



HIGH
PERFORMANCE
THERMOPLASTICS



LATI INDUSTRIA TERMOPLASTICI ANNUAL REPORT 2022

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Cover: Michela and Livia Conterno.

LETTER TO STAKEHOLDERS

Dear readers

2022 was the hottest year on record. Global warming forced its way into corporate risk analysis.

Drought, record heat and **extreme weather events** can jeopardise business continuity and human safety. This sense of urgency spurs us to speed up our ecological transition and confirms the validity of the steps we have taken towards decarbonisation.

We have also witnessed other worrying anomalies this year: **a European war** right next to our borders and **a full-scale energy crisis**. Though deeply shocked, we were able to handle the situation as hardship brings us together and we are well used to uncertainty at this stage. We take a flexible approach, now an essential skill to attain success in this troubled world.

Our story this year starts with an important change, or rather a transformation, confirming what we have always been: a **benefit company**.

Working for profit is not enough for us!

We want to create value and share it around, not only with shareholders, but with all our stakeholders. It is an indisputable fact that our company works for the **common good** and this has now been specified in our by-laws.

Our products are the first example of our commitment to the common good. We generate the greatest impact through our core business:

“LATI undertakes to create innovative products that have a positive impact on the environment and society and help build a sustainable practice in using plastic materials”.

Essentially, we aim to offer **safe, long-lasting plastics in a circular economy made with sustainable processes and for ethical use**.

The other two dimensions of common good refer to corporate social responsibility, specifically:

- ensuring the **physical and mental well-being** of individuals
- and supporting the **development of the local area** and ecosystem.

Despite the challenges posed by 2022, LATI continued to invest in our people and our network. We guaranteed **job security** and even took on new employees, acquiring know-how in strategic areas for the future such as digitalisation and sustainability. Furthermore, triggered by our fully female ownership, we further developed our company **welfare** system with projects focused on inclusion and parental support. **Hybrid working conditions** are well established at this point. Our leadership is rooted in **trust and results**.

And now on to business. 2022 was a year of two halves:

1. the first half of the year mirrored 2021: **strong demand**, shortages of raw materials and bullish inflation;
2. the second half experienced a dramatic about-turn: a **recession** stemmed from the changed geopolitical situation, followed by a normalisation of global supply chains, but with inflation kept high by the energy crisis.

How have we taken on these challenges?

1. We rode the wave of **growth** in early 2022.
 - We dealt with inflation by quickly and carefully adjusting our price lists to safeguard profit margins. The tax credit granted to energy-intensive companies softened the blow of the lost competitive edge. We also clinched below-market prices through astute electricity procurement.
 - The risk of shortages was purged by the Purchases, Sales, Supply Chain and Research & Development departments working closely together.
2. We curbed the effects of **falling demand** in the second half of 2022.
 - We swiftly readjusted our production capacity, bringing outsourced production in-house and cutting back on hours worked (as little as possible). This allowed us to contain energy consumption and working capital investments, without penalising our employees.

Our performance was utterly satisfactory given the current difficulties and uncertainties. Volumes fell by 8.6%, but turnover grew 18.8%, aided by inflation.

For the first time in our history our turnover has surpassed €200 million, with €227 million achieved by the group and €214 million by LATI S.p.A.. Buckled by the pressure of inflation and the

energy crisis, our profitability dropped three percentage points (from 12% to 9%). However, we still succeeded in generating **EBITDA** (gross operating profit) **of over €20 million**, enough to ensure keep our ambitious investment plan running.

This value is mostly allocated to investments in technology and human capital, as well as fair remuneration and bonuses, as part of our tradition of sharing the value we generate. We stayed close to LATI families over this difficult year, **granting cost-of-living bonuses to combat inflation**.

The **Torbissima Project** to expand the Torba site continued with new enthusiasm. Outgoing logistics was successfully outsourced to make more space for production and to **boost production capacity**. 2023 will be a year of transition when we will lay the foundations for two new lines and also for the construction of **a site for special materials**, thus achieving two goals at once: **productivity** for self-extinguishing materials and **flexibility** for special materials, concurrently offering our customers a better service.

As we write, new challenges are appearing on the horizon:

- **The energy crisis** persists and **remains a problem for Europe**.
- Our **competitive edge** could be **hindered** by non-EU competitors.
- Our **suppliers** are under increasing **pressure**, with a real risk of closures and offshoring. A sustainable and diversified approach to the supply chain will become increasingly strategic.

Our strategic pillars guide us through even the darkest times. We will thus continue our journey with optimism travelling towards our goals of **Repositioning, Industry 4.0, Customer centricity, Sustainability and Global Presence**.

Sustainability in particular is an encouraging driver of change and gives us confidence. We are already well on our way towards **decarbonisation**. After slashing emissions by 60%, we are ready for a more challenging goal: helping keep **global warming below 1.5 degrees**.

We have begun **renovating our long-standing head office in Vedano Olona**, which will house our new offices for hybrid working and a new technological R&D hub. The new premises will meet with our environmental and social sustainability goals. They will give the company a contemporary touch respectful of our industrial background, touting **comfort, sustainability and service to the community**.

We would like to thank our stakeholders for their constant trust in us and invite you to continue to accompany and sustain us through our company's journey. Through times of both difficulty and success, we will always continue to pursue our objectives to create economic and social value.

United in hardship and sharing success, creating our future together.

Michela Conterno



LATI INDUSTRIA TERMOPLASTICI S.p.A.

Company managed and coordinated by

SVI Sviluppo Industriale S.p.A.

Registered office: Via Francesco Baracca 7 - 21040 Veduggio Olona

Share capital: €3,818,400 fully paid-up

Varese company registration no. 00214880122

Tax code and VAT no. 00214880122

VARESE Chamber of Commerce REA no. 41557

DIRECTORS' REPORT

INTRODUCTION

Dear shareholders,

The financial statements as at and for the year ended 31 December 2022 which we submit for your approval show a net profit for the year of €11,815,687 (2021: €14,774,546).

EVOLUTION OF THE MACROECONOMIC CONTEXT

Our business is directly affected by the performance of the global macro-economy. The main sectors in which we operate (electrical, household appliances and automotive) usually perform in line with the general trend.

After bouncing back in 2021, the macro-economy stabilised its position in 2022 and then, as expected, saw a considerable drop in demand in the second half of the year, due to the general perception of extreme instability on the markets.

LATI recorded a roughly 8.6% fall in sales volumes, while its turnover exceeded €213 million (up 18.8%) related to the inflation generated by the energy crisis.

Procurement was also blighted by inflationary pressures which did not ease off in the second half of the year with the downturn in demand.

BUSINESS, FINANCIAL POSITION AND PERFORMANCE

2022 was a year of two halves:

- the first half of the year mirrored 2021 with shortages of raw materials and a strong demand on the market, partly inflated by concerns about not getting enough supplies to meet needs;

- the second half of the year saw a slowdown in demand due to the changed macroeconomic situation (war, energy costs and inflation) followed by a normalisation of global supply chains (easing of blockages in supplies from Asia).

While sales volumes remained largely in line with 2021 up to September 2022, sales orders slumped from the second quarter onwards. Starting from September, demand became very sluggish, especially in sectors centred on consumer goods, such as household appliances, with many orders postponed or cancelled. This strongly impacted sales in the last quarter of the year.

PROCUREMENT

For the second year in a row, LATI was faced with inflation at unprecedented levels or at least never before seen by the generation currently running the company.

For the second year in a row, the combined cost formula grew by roughly 30% to record levels.

For the second year in a row, LATI management shone under pressure by maintaining lines of communication open along the supply chain, also beyond the confines of the company, to ensure sustainable success.

The 30% rise in prices was the combined outcome of two opposing circumstances: growth and recession, with an about-turn striking during the summer closure.

In the first half of 2022, the post-pandemic surge in demand bolstered the price increase, aided by speculation. In the second half, the downswing in demand did not lead to deflation as the energy crisis prevented costs from dropping.

LATI's suppliers are mostly large chemical groups engaged in energy-intensive productions. The hike in gas prices had a twofold impact on some of them as they use gas both as a raw material in manufacturing ammonia (chemical intermediate used in making polyamides) and as a source of energy in their production processes.

Raw materials were in short supply in the first six months although this situation improved in the second half of the year. 2022 ended with chemical plants reducing their production capacity and with strong concerns surrounding Europe's competitiveness.

KEY EVENTS OF THE YEAR

Profit and loss account

For a better understanding of the events of 2022, in line with the methodology for the preparation of the strategic plans and the definition of strategic company KPIs, we reclassified the profit and loss account on a management accounts basis.

The profit and loss account and the reclassified profit and loss account were prepared using the same accounting policies, therefore recognising the same net profit of €11,815,687.

The reclassified profit and loss account has the following characteristics:

- a. starting from gross turnover, it shows profitability gradually decreasing;
- b. it allocates costs to volumes sold based on the classification of variable/fixed, direct/indirect, specific/common costs;
- c. it shows the contribution of each macro area to profit.

Reclassified profit and loss account for the 2020-2021-2022 three-year period

	2022	2021	2020
GROSS TURNOVER	213,784,157	179,884,266	130,974,701
Variable costs	163,465,229	127,573,680	88,231,273
GROSS PROFIT	50,318,928	52,310,587	42,743,428
Fixed costs	30,036,084	29,336,026	25,419,385
ADJUSTED GROSS OPERATING PROFIT	20,282,844	22,974,561	17,324,042
ADJUSTED GROSS OPERATING PROFIT %	9.49%	12.77%	13.23%
Amortisation and depreciation	4,020,679	3,618,038	3,249,148
ADJUSTED OPERATING PROFIT	16,262,165	19,356,523	14,074,894
Net financial income (charges)	313,010	-64,569	754,539
Expenses	298,848	240,049	215,018
Write-downs of equity investments	-189,185	-729,566	-294,192
PRE-TAX PROFIT	15,839,492	19,910,609	13,399,530
Income taxes	4,023,805	5,136,063	3,712,608
NET PROFIT	11,815,687	14,774,546	9,686,922

Sales volumes

In 2022, sales volumes increased by 8.6% compared to the previous year which saw a 23.7% rise.

Gross turnover

Gross turnover grew strongly by 18.8% in 2022 tied to the rise in sales prices, caused by inflation which pushed up commodity and energy prices.

These trends are in line with those seen throughout the company's sector. The economic rebound recorded in 2020 and 2021, closely linked to the contraction triggered by Covid-19, ran out of steam in the second half of 2022.

Variable costs (sales and manufacturing)

Variable sales and manufacturing costs increased by 28.1% in 2022. They had increased by 44.6% overall in the 2020-2021 two-year period as a result of severe inflationary tensions.

Gross profit

The gross profit dropped 3.8% 2022 compared to an increase of 22.4% in the previous year. 2022 recorded an overall 33.2% improvement on pre-pandemic levels (2019) however.

Fixed costs

Fixed costs were largely in line with 2021, up 2.4%. Activities that had been temporarily shuttered due to the pandemic in 2020 and 2021 were fully up and running again. The largest increases were mainly attributable to personnel expenses (in the first half of the year) and IT service costs (transition to cloud technologies).

Health and cleaning service costs due to Covid-19 protocols were in line with previous years (sanitisation, additional health protocols for personnel and PPE).

Adjusted gross operating profit

The adjusted gross operating profit for 2022 amounts to €20,282,844, the second highest in LATI's history behind 2021 when it was 11.7% higher.

LATI was able to improve and maintain its performance in terms of value creation during this two-year period characterised by war, supply difficulties and inflationary impacts on commodity and energy prices, confirming the effectiveness of both its cost-flexibility strategy and strategic repositioning strategy, compared to the previous two-year period (2019-2020).

Both strategies were confirmed and fine-tuned during the annual strategic review and approval of the company's strategic plan.

Reconciliation between the profit and loss account and reclassified profit and loss account – 2022 –

PROFIT AND LOSS ACCOUNT	STATUTORY vs RECLASSIFIED
Turnover from sales and services	213,832,297
Raw materials sales	- 174,359
Customer bonuses	+ 126,219
GROSS TURNOVER	213,784,157
Variable sales costs (1)	- 8,645,538
Variable manufacturing costs (2)	- 154,819,691
Fixed costs (3)	- 30,036,084
ADJUSTED GROSS OPERATING PROFIT	20,282,844
Cash discounts granted to customers	+ 734,090
Financial services, accruals, expenses	- 171,021
GROSS OPERATING PROFIT	20.845.9130
Amortisation and depreciation	- 4,020,679
OPERATING PROFIT	16,825,234
Bank interest	+ 18,763
Dividends, write-downs/write-backs of equity investments	+249,185
NORMALISED OPERATING PROFIT	17,093,182
Financial charges	- 1,233,834
Exchange rate losses	- 19,855
PRE-TAX PROFIT	15,839,492
Income taxes	- 4,023,805
NET PROFIT	11,815,687

Where:

(1) Variable sales costs include

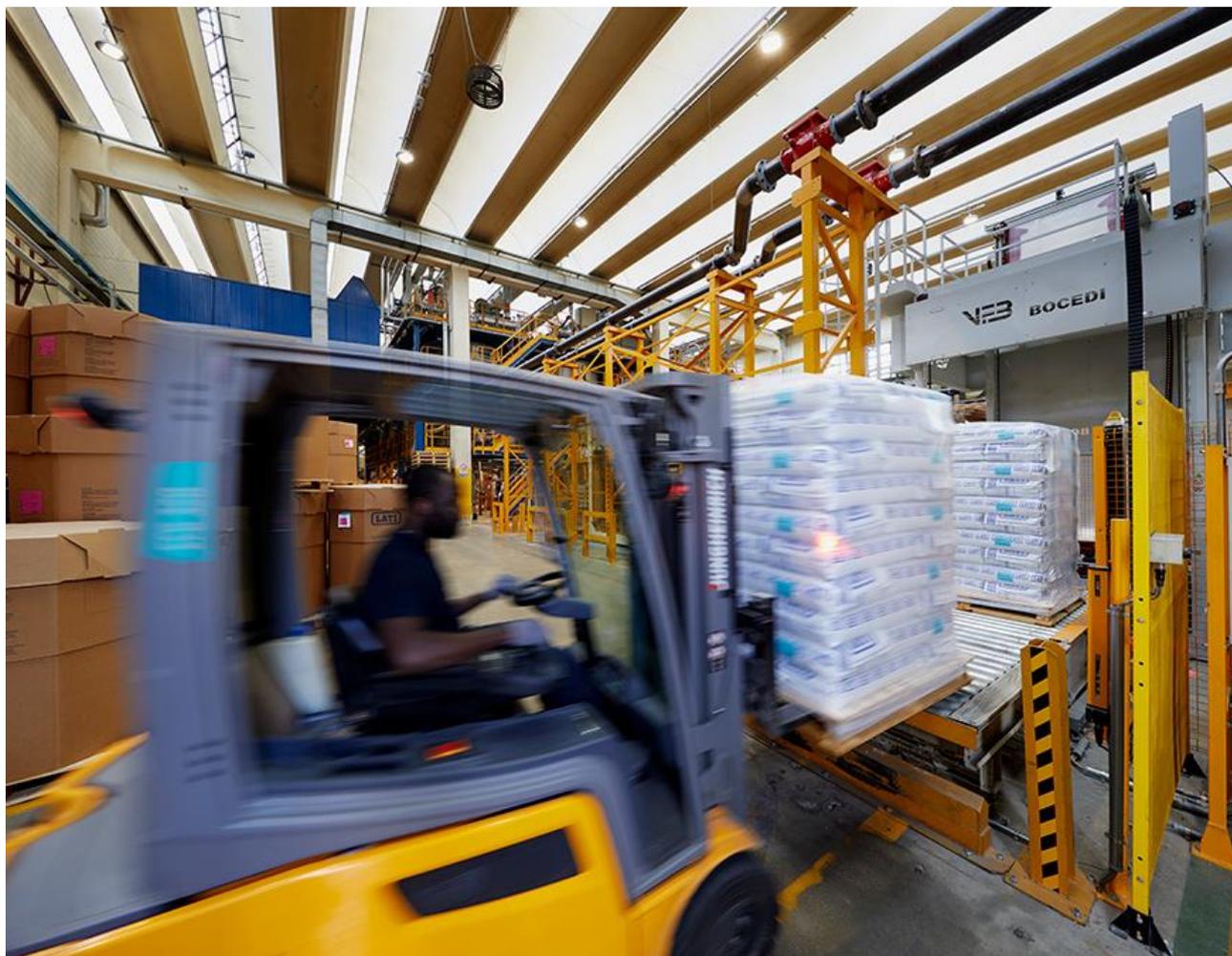
- cash discounts granted to customers
- customer bonuses
- complaints
- commissions
- transport to customers
- packaging materials

(2) Variable manufacturing costs include

- purchases of raw materials
- change in raw materials
- utilities (electricity, gas, water)
- third-party processing
- internal transport
- change in finished goods

(3) Fixed costs include

- personnel expenses
- personnel services
- maintenance costs
- EDP costs
- rent and leases
- telephones
- insurance premiums
- consultancies
- travel and marketing expenses
- cleaning and security expenses
- product approval
- expenses and contributions



Balance sheet

Balance sheet – Balance sheet reclassified on a financial basis, based on decreasing monetisation level

	31/12/2022	31/12/2021	31/12/2020
Current assets (1)	112,889,092	106,638,257	83,199,734
Quick assets	25,460,977	25,605,585	29,588,595
Non-quick current assets	40,343,399	42,283,090	30,872,304
Available assets	47,084,716	38,749,582	22,738,835
Net non-current assets (2)	54,853,563	51,434,569	45,983,968
Intangible fixed assets	1,816,750	1,446,041	1,062,604
Tangible fixed assets	42,639,146	41,751,217	42,047,739
Financial fixed assets	9,378,227	8,237,311	2,873,625
Tax receivables due after one year	1,019,440		2,873,625
Invested capital (3)	167,742,655	158,072,826	129,183,702
Current liabilities	50,025,537	58,995,749	38,372,267
Non-current liabilities	22,506,931	15,943,172	21,299,396
Net equity	95,210,187	83,133,905	69,512,039
COVERAGE	167,742,655	158,072,826	129,183,702

Where:

(1) Current assets: which can be monetised within one year, include:

- Quick assets, that can be readily monetised at a small cost (cash, banks, government bonds, postal current accounts, etc.)
- Non-quick current assets, available in the short term (any type of current receivables and other assets)
- Available assets, whose monetisation requires one or more transactions within the business cycle (inventory, etc.)

(2) Net non-current assets, which can be monetised within one year

(3) Invested capital, includes:

- Current liabilities, to be repaid within one year
- Non-current liabilities to be repaid after one year
- Net equity: with the same duration as the company.

Current assets

At 31 December 2022, quick assets remained largely unchanged, slightly decreasing by 0.6%. The €5,000,000 investment made in 2021 was maintained to offset the effect of negative interest rates on current account liquidity.

Working capital increased again in 2022 in terms of the closing balance of finished products which showed a 21.5% increase, in continuity with 2021. This situation reflects the slowdown in demand in the second half of 2022 and rising inflation on commodity prices which affected all components of

net working capital. Physical stocks of finished products returned to normal levels after the drop in 2021. In the second half of 2022, the company managed to bring stock levels back in line with production and logistics needs.

Net non-current assets

As provided for in the strategic plan, the pace of the company's long-term industrial Torbissima Project slackened in 2022 due to procurement delays from the suppliers involved. However, the project to introduce automation systems in the production units and complete the launch of the ERP S4H system continued. As a result, intangible fixed assets increased by 25.6%.

In 2022, LATI also invested in a financial instrument to offset the effect of negative interest rates due to excess liquidity.

Invested capital

The structure of LATI's sources of funds has historically favoured own funds over third party funds. LATI took out two new loans for a total of €15 million with two leading banks in 2022 in order to preempt the decision to raise interest rates announced and then implemented by the European Central Bank in 2022. This allowed LATI to negotiate terms and interest rate hedges in order to lock down a secure position.

As a result, non-current liabilities and net equity rose respectively by 41.2% and 14.5% during the year.

The reporting-date funding structure consists of:

	2022	2021	2020
Own funds	56.7%	52.6%	53.8%
Non-current liabilities	13.4%	10.1%	16.5%
Current liabilities	29.8%	37.3%	29.7%
Total	100.0%	100.0%	100.0%

Key financial indicators

Company indicators

		2022	2021	2020
ROE	Performance Net profit/net equity	12.41%	17.77%	13.94%
ROI	Performance Operating profit/assets	8.07%	11.99%	10.54%
ROS	Performance Operating profit/turnover from sales	6.33%	10.52%	10.40%
Own funds less fixed assets - €	Financial position Net equity – fixed assets	40,356,624	31,699,336	23,528,071
Own funds to fixed assets ratio	Financial position Net equity/fixed assets	173.57%	161.63%	151.17%
Own funds plus non-current debt less fixed assets - €	Financial position (Net equity + non- current liabilities) – fixed assets	62,863,555	47,642,508	44,827,467
Own funds plus non-current debt to fixed assets ratio	Financial position (Net equity + non- current liabilities)/fixed assets	214.60%	192.63%	197.48%
<u>Debt to equity ratio</u>	Funding (Current liabilities + non-current liabilities)/Net equity	0.76	0.90	0.86
Debt ratio	Funding (Non-current liabilities)/Net equity	0.39	0.27	0.36
Adjusted profitability index	Management accounts Adjusted gross operating profit/gross turnover	9.5%	12.8%	13.2%
Net financial position - NFP €	Management accounts Liquidity - loans and borrowings	-6,295,418	+8,182,708	+4,505,120
NFP/adjusted gross operating profit	Management accounts NFP/adjusted gross operating profit	0.31	0.36	0.26

The key indicators (performance, financial position, funding and management accounts) showed differing trends compared to 2021, specifically:

- the performance and management accounts indicators worsened on 2021 due to inflationary pressures on raw materials and energy prices;
- the financial position indicators improved on 2021 thanks to LATI's ability to keep its net equity items at a high level;
- the funding indicators worsened compared to 2021 as the company took out third-party financing to cover the investment plan as set out in the 2024-2026 strategic plan.

All of the indicators reflect ordinary company operations and show the company's ability to manage unstable market conditions with risk mitigating and attenuating actions.

Own funds less fixed assets and own funds plus non-current debt less fixed assets show LATI's ability to fund its activities mostly using own funds, despite the long-term Torbissima investment plan and the tensions related to inflation.

The company's ability to increase ROS and maintain profitability above 12% was hindered by inflation in 2022. Despite this, LATI was able to ensure adequate profitability in absolute terms and coverage of its specific costs by carefully monitoring its value chain.

The debt ratio, net financial position and the NFP/adjusted gross operating profit should also be noted: the company continued its excellent performance of the previous two years in 2022. LATI was able to source funds of €15 million, while still maintaining a leverage ratio of less than 1.

The strength of this financial stability together with the company's ability to control the value of its core business confirmed the feasibility of LATI's strategic plan, as it also had the possibility to harness additional opportunities.

Benefit company

LATI became a benefit company on 27 June 2022, specifying in its by-laws the objectives of common good that it pursues in its daily operations.

Specifically, LATI set out the following objectives of common good.

1. Sustainable products

The company undertakes to create innovative products with a positive impact on the environment and society and help build a sustainable practice in using plastic materials, also in partnership with other companies. The company works towards these goals by applying utmost responsibility

and awareness in vetting suppliers, selecting the raw materials to use in its production cycle, working on optimising energy consumption, lengthening the life cycle of products in a circular economy, ensuring the safety of its products, and raising awareness about sustainable use of plastics.

2. Well-being of individuals

The company undertakes to foster and maintain the physical, mental and social well-being of the people involved in its business. It strives to give an ethical dimension to work by nurturing the development of human resources and breeding a culture of expertise. The company commits to ensuring the protection, safeguarding, dignity and safety of individuals, supporting their personal and professional growth and fulfilment by creating a stimulating and production work environment and promoting corporate welfare initiatives aimed at improving employees' private lives.

3. Acting towards developing the local area and ecosystem

The company is aware of its social function and role as a positive force within the local area. It undertakes to expand its corporate citizenship and constantly improve its impact on the local area by supporting and promoting projects to spread the ideas of sustainability and common good, setting up partnerships and synergies with all local stakeholders, adopting values such as transparency, dialogue and cooperation in its corporate management and communication. The company commits to developing and maintaining long-term relationships aimed at generating common value with customers and suppliers within its local ecosystem.

2024-2026 STRATEGIC PLAN

In 2022, we worked under the strategic guidelines presented last year, in line with the strategic pillars (see the graph on the following page) and continuing on from previous years, with the aim of:

1. generating long-term value through **repositioning** and
2. continuing our journey towards **Industry 4.0** to boost efficiency and our competitive edge
3. improving our **customer orientation** with a faster service
4. pursuing a **sustainable** approach and
5. a **global presence**.

The 2020-2021 two-year period and also 2022 raised the company's awareness of the constant flux of the economic and competitive scene. The new economic habitat marred by constant uncertainty and numerous crises has been defined by economists as **permacrisis**, "the dizzying sense of

lurching from one unprecedented event to another, as we wonder bleakly what new horrors might be around the corner” (Collins Dictionary definition and 2022 word of the year).

In its strategic plan approved in 2021, LATI had scheduled an extensive three-year investment plan to transform its production units.

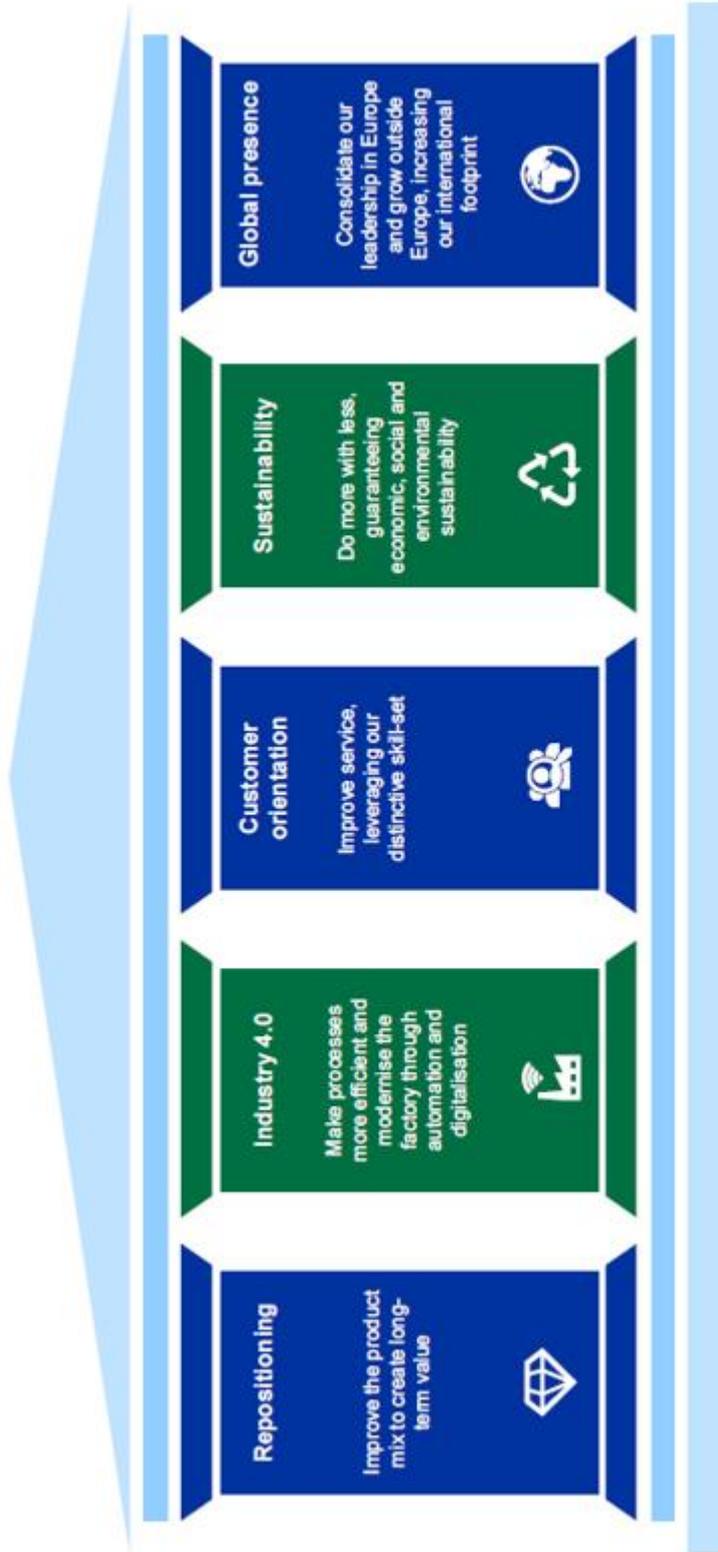
In light of the relentless uncertainty and instability on the markets, LATI decided to fully review such investment plan in order to confirm its:

- consistency with directions taken by the markets;
- consistency with the company’s strategic objectives;
- financial feasibility considering the higher costs and delays in procuring materials for the factories and plants.

During such review, LATI found its strategic objectives to be sound and the strategic investment plan set out in the 2024-2026 strategic plan (approved by the board of directors) to be financially feasible.

It also included an additional strategic review process in the strategic plan to be carried out in the first half of 2023 with the assistance of **LIUC Business School**.





TECHNOLOGY AND INNOVATION

Operations department

In 2022, LATI continued the technology activities of its projects for the evolution of the entire industrial and logistics department both in terms of production plant and the service system with works aimed at making important improvements in terms of technical/production aspects and with regard to the environment and safety and undertaking an important and strategic digitalisation of the factory.

Under the Torbissima Project aimed at industrial and logistics development with a view to expansion and rationalisation, the company's production hub at the Gornate site received large investments that will continue over the next few years and which will generate benefits in terms of smaller operating costs and greater safety and ergonomics, providing the company with greater production flexibility. With regard to the Vedano Olona site, during the year, the company made investments to comply with regulatory changes and mainly for maintenance purposes.

A. Outbound logistics

Applying the strategic decisions made in 2021, due to the new organisation of the production areas and the strategic developments of the business plan, the company opted to prioritise space for production rather than the space used to store finished products and accordingly decided to engage a third party logistics partner. As well as selecting the right logistics partner, the company carried out a business process re-engineering of the entire area, encompassing customer service, IT and various third-party partners in addition to logistics.

LATI chose Innocenti Depositi based in Limoto di Pioltello as the best third party logistics partner. This decision was based on its focus on advanced logistics services and its brand new shelved warehouse equipped with all of the necessary fire prevention features to stock LATI products. In addition, Innocenti Depositi uses multimodal transport methods wherever possible and boasts a top level of digitalisation and IT control of product flows, thus being able to interface with LATI's SAP system to link up shipping and inventory management.

The logistics and customer service departments, LATI's carriers and Innocenti were all involved in the process to review and optimise flows. The aim was to digitise and streamline information flows between the four groups in order to dematerialise documents and optimise shipping processes. The digitalisation of processes was included under the ongoing Smart Factory project, linking to the MES (manufacturing execution system) and the IoT system and thus enabling tighter control of flows and timing between the factory and logistics.

The outsourced integrated logistics service includes:

- the shuttling of finished products;
- the storage and pick-up from the warehouse of finished products (including semi-finished products);
- the preparation of finished products for shipping and their loading onto the vehicles;
- computerised management of stock and flows, integrated with the company's ERP system;
- analysis of new KPIs to assess processes accurately.

This solution will be adopted for both production sites (Vedano and Gornate) and for finished products produced with toll compounding.

The new logistics solution was designed with the company's IT department and the support of Altea. An initial phase of analysing and implementing the interface logics was followed by on-site tests and training operators, culminating in the project going live in December 2022.

This third party logistics (3PL) and business process re-engineering (BPR) will adjust the Gornate and Vedano sites to better suit the company's new developments. It will also mean that the company's outbound logistics services better match customers' needs (flexibility and efficiency) and are more sustainable (e.g., resort to intermodal solutions), thus creating synergies with the Smart Factory project under way.

B. Smart Factory

Two other pivotal projects that are part of the digital innovation 4.0 drive took place during the year with the end goal of digitalising the processes of various departments and creating value. They involve the digitalisation of the factory unit (MII), for which significant progress has been made, and the maintenance area (Maintenance App).

The latter project was completed with the deployment at the mechanical and electrical maintenance units at the Vedano and Gornate sites of a maintenance app with a new maintenance system that interfaces directly with the SAP ERP system. This improves the existing maintenance processes, thanks to a more mobile and interactive approach (through the deployment of devices (tablets) to be used on-site) to collecting data from the systems and the routine, scheduled and extraordinary maintenance activities in order to achieve a better organised and planned maintenance model that also interfaces with the management control systems (using a method to statistically analyse KPIs that ensures continuous improvement). In order to activate these functions, a SAP system was created for the technical units and related equipment linked to the cost centres. Thus information can flow between the various

company departments, data can be exchanged immediately and maintenance costs traced accurately.

As part of the Torbissima Project, LATI continued its structural and technological transition to a Smart Factory. The entire production process and the field data collection methods were redesigned to become Industry 4.0 compliant. This entailed revisiting the factory's processes and digitalisation (thanks to the use of the IoT system) of all the production areas starting from the preparation and weighing unit, and on to the mixing, extrusion, drying and packaging units.

The first step was to roll out a pilot production line to test the flows and recordings throughout the entire production process at the Gornate site (wave 1 of the project), from the weighing, blending and extrusion stages to the product finishing stage. Crucial training and change management activities were provided to operators in order to aid both supervisors and workers in this key production process evolution.

As a result, the following production lines were linked with IoT and managed with the SAP MII system in 2022:

- Colorservice automatic weighing system
- blending systems (blend 1, blend 2, blend 3 and blend 4)
- BV 84/1 G extrusion line and underwater pelletizing system
- full set of four dryers
- bag packaging line
- octabin packaging line
- end-of-line labelling equipment (for outbound finished products)

Thanks to the IoT system, the machine cycle stages of these lines can advance, as can the real-time sharing of process data about these lines, and the Data Lake receives and stores data. The MES allows timely monitoring of orders and their timing and usages on the various lines, as well as online recordings of production volumes and stopping times (and reasons therefor). The system manages OEE (overall equipment effectiveness) reporting for each individual plant or area of the factory, facilitating both combined and detailed analyses of process parameters and performance.

Engineering department

LATI developed its technology and innovation activities during the year, focusing on different issues summarised as follows:

- A. Project T2 to expand production capacity;
- B. Project T4 to transfer production from Vedano to Torba;
- C. Implementation and improvement of general factory services at Torba;
- D. Research and development of production processes to constantly improve efficiency.

A. Project T2

The main objectives of Project T2 is to boost production capacity by roughly 12 thousand tonnes/year, installing a new blending area, two new state-of-the-art extrusion lines with an innovative raw material feeding system and a completely redesigned end of line. In addition, the new production area will boast an in-line finished product homogenisation system and automatic packaging system that will load bags and octabins onto pallets.

LATI chose two engineering firms for the project, one specialised in process plant design and one in structures and general feeding systems for production machinery. Comprised of the LATI technical department and the two engineering firms, the project team completed the pre-engineering stage in 2022, involving the suppliers selected for the main systems right from the start. In light of the long procurement times, the systems will be delivered towards the end of 2023 and early 2024. Production is expected to go live in 2024. The project is being implemented into an existing production unit, thus the pre-engineering and engineering stages required approximately 12 thousand work hours.

B. Project T4

Project T4 was devised due to the company's need to transfer production from Vedano to Torba, chiefly motivated by logistics and implications with the local community.

A design concept was developed to assess the options for re-arranging production at the Torba site by building a new production area to house certain production lines from the Vedano site and other new lines.

The design concept was particularly challenging due to the high number of product codes to be analysed and the particular production features of each individual code. The company studied different layout and engineering solutions that would suit the types of materials used

in the STAR product family, by their very nature difficult to produce and requiring special equipment.

Thanks to these studies taking into consideration the pre-existing situation at the site, the company will be able to define the most appropriate solution and begin the pre-engineering stage.

C. Implementation and improvement of general factory services at Torba

New systems were designed and built during the year to support production especially with regard to environmental and energy factors.

A new automatic washing system was installed for use in production to transport raw materials and finished products. Built by a company operating in the food sector, this system ensures that the bins are cleaned perfectly with minimum water usage.

A new treatment system was re-designed and repositioned for the waste water from washing equipment used in the production cycle.

The company performed a study for repositioning filtration systems and bringing them up to standard under ATEX regulation. These systems filter the dust raised while moving raw materials from silos, the unpacking area and the blending area.

LATI designed and acquired a new industrial water degassing treatment system, a crucial production process. The new system will reduce maintenance activities and line downtime and will be rolled out in 2023.

A new suction and abatement system was designed and ordered to deal with the dust raised when feeding the extrusion and post-extrusion lines. This will improve the work environment and reduce the size of areas classified under ATEX regulations.

A specialised firm was hired to design a new suction system for gaseous effluents generated by the extrusion process. It is slated to be finalised in 2023.

The aforementioned activities and related benefits were key to the development and implementation of Project T2.

D. Research and development of production processes to constantly improve efficiency

Modifications were made to certain extrusion lines during the year to boost efficiency. Specifically, a new cutting system was implemented thus increasing the throughput and line uptime, while cutting down on downtime for maintenance. To complete the end of line, the company tested and acquired a new screening system for finished products. The reduced size of this system means it also consumes less energy.

Specific tests were carried out at specialised suppliers on innovative equipment for producing special materials that are hard to manage during the extrusion stage. Given the positive results, the equipment will be included in 2023 capex and will help optimise the engineering choices for Project T2.

Boosted by a new addition, the process engineering team stepped up its work on improving the production process and final quality of numerous materials in support of the operations department.



Information & Communication Technology department

During the year, the company continued its project to computerise and digitalise the production-logistics area started in 2020, which will make it possible to perform real time checks of the data from and progress of each phase of internal and external production and logistics and online and offline controls. Activities carried out in 2022 included:

- activating the Innocenti external warehouse by developing a data exchange interface between LATI and the warehouse manager;
- further increasing the number of connected machines to record production data (IoT);
- release of new functionalities as part of the BI (business intelligence) project;
- continuation of development of the MES;

In view of the new network services required for the new Vedano Olona and Gornate Olona offices and to adapt to changes in the mobility of the users of such services, the company began designing new network infrastructure which is expected to be implemented in 2023.

The company continued its strategy to reinforce cybersecurity, specifically by:

- providing dedicated courses to all users of the IT systems to raise awareness of the most common risks and behaviour-based security;
- implementing web surfing controls aimed at blocking access to dangerous sites or sites not inherent to work activities, active also on laptops not connected to the company network;
- introducing two-factor authentication for VPN connections by company users, in order to reduce the risk of access by third parties who fraudulently obtain credentials;
- activating backup functions for email and data contained in Microsoft Teams;
- expanding the vulnerability detection system to all of the company's machines, including physical servers, cloud servers and all personal computers, including laptops;
- performing vulnerability assessments, for the prompt assessment of the IT security status.

RESEARCH AND DEVELOPMENT AND SUSTAINABILITY

2022 R&D activities

In 2022, the company started 92 R&D projects which led to the coding of 95 new products and the formulation and processing of 400 experimental batches, including 176 which were trialled by customers for application tests.

The main research issues treated by the department during the year were:

- a. developing numerous sustainable solutions made with recycled polymers. Though formulated with a high content of recycled polymers (from 30% to 100% of total polymers), these have been designed to guarantee a high level performance. Another sustainability issue that the company invested many resources into in 2022 was assessing the sustainability of its products, with a particular high demand for calculating the emissions of the individual formulations;
- b. developing high performance self-lubricating materials fit for use in severe environments;
- c. studying materials for direct production of components/products via granular additive manufacturing.

A. Study, assessment and development of sustainable solutions

As part of the company's long-term strategy, the R&D department performed numerous activities to meet growing market demand for sustainable products.

The most prominent activities regarded:

- The new LATIECO product family, which includes products with recycled raw materials, was the subject of various projects which studied and coded 19 products in 2022; specifically, various compounds, mainly based on reinforced and self-extinguishing PA6 and PA66 along with compounds with recycled PETg, were researched and developed.
- As anticipated in 2021, a crucial factor was determining the impact of materials produced by LATI over their life cycle. This topic attracted growing interest for sustainability reporting purposes and also for our customers who are increasingly requesting products with a reduced environmental impact. To meet these demands and accurately measure scope 3

emissions (all indirect emissions produced along the value chain of a company as a result of its activities) for the sustainability report, the company took two actions:

- it entered into a three-year partnership with Insubria university, launched late 2022 on the topic “Analysing the life cycle of industrial processes for high performance plastic products”; the company will co-sponsor a research PhD to perform analyses on its entire production system and the impact of the raw materials on the various sustainability parameters (LCA - life cycle assessment) of significant product families;
- gathering and mapping data on GHG emissions of the raw materials most used in LATI products. This process of production cycle data gathering, schematisation and analysis gave an estimate of the GHG emissions of the dozens of LATI’s finished products to meet the numerous internal and external (customer) requests.

B. Development of high performance self-lubricating materials fit for use in severe environments

Numerous self-lubricating products were developed in 2022 (15 codes were studied, of which 12 coded), specifically various products suitable for use in electric mobility thanks to their exceptional performance in critical environments, i.e., high temperatures and/or aggressive work conditions in contact with aggressive fluids, which thus need superb chemical resistance to cooling liquids (oil, greases and all types of liquids and fuels used in these applications) present when used in an engine.

C. Studying materials for direct production of components/products via granular additive manufacturing

Additive manufacturing is now allowing us to make extremely complex technical parts that were unimaginable even a few years ago and would be impossible to make using any other technology, unless extremely slow and less sustainable subtractive methods in terms of the waste produced.

Granular additive manufacturing merits its own mention. Often using six-axis robotic arms or specifically engineered extruders, this allows 3D printing of large or extremely large objects, such as bodies and parts of cars or aircraft, boats, parts of bridges, design and architectural structures, copies of statues, sets, etc.. The printed pieces can offer top mechanical performance and are suitable for post-processing and subsequent finishing. The main advantage compared to fused deposition modelling (FDM) is that it bypasses the wire extrusion process, thus leading to energy and financial savings and also protecting the materials as they are less processed or “stressed”. This technology can also be applied to materials containing or reinforced with high percentages

of fibre that could not be used in FDM, thus bringing vastly superior mechanical and performance advantages to the finished product.

This technology required studies to fine-tune ad-hoc formulations to enable excellent adhesion between the layers and dimensional stability. This would be impossible with standard materials for such large pieces. LATI3Dlab developed various versions of suitable materials, often reinforced with up to 30%/40% carbon fibre or fibre glass, including with recycled polymers (see the Vudafieri lamp <https://www.vudafierisaverino.it/node/278>) or with functional properties, such as self-extinguishing PETg V0 used to make “La Nube” in Valencia, with over three tonnes of printed material to make the lower net-like support (<https://www.iguzzini.com/it/progetti/galleria-progetti/caixaforum-valencia/>).

Co-funded projects

A. Poliste Project

The Poliste Project came to an end in 2022. Its aim was to use lignocellulosic biomass as both a base material and as reinforcing filler for sustainable advanced polymer systems. Funded by the Lombardy Region and the CARIPLO Foundation, the project is based on a partnership of two universities (Milan Polytechnic University and the University of Milano-Bicocca), a company specialised in formulating and manufacturing high performance thermoplastic compounds (Lati Industria Termoplastici S.p.A.) and two end users operating respectively in the household appliances (Electrolux Italia S.p.A.) and abrasive tools (Camfart Mole Abrasive S.r.l.) sectors. Within this project, LATI’s main goal was the scalability and approval of lignin-based thermoplastic compounds with regard to compounding and process. Following approval, prototypes were made using injection moulding and the mechanical and thermal properties and possibly flammability and other properties of such prototypes were identified.

After studying in the initial stage of the project compounds with lignin content and a PP and bioHDPE base, the second stage moved onto to investigating new polymers that could function in a circular economy. The following materials were chosen:

recycled polypropylene (rPP);

polybutylene succinate (PBS), a biopolymer partially obtained from renewable and compostable sources;

polyhydroxybutyrate (PHB), a biopolymer obtained from bacterial fermentation, which is biodegradable and compostable.

Furthermore, in order to study the possibilities of using alternative sources of lignin, two additional tests were carried out using a PBS and PHB base with added walnut shells.

The results showed that the presence of lignin improves the mechanical properties compared to virgin PP, thus confirming it a worthy choice. Once the best formulation was identified, it was

decided to proceed with making the finished product in order to check how the material performs during the injection process and compare it with the material currently used in the partner's production of household appliance components. To this end, LATI used the "evaluator" prototype to stress process defects such as distortion, sink marks, burn marks, etc.. These tests and their results were analysed and documented.

B. SAbyNA Project

Funded by the European Community as part of Horizon 2020, the SAbyNA project aims to develop a user-friendly IT platform to support the assessment and mitigation of risks regarding nanomaterials (NMs and NEPs) and safe-by-design production processes. The project re-develops pre-existing methods, models and tools in order to reduce complexities and costs. Under this project, LATI is supporting the creation of materials and processes (3D printing - one of the case studies selected). It will carry out tests on the tool with the support of in vivo tests and characterisation of the toxicological impact of the process and the end nanotechnological product. Thanks to its extensive experience in managing EU research projects, LATI's R&D department was elected leader of the industrial partners, coordinating the activities and organising this part of the project. During the year, numerous test samples were provided containing nanomaterials to make 3D printed prototypes for the electrical sector (ATEX area) and for the medical sector (antibacterial application). There were industrial productions of the products in the presence of the scientific partner IOM with sampling performed during the processes. The testing carried out by LATI led to the preparation of various contributions presented by the academic partners at international conferences during the year.

LATI presented the project at the global NanoInnovation conference.

HUMAN RESOURCES AND ORGANISATION

Despite the critical condition of the markets and global politics, once again in 2022 LATI adopted HR policies aimed at ensuring the employment, employability and well-being of its people, staying true to its values.

Specifically, the main actions taken in 2022 can be grouped into the following four areas:

- Organisational development
- Strengthening skills
- Personal well-being
- Financial stability

Organisational development

LATI maintained full employment levels and hired new employees for its offices and production departments.

Partly to cover the normal departure of employees who have reached retirement age, the company has implemented recruitment policies to support the company's development with new jobs and roles, particularly to facilitate the company's digital transition, communication and internationalisation.

LATI reorganised some departments to include new strategic emerging roles in order to be better placed to take on new market challenges and support the company's strategic goals.

It does not expect to be involved in disputes or found liable for injuries or work-related illnesses involving employees or former employees or proceedings in which it is found guilty in 2023. Therefore, it has not set up a provision for risks.

Remote work: remote work is now an established practice at LATI. It allows each supervisor to organise the work of their team in-person or remotely, depending of their specificities and needs. The hybrid model was further extended in 2022 under the trade union agreement with employees no longer having their working hours checked using the clock in/clock out system.

This organisational development is part of the change of mindset process that LATI undertook several years ago based on its engagement with and trust in its employees.

A wide-reaching restructuring of work areas at Vedano Olona is also under way. The project will make the spaces more attractive, eco-sustainable, stimulating digital evolution, collaboration and participation. The NuoviLATI project was rolled out to help people experience the change as an opportunity for development and improvement. By detailing the different steps of the restructuring work, the project offers training and information to make the most of this important change, organising in-person work better and reinforcing a sense of community and social interactions.

Covid-19 safety: once again in 2022, the company continued to promptly monitor its employees' health and safety in accordance with the relevant regulations.

The Covid Commission met monthly to update the protocols and practices in place at the company in order to ensure the maximum safety of its employees and reduce the risk of contracting Covid-19 to the minimum.

The company doctor provided prompt services, support and information. As already established in the past, the company continued to cover the costs of any nasopharyngeal swabs at a third-party clinic needed.

Strengthening skills

2022 was an important year for training and development.

The company successfully implemented a new management system dedicated to HR soft skills: My LATI Space, using the Cornerstone platform.

The new tool is designed to:

- improve the learning experience and keep the skills database updated;
- systematise the assessment process and reinforce the practice of feedback to motivate people to realise their full potential;
- offer a modern multi-channel learning experience that uses AI and applies the best practices of a leading platform;
- gradually create solutions accessible to all, stimulating a sense of belonging and community;
- transfer existing data and generate new reports within the system focused on the company's specific reporting requirements and that are always updated.

The 2022 training plan is filled with content designed to strengthen pre-existing skills and develop new mindsets, especially regarding interdepartmental collaboration, inclusion, sustainability, social responsibility and digital innovation. The driver of the new training initiatives is to support the company's development strategies by growing individual skills. The training courses are always also offered to people under staff leasing contracts.

The training programme can be divided into different areas:

- **Collaboration and inclusion:** courses on skills linked to interdepartmental collaboration were prioritised. The courses focused on issues such as promoting collaboration between departments and colleagues on the same team, encouraging proactiveness and an aptitude for change as well as written and oral communication. Specifically, the "Rispettiamoci" in-person course was provided to the entire workforce with speakers from the social sector. The

course stimulated reflection on violence against women and, more in general, the importance of caring for and respecting others and their diversity;

- **Compliance and CSR:** LATI's transformation into a benefit company and its growing commitment to sustainability issues required a special focus in its training courses. The entire workforce was provided with courses on environmental, social and governance sustainability. The growing need for new certification and compliance systems (IATF, Ecovadis, etc.) in addition to maintain existing certifications required specific training to be provided to the people involved (auditors and dedicated teams);
- **Digital mindset:** LATI's digital evolution requires constant digital agility upskilling, dealt with from various points of view. With a large-scale involvement of our partners, we tackled issues regarding cybersecurity, the use of LinkedIn and the MES;
- **Transversal skills:** the new format of distance learning courses was strengthened in 2022, offering English and German language courses and excel courses;
- **Courses for factory workers:** provided permanently under trade union agreements (two hours at the end of their shift). These were provided in-person, with a new scheduling tested that also uses the hours before beginning a shift. The result gave positive results and this model will be established over the coming year, thus helping to boost the workers' work-life balance. The courses covered various subjects, with particular focus on collaboration, mutual respect and safety;
- **Safety:** training provided in accordance with the ruling legislation. This was provided remotely where permitted by the law or in-person where required for the practical part.

Personal well-being

In 2022, LATI honed in on actions centred on people and listening, to ensure well-being and support its need to attract and retain talent. The pinnacle was the gratifying recognition obtained with the "Great Place to Work" certification, placing LATI among the very few Italian production companies honoured with this award.

The company also launched the "Cuore a mille Challenge, diventa campione solidale" project to support the Piatti Foundation's organised walks to raise awareness about disability.

LATI's partnership with schools continued with recurring work experience stints of secondary school students and taking part in the Varese Confindustria "Generazione d'industria" initiative to create a network between schools and industry. In 2022, LATI hosted "Circle Lab" set up by the school Liceo Artistico Don Milani di Venegono Inferiore to involve two classes in designing and decorating the walls of the Gornate Olona laboratory.

With regard to corporate welfare, the company qualified again in 2022 as a “Workplace that promotes health”, receiving the related certification from the WHP (Workplace Health Promotion) network of the Lombardy region.

The company organises a wide range of activities to support employees’ well-being: focusing on nutrition with awareness campaigns, organising fitness courses at the company, offering cultural visits, scholarships, concessions for children’s summer camps, discounts at various businesses and gyms.

Financial stability and government sponsored lay-off scheme

On 18 December 2022, the company had to apply for a government sponsored lay-off scheme as a fall in orders meant production activities had to be reduced. This involved 60 employees for a total 2,340 hours.

The company paid the relevant amount in advance on a monthly basis, using the lay-off period to accrue contractual instalments and supplemented the salary amount up to 90% of the gross annual pay of the employees involved. These conditions were also applied to blue collars with staff leasing contracts.

At year end, the company also paid out a one-off bonus to the entire workforce to compensate the sudden rise in living costs.

From 2021, employees can convert their performance bonus into corporate welfare benefits by allocating the bonus to the Flexible Benefit Platform where the gross amount can be used as a net amount.

QUALITY, SAFETY AND THE ENVIRONMENT

The company's quality, environmental and safety management system complies with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 (customer orientation, leadership, staff involvement, process-based approach, system-based approach to management, continual improvement, evidence-based decision-making, mutually beneficial relationships with suppliers, promoting respect for the environment in all its forms and safeguarding the health and safety of workers).

Each site has a centrally-coordinated organisational structure dedicated to the quality, environmental and safety management system.

The sites are certified by independent certification institutes which check compliance with the reference standards each year and renew the relevant certificates.

ISO 9001:2015, ISO 14001:2015 and ISO 45001:2020 certified sites.

ISO 9001:2015 certificate no. 041

Site	First issue date	Certified by
Vedano Olona	16/03/1993	Certiquality
Gornate Olona	16/03/1993	Certiquality

ISO 14001:2015 certificate no. 333

Site	First issue date	Certified by
Vedano Olona	19/05/1995	Certiquality
Gornate Olona	19/05/1995	Certiquality

ISO 45001:2018 certificate no. IT-119353

Site	First issue date	Certified by
Vedano Olona	28/07/2020	Certiquality
Gornate Olona	28/07/2020	Certiquality

In October 2022, the audit to renew the ISO 9001 (quality management system), ISO 14001 (environmental management system) and ISO 45001 (occupational health and safety) certifications took place.

All audits were successful. No major or minor non-compliance was detected.

During the year, there was no damage caused to the environment and no lawsuits were filed or fines imposed for environmental crimes or damage.

The company continues to be committed to achieving and maintaining adequate environmental, safety and quality standards, through the periodic training of its employees on occupational health and safety issues and by raising their awareness of the protection and preservation of the environment in the performance of their various duties.

Pursuant to article 30 of Legislative decree no. 81/08, as subsequently amended, the company adopted an organisational model as per Legislative decree no. 231/01 and appointed the members of the supervisory board.

The company's organisational and management model as per Legislative decree no. 231 is published on its website - www.lati.com.

The Quality, Environment and Safety department is also responsible for sustainability and hit important goals in 2022, such as:

- maintaining its Ecovadis gold rating;
- publishing its third sustainability report which was certified by a third party;
- transformation into a benefit company.

MAIN RISKS AND UNCERTAINTIES

- Market risks

Like all manufacturers that use plastic materials, the company is exposed to the risks associated with the general market conditions, especially in terms of sales volumes and the products' value added.

Sales volumes decreased by 8.6% compared to 2021. Customer order levels and, therefore, sales volumes slowed down gradually.

Raw materials prices continued to climb throughout the year. There were no tensions on the supply front in the first half of 2022, however they returned in the second half prompted by the drop in orders.

Starting from April there was a sharp rise in energy prices. LATI had to partly mitigate this by accessing the specific subsidies provided by the government. The level of energy prices gradually fell starting from the fourth quarter of 2022. This continued in the first quarter of 2023 though remaining above 2021 year-end levels.

- Liquidity risk

Over the past two years, LATI has steadily optimised:

- its use of bank facilities to discount trade receivables;

- its use of non-current loans to finance investments;
- its monitoring of the use of financial resources to fund working capital.

LATI recorded a slight net financial indebtedness at 31 December 2022, though maintaining its net financial indebtedness/EBITDA ratio below 1.

The company's net working capital increased in 2022 due to inflation. Thanks to its constant monitoring of:

- days sales outstanding – DSO
- days payable outstanding – DPO
- days inventory outstanding – DIO
- total exposure to customers,

LATI was able to partially control and attenuate the increase in net working capital while ensuring suitable levels of finished products and raw materials to guarantee service levels.

- Interest rate risk

Most of the sources of funding are at variable rates, theoretically exposing the company to the risk of volatility. The company has two loans hedged by interest rate swaps.

In 2021, the company renegotiated part of its loans, pegging them to strategic ESG parameters and obtaining additional benefits in terms of interest rates and longer repayment schedules.

In the first half of 2022, LATI took out two new loans for a total of €15 million, while also negotiating two hedges on such loans designed not to incur the interest rates hikes announced by the European Central Bank. This allowed LATI to pay a fixed interest rate.

- Credit risk

This is substantially the risk that the company will not be paid by its customers. In general, the company's credit risk is not significantly concentrated as it has a high number of customers.

As a precaution in light of the pandemic, LATI stepped up its monitoring of exposure to credit risk. Once again in 2022, there was neither a worsening of outstanding payments nor an increase in the DSO.

The company's exposure is covered by a major insurance policy, although it does have an excess clause. In any case, LATI minimised its credit risk through the insurance policy and obtained a bonus from the insurance company as a reward for its excellent performance. However, the company considers it fundamental to constantly monitor its exposures.

- Risks connected to the Covid-19 pandemic

During the year, the company continued to monitor the risk that the virus would spread among its employees. It maintained all the measures introduced in the 2020-2021 two-year period and adopted new ones as necessary and required by the national public health plan.

The effectiveness of its measures was seen again in 2022: employees promptly adapted to the new situation showing a great degree of collaboration and respect for their own health and that of others, swiftly reporting any exposure to contagion risks.

- Risks connected to the conflict between Russia and Ukraine

The conflict between Russia and Ukraine had indirect effects on LATI as it does not have direct commercial activities with either country and is monitoring the situation with respect to its customers and suppliers that work with companies in the two countries.

As mentioned earlier, as an offshoot of this conflict, starting from April, there was a sharp rise in energy prices. LATI partly mitigated this by accessing the specific subsidies provided by the government.

TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENTS

The main transactions carried out by the company with SVI S.p.A., which manages and coordinates it, and with subsidiaries, are summarised below:

Trading transactions

	Receivables	Payables	Guarantees received	Guarantees given	Costs and charges	Revenues and income
SVI S.p.A.	3,530,183	70,000	-	-	140,000	-
LATI Shanghai	787,695	8,826	-	-	877,325	2,288,774
LATI UK Ltd	318,084	-	-	-	33,287	2,632,162
LATI Usa Trade Inc.	-	13,176	-	-	281,720	640,876

Financial transactions

	Financial receivables	Loans and borrowings	Guarantees received	Guarantees given	Financial charges	Financial income
SVI S.p.A.	-	-	-	-	-	130,000
LATI Shanghai	-	-	-	-	-	-
LATI UK Ltd	-	-	-	-	-	-
LATI Usa Trade Inc.	-	-	-	-	-	-

The above transactions, which are neither atypical nor unusual, were carried out on an arm's length basis. The receivables from SVI S.p.A. relate to:

- the VAT consolidation scheme (€1,710,392);
- the tax consolidation scheme (€874,997) in addition to withholdings for bank interest income (€653);
- excess foreign tax assets (€580,686);
- foreign taxes related to previous years and recoverable in future years as they exceed Italian current taxes (€269,169);
- taxes incurred abroad (€34,286);
- dividends not collected during the year (€60,000).

All other intragroup receivables and payables arise from trading transactions.

The costs incurred by LATI S.p.A. relate to:

- technical and administrative assistance and advisory services (SVI S.p.A.);
- commissions (foreign subsidiaries).

LATI S.p.A.'s revenues and income relate to:

- with respect to the foreign subsidiaries, trading income from the sale of goods, the provision of services and financial income in the form of dividends received from the parent SVI S.p.A..

In 2022, the company made no decisions that were particularly influenced by the company that manages and coordinates it, except for trading and organisational transactions aimed at benefiting from group synergies.

To complete the information, it is noted that SVI S.p.A. prepares consolidated financial statements.

The main events affecting the company's foreign operations are summarised below.

Subsidiaries

LATI U.K. Ltd.

In 2021, the English market saw a 42,973% increase in sales volumes and a 49,541% rise in turnover. Unit profit margins were substantially aligned with 2021 and the subsidiary recorded a net profit of €49,542 (2021: €49,541) despite the upturn in turnover from €2,534,026 to €2,779,434. The initial figures for 2022 suggest steady sales in line with the last quarter of 2022.

LATI U.S.A. Trading, Inc.

The subsidiary recorded a net profit of €375,461 for 2022 (compared to a net profit of €441,885 for 2021). Revenues related to commercial brokerage commissions decreased from €349,258 to €280,510. The tax provision including deferred tax liabilities increased by €99,208. In 2022, LATI's product qualification activities with customers continued, especially in the electrical and household appliances sector, and the company started to work with new customers. 2023 sales volumes are expected to be in line with the previous year and the subsidiary will create new sales opportunities for special and high-end products thanks to partnerships with local distributors.

LATI Shanghai Co. Ltd.

The subsidiary was set up at the beginning of 2010 and represents the group's direct presence in the Asian market and, in particular, in the strategic Chinese market. The Chinese subsidiary was the first to be hit by the pandemic but was also the first to recover pre-Covid sales levels. In 2022, the company's turnover decreased by 47.7% over 2021. Its net profit increased 5.5% from €1,580,882 to €1,667,071 for 2022. The subsidiary expects its business next year to remain in line with 2022.

Parent

SVI S.p.A. continues to provide service coordination among its group companies to enhance efficiency.

OWN SHARES AND SHARES OF GROUP COMPANIES

At the reporting date, the company did not hold own shares. It did hold 799,999 shares, with a unit value of €0.21, of its parent, SVI Sviluppo Industriale S.p.A., (10% of its share capital) which have a carrying amount of €1,994,226, measured at cost, as at the previous year end.

OUTLOOK AND POST-BALANCE SHEET EVENTS

The company's turnover for the first few months of 2023 is in line with the budget in terms of sales volumes and price trends.

The significant post-balance sheet events include:

- the prolongation of global tension raised by the Russia-Ukraine conflict;
- the persisting inflationary tension;
- the European Central Bank's raising of interest rates to calm inflationary pressure.

While the consequences of both the ongoing war and price tensions cannot be predicted, the company has shown itself to be profitable, able to preserve its value and to have a strong financial position over the years.

The main risk to which it is exposed is the global recession. The first quarter of 2023 confirmed the trends of the prior quarter, with a slowdown in new orders expected in the 2023 budget. The economic situation remains uncertain however and difficult to predict as the market is showing both initial signs of slight revival and further elements that could cause issues for Europe's competitive edge.

As in previous years, LATI can rely on its sound financial position and clear course of strategic development aimed at maintaining profitability and its ability to create value. Specifically, it is becoming increasingly more critical to combine its sustainability strategy with its repositioning strategy towards sustainable, safe, long-lasting plastic products with high added value that make the most of LATI's specific know-how.

Information on financial instruments and, if relevant for an understanding of the company's financial position, results of operations and cash flows, on its objectives and policies for financial risk management and exposure to price, credit, liquidity and cash flow risks

Reference should be made to the notes to the financial statements and the "Main risks and uncertainties" section hereof for the disclosure required by article 2428.6-bis of the Italian Civil Code. There is no further information to be provided about the company's use of financial instruments and financial risk management.

LIST OF OFFICES

In 2022, the company carried out production at its Vedano Olona site (which houses its legal and operating offices) and Gornate Olona site. It also has local branches in Gothenburg, Sweden ("Lati Sweden Filial"), Wiesbaden, Germany ("LATI Industria Termoplastici S.p.A. - Zweigniederlassung Deutschland"), Nové mesto nad Váhom, Slovakia, ("LATI Industria Termoplastici S.p.A. - organizačná zložka"), Paris, France ("LATI Industria Termoplastici S.p.A. – succursale France") and Barcelona, Spain ("LATI Industria Termoplastici S.p.A. – succursal Espana").

CONCLUSION

Reference should be made to the notes to the financial statements, which are an integral part thereto, for the disclosure required by Law no. 72/1983.

Dear shareholders,

To conclude this directors' report accompanying the financial statements at 31 December 2022, we confirm that the draft financial statements presented for your approval give a true and fair view of the company's financial position, results of operations and cash flows and we invite you to approve them.

Vedano Olona, 27 March 2023

For the board of directors

Chairman

(Prof. Francesco Conterno)



LATI INDUSTRIA TERMOPLASTICI S.p.A.

*Company managed and coordinated by
SVI Sviluppo Industriale S.p.A.*

Registered office: Via Francesco Baracca 7 - 21040 Vedano Olona

Share capital: €3,818,400 fully paid-up

Varese company registration no. 00214880122

Tax code and VAT no. 00214880122

VARESE Chamber of Commerce REA no. 41557

LATI INDUSTRIA TERMOPLASTICI S.p.A.

FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

General information	
Company information	
Registered office in:	VEDANO OLONA, VIA BARACCA 7
Tax code:	00214880122
REA no.:	41557
Share capital	3,818,400.00
Fully paid-up share capital:	yes
Chamber of commerce:	VARESE
VAT no.:	00214880122
Legal form:	Company limited by shares
Main business code (ATECO):	201600
Company in liquidation:	no
Single-member company:	no
Company managed and coordinated by another party:	yes
Company or body that manages and coordinates it:	SVI SVILUPPO INDUSTRIALE S.p.A.
Group component:	yes
Parent:	SVI SVILUPPO INDUSTRIALE S.p.A.
Country of parent:	Italy
Register of cooperatives number:	

Amounts are in Euros

BALANCE SHEET

	31/12/2022	31/12/2021
Balance sheet		
Assets		
A) Share capital proceeds to be received		
B) Fixed assets		
I - Intangible fixed assets		
1) start-up and capital costs	56,660	185,628
4) concessions, licences, trademarks and similar rights	1,600,534	1,191,471
6) assets under development and payments on account	75,955	57,019
7) other	83,601	11,923
Total intangible fixed assets	1,816,750	1,446,041
II - Tangible fixed assets		
1) land and buildings	22,382,580	24,307,989
2) plant and machinery	14,610,470	14,667,314
3) industrial and commercial equipment	466,352	367,343
4) other assets	170,423	217,646
5) assets under construction and payments on account	5,009,321	2,190,925
Total tangible fixed assets	42,639,146	41,751,217
III - Financial fixed assets		
1) equity investments		
a) subsidiaries	1,362,799	1,151,142
c) parents	1,994,226	1,994,226
d-bis) other companies	69,303	69,881
Total equity investments	3,426,328	3,215,249
2) financial receivables		
a) from subsidiaries		
b) from associates		
c) from parents		
d) from subsidiaries of parents		
d-bis) from others		
due after one year	22,129	22,062
Total from others	22,129	22,062
Total financial receivables	22,129	22,062
3) other securities	4,907,946	5,000,000
4) derivatives	1,021,824	
Total financial fixed assets	9,378,227	8,237,311
Total fixed assets (B)	53,834,123	51,434,569
C) Current assets		
I - Inventory		
1) raw materials, consumables and supplies	21,640,852	22,788,422
2) work in progress and semi-finished products	978,741	1,025,845
4) finished goods	24,167,428	14,493,861
5) payments on account	53,915	213,600
Total inventory	46,840,936	38,521,728
II - Receivables		
1) trade receivables		
due within one year	33,376,442	37,863,658
Total trade receivables	33,376,442	37,863,658
2) from subsidiaries		
due within one year	1,105,779	818,072
Total from subsidiaries	1,105,779	818,072
3) from associates		

4) from parents		
due within one year	3,530,183	2,217,616
Total from parents	3,530,183	2,217,616
5) from subsidiaries of parents		
5-bis) tax receivables		
due within one year	1,450,939	311,513
due after one year	1,019,440	
Total tax receivables	2,470,379	311,513
5-ter) deferred tax assets	520,184	842,525
5-quater) from others		
due within one year	359,872	229,706
Total from others	359,872	229,706
Total receivables	41,362,839	42,283,090
III - Current financial assets		
6) other securities	5,000,000	
Total current financial assets	5,000,000	
IV - Liquid funds		
1) bank and postal accounts	20,460,447	25,605,088
3) cash-in-hand and cash equivalents	530	497
Total liquid funds	20,460,977	25,605,585
Total current assets (C)	113,664,752	106,410,403
D) Prepayments and accrued income	243,780	227,854
Total assets	167,742,655	158,072,826
Liabilities		
A) Net equity		
I - Share capital	3,818,400	3,818,400
III - Revaluation reserves	5,027,935	5,027,935
IV - Legal reserve	1,624,000	1,624,000
VI - Other reserves		
Extraordinary reserve	68,258,148	54,038,602
Reserves for shares of the parent	1,994,226	1,994,226
Negative goodwill	1,895,205	1,895,205
Total other reserves	72,147,579	57,928,033
VII - Hedging reserve	776,586	(39,009)
IX - Net profit for the year	11,815,687	14,774,546
Total net equity	95,210,187	83,133,905
B) Provisions for risks and charges		
1) pension and similar provisions	9,044	8,911
2) tax provision, including deferred tax liabilities	245,238	
3) derivatives	0	39,009
4) other provisions	891,124	2,227,967
Total provisions for risks and charges	1,145,406	2,275,887
C) Employees' leaving entitlement	1,678,511	1,943,691
D) Payables		
1) bonds		
2) convertible bonds		
3) shareholder loans		
4) bank loans and borrowings		
due within one year	16,981,328	10,699,283
due after one year	19,683,014	11,723,594
Total bank loans and borrowings	36,664,342	22,422,877
5) loans and borrowings from other financial backers		
6) payments on account		
due within one year	63,410	61,159
Total payments on account	63,410	61,159

7) trade payables		
due within one year	27,619,077	43,074,101
Total trade payables	27,619,077	43,074,101
8) commercial paper		
9) payables to subsidiaries		
due within one year	22,002	316,014
Total payables to subsidiaries	22,002	316,014
10) payables to associates		
11) payables to parents		
due within one year	70,000	819,488
Total payables to parents	70,000	819,488
11-bis) payables to subsidiaries of parents		
12) tax payables		
due within one year	1,401,504	1,478,947
Total tax payables	1,401,504	1,478,947
13) social security charges payable		
due within one year	974,177	1,038,706
Total social security charges payable	974,177	1,038,706
14) other payables		
due within one year	1,684,503	1,497,008
Total other payables	1,684,503	1,497,008
Total payables	68,499,015	70,708,300
E) Accrued expenses and deferred income	1,209,536	11,043
Total liabilities	167,742,655	158,072,826



Profit and loss account

	2022	2021
Profit and loss account		
A) Production revenues		
1) turnover from sales and services	213,832,297	180,060,043
2) change in work in progress, semi-finished products and finished goods	9,626,463	3,301,152
5) other revenues and income		
grants related to income	2,152,355	57,183
other	1,997,747	1,478,475
Total other revenues and income	4,150,102	1,535,658
Total production revenues	227,608,862	184,896,853
B) Production cost		
6) raw materials, consumables, supplies and goods	156,920,370	133,228,113
7) services	26,465,497	19,889,734
8) use of third party assets	891,180	843,277
9) personnel expenses		
a) wages and salaries	12,439,684	12,226,128
b) social security contributions	3,978,513	3,961,543
c) employees' leaving entitlement	939,319	834,307
e) other costs	2,929,742	2,091,165
Total personnel expenses	20,287,258	19,113,143
10) amortisation, depreciation and write-downs		
a) amortisation of intangible fixed assets	657,784	525,531
b) depreciation of tangible fixed assets	3,362,895	3,092,507
Total amortisation, depreciation and write-downs	4,020,679	3,618,038
11) changes in raw materials, consumables, supplies and goods	1,147,570	(12,430,812)
13) other provisions	188,000	152,000
14) other operating costs	863,075	633,430
Total production cost	210,783,629	165,046,923
Operating profit (A-B)	16,825,233	19,849,930
C) Financial income and charges		
15) income from equity investments		
in subsidiaries		277,746
in parents	130,000	80,000
in other companies	160	48
Total income from equity investments	130,160	357,794
16) other financial income:		
a) from financial receivables classified as fixed assets		
d) other income		
from others	18,763	42,778
Total other income	18,763	42,778
Total other financial income	18,763	42,778
17) interest and other financial charges		
other	1,233,833	828,222
Total interest and other financial charges	1,233,833	828,222
17-bis) net exchange rate gains (losses)	(19,856)	116,557
Net financial charges (15+16-17+/-17-bis)	(1,104,766)	(311,093)
D) Adjustments to financial assets and liabilities		
18) write-backs		
a) equity investments	380,311	423,483
Total write-backs	380,311	423,483
19) write-downs		

a) equity investments	169,232	51,710
b) financial fixed assets which are not equity investments	92,054	
Total write-downs	261,286	51,710
Total adjustments (18-19)	119,025	371,773
Profit before taxes (A-B+C+D)	15,839,492	19,910,610
20) Income taxes, current and deferred		
current taxes	3,703,520	4,980,495
taxes relative to prior years	(2,056)	(5,448)
deferred taxes	322,341	161,017
Total income taxes, current and deferred	4,023,805	5,136,064
21) Net profit for the year	11,815,687	14,774,546



Cash flow statement, indirect method

	2022	2021
A) Cash flows from operating activities (indirect method)		
Net profit for the year	11,815,687	14,774,546
Income taxes	4,023,805	5,136,064
Net interest expense	1,234,926	668,887
Dividends	(130,160)	357,794
Profits from the sale of assets	(89,035)	(9,970)
1) Profit for the year before income taxes, interest, dividends and profits/losses from the sale of assets	16,855,223	20,927,321
<i>Non-monetary adjustments that did not affect net working capital</i>		
Accruals to provisions	1,127,453	986,360
Amortisation and depreciation	4,020,679	3,618,038
Other non-monetary adjustments	(119,025)	(371,772)
Total non-monetary adjustments that did not affect net working capital	5,029,107	4,232,626
2) Cash flows before changes in net working capital	21,884,330	25,159,947
<i>Changes in net working capital</i>		
Increase in inventory	(8,319,208)	(15,945,563)
Decrease/(increase) in trade receivables	4,487,216	(11,259,485)
Increase/(decrease) in trade payables	(15,452,773)	17,528,484
Increase in prepayments and accrued income	(15,926)	(65,184)
Increase/(decrease) in accrued expenses and deferred income	1,198,493	(31,558)
Other net increases in net working capital	(4,564,943)	(390,559)
Total changes in net working capital	(22,667,141)	(10,163,865)
3) Cash flows after changes in net working capital	(782,811)	14,996,082
<i>Other adjustments</i>		
Net interest paid	(1,234,926)	(668,887)
Income taxes paid	(4,023,805)	(4,102,842)
Dividends collected	130,160	(357,794)
Use of provisions	(1,411,180)	(1,295,875)
Total other adjustments	(6,539,751)	(6,425,398)
Cash flows from (used in) operating activities (A)	(7,322,562)	8,570,684
B) Cash flows from investing activities		
Tangible fixed assets		
Additions	(6,536,527)	(2,795,985)
Disposals	1,056,576	9,970
Intangible fixed assets		
Additions	(1,028,493)	(908,968)
Financial fixed assets		

Additions	(67)	(5,000,000)
Disposals		8,087
Other current financial assets		
Additions	(5,000,000)	
Cash flows used in investing activities (B)	(11,508,511)	(8,686,896)
C) Cash flows from financing activities		
Third party funds		
Increase in short-term bank borrowings	6,282,045	2,332,592
New loans	15,000,000	7,500,000
Repayment of loans	(7,040,580)	(12,493,190)
Own funds		
Dividends and interim dividends paid	(555,000)	(1,206,200)
Cash flows used in financing activities (C)	13,686,465	(3,866,798)
Decrease in liquid funds (A ± B ± C)	(5,144,608)	(3,983,010)
Opening liquid funds		
Bank and postal accounts	25,605,088	29,587,723
Cash-in-hand and cash equivalents	497	872
Total opening liquid funds	25,605,585	29,588,595
Closing liquid funds		
Bank and postal accounts	20,460,447	25,605,088
Cash-in-hand and cash equivalents	530	497
Total closing liquid funds	20,460,977	25,605,585



LATI INDUSTRIA TERMOPLASTICI S.p.A.

Company managed and coordinated by

SVI Sviluppo Industriale S.p.A.

Registered office: Via Francesco Baracca 7 - 21040 Veduggio Olona

Share capital: €3,818,400 fully paid-up

Varese company registration no. 00214880122

Tax code and VAT no. 00214880122

VARESE Chamber of Commerce REA no. 41557

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

First part

The financial statements of Lati Industria Termoplastici S.p.A. (the “company”) have been prepared in accordance with the provisions of article 2423 and following articles of the Italian Civil Code, interpreted in the context of and integrated by the reporting standards promulgated by the Italian Accounting Standard Setter (the “OIC”). They consist of a balance sheet, a profit and loss account, a cash flow statement and these notes.

The cash flow statement shows the reasons for increases and decreases in liquid funds during the year and has been prepared under the indirect method, using the layout provided for by OIC 10.

The amounts presented in the financial statements are expressed in Euros.

If the mandatory disclosures are not sufficient to give a true and fair view, additional disclosures are provided as necessary.

Reference should be made to the directors’ report that accompanies these financial statements for information on transactions with subsidiaries and parents.

The post-balance sheet events, the proposed allocation of the net profit for the year and the total off-balance sheet commitments, guarantees and contingent liabilities are presented in specific sections of these notes.

Pursuant to article 2497 and following articles of the Italian Civil Code, the company is managed and coordinated by SVI Sviluppo Industriale S.p.A. and, therefore, these notes present the key figures derived from the most recent financial statements of this company.

The company is controlled by SVI Sviluppo Industriale S.p.A., with registered office in Milan, which prepares the consolidated financial statements of the largest group of companies that comprises Lati

Industria Termoplastici S.p.A.. These consolidated financial statements are filed with the Milan Company Registrar.

Despite holding controlling investments, the company has not prepared consolidated financial statements under the exemption provided for by article 27.3/4 of Legislative decree no. 127/1991, as its parent, SVI Sviluppo Industriale S.p.A. with registered office in Corso Venezia 61, Milan prepares the consolidated financial statements of the largest group of companies that comprises Lati Industria Termoplastici S.p.A.. These consolidated financial statements, together with the accompanying directors' and statutory auditors' reports, are filed with the Milan Company Registrar. LATI became a benefit company on 27 June 2022, specifying in its by-laws the objectives of common good that it pursues in its daily operations.

Basis of preparation

General principles

The financial statements captions have been measured in accordance with the general principles of prudence and accruals on a going-concern basis. Captions have been recognised and presented in accordance with the substance over form principle, if in compliance with the Italian Civil Code and the OIC. The company has also complied with the principle of measurement consistency, materiality and comparability of information.

As a result:

- the company measures the individual assets and liabilities separately, in order to avoid offsetting profits on certain items against losses on other items. Specifically, the company recognises profits only if realised before the reporting date, whereas it considers risks and losses on an accruals basis, even when they become known after the reporting date;
- the company recognises income and expense pertaining to the year regardless of when it is collected or paid. They are, therefore, recognised in the profit and loss account on an accruals basis in order to be included in the net profit or loss for the year;
- the directors assessed the company's ability to continue as a going concern in the foreseeable future, i.e., for at least twelve months from the reporting date. They did not identify any uncertainties in this respect;
- identification of rights, obligations and conditions is based on the contractual terms of transactions and the reporting standards to check the correctness of the recognition or derecognition of assets and liabilities;
- the materiality of the financial statements captions was assessed considering the financial statements as a whole and both qualitative and quantitative factors.

Under the principle of materiality set out in article 2423.4 of the Italian Civil Code, these notes do not include disclosures on the financial statements captions whose amount or related disclosure are immaterial for the purposes of giving a true and fair view of the company's financial position, results

of operations and cash flows, including those specifically required by article 2427 of the Italian Civil Code or other provisions.

— each balance sheet, profit and loss account and cash flow statement caption presents the corresponding figures of the previous year. Where necessary, the latter are adjusted for comparative purposes and the related effects are disclosed in the notes, if material.

Use of estimates

The preparation of financial statements requires management to make estimates that affect the carrying amount of assets and liabilities and the related disclosures. Actual results may differ. Estimates are revised regularly and the effect of any changes, if not due to errors, are recognised in the profit and loss account when the estimates are changed, if they affect just one year, and also in the following years, if they affect both the current and subsequent years.

Post-balance sheet events

These events modify conditions existing at the reporting date. They require adjustments to the carrying amounts of recognised assets and liabilities in accordance with the relevant accounting policy. They are recognised on an accruals basis to present their reporting-date effect on the company's financial position, results of operations and cash flows.

The post-balance sheet events that modify situations existing at the reporting date but do not require adjustments to the carrying amounts under the relevant accounting policy as they relate to the subsequent year are not recognised but are disclosed in the notes if necessary to give a more complete view of the company's position.

The date within which an event shall be considered a post-balance sheet event is the date on which the directors prepare the draft financial statements, unless events that take place during the period from such date to the date on which the financial statements are expected to be approved by the shareholders have a significant impact on the financial statements.

Exceptional events as per article 2423.5 of the Italian Civil Code

No exceptional events took place during the year, which would have led the company to depart from the accounting policies, as permitted by article 2423.5 of the Italian Civil Code, in order to give a true and fair view of its financial position and results of operations.

Moreover, the company did not make any revaluations under specific laws.

Changes in accounting policies

The accounting policies are unchanged from the previous year to ensure the comparability of the financial statements from one year to the next.

Correction of material misstatements

None.

Comparability and adjustment issues

The amounts of the individual captions are perfectly comparable for the two years presented.

The company did not group or omit any of the captions provided for in the layouts required by articles 2424 and 2425 of the Italian Civil Code.

There are no asset or liability items presented in more than one caption.

Accounting policies

As mentioned above, the accounting policies applied for the preparation of these financial statements comply with the provisions of article 2426 of the Italian Civil Code. They are detailed in the relevant sections.

Assets

Intangible fixed assets

Intangible fixed assets are recognised at acquisition or development cost, with the prior consent of the board of statutory auditors, where required. They are stated net of accumulated amortisation and any impairment losses. The acquisition cost includes the related transaction costs. The development cost includes all directly attributable costs and the reasonably attributable portion of other costs incurred from development up to when the asset is available for use.

Deferred charges, which include start-up and capital costs, including those incurred to set up branches, are recognised when their income generating potential can be demonstrated, the related future economic benefits flowing to the company can be objectively matched thereto and their recovery can be reasonably estimated.

Intangible fixed assets, comprising patents, concessions, licences and trademarks, are recognised as assets only if they can be identified individually, the related future economic benefits will flow to the company, which can limit third-party access to such benefits, and their cost can be estimated with sufficient reliability.

Payments on account to suppliers for intangible fixed assets are recognised when the related payments are due. Assets under development are recognised when the initial costs for the asset are incurred and they include the related internal and external costs.

Intangible fixed assets are amortised systematically and the amortisation expensed each year reflects the allocation of the cost incurred over their entire useful life. Amortisation begins when the asset is available for use. The amortisation pattern depends on how the benefits are expected to flow to the company.

The amortisation rates applied are as follows:

- start-up and capital costs: 20%.
- patents: 20%.
- trademarks: 10%
- licences and similar rights: 20%.
- other: 20%-33.33%.

Assets under development are not amortised. The amortisation process begins when these assets are reclassified to their relevant intangible fixed asset caption and start to contribute to assets.

The accounting policies have not changed since the previous year.

No write-downs as per article 2426.1.3 of the Italian Civil Code exceeding the scheduled amortisation were necessary.

Changes in intangible fixed assets

	Start-up and capital costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Assets under development and payments on account	Other	Total intangible fixed assets
Opening balance						
Cost	993,077	196,039	4,058,695	57,019	31,796	5,336,626
Amortisation (accumulated amortisation)	807,449	196,039	2,867,224		19,873	3,890,585
Carrying amount	185,628		1,191,471	57,019	11,923	1,446,041
Changes						
Acquisitions			848,758	63,855	115,880	1,028,493
Reclassifications (carrying amount)			44,919	(44,919)		
Amortisation	128,968		484,614		44,202	657,784
Total changes	(128,968)		409,063	18,936	71,678	370,709
Closing balance						
Cost	993,077	196,039	4,952,372	75,955	147,676	6,365,119
Amortisation (accumulated amortisation)	936,417	196,039	3,351,838		64,075	4,548,369
Carrying amount	56,660		1,600,534	75,955	83,601	1,816,750

As shown in the balance sheet, start-up and capital costs comprise costs incurred in previous years to set up the German branch (€348,238), the French branch (€220,455), the Slovakian branch (€141,086) and the Spanish branch (€283,298).

Indeed, under OIC 24, this caption includes the costs incurred “for an entity’s true and proper expansion in directions and activities not previously pursued, rather than for a mere natural quantitative and qualitative growth process, or towards a quantitative expansion of such a scale as to be extraordinary; costs, in short, incurred on a non-recurring basis and which specifically relate to a new business development”.

Start-up costs are amortised over five years.

There are no development costs.

The company did not identify any indications of impairment at the reporting date.

Industrial patents include the costs incurred to register an international patent for a device for the production of “long fibre” compounds and for the use of a licence and a third party patent. They did not change during the year.

Concessions, licences, trademarks and similar rights comprise the deferred costs for the acquisition and development of data processing procedures and licences for the use of application software, as well as costs incurred during the year to acquire software licences and their implementation (€893,677), mostly related to the BI and MES projects.

Assets under development include costs incurred during the year for projects under way which are expected to be completed in 2023.

“Other” includes some deferred costs.

Tangible fixed assets

Tangible fixed assets are recognised at purchase or production cost, adjusted by accumulated depreciation, revaluations and write-downs. The purchase cost is the cost actually incurred to purchase the asset and includes the related transaction costs. The production cost includes all production costs for the portion reasonable attributable to the asset incurred from production up to when the asset is available for use.

Ordinary maintenance costs related to recurring maintenance and repairs to keep assets in good working order to ensure their expected useful life, capacity and original productivity, are expensed when incurred.

Extraordinary maintenance costs incurred to expand, modernise, replace or improve an asset are capitalised within the limits of its recoverable amount if they result in a significant and measurable increase in its production capacity, safety or useful life.

Depreciation is calculated systematically and on a straight-line basis, using rates held to reflect the asset’s estimated useful life.

Depreciation begins when the asset becomes available for use. In accordance with the principle of materiality set out in article 2423.4 of the Italian Civil Code and the applicable reporting standard, the depreciation rates are halved in the first year in which the asset is available for use.

Temporarily unused assets are also depreciated.

Land is not depreciated.

The amount to be depreciated is the difference between the cost of the asset and, when it can be calculated, the residual amount at the end of its useful life which is estimated when the depreciation plan is prepared and periodically revised in order to check that the initial estimate is still valid. When the check shows that an asset’s estimated residual value is equal to or higher than its carrying amount, the asset is no longer depreciated.

The depreciation rates applied are as follows:

- Buildings: 3%
- Light constructions: 10%
- Plant: 7.5%
- Machinery: 12.5%
- Sundry, small and laboratory equipment: 40%
- Internal means of transport: 20%
- Vehicles: 25%
- Electronic equipment: 20%

- Furniture and ordinary office equipment: 12%

Assets under finance leases are recognised in the balance sheet assets if and when the purchase option is exercised. During the lease term, the lease payments are recognised in the profit and loss account as production costs on an accruals basis. The notes disclose the effects that would have affected the financial statements captions, net equity and the net profit (loss) for the year had the “financial method” been applied.

Tangible fixed assets are revalued, to the extent of their recoverable amount, only if the law requires or permits this. Pursuant to Laws nos. 72/83, 413/91, 266/2005 and 2/2009, certain categories of assets were revalued in previous years. Specifically, the company revalued its Vedano Olona and Gornate Olona buildings pursuant to Law no. 266/2005, including the related roofed and appurtenant areas pursuant to Law no. 2/2009.

The carrying amount of the industrial building with its appurtenant area in Gorla Maggiore, acquired with the merger of VMP, and sold in 2022, was subjected to the monetary revaluation provided for by Law no. 413/91. This building was also allocated goodwill of €2,082,768.

The sale of the building generated a loss of €1,361,709 which was mitigated by the release of the specific provision for charges accrued in previous years for such building totalling €1,318,162. The overall effect on the profit and loss account was therefore a loss of €43,547. For a more correct representation of the release of the provision in the financial statements, it was reclassified as a reduction of the loss.

If, at the reporting date, there are indications of impairment losses on tangible and intangible fixed assets, the recoverable amount of such assets is estimated.

If the recoverable amount, being the higher of value in use and fair value less costs to sell, is lower than the corresponding carrying amount, the assets are written down.

The company did not identify any indications of impairment at the reporting date.

Changes in tangible fixed assets

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total tangible fixed assets
Opening balance						
Cost	27,104,579	62,657,846	9,044,498	3,149,851	2,190,925	104,147,699
Revaluations	16,462,268	1,510,714				17,972,982
Depreciation (accumulated depreciation)	19,258,858	49,501,246	8,677,155	2,932,205		80,369,464
Carrying amount	24,307,989	14,667,314	367,343	217,646	2,190,925	41,751,217
Changes						
Acquisitions	1,183,970	610,298	327,674	23,162	4,391,423	6,536,527

Reclassifications (carrying amount)	87,624	1,373,229	112,174		(1,573,027)	
Sales and disposals (carrying amount)	5,446,937	2,364,753	232,710	132,483		8,176,883
Depreciation	939,373	2,013,697	339,439	70,385		3,362,894
Depreciation (accumulated depreciation) for sales and disposals	3,189,307	2,338,079	231,310	132,483		5,891,179
Total changes	(1,925,409)	(56,844)	99,009	(47,223)	2,818,396	887,929
Closing balance						
Cost	23,323,086	62,276,620	9,251,636	3,040,530	5,009,321	102,901,193
Revaluations	16,068,418	1,510,714				17,579,132
Depreciation (accumulated depreciation)	17,008,924	49,176,864	8,785,284	2,870,107		77,841,179
Carrying amount	22,382,580	14,610,470	466,352	170,423	5,009,321	42,639,146

The principal increases in tangible fixed assets relate to:

- completion of the works for the new ARUPE production department in Torba (€2 million);
- the roll-out of a new extruder at the Torba site (€3.66 million);
- the rollout of a new photovoltaic plant (€178 thousand) and an energy efficiency monitoring system.

Assets under construction include payments on account made during the year for the next reconditioning of plant and machinery required to develop and upgrade the Torba site. The decreases relate to the work completed during the year and reclassified to the related depreciable asset caption.

Decreases in assets are mainly due to the sale of the Gorla Maggiore building that previously belonged to VMP and relevant plant and equipment and the disposal of obsolete assets no longer usable in production.

The accounting policies have not changed since the previous year.

No write-downs as per article 2426.1.3 of the Italian Civil Code exceeding the scheduled depreciation were necessary.

Financial fixed assets

Equity investments which the company intends and has the capacity to hold in the long term are recognised under financial fixed assets. Otherwise, they are recognised under current assets. Transfers in or out of the two categories are recognised in accordance with the accounting policies applicable to the portfolio which the asset comes from.

Receivables are recognised under fixed or current assets depending on their intended use in relation to the company's ordinary activities that generate them. Accordingly, financial receivables are

recognised under financial fixed assets, whereas trade receivables are recognised under current assets, regardless of their due date. They are measured as detailed below.

Equity investments

Investments in subsidiaries and parents are measured at cost, except for that in Lati USA Trading Inc. which is measured using the equity method.

Equity-accounted investments

For equity accounting purposes, the company used the financial statements at 31 December 2022 approved by the investee's shareholders.

If any impairment losses are identified, the investment is written down, even when the resulting carrying amount is lower than the amount arising from equity accounting.

The carrying amount of the equity-accounted investment in Lati USA Trading Inc. increased by €211,657 during the year. It was written back by €380,311 as a result of the increase in its net equity less the write-down of €168,654 to align with the investment deemed recoverable.

Equity investments measured at cost

The investments in LATI UK Ltd and LATI Shanghai Co. Ltd. are recognised at purchase or incorporation cost, including transaction costs.

Equity investments in other companies are recognised under financial fixed assets as they are held for strategic and long-term investment purposes, even though the company does not exercise a dominant or significant influence over the investees. They are classified in caption B-III-1-d-bis), together with the investment in the parent, SVI Sviluppo Industriale S.p.A., and are carried at historical cost, pursuant to article 2426.1 of the Italian Civil code, as the company did not identify any indications of impairment at the reporting date, except for the 18% investment in Atlantide SA, whose carrying amount is adjusted for changes in its reporting-date net equity, as per its most recently approved financial statements.

Changes in equity investments, other securities and derivatives

	Subsidiaries	Parents	Other companies	Total	Other securities	Derivatives
Opening balance						
Cost	15,935,115	1,994,226	208,515	18,137,856	5,000,000	
Write-backs	864,788		6,221	871,009		
Write-downs	15,648,761		144,855	15,793,616		
Carrying amount	1,151,142	1,994,226	69,881	3,215,249	5,000,000	
Changes						
Acquisitions						1,021,824
Write-backs	380,311			380,311		
Write-downs	168,654		578	169,232	92,054	
Total changes	211,657		(578)	211,079	(92,054)	1,021,824
Closing balance						
Cost	15,935,115	1,994,226	208,515	18,137,856	5,000,000	1,021,824
Write-backs	1,245,099		6,221	1,251,320		
Write-downs	15,817,415		145,433	15,962,848	92,054	
Carrying amount	1,362,799	1,994,226	69,303	3,426,328	4,907,946	1,021,824

The write-down of investments in subsidiaries of over €15 million refers to LATI USA Trading Inc., written down starting from the early 2000s.

Given the size of its group's assets, there are no concerns about the recoverability of the company's investment in SVI.

The investment in Atlantide SA was written down by €578 during the year to adjust its carrying amount to net equity at year end.

OTHER SECURITIES AND DERIVATIVES

This caption includes a €5,000,000 insurance contract, BNL Key Selection, entered into with BNL-BNP Paribas in 2021. It has a term of 36 months and no entry or exit costs or fines.

The policy can be monetised in 20 to 30 days and can also be used as a guarantee for credit facilities after six months.

The fund is made up of bonds for 30% (class I) and liquidity for 70% (class 3).

The investment was adjusted to its fair value at 31 December 2022 and thus written down by €92,054.

At each reporting date, the company measures derivatives at fair value and presents them in the specific balance sheet captions as current or fixed (in the case of hedges of fixed assets or liabilities due after one year) assets, if their fair value is positive or under provisions for risks and charges, if their fair value is negative.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

transaction between market participants at the measurement date. The company measures the fair value of unlisted derivatives using adequate valuation techniques and the assumptions, parameters and fair value hierarchy levels required by the relevant OIC.

The fair value gain or loss on its hedging derivatives are recognised in a specific net equity caption.

The disclosures required by article 2427-bis.1 of the Italian Civil Code on the fair value of derivatives and those required by OIC 32 are provided in a specific section of these notes.

Derivatives of €1,021,824 are recognised under financial fixed assets. This is the difference between the notional amount and fair value of the interest rate swap (IRS liability) entered into with Credit Agricole, Unicredit, BNL and BPM to hedge the interest risk on the loans obtained for the Torbissima Project and the development of the investment plan as per the 2023-2027 business plan.

Changes in and due date of financial receivables

	Opening balance	Changes	Closing balance	Portion due after one year
From others	22,062	67	22,129	22,129
Total	22,062	67	22,129	22,129

Amounts due from others include guarantee deposits.

Investments in subsidiaries

The additional disclosure on investments in subsidiaries required by article 2427.5 of the Italian Civil Code is provided below:

	City, if in Italy, or foreign country	Share capital (€)	Net profit for the most recent year (€)	Net equity (€)	Investment held (€)	Investment held (%)	Carrying amount or related receivable
LATI U.K. LTD	GREAT BRITAIN AND NORTHERN IRELAND	169,123	41,318	1,188,654	1,188,654	100.00	192,076
LATI USA TRADING INC	UNITED STATES OF AMERICA	796,925	375,461	1,703,755	1,703,755	100.00	970,723
LATI SHANGHAI CO. LTD	PEOPLE'S REPUBLIC OF CHINA	255,239	1,603,771	6,772,316	6,772,316	100.00	200,000
Total							1,362,799

Foreign currency share capitals, net equities and net profits have been converted into Euros using the closing rate.

The carrying amount of the equity-accounted investment in Lati USA Trading Inc. differs from the investee's net equity as deferred tax assets recognised in the subsidiary's financial statements were not fully considered in the final measurement.

Breakdown of financial receivables by geographical segment

In accordance with the transparency and clarity principles, a breakdown of the company's financial receivables by geographical segment is provided below:

	Geographical segment	From others	Total
	Italy	14,342	14,342
	EU countries	7,787	7,787
Total		22,129	22,129

DISCLOSURE ON INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES HELD DIRECTLY OR THROUGH TRUSTEES OR NOMINEES

A previous table summarises the disclosure required by article 2427.5 of the Italian Civil Code. The carrying amount of the cost-accounted investments in LATI UK Ltd and LATI Shanghai Co. Ltd. is lower than the company's share of the investees' net equity reported in the most recent financial statements approved or prepared for shareholders' approval.

Caption BIII 1d) "Equity investments in other companies" of €69,303 is detailed below:

Other companies	
Atlantide S.A.	€ 13,540
Industrie e Università S.r.l.	€ 38,897
Isrim Soc. Cons. A.r.l.	€ 7,961
Associazione Energia & Impresa	€500
CoNal	€ 3,554
Società Cooperativa di Garanzia AR.CA	€ 129
Banca Popolare di Sondrio	€ 3,122
Investment in GIUNCA network	€ 100
Investment in Global Compact network	€ 1,500
Total	€ 69,303

Current assets

Inventory

Inventory is initially recognised at purchase or production cost and subsequently measured at the lower of cost and estimated realisable value based on market trends.

Purchase cost is the actual cost paid upon purchase including related charges, less commercial discounts.

Production cost includes all direct costs and the reasonably attributable portion of indirect costs incurred from production up to when the asset is available for use, based on normal production capacity.

The company has adopted the specific-batch cost method to measure raw materials.

Its method for the measurement of work in progress and semi-finished products is as follows:

1) the portion of raw materials used for manufacturing the items is measured at the specific-batch cost of raw materials actually used;

2) the portion of direct industrial costs and reasonably attributable indirect industrial costs is measured at standard cost.

The estimated realisable value based on market trends is the estimate of ordinary sales prices of goods and finished products, net of estimated completion costs and direct sales costs. Obsolescence and turnover are also taken into account in calculating the estimated realisable value based on market trends.

Raw materials and supplies used in manufacturing finished goods are not written down if the realisable value of such goods is expected to be equal to or higher than their production cost. Moreover, should the price of raw materials and supplies decrease and the cost of finished goods exceed their realisable value, the raw materials and supplies are written down to their net realisable value, assumed to be the best estimate of their market price.

Therefore, inventory items whose estimated realisable value based on market trends is lower than their carrying amount are written down.

Should the reasons for the write-down applied as an adjustment to the realisable value based on market trends cease to exist, in whole or in part, the write-down is reversed to the extent of the originally incurred cost.

Accumulated write-downs of those finished goods that are slow-moving or whose reporting-date carrying amount is lower than their realisable value amounted to €421,822.

The provision for inventory write-downs, which had an opening balance of €426,249, was fully used and reinstated at €421,822.

Accumulated write-downs of obsolete or slow-moving raw materials amounted to €459,338.

The provision for inventory write-downs, which had an opening balance of €388,582, was fully used and reinstated.

The write-downs are recognised in the specific provisions. The resulting carrying amounts are in line with the reporting-date market values. Accordingly, there is no need to present a breakdown of the difference by inventory item.

The payments on account include amounts paid for raw materials.

	Opening balance	Change	Closing balance
Raw materials, consumables and supplies	22,788,422	(1,147,570)	21,640,852
Work in progress and semi-finished products	1,025,845	(47,104)	978,741
Finished goods	14,493,861	9,673,567	24,167,428
Payments on account	213,600	(159,685)	53,915
Total inventory	38,521,728	8,319,208	46,840,936

The rise in the closing balance of finished products and raw materials is mostly due to the higher commodity prices as the actual quantities in stock only increased by 754 tonnes (+8.4%), while the value rose 21.6%.

Current receivables

Receivables are rights to receive fixed or determinable amounts of cash or its equivalent in goods or services from customers or other third parties at identified or identifiable due dates.

Receivables arising from the sale of goods and supply of services are recognised in accordance with the requirements set out in the section on revenues.

Receivables arising for other reasons are recognised if they result in a right to a receivable, i.e., if they actually give rise to a third party obligation to the company.

There were no receivables that required amortised cost accounting.

The amortised cost method is not applied when its effects are irrelevant, which is usually the case for current receivables or when transaction costs, commissions paid between the parties and any other difference between the original and recoverable amounts at the due date are insignificant.

The company recognises these receivables at their estimated realisable value by writing down their carrying amount through the provision for bad debts, in order to provide for any risk of impairment.

To this end, the company considers specific indicators based on past trends and any other useful information about a probable impairment.

The write-downs are estimated on an individual basis for significant receivables and collectively for the others, by calculating the expected impairment losses at the reporting date.

The write-downs recognised in the provision for bad debts for receivables covered by guarantees consider the effects of enforcing the guarantees.

In the case of insured receivables, write-downs are only limited to the portion not covered by the insurance if compensation is reasonably certain.

Changes in and due date of current receivables

	Opening balance	Change	Closing balance	Portion due within one year	Portion due after one year
Trade receivables	37,863,658	-4,487,216	33,376,442	33,376,442	
From subsidiaries	818,072	287,707	1,105,779	1,105,779	
From parents	2,217,616	1,312,567	3,530,183	3,530,183	
Tax receivables	311,513	2,158,866	2,470,379	1,450,939	1,019,440
Deferred tax assets	842,525	(322,341)	520,184		
From others	229,706	130,166	359,872	359,872	
Total	42,283,090	(920,251)	41,362,839	39,823,215	1,019,440

The financial statements do not include receivables due after more than five years.

Most of the company's trade receivables are insured and are written down through the provision for

bad debts of €534,765, which is deemed to adequately cover existing risks. The opening provision of €612,978 was used for €35,130 while €43,083 was released to the profit and loss account. No additional write-downs were made. The accruals to the provision are not tax deductible.

Receivables from subsidiaries are mainly due to trading transactions.

Receivables from parents comprise the group VAT (€1,710,392), amounts arising from the domestic tax consolidation scheme (€1,490,622) and foreign tax assets exceeding the Italian current taxes and recoverable in future years (€269,169).

Tax receivables show the balance of payments on account less the amount paid at the reporting date. The increase in the current portion of deferred tax assets is due to the deductible temporary differences whose offsetting against future taxable profits is reasonably certain, in terms of its expected amount and applicable tax rates.

Breakdown of current receivables by geographical segment

The following table breaks down current receivables by the geographical segments in which the company operates in order to show any country risk:

	Italy	European Union	Non-EU European countries	Other countries	Total
Trade receivables	18,389,449	11,160,049	1,257,131	2,569,813	33,376,442
From subsidiaries			318,084	787,695	1,105,779
From parents	3,530,183				3,530,183
Tax receivables	2,381,784	88,595			2,470,379
Deferred tax assets	520,184				520,184
From others	283,940	65,918		10,014	359,872
Total	25,105,540	11,314,562	1,575,215	3,367,522	41,362,839

Given the materiality of current receivables “from others”, their breakdown is provided below:

Amounts due from employees	14,864
Holidays taken but not yet accrued	9,694
Amounts due from suppliers	35,930
Credit notes to be received from suppliers	37,160
Advances paid to suppliers	29,726
INAIL	6,924
Other	225,574
TOTAL	359,872

Current financial assets

Change in current financial assets

These include the BNL time deposit which was agreed on 19 October 2022 for three months until 19 January 2023. The net income on the deposit was €11,564.28.

	Changes	Closing balance
Other securities	5,000,000	5,000,000
Total current financial assets	5,000,000	5,000,000

Liquid funds

These are the positive balances of bank and postal accounts and cheques, as well as the cash-in-hand and cash equivalents at year end. Bank and postal account deposits and cheques are recognised at their estimated realisable value, cash and revenue stamps at their nominal amount, while foreign currency is measured at the closing rate. Cash-in-hand and bank current accounts are recognised at their actual amount.

	Opening balance	Change	Closing balance
Bank and postal accounts	25,605,088	-5,144,641	20,460,447
Cash-in-hand and cash equivalents	497	33	530
Total liquid funds	25,605,585	-5,144,608	20,460,977

The decrease is principally due to the operating cash flows.

Prepayments and accrued income

Prepayments are recognised on an accruals basis in accordance with article 2424-bis of the Italian Civil Code.

Accrued income comprise interest income on the BNL time deposit.

Prepayments and accrued income are made up as follows:

	Opening balance	Change	Closing balance
Accrued income	0	12,400	12,400
Prepayments	227,854	3,526	231,380
Total prepayments and accrued income	227,854	15,926	243,780

The breakdown of the caption required by article 2427.1.7 of the Italian Civil Code is as follows:

	Amount
Interest income	12,400
Borrowing costs	667
Membership fees	22,220
Insurance premiums	29,596
Assistance and maintenance fees	81,288
Royalties	24,911
Hires and rentals	42,443
Other prepayments	30,255
Total	243,780



Liabilities and net equity

Net equity

The effects of the application of other accounting policies on net equity are disclosed in the relevant notes.

Net equity rose by €12,076,282 from €83,133,905 to €95,210,187, due to:

- the net profit for 2022 (€11,815,687);
- the distribution of a portion of the extraordinary reserve, as per the shareholders' resolution of 28 April 2022 (-€555,000);
- fair value gains on hedging derivatives (+€815,595);

In the past, the company increased its share capital by using its revaluation reserves.



Changes in net equity

The origin, possible use and distributability of net equity items, as well as utilisations in the past three years are shown in the following table:

	Opening balance	Allocation of previous year net profit		Other changes			Net profit for the year	Closing balance
		Dividends	Other allocations	Increase	Decrease	Reclassifications		
Share capital	3,818,400							3,818,400
Revaluation reserves	5,027,935							5,027,935
Legal reserve	1,624,000							1,624,000
Other reserves								
Extraordinary reserve	54,038,602			14,774,546	(555,000)			68,258,148
Reserves for shares of the parent	1,994,226							1,994,226
Negative goodwill	1,895,205							1,895,205
Total other reserves	57,928,033			14,774,546	(555,000)			72,147,579
Hedging reserve	(39,009)			815,595				776,586
Net profit for the year	14,774,546		(14,774,546)				11,815,687	11,815,687
Total net equity	83,133,905		(14,774,546)	15,590,141	(555,000)		11,815,687	95,210,187

For the sake of transparency, although not expressly required by the law, a breakdown of the revaluation reserves is set out below:

	Amount
Revaluation reserve as per Law no. 2/2009	5,027,935

Negative goodwill totalling €1,895,205 is due to the 2017 merger of Lati Deutschland (€711,638), the 2018 merger of Lati France (€206,689) and the 2019 merger of Lati Iberica (€976,878).

Since the company acquired 799,999 shares of its parent, SVI Sviluppo Industriale S.p.A., equal to €1,994,226 and within the restrictions imposed by article 2359-bis.3 of the Italian Civil Code, it recognised the specific unavailable reserve of the same amount, which is still in place.

Availability and use of net equity

The following table summarises the information required by article 2427.7-bis of the Italian Civil Code about the possible use, distributability and use of net equity in previous years:

	Amount	Origin	Possible use	Available portion	Use in the past three years	
					to cover losses	other
Share capital	3,818,400	E,R				
Revaluation reserves	5,027,935	R	A,B,C	5,027,935		
Legal reserve	1,624,000	I	B			
Other reserves						
Extraordinary reserve	68,258,148	I	A,B,C	68,258,148		3,944,200
Reserves for shares of the parent	1,994,226	I				
Negative goodwill	1,895,205	I		1,895,205		
Total other reserves	72,147,579			70,153,353		3,944,200
Hedging reserve	776,586					
Total	83,394,500			75,181,288		3,944,200
Non-distributable portion				56,660		
Distributable portion				75,124,628		

Key: A = capital increases; B = to cover losses; C = dividends; D = other uses required by the by-laws; E = other

Key of "Origin" column: E = equity-related; I = income-related; R= revaluation

Changes in the hedging reserve and other reserves

The hedging reserve shows the accumulated net fair value gains on hedging derivatives, with respect to which more details are provided elsewhere in these notes.

	Hedging reserve
Opening balance	(39,009)
Changes	
Fair value gains	815,595
Closing balance	776,586

The revaluation reserve is recognised in accordance with Law no. 2/2009.

The revaluation reserve as per Law no. 266/2005, which originally amounted to €8,800,000, was used to cover the net losses for 2006 (€1,449,153) and 2007 (€7,350,847), as per the relevant shareholders' resolutions. At their extraordinary meeting of 26 November 2012, the shareholders resolved not to reinstate the reserve as per article 1.469 and following articles of Law no. 266 of 23 December 2005, which was used as above, and, therefore, said reserve had a zero balance and was not reinstated, with the possibility to distribute dividends in accordance with the law.

The hedging reserve is recognised net of deferred taxes of €245,238.

As required by article 2426.5) of the Italian Civil Code, €56,660 of the reserves cannot be distributed since the financial statements include start-up and capital costs of the same amount that have not yet been fully amortised.

On 28 April 2022, the shareholders resolved to distribute €555,000 from the extraordinary reserve.

Provisions for risks and charges

Provisions for risks and charges are recognised to cover specific liabilities that are certain or probable, but whose amount or due date is unknown at the reporting date.

Specifically, provisions for risks relate to specific liabilities whose occurrence is probable and amount estimated, while provisions for charges relate to specific liabilities, whose occurrence is certain and amount or due date estimated, that arise from obligations already taken on at the reporting date but which will be paid in subsequent years.

Accruals to provisions for risks and charges are primarily recognised in the profit and loss account section to which the transaction relates, privileging the classification of costs by nature. The amount of the accruals to the provisions is based on the best estimate of costs at each reporting date and is not discounted.

Moreover, in estimating accruals to provisions for charges, the company may consider the related time horizon if a reasonable estimate of the amount required to settle the obligation and its due date

is possible and the latter is so far into the future that the obligation's present value and estimated liability will be considerably different at that settlement date.

If the measurement of the accruals gives a range of values, the accrual represents the best possible estimate between the upper and lower thresholds of the range.

The provisions are subsequently used directly and solely for those costs and liabilities for which they were originally set up. If they are not sufficient or are redundant, the shortfall or surplus is recognised in the profit and loss account in line with the original accrual.

	Pension and similar provisions	Tax provision, including deferred tax liabilities	Derivatives	Other provisions	Total provisions for risks and charges
Opening balance	8,911	0	39,009	2,227,967	2,275,887
Changes					
Accruals	133	245,238		188,000	433,371
Utilisations			39,009	53,091	92,100
Other changes				(1,471,752)	(1,471,752)
Total changes	133	245,238	(39,009)	(1,336,843)	(1,130,481)
Closing balance	9,044	245,238	0	891,124	1,145,406

Pension and similar provisions (caption B1), which cover possible costs for foreign agents' termination indemnities, increased by €133 during the year.

The company accrued a tax provision including deferred tax liabilities of €245,238, equal to 24% of the hedging reserve.

The provision for future risks included in caption B3) of €891,124, which is not tax deductible apart from €11,489 of the provision for land reclamation costs regarding the Vedano site, comprises:

- a provision for possible costs of product non-compliance and related claims of €100,353, of which €153,091 was used or released during the year;
- a provision of €340,271 for land reclamation costs. It includes the 2015 reclassification of the depreciation of appurtenant land at Vedano (€11,489) and accruals made in previous years (€328,782); €11,489 was deducted for tax purposes in previous years. The provision arising from the 2021 was released for €413,161 during the year as discussed below;
- a provision of €3,500 for document storage risks of the German branch, arising from the 2017 merger of the German subsidiary;
- a provision of €187,000 set up in 2019 for costs relating to the discontinuance of the subsidiary Lati Schweiz's operations;
- a provision of €260,000 set up in 2021 and increased by €188,000 in 2022 for possible costs related to VAT payments in Germany.

The specific provisions related to the Gorla Maggiore building that previously belonged to VMP set up in 2021 were released in 2022 following the sale of the building with its appurtenant land.

Specifically, the following releases were made:

- €60,000 of the provision for future restoration costs for the area in Gorla Maggiore that the Pedemontana Lombarda motorway runs through;
- €345,000 of the provision to cover restoration costs for an asbestos roof;
- €500,000 of the provision to cover possible restoration costs for the Gorla Maggiore warehouse's basic systems;
- €413,162 of the provision for land reclamation costs.

The provision of €53,590 set up in 2020 for costs to repair the damage to a building caused by a hailstorm was also released during the year.

For a more correct representation in the financial statements, the release of the specific provisions related to the Gorla Maggiore building that previously belonged to VMP was reclassified as a reduction of the loss.

Employees' leaving entitlement

The Italian employees' leaving entitlement (TFR) is the benefit to which employees are entitled in any case of termination of employment pursuant to article 2120 of the Italian Civil Code and considering the changes in legislation introduced by Law no. 296/2006. The overall accrued benefit considers any type of continuous remuneration and is net of any payments on account, partial advances paid by virtue of national or individual labour contracts or company agreements which are not required to be repaid and the amounts transferred to the supplementary pension funds or the treasury fund managed by the Italian Social Security Institution (INPS).

The related liability is the amount that the company would have paid had all employees left at the reporting date. Any amounts due to employees who had already left the company at the reporting date but that will be paid in the following year are reclassified to payables.

	Employees' leaving entitlement
Opening balance	1,943,691
Changes	
Accruals	939,319
Utilisations	1,204,499
Total changes	(265,180)
Closing balance	1,678,511

The decrease is due to the applicable laws, which require the transfer of the annual accrual to external funds, and the termination of employment contracts.

Payables

Payables are specific and certain liabilities that are obligations to pay fixed or determinable sums of cash or its equivalent to financial backers, suppliers or other parties. They are recognised in line with their nature (or origin) regardless of when they are required to be settled.

Payables arising from the purchase of goods are recognised when the production process for the goods has been completed and the substantial transfer of title has taken place, with the transfer of risks and benefits being the key parameter. Payables relating to services are recognised once the services have been provided, i.e., when they have been carried out. Loans and borrowings and payables unrelated to the procurement of goods and services are recognised when the company has an obligation vis-a-vis the counterparty. Payables for advances from customers are recognised when the right to collect the advance arises.

Payables are recognised at amortised cost, considering the time value of money.

The amortised cost method is not applied when its effects are irrelevant, which is usually the case for current payables or when transaction costs, commissions paid between the parties and any other difference between the original and settlement amounts at the due date are insignificant.

In this case, payables are initially recognised at their nominal amount, net of bonuses, discounts and allowances contractually provided for or, in any case, granted. They are subsequently measured at their nominal amount plus interest calculated at the nominal interest rate, reduced by principal and interest paid.

In the event of early settlement, the difference between the residual outstanding amount and the outlay to settle the obligation is recognised as financial income or charges.

Cash discounts and allowances that were not included in the calculation of the carrying amount at initial recognition as they could not be determined when the payable was originally recognised are recognised upon settlement as financial income.

Payables are derecognised, in whole or in part, when the relevant contractual and/or legal obligations are extinguished for settlement or other reasons, or are transferred.

Changes in and due date of payables

	Opening balance	Change	Closing balance	Portion due within one year	Portion due after one year
Bank loans and borrowings	22,422,877	14,241,465	36,664,342	16,981,328	19,683,014
Payments on account	61,159	2,251	63,410	63,410	
Trade payables	43,074,101	(15,455,024)	27,619,077	27,619,077	
Payables to subsidiaries	316,014	(294,012)	22,002	22,002	
Payables to parents	819,488	(749,488)	70,000	70,000	
Tax payables	1,478,947	(77,443)	1,401,504	1,401,504	
Social security charges payable	1,038,706	(64,529)	974,177	974,177	
Other payables	1,497,008	187,495	1,684,503	1,684,503	
Total payables	70,708,300	-2,209,285	68,499,015	48,816,001	19,683,014

As required by article 24 of Law no. 238 of 23 December 2021, it should be noted that the company has not offset assets and liabilities.

There are no bank loans and borrowings due after more than five years. They are broken down by due date below:

	WITHIN ONE YEAR	FROM 1 TO 5 YEARS	AFTER 5 YEARS	TOTAL
BANK LOANS	6,884,800	19,683,014	0	26,567,814
ADVANCES UNDER USUAL RESERVE	4,802,166	0	0	4,802,166
ADVANCES ON EXPORTS	1,612,398	0	0	1,612,398
IMPORT FINANCING	3,681,964	0	0	3,681,964
Total	16,981,328	19,683,014	0	36,664,342

Bank loans mainly comprise loans granted to construct the new Torba site and to continue the investment plan as set out in the 2023-2027 business plan.

Specifically, the company took out the following loans for these purposes:

- a loan granted by BNL on 20 May 2022 with an outstanding amount of €9,987,533 to be repaid by 19 November 2027, with certain ESG-based covenants as well as other covenants based on standard financial indicators such as net financial indebtedness/EBITDA ratio equal to or less than 3 and net financial indebtedness/net equity ratio equal to or less than 1. Both covenants were easily met at 31 December 2022;
- a loan granted by BPM on 13 May 2022 with an outstanding amount of €4,993,036 to be repaid by

30 June 2027, with certain ESG-based covenants as well as other covenants based on standard financial indicators such as net financial indebtedness/EBITDA ratio equal to or less than 3. This covenant was easily met at 31 December 2022;

- a loan granted by Cariparma on 23 January 2018 with an outstanding amount of €3,009,218 to be repaid by 21 December 2024, with certain covenants based on standard financial indicators;

- a first loan granted by Banca Popolare di Sondrio on 20 February 2018 with an outstanding amount of €917,781 to be repaid by 20 February 2025;

- a second loan granted by Banca Popolare di Sondrio on 12 December 2019 with an outstanding amount of €1,279,660 to be repaid by 1 April 2027.

Breakdown of payables by geographical segment

For clarity purposes, total payables (caption D) are broken down by geographical segment below:

	Italy	European Union	Non-EU European countries	Other countries	Total
Bank loans and borrowings	36,664,342				36,664,342
Payments on account		9,419		53,991	63,410
Trade payables	16,942,413	5,877,807	2,241,499	2,557,358	27,619,077
Payables to subsidiaries				22,002	22,002
Payables to parents	70,000				70,000
Tax payables	553,723	827,752		20,029	1,401,504
Social security charges payable	836,844	137,333			974,177
Other payables	1,328,960	355,220		323	1,684,503
Total payables	56,396,282	7,207,531	2,241,499	2,653,703	68,499,015

Payables secured by collateral on the company's assets

There are no payables secured by collateral.

	Payables secured by collateral				Payables not secured by collateral	Total
	Mortgages	Pledges	Special liens	Total		
Bank loans and borrowings					36,664,342	36,664,342
Payments on account					63,410	63,410
Trade payables					27,619,077	27,619,077
Payables to subsidiaries					22,002	22,002
Payables to parents					70,000	70,000
Tax payables					1,401,504	1,401,504
Social security charges payable					974,177	974,177
Other payables					1,684,503	1,684,503
Total payables					68,499,015	68,499,015

Given the materiality of other payables, their breakdown is provided below:

Remunerations and bonuses due to employees	961,130
Accrued wages and salaries.	413,317
Amounts due to the industry association	7,689
Accrued insurance premiums	46,569
Contributions to the occupational pension fund (Fondo Gomma Plastica)	70,860
Credit notes to be issued	90,247
Payables to customers	4,893
Other	89,798
TOTAL	1,684,503

Accrued expenses and deferred income

Accrued expenses and deferred income are recognised on an accruals basis in accordance with article 2424-bis of the Italian Civil Code.

	Opening balance	Change	Closing balance
Accrued expenses	10,222	62,970	73,192
Deferred income	821	1,135,523	1,136,344
Total	11,043	1,198,493	1,209,536

The breakdown of the caption required by article 2427.1.7 of the Italian Civil Code is as follows:

	Amount
Accrued bank interest expense	73,192
Accrued lease expenses	1,795
Deferred revenues	850
Deferred income for the grant for Industry 4.0 investments	1,133,699
Total	1,209,536

Notes to the profit and loss account

Revenues and income, costs and charges are stated net of returns, allowances, discounts and premiums, as well as taxes directly related to the sale of goods or provision of services, in compliance with the accruals and prudence concepts.

Revenues from the sale of goods are recognised when the production process for the goods has been completed and the exchange has already taken place, i.e., upon the substantial rather than formal transfer of title, with the transfer of risks and benefits being the key parameter.

Revenues and income, costs and charges relating to foreign currency transactions are translated using the spot exchange rate ruling on the date of the relevant transaction.

When the amortised cost method is applied, interest is recognised using the effective interest method.

Financial charges are recognised for the amount accrued during the year.

Revenues and costs, whose amount or impact is exceptional, are disclosed in a specific section of these notes.

Production revenues

Breakdown of turnover from sales and services by business segment

The company solely operates in one business segment. Accordingly, its revenues are not further broken down.

	2022
TURNOVER FROM SALES AND SERVICES	213,832,297
Total	213,832,297

Breakdown of turnover from sales and services by geographical segment

Turnover from sales is broken down by geographical segment below:

	2022
Italy	67,008,198
Abroad	146,824,099
Total	213,832,297

Some of the largest items of other revenues and income are the research and development tax benefit (€407,313), which was paid in 2022, the tax benefit for energy-intensive and gas-intensive companies (€1,745,042), tax benefits on investments in assets used in operations (€166,636) and prior year income of €522,569, of which €250,300 related to insurance reimbursements for damage to the roof of the Torba facility.

Production revenues

	2021	Change	2022
1) Turnover from sales and services	180,060,043	33,772,254	213,832,297
2) Change in work in progress, semi-finished products and finished goods	3,301,152	6,325,311	9,626,463
5) Other revenues and income	1,535,658	2,614,444	4,150,102
Total production revenues	184,896,853	42,712,009	227,608,862

Production cost

	2021	Change	2022
6) Raw materials, consumables, supplies and goods	133,228,113	23,692,257	156,920,370
7) Services	19,889,734	6,575,763	26,465,497
8) Use of third party assets	843,277	47,903	891,180
a) Wages and salaries	12,226,128	213,556	12,439,684
b) Social security contributions	3,961,543	16,970	3,978,513
c) Employees' leaving entitlement	834,307	105,012	939,319
e) Other costs	2,091,165	838,577	2,929,742
a) Amortisation of intangible fixed assets	525,531	132,253	657,784
b) Depreciation of tangible fixed assets	3,092,507	270,388	3,362,895
11) Changes in raw materials, consumables, supplies and goods	-12,430,812	13,578,382	1,147,570
13) Other provisions	152,000	36,000	188,000
14) Other operating costs	633,430	229,645	863,075
Total production cost	165,046,923	45,736,706	210,783,629



Financial income and charges

Dividends

Dividends are recognised as financial income when the company obtains the right to collect them, following the resolution of an investee's shareholders to distribute profits or reserves.

If an investee distributes own shares or assigns shares as part of a bonus issue as a dividend, the company does not recognise any financial income.

Income from equity investments

As shown in caption C15) of the profit and loss account, financial income amounts to €70,160, comprising dividends received from SVI Sviluppo Industriale S.p.A. (€130,000, of which €60,000 not collected during the year) and on other securities (€160).

	Income other than dividends
From parents	130,000
From other companies	160
Total	130,160

Other financial income and interest and other financial charges

As required by article 2427.11/12 of the Italian Civil Code, a breakdown of these captions is provided below as they are material:

Other financial income

	Amount
Interest income on bank deposits	14,912
Interest income on derivatives	3,656
Other interest income	195
TOTAL	18,763

Interest and other financial charges

	Amount
Interest expense on non-current loans	312,332
Interest expense on credit facilities (advances on invoices) and current accounts	41,615
Cash discounts granted to customers	734,090
Interest on derivatives	145,555
Other interest expense	241
TOTAL	1,233,833

Although not mandatorily required by the applicable law, a breakdown of caption C17-bis) of the profit and loss account is provided below:

Realised exchange rate gains	394,059
Unrealised exchange rate gains	-
Reversal of unrealised exchange rate gains	-
Realised exchange rate losses	(413,915)
Unrealised exchange rate losses	-
Net exchange rate losses (caption C17-bis)	(19,856)

Assets and liabilities generated by foreign currency transactions are initially recognised in Euros, applying the transaction-date spot rate between the Euro and foreign currency to the foreign currency amount. The company did not re-translate foreign currency receivables and payables from/to third parties using the closing rate as the difference would have been immaterial (negative €40,159). There were no post-balance sheet changes in exchange rates that would have significantly affected the company's financial statements.

Adjustments to financial assets and liabilities

Equity-accounted investments in subsidiaries and other companies changed as follows during the year:

Write-backs:	
Lati USA Trading Inc.	€ 380,311
Write-downs:	
Lati USA Trading Inc.	€ 168,654
Atlantide s.a.	€ 578

The investment in other securities recognised in 2021 for €92,054 was written down during the year.

Amount and nature of individual revenue/cost items whose amount or impact is exceptional

None.

Income taxes, current and deferred

Current income taxes for the year are calculated on the basis of a realistic forecast of the taxable profit under the relevant tax legislation and applying the enacted tax rates at the reporting date. The related tax payable is stated at its nominal amount in the balance sheet, net of payments on account, withholding taxes and tax receivables which may be offset and have not been claimed for reimbursement. A tax receivable is recognised when payments on account, withholdings and receivables exceed the taxes payable.

The company is part of the parent SVI Sviluppo Industriale S.p.A.'s domestic tax consolidation scheme for IRES purposes. Accordingly, the balance sheet shows the receivables and payables from/to the consolidating company representing the tax benefits given and received.

Deferred tax assets are calculated on the accumulated amount of all temporary differences between the carrying amounts of assets and liabilities and their tax base that will reverse in subsequent years. The company did not recognise deferred tax liabilities. Deferred tax assets are recognised when the temporary differences arise and are calculated at the tax rates that will be applicable in the year in which the temporary differences reverse, if they have already been established at the reporting date, otherwise at the enacted tax rates at the reporting date. The company recognised deferred tax assets as it is reasonably certain that it will earn a taxable profit sufficient to offset the amount of the temporary differences in the year in which they will reverse. Moreover, any future tax losses would

be transferred to the parent as part of the tax consolidation agreement, with the recognition of an offsetting benefit proportionate to the applicable IRES rate.

The temporary differences giving rise to the recognition of deferred tax assets, the related tax rates and changes for the year, as well as the amounts recognised in the profit and loss account, are set out in the following table:

	Deferred taxes	2021	Reversals	2022	Increase	2022	Deferred taxes	2022
		IRAP 3.9%		IRAP 3.9%		IRAP 3.9%		IRAP 3.9%
Deductible temporary differences	Tax base	IRES 24.0%						
Provisions for future risks and charges	1,891,249	66,465	1,275,113	49,729	-	-	616,136	16,736
		453,901		306,028		-		147,873
Accruals to provision for agents' termination indemnities	5,411	211			132	5	5,543	216
		1,299				32		1,331
Provision for inventory write-downs	814,832	31,778	814,832	31,778	881,160	34,365	881,160	34,365
		195,561		195,560		211,479		211,480
Undeducted provision for bad debts	338,799	-	43,083	-	-	-	295,716	-
		81,310		10,340		-		70,970
Unpaid directors' fees	50,000	-	50,000	-	63,000	-	63,000	-
		12,000		12,000		15,120		15,120
Write-down of securities recognised under current financial assets	-	-	-	-	92,054	-	92,054	-
		-		-		22,093		22,093
TOTAL	3,100,291	842,525	2,183,028	605,435	1,036,346	283,094	1,953,609	520,184

In 2022, the company also recognised deferred tax liabilities of €245,238 for IRES related to the recognition of derivative assets. A balancing entry was recorded as a reduction in the hedging reserve.

A breakdown of caption 20) "Income taxes, current and deferred" is provided below:

Current taxes:		€ 3,701,464
- IRAP	€ 607,051	
- Income taxes	€ 3,096,469	
- Taxes relative to prior years	(€ 2,056)	
Deferred taxes:		€ 322,341
- Increase in deferred tax assets	(€ 283,094)	
- Reversal of deferred tax assets	€ 605,435	
Total income taxes		€ 4,023,805

Other information

SHAREHOLDER LOANS

None.

FINANCE LEASES

None.

Research and development

In 2022, the company carried out activities that qualify as eligible under Law no. 160/2019 as subsequently amended, and to this end, it dedicated a significant amount of its resources to carry out the following projects:

- a) Site located at Via F. Baracca, 7 VEDANO OLONA (VA)
Project 1 - R&D activities - Gaining and using new technical and scientific knowledge aimed at the development and testing of innovative thermoplastic compounds
- b) Site located at Via F. Baracca, 7 VEDANO OLONA (VA)
Project 2 - POLYSTE project - development of new knowledge in the advanced materials sector (Lombardy region project + CARIPO Foundation)
- c) Site located at Via F. Baracca, 7 VEDANO OLONA (VA)
Project 3 - SAbyNA project - for the selection of design strategies in the development of safer nanotechnologies. Project funded by HORIZON 2020
- d) Site located at Via F. Baracca, 7 VEDANO OLONA (VA)

Project 4 - Technological innovation - Design, development, implementation and testing of new technological solutions for the production of plastic compounds.

The company is confident that these innovative projects will produce satisfactory results in terms of turnover, with a positive impact on its financial position and results of operations.

With reference to its R&D activities, the company will apply for the benefits provided for by article 1.198/209 of Law no. 160/2019 as amended by article 1.1064 of Law no. 178/2020 as subsequently amended.

Relevant information about taxation, whose disclosure is useful or mandatory for tax purposes

The taxability of reserves at the reporting date is as follows:

1. Reserves or other items that will be added to the company's taxable profit when distributed comprise:

Revaluation reserve as per Law no. 2/2009	€5,027,935
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2. Disclosure required by Law no. 2/1983:



In accordance with the above law, the company's assets that underwent monetary revaluations are set out below:

	Land and buildings	Light constructions	Machinery	TOTAL
Non-revalued assets:				
Historical cost	13,257,408	621,995	35,409,075	49,288,478
Revalued assets:				
Historical cost	9,233,421	210,262	858,059	10,301,742
Law no. 72/1983	-	-	1,510,714	1,510,714
Law no. 413/1991	878,100	61,975	-	940,075
Law no. 266/2005	10,000,000	-	-	10,000,000
Law decree no. 185/2008	5,128,343	-	-	5,128,343
Closing gross amount	38,497,272	894,232	37,777,848	77,169,352
Accumulated depreciation	16,354,294	654,630	32,063,489	49,072,413
Carrying amount	22,142,978	239,602	5,714,359	28,096,939

The company has reclassified light constructions to land and buildings in its financial statements.

Workforce

The company's average number of employees is broken down below by category:

	Average number
Managers	15
Junior managers	39
White collars	88
Blue collars	126
Total	268

Directors' and statutory auditors' fees, advances and loans granted thereto and commitments undertaken on their behalf

Directors' and statutory auditors' fees are as follows:

	Directors	Statutory auditors
Fees	905,500	23,296

The company did not grant any advances or loans to its directors and statutory auditors, nor did it undertake commitments due to guarantees on their behalf.

Independent auditors' fees

Independent auditors' fees are as follows:

	Amount
Statutory audit of the annual financial statements	34,500
Other audit services	6,750
Total	41,250

Classes of issued shares

The company's share capital comprises 740,000 ordinary shares with a unit nominal amount of €5.16, all subscribed in previous years.

	Opening balance, number	Opening balance, nominal amount	Closing balance, number	Closing balance, nominal amount
ORDINARY SHARES	740,000	3,818,400.00	740,000	3,818,400.00
Total	740,000	3,818,400.00	740,000	3,818,400.00

Securities issued

The company did not issue bonus shares, convertible bonds, warrants, options or other securities or similar instruments.

Other financial instruments issued

None.

Off-balance sheet commitments, guarantees and contingent liabilities

In addition to ordinary orders acquired and to be carried out during its business activities and commitments undertaken on a regular basis, whose disclosure herein is usually considered immaterial to assess the company's financial position and cash flows, the company does not have other off-balance sheet commitments.

There are no other off-balance sheet commitments relating to pension and similar obligations or taken on vis-à-vis subsidiaries and parents, with the sole exception of the guarantee given through BNL to Bank of Nanjing on behalf of the subsidiary LATI Shanghai for €2,400,000.

Assets and loans earmarked for a special deal

The company does not have any assets earmarked for a special deal or loans allocated to a special deal.

Related party transactions

As required by article 2427.22-bis of the Italian Civil Code, it is noted that all related party transactions were agreed at market conditions.

Off-balance sheet agreements

The company has not entered into off-balance sheet agreements whose risks and benefits are material and such as to affect an assessment of its financial position, results of operations and cash flows.

Post-balance sheet events

The main post-balance sheet events are the prolongation of the war in Ukraine, the persisting inflationary tension, the European Central Bank's raising of interest rates to calm inflationary pressure and, finally, the global recession that begun in later 2022 and is continuing in the first quarter of 2023. The economic situation remains uncertain and difficult to predict as the market is showing both initial signs of slight revival and further elements that could cause issues for Europe's competitive edge.

While the consequences of both the ongoing war, price tensions and the global crisis cannot be

predicted, the company has shown itself to be profitable, able to preserve its value and to have a strong financial position over the years.

Also considering its historical profitability and solid financial and cash flows structure, management believes that there are no significant uncertainties, as defined by the OIC, about the company's ability to continue as a going concern.

Disclosure on financial instruments required by article 2427-bis of the Italian Civil Code

There are no material financial fixed assets covered by the scope of the above legal requirement. The unlisted interest rate swaps are detailed below, together with their reporting-date fair values:

	Identification code	Nominal amount	Maturity date	Fair value
Credit Agricole-IRS liability	2017/65896	€ 6,000,000	21/12/2023	€ 20,497
Unicredit-IRS protetto Pay ESG	MMX28166381	€ 937,500	31/05/2027	€ 69,177
Unicredit-IRS protetto Pay ESG	MMX28166363	€ 4,619,565	31/03/2027	€ 327,673
Banco BPM-fixed rate with minimum guarantee	1-1-109	€ 5,000,000	30/06/2027	€ 145,752
BNL-BNP Paribas	27443282	€ 1,000,000	19/11/2027	€ 458,724

As already mentioned, the fair value gain has been recognised under financial fixed assets with a balancing entry in net equity.

Key figures from the financial statements of the company that manages and coordinates Lati

Management and coordination

1. Pursuant to article 2497-bis of the Italian Civil Code, the key figures from the most recent financial statements and related prior year figures of SVI Sviluppo Industriale S.p.A., with registered office at Corso Venezia 61, Milan, Milan company registration no. 01924470154, are set out below. Indeed, as also shown in deeds, correspondence and the specific section of the company register, by virtue of its control over Lati Industria Termoplastici S.p.A. as per article 2359.1.1 of the Italian Civil Code, this parent also manages and coordinates it as per article 2497 and following articles of the Italian Civil Code.

2. Consolidated financial statements: pursuant to article 27.3/4 of Legislative decree no. 127 of 9 April 1991, the company is not required to prepare consolidated financial statements, which are prepared by its parent, SVI Sviluppo Industriale S.p.A., with registered office at Corso Venezia 61, Milan.

Key figures from the balance sheet of the company that manages and coordinates Lati:

	Most recent year	Previous year
Reporting date	31/12/2021	31/12/2020
B) Fixed assets	8,533,450	8,535,269
C) Current assets	3,616,398	3,035,849
D) Prepayments and accrued income	4,034	4,260
Total assets	12,153,882	11,575,378
A) Net equity		
Share capital	1,680,000	1,680,000
Reserves	5,788,442	6,444,033
Net profit for the year	1,005,066	144,411
Total net equity	8,473,508	8,268,444
C) Employees' leaving entitlement	69,246	64,072
D) Payables	3,610,981	3,242,862
E) Accrued expenses and deferred income	147	
Total liabilities	12,153,882	11,575,378

Key figures from the profit and loss account of the company that manages and coordinates Lati

	Most recent year	Previous year
Reporting date	2021	2020
A) Production revenues	160,000	281,887
B) Production cost	379,085	384,833
C) Net financial income	1,179,505	215,684
Income taxes	(44,646)	(31,673)
Net profit for the year	1,005,066	144,411

Disclosure required by article 1.125 of Law no. 124 of 4 August 2017

The disclosure about amounts received by the company in 2022 required by article 1.125-129 of Law no. 124/2017, considering the guidelines issued to date, is as follows:

Government grants pursuant to article 1.125 of Law no. 124 of 4 August 2017

Granting body	Grant received	Reason
Ministry of Economy and Finance-Tax authorities	407,313	R&D&I tax benefit - Law no. 160/2019
Ministry of Economy and Finance-Tax authorities	1,611,106	Tax benefit for energy-intensive companies
Ministry of Economy and Finance-Tax authorities	133,937	Tax benefit for gas-intensive companies
Cassa per i servizi energetici e amb.	924,497	Subsidies for energy-intensive companies
INPS	9,996	Exemption from paying contributions (art. 3 of Decree law no. 104/2020)
INPS	6,668	Exemption from paying contributions (art. 1.10-15 of Law no. 178/2020)
Lombardy region	3,500	"Dote Unica Lavoro" re-employment/re-qualification endowment programme incentives
Vedano Olona	21.278	Reimbursement Vedano Olona art 80 Dlgs 267/2000

Total subsidies, grants, paid positions and economic advantages: €3,118,295

Total economic advantages received: 0

The state aid received and presented in the above point refers to guarantees with a nominal amount of €6,250,000.

Proposal for the allocation of the net profit for the year

We propose that the €11,815,687.34 net profit for the year be fully allocated to the extraordinary reserve since the legal reserve is already in line with the legal requirements.

Final part

In conclusion, there is no additional information to be provided. The data and figures set out in these notes comply with the accounting records and faithfully present the transactions carried out during the year.

Vedano Olona, 27 March 2023

For the board of directors

The chairman of the board of directors

Prof. Francesco Conterno



The undersigned, Francesco Conterno, as chairman of the board of directors, aware of the criminal liability for false declaration, states that, pursuant to article 47 of Presidential decree no. 445/2000, this document matches that filed in the company's records.

The chairman of the board of directors

Prof. Francesco Conterno



INDEPENDENT AUDITORS' REPORT



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
LATI Industria Termoplastici S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LATI Industria Termoplastici S.p.A. (the "company"), which comprise the balance sheet as at 31 December 2022, the profit and loss account and cash flow statement for the year then ended and notes thereto.

In our opinion, the financial statements give a true and fair view of the financial position of LATI Industria Termoplastici S.p.A. as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations governing their preparation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Management and coordination

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own financial statements. Our opinion on the financial statements of LATI Industria Termoplastici S.p.A. does not extend to such data.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

Ancona Bari Bergamo
Bologna Bolzano Brescia
Cagliari Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
Euro 10.415.500,00 i.v.
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R.E.A. Milano N. 512967
Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Vittor Pisani, 25
20124 Milano MI ITALIA



LATI Industria Termoplastici S.p.A.
Independent auditors' report
31 December 2022

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, in accordance with the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;



LATI Industria Termoplastici S.p.A.
Independent auditors' report
31 December 2022

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10

The company's directors are responsible for the preparation of a directors' report at 31 December 2022 and for the consistency of such report with the related financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report with the company's financial statements at 31 December 2022 and its compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report is consistent with the company's financial statements at 31 December 2022 and has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Varese, 11 April 2023

KPMG S.p.A.



Paolo Rota
Socio

LATI INDUSTRIA TERMOPLASTICI S.p.A.

Company managed and coordinated by

SVI Sviluppo Industriale S.p.A.

Registered office: Via Francesco Baracca 7 - 21040 Veduggio Olona

Share capital: €3,818,400 fully paid-up

Varese company registration no. 00214880122

Tax code and VAT no. 00214880122

VARESE Chamber of Commerce REA no. 41557

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 PURSUANT TO ARTICLE 2429, COMMA 2 OF THE ITALIAN CIVIL CODE
AUDITORS' REPORT TO THE SHAREHOLDERS PURSUANT TO ARTICLE 31 OF THE ITALIAN CIVIL CODE**

To the shareholders of LATI INDUSTRIA TERMOPLASTICI S.P.A.,

**RE: Report of the Board of Statutory Auditors to the financial statements for the year ended
31 December 2022 pursuant to article 2429, co 2 of the Italian Civil Code**

Our activities conducted during the year ended 31 December 2022 were based on the legal requirements and on the Standards of Conduct for the Boards of Statutory Auditors of unlisted companies issued by the Italian Association of Chartered Accountants and Accounting Experts in December 2020 and applicable as of January 1st, 2021.

Throughout this report we inform you about the activities carried out and related findings.

You have been presented with the financial statements of LATI TERMOPLASTICI S.P.A. as of December 31st, 2022, prepared in accordance with the Italian regulations governing their disclosure, which show a net profit of € 11,815,687. The financial statements were made available to us within the timeline set by the Law.

The Board of Statutory Auditors carried out the supervisory activities set forth by rule 3.8 of the Standards of Conduct for the Boards of Statutory Auditors of unlisted companies, consisting of a procedure aimed at verifying that the financial statements had been prepared correctly.

The independent auditors, who are in charge of issuing an opinion on the statutory and consolidated financial statements as per art. 14 of the Italian Law Decree no.39 January 27th, 2010, have the

duty to verify that the financial statements are consistent with accounting records.

The independent auditors, KPMG S.p.A., provided us with their report dated April 11th, 2023, containing an unmodified opinion.

As reported in the independent auditors' report, "the financial statements give a true and fair view of the financial position of LATI Industria Termoplastici S.p.A. as of 31 December 2022, of its financial performance and cash flows for the year ended in accordance with the Italian regulations governing their preparation."

Supervisory activities pursuant to article 2403 and following articles of the Italian Civil Code

We monitored the compliance with the law and with the Company's statutory requirements, as well as the principles of proper administration and specifically, the adequacy of the organizational, administrative, and accounting system adopted by the Company and its effective functioning.

We attended the shareholders' and Board of Directors' meetings and, based on the available information, we did not identify any noteworthy issue.

We obtained information from the management body during our meetings on the Company's general performance and evolutionary outlook, as well as the most significant transactions, due to their size or features, carried out by the Company and its subsidiaries. Based on the information obtained, we did not identify any issues to be reported herein.

With the independent auditors we promptly exchanged any information and data regarded as relevant for executing our oversight activities.

We read the report of the Supervisory Body and did not identify any critical issues affecting the organizational model to be reported herein.

We gained an understanding of and supervised the organizational, administrative, and accounting system adopted by the Company and its effective functioning through the collection of information from department heads. In this regard we did not identify any issue worth to be reported.

We gathered knowledge and oversaw, to the extent of our duties, the adequacy and functioning of

the Company's administrative-accounting system, and its reliability in accurately representing transactions by collecting information from the department heads. We did not identify any issues to be reported herein.

We did not receive any complaint as per article 2408 of the Italian Civil Code from the shareholders.

During the year, the Board of Statutory Auditors did not issue any opinion or observation as provided by the law.

During the year, no issues were reported to the Board of Directors as outlined by article 15 of the 118/2021 Italian Law Decree or by article 25-octies of the no.14 Italian Law Decree.

We did not receive any communication of concerns from public creditors as per art. 25-novies of the Italian Law Decree (January 12th,2019, no.14) or art. 30-sexies of the Italian Law Decree (November 6th, 2021, no. 152 converted by the Law no.233 of December 29th,2021 and subsequent changes).

On the basis of our oversight activity, as described above, no significant matter that require mention in this report emerged.

Observations on the financial statements

As reported in the independent auditors' report, "the financial statements give a true and fair view of the financial position of LATI Industria Termoplastici S.p.A. as of 31 December 2022, of its financial performance and cash flows for the year then ended in accordance with the Italian regulations governing their preparation."

To the best of our knowledge the Board of Directors, while preparing financial statements, did not deviate from the legal requirements of article 2423, co.5 of the Italian Civil Code.

Comments and recommendations regarding the approval of financial statements

Based on our work and on the opinion expressed by the independent auditors, there are no impediments to the shareholders' approval of the financial statements for the year ended 31 December 2022, prepared by the Board of Directors.

The Board of Statutory Auditors agrees with the Board of Directors' proposal of the allocation of net profit for the year as presented in the notes to the financial statements.

Lastly, we would like to remind you that the Board of Statutory Auditors' mandate expired.

Thanking you for the trust that you granted us, we kindly ask you to resolve on the restoration of the Board of Statutory Auditors.

Varese, 17 April 2023

The Board of Statutory Auditors

Dott.ssa Sonia De Micheli



Dott.ssa Maria Vittoria Bruno



Dott.ssa Sonia Pugliese



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VARESE Chamber of Commerce REA no. 41557

MINUTES OF THE ORDINARY SHAREHOLDERS' MEETING OF 27 APRIL 2023

On April 27th, 2023, at 3pm, the shareholders of LATI – Industria Termoplastici S.p.A. held an ordinary meeting at the registered offices of Torba – Gornate Olona, via delle Industrie and via video call on the Teams platform, after the meeting had been regularly called to discuss and resolve on the following:

AGENDA

1. Reading of the directors' report, financial statements for the year ended as of December 31st, 2022, and the statutory auditors' and independent auditors' reports thereon and related resolutions.
2. Francesco Conterno's resignation as Chairman of the Board of Directors and Director and related resolutions.
3. Nomination of the Board of Statutory Auditors for the fiscal years 2023, 2024 and 2025 and definition of their remuneration.

The meeting was held on first call.

The following Directors attended in-person:

- Michela Conterno

- Dominique Renaudin.
- Cristina Boffi
- Laura Massironi
- Aldo Tucci

The following Directors attended the meeting via videoconference:

- Francesco Conterno – Chairman of the Board of Directors
- Domenico Vitangeli
- Livia Conterno
- Loredana Mercante

The ladies below mentioned attended in person as well:

- Sonia De Micheli – Chairwoman of the Board of Statutory Auditors
- Sonia Pugliese – Statutory Auditor

The absence of Maria Vittoria Bruno – Statutory Auditor – was justified.

By invitation, Michela Limido, the Company's CFO and Alessandro Tonolini attended the meeting, respectively in person and via videoconference.

Pursuant to the law and bylaws, the Chairman of the Board of Directors, Francesco Conterno, chaired the meeting and Michele Bignami, a Company's consultant attending in person, was appointed as secretary, a designation that he accepted.

After having appointed the meeting chair, the Chairman ascertained and declared that:

- the holders of 740,000 shares, equal to 100% of the Company's share capital, were present directly or by proxy, as follows:
- SVI Sviluppo Industriale SpA, holding 724,660 shares, directly through its legal representative Francesco Conterno;

- Conterno Carla, holding 15,340 azioni, by proxy given to Alessandro Tonolini;
- all members of the Board of Directors were present;
- the majority of permanent statutory auditors were present;

the meeting was duly constituted and able to pass resolutions.

The President proposed to discuss the 1st and 3rd item of the agenda, leaving the 2nd item to a subsequent verbalization.

After having opened the discussion on the first item on the agenda, the Chairman invited the Secretary to present the main data of the directors' report and of the financial statements as of December 31st, 2022, once all the attendees confirmed that they had seen the documents.

Sonia De Micheli then read the statutory auditors' and independent auditors' reports.

After a brief discussion and having acknowledged the statutory auditors' and independent auditors' reports, the shareholders unanimously approved the directors' report and the financial statements as of December 31st, 2022.

All the above documents are attached thereto.

The shareholders unanimously approved the allocation, proposed by the Board of Directors, of the net profit for the year of € 11,815,687.34 to the extraordinary reserve, since the legal reserve is already in line with the regulatory requirements.

With respect to the third item of the agenda, the Chairman informed the attendees that the mandate of the Board of Statutory Auditors expired and recommended the shareholders to resolve on such issue.

Pursuant to article 2400 of the Italian civil code, the shareholders, after having acknowledged that the permanent and substitute statutory auditors to be appointed had previously communicated to the Company the list of administration and control positions held in other

companies, unanimously resolved to appoint as permanent statutory auditors:

- Sonia De Micheli, born in Luino (VA) on December 28th, 1969 and living in Luino (VA), via XXV Aprile 25/A – Tax code. DMC SNO 69T68 E734Q – Enrolled in the Register of Auditors, no. 91718;

- Sonia Pugliese, born in Gallarate (VA) on July 2nd, 1964 and living in Gallarate (VA), Via Agnelli n. 2 – Tax Code. PGL SNO 64L42 D869Q – Enrolled in the Register of Auditors, no. 47793;

- Maria Vittoria Bruno, born in Castellanza (VA) on March 6th, 1965 and living in Busto Arsizio (VA), via Mazzini n. 7 – Tax Code BRNMVT 65C46 C139S - Enrolled in the Register of Auditors, no. 8492;

and as substitute statutory auditors:

- Sonia Molea, born in Varese on April 19th, 1965 and living in Varese, via Piermarini n. 7 – Tax Code MLO SNO 65D49 L682B – Enrolled in the Register of Auditors, no. 92845;

- Sarah Pieretti, born in Sarzana (SP) on February 2nd, 1979 e living a Daverio (VA), Via XXV Aprile n. 7 – C.F. PRT SRH 79B42 I4490 – Iscritta nel Registro dei Revisori Legali al n. 167653.

Sonia de Micheli is confirmed as Chairman of the Board of Statutory Auditors.

All the appointed statutory auditors possess all the legal requirements needed to hold the office.

The mandate of the Board of Statutory Auditors, whose annual remuneration amounts to comprehensive €31,500, shall last until the approval of the financial statements to be closed on December 31st, 2025.

The Chairman recalled that KPMG S.p.A, the independent auditor of the parent company SVI – Sviluppo Industriale S.p.A, is in charge of auditing the financial statements.

As there are no other items on the agenda, the Chairman declared the meeting dissolved at 3:30 pm, after having read and approved these minutes that will be undersigned by the Chairman and Secretary.

(Prof. Francesco Conterno)

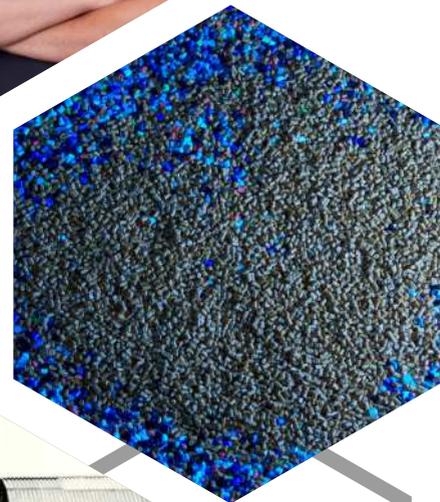
The Chairman



(dr. Michele Bignami)

The Secretary





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Branch offices of LATI industria termoplastici S.p.A. are present in Usa, Europe and Asia.
 Find nearest office by visiting our site www.lati.com.



CERTIFICAZIONE
 È MEMBRO DELLA
 FEDERAZIONE CISQ



FAI
 CORPORATE
 GOLDEN
 DONOR

Noi sosteniamo il FAI