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Årsredovisning

för

Avaj International Holding AB

556904-0800

Räkenskapsåret

2022

Fastställelseintyg

Undertecknad styrelseledamot i Avaj International Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 28 juni 2023.

Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition. Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 28 juni 2023

Helena Fjäll

Helena Fjäll

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Årsredovisning

för

Avaj International Holding AB

556904-0800

Räkenskapsåret

2022

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Styrelsen och verkställande direktören för Avaj International Holding AB avger följande årsredovisning för räkenskapsåret 2022.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Bolaget bildades i juni 2007 och har till föremål för din verksamhet att äga och förvalta fast och lös egendom.

Avaj International Holding AB är moderbolag i Crem International koncernen vars verksamhet är att marknadsföra och sälja kaffemaskiner för den professionella marknaden.

Koncernens verksamhet bedrivs i sju helägda dotterbolag. Koncernbolaget i Spanien som bedriver tillverkningsverksamhet, Kina som bedriver utvecklingsverksamhet, Sverige som bedriver försäljningsverksamhet. Spengler samt Crem BV i Nederländerna bedrev utvecklingsverksamhet i 2021.

Företaget har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret

I 2022 ändrade bolaget sin kärnverksamhet från tillverkning till distribution. Företaget var tidigare tillverkare av kaffemaskiner och komponenter till kaffemaskiner. I juli 2022 genomfördes förvärv av Crem bolagen. Den nya ägaren är italienskt familjeföretag Ali Group med säte i Milan. Ali Group är världsledande producent och distributör av utrustning inom livsmedelsindustri.

Väsentliga händelser efter räkenskapsårets slut

Bolaget genomgår vissa förändringar i samband med det nya ägarskapet. Det nya räkenskapsåret blir 1 september till 31 augusti. Nästa årsbokslut blir förkortat från 1 januari 2023 till 31 augusti 2023. Crem AB ska ta tillbaka försäljning av kaffemaskiner till icke nordiska kunder. Vi kommer återställa kunddatabas till ungefär den som vi hade innan flytten av produktion i 2021. Vi bedömer att rådande ekonomiska läget med hög inflation kommer påverka försäljningen något, särskilt inom restaurang branschen där vi ser minskad efterfrågan.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Stigande priser för råvaror och energi orsakat av globala problem med supply chain samt krig i Ukraina kan orsaka längre ledtider och prishöjningar. Vi kommunicerar ändringar till våra kunder med jämna mellanrum.

Kreditrisk
Med kreditrisk avses att företaget inte får betalt från kunder för sina fordringar. Kreditrisken hanteras genom att alla kunder kreditbedöms och vid behov åsätts en kreditlimit.

Likviditetsrisk
Med likviditetsrisk avses att företaget på grund av bristande likvida medel int till fullo kan fullgöra sina betalningsåtagande när de förfaller. Bolaget har för närvarande en god likviditet.

Företaget har möjlighet att låna likvider via Cash Pool i England (Enodis) som fungerar som en intern bank. Då är likviditetsrisken minimal.

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Ägarförhållanden

Direkt moderbolag till Avaj International Holding AB är Manitowoc FSG UK Limited. Överordnat moderföretag som upprättar koncernredovisning i vilken företaget ingår är Ali Group S.r.l. a Socio Unico, VATnr IT10123720962, med säte i Milano, Italien.

Flerårsöversikt (Tkr)	**2022**	**2021**	**2020**	**2019**
Nettoomsättning	0	2 513	5 051	6 293
Resultat efter finansiella poster	-27 409	26 261	-15 843	-469 084
Balansomslutning	253 486	276 085	248 369	242 180
Soliditet	55	60	56	57
Antal anställda	1	1	1	1

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Förändringar i eget kapital

	Aktie-kapital	**Fri överkurs-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	516	216 063	-76 321	26 557	**166 815**
Disposition enligt beslut av årsstämman:					
Balanseras i ny räkning			26 557	-26 557	**0**
Årets resultat				-26 732	**-26 732**
Belopp vid årets utgång	**516**	**216 063**	**-49 764**	**-26 732**	**140 083**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

fri överkursfond	216 062 815
ansamlad förlust	-49 764 151
årets förlust	-26 731 509
	139 567 155
disponeras så att	
i ny räkning överföres	139 567 155
	139 567 155

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning
Tkr

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Nettoomsättning		0	2 513
		0	**2 513**
Rörelsens kostnader			
Övriga externa kostnader	2	-129	-96
Personalkostnader	3	-149	-2 700
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-8	-39
Övriga rörelsekostnader		-1	0
		-287	**-2 835**
Rörelseresultat	4	**-287**	**-322**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	5	-24 123	27 704
Övriga ränteintäkter och liknande resultatposter	6	1 041	1 040
Räntekostnader och liknande resultatposter	7	-4 040	-2 161
		-27 122	**26 583**
Resultat efter finansiella poster		**-27 409**	**26 261**
Resultat före skatt		**-27 409**	**26 261**
Skatt på årets resultat	8	677	296
Årets resultat		**-26 732**	**26 557**

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Balansräkning

Tkr

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	9	0	8
		0	**8**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	10, 11	220 948	245 071
Uppskjuten skattefordran	8	9 452	8 775
		230 400	**253 846**
Summa anläggningstillgångar		**230 400**	**253 854**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		22 891	21 850
Aktuella skattefordringar		102	102
Övriga fordringar		0	6
		22 993	**21 958**
Kassa och bank		93	273
Summa omsättningstillgångar		**23 086**	**22 231**
SUMMA TILLGÅNGAR		**253 486**	**276 085**

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Balansräkning

Tkr

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	12, 13		
Bundet eget kapital			
Aktiekapital		516	516
		516	**516**
Fritt eget kapital			
Fri överkursfond		216 063	216 063
Balanserad vinst eller förlust		-49 764	-76 321
Årets resultat		-26 732	26 557
		139 567	**166 299**
Summa eget kapital		**140 083**	**166 815**
Kortfristiga skulder			
Skulder till koncernföretag		113 292	109 062
Övriga skulder		0	101
Upplupna kostnader och förutbetalda intäkter	14	111	107
Summa kortfristiga skulder		**113 403**	**109 270**
SUMMA EGET KAPITAL OCH SKULDER		**253 486**	**276 085**

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Kassaflödesanalys

Tkr

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Den löpande verksamheten			
Rörelseresultat		-287	-322
Justeringar för poster som inte ingår i kassaflödet	15	-2 991	-1 082
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**-3 278**	**-1 404**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av kortfristiga fordringar		-1 035	230
Förändring av leverantörsskulder		0	-44
Förändring av kortfristiga skulder		4 133	1 203
Kassaflöde från den löpande verksamheten		**-180**	**-15**
Årets kassaflöde		**-180**	**-15**
Likvida medel vid årets början			
Likvida medel vid årets början		273	288
Likvida medel vid årets slut		**93**	**273**

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Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats 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.

För säkring av tillgång eller skuld mot valutakursrisk används valutaterminer.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning

Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Vid försäljning av varor redovisas normalt inkomsten som intäkt när de väsentliga förmåner och risker som är förknippade med ägandet av varan har överförts från företaget till köparen.

Ersättning i form av ränta, royalty eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Redovisningsprinciper för enskilda balansposter

Immateriella tillgångar

Företaget redovisar internt upparbetade immateriella anläggningstillgångar enligt aktiveringsmodellen. Det innebär att samtliga utgifter som avser framtagandet av en internt upparbetad immateriell anläggningstillgång aktiveras och skrivs av under tillgångens beräknade nyttjandeperiod, under förutsättningarna att kriterierna i BFNAR 2012:1 är uppfyllda.

Anläggningstillgångar

Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Följande avskrivningsprocent tillämpas:

Immateriella anläggningstillgångar	
Övriga immateriella anläggningstillgångar	20-33%
Materiella anläggningstillgångar	
Inventarier, verktyg och installationer	20-33%

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Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag

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 uppkommer.

Kundfordringar/kortfristiga fordringar

Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Nedskrivningsprövning av finansiella anläggningstillgångar

Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Inkomstskatter

Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

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Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Ersättningar till anställda

Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Företaget har endast avgiftsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Koncernbidrag

Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden

Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Överordnat moderföretag som upprättar koncernredovisning i vilken företaget ingår är Ali Group S.r.l. a Socio Unico, VATnr IT10123720962, med säte i Milano, Italien.

Kassaflödesanalys

Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.

Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Förändringar i spärrade medel redovisas i investeringsverksamheten.

Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Rörelsemarginal (%)
Rörelseresultat i procent av omsättningen.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

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Antal anställda
Medelantal anställda under räkenskapsåret.

Uppskattningar och bedömningar

Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

Följande antaganden om framtiden och andra väsentliga källor till osäkerhet i uppskattningar på balansdagen skulle kunna innebära en betydande risk för en väsentlig justering av redovisade värden för tillgångar och skulder under nästa räkenskapsår:

Nedskrivningsbehov för aktier och andelar i dotterföretag
Företaget prövar årligen, eller när det finns en indikation på att tillgången minskat i värde, nedskrivningsbehov för aktier och andelar i dotterföretag. Ger beräkningen av återvinningsvärdet ett lägre värde än det bokförda värdet görs en nedskrivning. Baserat på befintligt substansvärde och förväntade framtida kassaflöden bedöms det inte föreligga något nedskrivningsbehov avseende aktier och andelar i dotterföretag.

Aktuella och uppskjutna skatter
Bedömningar görs för att bestämma både aktuella och uppskjutna skatteposter, särskilt vad avser uppskjutna skattefordringar. Härvid bedöms sannolikheten för de uppskjutna skattefordringarna kommer att nyttjas för eventuella avräkning mot framtida vinster. Uppskjutna skattefordringar hänförligt till underskottsavdrag bedöms kunna utnyttjas under de närmaste åren.

Not 2 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2022	**2021**
BDO		
Revisionsuppdrag	43	44
Övriga tjänster	0	0
	43	**44**

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Not 3 Anställda och personalkostnader

	2022	2021
Medelantalet anställda		
Män	1	1
	1	**1**
Löner och andra ersättningar		
Övriga anställda	114	2 051
	114	**2 051**
Sociala kostnader		
Pensionskostnader för övriga anställda	0	109
Övriga sociala avgifter enligt lag och avtal	36	450
	36	**559**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**150**	**2 610**

Not 4 Inköp och försäljning mellan koncernföretag

	2022	2021
Andel av årets totala inköp som skett från andra företag i koncernen	0,00 %	0,00 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	0,00 %	100,00 %

Not 5 Resultat från andelar i koncernföretag

	2022	2021
Nedskrivningar	-24 123	0
Återföring av nedskrivningar	0	27 704
	-24 123	**27 704**

Not 6 Övriga ränteintäkter och liknande resultatposter

	2022	2021
Ränteintäkter från koncernföretag	1 041	1 040
	1 041	**1 040**

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Not 7 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader till koncernföretag	-4 039	-2 160
Övriga räntekostnader	-1	-1
	-4 040	**-2 161**

Not 8 Aktuell och uppskjuten skatt

	2022	2021
Skatt på årets resultat		
Ingående saldo	8 775	8 479
Förändring av uppskjuten skatt	677	296
Totalt redovisad skatt	**9 452**	**8 775**

Avstämning av effektiv skatt

	2022		2021	
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		-27 409		26 261
Skatt enligt gällande skattesats	20,60	5 646	20,60	-5 410
Ej avdragsgilla kostnader		-4 969		-1
Ej skattepliktiga intäkter		0		5 707
Redovisad effektiv skatt	**2,47**	**677**	**-1,13**	**296**

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Not 9 Inventarier, verktyg och installationer

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	335	420
Försäljningar/utrangeringar	0	-85
Utgående ackumulerade anskaffningsvärden	**335**	**335**
Ingående avskrivningar	-327	-373
Försäljningar/utrangeringar	0	85
Årets avskrivningar	-8	-39
Utgående ackumulerade avskrivningar	**-335**	**-327**
Utgående redovisat värde	**0**	**8**

Not 10 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	693 335	693 335
Utgående ackumulerade anskaffningsvärden	**693 335**	**693 335**
Ingående nedskrivningar	-448 264	-475 968
Återförda nedskrivningar	0	27 704
Årets nedskrivningar	-24 123	0
Utgående ackumulerade nedskrivningar	**-472 387**	**-448 264**
Utgående redovisat värde	**220 948**	**245 071**

Not 11 Specifikation andelar finansiella anläggningstillgångar

Namn	Kapital-andel	Rösträtts-andel	Bokfört värde	Marknads-värde
Crem International Holding AB	100%	100%	220 948	220 948
			220 948	**220 948**

	Org.nr	Säte	Eget kapital
Crem International Holding AB	556731-5345	Stockholm	220 948

Not 12 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal Aktier	515 532	1
	515 532	

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Not 13 Disposition av vinst eller förlust

	2022-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
fri överkursfond	216 063
ansamlad förlust	-49 764
årets förlust	-26 732
	139 567
disponeras så att	
i ny räkning överföres	139 567
	139 567

Not 14 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Övriga upplupna kostnader	111	107
	111	**107**

Not 15 Justering för poster som inte ingår i kassaflödet

	2022-12-31	2021-12-31
Avskrivningar	8	39
Räntor	-2 999	-1 121
	-2 991	**-1 082**

Not 16 Väsentliga händelser efter räkenskapsårets slut

Bolaget genomgår vissa förändringar i samband med det nya ägarskapet. Det nya räkenskapsåret blir 1 september till 31 augusti. Nästa årsbokslut blir förkortat från 1 januari 2023 till 31 augusti 2023. Crem AB ska ta tillbaka försäljning av kaffemaskiner till icke nordiska kunder. Vi kommer återställa kunddatabas till ungefär den som vi hade innan flytten av produktion i 2021. Vi bedömer att rådande ekonomiska läget med hög inflation kommer påverka försäljningen något, särskilt inom restaurang branschen där vi ser minskad efterfråga.

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Resultat- och balansräkningen kommer att föreläggas på årsstämma för fastställelse.

Stockholm 2023-

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Mikael By

Vår revisionsberättelse har lämnats 2023-

BDO Mälardalen AB

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Signed: 6/27/2023 10:57:03 AM

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Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Witness Events	**Signature**	**Timestamp**

Notary Events	Signature	Timestamp

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Niclas Nordström Niclas.Nordstrom@bdo.se Authorized Public Accountant / Partner BDO Mälardalen AB Security Level: Email, Account Authentication (None)	DocuSigned by: FACA57B2D81541F... Signature Adoption: Drawn on Device Using IP Address: 217.119.170.26	Sent: 6/27/2023 11:29:46 AM Viewed: 6/28/2023 4:00:16 AM Signed: 6/28/2023 4:00:21 AM

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Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Witness Events	**Signature**	**Timestamp**
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	6/28/2023 4:00:21 AM

Payment Events	Status	Timestamps

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REVISIONSBERÄTTELSE

Till bolagsstämman i Avaj International Holding AB
Org.nr. 556904-0800

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Avaj International Holding AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Avaj International Holding ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde 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 Avaj International Holding 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 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 huruvida 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 agerande 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 huruvida 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

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betydande brister i den interna kontrollen som vi identifierat.

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 för Avaj International Holding AB för år 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 Avaj International Holding 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 revisionssed 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 revisionssed 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 räkenskaperna. 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.

Stockholm den dag som framgår av vår elektroniska underskrift

BDO Mälardalen AB

Niclas Nordström

Auktoriserad revisor

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Document history

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niclas.nordstrom@bdo.se	Authenticated	28.06.2023 12:50	Low	IP: 217.119.170.26

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2022

Consolidated Financial Statements

ALI Group S.r.l.

BOARD OF DIRECTORS

(AS AT THE DATE OF APPROVAL OF THE FINANCIAL STATEMENTS)

- Chairman of the Board of Directors	Filippo Berti
- Directors	Andrea Cocchi
	Giovanni Inzaghi
	Oreste Severgnini

BOARD OF STATUTORY AUDITORS

- Chairman	Mario Magni
- Statutory Auditors	Fabio Facchini
	Marco Giuliani
- Alternate Auditors	Gabriele Giacometti
	Ercole Fano

EXTERNAL AUDITORS

Deloitte & Touche S.p.A.

CONTENTS

	Page
Directors' Report	5
Consolidated Financial Statements of Ali Group S.r.l. as at 31 August 2022	12
Notes and attachments to the Consolidated Financial Statements	18
External Auditors' Report	53

Directors' Report accompanying the consolidated financial statements of Ali Group S.r.l. as at 31 August 2022

To the Sole Quotaholder,

The Consolidated Financial Statements of Ali Group S.r.l. (hereinafter also referred to as the "Group") report revenues of Euro 2,797.2 million as at 31 August 2022 (hereinafter referred to as "2022") (2021: Euro 2,113.2 million), a net profit of Euro 240.2 million (2021: Euro 194.6 million) and a negative net financial position of Euro 2,550.6 million (2021: a positive net financial position of Euro 811.6 million).

Thanks to the containment of the pandemic brought about by the vaccine rollout, the recovery in global demand was rapid and more intense than expected in the fourth quarter of 2021, driven especially by a strong recovery in demand for goods.

Nonetheless, since the beginning of 2022, global economic activity has shown signs of slowing down, due to the resurgence of Covid 19 and, subsequently, to heightening geopolitical tension which culminated in the Russian invasion of Ukraine. Inflation has continued to rise almost everywhere, reflecting energy price increases, supply-side bottlenecks and, especially in the US, recovery in demand.

If, on the one hand, the revenue trend confirms the positive market signs, on the other hand, as highlighted above, supply chain tension still remains and has been exacerbated by the Russia-Ukraine conflict which broke out towards the end of February 2022 and is still ongoing; this is reflected in the limited availability of raw materials and components. This tension, together with increased demand, has led to a significant increase in the backlog compared to prior year.

Moreover, on 28 July 2022, the acquisition of the Welbilt Group (hereinafter, also, "Welbilt") was successfully completed. This enabled the ALI Group to complete and further improve its product portfolio as well as strengthening its presence on the food service equipment market on a global scale.

An overview of the Group's general performance is presented below, together with its income statement and balance sheet highlights (in thousands of Euro).

(Euro thousands)	**2022**	**2021**
Net revenues	**2,797,880**	**2,113,244**
Other revenues and change in inventories of work in progress, semi-finished and finished products	51,085	7,508
Purchases of raw materials and differences in inventories	1,231,472	848,093
Costs for services, leases and rentals	455,313	323,623
Costs for wages and salaries	613,335	506,083
Provisions for risks and other provisions	21,558	20,012
Other operating costs and bad debts	19,164	16,936
EBITDA	**508,123**	**406,005**
EBITDA as a % of revenues	*18.2%*	*19.2%*
Amortisation of goodwill	85,777	65,515
Depreciation of property, plant and equipment and amortisation of intangible fixed assets	82,389	53,674
EBIT	**339,957**	**286,816**
EBIT as a % of revenues	*12.2%*	*13.6%*
Financial (expenses) or income	(10,300)	(724)
Profit (loss) before tax	**329,657**	**286,092**
Profit (loss) as a % of revenues	*11.8%*	*13.5%*
Taxes	89,458	91,504
Net profit (loss)	**240,199**	**194,588**
Profit (loss) as a % of revenues	*8.6%*	*9.2%*

In 2022, the Group generated net revenues of around Euro 2.8 billion, up by 32.4% compared to prior year. Revenues benefited from both the inflationary trend mentioned above and the acquisition of Welbilt at the end of July 2022 which contributed Euro 135 million.
Profit margins in 2022 were affected both by persistent supply chain bottlenecks and by the general increase in inflation, factors that were reflected in the availability and purchase cost of raw materials and components. Despite this situation of instability and complexity on global markets, the Group still managed to achieve EBITDA of Euro 508.1 million, an increase of 25.1% on prior year, also thanks to the regular price list updates that were made during the reporting period.

Moving on from operating activities, there was an increase in net financial income, mainly because of operations in derivatives arranged to hedge the main foreign exchange risks. This was partially offset by higher financial expenses relating to loans arranged during the period.
Profit before tax amounted to Euro 329.7 million (Euro 286 million in prior year), representing 11.8% of revenues. The Group's net profit totals Euro 240.2 million, representing 8.6% of revenues.

Moving on to the Group's capital structure, the reclassified consolidated balance sheet is shown below:

(Euro thousands)

Assets	***2022***	***2021***
NON-CURRENT ASSETS	4,267,159	475,411
Intangible assets	3,833,225	235,980
Property, plant and equipment	426,670	229,041
Non-current financial assets	7,264	10,390
CURRENT ASSETS (CA)	2,804,669	1,759,970
Inventory	885,778	367,084
Deferred liquidity	1,011,094	551,699
Immediate liquidity	907,796	841,187
INVESTED CAPITAL (IC)	**7,071,827**	**2,235,380**

Liabilities and Equity		
QUOTAHOLDERS' EQUITY	1,778,954	1,552,341
Quota capital	50,000	50,000
Reserves	1,728,954	1,502,341
NON-CURRENT LIABILITIES	3,834,453	170,598
CURRENT LIABILITIES	1,458,420	512,439
FINANCIAL CAPITAL	**7,071,827**	**2,235,380**

The Group's balance sheet situation has been affected by the acquisition of Welbilt during 2022. Specifically, in addition to the net value of the assets acquired, net invested capital has been influenced by the allocation of excess value emerging from a specific independent expert appraisal; in detail, goodwill and customer list under non-current assets and the excess value allocated to inventories under current assets. Meanwhile, financial capital increased compared to prior year due to the medium/long-term loans arranged to finance the acquisition. Reference should be made to the "Significant events and main operations during the year" section and to the Notes to the Financial Statements for further details.

FINANCIAL POSITION

The Group's net financial position is negative by Euro 2,550.6 million (positive by Euro 811.6 million as at 31 August 2021). The change is largely due to the medium/long-term debt arranged to finance the acquisition of Welbilt, net of cash and cash equivalents and other current financial assets at the reporting date.
The net financial position is analysed as follows:

(Euro thousands)	***2022***	***2021***
Cash and cash equivalents	907,796	841,187
Current financial assets	68,619	-
Derivative instruments - assets/(liabilities)	(174,575)	(668)
Bank overdrafts	(5,378)	(4,856)
Cash Pooling	(30,497)	(23,693)
Loans to parent company	(236,792)	-
Medium/Long-term loans	(3,078,018)	-
Payables towards other lenders	(1,737)	(393)
Net financial position	**(2,550,582)**	**811,577**

Medium/long-term loans include Term Loan B of Euro 2,120 million (entirely non-current) and Term Loan A of Euro 1,062 million (of which Euro 53 million is due within a year i.e. current). For further information, see the "Bank borrowing" section of the Notes to the Financial Statements.

The net financial position also includes the value of derivatives in place as at 31 August 2022 (negative by Euro 175 million), as mainly relating to the "Cross Currency Swap" (hereinafter, also, "CCS") arranged to hedge the Euro/USD exchange risk on future repayments of the intra-group loan totalling USD 1,250 million granted by ALI Group S.r.l to ALI Group North America Corp. (hereinafter, also "AGNAC").

As shown in the Group's statement of cash flows, cash flows generated by operating activities totalled Euro 192.4 million (Euro 385.7 million in 2021). Cash generated by financing activities amounted to Euro 3,112.8 million (cash of Euro 60.9 million absorbed in 2021) mainly in relation to arrangement of the medium/long-term loans, while Euro 30.2 million was absorbed by investing activities. The following table provides details of changes in medium/long-term financial payables over the reporting period:

	31 August 2021	Loans arranged	Interest and charges paid	Principal repayments	Other non-cash changes	31 August 2022
Bank borrowing	**4,856**	3,310,265	(121,720)	(130,000)	19,995	**3,083,396**

The change in the scope of consolidation absorbed cash of Euro 3,313,2 million (net of the cash acquired and the costs incurred in prior year for Welbilt) for the acquisitions described below in the "Significant events during the reporting period" paragraph.

CAPITAL EXPENDITURE

During the reporting period, the Group incurred capital expenditure of Euro 30.2 million (Euro 33.0 million in 2021), mainly for the renewal of production plant and machinery.

RESEARCH AND DEVELOPMENT

During the reporting period, the Group incurred costs of Euro 42.7 million for research and development activities. This included personnel costs of Euro 29.3 million.

INTRA-GROUP ACTIVITIES AND RELATED PARTY TRANSACTIONS

Trade and financial relations between all Group companies were carried out at arm's length and while respecting the autonomy of each company. Responsibilities and powers were agreed with the directors of each company, in order to make the best use of Group synergies.
For the disclosures required by Article 2428 of the Italian Civil Code on the balance sheet and income statement relations between the Parent Company and other Group companies, reference should be made to Annex 1 of the notes to the Parent Company's financial statements.

During the reporting period, the Group had the following balance sheet and income statement transactions with related parties:

- donations of Euro 2,103 thousand to non-profit organisations.

TREASURY SHARES AND QUOTAS

The Parent Company and its subsidiaries do not hold any treasury shares or quotas.

INFORMATION ON THE ENVIRONMENT AND PERSONNEL

Pursuant to Article 2428(2) of the Italian Civil Code, we note that the Group companies conduct their business in full compliance with environmental laws and regulations.
During the reporting period, there was no environmental damage for which the Parent Company or its subsidiaries were subject to criminal and/or administrative proceedings.
With regard to personnel, we note that, in 2022 – without considering the headcount increase due to the acquisition of Welbilt - , the Group employed an average of 10,222 people. At the reporting date, the Group had 14,652 employees, 4,366 of whom joined following the recent acquisition of Welbilt. Without considering the exceptional increase in employees due to Welbilt, the Group employed a total of 10,286 people as at 31 August 2022, a 5.5% increase compared to 31 August 2021 (9,748 employees).
For further details of the workforce, reference should be made to the notes to the consolidated and separate financial statements.

Business decisions in this area were driven by attention to human resources, which have always been considered strategic factor to the quality and excellence of the Group.
Workers involved in manufacturing activities are regularly updated with information on efficiency performance indicators and qualitative outcome indicators, such as environmental impact and safety.

SIGNIFICANT EVENTS AND MAIN OPERATIONS DURING THE REPORTING PERIOD

On 28, 2022, after the approval of the Antitrust authorities involved was obtained, the Ali Group completed its acquisition of Welbilt for a total of USD 3.5 billion.
The total debt of the Ali Group that emerged following the acquisition of Welbilt is around USD 3.5 billion, including Term Loan A of USD 1.25 billion (equal to Euro 1.06 billion, repayable in instalments over 5 years) arranged by ALI Group S.r.l and Term Loan B of USD 2.25 million (bullet repayment after 7 years) arranged by ALI Group North America Corp. The Asset Sale Bridge facility for a total of USD 750 million granted for the purposes of the sale of the Welbilt ice business has not been utilised and had expired as at 31 August 2022. A multi-currency Revolving Credit Facility of USD 250 million (unutilised to date) has also been made available to the Ali Group in order to support any future liquidity requirements due to fluctuation in working capital).
The following table summarises the consideration paid, the fair value of the assets and liabilities acquired at the transaction date and the final Purchase Price Allocation. The allocation of the price to the net assets acquired had been completed as at the date of publication of these consolidated financial statements based on an independent expert appraisal.

Euro thousands	**Carrying amount of Welbilt Group as at acquisition date**	**Final allocation of excess value**	**Carrying amount of Welbilt Group post allocation**
Intangible assets	-	1,552,504	1,552,504
Property, plant and equipment	112,079	77,553	189,632
Inventories	306,865	45,397	352,262
Trade receivables	231,515	-	231,515
Tax receivables	24,834	-	24,834
Deferred tax assets	29,094	-	29,094
Cash and cash equivalents	214,636	-	214,636
Prepaid expenses and Accrued income	21,787	-	21,787
Provisions for risks and charges	(70,968)	-	(70,968)
Deferred tax provision	(5,045)	(388,029)	(393,074)
Advances	(6,358)	-	(6,358)
Bank borrowing and payables to other lenders	(4,238)	-	(4,238)
Trade payables	(129,314)	-	(129,314)
Tax payables	(342,265)	-	(342,265)
Other payables / receivables	(117,140)	-	(117,140)
Accrued expenses and Deferred income	(23,901)	-	(23,901)
Total net assets acquired	**241,580**	**1,287,425**	**1,529,005**
Acquisition price	**3,584,007**	**-**	**3,584,007**
Goodwill	**3,342,427**	**(1,287,425)**	**2,055,002**

Moreover, in order to consolidate further its position of leadership in the food service equipment sector, the Group completed the following extraordinary transactions during the reporting period just ended:

- On 21 December 2021, subsidiary ALI Group North America Corporation completed the acquisition of "The Montague Company" and "Big Dawg Manufacturing LLC", leaders in the production and distribution of cooking and refrigeration systems on the US food service equipment market.

- In January 2022, Belgian subsidiary Metos NV completed the acquisition of a business unit from third party company Magec NV in order to reinforce its presence on the local service and after sales market, incorporating both a customer list and specialist assistance and maintenance capabilities.

During the reporting period, the ownership chain was reorganised with the liquidation of Indian company Carpigiani India Private Limited.

BUSINESS OUTLOOK

The global economic cycle continues to feel the effects of exceptionally high inflation, uncertainty over the conflict in Ukraine, procurement problems throughout value chains and constant increases in raw material and energy prices.
The International Monetary Fund forecasts a marked slowdown in the global economic cycle for the remainder of 2022 and for 2023.
However, the Group believes that it can successfully deal with these elements of uncertainty, on both an operating and a financial level, while forecasting that the volumes of business recorded in the current reporting period will increase in the near future. This forecast is backed up by the volume of sales orders the Group managed to secure in the final months of FY 2022 and which will be fulfilled during FY 2023. The Group also intends to continue its efforts focusing constantly on costs and working capital, as already commenced in previous years.

The acquisition of Welbilt will also allow the ALI Group to consolidate further its competitive position on an international level by offering customers the widest, most complete product range possible.

RISK MANAGEMENT OBJECTIVES AND POLICIES

In compliance with the provisions of Article 2428 of the Italian Civil Code, as amended by Article 1 of the Italian Legislative Decree of 2 February 2007, the main risks and uncertainties to which the Group and the Parent Company are exposed are listed below.

Risks regarding general economic conditions

As already highlighted, the global economy continues to experience a period of uncertainty due to exceptionally high inflation, procurement issues throughout the value chain and constant increases in raw material and energy costs.
However, as already demonstrated during 2021, the Group is capable of dealing with the potential negative impacts of these factors of uncertainty, thanks to the cost-containment measures described above as well as to the geographical and product diversification that distinguishes the Group's brand portfolio.

Exchange rate risk

The Group operates on the main international markets and is, therefore, exposed to exchange rate risks in relation to exposure arising from commercial transactions with third parties and commercial/financial transactions between Group companies, mainly in US dollars, Australian dollars and GB pounds.
Management of this risk is the same for the entire Group: the individual companies communicate their exposure to exchange rate risk and Group management hedges the risk directly or by giving instructions to the subsidiaries. In line with its risk management policies, the Group seeks to manage the exchange rate risk through the use of hedging instruments. The financial instruments used for this purpose are mainly Forward Rate Agreements, as detailed in the Notes to the Separate and Consolidated Financial Statements.

Liquidity risk

The Group expects to fulfil requirements relating to financial payables maturing and investments planned through available liquidity and operating cash flows. It also has adequate credit facilities with leading international banks.
At present, there are no specific risks regarding the Group's liquidity requirements.

Commodity risks

As mentioned above, the difficulty in obtaining supplies of raw materials and some components that emerged in 2021 and continued in 2022, as well as rising purchase prices, is a risk factor for all manufacturing companies worldwide.
In order to mitigate the risk of shortages of raw materials and components, the ALI Group implements a diversified procurement strategy both at geographical and product level, while at the same time minimising the counterparty risk.

Credit risk

Group companies do not have significant concentrations of credit risk because they operate through different distribution channels. In order to deal with the risk that customers do not meet their debts on the agreed due dates, companies assess the reliability of their customers in advance.
Moreover, based on historical experience and knowledge of specific risk situations, Group companies make annual provisions for doubtful debts.
At the time this report was prepared, there were no significant default issues regarding the major customers of Group companies.

Interest rate risk

The Group uses various forms of financing to cover its business requirements. Interest rate fluctuation can trigger increases or decreases in the cost of borrowing or in the remuneration of available liquidity.
Interest rate trends and the related impact on the Group's financial expenses are carefully and constantly monitored.

Risks regarding Ali debt as a result of the Welbilt acquisition

As previously reported, following the acquisition of Welbilt, the total debt of the Ali Group stands at around USD 3.5 billion, including Term Loan A of USD 1.25 billion (equivalent of Euro 1.06 billion, repayable in instalments over 5 years, variable rate of interest) and Term Loan B of Euro 2.25 billion (bullet repayment after 7 years, variable rate).
In terms of the liquidity risk regarding this debt, based on future cash flow forecasts, no particular problems are expected in making repayments of the current portion loan as due under the loan agreements in place at the reporting date. The Group also has a multi-currency Revolving Credit Facility of USD 250 million (unutilised as yet), as made available to Ali to support any future liquidity requirements due to fluctuation in Working Capital and forming part of the financing package in support of the Welbilt acquisition.
At present, the Group believes it will be able to manage the interest rate risk in relation to the two loans without using any hedging instruments.
Furthermore, during the reporting period, in order to hedge the exchange rate risk, the Group signed a Cross Currency Swap agreement to hedge the Euro/USD exchange rate risk on future repayments of the intra-Group loan of USD 1,250 million granted by ALI Group S.r.l. to Ali Group North America Corporation ("AGNAC") (for further information, see the "Derivative instruments" paragraph of the Notes) in order to provide the latter with the funds needed to complete the acquisition of Welbilt. It should be noted that the consolidated financial statements and the separate financial statements of the Parent Company have been audited by external auditors Deloitte & Touche S.p.A.

Cernusco Sul Naviglio, 19 December 2022

The Chairman
of the Board of Directors

(Filippo Berti)

Consolidated Balance Sheet
Ali Group S.r.l.

Assets

(thousands of Euro)		**2022 (*)**	**2021**
A. Unpaid subscribed capital		**-**	**-**
B.I.	**Intangible assets**		
1)	Start-up and expansion costs	7	16
2)	Development costs	34	57
3)	Industrial patent and intellectual property rights	102,221	11,141
4)	Concessions, licences, trademarks and similar rights	175,534	26,091
5)	Goodwill	2,245,567	191,373
6)	Assets in progress and advances	600	770
7)	Other intangible assets	61,380	6,532
8)	Customer list	1,247,882	-
		3,833,225	**235,980**
B.II.	**Property, plant and equipment**		
1)	Land and buildings	192,287	109,272
2)	Plant and machinery	155,975	75,614
3)	Fixtures and fittings, tools and equipment	16,599	14,892
4)	Other assets	41,820	20,057
5)	Assets under construction and advances	19,989	9,206
		426,670	**229,041**
B.III.	**Non-current financial assets**		
1)	Equity investments		
	b) in associated companies	*9*	*9*
	d-bis) in other companies	*580*	*585*
		589	594
2)	Receivables		
	d-bis) from others	*705*	*803*
	of which due within 12 months	*152*	*172*
		705	803
3)	Other securities	374	251
		1,668	**1,648**
B. Non-current assets		**4,261,563**	**466,669**

(*) amounts include the consolidation of Welbilt as well as the allocation of fair values resulting from the Purchase Price Allocation

(thousands of Euro)		**2022 (*)**	**2021**
C.I.	**Inventories**		
1)	Raw materials and consumables	422,934	185,752
2)	Work in progress and semi-finished goods	75,540	34,092
4)	Finished products and goods for resale	384,143	144,571
5)	Advances to suppliers	3,161	2,669
		885,778	**367,084**
C.II.	**Receivables**		
1)	Trade receivables	706,595	374,571
	of which due after more than a year	*4,314*	*5,285*
4)	Due from parent companies	863	615
5-bis)	Tax receivables	57,819	10,998
	of which due after more than a year	*73*	*62*
5-ter)	Deferred tax assets	136,187	49,043
5-quater)	From others	10,374	9,253
	of which due after more than a year	*1,394*	*3,629*
		911,847	**444,480**
C.III.	**Current financial assets**		
5)	Derivative instruments - assets	678	137
8)	Other	*68,619*	-
		69,297	**137**
C.IV.	**Cash and cash equivalents**		
1)	Bank and post office accounts	907,453	840,746
2)	Cheques	63	44
3)	Cash and cash equivalents on hand	280	397
		907,796	**841,187**
C. Current assets		**2,774,719**	**1,652,888**
D. Prepaid expenses and Accrued income		**35,546**	**115,824**
Total Assets		**7,071,827**	**2,235,380**

(*) amounts include the consolidation of Welbilt as well as the allocation of fair values resulting from the Purchase Price Allocation

Liabilities and Equity

(thousands of Euro)		2022 (*)	2021
A.I.	**Quota capital**	50,000	50,000
A.II.	**Quota premium reserve**	-	-
A.III.	**Revaluation reserve**	9,471	9,471
A.IV.	**Legal reserve**	10,000	10,000
A.V.	**Statutory reserves**	-	-
A.VI.	**Other reserves**		
	- extraordinary reserve	*381,021*	*521,464*
	- merger surplus	*(706)*	*(706)*
	- retained earnings	*960,487*	*825,453*
	- translation reserve	*128,349*	*(57,816)*
A.VII.	**Cash flow hedge reserve**	*134*	(113)
A.IX.	**Profit (loss) for the year**	240,199	194,588
A.X.	**Negative reserve for treasury shares held**	-	-
	Quotaholders' Equity of Group	***1,778,954***	***1,552,341***
A. Quotaholders' Equity		**1,778,954**	**1,552,341**
1)	Retirement benefits and similar obligations	25,921	11,109
2)	Taxes, incl. deferred taxes	418,422	26,125
3)	Derivative instruments - liabilities	175,253	805
4)	Other provisions	102,658	42,147
B. Provision for risks and charges		**722,254**	**80,186**
C. Employee severance indemnity		**10,244**	**10,328**
4)	Bank borrowing	3,083,396	4,856
	of which due after more than a year	*3,023,246*	-
5)	Payables to other lenders	1,737	393
	of which due after more than a year	*963*	*268*
6)	Advances	30,265	16,880
7)	Trade payables	429,633	255,543
11)	Payables to parent companies	315,172	136,081
11-bis)	Payables to entities controlled by parent companies	146	64
12)	Tax payables	385,874	24,435
13)	Payables to social security and pensions institutions	15,058	15,295
14)	Other payables	239,197	112,269
	of which due after more than a year	*3,792*	*235*
D. Payables		**4,500,478**	**565,816**
E. Accrued Expenses and Deferred Income		**59,898**	**26,709**
Total Liabilities and Equity		**7,071,827**	**2,235,380**

(*) amounts include the consolidation of Welbilt as well as the allocation of fair values resulting from the Purchase Price Allocation

Consolidated Income Statement of Ali Group S.r.l.

(thousands of Euro)			**2022 (**)**	**2021**
A. Value of Production				
1)	Revenues from sales and services		2,797,880	2,113,244
2)	Change in inventories of work in progress, semi-finished and finished products		40,810	2,283
4)	Increases in non-current assets due to capitalisation of internal works		253	(36)
5)	Other revenues and income:			
	- operating grant income		*270*	*53*
	- other revenues and income		*9,752*	*5,208*
			10,022	5,261
Total Value of Production			**2,848,965**	**2,120,752**
B. Cost of Production				
6)	Raw materials, consumables and goods for resale		1,310,637	867,153
7)	Services		407,038	280,568
8)	Leases and rentals		48,275	43,055
9)	Personnel			
	a)	*Wages and salaries*	*506,938*	*414,956*
	b)	*Social security costs*	*81,592*	*71,085*
	c)	*Employee severance indemnity*	*6,007*	*5,465*
	d)	*Retirement benefits and similar*	*1,090*	*572*
	e)	*Other personnel costs*	*17,708*	*14,005*
			613,335	506,083
10)	Amortisation, depreciation and write-downs			
	a)	*Amortisation of intangible assets*	*130,876*	*86,901*
	b)	*Depreciation of property, plant and equipment*	*37,248*	*32,220*
	c)	*Other writedowns of non-current assets*	*42*	*68*
	d)	*Write-down of receivables included in current assets and of cash and cash equivalents*	*4,620*	*2,172*
			172,786	121,361
11)	Changes in inventories of raw materials, consumables and goods for resale		(79,165)	(19,062)
12)	Provisions for risks		3,353	509
13)	Other provisions		18,205	19,503
14)	Sundry operating expenses		14,544	14,764
Total Cost of Production			**2,509,008**	**1,833,934**
Difference between value and cost of production			**339,957**	**286,816**

(**) The amounts reported include one month of operations of Welbilt with effect from 28 July 2022

(thousands of Euro)			**2022 (**)**	**2021**
C. Financial Income and Expenses				
15)	Income from equity investments			
	e)	*other entities*	*208*	*45*
			208	**45**
16)	Other financial income:			
	a)	from receivables classed as non-current assets		
		- other entities	*63*	*9*
	d)	income other than the above from		
		- parent company	*182*	-
		- other entities	6,182	8,342
			6,427	**8,351**
17)	Interest and other financial expenses			
		- parent company	*2,401*	*73*
		- other entities	*29,999*	*7,697*
			32,400	**7,770**
17bis)	Exchange gains/(losses)		189,279	(1,388)
Totale (15 + 16 - 17 ± 17bis)			**163,513**	**(762)**
D. Adjustments to value of financial assets and liabilities				
18)	Revaluations			
	d)	of derivative instruments	414	3,882
19)	Writedowns			
	d)	of derivative instruments	174,227	3,844
Total adjustments (18-19)			**(173,813)**	**38**
Profit before taxes (A-B±C±D)			**329,657**	**286,092**
20)	Taxes			
		- Taxes for the period	*154,846*	*97,358*
		-Deferred tax and (deferred tax income)	*(65,388)*	*(5,854)*
			89,458	**91,504**
21) Consolidated profit / (loss) for the period			**240,199**	**194,588**
	Profit pertaining to the Group		240,199	194,588

(**) The amounts reported include one month of activities of Welbilt with effect from 28 July 2022

Chairman of the Board of Directors

(Filippo Berti)

Consolidated Statement of Cash Flows Ali Group S.r.l.

	2022	2021
A. Cash flows from operating activities		
Profit/(Loss) for the period	240,199	194,588
Income taxes	89,458	91,504
Interest expenses(income)	8,156	(817)
Other financial expenses/(income)	8,329	-
Expenses/(Income) from discounting of deferred benefit plans	(1,623)	(5,690)
Financial discounts	8,955	5,863
Losses/(gains) on disposals of non-current assets net of disposal costs	(100)	(31)
Exchange (gains)/losses	(189,279)	1,388
Fair value measurement of derivative instruments	173,813	(38)
Profit / (Loss) for period before income taxes, interest and (gains)/losses on asset disposals	***337,908***	***286,767***
Changes in liabilities for employee severance indemnity	(6,091)	(1,723)
Allocations to provisions for risks and charges	27,498	20,336
Depreciation and write-downs of property, plant and equipment	37,248	33,376
Amortisation and write-downs of intangible assets	130,876	85,761
Cash flows before changes in net working capital	***527,439***	***424,517***
(Increase)/Decrease in trade receivables	(109,850)	(35,400)
(Increase)/Decrease in receivables from parent company	(248)	7,628
(Increase)/Decrease in inventories	(161,292)	(24,338)
(Increase)/Decrease in other assets	(32,593)	(5,618)
Increase/(Decrease) in trade payables	53,415	90,709
Increase/(Decrease) in payables to parent company	(5,820)	12,344
Increase/(Decrease) in other liabilities	19,063	27,877
Cash flows after changes in net working capital	***290,114***	***497,719***
Interest received and (paid)	-	817
(Utisation of provisions for risks and charges)	(4,141)	(23,976)
Taxes paid	(93,606)	(88,850)
Cash flows from operating activities (A)	**192,367**	**385,710**
B. Cash flows from investing activities		
(Purchases)/sales of equity investments and other securities	(118)	(22)
Losses/(gains) on disposals of non-current assets net of disposal costs	100	31
(Purchases)/sales of non-current assets	(30,218)	(30,676)
Costs incurred for acquisitions in progress classified as other assets	-	(102,144)
Cash flows from investing activities (B)	**(30,236)**	**(132,811)**
C. Cash flows from changes in scope of consolidation		
Non-current assets	(3,739,107)	(4,537)
Working capital (inventories, trade receivables, trade payables)	(454,471)	(1,451)
Other assets/liabilities, net	880,398	423
Investments in consolidated companies net of cash and cash equivalents contributed	(3,313,180)	(5,565)
Cash flows from changes in scope of consolidation (C)	**(3,313,180)**	**(5,565)**
D. Cash flows from financing activities		
Dividends paid and related withholdings	(300,000)	-
Exchange differences realised	178,997	(751)
(Increase)/decrease in financial receivables	(68,521)	827
Increase/(decrease) in payables to other lenders	120	393
Increase/(decrease) in short-term bank borrowing	51,785	(58,441)
Medium/long-term debt arranged	3,136,761	-
Medium/long-term debt repaid	(130,000)	-
Intra-group loans arranged/(repaid)	236,792	-
(Increase)/Decrease in cash pooling balance	6,804	(2,969)
Cash flows from financing activities (D)	**3,112,738**	**(60,941)**
Increase (decrease) in cash and cash equivalents (A+B+C+D)	**(38,311)**	**186,393**
Cash and cash equivalents at 1 September	841,187	636,529
Effect of forex fluctuation	104,920	18,265
Cash and cash equivalents at 31 August	907,796	841,187

Notes to the consolidated financial statements of Ali Group S.r.l. for the year ended 31 August 2022

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

In accordance with the requests of the banks upon signature of the loan agreements for the purposes of the acquisition of the Welbilt Group, Ali Group S.r.l. has prepared consolidated financial statements of ALI Group S.r.l. (hereinafter, also, the "Group") for the period 1 September 2021 – 31 August 2022 on a voluntary basis and has had them audited.

The financial statements of the Group have been prepared on a going concern basis. Despite a macroeconomic environment still affected by the Covid-19 health emergency and by geopolitical unrest – factors reflected in key macroeconomic variables - the Group, as detailed in the Directors' Report, is financially sound and this means there is no significant uncertainty over its ability to operate as a going concern.

The consolidated financial statements consist of the balance sheet, income statement, statement of cash flows - presented using the indirect method - and these notes. They are accompanied by the directors' report on operations.

The notes to the financial statements contain the information required by Article 2427 of the Italian Civil Code, as well as the information deemed necessary for a true and fair view of the Group's financial position and results of operations for the year.

The consolidated financial statements include the financial statements of ALI Group S.r.l., the Parent Company, and of the companies directly or indirectly controlled by ALI Group S.r.l., as indicated in Article 26 of Italian Legislative Decree 127/91.

In the consolidated financial statements, line items preceded by Arabic numerals with a zero balance have been omitted and consolidated financial information as at 31 August 2021 has been presented for comparative purposes with balances adjusted, as necessary, to make them consistent with those of the closing financial statements. Moreover, taking account of the importance attributed to it by the independent expert during appraisal of the net assets acquired, the Customer List relating to the acquisition of Welbilt has been recognised separately under Assets.

As required by Article 2428 of the Italian Civil Code, the description of the Group's activities, the situation and performance of its operations as well as the business outlook are described in the Directors' Report. For details of related party transactions, reference should be made to the notes to the Parent Company's financial statements and accompanying Directors' Report.

All amounts are shown in thousands of Euro, unless stated otherwise.

CONSOLIDATION PRINCIPLES

The financial statements and reporting packages used for consolidation purposes are those as at 31 August 2022, prepared by the Boards of Directors of the companies included in the scope of consolidation. These financial statements were adjusted, where necessary, to bring them into line with the Group's accounting

policies, as required by Italian Legislative Decree 127/91, supplemented by the accounting standards issued by the Italian Accounting Body (OIC, *Organismo Italiano di Contabilità*) and by the International Accounting Standards (IAS/IFRS) issued by the IASB, where appropriate.
The financial statements of foreign companies were reclassified to make them consistent with those of the Italian companies.

The criteria used for consolidation are set out below.

EQUITY INVESTMENTS CONSOLIDATED ON A LINE-BY-LINE BASIS

When preparing these consolidated financial statements, all significant balances and transactions between Group companies were eliminated, as were receivables and payables and profits and capital gains originating from intra-group transactions, including those not yet realised and included in inventories, net of any tax effect. Dividends, coverage of losses and reversals of impairment losses of consolidated companies were also derecognised. The maximum limit for the increase in the value of assets following entries for the derecognition of intra-group losses consists of the recoverable amount depending on the type of asset to which they refer, in accordance with the provisions of the specific OIC principles.
The book value of equity investments in subsidiaries held directly or indirectly by the Parent Company and included in the scope of consolidation was derecognised against the related shareholders' equity, recognising the assets and liabilities of investee companies on a line-by-line basis.
The consolidation difference existing at the date of acquisition of the subsidiary - equal to the difference between the price paid and the corresponding portion of the shareholders' equity acquired - is allocated, where possible, to the assets and liabilities of the company included in the consolidation on the basis of their current value at the date of acquisition within the limits of the net realisable value or the amount recoverable through use and taking into account the related tax effects.
Any amount that cannot be allocated according to the above procedure is treated as follows:
- if negative, it is recognised in a specific item of shareholders' equity called "Consolidation reserve", or, if it is due to forecasts of unfavourable economic results, in an item called "Consolidation provision for future risks and charges",
- if positive, it is recognised in an item of intangible assets called "Goodwill", unless it is to be charged in full or in part to the income statement. It is allocated to the "Goodwill" item on condition that the requirements for recognition of goodwill set out in OIC 24 "Intangible assets" are met. The residual cancellation difference that cannot be allocated to the assets and liabilities and goodwill of the subsidiary is recognised in profit or loss under item B-14 "Sundry operating expenses".
Goodwill recognised under assets is amortised on the basis of specific economic and technical factors relating to the characteristics of the business acquired.
The portion of goodwill not yet amortised is periodically reviewed, on the basis of expected income flows, in order to check that the residual net book value continues to be fully recoverable.
In the first year of consolidation, consolidated costs and revenues are included in the consolidated income statement from the date of acquisition. The depreciation procedure of the assets starts from the date of acquisition and the related cost is recognised in the income statement on a pro-rata basis.
The financial statements of foreign companies outside the Eurozone were translated into Euro as follows:

- income statement items are translated at average exchange rates for the reporting period;
- balance sheet items are converted at reporting date exchange rates except for the result for the year which, as it originates from the income statement, is translated at the average exchange rate.

The difference between the profit (loss) for the year resulting from translation at average exchange rates and that resulting from the translation at reporting date exchange rates is recognised in the specific shareholders' equity account Translation reserve". The same item also includes the effect on shareholders' equity of changes in exchange rates between the end of the previous reporting period and the end of the current one.

The exchange rates applied for translation purposes are shown in the following table and indicate the amount in Euro required to purchase each currency in its unit of account.

	Income Statement			Balance Sheet		
1 Euro =	**2022**	**2021**	**% Chg.**	**2022**	**2021**	**% Chg.**
NOK = Norwegian Kronor	10.0003	10.4122	-4.0%	9.9388	10.2600	-3.1%
SEK = Swedish Kronor	10.3736	10.2038	1.7%	10.6788	10.1625	5.1%
DKK = Danish Kronor	7.4393	7.4389	0.0%	7.4371	7.4360	0.0%
AUD =Australian Dollar	1.5317	1.5927	-3.8%	1.4591	1.6156	-9.7%
CAD = Canadian Dollar	1.3985	1.5171	-7.8%	1.3111	1.4896	-12.0%
HKD = Hong Kong Dollar	8.5968	9.2784	-7.3%	7.8488	9.2086	-14.8%
NZD = New Zealand Dollar	1.6464	1.7044	-3.4%	1.6322	1.6760	-2.6%
USD = U.S.A. Dollar	1.1000	1.1956	-8.0%	1.0000	1.1834	-15.5%
HUF = Hungarian Forint	375.2118	358.1986	4.7%	402.8000	348.8000	15.5%
BRL = Brazilian Real	5.7837	6.4067	-9.7%	5.1482	6.1386	-16.1%
RUB = Russian Ruble	72.3867	89.4575	-19.1%	60.8470	86.7600	-29.9%
INR = Indian Rupee	83.7711	88.0445	-4.9%	79.5465	86.3850	-7.9%
GBP = British Pound	0.8458	0.8782	-3.7%	0.8604	0.8588	0.2%
JPY = Japanese Yen	133.4370	128.0693	4.2%	138.7200	129.9500	6.7%
ZAR = South African Rand	17.1046	17.9517	-4.7%	17.0667	17.2282	-0.9%
CHF = Swiss Franc	1.0330	1.0866	-4.9%	0.9796	1.0799	-9.3%
SGD = Singapore Dollar	1.5015	1.6050	-6.4%	1.3969	1.5897	-12.1%
CNY = Chinese Yuan	7.1486	7.8158	-8.5%	6.8947	7.6465	-9.8%
AED = UAE Dirham	4.0397	4.3907	-8.0%	3.6725	4.3460	-15.5%
MXN = Mexican Peso	22.4194	24.3547	-7.9%	20.2044	23.7864	-15.1%

In the reporting period ended 31 August 2022, the scope of consolidation included the financial statements of the Parent Company and the following subsidiaries *(indirect equity investments in italics)*:

Equity investments consolidated line-by-line		**Share capital** ***(/000)***	**%**
ALI Group S.r.l. - Cernusco sul Naviglio (Italy)	**EUR**	**50,000**	**100**
Aladdin Temp Rite Inc. – Jordan Station (Canada)	*CAD*	*775*	*100*
Aladdin Temp Rite Inc. – Catano (Puerto Rico)	*USD*	*1,100*	*100*
ALI Comenda SA – Stains (France)	*EUR*	*1,278*	*100*
ALI Middle East & Africa FZ LLC (United Arab Emirates)	*AED*	*1,495*	*100*
ALI Group North America Corporation – Vernon Hills, IL (USA)	*USD*	*540,954*	*100*
- ACP of Delaware Inc. – Wilmington, DE (USA)	*USD*	*49,250*	*100*
- Aladdin Temp Rite LLC – Hendersonville, TN (USA)	*USD*	*26,763*	*100*
- Belshaw Bros., Inc – Wilmington, DE (USA)	*USD*	*0*	*100*
- Beverage Air Corporation – Winston Salem, NC (USA)	*USD*	*56,318*	*100*
- Chemical Methods Associates, LLC – Garden Grove, CA (USA)	*USD*	*17,937*	*100*
- Chemical Methods Leasco, Inc. – Garden Grove, CA (USA)	*USD*	*1,316*	*100*
- H.C. Duke & Son LLC. – East Moline, IL (USA)	*USD*	*1,316*	*100*
- Edlund Company, LLC – Burlington, VT (USA)	*USD*	*14,914*	*100*
- Scotsman Group LLC - Vernon Hills, IL (USA)	*USD*	*0*	*100*
- Mile High Equipment LLC - Denver, CO (USA)	*USD*	*13,672*	*100*
- Scotsman Ice Systems Shanghai Co. Ltd - Shanghai (China)	*CNY*	*17,883*	*100*
- Scotsman Ice Systems Su Zhou Co. Ltd - So Zhou (China)	*CNY*	*9,000*	*100*

- Scotsman Ice S.r.l. - Pogliano Milanese, MI (Italy)	*EUR*	*14,201*	*100*
- Castel MAC S.r.l. - Castelfranco Veneto, TV (Italy)	*EUR*	*4,316*	*100*
- Scotsman Industries Pte Ltd - Singapore	*SGD*	*350*	*100*
- Scotsman España SLU - Madrid (Spain)	*EUR*	*653*	*100*
- Scotsman Ice Systems SA (Pty) Ltd - Boksburg (South Africa)	*ZAR*	*0*	*100*
- Moffat Group Pty Ltd – Mulgrave, Victoria (Australia)	*AUD*	*12,809*	*100*
- Blue Seal Ltd – Birmingham (United Kingdom)	*GBP*	*100*	*100*
- Moffat Ltd – Christchurch (New Zealand)	*NZD*	*1,379*	*100*
- Moffat Pty Ltd – Mulgrave, Victoria (Australia)	*AUD*	*7,569*	*100*
- Moyer Diebel Ltd – Jordan Station, Ontario (Canada)	*CAN*	*406*	*100*
- Washtech Australia Ltd – Brisbane, Queensland (Australia)	*AUD*	*739*	*100*
- Aladdin Temp Rite Ltd – Christchurch (New Zealand)	*NZD*	*0*	*100*
- Washtech Ltd – Avondale (New Zealand)	*NZD*	*600*	*100*
- InterMetro Industries Corporation (Delaware - USA)	*USD*	*406,681*	*100*
- Metropolitan Wire (Canada) Ltd(Canada)	*CAN*	*0*	*100*
- InterMetro Industries BV(Netherlands)	*EUR*	*0*	*100*
- InterMetro de Acuna S. de R.L. de C.V.(Mexico)	*MXN*	*250,385*	*100*
- InterMetro de Mexico S. de R.L. de C.V.(Messico)	*MXN*	*46,961*	*100*
- InterMetro Trading (Shanghai) Company Ltd. (China)	*CNY*	*15,523*	*100*
- American Dish Service Corporation (Delaware - USA)	*USD*	*71,611*	*100*
- Cleveland Range Ltd. -Ontario (Canada)	*CAD*	*0*	*100*
- Cleveland Range, LLC - Mayfield Heights (USA)	*USD*	*0*	*100*
- Convotherm India Private Limited -Delhi (India)	*INR*	*100,000*	*100*
- Crem International Co., Ltd. - Shanghai (China)	*USD*	*700*	*100*
- Crem International AB -Värmland (Sweden)	*SEK*	*1,000*	*100*
- Crem International B.V.- Son en Breugel (Netherlands)	*EUR*	*1*	*100*
- Crem International Holding AB - Stockholm (Sweden)	*SEK*	*10,524*	*100*
- Crem International Spain, S.L.U. - Valencia (Spain)	*EUR*	*150*	*100*
- Enodis Corporation - New Port Richey (USA)	*USD*	*0*	*100*
- Enodis Group Holdings US, Inc. - New Port Richey (USA)	*USD*	*10*	*100*
- Enodis Group Limited. - Newcastle (UK)	*GBP*	*700,000*	*100*
- Enodis Hanover -Newcastle (UK)	*GBP*	*162,075*	*100*
- Enodis Holdings Limited-Newcastle (UK)	*GBP*	*32,770*	*100*
- Enodis Industrial Holdings Limited -Newcastle (UK)	*GBP*	*40*	*100*
- Enodis International Limited -Newcastle (UK)	*GBP*	*40,000*	*100*
- Enodis Maple Leaf Ltd.-Newcastle (UK)	*GBP*	*1*	*100*
- Enodis Nederland B.V. -Amsterdam (Netherlands)	*EUR*	*90*	*100*
- Enodis Oxford -Newcastle (UK)	*GBP*	*0*	*100*
- Enodis Property Developments Limited-Newcastle (UK)	*GBP*	*38,343*	*100*
- Enodis Regent -Newcastle (UK)	*GBP*	*162,075*	*100*
- Enodis Strand Ltd. -Newcastle (UK)	*GBP*	*96,000*	*100*
- Enodis Technology Center, Inc. - New Port Richey (USA)	*USD*	*0*	*100*
- Fabristeel (M) Sdn Bhd - Petaling Jaya (Malaysia)	*MYR*	*200*	*100*
- Fabristeel Lanka (Private) Litited -Colombo (Sri Lanka)	*LKR*	*180*	*100*
- Fabristeel Private Limited (Singapore)	*SGD*	*7,000*	*100*
- Frymaster L.L.C. -Shreveport (USA)	*USD*	*0*	*100*
- Garland Commercial Industries LLC - New Port Richey (USA)	*USD*	*0*	*100*
- Garland Commercial Ranges Limited -Ontario (Canada)	*CAD*	*2*	*100*
- Inducs AG- Herisau (Switzerland)	*SEK*	*0*	*100*

- Kysor Business Trust - New Port Richey (USA)	*USD*	*0*	*100*
- Kysor Holdings, Inc. - New Port Richey (USA)	*USD*	*0*	*100*
- Kysor Industrial Corporation - New Port Richey (USA)	*USD*	*0*	*100*
- Kysor Nevada Holding Corporation - New Port Richey (USA)	*USD*	*0*	*100*
- Maas International Verwaltungs-GmbH - Bruchsal (Germany)	*EUR*	*25*	*100*
- Manitowoc FSG Mexico, SRL de C.V. -Naucalpan de Juarez (Mexico)	*MX*	*10*	*100*
- Manitowoc TJ, SRL de C.V. -Tijuana (Mexico)	*MX*	*10*	*100*
- Manston Limited - British Virgin Islands	*USD*	*0*	*100*
-McCann's Engineering & Manufacturing Co., LLC - Los Angeles (USA)	*USD*	*0*	*100*
- Merrychef Limited -Newcastle (UK)	*GBP*	*0*	*100*
- MTW County Limited -London (UK)	*GBP*	*5*	*100*
- Spengler GmbH & CO. KG -Bruchsal (Germany)	*EUR*	*4,356*	*100*
- The Delfield Company LLC -Mt Pleasant (USA)	*USD*	*0*	*100*
- Welbilt Italia S.r.l.U -Bologna (Italy)	*EUR*	*10*	*100*
- Welbilt (Foshan) Foodservice Co., Ltd. -Nanhai Foshan (China)	*CNY*	*3,420*	*100*
- Welbilt (Halesowen) Limited - Newcastle (UK)	*GBP*	*100,000*	*100*
- Welbilt Appliance Technology Co, Ltd. - Hangzhou (China)	*CNY*	*0*	*100*
- Welbilt Foodservice Co., Ltd. -Shanghai (China)	*USD*	*200*	*100*
- Welbilt Asia Pacific Private Limited Singapore -(China)	*USD*	*324,045*	*100*
- Welbilt Cayman Islands Funding Ltd. -Grand Cayman (Cayman Islands)	*USD*		*100*
- Welbilt Deutschland GmbH - Lyon (France)	*EUR*	*25*	*100*
- Welilt Deutschland GmbH -Elfing (Germany)	*EUR*	*25*	*100*
- Welbilt Foodservice Companies, LLC - New Port Richey (USA)	*USD*	*0*	*100*
- Welbilt Foodservice Holding, Inc. (Wisconsin) -New Port Richey (USA)	*USD*	*0*	*100*
- Welbilt Foodservice India Private Limited- Haryana (India)	*INR*	*79,850*	*100*
- Welbilt Foodservice Russia LLC - Moscow (Russia)	*RUB*	*10*	*100*
- Welbilt Foodservice UK Holding Limited - Newcastle (UK)	*GBP*	*15,205*	*100*
- Welbilt FP, Inc. (NV) -New Port Richey (USA)	*USD*	*10*	*100*
- Welbilt FSG International Holdings, Inc. (NV) -New Port Richey (USA)	*USD*	*100*	*100*
- Welbilt FSG Operations, LLC (NV) New Port Richey (USA)	*USD*	*0*	*100*
- Welbilt FSG U.S. Holding, LLC (DE) New Port Richey (USA)	*USD*	*0*	*100*
- Welbilt FSG UK Limited -Newcastle(UK)	*GBP*	*1,322*	*100*
- Welbilt Iberia, SAU -Barcelona (Spain)	*EUR*	*60,501*	*100*
-Welbilt Japan G.K. -Tokyo (Japan)	*YEN*	*1,000*	*100*
- Welbilt Manufacturing (Thailand) Ltd. - Bangkok (Thailand)	*THB*	*186,666*	*100*
- Welbilt Mexico Services, S. de R.L. de C.V. - Naucalpan (Mexico)	*MX*	*3*	*100*
- Welbilt Middle East FZE - Dubai (UAE)	*AED*	*10*	*100*
- Welbilt UK Limited - Newcastle (UK)	*GBP*	*1,500*	*100*
- Welbilt, Inc. (Delaware) - New Port Richey (USA)	*USD*	*300,000*	*100*
ALI Food Service Equipment Co. Ltd. – Shanghai (China)	*CNY*	*10,058*	*100*
ALI Sas – Bourges (France)	*EUR*	*7,423*	*100*
- Burlodge Sas – Bourges (France)	*EUR*	*37*	*100*
- Friginox Sas – Villevallier (France)	*EUR*	*2,091*	*100*
- Metos Sas – Champs-sur-Marne (France)	*EUR*	*37*	*100*
- Rosinox Promotion Sas – Bourges (France)	*EUR*	*98*	*100*
- Rosinox SaS – Bourges (France)	*EUR*	*4,436*	*100*
- Sociètè Civile Rosinox Sas – Bourges (France)	*EUR*	*1*	*100*
- AFE Bakery Sas – Holtzheim (France)	*EUR*	*23,500*	*100*
- Becker Bakovenbouw BV – Nederweert (Netherlands)	*EUR*	*272*	*100*

- Becker BVBA – Wilrijk (Belgium)	*EUR*	*1,219*	*100*
- Bongard GmbH – Kehl (Germany)	*EUR*	*511*	*100*
- Bongard Iberia SA – Parets Del Valles (Spain)	*EUR*	*720*	*100*
- Bongard Sas – Holtzheim (France)	*EUR*	*10,000*	*100*
- Societé D'Equip De Boul. Patis. Sas – Portes Les Valence (France)	*EUR*	*2,850*	*100*
- ALI UK Ltd – Chessington (UK)	*GBP*	*61,900*	*100*
- Burlodge Group Ltd – Chessington (UK)	*GBP*	*5,525*	*100*
- Burlodge S.r.l. – Seriate, BG (Italy)	*EUR*	*100*	*100*
- Burlodge Canada Ltd. – Brampton (Canada)	*CAD*	*0*	*100*
- Burlodge USA Inc. – Winston-Salem, NC (USA)	*USD*	*50*	*100*
- Burlodge Ltd – Chessington (United Kingdom)	*GBP*	*28*	*100*
- AFE Group Ltd – King's Lynn (United Kingdom)	*GBP*	*51,521*	*100*
- AFE Group China Ltd – Hong Kong (China)	*HKD*	*3,000*	*100*
- AFG Stirling Ltd – King's Lynn (United Kingdom)	*GBP*	*0*	*100*
- Williams Refrigeration (Dongguan) Ltd – Dongguan City (China)	*CNY*	*14,922*	*100*
- Falcon Catering Equipment Ltd – King's Lynn (United Kingdom)	*GBP*	*0*	*100*
- Miller's Vanguard Ltd – King's Lynn (United Kingdom)	*GBP*	*0*	*100*
- Mono Equipment Ltd – King's Lynn (United Kingdom)	*GBP*	*34*	*100*
- Service Line Catering Equipment Engineers Ltd – King's Lynn (United Kingdom)	*GBP*	*200*	*100*
- Williams Refrigeration Ltd – King's Lynn (United Kingdom)	*GBP*	*20*	*100*
- Williams Silver Frost Sarl – Lavaveix-les-Mines (France)	*EUR*	*266*	*100*
- Williams Refrigeration Hong Kong Ltd (Hong Kong)	*HKD*	*3,114*	*100*
BGItaly S.r.l. (Italy)	*EUR*	*200*	*100*
Carpigiani Centro Suramerica do Brasil SA – (Brazil)	*BRL*	*7,920*	*100*
Carpigiani Deutschland GmbH – Stuttgart (Germany)	*EUR*	*26*	*100*
Carpigiani France SA – Vitry-Sur-Seine (France)	*EUR*	*800*	*99.8*
Carpigiani Hong Kong Ltd – (Hong Kong)	*HKD*	*10*	*100*
- Carpigiani Manufacturing Co. Ltd J7 – Zhongshang (China)	*CNY*	*8,079*	*100*
Carpigiani Horeca SL – Valencia (Spain)	*EUR*	*328*	*100*
Carpigiani India Private Limited - Mumbai (India)	*INR*	*3,132*	*100*
Carpigiani Japan Co. Ltd. – Tokyo (Japan)	*YEN*	*50,000*	*100*
Carpigiani Solution LLC – Moscow (Russia)	*RUR*	*14,064*	*100*
Carpigiani UK Ltd – Londra (United Kingdom)	*GBP*	*15*	*100*
Metos NV – Aalst (Belgium)	*EUR*	*20,591*	*100*
METOS Oy AB – Kerava (Finland)	*EUR*	*1,000*	*100*
- Metos AS - Oslo (Norway)	*NOK*	*12,040*	*100*
- Metos Eesti AS - Harjumaa (Estonia)	*EUR*	*224*	*100*
- Metos SIA – Riga (Latvia)	*EUR*	*344*	*100*
- Metos Störkok AB – Skärholmen (Sweden)	*SEK*	*1,700*	*100*
- Metos UAB - Vilnius (Lithuania)	*EUR*	*29*	*100*
- Metos ApS - Herlev (Denmark)	*EUR*	*7*	*100*
- Wexiödisk AB - Växjö (Sweden)	*SEK*	*10,000*	*100*
Method BV - Ruurlo (Netherlands)	*EUR*	*250*	*100*
- Rendisk BV – Ruurlo (Netherlands)	*EUR*	*114*	*100*
- Metos BV - Ruurlo (Netherlands)	*EUR*	*18*	*100*
Rancilio Group S.p.A - Villastanza di Parabiago, MI (Italy)	*EUR*	*1,208*	*100*
- Rancilio Group North America Inc. - Woodridge, IL (USA)	*USD*	*25*	*100*
- Rancilio Group Portugal Lda - Lisbon (Portugal)	*EUR*	*50*	*100*
- Rancilio Espana SA - Barcelona (Spain)	*EUR*	*60*	*100*
- Egro Suisse AG - Dottikon (Switzerland)	*CHF*	*1,000*	*100*
- Rancilio Group Deutschland GmbH - Weikersheim (Germany)	*EUR*	*90*	*100*

Stierlen GmbH – Rastatt (Germany)	*EUR*	*256*	*100*
Temp-Rite International GmbH – Bremen (Germany)	*EUR*	*256*	*100*
- Temp-Rite International Holding BV – Breda (Netherlands)	*EUR*	*18*	*100*
- Temp-Rite International Kft – Budapest (Hungary)	*HUF*	*3,000*	*100*
- Eloma GmbH – Maisach (Germany)	*EUR*	*2,000*	*100*
Williams Refr. Pty Ltd. - Dandenong South, Victoria (Australia)	*AUD*	*2,400*	*100*

NON-CONSOLIDATED EQUITY INVESTMENTS

- MPBE SaS (a company 30% owned and included in associated companies).

ACCOUNTING POLICIES AND MEASUREMENT CRITERIA

The accounting policies described below have been updated for amendments, additions and changes made to the Italian Civil Code by Italian Legislative Decree 139/2015, which implemented Accounting Directive 34/2013/EU in Italy.
The measurement criteria were determined in accordance with the prudence and accrual principles and on a going concern basis, taking account of the substance of the transaction or contract considered in terms of Article 2423-bis.
Application of the prudence principle involved the individual measurement of the elements making up the individual asset and liability items, in order to avoid off-setting losses that must be recognised and income not to be recognised in that unrealised. In particular, profits were included only if realised by the end of the reporting period, while account was taken of the risks and the losses pertaining to the reporting period even if they became known after it ended.
No offsetting or exceptions were carried out in that they were not deemed as necessary with respect to the provisions of Articles 2423 et seq. of the Italian Civil Code.
Preparation of financial statements requires the making of estimates that affect the reported amounts of assets and liabilities and related disclosures. Actual results may differ from these estimates. The estimates are periodically reviewed and the effects of changes in estimates, if not deriving from incorrect estimates, are recognised in the income statement for the reporting period in which they become necessary and appropriate if such changes only affect that reporting period; they are also reflected in subsequent periods if the changes affect both the current year and subsequent years.
The most significant measurement criteria adopted when preparing the consolidated financial statements as at 31 August 2022 in compliance with Article 2426 of the Italian Civil Code and the aforementioned accounting policies are as follows:

INTANGIBLE ASSETS

Intangible assets are recognised at purchase cost, net of amortisation. They assets are amortised starting from the reporting period in which the assets are available and ready for use by applying the following rates:

Category	Amortisation %
Start-up and expansion costs	20%
Development costs	20%
Industrial patent and intellectual property rights	10-20%
Concessions, licences, trademarks and similar rights	10-20%
Goodwill	Useful life
Customer list	Useful life
Other	20%

Other intangible assets mainly include the costs incurred for leasehold improvements that cannot be separated from the assets themselves, amortised over the shorter period between the useful life of the leasehold improvement and the duration of the lease agreement.
Advertising and research costs are entirely expensed in the period in which they are incurred.
Start-up and expansion costs, as well as development costs, are recognised in Intangible fixed assets in that they benefit future accounting periods and, with regard to Italian companies, with the consent of the Board of Statutory Auditors.
With regard to the criteria for recognising goodwill and its amortisation procedure, reference should be made to the considerations made in the previous paragraph "Consolidation principles".

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at purchase or production cost, including directly attributable ancillary expenses.
These amounts are depreciated on a straight-line basis at rates representative of their residual useful life:

Category	Depreciation %
Land	---
Buildings	3%
Plant and machinery	10%
Fixtures and fittings, tools and equipment	25%
Other assets	12-25%

Assets acquired during the reporting period are depreciated on the basis of the above rates reduced by 50%, assuming that purchases are evenly distributed over the reporting period. The depreciation calculated in this way does not significantly differ from the charge calculated on a pro-rata basis.
Repair and maintenance expenses that do not increase the useful life of the assets are charged directly to the income statement in the period in which they are incurred.
The costs incurred in expanding, modernising or improving the structural elements of property, plant and equipment are capitalised if they produce a significant and measurable increase in the related production capacity, safety or useful life. If these costs do not produce such effects, they are treated as ordinary maintenance and charged to the income statement.
Land and works of art, which have an indefinite useful life, are not depreciated.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In the presence of indicators of impairment of Intangible assets and Property, plant and equipment at the reporting date, steps are taken to estimate their recoverable amount.
If their recoverable amount - defined as the higher of value in use and fair value net of costs to sell - is lower than net carrying amount, the fixed assets are adjusted accordingly.
When it is not possible to estimate the recoverable amount of an individual fixed asset, this analysis is carried out with reference to the "cash-generating unit", i.e. the smallest identifiable group of assets that includes the fixed asset being measured and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
Value in use is determined based on the present value of future cash flows that are expected to be generated by using the fixed asset, as per the most recent business plans available.
Any accumulated impairment loss is reversed should the reasons for the impairment no longer exist. The reversal of impairment losses is carried out within the limits of the value that the asset would have had if the impairment loss had never occurred. Pursuant to the provisions of Article 2426 of the Italian Civil Code, there is no reversal of impairment losses recognised on goodwill and on deferred charges.

NON-CURRENT FINANCIAL ASSETS

Equity investments in non-consolidated subsidiaries are measured at cost, as are Equity investments in other companies.

INVENTORIES

Inventories are measured at the lower of purchase or production cost and the corresponding market value or estimated realisable value. Cost is determined as follows:

1. Raw materials and consumables: according to the weighted average cost method.

2. Work in progress: at the manufacturing cost for the period, taking into account the stage of completion achieved. Manufacturing cost includes materials (in turn measured at weighted average cost), labour and direct and indirect production costs.

3. Finished products and goods for resale: based on manufacturing cost, which includes materials (in turn measured at the weighted average cost), labour and direct and indirect production costs.

For inventory valuation purposes, realisable value based on market trends is represented by the replacement cost of raw materials and consumables used in the manufacture of finished products and by net realisable amount for goods, finished products, semi-finished products and work in progress.

The presence of obsolete or slow-moving inventory or inventory surplus to normal requirements gives rise to a write-down depending on their expected use or realisation. The write-down is performed by means of provisions that are deducted from the inventory balance. If the reasons for the write-down no longer apply, the original value shall be fully or partially restored only if it is certain that the value will be recovered through sale.

RECEIVABLES AND PAYABLES

Receivables are recognised in the financial statements according to the amortised cost method taking into account the time factor and estimated realisable value. The amortised cost criterion is not applied when the effects are insignificant, i.e. when the transaction costs, the commissions paid between the parties and any other difference between the initial value and the value at maturity are negligible or if the receivables are short-term (i.e. they have a maturity of less than 12 months).
The value of receivables, as determined above, is adjusted, where necessary, by a specific bad debt provision, shown in direct decrease of the value of such receivables, in order to adjust them to their estimated realisable value.
The amount of the impairment loss is recognised in the income statement.
Payables are recognised according to the amortised cost method taking into account the time factor. The amortised cost criterion is not applied to payables when its effects are insignificant. The effects are considered insignificant for short-term payables (i.e. with a maturity of less than 12 months).
Receivables and Payables originally in foreign currency are restated at reporting date exchange rates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents and short-term payables to banks are shown at nominal value inclusive of accrued interest.
Bank and postal deposits and cheques are measured at their estimated realisable value. Cash and stamps on hand are measured at nominal amount and cash in foreign currency is measured at the reporting date exchange rate.
Restricted cash and cash equivalents are reported as current assets or as non-current assets, depending on the nature of the restrictions.

PREPAID EXPENSES AND ACCRUED INCOME, ACCRUED EXPENSES AND DEFERRED INCOME

Prepaid expenses and accrued income, accrued expenses and deferred income include portions of costs and revenues pertaining to the reporting period but collectable in subsequent periods and portions of costs and revenues incurred by the end of the reporting period but pertaining to subsequent periods, on an accrual basis.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are created to cover specific losses or payables that are certain or likely to arise but whose timing or amount is uncertain at the reporting date. The provisions reflect the best possible estimate based on the information available. Risks for which of a liability is merely possible are disclosed in the notes without creating a provision for risks and charges. Allocations to provisions for risks and charges are recognised in the income statement under the items of the operating activities to which the transaction refers, while prioritising classification by nature. Whenever this correlation between the nature of the provision and one of the items in the above classes is not feasible, allocations to provisions for risks and charges are recorded in items B12 and B13 of the income statement.

Provisions for risks and charges are not discounted

EMPLOYEE SEVERANCE INDEMNITY ("*TFR*")

The employee severance indemnity includes the amount that employees of Italian companies would be entitled to receive in the event of termination of employment at the end of the reporting period. The long-service allowance making up this item, i.e. the provision for the year and the annual revaluation of the pre-existing provision, are determined in accordance with the regulations in force. The employee severance indemnity is recognised in item C of the liabilities and the related provision under item B9 of the income statement.

The changes made to the employee severance indemnity regulations by Italian Law no. 296 of 27 December 2006 ("2007 Finance Act") and subsequent implementing Decrees and Regulations, amended the accounting standards applied to the employee severance indemnity accrued as at 31 December 2006 and those accruing as from 1 January 2007, in that with the establishment of the "Provision for the payment of severance indemnities to employees in the private sector pursuant to Article 2120 of the Italian Civil Code" (Treasury Fund managed by INPS on behalf of the State), employers who have at least 50 employees are obliged to pay to this Treasury Fund the severance indemnities accrued in relation to those employees who have not chosen to contribute their portion of severance indemnity to a supplementary pension fund. Therefore, the amount of the Employee Severance Indemnity shown in the financial statements is indicated net of the amounts paid to the aforementioned INPS Treasury Fund.

RETIREMENT BENEFITS AND SIMILAR OBLIGATIONS

These are provisions for pensions, retirement benefit plans and social security for employees not regulated by law but relating to local employment contracts and plans in place at certain Group companies.

The principle applied is to distribute the entire charge over the working life of the entitled persons based on the amounts accrued as determined applying actuarial procedures, when these amounts can be determined.

Specifically, in a manner similar to that under IAS 19 revised, actuarial gains and losses for the year are recognised in "Other financial income" and "Interest and other financial expenses" in the income statement, respectively.

REVENUES AND COSTS

Revenues from the sale of goods are recognised when ownership has been substantively and not formally transferred, considering the transfer of risks and benefits as an indicator of a substantive transfer of ownership.

Revenues from the sale of products and goods or the provision of services forming part of ordinary operations are recognised net of returns, discounts, allowances and bonuses, as well as of taxes directly related to the sale of products and the provision of services.

Revenues from the provision of services are recognised on completion and/or maturity.

Costs are recognised on an accrual basis and are recognised even if they become known only after reporting date, but before preparation of the financial statements, provided that they are certain or likely to be incurred.

Revenues and income, costs and expense relating to foreign currency transactions are determined using the spot exchange rate at the date the related transaction is carried out.

Related party transactions have taken place at arm's length.

RESEARCH EXPENSES

Expenses for research into new products are fully recognised in the income statement for the year in which they are incurred, as established by applicable reporting requirements.

INCOME TAXES FOR THE YEAR

Current income taxes are allocated by each consolidated company on the basis of a realistic estimate of the tax charges to be paid in application of the tax regulations in force in the respective countries.
The related tax payable is recognised in the balance sheet at nominal value, net of the advances paid, of withholding taxes and tax credits that can be offset and not requested as a refund; if the advances paid, withholding taxes and tax credits exceed the taxes due, the relevant tax receivable is recognised.
Deferred tax assets and liabilities resulting from temporary differences between the amounts recognised in the financial statements of the individual consolidated companies and the corresponding tax amounts are recorded in accordance with the applicable regulations and are offset only if there is a legal right to offset balances and the companies intend to settle tax payables and receivables on a net basis by means of a single payment.
They are measured taking into account the estimated tax rate that the Company is expected to incur in the year in which the temporary differences will form part of the tax result, considering the rates in force or already issued at the end of the reporting period.
These are recognised in the balance sheet and income statement taking into account that:

a) deferred tax assets were recognised in the balance sheet only if it is reasonably certain that they will be recovered and that, in the future periods when the deductible differences reverse, there will be taxable income of not less than the amount of the differences reversing;
b) deferred tax liabilities have been recognised because there are taxable temporary differences that will give rise to taxable amounts in future periods.

PRESENTATION OF AMOUNTS DENOMINATED IN FOREIGN CURRENCY

Transactions in foreign currencies are recognised at the spot exchange rate on the transaction date.
Except for fixed assets, assets and liabilities in foreign currency are translated at the reporting date exchange rate and any related exchange rate gains and losses are recognised in the income statement.

HEDGING INSTRUMENTS

Derivative financial instruments are financial assets and liabilities recognised at fair value.
Derivatives are classified as hedging instruments only when, at the outset of the hedge, there is a close and documented relationship between the characteristics of the hedged item and those of the hedging instrument.
When hedging derivatives hedge the risk of changes in the fair value of the instruments being hedged (fair value hedge), they are recorded at fair value with the effects recognised in the income statement; the hedged items are consistently adjusted to reflect changes in fair value associated with the hedged risk.
When the derivatives hedge the risk of changes in the future cash flows of the instruments being hedged (cash flow hedge), the effective portion of gains or losses of the derivative financial instrument is suspended in shareholders' equity. Gains and losses related to the hedging of the ineffective portion are recognised in the income statement. The gains or losses accrued up to that time in equity are reclassified to the income statement as soon as the transaction occurs (to adjust or supplement the income statement items affected by the hedged cash flows).
Therefore, changes in the fair value of hedging financial derivatives are recognised:

- in the income statement, in the case of hedging the fair value of an asset or liability entered in the financial statements as well as changes in fair value of the hedged items;
- in a specific equity reserve, in the case of cash flow hedges, in such a way as to counterbalance the effects of the hedged flows (the ineffective component is classified in the income statement).

The derivative financial instruments used by the Group have characteristics similar to those of the hedged item and the financial instruments are entered into at market conditions. Consequently, under the relevant accounting standards, the hedge is considered effective simply by verifying that the supporting elements - such as the nominal amount, the settlement date of the cash flows, maturity and the underlying variable - of the hedging instrument and the hedged item match or are closely aligned and the counterparty's credit risk

is not such as to have a significant impact on the fair value of both the hedging instrument and the hedged instrument.
The positive or negative fair value of derivative financial instruments is also included in the Group's net financial position. If hedge accounting cannot be applied, gains or losses resulting from the fair value measurement of derivative financial instruments are recognised immediately in the income statement.

FINANCE LEASES

Finance leases are reported in the financial statements in accordance with Italian accounting standard OIC 17 - i.e. assuming that the transaction is the purchase of a fixed asset on credit.
Indeed, the lessee acquires the economic benefits arising from the use of the leased asset for most of its useful life in exchange for a commitment to pay a consideration that approximates the fair value of the asset and the related finance costs.

USE OF ESTIMATES

Preparation of the Consolidated financial statements requires the Directors to make estimates and assumptions that affect the amount of the revenues, costs, assets and liabilities reported and the disclosures regarding contingent assets and liabilities at the reporting date.

The estimates and assumptions made are based on experience and other factors considered relevant. Therefore, even though the constant analysis of the estimates makes them more reliable, the actual results may differ from these estimates and, in this case, the effects of any changes will be reflected in the income statement in the period in which the estimates are revised if the revision will affect only that period, or also in subsequent periods if the revision will affect both the current financial year and future years. Forecasts about future events that can be particularly influenced by the economic outlook and the impact that the current pandemic could have on said outlook as well as on the Group's financial performance and financial position take on particular importance in the main estimating processes (receivables, inventories, recoverable amount of deferred tax assets, property, plant and equipment and intangible assets).

The assumptions used by management in applying the accounting standards regarding the future and which may have significant effects on the amounts recognised in the financial statements or for which there is a risk that significant adjustments to the book value of assets and liabilities may emerge in the financial year following that in which the financial statements are prepared are mainly related to the following items:

Bad debt provision

The bad debt provision reflects losses estimated on the receivables of Group companies. Provision is made for expected losses on receivables, estimated on the basis of past experience of receivables with a similar credit risk, as well as the careful monitoring of the quality of the receivables portfolio.

Although the provision created is considered reasonable, the use of different assumptions or a change in economic conditions could lead to changes in the bad debt provision and have an impact on the Group's results. Estimates and assumptions are periodically revised, and the effects of each change are reflected in the income statement in the year to which they refer.

Inventories and obsolescence provision

The valuation of inventories and of the obsolescence provision reflects the best estimate of the normal production capacity of the Group companies, the selling prices of products and forecasts of their realisation over time on the basis of sales plans or historical experience. The Group companies believe that the estimates made and the input data considered lead to a correct measurement of inventories and a reasonable estimate of the obsolescence provision. However, given the complexities involved in estimating the above factors and the related areas of uncertainty, it is not possible to rule out the possibility that the different estimates in future years may result in the need for further provisions.

Recoverability of deferred tax assets

The consolidated financial statements report deferred tax assets related to the recognition of temporary differences between amounts for statutory reporting purposes and amounts for tax purposes that can be used in future years depending on the taxable income generated by the ALI Group companies.

The recoverability of deferred tax assets is measured taking account of estimated future taxable income and is based on the long-term business plans of the Group companies, which are the result of assumptions. However, if the Group companies are unable to recover all or part of the deferred tax assets in future years, the resulting adjustment will be charged to the income statement for the period in which this circumstance occurs.

Recoverability of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are impaired when events or changed circumstances indicate that the amount recognised in the financial statements is not recoverable. The events that can lead to an impairment of assets are: changes in industrial plans, changes in market prices that can lead to lower operating performance, reduced plant utilisation. The decision whether or not to recognise and quantify an impairment loss depends on the Directors' assessments of complex and highly uncertain factors. Such factors include future price trend, the impact of inflation and technological improvements on production factors, production profiles and global, national and regional supply and demand conditions.

The impairment adjustment is calculated by comparing the carrying amount with the related recoverable amount, represented by the higher of fair value net of disposal costs and value in use calculated by discounting the expected cash flows deriving from the use of the asset, net of disposal costs. Expected cash flows are determined considering information available when the estimate is made on the basis of subjective opinions on the trend of future variables such as prices, costs, growth rates in demand, production profiles, and discounted using a rate net of taxes that takes into account the risk regarding the asset in question.

An impairment adjustment to an asset is reversed when there is an indication that it has decreased or no longer exists or when there has been a change in the measurements used to determine its recoverable amount. This is except for goodwill and deferred charges for which, as explained above, Article 2426 of the Italian Civil Code does not allow the reversal of impairment adjustments.

Legal and tax disputes

Group companies make provisions for ongoing legal and tax disputes, as well as for returns of goods from customers. Given the nature of these disputes, it is not always possible to predict their final outcome and some may end with an unfavourable ruling. Estimates for these provisions are the result of a complex process involving the subjective opinions of Management of each Group company.

Product warranty provision

As is normal practice in the sector in which Group companies operate, many of the products sold are covered by a warranty that covers a pre-determined period of time. The warranty provision recognised in the financial statements is estimated on the basis of historical data on service charges, the cost of repairs, etc. Although changes to these assumptions lead to different measurements, it is unlikely that these changes will have a material impact on the Group's results or financial position.

Business combinations

In accordance with Italian GAAP, in these financial statements, the Group has recognised the Welbilt identifiable assets acquired and the identifiable liabilities taken on at fair value at the date on which control was acquired. Goodwill emerging from the transaction has been recognised at the residual amount after considering the fair value of said assets and liabilities. These amounts were determined by means of a complex process to estimate the identifiable assets and liabilities and the fair value of Welbilt itself. This process was completed as at 31 August 2022 and based on assumptions deemed reasonable and realistic based on the information that was available at the date on which control was acquired; these assumptions impacted the value of the assets, liabilities and goodwill recognised, as well as the amount of revenues and costs for the period.

Other items in the financial statements

In addition to the items indicated above, the use of estimates regarded:

- the measurement of any impairment of non-current investments;
- the determination of the useful life of property, plant and equipment and intangible assets for the purposes of calculating the related depreciation and amortisation;
- gains/losses from the fair value measurement of derivative financial instruments;
- actuarial gains and losses relating to defined-benefit plans.

Notes to the Balance Sheet - Assets

1. Intangible assets (B.I)

The item shows a balance of Euro 3,833,225 thousand (Euro 235,980 thousand as at 31 August 2021).

Changes during the reporting period were as follows:

	Start-up and expansion costs	Development costs	Industrial patent and intellectual property rights	Concessions, licences, trademarks and similar rights
Historical cost	2,037	1,832	61,507	140,997
Accumulated amortisation	(2,021)	(1,775)	(50,366)	(114,906)
Opening amount	**16**	**57**	**11,141**	**26,091**
Increases for the period	-	21	1,799	543
Net decreases for the period	(2)	-	(2)	(62)
Amortisation	(9)	(44)	(7,166)	(15,409)
Other changes	-	-	94,759	162,178
Exchange differences	2	-	1,690	2,193
Closing amount	**7**	**34**	**102,221**	**175,534**

	Assets in progress and advances	Other intangible assets	Goodwill	Customer list	TOTAL
Historical cost	770	59,640	1,043,291	-	1,310,135
Revaluations	-	-	-	-	-
(Writedowns)	-	(6,121)	(60,447)	-	(66,568)
Accumulated amortisation	-	(46,987)	(791,471)	-	(1,007,552)
Opening amount	**770**	**6,532**	**191,373**	**-**	**235,980**
Increases for the period	148	2,161	175	-	4,847
Net decreases for the period	(173)	(36)	-	-	(275)
Amortisation	-	(15,445)	(85,777)	(7,026)	(130,876)
Reclassifications	(149)	607	-	-	458
Other changes	-	65,995	2,093,957	1,238,772	3,655,661
Exchange differences	4	1,566	45,839	16,136	67,430
Closing amount	**600**	**61,380**	**2,245,567**	**1,247,882**	**3,833,225**

Changes during the reporting period mainly refer to the change in the scope of consolidation due to the acquisition of Welbilt and Montague, as described in more detail in the Directors' Report and highlighted under the caption "Change in scope of consolidation". The amounts relating to the change in scope of consolidation include the excess cost allocated – on the basis of an independent expert appraisal – to reflect the higher fair value of property, plant and equipment and intangible assets compared to their carrying amount and the difference allocated to Goodwill.

In accordance with Article 2426 of the Italian Civil Code and considering the most recent guidelines of the Italian Accounting Board (OIC), the amortisation period for goodwill has been set at ten years. This is also in light of the useful life estimated in an independent expert appraisal.

The net amount of goodwill as at 31 August 2022 was due to the acquisition of Welbilt (Euro 2,064,573 thousand), the acquisition of the InterMetro Group (€ 92,593 thousand), the acquisition of the Montague Group (Euro 39,995 thousand), the acquisition of the ADS Group (Euro 30,617 thousand), the acquisition of the Scotsman Group (Euro 7,230 thousand), the acquisition of the Rancilio Group (Euro 6,412 thousand) and amounts recognised by Kold Draft (Euro 3,405 thousand), VDI (Euro 303 thousand), BGItaly S.r.l. (Euro 274 thousand) and Magec (Euro 166 thousand).

The net amount of the "Customer List" includes the portion of the excess cost relating to the acquisition of Welbilt allocated to this intangible asset category on the basis of the independent expert appraisal. The useful life determined for the Customer List varies from 12 to 16 years.

The amount shown under "Change in scope of consolidation" of the item "Concessions, licences, trademarks and similar rights" mainly includes the fair value allocated in the independent expert appraisal to trademarks identified in the Welbilt Purchase Price Allocation process, a total amount of Euro 161,624 thousand. The independent expert determined a useful life of 7 years for trademarks.

The amount shown under "Change in scope of consolidation" of the item "Industrial patents and intellectual property/software rights" includes the fair value allocated in the independent expert appraisal to patents identified in the Welbilt Purchase Price Allocation process. The useful life determined for patents is 6 years.

The main amortisation charges for the reporting period (regarding "Licences and Trademarks", "Industrial patents and intellectual property/software rights" and "Goodwill") refer to allocations of the price paid for acquisitions made in recent years.

The increases to "Industrial patents and intellectual property rights and software" mainly refer to the purchase and development of software for use in the Group's activities, as well as to costs for the registration, extension and regularisation of patents in various countries.

Increases to other intangible assets mainly include leasehold improvements.

The significant effect of Foreign Exchange Differences is mainly due to the strengthening of the US Dollar against the Euro during the reporting period. The effect was also heightened by balances that entered the consolidated financial statements during the period as a result of the acquisition of Welbilt.

There were no other significant changes in Intangible assets.

2. Property, plant and equipment (B.II)

The item shows a balance of Euro 426,670 thousand (Euro 229,041 thousand as at 31 August 2021).

Changes during the reporting period were as follows:

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment
Historical cost	193,432	286,596	106,578
Revaluations	1,635	7,923	-
(Write-downs)	(3,577)	(4,576)	-
Accumulated depreciation	(82,218)	(213,977)	(91,686)
Opening amount	**109,272**	**75,614**	**14,892**
Increases for the period	3,009	9,580	5,421
Net decreases for the period	(466)	(46)	(168)
Depreciation	(6,184)	(17,059)	(6,326)
Revaluations/(Write-downs)	-	(40)	-
Reclassifications	298	4,298	523
Other changes	74,316	75,510	1,981
Exchange differences	12,042	8,118	276
Closing amount	**192,287**	**155,975**	**16,599**

	Other assets	Assets under construction and advances	TOTAL
Historical cost	96,545	9,853	740,803
Revaluations	117	-	9,675
(Write-downs)	(68)	(647)	(8,868)
Accumulated depreciation	(74,720)	-	(482,339)
Opening amount	**20,057**	**9,206**	**229,041**
Increases for the period	4,809	7,384	30,203
Net decreases for the period	(45)	(3,969)	(4,694)
Depreciation	(7,680)	-	(37,248)
Revaluations/(Write-downs)	-	-	(40)
Reclassifications	(781)	(4,796)	(458)
Other changes	23,182	10,778	185,767
Exchange differences	2,278	1,386	24,099
Closing amount	**41,820**	**19,989**	**426,670**

As already stated in relation to Intangible assets, the caption "Change in scope of consolidation" reflects the change in the scope of consolidation due to the acquisitions of Welbilt and Montague. Depreciation has been calculated on the basis of the residual useful lives determined by the independent expert appraisal.

The changes to "Land and buildings" mainly refer to extraordinary refurbishment works on buildings owned by several Group companies.

The changes to "Plant and machinery" and "Fixtures and fittings, tools and equipment" refer to the replacement of existing assets due to deterioration/technological renewal. "Other assets" includes furniture, office furnishings, office machinery and computers, cars and other minor value assets not classifiable elsewhere.

The changes to "Work in progress and advances" mainly refer to costs incurred for purchases of new industrial machinery and equipment by some of the Group's US companies.

The significant effect of Foreign Exchange Differences is mainly due to the strengthening of the US Dollar against the Euro during the reporting period. The effect was also heightened by balances that entered the consolidated financial statements during the period as a result of the acquisition of Welbilt.

Recoverability of property, plant and equipment, intangible assets and goodwill

At the reporting date, the Directors assessed whether there were any internal or external indicators that could have led to the potential impairment of property, plant and equipment, intangible assets and goodwill.
Based on this assessment, the Directors tested these assets for impairment as at 31 August 2022 and found that their value in use based on expected operating cash flows was greater than their carrying amount.
A sensitivity analysis considering changes in the assumptions underlying the impairment test was also performed. This analysis also produced positive results.
Based on the findings of the Purchase Price Allocation process – carried out extremely close to first-time consolidation – and considering the fact that the company was acquired at the end of the reporting period, the Directors concluded that there were no indicators of impairment in relation to Welbilt.
However, it should be noted that changes to the macroeconomic or market environment and to the main estimates and assumptions when preparing the Business Plan and, therefore, in performing the impairment test, could affect the value in use and the result actually achieved in relation to the realisable amount of the assets reported.

3. Equity investments in other companies (B.III.1.d-bis)

The item shows a balance of Euro 580 thousand (Euro 585 thousand as at 31 August 2021).
It includes equity investments in Entities, Consortia and companies that do not meet the requirements for consolidation.

The main investments are as follows:

	2022	2021
Helsinki Halli	2	2
Other equity investments in Finland	327	327
"Vacation Houses" in Sweden	90	90
Bodies and Consortia	138	138
Other minor	23	28
Closing amount	**580**	**585**

4. Financial receivables (B.III.2.d-bis)

This item shows a balance of Euro 705 thousand (Euro 803 thousand as at 31 August 2021).
The item mainly includes guarantee deposits.
The amount due within a year totalled Euro 152 thousand. There were no amounts due after more than 5 years.

5. Inventories (C.I)

This item shows a net balance of Euro 885,778 thousand (Euro 367,083 thousand as at 31 August 2021).
Changes in the individual inventory categories are broken down as follows:

	Raw materials and consumables	Work in progress	Finished products and goods for resale	Advances to suppliers	TOTAL
Opening amount, net	185,751	34,092	144,571	2,669	**367,083**
Change in stock	87,037	11,032	27,676	241	**125,986**
Change in obsolescence provision	(5,324)	(295)	(589)	-	**(6,208)**
Other changes - Chg in Stock	146,280	28,870	208,944	119	**384,213**
Other changes - Chg in obsolescence prov.	(12,228)	(1,100)	(13,482)	-	**(26,810)**
Exchange differences	21,419	2,941	17,025	132	**41,517**
Closing amount, net	**422,934**	**75,540**	**384,143**	**3,161**	**885,778**

The main change during the reporting period – included in Other Movements (Chg. In Stock and Chg. In Obsolescence provision) – relates to the inventories contributed by Welbilt and Montague, including a portion of excess cost allocated – based on the specific independent expert appraisal – to Welbilt inventories in the amount of around Euro 45 million.

The total inventory obsolescence provision increased from Euro 58,900 thousand at 31 August 2021 to Euro 93,829 thousand at 31 August 2022, mainly as a result of Welbilt inventories.

6. Trade receivables (C.II.1)

This item shows a balance of Euro 706,595 thousand (Euro 374,571 thousand as at 31 August 2021).

Changes over the reporting period were as follows:

	Third party customers (nominal amount)	Bad debt provision	TOTAL
Opening amount	397,132	(22,561)	374,571
Increases	74,269	(4,620)	69,649
Decreases	24	2,625	2,649
Other changes	240,925	(8,066)	232,859
Exchange differences	27,501	(634)	26,867
Closing amount	**739,851**	**(33,256)**	**706,595**

"Other movements" mainly includes trade receivables resulting from the acquisitions of Welbilt and Montague.

The receivables balance, stated net of the bad debt provision, represents the amount of sales to third-party customers not yet collected.

The increase compared to prior year is mainly due to the higher volume of sales in the current reporting period.

The balance is shown at expected realisable amount, as obtained by adjusting the nominal value of doubtful receivables: the contra- entry appears in the income statement under "Amortisation, depreciation and write-downs". The "Bad debt provision" is considered reasonable given the related risks and also covers the risk of non-collection of invoices issued in respect of late payment interest.
Any receivables definitively deemed bad during the reporting period as a result of bankruptcy, non-traceability of the debtor or other factors have been adjusted by recording a loss (if there was no specific provision for bad debts) classified in the income statement under other Sundry operating expenses.
There are no significant concentrations of receivables.

There are no receivables due after more than 5 years. There are no receivables with maturity dates out of line with normal market conditions.
Receivables due after more than a year amount to Euro 4,314 thousand. Based on the measurement criteria indicated above, this amount is deemed to approximate the amortised cost.

Receivables are broken down by geographical area as follows:

	2022	2021
Italy	98,035	88,280
Rest of Europe	255,986	159,646
Americas	287,218	100,814
Asia and Pacific	92,736	43,245
Africa	5,875	5,147
Closing amount	**739,850**	**397,132**

7. Receivables from parent company (C.II.4)

This item shows a balance of Euro 863 thousand (Euro 615 thousand as at 31 August 2021) and includes the tax consolidation receivable of several Group companies.

8. Tax receivables and Other receivables (C.II.5-bis and C.II.5-quater)

This item shows a balance of Euro 68,193 thousand (Euro 20,251 thousand as at 31 August 2021).

Tax receivables may be broken down as follows:

	2022	2021
VAT receivables	13,473	5,073
Other taxes	1,551	1,423
Income taxes	42,795	4,502
Closing amount	**57,819**	**10,998**

Income tax receivables mainly include the amount receivable from the tax authorities by Ali Group S.r.l. for "Patent Box" relief, a total of around Euro 3.9 million. The increase compared to prior year mainly refers to the tax receivable pertaining to Welbilt as well as to an increase in the tax receivables of certain of the Group's US companies.

Receivables from others are broken down as follows:

	2022	2021
Agents and Commission agents	1,445	352
Social-security institutions	969	868
Insurance companies	306	4
Advances to suppliers	3,572	1,879
Advances to employees	357	311
Public Sector Bodies	132	148
Sundry	3,593	5,691
Closing amount	**10,374**	**9,253**

Note that receivables of Euro 1,394 thousand are due after more than a year but within five years.

9. Deferred tax assets and liabilities (C.II.5-ter - B.2)

This item shows net deferred tax liabilities of Euro 282,235 thousand (net deferred tax assets of Euro 22,946 thousand as at 31 August 2021).

The balance includes Deferred tax assets of Euro 136,187 thousand (Euro 49,043 thousand as at 31 August 2021), Deferred tax liabilities of Euro 408,847 thousand (Euro 26,087 thousand as at 31 August 2021) and tax provisions of Euro 11,874 thousand (Euro 28 thousand as at 31 August 2021) which increased over the reporting period due to the change in scope of consolidation resulting from the acquisition of Welbilt.
The temporary differences that generated deferred tax assets and liabilities are as follows:

	2022		2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Allocations to provisions	18,977	-	14,799	-
Depreciation and amortisation	1,783	(403,282)	1,859	(22,358)
Elimination of I/C profit in inventories	7,826	-	6,029	-
Taxed reserves	-	(296)	-	(1,275)
Other temporary differences	107,601	(5,269)	26,356	(2,464)
Closing amount	**136,187**	**(408,847)**	**49,043**	**(26,097)**

Deferred taxes on depreciation and amortisation are mainly attributable to the amounts allocated to Non-Current Assets following the allocation process of the price paid upon first-time consolidation of the Welbilt Group, the InterMetro Group, the Scotsman Group and the Rancilio Group.
The increase in "Other temporary differences" is mainly due to the change in scope of consolidation resulting from the acquisition of Welbilt.
The tax effect relating to the temporary differences that have arisen over the years is recorded at the tax rates expected to be in force when the temporary differences reverse. As at the reporting date, the tax rates used are in line with those applicable at the reporting date.
Deferred tax assets of Euro 40,788 thousand have also been recognised in relation to the change in the fair value measurement of the Cross Currency Swap derivative agreement that occurred over the reporting period and was wholly recognised in the Income Statement. For further details, see the "Derivative instruments" paragraph of these Notes.

Given the Group's expected taxable income, no issues are foreseen with the recoverability of the deferred tax assets recognised in the financial statements.
Deferred tax assets on tax loss carryforwards have not been recognised.

10. Other current financial assets (C.III.8)

This item shows a balance of Euro 68,619 thousand (Euro 0 thousand as at 31 August 2021).
The balance mainly includes the portion of cash and cash equivalents ringfenced at 31 August 2022 to honour the first swap of Euro 62.5 million due under the Cross Currency Swap derivative at the beginning of September 2022.

11. Cash and cash equivalents (C.IV)

This item shows a balance of Euro 910,865 thousand (Euro 841,733 thousand as at 31 August 2021). Cash and cash equivalents include bank and post office deposits and cash and cash equivalents on hand.
Cash and cash equivalents were mainly invested on the short-term deposits market with major banks at interest rates in line market rates
See the Statement of Cash Flows for a better understanding of this item.

12. Prepaid expenses and accrued income (D)

This item shows a balance of Euro 35,546 thousand (Euro 115,824 thousand as at 31 August 2021).

As at 31 August 2022, prepaid expenses and accrued income were analysed as follows:

	2022	2021
Other accrued income	1,009	845
Insurance premiums	189	324
Lease instalments and user licences	60	83
Rental expense	838	873
Maintenance fees	1,061	1,051
Other prepaid expenses	32,389	112,648
Closing amount	**35,546**	**115,824**

At 31 December 2021, Other prepaid expenses included fees relating to the Welbilt acquisition transaction, as well as other expenses related to the financing structure of the deal and advisory costs, as deferred in the balance sheet pending completion of the acquisition. In the current reporting period, these amounts were included in the amount of the purchase price paid in accordance with Italian GAAP.

Notes to the Balance Sheet - Liabilities and Equity

12. Quotaholders' Equity (A)

This item shows a balance of Euro 1,778,954 thousand (Euro 1,552,341 thousand as at 31 August 2021). Fully paid-up share capital amounts to Euro 50,000 thousand.

Changes in the Group's Quotaholders' equity in the last two reporting periods were as follows:

	Quota Capital	Legal reserve	Other reserves	Retained earnings	Profit (loss) for the year	Total
Amount at 1 September 2020	**50,000**	**10,000**	**478,064**	**751,209**	**141,237**	**1,430,510**
Allocation of profit for the year	-	-	-	-	-	-
- other allocations	-	-	66,993	74,244	(141,237)	-
Other changes						
- dividends	-	-	(100,000)			(100,000)
- revaluation	-	-	9,471	-	-	9,471
- change in translation reserve	-	-	18,017	-	-	18,017
- change in cash flow hedge reserve	-	-	(245)	-	-	(245)
Profit for the reporting period	-	-	-	-	194,588	194,588
Amount at 31 August 2021	**50,000**	**10,000**	**472,300**	**825,453**	**194,588**	**1,552,341**
Allocation of profit for the year						
- other allocations	-	-	59,554	135,034	(194,588)	-
Other changes						
- dividends	-	-	(200,000)	-	-	(200,000)
- change in translation reserve	-	-	186,167	-	-	186,167
- change in cash flow hedge reserve	-	-	247	-	-	247
Profit for the reporting period	-	-	-	-	240,199	240,199
Amount at 31 August 2022	**50,000**	**10,000**	**518,268**	**960,487**	**240,199**	**1,778,954**

The main changes during the reporting period were as follows (Euro/000)

2021 Consolidated net profit carried forward	135,034
Change in Translation Reserve	186,167
Dividends approved	(200,000)
Change in Cash Flow Hedge Reserve	247
Consolidated Net Profit for 2022	240,199

The increase in the translation reserve over the reporting period is mainly due to the effect of the strengthening of the US Dollar against the Euro, also taking account of the significant value of net assets held in North America.

There are no minority interests.

A reconciliation between the Group's Quotaholders' equity and net profit and the Parent Company's Quotaholders' equity and net profit is provided in a schedule at the end of the Notes to the Financial Statements.

13. Provisions for Risks and Charges (B)

This item shows a balance of Euro 722,254 thousand (Euro 80,186 thousand as at 31 August 2021).

Changes during the period were as follows:

	Opening amount	Increases	Decreases	Other changes	Exchange differences	Closing amount
Retirement benefits and similar obligations	11,109	3,424	(2,916)	13,649	656	**25,922**
Taxes, incl. deferred taxes	26,125	2,811	(21,054)	404,620	5,914	**418,416**
Derivative instruments, liabilities	805	175,695	(1,287)	-	40	**175,253**
Other provisions	42,147	30,081	(21,214)	45,252	6,394	**102,663**
Total	**80,186**	**212,011**	**(46,471)**	**463,521**	**13,004**	**722,254**

Provisions for risks and charges represent specific liabilities that are certain or likely to arise but whose timing or amount is uncertain and depend on one or more future events in the future.

"Retirement benefits and similar obligations" includes the fair value of defined-benefit plans measured in accordance with the actuarial method envisaged by IAS 19 revised, as described in more detail in the Accounting Policies and Measurement Criteria section of these Notes. In relation to this item, it should also be noted that several US subsidiaries have signed up to multiemployer pension plans. These companies participate in the National Integrated Group Pension Plan ("NIGPP"), a multiemployer pension plan wholly funded by contributions received from participating companies. The Company's contributions are determined based on contribution rates negotiated with the local trades union(s), in exchange for which the NGIPP provides defined benefit pensions determined based on an established plan. Assets and liabilities within the NGIPP are not ringfenced or tracked separately for each participating company so the Company does not have the information necessary for it to account for its plan as a defined benefit plan; rather, in compliance with IAS 19, it treats it as a defined contribution plan. This practice is consistent with that followed in the United States for plans with the same characteristics.

The caption "Derivative instruments – liabilities" includes the fair value of derivative instruments subscribed and in place as at the reporting date. For further details, see the "Derivative instruments" paragraph.

Other provisions mainly includes provisions for liabilities that are only probable e.g. the Product warranty provision (Euro 76 million), the provision for corporate restructuring (Euro 12 million, including Euro 10 million relating to Welbilt), other provisions for risks and charges (Euro 7.4 million) and the provision for legal disputes (Euro 4.6 million). Depending on the nature of the costs, the contra-entry is made - in accordance with OIC 12 - to Personnel costs, Other provisions and Provisions for risks.
The "Other changes" column mainly includes amounts resulting from the acquisitions of Welbilt and Montague.

The effect of discounting of provisions for risks and charges is not material.

14. Employee severance indemnity (C)

This item shows a balance of Euro 10,244 thousand (Euro 10,328 thousand as at 31 August 2021).
The Employee severance indemnity provision at 31 August 2022 represents, for Italian companies only, the actual liability accruing as at that date, based on current legislation, net of advances paid and payments to supplementary pension funds (PREVINDAI, COMETA, PREVIRAS, etc.) and to the INPS Treasury Fund.

Opening Amount	**10,328**
(Use for leavers, advances and supp. benefit)	(6,091)
Annual allocation	6,007
Closing amount	**10,244**

15. Payables (D)

Payables amount to Euro 4,500,478 thousand (Euro 565,816 thousand as at 31 August 2021). The increase compared to prior year is mainly due to amounts resulting from the acquisition of Welbilt.

BANK BORROWING

Bank borrowing is analysed as follows:

	2022	2021
Bank overdrafts	5,378	4,856
Medium/Long-term loans	3,078,018	-
Total	**3,083,396**	**4,856**

The medium/long-term loans signed with a syndicate of banks towards the end of July 2022, as part of the Welbilt acquisition deal, include:

- Term Loan B of USD 2,120 million arranged by Ali Group North America (7-year loan with bullet repayment – wholly medium/long-term / non-current; variable rate of interest plus a spread);
- Term Loan A of Euro 1,062 million arranged by Ali Group S.r.l. (5-year loan repayable in instalments including Euro 53 million due within a year; variable Euribor rate plus a spread). This loan only is subject to a commitment to respect the "*Consolidated Net Total Leverage Ratio*" covenant on a quarterly basis; failure to respect said covenant – where not duly rectified – may trigger a requirement for early repayment of the loan. The covenant was respected at the reporting date. The loan agreement also includes a number of negative covenants, many of them typical of market practice.
- As at 31 August 2022, the Group also had Revolving Credit Facilities of Euro 250 million which were unutilised at that date.

Bank borrowing, as reported at amortized cost, takes account of loan arrangement expenses of around Euro 108.5 million.

As security for its commitments under these loan agreements, the Group has also had to give the lending banks certain secured and unsecured guarantees. These include pledges of the shares of certain Group companies (voting rights are wholly retained by the Group) as well as guarantees granted on certain intra-Group loans receivable.

PAYABLES TO OTHER LENDERS

This item shows a balance of Euro 1,737 thousand (Euro 393 thousand as at 31 August 2021) and regards finance lease payables. The increase compared to prior year is due to the amount resulting from the acquisition of Welbilt.

ADVANCES

This refers to advances received from customers for products to be supplied by Group companies and amounts to Euro 30,265 thousand as at 31 August 2022. The increase compared to prior year is mainly due to the balance resulting from the acquisition of Welbilt, as well as to the general increase in the volume of business recorded in the current reporting period.

TRADE PAYABLES

Trade payables (including advances) may be broken down by geographical area as follows:

	2022	2021
Italy	136,721	106,051
Rest of Europe	102,246	67,505
Americas	174,066	68,930
Asia and Pacific	43,851	28,755
Africa	3,014	1,182
Closing amount	**459,898**	**272,423**

The increase in trade payables is mainly due to amounts resulting from the acquisition of Welbilt and Montague.

There are no trade payables due after more than five years or with maturity dates out of line with normal market conditions.

PAYABLES TO PARENT COMPANIES

This item shows a balance of Euro 314,969 thousand (Euro 136,081 thousand as at 31 August 2021).

The balance includes the amount of the intercompany loan signed on 1 July 2022 by Ali Group North America and holding company Ali Holding S.r.l. for a total amount of USD 235 million (Euro 236,792 thousand). This loan was disbursed in relation to the extraordinary deal for the acquisition of the Welbilt Group with the aim of providing the subsidiary with additional financial resources. The loan is for a period of 8 years and is subject to a bullet repayment upon maturity. The loan is subject to interest at a fixed rate determined on an arm's length basis considering market rates. The amortized cost accounting method has not been applied as its effect would be immaterial in light of the zero loan-related expenses.

In addition to the intercompany loan, this item also includes the payables of Euro 47,680 thousand due to the holding company by several Group companies under the tax consolidation and cash pooling balances of Euro 30,497 thousand also due to the holding company.

TAX PAYABLES

This item includes payables for income taxes and for taxes withheld in the capacity of withholding agent (in countries where this function exists). It also includes indirect tax payables.

	2022	2021
Income taxes	362,564	5,979
VAT payables	14,410	13,677
Other taxes	7,064	2,675
Withholding taxes payable	1,835	2,104
Closing amount	**385,874**	**24,435**

The increase compared to prior year is mainly due to the tax liability for the income generated by the sale of the Welbilt ice business; said tax liability was paid in September 2022.

PAYABLES TO SOCIAL SECURITY AND PENSIONS INSTITUTIONS

This item shows a balance of Euro 15,058 thousand (Euro 15,295 thousand as at 31 August 2021).

It represents payables to pensions and social security institutions in various countries, on the basis of local laws and regulations. Where applicable, it includes the portion payable by Group companies and the portion payable by the beneficiaries.

OTHER PAYABLES

This item includes:

	2022	2021
Agents' commission	11,665	3,223
Directors' fees	330	363
Fees of statutory auditors and other consultants	3,685	320
Salaries, additional months' salaries and holiday pay due to employees	122,899	71,076
Other payables	100,618	37,287
Closing amount	**239,197**	**112,269**

The increases in payables to employees and in other payables are mainly due to amounts resulting from the acquisition of Welbilt.

Some Euro 3,792 thousand of the total balance is due after more than a year.

16. Accrued Expenses and Deferred Income (E)

This item shows a balance of Euro 59,898 thousand (Euro 26,709 thousand as at 31 August 2021).

At the reporting date, accrued expenses and deferred income were analysed as follows:

	2022	2021
Long-term service agreements with customers	11,708	6,114
Other deferred income	8,540	1,204
Bank interest and charges	1,555	459
Insurance premiums	199	184
Maintenance	212	323
Rental income	33	108
Other accrued expenses	37,651	18,317
Closing amount	**59,898**	**26,709**

Long-term service agreements with customers mainly refers to revenues, pertaining to future years, under long-term customer service programmes. Some Euro 2,669 thousand refers to periods after more than a year.

The increase is mainly due to amounts resulting from the acquisition of Welbilt.

There are no amounts relating to periods after more than five years.

Notes to the Income Statement

It should be noted that, as already stated, the Income Statement for the year ended 31 August 2021 only reflects one month's activities of Welbilt as that company was consolidated with effect from 28 July 2022. Therefore, changes for the reporting period resulting from the first-time consolidation, albeit material, have had a limited impact compared to that which will be seen upon full consolidation which will take place in 2023.

Value of Production

Value of production amounts to Euro 2,848,965 thousand (Euro 2,120,752 thousand for the year ended 31 August 2021).

The items included in value of production are analysed as follows:

"**Revenues from sales and services to third parties**" (item A1) may be analysed by geographical market as follows:

	2022	2021
Italy	178,646	141,019
Rest of Europe	947,095	785,489
Americas	1,286,637	875,750
Asia and Pacific	348,061	282,776
Africa	37,443	28,210
Total for reporting period	**2,797,880**	**2,113,244**

"**Other revenues**" (item A5) - comprising other, non-financial income items - may be analysed as follows:

	2022	2021
Income from other activities (rent, royalties, commission, etc.)	1,335	946
Gains on disposal of assets due to normal deterioration	146	137
Recharge of shipping costs to customers	2,828	2,310
Other revenues	5,443	1,815
Operating grant income	270	53
Total for reporting period	**10,022**	**5,261**

The increase in "Other revenues" is mainly due to the contribution made by Welbilt and Montague.

See the Directors' Report for additional comments.

Cost of Production

Cost of production amounts to Euro 2,509,008 thousand (Euro 1,832,288 thousand for the year ended 31 August 2021).

"**Costs for raw materials, consumables and goods for resale**" (item B6) are broken down as follows:

	2022	2021
Inventories	1,270,357	838,602
Consumables and other production materials	15,343	12,184
Other purchases	-	-
'- stationery	2,703	2,109
'- advertising materials	1,730	1,350
'- fuel	4,729	3,401
'- other purchases	15,775	9,507
Total for reporting period	**1,310,637**	**867,153**

"Costs for purchases of raw materials, consumables and goods for resale" has increased compared to prior year as a result of higher sales revenues than in prior year, the need to increase inventories to fulfil the rising number of orders and the need to take advantage of economies of scale when purchasing raw materials and components which are increasingly expensive because of the inflationary trends noted during the reporting period.

"**Costs for services**" (item B7) are broken down as follows:

	2022	2021
Directors	432	566
Insurance	8,461	5,731
Consultancy and other professional services	37,240	26,831
Gas, water, electricity, heating	21,031	14,201
Installations and technical assistance	26,851	25,980
Outsourced processing	45,022	29,162
Repairs and maintenance	25,189	19,074
Postage, fax and telephone / data	5,475	5,286
Commission and referral fees	49,966	34,286
Trade fairs, advertising and image	20,090	10,141
Travel expenses	19,473	10,684
Shipping/Transport	128,785	84,340
Other costs	19,023	14,286
Total for reporting period	**407,038**	**280,568**

The most significant changes include: the increase in "Consultancy and other professional services" mainly in relation to the acquisition of Welbilt which was completed in July; the increase in "Gas, water, electricity and heating" due to rising gas and electricity prices, worsened by the Ukrainian conflict and by Russian retaliation as a direct response to sanctions; increases in "Outsourced processing ", "Shipping/Transport", "Repairs and maintenance", "Commission and Referral fees" and "Travel expenses" as a direct result of the recovery in volume of business which has returned to higher pre-Covid levels.
The item "Trade fairs, advertising and image expenses" also increased due to participation at the HOST 21 trade fair, the leading, biennial trade fair in the industry which was held in October 2021.
"Other costs" mainly includes costs incurred for canteen services, facility management, bank charges and entertainment.

"**Costs for leases and rentals**" (item B8) are broken down as follows:

	2022	2021
Property rental fees	28,453	24,359
Lease and rental payments	18,576	17,428
User licences	342	397
Royalties	769	747
Other costs	136	124
Total for reporting period	**48,275**	**43,055**

"**Personnel costs**" (item B9) totalled Euro 613,335 thousand (Euro 506,083 thousand in the year ended 31 August 2021).

Changes in the headcount during the reporting period were as follows:

	Opening number	Closing number	Change	Average number
Blue collars	5,895	8,796	2,901	8,601
White collars	3,502	5,485	1,987	5,434
Executives	347	362	16	362
Total	**9,744**	**14,643**	**4,904**	**14,397**

The closing headcount includes 4,366 persons (9 executives, 1,805 white collar employees and 2,371 blue collar workers" employed by Welbilt Group companies.

"**Amortisation**" (item B10) of intangible assets mainly includes the amortisation of goodwill and the customer list. Amortisation of goodwill and the customer list relating to Welbilt is for a period of one month from the date of acquisition of that group.

"**Provisions for risks**" (item B12) and "**Other provisions**" (item B13) mainly comprise the product warranty provision, the provision for legal claims against Group companies and the provision for other risks/ other contingent liabilities.
The total amount is broken down below:

	2022	2021
Ongoing legal disputes	3,306	133
Other risks	47	376
Total allocations to provisions for risks in period	**3,353**	**509**
Product warranty	18,205	19,485
Other expenses	-	9
Total other allocations in reporting period	**18,205**	**19,503**

For further details, see the note on "Provisions for risks and charges".

"**Sundry operating expenses**" (item B14) are broken down as follows:

	2022	2021
Taxes other than income taxes	5,077	5,638
Membership fees	1,411	1,233
Social and welfare expenses	2,581	1,552
Losses on disposal of assets due to normal deterioration	46	106
Bad debts	342	560
Other expenses and losses	5,087	5,675
Total for reporting period	**14,544**	**14,764**

Financial Income and Expenses

There is net financial income of Euro 163,513 thousand (net financial expenses of Euro 762 thousand for the year ended 31 August 2021).

The item is broken down as follows:

	2022	2021
Income from equity investments in other entities	208	45
Income from receivables classed as non-current assets	63	9
Other income (see breakdown below)	6,364	8,342
Other expenses (see breakdown below)	(32,400)	(7,770)
Exchange gains/(losses) realised on collection/payment of receivables/payables	178,997	(1,089)
Unrealised exchange gains/(losses) on restatement of receivables/payables at 31 August	10,282	(298)
Total for reporting period	**163,513**	**(762)**

"Exchange gains/(losses" realised upon collection/payment of receivables/payables" mainly includes the exchange gain realised by ALI Group S.r.l. upon closure of the hedging derivative through which it acquired an equivalent amount of US Dollars at a pre-fixed Euro/USD rate in order to disburse an intercompany loan to US subsidiary ALI Group North America.

"**Other Financial Expenses**" (C16) and "**Other Financial Income**" (C17) are analysed as follows:

	Income		(Expenses)	
	2022	2021	2022	2021
Bank interest income and expenses	2,177	1,020	(101)	(87)
Interest towards parent company	182		(2,401)	(72)
Interest expense on mortgages and loans	-	-	(10,134)	(19)
Extended credit for customers	45	63	-	-
Loan charges	-	-	(8,329)	-
Financial discounts	1,733	1,448	(10,733)	(7,374)
Bank charges	-	-	(85)	(13)
Defined contribution plans (IAS 19 revised)	2,178	5,782	(555)	(92)
Other	48	29	(61)	(113)
Total for reporting period	**6,364**	**8,342**	**(32,400)**	**(7,770)**

Interest expenses on mortgages and loans include interest expenses on the TLA and TLB, as described in more detail in the note on "Bank borrowing". "Loan charges" mainly includes the effect of applying the amortized cost method to loans.

"Defined contribution plans" includes actuarial gains and losses for the reporting period on defined benefit pension plans. This is in accordance with the rules set out in IAS 19 revised, as explained in greater detail in the Accounting policies and measurement criteria section.

Adjustments to value of financial assets and liabilities

This item shows a negative total of Euro 173,813 thousand (Euro 38 thousand positive as at 31 August 2021) and mainly includes the negative change in the fair value measurement of the "Cross Currency Swap" (CCS) arranged to hedge the Euro/USD exchange rate risk on future repayments of the intra-Group loan of USD 1,250 million granted by ALI Group S.r.l to AGNAC. For further information, see the "Derivative instruments" paragraph.

Taxes

This item shows a balance of Euro 89,458 thousand (Euro 91,504 thousand as at 31 August 2021).
Taxes have been calculated on the basis of current tax laws and regulations and represent the amount of taxes pertaining to reporting period.
In addition to the tax burden for the year, this item also includes the net amount of deferred tax/deferred tax income, as calculated based on with the criteria set out in the earlier part of these notes.

Other information

OFF-BALANCE SHEET COMMITMENTS, GUARANTEES GIVEN AND CONTINGENT LIABILITIES

Pursuant to Article 2427 (9) of the Italian Civil Code, the following off-balance sheet commitments, guarantees given and contingent liabilities are disclosed:

	2022	2021
Guarantees given		
a) Sureties		
' - other companies	*9,096*	*5,990*
	9,096	***5,990***
Other commitments		
a) Commitments	*5,185*	*7,019*
	5,185	***7,019***
Total commitments and guarantees given	***14,281***	***13,009***

Guarantees given include guarantees in favour of third parties.
Other commitments include other risks taken on by the Group, off-balance sheet commitments made and the value of third-party assets held by Group companies.

OFF-BALANCE SHEET AGREEMENTS

Pursuant to Article 2427 (22-ter) of the Italian Civil Code, we note that there are no off-balance sheet agreements involving significant risks or benefits and that are decisive for the purposes of assessing the Group's financial position, results and cash flows.

EXEMPTION FROM OBLIGATION TO PREPARE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared on a voluntary basis because, as it satisfied the requirements under Article 27(3) of Legislative Decree 127/91, the Company has taken advantage of its exemption from the obligation to prepare consolidated financial statements as it is controlled by Ali Holding S.r.l. which prepares consolidated financial statements. Therefore, these consolidated financial statements have not been prepared to satisfy any legal requirements.

ITEMS OF REVENUE OR COST OF EXCEPTIONAL AMOUNT OR IMPORTANCE

During the reporting period, there were no transactions involving revenues or costs of an exceptional amount or importance in relation to the Group's consolidated financial information.

DERIVATIVE INSTRUMENTS

As explained in the Directors' Report, the Group operates on the main international markets and is, therefore, exposed to exchange rate risks arising from commercial and financial transactions.
The Group uses derivative financial instruments entered into at market conditions and with characteristics similar to those of the hedged item to manage the transactional foreign exchange risk arising from exchange rate fluctuation between the time when the commercial and/or financial relationship originates and the time of collection/payment.
The following table shows the information required by Article 2427-bis of the Italian Civil Code.

Euro/thousand	31 August 2022			31 August 2021		
Fair Value hedges	Notional amount	Positive Fair Value	Negative Fair Value	Notional amount	Positive Fair Value	Negative Fair Value
Forward contract (GBP purchases)	115,010	-	(3,895)	72,034	-	(382)
Forward contract (GBP sales)	3,970	24	(1)	2,301	4	(2)
Forward contract (JPY sales)	3,188	23	(9)	2,715	2	(34)
Forward contract (RUB sales)	-	-	-	1,393	-	(53)
Forward contract (USD sales)	12,037	5	(532)	7,471	4	(156)
Forward contract (AUD purchases)	67,981	314	-	-	-	-
Forward contract (AED sales)	1,120	13	-	1,416	2	(25)
Forward contract (Euro vs AUD sales)	1,933	0	(38)	2,063	22	(6)
Forward contract (NZD vs AUD sales)	6,159		(65)	3,716	56	-
Forward contract (USD vs AUD sales)	1,054	12	(11)	760	8	(8)
Forward contract (AUD vs USD sales)	171		(0)	-	-	-
Forward contract (AUD vs GBP sales)	144	5		-	-	-
Forward contract (AUD vs EUR sales)	-			107	-	(1)
Forward contract (NZD vs EUR sales)	175	0		-	-	-
Forward contract (NZD vs GBP sales)	2,021	53		1,986	15	(1)
Forward contract (AUD vs NZD sales)	67	0		60	-	(2)
Forward contract (EUR vs NZD sales)	1,379	15	(17)	827	-	(7)
Forward contract (GBP vs AUD sales)	484		(20)			
Forward contract (USD vs NZD sales)	1,356	82	(2)	984	8	(14)
Forward contract (NZD vs USD sales)	23,787		(713)	1,495	16	-
Total Fair Value hedges		**546**	**(5,304)**		**137**	**(691)**
Operational hedging derivatives						
CCS	1,069,833	-	(169,948)	-	-	-
Total operational hedging derivatives	**1,069,833**	**-**	**(169,948)**		**-**	**-**
Cash Flow Hedges						
Forward contract (MEX vs USD purchases)	405,360	133		312,000	-	(114)
Total Cash Flow Hedges	**405,360**	**133**	**-**	**312,000**	**-**	**(114)**
Total Financial instruments - Assets (Liabilities)		**678**	**(175,253)**		**137**	**(805)**

As at 31 August 2022, derivatives with a positive fair value of Euro 678 thousand were reported under item "CIII 5) Derivative instruments -assets", while derivatives with a negative fair value of Euro 175,253 thousand were reported under item "B 3) Derivative instruments - liabilities".

It should also be noted that the Cross Currency Swap (CCS) derivative has been designated as a hedge in the separate financial statements of subsidiary Ali Group S.r.l. Meanwhile, in the Group's consolidated financial statements, the change in the Fair value of the derivative has been recorded in full in the income statement as the hedged item – i.e. the intra-Group financial relationship – is not present.

The fair value of the derivatives was derived from the information provided by the banks with which the derivatives were entered into and was based on data observable directly or indirectly on the market.
The change in the fair value of derivative instruments was recorded in full in the income statement in accordance with the accounting standards on fair value hedges.
Finally, it should be noted that, during the period, fair value changes of Euro 247 thousand were booked to the specific Cash Flow Hedge Reserve.

NON-CURRENT FINANCIAL ASSETS REPORTED AT MORE THAN FAIR VALUE

No non-current financial assets have been reported at more than their fair value.

RELATIONS WITH DIRECTORS, STATUTORY AUDITORS AND EXTERNAL AUDITORS

The total fees payable to the Directors, Statutory Auditors and External Auditors of the Parent Company ALI Group S.r.l. are indicated below.

	2022	2021
Board of Directors	186	186
Board of Statutory Auditors	70	70
External Auditors	2,583	1,281

INFORMATION PURSUANT TO ART. 1 (125) OF LAW NO. 124 OF 4 AUGUST 2017

Certain Italian companies of the Group have received state/de minimis aid included in the "National State Aid Register" as per Article 52 of Italian Law no.234 of 24 December 2012, recorded in said system and disclosed in the relevant transparency section by the entities that grant or manage said aid in accordance with the relevant regulations.
The disclosure of such aid in the aforementioned Register supersedes the requirement imposed upon the recipient to disclose it in the Notes to the Financial Statements.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There have been no significant events after the reporting date.

PROPOSED ALLOCATION OF NET PROFIT OR COVERAGE OF LOSSES

Pursuant to Article 2427 (22-septies) of the Italian Civil Code, reference should be made to the notes to the separate financial statements of ALI Group S.r.l. for details of the allocation of the Parent Company's net profit for the period.

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Chairman of the Board of Directors

(Filippo Berti)

Reconciliation between Parent Company quotaholders' equity and profit for the period and Group quotaholders' equity and profit for the period

	Profit for period		Quotaholders' Equity	
	Group	Min. Int.	Group	Min. Int.
QUOTAHOLDERS' EQUITY AND PROFIT FOR PERIOD AS REPORTED IN PARENT COMPANY FINANCIAL STATEMENTS	**140,051**	**-**	**505,407**	**-**
Elimination of carrying amount of consolidated investments and related impairment adjustments	(300)	-	(6,008,913)	-
Profit for period and equity of consolidated companies	379,380	-	4,972,364	-
Consolidation differences	(78,880)	-	2,156,043	-
Allocation of excess value to intangible assets and property, plant and equipment resulting from acquisitions	(13,532)	-	99,749	-
CONSOLIDATION ADJUSTMENTS				
Elimination of intra-Group dividends	(130,142)	-	-	-
Elimination of provision to cover losses of subsidiaries	(200)	-	7,710	-
Elimination of intra-group profits included in closing inventories	(6,206)	-	(27,492)	-
Effects of accounting for finance leases	(102)	-	1,514	-
Effects of realignment with Group accounting policies	(17)	-	130	-
Other consolidation adjustments	(56,259)	-	61,814	-
Tax effects of consolidation adjustments	6,406	-	10,629	-
QUOTAHOLDERS' EQUITY AND PROFIT FOR PERIOD OF GROUP	**240,199**	**-**	**1,778,954**	**-**

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INDEPENDENT AUDITOR'S REPORT

To the Quotaholder of
Ali Group S.r.l.

Opinion

We have audited the consolidated financial statements of Ali Group S.r.l. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at August 31, 2022, the consolidated statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at August 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Ali Group S.r.l. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

This report is issued on a voluntary basis as the company has availed itself of the exemption from the obligation to prepare consolidated financial statements in accordance with the law as provided for in Article 27, paragraph 3 of Legislative Decree 127/91.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance the Italian law governing financial statements and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

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In preparing the consolidated financial statements, the Directors are 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 they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

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

Auditor's Responsibilities 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), 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 Directors.

- Conclude on the appropriateness of management's 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 auditor's report 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 auditor's report. 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 or 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.

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

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Dell'Orto
Partner

Milan, Italy
December 29, 2022

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.