634.556
7) Payables to suppliers	**36.867.928**	**37.259.512**
- payables to suppliers – within the next financial year	36.867.928	37.259.512
10) Payables to associates	**1.369.786**	**944.249**
- payables to associates – within the next financial year	1.369.786	944.249
11) Payables to parent companies	**1.835.133**	**2.020.438**
- payables to parent companies- within the next financial year	1.835.133	2.020.438
12) Tax payables	**5.917.473**	**5.259.778**
- tax payables – within the next financial year	5.917.473	5.259.778
13) Payables to social security and welfare institutions	**4.044.651**	**3.692.181**
- payables to social security and welfare institutions – within the next financial year	4.044.651	3.692.181
14) Sundry payables	**13.206.738**	**13.174.745**
- sundry payables – within the next financial year	11.043.267	11.651.308
- sundry payables – after the next financial year	2.163.471	1.523.437
TOTAL PAYABLES (D)	**133.312.808**	**138.524.847**
E) ACCRUALS AND DEFERRALS	**4.466.355**	**5.105.412**
- Accruals and deferrals	4.466.352	5.105.412
TOTAL LIABILITIES	**280.826.171**	**284.657.279**

INCOME STATEMENT	31/12/2024	31/12/2023
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	248.829.105	250.205.676
2) Variations in inventories of work-in progress, semi-finished and finished products	-441.431	-1.415.621
3) Variations in contract work in progress	77.060	-175.231
4) Increases in fixed assets for internal work	576.029	1.563.314
5) Other revenues and income:	3.572.846	5.771.784
- Operating grants	1.246.696	1.493.763
- Other Revenues and Income	2.326.150	4.278.021
TOTAL VALUE OF PRODUCTION (A)	**252.613.610**	**255.949.921**
B) PRODUCTION COSTS:		
6) For raw, ancillary materials, consumables and goods	90.915.774	98.197.588
7) For services	45.022.000	44.422.156
8) For leased assets	4.379.312	4.061.231
9) For personnel:	76.495.411	72.358.570
a) salaries and wages	55.499.544	52.665.210
b) social securities and welfare contributions	15.038.077	14.215.720
c) severance indemnity	2.515.282	2.273.372
e) other costs	3.442.508	3.204.268
10) amortization, depreciation and write-downs	16.846.829	18.417.473
a) amortization of intangible assets	3.618.646	3.026.930
b) amortization of tangible assets	12.868.260	14.660.758
c) other write-downs of fixed assets		1.225
d) write-downs of receivables included in current assets and liquid assets	359.923	728.561
11) Variations in inventories of raw, ancillary, consumables and goods	1.721.394	855.212
12) Provisions for risks	18.062	18.097
13) Other provisions		12.289
14) Other operating expenses	1.783.089	1.546.463
TOTAL PRODUCTION COSTS (B)	**237.181.871**	**239.889.079**
DIFFERENCE NETWEEN PRODUCTION VALUES AND PRODUCTION COSTS (A -B)	**15.431.739**	**16.060.842**

INCOME STATEMENT	31/12/2024	31/12/2023
C) FINANCIAL INCOME AND EXPENSES:		
15) Investment income:		
- from others	185.167	115.632
Total investment income	**185.167**	**115.632**
16) Other financial income:		
b) From securities included in fixed assets that do not constitute shareholdings	22.537	9.939
c) From securities included in current assets that do not constitute shareholdings	2.500	44.036
d) Income other than the above:	863.541	420.588
- from third parties	863.541	420.588
Total other financial income	**888.578**	**474.562**
17) Interests and other financial income:		
- from third parties	4.156.761	3.692.140
Total interests and other financial expenses	**4.156.761**	**3.692.140**
17 bis) foreign exchange profit and loss	-96.283	-570.276
TOTAL FINANCIAL INCOME AND EXPENSES (15+16-17+/- 17 bis)	**-3.179.299**	**-3.672.221**
D) VALUATION ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES:		
18) Write-ups:	196.349	723.242
- of shareholdings		426.271
- of financial fixed assets that do not constitute shareholdings	174.080	
- of securities included in current assets that do not constitute shareholdings	21.297	187.239
- of derivative financial instruments	972	109.732
19) Write-downs	251.743	15.973
- of derivative financial instruments	251.743	15.973
TOTAL VALUATION ADJUSTMENT TO FINANCIAL ASSETS AND LIABILITIES (18 -19)	**-55.394**	**707.269**
INCOME BEFORE TAXES (A - B+/- C +/- D)	**12.197.046**	**13.095.890**
20) Income taxes for the financial year, current, deferred and prepaid	3.335.786	2.935.493
- current taxes	3.046.061	2.899.363
- taxes on previous financial year		54.015
- deferred and prepaid taxes	289.725	-17.885
21) NET PROFIT (LOSS) including the share attributable to third parties	**8.861.260**	**10.160.397**
22) share of profit (loss) attributable to third parties	806.929	1.120.911
23) NET PROFIT (LOSS)	**8.054.331**	**9.039.485**

FINANCIAL STATEMENT	31/12/2024	31/12/2023
A. Cash flows from operating activities (indirect method)		
Operating income (loss)	**8.861.260**	**10.160.394**
Income taxes	3.335.785	2.935.494
Interest paid (interest income)	3.364.466	3.787.853
(Dividends)	-185.167	-115.632
(Capital gains/losses from the sale of assets	0	0
1. Net income (loss) before income taxes, interest, dividends and capital Gains/capital losses on disposal	**15.376.344**	**16.768.109**
Adjustments for non-monetary items that have no counterpart in net working capital		
Accruals for funds	18.062	30.386
Depreciation for fixed assets	16.486.906	17.687.687
Write-down (Write-ups) for impairment losses	0	0
Other adjustments for non-monetary items	55.394	-280.997
2. Cash flow before variations in net working capital	**31.936.706**	**34.205.185**
Variations in net working capital		
Decrease/(increase) of inventories	-23.666	2.158.491
Decrease/(increase) of receivables from customers. Associated and parent	771.074	-3.745.582
Decrease/(increase) of tax receivables and other receivables	1.653.025	-2.287.559
Decrease/(increase) of receivables for prepaid taxes	-104.708	-40.449
Increase/(decrease) of payables from suppliers, associated and parent	-151.352	-5.992.100
Increase/(decrease) of tax payables, social security and other payables	453.966	5.355.409
Decrease/(increase) of accruals	336.534	-485.158
Increase/(decrease) of deferrals	-639.066	1.731.025
Net variation in provisions for risks and charges	360.111	-80.412
Net variation in severance indemnity	530.474	472.531
Other variations in net working capital	-158.628	1.130.071
3. Cash flow after variations in net working capital	**34.964.470**	**32.421.452**
Other variations		
Interest received/(paid)	-2.652.559	-3.191.853
(Income taxes paid)	-3.335.785	-2.935.494
Dividends received	185.167	115.632
(Use of funds)	0	0
4. Cash flow after other variations	**-5.803.177**	**-6.011.715**
Cash flow from income management (A)	**29.161.293**	**26.409.737**

FINANCIAL STATEMENT	31/12/2024	31/12/2023
B. Cash flow from investing activities		
Tangible fixed assets		
(Investments)	-8.705.000	-15.128.000
Disinvestment realizable value	470.172	411.191
Intangible fixed assets		
(Investments)	-3.562.000	-10.254.000
Disinvestment realizable value	-17.697	894.291
Financial fixed assets		
(Investments)	-323.048	-441.402
Disinvestment realizable value	0	0
Non-fixed financial assets		
(Investments)	-1.425.437	0
Disinvestment realizable value	21.297	256.947
Acquisition or disposal of associated companies or business units net of liquid assets	*0*	*-4.055.000*
Cash flow from investing activities (B)	**-13.541.713**	**-28.315.973**
C. Cash flow from financing activities		
Third-party financing		
Increase (decrease) in financial payables	-4.671.325	-606.700
New financing	14.750.000	17.144.000
Financing refund	-16.734.799	-13.300.000
Net equity		
Paid increase in share capital	0	0
Sale (purchase) of own shares	-2.721.734	0
Dividends (and prepaid dividends) paid	-4.440.000	-4.440.000
Cash flow from financing activities (C)	**-13.817.858**	**-1.202.700**
Increase (decrease) in liquid assets (A ± B ± C)	**1.801.722**	**-3.108.936**
Liquid assets at the beginning of the period	**13.228.560**	**16.337.496**
Liquid assets at the end of the period	**15.030.282**	**13.228.560**
Increase (Decrease) in liquid assets	**1.801.722**	**-3.108.936**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form and Content of the Consolidated Financial Statements

Dear Shareholders,

the consolidated financial statements of the Metal Work Group as at 31.12.2024 submitted for your examination have been prepared in accordance with the provisions of Legislative Decree no. 127/1991, Chapter III, in implementation of the VII EEC Directive. The financial statements have been prepared by Metal Work S.p.A., the holding company of the industrial branch of the broader group headed by Metal Work Holding S.p.A. The company is required to prepare consolidated financial statements pursuant to Article 27, paragraph 3 of Legislative Decree No. 127/1991.

The cash flow statement shows the variations, positive or negative, in cash and cash equivalents occurring during the financial year and has been prepared using the indirect method, using the form provided for by accounting standard OIC 10. The balance sheet, income statement and cash flow statement have been drawn up in Euro units, without decimal numbers, while the values shown in the notes to the financial statements are expressed in thousands, unless otherwise specified. Items with a zero amount in both the current and the previous year are not shown in the financial statements.

If the information required by specific legal provisions is not sufficient to give a true and fair view, additional information deemed necessary for the purpose is provided. In particular, the following information has been provided in the Notes to the Financial Statements, in table format

- the reconciliation between the shareholders' equity and the operating income of the Parent Company and the shareholders' equity and the operating income of the consolidated financial statements;
- the transaction statement in the consolidated shareholders' equity.

As regards the Group's activities and relations with associated, controlling, jointly controlled and other related parties, please refer to the Management Report, prepared by the Parent Company's directors to accompany these consolidated financial statements.

Significant events occurring after the end of the financial year and the total amount of commitments, guarantees and contingent liabilities not disclosed in the balance sheet are shown in specific sections of these Notes.

Metal Work S.p.A., the parent company, is in turn controlled by Metal Work Holding S.p.A., with registered office in Concesio, which prepares the consolidated financial statements of the larger group of companies to which the Metal Work Group belongs. These consolidated financial statements are available at the company's registered office.

No exceptional cases have occurred that have led to exceptions to the application of the provisions of the regulations on consolidated financial statements aimed at obtaining the required true and fair representation. There were no exceptional cases that led to changes in the assessment criteria compared to the previous year, therefore, no recourse was made to the provisions of Article 2423 bis, paragraph 2 of the Italian Civil Code.

The financial statements have been prepared in a comparative manner with the values of the previous year. Pursuant to the provisions of Article 2423 of the Italian Civil Code, it is noted that the balance sheet and profit and loss account schedules provided for by Articles 2424 and 2425 of the Italian Civil Code, appropriately adjusted in accordance with Article 2, Paragraph 1 of Legislative Decree 127/91, together with the cash flow statement, provide sufficient information to give a true and fair view of the group's financial position and consolidated operating income.

The consolidated financial statements have been audited by KPMG S.p.A. pursuant to Article 2409 bis of the Italian Civil Code.

Information on the Group and shareholdings in companies consolidated

The consolidated financial statements of the Metal Work Group include the financial statements of Metal Work S.p.A. (hereinafter also referred to as the 'Parent Company') and those of the subsidiaries in which the Parent Company holds a controlling interest pursuant to Article 26 of Legislative Decree 127/91.

As at 31 December 2024, the companies included in the consolidation area using the line-by-line method pursuant to Article 38, paragraph 2, letter a) of Legislative Decree 127/91 are the following:

Company	Location	Share capital in currency
Metal Work Service S.r.l.	Brescia	150.000 €
Metal Work Service S.r.l.	Oggiono (LC)	99.000 €
Metal Work Service S.r.l.	Arcore (MB)	99.000 €
Metal Work Service S.r.l.	Verdellino (BG)	99.000 €
Metal Work Service S.r.l.	Bologna	50.000 €
Metal Work Service S.r.l.	Cremona	90.000 €
Metal Work Service S.r.l.	Modena	50.000 €
Metal Work Service S.r.l.	S.Pietro Mosezzo (NO)	50.000 €
Metal Work Service S.r.l.	Parma	99.000 €
Metal Work Service S.r.l.	Coriano (RN)	99.000 €
Metal Work Service S.r.l.	Paese (TV)	80.000 €
Metal Work Service S.r.l.	Marano (VI)	99.000 €
Metal Work Service S.r.l.	S.Giorgio Bigarello (MN)	90.000 €
Metal Work Service S.r.l.	Verona	50.000 €
Metal Work Service S.r.l.	Corato (BA)	25.000 €
Metal Work Service S.r.l.	Rivalta (TO)	99.000 €
Metal Work Service S.r.l.	Prato	90.000 €
Eurofit S.r.l.	Cazzago S.Martino (BS)	100.000 €
Alfa Meccanica S.r.l.	Treviolo (BG)	500.000 €
Meridian S.r.l.	Cazzago S.Martino (BS)	80.000 €
Assemblaggi Ind.li S.r.l.	Concesio (BS)	80.000 €
Tecnopolimeri S.r.l.	Concesio (BS)	80.000 €
Fluid Force S.r.l.	Bedizzole (BS)	50.000 €
Metal Work Automation S.r.l.	Concesio (BS)	20.000 €
VDM S.r.l.	Concesio (BS)	50.000 €
Eurocomp Holding S.r.l.	Concesio (BS)	200.000 €
Metal Work Pneumatic UK Ltd	Milton Keynes	£60.000
Metal Work France S.a.r.l.	Saint Thibault des Vignes	300.000 €
Metal Work Deutschland Pneumatic Gmbh	Landsberg	600.000 €
Metal Work Nederland B. V.	Ede	150.000 €
Metal Work Sverige AB	Vellinge	300.000 kr
Metal Work Iberica S.A.	Barberà del Valles	600.000 €
Metal Work Danmark A/S	Greve	kr 1.000.000
Metal Work Pneumatic (Thailand) Company Ltd	Nonthaburi	THB 1.000.000
Metal Work Pneumatic U.S.A. Inc.	Arlington Texas	$200.000
Metal Work Pneumatic (M) Sdn Bhd	Selangor	R250.000
Metal Work Polska Sp. Z o.o.	Poznan	200.000 zł
Metal Work Finland Ltd	Jarvenpaa	70.000 €
LLC Metal Work Ukraine	Kiev	11.896.367 UAH
Metal Work PneumaticAustralia Pty. Limited	Dandenong South	19 AUD
Metal Work Pneumatic Components (Shangai) Ltd	Shangai	¥5.925.177
Metal Work Partecipacoes Societarias Ltda	San Leopoldo	R$ 24.000.000
Metal Work Pneumatic India Private Ltd	Bangalore	IDR 11.055.050
Metal Work Pneumatik Gmbh	Frauenfeld	CHF 100.000
Metal Work Pneumatic CZ s.r.o.	Ostrava	CZK 2.000.000,00
O.O.O. Metal Work Pneumatic	Mosca	RUR 32.000.000
PT Metal Work Pneumatic	Tangerang	INR 7.870.800.000
Metal Work Pneumatic South Africa (Pty) Ltd	Durban	ZAR 16.317.601
Metal Work Pneumatic Srl	Timis	670.000 RON
Metal Work Pneumatic PT Ltd	Singapore	150.000 SDG
Metal Work Pneumatic Vietnam	Tu Son City	5.840.000.500 VND


METAL

During 2024, the company proceeded to:

- capitalize Eurocomp Holding S.r.l. for €2,150,000 to finance the investment plan relating to the company which acquired the following during the financial year:

    - 75% of the shares representing the share capital of Brixia Compressori S.r.l., based in Brescia;
    - 100% of the shares representing the share capital of Ariem Compressori S.r.l., based in Modena.

- to make capital payments relating to:

    - Metal Work Finland Ltd, based in Finland, for €152,000;
    - Metal Work Pneumatic Vietnam, based in Vietnam, for €144,000;
    - Metal Work Service S.r.l., based in Bologna, for €100,000

The above shareholdings are held directly by the parent company Metal Work S.p.A. without the use of a trust company or intermediary.

As of 31 December 2024, the companies included in the scope of consolidation on a line-by-line basis pursuant to Article 38, paragraph 2, letter a) of Legislative Decree 127/91, through Eurocomp Holding S.r.l., are as follows::

Company	Location	Share capital in currency
Crc Compressori S.r.l.	Cesena	20.000 €
Cmc Costruzioni Macchine Compressori S.r.l.	Parma	95.000 €
Eurocomp S.r.l.	Oggiono (LC)	100.000 €
Compressori Service S.r.l.	Crevalcore (BO)	70.000 €
Brixia Compressori S.r.l.	Brescia	40.000 €
Ariem Compressori S.r.l.	Modena	90.000 €

In addition, the Parent Company indirectly owns:

- Metal Work Portugal Lda, wholly owned by Metal Work Iberica, SA;
- Metal Work Pneumatic Brasil Lda, 85% owned by Metal Work Partecipacoes Societarias Lda;
- American Cylinder, wholly owned by Metal Work Pneumatic USA;
- Bonomi Facchetti S.r.l., 92% owned by Metal Work Service S.r.l., based in Brescia.
- Metal Work Service S.r.l. with legal office in Brescia

There are no companies consolidated using the proportional method pursuant to Article 37 of Legislative Decree 127/91.

Pursuant to Article 39, paragraph 3 of Legislative Decree 127/91, we declare that there have been no further changes in the composition of the companies included in the consolidation during the year.

The reference date of the consolidated financial statements and the closing dates of the financial statements to be consolidated coincide with those of the Parent Company and most of the companies included in the consolidation; in particular, the subsidiary Metal Work Pneumatic India Private, which closes its financial statements on 31 March, has been consolidated on the basis of an interim annual financial statements, referring to the date of the consolidated financial statements.

Information aimed at presenting a true and fair financial statements

The financial statements adopted comply with the provisions of Legislative Decree 127/91. The financial statements have been drawn up clearly and give a true and fair view of the financial position and the operating income of all the companies included in the scope of consolidation.

Consolidation criteria and procedures

The consolidated financial statements have been prepared according to the financial statements approved by the shareholders' meetings or administrative bodies of the consolidated companies, adjusted, where necessary, to let them comply with the Group's accounting principles, or on the basis of the financial information (so-called 'reporting package') transmitted by the consolidated companies and prepared in accordance with the instructions of the Parent Company.

The accounting principles adopted for the preparation of the consolidated financial statements are those adopted by the Parent Company for the preparation of the annual financial statements or those adopted by the main consolidated companies, with the exception of the principle of assessment of investments in associated companies using the equity method instead of the cost method and the accounting treatment of leased assets, as showed later in these notes.

Assets and liabilities with identical or similar names and contents, which appear in the financial statements of Group companies and are to be included in the same items of the consolidated financial statements, are assessed according to uniform criteria.

The consolidated financial statements provide for the consolidation of the values of the assets, liabilities, costs, revenues and cash flows of the companies directly and indirectly controlled by the parent company according to the full consolidation method.

Subsidiaries are consolidated using the line-by-line method. The main criteria adopted for the application of this method are as follows:

a) the elimination of the book value of the individual consolidated investments against the corresponding fraction of shareholders' equity less the portion due to minority shareholders, against the assumption of all assets and liabilities, as well as income and expenses of the subsidiaries;
b) the elimination of accounts payable and receivable and of all transactions between consolidated companies;
c) the elimination of profits and losses arising from commercial or financial transactions between group companies, net of the deferred tax assets and liabilities
d) the elimination of income and expenses for transactions between the companies themselves
e) the recording of the excess between the purchase cost of the investment and the relative share of the net equity of the consolidated company at the date of acquisition in a specific item of the consolidated assets called "goodwill", where it has not been possible to allocate it to the assets of the consolidated company

f) the amortization of the value of the asset denominated "goodwill";
g) the recording, at the date of first consolidation, of the lower book value of the investment compared to the portion of shareholders' equity of the consolidated company in a specific item of consolidated shareholders' equity called "consolidation reserve".

The consolidation difference was not offset, not even explicitly, against the consolidation reserve; since no unfavourable economic results were expected, the lower book value of the shareholding was never allocated to the consolidation reserve for future risks and charges.

Associated companies were consolidated using the equity method. The main criteria adopted for the application of this method provide for:

a) the maintenance in the consolidated financial statements of the item "shareholdings" referring to the associated companies included in the consolidation;
b) the adjustment of the value of the shareholding to the share of adjusted shareholders' equity of the associated company, with reference to the financial statements as at 31.12.2024.

Information on accounting postulates and assessment criteria

The Financial Statements of the subsidiaries have been prepared using classification criteria that are uniform to those of the parent company.
The assessment criteria adopted in the assessment of the various items comply with the provisions set forth in Article 2426 of the Italian Civil Code. The criteria used for the assessment of the value classes in the consolidated financial statements do not differ from those applied in the previous year and are shared by us. The assessment of the items in the financial statements was inspired by the general criteria of prudence and accrual, with a view to business continuity; the recognition and presentation of the items was carried out considering the content of the transaction or contract, where compatible with the provisions of the Italian Civil Code and the OIC accounting principles.

Pursuant to Article 2423-ter of the Italian Civil Code, it should be noted that no grouping of items in the balance sheet and profit and loss account was performed.

In preparing the consolidated financial statements, the following postulates were adopted, which were also used in the financial statements of the individual consolidated companies

the principle of prudence, indicating only profits accomplished at the end of the financial year and risks pertaining to the same year, even if known after the end of the financial year

the going concern principle, according to which the assessment criteria adopted assume a prospect of continuation of the company's business.

the accrual principle, according to which the effect of transactions and events is recognized in the accounts and attributed to the financial year to which these transactions and events refer and not to the year in which the relative cash entries were accomplished.

The postulates of consistency in assessment criteria, relevance and comparability of information have also been respected.
In application of the before-mentioned postulates:

the assessment of the elements forming the individual items of assets or liabilities was carried out separately, to prevent the gains of some elements from offsetting the losses of others. In particular, gains were included only if they were realized by the closing date of the financial year, while risks and losses pertaining to the financial year were taken into account, even if they became known after the closing date;

- account was taken of income and expenses pertaining to the financial year regardless of the date of receipt or payment. The accrual period is the time criterion by which positive and negative income components are charged to the income statement for the purpose of determining the result for the year;

- the directors carried out a prospective assessment of the company's capacity to constitute a functioning economic complex aimed at producing income for a foreseeable future period of at least twelve months from the balance sheet date. The assessment carried out did not identify any significant uncertainties with regard to this capacity;
- the identification of rights, obligations and conditions was based on the contractual terms of the transactions and their comparison with the provisions of the accounting standards to verify the correctness of the recognition or derecognition of balance sheet and income statement items;
- the assessment criteria were not changed compared to the previous year in order to obtain a homogeneous measurement of the company's performance over the years.

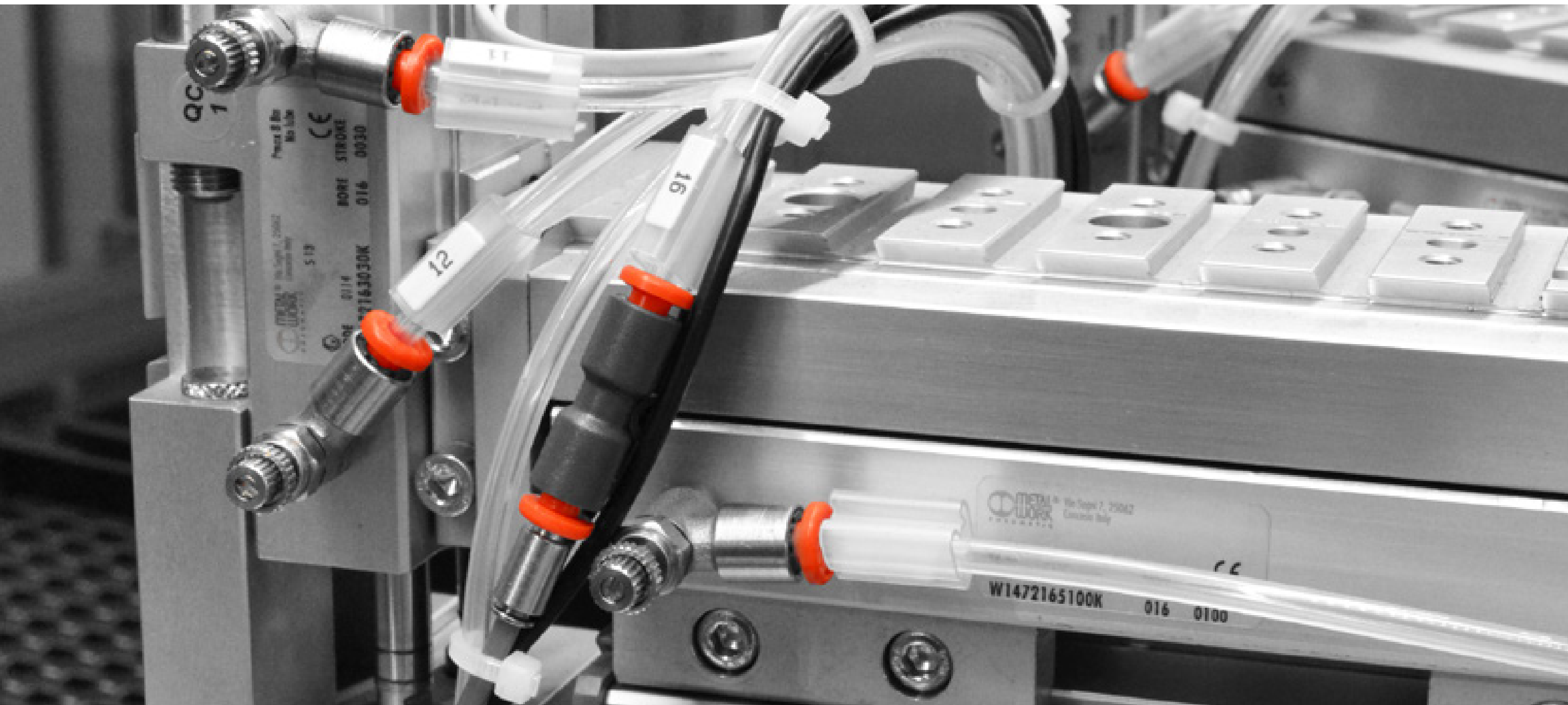
ASSESSMENT CRITERIA OF THE BALANCE SHEET ITEMS

The assessment criteria have not been changed from the previous financial year in order to obtain a consistent measurement of the Company's results over successive financial years, except for the application of the new accounting standard OIC 34 'Revenues' in force from this financial year.

Intangible fixed assets

Intangible fixed assets are entered at purchase or production cost, including ancillary charges, while those transferred have been entered according to their appraisal value. The amounts are net of amortization, which has been calculated on a straight-line basis in relation to the residual possibility of utilization. More precisely, intangible fixed assets are amortized according to the following criteria, unchanged from the previous year:

Asset	Depreciation period
Start-up and expansions costs:	Depreciation period: 5 years
Patent rights and intellectual property rights	Depreciation period: 3/5 years
Development costs	Depreciation period: 4 years
Trademarks	Depreciation period: 10/20 years
Goodwill arising from acquisitions	Depreciation period: 10 years
Goodwill	Depreciation period: 10 years
Other intangible fixed assets	Depreciation period: 5 years or on the remaining term of the underlying contract



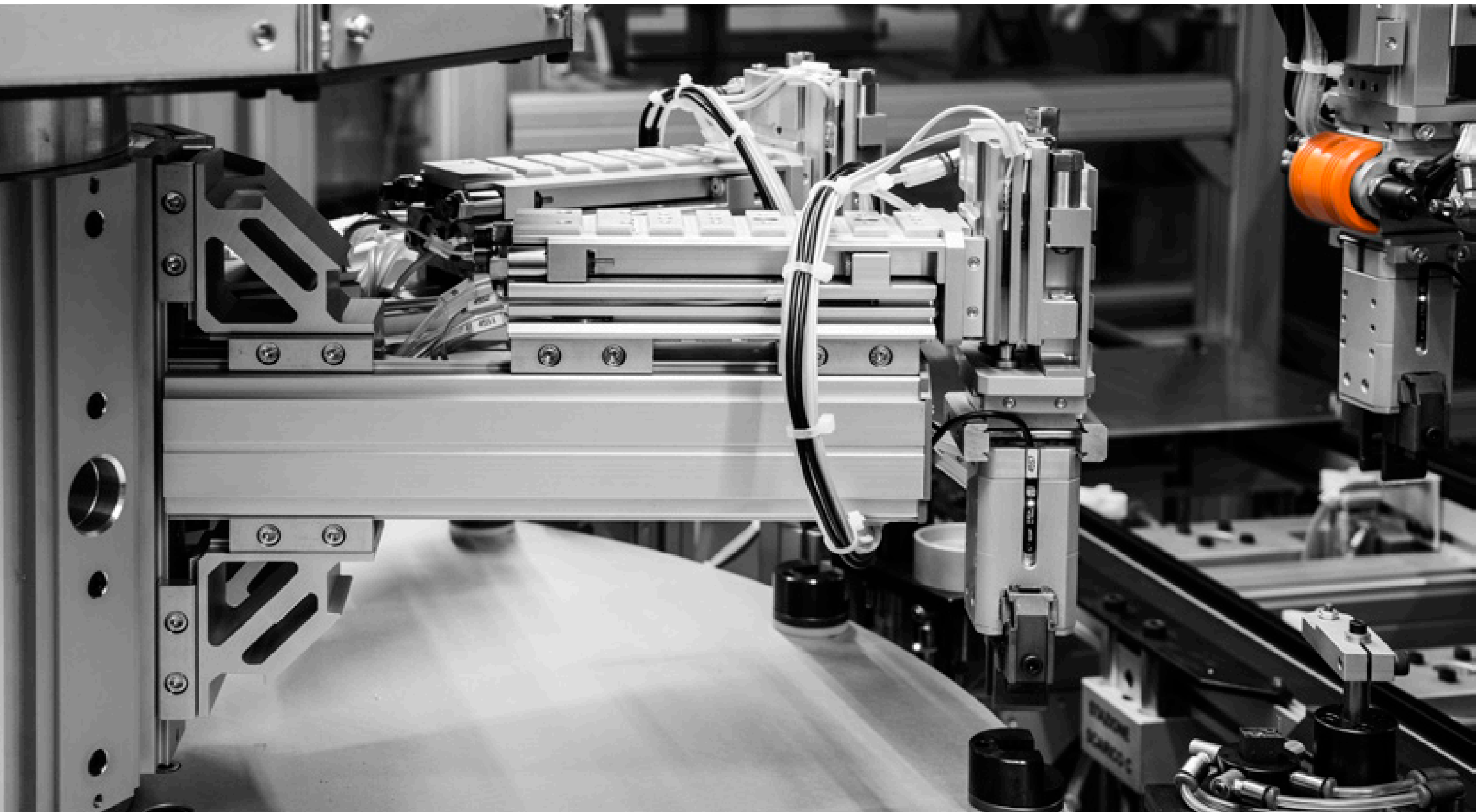
Tangible fixed assets

Tangible fixed assets are entered at purchase or production cost, including directly attributable ancillary charges, increased by any monetary write-ups pursuant to law; the tangible fixed assets transferred have been entered according to their appraisal value; there are no cases in which the value of tangible fixed assets is permanently lower than their book value.

Depreciation charged to the profit and loss account has been calculated on a straight-line basis at rates deemed representative of the estimated useful economic-technical life of the assets.

The following table shows the depreciation rates used by the group, which have not changed since the previous year:

Asset	Rate
Buildings	3%
Specific and general plants	10%
Ordinary and automated machinery	10%
Equipment	10%
Molds	20% - 25%
Gauges / Tools	18%
Electronic machineries	25%
Ordinary office machines	20% - 25%
Vehicles	10% - 12%
Transport means	25%
Furniture	20%
Telephone systems	20%



Tangible fixed assets acquired through finance leases have been accounted for in accordance with IAS 17, which requires such assets to be recognised under tangible fixed assets at the purchase cost incurred by the leasing company, amortised at the rates applicable to the respective assets. Conversely, the item 'Payables to other lenders' includes the payables to the lessor for an amount equal to the principal amount of the lease payments due; the amortisation and charges for the year are recognised in the income statement in place of the lease payments made.

Concerning permanent impairment, at each reporting date, the company assesses whether there are any indications that tangible and intangible assets may have suffered permanent impairment. If such evidence exists, the carrying amount of the assets is reduced to their recoverable amount, understood as the higher of fair value (fair value) net of selling costs and its value in use. When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. The value in use of an asset is calculated by determining the present value of the expected future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Any impairment loss is reversed if the reasons that led to it no longer exist. The reversal of the impairment loss cannot exceed the value that would have been determined if no impairment loss had been recognized. No reversal is made on goodwill and long-term charges.

The tangible fixed assets of the Parent Company and consolidated companies are revalued, within the limits of their recoverable value, only in cases where the law of the countries of reference so provides and permits.

The useful life of the assets, verified by the directors, is adequate and consistent with the specific characteristics and prospects for use of each asset in the company's production context, and is based on analyses and estimates made by the directors themselves.

Financial fixed assets

Financial fixed assets, consisting of securities and minor shareholdings, are entered at purchase cost, adjusted in cases of presumed lower realizable value or impairment.

Financial fixed assets include associating shareholdings, assessed using the equity method.

Inventory

Closing inventories are assessed at the lower of purchase and production cost and the corresponding realizable value that emerges from market trends (understood as replacement value for raw materials or net market value for finished products). More specifically, the cost of fungible goods was determined by applying the LIFO method on an annual basis. The value of the final inventories of the subsidiaries distributing the Metal Work product was adjusted by the contribution margin realized by the parent company existing on the same products. The tax effect resulting from this adjustment has been appropriately entered under "Deferred tax assets".

For internally produced goods, the manufacturing cost includes the costs of raw materials, materials, energy, direct labor as well as production and industrial overheads, for the shares reasonably attributable to the products. For semi-finished products and work in progress, the manufacturing cost is determined considering the stage of production reached.

Receivables

Receivables entered the balance sheet represent rights to collect, at an identified or identifiable maturity, fixed or determinable amounts of cash from customers or other parties. Receivables are recognized at amortized cost, considering the time factor and their estimated realizable value.

Discounts and allowances of a financial nature, which did not contribute to the determination of the estimated realizable value because they were not foreseeable at the time of initial recognition of the receivable, are recognized at the time of collection as financial expenses.

The criterion of amortized cost is not applied in cases where its effects are insignificant, generally for short-term receivables or when the transaction costs, commissions paid between the parties and any other differences between the initial value and the value at maturity of the receivable are insignificant.

Trade receivables with maturities beyond 12 months from initial recognition, without interest payments or with contractual interest rates significantly different from market interest rates, are initially recognized at the value determined by discounting future cash flows at the market interest rate. The difference between the initial recognition value of the loan determined in this manner and the forward value must be recognized in the income statement as financial income over the life of the loan using the effective interest rate method.

With reference to the estimated realizable value, the carrying amount of receivables is adjusted by means of an allowance for doubtful accounts to consider the probability that the receivables have lost value. For this purpose, indicators, both specific and based on experience and any other useful element, are considered that make it likely that the receivables will be impaired. The impairment allowance is estimated by analysing individually significant receivables and at portfolio level for the remaining receivables, determining the losses that are expected to be incurred on receivables outstanding at the balance sheet date.

Financial Assets Not Constituting Fixed Assets

Securities entered on the assets side of the balance sheet and having the nature of a non-durable investment were assessed at the lower of the specific purchase or subscription cost and the value inferable from market trends at year-end. The write-downs necessary to adjust the cost to the market value were accounted for in a provision accounted as a direct adjustment of the securities' values.

Liquid assets

They represent the positive balances of bank and postal deposits, cheques, and cash on hand at the close of the financial year. Bank and postal deposits and cheques are valued at their presumed realizable value, cash and cash equivalents on hand at nominal value while foreign currency balances are valued at the exchange rate in force at the end of the financial year.

Accruals and deferrals

Accrued income and prepaid expenses represent shares of income and costs respectively pertaining to the financial year that will financially manifest themselves in subsequent years.

Prepayments and deferrals represent shares of costs and income, respectively, that have had a financial impact during the year or in previous years, but which will be entered in one or more subsequent years. Therefore, only shares of costs and income common to two or more financial years, the amount of which varies according to physical or economic time, are accounted under these headings.

At the end of each financial year, the conditions that determined their initial entering are verified and, if necessary, adjustments are made. In addition to the passage of time, for accrued income the presumed realizable value is considered while for prepaid expenses the existence of the future economic benefit related to the deferred costs is considered.

Provisions for liabilities and charges

Provisions for risks and charges represent liabilities of a definite nature, certain or probable, with an indefinite date of occurrence or amount. In particular, the provisions for risks represent liabilities of a definite nature and probable existence, the values of which are estimated, while the provisions for charges represent liabilities of a definite nature and certain existence, the amount or date of occurrence of which is estimated, connected with obligations already assumed at the date of the financial statements, but which will have a cash impact in subsequent years.

Provisions for liabilities and charges are accounted in priority in the income statement items of the relevant classes, the criterion of classification by nature of costs prevailing. The amount of provisions to reserves is measured by reference to the best estimate of costs, including legal expenses, at each balance sheet date and is not discounted.

Subsequent usage of the provisions is made directly and only for those expenses and liabilities for which the provisions were originally established. Any negative differences or surpluses with respect to the charges actually incurred are accounted in the income statement consistently with the original provision.

Severance Indemnity

The severance indemnity fund (Italian TFR) represents the benefit to which the employee is entitled in any case of termination of employment, pursuant to Article 2120 of the Italian Civil Code and considering the regulatory changes made by Law 296/2006. It corresponds to the total indemnity accrued, considering all forms of remuneration of a continuous nature, net of advances paid, and partial advances paid pursuant to collective or individual agreements or company agreements for which reimbursement is not required, as well as net of portions transferred to supplementary pension funds or to the treasury fund managed by INPS (Italian National Social Security Institute).

The liability for termination benefits is equal to the amount that would have been payable to employees if the employment relationship had terminated at the balance sheet date. Amounts of TFR relating to employment relationships terminated at the date of the financial statements and whose payment is made in the following year are classified as payables

Payables

Payables are liabilities of a definite nature and certain existence that represent obligations to pay fixed or determinable amounts of cash to lenders, suppliers and other parties. Payables are classified according to their nature (or origin) with reference to ordinary operations regardless of the time within which the liabilities are to be settled.

Payables arising from the purchase of goods are accounted when the production process of the goods is completed and the substantial transfer of title has occurred, assuming the transfer of risks and rewards. Payables related to services are accounted when the services are received, i.e. when the service has been rendered. Loan payables and those arising for reasons other than the acquisition of goods and services are accounted when the Company's obligation to pay the counterparty arises. Payables for advance payments from customers are accounted when the right to collect the advance payment arises.

The criterion of amortized cost is not applied in cases where its effects are insignificant, generally for short-term payables or when the transaction costs, commissions paid between the parties and any other difference between the initial value and the value at maturity of the debt are insignificant.

Foreign currency transactions, assets and liabilities

Assets and liabilities arising from a foreign currency transaction are initially accounted in euros by applying to the foreign currency amount the spot exchange rate between the euro and the foreign currency at the date of the transaction.

Monetary items in foreign currencies, including provisions for risks and charges related to foreign currency liabilities, are translated into the balance sheet at the spot exchange rate at the end of the reporting period. The related exchange rate gains and losses are charged to the profit and loss account for the year.

Assets and liabilities in foreign currencies of a non-monetary nature remain recorded in the balance sheet at the exchange rate at the time of their acquisition, and therefore positive or negative exchange rate differences do not give rise to an autonomous and separate recognition.

Any net profit resulting from the exchange rate adjustment of monetary items in foreign currencies contributes to the formation of the result for the year and, upon approval of the financial statements and consequent allocation of the result, is recorded in a special non-distributable reserve. If the net result for the year is less than the unrealized gain on foreign currency items, the amount accounted in the non-distributable reserve is equal to the result for the year.

Revenues and costs

Revenues and income, costs and charges are accounted net of returns, discounts, allowances and premiums, as well as taxes directly related to the sale of products and the provision of services, in accordance with the principles of accrual basis accounting and prudence. Revenues from the sale of goods are accounted when the production process of the goods has been completed and the exchange has already taken place, i.e. the substantial and non-formal transfer of title has taken place, taking the transfer of risks and benefits as the reference parameter. Revenues for services are accounted when the service is rendered, i.e. the service has been performed.

Revenues and income, costs and expenses related to foreign currency transactions are determined at the spot exchange rate on the date the related transaction is completed.

Starting from the current financial year, the Company has applied accounting standard OIC 34 'Revenue' issued in April 2023 by the Italian Accounting Body. The standard applies to all transactions involving the recognition of revenues from the sale of goods and the provision of services, regardless of their classification in the income statement, with the exception of work in progress on orders and certain specific types of revenues. An analysis of the impact of the new accounting standard, considering the type of contracts entered into by the company with its customers, showed that the application of OIC 34 has no significant effect on the recognition of revenues and subsequent valuations.

Revenue from the sale of goods and the provision of services is recognised in accordance with the accounting model introduced by OIC 34, which is divided into the following stages:

a) determination of the total price,
b) identification of the basic unit of accounting,
c) measurement of the basic units of accounting,
d) recognition of revenue.

The total price is defined at the time of the order. Any additional payments are included in the total sale price only when they become reasonably certain. Discounts, rebates, penalties and returns are recognised as reductions in revenue. The Company determines the basic units of accounting, i.e. whether a single sale may give rise to multiple rights and obligations to be recognised separately in relation to the individual goods, services or other benefits promised to the customer.

After determining the value of the basic individual units of accounting, the Company recognises revenue in the financial statements on an accrual basis when both of the following conditions are met:

a) the substantial transfer of the risks and rewards associated with the sale has taken place;
b) the amount of revenue can be measured reliably.

Income taxes

Current taxes are calculated according to a realistic forecast of taxable income for the year, determined in accordance with tax legislation, and applying the tax rates in force at the balance sheet date. The related tax liability is accounted in the balance sheet net of payments on account, withholdings and tax credits that can be offset and for which reimbursement has not been requested; if payments on account, withholdings and credits exceed the taxes due, the related tax credit is accounted. Tax receivables and payables are valued according to the amortized cost criterion, unless they are due within 12 months. Deferred and prepaid income taxes are calculated on the cumulative amount of all temporary differences existing between the values of assets and liabilities determined according to civil law valuation criteria and their accounted value for tax purposes, which are destined to be cancelled in subsequent years.

Deferred taxes related to transactions that directly affected equity are not initially accounted in the income statement but accounted in the provisions for risks and charges by reducing the corresponding equity item.

Deferred tax assets on deductible temporary differences and on the benefit related to the carry-forward of tax losses are accounted and maintained in the financial statements only if there is reasonable certainty of their future recovery, through the forecast of taxable income or the availability of sufficient taxable temporary differences in the years in which the deferred tax assets will reverse.

A deferred tax asset that was not accounted or reduced in prior periods because the requirements for its recognition or retention were not met, is accounted or reversed in the period in which those requirements are met.

Conversion of financial statements of foreign companies

The conversion into euros of the financial statements of the foreign companies included in the consolidation is carried out by applying the current exchange rate method; therefore, assets and liabilities are valued at the exchange rate in force at the balance sheet date, shareholders' equity at the historical formation rate, and the values of the income statement are valued at the average exchange rate for the year. The difference generated by the conversion of financial statements in foreign currencies, following the application of this method, has been allocated to a net equity reserve called "reserve from conversion difference", which is reflected in the net equity of the consolidated companies. The table below shows the average and latest exchange rates used for foreign currencies:

currency	exchange rate as at 31/12/2024	average exchange rate 2024	exchange rate as at 31/12/2023	average exchange rate 2023
AUD	1,677	1,640	1,626	1,629
BRL	6,425	5,828	5,362	5,401
CHF	0,941	0,953	0,926	0,972
CNY	7,583	7,787	7,851	7,660
CZK	25,184	25,120	24,724	24,004
DKK	7,458	7,459	7,453	7,451
GBP	0,829	0,847	0,869	0,870
IDR	16.975,880	17.248,150	17.079,710	16.479,620
INR	88,933	90,556	91,905	89,300
MYR	4,645	4,950	5,078	4,932
PLN	4,275	4,306	4,340	4,542
RON	4,974	4,975	4,976	4,947
RUB	114,736	105,000	97,726	95,000
SEK	11,459	11,433	11,096	11,479
SGD	1,416	1,446	1,459	1,452
THB	35,676	38,181	37,973	37,631
UAH	43,686	43,490	41,996	39,540
USD	1,039	1,082	1,105	1,081
VDN	27.529,000	27.151,330	26.808,000	26.645,000
ZAR	19,619	19,830	20,348	19,955

INFORMATION ON SPECIFIC ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNT CLASSIFICATION

ASSETS

B I) Intangible fixed assets:

Intangible fixed assets amount to €15,024,000 (2023: €15,063,000). Investments in intangible fixed assets made during the 2024 financial year amount to €3,562,000, including investments in goodwill relating to acquisitions.

Variations in intangible fixed assets during the financial year are shown below.

	Initial value	Depre-ciations	Mergers and acquisi-tions	Decrea-ses (-)	Increases (+)	Changes in conso-lidation perimeter	Exchange rate differen-ce	Other variations	Final value
Start-up and expansion costs	3	1	0	0	0	0	0	0	2
Development costs	690	325	0	0	261	0	0	0	625
Industrial Patent and Intellectual Property Rights	2.237	891	4	1	445	0	-12		1.784
Concessions, licenses, trademarks and similar rights	70	6	0		1	0			65
Goodwill	11.280	1.445	0	0	2.277	0	82	0	12.194
Assets under construction and advances	10	0	0	-8	0	0	0	0	2
Others	772	939	20	-78	578	4	11	-13	352
Total	**15.063**	**3.608**	**24**	**-85**	**3.562**	**4**	**81**	**-13**	**15.024**

The "*Development costs*" incurred during the financial year amounted to €261,000 and relate to expenses incurred for the development of new products from which positive results are expected in future financial years.

Investments made in 2024 in '*Concessions, licences and trademarks*' and patent and intellectual property rights amounted to €446,000 (2023: €1,609,000) and relate to investments for the implementation of software dedicated to business process management as part of the Group's IT restructuring.

Goodwill recognised in the financial statements amounted to €12,194 thousand as at 31 December 2024 (2023: €11,280 thousand) and consists of the consolidation difference of €11,378 thousand generated during the initial consolidation of the subsidiaries, plus the goodwill recognised by Metal Work Service S.r.l., based in Oggiono, upon acquisition of the business unit of RGF S.n.c. and Blu Air S.r.l., and the goodwill generated by Metal Work Automation S.r.l. following the merger with Duebi S.r.l..

The following table provides, in thousands of Euro, the time breakdown of the formation of the net book value of the consolidation difference:

	from acquisitions 2017-2020	from acquisitions 2023	from acquisitions 2024	Total
American Cylinder	1.168			1.168
Eurocomp Holding Group		5.613	2.194	7.807
30% Acquisition Metal Work Nederland		1.994		1.994
Bonomi & Facchetti		386		386
Other minor companies	23			23
Total	**1.191**	**7.993**	**2.194**	**11.378**

The increase in '*Other intangible fixed assets*' mainly refers to modernisation and improvements to third-party assets.

B II) Tangible fixed assets:

'*Tangible fixed assets*' amount to 100,802 Euro/000 (2023: 105,435 Euro/000). Investments in tangible fixed assets made during the 2024 financial year amount to 8,569 Euro/000, net of advances. Entries in tangible fixed assets during the financial year are shown below:

	Initial value	Deprecia-tion	Mergers and ac-quisitions	Decreases (-)	Increases (+)	Changes from con-solidation	Exchange rate diffe-rence	Other variations (+/-)	Final value
Land and buildings	58.795	1.902		-222	2.388	-4	148	4	59.208
Plant and machinery	34.657	6.915	23	-67	2.238		42		29.978
Industrial and commer-cial equipment	7.932	3.033	16	-10	2.831		14		7.750
Other assets	2.927	1.018	10	-172	1.112		13	-37	2.834
Assets under con-struction and advances	1.125			-17	136		0	-210	1.033
Total	**105.435**	**12.868**	**49**	**-489**	**8.705**	**-4**	**218**	**-244**	**100.802**

Investments in land and buildings amounted to €2,388,000, mainly relating to improvements to the industrial complex in Concesio and to the building owned by the Polish and Czech subsidiaries.

Investments in '*Plant and machinery*', amounting to €2,238,000, were mainly made by Metal Work S.p.A. and Alfa Meccanica S.r.l. as part of the technological renewal in line with 'Industry 4.0'.

The investment in '*Industrial and commercial equipment*', amounting to €2,831,000, was mainly made by Metal Work S.p.A..

Investments of €1,112 thousand are recorded under '*Other assets*'.

The item 'Fixed assets under construction and advances' includes amounts paid by the Parent Company as advances for the supply of machinery and equipment.

As at 31 December 2024, the properties in the 'ex-Pedrini' segment owned by the Parent Company are encumbered by a mortgage securing a loan issued by Cassa Centrale in pool with Credito Cooperativo di Brescia for a total residual value of just over €6.3 million.

Assets acquired through finance leases, even if redeemed, are accounted for in accordance with IFRS 16. Details of the assets are provided below, distinguishing between those owned and those leased:

		Gross value	Accumulated depreciation	Net value	Depreciation
Owned assets		221.621	152.066	69.555	10.980
Leased assets:					
	Buildings	43.019	16.365	26.654	878
	Plants and machinery	12.478	8.918	3.560	1.010
	Total	**277.118**	**177.349**	**99.769**	**12.868**

B III) Financial fixed assets:

'*Financial fixed assets*' amount to €4,427,000 (2023: €4,181,000), with a variation of €246,000 compared to the previous financial year, as shown in the table below:

	Current year	Previous year	Variation
Shareholdings in associated companies	3.086	2.912	174
Shareholdings in other companies	58	44	14
Receivables from others	921	916	5
Other securities	219	6	213
Financial derivative assets	144	303	-159
Total	**4.427**	**4.181**	**246**

Shareholdings in associated companies and other companies

'*Investments in associated companies*' amount to Euro 3,086/000 (2023: 2,912 Euro/000) and refer to the investment in Signal S.r.l. and AR Vacuum, both valued using the equity method.

'*Investments in other companies*' amount to Euro 58/000 (2023: 44 Euro/000), a variation of Euro/000 compared to the previous year.

Receivables from others

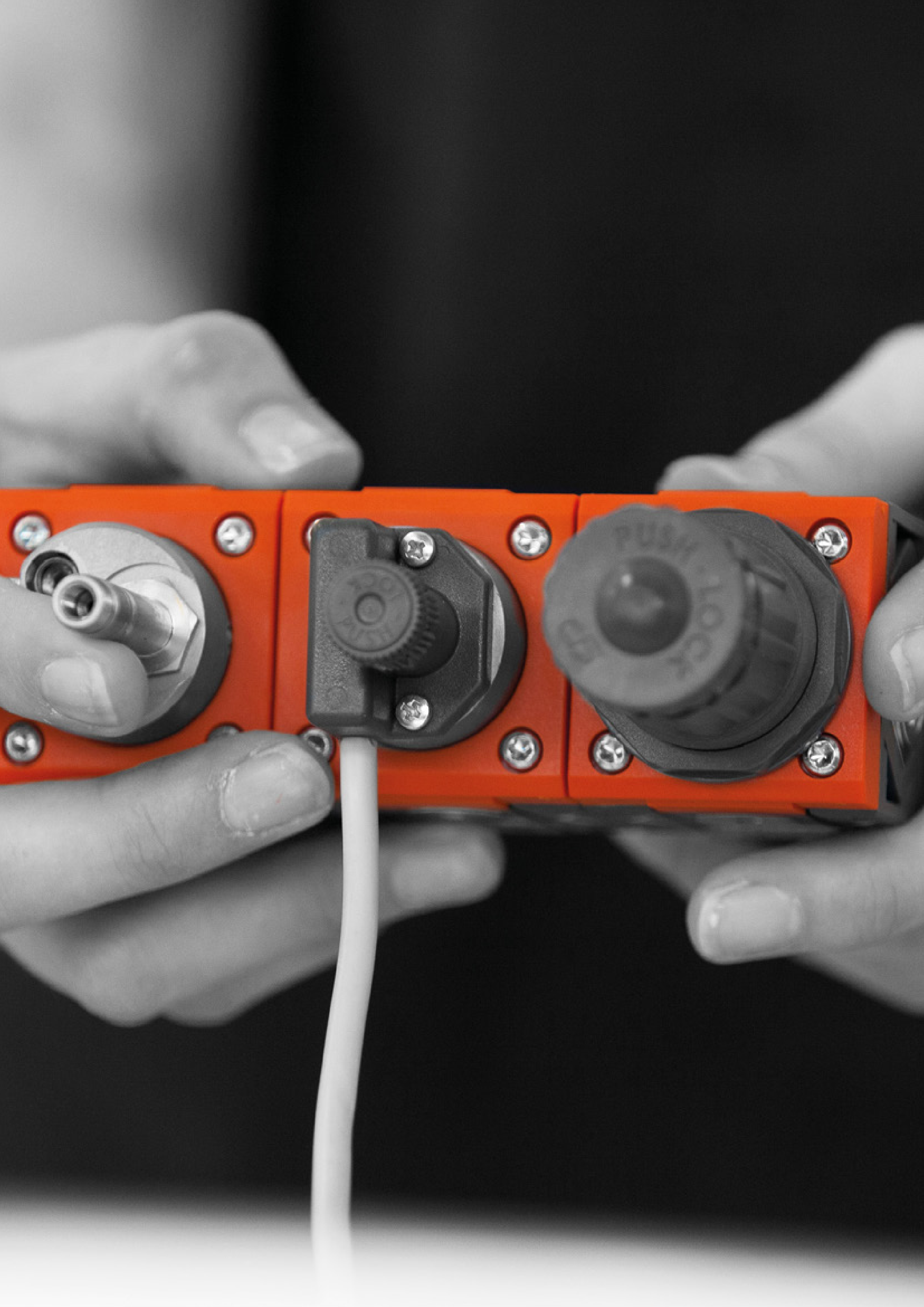
"*Other receivables*" amounting to Euro 921,000, with a variation of Euro 5,000 compared to the previous year, are due after the next financial year and mainly include receivables for investments in special insurance policies of the end-of-service allowances for some Group CEOs.

Other equities

The item "*Other equities*" amounts to 219 Euro/000 (2023: 6 Euro/000).

Derivative Assets

"*Derivative Assets*" are accounted in the balance sheet in the amount of 144 Euro/000 (2023: 303 Euro/000) and refer to IRS and CAP contracts hedging against the risk of interest rate increases arising from mortgage and finance lease transactions.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C) I) Closing Inventory:

"*Closing inventories*" amount to Euro 59,884,000 (2023: €59,860,000), with a change of Euro 24,000 compared to the previous year. The provision for inventory write-downs amounts to Euro 2,210, compared to Euro 2,117 as at 31 December 2023.

	Current Year	Previous Year	Variation
Raw, ancillary materials and consumables	10.181	11.118	-938
Work-in-process and semi-finished products	12.411	11.517	894
Contract work in progress	490	413	77
Closing inv. finished products and goods	38.119	38.237	-118
Provisions goods depreciation	-2.210	-2.117	-93
Closing inv. finished pr. and goods in transit	730	608	112
Advances	163	83	80
Total	**59.884**	**59.860**	**24**

Inventories are net of the share of profit from commercial transactions between Group companies not realized at the balance sheet date. Work in progress refers to inventories of Metal Work Automation S.r.l., which manufacture on demand, with a lead time that may exceed the financial year.

C) II) Receivables:

Receivables from Customers

Trade "*Receivables from Customers*" amount to 59,122 Euro/000 (2023: 58,926), a variation of 196 compared to the previous year, and are accounted under Current Assets at their nominal value adjusted by a corresponding Allowance for bad debts of Euro 3,222 (2023: €3,188/000), determined to adjust them to their estimated realizable value.

	Current Year	Previous Year	Variation
Receivables from customers within the next financial year	59.122	58.926	196
Total	**59.122**	**58.926**	**196**

The group does not have a significant concentration of receivables from one or a few entities. There are no receivables with a maturity of more than five years.

Receivables from associated companies

"*Receivables from associated companies*" amount to 37 Euro/000 (2023: Euro/000) and had a negative variation of Euro 35,000

Receivables from parent companies

"*Receivables from parent companies*" amount to Euro 5,870,000 (2023: Euro 6,851,000) and refer to transfers from tax consolidation made by the Italian subsidiaries to Metal Work Holding S.p.A

	Current Year	Previous Year	Variation
Receivables from parent companies	5.870	6.851	-981
Total	**5.870**	**6.851**	**-981**

Receivables from companies subject to the control of parent companies

There are no "*Receivables from companies subject to control of parent companies*" (2023: 21 Euro/000).

Tax receivables

"*Tax receivables*" amount to €9,896,000 (2023: €11,214,000) and include receivables accrued by Group companies from the tax authorities. This item includes both VAT receivables and receivables relative to taxes to which Group companies are subject..

	Current Year	Previous Year	Variation
Tax receivables	9.896	11.214	-1.318
Total	**9.896**	**11.214**	**-1.318**

Deferred tax assets

"*Deferred tax assets*" derive from temporary differences between the determination of income according to tax regulations and civil law and have been recorded in the table below:

	Current Year	Previous Year	Variation
Deferred tax assets	2.481	2.376	105
Total	**2.481**	**2.376**	**105**

Deferred tax assets relating to "accumulated claimable losses" include provisions made against losses accrued by some foreign subsidiaries with the reasonable certainty of the existence of taxable income in future years, which will result in the cancellation of the amount accounted.

Receivables from others

"*Receivables from others*" amount to 1.800 Euro/000 (2023: 2.135 Euro/000) and had a variation of 335 Euro/000 compared to the previous year. .

	Current Year	Previous Year	Variation
Receivables from others	1.800	2.135	-335
Total	**1.800**	**2.135**	**-335**

C) III) Financial assets not constituting fixed assets:

"*Financial assets not constituting fixed assets*" amount to €5,644,000 (2023: €4,219,000) and refer to temporary cash investments valued at the lower of purchase cost and market value as at 31 December 2024.

	Current Year	Previous Year	Variation
Financial assets not constituting fixed assetsi	5.644	4.219	1.425
Totale	**5.644**	**4.219**	**1.425**

C) IV) Liquid assets:

"*Liquid assets*" refer to bank deposits, cash on hand and other valuables existing at the closing date of the financial year and amount to a total of 15,030,000 Euro (2023: €13,229,000).

	Current Year	Previous Year	Variation
Bank and post deposits	14.975	13.195	1.780
Cheques	19	3	16
Cash and valuables on hand	36	31	6
Total	**15.030**	**13.229**	**1.802**

D) Accruals and Deferrals:

"*Accruals and Deferrals*" are calculated on a strict accrual basis in order to correctly allocate the relevant shares of costs and revenues in the relevant period.

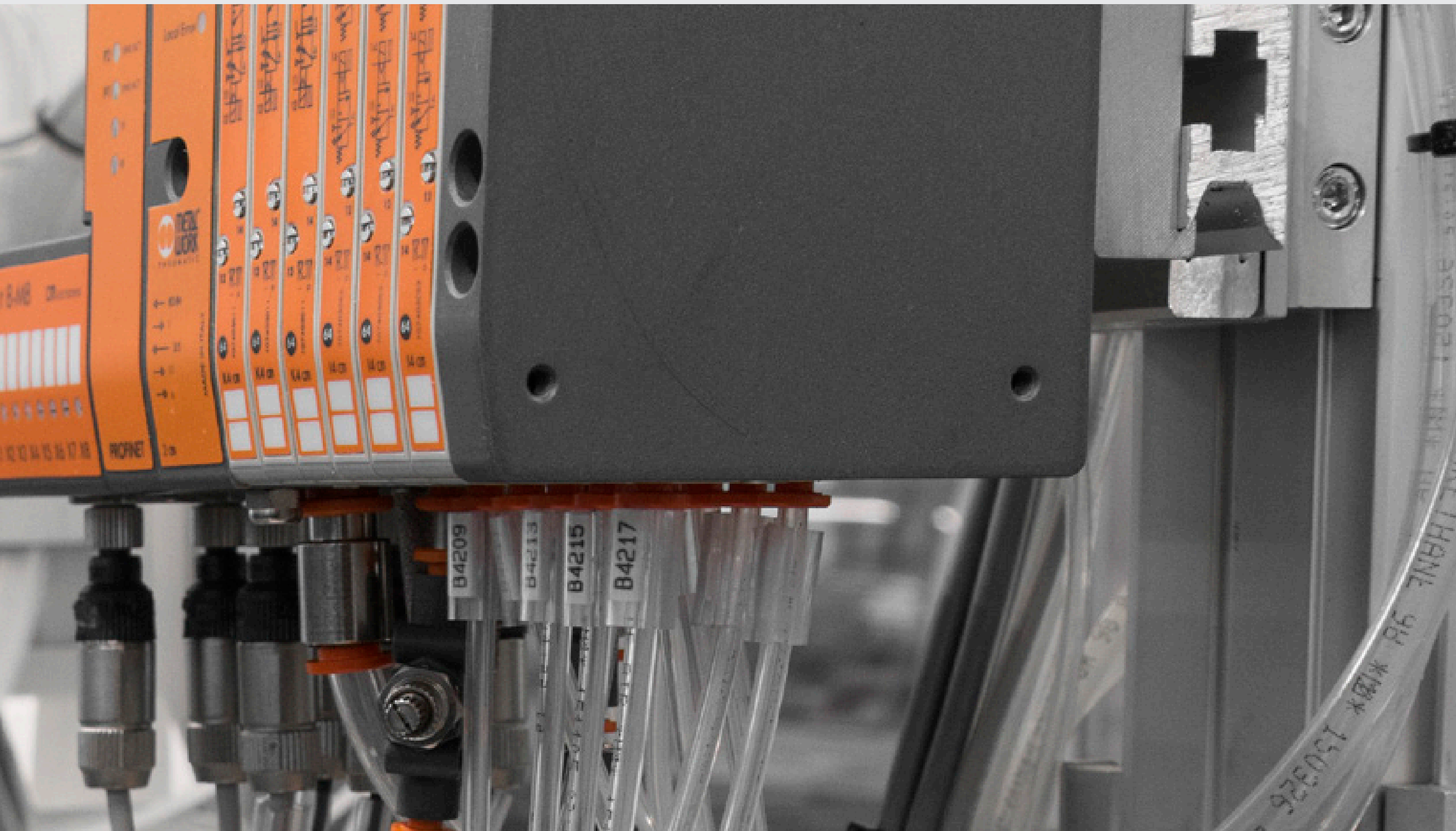
	Current Year	Previous Year	Variation
Accrued income	166	209	-43
Deferred charges	642	935	-293
Total	**808**	**1.144**	**-337**

LIABILITIES

A) Group Net Equity:

The "*Consolidated Group Net Equity*" amount to a total of 125,653 Euro/000 (2023: 124,496 Euro/000) and is composed as follows:

		Current year	Previous Year
I	Share Capital	21.000	21.000
II	Share premium reserve	19.324	19.324
III	Revaluation reserve	14.342	14.342
IV	Legal reserve	4.200	4.200
VI	Other reserves, separately indicated	27.613	26.546
	Reserves from currency conversion	-3.302	-3.075
	Reserves from group consolidation	8.384	7.894
	Other reserves	22.530	21.728
VII	Reserve for provision for hedging expected cash flow		
VII	Profit (losses) carried forward	33.842	30.045
IX	Group operating profit (loss)	8.054	9.039
X	Negative provision for treasury shares in portfolio	-2.722	
	TOTAL Group NET EQUITY	**125.653**	**124.496**
	Capital and third-party reserves	6.861	6.906
	TOTAL NET ASSETS and CAPITAL and RESERVES OF THIRD PARTIES	**132.514**	**131.403**



Entries in the Group's consolidated net equity are shown in the following table:

	Capital Share	Share premium reserve	Legal reserve	Extraordinary reserve	Revaluation reserve	Consolidation reserve	Conversion reserve	Undistributed profits	Treasury shares	Operating result	Total
Group net equity as at 31/12/2022	**21.000**	**19.324**	**4.200**	**18.378**	**14.341**	**7.515**	**-3.084**	**24.904**	**0**	**12.931**	**119.509**
Allocation of previous year's result				7.790				5.141		-12.931	0
- reserve distribution				-4.440							-4.440
- other entries						379					379
- exchange rate effect							9				9
Current year result										9.039	9.039
Group net equity as at 31/12/2023	**21.000**	**19.324**	**4.200**	**21.728**	**14.341**	**7.894**	**-3.075**	**30.045**	**0**	**9.039**	**124.496**
Allocation of previous years' result				5.266				3.773		-9.039	0
- reserve distribution				-4.440							-4.440
- other entries									-2.722		-2.722
- exchange rate effect						491	-226				265
Current year result										8.054	8.054
Group net equity as at 31/12/2024	**21.000**	**19.324**	**4.200**	**22.554**	**14.341**	**8.385**	**-3.301**	**33.818**	**-2.722**	**8.054**	**125.653**

The share capital amounts to 21,000 Euro/000 and consists of ordinary shares with a nominal value of 1 Euro each.

The share premium reserve amounts to 19,324 Euro/000 and shows no entries.

The legal reserve amounts to 4,200 Euro/000 and shows no entries.

The extraordinary reserve accounted a decrease of Euro 4,440,000, as an effect of the distribution to the shareholders of Metal Work S.p.A. (Euro 450,000 of which was attributed to type B shares upon approval of the 2023 balance sheet), and an increase of Euro 5,267,000 due to the allocation of the Parent Company's result.

The revaluation reserve is equal to Euro 14,341,000 as a result of Metal Work S.p.A.'s recording in the 2020 financial statements of the revaluation reserve pursuant to Law 126/2020.

Variations in the consolidation reserve refer to the effect of variations in the consolidation scope.

The "Conversation reserve" shows a negative variation of 226 Euro/000.

Undistributed profits show an increase equal to the difference between Metal Work S.p.A.'s profit for the 2023 financial year and the consolidated profit for the same financial year.

In accordance with Article 2357-ter of the Italian Civil Code and national accounting standards (OIC 28), during the 2024 financial year, a specific negative equity reserve of Euro 2,722,000 was set up following the purchase by Metal Work S.p.A. of treasury shares equal to 0.5% of the share capital.

	net equity	of which result for the period
Net equity and result of the parent company	84.684	5.986
Adjustments due to application of IAS 17 to the Parent Company	8.502	596
Adjusted net equity of the parent company	**93.186**	**6.582**
Elimination of carrying value of consolidated equity investments		
Pro-rate results achieved by associates	976	174
Consolidation effect relating to subsidiaries	18.224	9.846
Goodwill	11.924	-1.419
Elimination of the effects of transactions between consolidated companies		
Intra-group profits net of tax effect	-6.516	454
Elimination of previous write-downs/reversal of previous write-downs	7.859	100
Dividends received from associated companies		-7.683
Net equity and result for the period as reported in the consolidated financial statements	**125.653**	**8.054**

The variations in "*Capital and reserves of third parties*'" are shown in detail in the table below:

	Capital and reserves	Operating result	Total
Third-party net equity as at 31/12/2023	**5.785**	**1.121**	**6.906**
Allocation of previous year result	1.121	-1.121	0
- reserve distribution	-553		-553
- other variations	-300		-300
Operating current result		807	807
Third-party net equity as at 31/12/2024	**6.053**	**807**	**6.860**

B) Provisions for risks and charges:

Liabilities include the following provisions for risks and charges, estimated according to the losses and charges of a definite nature and certain or probable existence:

	Current Year	Previous Year	Variation
TFM (Director's severance indemnity) provisions	675	706	-31
Deferred tax provisions	1.564	1.261	303
Financial derivative assets	252	16	236
Other provisions	167	296	-129
Total	**2.657**	**2.278**	**378**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QC 15

The "*Provision for TFM*" consists exclusively of the severance indemnity provided for the directors of some group companies and amounts to 675 Euro/000.

The "*Provision for deferred taxes*", amounting to Euro 1,564,000, includes the taxes for the year relative to temporary differences between the statutory value and the fiscal value attributed to the same item.

Derivative financial instruments amount to Euro 252,000 (2023: Euro 16,000) and relate to hedging transactions carried out by the Parent Company.

'*Other funds*' amount to Euro 167,000 (2023: Euro 296,000) and include provisions to cover foreseeable expenses and losses that cannot be linked to specific assets.

C) Employment severance indemnity:

The "*Severance Indemnity*", amounting to Euro 7,877/000 (2023: Euro 7,346,000), was determined in accordance with contractual obligations and current labor regulations and represents the total liability, net of tax advances paid, accrued to employees.

	Current Year	Previous Year	Variation
Severance indemnity	7.877	7.346	530
Total	**7.877**	**7.346**	**530**

D) Payables:

Total payables are as follows:

	Current Year	Previous Year	Variation
Payables to banks	60.181	64.535	-4.354
Payables to other lenders	9.414	11.004	-1.590
Advances	476	635	-159
Payables to supplies	36.868	37.260	-392
Payables to associates	1.370	944	426
Tax payables	5.917	5.260	658
Payables to social security and welfare institutions	4.045	3.692	352
Other payables	13.207	13.175	32
Total	**133.313**	**138.525**	**-5.212**

Payables to Banks

Payables to banks are analysed in the following table:

	Current Year	Previous Year	Variation
Bank payables – within the next financial year	35.400	41.949	-6.549
Bank payables – after the next financial year	24.781	22.586	2.195
Total	**60.181**	**64.535**	**-4.354**

"*Payables to banks*" amount to a total of 60,181 Euro/000 (2023: 64,535 Euro/000), 24,781 Euro/000 of which are due after the next financial year.

Financial payables are not guaranteed by mortgages or liens on the company's assets, except for the loan to Cassa Centrale for an original amount of Euro 10M related to the purchase of the Pedrini building complex. Bank payables due after 5 years are shown in the balance sheet for Euro 5,698/000.

Payables to other lenders

"*Payables to other lenders*", amounting to Euro 9,414/000 (2023: Euro 11,004/000), consisted mainly of amounts due to leasing companies, accounted for in accordance with IFRS 16; the table below shows the entries:

	Current Year	Previous Year	Variation
Payables to other lenders – within the next financial year	2.454	1.907	547
Payables to other lenders – after the next financial year	6.960	9.098	-2.137
Total	**9.414**	**11.004**	**-1.590**

Payables related to leasing operations expiring after 2025 amount to Euro 6,960/000, of which Euro 980/000 is due after 5 years.

With reference to the analysis of the net financial position, reference is made to the reclassified balance sheet in the Management Report.

Advances

"*Advances*" amount to Euro 476/000 (2023: Euro 635/000), a variation of Euro 159/000 compared to the previous year.

	Current Year	Previous Year	Variation
Customers w/advances – within the next financial year	476	635	-159
Total	**476**	**635**	**-159**

Payables to suppliers

"*Payables to suppliers*", amounting to Euro 36,868/000 (2023: Euro 37,260/000), represent payables contracted in the course of core business; there are no significant concentrations of payables on one or a few suppliers.

	Current Year	Previous Year	Variation
Payables to suppliers – within the next financial year	36.868	37.260	-392
Total	**36.868**	**37.260**	**-392**

Payables to Associated Companies

"*Payables to associated companies*" amount to Euro 1,370/000 (2023: Euro 944/000) and relate to payables for supplies received from Signal S.r.l. and Ar Vacuum Technology S.l..

	Current Year	Previous Year	Variation
Payables to associates – within the next financial year	1.370	944	426
Total	**1.370**	**944**	**426**

Payables to Parent Companies

"*Payables to parent companies*" amount to Euro 1,835/000 (2023: Euro 2,020/000) and refer to transfers resulting from tax consolidation and to commercial relations carried out by Group companies with Metal Work Holding S.p.A

	Current Year	Previous Year	Variation
Payables to parent companies – within the next financial year	1.835	2.020	-185
Total	**1.835**	**2.020**	**-185**

Tax payables

"*Tax payables*" amount to a total of Euro 5,917/000 (2023: Euro 5,260/000) and represent the debt position towards the Treasury for direct taxes, VAT and withholding taxes made by the companies as withholding agent.

	Current Year	Previous Year	Variation
Tax payables – within the next financial year	5.917	5.260	658
Total	**5.917**	**5.260**	**658**

Payables to social security and welfare institutions

"*Payables to Social Security and Welfare Institutions*", amounting to Euro 4,045/000 (2023: Euro 3,692/000), consist of the amounts due to Social Security Institutions, in accordance with current regulations concerning personnel.

	Current Year	Previous Year	Variation
Payables to social security and welfare institutions – within the next financial year	4.045	3.692	352
Total	**4.045**	**3.692**	**352**

Sundry Payables

"*Sundry payables*", totally amounting to Euro 13,207/000 (2023: Euro 13,175/000), essentially consist of payables to personnel in relation to accrued and untaken salaries and wages at the balance sheet date and payables to the transferors of the various acquired shareholdings.

	Current Year	Previous Year	Variation
Sundry payables – within the next financial year	11.769	13.175	-1.405
Sundry payables – after the next financial year	1.436		1.436
Total	**13.207**	**13.175**	**31**

E) Accruals and deferred income

"*Accruals and deferred income*" have been calculated on an accrual basis to correctly allocate the relevant shares of costs and income in the period under review and amount to a total of Euro 4,466/000. (2022: 5.105 Euro/000).

	Current Year	Previous Year	Variation
Accrued interest payables	1.059	1.263	-204
Deferred income	3.407	3.842	-435
Total	**4.466**	**5.105**	**-639**

Accrued interest payables amount to Euro 1,059/000 (2023: Euro 1,263/000) and mainly refer to financial charges accrued on debit positions at year-end.

Deferred income amount to Euro 3,407/000 (2023: Euro 3,407/000) and refer to tax credits for investments pursuant to Law No. 190/2014, carried out by the Parent Company, to tax credits for investments made and to grants disbursed by the Lombardy Region for investments dedicated to increasing production capacity and adapting to Industry 4.0.

Analysis of items in the Income Statement

The analytical presentation of positive and negative income components in the income statement and the previous comments on the balance sheet items allow us to limit this examination to only those items for which it is required by Article 38 of Legislative Decree 127/91, concerning the notes to the consolidated financial statements

Revenues from sales and services, article 38 paragraph i)

Sales amount to a total of Euro 248,829/000 (2023: Euro 250,206/000) to which Euro 3,573/000 (2023: Euro 5,772/000) in other revenues and income must be added

For a breakdown of revenues by geographic area, please refer to the Management Report

Increases in fixed assets for internal work

Increases in internal fixed assets refer in the amount of Euro 576/000 (2023: Euro 1,563/000) to sales of machinery by the subsidiary Metal Work Automation S.r.l. to the Parent Company, which were correctly reclassified in accordance with accounting standards.

Financial expenses, article 38 paragraph g)

Financial expenses amount to Euro 3,179/000 (2023: Euro 3,672/000), of which Euro 477/000 arising from the application of International Accounting Standard IAS 17 concerning the accounting of leased assets using the financial method.

Value adjustments of financial assets

Value adjustments of financial assets, negative in the amount of Euro 55/000 (2023: Euro 707/000), refer to the assessment of securities included in the current assets of consolidated companies and the assessment of associated companies.

Pursuant to Article 38 of Law 127/91 paragraph (g) and followings, it is hereby declared that:

- there are no financial charges entered as assets;
- the number of employees, including the average number, is stated in the following table:

Categories	2024	2023	Average 2024	Average 2023
Executives	20	17	17	17
Employees	802	750	787	762
Office workers	4	4	4	4
Apprentices	4	4	4	5
Workers	571	557	573	581
Total	**1.401**	**1.332**	**1.385**	**1.369**

Taxes for the financial year

Taxes for the year amounted to Euro 3,336/000 compared to Euro 2,935/000 in the previous year.

Remuneration to Directors, Statutory Auditors and Auditors

During the financial year, the company paid the Board of Directors remunerations in the amount of Euro 1,090,000 (previous year: Euro 1,071,000) and set aside remunerations for the Board of Statutory Auditors in the amount of Euro 60,000 (previous year: Euro 52,000) and remunerations for the Auditing Firm in the amount of Euro 46,000 (previous year: Euro 46,000).

Transactions with related parties

The company outsources assembly activities to two artisan companies whose owners are related to the Chairman of the Board of Directors. The transactions took place at normal market conditions and the turnover is shown in the following table:

	Current Year	Previous Year	Variation
Montaggi Industriali di Burgio Rosa & C. S.n.c.	961	1.062	-101
Lu.de.ma. di Luca Dell'Anna	429	323	106
Total	**1.390**	**1.385**	**5**

Provisions introduced by Legislative Decree 6/2003 on the content of the Notes to the Financial Statements

Article 2427 paragraph 1, item 3 bis)

The company has not impaired its intangible assets.

Article 2427 paragraph 1, item 6 bis)

There were no significant effects of variations in currency exchange rates after the end of the financial year such as to substantially alter the company's economic, financial and asset situation.

Article 2427 paragraph 1, item 6 ter)

The company has neither payables nor receivables relating to transactions involving the obligation of the purchasing party to reconveyance.

Article 2427 paragraph 1, items 19) e 19 bis)

The company has not issued any other financial instruments or derivatives, other than those envisaged in Section 18) of Article 2427 of the Civil Code, nor has it received any loans from its shareholders for any reason.

Article 2427 paragraph 1, items 20) e 21)

The company has not set up assets marked exclusively for a specific business, nor has it contracted financing related to a specific business.

Information pursuant to Law 124 of 4 August 2018

In compliance with the transparency and publicity obligations provided for under Law No. 124 of 4 August 2018, Article 1, paragraphs 125-129, we report that, during the 2023 financial year, Metal Work S.p.A. was awarded operating grants for an amount of Euro 1,108,489, broken down as follows:

197,710 Euro arising from GSE disbursements in relation to photovoltaic systems installed;

Granting entity	Tax code – VAT	Contribution	Variation
Gestore dei Servizi Energetici GSE S.p.A. Viale Maresciallo Pilsudski, 92 - Roma	5754381001	197.710	Reason: contribution for energy production from photovoltaic system
Totale		**197.710**	

for an additional €910,779, further detailed below:

- tax credit for investments in capital goods for €645,702;
- tax credit for investments in Research and Development for €171,257;
- ARTBONUS tax credit for €3,900;
- contributions from Fondimpresa for €61,245;
- other contributions for €28,675.

Financial Statements

The sources and uses highlight:

- that the financial flow of working capital by current operations was 15,376 Euro/000 compared to 16,768 Euro/000 in the previous year;
- that the cash flow before variations in net working capital changes was 31,937 Euro/000 compared to 34,205 Euro/000 in the previous year;
- that the cahs flow after variations in net working capital was 34,964 Euro/000 compared to 32,421 Euro/000 the previous year;
- that the cash flow of income management was 29,161 Euro/000 compared to 26,410 Euro/000 in 2023;
- that the cash flow from the investment activity in technical and financial fixed assets wasnegative for 13,541 Euro/000 (2023: -22,316 Euro/000);
- that reserves in the amount of 4,440 Euro/000 (2023:4,440 Euro/000) were distributed and treasury shares equal to 0.5% of the share capital were acquired in the amount of 2,721 Euro/000;
- that the financing activity resulted in the investments in the total amount of 13,818 Euro/000 compared to 1,203 Euro/000 the previous year;
- that liquid assets increased from 13,228 Euro/000 to 15,030 Euro/000 with a positive variation in the amount of 1,802 Euro/000.

Subsequent events

To date, there have been no events occurring after 31 December 2024, which would make the current financial position substantially different from the one shown in the balance sheet at that date or which would require adjustments or additional notes to the financial statements.

With the foregoing, we believe that we have fully and faithfully shown the economic, financial and asset situation of the Metal Work Group

Concesio, 30 May 2025

The Board of Directors

Chairman:	Donatina Dell'Anna
	Riccardo Cavagna
	Daniele Marconi
	Jacopo Marconi
	Valentino Pellenghi
	Fausto Rodella

Metal Work S.p.a. – Board of Statutory Auditors' Report on the Financial Statements as at 31 December 2024

METAL WORK S.p.A.

Legal office in Concesio (BS) - via Segni 5-7-9 – Share Capital € 21.000.000 fully paid
Company Registry of Brescia no. 03472820178 - R.E.A. (Economic Administrative Index) 404497

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BOARD OF STATUTORY AUDITORS' REPORT

According to the article 2429, second paragraph, Italian Civil Code

Dear Shareholders,

during the financial year that ended 31 December 2024, our activities were guided by the provisions of the law and the current Rules of Conduct for the Board of Statutory Auditors of Unlisted Companies issued by the National Council of Accountants and Tax Advisors.

By this report, we bring to your attention the activities performed, and the results achieved.

1) Oversight of the administration pursuant to Articles 2403 and following of the Italian Civil Code

We have monitored compliance with the law and the articles of association, compliance with the principles of proper administration, and particularly the adequacy of the organizational structures, the administrative and accounting system and their performance.

We attended the Shareholders' Meetings and the meetings of the Board of Directors, which were held in compliance with the statutory, legislative and regulatory provisions governing their performance; with reference to the previously mentioned meetings, we can reasonably ensure compliance with the law and the Articles of Association of the resolutions passed.

We have gained from the administrative body, with adequate notice and also during the meetings held, information on the general performance of operations and its foreseeable evolution, as well as on the most significant operations, due to their size or characteristics, carried out by the Company and its subsidiaries.

Based on the information obtained, we have no remarks to report.

We promptly exchanged data and information relevant to the performance of our supervisory activities with the entity responsible for the statutory audit.

We have obtained information from the Supervisory Body and reviewed the report issued by them on 20 January 2025 regarding the activities carried out in 2024. No critical issues emerged with regard to the correct implementation of the organizational model that needs to be highlighted in this report.

We have acquired knowledge of and monitored the adequacy of the organizational, administrative and accounting structure and its actual performance, also by collecting information from the department heads, and in this regard, we have no remarks to report.

We have acquired knowledge and monitored, to the best of our ability, the adequacy and functioning of the administrative and accounting system, as well as its reliability in correctly representing the facts of management, by obtaining information from those responsible for the various functions and examining company documents. In this regard, we have no remarks to report.

We also inform you that, during the financial year 2024 and up to the date of this repo:
- no complaints have been received pursuant to Article 2408 or Article 2409 of the Italian Civil Code
- no opinions required by law were issued by the Board of Statutory Auditors.

Finally, we inform you that we have not made any reports to the board of directors pursuant to and for the purposes of Article 15 of Legislative Decree No. 118/2021 or pursuant to and for the purposes of Article 25-octies of Legislative Decree No. 14 of 12 January 2019. Furthermore, we have not received any reports from public creditors pursuant to and for the purposes of Article 25-novies of Italian Legislative Decree No. 14 of 12 January 2019.

During the supervisory activities described above, no other significant events emerged that would require mention in this report.

2) Considerations on the annual financial statements and consolidated financial statements as at 31 December 2024

The financial statements of Metal Work S.p.A. as at 31 December 2024, prepared in accordance with Italian regulations governing their preparation, have been submitted for your review. They show a profit for the year of € 5,985,709.

The financial statements were made available to us within the legal deadline.

The Board of Statutory Auditors, not being responsible for the statutory audit, carried out the supervisory activities provided for in Rule 3.8. of the 'Rules of Conduct for the Board of Statutory Auditors of Unlisted Companies' on the financial statements, consisting of a summary overall check to verify that the financial statements have been correctly prepared.

Verification of the accuracy of the accounting data is the responsibility of the statutory auditor.

Financial statements as at 31 December 2024

With reference to the financial statements for the year ended 31 December 2023, pursuant to Article 2429, paragraph 2, of the Italian Civil Code, we acknowledge what follows.

We have verified that the Directors have declared compliance with the relevant regulations governing the preparation of the financial statements.

The auditing firm, Kpmg S.p.A., has provided us with its report dated 26 June 2025.

According to the report of the auditing firm, "the financial statements give a true and fair view of the financial position of Metal Work S.p.A. as at 31 December 2024, and of its financial performance and cash flows for the year then ended, in accordance with Italian accounting standards".

To the best of our knowledge, the Directors, in preparing the financial statements, have not deviated from the provisions of Article 2423, paragraph 5, of the Italian Civil Code.

The values constituting intangible fixed assets are recorded in the Balance Sheet, where applicable, with our consent, pursuant to Article 2426 of the Italian Civil Code, with particular reference to the capitalization during the 2024 financial year of development costs amounting to € 260,675.

Consolidated Financial Statements of the Metal Work Group as at 31 December 2024

The consolidated financial statements were prepared by the Board of Directors on 30 May 2025 and made available to us. They show a net profit attributable to the Metal Work Group of € 8,054,331.

To the best of our knowledge, we have reviewed the overall presentation of the consolidated financial statements and their general compliance with the law; in this regard, we have no remarks to report.

On 26 June 2025, the auditing firm Kpmg S.p.A. issued their report pursuant to Article 14 of Legislative Decree No. 39/2010, which contains no remarks or requests for information, and certifying that the consolidated financial statements as at 31 December 2024 give a true and fair view of the financial position and results of operations of the Metal Work Group.

3) Considerations and proposals regarding the approval of the financial statements as at 31 December 2024

Considering the results of the activities we performed, and the opinion expressed in the audit report issued by the audting firm, we do not find any reasons to prevent the approval of the financial statements for the year ended 31 December 2024, as prepared by the directors.

The Board of Statutory Auditors has no remarks on the proposed allocation of the operating profit made by the Directors in the notes to the financial statements.

Concesio (Brescia), 26 June 2025

The Board of Statutory Auditors

Renato Camodeca (Chairman)

Stefano Colpani

Silvio Piccinelli

KPMG S.p.A.
Auditing and accounting
organisation
Via Cefalonia, 70
25124 BRESCIA BS
Phone +39 030 2425720
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

Independent Auditing Firm's Report pursuant to Article 14 of Legislative Decree No. 39 of 27 January 2010

To the Shareholders
of Metal Work S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Metal Work Group (hereinafter also referred to as the "Group"), which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year ended and the notes thereto.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Metal Work Group as at 31 December 2024, the results of its operations and its cash flows for the year then ended in accordance with the Italian regulations governing the criteria for their preparation.

Basis for the opinion

We conducted our audit in accordance with international auditing standards (ISA Italia). Our responsibilities under those standards are further described in the section entitled '*Responsibilities of the independent auditors for the audit of the consolidated financial statements*' in this report. We are independent of Metal Work S.p.A. in accordance with the ethical and independence standards applicable to statutory audits of financial statements under Italian law. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Directors and the Board of Auditors of Metal Work S.p.A. for the consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the Italian regulations governing the criteria for their preparation and, within the terms of the law, for that part of the internal control they consider necessary to enable the preparation of financial statements that do not contain significant errors due to fraud or unintentional conduct or events.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, in the preparation of the consolidated financial statements, for the appropriateness of the use of the going concern basis of accounting, as well as for adequate disclosures in this regard.

The Directors use the going concern assumption in preparing the consolidated financial statements unless they have assessed that the conditions exist for the liquidation of the parent company Metal Work S.p.A. or for the discontinuation of operations or have no realistic alternative to these choices.

The Board of Statutory Auditors is responsible for the supervision, within the terms of the law, of the Group's financial reporting process.

Auditor's responsibility for auditing the consolidated financial statements

Our goals are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or unintentional conduct or events, and to issue an audit report that includes our opinion. We define reasonable assurance as a high level of assurance which, however, does not provide assurance that an audit performed in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement, if any. Errors may result from fraud or from unintentional actions or events and are considered material if it can reasonably be expected that they, individually or collectively, could influence the economic decisions of users taken on the basis of the consolidated financial statements.

In the context of the audit conducted in accordance with international auditing standards (ISA Italia), we exercised professional judgment and maintained professional scepticism throughout the entire audit. In addition:

- we have identified and assessed the risks of material misstatements in the consolidated financial statements, whether due to fraud or unintentional actions or events; we have designed and performed audit procedures in response to those risks; we have obtained sufficient and appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from unintentional actions or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the forcing of internal controls;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have assessed the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Directors, including the related disclosures;
- we have reached a conclusion regarding the appropriateness of the Directors' use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances that may cast significant doubt about the Group's ability to continue as a going concern. When a material uncertainty exists, we are required to draw attention in the audit report to the relevant financial statement disclosures or, if such disclosures are inadequate, to include this fact in the formulation of our opinion. Our conclusions are based on the evidence obtained up to the date of this report. However, subsequent events or circumstances may result in the Group ceasing to operate as a going concern;
- We have assessed the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in such a way as to provide a true and fair view.

- we have obtained sufficient and appropriate evidence about the financial information of the companies or the different economic activities carried out within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Group. We are solely responsible for the audit opinion on the consolidated financial statements.

We have informed the heads responsible for governance activities, identified at an appropriate level as required by ISA Italia, among other things, of the audit scope and planned timing and the significant results that have emerged, including any relevant deficiencies in internal control that were identified during the audit.

Report on other legal and regulatory provisions

Opinions and statements pursuant to Article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/10

The Directors of Metal Work S.p.A. are responsible for preparing the report on the operations of the Metal Work Group as at 31 December 2024, including its consistency with the related consolidated financial statements and its compliance with the law.

We conducted our audit in accordance with Italian auditing standards (SA Italia) 720B in order to:

- express an opinion on the consistency of the management report with the consolidated financial statements;
- express an opinion on the compliance of the management report with the provisions of the law;
- issue a statement on any significant errors in the management report.

In our opinion, the management report is consistent with the consolidated financial statements of the Metal Work Group as at 31 December 2024.

Furthermore, in our opinion, the management report has been prepared in accordance with the law.

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter) of Legislative Decree 39/10, issued on the basis of our knowledge and understanding of the company and its environment acquired during the audit, we have no remarks to report.

Brescia, 26 June 2025

KPMG S.p.A.

Paolo Andreasi
Shareholder

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