

Årsredovisning för

# Gyttorp AB

556665-6004

Räkenskapsåret

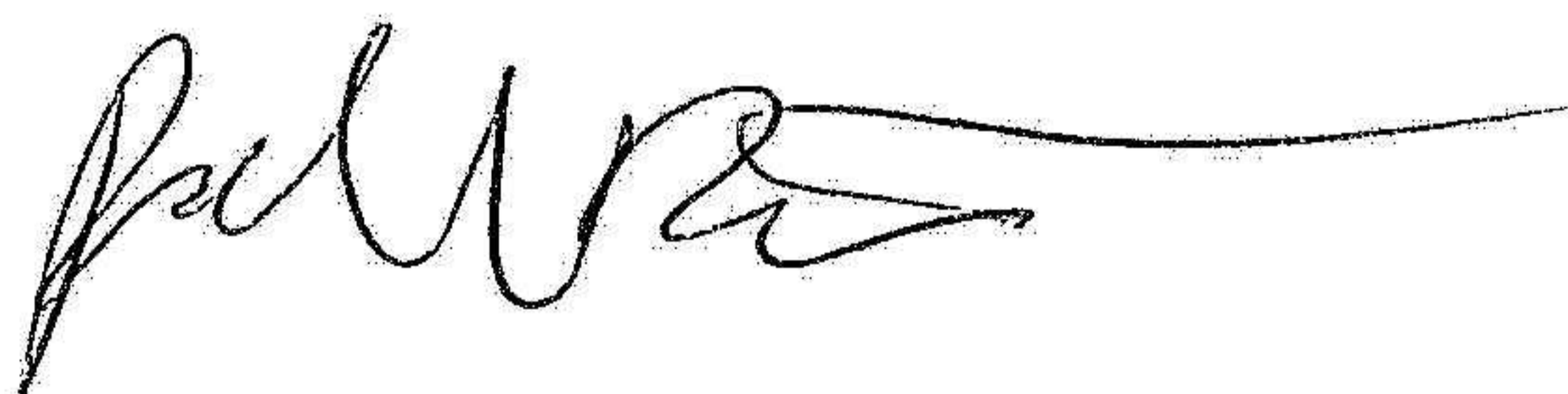
2022-01-01 - 2022-12-31

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Jag intygar att denna boksta stämmer med  
originalet



## Förvaltningsberättelse

Styrelsen och verkställande direktören för Gyttorp AB, 556665-6004 med säte i Karlskoga, får härmed avge årsredovisning för 2022.

### Allmänt om verksamheten

Gyttorp har sedan år 1908 försett den svenska jakt- och skyttemarknaden med produkter som bl.a. omfattat vapen, ammunition och optik. Bolaget är ett helägt dotterbolag till Norma Precision AB, orgnr 556016-8535, som i sin tur från 2022-07-31 ingår i Beretta-koncernen. Verksamheten bedrivs i de helägda dotterbolagen Gyttorp Cartridge Company AB (556229-5054), Ammotec Sweden AB (556338-8056) och Ammotec Finland OY (0953754-1).

### Utveckling av företagets verksamhet, resultat och ställning

	<i>Belopp i kkr</i>				
	2022-12-31	2021-12-31	2020-12-31	2019-12-31	2018-12-31
Nettoomsättning	-	-	-	-	0,5
Rörelsemarginal %	-	-	-	-	-5 280,9
Balansomslutning	21 700,8	21 919,5	21 961,6	22 698,9	26 518,7
Avkastn på sysselsatt kapital %	-	-	-	-	-
Avkastning på eget kapital %	-3,5	-2,8	0,3	-119	-2,9
Soliditet %	35,3	33,9	34,9	14,2	24,8

### Väsentliga händelser under och efter räkenskapsårets utgång

Under 2022 drabbades Europa av krig som medfört störningar när det gäller leveranser av komponenter och påverkan på priser. RUAG International, där bolaget ingått, har under 2022 avyttrat sin affärsenhet Ammotec till Beretta Holding.

### Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Inga väsentliga risker eller osäkerhetsfaktorer hotar bolagets fortlevnad på kort sikt. Förändrade lagar och regler kring jakt och sportskytte kan utgöra framtida hot för dotterbolagen.

Det krig som pågår i Europa kan komma att påverka dotterbolagens försäljningsmöjligheter då leverantörer av komponenter kan komma att prioritera försvarsindustrin och det därigenom uppkommer viss komponentbrist för Gyttorps dotterbolag.

### Eget kapital

	<i>Aktie- kapital</i>	<i>Balanserat resultat inkl årets resultat</i>
Ingående balans	701 400	6 728 917
Årets resultat		237 281
Vid årets utgång	701 400	6 966 198

### Förslag till disposition av företagets vinst

Styrelsen föreslår att till förfogande stående vinstmedel, kronor 6 966 198, balanseras i ny räkning.

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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## Resultaträkning

<i>Belopp i kr</i>	<i>Not</i>	<i>2022-01-01- 2022-12-31</i>	<i>2021-01-01- 2021-12-31</i>
<b>Rörelsens kostnader</b>			
Övriga externa kostnader		-27 605	-43 480
<b>Rörelseresultat</b>		-27 605	-43 480
<b>Resultat från finansiella poster</b>			
Övriga ränteintäkter och liknande intäkter		8	-
Räntekostnader och liknande kostnader	3	-238 502	-166 208
<b>Resultat efter finansiella poster</b>		-266 099	-209 688
Bokslutsdispositioner	4	564 892	-75 436
<b>Resultat före skatt</b>		298 793	-285 124
Skatt på årets resultat	5	-61 512	54 231
<b>Årets resultat</b>		<b>237 281</b>	<b>-230 893</b>

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## Balansräkning

<i>Belopp i kr</i>	<i>Not</i>	<i>2022-12-31</i>	<i>2021-12-31</i>
<b>TILLGÅNGAR</b>			
<b>Anläggningstillgångar</b>			
<i>Finansiella anläggningstillgångar</i>			
Andelar i koncernföretag	6	20 130 276	20 130 276
Uppskjuten skattefordran	7	851 124	912 636
		<u>20 981 400</u>	<u>21 042 912</u>
<b>Summa anläggningstillgångar</b>		<u>20 981 400</u>	<u>21 042 912</u>
<b>Omsättningstillgångar</b>			
<i>Kortfristiga fordringar</i>			
Övriga fordringar		8 361	8 353
Förutbetalda kostnader och upplupna intäkter		-	-
		<u>8 361</u>	<u>8 353</u>
<b>Kassa och bank</b>		<u>711 064</u>	<u>868 195</u>
<b>Summa omsättningstillgångar</b>		<u>719 425</u>	<u>876 548</u>
<b>SUMMA TILLGÅNGAR</b>		<u>21 700 825</u>	<u>21 919 460</u>

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## Balansräkning

Belopp i kr	Not	2022-12-31	2021-12-31
<b>EGET KAPITAL OCH SKULDER</b>			
<i>Eget kapital</i>			
<i>Bundet eget kapital</i>			
Aktiekapital	9	701 400	701 400
		<u>701 400</u>	<u>701 400</u>
<i>Fritt eget kapital</i>			
Balanserad vinst	8	6 728 917	6 959 809
Årets resultat		237 281	-230 893
		<u>6 966 198</u>	<u>6 728 916</u>
<b>Summa eget kapital</b>		<u>7 667 598</u>	<u>7 430 316</u>
<i>Långfristiga skulder</i>			
Skulder till koncernföretag	10	14 008 027	14 410 206
		<u>14 008 027</u>	<u>14 410 206</u>
<i>Kortfristiga skulder</i>			
Leverantörsskulder		-	53 739
Upplupna kostnader och förutbetalda intäkter		25 200	25 199
		<u>25 200</u>	<u>78 938</u>
<b>SUMMA EGET KAPITAL OCH SKULDER</b>		<u>21 700 825</u>	<u>21 919 460</u>

## Noter

### Not 1 Redovisningsprinciper

Belopp i kr om inget annat anges

#### **Allmänna redovisningsprinciper**

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFAR 2012:1 Årsredovisning och koncernredovisning (K3). Redovisningsprinciperna är oförändrade mot föregående år.

#### **Värderingsprinciper m m**

Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

#### **Aktier och andelar i dotterföretag**

Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de lämnas. Utdelning från dotterföretag redovisas som intäkt. Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än det redovisade värdet. Om en sådan indikation finns beräknas tillgångens återvinningsvärde. Detta är en väsentlig bedömningspost.

#### **Poster i utländsk valuta**

Fordringar och skulder i utländsk valuta räknas om till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

#### **Finansiella tillgångar och skulder**

Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFAR 2012:1.

#### **Skatt**

Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdesberäknats.

Uppskjutna skattefordringar har värderats till högst det belopp som sannolikt kommer att återvinnas baserat på innevarande och framtida skattepliktiga resultat. Värderingen omprövas varje balansdag. Detta är en väsentlig bedömningspost.

### **Intäkter**

Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

### **Ränta, royalty och utdelning**

Intäkt redovisas när de ekonomiska fördelarna som är förknippade med transaktionen sannolikt kommer att tillfalla företaget samt när inkomsten kan beräknas på ett tillförlitligt sätt.

### **Koncernbidrag och aktieägartillskott**

Huvudregel för redovisning av koncernbidrag enligt 35 kap. inkomstskattelagen (1999:1229).

Koncernbidrag som erhållits/lämnats redovisas som en bokslutsdisposition i resultaträkningen. Det erhållna/lämnade koncernbidraget har påverkat företagets aktuella skatt.

### **Not 2 Anställda och personalkostnader**

Bolaget har ej haft några anställda under verksamhetsåret. Ersättningar till styrelsen har ej utgått.

### **Not 3 Räntekostnader och liknande kostnader**

	2022-01-01- 2022-12-31	2021-01-01- 2021-12-31
Räntekostnader, koncernföretag	-68 790	-53 739
Kursförlust på lån i utländsk valuta från koncernföretag	-169 712	-112 469
<b>Summa</b>	<b>-238 502</b>	<b>-166 208</b>

### **Not 4 Bokslutsdispositioner**

	2022-01-01- 2022-12-31	2021-01-01- 2021-12-31
Koncernbidrag, lämnat	-4 638 904	-4 947 800
Koncernbidrag, erhållet	5 203 796	4 872 364
<b>Summa</b>	<b>564 892</b>	<b>-75 436</b>

### **Not 5 Skatt på årets resultat**

	2022-01-01- 2022-12-31	2021-01-01- 2021-12-31
Förändring uppskjuten skatt	-61 512	54 231
	<b>-61 512</b>	<b>54 231</b>

### **Avstämning av effektiv skatt**

	2022-01-01- 2022-12-31	Procent	2021-01-01- 2021-12-31
Resultat före skatt	298 793	20,6	-285 124
Skatt enligt gällande skattesats	61 551		-58 736
Ej avdragsgilla kostnader			4 505
Effekt av ändrade skattesatser			-
Förändring av underskottsavdrag	-61 551		54 231
<b>Summa</b>	<b>-</b>		<b>-</b>

### Not 6 Andelar i koncernföretag

	2022-12-31	2021-12-31
Akkumulerade anskaffningsvärden:		
- Vid årets början	23 840 276	23 840 276
Vid årets slut	23 840 276	23 840 276
Akkumulerade nedskrivningar:		
- Vid årets början	-3 710 000	-3 710 000
Vid årets slut	-3 710 000	-3 710 000
<b>Redovisat värde vid årets slut</b>	<b>20 130 276</b>	<b>20 130 276</b>

### Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag

Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

Dotterföretag / Org nr / Säte	Antal andelar	i %	Redovisat värde
Gyttorp Cartridge Company AB, 556229-5054, Nora	10 000	100	5 619 423
RUAG Ammotec Sweden AB, 556338-8056, Karlskoga	3 000	100	10 466 827
RUAG Ammotec Finland OY, 0953754-1, Vasa Finland	200	100	4 044 026
			<b>20 130 276</b>

### Not 7 Uppskjuten skatt

2022-12-31	Uppskjuten skattefordran	Uppskjuten skatteskuld	Netto
<i>Väsentliga temporära skillnader</i>			
Skattemässigt underskottsavdrag	851 124		851 124
<b>Uppskjuten skattefordran/skuld (netto)</b>	<b>851 124</b>		<b>851 124</b>
2021-12-31			
<i>Väsentliga temporära skillnader</i>			
Skattemässigt underskottsavdrag	912 636		912 636
<b>Uppskjuten skattefordran/skuld (netto)</b>	<b>1 763 760</b>		<b>1 763 760</b>

### Not 8 Disposition av vinst

Styrelsen föreslår att fritt eget kapital, kronor 6 966 198 kr, disponeras enligt följande:

	2022-12-31
Balanseras i ny räkning	6 966 198
	<b>6 966 198</b>

### Not 9 Antal aktier och kvotvärde

	2022-12-31	2021-12-31
antal aktier	7 014	7 014
kvotvärde	100	100

### Not 10 Långfristiga skulder

	2022-12-31	2021-12-31
Skulder som förfaller senare än fem år från balansdagen	14 008 027	14 410 206

### Ställda säkerheter för övriga skulder

	Inga	Inga
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### Not 11 Ställda säkerheter och eventalförpliktelser

#### Ställda säkerheter

	2022-12-31	2021-12-31
Ställda säkerheter	Inga	Inga

#### Eventalförpliktelser

Inga

### Not 12 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga risker eller osäkerhetsfaktorer hotar bolagets fortlevnad på kort sikt. Förändrade lagar och regler kring jakt och sportskytte kan utgöra framtida hot för dotterbolagen.

Det krig som pågår i Europa kan komma att påverka dotterbolagens försäljningsmöjligheter då leverantörer av komponenter kan komma att prioritera försvarsindustrin och det därigenom uppkommer viss komponentbrist för Gyttorps dotterbolag.

En ny lag trädde i kraft per den 15:e februari 2023 i Sverige som begränsar användningen av hagelammunition med blyhagel i och kring våtmarker. Detta beräknas dock ha begränsad påverkan på koncernens verksamhet.

### Not 13 Koncernuppgifter

Företaget som utgör moderföretag för en koncern med dotterföretag enl not 6, upprättar ej koncernredovisning med hänvisning till reglerna i Årsredovisningslagen 7 kap. 2 §.

Norma Precision AB, org nr 556016-8535 med säte i Eda äger samtliga aktier i Gyttorp AB. Norma Precision AB är ett helägt dotterbolag till Ammotech Deutschland GmbH, Kronacher Strasse 63, 907 65 Furth (reg no HRB9062) med säte i Furth, Tyskland som i sin tur ingår i en koncern där Beretta Holding S.A., (Reg no B224055) med säte i Luxemburg upprättar koncernredovisning för den största koncernen.

Det utländska moderföretagets koncernredovisning finns att tillgå hos Beretta Holding S.A., registered office at 9, Rue Sainte Zithe, L-2763 Luxemburg.

Av företagets totala inköp och försäljning mätt i kronor avser 0 (0)% av inköpen och 0% (0)% av försäljningen andra företag inom hela den företagsgrupp som företaget tillhör.

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#### Not 14 Nyckeltalsdefinitioner

*Rörelsemarginal:*

Rörelseresultat / Nettoomsättning.

*Balansomslutning:*

Totala tillgångar.

*Avkastning på sysselsatt kapital:*

(Rörelseresultat + finansiella intäkter) / Genomsnittligt sysselsatt kapital.

*Finansiella intäkter:*

Poster i finansnettot som är hänförliga till tillgångar (som ingår i sysselsatt kapital).

*Sysselsatt kapital:*

Totala tillgångar - räntefria skulder.

*Räntefria skulder:*

Skulder som inte är räntebärande. Pensionsskulder ses som räntebärande.

*Avkastning på eget kapital:*

Resultat efter finansiella poster / Justerat eget kapital.

*Soliditet:*

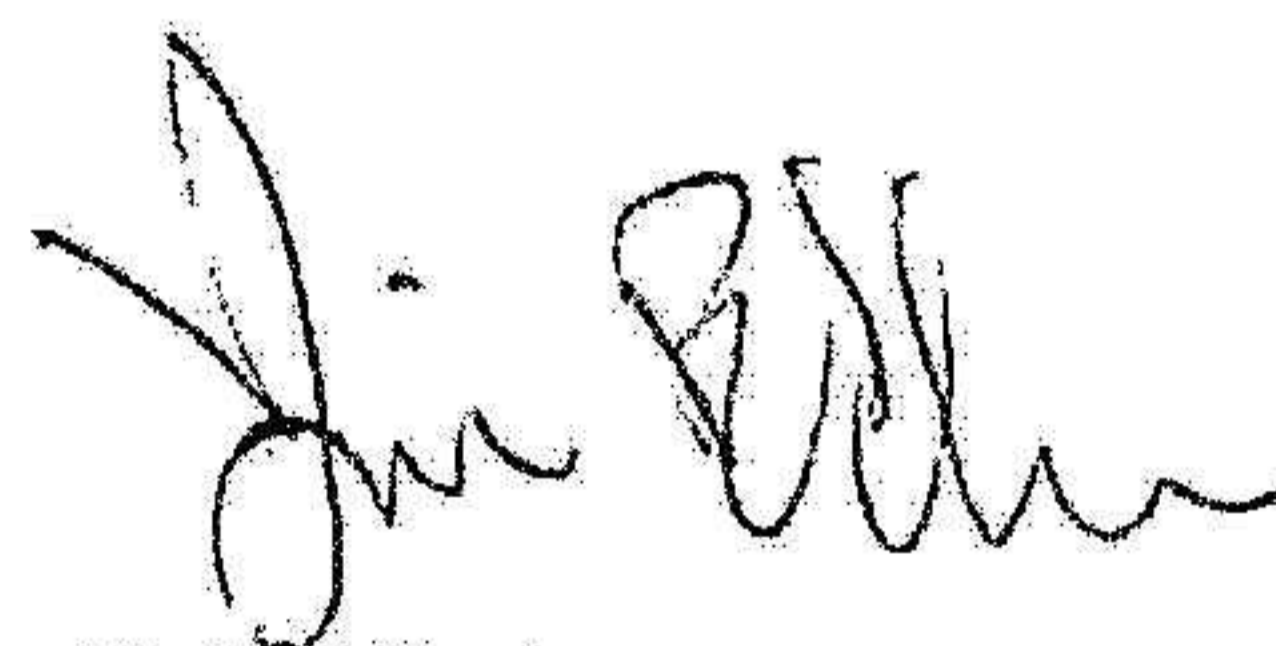
Justerat eget kapital / Totala tillgångar.

#### Underskrifter

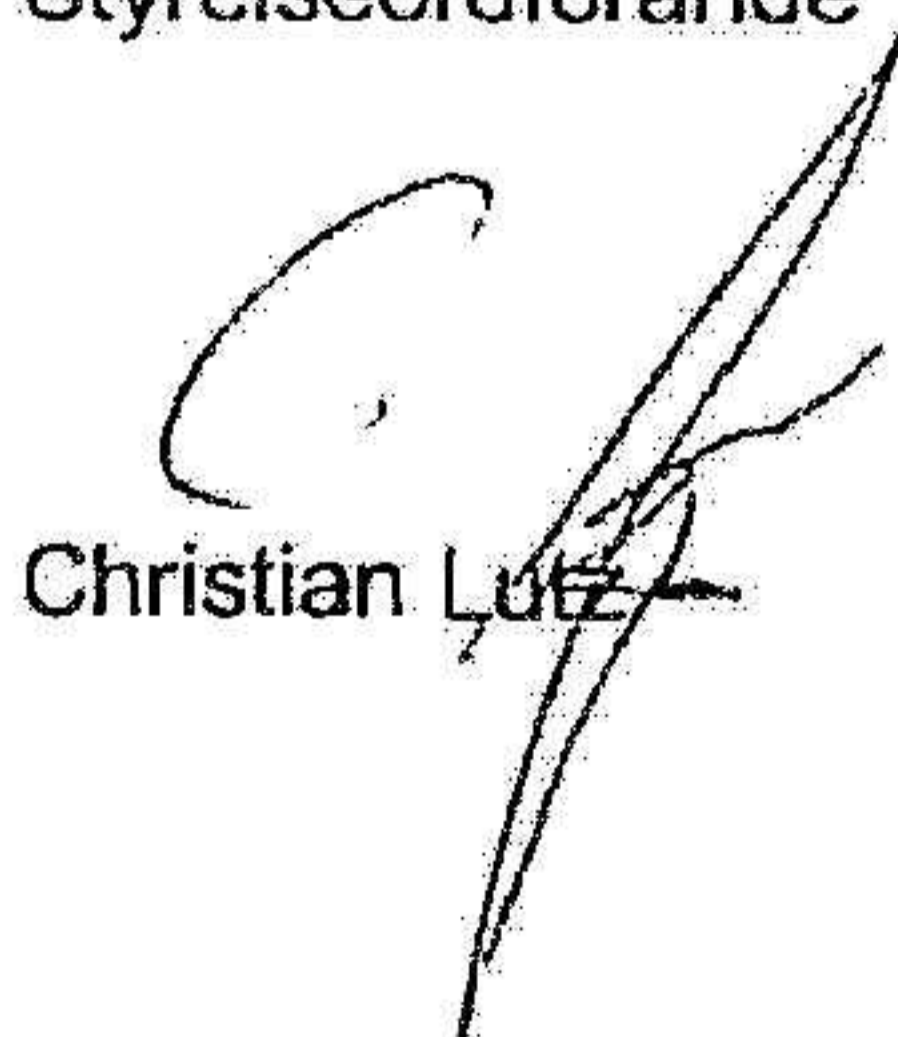
Karlskoga 2023-06-30



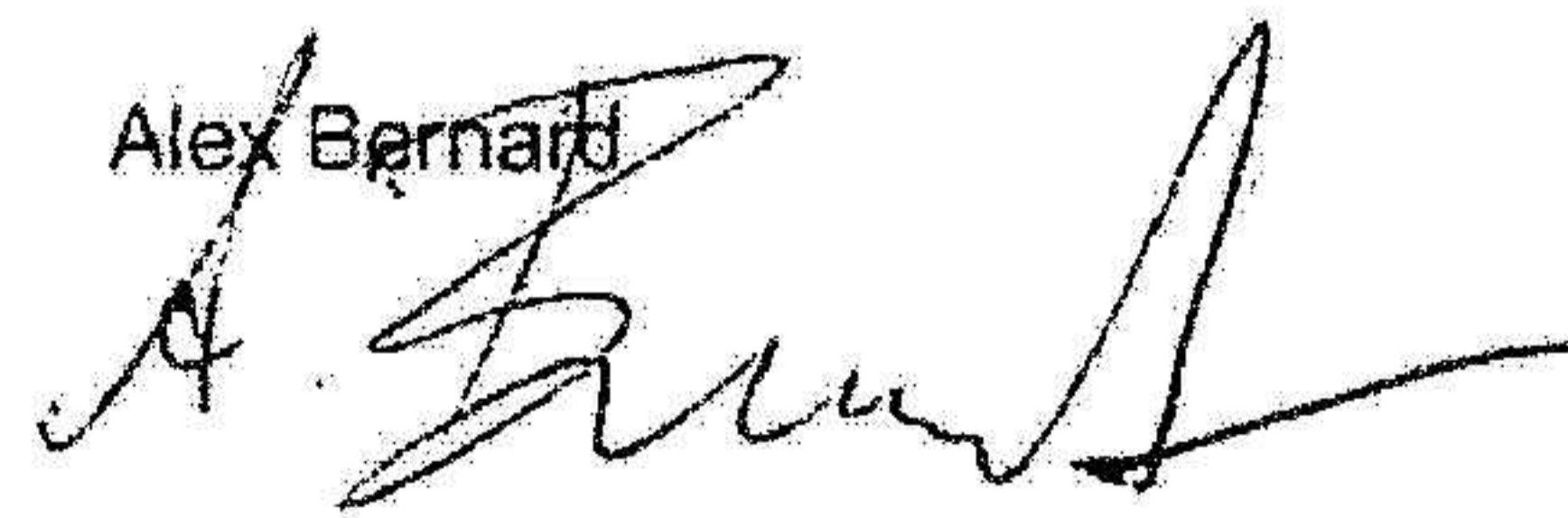
Alberto Moschini  
Styrelseordförande



Kjell Edholm  
Verkställande direktör



Christian Lutz



Alex Bernard

Vår revisionsberättelse har lämnats 2023-06-30  
Ernst & Young AB



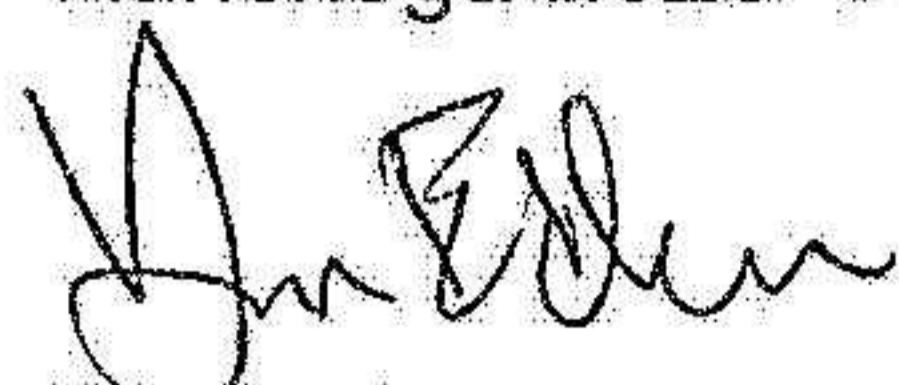
Mattias Olofson  
Auktoriserad revisor  
Huvudansvarig

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## Fastställelseintyg

Undertecknad verkställande direktör i Gyttorp AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2023-06-30  
Stämman beslöt också att godkänna styrelsens förslag till resultatdisposition.

Karlskoga 2023-07-04



Kjell Edholm  
Verkställande direktör



Building a better  
working world

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## Revisionsberättelse

Till bolagsstämman i Gyttop AB, org.nr 556665 - 6004

### Rapport om årsredovisningen

#### Uttalanden

Vi har utfört en revision av årsredovisningen för Gyttop AB för räkenskapsåret 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Gyttop ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

#### Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Gyttop AB enligt god revisionssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

#### Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

#### Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta ågerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.



Building a better  
working world

2023071222953

## Rapport om andra krav enligt lagar och andra författningar

### Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Gyttorp AB för räkenskapsåret 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

### Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Gyttorp AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

### Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionsmed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionsmed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaper. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Göteborg den 30 juni 2023

Ernst & Young AB

Mattias Olofson  
Auktoriserad revisor

Jag mottog denna kopias  
riktigt  
fred

Registre de Commerce et des Sociétés

Numéro RCS : B224055

Référence de dépôt : L230177061

Déposé et enregistré le 11/08/2023

2023092606963

# Annual Report

Consolidated Financial Statements  
as at 31 December 2022

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Annual Accounts as at 31 December 2022



**BERETTA**  
H O L D I N G

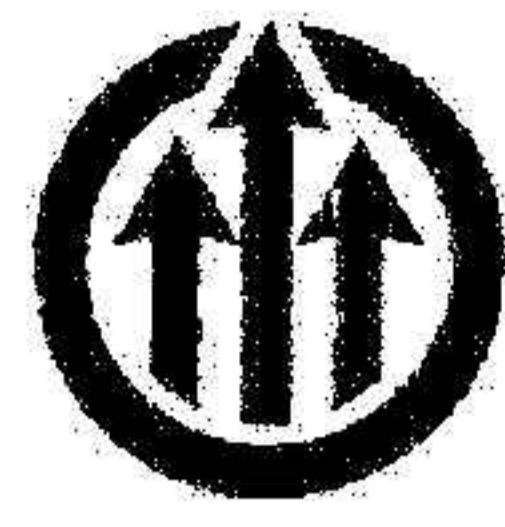
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Consolidated Financial  
Statements as at  
31 December 2022

# 1. Group Profile





# BERETTA HOLDING

BERETTA INDUSTRIE S P A

FABBRICA D ARMI PIETRO BERETTA  
S P A

BENELLI ARMI S P A

MECCANICA DEL SARCA S P A

A UBERTI S P A

HUMBERT CTTS S A S

CHAPUIS ARMES S A S

COUGAR FRANCE EURL

MANFRED ALBERTS GMBH

BERETTA BENELLI IBERICA S A

BERETTA HELLAS S R L

ESPINGARDERIA BELGA S A

OUTDOOR ENTERPRISE S A

GMK LTD

HOLLAND & HOLLAND LTD

HOLLAND & HOLLAND SPORTING  
WEAPONS LTD

CENTANEX LTD

BERETTA USA CORP

COUGAR CORP

BENELLI USA CORP

STOEGER INDUSTRIES INC

3 ARROWS SERVICES INC

BERETTA AUSTRALIA PTY LTD

BERETTA NEW ZEALAND LTD

RUSSIAN EAGLE L L C

SAKO OY

STOEGER CANADA LTD

BURRIS COMPANY INC

STEINER OPTIK GMBH

STEINER EOPTICS INC

WAN CAI CO LTD

STOEGER SILAH SANAYI AS

STOEGER IC VE DIS TICARET L S

AMMOTEC SCHWEIZ A G

AMMOLUX S A

SWISS DEFENCE A G

AMMOTEC DEUTSCHLAND GMBH

MFS DEFENSE ZRT

NORMA PRECISION AB

NORMA PRECISION INC

RWS GMBH

NOBEL PRECISION LTDA

VS MEDIEN GMBH

HEXAGON AMMUNITION ZRT

DISTRIBUTION COMPANIES

## 2. Management Report on the consolidated financial statements

### 2.1 Group performance and results

Dear Shareholders,

this management report accompanies the consolidated financial statements of the Company together with its subsidiaries and associates ("the Group") which has been prepared in accordance with the accounting principles generally accepted in the Grand Duchy of Luxembourg (please refer to Note 8.2).

Compared to the financial year 2021, the consolidation perimeter has been changed with the inclusion of the results of Ammotec (5 months), acquired on 31 July 2022 from Ruag International AG, a corporation owned by the Swiss Confederation. Ammotec represents the European market leader and best-in-class quality provider of small calibre ammunition, pyrotechnic elements and components for defence/law enforcement, hunting and sports and industrial end-markets.

The fundamental considerations behind the acquisition of Ammotec are:

- no overlap and perfect product integration: Beretta Holding's comprehensive product offering is highly complementary with Ammotec since mainly active in the firearms and optics sectors with no overlap; on the contrary, there is a perfect horizontal integration among the brands and products;
- technology: a combination between Beretta Holding and Ammotec brings a new player with exciting new products in the landscape for a technology breakthrough in the highly competitive and established global ammunition market being currently dominated by few specialized actors that have expanded through inorganic growth and consolidation;
- global presence (manufacturing and distribution) and same end-users: a key and unique element that allows Beretta Holding to be the best-in-class in the firearms industry is its truly global presence through its distribution channels and industrial footprint worldwide. There are significant opportunities to leverage on the existing Beretta Holding's network in North America (by far the largest market in the world) and on both Beretta Holding's and Ammotec's strong presence in Europe;
- manufacturing: by combining their respective experience, Beretta Holding and Ammotec together are benefitting from a significant cross fertilization of know-how, tribal knowledge and general managerial experiences in the field of highly efficient firearms and ammunition production;
- quality/positioning: both Beretta Holding and Ammotec share the passion for quality: both portfolios are crowded with premium brands with extraordinary heritage and widely recognized for their superior quality of products;
- strengthened market intelligence: having a far more developed worldwide presence, Beretta Holding and Ammotec are experiencing the exchange of strategic market and business information and a much closer customer relationship, generating an outstanding business intelligence to be leveraged for superior market penetration.

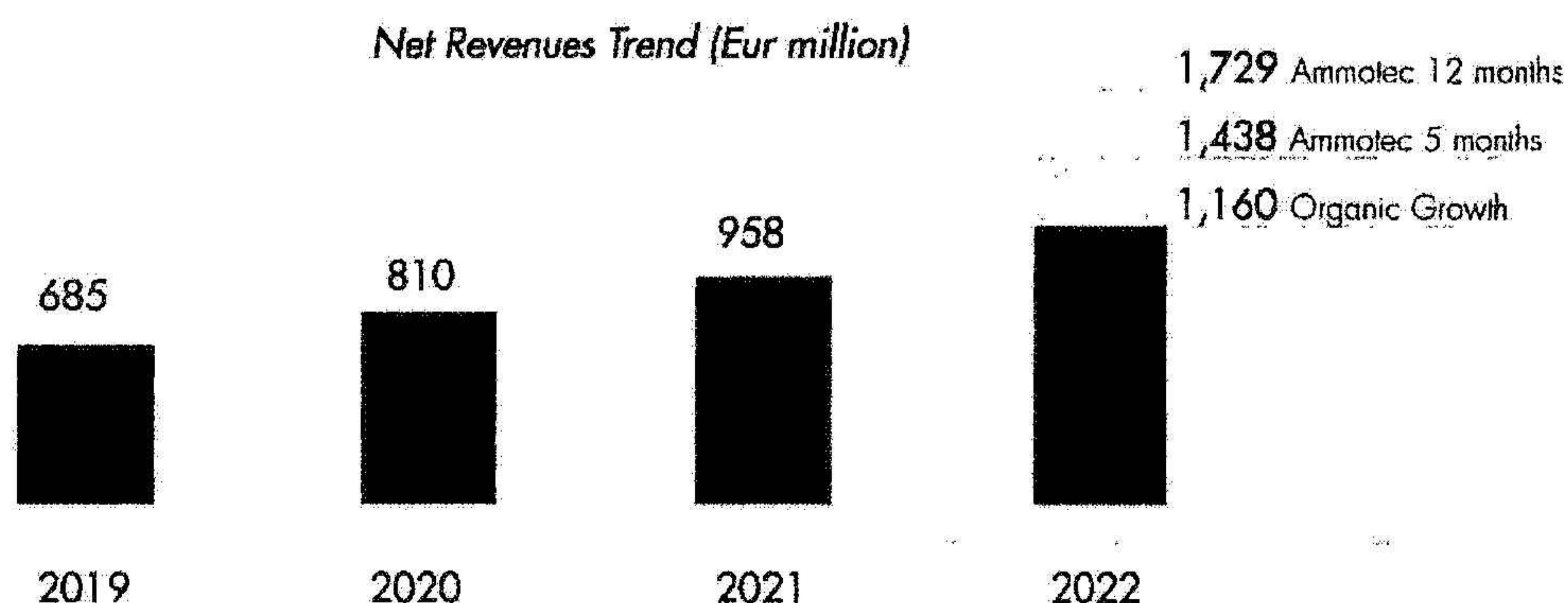
The Group reported consolidated net sales of Eur 1,438.1 million in 2022 (Eur 958.0 million in 2021) and a net income of Eur 159.5 million (Eur 145.9 million in 2021). A summary of the income statements indicators is reported below.

From a macroeconomic point of view, the year was characterized by the turmoil generated by the conflict in Ukraine and a significant increase in the cost of energy coupled with a double-digit inflation in the western countries. The potential negative effects of the current scenario on Group performances have been partially mitigated by the end of the Covid-19 pandemic and by the strength of the Usd (+12% vs the Eur), which represents the currency of a significant portion of the revenues for the Group.

In all the major countries in which the Group operates, the demand for hunting products has continued to be strong; due to that and to several new contracts achieved in the defence/law enforcement sector, the manufacturing plants of the Group have worked at full pace.

The tables below show the income statement for fiscal year 2022, compared to the prior year, and the sales trend for the past years.

<i>Eur million</i>	<b>2022</b>	<b>2021</b>	<b>Change</b>
<b>Revenues</b>	<b>1,438.1</b>	<b>958.0</b>	<b>+480.1</b>
<i>Cost of Goods Sold</i>	<i>(528.7)</i>	<i>(319.5)</i>	<i>-209.2</i>
<i>Personnel</i>	<i>(309.5)</i>	<i>(208.8)</i>	<i>-100.7</i>
<i>Services</i>	<i>(304.9)</i>	<i>(213.5)</i>	<i>-91.4</i>
<i>Amortization, depreciation, and write-downs</i>	<i>(48.3)</i>	<i>(26.5)</i>	<i>-21.8</i>
<i>Other operating costs</i>	<i>(9.4)</i>	<i>(7.0)</i>	<i>-2.4</i>
<b>Ebit</b>	<b>237.3</b>	<b>182.7</b>	<b>+54.6</b>
<i>Financial Result</i>	<i>(4.5)</i>	<i>9.2</i>	<i>-13.7</i>
<b>Ebt</b>	<b>232.8</b>	<b>191.9</b>	<b>+40.9</b>
<i>Income taxes</i>	<i>(73.3)</i>	<i>(46.0)</i>	<i>-27.3</i>
<b>Net Result</b>	<b>159.5</b>	<b>145.9</b>	<b>+13.6</b>
	-		
<b>Ebitda</b>	<b>286.5</b>	<b>216.5</b>	<b>+70.0</b>
<i>Ebitda Margin %</i>	<i>19.9%</i>	<i>22.6%</i>	



The Group recorded an increase in the consolidated turnover of 50.1% which includes the additional revenues related to the newly acquired Ammotec (+28.6%), a favourable effect of currency trends (+7.8%) and an organic growth attributable to the improved volume/price/market mix (+13.6%). If the Group had consolidated Ammotec for the entire financial year 2022, net revenues would have exceeded Eur 1.7 billion.

78% of the consolidated revenues are related to sales to the civil sector (86% in 2021), the balance of 22% to the defence/law enforcement sector.

The table below shows the breakdown of revenues by geographic area over the last three years:

<i>Revenues per geographic area (Eur million)</i>	2020	2021	2022
North America	444.2	541.2	690.8
Europe	264.9	277.4	558.3
Rest of the World	100.9	139.4	189.0
<b>Total net revenues</b>	<b>810.0</b>	<b>958.0</b>	<b>1,438.1</b>

The acquisition of Ammotec explains the increased weight of Europe with special reference to Germany and Switzerland.

Regarding the organic growth at same exchange rate (+13.6%), the main market, **North America**, recorded after two very strong years a 6% growth thanks to the strong demand for hunting firearms that offset the decline of self-defence/tactical products.

About the various *firearms*, the most significant contributors were semiauto shotguns, over&unders and bolt action rifles; all in the range of 20% increase of the turnover. Pistols and pump shotguns, on the contrary, show a significant decrease.

Among *non-firearms* products, optics sales decreased albeit in comparison with a record-year 2021. Pro-shops and clothing & accessories recorded similar commercial results to those of the previous year. Sales to the defence/law enforcement sector were much higher than previous year mainly thanks to good quantities sold of optic devices.

The subsidiary operating in Canada confirms the excellent results of the last years with sales further increasing by 6% thanks to the good quantity sold of all the long guns product families.

In **Europe**, the Group recorded the best results ever, with sales exceeding 2021 by 19%: the recovery of sales in the defence/law enforcement market was coupled with excellent results of the civil sector in all the main countries and especially in Germany and France. The only flat results are those recorded in Finland and Sweden.

The drivers of these good performances are the bolt action rifles and the optic devices devoted to the big game hunting.

The sales in Italy, where the Group has its main production plants, grew almost by 30% overall. The commercial market witnesses a good demand for all product families with particular reference to pistols and semiauto shotguns, ending the year with a 10% increase. With reference to the sales to the defence/law enforcement sector, the increase of 52% compared to 2021 has been mainly realized fulfilling a multi-year contract with the Italian Army and through a relevant supply of PMX submachine guns to the Arma dei Carabinieri.

The higher sales in the countries of the **Rest of the World** are totally attributable to the defence/law enforcement sector, thanks to multi-year contracts in South America and Middle East. Sales in the civilian sector are slightly decreasing.

The overall number of firearms delivered to customers is growing significantly for the third year in a row. The main product families contributing to this year-over-year growth are bolt action rifles, semiautomatic shotguns and pistols, these latter driven by defence/law enforcement sector.

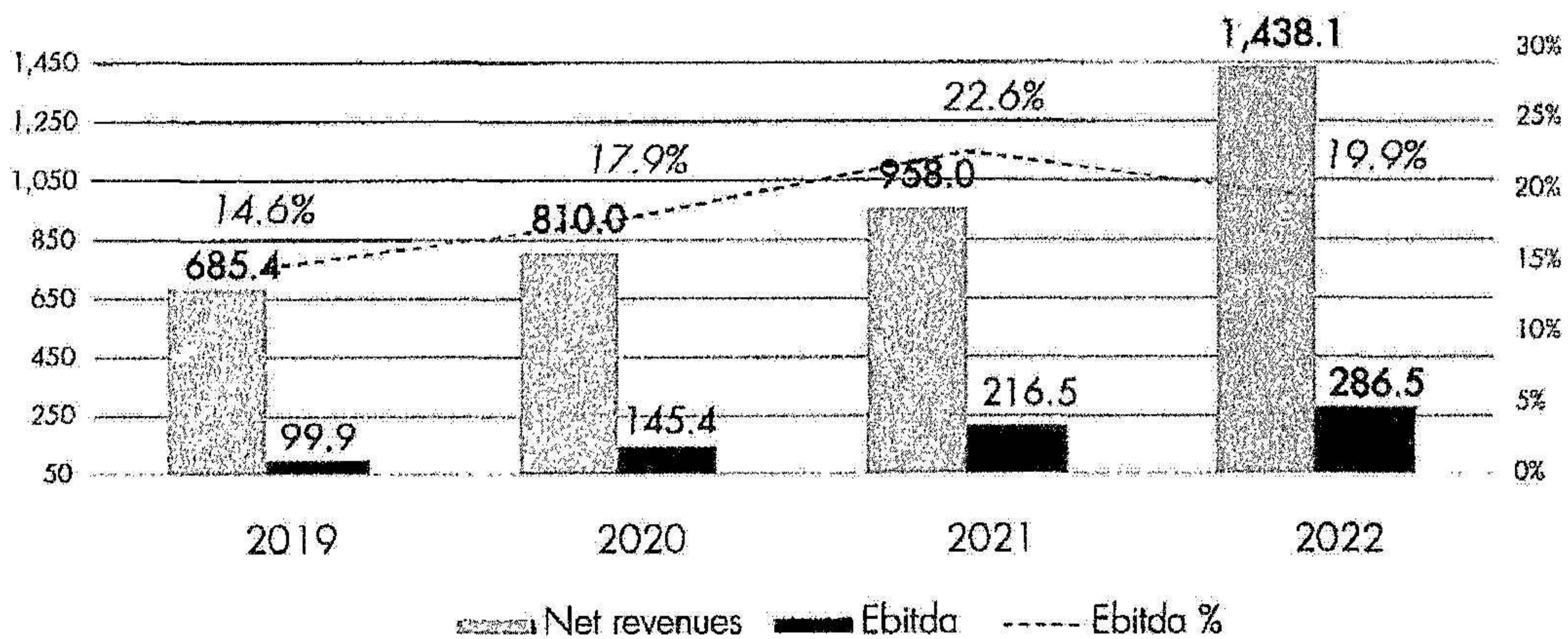
The total turnover of *non-firearms* products exceeded Eur 300 million, recording a growth of 8% in comparison with the previous year. Main drivers have been optics and clothing & accessories in the defence/law enforcement.

Regarding the newly acquired Ammotec Group, in the twelve months the consolidated turnover has been Eur 569 million, with an increase of Eur 37 million vs. 2021 (+7%); the growth at the same exchange rate is equal to 2% and has been mostly achieved in the commercial sector thanks to good performances in Europe totally offsetting the significant drop in USA. The defence/law enforcement sales, mainly concentrated in Germany and Switzerland, are flat year-over-year.

Moving to the financial analysis of the economic results, the Group closed a very favourable year also helped by the strength of the US currency. Including the 5 months of Ammotec contribution, EBITDA reached Eur 286.5 million (Eur 216.5 million in 2021); EBITDA margin on sales was 19.9% (22.6% last year).

Below the operating margin, the Group recorded a higher incidence of the tax burden partially compensated by favourable exchange rates differences. Net income for the period rose from Eur 145.9 million in 2021 to Eur 159.5 million in the year just ended; net income attributable to minority interests amounted to Eur 10.3 million (Eur 8.4 million in 2021).

*Eur million*



The key balance-sheet items as at 31 December 2022 compared with 31 December 2021 are summarized in the table below:

<i>Eur million</i>	<i>Dec-22</i>	<i>Dec-21</i>	<i>Change</i>
Non current assets	444.2	169.0	+275.2
Operating working capital	664.9	337.0	+327.9
Other assets and liabilities	(178.9)	(79.5)	-99.4
<b>Net Invested Capital</b>	<b>930.2</b>	<b>426.5</b>	<b>+503.7</b>
Net Cash	148.7	475.0	-326.3
<b>Shareholders Equity</b>	<b>1,078.9</b>	<b>901.5</b>	<b>+177.4</b>

The net financial position at the end of the year was positive for Eur 148.7 million with a decrease of Eur 326.3 million compared with the beginning of the year.

The acquisition of Ammotec has been financed using both own cash and external financing by entering into a Term Loan with a pool of major financial institutions.

The headcount at year end, including temporary staff, was 6,547 with an increase of 3,068 people: the biggest portion (2,935) refers to the newly acquired Ammotec while the balance of 133 units was referred to the higher need of workforce in Italy, Finland and Turkey, because of the further expansion of the manufacturing activities.

Total personnel cost amounted to Eur 309.5 million with an increase of Eur 100.7 million compared to prior year (Eur 208.8 million) mainly due to the variation of the consolidation perimeter; the organic growth of the cost is attributable to both higher number of employee and inflation.

The table below shows the breakdown of the workforce by geographic area, compared with the previous year:

<i>Year-end Headcount</i>	<i>Old perimeter 2021</i>	<i>Organic change</i>	<i>Ammotec addition</i>	<i>Year-end 2022</i>
Italy	1,502	+45	+8	1,555
North America	582	+14	+85	681
Europe and Rest of the World	1,395	+74	+2,842	4,311
<b>Total</b>	<b>3,479</b>	<b>+133</b>	<b>+2,935</b>	<b>6,547</b>

Expenses related to R&D activities amounted to Eur 25.1 million (1.8% of net sales, 2.0% in 2021), and were almost completely charged to the income statement for the year. The biggest part of the activities was dedicated to products, both through the development and industrialization of new models and particularly innovative solutions, and through the continuous focus on improving the quality and reliability of the existing range.

Expenditure on new investments amounted to Eur 54.8 million (Eur 33.9 million in 2021), or 3.8% of net sales, of which Eur 35.3 million for machinery, plant and tools and equipment, Eur 8.3 million for land and buildings and Eur 11.2 million for other assets.

The breakdown by geographical area in the last three years is shown in the following comparative table:

<i>Capital expenditures (Eur million)</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Italy	15.4	16.3	22.8
North America	4.0	8.1	9.5
Europe and Rest of World	6.0	9.5	22.5
<b>Total</b>	<b>25.4</b>	<b>33.9</b>	<b>54.8</b>

New capital expenditures for machinery, plant and equipment have been focused, for the firearms, on the main manufacturing plants in Italy, Finland, Turkey and US (Tennessee) and, for the ammunition, in Germany and Switzerland. The two main disbursements for land and buildings refer to US (Maryland) and Australia.

Finally, it is worth mentioning the Group's constant commitment to guaranteeing and improving safety conditions at work for its employees, as well as its continuous attention to environmental and energy saving initiatives. In terms of safety, also in 2022 the main lines of action concerned the modernization and improvement of workplaces and the further strengthening of the safety culture within the individual companies.

## 2.2 Outlook

The first months of 2023 are marked by the continuing geopolitical tensions in Eastern Europe and in the Far East; inflation rates are fortunately slowing down (but still remain at a significant level), while natural gas availability seems less of a concern compared to the second part of the year 2022.

About the activity of the Beretta Holding Group, we can note the following different trends. In the United States demand of long guns for hunting and shooting is still strong while the request of pistols, tactical products and ammunition is experiencing a slow-down so exacerbating the pressure on the prices.

Regarding Europe and the Rest of the World, where the request for civil firearms is almost entirely devoted to long guns and complementary products such as optics and ammunition, the demand is cooling down in some important markets (e.g. the Nordics).

In the defence/law enforcement sector, multi-year contracts and new orders collected in the recent past should enable the achievement of a good turnover.

It is finally worth mentioning that in the first months of 2023 the trend of Eur/Usd exchange rate is less favourable than in the second half of the previous year, thus penalising the results of the Group.

In light of the above, it does seem realistic to assume the achievement of commercial and economic performances still good but not as extraordinary as in 2022.

### 2.3 Other information

None of the Companies in the consolidation scope holds, or has held during the year, Parent Company shares or Treasury Shares.

The Group is exposed to the following operational and financial risks:

Financial risks: as the Group is operative on global markets, it is exposed to a range of financial risks. The Group centrally manages these risks and minimizes them through use of derivative instruments within its "risk management" operations. Financial risks concern:

- Exchange rate risk: as an international operator, the Group is exposed to exchange rate risks. The exposure stems from the significant amount of production costs incurred in Eur and sales revenues significantly sourced in Usd. The Group undertakes forward sales contracts in Usd in order to contain the exposure to exchange rate movements.
- Interest rate risk: the Group is exposed to risk principally through the temporary investment of liquidity in bonds and from long-term financial payables. In relation to the investment in liquidity, the risk is managed through the diversification of securities and portfolio managers. In terms of financial payables, the Group may undertake derivative contracts which limit the impact of interest rate changes on the Income Statement.
- Credit risk: this risk concerns the possibility that one of the parties which has entered into a recovery plan with reference to its exposure towards the Group becomes no more able to fulfil its obligations, resulting therefore in financial losses. The Group does not have an excessive concentration of credit risk taking into considerations the fact that it operates through different and various distribution channels minimizing any potential dependence from individual customers. In order to minimize credit risks, procedures and actions are put in place to limit the impact of any customer insolvencies.
- Liquidity risk: this risk concerns the inability to source funds to meet financial commitments and obligations. The Group has always taken an extremely prudent approach and benefits from significant amounts of liquid and semi-liquid funding. The use of lending is largely on a medium/long-term basis, while short-term loans are mainly undertaken to cover extraordinary needs. The Group's solid capital base ensures the adequate sourcing of additional lines of funding.

Country risk: in view of its international presence, the Group is exposed to Country risk, which however is offset by the adoption of a business diversification policy by product and region. In this regard, the Group monitors the development of the various risk components (political, economic/financial and security) related to countries with significant political and economic instability.

Market risk: the Group primarily focuses on the Premium segments and, in geographical terms, sources most of its revenues from mature markets. In order to reduce the risk of saturation of

segments/markets, the Group has for some time focused on regional diversification and is gradually extending the range of products to sectors and segments related to its traditional core market. Furthermore, the Group consistently invests in product and process innovation (protecting itself also through invention, model and design patents) to maintain its technological advantages and devotes financial resources to marketing and advertising to protect the brand prestige (also ensuring a legal protection of company brands and products).

Product risk: considering the nature of most group products, a high focus has always been placed on quality, particularly in terms of safe usage. In order to reduce the risk of incurring costs related to product liability damages to third parties, insurance contracts with appropriate coverage have been put in place.

Regulatory risk: the sale, purchase and possession of most Group products are subject to strict regulations. The introduction of any restrictive legislation may in certain cases impact the Group business results. However, the high level of diversification of the Group in terms of geographical presence on the major markets, wide products' portfolio and extensive number of sectors, significantly mitigate the possibility that a regulatory risk may have significant impacts on the Group as a whole.

Environment, security and health risks: the Group is exposed to health, workplace safety and environmental risks (accidents or work-related illnesses, environmental pollution due to uncontrolled emissions, the improper disposal of waste or the releasing of hazardous substances, non or partial compliance with applicable laws and rules). The occurrence of these events may result in criminal and/or administrative sanctions or fines, possibly of a not insignificant amount. In addition, particularly in severe cases, the involvement of public control bodies may impact normal production activities, with the possible production stops and the shutdown of entire facilities. In this regard, the companies belonging to the Group have adequate organizational structures to guarantee the ongoing and systematic assessment of these risks and the consequent elimination or mitigation of those considered unacceptable.

Commodity price risk: in buying commodities (particularly copper, lead, steel, zinc, aluminum, etc.) to be used as raw materials in production, the Group is subject to a price risk. Commodity price changes can affect the margins of the operations concerned. In order to minimize the risk, the Group enters into fixed price purchase agreements and may also use financial hedging (lead swaps) to protect against adverse price movements.

Climate-related risk: although there is no single explicit standard on climate-related matters under the accounting principles applied by the Group, climate risk and other climate-related matters may impact a number of areas of accounting. Up to now, the Group has not been significantly impacted by climate change, and, currently, Management has not considered the climate-related risks as part of the Group's top risks. Nevertheless, Management will continue monitoring every year the potential risks resulting from the effects of climate change in the form of natural disasters, such as extreme weather events or earthquakes. So far, Management has not identified nor considered any material impacts of climate change on assumptions used (e.g. for impairment tests, fair value measurement, etc.) and on the Group's financial reporting (e.g. provisions, fixed assets, etc.).

Cyber risk: the Group depends on its information technology and data processing systems to operate its business. The Group is exposed to risks deriving from cyberattacks, in addition to those related to significant system malfunctions or disruptions, ineffective security measures and power outages.

All of the aforementioned events could adversely affect the Group's business continuity and its ability to compete. Additionally, stringent personal data protection regulations are increasing the risks associated with regulatory non-compliance.

Mitigation actions put in place by the Group include the definition of cybersecurity processes and the constant execution of controls and security checks which are performed to assess whether the level of security is adequate and to ensure business continuity in case of issues affecting the key systems.

## 2.4 Performances of the main Group companies

### *Fabbrica d'Armi Pietro Beretta*

The Italian subsidiary closed the financial year with record sales of Eur 317.4 million (+27% compared with 2021, +23% at same exchange rate), and an Ebitda of Eur 43.5 million (Eur 38.1 million in 2021). In the defence/law enforcement sector, sales increased mainly thanks to shipments to Italian customers and to South America and Middle East; the civil sector benefitted from the good demand of shotguns and from the successful launch on the market of the BRX1 straight-pull rifles that allowed to completely offset the lower volumes of handguns exported to the United States. The Clothing & Accessories division, that now serves directly almost all the main European countries, had an increase of sales of 17%.

The manufacturing plant has been engaged in relevant efforts to couple with the record demand of products coming from the various markets; the average headcount was 946 people (75 more than the 2021). The capital expenditures amounted to Eur 13,7 million (Eur 5.2 million in the previous year).

### *Benelli Armi*

The Italian subsidiary closed the year with a turnover of Eur 189.1 million, with a slight increase at same exchange rate compared to previous year (Eur 170.0 million); the Ebitda for the period was around Eur 42 million, same as the previous year.

Almost 70% of the turnover has been generated by sales to Benelli USA; the export to the other subsidiaries, despite the good results in Germany and France, was overall lower compared to the previous year because of the stop to the export of hunting products to the Russian distributor. The volumes of firearms sold under the Benelli brand decreased by 10% because of the significant slowdown of request of pump shotguns while the growth of Franchi products (+18%) was driven by the semiauto shotguns.

The average headcount was 409, 23 more than in 2021. Capital expenditure amounted to Eur 7.1 million.

### Beretta USA

The Group's most important US subsidiary recorded revenues of Usd 282.1 million with an increase of 5% compared to 2021. The Ebitda amounted to Usd 24.1 million (Usd 22.1 million in 2021) showing a stable profitability year-over-year.

The growth in the turnover was a consequence of the increase of quantity sold of long guns, with particular mention of the semiauto shotguns, that more than compensated the significant drop of the pistols due to the end of the spike of the demand. Shipments have been particularly positive towards dealers and distributors, while sales to big chains were almost in line with the previous year. Turnover generated in the law enforcement segment also recorded a positive trend.

The production in the Tennessee plant increased 11% over 2021, confirming the trend of the past years.

### Benelli USA and Stoeger Industries

The two companies reported 2022 consolidated sales of Usd 257.2 million (+12% compared with 2021 – Usd 229.6 million). The increase was almost entirely due to the semiauto shotguns that had in all the three brands (Benelli, Franchi and Stoeger) a growth in excess of 20%; also the bolt action rifles and the pistols had similar performance while the pump shotguns showed an opposite trend (-30%).

Ebitda amounted to Usd 36.2 million (Usd 29.4 million in 2021) showing also in 2022 a strong performance in terms of profitability.

### Sako and Stoeger Canada (1990)

The Finnish subsidiary reported sales of Eur 121.3 million (+15% compared to 2021 – Eur 105.0 million) and Ebitda of Eur 29.5 million (Eur 26.9 million in 2021). Military sales were 14% higher than the previous year; civil sales also this year benefited from the higher factory outputs. Almost the half of the volumes was shipped to Beretta USA that recorded an increase of 17%; regarding the other countries the best performances were in UK, France and Denmark while Finland, Sweden and Germany confirm the previous year sales.

The metallic ammunition segment showed an overall 27% growth.

The subsidiary operating in Canada closed the year with sales of Eur 47.1 million, 6% more than 2021, thanks to strong local demand of all products.

### Burrís Company

The Colorado-based company, which manufactures and markets scopes, imaging systems and aiming devices for hunting, sporting and defence uses, closed a difficult year 2022 due to the drop of the demand for both hunting and tactical devices. Sales reached Usd 85.9 million showing a decrease of 11% compared with year 2021; the Ebitda, Usd 4.0 million vs the Usd 8.8 million of 2021 has been impacted by both lower volumes and the pressure on the price generated by the strong competition.

Steiner Optik

The German subsidiary closed the financial year with sales of Eur 44.7 million, 23% higher than prior year and Ebitda of Eur 8.1 million (Eur 5.7 million in 2021). Both the civil (+14%) and defence/law enforcement (+49%) segments have contributed to the growth of the turnover. The civil sales benefited from higher shipments to the local market while the sales in the defence sector have been positively affected by deliveries to Far East customers.

Humbert CCTS

The French distributor recorded net sales for Eur 44.3 million (Eur 37.6 million in 2021) and Ebitda of Eur 6.2 million (Eur 4.2 million in 2021). Turnover was significant on both the civil and defence/law enforcement sectors, with hunting products benefitting from sales of rifles driven by the good market acceptance of the new Beretta straight-pull.

Manfred Alberts

The German distributor closed the financial year with sales of Eur 41.7 million, 24% higher than prior year and Ebitda of Eur 7.6 million (Eur 5.2 million in 2021). Sales performances were excellent on both Germany and Austria and for both firearms and non-firearms with special remark for products devoted to big game hunting.

Ammotec Group (12 months)

During 2022 the Ammotec Group recorded sales for Eur 569 million, with a 2% increase at the same exchange rate compared with the previous year. Commercial sales, that represent 60% of the total turnover, were 3% higher than 2021 thanks to good performances in Germany, France and Switzerland; on the contrary the US subsidiary recorded a drop (-34%) particularly significant during the end of the year.

The two biggest customers in the defence/law enforcement sector are the German Army and the Swiss Army; while the shipments to the first one was significantly lower than the previous year, in Switzerland sales were in line with 2021. Sales to customers in the countries of the rest of the world were not significant.

The manufacturing plants increased the production of ammunition of 18% vs. 2021 with significant growth for the centrefire for both handguns and rifles while the growth of the rimfire was less important. The production of primers and industrial cartouches also showed an increase vs. 2021.

In total the Ammotec entities employed 2,935 people at the end of the year.

### 3. Independent auditor's report



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#### Independent auditor's report

To the Board of Directors of  
Beretta Holding S.A.  
9, rue Ste Zithe  
L-2763 Luxembourg

#### Report on the audit of the consolidated financial statements

##### Opinion

We have audited the consolidated financial statements of Beretta Holding S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2022 and the consolidated profit and loss account for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated financial statements.

##### Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.



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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements**

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

**Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.



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As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.




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We communicate with those charged with governance 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**

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Alban Aubrée

Luxembourg, 8 June 2023

#### 4. Consolidated statement of financial position

<b>Eur thousand</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Intangible assets	8.4	96,955	4,358
Tangible assets	8.5	337,195	160,096
Financial fixed assets	8.6	10,018	4,510
Other financial assets	8.7	1,098	892
Deferred tax assets	8.8	19,428	11,476
<b>Non current assets</b>		<b>464,694</b>	<b>181,332</b>
Inventories	8.9	689,495	344,192
Trade receivables	8.10	209,628	115,102
Tax receivables	8.11	25,175	15,758
Other receivables and current assets	8.12	20,175	12,821
Deferred tax assets	8.8	21,266	15,274
Financial assets	8.13	58,821	166,790
Cash and cash equivalents	8.14	407,722	350,617
<b>Current assets</b>		<b>1,432,282</b>	<b>1,020,554</b>
<b>TOTAL ASSETS</b>		<b>1,896,976</b>	<b>1,201,886</b>

<b>Eur thousand</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Share capital	8.15.1	40,000	40,000
Share premium reserve	8.15.2	21,600	21,600
Legal reserve	8.15.3	4,000	4,000
Currency translation reserve		(23,289)	(21,943)
Other reserves	8.15.3	704	-
Retained earnings	8.15.4	838,133	678,220
Net result of the period		149,238	137,544
<b>Group shareholders' equity</b>		<b>1,030,386</b>	<b>859,421</b>
Non controlling interest		48,537	42,037
<b>NET EQUITY</b>	8.15	<b>1,078,923</b>	<b>901,458</b>
Financial liabilities	8.16	241,734	23,039
Deferred tax liabilities	8.17	49,925	7,821
Tax payables	8.18	179	529
Provisions	8.19	46,534	15,085
<b>Non current liabilities</b>		<b>338,372</b>	<b>46,474</b>
Financial liabilities	8.16	77,239	20,307
Advance payments	8.20	42,830	7,542
Trade payables	8.21	191,354	114,726
Tax payables	8.18	57,159	26,075
Other payables and current liabilities	8.22	86,807	61,122
Provisions	8.19	24,292	24,182
<b>Current liabilities</b>		<b>479,681</b>	<b>253,954</b>
<b>TOTAL LIABILITIES</b>		<b>818,053</b>	<b>300,428</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,896,976</b>	<b>1,201,886</b>

The accompanying notes form an integral part of these consolidated financial statements

## 5. Consolidated income statement

<i>Eur thousand</i>	Note	2022	2021
Revenues	8.23	1,438,129	958,040
Other income	8.24	15,791	12,698
Change in inventories of finished goods and WIP		2,897	31,811
Use of raw materials, consumables, supplies and goods	8.25	(531,641)	(351,354)
Personnel	8.26	(309,484)	(208,804)
Services	8.27	(304,924)	(213,524)
Amortization, depreciation and write-downs	8.4; 8.5	(48,290)	(26,455)
Other operating costs	8.28	(25,155)	(19,715)
<b>Operating income</b>		<b>237,323</b>	<b>182,697</b>
Financial income	8.29	4,779	4,187
Financial expenses	8.30	(12,022)	(2,838)
Net exchange differences	8.31	2,693	7,840
<b>Income before taxes</b>		<b>232,772</b>	<b>191,887</b>
Income taxes	8.32	(73,269)	(45,969)
<b>Net income</b>		<b>159,503</b>	<b>145,918</b>
Non controlling interest		(10,265)	(8,374)
<b>Group net result</b>		<b>149,238</b>	<b>137,544</b>

*The accompanying notes form an integral part of these consolidated financial statements*

## 6. Consolidated statement of changes in shareholders' equity

Eur thousand	Group shareholders' equity						Non controlling interest			Net Equity		
	Share Capital	Share premium reserve	Legal reserve	Currency translation reserve	Other Reserves	Retained earnings	Net result of the period	Group shareholders' equity	Capital and reserves		Net result of the period	Non-controlling interest
Group shareholders' equity 31/12/2021	40,000	21,600	4,000	(21,943)	-	678,220	137,544	859,421	33,663	8,374	42,037	901,458
Dividends	-	-	-	-	-	(15,000)	-	(15,000)	(4,000)	-	(4,000)	(19,000)
Changes in the translation reserves	-	-	-	(1,346)	-	-	-	(1,346)	(733)	-	(733)	(2,079)
Change in the FV of hedging derivatives	-	-	-	-	704	-	-	704	-	-	-	704
Allocation of prior period net income	-	-	-	-	-	137,544	(137,544)	-	8,374	(8,374)	-	-
Change in accounting principles	-	-	-	-	-	37,698	-	37,698	-	-	-	37,698
Other movements	-	-	-	-	-	(329)	-	(329)	968	-	968	639
Net income of the period	-	-	-	-	-	-	149,238	149,238	-	10,265	10,265	159,503
Group shareholders' equity 31/12/2022	40,000	21,600	4,000	(23,289)	704	838,133	149,238	1,030,386	38,272	10,265	48,537	1,078,923

The accompanying notes form an integral part of these consolidated financial statements

## 7. Other information: consolidated cash-flow statement

<i>Eur thousand</i>	Dec-22	Dec-21
Net result	159,503	145,918
Adjustments (sub-total)	46,554	14,047
(Gain) losses on disposal of assets	(80)	247
Depreciation, impairment & write-off	47,110	27,662
Change in provisions	(14,014)	(76)
Net change in deferred tax assets and liabilities	1,651	4,119
Change in inventories	(2,832)	(47,104)
Change in trade receivables	(35,287)	(2,121)
Change in trade payables and advance payments	42,033	17,678
Net change in tax receivables/payables	23,224	(50)
Net change in other receivables/payables	(15,252)	13,691
<b>Cash Flows from (used in) operating activities</b>	<b>206,057</b>	<b>159,965</b>
<b>Cash flow from investments and financing activities</b>	<b>(140,970)</b>	<b>(185,039)</b>
Foreign exchange translation differences	(7,982)	4,192
<b>Net change in cash and equivalents</b>	<b>57,105</b>	<b>(20,882)</b>
Cash and equivalents beginning of period	350,617	371,499
Cash and cash equivalents end of period	407,722	350,617

*The accompanying notes form an integral part of these consolidated financial statements*

## 8. Notes to the consolidated financial statements

### 8.1 General information

Beretta Holding S.A. (hereafter the "Company") was incorporated on 25 April 2018 as a Société Anonyme in accordance with the Luxembourg Law of 10 August 1915, as amended, on Commercial Companies for an unlimited period of time.

The Company is registered with the Trade and Companies Register of Luxembourg with the number B224055 and has its registered office at 9, rue Ste Zithe, L-2763 Luxembourg.

In accordance with its articles of incorporation, the object of the Company is:

- a) to acquire entity interests in other companies or entities both in Luxembourg and abroad, operating predominantly in the industrial sector or having purposes similar to those pursued by industrial companies;
- b) to establish or take part in the establishment of other companies or businesses operating predominantly in the industrial sector;
- c) to finance and provide the technical, financial and managerial coordination of companies or entities in which it holds an equity interest;
- d) to provide services related to the organization, implementation and management of information system and the data processing for subsidiary companies and legal entities;
- e) to purchase and sell plant and equipment (hardware) for electronic data processing, assistance during installation and operation;
- f) to produce and sell software designed to pursue the business purpose specified above;
- g) to provide financial, administrative, organizational, marketing, advertising and public relation services, as well as management services generally relating to subsidiary companies and affiliates;
- h) to provide technical services connected, directly or indirectly, to production and industrial activities generally relating to subsidiary companies and affiliates;
- i) to coordinate and control industrial, commercial and management operations generally relating to subsidiary companies and affiliates;
- j) to purchase, for any title whatsoever, sell, exchange, dispose at any title, construct, reconstruct and restructure, demolish, administer and manage on its own account or on third-party account immovable property of any kind and use;
- k) to enter into lease, sublease, rental, sub-rental and financial lease agreements as users, and into contracts relating to immovable property of any kind and use;
- l) to grant endorsement, guarantees and any kind of sureties for the benefit of any group entities to cover bonds and liabilities of such entities toward any third parties, as well as to carry out any commercial, industrial and financial transactions relating to securities and real estate property that the administrative body deems useful or convenient in achieving the business purpose of the Company, as well as to take on and sell directly or indirectly, any equity interests or shares in other companies or businesses, already established or to be established, having the same, a similar or related purpose.

## 8.2 Basis of preparation

The consolidated financial statements of the Company together with its subsidiaries and associates ("the Group") as at 31 December 2022 have been signed and authorised for issue by the Board of Directors on 6 June 2023.

The figures set out in these consolidated financial statements are expressed in Euro and all values are rounded to the nearest thousand (Eur thousand), unless otherwise stated.

The accounting policies applied in the preparation of these consolidated financial statements are set out below and are in line with the accounting principles general accepted in the Grand Duchy of Luxembourg (Luxembourg GAAP).

During the year, the Group, following the major acquisition, described in Note 8.3, made changes in accounting policies in order to harmonize within new companies acquired and old companies:

- Derivatives were initially stated at cost for derivatives purchased. At each cut-off date, when a value adjustment was deemed necessary, a provision was set in respect of individual unrealized losses resulting from their revaluation. Such losses were recorded under the caption "Current liabilities - Provisions" (derivatives financial instruments - liabilities) in the consolidated statement of financial position. Fair value gains were recognized only when realized.

From the 1 January 2022, and in application of the new accounting policy on its financial instruments, the Company's financial instruments are valued at fair value on the closing date. The impact on the income statement is presented in the accounts of "Financial Income" and "Financial Expenses". If the derivative financial instrument is designated as a hedge for exposure to the variability of future cash flows, the effective portion of the fair value of the instrument is reported in the Consolidated statement of the changes in the shareholders' equity.

- Inventory was valued at LIFO and starting from 1 January 2022 valued at FIFO as described in the law of December 19, 2002 and subsequently amended (art. 62).

The impact of the changes in accounting policies on the consolidated financial statements as at 1 January 2022 are set-out below. No restatement of comparative occurred. The impact of the changes in accounting policies for the prior period balances were taken directly to equity as at 1 January 2022:

<i>Eur thousand</i>	<i>Balances as at 31 December 2021 (as published)</i>	<i>Impacts of changes in Accounting Policy</i>	<i>Updated Balances as at 1 January 2022</i>
Inventories	344,192	34,105	<b>378,297</b>
Financial Assets	166,790	16,159	<b>182,949</b>
Deferred Tax Liabilities	(7,821)	(12,566)	<b>(20,387)</b>

### 8.2.1 Content and form of the consolidated financial statements

The Group consolidated financial statements include those of Beretta Holding S.A. at 31 December 2022 as parent company and companies over which direct or indirect control is exercised.

At 31 December 2022, the consolidation perimeter includes the following entities, consolidated according to the line-by-line method:

	Registered Office	%*	Total Group interest %**	Share capital
Parent Company: Beretta Holding S.A.	Luxembourg (Luxembourg)	100		40,000
<b>Of the Parent Company:</b>				
- Beretta Industrie S.p.A.	Gardone V.T. (Italy)	100	100	40,000
- Stoeger Silah Sanayi A.S.	Istanbul (Turkey)	100	100	1,412
- Beretta U.S.A. Corp.	Accokeek (MD-U.S.A.)	96.70	96.70	23,141
- Benelli U.S.A. Corp.	Accokeek (MD-U.S.A.)	60	100	2,813
- Beretta Benelli Iberica S.A.	Vitoria (Spain)	100	100	801
- Beretta Hellas S.r.l.	Athens (Greece)	70	70	1,658
- Humbert Cils S.A.S.	Veauche (France)	66	66	4,145
- Manfred Alberts GmbH	Wiehl (Germany)	80	80	100
- Sako Oy	Riihimaki (Finland)	100	100	6,728
- Burris Company Inc.	Greeley (CO-U.S.A.)	100	100	1
- Russian Eagle L.L.c.	Moscow (Russia)	57.95	57.95	116
- Espingardaria Belga S.A.	Lisbon (Portugal)	53.82	53.82	50
- Outdoor Enterprise S.A.	San Vittore (Switzerland)	100	100	66
- 3 Arrows Services, Inc.	Accokeek (MD-U.S.A.)	100	100	1
- Steiner-Optik GmbH	Bayreuth (Germany)	100	100	6,130
- Gmk Ltd.	Fareham (UK)	60	60	282
- Beretta Australia Pty Ltd	Melbourne (Australia)	55	55	3,758
- Ammolux S.A.	Luxembourg (Luxembourg)	100	100	35,030
- Ammotec Schweiz A.G.	Winterthur (Switzerland)	100	100	305
- Artemis Jagd und Sport GmbH	Bayreuth (Germany)	100	100	25
<b>Of the subsidiary Beretta Industrie S.p.A.:</b>				
- Fabbrica D'Armi Pietro Beretta S.p.A.	Gardone V.T. (Italy)	100	100	5,200
- Benelli Armi S.p.A.	Urbino (Italy)	100	100	4,368
- Meccanica del Sarca S.p.A.	Drò (Italy)	100	100	1,520
- A. Uberti S.p.A.	Gardone V.T. (Italy)	65.94	65.94	1,577
<b>Of the subsidiary Fabbrica D'Armi Pietro Beretta S.p.A.:</b>				
- Ammotec Italia S.r.l.	Cazzago S.M. (Italy)	100	100	100
<b>Of the subsidiary Benelli Armi S.p.A.:</b>				
- Benelli U.S.A. Corp.	Accokeek (MD-U.S.A.)	40	See above	See above
<b>Of the subsidiary Beretta U.S.A. Corp.:</b>				
- Cougar Corp.	Accokeek (MD-U.S.A.)	100	96.7	188
<b>Of the subsidiary Sako Oy:</b>				
- Stoeger Canada (1990) Ltd	Oshawa (Canada)	100	100	2
<b>Of the subsidiary Benelli U.S.A. Corp.:</b>				
- Stoeger Industries Inc.	Accokeek (MD-U.S.A.)	99.4	99.4	41
<b>Of the subsidiary Steiner-Optik GmbH:</b>				
- Chongqing WanCai Co., Ltd.	Chongqing (China)	100	100	2,071
- Steiner eOptics, Inc.	Beavercreek (OH-U.S.A.)	100	100	1

Of the subsidiary <b>Stoeger Silah Sanayi A.S.:</b>				
- Stoeger Ic Ve Dis Ticaret L.S.	Istanbul (Turkey)	100	100	3
Of the subsidiary <b>Humbert Cfts S.A.S.:</b>				
- Cougar France Eurl	Paris (France)	100	66	1,577
- Chapuis Armes S.A.S.	St-Bonnet-Château (France)	51	33.6	641
Of the subsidiary <b>Beretta Australia Pty Ltd.:</b>				
- Beretta New Zealand Ltd	Auckland (New Zealand)	100	55	528
Of the subsidiary <b>GMK Ltd.:</b>				
- Holland & Holland Ltd	London (UK)	100	60	82,331
- Centanex Ltd.	North Lincolnshire (UK)	100	60	0
Of the subsidiary <b>Holland &amp; Holland Ltd.:</b>				
- Holland & Holland Sporting Weapons Limited	Dallas (TX-U.S.A.)	100	60	94
- Rowland Ward of Bruton St Limited	London (UK)	100	60	0
- W&C Scott (Gunmakers) Limited	London (UK)	100	60	0
Of the subsidiary <b>Ammolux S.A.:</b>				
- Ammotec Deutschland GmbH	Fuerth (Germany)	100	100	100
- SwissP Defence A.G.	Thun (Switzerland)	100	100	12,186
- Hexagon Ammunition Zrt	Budapest (Hungary)	100	100	12
Of the <b>Ammotec Deutschland GmbH:</b>				
- RWS GmbH	Fuerth (Germany)	100	100	25
- VS Medien GmbH	Nassau (Germany)	100	100	25
- Norma AB	Åmönfors (Sweden)	100	100	225
- Ammotec Austria GmbH	Wiener Neudorf (Austria)	100	100	298
- Ammotec Benelux BVBA	Boechout (Belgium)	100	100	28
- Ammotec France S.A.S	Cergy (France)	100	100	1,000
- Ammotec UK Ltd	Liskeard (United Kingdom)	100	100	17
- Ammotec Denmark ApS	Randers SV (Denmark)	100	100	50
- Norma Precision Inc.	Savannah (GA- U.S.A.)	100	100	938
- MFS Defense Zrt	Sirok (Hungary)	100	100	7,695
- Nobel Precision LTDA	Catende-Rocadinho (Brazil)	50	100	89
Of the subsidiary <b>RWS:</b>				
- Nobel Precision LTDA	Catende-Rocadinho (Brazil)	50	See above	See above
Of the subsidiary <b>Norma AB:</b>				
- Gyltorp AB	Karlskoga (Sweden)	100	100	63
Of the subsidiary <b>Gyltorp AB:</b>				
- Gyltorp Cartridge Company AB	Nora (Sweden)	100	100	90
- Ammotec Sweden AB	Karlskoga (Sweden)	100	100	27
- Ammotec Finland Oy	Malax (Finland)	100	100	34

\* Directly held by the Parent or by a group subsidiary

\*\* Held by the Group

The investments in associated companies are accounted for under the equity method as at 31 December 2022, the associated companies are the following: Calzaturificio Zamberlan S.r.l. (Pieve di Torbelvicino (Italy) - ownership: 40%); Energia Blu s.c.a.r.l. (Gardone V.T. (Italy) - ownership: 27%); Bindig QSTP-LLC (Doha (Qatar) - ownership: 49%); Montefeltro Sport S.r.l. (Urbino (Italy) - ownership: 49%); Rottigni Officina Meccanica S.r.l (Cazzano S.Andrea (Italy) - ownership: 20%).

The following events took place in the Group in 2022 compared to prior period:

- a) on 29 June 2022 the Company has incorporated in Luxembourg the subsidiary Ammolux S.A.
- b) on 31 July 2022 the Group has completed the acquisition of Ammotec from Ruag International AG, a corporation owned by the Swiss Confederation. The new acquired business has been consolidated starting from the acquisition date (31 July 2022);
- c) on 20 December 2022 the Group, has paid the share capital for the incorporation of Hungarian subsidiary Hexagon Ammunition Zrt.

The effects of the changes to the consolidation scope are indicated in the comments to consolidated statement of financial position.

The share capital of the overseas subsidiaries has been converted into Eur using the year-end exchange rates.

The financial statements included in the consolidation are those prepared by the respective Boards of Directors for Shareholders' Meetings approval (where required).

The financial statements of all the subsidiaries included in the consolidated financial statements have been appropriately reclassified and adjusted in accordance with the basis of preparation listed in the present note.

All companies included in the consolidated financial statements adopt the same reporting date as that of the parent company.

#### 8.2.2 Consolidation principles

The consolidation process has been carried out according to the line-by-line method.

The following criteria were adopted under this method:

- a) the book value of investments is eliminated against the respective portion of shareholders' equity on the recognition of the investee's assets and liabilities; in the year of the acquisition, where the elimination gives rise to a positive difference, this is allocated, where possible, to the assets and liabilities of the consolidated companies and any residual amount is recorded under "goodwill". Such amounts recognized to assets are amortized over its useful economic life. Where the useful economic life cannot be reliably estimated, goodwill is written off within a period not exceeding 10 years. The negative difference is allocated to the shareholder's equity and the portion of capital and reserves attributable to minority shareholders of the consolidated subsidiaries is recorded in a specific shareholders' equity account. Where the lower price paid is due to a realized gain, the negative difference is recorded in the consolidated income statement;
- b) equity investments are excluded from the consolidation scope from the beginning of the year where control is lost, or they are liquidated during the year;
- c) receivables and payables among consolidated companies are eliminated, as are any costs and revenues from inter-company transactions. Profits and losses of a significant amount, related to the main transactions carried out between the consolidated companies, are eliminated and included at year-end in the consolidated subsidiaries financial statements.

In particular, gains included in the value of inventories deriving from inter-company transactions are eliminated by reducing the value of inventories for an amount equal to the profits themselves; where, in addition, for these gains within the Group the generating companies have provisioned taxes, the economic effect of such taxes is deferred until execution of the transaction with third parties;

- d) balance sheets of overseas subsidiaries are converted into Euro using year-end exchange rates; income statements are converted into Euro using the average exchange rate for the year; exchange differences deriving from such conversions are recognized to currency translation reserve in the shareholder's equity;
- e) the portion of consolidated net income (loss) pertaining to minority interests is indicated separately in the consolidated income statement.

The exchange rates used in these financial statements are the following:

	Income Statement		Balance Sheet	
	2022	2021	31/12/2022	31/12/2021
US Dollar	1.0530	1.1827	1.0666	1.1326
Canadian Dollar	1.3695	1.4826	1.444	1.4393
UK Sterling	0.85276	0.8596	0.88693	0.8403
Russian Ruble	71.8459	87.1527	77.2993	85.3004
Chinese Renminbi	7.0788	7.6282	7.3582	7.1947
Turkish Lira	17.4088	10.5124	19.9649	15.2335
Australian Dollar	1.5167	1.5749	1.5693	1.5615
New Zealand Dollar	1.6582	1.6724	1.6798	1.6579
Swedish Krona	10.6296	-	11.1218	-
Danish Krone	7.4396	-	7.4365	-
Swiss Franc	1.0047	-	0.9847	-
Brazilian Real	5.4399	-	5.6386	-

### 8.2.3 Comparative figures

It should be noted that in respect of each balance sheet and profit and loss account item, the figure relating to the corresponding item for the preceding financial year are comparable to figure of the next year.

### 8.2.4 Intangible assets

Intangible fixed assets are recognized at cost, net of amortization calculated on a straightline basis according to the residual useful life. Development costs are amortized from the date of marketing the product, based on the period over which it is estimated that they will produce a financial benefit and in any event over a period not exceeding five years. Patents, intellectual property rights, concessions, licenses and trademarks are amortized over the remaining usage rights period, with a maximum limit of their legal duration.

The amortization rate and methods applied are as follows:

Intangible assets	Rate of amortisation	Depreciation method
Start-up and expansion costs	20%	Straight-line
Development costs	20%	Straight-line
Concessions, patents, licenses, trademarks and similar rights and assets	10% - 33%	Straight-line
Goodwill	20%	Straight-line
Other assets	10% - 33%	Straight-line

Where, regardless of the amortization already provided, an impairment should arise, the asset is written-down accordingly; should in following periods the reasons for the write-down no longer exist, the value adjustment is reversed.

#### 8.2.5 Tangible assets

Tangible fixed assets are recognized to the consolidated balance sheet at purchase or construction cost. This cost is adjusted by accumulated depreciation. Accumulated depreciation is calculated according to the economic-technical depreciation rates applied on a straight-line basis, which take into account the residual usage possibility of the assets. The rates are unchanged compared to the previous year and are as follows:

Tangible assets	Rate of depreciation	Depreciation method
Land and buildings	2.5% - 10%	Straight-line
Plant and machinery	6% - 6%	Straight-line
Other fixtures and fittings tools and equipment	12% - 33%	Straight-line

Where, regardless of the depreciation already provided, an impairment should arise, the asset is written-down accordingly; should in following periods the reasons for the write-down no longer exist, the value adjustment is reversed.

Maintenance, expansion, modernization or improvement costs are capitalized if they generate a significant and tangible increase in capacity, productivity, safety or useful life of tangible fixed assets, otherwise they are charged to the consolidated income statement in the year incurred. Lease contracts of property, plant and equipment whereby the Group substantially holds all risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease inception at the lower of the leased asset fair value or the present value of the minimum lease payments. Lease payments are apportioned between finance costs and reductions against the residual liability so as to obtain a constant rate of interest on the outstanding liability. Depreciation and subsequent asset measurement policies are consistent with those of similar property, plant and equipment.

Lease contracts for which a significant part of the risks and rewards incidental to ownership are kept by the lessor are classified as operating leases. Leasing expenses are recognized in the income statement and spread over the lease term on a straight-line basis.

#### 8.2.6 Other Investments

Affiliated companies are those in which the Group exercises considerable influence but no form of control. Significant influence is presumed the case that more than 20% of voting rights are held; this threshold is reduced to 10% for listed companies. Affiliated companies are initially recording at cost and then accounted for, using the equity method.

Affiliated companies for which updated financial information are not available and equity investment for which the Group does not exercise a significant influence are carried at purchase price including the expenses incidental thereto. Where the Group considers that fixed assets have suffered a durable decline in value, a value adjustment is recorded to reflect this impairment. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

#### 8.2.7 Inventories

Inventories Stocks are made of raw material and consumables, work in progress, finished goods and goods for resale and payments on account.

Stocks of raw materials and consumables, finished goods and goods for resale are recorded at lower of acquisition or production cost calculated on the basis of "first in, first out" (FIFO) method. A value adjustment is recorded where the market value is lower than the production cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. Work in progress, semi-finished goods and finished products are valued at real manufacturing cost, which includes raw materials, direct labour and production costs. The accounting policy was changed compared to previous year, for further details refer to Note 8.2 "Basis of preparation".

#### 8.2.8 Receivables and other assets

Receivables originating from revenues for the sale of goods and services are recorded under current assets when the relative revenues are recognized.

Receivables which originate for other reasons are recorded when the "right" to the receivable arises and therefore when they represent an effective obligation of third parties towards the Group. When receivables have a financial nature, they are classified under non-current financial assets, with indication of the amount due within one year.

Receivables are carried at costs which generally correspond to their nominal value. A value adjustment is recorded when the estimated realizable value is lower than the nominal value. The realizable value is estimated on the basis of information available to the Board of Directors. These value adjustments are reversed if the reason for which the value adjustments were made have ceased to apply.

Other assets include accruals and prepayments which are represented by incomes and charges incurred during the financial year but related to subsequent financial year.

### 8.2.9 Financial assets not held as fixed assets

Transferable securities are valued at market value, expressed in the currency in which the annual accounts are prepared.

The market value corresponds to:

- the latest available quote on the valuation day for transferable securities listed on a stock exchange or traded on another regulated market;
- a realization value determined by using the following valuation techniques based on assumptions made by the Board of Directors and market conditions existing at the balance sheet date;
- the probable realization value estimated with due care and in good faith by the Board of Directors for transferable securities not listed on a stock exchange or not traded on another regulated market and for transferable securities listed on a stock exchange or traded on another regulated market where the latest quote is not representative.

The accounting policy was changed compared to the previous year, for further details refer to Note 8.2 "Basis of preparation".

### 8.2.10 Cash and cash equivalents

Cash at banks and on hand are recorded at their nominal value which approximates the expected realizable amount.

### 8.2.11 Provisions

#### Allowances for risks and charges

Allowance for risks and charges are intended to cover losses or debts, the nature of which is clearly defined and which at the cut-off date are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Allowances for risks and charges may also be created to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the cut-off date are either likely to be incurred, or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

#### Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are composed of employee termination indemnities and certain defined benefit plans. Employee termination indemnities represent the actual debt owed to employees according to legal obligation in certain jurisdictions and the labour contract in force, considering every form of long-term remuneration. The provision corresponds to the total of individual indemnities accrued up until 31 December 2022 in favour of employees as at the closing date of the consolidated financial statements, net of advances paid and is equal to the sum that would have been paid to employees in the event employment had been terminated at that date.

Defined benefit plans are accounted for using the present value of the defined benefit obligations by applying an actuarial valuation method. The increase in the present value of the defined benefit obligation resulting from employee service in the current period is recognized in the consolidated income statement.

The Pension plan contract, and the mechanics used to account for pension provisions have been analysed by the Management.

#### 8.2.12 Payables and other liabilities

Payables originating from the acquisition of goods are recorded in the consolidated statement of financial position when the risks, charges and significant benefits related to ownership have been substantially transferred. Payables for services are recorded when the services have been provided, or rather when the service has been undertaken.

Financial payables arising from financing operations and those other than from the acquisition of goods and services are recorded when the entity has an obligation to the counterparty based on legal and contractual conditions.

The account "Advance payments" refers to the advance payments received from customers relating to supply of goods and services not yet performed.

Payables are recorded at their reimbursement value.

When the amount payable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on the effective interest method.

#### 8.2.13 Revenues

Revenues comprise the amounts derived from sale of products and the provision of services falling within the Group's ordinary activities, after deductions of sales rebates and value added tax and other taxes directly linked to the turnover.

#### 8.2.14 Costs

Purchase costs are recognized on the basis of the occurrence principle. Raw materials, ancillary, consumables and goods include accessory acquisition costs (transport, insurance, loading and unloading, etc.) where the supplier has included such costs in the purchase price, otherwise they are recorded separately under service costs based on their nature.

#### 8.2.15 Income and deferred taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Provisions for taxation corresponding to the difference between the tax liability estimated by the Group and the advance payments for the financial years for which the tax return has not yet been filed. Current tax provision is recorded under the caption "Current liabilities - Tax payables".

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (b) in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (b) in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed each year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed each year and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 8.2.16 Foreign currency transactions

Transactions in foreign currencies are translated into Eur at the exchange rates prevailing at the date of the transactions.

For subsequent measurement a distinction between monetary items and non-monetary items must be made.

The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Monetary items include receivables and other assets, cash and cash equivalents, provisions and liabilities. All other items are non-monetary items.

Financial investments can be both monetary and non-monetary items. Debentures and interest-bearing securities (bonds) are monetary items. On the other hand, investments and securities, without vested claims to a specific or specifiable monetary amount (e.g. stock shares, investment shares) are non-monetary items.

Amounts prepaid for goods and services are non-monetary items since they are to be settled by the delivery of a non-monetary asset (and not a fixed or determinable monetary amount). When service interruption is indicated, such as in the case of a partial or full refund of the prepayment, the prepaid amounts are classified as monetary items.

Foreign currency monetary items are reported using the closing rate as at the cut-off date with an income statement effect to be recorded under Net Exchange Differences. Exception is represented by unrealised exchange gains on transactions for which the settlement is uncertain or not predictable, which are not recognized in the consolidated income statement.

Foreign non-monetary items are translated using historical exchange rates (rate at the date of the transaction) with no further revaluation / devaluation.

### 8.2.17 Derivative financial instruments

The Group may enter into derivative financial instruments such as option, swaps, futures or foreign exchange contracts.

Derivative financial instruments are fair valued based on market value/ valuation techniques described hereafter. Unrealised gains and losses are recorded in the profit and loss except if the financial instrument is designated as a hedge for exposure to the variability of future cash flows, in this case the effective portion of the fair value of the instrument is reported in the Consolidated statement of the changes in the shareholders' equity.

The market value of the derivative financial instruments corresponds to:

- the latest available quote on the valuation day for derivatives listed on a stock exchange or traded on another regulated market;
- the probable realisation value estimated through the following valuation techniques based on assumptions made by the Board of Directors and market conditions existing at the balance sheet date.

Commitments relating to options/swaps/futures/foreign exchange contracts transactions are disclosed in the notes.

The accounting policy was changed compared to previous year, for further details refer to Note 8.2 "Basis of preparation".

### 8.3 Business combinations

On 31 July 2022, the Group closed the acquisition of Ammotec, the European market leader and best-in-class quality provider of small calibre ammunition, pyrotechnic elements and components for defence/law enforcement, hunting and sports and industrial end-markets. The purchase price allocation exercise has been finalised during the first half of 2023 concluding on a step-up in value of Eur 35,260 thousand on contracts with customers (intangible assets) and recognition of the deferred tax liability impact for Eur 9,164 thousand. The residual difference of Eur 51,738 thousand has been recorded as final goodwill.

### 8.4 Intangible fixed assets

The changes to the net book value of intangible assets in 2022 are set out in the table below:

<i>Eur thousand</i>	Start-up and expansion costs	Development Costs	Concessions, patents, licenses, trademarks and similar rights and assets	Goodwill	Other assets	Payments on account and assets under development	Total
Cost at the beginning of the period	-	975	37,009	39,977	5,103	163	83,227
Additions for the period	135	76	2,040	-	152	260	2,663
Change in scope of consolidation	-	-	10,260	51,738	49,665	-	111,663
Disposals for the period	-	-	(2,854)	-	(380)	-	(3,234)
Transfers for the period	-	-	58	-	626	(76)	608
Exchange differences	-	(6)	361	-	78	8	441
<b>Cost at the end of the year</b>	<b>135</b>	<b>1,045</b>	<b>46,874</b>	<b>91,715</b>	<b>55,244</b>	<b>355</b>	<b>195,368</b>
Accumulated amortization - beginning of the period	-	616	34,443	39,977	3,833	-	78,869
Amortization for the period	-	187	1,961	4,312	3,563	-	10,023
Change in scope of consolidation	-	-	4,064	-	5,380	-	9,444
Amortization related to disposal	-	-	23	-	(359)	-	(336)
Transfers for the period	-	-	-	-	-	-	-
Exchange differences	-	(4)	347	-	70	-	413
<b>Accumulated amortization - end of the year</b>	<b>-</b>	<b>799</b>	<b>40,838</b>	<b>44,289</b>	<b>12,487</b>	<b>-</b>	<b>98,413</b>
<i>Net book value:</i>							
31/12/2022	135	246	6,036	47,426	42,757	355	96,955
31/12/2021	-	359	2,566	-	1,270	163	4,358

Main changes in the intangible assets are referred to the recognition of the fair value of the contracts with customers and residual goodwill following the acquisition of Ammotec. Please refer to Note 8.3 for further details.

#### 8.5 Tangible fixed assets

Tangible fixed assets amount to Eur 337.2 million. The changes to the net book value in 2022 are presented in the table below:

<i>Eur thousand</i>	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Payments on account and tangible fixed assets under development	Total
Cost at the beginning of the period	147,532	327,993	192,956	9,732	678,213
Additions for the period	8,329	23,511	11,807	8,457	52,104
Change in area of Consolidation	10,946	333,021	53,228	7,613	404,808
Disposals for the period	(4,482)	(5,564)	(3,106)	(60)	(13,212)
Transfers for the period	1,259	9,678	1,436	(12,981)	(608)
Exchange Rate	1,405	6,981	2,062	99	10,547
<b>Cost at the end of the year</b>	<b>164,989</b>	<b>695,620</b>	<b>258,383</b>	<b>12,860</b>	<b>1,131,852</b>
Accumulated depreciation - beginning of the period	66,756	280,786	170,575	-	518,117
Depreciation for the period	4,639	21,077	8,799	-	34,515
Change in area of Consolidation	2,163	200,319	40,737	-	243,219
Depreciation related to disposal	(29)	(5,323)	(3,006)	-	(8,358)
Transfers for the period	-	-	-	-	-
Exchange Rate	612	4,746	1,806	-	7,164
<b>Accumulated depreciation - end of the year</b>	<b>74,141</b>	<b>501,605</b>	<b>218,911</b>	<b>-</b>	<b>794,657</b>
<i>Net book value:</i>					
at 31 December 2021	90,848	194,015	39,472	12,860	337,195
at 31 December 2020	80,776	47,207	22,381	9,732	160,096

The main investments in 2022 are referred to plant and machinery and industrial and commercial equipment, and include:

- new machines and equipment to increase pistol production volumes;
- new machines and equipment to increase bolt action volumes;
- new machines and equipment to increase barrels production;
- new machines, equipment and tooling to develop new products;
- investment to increase ammunition production volume.

Capital expenditure is mainly concentrated in Italy, the USA, Finland, Germany, and Turkey.

### 8.6 Financial fixed assets

Financial fixed assets are reported in the table below:

<i>Eur thousand</i>	31/12/2021	Increases / (Decreases)	Ex- change differenc- es	Change in scope	31/12/2022
Participating interests	4,297	337	-	-	4,634
Investments held as fixed assets	213	5,140	-	31	5,384
<b>Total equity investments</b>	<b>4,510</b>	<b>5,477</b>	<b>-</b>	<b>31</b>	<b>10,018</b>

Details of the effects resulting from the application of the equity method on participating interests are as follow:

<i>Eur thousand</i>	Total
31/12/2021	4,297
Elimination of gains arising by intercompany transactions	(1,277)
Dividends	-
Capital Increase	-
CTA Reserve	212
Portion of the result recorded in the Income Statement	1,446
<b>Amortization of goodwill</b>	<b>(78)</b>
Other movements	34
<b>31/12/2022</b>	<b>4,634</b>

Investment held as fixed assets are accounted at both acquisition cost when held for an indefinite period of time and not listed on active markets and at fair value when shares are liquid and measurable based on publicly quoted market prices or third parties specific inputs (please refer to note 8.2 "Basis of preparation").

Management decides not to recognize any value adjustments on the investments that show a carrying value higher than the pro-quota equity, since such difference has been deemed to be recoverable in the near future, considering the expected positive performance of the investments.

### 8.7 Other financial assets

Other financial assets are mainly referred to guarantee deposits.

### 8.8 Deferred tax assets

Deferred tax assets amount to Eur 40.7 million (Eur 26.8 million as at 31 December 2021); the amount refers to benefits expected on temporary deductible differences on the basis of the reasonable certainty they will be recovered.

Deferred tax assets and related temporary deductible differences are as follows:

<i>Eur thousand</i>	31/12/2022	Tax Effect	31/12/2021	Tax Effect
Consolidation adjustments	76,039	20,139	61,956	15,559
Allowance for obsolescence and other differences in inventory	18,414	4,724	16,054	4,166
Allowance for risks and charges	19,488	5,614	1,562	427
Allowance for warranties	2,236	626	1,700	472
Depreciation on revaluations of fixed assets	194	49	199	52
Doubtful debt provision not-deductible	1,064	260	1,476	362
Personnel costs	13,129	3,648	7,137	1,789
Agents' termination indemnities	237	57	272	65
Allowance for returns and discounts	1,006	237	591	150
Losses from valuation of foreign currency balances	4,446	1,049	119	32
Tax losses carried forward	5,921	789	3,741	1,080
Other temporary differences	12,293	3,502	11,219	2,597
<b>Total</b>	<b>154,468</b>	<b>40,694</b>	<b>106,025</b>	<b>26,750</b>
<b>Current</b>		<b>21,266</b>		<b>15,274</b>
<b>Non Current</b>		<b>19,428</b>		<b>11,476</b>

### 8.9 Inventories

The balance at year-end is reported below:

<i>Eur thousand</i>	31/12/2022	31/12/2021	Changes
Raw material, ancillaries and consumables	190,732	66,315	124,417
Work in progress and semi-finished products	84,301	27,948	56,353
Finished products and goods	408,392	246,235	162,157
Advances	6,070	3,694	2,376
<b>Total</b>	<b>689,495</b>	<b>344,192</b>	<b>345,303</b>

Inventories are net of an obsolescence allowance of approximately Eur 55.5 million (Eur 29.8 million in 2021), mainly concerning finished products and goods for resale.

Inventories were valued at LIFO and starting from 1 January 2022 valued at FIFO. The effects of the change in the accounting principles are disclosed in Note 8.2 "Basis of preparation".

#### 8.10 Trade receivables

The balance at year-end is as follows:

<i>Eur thousand</i>	31/12/2022	31/12/2021	Changes
Third party trade receivables	201,113	118,975	82,138
Doubtful debt provision	(9,055)	(7,848)	(1,207)
Allowance for discounts and returns	(3,287)	(3,364)	77
<b>Third party trade receivables</b>	<b>188,771</b>	<b>107,763</b>	<b>81,008</b>
Trade receivables from associates	20,857	7,339	13,518
<b>Total trade receivables</b>	<b>209,628</b>	<b>115,102</b>	<b>94,526</b>

Receivables from associates mainly relates to trade receivables from associate company incorporated in the Middle East area (Eur 19.5 million).

Receivables recognized to the financial statements, net of the provision for doubtful accounts and the allowance for discounts and returns, are entirely due within one year.

The following movements took place in the doubtful debt provision during the year:

<i>Eur thousand</i>	31/12/2021	Prov.	Losses	Re-lease	Change in scope	Exchange Diff.	31/12/2022
Doubt. debt provision	7,848	851	(128)	(187)	597	74	9,055

The following movements took place in the allowance for discounts and returns during the year:

<i>Eur thousand</i>	31/12/2021	Prov.	Utiliz.	Re-lease	Change in scope	Exchange Diff.	31/12/2022
Allow. for discounts & returns	3,364	469	(712)	-	-	166	3,287

#### 8.11 Tax receivables

As at 31 December 2022 the caption amounts to Eur 25.2 million, compared to Eur 15.8 million in the previous year. Details are reported below:

<i>Eur thousand</i>	31/12/2022	31/12/2021	Changes
Income taxes receivables	3,272	967	2,305
Other tax receivables	7,476	5,656	1,820
VAT Receivables	14,427	9,135	5,292
<b>Total tax Receivables</b>	<b>25,175</b>	<b>15,758</b>	<b>9,417</b>

### 8.12 Other receivables and current assets

Other receivable and current assets amount to Eur 20.2 million (Eur 12.8 million as at 31 December 2021) and are detailed below:

<i>Eur thousand</i>	31/12/2022	31/12/2021	Changes
Advances to suppliers	3,287	2,480	807
Due from insurance companies for pension provision	2,310	2,223	87
Guarantee Deposits	987	807	180
Credit notes to be received	257	351	(94)
Due to Welfare Institution	35	29	6
Others	4,515	1,650	2,865
<b>Total Other receivables</b>	<b>11,391</b>	<b>7,540</b>	<b>3,851</b>
Accrued incomes	192	126	66
Prepayments	8,592	5,155	3,437
<b>Total Accrued incomes and Prepayments</b>	<b>8,784</b>	<b>5,281</b>	<b>3,503</b>
<b>Total Other receivables and current assets</b>	<b>20,175</b>	<b>12,821</b>	<b>7,354</b>

### 8.13 Financial assets

The caption amounts to Eur 58.8 million as at 31 December 2022 (Eur 166.8 million as at 31 December 2021) and refer mainly to marketable securities. The breakdown is as follow:

<i>Eur thousand</i>	31/12/2022	31/12/2021	Changes
Equity investments in other companies	27	25	2
Financial instruments	58,794	166,765	(107,971)
<b>Total</b>	<b>58,821</b>	<b>166,790</b>	<b>(107,969)</b>

The decrease recorded in the year is mainly due to the disposal of the investments to finance the acquisition of Ammotec.

From the 2022 financial year, and in application of the new accounting policy on its financial instruments, the Company's marketable securities are valued at fair value on the closing date. The impact on the income statement is presented in the accounts of "Financial Income" and under "Financial Expenses". Please refer to Note 8.2 "Basis of preparation" for further details on the change in the accounting principles.

### 8.14 Cash and cash equivalents

The balance of Eur 407.7 million (Eur 350.6 million as at 31 December 2021) comprises bank current and deposit accounts. The changes in cash and cash equivalents and the Group net financial position are reported in the consolidated cash-flow and commented on in the management report.

As at 31 December 2022 the restricted cash amounts to Eur 596.9 thousand.

## 8.15 Net Equity

### *8.15.1 Share capital*

The subscribed share capital as at 31 December 2022 amounts to Eur 40,000 thousand divided into 80,000 thousand shares with a nominal value of Eur 0.50 each.

### *8.15.2 Share premium reserve*

As at 31 December 2022, the share premium amounts to Eur 21,600 thousand.

### *8.15.3 Reserves*

#### *8.15.3.1. Legal reserve*

As at 31 December 2022, the legal reserve amounts to Eur 4,000 thousand.

#### *8.15.3.2. Other reserves*

As at 31 December 2022, other reserves amount to Eur 704 thousand and are referred to the effective portion of the fair value of derivatives financial instruments designated as a hedge for exposure to variability of future cash flows. On financial year 2022 the Group has changed the accounting principles for derivatives financial instruments, impacts of such changes are reported in Note 8.2 "Basis of preparation".

### *8.15.4 Retained earnings and consolidation reserves*

This account amounts to Eur 838.1 million and mainly includes the difference between the shareholders' equity of the consolidated companies and their respective book values.

## 8.16 Financial liabilities

The detail is summarized in the table below:

<i>Eur thousand</i>	31/12/2022			31/12/2021		
	<i>Current</i>	<i>Non-Current</i>	<i>Total</i>	<i>Current</i>	<i>Non-Current</i>	<i>Total</i>
Bank Loans	76,519	241,515	318,034	20,034	22,581	42,615
Others Financial Liabilities	720	219	939	273	458	731
<b>Total Financial Liabilities</b>	<b>77,239</b>	<b>241,734</b>	<b>318,973</b>	<b>20,307</b>	<b>23,039</b>	<b>43,346</b>

Financial debts towards banks amount to Eur 318.0 million (Eur 42.6 million in 2021). The balance of Eur 241.5 million includes loans due within 5 years.

The medium/long-term loans of some Group companies were undertaken at variable rates and converted to a fixed rate through hedging contracts (IRS), with the same nominal value and

repayment plans of the underlying financial payables.  
There are no secured payables towards banks.

Other financial liabilities are referred to amounts due to other financial institutions for leasing and factoring.

As at 31 December 2022, no guarantees were provided over the financial liabilities toward other financial institutions.

#### 8.17 Deferred tax liabilities

Deferred taxes are recorded on taxable temporary differences and amount to Eur 49.9 million (Eur 7.8 million in 2021). The nature of such liabilities is detailed in the following tables:

<i>Eur thousand</i>	31/12/2022	Tax Effect	31/12/2021	Tax Effect
Accelerated depreciation	48,594	10,946	12,430	2,937
Provisions	20,084	4,694	-	-
Consolidation adjustments	117,126	29,732	14,487	4,056
Exchange gains from conversion	1,366	320	1,108	268
Other temporary differences	44,099	4,233	2,099	560
<b>Total</b>	<b>231,269</b>	<b>49,925</b>	<b>30,123</b>	<b>7,821</b>

Deferred taxes on accelerated depreciation and provisions mainly related to foreign subsidiaries. Deferred taxes on consolidation entries include the result of the price allocation exercise which concluded on a step-up in value of Eur 35,260 thousand on contracts with customers (intangible assets) and the consequent recognition of a deferred tax liability impact for Eur 9,164 thousand. Please refer to note 8.3 "Business combination" for further details. The same caption also includes the tax effect recognized on the change of accounting principle on inventory (Eur 8,526 thousand) and on financial instruments (Eur 4,040 thousand). Please refer to note 8.2 "Basis of preparation" for further details on the change in the accounting principles.

#### 8.18 Tax payables

The detail is as follows:

<i>Eur thousand</i>	31/12/2022			31/12/2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Payables to Tax Authorities on behalf of employees	6,422	-	6,422	4,792	-	4,792
Payables for VAT within the year	9,481	121	9,602	2,704	-	2,704
Payables for income taxes and other taxes	41,256	58	41,314	18,579	529	19,108
<b>Total</b>	<b>57,159</b>	<b>179</b>	<b>57,338</b>	<b>26,075</b>	<b>529</b>	<b>26,604</b>

### 8.19 Provisions

The movement of non-current and current provisions are set out below:

<i>Eur thousand</i>	31/12/2021	Prov.	Utiliz.	Release	Change in scope	Exchange Diff.	31/12/2022
Employees severance indemnity	8,131	4,635	(1,967)	(104)	1,602	-	12,297
Provisions for pensions and similar obligations	6,954	4,604	(2,011)	(8,229)	33,474	(555)	34,237
<b>Non current provisions</b>	<b>15,085</b>	<b>9,239</b>	<b>(3,978)</b>	<b>(8,333)</b>	<b>35,076</b>	<b>(555)</b>	<b>46,534</b>
Derivatives financial instruments - liabilities	3,295	1,135	(6,999)	-	3,211	27	669
Other Provisions	20,887	4,026	(3,315)	(5,789)	8,415	(601)	23,623
<b>Current provisions</b>	<b>24,182</b>	<b>5,161</b>	<b>(10,314)</b>	<b>(5,789)</b>	<b>11,626</b>	<b>(574)</b>	<b>24,292</b>
<b>Total</b>	<b>39,267</b>	<b>14,400</b>	<b>(14,292)</b>	<b>(14,122)</b>	<b>46,702</b>	<b>(1,129)</b>	<b>70,826</b>

Employees severance indemnity is mainly recognized on the basis of the legal obligation upon companies in certain jurisdictions and concerns a payable to employees which will be settled on conclusion of employment.

Provision for pensions and similar obligations are mainly referred to Ammotec which maintains various defined benefit plans for employees. The main employees benefit plans are in Germany and Sweden.

The detail of other provisions is as follows:

<i>Eur thousand</i>	31/12/2021	Prov.	Utiliz.	Release	Change in scope	Exchange Diff.	31/12/2022
Allowance for industrial risks and charges	762	40	(93)	-	498	-	1,207
Allowance for warranties	2,632	550	(199)	(177)	5,284	(8)	8,082
Other allowances for risks & future charges	17,493	3,436	(3,023)	(5,612)	2,633	(593)	14,334
<b>Total</b>	<b>20,887</b>	<b>4,026</b>	<b>(3,315)</b>	<b>(5,789)</b>	<b>8,415</b>	<b>(601)</b>	<b>23,623</b>

At yearend an amount of Eur 5,612 thousand has been released from "Other allowances for risks & future charges" in the caption "Other income" to match the consolidated losses recorded by the subsidiaries Holland & Holland Ltd and Holland & Holland Sporting Weapons Ltd. on 2022. The business combination resulted from the acquisition of the subsidiary on February 2021 concluded in a negative difference of Eur 15,115 thousand which has been recorded in the "Provision" and used to match the future losses.

### 8.20 Advance payments

Advances amount to Eur 42.8 million and mainly refer to advances received from customers. The account increases of approximately Eur 35.3 million compared to previous year (Eur 7.5 million as at 31 December 2021) mainly due to the inclusion of Ammotec entities.

### 8.21 Trade Payables

Trade payables amount to Eur 191.4 million and show an increase of Eur 76.7 million compared to prior year (Eur 114.7 million). The balance includes ordinary accounts payable to suppliers and are all due within the year.

### 8.22 Other payables and current liabilities

Other payables and current liabilities are detailed below:

<i>Eur thousand</i>	31/12/2022	31/12/2021	Changes
<b>Social security payable</b>	<b>6,542</b>	<b>5,641</b>	<b>901</b>
Payables to personnel for wages and salaries	11,102	5,937	5,165
Payables to personnel for holidays and leave	19,650	13,115	6,535
Payables to personnel for bonuses	14,325	11,417	2,908
Credit Notes to be issued	7,437	5,272	2,165
Accrued Expenses and deferred income	13,676	6,631	7,045
Others	14,075	13,109	966
<b>Total other payables</b>	<b>80,265</b>	<b>55,481</b>	<b>24,784</b>
<b>Total other current liabilities</b>	<b>86,807</b>	<b>61,122</b>	<b>25,685</b>

### 8.23 Revenues

Sales revenues in the year amount to Eur 1,438.1 million and show an increase of Eur 480.1 million compared to 2021.

Net turnover is referred to sales of light firearms, ammunition, optics and accessories in both civil and military markets. Revenues generated by Ammatec have been consolidated for the period 31 July 2022 (acquisition date) - 31 December 2022.

The breakdown of sales by geographical area is set-out in the table below:

<i>Eur million</i>	2022	2021
North America	690.8	541.2
Europe	558.3	277.4
Rest of the World	189.0	139.4
<b>Total revenues from sales and services</b>	<b>1,438.1</b>	<b>958.0</b>

Reference should be made to the management report for further details on the sales trend in 2022 and in the previous years.

#### 8.24 Other income

Other revenues in 2022 amount to Eur 15.8 million (Eur 12.7 million in 2021) and are broken down as follows:

<i>Eur thousand</i>	2022	2021	Changes
Internal cost capitalized under fixed assets	637	32	605
Operating grants	1,935	1,104	831
Insurance compensation	62	56	6
Recovery of costs/sundry refunds	2,213	1,906	307
Royalties	367	346	21
Reversal of allowances for risks and charges	6,006	3,545	2,461
Reversal of doubtful debts provision	187	124	63
Gains from sales of fixed assets	218	183	35
Other	4,166	5,402	(1,236)
<b>Total</b>	<b>15,791</b>	<b>12,698</b>	<b>3,093</b>

The increase in the line "Reversal of allowances for risks and charges" is mainly due to the partial release of the negative difference originated from the consolidation of subsidiaries Holland & Holland Ltd and Holland & Holland Sporting Weapons Ltd. (Eur 5,612 thousand). Please refer to Note 8.19 for further details.

#### 8.25 Use of raw materials, consumables, supplies and goods

The caption amounts in 2022 to Eur 531.6 million (Eur 351.4 million in 2021).

#### 8.26 Personnel costs

Personnel costs amount to Eur 309.5 million (Eur 208.8 million in the previous year).

<i>Eur thousand</i>	2022	2021	Changes
Wages and salaries	221,878	149,680	72,198
Social security contributions	50,083	33,837	16,246
Employee severance indemnity	8,415	2,926	5,489
Retirement pension and others	4,032	8,370	(4,338)
Other personnel costs	25,076	13,991	11,085
<b>Total</b>	<b>309,484</b>	<b>208,804</b>	<b>100,680</b>

Other personnel costs include the economic impacts of the pension plans of Ammatec in Germany and Sweden which resulted in the recognition of a surplus of Eur 8,757 thousand for period 31 July 2022 – 31 December 2022.

The average workforce is 6,553 (including temporary employees). The breakdown is as follows:

<i>Average workforce</i>	<b>2022</b>	<b>2021</b>	<b>Changes</b>
Executives	157	113	44
White-collar	2,331	1,207	1,124
Blue-collar	4,065	2,068	1,997
<b>Total</b>	<b>6,553</b>	<b>3,388</b>	<b>3,165</b>

### 8.27 Services

In 2022, services costs amount to Eur 304.9 million (Eur 213.5 million in 2021) and are detailed as follows:

<i>Eur thousand</i>	<b>2022</b>	<b>2021</b>	<b>Changes</b>
Outsourcing	48,258	39,066	9,192
Advertising & promotions	29,693	22,774	6,919
Commissions	26,582	21,466	5,116
Maintenance and repairs	27,703	17,866	9,837
Transport of sales	37,971	22,766	15,205
Personnel travel costs	9,388	4,494	4,894
Professional fees	13,941	9,983	3,958
Utilities	23,138	9,061	14,077
IT services	12,346	7,740	4,606
Legal, administrative, tax and other services	4,747	4,500	247
Trade fairs	5,404	1,457	3,947
Product and process research and development	3,009	2,660	349
Transport of purchases	6,762	5,135	1,627
Insurance	5,280	3,345	1,935
Bank charges	3,940	2,843	1,097
Catalogues	1,585	1,355	230
Cleaning & security	5,291	4,143	1,148
Testing	3,701	3,579	122
Communications	1,421	1,081	340
Training	2,031	1,214	817
Other	32,733	26,996	5,737
<b>Total</b>	<b>304,924</b>	<b>213,524</b>	<b>91,400</b>

### 8.28 Other operating costs

The caption amounts to Eur 25.1 million (Eur 19.7 million in 2021) and are detailed as follows:

<i>Eur thousand</i>	2022	2021	Changes
Rental Costs	10,510	5,609	4,901
Operating Leases	1,975	1,587	388
Licenses	1,082	598	484
Other lease and rental costs	1,530	1,230	300
<b>Total leases and rentals costs</b>	<b>15,097</b>	<b>9,024</b>	<b>6,073</b>
Duties and non-income taxes	2,679	4,733	(2,054)
Membership fees	2,373	1,347	1,026
Liberalities	1,191	1,152	39
Others	3,815	3,459	356
<b>Total other costs</b>	<b>10,058</b>	<b>10,691</b>	<b>(633)</b>
<b>Total</b>	<b>25,155</b>	<b>19,715</b>	<b>5,440</b>

### 8.29 Financial income

The caption "Financial income" amounts to Eur 4.8 million in 2022 (Eur 4.2 million in 2021) and includes financial income from investments in securities (Eur 0.8 million), the results of the equity method for the investments in JV and other associated companies (Eur 1.6 million) and other minor items. From the 2022 financial year, and in application of the new accounting policy on its financial instruments, the Company's securities are valued at fair value on the closing date. Please refer to Note 8.2 for further details.

### 8.30 Financial expenses

The caption "Financial expenses" amounts to Eur 12.0 million (Eur 2.8 million in 2021) and includes the negative impacts recorded on transferable securities (Eur 8.8 million), interests on loans and borrowings (Eur 1.1 million) and other minor items. From the 2022 financial year, and in application of the new accounting policy on its financial instruments, the Company's securities are valued at fair value on the closing date. Please refer to Note 8.2 for further details.

### 8.31 Net exchange differences

The detail of the caption is set-out in the table below:

<i>Eur thousand</i>	2022	2021	Changes
Net exchange gains (losses) on other securities	1,189	1,252	(63)
Other net exchange gains (losses)	1,504	6,588	(5,084)
<b>Total</b>	<b>2,693</b>	<b>7,840</b>	<b>(5,147)</b>

8.32 Income taxes

The breakdown for 2021 is as follows:

<i>Eur thousand</i>	2022	2021	Changes
Current taxes	(71,499)	(41,967)	(29,532)
Deferred tax income & charges	(1,770)	(4,002)	2,232
<b>Total</b>	<b>(73,269)</b>	<b>(45,969)</b>	<b>(27,300)</b>

8.33 Audit fees

The table below shows the audit fees for the year 2022 for the audit and no-audit services provided by the independent auditors and entities belonging to the network.

<i>Eur thousand</i>	2022	2021
Parent Company and subsidiaries audit	1,007	723
Audit related fees	222	230
Tax related fees	61	68
<b>Total</b>	<b>1,290</b>	<b>1,021</b>

8.34 Off balance sheet commitments and contingent liabilities

Off balance sheet commitments and contingent liabilities are reported below:

- corporate guarantees amount to Eur 12.9 million and include guarantees to banks on behalf of subsidiaries and associated companies;
- sureties in favour of institutional clients amount to Eur 13.8 million;
- bank guarantees amount to Eur 1.9 million;
- other unsecured guaranties amount to Eur 9.4 million and principally refer to credit mandates and letters of patronage issued to the banks in guarantee of credit lines in favour of a number of subsidiaries and associated companies;
- rents and lease commitments amount to Eur 0.8 million;
- third parties goods at company premises amount to Eur 3.4 million.

8.35 Transactions with related parties

We report that all transactions with related parties have been executed on an arm's length basis.

8.36 Significant events after the end of the year

There are no major post balance sheet events to be disclosed.

# Annual Accounts as at 31 December 2022

# 1. Independent auditor's report



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## Independent auditor's report

To the Board of Directors of  
Beretta Holding S.A.  
9, rue Ste Zithe  
L-2763 Luxembourg

### Report on the audit of the annual accounts

#### Opinion

We have audited the annual accounts of Beretta Holding S.A. (the "Company"), which comprise the balance sheet as at 31 December 2022, and the profit and loss account for the year then ended, and the notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.



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In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

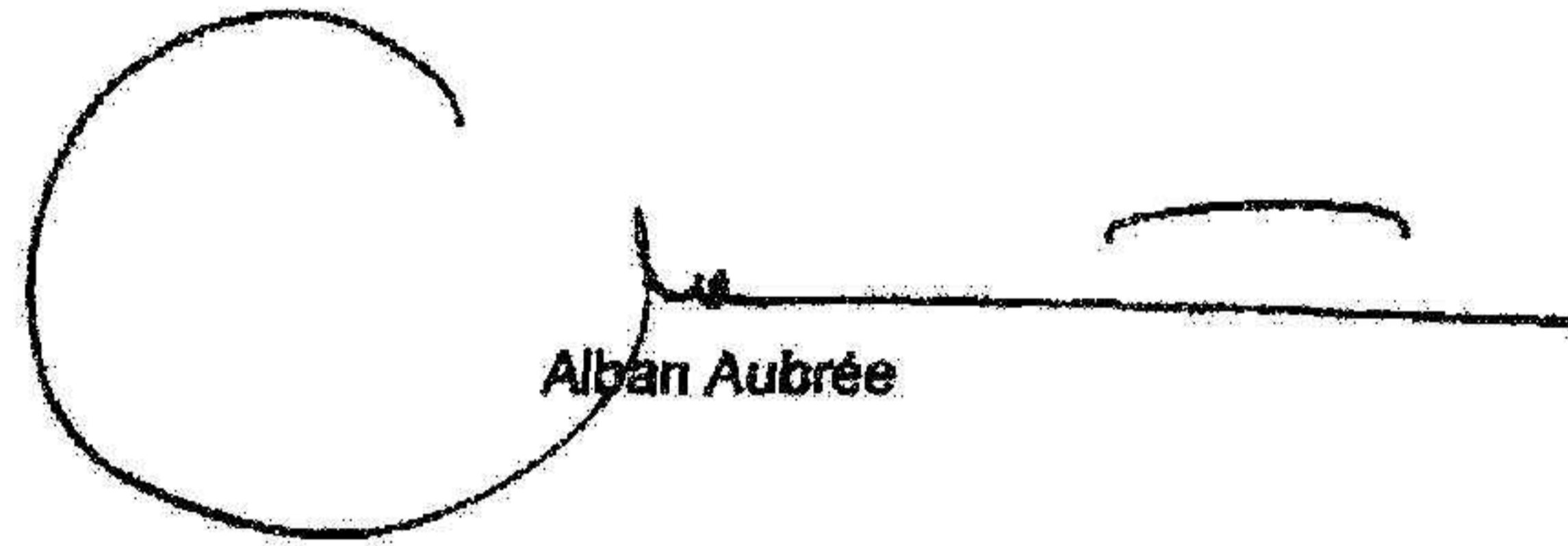
- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material 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 Board of Directors.
- Conclude on the appropriateness of Board of 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 report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.



**Building a better  
working world**

We communicate with those charged with governance 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.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Alban Aubrée

Luxembourg, 8 June 2023

## 2. Balance sheet

As at 31<sup>st</sup> December 2022

Amounts in Eur	Reference	Current year	Previous year
<b>Assets</b>			
I. Subscribed capital not called	103	-	104
II. Subscribed capital called but unpaid	105	-	106
<b>A. Subscribed capital unpaid</b>	101	-	102
<b>B. Formation expenses</b>	107	-	108
<b>C. Fixed assets</b>	109	1,233,310,099.52	110 740,410,978.03
I. Intangible assets	4.4 111	1,888.33	112 4,010.34
II. Tangible assets	4.5 125	74,357.31	126 40,943.77
III. Financial assets	4.6 135	1,233,233,853.88	136 740,366,023.92
<b>D. Current assets</b>	151	81,659,754.52	152 233,941,916.72
I. Stocks	153	-	154
II. Debtors	4.7 163	41,872,913.70	164 2,005,454.33
a) becoming due and payable within one year	203	41,844,483.43	204 2,003,949.06
b) becoming due and payable after more than one year	205	28,430.27	206 1,505.27
III. Investments	4.8 189	34,712,568.40	190 160,803,471.64
IV. Cash at bank and in hand	197	5,074,272.42	198 71,132,990.75
<b>E. Prepayments</b>	4.9 199	1,741,024.43	200 1,345,677.31
<b>TOTAL ASSETS</b>	201	1,316,710,878.47	202 975,698,572.06
<b>Capital reserves and liabilities</b>			
<b>A. Capital and reserves</b>	4.10 301	787,958,710.83	302 743,891,545.04
I. Subscribed capital	4.10.1 303	40,000,000.00	304 40,000,000.00
II. Share premium account	4.10.2 305	21,600,000.00	306 21,600,000.00
III. Revaluation reserve	307	-	308
IV. Reserves	4.10.3 309	4,000,000.00	310 4,000,000.00
V. Profit or loss brought forward	4.10.4 319	663,291,545.04	320 494,456,848.42
VI. Profit or loss for the financial year	321	59,067,165.79	322 183,834,696.62
VII. Interim dividends	323	-	324
VIII. Capital investments subsidies	325	-	326
<b>B. Provisions</b>	4.11 331	204,851.15	332 263,000.00
<b>C. Creditors</b>	4.12 435	528,547,316.48	436 231,544,027.02
a) becoming due and payable within one year	453	63,699,069.88	454 21,544,027.02
b) becoming due and payable after more than one year	455	464,848,246.60	456 210,000,000.00
<b>D. Deferred income</b>	403	-	404
<b>TOTAL CAPITAL, RESERVES AND LIABILITIES</b>	405	1,316,710,878.46	406 975,698,572.06

### 3. Profit and loss account

<i>Amounts in Eur</i>	Reference		Current year		Previous year
1. to 5. profit or loss	4.13	651	3,812.79	652	(955,628.33)
6. Staff costs	4.14	605	(2,825,570.98)	606	(1,990,873.65)
a) Wages and salaries		607	(2,340,480.42)	608	(1,629,869.54)
b) Social security costs		609	(157,105.43)	610	(125,962.60)
i) relating to pensions		653	(146,802.93)	654	(117,671.96)
ii) other social security costs		655	(10,302.50)	656	(8,290.64)
c) Other staff costs		613	(327,985.13)	614	(235,041.51)
7. Value adjustments	4.15	657	(19,660.72)	658	(19,388.09)
a) in respect of formation expenses and of tangible and intangible fixed assets		659	(19,660.72)	660	(19,388.09)
b) in respect of current assets		661	-	662	-
8. Other operating expenses	4.16	621	(292,120.64)	622	(292,483.08)
9. Income from participating interests	4.17	715	62,402,736.72	716	187,227,746.70
a) derived from affiliated undertakings		717	62,402,736.72	718	187,227,746.70
b) other income from participating interests		719	-	720	-
10. Income from other investments and loans performing part of the fixed assets		721	-	722	-
a) derived from affiliated undertakings		723	-	724	-
b) other income not included under a)		725	-	726	-
11. Other interest receivable and similar income	4.18	727	7,773,985.34	728	2,052,882.51
a) derived from affiliated undertakings		729	3,781,046.39	730	13,774.94
b) other interest and similar income		731	3,992,938.95	732	2,039,107.57
12. Share of profit or loss of undertakings accounted for under the equity method		663	-	664	-
13. Value adjustments in respect of financial assets and of investments held as current assets	4.19	665	(1,362,384.84)	666	591,688.92
14. Interest payable and similar expenses	4.20	627	(5,667,574.13)	628	(1,070,214.37)
a) concerning affiliated undertakings		629	(636,226.75)	630	(754,018.34)
b) other interest and similar expenses		631	(5,031,347.38)	632	(316,196.03)
15. Tax on profit or loss	4.21	635	-	636	-
16. Profit or loss after taxation		667	60,013,223.54	668	185,543,730.61
17. Other taxes not shown under items 1 to 16	4.22	637	(946,057.75)	638	(1,709,033.99)
18. Profit or loss for the financial year		669	59,067,165.79	670	183,834,696.62

## 4. Notes to the annual accounts

### 4.1. Corporate Matters

Beretta Holding S.A. (hereafter the "Company") has been incorporated in Luxembourg on 25 April 2018 as a Société Anonyme in accordance with the Luxembourg Law of 10 August 1915, as amended, on Commercial Companies for an unlimited period of time.

The Company is registered with the Trade and Companies Register of Luxembourg with the number B 224055 and has its registered office at 9, rue Ste Zithe, L-2763 Luxembourg.

#### *4.1.1 Nature of the Company's business*

In accordance with its articles of incorporation, the object of the Company is:

- a) to acquire entity interests in other companies or entities both in Luxembourg and abroad, operating predominantly in the industrial sector or having purposes similar to those pursued by industrial companies;
- b) to establish or take part in the establishment of other companies or businesses operating predominantly in the industrial sector;
- c) to finance and provide the technical, financial and managerial coordination of companies or entities in which it holds an equity interest;
- d) to provide services related to the organization, implementation and management of information system and the data processing for subsidiary companies and legal entities;
- e) to purchase and sell plant and equipment (hardware) for electronic data processing, assistance during installation and operation;
- f) to produce and sell software designed to pursue the business purpose specified above;
- g) to provide financial, administrative, organizational, marketing, advertising and public relation services, as well as management services generally relating to subsidiary companies and affiliates;
- h) to provide technical services connected, directly or indirectly, to production and industrial activities generally relating to subsidiary companies and affiliates;
- i) to coordinate and control industrial, commercial and management operations generally relating to subsidiary companies and affiliates;
- j) to purchase, for any title whatsoever, sell, exchange, dispose at any title, construct, reconstruct and restructure, demolish, administer and manage on its own account or on third-party account immovable property of any kind and use;
- k) to enter into lease, sublease, rental, sub-rental and financial lease agreements as users, and into contracts relating to immovable property of any kind and use;
- l) to grant endorsement, guarantees and any kind of sureties for the benefit of any group entities to cover bonds and liabilities of such entities toward any third parties, as well as to carry out any commercial, industrial and financial transactions relating to securities and real estate property that the administrative body deems useful or convenient in achieving the business purpose of the Company, as well as to take on and sell directly or indirectly, any equity interests or shares in other companies or businesses, already established or to be established, having the same, a similar or related purpose.

#### *4.1.2 Annual accounts*

The financial year of the Company is identical to the calendar year, from 1 January to 31 December of each year.

The Company also prepares consolidated financial statements, which are published according to the provisions of the Luxembourg Law.

#### 4.2. Basis of preparation

##### *4.2.1 General principles*

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

The accounting and valuation policies are determined by the Board of Directors in compliance with the Law of 19 December 2002.

##### *4.2.2 Critical accounting estimates*

The preparation of the annual accounts and the application of the accounting policies and methods described below require critical accounting estimates that involve judgements and the use of assumptions. By their nature, the assessments necessary for drawing up the annual accounts require the formulation of hypotheses and carry risks and uncertainties as to their occurrence in the future.

Although the Board of Directors believes that it has taken all available information into account in determining these judgements and estimates, the actual future profits and losses from the operations concerned could differ from these estimates and therefore have a material impact on the annual accounts.

The use of estimates mainly concerns the following valuations:

- a) the determination of the fair value of financial instruments that do not have a quoted market price;
- b) the estimation of the recoverable amount of impaired assets;
- c) the assessment of provisions.

The use of critical judgments in applying accounting policies may comprise the recoverability of the value of the investments in subsidiaries.

##### *4.2.3 Reclassifications*

Certain values referred to 31 December 2021 reported herein have been reclassified in order to give a better understanding to the accounts. Further details are provided in the Note 4.25 Adjustment on the comparative figures.

### 4.3. Significant accounting policies

#### *4.3.1 Foreign currency transactions*

The Company maintains its accounting records in Eur and the annual accounts are expressed in this currency.

Transactions in foreign currencies are translated into Eur at the exchange rates prevailing at the date of the transactions.

Formation expenses, fixed assets in foreign currencies are kept at historical exchange rates at the Balance Sheet date.

Monetary assets and liabilities in foreign currencies are revalued at the exchange rate prevailing at the Balance Sheet date. Exchange gains and losses are recorded in the Profit and Loss account.

Other non-monetary assets and non-monetary liabilities in foreign currencies are kept at historical exchange rates or revalued at exchange rates prevailing at the Balance Sheet date, respectively if the latter rate is lower or higher. Accordingly, exchange losses are recognized immediately in the Profit and Loss account. Exchange gains are recorded in the Profit and Loss account at the moment of their realization.

Forward foreign exchange transactions are valued at the forward rate for the remaining term ruling on the balance sheet date. In case of unrealized gains, there are not recognized in the Profit and Loss account. In case of unrealized losses, a provision is recorded to cover the potential losses.

Where there is an economic link between an asset and a liability or a hedge relationship is established, they are valued in aggregate according to the principles described above.

Revenues and expenses in foreign currencies are translated into Eur at the exchange rates applicable at the date of the transaction. Exchange gains are included in "Other interest receivable and similar income" and exchange losses in "Interest payable and similar charges".

#### *4.3.2 Intangible fixed assets*

Intangible fixed assets are carried at purchase price including the expenses incidental thereto, or at production costs, less accumulated amortization. Amortization is recognized on a straight-line basis over the estimated remaining useful life of the assets. The amortization rate and methods applied are as follows:

	<i>N. years</i>	<i>Rate of amortization</i>
Patents, licenses, trademarks and similar rights and assets inquired	From 3 to 5 years	From 33% to 20%

Where the Company considers that intangible fixed assets have suffered a durable decline in value in excess of the accumulated amortization recognized, an additional write-down is recorded to reflect this impairment. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

#### 4.3.3 Tangible fixed assets

Tangible fixed assets are carried at purchase price including the expenses incidental thereto, or at production costs, less accumulated depreciation. Depreciation is recognized on a straightline basis over the estimated remaining useful life of the assets. The depreciation rate and methods applied are as follows:

	<i>N. years</i>	<i>Rate of depreciation</i>
Other fixtures and fittings, tools and equipment	from 5 to 8 years	from 12% to 20%

Where the Company considers that tangible fixed assets have suffered a durable decline in value in excess of the accumulated depreciation recognized, an additional write-down is recorded to reflect this impairment. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

#### 4.3.4 Financial fixed assets

##### Valuation at purchase price

Shares in affiliated undertakings are valued at purchase price including the expenses incidental thereto. In the case of durable depreciation in value according to the opinion of Board of Directors, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

##### Valuation at the net equity

Shares in affiliated undertakings are initially recognized at cost and adjusted thereafter to recognize the Company's share of the proportion of the capital and reserves of these undertakings.

##### Initial recognition

At the date of acquisition, the shares in affiliated undertakings are recorded at cost. The

difference between the cost and the amount corresponding to the proportion of the capital and reserves is disclosed in the notes. The proportion of the capital and reserves has been valued by the same accounting rules as those applied by the Company.

#### Subsequent measurement

Annually, the proportion of the net profit or loss attributable to the shares in affiliated undertakings is shown in the Profit and Loss accounts under the caption: "Share of profits/ losses of undertakings accounted for under the equity method". A reserve which is unavailable for distribution is booked in equity for the portion of the result above the amount of the dividends already received.

#### 4.3.5 Debtors/Receivables

Debtors are carried at costs which generally correspond to their nominal value. A value adjustment is recorded when the estimated realizable value is lower than the nominal value. The realizable value is estimated on the basis of information available to the Board of Directors. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

#### 4.3.6 Investments

Investments may include transferable securities, as well as other investments in shares and other securities equivalent to shares and in bonds or other forms of securitized debts.

Transferable securities and other investments are valued at the lower of cost, including expenses incidental thereto and calculated on the basis of weighted average prices, or market value. A value adjustment is recorded where the market value is lower than the cost of purchase. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

The market value corresponds to:

- a) the last available quoted price in an active market for listed securities;
- b) the fair value estimated with due care and in good faith by the Board of Directors based on market and business assumptions.

#### 4.3.7 Deferred charges

Deferred charges include expenditure paid during the financial year but relating to a subsequent financial year.

#### 4.3.8 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which at the date of the Balance Sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the Balance Sheet date are either likely to be incurred, or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

#### 4.3.9 Creditors/Debts

Debts are recorded at their reimbursement value.

Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on the effective interest rate method.

#### 4.3.10 Tax debts

The Company is a fully taxable company and tax resident of Luxembourg. As such, the Company is liable for all taxes applicable to Luxembourgish companies. Taxes are accounted for on an accrual basis in the year to which they relate.

Tax debts correspond to the difference between the tax liability estimated by the Company and the advance payments. Advance payments exceeding the tax liability are shown in the assets of the balance sheet under the "Debtors" item.

#### 4.3.11 Other Income

Other income comprises the amount derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover.

#### 4.3.12 Dividend

Dividend income from investments is recognized when the shareholder's right to receive the payment has been established.

#### 4.3.13 Interest income and charges

Interest income and interest charges are accrued on a timely basis, by reference to the principal outstanding and at the nominal (or effective) interest rate applicable.

#### 4.4 Intangible assets

The movements for the period are as follows:

<i>Amounts in Eur</i>	Concessions, patents, licenses, trademarks and similar rights and assets	Total
Gross book value – opening balance	17,394.19	17,394.19
Additions for the period	-	-
Disposals for the period	-	-
Transfers for the period	-	-
Gross book value – closing balance	17,394.19	17,394.19
Accumulated amortization – opening balance at the beginning of the period	(13,383.85)	(13,383.85)
Amortization for the period	(2,122.01)	(2,122.01)
Amortization related to disposal for the period	-	-
Amortization related to transfers for the period	-	-
Accumulated amortization at the end of the year	(15,505.86)	(15,505.86)
<i>Net book value:</i>		
Closing balance	1,888.33	1,888.33
Opening balance	4,010.34	4,010.34

The movements for the comparative period are as follows:

<i>Amounts in Eur</i>	Concessions, patents, licenses, trademarks and similar rights and assets	Total
Gross book value – opening balance	14,304.19	14,304.19
Additions for the period	3,090.00	3,090.00
Disposals for the period	-	-
Transfers for the period	-	-
Gross book value – closing balance	17,394.19	17,394.19
Accumulated amortization	(8,444.14)	(8,444.14)
Amortization for the period	(4,939.71)	(4,939.71)
Amortization related to disposal for the period	-	-
Amortization related to transfers for the period	-	-
Accumulated amortization at the end of the year	(13,383.85)	(13,383.85)
<i>Net book value:</i>		
Closing Balance 2021	4,010.34	4,010.34
Opening Balance 2021	5,860.05	5,860.05

#### 4.5 Tangible assets

The movements for the period are as follows:

<i>Amounts in Eur</i>	Other fixtures and fittings, tools and equipment	Total
Gross book value – opening balance	93,283.01	93,283.01
Additions for the period	50,949.42	50,949.42
Disposals for the period	-	-
Transfers for the period	-	-
Gross book value – closing balance	144,232.43	144,232.43
Accumulated depreciation – Opening balance	(52,339.24)	(52,339.24)
Depreciation for the period	(17,535.88)	(17,535.88)
Depreciation related to disposal for the period	-	-
Depreciation related to transfers for the period	-	-
Accumulated depreciation – Closing balance	(69,875.12)	(69,875.12)
<i>Net book value:</i>		
Closing balance	74,357.31	74,357.31
Opening balance	40,943.77	40,943.77

The movements for the period are as follows:

<i>Amounts in Eur</i>	Other fixtures and fittings, tools and equipment	Total
Gross book value – opening balance	90,245.01	90,245.01
Additions for the period	3,038.00	3,038.00
Disposals for the period	-	-
Transfers for the period	-	-
Gross book value – closing balance	93,283.01	93,283.01
Accumulated depreciation at the beginning of the period	(37,890.86)	(37,890.86)
Amortization for the period	(14,448.38)	(14,448.38)
Amortization related to disposal for the period	-	-
Amortization related to transfers for the period	-	-
Accumulated depreciation at the end of the year	(52,339.24)	(52,339.24)
<i>Net book value:</i>		
Closing Balance 2021	40,943.77	40,943.77
Opening Balance 2021	52,354.15	52,354.15

#### 4.6 Financial fixed assets

The movements of the financial fixed assets for the period are as follows:

Amounts in Eur	Shares in affiliated undertakings	Shares in undertakings with which the company is linked by virtue of participating interests	Securities and other financial instruments held as fixed assets	Loans to affiliated undertakings	Total
Gross book value - opening balance	740,904,381.97	136,699.29	628,000.00	332,940.66	742,002,021.92
Additions for the period	218,280,255.98	2,000,296.00	2,512,000.00	270,075,277.98	492,867,829.96
Disposals for the period	-	-	-	-	-
Transfers for the period	-	-	-	-	-
Gross book value - closing balance	959,184,637.95	2,136,995.29	3,140,000.00	270,408,218.64	1,234,869,851.88
Accumulated value adjustments - opening balance	(1,635,998.00)	-	-	-	(1,635,998.00)
Allocations for the period	-	-	-	-	-
Reversals for the period	-	-	-	-	-
Transfers for the period	-	-	-	-	-
Accumulated value adjustments - closing balance	(1,635,998.00)	-	-	-	(1,635,998.00)
Net book value - closing balance	957,548,639.95	2,136,995.29	3,140,000.00	270,408,218.64	1,233,233,853.88
Net book value - opening balance	739,268,383.97	136,699.29	628,000.00	332,940.66	740,366,023.92

#### 4.6.1 Shares in affiliated undertakings

The caption refers to the shares held by the Company in the following subsidiaries:

- Beretta Industrie S.p.A.
- Beretta U.S.A. Corp.
- Benelli U.S.A. Corp.
- 3 Arrows Services, Inc.
- Burris Company, Inc.
- Manfred Alberts GmbH
- Russian Eagle L.L.c
- GMK Ltd
- Outdoor Enterprise S.A.
- Sako Oy
- Espingardaria Belga de José Nunes Ferreira & Sobrinho S.A.
- Beretta Hellas S.r.l.
- Beretta Benelli Iberica S.A.
- Beretta Australia Pty Ltd
- Stoeger Silah Sanayi AŞ
- Steiner-Optik GmbH
- Humbert Clts S.A.S.
- Artemis Jagd und Sport GmbH
- Ammolux S.A.
- Ammotec Schweiz AG

The main changes compared to 2021 are related to:

- incorporation and subsequent capitalization of a company in Luxembourg which in turn has acquired certain investments in the course of 2022;
- acquisition of the 100% of a Swiss subsidiary from the newly incorporated company in Luxembourg.

According to Art.67(3) a) of the accounting law of 19 December 2002 the details concerning amount of capital and reserves and profit and loss, have been omitted as the Company and its affiliated undertakings are included in the consolidated accounts of the Parent Company.

In the opinion of the Directors, no permanent diminution in value has occurred and therefore no value adjustment was estimated necessary as at 31 December 2022 and 31 December 2021 on shares in affiliated undertakings.

#### 4.6.2 Shares in undertakings with which the company is linked by virtue of participating interests

The caption includes:

- an investment in a joint venture established in the Middle East area together with some related formation expenses (Eur 136,699.29);
- other financial investments in shares of both private and listed companies acquired in the course of the year (Eur 2,000,296.00) with a long term strategy.

#### 4.6.3 Securities and other financial instruments held as fixed assets

The caption includes some long-term investments in securities (Eur 3,140,000.00). The amount of prior year has been reclassified from the caption III. Investments under D. Current assets to the caption III. Investments under C. Fixed assets (Eur 628,000.00). These investments are planned to be held with a long term strategy.

#### 4.6.4 Loans to affiliated undertakings

During the financial year 2022, the following new loan agreements have been executed by the Company:

- on 27 July 2022, a loan agreement has been executed between Beretta Holding S.A. and a subsidiary in Luxembourg of Eur 1,000,000.00 and accrued interests for Eur 2,633.34. The loan is available in 10 tranches of minimum of Eur 100,000.00 and, as at 31 December 2022, has been drawn for Eur 300,000.00. The loan bears interest rates at market conditions and has a maturity on 27 July 2025;
- on 31 July 2022, a loan agreement has been executed with a subsidiary in Germany for Eur 161,766,954.43 and relative accrued interests for Eur 544,372.76. The loan bears interest rates at market conditions and has maturity on the 30 June 2024;
- on 31 July 2022, a loan agreement has been executed with a subsidiary in Germany for Eur 107,099,571.21 and relative accrued interests for Eur 360,407.90. The loan bears interest rates at market conditions and can be terminated by the lender at the earliest on 30 June 2024;

finally, the caption still includes a loan towards the direct subsidiary in Portugal for Eur 330,000.00 and relative accrued interests for Eur 4,278.78. The investment has been completely impaired in the previous years and the restructuring project has been initiated at the beginning of 2022 involving, among others, a change in the local management. The Board of Directors is closely monitoring the outcomes of these activities and has decided to postpone to the following financial year any consideration of potential impairment of the loan.

#### 4.7 Debtors / Receivables

Debtors amounted to Eur 41,872,913.70 as at 31 December 2022 (Eur 2,005,454.33 as at 31 December 2021) are mainly related to:

- loan agreement towards the subsidiary in Greece for an amount of Eur 525,000.00 and relative accrued interests for Eur 6,300.01. The loan has been subscribed on 30 May 2022, bears interest rates at market conditions and has a maturity on 30 May 2023;
- loan agreement towards a subsidiary in Switzerland. The principal amounts to Chf 28,664,245.59 (Eur 29,109,622.82) with relative accrued interests for Eur 36,597.26. The loan bears interest rates at market conditions and can be terminated by the lender with 3 months' notice period;
- Eur 3,320,870.25 referred to the costs and fees charged to the subsidiaries pursuant to the management and mutual services agreements (Eur 1,925,347.98 as at 31 December 2021);
- Eur 8,703,085.70 related to a receivable towards the direct subsidiary in Luxembourg for the charge of certain transaction costs and other minor costs;
- Eur 139,252.22 related to VAT receivables (Eur 78,601.06 as at 31 December 2021);
- Eur 28,430.27 referred to some prepayments to suppliers for guarantee deposits. An amount of 1,505.27 has been classified from caption II. Debtors – becoming due and payable within one year to II. Debtors – becoming payable due and payable after more than one year;
- Eur 3,755.17 for accrued interest on time deposit.

#### 4.8 Investments

The caption includes other transferable securities for a total amount of Eur 34,712,568.40 (Eur 160,803,471.64 as at 31 December 2021). The decrease compared to the prior year is due to the disposal of the investments to finance the acquisition of the Ammotec Business.

#### 4.9 Prepayments

Prepayments are mainly composed of:

- debt related fees referred to payables towards financial institutions (please refer to Note 4.12);
- insurance costs and Electronic Data Processing (EDP) expenses for licenses already paid but with occurrence in the following financial year.

#### 4.10 Capital and reserves

##### *4.10.1 Subscribed capital*

The subscribed share capital on 31 December 2022 amounted to Eur 40,000,000.00 divided into 80,000,000 ordinary shares with a nominal value of Eur 0.50 each.

##### *4.10.2 Share Premium*

The share premium amounted to Eur 21,600,000.00 as at 31 December 2022 due to the allocation of the residual amount of the contribution in kind received by the Company from its Parent in 2018.

##### *4.10.3 Reserves*

The caption includes a legal Reserve of Eur 4,000,000.00 which represents the 10% of the Share capital of the Company.

##### *4.10.4 Profit or loss brought forward*

On 7 June 2022 the shareholders, in their annual meeting, decided to allocate the profit of 2021 as follows:

- distribute a dividend in favour of the shareholders in the amount of Eur 15,000,000.00
- carry forward the remaining portion of the net result for Eur 168,834,696.61.

The movements for the period on the subscribed capital, reserves and profit or loss are reported in the table below:

<i>Amount in Eur</i>	Share capital	Share premium reserve	Legal Reserve	Retained earnings	Result of the year	Total Net Equity
31 December 2021	40,000,000.00	21,600,000.00	4,000,000.00	494,456,848.43	183,834,696.61	743,891,545.04
Dividends	-	-	-	-	(15,000,000.00)	(15,000,000.00)
Retained earnings	-	-	-	168,834,696.61	(168,834,696.61)	-
Result of the year	-	-	-	-	59,067,165.79	59,067,165.79
31 December 2022	40,000,000.00	21,600,000.00	4,000,000.00	663,291,545.04	59,067,165.79	787,958,710.83

#### 4.11 Provisions

The caption includes the provision for leaving indemnities that the Company will recognize to entitled employees on termination. The provision at the end of the year amounts to Eur 204,851.15. The reduction of the period (Eur 58,148.85) is mainly due to the exit of one entitled employee.

#### 4.12 Creditors

The detail of creditors is set out in the table below:

<i>Amount in Eur</i>	Within one year	After one year and within five years	After more than five years	Total 2022	Total 2021
Amounts due to credit institutions (a)	51,817,072.22	229,600,000.00	-	281,417,072.22	-
Amounts due to trade creditors (b)	457,185.45	-	-	457,185.45	1,358,993.24
Amounts owed to affiliated undertakings (c)	10,988,079.44	235,248,246.60	-	246,236,326.04	229,808,779.41
Tax debts	-	-	-	-	-
Social security's debts	35,291.38	-	-	35,291.38	24,690.98
Other debts (d)	401,441.39	-	-	401,441.39	351,563.39
<b>Total</b>	<b>63,699,069.88</b>	<b>464,848,246.60</b>	<b>-</b>	<b>528,547,316.48</b>	<b>231,544,027.02</b>

- (a) On 31 May 2022 into a new loan with credit institutions. The accrued interests amounts to Eur 1,417,072.22.
- (b) amounts due to trade creditors are related to payable due to third parties for services rendered to the Company. The amount includes: Eur 226,329.58 related to suppliers for the invoices received and Eur 230,855.87 related to accruals for invoices to be received mainly composed by professional consultancy fees;
- (c) amounts due to affiliated undertakings are composed of:
- Eur 752,418.96 related to services rendered by certain subsidiaries based on the management fees agreements in place within the group;
  - Eur 10,235,660.48 related to a payable towards the subsidiary in Luxembourg;
  - Eur 25,000,000.00 related to a financial loan from a subsidiary in the US subscribed on 21 July 2022 and relative accrued interests for Eur 248,246.60. The loan bears interests rates at market and has maturity of 36 months;
  - Eur 210,000,000.00 related to a payable towards a fully owned German subsidiary over which the Company controls the timing of the repayment;
- (d) the caption "Other debts" is composed by the following amounts:
- accruals for Directors' fees for Eur 290,000.00 (same amount as at 31 December 2021);
  - payables towards the employees for unused leave and travel expenses for Eur 96,845.89 and other payable for Eur 14,595.50.

#### 4.13 Other Income

The Company other income is mainly referred to the services rendered to the subsidiaries (Eur 5,002,052.21 as at 31 December 2022 and Eur 3,439,789.13 as at 31 December 2021). The invoice for the services rendered has been calculated by the Company in accordance with agreements that have been entered into with each subsidiary and have been subject to Agreed Upon Procedures by the *réviseur d'entreprises agréé*.

#### 4.14 Staff costs

The caption includes costs referred to the salaries and social security for Company's employees (Eur 2,825,570.98 as at 31 December 2022 and Eur 1,990,873.65 as at 31 December 2021).

The average number of employees is reported in the table below:

	2022		2021	
	Employees	Temporary employees	Employees	Temporary employees
Executives	5	-	5	-
White collars	6	-	5	-
Total	11	-	10	-

The Company had 15 employees as at 31 December 2022.

#### 4.15 Value adjustments

Value adjustments are related to the amortizations and depreciations of the year for Eur 19,660.72 recorded on intangible and tangible fixed assets. Please refer to Notes 4.4 – 4.5 for further details.

#### 4.16 Other operating expenses

The other operating expenses of Eur 292,120.64 are mainly referred to the Board of Directors fees (Eur 290,000.00) approved by the Shareholders of the Company.

#### 4.17 Income from participating interests

The caption amounts to Eur 62,402,736.72 as at 31 December 2022 (Eur 187,227,746.70 as at 31 December 2021) and refers to the dividends received from the subsidiaries. The difference compared to the previous year is mainly related to the dividend of Eur 165,000,000.00 distributed by the subsidiary in Italy in 2021.

#### 4.18 Other interests' receivables and similar income

Other interests and similar income amount to Eur 7,773,985.34 (Eur 2,052,882.51 as at 31 December 2021). The increase is mainly due to higher interest from intercompany loans for Eur 3,770,774.70.

The increase is also due to the realised fair value, exchange rate gains and dividends on marketable securities (Eur 3,855,871.10 compared to Eur 1,967,478.36 as at 31 December 2021).

#### 4.19 Value adjustments in respect of financial assets and of investments held as current assets

The caption includes the following items:

- the reversal of unrealized losses recorded on the portfolios of securities in the prior year (Eur 700,018.70);
- the unrealized fair value and exchange rates losses for the period recorded on the securities (Eur 2,062.403.54).

#### 4.20 Interest payable and similar expenses

##### *4.20.1 Concerning affiliated undertakings*

The amount mainly includes the accrued interests (Eur 301,315.26) and the exchange rate losses (Eur 334,911.49) on certain intercompany loans.

##### *4.20.2 Other interest and similar expenses*

The amount is referred to:

- realized losses on disposal of marketable securities for Eur 2,740,912.38
- exchange rates losses on securities and transactions denominated in foreign currencies for Eur 29,600.97
- negative interests toward banks and other financial institutions for Eur 2,260,834.03, out of which Eur 2,069,660.00 referred to the Term Loan Facility.

#### 4.21 Other Taxes

The caption includes:

- withholding taxes paid on dividends collections from subsidiaries for Eur 805,158.48 (Eur 1,277,680.20 as at 31 December 2021);
- taxes on dividends and interests collection from marketable securities for Eur 41,047.69 (Eur 45,229.13 as at 31 December 2021);
- net wealth tax related to the financial year 2022 for Eur 23,115.00 (Eur 315,125.00 as at 31 December 2021);
- other taxes and duties for Eur 76,736.58 (Eur 70,999.66 as at 31 December 2021) mainly referred to taxes on the complementary pension fund granted to the employees.

4.22 Emoluments granted to the members of the management and supervisory bodies and commitments arising or entered in respect of retirement pensions for former members of those bodies

In June 2022, the Company has paid emoluments for Eur 290,000.00 to the members of the Board of Directors. The Company has accrued the same amount to be paid in 2023 in accordance with the decision of the Shareholders Meeting held on 7 June 2022. The amount has been classified under other operating expenses (Note 4.16).

4.23 Fees paid to the cabinet de révision agréé

Below the detail of fees paid to the cabinet de révision agréé:

Fee Category	2022	2021
Audit Fee	51,975.00	49,350.00
Audit Related Fee	-	-
Tax Fees	-	-
<b>Total</b>	<b>51,975.00</b>	<b>49,350.00</b>

4.24 Off balance sheet commitments and contingent liabilities:

The detail is as follows:

- corporate guaranties amount to Eur 12,862,603.88 and include guaranties to banks on behalf of subsidiaries and associated companies;
- other unsecured guaranties amount to Eur 9,375,585.97 and are mainly referred to credit mandates and letters of patronage issued to the banks in guarantee of credit lines in favour of several subsidiaries and associated companies.

4.25 Adjustment on the comparison period

The details concerning the reclassification, made-up for the comparison period (31 December 2021), are presented in the table below.

Reclassification of certain financial instruments of Eur 628,000.00 from D. Current Assets to C. Fixed Assets:

Item	Values 31/12/2021 Old Classification	Values 31/12/2022 New Classification	Delta
III. Investments	161,431,471.64	160,803,471.64	(628,000.00)
III. Financial Assets	739,738,023.92	740,366,023.92	628,000.00

Reclassification of certain guarantee deposits for Eur 1,505.27 from the caption Debtors becoming due and payable within one year to Debtors becoming due and payable after more than one year:

Item	Values 31/12/2021 Old Classification	Values 31/12/2022 New Classification	Delta
II. Debtors	2,005,454.33	2,005,454.33	-
a) becoming due and payable within one year	2,005,454.33	2,003,949.06	(1,505.27)
b) becoming due and payable after more than one year	-	1,505.27	1,505.27

#### 4.26 Post Balance Sheet Events

There are no major post balance sheet events to be disclosed.

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