2021
ANNUAL REPORT

chimet®

REFINING AND FINE CHEMICALS

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COMPANY BOARDS AND AUDITORS

BOARD OF DIRECTORS

President	**Anna Maria Granelli**
Chief Executive Officer	**Luca Benvenuti**
Director	**Maria Cristina Squarcialupi**
Director	**Susy Morandi**

BOARD OF STATUTORY AUDITORS

Chairman	**Carlo Pugi**
Statutory Auditor	**Paolo Marraghini**
Statutory Auditor	**Filippo Pasquini**

KEY MANAGEMENT

International Marketing Director	**Mario Crocini**
Production Director	**Filippo Falsini**
Technical Director	**Claudio Fagioli**
Chief Financial Officer	**Stefano Mannelli**

INDEPENDENT AUDITORS

BDO

REPORT ON OPERATIONS

Shareholders,

The restrictions to contain the pandemic made 2021 another difficult year, especially up to May and then again in December, due to the resurgence of infections.

In a scenario featuring a high degree of uncertainty, Chimet succeeded in cultivating a process of recovery through the extraordinary efforts made by its entire team, despite the restrictions in place, generating record volumes and margins for the Company.

The sales were constantly above the pre-Covid levels and exceeded the market performance; all key financial indicators improved, and the bottom line returned to reflect important margins and profits.

In this complex backdrop, actions taken in recent years and promptly this year on the business organization and the continuous monitoring of operating costs, and the constant urging by management to pursue objectives, enabled the Company to continue to improve margins, even in critical situations like the current one, thanks to the dedication of all our staff.

These conditions made it possible to improve on the previous year and produce a:

- **VALUE OF PRODUCTION**
  of **€ 4362 million** (up by 38% from previous year)
- **EBITDA**
  of approximately **€ 112 million** (up by 54%)
- **NET PROFIT**
  of **€ 78 million**

The results demonstrate the efforts put forth by the Company in each business division, and their achievement makes us truly proud.
The Company also reinforced its policy of responsibility for attaining challenging objectives regarding the quality of the organization and production, at the same time actively pursuing compliance with social and environmental responsibility standards and guidelines for our products and services and succeeding in satisfying our clients' demands while approaching projects for the preparation of a sustainability report.

HIGHLIGHTS OF THE YEAR

After an uncertain start, thanks to the large-scale vaccination campaign 2021 was a year of recovery for the global economy, driven by a consumer spending and international trade.

The Group's business model, deeply rooted in the local area and characterized by strict control over the supply chain, made it possible to handle the sudden growth of demand for services and production capacity originating from the market.

Priority continued to be given to employees' safety, and the related standards remained high. In the common effort to contain the epidemic, and committed as always to the protection of its workers, Chimet put its management and the certain offices in charge of analyzing the epidemiological risk in compliance with the State and Regional regulations and the obligations of Italian Legislative Decree 81/2008, Article 15. No health and/or financial impacts were found and no matters were identified that could impair the business.

Ultimately, we believe that the responses to the uncertainties, particularly in the financial and precious metal markets, have been satisfactory, and that the business model did not undergo significant consequences. An analysis of the expected cash flows for the next 12 months did not reveal any elements that could give rise to uncertainties about the going concern status.

The Company fully achieved its target of stronger profitability, despite the ongoing crisis.
The manufacturing policy, which benefits from the Group's reliability, assurance of quality production processes and progress made in the area of corporate sustainability, further strengthened the international relations in the area of precious metal production and refining.

In pursuing its relaunch objectives, the Company managed the most appropriate credit resources on the financial market to adequately support its business, developing its accounts with the money market, while remaining attentive to the sustainability of the obligations assumed and reducing the related finance costs. The cash flows generated made it unnecessary to use the credit facilities offered by the government, whose aim is to make credit more accessible to companies by offering a government guarantee in lieu of the guarantees normally required to obtain a loan, under the new regulations. The Company used the normal credit lines available on the market without resorting to new, extraordinary types of financing.

At the end of 2021, the human resource headcount was 141.

THE ECONOMY

2021 was characterized by numerous uncertainties and a persistent focus on the public health situation.

The recovery, which might be hampered by the surge of Omicron variant infections at the end of the year, was uneven at a global level; while the major economies seem to have left the gloomiest economic and social (albeit not medical) periods behind them, other countries are still grappling with the public health crisis due to insufficient vaccine distribution, and 2022 could be another complicated year for them.

Inflation returned in 2021, although not uniformly across the globe, caused by the mismatch between supply and demand, which led to price increases: the lively global demand of recent months and inadequate supply, due at least in part to the adoption of new restrictions to contain the spread of the virus, which caused supply chain bottlenecks, resulted in inflation (for which monetary policies can do little). Inflation is particularly high in the United States (where it reached nearly 7% in November) and in non-Asian emerging countries; it is more contained, although on the rise, in Europe and Asia.

The gross domestic product (GDP) rebounded in 2021 to 5.8%, whereas a slower pace of economic expansion is expected for 2022. The slowdown will affect industrialized and emerging countries, including China.
Exports, the most important driver, remain solid. Some price tensions are present, and economic policies affected the real estate industry with the imposition of rules that are effectively limiting the access to new financing. After the 5.2% increase of 2021, the eurozone GDP growth is projected to be 4.1% in 2022, with much differentiation among the countries of the area: according to Prometeia, Italy will grow by 6.3% in 2021 and by 4.0% in 2022; Germany will stop at +2.8% in 2021 and then grow by 3.8% in 2022; France is expected to grow by 6.7% in 2021 and by 4.1% in 2022; Spain will grow by 4.3% in 2021 and by 4.7% in 2022.

The Omicron variant represents the largest element of uncertainty for internal demand, now characterized by moderate consumer spending growth and very mild investment growth; the contribution from foreign demand is negative.

2021 was a good year for the Italian economy, which as mentioned above had 6.3% growth. Household spending, especially for services, recovered when the lockdown ended and the tourism season began; investments in capital goods performed very well, and have returned to the pre-crisis levels; investments in construction rose, although not at the same rate of the huge post-lockdown recovery prompted by tax incentives for building renovations. Exports improved considerably, despite the difficulties remaining in international supply chains, which affect the Italian manufacturing industry less than other main competitors, since Italy uses less large-scale production, which is vulnerable to supply interruptions, and more niche manufacturing, with tailored processes.

A degree of uncertainty for the imminent future stems from a relapse of infections and inflationary pressure that is proving to be more persistent than anticipated. The Omicron variant is fueling fears of the need to impose new restrictions on social and economic activities. Inflation reappeared on the economic scene after nearly 20 years, but monetary policies can do little about it because the price increases were caused by supply shortages (instead of excess demand); the revival of post-lockdown demand was met with supply chain bottlenecks, so the prices of many semi-finished goods, affected by scarce or no availability, made production costs rise. Currently the increases are being absorbed largely by manufacturers, which prefer to prioritize customer relations and invest in quality, but this cannot continue forever: if by the end of next summer the supply chain situation should return to normality, the damage to the recovery caused by inflationary pressures will be contained and businesses will be able to continue to benefit from better global demand; otherwise, the economic recovery could be undermined.

METAL PRICE AND CURRENCY TRENDS

2021 was not an exciting year for gold. Investors preferred risky assets by far, and gold was left behind. Spot prices moved in the area of 1,780 $/oz, and the record high of nearly 2,100 $/oz reached in August of last year appears distant. Prices in euros opened the year at 61 €/g and then slid to 46 €/g by the end of February; after that they fluctuated upwards to peak at 53€/g in November and closed the year at 51.6 €/g.

Although the demand for silver was driven by solid demand from industrial sectors, silver prices stayed on a downward trend in 2021, affected by the speculative and safe haven asset positions shown for gold. Starting off at around a 0.71 €/g, the price of silver peaked at 0.76 €/g in February, hit a low of 0.60 in the fall, and closed the year at 0.65 €/g, down by 8%.

A rare, silvery-white metal, platinum is used in many industrial sectors, especially in jewelry and in anti-pollution systems of cars, and to make catalysts for the chemical industry. In 2021 it opened at around 30 €/g and then quickly rose to 34 €/g at the end of February; after that prices fell slowly until bottoming out in October and closing the year at 27 €/g.

Palladium, one of the platinum-group metals (PGMs) and chemically similar to platinum, is extracted mainly from certain copper and nickel minerals. Its most common uses are in industry, as a catalyst, and jewelry. In 2021 its price was far from earlier ones, but it touched on important levels as a result of industrial demand, reaching 77 €/g, and then fell steadily to close the year at 54 €/g.

Rhodium is a silvery-white, hard transition metal. It is found in platinum minerals, and in platinum alloys is used as a catalyst, especially in the automotive industry but also in the galvanic sector of the goldsmith and jewelry industry. It is an industrial metal that has recently given great satisfaction to speculators and those who owned some of it. During the year it fluctuated to the extent of peaking at 728 €/g, but then, affected by the general decline of PGMs, it closed at 400€/g, with a 46% decline.

With respect to currencies, in 2021 the average EUR/USD exchange rate was 1.18, up by 3.7% from 2020. The single currency gained strength particularly in the first half of the year, assisted by the optimism relating to the launch of the vaccination campaign and the consequent improvement in the global macroeconomic situation.

BUSINESS CONDITIONS AND DEVELOPMENTS

Chimet is the leading chemicals/metals business operating in the sector of precious metal recovery and refining. Over the years, the range of products and services offered to domestic and international customers has greatly expanded, diversifying from the trading of precious metals to the manufacturing and sales of galvanic salts for the galvanic-ornamental industry, of catalysts for the pharmaceutical and petrochemical industry, and of serigraphic pastes for the automobile, electronic and solar energy panel industries.

The Company's mission is to satisfy its customers that assign their metals for refining, and to ensure the best return possible in terms of quality and quantity.

The Company is now able to treat all types of industrial scrap containing gold, silver, platinum, palladium, rhodium, ruthenium and iridium, in an extremely modern industrial plant that provides the best conditions for output and is equipped with the most advanced environmentally safe technology.

Chimet also produces supported catalysts based on precious metals (Pt, Pd, Rh, Ru). Over the years, Chimet's Catalyst Division R&D group has developed extensive expertise by working closely with universities and research institutes, undertaking projects aimed at improving and developing the products and services offered to its customers.

The Thick Film Division was started up in 1984 out of Chimet's instinct for innovation. The creation of new product lines is the result of important investments in research and development. The first products developed were conductive silver-based pastes, used to produce heated rear windows for the automotive industry. Afterwards Chimet expanded its product range, creating conductive Ag, Ag/Al and Al pastes for the production of silicon photovoltaic cells, silver pastes for glass and ceramic decoration, and silver powders for diamond wheels and sintered contacts.

Chimet's Ecology Division guarantees effective, environmentally safe solutions for eliminating waste. The technological standards of Chimet's investment program are superior to those set by Italian legislation and EU directives.

The abatement equipment used to dispose properly of all kinds of waste produced by the processing cycle is among the most advanced in the world.

Emission levels are continually monitored and testing is carried out in real time. Chimet is committed to environmental sustainability, and places high socio-economical value on developing the business in this respect. The technical training of its staff and its safety features make the Ecology Division a reliable partner for the thermodestruction of hazardous and toxic waste. Chimet possesses all the authorizations required by law for the collection, storage and treatment of waste.

In compliance with Article 2428 of the Italian Civil Code, it is reported that operations take place at the following branch offices:

- Thick Film and Catalysts division - loc. Viciomaggio, via di Pescaiola 74 Civitella in Val di Chiana (Arezzo)
- Vicenza branch - viale Anconetta 49 c/b, Vicenza.

DEMAND AND MARKET TRENDS

The post-pandemic period has been characterized by high demand for precious metals, and gold in particular has returned to being a safe haven asset secure from negative rates.

The global economy's recovery took some sectors by surprise. Physical precious metal quantities were insufficient, due in part to the decrease in the supply of used gold; at a domestic level, the strong demand for precious metals continued to exceed all expectations. This was accompanied by investors' growing interest in gold: the demand for precious metals reached very high levels, leading to a supply shortage for "physical" metal in the wholesale market.

These events were accompanied by a long series of announcements made by various governments committed to meeting increasingly restrictive environmental targets, including China, which is preparing a new five-year plan focused not only on technological and infrastructural development, but also on environmental sustainability and green investments.

For such reasons, risk propensity rose sharply on financial markets, contributing to price increases for most cyclical assets, including industrial metals and energy, and triggering sales of defensive assets, including precious metals.

As global growth accelerates and the distribution of new vaccines enables to limit the economic damage caused by the pandemic, future industrial and automotive growth will return to be the main driver of palladium and platinum prices.

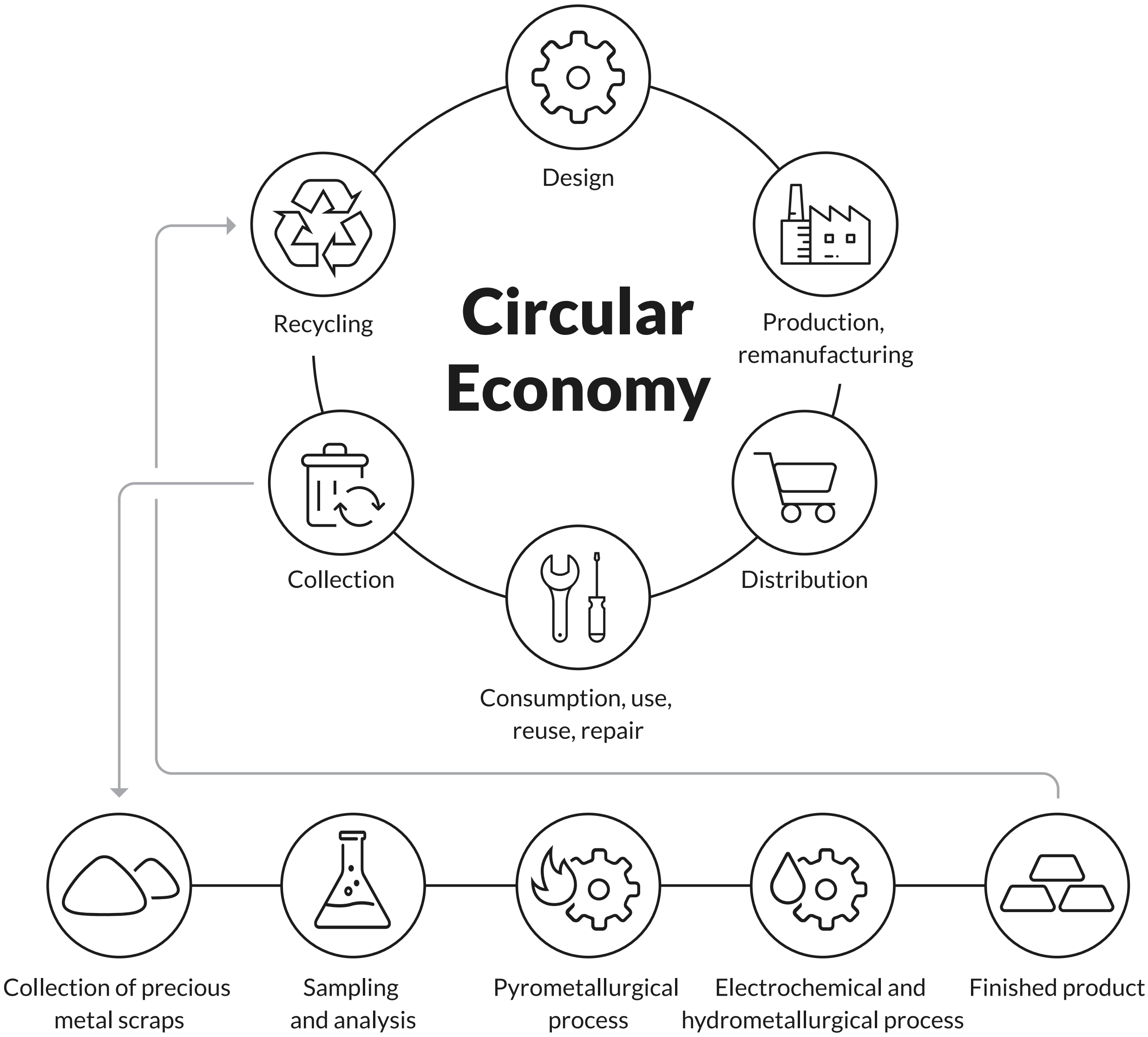
In this market scenario, Chimet continued to achieve high volumes, ending the year with total revenues of € 4.3 billion, an unprecedented level (up by more than 30% from 2020), and much better margins, with EBITDA of nearly € 112 million, versus the € 74 million of the previous year.

The demand for precious metals enabled to increase the volumes of subcontracted work; in particular demand remained high for the platinum group metals (PGMs), all of which are rare and costly and share similar physical and chemical properties and industrial applications in new technologies: platinum and rhodium contributed the most to this.

The total manufacturing output was substantially consistent with that of the previous year (+1.3%). Recovery activities performed well, and galvanic salts (+40%) and serigraphic pastes (+6%) made a comeback.

Italian sales recovered in 2021, returning to exceed foreign sales after the turnaround of the historic trend in 2020, with domestic sales accounting for more than half of the total turnover.

SUSTAINABILITY APPROACH



Chimet considers sustainability key to maintaining its position as a leading provider of an industrial service based on a closed cycle of recovery, refining and production of precious metals and precious metal-based chemicals.

Chimet's mission is clear and precise: to recover and refine precious metals from industrial processing waste, making it easier to recycle them in the production of catalysts, thick films and chemicals.

The processes Chimet has developed also allow for recovering pure precious metals that re-enter the production cycle of companies across the globe. At the same time, the Company disposes of waste from the recovery processes with the utmost care, in compliance with current regulations, and directs it toward other systems for reuse.

Chimet has always conceived its business as a productive organization strongly connected with its social, environmental and cultural surroundings.

From the start, it has spontaneously espoused the values of respect for and protection of human rights, the environment, and the dignity and safety of its staff, and has sought financial affirmation through activities that not only comply with laws and regulations, but also respect moral integrity and personal responsibility.

Raw material traceability and responsible sourcing: these are the fundamental sustainability principles for which Chimet is known in the world, because it has always used certified production systems, adherent to the main global standards.

Thanks to this sustainability approach, the Company can ensure a safe, certified and lasting product.

With its voluntary adoption of the Responsible Jewellery Council guidelines in 2019, Chimet chose to select and check all the incoming precious metal quantities in order to ensure, from the time of their purchase, compliance with the OECD Guidance for responsible gold and silver.

Only severe controls over counterparties and third-party suppliers of incoming materials containing precious metals can guarantee that the ethical principles set out by management correspond to the regulations in force, resulting in an unequivocally certifiable finished product regardless of the Company's numerous procurement sources and consequent production complexity.

Chimet gives its maximum attention to the procurement sources of such precious materials, taking care to observe anti-money laundering laws.

“Chimet with You” was created to provide support to projects with a high social value and give assistance to the elderly, disadvantaged families, people with reduced mobility and schools, and to fund cultural, recreational and sports initiatives.

ChimetConTe is a project designed by Chimet for giving charitable contributions intended to benefit the local area. A yearly budget was established for ChimetConTe, allocated in a way to contribute to the largest possible number of projects concerning prevalently the state of the local area.

The projects financed in recent years include the “Treasure Room” of the National Archaeological Museum of Arezzo, restoration of the ancient stained glass windows of the Basilica of San Domenico (Arezzo), restoration of the Polyptych by Lorenzetti in Pieve at the Pieve di Santa Maria church in Arezzo, donations to the cancer unit of the San Donato Hospital and donations to the neonatal care unit of the same hospital.

RECLASSIFIED INCOME STATEMENT DATA

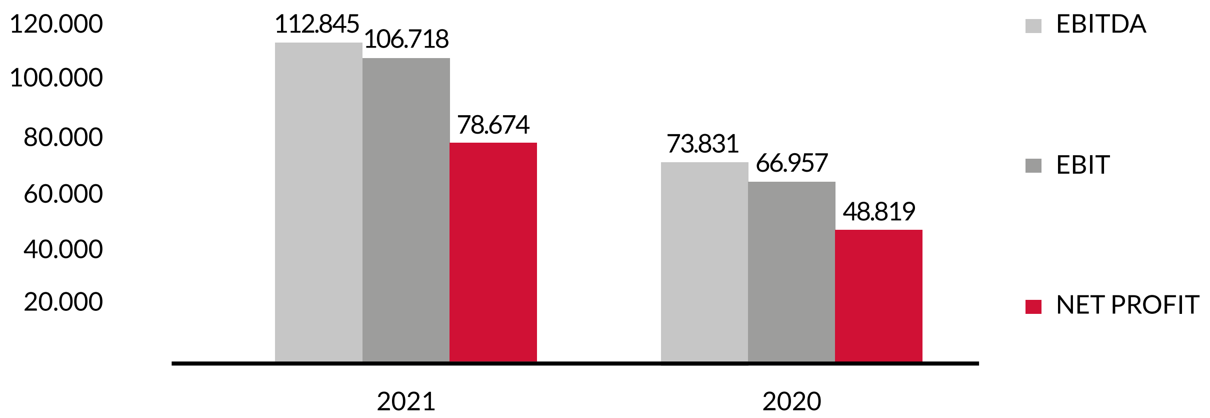
RECLASSIFIED INCOME STATEMENT DATA (in thousands of euros)	Dec. 31, 2021		Dec. 31, 2020		Change	
	€/1000	%	€/1000	%	€/1000	%
SALES	4,361,768	100%	3,159,108	100%	1,202,660	38.1%
COST OF SALES	(4,221,079)	(96.8%)	(3,063,044)	(97.0%)	1,158,035	37.8%
GROSS MARGIN	**140,689**	**3.2%**	**96,064**	**3.0%**	**44,625**	**46.5%**
OTHER OPERATING COSTS	(27,844)	(0.6%)	(22,233)	(0.7%)	5,611	25.2%
EBITDA	**112,845**	**2.6%**	**73,831**	**2.3%**	**39,014**	**52.8%**
DEPRECIATIONS	(3,507)	(0.1%)	(3,804)	(0.1%)	(297)	(7.8%)
OTHER PROVISIONS	(2,620)	(0.1%)	(3,070)	(0.1%)	(450)	(14.7%)
EBIT	**106,718**	**2.4%**	**66,957**	**2.1%**	**39,761**	**59.4%**
FINANCIAL RESULT	955	(0.0%)	(546)	0.0%	1,501	(274.8%)
OTHER INCOME/(COSTS)	1,585	0.0%	585	(0.0%)	1,001	171.1%
TAXATION	(30,584)	(0.7%)	(18,176)	(0.6%)	12,408	68.3%
NET PROFIT	**78,674**	**1.8%**	**48,819**	**1.5%**	**29,855**	**61.2%**

The 2021 sales performance was excellent, with revenues up by 38%, generating a net profit of € 79 million, up by 61% from the previous year, thanks especially to the quantities handled, the demand for gold and PGMs, and the related price curve. In this scenario, the trading of precious white metals and gold produced impressive results, thanks in part to the constant availability of "physical" metal.

Precious metal sales absorbed 90% of the cost of sales, with an increase of nearly 40% from the prior year, and gold sales accounting for more than 60%.

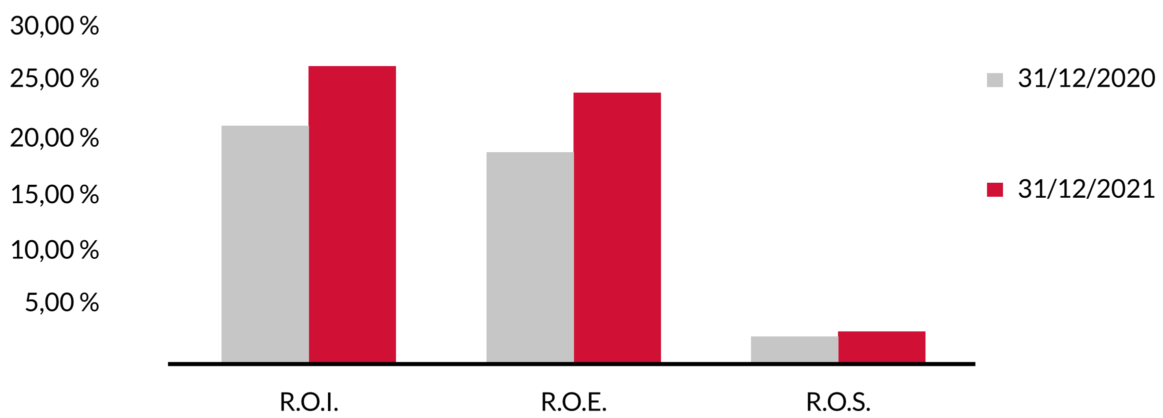
Variable costs performed similarly to sales as a result of their being constantly monitored, whereas fixed operating expenses generated the economies of scale expected on the basis of the existing volumes. Accordingly, EBITDA, which indicates a company's revenue solely from operating activities and provides a rapid approximation of the cash flows generated, rose by 52%, reaching € 112 million.

Due to the impact of the economic situation, the policy of safeguarding assets required additional provisions of € 2.6 million, but the operating income (EBIT) rose by 78% to € 107 million.



Profitability in terms of the return on investment (ROI) rose from 24% to 34% due to the aforementioned changes, leading to an excellent level even with compared with the average for the market, and confirms the Company's ability to generate income from the industrial activity despite substantial, ongoing investing activities that naturally involve considerable overheads. The gross return on equity (ROE), which measures the remuneration of equity capital, i.e. the return on the capital contributed by shareholders to the company, is 33%, versus the 26% of the prior year.

As a result of the foregoing, after taxes of some € 30 million, the net profit is approximately € 78 million, up by 60%.
The following graph presents the performance ratios.

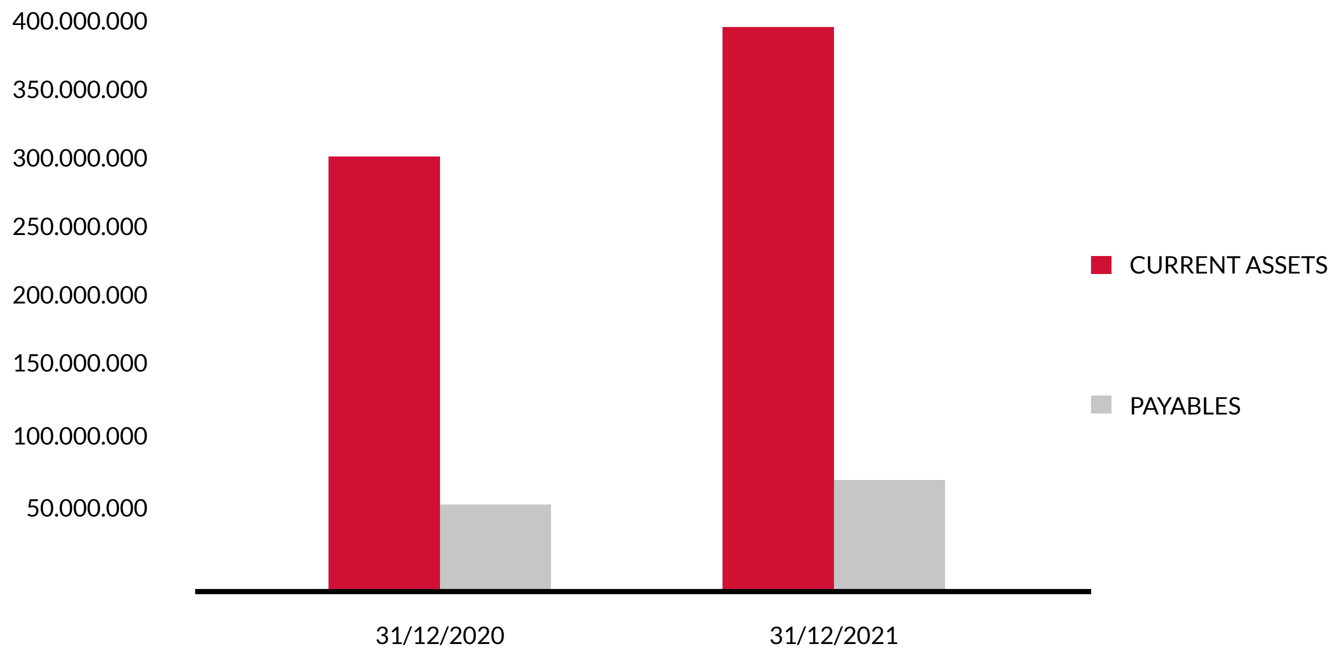


FINANCIAL CONDITION

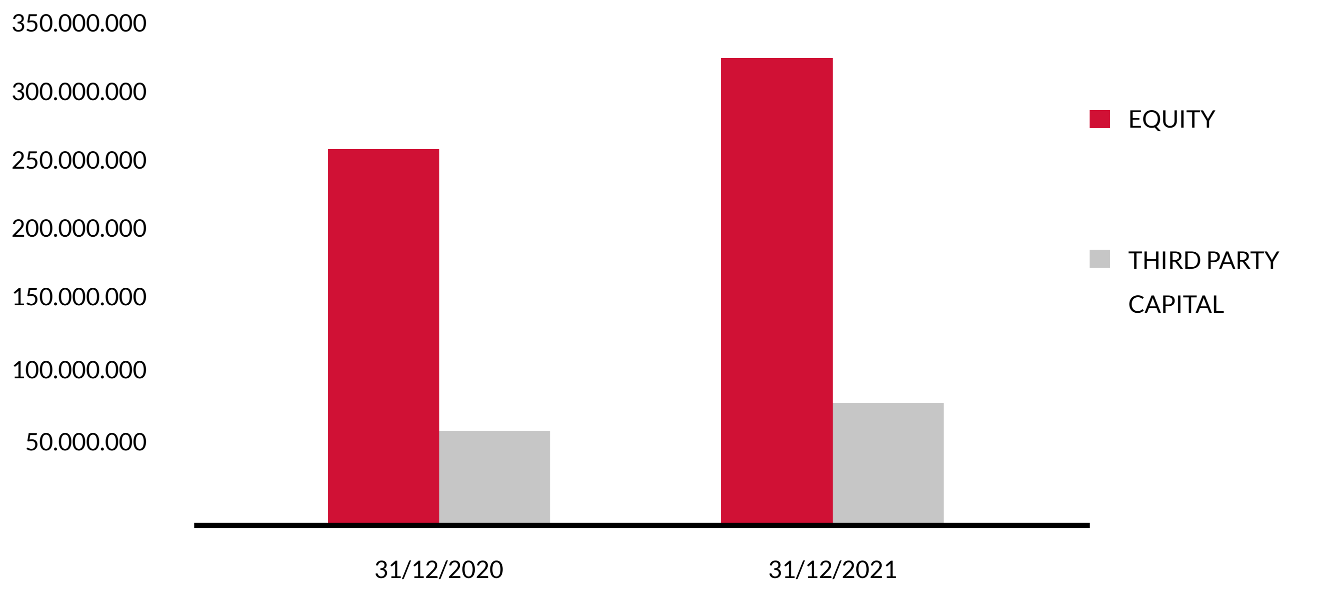
The balance sheet continues to feature a prevalence of short-term aggregates: net working capital rose by € 68 million (+27%) from the prior year to more than € 317 million, mainly as a result of the increase in owned precious metals in stock.

In this context, the overall improvement is demonstrated by the net financial position, which rose by more than € 25 million, from indebtedness of € 10 million to a positive € 15 million due to the operating cash flows.

That said, the current ratio and quick ratio (respectively 1.96 and 4.68 versus 5.80 and 2.48) are still performing well and represent an excellent financial situation.



The equity coverage ratio demonstrates that equity covers more than 23 times the fixed assets, confirming the Company's very solid financial condition. Equity covers 80% of the invested capital.



Chimet continues to achieve good financial ratios, confirming its capacity to finance growth with its own funds; all its net investments are financed with funds provided internally.

Italian Civil Code Article 2423 requires including a cash flow statement in the financial statements.

The cash flow statement facilitates the analysis of cash flows deriving from business operations within a set time period. It enables to assess the cash and cash equivalents generated and absorbed by operating activities and the methods of using/covering them, and the Company's ability to meet short-term financial obligations and to finance itself.

The operating cash flow, before changes in working capital, increased considerably to € 114 million from the € 74 million of the prior year. The absorption of net working capital is significantly higher than that of the prior year, due to the need to increase inventories, resulting in a cash flow from operating activities of € 40 million, compared with the € 18 million of the previous year.

All this leads to better cash generation compared with the previous year and an important improvement in the net financial position.

CAPITAL EXPENDITURES

A few years ago Chimet drew up and approved an important plan for development and investment: the project for “expansion, ecological restoration and re-landscaping of Chimet’s Badia al Pino factory”. With a resolution passed on January 21, 2019, the Regional Council of Tuscany agreed with the environmental compatibility of the Environmental Impact Assessment (“EIA”) application regarding the plan for the “extension of production activity of the recovery of precious metals from special hazardous and non-hazardous waste” submitted by the Company.

THE PROPOSED PLAN HAS TWO MAIN OBJECTIVES:

To increase the quantities of special waste, both toxic and non-toxic, that are treated and stored at the Badia al Pino factory.

To restore the ecological balance and natural landscape to the factory site.

The above objectives could be attained through a series of initiatives focusing on three main aspects:

- An increase in total volumes;
- Environmental and landscape restoration works both within and outside the factory perimeter;
- Rationalization of the current equipment and new layouts.

The project will naturally have a significant impact on local employment.

The project will be achieved using the "Best Available Techniques", and will comply with the applicable national and regional rules and regulations in force on hazardous and non-hazardous waste, atmospheric emissions, noise impact, protection of water, the ground surface and the sub-surface, and landscape preservation.

After a long process that involved entities such as the ASL, the Municipality of Civitella, ARPAT and the Region of Tuscany and that included a public investigation, with the participation of the local community Chimet obtained the favorable environmental compatibility ruling for a project that is cutting-edge from an engineering and operating perspective, centered on environmental matters, that should create jobs and well-being through concrete application of the principles of the circular economy.

While reviewing its business plan in the light of the most efficient positioning of the business strategies, the Company continued with its usual policy of investments in production improvement and in the acquisition of the best available technologies to reduce the environmental impact: the investments aimed at improving and/or maintaining emission standards regarded mainly the implementation of a scrubber for gases originating from Sector G and the replacement of a scrubber for fumes originating from Sector A.

From a production standpoint, the most important expenditures regarded the expansion of Sector K and of the refining division, as well as the creation of the new ST14 storage facility.

THE ENVIRONMENTAL SYSTEM

(information required by
Legislative Decree 32/2007)

Chimet is an ecological factory that is obtaining the highest level of environmental certifications.
As well as complying with current environmental regulations, the Company is implementing even stricter measures, investing in superior technological standards than those required by law, for the continuous and safe monitoring of environmental protection.
Chimet has developed a unique closed-loop processing cycle to integrate precious metal recovery with waste disposal.
Sophisticated systems are used to eliminate fumes and particles and to purify water, which enable to offer eco-compatible systems for the treatment and disposal of waste. In the end, what remains of the waste is an inert material similar to obsidian, harmless and non-polluting.
In accordance with the policies set by management, Chimet continues to improve its manufacturing efficiency and effectiveness, with a special focus on the environmental aspects.

The environmental management of the three sites located in Badia al Pino, Viciomaggio and Vicenza features legislative compliance, sustainability and ongoing improvement.
An environmental audit is performed annually by Certiquality S.p.A, which renewed in April 2020 the certification of the environmental management system under the ISO 14001:2015 standard and validated the EMAS Environmental Statement for the two manufacturing plants located in Badia al Pino and Viciomaggio, in accordance with Regulation (EU) n. 1221/2009.

Since 2019 Chimet has been certified by the Responsible Jewellery Council ("RJC") with respect to its systems (ethics, environment, safety, responsible sourcing) under the Code of Practices ("COP") standard, without any non-conformances found or recommendations issued, and under the Chain of Custody ("COC") standard for gold and PGMs.

In this scenario of growing business responsibility, the accreditation of gold, silver, platinum and palladium was confirmed on the Good Delivery List of the London Bullion Market Association, which recognizes international quality standards to refiners that produce precious metals.

The Environmental Statement contains a brief, clear description of the three plants, their environments, the activities performed there and the environmental management system, as well as an analysis of the performance of environmental aspects over a period of three years. The statement represents a communication tool to improve relations with the public and with the authorities. The Environmental Statement can be downloaded from the Company's website: www.chimet.com.
The statement is intended to have wide reach and reports the environmental improvement plan, describing the activities that the Company intends to implement in the three-year period from 2020 to 2022 to improve its environmental performance.

The final version of the 2021 AIA Annual Report was prepared for submission within the prescribed time limit.

The Monitoring and Control Plan, reported in the Integrated Environmental Authorization, was implemented at all atmospheric emission points. The Company's website, www.chimet.com, publishes the continuous monitoring data of the emissions produced by the waste thermodestruction plants.

With respect to the environmental system, the plan for the "extension of the production activity of the recovery of precious metals from special hazardous and non-hazardous waste" submitted by Chimet was drawn up specifically to ensure sustainable development for Chimet's processes. On January 21, 2019 the Regional Council

UNI EN ISO **9001:2008**
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of Tuscany ruled favorably on the environmental compatibility of the related Environmental Impact Assessment or "EIA" application.

The plan derives from the work of a group of experts coordinated by Prof. Leonardo Tognotti, a professor of civil and industrial engineering at the University of Pisa.

The project envisions, on one hand, an increase in the quantity of recovery waste to be treated and an increase in the total number of working hours, and on the other hand, plant modifications, new technologies (the most advanced on the market), and the reorganization and expansion of areas dedicated to workers such as the cafeteria, changing rooms, technical offices and parking lots.

Important mitigation and compensation work benefiting the local community and the environment are part of the plan, including the planting of new green areas, installation of sound-absorbing partitions, and implementation of a feasibility project for remote heating using thermal waste from the plant.

With the submission of the application to the responsible regional offices in March 2022, the administrative process to obtain the Integrated Environmental Authorization commenced, consisting of two phases.

In the first, immediate phase, storage would increase from 335 to 1,000 tons. This change is requested for organizational and operational purposes and will not involve any type of technical intervention because it is compatible with the current capacity of the authorized plants. In this phase, the quantity of waste accepted for treatment will increase from 12,500 to 17,000 tons, with a maximum set by Chimet in the EIA application of just 8,000 annual tons in the thermal destruction sector. The rest will be treated in the precious metal recovery sector. Moreover, an increase in the total working hours of some sectors designated for precious metal recovery is requested.

The second phase involves carrying out the definitive project over 5 years from the time of approval. The time is needed to work on equipment in the sectors designated for precious metal recovery and for some construction work.

Rising demand for precious metal recovery from spent catalysts and catalytic converters has created the need for industrial restructuring of the sectors dedicated to such activities. When at full capacity, Chimet will be able to treat up to 24,000 tons of special hazardous and non-hazardous waste. This second phase is expected to limit the annual waste designated for thermal destruction to 8,000 tons.

In Sector B, where recovery from industrial waste is handled, three furnaces are to be added to the current furnaces in order to expand the potential of recovery from carbon-based catalysts. The equipment is meant to recover the maximum quantity of precious metals, so its productivity is low.

In Sector C a new flue gas abatement system and the building of three furnaces, one of which replaces a previous one, are foreseen for melting metals arriving from Sectors A and B, for a maximum quantity of 12,285 tons per year.

Chimet also envisions installing a latest-generation cogeneration plant to produce electricity with natural gas. This will be an important improvement with positive impacts. While generating electricity for internal use, the plant will also produce water and steam that will be fully recycled, including for a hypothetical future supply of hot water to approximately 300 families in Badia al Pino.

Chimet has also envisioned architectural and landscape improvements, and the elimination of all types of civil and industrial wastewater discharges outside the plant, after the rainwater has been completely recuperated.

Chimet is increasingly motivated to recycle waste in its pursuit of the European objectives of the circular economy. The project will lead to more incoming waste, but 90% of the outgoing material is in the form of waste used in equipment that produces raw materials for cement production. Saline water produced in the metal recovery processing cycle serves to cool the fumes in the incineration phase, instead of running water. The salts contained in the water crystallize through evaporation and are recovered and sent to third parties for recycling. The rest of the saline water is disposed of in authorized plants. Precious metals obtained from castings go back to being a raw material available for sale, in observance of end-of-waste criteria.

In 2021 the RJC-COP certification was updated after the 2019 issuance and the subsequent extension to silver of the RJC-COC certification.

During the first two months of 2022, a plan with a major consulting firm was drawn up for the preparation of the sustainability report, in the form of a prototype for 2021 and a definitive report for 2022.

The following disclosures are reported with respect to the other information required under Italian Legislative Decree 32/2007:

MANDATORY DISCLOSURES CONCERNING PERSONNEL

During the reporting period there were no:

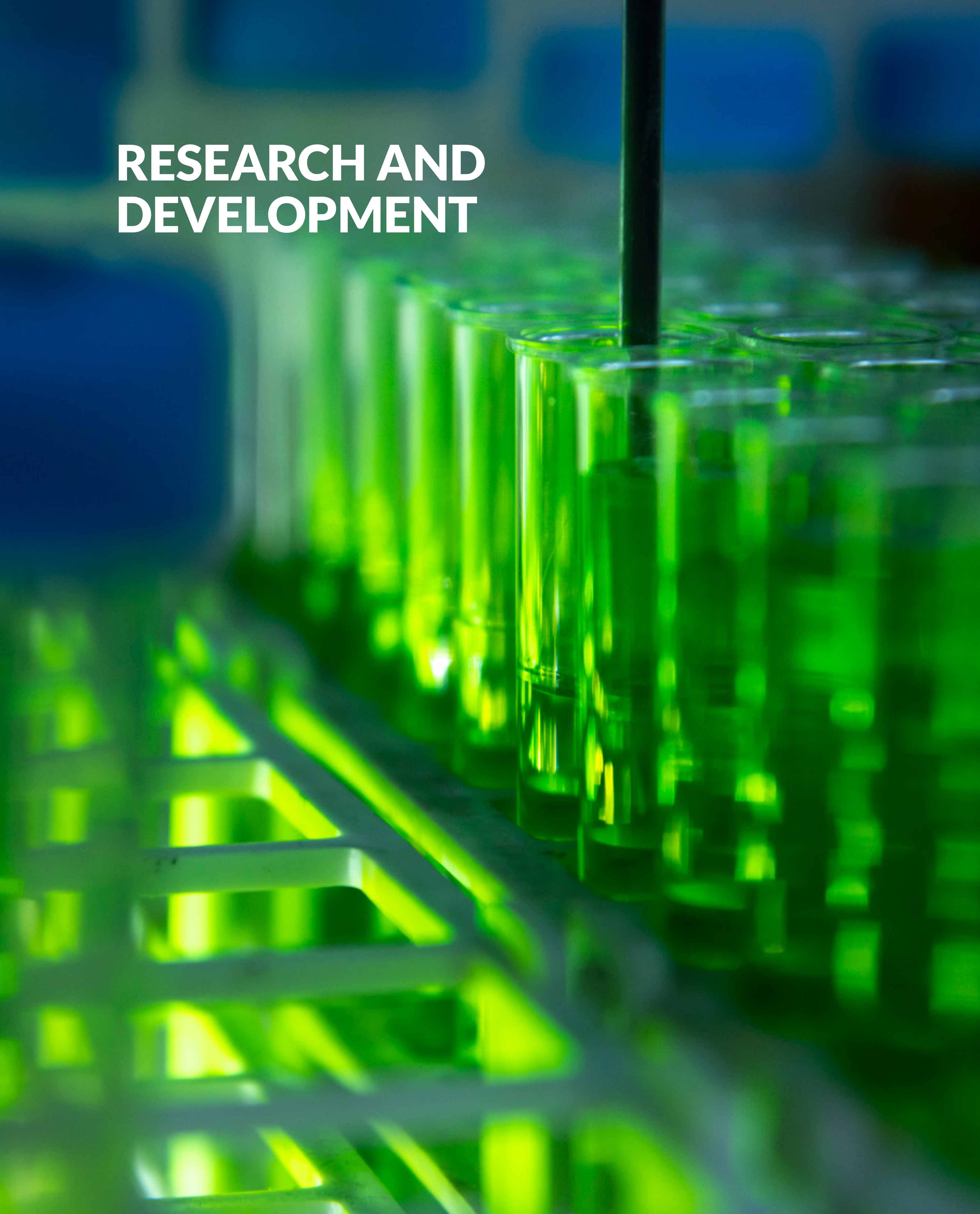
- Deaths of employees listed in the company's employee register for which the Company has been found liable;
- Serious industrial accidents causing severe or critical injuries to employees listed in the Company's employee register for which the Company has been found liable;
- Costs for occupational diseases of employees or former employees or lawsuits for tormented workers ("mobbing"), for which the Company has been found guilty in a final verdict.

MANDATORY DISCLOSURES CONCERNING THE ENVIRONMENT

In the year there were no:

- Damages caused to the environment for which the Company has been found guilty in a final verdict;
- Sanctions or penalties imposed on the Company for environmental violations or damages.

RESEARCH AND DEVELOPMENT



In accordance with Civil Code Article 2428, paragraph 2, n. 1, it is reported that the Company places ever-greater importance on research and development through collaboration with major Italian universities and with specialized internal personnel dedicated to such activities.

Research and development is a continuous, daily process that year after year has enabled the Company to improve its production processes in terms of output and to reduce the lead time, resulting in greater efficiency even from an environmental perspective. Research and development is strictly related to the core activity and is capable of developing, along with it, a virtuous cycle in which the development of knowhow makes the Company more efficient and effective and fosters new learning processes.
Research has always been a priority for Chimet, and has enabled it to become an industry leader; innovation has permitted the Company to resolve issues regarding hazardous waste disposal, and to combine ecological and safety demands with the best possible production output.
The result is a mix of efficiency and sustainability for all Chimet's operations.

The research activities conducted during the year include the study of a new, alternative silver refining process based on an innovative chemical attack of silver metal that allows to reduce nitrogen oxide emissions and avoid melting phases used up to now, making the refining process shorter and more efficient.

Part of the research involves dissolving platinum metal alloys whose output, despite the long reaction time, is always limited. The analysis was carried out with a versatile approach that takes into account several factors: the physical, chemical and mechanical aspects were evaluated. This made it possible to improve considerably the output of the chemical attack of metal alloys with a high platinum content.

During the year a new analytical method to determine platinum and palladium purity through the WD-XRF technique for high-purity alloys was developed.
Guidelines present in literature use the principle of difference analysis with the introduction in the sample of pollutants that are then totally eliminated. Difficulties in identifying and dissolving the impurities make this method difficult to apply, so an alternative process was sought that can represent innovation in the industry.

Considering the growing industrial importance of systems analyzing platinum-containing or palladium-containing materials, research was begun to find a new method to verify and determine the impurities present that do not involve a chemical attack. The method used up to now presents certain difficulties regarding the proper identification of the reagents to be used for dissolving and possible impairment of the equipment used for the preparation.
The technique studied, innovative for the industry, enables to sidestep the acid digestion phase, with all the advantages that derive from this. The greatest difficulty lies in the absence of reference material and thus the preparation of internal standards for calibration and quality control purposes.

Other important research was conducted to separate selenium during the production process and to design a tunnel furnace for crucible melting, innovative for the industry.
As usual, the research and development activities were carried out at the Viciomaggio plant, where studies were continued for the development of elastic and thermoforming inks, and research of new methods for catalyst characterization.

For the Catalyst division, research is underway for platinum-based and palladium-based catalyst characterization supported by alumina, the creation of a catalyst with ruthenium on carbon pellets or alumina for sugar hydrogenation, and the possibility of producing new catalysts with palladium in a variable percentage (ranging from 1% to 10%) to be used in various types of production.

The Thick Film division also conducted research and development regarding innovative products with the intention of expanding its product range and reaching new markets.
Studies were conducted on elastic inks, to increase their electrical conductivity, and thermoforming inks, to improve their printing possibilities.
Research is also underway on lamellar particles for the purpose of reducing the loss of connector strength and maintaining good electrical conductivity and chemical resistance standards.
Similar studies were conducted on "ultraviolet silver" and on a new silver powder that can have very specific physical and chemical characteristics to make it compatible with the production of silver pastes created.

Research and development activities enable the Company to benefit from the tax relief available under Law 160/2019, Article 1, paragraph 198 et seq., as determined by a specifically appointed third party with the professional skills and expertise required.

TRANSACTIONS WITH RELATED PARTIES

Pursuant to Italian Civil Code Article 2497-bis, it is reported that Chimet is subject to management and coordination by Zeor Finanziaria S.p.A., located in Rome, which prepares consolidated financial statements pursuant to Italian Legislative Decree n. 127/1991, Article 27 and shall file them at the Rome Companies Register, and whose consolidation scope has included Unoaerre Industries S.p.A. and its Italian and foreign subsidiaries since December 27, 2012, so such companies are considered entities under common control.

No trade or financial transactions were carried out with the parent company.

The € 7.196 million payable recognized in the accounts represents the portion of dividends approved for distribution in previous periods, but not yet paid in 2021.

Chimet has transactions with the entity under common control (associate), UnoAerre Industries S.p.A., regarding the supply of refining services and precious metals. Those companies are also considered related parties under Civil Code Article 2427, n. 22-bis, due to the presence of two Directors. All transactions, in both quantitative and qualitative terms, are carried out on an arm's length basis, taking into consideration the type of goods (listed metals) and services provided.

The transactions and balances are summarized below; note than the balance with ECLAT Srl has been incorporated into that of Unoaerre due to the merger with the latter company.

Related party	Type of relationship	Trade receivables	Trade payables	Revenues from sales and services	Cost of raw and ancillary materials, consumables and goods	Cost of services	Financial income/ (costs)	Other income
Unoaerre Industries Spa	Client	35,152,692	0	170,276,468	0	0	282,142	8,500
Unoaerre Industries Spa	Supplier	0	13,519	0	31,819,356	81,422	0	0

OWN SHARES AND PARENT COMPANY SHARES

The Company does not own its own or parent company shares, either through trust companies or third parties.

INFORMATION REQUIRED BY ARTICLE 2428, PARAGRAPH 2, POINT 6-BIS OF THE ITALIAN CIVIL CODE

In accordance with Article 2428, paragraph 2, point 6-bis of the Italian Civil Code, the following information is provided concerning the use of financial instruments, considered material to the evaluation of the Group's financial position and performance.
The Company's policy is to avoid speculative financial operations.
The following information is provided concerning the risk mitigation policies, considered material to the evaluation of the Group's financial position and performance.
Management has the objective of managing and limiting the financial risks connected with:

- Credit risk;
- Currency risk, as Chimet has transactions with foreign companies in foreign currency, mainly U.S. dollars;
- Liquidity risk;
- Market risk.

Credit risk

The Company's financial assets are considered to be of good credit quality, except for certain trade receivables (due from clients), which are considered to represent a normal portion of such receivables and have few or no prospects of being collected given the insolvency proceedings in progress.
For such financial assets deemed irrecoverable, a specific provision for doubtful debts has been allocated equal to the estimated credit losses.

Currency risk

In order to manage currency risk, the daily exchange rates are monitored constantly and forward currency (purchase/sales) contracts are stipulated with banks.
On the reporting date the Company had a credit balance of foreign currency (USD) deposits which, translated at the December 31 exchange rate, resulted in a translation loss. The foreign currency deposits are exchanged constantly, giving rise to realized foreign exchange gains or losses.
At the end of the year no forward currency purchase or sales contracts were in place to hedge purchase orders in foreign currency designated for delivery in the current year.

Liquidity risk

Debt instruments and credit lines are in place for meeting payment obligations. The related cash resources are constantly monitored and planned.

Market risk

Information on this type of risk is provided at the beginning of this report.

Legal risks

Legal disputes are handled internally with the assistance of specialized external consultants. Developments of the situation stemming from the Covid-19 health emergency are constantly monitored for each contract currently being executed in order to forecast and manage the potential impacts.

INFORMATION REQUIRED BY DECREE LAW 34/2019, ARTICLE 35 REGULATING THE TRANSPARENCY OF GOVERNMENT GRANTS

In compliance with the transparency legislation concerning government grants, it is disclosed that the Company did not receive any benefits, subsidies, grants, paid engagements or other economic benefits contemplated by Law 124/2017, Article 1, paragraph 25.

The Company did not use the new benefits offered by the Italian government to limit the impact of the Covid-19 emergency, except for the tax credit for the costs of disinfecting premises and purchasing personal protection equipment pursuant to Decree Law 34/2020, Article 125 and Decree Law DL 104/2020, Article 31, paragraph 4-ter.

Due to investments made in new capital goods, Chimet will use the tax credit from Laws 190/2019 and 1078/2020, and the concessions regarding Industry 4.0.

Other public aid available to Chimet consists of the tax credit for research and development activities under Law 160/2019, extended by Law 178/2020, the tax credit for advertising investments, and the “Art bonus” tax credit regarding the charitable contributions given to the Archaeological Museum of Arezzo.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

On February 24, 2022 the Russo-Ukrainian conflict broke out, which led to the imposition of sanctions against Russia. The sanctions will inevitably impact the global economy. Currently, Chimet S.p.A.'s business is not affected directly by the sanctions because the Company does not operate in the Russian market, it does not have Russian, Belarusian or Ukrainian clients, and there are no Russian, Belarusian or Ukrainian suppliers in its supply chain.
Chimet S.p.A.'s shareholders do not have any direct associations with Russian, Belarusian or Ukrainian companies or with individuals who are citizens or residents of Russia, Belarus or Ukraine.
Chimet S.p.A. does not operate in the Russian and Ukrainian markets, so the Company's 2022 budget does not include expectations of sales in those markets. Although it cannot dissolve all the reserves when confronted with a potential indirect adverse effect on the Company's business, caused by a general deterioration of the eurozone economy due to the aggravation and protraction of the conflict, currently there are no direct issues that could affect a positive trend of the Company's operations and business for the year in progress. In accordance with Italian accounting standard 29, the event has been treated as a non-adjusting subsequent event.
By the end of March 2022 the Company had concluded sales in line with those of 2021, paving the way for another good year.
Moreover, the Directors constantly monitor the performance and update the financial forecasts for the following months: even with the aforementioned uncertainty, we believe that the Company and the Group have sufficient financial resources to maintain their going concern status in the foreseeable future.

In 2022 the Company continues to strengthen its existing structures in terms of environmental protection and technological development, in keeping with the business plan, which will enable to adapt and consolidate the structures to meet the greater production demands.
Prices of all precious metals remain high; they surged after the eruption of the conflict in Ukraine and have come down only partially.
A cause for concern is the constantly rising energy costs, which are creating an energy crunch even for supplies of consumable and technological materials.

ALLOCATION OF PROFIT

Shareholders,

The path taken appears without a doubt to be the right one for obtaining the best medium-term results, and the efforts and intentions have been accompanied by results upon which appropriate, environmentally sustainable growth can be based and ensured in the medium term.
In consideration of the foregoing and of the reports of the Board of Statutory Auditors and of the independent auditing firm, BDO S.p.A., we recommend the approval of the Financial Statements together with the Report on Operations, and of the following resolutions for the allocation of the net profit:

PROFIT FOR THE YEAR	**78,673,936 EURO**
To the extraordinary reserve	77,012,146 EURO
To the reserve for unrealized foreign exchange gains exchange as per Civil Code Art. 2426, n. 8	1,661,790 EURO

Thank you for your confidence. We request your approval of the financial statements as submitted.

On behalf of the Board of Directors
The C.E.O.
Luca Benvenuti

BALANCE SHEET - ASSETS	Dec. 31, 2021	Dec. 31, 2020
A) RECEIVABLES FROM SHAREHOLDERS FOR SHARE CAPITAL STILL TO BE PAID IN		
Total receivables due from shareholders for share capital still to be paid in (A)	0	0
B) NON-CURRENT ASSETS		
I - Intangible assets		
1) Start-up and expansion costs	95,019	186,936
4) Concessions, licenses, trademarks and similar rights	36,641	72,139
6) Intangible assets under formation and advances	105,296	54,250
Total intangible assets	236,956	313,325
II - Property, plant and equipment		
1) Land and buildings	5,052,624	5,289,385
2) Plant and machinery	4,335,379	5,139,381
3) Industrial and commercial equipment	223,777	233,529
4) Other tangible assets	355,213	397,707
5) Tangible assets under construction and advances	2,775,907	1,251,309
Total property, plant and equipment	12,742,900	12,311,311
III - Non-current financial assets		
1) Equity investments		
b) Associates	0	59,314
d-bis) Other undertakings	183,640	183,640
Total equity investments	183,640	242,954
2) Receivables		
d-bis) Other receivables		
Due after next year	4,489	4,383
Total other receivables	4,489	4,383
Total receivables	4,489	4,383
Total non-current financial assets	188,129	247,337
Total non-current assets (B)	13,167,985	12,871,973
C) CURRENT ASSETS		
I) Inventories		
1) Raw and ancillary materials and consumables	245,204,979	171,208,946
4) Finished products	585,891	515,878
Total inventories	245,790,870	171,724,824
II) Receivables		
1) Trade receivables		
Due within next year	81,687,794	64,652,709
Total trade receivables	81,687,794	64,652,709
5) Due from entities under common control		
Due within next year	35,152,692	38,928,633
Total receivables due from entities under common control	35,152,692	38,928,633
5-bis) Tax credits		
Due within next year	1,147,212	217,489

BALANCE SHEET - ASSETS	Dec. 31, 2021	Dec. 31, 2020
Due after next year	167,351	146,678
Total tax credits	1,314,563	364,167
5-ter) Deferred tax assets	2,668,463	3,638,142
5-quater) Other receivables		
Due within next year	8,963,661	15,011,088
Due after next year	949,790	1,331,763
Total other receivables	9,913,451	16,342,851
Total receivables	130,736,963	123,926,502
III - Current financial assets		
6) Other securities	60,000	60,000
Total current financial assets	60,000	60,000
IV - Cash and bank balances		
1) Bank and postal deposits	15,732,880	6,007,301
3) Cash and cash equivalents on hand	11,502	8,739
Total cash and bank balances	15,744,382	6,016,040
Total current assets (C)	392,332,215	301,727,366
D) ACCRUED INCOME AND PREPAID EXPENSES	157,537	143,135
TOTAL ASSETS	405,657,737	314,742,474

BALANCE SHEET - LIABILITIES	Dec. 31, 2021	Dec. 31, 2020
A) EQUITY		
I - Share capital	50,000,000	50,000,000
II - Share premium reserve	708,321	708,321
III - Revaluation reserve	3,617,438	3,617,438
IV - Legal reserve	10,000,000	10,000,000
V - Statutory reserves	0	0
VI - Other reserves, disclosed separately		
Extraordinary reserve	183,000,898	143,990,773
Reserve for unrealized foreign exchange gains	0	190,935
Other sundry reserves	2	(2)
Total other reserves	183,000,900	144,181,706
VII - Cash flow hedge reserve	0	0
VIII - Retained earnings/(losses)	0	0
IX - Profit/(loss) for the year	78,673,936	48,819,191
X - Reserve for treasury shares	0	0
Total equity (A)	326,000,595	257,326,656
B) PROVISIONS FOR RISKS AND CHARGES		
1) For agency termination benefits and similar obligations	113,571	93,571
2) For taxes, including deferred tax	282,340	404,604
4) Other provisions	4,174,887	4,174,887
Total provisions for risks and charges (B)	4,570,798	4,673,062

BALANCE SHEET - LIABILITIES	Dec. 31, 2021	Dec. 31, 2020
C) PROVISION FOR POST-EMPLOYMENT BENEFITS ("TFR")	930,854	932,267
D) PAYABLES		
4) Due to banks		
Due within next year	0	16,154,598
Total payables due to banks	0	16,154,598
7) Trade payables		
Due within next year	51,211,261	20,695,035
Total trade payables	51,211,261	20,695,035
11) Due to parent companies		
Due within next year	7,196,000	3,200,000
Total payables due to parent companies	7,196,000	3,200,000
11-bis) Due to entities under common control		
Due within next year	13,519	9,251
Total payables due to entities under common control	13,519	9,251
12) Current tax liabilities		
Due within next year	11,272,536	8,480,557
Total current tax liabilities	11,272,536	8,480,557
13) Social security		
Due within next year	320,127	342,431
Total social security payables	320,127	342,431
14) Other payables		
Due within next year	4,142,047	2,925,514
Total other payables	4,142,047	2,925,514
Total payables (D)	74,155,490	51,807,386
E) ACCRUED EXPENSES AND DEFERRED INCOME	0	3,103
TOTAL LIABILITIES	405,657,737	314,742,474

INCOME STATEMENT	Dec. 31, 2021	Dec. 31, 2020
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	4,361,768,362	3,159,108,160
2) Change in inventories of work in progress, semi-finished products and finished products	70,013	(263,039)
4) Increases in fixed assets due to internally produced work	2,517,328	3,057,334
5) Other income		
Grants for operating expenses	1,700	9,800
Other	2,202,736	1,340,988
Total other income	2,204,436	1,350,788
Total value of production	4,366,560,139	3,163,253,243
B) COST OF SALES		
6) Raw and ancillary materials, consumables and goods	4,289,007,988	3,094,461,060
7) Services	23,077,383	21,045,667
8) Leases and rentals	734,033	1,187,662

INCOME STATEMENT	Dec. 31, 2021	Dec. 31, 2020
9) Personnel:		
a) Wages and salaries	6,150,007	6,075,647
b) Social security costs	2,032,481	1,930,705
c) Post-employment benefits	380,123	357,775
e) Other costs	92,051	48,114
Total cost of personnel	8,654,662	8,412,241
10) Amortization, depreciation and impairment losses:		
a) Amortization of intangible assets	135,461	149,334
b) Depreciation of property, plant and equipment	3,371,382	3,654,826
d) Impairment losses on current receivables and cash and bank balances	2,620,000	3,070,000
Total depreciation, amortization and impairment losses	6,126,843	6,874,160
11) Change in inventories of raw and ancillary materials, consumables and goods	(73,996,033)	(37,034,850)
14) Sundry operating expenses	4,651,995	766,049
Total cost of sales	4,258,256,871	3,095,711,989
Difference between value of production and cost of sales (A-B)	108,303,268	67,541,254
C) FINANCIAL INCOME AND COSTS:		
15) Income from equity investments		
From associates	140,686	0
Total income from equity investments	140,686	0
16) Other financial income:		
d) Income from other sources		
Other	478,155	624,928
Total income from other sources	478,155	624,928
Total other financial income	478,155	624,928
17) Interest expense and other finance costs		
- with entities under common control	134,811	0
Other	455,837	372,323
Total interest expense and other finance costs	590,648	372,323
17-bis) Foreign exchange gains /(losses)	926,476	(770,907)
Total financial income and costs (C) (15+16-17+-17-bis)	954,669	(518,302)
D) ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS:		
19) Writedowns:		
a) Of equity investments	0	27,743
Total writedowns	0	27,743
Total adjustments to value of financial assets (18-19)	0	(27,743)
PRE-TAX PROFIT (A-B+-C+-D)	109,257,937	66,995,209
20) Income tax		
Current taxes	29,735,636	18,777,873
Taxes relating to prior periods	(121,314)	121,932
Deferred tax expense and income	969,679	(723,787)
Total income taxes	30,584,001	18,176,018
21) PROFIT/(LOSS) FOR THE YEAR	78,673,936	48,819,191

CASH FLOW STATEMENT	Current year	Previous year
A. CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
Profit/(loss) for the year	78,673,936	48,819,191
Income taxes	30,584,001	18,176,018
Interest expense/(income)	112,493	(252,605)
Capital (gains)/losses on disposals of assets	(13,561)	(34,665)
1. Profit/(loss) for the year before income taxes, interest, dividends and gains/ losses on disposals	109,356,869	66,707,939
Adjustments for non-monetary items not recognized in working capital		
Allocations to provisions	52,289	11,499
Depreciation and amortization	3,506,843	3,804,160
Other adjustments to non-monetary items	958,210	4,167,749
Total adjustments for non-monetary items not recognized in working capital	4,517,342	7,983,408
2. Cash flow before changes in working capital	113,874,211	74,691,347
Changes in working capital		
Decrease/(increase) in inventories	(74,066,046)	(36,771,811)
Decrease/(increase) in trade receivables	(19,655,085)	(12,358,833)
Increase/(decrease) in trade payables	30,514,157	4,454,731
Decrease/(increase) in accrued income and prepaid expenses	(14,402)	20,709
Increase/(decrease) in accrued expenses and deferred income	(3,103)	2,455
Other decreases/(other increases) in working capital	9,479,733	(2,112,443)
Total changes in working capital	(53,744,746)	(46,765,192)
3. Cash flow after changes in working capital	60,129,465	27,926,155
Other adjustments		
Interest received/(paid)	(112,493)	252,605
(Income taxes paid)	(26,925,952)	(10,483,366)
(Use of provisions)	(155,966)	(15,151)
Total other adjustments	(27,194,411)	(10,245,912)
Net cash from/(used in) operating activities (A)	32,935,054	17,680,243
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment		
(Investments)	(3,817,300)	(4,368,064)
Divestments	27,890	77,954
Intangible assets		
(Investments)	(59,092)	(72,441)
Non-current financial assets		
Divestments	59,208	0
Current financial assets		
Net cash from/(used in) investing activities (B)	(3,789,294)	(4,362,551)
C. FINANCIAL ASSETS		
External funding		
Increase/(decrease) in short-term bank borrowings	(16,154,598)	(14,364,798)

CASH FLOW STATEMENT	Current year	Previous year
Own funds		
(Principal repayments)	0	0
(Dividends and advances on dividends paid)	(4,900,000)	0
Net cash from/(used in) financing activities (C)	(21,054,598)	(14,364,798)
Net increase/(decrease) in cash and cash equivalents (A ± B ± C)	8,091,162	(1,047,106)
Effect of exchange rates on cash and cash equivalents	1,637,180	(1,018,998)
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	6,007,301	8,074,307
Cash and cash equivalents on hand	8,739	7,837
Total cash and cash equivalents at the beginning of the year	6,016,040	8,082,144
Cash and cash equivalents at the end of the year		
Bank and postal deposits	15,732,880	6,007,301
Cash and cash equivalents on hand	11,502	8,739
Total cash and cash equivalents at the end of the year	15,744,382	6,016,040

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

INTRODUCTION

The financial statements for the year ended December 31, 2021, of which these notes are an integral part pursuant to Italian Civil Code Article 2423, paragraph 12, correspond with the duly kept books of account and have been prepared in accordance with Civil Code Articles 2423, 2423 ter, 2424, 2424 bis, 2425, 2425 bis, and 2425 ter using preparation standards compliant with Civil Code Article 2423 bis and the accounting policies specified in Civil Code Article 2426.

The accounting policies pursuant to Civil Code Article 2426 are the same as those used for the financial statements of the prior year, and there have been no special circumstances requiring a departure from the usual policies as governed by Civil Code Articles 2423 bis, paragraph 2 and 2423, paragraph 5.

BASIS OF PREPARATION

For the purpose of preparing clear financial statements that give a true and fair view of the financial position, financial performance and cash flows, in accordance with Civil Code Article 2423 bis:

- Individual items were valued on a prudent, going concern basis;
- All profits included were effectively realized during the year;
- Income and costs were determined on an accrual basis, regardless of when they actually materialized;
- All risks and losses pertaining to the period were included, even if they became known after the end of the year;
- Dissimilar elements making up the various financial statement items were measured separately;
- The accounting policies were the same as those used in the previous period.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below are compliant with Civil Code Article 2426.

Intangible assets

Intangible assets are recognized, up to their recoverable amount, at their purchase or production cost including all directly attributable ancillary expenses. They are amortized on a straight-line basis over their residual useful life.

Patent and intellectual property rights are amortized over their estimated useful life, which does not exceed the term established in the related license agreements.

Intangible assets under development are not amortized.

Intangible assets whose value at the end of the year is consistently lower than the remaining amount to be amortized are carried at that lower value; the writedown is reversed in future years if the reasons for it cease to apply.

Items included under intangible assets have been recognized and measured with consent from the Board of Statutory Auditors, where required by the Italian Civil Code.

Property, plant and equipment

Property, plant and equipment are recognized upon transfer of the risks and rewards of ownership, up to their recoverable amount, at their purchase or production cost net of accumulated depreciation; their value includes all directly attributable ancillary costs, indirect costs for internal production, and internal production financing costs incurred from the beginning of the manufacturing process until the asset is ready for use.

Costs incurred for the expansion, modernization and improvement of structural elements or to make assets more suitable for their purpose, as well as extraordinary maintenance pursuant to Italian accounting standard 16 (paragraphs 49 to 53), are capitalized only if they significantly and measurably increase production capacity or useful life.

For these assets, depreciation is charged individually on the new value, considering the residual useful life.

For property, plant and equipment consisting of the combination of two or more coordinated assets, in accordance with Italian accounting standard 16 (paragraphs 45 and 46), the values of the individual assets are determined in order to distinguish the useful life of each one.

The cost of assets whose use is limited in time is depreciated on a straight-line basis at rates deemed to reflect their estimated useful lives.

All assets are depreciated, including those temporarily out of use, with the exception of those whose utility is never exhausted, consisting of land, non-operating buildings and works of art.

On the basis of Italian accounting standard 16 (paragraph 60), if the value of any buildings includes the land on which they are built, the value of the land is separated from it.

Depreciation begins when the assets are ready and available for use.

The rates reflect depreciation schedules confirmed by business entities and are reduced by 50% for purchases made during the year, which are subject to paragraph 61 of Italian accounting standard 16.

The depreciation schedules, in accordance with Italian accounting standard 16 (paragraph 70), are revised for any changes in residual useful life.

Obsolete assets and those that will no longer be used in the production cycle, pursuant to Italian accounting standard 16 (paragraph 80), are not depreciated and are recognized at the lower of net carrying value and recoverable amount.

The following depreciation rates were adopted:

LAND AND BUILDINGS	
Industrial buildings	5%
Lightweight structures	10%

PLANT AND MACHINERY	
General plant	10%
Special-purpose plant and machinery	35%
Furnaces and other plant	30%

INDUSTRIAL AND COMMERCIAL EQUIPMENT	
Sundry minor equipment	25%
Furniture and furnishings	12%
Electronic office machines	40%
Electronic processors	40%

OTHER ASSETS	
Assets worth less than € 516.46	100%
Motor vehicles and other transport vehicles	25%-20%

Non-current financial assets

Equity investments

Equity investments are classified as non-current assets or as current assets, depending on their purpose.

Long-term equity investments

Long-term investments in subsidiaries and associates are accounted for using the cost method, with adjustments for any impairment losses. In the period in which the impairment loss is no longer applicable, the original value prior to the write-down is reinstated.

Chimet does not have any controlling interests, so it does not draw up consolidated financial statements pursuant to Italian Legislative Decree n. 127/1991, Article 27. The Group's consolidated financial statements are prepared by its parent company, Zeor Finanziaria S.p.A., which shall file them at the Rome Companies Register. Unoaerre Industries S.p.A. and its Italian and foreign subsidiaries have been included in the consolidation perimeter since December 27, 2012 and thus are considered associates, under common control.

In accordance with Italian Civil Code Article 2497-bis, it is reported that Chimet is subject to management and coordination by Zeor Finanziaria SpA, based in Rome, with which it did not carry out any trade or financial transactions.

Short-term equity investments

The Company does not own short-term equity investments or other securities.

Inventories

Inventories are recognized upon transfer of the risks and rewards of ownership, at the lower of cost (including directly attributable charges and indirect costs for internal production) and estimated realizable value, as determined from market prices.

In accordance with Italian accounting standard 13, paragraphs 51 to 53, the realizable value is the average December price of precious metals listed on stock markets, whereas the cost formula adopted for raw materials is LIFO (last in, first out).

Finished products are entered at the production cost incurred for their completion.

Derivative instruments

The Company does not use derivatives for either speculative or hedging purposes.

Receivables

Receivables are recognized as non-current or current assets depending on their destination/origin with respect to core operations, and are carried at estimated realizable value.

They are split into amounts due within and after one year, based on contractual or legal maturities and taking account of events or circumstances that may alter the original maturity, the debtor's realistic ability to meet its obligation on time, and the time horizon within which the receivable is reasonably expected to be settled.

Receivables are recognized at their estimated realizable value, net of the provision for doubtful debts which covers specific amounts unlikely to be recovered as well as the general risk of default, based on past experience, the seniority of past-due receivables, the general economy, industry conditions and country risk, as well as events occurring after year end that affect amounts at the reporting date.

For secured receivables, the impact of enforcing the guarantees is taken into account, while for insured receivables only the uninsured portion is considered.

Tax credits and deferred tax assets

"Tax credits" cover definite amounts that will be either refunded or offset against taxes due.

"Deferred tax assets" are determined on the basis of deductible temporary differences or tax losses carried forward, using the tax rates expected to be in force when those differences reverse.

Deferred tax assets relating to tax losses are recognized when reasonable certainty of their future recovery exists, demonstrated by tax planning for a reasonable period of time that anticipates sufficient taxable income for using the loss carry-forwards and/or the presence of sufficient taxable temporary differences for absorbing the loss carry-forwards.

Cash and bank balances

Cash and bank balances are recognized at their nominal value.

Accruals and deferrals

Accrued income, prepaid expenses, accrued expenses and deferred income are recognized on an accrual basis and include income/costs pertaining to the year but receivable or payable in future periods, and income/costs received or incurred during the year but pertaining to future periods.

Only the portion common to two or more years, which varies over time, is recognized.

At the end of the year it is ensured that the conditions underlying the initial recognition have been met, and any necessary adjustments in value are made, considering the possibility of recovery (if applicable) in addition to the time factor.

Similarly to current receivables, accrued income is recognized at its estimated realizable value. If such value is below the carrying amount, the latter is written down in the income statement.

Similarly to payables, accrued expenses are shown at their nominal value.

Prepaid expenses reflect the corresponding future economic benefit; the value is adjusted if the benefit turns out to be less than the amount prepaid.

Provisions for risks and charges

The risk provisions represent liabilities for situations existing as of the reporting date that are likely but not certain to be incurred.

Provisions for charges represent certain liabilities, pertaining to the year, which will be incurred in the subsequent period.

Estimates are carried out and/or adjusted as of the reporting date, on the basis of past experience and all available information.

In accordance with Italian accounting standard 31 (paragraph 19) and the obligation to classify costs by nature, allocations to the provisions for risks and charges are included with the type of transaction (core, accessory or financial) to which they refer.

Provision for agency termination benefits and similar obligations

This covers the liabilities for supplementary pension and one-off benefits due to employees and independent contractors, by law or by contract, when their employment comes to an end.

Provisions for taxes, including deferred tax

These cover likely taxes for non-definitive assessments and pending disputes, as well as deferred taxes calculated on the basis of taxable temporary differences, using the rate expected to be in force when those differences reverse.

In accordance with Italian accounting standard 25, paragraphs 53 to 85, the provision for deferred tax includes deferred tax deriving from extraordinary transactions, asset revaluations, and tax-deferred reserves not recognized in the income statement or equity.

Deferred tax is not calculated for tax-deferred reserves that would be taxable if distributed to shareholders because, as per Italian accounting standard 25, paragraph 64, there are reasonable grounds to expect that they will not be used in such a way that would cause them to be taxable.

Provision for post-employment benefits

The provision for post-employment benefits is recognized as required by law and covers the full amount accrued to individual employees as of the reporting date, less any advances paid.

Payables

In accordance with Italian Civil Code Article 2426, paragraph 1, n, 8, payables are stated at their amount at inception.

In accordance with the materiality principle, payables are not discounted to present value if the interest rate that can be determined from contractual terms and conditions is not significantly different from the market rate.

They are split into amounts due within and beyond one year, based on contractual or legal maturities and taking account of events or circumstances that may alter the original maturity.

Payables arising from the purchase of goods are recognized upon transfer of the risks, costs and rewards; payables for services are recognized when the service is rendered; and financial and other payables are recognized when the obligation toward the counterparty arises.

The current tax liabilities comprise taxes of a certain and defined amount, as well as tax taken as a withholding agent and not yet paid over to the authorities. Where offsetting is allowed, they are shown net of advance payments, withholdings and tax credits.

Amounts in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rate in force on the last day of the period, with exchange gains and losses taken to the income statement.

Any net gain from the adjustment to end-of-period exchange rates, not absorbed by losses, is entered in a reserve that cannot be distributed until the gain is realized.

Non-monetary assets and liabilities in foreign currencies are translated at the exchange rate in force on the acquisition date. Pursuant to Italian accounting standard 26 (paragraph 31), when the financial statements are drawn up this amount is compared, in accordance with the accounting policies, with the recoverable amount (for non-current assets) or with the current value as determined by market prices (for current assets).

Income and expenses

These are recognized on an accrual basis and in accordance with the prudence principle.

All trade and financial transactions with Group companies and related parties are conducted on an arm's length basis.

BALANCE SHEET INFORMATION ASSETS

NON-CURRENT ASSETS

Intangible assets

Intangible assets amount to € 236,956 (€ 313,325 at the end of the prior year). The composition of the individual items and changes therein are as follows:

	Start-up and expansion costs	Development costs	Patent and intellectual property rights	Concession, licenses, trademarks and similar rights	Intangible assets under formation and advances	Other intangible assets	Total intangible assets
Value at beginning of the year							
Cost	461,702	244,633	743,661	517,312	54,250	924,413	2,945,971
Accumulated amortization	274,766	244,633	743,661	445,173	0	924,413	2,632,646
Carrying amount	186,936	0	0	72,139	54,250	0	313,325
Annual changes							
Annual amortization	91,917	0	0	43,544	0	0	135,461
Other changes	0	0	0	8,046	51,046	0	59,092
Total changes	(91,917)	0	0	(35,498)	51,046	0	(76,369)
Value at end of the year							
Cost	461,702	244,633	743,661	525,358	105,296	924,413	3,005,063
Accumulated amortization	366,683	244,633	743,661	488,717	0	924,413	2,768,107
Carrying amount	95,019	0	0	36,641	105,296	0	236,956

During 2017 the plan to expand the Chimet plant was set into motion with cash outflows that were recognized as intangible assets. The approval process ended with the Regional Council of Tuscany's authorization, so the related expenses were capitalized as start-up and expansion costs, which still need to be amortized. Intangible assets under formation and advances comprise the expenditures incurred up to now for the business software renewal, which had not been completed at the end of 2021.

Property, plant and equipment

Property, plant and equipment amount to € 12,742,900 (€ 12,311,311 at the end of the prior year).
The composition of the individual items and changes therein are as follows:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Tangible assets under construction and advances	Total property, plant and equipment
Value at beginning of the year						
Cost	21,738,839	90,954,647	1,384,021	3,133,730	1,251,309	118,462,546
Accumulated depreciation	16,449,454	85,815,266	1,150,492	2,736,023	0	106,151,235
Carrying amount	5,289,385	5,139,381	233,529	397,707	1,251,309	12,311,311
Annual changes						
Annual depreciation	422,332	2,648,955	109,009	191,086	0	3,371,382
Other changes	185,571	1,844,953	99,257	148,592	1,524,598	3,802,971
Total changes	(236,761)	(804,002)	(9,752)	(42,494)	1,524,598	431,589
Value at end of the year						
Cost	21,924,409	92,799,600	1,483,073	3,152,521	2,775,907	122,135,510
Accumulated depreciation	16,871,785	88,464,221	1,259,296	2,797,308	0	109,392,610
Carrying amount	5,052,624	4,335,379	223,777	355,213	2,775,907	12,742,900

During 2021 Chimet continued with its usual policy of investing in production improvement and purchasing the best available technology to minimize the environmental impact, with capital expenditures of approximately € 3.7 million.
The investments, aimed at improving and/or maintaining emission standards, regarded mainly the implementation of a scrubber for gases originating from Sector G and the replacement of a scrubber for fumes originating from Sector A.
From a production standpoint, the most important expenditures regarded the expansion of Sector K and of the refining division, and the creation of the new ST14 storage facility.
Expenditures representing costs that are deferred because they refer to equipment being completed are recognized as "tangible assets under construction and advances".

Non-current financial assets

The investments in financial assets amount to € 183,640.
During the year the historic 33% stake in Kimet Hellas was sold, causing the decrease in the total value of the equity investments.

	Investments in associates	Investments in other undertakings	Total equity investments
Value at beginning of the year			
Cost	59,314	183,640	242,954
Carrying amount	59,314	183,640	242,954
Annual changes			
Decreases due to disposals (of carrying amount)	59,314	0	59,314
Total changes	(59,314)	0	(59,314)
Value at end of the year			
Cost	0	183,640	183,640
Carrying amount	0	183,640	183,640

The most significant investments in other undertakings refer to stakes in Genergy Spa, Polo Tecnologico La Magona, and Arezzo Fiere e Congressi Srl.

Non-current receivables

The non-current financial receivables amount to € 4,489; they consist of deposits and are unchanged from the previous year, as shown in the tables hereunder.

	Opening nominal amount	Opening net amount	Other increases/ (decreases)	Closing nominal amount	Closing net amount
Security deposits due after next year	4,383	4,383	106	4,489	4,489
Total	4,383	4,383	106	4,489	4,489

The changes are summarized hereunder:

	Amount at beginning of the year	Annual changes	Amount at end of the year	Due after the year
Other non-current receivables	4,383	106	4,489	4,489
Total non-current receivables	4,383	106	4,489	4,489

Non-current receivables by geographical area

The non-current receivables are disclosed below by geographical area, in accordance with Italian Civil Code Article 2427, paragraph 1, n. 6:

Geographical area	Other non-current receivables	Total non-current receivables
Italy	4,489	4,489
Total	4,489	4,489

CURRENT ASSETS

Inventories

Goods are recognized in inventories when the risks and rewards of ownership are transferred.
Inventories include the goods at the Company's warehouse, owned goods held by third parties and goods in transit for which the risks and rewards of ownership have already been transferred.
The goods received from third parties at the Company's warehouses for which the right of ownership has not been acquired (i.e. goods for inspection purposes, processing, consignment) are excluded from inventories.

The inventories included in current assets amount to € 245,790,870 (€ 171,724,824 at the end of the prior year).

The composition of the individual items and changes therein are as follows:

	Value at beginning of the year	Annual change	Value at end of the year
Raw and ancillary materials and consumables	171,208,946	73,996,033	245,204,979
Finished products	515,878	70,013	585,891
Total inventories	171,724,824	74,066,046	245,790,870

The raw materials in stock, consisting of precious metals, are valued using the LIFO method, which implies a prudent inventory valuation, considering that historically precious metal prices have been increasing.

The inventory valuation using the adopted criteria generates a large latent reserve which, before taxes, is more than € 322 million calculated at the average December prices.

That amount increases if the average prices of the initial months of 2022 are taken into account.

This conservative estimate of inventories, the result of careful management, is undoubtedly yet another indication of financial solidity that improves the already excellent business valuation.

Current receivables

Current receivables amount to € 130,736,963 (€ 123,926,502 at the end of the prior year).
Their composition is set forth below:

	Due within next year	Due after next year	Total nominal amount	(Provision for doubtful debts/ writedowns)	Net amount
Trade receivables	89,356,168	0	89,356,168	7,668,374	81,687,794
Due from entities under common control	35,152,692	0	35,152,692	0	35,152,692
Tax credits	1,147,212	167,351	1,314,563		1,314,563
Deferred tax assets			2,668,463		2,668,463
Other receivables	8,963,661	949,790	9,913,451	0	9,913,451
Total	134,619,733	1,117,141	138,405,337	7,668,374	130,736,963

The considerable increase in sales inevitably generated an increase, although proportionally lower, in receivables.
One of the reasons for the higher receivables is the public health emergency, which created for many businesses, not just in the industry, financial difficulties affecting their payment periods.
For the purpose of a prudent valuation of the collectible receivables and to cover the risk of uncollectible accounts, the provision for doubtful accounts for 2021 assumed an adequate amount with respect to the total receivables.

Receivables by maturity

The receivables are disclosed below by maturity, in accordance with Civil Code Article 2427, paragraph 1, n. 6:

	Amount at beginning of the year	Annual change	Amount at end of the year	Due within the year	Due after the year	Due after 5 years
Current trade receivables	64,652,709	17,035,085	81,687,794	81,687,794	0	0
Current receivables due from entities under common control	38,928,633	(3,775,941)	35,152,692	35,152,692	0	0
Current tax credits	364,167	950,396	1,314,563	1,147,212	167,351	0
Current tax assets	3,638,142	(969,679)	2,668,463			
Other current receivables	16,342,851	(6,429,400)	9,913,451	8,963,661	949,790	0
Total current receivables	123,926,502	6,810,461	130,736,963	126,951,359	1,117,141	0

Current receivables by geographical area

The current receivables are disclosed below by geographical area, in accordance with Civil Code Article 2427, paragraph 1, n. 6:

Geographical area	Current trade receivables	Current receivables due from entities under common control	Current tax credits	Current tax assets	Other current receivables	Total current receivables
Italy	59,426,948	35,152,692	1,314,563	2,668,463	9,713,451	108,276,117
Other European Union countries	11,670,765	0	0	0	200,000	11,870,765
Countries outside the European Union	10,590,081	0	0	0	0	10,590,081
Total	81,687,794	35,152,692	1,314,563	2,668,463	9,913,451	130,736,963

Cash and bank balances

The cash and bank balances included in current assets amount to € 15,744,382 (€ 6,016,040 at the end of the prior year).
The composition of the individual items and changes therein are as follows:

	Amount at beginning of the year	Annual change	Amount at end of the year
Bank and postal deposits	6,007,301	9,725,579	15,732,880
Cash and cash equivalents on hand	8,739	2,763	11,502
Total cash and bank balances	6,016,040	9,728,342	15,744,382

The 2021 cash flows generated a substantial cash increase, with bank deposits that more than doubled.

ACCRUED INCOME AND PREPAID EXPENSES

The accrued income and prepaid expenses amount to € 157,537 (€ 143,135 at the end of the prior year).
The composition of the individual items and changes therein are as follows:

	Amount at beginning of the year	Annual change	Amount at end of the year
Accrued income	950	16,135	17,085
Prepaid expenses	142,185	(1,733)	140,452
Total accrued income and prepaid expenses	143,135	14,402	157,537

Composition of prepaid expenses

Description	Amount
Prepaid expenses	140,452
Total	140,452

The prepaid expenses consist primarily of reversals of costs for guarantees given to foreign parties.

BALANCE SHEET INFORMATION LIABILITIES AND EQUITY

EQUITY

Equity at the end of the year amounted to €326,000,595 (€257,326,656 at the end of the prior year).
The tables below show the changes during the year in the separate items of equity and details of "other reserves":

	Amount at beginning of the year	Other allocations	Increases	Decreases	Reclassifi-cations	Profit/(loss) for the year	Amount at end of the year
Share capital	50,000,000	0	0	0	0		50,000,000
Share premium reserve	708,321	0	0	0	0		708,321
Revaluation reserve	3,617,438	0	0	0	0		3,617,438
Legal reserve	10,000,000	0	0	0	0		10,000,000
Other reserves							
Extraordinary reserve	143,990,773	0	49,010,125	10,000,000	0		183,000,898
Reserve for unrealized foreign exchange gains	190,935	0	0	190,935	0		0
Other sundry reserves	(2)	0	0	0	4		2
Total other reserves	144,181,706	0	49,010,125	10,190,935	4		183,000,900
Profit/(loss) for the year	48,819,191	(48,819,191)	0	0	0	78,673,936	78,673,936
Total equity	257,326,656	(48,819,191)	49,010,125	10,190,935	4	78,673,936	326,000,595

For the sake of better comprehension of the changes in equity, the changes in equity of the previous year are presented below:

	Amount at beginning of the year	Other allocations	Increases	Decreases	Reclassifi-cations	Profit/(loss) for the year	Amount at end of the year
Share capital	7,000,000	0	43,000,000	0	0		50,000,000
Share premium reserve	708,321	0	0	0	0		708,321
Revaluation reserve	3,617,438	0	0	0	0		3,617,438
Legal reserve	1,400,000	0	8,600,000	0	0		10,000,000
Other reserves							
Extraordinary reserve	167,770,356	0	27,820,417	51,600,000	0		143,990,773
Reserve for unrealized foreign exchange gains	337,350	0	190,935	337,350	0		190,935
Other sundry reserves	1	0	0	0	(3)		(2)
Total other reserves	168,107,707	0	28,011,352	51,937,350	(3)		144,181,706
Profit/(loss) for the year	27,674,002	(27,674,002)	0	0	0	48,819,191	48,819,191
Total equity	208,507,468	(27,674,002)	79,611,352	51,937,350	(3)	48,819,191	257,326,656

Availability and use of items of equity

The information required by Civil Code Article 2427, paragraph 1, n. 7-bis regarding the specification of the items of equity with respect to their source, use and distribution possibility, and their use in previous periods, is presented hereunder:

	Amount	Possible use
Share capital	50,000,000	
Share premium reserve	708,321	A-B
Revaluation reserve	3,617,438	A-B-C
Legal reserve	10,000,000	B
Other reserves		
Extraordinary reserve	183,000,898	A-B-C
Reserve for unrealized foreign exchange gains	0	A-B
Other sundry reserves	2	
Total other reserves	183,000,900	
Total	247,326,659	
Key: A: for capital increase B: for loss coverage C: for distribution to shareholders D: for other statutory obligations E: other		

Description	Amount	Possible use
Rounding off reserve	2	E
Total	2	

The following information completes the equity disclosures.

Revaluation reserve

The composition of the revaluation reserve is as follows:

	Amount at beginning of the year	Use for loss coverage	Other changes	Amount at end of the year
Law 72/1983	761,257	0	0	761,257
Law 413/1991	596,348	0	0	596,348
Law 2/2009	2,259,833	0	0	2,259,833
Other revaluations				
Total revaluation reserves	3,617,438	0	0	3,617,438

Restricted reserve as per Law 126/2020, Article 7-ter

Chimet did not suspend its operation in 2021, so the suspension of depreciation and establishment of the restricted reserve pursuant to Law 126, Article 7-ter of October 13, 2020 did not apply.

PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges amount to € 4,570,798 (€ 4,673,062 at the end of the prior year). The composition of the individual items and changes therein are as follows:

	Provision for agency termination benefits and similar obligations	Provision for taxes, including deferred tax	Derivative liabilities	Other provisions	Total provisions for risks and charges
Amount at beginning of the year	93,571	404,604	0	4,174,887	4,673,062
Annual changes					
Allocation for the year	20,000	0	0	0	20,000
Use in the year	0	122,264	0	0	122,264
Total changes	20,000	(122,264)	0	0	(102,264)
Amount at end of the year	113,571	282,340	0	4,174,887	4,570,798

In 2021 the tax dispute involving Chimet for transactions dating back to 2012 concluded, and the provision for taxes allocated at that time was used to settle it.
The remaining amount of the provision for taxes is deemed sufficient for covering any measures from the Italian Revenue Agency regarding the tax audit conducted in 2019.
Among the other provisions, a provision for civil lawsuits was set up with € 174 thousand and a provision was established to cover operational risks.

PROVISION FOR POST-EMPLOYMENT BENEFITS

The provision for post-employment benefits is stated as a liability of € 930,854 (€ 932,267 at the end of the prior year). The composition of the individual items and changes therein are as follows:

	Provision for post-employment benefits
Amount at beginning of the year	932,267
Annual changes	
Allocation for the year	32,289
Use in the year	33,702
Total changes	(1,413)
Amount at end of the year	930,854

PAYABLES

The payables are stated as a liability of € 74,155,490 (€ 51,807,386 at the end of the prior year). The composition of the individual items is as follows:

	Amount at beginning of the year	Annual changes	Amount at end of the year
Due to banks	16,154,598	(16,154,598)	0
Trade payables	20,695,035	30,516,226	51,211,261
Due to parent companies	3,200,000	3,996,000	7,196,000
Due to entities under common control	9,251	4,268	13,519
Current tax liabilities	8,480,557	2,791,979	11,272,536
Social security	342,431	(22,304)	320,127
Other payables	2,925,514	1,216,533	4,142,047
Total	51,807,386	22,348,104	74,155,490

The payables are due primarily to suppliers, and are settled in the following year, whereas the amount due to banks has been cleared. The current tax liabilities are the result of the higher taxes calculated for the profit realized, for which the advances paid during the year are not sufficient, whereas the amount due to the controlling shareholder derives from the dividends approved but not paid yet.

Payables by maturity

The payables are disclosed below by maturity, in accordance with Italian Civil Code Article 2427, paragraph 1, n. 6:

	Amount at beginning of the year	Annual change	Amount at end of the year	Due within the year
Due to banks	16,154,598	(16,154,598)	0	0
Trade payables	20,695,035	30,516,226	51,211,261	51,211,261
Due to parent companies	3,200,000	3,996,000	7,196,000	7,196,000
Due to entities under common control	9,251	4,268	13,519	13,519
Current tax liabilities	8,480,557	2,791,979	11,272,536	11,272,536
Social security	342,431	(22,304)	320,127	320,127
Other payables	2,925,514	1,216,533	4,142,047	4,142,047
Total payables	51,807,386	22,348,104	74,155,490	74,155,490

All the payables are due within one year; given the Company's financial capacity and the cash flows generated, the time is deemed adequate.

Payables by geographical area

The payables are disclosed below by geographical area, in accordance with Civil Code Article 2427, paragraph 1, n. 6:

Geographical area	Trade payables	Due to parent companies	Due to entities under common control	Current tax liabilities	Social security	Other payables	Payables
Italy	8,729,795	7,196,000	13,519	11,272,536	320,127	4,142,047	31,674,024
Other European Union countries	24,903,861	0	0	0	0	0	24,903,861
Countries outside the European Union	17,577,605	0	0	0	0	0	17,577,605
Total	51,211,261	7,196,000	13,519	11,272,536	320,127	4,142,047	74,155,490

As shown in the table, the composition of the counterparties is diverse, with the prevalence of Italian entities.

ACCRUED EXPENSES AND DEFERRED INCOME

The accrued expenses and deferred income were cleared in 2021 (they were € 3,103 at the end of the prior year).
The composition of the individual items and changes therein are as follows:

	Amount at beginning of the year	Annual change	Amount at end of the year
Accrued expenses	1,377	(1,377)	0
Deferred income	1,726	(1,726)	0
Total accrued expenses and deferred income	3,103	(3,103)	0

INCOME STATEMENT INFORMATION VALUE OF PRODUCTION

Revenues from sales and services by business segment

The revenues are set forth below by business segment, in accordance with Italian Civil Code Article 2427, paragraph 1, n. 10:

Business segment	Current year
Revenues from precious metal sales	4,108,958,755
Revenues from finished product sales	223,786,479
Revenues from services rendered	28,826,280
Other revenues	196,848
Total	4,361,768,362

Chimet's sales rose substantially in 2021 (+38%), resuming the trend interrupted in 2020, which was strongly affected by the pandemic, although the Company had succeeded in nearly matching the sales of the prior year.
The considerable increase in sales is attributable to greater volumes of precious metals traded and, to a lesser extent, prices.

Revenues from sales and services by geographical area

The revenues are set forth below by geographical area, in accordance with Civil Code Article 2427, paragraph 1, n. 10:

Geographical area	Current year
Italy	2,756,653,208
Other European Union countries	411,890,365
Countries outside the European Union	1,193,224,789
Total	4,361,768,362

The Italian sales recovered in 2021, returning to exceed foreign sales after the turnaround of the historic trend in 2020, with domestic sales accounting for more than half of the total turnover.

Other income

The other income is stated in the value of production as € 2,204,436 (€ 1,350,788 for the prior year).
The composition of the individual items is as follows:

	Previous year	Change	Current year
Grants for operating expenses	9,800	(8,100)	1,700
Other			
Real estate income	9,016	27,984	37,000
Expense refunds	890,239	600,023	1,490,262
Insurance repayments	51,448	(49,180)	2,268
Non-financial capital gains	39,019	(28,111)	10,908
Contingent gains and extraordinary income	718	52,554	53,272
Sundry income	350,548	258,478	609,026
Total sundry income	1,340,988	861,748	2,202,736
Total other income	1,350,788	853,648	2,204,436

Grants for operating expenses

Chimet did not use the benefits available to deal with the Covid emergency, such as non-repayable grants (“Relaunch” Decree 34/2020, Article 25) or the tax credit on leases of property for non-residential use (Relaunch Decree 34/2020, Article 28).
Chimet did use the tax credit for the costs of disinfecting premises and purchasing personal protection equipment pursuant to Decree Law 34/2020, Article 125 and Decree Law DL 104/2020, Article 31, paragraph 4-ter.
Due to investments in new capital goods, Chimet will use the tax credit available under Laws 160/2019 and 1078/2020, and the concessions granted for Industry 4.0.
Other public aid available to Chimet consists of the tax credit for research and development activities under Law 160/2019, Article 1, paragraph 198 et seq., the tax credit for advertising investments, and the “Art bonus” tax credit regarding the charitable contributions given to the Archaeological Museum of Arezzo.
In addition, Chimet has obtained the right to the maximum amount envisioned in the “Super-Ace” benefit.

COST OF SALES

Services

The cost of services is stated among the cost of sales as € 23,077,383 (€ 21,045,667 for the prior year).
The composition of the individual items is as follows:

	Previous year	Change	Current year
Services regarding assets under development	763,386	(242,344)	521,042
Freight	3,300,611	(224,844)	3,075,767
Warehousing	0	173,603	173,603
Outsourced processing	752,084	2,671	754,755
Electricity	3,377,356	1,316,046	4,693,402
Natural gas	2,405,070	(79,185)	2,325,885
Water	23,481	14,460	37,941
Maintenance and repair expenditure	2,179,141	(22,182)	2,156,959
Technical services and consulting	902,820	(341,774)	561,046
Remuneration of Directors	274,156	19,223	293,379
Remuneration of statutory auditors and independent auditors	26,208	0	26,208
Services equivalent to those provided by employees	524,350	294,260	818,610
Commission expense	497,262	64,739	562,001
Advertising	234,659	(22,683)	211,976
Legal and consulting expenses	57,971	94,828	152,799
Tax, administrative and business consulting services	28,300	(114)	28,186
Telephone expenses	45,386	(761)	44,625
Non-financial services from financial entities and banks	577,488	128,295	705,783
Insurance	550,782	34,403	585,185
Travel expenses	19,177	(8,381)	10,796
Training costs	22,239	(5,400)	16,839
Disposal services	3,315,442	372,629	3,688,071
Other	1,168,298	464,227	1,632,525
Total	21,045,667	2,031,716	23,077,383

The cost of services rose by 10% (€ 2 million) from the 2020 amount.
The increase is attributable mainly to the cost of electricity, whose price soared in the latter part of the year and continued to rise in 2022.
It did not regard natural gas, the cost of which has remained in line with that of the previous year.
Waste disposal costs, which have been growing, also rose considerably, whereas better logistics management enabled to reduce freight costs.
One of the most important costs, for maintenance services, remained practically the same as for the previous year.
The sharp increase in sales inevitably led to an increase in the costs for bank services.

Leases and rentals

The cost of leases and rentals is stated as a cost of sales of € 734,033 (€ 1,187,662 for the prior year).
The composition of the individual items is as follows:

	Previous year	Change	Current year
Rent and lease payments	432,905	(14,583)	418,322
Fees on metals on loan for use	754,757	(439,046)	315,711
Total	1,187,662	(453,629)	734,033

Sundry operating expenses

The sundry operating expenses are stated as a cost of sales of € 4,651,995 (€ 766,049 for the prior year).The composition of the individual items is as follows:

	Previous year	Change	Current year
Stamp duty	13,990	1,724	15,714
ICI/IMU (property tax)	133,966	163	134,129
Registration tax	2,404	(1,995)	409
Chamber of Commerce fees	20,905	(313)	20,592
Subscriptions to newspapers, magazines, etc.	3,344	188	3,532
Non-financial capital losses	7,267	(6,958)	309
Other operating expenses	584,173	3,893,137	4,477,310
Total	766,049	3,885,946	4,651,995

The sundry operating expenses rose considerably due to an adverse ruling in a civil dispute for which Chimet had to refund approximately € 3.2 million.
The case will move forward to defend the interests of the Company.
The other operating expenses include trade association and labor union dues and the contribution to the anti-trust authorities (AGCM) of some € 176 thousand.

FINANCIAL INCOME AND COSTS

	Income other than dividends
From entities under common control	282,142
From others	478,155
Total	760,297

Interest expense and other finance costs by type of debt

"Interest expense and other finance costs" is disclosed below, in accordance with Civil Code Article 2427, paragraph 1, n. 12:

	Interest expense and other finance costs
On bank borrowings	7,704
Other	582,944
Total	590,648

"Other" includes the interest paid on the price fixing deferral on precious metal purchases.

Foreign exchange gains /(losses)

The unrealized gains and losses on currency exchange deriving from their end-of-period measurement are set forth below against realized amounts:

	Unrealized portion	Realized portion	Total
Foreign exchange gains	1,661,790	392,900	2,054,690
Foreign exchange losses	0	1,128,214	1,128,214

INCOME TAX

The composition of the individual items is as follows:

	Current taxes	Taxes relating to prior periods	Deferred tax expense	Deferred tax income	Income (expense) under tax transparency regime
IRES	25,641,525	(115,580)	0	(969,679)	
IRAP	4,094,111	(5,734)	0	0	
Total	29,735,636	(121,314)	0	(969,679)	0

The following tables, drawn up in accordance with Italian accounting standard 25, present the disclosures required by Civil Code Article 2427, paragraph 1, number 14, letters a) and b).
They contain information on the changes in deferred tax assets and liabilities, composition of deductible temporary differences that generated deferred tax assets, composition of taxable temporary differences that generated deferred tax liabilities, and use of tax losses.
Temporary differences for which no deferred tax is recognized are also specified.

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	269,764	42,702
Total taxable temporary differences	2,940,289	40,640
Net temporary differences	2,670,525	(2,062)
B) Tax effects		
Provision for deferred tax liabilities /(assets) at the beginning of the year	(3,638,142)	0
Deferred tax liabilities (assets) of the year	969,679	0
Provision for deferred tax liabilities /(assets) at the end of the year	(2,668,463)	0

Description	Amount at end of prior year	Annual change	Amount at end of year	IRES tax rate	IRES amount	IRAP tax rate	IRAP amount
Unrealized foreign exchange differences	50,383	(50,383)	0	24.00	(12,092)	0.00	0
Book depreciation in excess of tax depreciation	1,295,629	(253,581)	1,042,048	24.00	(60,859)	3.90	(9,890)
Tax depreciation in excess of book depreciation	(1,322,988)	228,073	(1,094,915)	24.00	54,738	3.90	8,895
Allocations for doubtful debts	10,484,530	(4,000,000)	6,484,530	24.00	(960,000)	0.00	0
Maintenance in excess of ceiling	437,928	(116,520)	321,408	24.00	(27,965)	0.00	0
Allocations to taxed provisions	4,241,791	0	4,241,791	0.00	0	0.00	0
Director remuneration	(18,283)	137,662	119,379	24.00	34,285	0.00	0
Costs deductible on cash basis	637	12,309	12,946	24.00	3,209	0.00	0

ADDITIONAL INFORMATION

Employee headcount

The following information concerning personnel is disclosed, in accordance with Civil Code Article 2427, paragraph 1, n. 15:

	Average number
Lower management	8
White-collar employees	63
Blue-collar employees	70
Total employees	141

Remuneration of Directors and Statutory Auditors

The following information concerning the Directors and Statutory Auditors is disclosed, in accordance with Civil Code Article 2427, paragraph 1, n. 16:

	Directors	Statutory Auditors
Remuneration	302,743	26,208

Independent Auditor fees

The following information concerning the independent auditors' fees is disclosed, in accordance with Civil Code Article 2427, paragraph 1, n. 16:

	Amount
Audit of annual accounts	36,483
Total fees for independent auditors	36,483

Off-balance sheet commitments, guarantees and contingent liabilities

The table below lists the commitments, guarantees and contingent liabilities not reflected in the balance sheet, in accordance with Civil Code Article 2427, paragraph 1, n. 9.

GUARANTEES GIVEN	AMOUNT
Sureties given to third parties	€ 162,831,475
OTHER COMMITMENTS	
Third-party metals on loan for use	€ 9,665,013
Third-party metals at Chimet	€ 344,755,839
Owned metals with third parties	€ 150,803,097

Related party transactions

Below are the disclosures on related-party transactions, as required by Civil Code Article 2427, paragraph 1, number 22-bis:

Related party	Type of relationship	Trade receivables	Trade payables	Revenues from sales and services	Cost of raw and ancillary materials, consumables and goods	Cost of services	Financial income/ (costs)	Other income/ (expenses)
UNOAERRE INDUSTRIES SPA	Client	35,152,692	0	170,276,468	0	0	282,142	8,500
UNOAERRE INDUSTRIES SPA	Supplier	0	13,519	0	31,819,356	81,422	0	0

Subsequent events

Information concerning the nature and effect on financial position, financial performance and cash flows of the significant events occurring after the end of the year is reported herein, in accordance with Civil Code Article 2427, paragraph 1, number 22-quater:
In the initial months of 2022, Chimet conducted its business with sales in line with those of 2021, and continued to adopt all the precautions required for the public health emergency.
There are no significant matters of the first few months to report.
The Company did not use government wage supplements (Cassa Integrazione) in the year ended December 31, 2021.

Information on companies or entities that exercise management and coordination activities - Civil Code Article 2497 bis

The Company is subject to management and coordination by ZEOR FINANZIARIA S.P.A., with which no trade or financial transactions were conducted.
The key data of the latest approved financial statements of the company that exercises management and coordination is set forth below, as required by Civil Code Article 2497-bis, paragraph 4:

	Latest year	Previous year
B) Non-current assets	191,568,282	158,904,282
C) Current assets	10,223,310	10,260,699
Total assets	201,791,592	169,164,981
A) Equity		
Share capital	1,000,000	1,000,000
Reserves	165,284,447	145,231,445
Profit/(loss) for the year	35,191,701	20,053,001
Total equity	201,476,148	166,284,446
b) Provisions for risks and charges	200,000	200,000
D) Payables	115,444	2,680,535
Total liabilities	201,791,592	169,164,981

	Latest year	Previous year
A) Value of production	221,250	261,809
B) Cost of sales	369,580	314,750
C) Financial income/(costs)	33,261	1,358
D) Adjustments to value of financial assets	35,228,340	20,107,848
Income taxes for the year	(78,430)	3,264
Profit/(loss) for the year	35,191,701	20,053,001

Key balance sheet and income statement data

Reclassified Balance Sheet	Current period	Previous period
FIXED ASSETS	14,285,126	14,350,414
Intangible assets	236,956	313,325
Property, plant and equipment	12,742,900	12,311,311
Non-current financial assets	1,305,270	1,725,778
CURRENT ASSETS	391,372,611	300,392,060
Inventories	245,790,870	171,724,824
Trade and other receivables	129,837,359	122,651,196
Cash and cash equivalents	15,744,382	6,016,040
INVESTED CAPITAL	405,657,737	314,742,474
EQUITY	326,000,595	257,326,656
Share capital	50,000,000	50,000,000
Reserves	276,000,595	207,326,656
NON-CURRENT LIABILITES	5,501,652	5,605,329
CURRENT LIABILITIES	74,155,490	51,810,489
CAPITAL FUNDING	405,657,737	314,742,474

Solvency indicators	Current period	Previous period
Current ratio	5.28	5.80
Quick ratio	1.96	2.48
Equity to fixed assets ratio	22.82	17.93
Permanent capital sources to fixed assets ratio	23.21	18.32
Equity to assets ratio (Financial Independence)	80.36%	81.76%

Profitability ratios	Current period	Previous period
ROE (return on equity)	24.13%	18.97%
Gross ROE	33.55%	25.99%
ROI (return on investment)	33.68%	24.61%
ROS (return on sales)	2.49%	2.14%
EBITDA margin	2.63%	2.36%

Allocation of profit

The following allocation of the € 78,673,936 profit is proposed, in accordance with Civil Code Article 2427, paragraph 1, number 22-septies:

- € 77,012,146 to the extraordinary reserve;
- € 1,661,790 to the reserve for foreign exchange gains (Civil Code Art. 2426, 6-bis), through reclassification of the extraordinary reserve.

Information on obligation to prepare consolidated financial statements

Chimet Spa does not draw up consolidated financial statements as per Legislative Decree 127/1991, Article 27, paragraph 3, because the Group's financial statements are prepared by the parent, ZEOR FINANZIARIA SPA, incorporated in Via Porta Pinciana, Rome, which will file them at the Rome Companies Register.

The Board of Directors

On behalf of the Board of Directors
Signed: Luca Benvenuti

Statement of compliance

Copy corresponding to documents retained at the company.

I, Luca Benvenuti, born in Arezzo on August 13, 1964, aware of the criminal liability contemplated by Italian Presidential Decree 445/2000, Article 76 for false or misleading statements made under Article 47 of the same decree, hereby state that this document was produced by an optical scan of the analogous original, and that a comparison of this document with the original was positive, in accordance with the Council of Ministers Presidential Decree Article 4 of November 13, 2014.

STAMP DUTY PAID VIRTUALLY UNDER ITALIAN REVENUE AGENCY REGIONAL DIRECTORATE OF TUSCANY AUTHORIZATION N. 25667 OF MAY 4, 2001.

INDEPENDENT AUDITOR'S REPORT

Pursuant to art. 14
of Legislative Decree 27 January 2010, no. 39

Financial statements at 31 December 2021

Ref. no. RC002772021BD1841

BDO

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Independent auditor's report
pursuant to art. 14 of Legislative Decree 27 January 2010, no. 39

To the Shareholders of
Chimet S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Chimet S.p.A. (the Company), which comprise the statement of financial position as of 31 December 2021, the statement of income and the statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2021 and of its financial performance and its cash flows for the year then ended, in accordance with Italian regulations 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 financial statements* section of this report. We are independent of the Company in accordance with ethical requirements and standards applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors and of the audit committee for the financial statements

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

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate use of the going concern assumption, as well as for a proper disclosure of matters related to going concern. The directors use the going concern basis of accounting in preparing the financial statements, unless they either intend to liquidate the Company or to cease operations, or have no realistic alternatives but to do so.

The audit committee is responsible for overseeing, within the terms prescribed by law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

As part of the audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. Furthermore:

- we have identified and assessed the risks of material misstatements in the financial statements, whether due to fraud or error; we have designed and performed audit procedures in response to those risks; we have obtained 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 the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting principles used, as well as the reasonableness of accounting estimates and related disclosures made by the directors;
- we have reached a conclusion on the appropriateness of the directors' use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubts on the Company's ability to continue as a going concern. If a significant uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying events and transactions in a manner consistent with a fair presentation.

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

Report on other legal and regulatory requirements

Opinion pursuant to art. 14, paragraph 2, letter e), of Legislative Decree 27 January 2010, no. 39

The directors of Chimet S.p.A. are responsible for the preparation of the report on operations of Chimet S.p.A. as of 31 December 2021, including its consistency with the related financial statements and its compliance with applicable laws and regulations.

We have performed the procedures required by auditing standard (SA Italia) no. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of Chimet S.p.A. as of 31 December 2021, and on its compliance with applicable laws and regulations, as well as to declare whether it contains material misstatements.

In our opinion, the report on operations is consistent with the financial statements of Chimet S.p.A. as of 31 December 2021 and complies with applicable laws and regulations.

With respect to the statement pursuant to art. 14 paragraph 2 letter e) of Legislative Decree 27 January 2010, no. 39, issued on the basis of our knowledge and understanding of the entity and its environment obtained in the course of the audit, we have nothing to report.

Firenze (Italy), 15 April 2022

BDO Italia S.p.A.

Signed by
Luigi Riccetti
Partner

This report has been translated into English from the original, that was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

Chimet S.p.A

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