

**Independent auditor’s report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)**

To the Shareholders of
I.M.A. Industria Macchine Automatiche S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of I.M.A. Industria Macchine Automatiche S.p.A. (the “Company”), which comprise the statement of financial position at December 31, 2019, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005.

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 our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matter:

Key Audit Matter	Audit Response
Revenue recognition and valuation of contract assets and liabilities of contract work	
The financial statements include Euro 432.0 million of revenue from contract work, and related contract assets and liabilities for Euro	Our audit procedures in response to the key audit matter included, among others:

121.7 million and Euro 21.2 million, respectively.

Such revenues and margins from contract work are recognized on the stage-of-completion basis applying the "cost-to-cost method", which is based on the ratio of actual costs incurred for work performed to date on the estimated total costs to complete the contract.

The procedures and application for revenue recognition, and for the valuation of contract assets and liabilities of contract work, are based on complex assumptions that, due to their nature, imply the use of management's judgment, in particular with reference to the estimated costs to complete each project and changes in estimates compared to the previous year, if any. Such changes could be influenced by multiple factors such as, for example, the timeframe required to develop and complete the projects, the high technological and innovative content, the possible presence of price variances and price adjustments, and the performance guarantees of the machines, including the estimation of contractual risks, if any. Considering the economic and financial significance of contract work and the complexity of the assumptions used in forecasting total costs of the contracts, in addition to the potential impact of the changes in estimates, we considered that this item represents a key audit matter.

The disclosures relating to revenue recognition and valuation of contract assets and liabilities are included in note 9 "*Trade receivables and other receivables and contract assets*", in note 17 "*Trade payables and other payables and contract liabilities*", as well as in section C) "*Accounting policies and accounting standards applied*" under paragraphs "*Revenue from contracts with customers*" and "*Use of estimates and assumptions*".

- the assessment of the procedures and controls performed by the Company during the planning and monitoring of contracts, including the assessment of revenue recognition criteria;
- the assessment, with reference to key projects, of the key assumptions used in forecasting total costs to complete the contracts and to determine total revenue, through testing the project progress reports, contractual supporting documentation and interviews of project managers;
- the comparative analysis of the main changes in contracts' results as compared to the original budget or the previous year estimates;
- the assessment of the assumptions that required significant management judgments, such as, for example, those related to the forecasting of costs related to projects with high technological and innovative content;
- the execution, on a sample basis, of substantive procedures on contract costs incurred;
- the testing of the mathematical accuracy of the calculation of the projects' percentage of completion.

Lastly, we verified the adequacy of the disclosures provided in the notes to the financial statements in relation to revenue recognition and to the evaluation of contract assets and liabilities.

Responsibilities of Directors and Those Charged with Governance 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 International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005, and, within the terms provided by the 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, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and 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 for one 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 policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 transactions and events in a manner that achieves fair presentation.

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

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of I.M.A. Industria Macchine Automatiche S.p.A., in the general meeting held on April 24, 2013, engaged us to perform the audits of the financial statements for each of the years ending December 31, 2013 to December 31, 2021.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to Board of Statutory Auditors (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated January 27, 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of I.M.A. Industria Macchine Automatiche S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of I.M.A. Industria Macchine Automatiche S.p.A. at December 31, 2019, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the financial statements of I.M.A. Industria Macchine Automatiche S.p.A. at December 31, 2019 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of I.M.A. Industria Macchine Automatiche S.p.A. at December 31, 2019 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated December 30, 2016

The Directors of I.M.A. Industria Macchine Automatiche S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated December 30, 2016. We have verified that non-financial information have been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated December 30, 2016, such non-financial information are subject to a separate compliance report signed by us.

This report has been translated into the English language solely for the convenience of international readers.