



COGNE ACCIAI SPECIALI SPA

Interim financial statements as at 30 June 2024



INFORMAZIONI GENERALI

COGNE ACCIAI SPECIALI SpA. is a legal entity operating in accordance with the legal system of the Italian Republic.

COGNE ACCIAI SPECIALI

Società per Azioni

Fully paid up Share Capital €405.563.167
Tax ID Code and Aosta Companies Register
No.: 02187360967
VAT Reg. No.: 00571320076
AOSTA ECONOMIC ADMINISTRATIVE
INDEX NUMBER: 50474
Registered office in Aosta - Via Paravera 16

BOARD OF DIRECTORS

Chairman
Yu-Lon Chiao

Vice Chairman
Eugenio Marzorati

Managing Director
Massimiliano Burelli

General Manager - Delegated Board Member
Monica Pirovano

Directors
Roberto Marzorati
Hsin-Yi Ho
Chi-Sheng Niu
Chester Chiao
Motoo Ono

BOARD OF STATUTORY AUDITORS

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Mara Vanzetta

Statutory auditors
Paola Barazzetta
Aldo Valsecchi

Alternate statutory auditors
Franco Boga
Roberto Piatti

SUPERVISORY BODY

Chairman
Paolo Gallarati

Members
Dott. Aldo Valsecchi
Avv. Roberto Fiore

AUDITING FIRM

EY S.p.A.



COGNE ACCIAI SPECIALI SPA

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1. Profile

Work, commitment, integration and innovation are the defining values that have always marked the activities of the main plant in Valle d'Aosta and one of the great historical Italian businesses.

The idea of building a metalwork strategically close to the raw materials came in the early years of the 20th century and was realised in 1916 at the initiative of Belgian entrepreneur Charles Van Der Straten Pontoz, who established the company "Società Miniere di Cogne". However, the development of the electro-steel works in Valle d'Aosta came thanks to the work of Pio Perrone, his determination and the skill of Italian and Swedish engineers, thanks to whom in a difficult period - that of the First World War - set up a unique electrical steelwork, supplied by magnetite from Cogne and powered by the power stations of Aymavilles, Chavonne and Champagne.

In the 1970s and 80s, Cogne experienced the troubled state participation in the steel industry, surviving the struggles that ended with the liquidation firstly of Egam and then Finsider, to end up as part of the Ilva Group. In subsequent years, many of the most industrialised countries had to drastically reduce their production capacity in the cast iron and steel sector. Excess supply and reduced consumption were the result of new products and new manufacturers from Far Eastern markets. For Ilva, Italy's top manufacturer, the rationalisation process led to progressive downsizing, achieved following significant restructuring and plant closures. In the early 1990s Ilva decided to focus its activities on its core business only, that of the production of flat steels. Despite its recognised quality in the long products sector, the plant in Aosta risked closure as it was no longer part of the Group's strategic plans.

On 1 January 1994, Cogne Acciai Speciali was bought out by private buyer, who planned its industrial restructuring and subsequent relaunch. Reducing the areas occupied by the plant half and their subsequent optimization returned an area - Espace Aoste - to the city, for the development of new business entities.

The plant as we know it today was in fact reborn from the meeting of two traditions that led to the Cogne Acciai Speciali project:

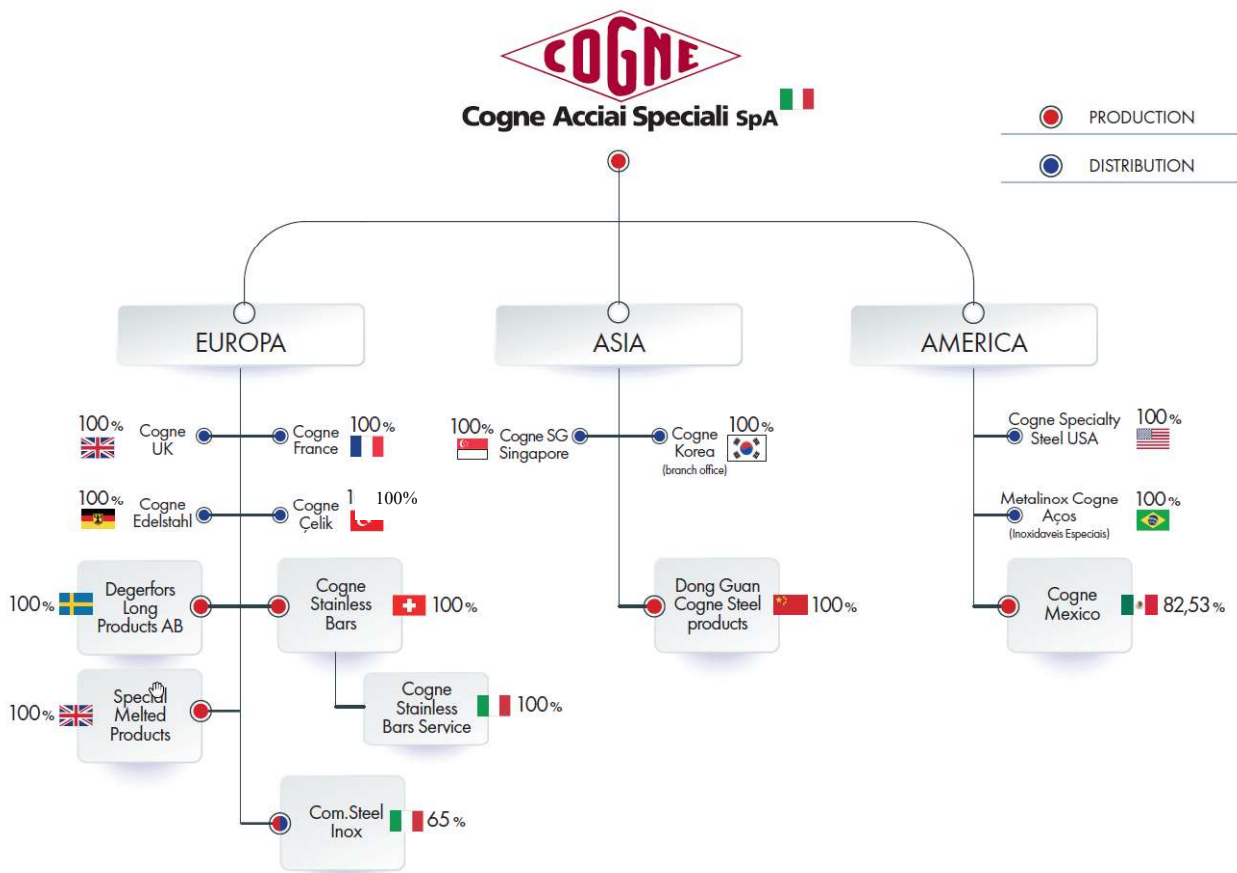
- a long-standing one linked closely to Valle d'Aosta, which stood out after the war for its production of special and stainless steels;
- a family-run business, consolidated over the generations and willing to invest in order to develop this excellent business.

In recent years, an ambitious company restructuring programme has been successfully completed, with significant interventions in plants and sales. The Management developed a consolidation and relaunch programme based on several priorities: reduce the product cost, explore new markets maintaining a high quality level, support the new strategic plan by increasing its sales competitiveness worldwide, develop process know-how, increase the level of customer services, change the company culture by supporting a more competitive, flexible and widespread market approach based on the principles of Lean Organisation. The company's



international character is accompanied by solid local roots. For over one hundred years, Cogne has been exchanging work and value with the local community, fuelling economic growth and supporting social (and urban) development. Cogne has drawn the strength necessary to return to conquer world markets, establish itself among the leading producers of stainless and special steel and now once again takes its place as an important, qualified and coveted employment opportunity, precisely as a result of this combination of entrepreneurship and ties with the city.

2. The Group



The Company holds a 100% stake in the share capital of the company Cogne Stainless Bars SA, with registered office in Switzerland; the company cold processes the products of the parent company which it then sells and distributes within the group and to third party customers.

The company holds 100% of the capital in Cogne Edelstahl GmbH, registered in Germany; the subsidiary operates out of the two locations in Germany which are Neuss, where the registered and administrative office are also located, and the Rudesberg warehouse in the South.



The company holds 100% of the share capital in the company Cogne UK LTD, located in Great Britain and organised into operational divisions based on the type of product distributed, and works from the warehouse in Sheffield for distribution to wholesalers and end customers.

The company holds a 100% interest in the share capital of Cogne France S.A.; the subsidiary operates across the warehouses, which hold stock intended for end clients in the Eragny-Paris and Lyon areas, in order to closely look after its clients based in the South of France.

The company owns a 100% interest in the company Metalinox Cogne Aços Inoxidáveis Especiais Ltda in Brazil. The subsidiary manages the distribution, over the whole national market, mainly of the holding company stainless steel products, and has a leased warehouse in Sao Paolo.

The company holds 100% of the shares in Dongguan Cogne Steel Products Co. Ltd, an operational company in China (Guangdong Province, Dongguan City and Changan Town) which produces and sells stainless steel products on the local and nearby markets.

In 2010 Cogne Acciai Speciali SpA established the company Cogne Celik Sanayi ve Ticaret Limited, controlled 100%, in Istanbul, Turkey, with a share capital of ITL 8,952,125 which works in the distribution and sale of stainless steel products on the local market.

The company holds 100% of the share capital in Cogne Speciality Steel USA Inc., registered in Fairfield, New Jersey, which carries out distribution in the US market through its warehouses in Chicago, Illinois and Lyndhurst, New Jersey.

The company also has a branch office (Cogne Asia) in Seoul in South Korea, which is used to develop the Group's sales in the country, and works from a warehouse rented in the Busan area.

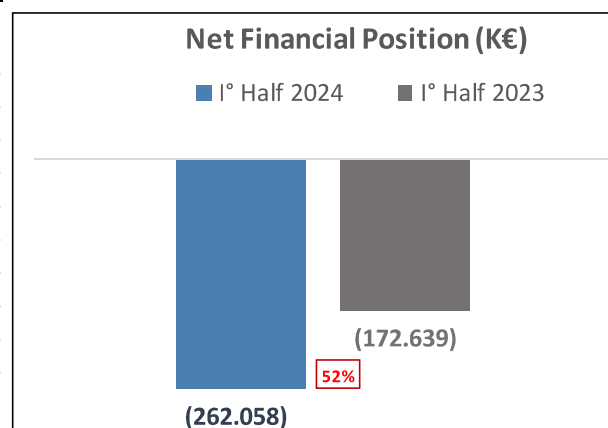
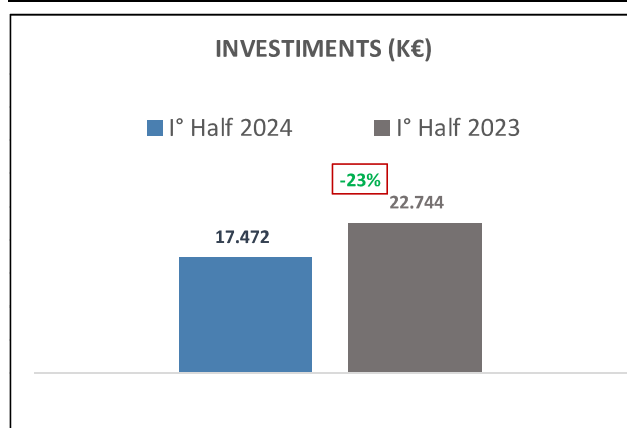
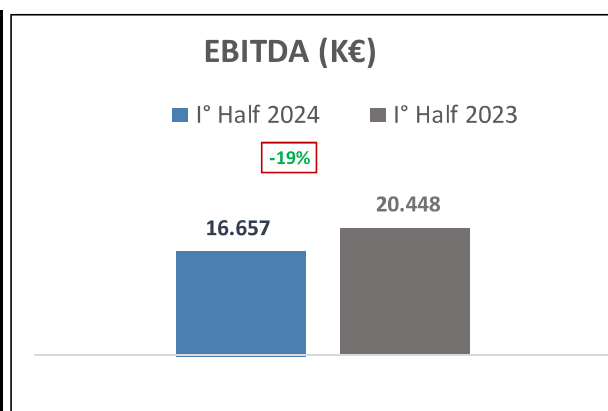
At the end of 2014, the company formed a new subsidiary in Mexico called Cogne Mexico, in which it holds a 82,53% of the share capital. The company was established in Mexico City, with the aim of producing and selling stainless products on the local market.

The Company holds 65% of the share capital of the company Com.Steel Inox based in Italy; a company active in the recovery and treatment of stainless steel scrap and nickel alloys which are then distributed both within the group and to third party customers.



3. Key Financial Statements data interim period

K€	I° Half 2024	I° Half 2023
Revenues	344.936	386.694
EBITDA	16.657	20.448
% of sales	5%	5%
Net Income	(5.587)	9.629
Net Financial Position	(262.058)	(172.639)
Investment	17.472	22.744
Total sales (ton)	75.113	73.176



4. The economic scenario

The international economic scenario

The first six months of the year were complex for the international economy: geopolitical crises continued to affect the markets and the climate of uncertainty discouraged investment, contributing to a situation of low demand and market stagnation.

Although recession fears are increasingly distant, inflation remains the special observer, affecting monetary policy choices and the evolution of global growth.

The outcome of the US presidential elections at the end of the year, as well as the duration of the conflicts taking place today, will be the crucial variables of the near future.

In April's World Economic Outlook, the International Monetary Fund estimates world GDP growth of +3.2% in 2024 compared to 2023.

In the first months of the year, economic activity in the United States showed greater resilience than expected, despite the postponement of the Fed's interest rate cut. The US economy continues to benefit from the strong



performance of the labour market and the positive development of domestic consumption, which accounts for more than two-thirds of GDP. The Fund's forecasts for 2024 are +2.7% year-on-year, with an increase of 0.2 percentage points.

In the first quarter of the year, China's GDP grew by 5.3% compared to the same period last year. The figure exceeded the expectations of international analysts and was in line with the growth targets communicated by the Chinese government. However, the weakness of some indicators referring to real estate investment, retail sales and industrial production highlights a still depressed domestic demand.

The IMF estimates predict a decline in the Chinese economy in 2024 of 0.6 percentage points compared to last year (from +5.2% to +4.6%), a figure that reflects growth still below pre-pandemic levels.

As for the euro area economy, GDP returned to growth in the first quarter (+0.3%) after two quarters of slight decline. The novelty is the partial recovery in Germany (+0.2% after -0.5%); the other main countries continue to grow.

The Fund expects the European economy to expand by +0.9% in 2024, with a strengthening in the second half of the year favored by the reduction in inflation rates (expected in 2024 at 1.6%) and the cut in interest rates by the ECB.

Finally, after the disappointing +0.3% recorded last year, the Fund forecasts international trade growth of 3% in 2024, although the evolution of the coming months will be affected by the effects of the new US and EU restrictions on China.

Geopolitical events have not affected oil prices as much as expected. After peaking at \$90 per barrel in April, the price of crude oil reversed course in May, repositioning itself at the values of the beginning of the year (\$80-85/b). Supply from OPEC countries remains limited, calmed by signs of weakness in world demand.

On the contrary, the price of gas, after cooling between January and May, began to record a progressive increase, reaching €34/MWh at the end of June, a value three times higher than the average prices of 2019.

In the first part of the year, the trend of the Euro/Dollar exchange rate showed relative volatility. The average value for the half-year was 1,081, with a minimum value of 1.063 (22 April) and a maximum of 1,098 (11 January). The trend was strongly influenced by the monetary policy decisions taken during the period by the ECB and the FED.

The Italian scenario

In the first quarter of 2024, Italian GDP increased by 0.3% compared to the previous quarter (Istat data). This is the third positive change, after the decline recorded in the second quarter of 2023.

The Bank of Italy's forecasts for the development of Italian GDP in 2024 are +0.6%. In particular, despite the downsizing of inflation and the improvement in credit conditions, the overall growth of the economy this year will suffer the repercussions of the stop to incentives for building renovations, only partially mitigated by the increase in infrastructure spending envisaged in the NRRP. Energy prices, although down from the average



values of 2023, continue to penalize the competitiveness of the national manufacturing sector compared to that of other European countries.

It is precisely the easing of the restrictive credit policy that should favor its investment capacity progressively starting from the 3rd quarter of 2024.

The stainless steel market

Estimates released by the Worldstainless Association, updated to the first quarter of 2024, show a growth in world stainless steel production of 2% year-on-year.

China is reconfirmed as the world's leading producing country, with a share of 63% of global output, followed by Europe (10%) and India (7%).

As for long stainless steel products – the company's main reference market – the same Association estimates world demand to grow by about 3% year-on-year in 2024. Reasoning in terms of macro-areas, China will once again drive consumption with +4.8% expected for the current year, while for Europe, Asia (excluding China) and America, demand is expected to remain stable compared to 2023.

International trade continues to be affected by the presence of restrictive measures put in place to protect national and regional markets. In particular, at the end of June, the European Commission confirmed the extension of the safeguard measures on steel for another two years, i.e. until June 2026. The extension was justified by the combination of several factors, including: high levels of global steel overcapacity, increased exports from Asian countries to the EU and the presence of trade defense measures imposed by other third countries (in particular the continuity of Section 232 in the US, given the associated high risk of diversion of export flows to the EU).

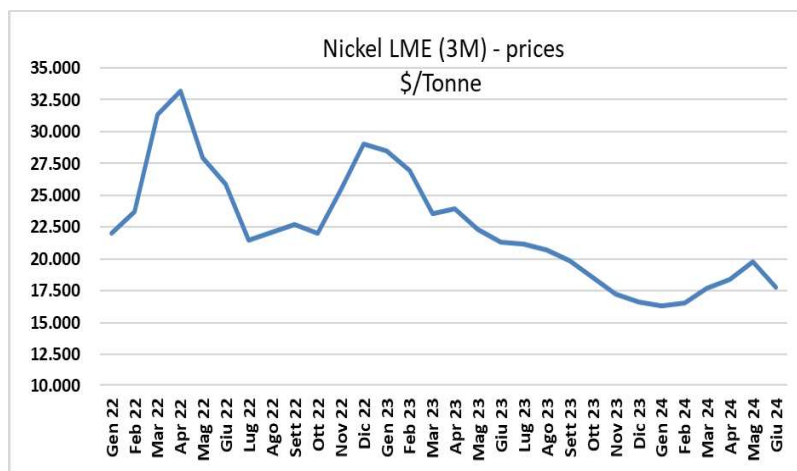
The commodity market

Nickel

Starting from the first months of 2024, the production cuts implemented in Indonesia had the effect of reducing the surplus supply that characterized the entire year 2023. The immediate consequence was a recovery in market prices, held back by the low level of demand.

Average monthly prices - Nickel

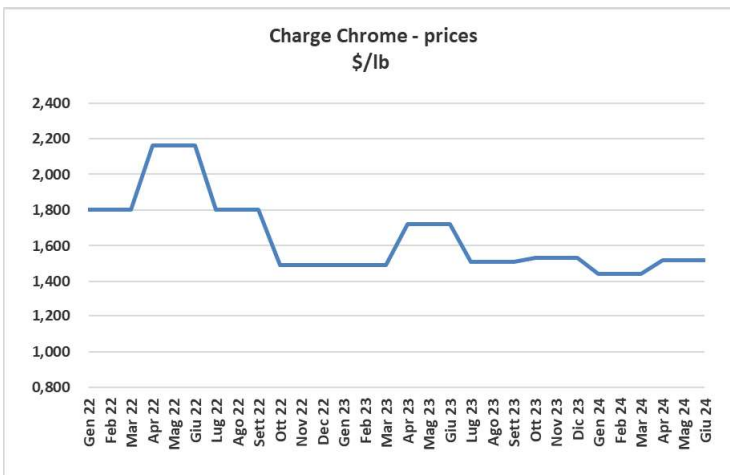
January 2022 – June 2024





Overall, during the first half of 2024, the average price in dollars decreased by 27.4% compared to the same period in 2023.

Average monthly prices - Charge Chrome
January 2022– June 2024



In the second quarter of the year, the European benchmark recovered the decline recorded in the previous quarter, repositioning itself at the year-end 2023 values.

The reduction in output announced for 2024 by some Fe-Cr producers is balanced by the forecast of a reduction in global consumption.

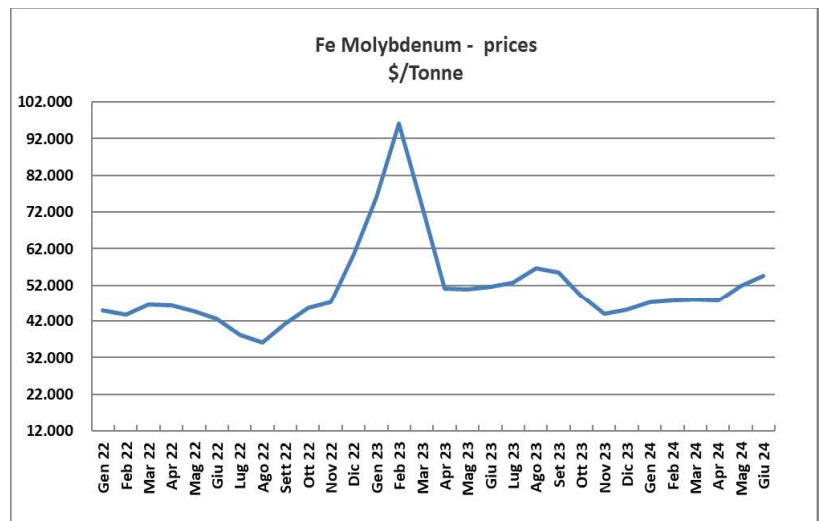
The average dollar value in the first half of 2024 was 7.8% lower than in the same period last year.

Average monthly prices - Ferro Molybdenum
January 2022 – June 2024

Molybdenum

Starting from the first period of the year, prices have shown a limited upward trend, with a progressive repositioning above \$52,000/t. Demand is also supported by the increased demands of the Chinese steel industry, which is increasingly oriented towards the production of steel grades containing molybdenum.

Compared to the average values of the same period in 2023, the decrease in prices in US\$ was 25.7%





5. Significant Events During the Period

February 2024

On February 24, 2024, the Company signed a Share Purchase Agreement with Salzgitter AG for the acquisition of Mannesmann Stainless Tubes GmbH with subsidiaries and operating plants in Germany, France, Italy and the United States.

Mannesmann Stainless Tubes manufactures and markets seamless stainless steel and nickel alloy tubes, with a global presence and a first-rate customer base.

The finalization is expected in the within December 2024.

May 2024

On 03 May 2024, the purchase of 65% of the share capital of Com.Steel Inox, a company active in the recovery and treatment of stainless steel scrap and nickel alloys, was completed.

In May, the Company obtained a shareholder loan in the amount of €30 million, which was allocated to the completion of the acquisition of Com.Steel Inox.

6. Comment on the results

In the following chapters the economic, capital and financial trends are analysed individually using specific performance indicators, both financial and non-financial, as envisaged by the second paragraph of art. 2428 of the Italian Civil Code.

The reclassified frameworks are illustrated in the following tables.

Reclassified Balance Sheet

(Figures in EUR/000)	30.06.2024	%	31.12.2023	%
Tangible fixed assets	167.339		160.628	
Intangible fixed assets	22.513		25.217	
Financial fixed assets	286.807		259.580	
Total fixed assets	476.659	63%	445.425	74%
Inventory	278.728		197.114	
Trade Receivables	135.309		94.315	
Trade Payables	(157.373)		(149.630)	
Total Working Capital	256.664	34%	141.798	24%
Other Receivables	40.068		30.237	
Other Payables	(18.041)		(12.815)	
Financial assets other than fixed assets				
Provisions for Risks and Charges	(1.642)		(1.352)	
Employee Severance Indemnity	(2.200)		(2.322)	
Total Net Working Capital	274.849	37%	155.546	26%
Net Invested Capital	751.508	100%	600.971	100%
Total application of funds	751.508	100%	600.971	100%

Inventory amounted to €278 million as at 30 June 2024, an increase compared to the comparative period. In detail, the comparison with the stock as at 31 December 2023:

- **Raw materials:** there was an increase of approximately €10 million compared to 31 December 2023 mainly due to the increase in quantities in stock;
- **Semi-finished and WIP:** overall increase in volumes of 52% accompanied by an increase in unit values of 10%. The increase in volumes is aimed at sustaining the production flow during the summer shutdown of the Steel Mill Department;
- **Finished products:** compared to 2023, there is a slight increase in quantities, while unit values are in line with the previous year. Inventory values were compared with sales prices for June 2023, which showed a write-down due to alignment with market values of approximately Euro 70 thousand;
- **Materials and consumables:** the Company continues to analyze inventories in order to reduce the volume of inventories and identify any obsolete codes, in order to verify their actual possibility of use or possible resale. The value of the inventory increased by Euro 1,914 thousand compared to December 31, 2022;



The increase in **Trade Receivables** reflects the higher turnover recorded in the first half of 2024. The Company continued its intensive monitoring of past due customers, recording a general stability of the overdue bands.

The increase in **Trade Payables** of 7 million Euros is due to the higher volume of purchases, following the growth in turnover

Operating Working Capital consisting of inventories, trade receivables (including receivables from subsidiaries) and trade payables (consisting of payables to suppliers and subsidiaries) increased by 81% compared to the comparative period.

Net Invested Capital increased compared to 2023, mainly due to the increase in Operating Working Capital.

The details for the **sources of funds** as at 30 June 2024 are as follows:

(Figures in EUR/000)	30.06.2024	31.12.2023
Cash and cash equivalent	10.449	66.505
Financial assets other than fixed assets	2.691	22.636
Cash-pooling account	-	-
Payables to banks due w ithin the period	(59.995)	(280)
Payables to banks due w ithin the period - factorin	-	-
Total current financial payables	(46.855)	88.861
Payables to Shareolder	(30.000)	-
Bonds - short term	(3.003)	(3.000)
Payables for short term loan	(55.938)	(43.466)
Short term financial receivables	-	7.173
Short term financial receivables from Subsidiaries	-	-
Financial derivatives	(846)	(1.372)
Payables for medium long term loans	(136.643)	48.196
Bonds - medium long	(2.971)	(4.456)
Payables for medium long term loans	(122.445)	(150.116)
Securities	-	-
Medium long term financial receivables from Subsidiaries	-	-
Net medium long term financial position	(125.415)	(154.572)
Net Financial Position	(262.058)	(106.375)
Net equity	(489.450)	(494.595)
Share capital and reserves	(495.037)	(492.966)
Net result	5.587	(1.629)
Total source of funds	(751.508)	(600.971)

The net financial position increased compared to the comparison period in order to cope with the higher requirements resulting from the increase in working capital.

Reclassified Income Statement

(Figures in EUR/000)	30.06.2024	%	30.06.2023	%
Revenues from sales and services	344.936	100%	386.694	100%
Other Revenues and Income	4.949	1%	14.325	4%
Cost of Raw Materials and inventory changes	(248.891)	72%	(306.345)	79%
Service Costs	(38.991)	11%	(34.945)	9%
Costs for use of third party assets	(4.422)	1%	(3.203)	1%
Personnel Costs	(37.964)	11%	(32.162)	8%
Provisions	-	0%	-	0%
Other Operating Costs	(1.816)	1%	(3.021)	1%
EBITDAR	17.802	5%	21.342	6%
Leases	(1.145)	0%	(894)	0%
EBITDA	16.657	5%	20.448	5%
Depreciation/Amortisation	(14.329)	4%	(12.145)	3%
Net Financial Income and Charges	(7.003)	2%	(656)	0%
Value adjustments to financial assets	(509)	0%	1.282	0%
Income (loss) before taxes	(5.185)	-2%	8.929	2%
Income tax	(402)	0%	700	0%
Net Income (loss) for the Period	(5.587)	-2%	9.629	2%

Revenues of 345 million euros decreased by 11% compared to the comparative period.

The decrease in turnover is related to the price component (-13%) while quantities recorded an increase of 3% (Tons sold 75,113) compared to the first half of 2023.

The decrease in the average price of the half-year is consistent with the trend in the prices of the main raw materials.

EBITDA (earnings before interest, taxes, depreciation and amortization) was positive at 16,657 thousand euros, down compared to the comparative period (-3.8 million euros).

This decrease is linked to the lower margins recorded in the first 6 months of 2024.

The depreciations increase according to the investment plan and includes the devaluation of trade receivables for Euro 1 million.

Financial charges increase consistently with the level of current financial debt and the trend in interest rates. The change compared to previous period is affected by the recognition of dividends received in the first half of 2023 for Euro 2.3 million.

The first half of the year closed with a **negative** pre-tax result of Euro 5,185 thousand, a decrease compared to the result of the comparative period.

The first half of the year closed with a **loss** of Euro 5,587 thousand.



7. Analysis of financial ratios

Below is an analysis of the financial ratios chosen from those deemed to be most significant in relation to the Company situation

Profitability ratios		30.06.2024		30.06.2023	
ROE (Return on Equity) =	$\frac{\text{Net Income}}{\text{Net Equity}}$	(5.587)	-1,14%	9.629	3,17%
		489.450		303.507	
ROI (Return on Investment) =	$\frac{\text{Operating Income}}{\text{Total assets}}$	2.328	0,25%	8.303	1,28%
		943.904		646.534	
ROS (Return on Sales) =	$\frac{\text{Operating Income}}{\text{Revenues from sales}}$	2.328	0,67%	8.303	2,15%
		344.936		386.694	
ROCE (Return On Capital Employed) =	$\frac{\text{Operating Inc}}{\text{Net invested capital}}$	2.328	0,31%	8.303	1,74%
		751.508		476.146	
Debt ratio					
Financial debt =	$\frac{\text{Net financial debt}}{\text{Net Equity}}$	262.058	53,54%	172.639	56,88%
		489.450		303.507	

8. Analysis of non-financial ratios

		30.06.2024		30.06.2023	
Labour costs		(37.964)		(32.162)	
Average number of employees		1.187		1.148	
Per-capita labour costs	$\frac{\text{Labour costs}}{\text{Average number of employees}}$	(37.964)	(32)	(32.162)	(28)
		1.187		1.148	
Per-capita productivity	$\frac{\text{Revenues from sales}}{\text{Average number of employees}}$	344.936	291	386.694	337
		1.187		1.148	



9. Business outlook and going concern assumption

It should be noted that from the point of view of sales volumes, the Company expects volumes in 2024 to be slightly lower than expected in the 2024 Budget, with average selling prices lower than expected. This forecast is the result of an assessment that considers the final levels of turnover achieved in the first six months of 2024 and the order book taken.

As for the average selling prices recorded in the first six months of the year 2024, they are lower than the forecasts of the 2023 Budget (-5%).

In light of the above and taking into account the continuing efficiency and cost containment actions already implemented in previous years, the company believes that it has sufficient resources to cover the estimated financial needs for the 2024 financial year by continuing to operate as a going concern.

10. Investments

As of 30.06.2024, the Company realised investments in fixed assets gross of divestments of € 17.472.252

Description	Euro	Euro Transferred to finished products
Environment and Safety	7.075.932	2.923.699
Energy Efficiency	224.208	7.801
Housekeeping	54.020	10.000
ICT	121.261	161.781
Productivity	3.209.166	3.374.148
Strategic Development	6.787.665	10.753.433
TOTAL	17.472.252	17.230.862

Area	Euro	Euro Transferred to finished products
Steel Mill	2.936.216	8.262.939
Forge	4.669.388	1.711.377
Rolling Mill	3.432.429	4.932.791
Quality dept.	765.398	15.564
Plant	5.668.821	2.308.191
TOTAL	17.472.252	17.230.862

Additionally, the strongly “capital intensive” nature of the Company’s industry requires that strategic plans and investments be evaluated on the basis of a broad long-term outlook, especially considering the fundamental factors guiding the future evolution of demand for steel products.



11. Human Resources

The first half of 2024 shows an excellent trend in labour relations. In March, access to the ordinary redundancy fund was terminated, and the staff continued working regularly. In conjunction with the changeover to SAP4HANA, 2 days of company closure (29 and 30 March) were assessed, which were communicated in advance to the trade unions. In the steelmaking area, it was necessary to resort to a change in working hours, in order to increase production. Thus, there was a change from a 15-shift timetable (plus, possibly, two overtime shifts) to a 20-shift timetable.

With respect to the topic 'organization and human resources development', the first half of the year saw the completion of the 'weighing of roles and functions' activity, the first edition of which was published in 2018. In addition to a strong business functionality, this activity is also aimed at bringing the company closer to transparency in the area of remuneration, which the company will have to fully comply with by 2026, as required by the EU directive.

Finally, in the first half of 2024, the performance evaluation of all company staff was completed, including feedback to the evaluated employee.

WORKFORCE

CAS's workforce as at 30th June 2024 consisted of 1,208 employees. In terms of Annual Work Units, as at 30/06/2024 the number of employees was 1,187 AWU.* 77% of workers are under 50 years of age. 35% have completed compulsory schooling, while 10% earned a qualification, 41% a high school diploma and 14% a university degree. 79% of new hires in 2024 have a qualification, a high school diploma or a university degree. *The AWU index, used by ISTAT, was created in order to standardise and interpret the number of working hours and days used in a specific activity. For the calculation of AWUs, all employees of the company with fixed-term or permanent employment contracts must be counted, with the exception of those who have been made redundant. For the purposes of calculating AWUs, part-time employees are counted as a fraction of AWU in proportion to the ratio of the hours worked under the part-time contract to those set by the relevant collective agreement. For example, if the reference contract provides for 36 hours per week and the part-time contract for 18, the employee is counted as 0.5 AWU for the period of work. Maternity, paternity and parental leave regulated by Legislative Decree no. 151 of 26 March 2001 are not counted. Employees are defined as those employed by the company with fixed-term or permanent contracts, registered in the company's payroll and bound to the company by forms of contract that provide for the bond of dependency, with the exception of those made redundant. The number of employees corresponds to the number of annual working units (AWU), i.e. the average monthly number of employees employed full-time during a year, with part-time and seasonal employees representing fractions of AWU. Apprentices with an apprenticeship contract and persons with a training or placement contract are not counted. The calculation is made on a monthly basis, considering a month to be when work is performed for more than 15 calendar days.

**Workforce and AWU**

06/2024 AWU	1.187
D Balance at 30/06/2024	1.208

On average, in the first six months of 2024 the company employed 87 workers on fixed-term contracts in order to ensure continuity of production, especially where work involves teams with a minimum number of employees.

Contract	Employees AWU 30/06/2024
Fixed-term contract	87
Open-ended contract	1.100
Tot	1.187

Following up on the strategic decision taken in recent years to identify and hire new, increasingly qualified resources capable of contributing to the growth of Cogne Acciai Speciali in the Automotive, Oil&Gas and Aerospace markets, the company has raised the level of study for new hires, taking into consideration applications from individuals with either a diploma or at least a professional qualification, or, as a third step, a middle school diploma and at least ten years' of professional experience in a relevant sector.

In addition to this, as a strategy to create a 'managerial class' of the future, Cogne Acciai Speciali wanted to invest in the total sponsorship of a Level II master's degree, which began in May 2023 and will end in May 2024, with the inclusion of nine engineers, two of whom are women. All master's degree participants are now employed by CAS and have been allocated to the operations and quality area.

Education	N° of employees 30/06/2024	%
UNIVERSITY DEGREE	168	14%
HIGH-SCHOOL LEAVING CERTIFICATE	495	41%
POSITION	123	10%
MIDDLE-SCHOOL LEAVING CERTIFICATE	422	35%
Tot	1.208	100%
Employees hired at 06/2024	n° of employees hired 30/06/2024	%
UNIVERSITY DEGREE	10	19%
HIGH-SCHOOL LEAVING CERTIFICATE	29	56%
POSITION	2	4%
MIDDLE-SCHOOL LEAVING CERTIFICATE	11	21%
Tot	52	100%



12. Greenhouse gas emissions

From 2021 onwards, CO₂ emissions are assessed according to the already known mass balance rules for process emissions and emission factor calculations for emissions from natural gas combustion. In addition to this, annual monitoring of the activity levels of all sub-installations identified as assignees of free allowances will be introduced in 2021-2025.

13. Risk analysis

The specific risks that may determine the company's obligations are subject to assessment when determining associated provisions, and they are mentioned in the notes to the financial statements along with significant contingent liabilities. Below is a list of risk and uncertainty factors related mainly to the economic-regulatory and market context, which may influence the performance of the company itself.

In the following sections, in accordance with the first paragraph of Article 2428 of the Italian Civil Code, the main risks and uncertainties are individually analysed, starting with financial factors followed by non-financial ones

14. Financial risks

The current economic situation exposes the company to the following financial risks.

According to the information requested under Article 2428, paragraph 3, no. 6-bis, points a) and b), Italian Civil Code, the following is noted.

The Company carries out collection operations in different financial markets using different techniques, in order to guarantee a suitable level of liquidity, both current and prospective. The strategic objective is to ensure that the company has sufficient credit to meet the financial obligations of the next twelve months.

- **Market risks**

These are represented by the risk that the value of a financial instrument can change depending on market trends (interest rates, exchange rates...).

- **Risk connected to fluctuations in the price of raw materials**

Cogne Acciai Speciali SpA results are considerably influenced by trends in the price of raw materials used to manufacture steel products, and specifically, by the effects these trends can cause to margins (represented by the difference between the steel product prices generated by the manufacturing process and the price of raw materials). Additionally, in order to carry out productive activities, Cogne Acciai Speciali SpA is obliged to hold adequate stocks of raw and finished materials; the company is exposed to fluctuations in the market price of those stocks. The risk of price variation and its related cash flow is closely tied to the nature of the business and is mitigated through the use of appropriate sales policies through which the base price is increased by the



alloy surcharge, calculated on the cost of the main raw materials, as well as through the use of commodity hedging derivatives for a part of the purchase volume. The careful and efficient management of supplies is coupled with these policies, to avoid significant fluctuations in the commodities markets having a negative impact on the Company's economic and financial situation.

- **Exchange rate risk**

The Company's activities are structurally exposed to fluctuations in exchange rates insofar as the guide prices for the purchase of raw materials and for part of the sale of products in USD, GBP, CNY, TRY, ZAR, KRW and REAL. With regard to the management of the aforementioned risk, the company has entered into, during the period and those preceding it, purchase and sale currency forward contracts, with the intention to mitigate the structural exposure to said currencies.

- **Interest rate risk**

Floating rate loans expose the company to risks of variations in performance and cash flows due to the market rates trends. With regard to the management of the aforementioned risk, Cogne Acciai Speciali SpA has subscribed an Interest Rate Swap contracts during the period and previous years, with the intention to mitigate the structural exposure to variations in the floating interest rate on medium and long-term loans and lease contracts. All medium-long term floating rate loans entered into by the Company in 2021 are covered by Interest Rate Swaps.

- **Credit risk**

This is the risk that one of the parties of a financial instrument fails to meet its obligation, causing a financial loss to the other party.

The steel industry is the reference market for the company and is made up of multinational corporations and small and medium-sized operators in the sector. The company's exposure to credit risk is minimal, however, as most of its credit is covered by an insurance policy and most clients fall within the credit limit, except for rare cases motivated by commercial strategies. Credit risk is monitored through a careful selection and assessment of clients, and a constant and thorough management of clients and situations that are deemed to be risky. In addition, the company has analysed the credit amount as at 30 June 2024, and on the basis of this risk it has set up a fund to protect Cogne Acciai Speciali SpA against the potential risk of client insolvency.

- **Liquidity risk**

This is the risk that a company will have difficulties finding the funds to meet its obligations.

The company finances its activities both through the cash flow generated by operations and through recourse to external sources of financing. Therefore, exposed to liquidity risk represented by the fact that the financial resources may not be sufficient to meet with financial and commercial obligations within the predefined deadlines and expiries. The company's cash flow, the borrowing needs and liquidity are monitored taking into account the deadlines of the financial assets (trade receivables and other financial assets) and financial flows expected from the related activities.

The Company carries out collection operations in different financial markets using different techniques, in order to guarantee a suitable level of liquidity, both current and prospective.



Its strategic objective is to ensure that the company always has sufficient credit lines to meet its financial obligations.

The company expects to meet its financial requirements and anticipated investments through the available liquidity and the use of loans, granted until December 2024. Specifically, the amount of credit lines used, on average, falls in a range between 60% and 70%.

15. Non-financial Risks

It is noted that the main non-financial risks that the company is exposed to are as follows, with an indication for each of the related reduction and management policies for said risks:

- **Internal Risks**

- **Risks relating to an interruption in production**

The company's business activity depends significantly upon its plant in Valle d'Aosta. This activity is subject to the risks relating to accidents as well as interruptions due to unplanned stoppages. Cogne Acciai Speciali SpA believes that the complexity and modularity of its plants make it possible to limit any negative effects caused by unplanned stoppages and that the continually improved safety measures in effect allow any risk of accidents to be reduced to a minimum. The Company, in respect of these risks, also avails itself of substantial insurance cover through an All Risks policy against direct/consequential damage.

- **External risks**

- **Environmental Risks**

The Company's business activities are governed by numerous European Union, national, regional and local environmental regulations. The absolute priority of Cogne Acciai Speciali SpA is carrying out its business activities in full compliance with the environmental legislation requirements.

However, the risk of environmental responsibility is inherent to the business and there can be no certainty that new future legislation will not lead to additional costs. The Company, in respect of these risks, also avails itself of substantial insurance cover through environmental TPL insurance.

16. Privacy Obligations

WEBSITE: the privacy notices and documents on the CAS institutional website have been updated. The appointments of the external suppliers who maintain the technical profiles of the site have been updated as External Managers pursuant to Art. 28 GDPR. 2. Appointments pursuant to Art. 29 GDPR and Art. 2-quaterdecies of Legislative Decree 196/2003, as amended by Legislative Decree 101/2018: In execution of the work plan scheduled over the past few months, to complete the activities that have been carried out so far, the activities to appoint the Owners and their subordinates as Data Processors are being completed. 3. CAS Institutional Events: the notices and releases for registration to institutional events organised by CAS within its business areas were prepared. 4. Video surveillance: the documents concerning the management of the video



surveillance system at the Head Office were checked. Appointments of data processors, of Owners, of External Managers ex art. 28 GDPR.

Activities to be completed 1. Organigram Privacy: at the end of the phase of appointment of company personnel, a Organigram Privacy will be prepared, aligned with the functional company one. 2. The Whistleblowing channel is being verified and updated pursuant to Legislative Decree 24/2023 with the relevant appointments and disclosures. 3. By the end of the year, the Privacy procedures will be verified and periodic updates will be made. 4. By the end of the year, the Company's secondary garrisons will also be mapped, as already scheduled in the past months, to check their compliance with the GDPR with regard to the technical, organisational and security measures adopted or to be adopted. 5. The documents of the Privacy Organisational Model of the Swiss Branch, Cogne Stainless Bars, were submitted to the attention of the DPO, which is scheduled to be checked. 6. At the end of the previous activities, a check and update of the Register of Processing will be made (art. 30 GDPR).

17. Research and Development: Innovation for improvement

Pursuant to paragraph 3. no. 1) of article 2428 of the Italian Civil Code, it should be noted that Cogne Acciai Speciali S.p.A. did not plan or carry out research and development activities in 2021.

However, activities relating to "Product and Process Innovation and Development" were carried out by a group established in 2018 which, from the second half of 2019 was reduced in number due to a company reorganisation. Despite this reorganisation, the working group carried out numerous improvement projects in the three main areas of the company in order to gain a competitive advantage in the market.

18. Relations with subsidiaries, associates and holding companies

Pursuant to paragraph 3, no. 2 of Article 2428 of the Italian Civil Code, note that the company holds equity investments in subsidiary companies, as detailed in the Notes to the Financial Statements, to which reference should be made for further details.



Relations with Subsidiaries and Associates

Intragroup transactions take place according to market conditions. The economic-financial performance of Subsidiaries, considerations relating to the value assessment of the same, and the write-downs observed during the period are illustrated in detail in the notes to the financial statements.

€/000 Company Name	Receivables		Payables	
	Nature	Amount	Nature	Amount
Cogne Edelstahl GmbH	Trade receivables	1.970	Trade payables	196
Cogne France S.A.	Trade receivables	2.872	Trade payables	77
Cogne Celik Ltd	Trade receivables	942	Trade payables	58
Cogne UK Ltd	Trade receivables	4.077	Trade payables	8
Cogne USA Inc	Trade receivables	6.303	Trade payables	68
Metalinox Cogne	Trade receivables	1.529	Trade payables	4
Cogne Mexico	Trade receivables	2.514	Trade payables	15
Cogne Stainless Bars S.A.	Trade receivables	3.494	Trade payables	1.761
Cogne SG Pte Ltd	Trade receivables	-	Trade payables	20
Dongguan Cogne Steel Products Co., Ltd	Trade receivables	1.665	Trade payables	918
Degerfors Long Product	Trade receivables	6.444	Trade payables	1.567
Special Melted Product	Trade receivables	11.719	Trade payables	12.835
Special Melted Product	Financial receivables	7.173		
Com.Steel Inox Spa	Trade receivables	2.543	Trade payables	25.027
Other entities	Trade receivables	4	Trade payables	4.745
Total		53.251		47.301

Revenues from subsidiaries account for 32,12% of total revenues from sales and services.

€/000 Company Name	Revenues		Costs	
	Nature	Amount	Nature	Amount
Metalinox Cogne Aços inoxidáveis especiais Ltda	Revenues from sales	3.409	Purchase of material	-
	Provision of services	-	Purchase of services	4
	Financial income	-	Financial expenses	-
Dong Guang Cogne Steel Products Ltd.	Revenues from sales	12.243	Purchase of material	2.234
	Provision of services	-	Purchase of services	27
	Financial income	-	Financial expenses	-
Cogne France S.A.	Revenues from sales	6.121	Purchase of material	156
	Provision of services	3	Purchase of services	96
	Financial income	-	Financial expenses	-
Cogne UK Ltd	Revenues from sales	9.647	Purchase of material	8
	Provision of services	1	Purchase of services	-
	Financial income	-	Financial expenses	-
Cogne Edelstahl GmbH	Revenues from sales	15.201	Purchase of material	34
	Provision of services	31	Purchase of services	162
	Financial income	-	Financial expenses	51
Cogne Celik Sanayi Ve Ticaret Limited	Revenues from sales	1.800	Purchase of material	-
	Provision of services	-	Purchase of services	54
	Financial income	-	Financial expenses	-
Cogne USA Inc.	Revenues from sales	17.324	Purchase of material	0
	Provision of services	5	Purchase of services	44
	Financial income	-	Financial expenses	-
Cogne Stainless Bars SA	Revenues from sales	21.117	Purchase of material	6.231
	Provision of services	8	Purchase of services	-
	Financial income	-	Financial expenses	213
Cogne Mexico	Revenues from sales	4.757	Purchase of material	-
	Provision of services	-	Purchase of services	-
	Financial income	-	Financial expenses	-
Cogne Singapore	Revenues from sales	-	Purchase of material	-
	Provision of services	-	Purchase of services	100
	Financial income	-	Financial expenses	-
Degerfors long products AB	Revenues from sales	8.116	Purchase of material	2.569
	Provision of services	15	Purchase of services	-
	Financial income	-	Financial expenses	-
Special Melted Products LTD	Revenues from sales	9.428	Purchase of material	13.199
	Provision of services	-	Purchase of services	-
	Financial income	176	Other Expenses	-
Com.Steel Inox Spa	Revenues from sales	1.472	Purchase of material	25.030
	Provision of services	-	Purchase of services	-
	Financial income	-	Other Expenses	-
Other entities	Revenues from sales	-	Increase in assets	965
	Provision of services	3	Purchase of services	4.531
	Financial income	-	Financial expenses	-
Total		110.878		55.708



Relations with the Holding Company

Pursuant to Articles 2497-bis and 2497-ter of the Italian Civil Code on the subject of publication and accounting information to be supplied with reference to the management and coordination activities, it is noted that the company is not subject to management and coordination activities exercised by the holding company MEG SA, inasmuch as the Company's Board of Directors enjoys full decision-making autonomy, pursuant to Article 2497 and following of the Civil Code. As of 30 June 2024 there were no relationships of a commercial/financial nature with the holding company MEG SA.

Relations with Other Related Parties

Transactions with related parties have primarily concerned the supply of finished or semi-finished products. These supplies have taken place according to the market values. A table summarising the equity, economic and financial effects of transactions with related parties is provided below.

Amounts are expressed in thousands of Euros and refer to the period from 01-01-2024 to 30-06-2024				
Company Name	Revenues		Costs	
	Nature	Amount	Nature	Amount
Related parties				
Ferriere di Stabio SA	Sale of products	12.532	Purchase of material	119
Novametal do Brasil	Sale of products	599	Purchase of material	-
Novametal SA	Sale of products	29.147	Purchase of material	25
T.D.V. Trefileries des Voges SA	Sale of products	2.033	Purchase of material	-
T.I.M. Mexico	Sale of products	1.710	Purchase of material	-
Walsin Group	Sale of products	115	Purchase of material	354
Wire Products Stainless Steel	Sale of products	81	Purchase of material	-
Yantai Walsin	Sale of products	1.439	Purchase of material	-
Total		47.656		498

Amounts are expressed in thousands of Euros and refer to the period from ended 30-06-2024				
Company Name	Receivables		Payables	
	Nature	Amount	Nature	Amount
Related parties				
Ferriere di Stabio SA	Trade receivables	2.670	Trade Payables	-
Novametal do Brasil	Trade receivables	446	Trade Payables	-
Novametal SA	Trade receivables	5.874	Trade Payables	-
T.D.V. Trefileries des Voges SA	Trade receivables	343	Trade Payables	-
T.I.M. Mexico	Trade receivables	1.358	Trade Payables	-
Walsin Group	Trade receivables	115	Trade Payables	211
Wire Products Stainless Steel	Trade receivables	81	Trade Payables	-
Yantai Walsin	Trade receivables	45	Trade Payables	-
Total		10.932		211



19. Number and nominal value of own shares

Pursuant to paragraph 3, no. 3 of Article 2428 of the Italian Civil Code, it is noted that the Company does not hold any own shares, or shares of the Holding Company, nor has it acquired or sold any during the year.

20. List of secondary Offices

Pursuant to paragraph 5 of Article 2428 of the Italian Civil Code, it is noted that the Company has no secondary branches, but has five local units, the most important of which are the warehouses in Cornaredo (MI) in Via Pitagora 5 and the warehouse in Mirano (VE) in Via Stazione 80.

On behalf of the Board of Directors
The Chairman
Yu-Lon Chiao

A handwritten signature in black ink, appearing to be "Y. L. Chiao", written over a horizontal line.



COGNE ACCIAI SPECIALI SPA

Registered office in Aosta - Via Paravera 16
Fully paid up Share Capital €405.563.167
Registered in the Aosta Companies Register
Registration Number and Tax ID Code 02187360967

BALANCE SHEET **INCOME STATEMENT** **CASH FLOW STATEMENT**



Assets	30/06/2024	31/12/2023
A) Unpaid capital contribution from shareholders	-	-
B) Fixed assets		
I - Intangible assets		
1) Start-up and expansion costs	3.725	4.257
4) Concessions, licences, trademarks, and similar rights	15.806.613	16.055.605
6) Work in progress and advances	231.677	2.028.383
7) Others	6.471.035	7.128.299
Total	22.513.050	25.216.544
II - Tangible assets		
1) Land and buildings	5.468.993	5.654.957
2) Plant and machinery	117.905.501	113.124.488
3) Fixtures, fittings, tools and equipment	8.922.013	8.529.215
4) Others	1.580.861	1.768.607
5) Work in progress and advances	33.462.027	31.550.767
Total	167.339.395	160.628.034
III - Investments		
1) Investments	286.654.784	259.420.891
a) Financial investments from subsidiary companies	284.508.854	255.259.161
d-bis) Financial investments from others companies	2.145.930	4.161.730
2) Receivables	151.926	159.108
d-bis) Receivables from other companies	151.926	159.108
ST receivables from other companies	151.926	159.108
Total	286.806.710	259.579.999
Total assets (B)	476.659.155	445.424.577
C) Current assets		
I - Inventory		
1) Raw materials, consumable and supplies	47.504.736	35.060.276
2) Work in progress and components products	153.376.513	92.375.664
4) Finished products and goods	77.846.631	69.677.877
Total	278.727.880	197.113.817
II - Receivables		
1) Trade receivables	82.057.621	53.048.886
- less than 12 months	82.057.621	53.048.886
2) Receivables from subsidiaries companies	53.251.320	48.438.651
- less than 12 months	53.251.320	48.438.651
5-bis) Tax receivables	8.870.838	8.882.665
- less than 12 months	8.600.625	8.524.787
- more than 12 months	270.213	357.878
5-ter) Deferred tax assets	10.919.907	10.902.629
5-quater) Other receivables	10.410.663	3.082.445
- less than 12 months	10.410.663	3.082.445
Total	165.510.349	124.355.276
III - Investments that do not constitute a fixed asset		
5) Derivative financial instruments	2.691.144	2.635.610
6) Other securities/ holdings	-	20.000.000
Total	2.691.144	22.635.610
Cash and cash equivalents		
1) Banks and postal current accounts	10.448.685	66.505.391
Total	10.448.685	66.505.391
Total current assets (C)	457.378.058	410.610.094
Prepayments and accrued income	9.866.555	7.384.170
1) Accrued incomes	49.449	97.429
2) Deferred charges	9.817.106	7.286.741
Total assets	943.903.768	863.418.841



Liabilities and Net equity	30/06/2024	31/12/2023
Net equity		
I - Share capital	405.563.167	405.563.167
II - Share premium reserve	44.436.833	44.436.833
IV - Legal reserve	4.942.909	4.861.472
VI - Other reserves, with distinct indication	2.207.273	2.207.273
VII - Cash flow hedging reserve	1.744.532	1.302.908
VIII - Retained Earnings	36.142.035	34.594.749
IX - Net profit (loss) for the period	(5.587.153)	1.628.723
Total net equity (A)	489.449.596	494.595.125
B) Provisions for risks and other charges		
2) Deferred tax and other tax liabilities fund	1.103.279	547.398
3) Reserve for derivative financial instruments	845.987	1.372.152
4) Other provisions fund	539.074	805.000
Total provisions for risks and other charges (B)	2.488.340	2.724.550
C) Employee severance indemnity	2.199.969	2.321.842
D) Payables		
1) Debenture loans	5.974.005	7.460.743
ST portion debenture loans	3.003.452	3.005.034
LT portion debenture loans	2.970.553	4.455.709
3) Payables due to the shareholders	30.000.000	-
ST shareholders' payables	30.000.000	-
4) Payables due to banks	238.377.940	193.856.501
- less than 12 months	115.933.076	43.740.586
- more than 12 months	122.444.864	150.115.915
7) Payables to suppliers	110.072.051	144.613.230
ST payables to suppliers	110.072.051	144.613.230
9) Payables to subsidiaries companies	47.300.704	5.017.193
- less than 12 months	47.300.704	5.017.193
12) Tax payables	935.440	1.630.951
- less than 12 months	935.440	1.630.951
13) Payables to social security institute	4.561.527	4.269.113
- less than 12 months	4.561.527	4.269.113
14) Other payables	11.601.457	5.837.644
- less than 12 months	8.642.105	5.750.394
- more than 12 months	2.959.352	87.250
Total	448.823.124	362.685.375
E) Accruals and Deferred Income	942.739	1.091.949
Deferred income	622.004	734.670
Accrued interests	320.735	357.279
Total liabilities	943.903.768	863.418.841



Profit and Loss		
	30/06/2024	30/06/2023
A) Production value		
1) Revenues from sales and services	344.936.332	386.693.701
2) Change in work in progress and finished goods	69.169.604	1.415.106
5) Other revenue and income	4.948.670	14.324.856
a) Grants	1.061.463	10.522.887
b) Other revenues	3.887.207	3.801.969
Total production value (A)	419.054.606	402.433.663
B) Cost of production		
6) for raw material and consumables	330.505.264	297.711.066
7) for services	38.990.983	34.945.083
8) for rents and leases	5.566.682	4.097.479
9) Personnel costs	37.963.655	32.161.967
a) Salaries and wages	26.461.388	22.861.134
b) Social security costs	9.262.398	7.836.898
c) Provision for severance indemnity	1.584.094	1.363.563
e) Other costs	655.775	100.372
10) Amortization, depreciation and provision	14.329.006	12.145.145
a) Amortization of intangible assets	2.703.495	2.393.777
b) Amortization of tangible fixed assets	10.631.136	9.630.537
d) Write-offs of net working capital receivables and cash and cash equivalents	994.375	120.831
11) Variation in inventory of raw material and consumables	(12.444.460)	10.049.167
14) Other operating losses	1.815.607	3.020.779
Tptal production costs (B)	416.726.737	394.130.686
Differences production value and cost of production (A-B)	2.327.869	8.302.977
C) Financial income and charges		
15) Income from equity investments	-	2.322.446
a) Income from equity investments in subsidiary companies	-	2.322.446
16) Other financial income	344.043	26.830
d) Other financial income	344.043	26.830
- da imprese controllate	176.399	-
- altri proventi diversi dai precedenti	167.644	26.830
17) Interests expenses and similar charges	7.349.720	5.185.830
Interest and other financial charges from subsidiary companies	263.836	68.198
Others	7.085.884	5.117.632
17-bis) Profit (loss) on exchange difference	2.281	2.180.362
Exchange profits and losses	270.737	1.959.164
Unrealized exchange profits and losses	(268.456)	221.198
Total financial income and expenses (C)	(7.003.396)	(656.192)
D) Financial assets revaluations or write-offs		
18) Revaluations	3.436.497	8.736.604
a) Revaluations of equity investments	2.161.556	2.716.837
d) Revaluations of derivative financial instruments	1.274.941	6.019.767
19) Write-offs	3.945.706	7.454.205
a) Write-offs of equity investments	2.015.800	-
d) Devaluations of derivative financial instruments	1.929.906	7.454.205
Total financial assets revaluations or write-offs (D)	(509.209)	1.282.399
Result before taxes (A-B+/-C+/-D)	(5.184.736)	8.929.184
20) Income taxes	402.417	(700.083)
a) Current taxes	524.152	245.579
b) Previous years taxes	6.855	363
c) Deffered/Advanced taxes	(128.590)	(946.025)
Profit (loss) for the year	(5.587.153)	9.629.267



Cash Flow Statement	30.06.2024	31.12.2023
A) Cash Flow Statement (indirect method)		
Profit/Loss for the year	(5.587.153)	1.628.723
Income tax	395.931	(6.144.161)
Interest expense/(income)	7.005.678	11.618.988
(Dividends)	-	(10.284.970)
(Gains)/Losses on disposal of assets	-	(5.307.257)
1) Profit/Loss for the year before income tax, interest, dividends and capital gain/losses on disposal	1.814.456	(8.488.677)
<i>Adjustments for non-monetary items that did not have a counterpart in net working capital</i>		
Provisions/(proceeds) to funds	2.311.723	3.232.873
Amortisation of fixed assets	13.334.630	24.947.606
Impairment losses/realisations	(145.756)	(899.707)
Value adjustments to financial assets and liabilities of derivative financial	654.965	2.566.237
Other adjustment up/(down) for non-monetary items	5.484.942	(2.669.572)
Total adjustment for non-monetary items that did not have a counterpart in net working capital	21.640.504	27.177.437
2) Cash flow before changes in net working capital	23.454.960	18.688.760
<i>Total net working capital</i>		
Decrease/(Increase) in inventories	(81.614.063)	15.537.616
Decrease/(Increase) in trade receivables	(36.309.475)	48.641.806
Increase/(Decrease) in trade payables	7.742.332	(52.076.822)
Decrease/(Increase) in accrued income	(2.482.385)	(4.368.745)
Increase/(Decrease) and prepaid expenses	(149.210)	200.210
Other decreases/(Other increases) in net working capital	(1.757.122)	11.521.851
Total changes in net working capital	(114.569.923)	19.455.916
3) Cash flow after changes in net working capital	(91.114.963)	38.144.676
<i>Other adjustments</i>		
Interest received/(paid)	(7.005.678)	(11.618.988)
(Income taxes paid)	-	(986.702)
(Use of provisions)	(5.484)	(312.427)
Change in other provisions for risks and charges/severance pay	(1.705.967)	(3.830.601)
Dividends collected	-	10.284.970
Other receipts/(payments)	-	-
Total other adjustments	(8.717.129)	(6.463.748)
Cash Flow operating activities (A)	(99.832.092)	31.680.928
B) Cash flow from investing activities		
Tangible fixed assets		
(Flows from investments)	(17.344.629)	(44.540.659)
Flows from disinvestments	2.132	53.245
Intangible fixed assets		
(Flows from investments)	-	(5.121.353)
Flows from disinvestments	-	-
Financial fixed assets		
(Flows from investments)	(25.580.955)	(181.061.726)
Flows from disinvestments	-	3.529.844
Movable financial assets		
(Flows from investments)	-	-
Flows from disinvestments	20.000.000	-
Changes in other financial assets	-	-
Cash flow from investing activities (B)	(22.923.452)	(227.140.649)
C) Cash flows from financing activities		
Third party means		
Increase/(Decrease) amounts due to banks	83.362.309	(41.050.062)
Increase/(Decrease) other financial payables	243.071	243.071
Disbursement of loans	-	94.000.000
(Repayment of loans)	(16.906.542)	(31.195.137)
Increase/(Decrease) in payables for treasury current account	-	-
Increase/(Decrease) in share capital	-	-
Cash flow from financing activities (C)	66.698.838	21.997.872
Cash flows from extraordinary transactions (merger/division) (D)		
-		
Increase (decrease) in cash and cash equivalents (A ± B ± C ± D)	(56.056.706)	6.538.151
Cash and cash equivalents as the beginning of the period	66.505.391	59.967.240
Cash and cash equivalents at the end of the period	10.448.685	66.505.391
Increase/(decrease) in cash and cash equivalents	(56.056.706)	6.538.151



COGNE ACCIAI SPECIALI SPA

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Fully paid up Share Capital €405.563.167
Registered in the Aosta Companies Register
Registration Number and Tax ID Code 02187360967

NOTES TO THE FINANCIAL STATEMENTS



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NOTES TO THE FINANCIAL STATEMENTS
01.01.2024 – 30.06.2024

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INTRODUCTION

These financial statements, consisting of the balance sheet, the income statement, the cash flow statement and the notes to the financial statements, have been prepared in accordance with the provisions of Legislative Decree no. 127 of 9 April 1991, as supplemented by the amendments introduced by Legislative Decree no. 6 of 17 January 2003 and Legislative Decree no. 139 of 18 August 2015, and give a true and fair view of the Company's financial position, results of operations and cash flows for the period. In addition, these financial statements are accompanied by the report on operations.

The financial statements are prepared in accordance with Articles 2423 ter, 2424, 2424 bis, 2425, 2425 bis, 2425 ter of the Italian Civil Code. The values shown are in euro units. Items not expressly included in the statements are deemed to have a zero balance, both in the financial statements of the period being closed and in the previous one.

The notes to the financial statements contain the information required by Articles 2427 and 2427 bis of the Italian Civil Code. Unless otherwise specified in the comments on the respective item, the values shown are in euros. Any differences in the detailed schedules in the notes are due to rounding.

CHANGE OF ACCOUNTING PRINCIPLES

With the publication of Legislative Decree no. 139 of 18 August 2015 on the Official Gazette dated 4 September 2015, the procedure for implementation of the Directive 34/2013/EU was completed. This decree updated the rules of the Italian Civil Code in relation to financial statements and Legislative Decree 127/1991 with regard to consolidated financial statements.

The provisions of the Decree came into force on 1 January 2016. Legislative Decree 139/2015 provides, in general, that the new provisions be applied retrospectively on the basis of the provisions of OIC 29 ("*Changes of accounting principles, of accounting estimates, error corrections, events occurred after the end of the period*") except in the cases where it is possible to avail of the right of the prospective application, as provided by art. 12, paragraph 2 of Legislative Decree 139/2015.

ERROR CORRECTION

An error is detected when an incorrect qualitative or quantitative representation of an item in the financial statements or information provided in the notes to the financial statements is found, and information and data is available to make the correction. The correction is made by amending the corresponding net equity item, attributing the correction of the error to the opening balance of the net equity for the period in which the error was made.



When feasible, and only for the purposes of comparison, the company will correct a significant error made in the previous period by comparing amounts again. If an error is made in earlier periods, it is corrected by recalculating the opening balance of the prior period. If it is not feasible to determine the cumulative effect of a significant error for all previous periods, the company will recalculate the comparative values to correct the error based on the earliest date on which it is feasible to do so. Minor errors from previous periods will be recorded in the income statement for the period in which the mistake is identified.



PART ONE: GENERAL PRINCIPLES

These financial statements have been clearly prepared and give a true and fair view of the Company's financial position, results of operations and cash flows for the period (Article 2423, paragraph 2 of the Italian Civil Code). The information required by the specific legal provisions governing the preparation of interim financial statements was deemed sufficient to give a true and fair view. However, additional information considered appropriate for more complete and detailed disclosure has been provided. Among them, in particular:

- net financial position;
- reclassified balance sheet and income statement (included in the report on operations);
- further significant information in view of the characteristics and size of the company (Art. 2423, para. 3 of the Italian Civil Code).

The measurement criteria are those envisaged in Article 2426 of the Italian Civil Code, there were no exceptional cases that made it necessary to resort to exceptions, and therefore the provisions of Article 2423 bis et seq. of the Italian Civil Code were applied, which are considered compatible with true and fair representation (Article 2423, para. 4 of the Italian Civil Code).



PART TWO: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements at 30 June 2024 were prepared in accordance with the regulations of the Italian Civil Code, interpreted and supplemented by the accounting standards drawn up and revised by the Italian Accounting Standard-Setter (OIC), and, where absent and not in conflict, by those issued by the International Accounting Standards Board (IASB). As envisaged in Articles 2423 and 2423 bis of the Italian Civil Code, they comply with the general principles of prudence, accrual and relevance, taking into account the prevalence of the substance of the transaction or contract. They have also been prepared on a going concern basis, as specified in the Report on operations under the heading "Business Outlook and Going Concern Assumption". The application of the principle of prudence entailed the individual valuation of the components of the individual items of assets or liabilities, in order to avoid offsets between realised losses that had to be recognised and profits that were not to be recognised because they were unrealised. Only profits realised before the reporting date have been recognised (Article 2423 bis, paragraph 1, no. 2 of the Italian Civil Code).

On an accrual basis, the effect of transactions and other events has been recognised in the financial statement and attributed to the period such transactions and events refer to, and not to the period the relevant collections and payments take place in (Art. 2423 bis, para. 1, no. 3 of the Italian Civil Code). In accordance with the matching principle, the costs associated with the profits for the period are recognised on an accruals basis.

Risks and losses pertaining to the period were taken into account, even if they became known after the reporting date (Article 2423 bis, paragraph 1, no. 4 of the Italian Civil Code).

The heterogeneous elements included in the individual items were valued separately (Art. 2423 bis, para. 1, no. 5 of the Italian Civil Code).

The measurement criteria were not changed with respect to the previous period (Art. 2423 bis, para. 1, no. 6 of the Italian Civil Code).

The following criteria were followed in structuring the balance sheet and income statement:

- a) In the balance sheet and income statement, the items provided for in Articles 2424 and 2425 of the Italian Civil Code (Art. 2423 ter, para. 1 of the Italian Civil Code) were entered separately, and in the order indicated.
- b) Entries preceded by Arabic numerals or lower case letters have not been further subdivided. For the sake of clarity, however, it was deemed appropriate to indicate the value adjustments of items recorded under assets in the balance sheet separately.
- c) No other items have been added, since their content is included in those envisaged in Articles 2424 and 2425 of the Italian Civil Code (Art. 2423 ter, para. 3 of the Italian Civil Code).
- d) Items preceded by Arabic numerals have not been adjusted, as the nature of the activity performed does not require it (Art. 2423 ter, para. 4 of the Italian Civil Code).
- e) The values of the financial statements as of 30 June 2024 are shown in comparative form with those of the financial statements as at 31 December 2023 for the balance sheet and with those of the interim financial statements as at 30 June 2023 for the income statement. Where made, reclassifications are explained in the notes to the financial statements (Art. 2423 ter, para. 4 of the Italian Civil Code).
- f) No offsets were made (Art. 2423 ter, para. VI of the Italian Civil Code).

No asset and liability items fall under more than one caption of the statements (Art. 2424, para. 2 of the Italian Civil Code).



PART THREE: PRESENTATION AND MEASUREMENT CRITERIA

The accounting principles used to prepare the financial statements are described below. At the outset, note that there were no repurchase transactions.

1. Intangible fixed assets

Expenses and charges that will be useful in the future have been recorded under intangible fixed assets. Intangible fixed assets were recognised at acquisition or production cost, including ancillary charges, or at the revaluation cost.

The cost of intangible fixed assets, whose use is time-limited, is systematically amortised according to their residual potential for utility. The amortisation plan drafted along the aforementioned principles is described in the subsequent explanatory paragraph under "Intangible Fixed Assets".

The amortisation criteria and coefficients applied to the previous period have not been modified (art. 2426, para. 1, no. 2 of the Italian Civil Code).

As at the balance sheet date, the company assesses if there are any indications of impairment on the intangible fixed assets (including goodwill).

If there is any such evidence, the book value of the activity is reduced to the relative recoverable value understood as the higher value between the fair value less costs to sell, and its value in use. If it is not possible to estimate the recoverable value of the asset, the company will estimate the recoverable value of the cash-generating unit (CGU) to which the asset belongs. The value in use of an asset is calculated by determining the present value of the expected future cash flows, applying a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment is recognised if the recoverable value is lower than the net accounting value.

Any impairment is recovered, if the reasons for impairment no longer apply. The recovery amount cannot exceed the value the asset would have had if there had been no impairment. No recovery is carried out on goodwill and on the costs covering multiple years.

2. Tangible fixed assets

They were entered at their purchase cost, production cost or contribution cost, including all directly attributable ancillary charges.

Costs incurred after the acquisition of a single asset are charged to the increase of the initial cost only if they constitute a significant and tangible increase in the original production capacity or useful economic life of the asset. Ordinary maintenance and repair costs, not including incremental expenses, are not capitalised and are recognised in the income statement for the year in which they are incurred.

Certain tangible fixed assets as determined above were revalued in accordance with specific economic revaluation laws in previous years (revaluation law no. 266 of 23 December 2005) and in 2020 (revaluation law no. 126 of 13 October 2020). The revalued amount was determined based on an independent appraisal.

Fixed assets, with a finite useful life, are systematically depreciated every year based on rates which reflect the residual useful life and justified by the expected replacement and/or modification of the current assets in order to counteract the wear and tear of assets. Such rates are halved in the first year in which the asset is available for use, in order to reflect the shorter period in which the asset is used.

The depreciation plan based on the aforementioned principles is presented in the subsequent explanatory paragraph under "Tangible Fixed Assets".

Assets with a low unit value are fully depreciated over the year they are first used, given their short duration and rapid consumption.



The amortisation criteria and coefficients applied to the previous period have not been modified (art. 2426, para. 1, no. 2 of the Italian Civil Code).

As at the balance sheet date, the company assesses if there are any indications of impairment on the tangible fixed assets.

If there is any such evidence, the book value of the activity is reduced to the relative recoverable value understood as the higher value between the fair value less costs to sell, and its value in use. If it is not possible to estimate the recoverable value of the asset, the company will estimate the recoverable value of the cash-generating unit (CGU) to which the asset belongs. The value in use of an asset is calculated by determining the present value of the expected future cash flows, applying a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment is recognised if the recoverable value is lower than the net accounting value.

Any impairment is recovered, if the reasons for impairment no longer apply. The recovery amount cannot exceed the value the asset would have had if there had been no impairment.

The disposal or transfer of tangible fixed assets is recognised in the financial statements by eliminating the cost and depreciation fund from the balance sheet and recording the relative gain or loss in the income statement.

Financial leases

Assets under finance lease are recognised in accordance with the accounting policy already adopted in the past, applying the equity method in line with the current legislative interpretation. Therefore, lease payments are recognised as costs on an accruals basis.

In the following section on "Tangible Fixed Assets", the notes illustrate the accounting effects of applying the financial method, as required by international accounting practice.

3. Financial fixed assets

3.a Equity Investments Recorded Under Financial Fixed Assets

If equity investments are deemed to be long-term investments, they are recorded under financial fixed assets. If they were acquired for subsequent disposal, then they are registered under financial assets not constituting fixed assets.

Investments in subsidiaries and other companies are measured at acquisition cost, including ancillary charges, or subscription cost or, in the case of company contributions, on the basis of the amounts established in the relevant deeds and corresponding to those resulting from appraisals, possibly written down as a result of impairment losses, or up to the share of the investees' losses for the year for which there is an obligation or intention to cover them. Impairment losses exceeding the corresponding carrying values of equity investments are entered under "provisions for risks and charges on investees".

Write-downs of equity investments included in financial fixed assets are not maintained in subsequent periods if the assumptions they were based on no longer apply.

The cost of investments in foreign operations is translated into euros at the historical acquisition or subscription exchange rates, or at the lower closing rate if the reduction is permanent.

3.b Receivables Recorded Under Financial Fixed Assets

With reference to the new regulations introduced by Legislative Decree 139/2015 in relation to the amortised cost measurement and the discounting of receivables, it is hereby reported that the Company availed itself of the right of prospective application provided under Article 12, paragraph 2 of said decree.

However, the financial receivables recognised in the financial statements before the financial year starting from 1 January 2016 are recognised at their nominal value, adjusted for impairment when necessary. If the reasons for impairment no longer apply in subsequent financial years the value of the asset is reversed up to its original amount.

The financial receivables entered in the financial statements after 1 January 2016 are measured at amortised cost, taking into account the time value of money and the presumed realisable value.



The transaction costs, any commission income or expense and every difference between the initial value and the nominal value on maturity are included in the calculation of the amortised cost using the effective interest method over the receivable's expected life.

The amortised cost criterion cannot be applied to receivables when its use has negligible effects for the purposes of providing a true and fair representation of the item.

4. Inventory

As determined below, the value of replaceable assets does not differ considerably from the current costs at the reporting date.

Inventories of raw materials, consumables and supplies

Inventories of raw materials, consumables and supplies were recorded at purchase cost, including ancillary charges. This cost was calculated using the weighted average method. However, it is not higher than the presumed market value, taking into account the utility/functionality of the goods within the production process.

Inventories of work in progress, semi-finished and finished products

Inventories of work in progress, semi-finished and finished products were recorded at production cost, including all directly attributable costs. Distribution costs were not included in the production cost. The production cost of work in progress and finished products was determined by taking into account direct variable costs (raw materials, direct labour and consumables), direct fixed costs, and the accrued portion of industrial depreciation. This cost was determined using the weighted average method.

However, the production cost is not higher than the presumed market value, taking into account the utility/functionality of the goods within the production process.

Regarding obsolete and slow-moving stock, if circumstances require it, the write-down is based on the possibility of use or realisation.

5. Receivables Recorded Under Current Assets

With reference to the new regulations introduced by Legislative Decree 139/2015 in relation to the amortised cost measurement and the discounting of receivables, it is hereby reported that the Company availed itself of the right of prospective application provided under Article 12, paragraph 2 of said decree.

Therefore, receivables recognised prior to the year opening on 1 January 2016 are recorded at the presumed realisable value, which is the difference between the nominal value of the receivables and the adjustment recorded under the allowance for doubtful receivables, recognised as a direct reduction in the items they refer to.

Receivables recognised starting from 1 January 2016 are instead entered according to the amortised cost criterion, taking account of the time value of money and the presumed realisable value.

The initial value of the receivables is represented by the nominal value net of all premiums, discounts and rebates, and including any costs directly attributable to the transaction which generated the payable.

The transaction costs, any commission income or expense and every difference between the initial value and the nominal value on maturity are included in the calculation of the amortised cost using the effective interest method over the receivable's expected life.

The amortised cost criterion cannot be applied to receivables when its use has negligible effects for the purposes of providing a true and fair representation of the item.

The allowance for doubtful receivables, recorded as a direct reduction to receivables, includes allocations associated to items for which it is reasonable to expect a risk of non-collection, considering existing insurance policies.

Receivables are classified before and after the year based on the contract expiry.

Receivables originally expressed in foreign currency, entered at the exchange rate in force on the date of their occurrence, have been aligned to current exchange rates at the close of the financial year, as detailed further in the paragraph "Transactions in foreign currencies".



Factoring transactions

The company used the disposal of trade receivables as a source of financing, mainly through assignment without risk of recourse to factoring companies.

Supply receivables assigned with recourse to factoring companies remain on the assets side of the balance sheet, entered in the accounts under the item "Trade receivables" until they are successfully collected. The Company asks the factor to provide financing in the form of advances on sold items. These prepayments are allocated to liabilities under item D.5 "Debts to other financial backers" and the related offset is entered to increase the company's current accounts.

Receivables sold without recourse to factoring companies are removed from the balance sheet assets and the difference between the corresponding amount and the nominal value of the receivable at the time of the sale is recognised.

The accrued charges up to the period's closing date and not yet paid at this date are entered under accrued expenses.

6. Financial assets other than fixed assets

With reference to the new regulations introduced by Legislative Decree 139/2015 in relation to the amortised cost measurement and the discounting of receivables, it is hereby reported that the Company availed itself of the right of prospective application provided under Article 12, paragraph 2 of said decree.

However, the financial receivables recognised in the financial statements before the financial year starting from 1 January 2016 are recognised at their nominal value, adjusted for impairment when necessary. If the reasons for impairment no longer apply in subsequent financial years the value of the asset is reversed up to its original amount.

The financial receivables entered in the financial statements after 1 January 2016 are measured at amortised cost, taking into account the time value of money and the presumed realisable value.

The transaction costs, any commission income or expense and every difference between the initial value and the nominal value on maturity are included in the calculation of the amortised cost using the effective interest method over the receivable's expected life.

The amortised cost criterion cannot be applied to receivables when its use has negligible effects for the purposes of providing a true and fair representation of the item.

7. Cash and cash equivalents

This item includes bank and postal accounts.

These assets are recorded at nominal value.

8. Accruals and deferrals

Accruals and deferrals are calculated on an accrual basis by applying the physical time criterion.

9. Provisions for risks and charges

These mainly involve provisions to cover charges of a definite nature and certain or probable existence, for which, however, at the end of the period, it was not possible to determine the amount or date of occurrence. The provisions are the result of the most reliable possible estimate on the basis of the commitments undertaken and of elements to hand.

In detail, they consist of:

- a. "Provision for deferred tax and other tax liabilities": includes deferred taxes determined as described in the paragraph on income taxes;
- b. "Provision for derivative financial instruments": for the detail relating to this item please refer to the paragraph on derivative financial liabilities;



- c. "other provisions": essentially cover risks associated with the performance of the contractual commitments undertaken, risks for legal disputes in progress and provisions made to cover losses exceeding the net equity of the subsidiaries.

10. Employee severance indemnity

This is determined based on the existing legislation (specifically Italian law no. 297 of 29 May 1982, which provides for its mandatory fixed and variable revaluation) and the collective labour agreement contract.

Starting from 1 January 2007, the Budget Act and the related decrees implemented introduced significant changes in the regulation of the Employee Severance Indemnity for companies with more than 50 employees. This act foresees the employee deciding on the destination for their accrued Employee Severance Indemnity (to supplementary pension funds or to a "Treasury Fund" managed by INPS, the Social Security institute). Therefore, it follows that the obligation to INPS, as well as the contributions to supplementary pension schemes are paid to the respective institutions, while the shares part of the Employee Severance Indemnity prior to 31 December 2006 are processed as in previous years.

The fund is adjusted to the accrued amount at period end by the staff in service on that date, net of the corresponding prepayments and represents the company's debt towards its employees.

11. Payables

With reference to the new regulations introduced by Legislative Decree 139/2015 in relation to the amortised cost measurement and the discounting of payables, it is hereby reported that the Company availed itself of the right of prospective application provided under Article 12, paragraph 2 of said decree.

Accordingly, payables arising prior to the financial year beginning on or after 1 January 2016 are recognised in the financial statements at their nominal value.

Payables recognised starting from 1 January 2016 are instead entered according to the amortised cost criterion, taking account of the time value of money.

The initial value of the payables is represented by the nominal value net of all premiums, discounts and rebates, and including any costs directly attributable to the transaction which generated the payable.

The transaction costs, any commission income or expense and every difference between the initial value and the nominal value on maturity are included in the calculation of the amortised cost using the effective interest method over the payable's expected life.

The amortised cost criterion cannot be applied to payables when its use has negligible effects for the purposes of providing a true and fair representation of the item.

Payables are classified before and after the period based on their contract expiry.

Payables originally expressed in foreign currency, initially entered at the exchange rate in force on the date of their occurrence, have been aligned to current exchange rates at the close of the period, as detailed further in the paragraph "Transactions in foreign currencies" of this part.

12. Derivatives

Derivative financial instruments are used for economic hedging purposes to reduce exchange rate risk. In compliance with *OIC 32 - Derivative financial instruments*, all derivative financial instruments are valued at fair value.

Derivative financial instruments can be accounted for under the conditions laid down for hedge accounting only when there is a formal designation and documentation of the hedging relationship at the outset. It is therefore expected that the hedging will be highly effective, and that said effectiveness can be reliably assessed for all the financial years to which it has been designated.

When the derivative financial instruments fulfil the requirements for accounting according to the established hedge accounting method, it is applied as follows: if a derivative financial instrument is designated to hedge



the variability of future cash flows of an asset or liability or of an highly likely anticipated transaction which could influence the income statement, the effective profit or loss on the derivative financial instrument is recorded directly to net equity under item A) VII *Cash flow hedging reserve*. Accumulated profit or loss are taken to profit or loss in the same year in which the related economic effect of the hedged transaction is recognised. They are recognised as an adjustment to the hedged item. Profits and losses associated with a hedge (or part of a hedge) that has become ineffective are immediately entered in the income statement respectively under item D) 18 d) *write-up of derivative financial instruments* and D) 19 d) *write-down of derivative financial instruments*. When a hedging instrument or hedging relationship is terminated, but the transaction subject to the hedging has not yet been carried out, the accumulated profits or losses, until the time they are entered in the appropriate net equity reserves, are recorded in the income statement at the time the related transaction is made in connection with the recognition of the economic effects of the hedged transaction. If the hedged transaction is no longer considered likely, the unrealised accumulated profits or losses recognised under net equity are immediately entered in the income statement under D18 d) or D19 d).

Derivative financial instruments with a positive fair value are classified as current assets (item C.III.5 *Derivative financial assets*) namely in the "Financial fixed assets" (item B.III.4 derivative financial assets). Derivative financial instruments with a negative fair value are classified in the Risk provisions if the fair value is negative (entry B3 *Provision for derivative financial instruments*).

If hedge accounting cannot be applied, the profits or losses deriving from the valuation of the derivative are immediately recorded in the income statement under items D18 d) or D19 d).

As laid down in Legislative Decree 139/2015, the innovations introduced with respect to financial derivative instruments were applied retrospectively, pursuant to *OIC 29 - Changes in accounting principles, changes in accounting estimates, error corrections, events occurring after year end*.

13. Commitments, guarantees and contingent liabilities not resulting from the balance sheet

The table annexed to the notes to the financial statements highlights management events that, while not quantitatively affecting the net equity and the result of operations at the time of entry, could however produce effects subsequently. Such elements are entered at their nominal value or at the value of the commitment.

14. Revenues and costs

Revenues from the sale of products are recorded on an accruals basis at the time of the transfer of ownership, which normally coincides with the delivery or shipment of the goods. Revenues associated to services are recorded in the income statement to the extent that the associated services are carried out over the course of the period. Revenues from sales and services are indicated net of client returns, discounts, allowances and premiums, as well as of taxes directly connected with the sale of products or services.

Costs, net of customer returns, discounts, rebates and premiums, are reported in the financial statements on an accrual basis.

15. Dividends

Dividends paid by investee companies are recognised in the income statement when received.

The distribution of dividends to the shareholders of the Company entails the registration of a payable at the time of the approval of the shareholders' resolution.

16. Transactions in foreign currencies

Items expressed in currencies of countries outside the Eurozone are accounted for based on the following criteria.

Profits and losses deriving from the conversion of receivables and payables are respectively credited and debited to the Income Statement under item C.17 bis "Profit (loss) on exchange difference". Any unrealised net profit is allocated to the specific non-distributable reserve until it is realised.



Monetary foreign currency assets and liabilities have been entered at the spot exchange rate on the date of closure of the period.

The non-monetary assets and liabilities (fixed assets, inventories, accrued interests and deferred charges, etc.) in foreign currencies are recorded at the spot exchange rate at the purchase date or if lower at the date of the closing of financial statements, when an impairment loss is recognised.

In the case of currency exchanges, the net positive/negative balance derived from the valuation of available liquid assets at the close of the period is recorded as a realisation gain/loss in the income statement under item C.17-bis.

17. Income tax

The taxes due on income are a reasonable estimate of the taxes payable, calculated by applying the tax provisions based on the determination of the taxable income and taking into account applicable exemptions and tax credits.

The associated payable amount is shown net of advances, withholdings and tax credits under "tax liabilities", while the net payable position is recorded under the item C.II.5 bis "Tax receivables" of the current assets.

Pursuant to the provisions of OIC 25, the table "Reconciliation between the Theoretical Tax Rate and the Actual Tax Rate" is provided in Part Four below, in the section "Income Taxes".

18. Deferred tax

The Company recognised deferred taxes with respect to temporary taxable differences that arose during the period. Specifically, deductible temporary differences, which occur in the presence of negative income components whose deduction is partially or totally postponed to subsequent periods, generate prepaid taxes to be recorded under item C.II.5 ter of assets. Temporary taxable income differences, which arise in the presence of positive income components taxable in a period subsequent to that in which they are relevant for statutory purposes or negative income components deducted in a period prior to that in which they are recognised in the income statement, generate deferred tax liabilities to be recorded under item B.2 of liabilities. Deferred tax is determined on the basis of the tax rate currently in force and taking into account the expected tax rates for future periods.

The balance under "Income taxes" is the result of the algebraic sum of current and deferred taxes which reflect the effective tax charge for the period.

Deferred tax assets for which there is no reasonable certainty of their future recovery have not been recognised. Deferred taxes on reserves and withheld tax amounts are recorded when it is expected that said reserves will be distributed or otherwise used and that said distribution or use will lead to tax liabilities.

In the income statement, deferred and prepaid taxes are indicated separately, under Income Taxes for the Period.

The description of the temporary differences that led to the recognition of deferred and prepaid taxes, the relative rate and change compared to the previous period, the amounts credited and debited to the income statement and net equity, the details of the temporary differences excluded as well as the prepaid taxes recognised in relation to the losses incurred are reported in the comments section of item 20 of the Income Statement "Current, deferred and prepaid income taxes" (Article 2427, para. 1, no. 14 of the Italian Civil Code).



PART FOUR: ILLUSTRATION OF THE ITEMS OF THE FINANCIAL STATEMENTS

ASSETS

A. RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE

B. FIXED ASSETS

I. INTANGIBLE FIXED ASSETS

The table below provides a breakdown of intangible fixed assets, with the changes that occurred during the period (Article 2427, paragraph 1, no. 2 of the Italian Civil Code).

Intangible assets	31/12/2023	Change in area/ extraordinary transaction	Increases	Ammortamento	Reclassifications	Other movements	30/06/2024
Start-up and expansion costs	147.927	-	-	-	-	1	147.928
Amortization fund start-up and expansion costs	(143.670)	-	-	(532)	-	(1)	(144.203)
Start-up and expansion costs	4.257	-	-	(532)	-	-	3.725
Development costs	620.264	-	-	-	-	-	620.264
Amortization fund development costs	(620.264)	-	-	-	-	-	(620.264)
Concessions, licences, trademarks, and similar rights	17.023.644	-	-	-	-	-	17.023.644
Amortization fund concessions, licences, trademarks, and simil	(2.840.884)	-	-	(472.760)	-	1	(3.313.643)
Concessions, licences, trademarks, and similar rights	14.182.760	-	-	(472.760)	-	1	13.710.001
Software	9.007.713	-	612.364	-	-	-	9.620.077
Amortization fund software	(7.134.868)	-	-	(388.598)	-	1	(7.523.465)
Software	1.872.845	-	612.364	(388.598)	-	1	2.096.612
Concessions, licences, trademarks, and similar rights	16.055.605	-	612.364	(861.358)	-	2	15.806.613
Work in progress and advances	2.028.383	-	-	-	(1.796.706)	-	231.677
Others	2.929.137	-	227.239	-	-	1	3.156.377
Amortization fund others	(2.223.755)	-	-	(165.562)	-	(1)	(2.389.318)
Others	705.382	-	227.239	(165.562)	-	-	767.059
Costs for plants compliance	4.905.025	-	146.734	-	-	-	5.051.759
Amortization fund costs for plants compliance	(3.046.962)	-	-	(335.027)	-	-	(3.381.989)
Costs for plants compliance	1.858.063	-	146.734	(335.027)	-	-	1.669.770
Costs for improvements on third parties assets	17.675.318	-	810.368	-	-	-	18.485.686
Amortization fund costs for improvements on third parties asset	(13.110.464)	-	-	(1.341.016)	-	-	(14.451.480)
Costs for improvements on third parties assets	4.564.854	-	810.368	(1.341.016)	-	-	4.034.206
Costs for multi-year loans	1.730.023	-	-	-	-	-	1.730.023
Amortization fund costs for multi-year loans	(1.730.023)	-	-	-	-	-	(1.730.023)
Equipments and plants transfer costs	4.050.606	-	-	-	-	-	4.050.606
Amortization fund equipments and plants transfer costs	(4.050.606)	-	-	-	-	-	(4.050.606)
Others	7.128.299	-	1.184.341	(1.841.605)	-	-	6.471.035
Total	25.216.544	-	1.796.705	(2.703.495)	(1.796.706)	2	22.513.050

More specifically, intangible fixed assets include the following items:

B.I.1) Start-up and expansion costs

Start-up and expansion costs include the costs incurred to merge the subsidiary Cogne Distribuzione Italia S.r.l. and the notary costs incurred in connection with the deed for the bonus issue pursuant to Article 2442 of the Italian Civil Code which took place on 16 December 2019 and 12 April 2022. The duration of the amortisation is 5 years. The amortisation for the period is equal to €0,5 thousand.

B.I.2) Research, development and advertising costs.

No further research and development costs with long-term utility were recognised under the assets in the financial statements. These costs, which were previously recognised with the consent of the Board of Statutory Auditors, are amortised on a straight-line basis over not more than five years.



B.I.4) Concessions, licences, trademarks and similar rights.

The investments made during the period under the item "Software costs" amounted to €612 thousand. The amortisation charge amounts to € 389 thousand.

Description	31/12/2023	Increases at 30 06 2024	Amortisation 30 06 24	Decreases at 30 06 24	30/06/2024
Concessions, licences, trademarks, and similar rights	17.023.644	-	-	-	17.023.644
Accumulated amortisation concessions, trademarks and licences	(2.840.883)		(472.760)		(3.313.644)
Concessions, licences, trademarks, and similar rights	14.182.760	-	(472.760)	-	13.710.000
Software	9.007.713	612.364	-	-	9.620.077
Accumulated amortisation software	(7.134.867)		(388.598)	-	(7.523.466)
Software	1.872.846	612.364	(388.598)	-	2.096.611
Concessions, licences, trademarks, and similar rights	26.651.620	612.364	-	-	27.263.984
Accumulated amortisation concessions, licences, trademarks and similar rights	(10.596.014)	-	(861.359)	-	(11.457.373)
Concessions, licences, trademarks and similar rights	16.055.606	612.364	(861.359)	-	15.806.611

Pursuant to Article 2427, paragraph 2 of the Italian Civil Code, below is the residual value of revalued assets in the period under review (amounts in thousands of Euro):

Category	Law	Amount € /000	Residual value to amortise 30.06..2024 €/000
Concessions, licences and trademark	Italian Law 13/10/2020 N° 126	17.000	13.694
Total		17.000	13.694

B.I.7) Other intangible fixed assets

The following table shows the contents of this item:

Others	30/06/2024	31/12/2023	Variazione
Others	767.059	705.382	61.677
Costs for plants compliance	1.669.770	1.858.063	(188.293)
Costs for improvements on third parties assets	4.034.206	4.564.854	(530.648)
Total	6.471.035	7.128.299	(657.264)

Depreciation for the period amounted to €2.703 thousand. Specifically, improvements to buildings not owned are depreciated at the following rates, consistent with their economic-technical life:

- 2007: 5.26%, corresponding to approximately 19 years
- 2008: 5.55%, corresponding to approximately 18 years
- 2009: 5.88%, corresponding to approximately 17 years
- 2010: 6.25%, corresponding to approximately 16 years
- 2011: 6.64%, corresponding to approximately 15 years



- 2012: 7.14%, corresponding to approximately 14 years
- 2013: 7.69%, corresponding to approximately 13 years
- 2014: 8.34%, corresponding to approximately 12 years
- 2015: 9.09%, corresponding to approximately 11 years
- 2016: 10%, corresponding to approximately 10 years
- 2017: 11.11%, corresponding to approximately 9 years
- 2018: 12.00%, corresponding to approximately 8 years
- 2019: 14.29%, corresponding to approximately 7 years
- 2020: 16.66%, corresponding to approximately 6 years
- 2021: 20%, corresponding to approximately 5 years
- 2022: 25%, corresponding to approximately 4 years
- 2023: 33.33% corresponding to approximately 3 years
- 2024: 50,00% corresponding to approximately 2 years

“Other multi-year costs” include the costs incurred by the Company in connection with the activities mainly aimed at production efficiency and improving environmental management processes and major accident prevention.



II. TANGIBLE ASSETS

Changes in tangible fixed assets are shown in the table below (Art. 2427, para. 1, no. 2 of the Italian Civil Code). The values are shown net of depreciation:

Tangible assets	31/12/2023	Change in area/ extraordinary transaction	Increases	Depreciation	Decreases	Other movements	30/06/2024
Land	853.500	-	-	-	-	-	853.500
Buildings	8.769.814	-	11.630	-	-	-	8.781.444
Amortization fund buildings	(3.968.357)	-	-	(197.594)	-	-	(4.165.951)
Buildings	5.654.957	-	11.630	(197.594)	-	-	5.468.993
Generic plants	45.510.544	-	3.640.946	-	(44.298)	-	49.107.192
Amortization fund generic plants	(36.494.545)	-	-	(895.150)	44.298	-	(37.345.397)
Generic plants	9.015.999	-	3.640.946	(895.150)	-	-	11.761.795
Internal means of transport	1.333.277	-	1.320	-	-	-	1.334.597
Amortization fund internal means of transport	(856.529)	-	-	(56.658)	-	-	(913.187)
Internal means of transport	476.748	-	1.320	(56.658)	-	-	421.410
Furnaces and appliances	86.658.713	-	1.398.769	-	-	-	88.057.482
Amortization fund furnaces and appliances	(57.395.779)	-	-	(2.414.130)	-	-	(59.809.909)
Furnaces and appliances	29.262.934	-	1.398.769	(2.414.130)	-	-	28.247.573
Specific plants	252.714.770	-	9.243.850	-	(133.561)	-	261.825.059
Amortization fund specific plants	(178.345.963)	-	-	(6.137.933)	133.561	(1)	(184.350.336)
Specific plants	74.368.807	-	9.243.850	(6.137.933)	-	(1)	77.474.723
Plant and machinery	386.217.304	-	14.284.885	-	(177.859)	-	400.324.330
Amortization fund plant and machinery	(273.092.816)	-	-	(9.503.871)	177.859	(1)	(282.418.829)
Plant and machinery	113.124.488	-	14.284.885	(9.503.871)	-	(1)	117.905.501
Fixtures, fittings, tools and equipment	30.458.885	-	1.059.831	-	-	-	31.518.716
Amortization fund fixtures, fittings, tools and equipment	(21.929.670)	-	-	(667.033)	-	-	(22.596.703)
Fixtures, fittings, tools and equipment	8.529.215	-	1.059.831	(667.033)	-	-	8.922.013
Fixtures, fittings, tools and equipment in leasing	8.529.215	-	1.059.831	-	-	-	8.922.013
Furniture and office equipments	747.446	-	19.300	-	-	(4.399)	762.347
Amortization fund furniture and office equipments	(393.528)	-	-	(41.592)	-	2.832	(432.288)
Furniture and office equipments	353.918	-	19.300	(41.592)	-	(1.567)	330.059
EDP equipment	3.078.352	-	57.726	-	-	(1)	3.136.077
Amortization fund EDP equipment	(1.684.544)	-	-	(216.738)	-	-	(1.901.282)
EDP equipment	1.393.808	-	57.726	(216.738)	-	(1)	1.234.795
Vehicles	163.093	-	-	-	-	(1.623)	161.470
Amortization fund vehicles	(142.212)	-	-	(4.308)	-	1.057	(145.463)
Vehicles	20.881	-	-	(4.308)	-	(566)	16.007
Office electric machines	61.815	-	-	-	-	-	61.815
Amortization fund office electric machines	(61.815)	-	-	-	-	-	(61.815)
Office electric machines	-	-	-	-	-	-	-
Other tangible assets	4.050.706	-	77.026	-	-	(6.023)	4.121.709
Amortization fund other tangible assets	(2.282.099)	-	-	(262.638)	-	3.889	(2.540.848)
Other tangible assets	1.768.607	-	77.026	(262.638)	-	(2.134)	1.580.861
Work in progress and advances	31.550.767	-	1.911.260	-	-	-	33.462.027
Work in progress and advances	31.550.767	-	1.911.260	-	-	-	33.462.027
Total	160.628.034	-	17.344.632	(10.631.136)	-	(2.135)	167.339.395



The depreciation schedule, drawn up on the basis of the principles described in Part Three above, is as follows:

Category	Useful life	Rate
Buildings	20 years	5%
Generic plants	10 years	10%
Internal means of transport	5 years	20%
Furnaces and appliances	10 years	10%
Specific plants	10 years	10%
Various equipment	4 years	25%
Processing systems	5 years	20%
Vehicles	4 years	25%
Office furniture	8 years	12%
Office electric machines	5 years	20%

Work on generic plants, furnaces and accessories and specific automated systems subject to revaluation pursuant to Law no. 126 of 13 October 2020, as well as those subject to appraisal of their useful life together with increases in 2022, have an expected useful life of 10 years and a depreciation rate of 10%.

B.II.1) Land and buildings

The buildings owned and the building hosting the Quality function stand on land owned by third parties with a land lease. The headquarters in Aosta, via Paravera 16, stands on its own land. Total depreciation for the period amounted to €197 thousand and was calculated based on the useful life of the assets.

Description	31/12/2023	Increases at 30 06 2024	Amortisati on 30 06 24	Decreases at 30 06 24	30/06/2024
Lands	853.500	-	-	-	853.500
Buildings	8.769.814	11.630	-	-	8.781.444
Am.fund buildings	(3.968.357)	-	(197.594)	-	(4.165.951)
Buildings	4.801.457	11.630	(197.594)	-	4.615.493

B.II.2) Plants and machinery

The breakdown of the item is as follows:

Plant and machinery	30/06/2024	31/12/2023	Variazione
Generic plants	11.761.795	9.015.999	2.745.796
Internal means of transport	421.410	476.748	(55.338)
Furnaces and appliances	28.247.573	29.262.934	(1.015.361)
Specific plants	77.474.723	74.368.807	3.105.916
Total	117.905.501	113.124.488	4.781.013

The increases of the period in "Plants and machinery", net of disposals and scrapping, amounted to € 14.285 thousand and the total depreciation for the period was € 9.504 thousand.



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Tangible assets	31/12/2023	Change in area/ extraordinary transaction	Increases	Ammortamento	Decreases	Other movements	30/06/2024
Generic plants	45.510.544	-	3.640.946	-	(44.298)	-	49.107.192
Amortization fund generic plants	(36.494.545)	-	-	(895.150)	44.298	-	(37.345.397)
Generic plants	9.015.999	-	3.640.946	(895.150)	-	-	11.761.795
Internal means of transport	1.333.277	-	1.320	-	-	-	1.334.597
Amortization fund internal means of transport	(856.529)	-	-	(56.658)	-	-	(913.187)
Internal means of transport	476.748	-	1.320	(56.658)	-	-	421.410
Furnaces and appliances	86.658.713	-	1.398.769	-	-	-	88.057.482
Amortization fund furnaces and appliances	(57.395.779)	-	-	(2.414.130)	-	-	(59.809.909)
Furnaces and appliances	29.262.934	-	1.398.769	(2.414.130)	-	-	28.247.573
Specific plants	252.714.770	-	9.243.850	-	(133.561)	-	261.825.059
Amortization fund specific plants	(178.345.963)	-	-	(6.137.933)	133.561	(1)	(184.350.336)
Specific plants	74.368.807	-	9.243.850	(6.137.933)	-	(1)	77.474.723
Plant and machinery	386.217.304	-	14.284.885	-	(177.859)	-	400.324.330
Amortization fund plant and machinery	(273.092.816)	-	-	(9.503.871)	177.859	(1)	(282.418.829)
Plant and machinery	113.124.488	-	14.284.885	(9.503.871)	-	(1)	117.905.501

B.II.3) Industrial and commercial equipment

The increases of the period in "Miscellaneous equipment", net of disposals and scrapping, amounted to € 1.060 thousand and the total depreciation for the period was € 667 thousand.

Description	31/12/2023	Increases at 30 06 2024	Amortisation 30 06 24	Decreases at 30 06 24	30/06/2024
Industrial and commercial equipment	30.458.885	1.059.831	-	-	31.518.716
Am. fund Industrial and commercial equipment	(21.929.670)	-	(667.033)	-	(22.596.703)
Industrial and commercial equipment	8.529.215	1.059.831	(667.033)	-	8.922.013

B.II.4) Other assets

"Other tangible fixed assets" are broken down as follows:

Others	30/06/2024	31/12/2023	Variazione
Furniture and office equipments	330.059	353.918	(23.859)
EDP equipment	1.234.795	1.393.808	(159.013)
Vehicles	16.007	20.881	(4.874)
Total	1.580.861	1.768.607	(187.746)

Increases for the period in "Other tangible fixed assets" net of disposals and scrapping amounted to €77 thousand and the total depreciation for the period was €246 thousand.

B.II.5) Assets under development and payments on account

Assets under development refer to the investments for the period relating to assets that have not yet entered into operation. The decreases relate to the assets entered into operation during the period and reclassified to the pertinent tax categories.

Financial lease transactions

With regard to leased assets, which are accounted for using the equity method with the recognition of lease payments in the income statement, if the financial method had been adopted the net equity and the result for the period would have been respectively higher by €1.64 thousand and higher by €70 thousand, gross of the related tax effects. Additional indirect effects are reported for the purpose of providing more complete



information on the treatment of leases under the financial method (amounts in thousands of Euro), pursuant to Article 2427, paragraph 1, no. 22 of the Italian Civil Code:

Financial lease transactions - effects on the net income (loss) for the period

Euro thousands	Amount
a.1) Reversal of finance lease transaction instalments	1.084
a.2) Recognition of financial charges on finance lease transactions	(98)
a.3) Recognition of depreciation on existing contracts	(888)
a.4) adjustments/write-backs of value of assets under finance lease	
a) Effect on profit before tax (lower/higher costs)	98
b) Recognition of the tax impact	(27)
c) Net effect on profit or loss of recognising leases using the finance method versus the equity method adopted (a-b)	70

Financial lease transactions – effect on equity

Euro thousands	Amount
Assets	
a) Contracts underway	
a.1) Assets under finance lease at the end of the previous year *	
a.1) Assets under finance lease at the end of the previous year	51.900
Related accumulated depreciation	(33.000)
a.2) Assets taken on under a finance lease during the period	
a.3) Assets acquired under finance leases during the period	(61)
a.4) Depreciation for the period	(888)
a.5) adjustments/write-backs of value of assets under finance lease	
a.6) Assets acquired under finance leases at the end of the period	
a.6) Assets acquired under finance leases at the end of the period	51.840
Related accumulated depreciation	(33.888)
b) Ransomed goods	
b.1) Higher/lower total value of the redeemed assets, determined according to the financial method, compared to their net book value at the end of the period	
Total (a.6+b.1)	17.952
Liabilities	
c) Implicit debts	
c.1) Net investments - finance lease transactions at the end of the previous year	



Euro thousands	Amount
c.1) Net investments - finance lease transactions at the end of the previous year	(17.522)
of which due in the following year	
of which due after the next financial year within 5 years	
of which due beyond 5 years	
c.2) Implicit debts arising during the period	0
c.3) Repayment of the capital and redemptions during the period	1.046
c.4) Implicit payables for finance leases at year-end	
c.4) Implicit payables for finance leases at period-end	(16.476)
of which due in the following year	
of which due after the next financial year within 5 years	
of which due beyond 5 years	
d) Total gross impact at the end of the period (a.6+b.1-c.4)	1.476
e) Tax effect	(412)
f) Effect on equity at the end of the period (d-e)	1.064

Pursuant to Article 2427, paragraph 2 of the Italian Civil Code, below is the residual value of revalued assets in the period under review (amounts in thousands of Euro):

Category	Law	Amount € 000	Residual value to amortise as at 30.06.2024 €/000
Plant and machinery	Italian Law no. 126 of 13/10/2020	4.778	3.106
Furnaces and Accessories	Italian Law no. 126 of 13/10/2020	10.955	7.121
Large specific and automatic plants	Italian Law no. 126 of 13/10/2020	50.350	32.728
Buildings	Decree Law no. 185 of 28/11/2008	1.163	262
Total		67.246	67.246

II. FINANCIAL FIXED ASSETS

Changes in financial fixed assets are shown in the table below (Art. 2427, para. 1, no. 2 of the Italian Civil Code).

Investments	31/12/2023	Change in area/ extraordinary transaction	Increases	Decrements	Devaluations	Other movements	30/06/2024
Financial investments from subsidiary companies	255.259.161	-	27.088.137	-	-	2.161.556	284.508.854
Financial investments from others companies	4.161.730	-	-	(2.015.800)	-	-	2.145.930
Total	259.420.891	-	27.088.137	(2.015.800)	-	2.161.556	286.654.784
Security account	159.108	-	-	(7.182)	-	-	151.926
Total	159.108	-	-	(7.182)	-	-	151.926
Total	259.579.999	-	27.088.137	(2.022.982)	-	2.161.556	286.806.710



B.III.1) Equity Investments

The details of equity investments, whether held directly or through other parties, are set out below (Art. 2427, para. 1, no. 5 of the Italian Civil Code).

The following table includes a comparison between the investments in subsidiaries held by Cogne Acciai Speciali S.p.A. at 30 June 2024 and and the pro-rata net equity resulting from the financial position for the first half of 2023, adjusted in order to comply with the Group's accounting policies.

Equity investments	Net book value at 30/06/2024 (A)	S.E. in currency 30/06/2024	Currency	Exchange rate currency / Euro 30/06/2024	S.E. in Euro 30/06/2024	% interest	S.E. in Euro CAS (B)	Delta (B-A)
Cogne UK	4.094.296	8.608.988	GBP	0,8464	10.171.540	100,00%	10.171.540	6.077.244
Cogne France	6.197.865	8.159.649	EUR	1,0000	8.159.649	100,00%	8.159.649	1.961.784
Cogne Edelstahl	4.546.557	15.351.093	EUR	1,0000	15.351.093	100,00%	15.351.093	10.804.536
Metalinox	10.239.120	80.873.726	BRL	5,8915	13.727.188	100,00%	13.727.188	3.488.068
Cogne Special Steel USA	6.162.235	15.726.343	USD	1,0705	14.690.652	100,00%	14.690.652	8.528.417
Cogne Celik (*)	2.394.970	91.260.006	TRY	35,1868	2.593.586	100,00%	2.593.586	198.616
Cogne Mexico	8.664.780	183.056.413	MXN	19,5654	9.356.129	82,54%	7.722.081	(942.699)
Stainless Bars	15.000.000	9.719.515	CHF	0,9634	10.088.764	100,00%	10.088.764	(4.911.236)
Cogne Singapore	246.032	157.936	SGD	1,4513	108.824	100,00%	108.824	(137.209)
Dongguan Cogne Steel Product:	23.926.681	190.273.858	CNY	7,7748	24.473.151	100,00%	24.473.151	546.470
Degerfors Long Products	6.428.558	422.076.655	SEK	11,3595	37.156.271	100,00%	37.156.271	30.727.713
Special Melted Products	169.626.696	57.315.740	GBP	0,8464	67.718.684	100,00%	67.718.684	(101.908.012)
Com.Steel Inox	26.981.063	5.597.370	EUR	1,0000	5.597.370	65,00%	3.638.291	(23.342.772)
Totale	284.508.854							

(*) a provision for impairment of investments of € 165 thousands has been established.

Subsidiaries

COGNE UK LTD, Don Road-Newhall – Sheffield – South Yorkshire S9 2UD – ENGLAND

Share Capital GBP 3.000.000

The carrying value of the investment at the reporting date, accounting for 100% of the share capital, was € 4.094 thousand.

The Company's net equity (expressed by adjusting the value of equity resulting from the application of local accounting principles to Italian accounting principles) amounted to €10.172 thousand (equal to GBP 8.609 thousand), including the profit for the period of €740 thousand (equal to GBP 633 thousand).

At the reporting date, the carrying value of the investment was lower than net equity by € 6.077 thousand.

COGNE FRANCE S.A., ZA des Bellevues à Eragny, 16 Rue de la Patelle, 95613 CERGY PONTOISE – FRANCE

Share Capital EUR 6.068.446

The carrying value of the investment at the reporting date, accounting for 100% of the share capital, was € 6.198 thousand.

At 30 June 2024, the subsidiary's net equity amounted to € 8.160 thousand, including the loss for the period of € 5 thousand.

The carrying value of the equity investment at the end of the period was lower than the net equity by €1.962 thousand.

COGNE EDELSTAHL GMBH, Carl-Schurz-Strasse, 2 – 41460 Neuss – GERMANY

Share Capital EUR 3.328.000

The carrying value of the investment at the reporting date, accounting for 100% of the share capital, was € 4.547 thousand.

At 30 June 2024, the subsidiary's net equity amounted to € 15.351 thousand. The profit for the period, amounting to € 793 thousand, fully confirms the positive results already achieved in prior years.

At 30 June, the carrying value of the investment was lower than net equity by € 10.805 thousand.



During the year 2022, the Company acquired the entire share capital of Edelmetall- & Metallhandelsgesellschaft mbH (EMB.) which was merged during the last year, with accounting effect from 1 January 2023.

METALINOX COGNE AÇOS INOXIDAVEIS ESPECIAIS METAIS LTDA, Av. Presidente Wilson, 4.382 IPIRANGA – CEP 04220-001 São Paulo -BRAZIL.

Share Capital BRL 76.501.989

The carrying value of the investment at the reporting date, accounting for 100% of the share capital, was € 10.239 thousand.

At 30 June 2024, the subsidiary's net equity was € 13.727 thousand (BRL 80.874 thousand), including the profit for the period of € 807 thousand (BRL 4.430 thousand).

At 30 June, the carrying value of the investment was lower than net equity by € 3.488 thousand.

COGNE HONG KONG Limited, 183 QUEEN'S ROAD EAST, HONG KONG

Share Capital USD 0

The subsidiary, deregistered during last year, finalized, on 23 May 2023, the transfer to Cogne Acciai Speciali SPA of 100% of the shares held in the company Dong Guang Cogne Steel Product; the company also proceeded to transfer, during 2023, all existing liquidity to the Parent Company in order to proceed with the closing operation.

COGNE SPECIALITY STEEL USA, INC – 277 FAIRFIELD ROAD- STE 315 – 07004 – FAIRFIELD, New Jersey

Share Capital USD 6.650.200

The carrying value of the investment at the reporting date, accounting for 100% of the share capital, was € 6.162 thousand.

At 30 June 2024, the subsidiary's net equity amounted to € 14.691 thousand (USD 15.726 thousand), including the profit for the period of € 581 thousand (USD 628 thousand).

At the reporting date, the carrying value of the investment was lower than net equity by € 8.528 thousand.

COGNE ÇELIK SANAYI VE TICARET LIMITED – Blok No:1 Industrial Area, 2003 – 41400 – Gebze/Kocaeli

Share Capital TRY 23.952.125

The carrying value of the investment at the reporting date, accounting for 100% of the share capital, was € 2.395 thousand. A provision for risks of € 165 thousand has been recognised on this investment since 2016.

At 30 June 2024, the subsidiary's net equity amounted to € 2.594 thousand (TRY 91.260 thousand), including a profit for the period of € 359 thousand (TRY 12.292 thousand).

At the reporting date, the book value of the investment was lower than net equity by € 199 thousand (€364 thousand considering the existing provision for risks).

COGNE MEXICO, S.A. DE C.V. Av. – Otomies SN Parque Industrial -Xicohtencatl II – 90500 – Huamantla,

TLAX -Mexico

Share Capital MXN 214.907.302

The book value of the investment at the reporting date was €8.665 thousand; it rose during last year following a share capital increase of €1.888 thousand (USD 2,000 thousand); during the second half of last year, a second share capital increase was completed: the total share capital increase implemented was USD6.640 thousand; this increase was subscribed by the Parent Company for an amount equal to the countervalue in Euro of USD4,44 million (€4.048 thousand) and by Simest S.p.A. for the remaining amount of USD2,2 million. Following the aforementioned transaction, the investment in Cogne Mexico accounts for 82,54% of the share capital. Under the agreements entered into with SIMEST S.p.A., Cogne Acciai Speciali S.p.A. undertakes to



repurchase the investment of Cogne Mexico Limited owned by SIMEST at the dates and conditions agreed with the latter.

At 30 June, the subsidiary's net equity amounted to €7.722 thousand (MXN 151.086 thousand), including the loss for the period of €730 thousand (MXN 284.264 thousand).

At 31 December 2023, the book value of the investment was adjusted to net equity by recognising a write-down of €86 thousand. The difference that still remains is to be considered of a non-lasting nature.

COGNE STAINLESS BARS S.A. – Via Lavaggio n. 6/A – STABIO – 6855 CANTON TICINO – SWITZERLAND
Share Capital CHF 1.000.000

The carrying value of the equity investment, representing 100% of the capital, is € 15 million.

At 30 June 2024, the subsidiary's net equity amounted to € 10.089 thousand (CHF 9.720 thousand), including the profit for the period of € 2.495 thousand (CHF 2.398 thousand).

At 30 giugno, the book value of the investment was higher than net equity by €4.911 thousand; this difference does not configure an impairment loss as it is entirely due to the dividends paid by the subsidiary to the parent company during the last year, amounting to €10,285.

COGNE SGE PTE. LTD. – 160 ROBINSON ROAD #14-04 - SINGAPORE
Share Capital SGD 349.162

Cogne Singapore was incorporated during the year 2022, its book value, which represents the entire capital, is €246 thousand.

At 30 June, the subsidiary's net equity amounted to € 109 thousand (SGD 158 thousand), including the profit for the period of € 13 thousand (SGD 19 thousand). At the reporting date, the carrying value of the investment exceeds net equity by € 137 thousand. This difference is not permanent as it refers to the initial start-up phase.

DONG GUANG COGNE STEEL PRODUCT CO LTD. - No. 27, WeiJian Road, industrial park of ChaShan, ChaShan town, DongGuan city, GuangDong province, China
Share Capital CNY 182.363.897

On 23 May 2023, ownership of the company was transferred to the direct control of Cogne Acciai Speciali SpA (see the section covering Cogne Hong Kong).

The initial book value of the investment, which accounts for the entire capital, reflects the adjustment to the book value of Cogne DCSP's net equity at 31 May 2023. At 31 December 2023, a write-down of €1.014 thousand was recognised, bringing the book value of the investment to €23.927 thousand, equal to net equity.

At 30 June, the subsidiary's net equity amounted to €24.473 thousand (CNY 190.274 thousand), including the profit for the period of €311 thousand (CNY 2.428 thousand).

At the reporting date, the book value of the investment was lower than net equity by € 546 thousand.

DEGERFORS LONG PRODUCT AB. - No. 2, Bruksparken, 69381 Degerfors, Sweden
Share Capital SEK 25.000

On 31 July 2023, the acquisition of 100% of Degerfors Long Product, which owns the Degerfors and Storfors plants and specialises in the production of large bars, was finalised.

The book value of the investment, accounting for 100% of the share capital, was €6.429 thousand.

At 30 June, the subsidiary's net equity amounted to €37.156 thousand (SEK 422.077 thousand), including the loss for the period of €1.023 thousand (SEK 11.652 thousand).

At the reporting date, the book value of the investment was lower than net equity by €30.728 thousand.

**SPECIAL MELTED PRODUCTS LTD. - President Way, S4 7UR, Sheffield, United Kingdom****Share capital GBP 4.199.157**

On 19 September 2023, the Company acquired 100% of Special Melted Products, based in Sheffield, which manufactures products mainly for the Aerospace and Oil and Gas sectors.

The book value of the investment, accounting for 100% of the share capital, was €169.627 thousand.

At 30 June, the subsidiary's net equity amounted to €67.719 thousand (GBP 57.316 thousand), including the net income for the year of €5.883 thousand (GBP 5.028 thousand).

At the reporting date, the book value of the investment exceeded net equity by €101.908 thousand. This difference is not to be considered related to a loss of value but is entirely referred to the goodwill recognized at acquisition date.

COMSTEEL INOX SPA - Via Parini 33, 23900 Lecco, Italia**Share capital EUR 2.000.000**

On 3 May 2024, the Company acquired 65% of Comsteel Inox SpA, based in Bergamo, specialises specialized in the recovery and treatment of stainless steel scrap and nickel alloys.

The acquisition price is equal to Euro 24.1 million, including ancillary charges for Euro 119 thousand. The purchase was financed through a shareholder loan of Euro 30 million. As part of this extraordinary acquisition operation, put and call option contracts were signed with the minority shareholders, exercisable respectively from the ninth to the tenth year and from the tenth to the twelfth year from the purchase date. The Company opted for the exemption provided for by the OIC 32 principle for the purposes of their evaluation.

It should be noted that the purchase contract includes an earn-out option which provides for the disbursement of a further 4 million euros upon achieving certain objectives.

The book value of the investment was €26.981 thousand.

At 30 June, the subsidiary's net equity amounted to €3.638 thousand, including the profit for the period of €1.362 thousand-

At the reporting date, the book value of the investment exceeded net equity by €23.343 thousand. This difference is not to be considered related to a loss of value but is entirely referred to the goodwill recognized at acquisition date including the net book value of the earn out for Euro 2,8 millions.

Other companies

The breakdown of the item is as follows:

Investments in other companies	30/06/2024	31/12/2023	Variation
~Consorzio Geo Storage	2.000	2.000	-
~Consorzio Metal Interconnector	2.143.930	3.628.583	(1.484.653)
Total	2.145.930	3.630.583	(1.484.653)

During the period, the value of the investment in the Metal Interconnector company was written down by Euro 2 million in line with the expected return on the investment.

B.III.2) Receivables

The detail of "Receivables from others" is as follows:

Receivables	30/06/2024	31/12/2023	Variazione
Security account	151.926	159.108	(7.182)
Total	151.926	159.108	(7.182)

There are no receivables with a residual maturity of more than five years (Art. 2427, para. 1, no. 6 of the Italian Civil Code).



C. CURRENT ASSETS

I. INVENTORY

The changes that occurred in the inventories included in current assets are detailed in the following table (Article 2427, para. 1, no. 4 of the Italian Civil Code).

Inventory	30/06/2024	31/12/2023	Variazione
Raw materials, consumable and supplies	47.504.736	35.060.276	12.444.460
Work in progress and components products	153.376.513	92.375.664	61.000.849
Finished products and goods	77.846.631	69.677.877	8.168.754
Total	278.727.880	197.113.817	81.614.063

Total closing inventory, net of write-downs, increased by € 81,61 million on the previous year end. The increase is mainly due to the greater quantities in stock.

Consumables include raw materials used in the production process (€ 34 million) and sundry consumables, spare parts and equipment (€ 13,5 million). With respect to the raw materials used in the production process, the quantities in stock increased by 31%. Stocks of miscellaneous materials showed a slight increase (+14%) Overall, raw materials, consumables and supplies increased by € 12,4 million.

Finished products, net of changes in the inventory of the Korean branch and goods in transit, show an increase of approximately 8,16 million mainly attributable to the trend in quantities (+9%).

The inventory balance at 30 June 2024 was compared with the market value based on sales prices in the last month of the period. The codes with a higher cost than the market value were written down to make them consistent with the market value.

II. RECEIVABLES

The changes that occurred in receivables included in current assets are detailed in the following table (Article 2427, para. 1, no. 4 of the Italian Civil Code).

There are no receivables with a residual maturity of more than five years (Art. 2427, para. 1, no. 6 of the Italian Civil Code).

Crediti del circolante	30/06/2024	31/12/2023	Variation
1) Trade receivables	82.057.621	53.048.886	29.008.735
- less than 12 months	82.057.621	53.048.886	29.008.735
2) Receivables from subsidiaries companies	53.251.320	48.438.651	4.812.669
- less than 12 months	53.251.320	48.438.651	4.812.669
5-bis) Tax receivables	8.870.838	8.882.665	(11.827)
- less than 12 months	8.600.625	8.524.787	75.838
- more than 12 months	270.213	357.878	(87.665)
5-ter) Deferred tax assets	10.919.907	10.902.629	17.278
5-quater) Other receivables	10.410.663	3.082.445	7.328.218
- less than 12 months	10.410.663	3.082.445	7.328.218
Total	165.510.349	124.355.276	41.155.073

C.II.1) Trade receivables

The item "Trade receivables" (nominal value €83.570 thousand net of the allowance for doubtful receivables of €1.5128 thousand) includes all short-term trade receivables from third parties.



The movements in the allowance for doubtful receivables posted with regard to third party clients are as follows:

Allowance for doubtful receivables	31/12/2023	Accrual	Release	30/06/2024
Allowance for doubtful ST receivables	524.125	994.375	(6.304)	1.512.196
Total	524.125	994.375	(6.304)	1.512.196

The risk of uncollectability of the items outstanding at the reporting date was assessed considering the existing insurance policies and the related credit facilities, as discussed in Part three above. Furthermore, based on the analysis of receivables, the relevant provision is deemed adequate.

C.II.2) From Subsidiaries

Receivables from subsidiaries (due within and beyond the period) are broken down as follows:

Detail of receivables from subsidiaries companies	30/06/2024	31/12/2023	Variation
Cogne Edelstahl GmbH	1.970.378	422.867	1.547.511
Cogne France S.A.	2.872.497	3.463.584	(591.087)
Cogne Celik Ltd	941.734	134.266	807.468
Cogne UK Ltd	4.076.822	5.348.232	(1.271.410)
Cogne USA Inc	6.303.247	7.585.420	(1.282.173)
Metalinox Cogne	1.528.724	3.591.005	(2.062.281)
Cogne Mexico	2.514.411	3.376.405	(861.994)
Cogne Stainless Bars S.A.	3.494.221	1.062.346	2.431.875
Cogne SG Pte Ltd	-	-	-
Dongguan Cogne Steel Products Co., Ltd	1.665.307	2.043.565	(378.258)
Degerfors Long Product	6.444.242	9.052.639	(2.608.397)
Special Melted Product	18.892.607	12.328.317	6.564.290
Com.Steel Inox Spa	2.542.865	-	2.542.865
Other entities	4.265	30.005	(25.740)
Total	53.251.320	48.438.651	4.812.669

Receivables originally expressed in foreign currency, recognised at the exchange rate in force on the date they arose, were adjusted to closing rates. This generated an exchange gain on foreign currency receivables of € 327 thousand at 30 June 2024. Of this amount, € 302 thousand related to receivables from subsidiaries and negative € 25 thousand to receivables from third parties.

C.II.4 bis) Tax receivables

The breakdown of the item is as follows:

Tax receivables	30/06/2024	31/12/2023	Variatione
ST tax receivables for income taxes	4.069.602	3.991.524	78.078
ST VAT	4.282.605	4.229.642	52.963
Other ST tax receivables	248.418	303.621	(55.203)
Other LT tax receivables	270.213	357.878	(87.665)
Total	8.870.838	8.882.665	(11.827)

Tax receivables decreased by a total of € 12 thousand.

**C.II.4 ter) Prepaid taxes**

This specific item amounted to €10,920 thousand. Prepaid taxes recognised during the period amount to €79 thousand and used for €30 thousand and related to the recognition of the taxes on IRS hedges not recognised through profit or loss. The prepaid taxes are shown in the appropriate table in the comment paragraph under item 20) "Income Taxes" in the Income Statement, to which reference should be made.

C.II.5) Receivables from others

The breakdown is as follows:

a) receivables within the period:

- less than 12 months	30/06/2024	31/12/2023	Variazione
ST receivables from employees	2.596	4.632	(2.036)
ST receivables from social security institutes	46	47	(1)
ST receivables from factoring companies	8.157.209	1.154.397	7.002.812
ST receivables from insurances	37.401	81.903	(44.502)
ST advances to suppliers	2.135.851	1.790.319	345.532
ST receivables from others	77.560	51.147	26.413
Total	10.410.663	3.082.445	7.328.218

III. FINANCIAL ASSETS OTHER THAN FIXED ASSETS**Derivative financial instruments - assets**

At 30 June 2024, forward agreements were in place, signed with the aim of mitigating structural exposure in BRL, GBP and SEK. Said contracts reduce the company's exposure to the risk of changes in the exchange rate on sales and purchases in currencies other than the Euro.

With regard to the forward purchase and sale transactions involving foreign currencies as at 30 June 2024, aimed at hedging exchange rate fluctuations, write-ups of derivative financial instruments were entered for €76 thousand; these amounts include the sterilization impact of the profits and losses on exchange rates recorded on the hedged positions.

Type	Currency	Nozionale outstanding (EUR)	MTM (Eur)
Forward	GBP	1.051.537	1.034
Forward	SEK	341.564	11.911
Forward	BRL	1.452.941	63.535
Totale		2.846.042	76.480

IV. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	30/06/2024	31/12/2023	Variazione
Banks and postal current accounts	10.448.685	66.505.391	(56.056.706)
Total	10.448.685	66.505.391	(56.056.706)

This item includes short-term cash balances with banks.

**D. ACCRUED INCOME AND PREPAYMENTS**

Prepayments and accrued income	30/06/2024	31/12/2023	Variazione
Other accrued incomes	49.449	97.429	(47.980)
Leasing deferred charges	4.009.556	4.213.540	(203.984)
Other deferred charges	5.807.550	3.073.201	2.734.349
Total	9.866.555	7.384.170	2.482.385

Prepayments for leases amounting to € 4.010 thousand relate to maxi-fees of leases taken out over the past five years.

Other prepayments increased by €1.584 thousand mainly due to M&A costs incurred in 2024 in connection with projects that will be developed in this year and by €1.073 due to the purchase of CO2 quotas which will be used throughout 2024

There are no portions of prepayments relating to more than five years.



LIABILITIES

A. NET EQUITY

The changes in the items that make up net equity are shown in the following table (Article 2427, paragraph 1, no. 4 of the Italian Civil Code).

Net equity	31/12/2023	Increases	Appropriation of net income	30/06/2024
Share capital	405.563.167	-	-	405.563.167
Share premium reserve	44.436.833	-	-	44.436.833
Legal reserve	4.861.472	-	81.437	4.942.909
<i>Extraordinary reserve</i>	2.061.651	-	-	2.061.651
<i>Merger reserve</i>	145.622	-	-	145.622
Other reserves, with distinct indication	2.207.273	-	-	2.207.273
Cash flow hedging reserve	1.302.908	441.624	-	1.744.532
Retained Earnings	34.594.749	-	1.547.286	36.142.035
Net profit (loss) for the period	1.628.723	(5.587.153)	(1.628.723)	(5.587.153)
Totale Patrimonio netto	494.595.125	(5.145.529)	-	489.449.596

At 30 June 2024, net equity amounted to € 489.450 thousand, including the loss for the period of € 5.587 thousand.

On 18 September 2023, the Company approved a capital increase against consideration of €200 million to be carried out by issuing 155.563.167 shares with a nominal value of €1 each and a total share premium of €44.364.833. The capital increase was fully paid-in at the reporting date.

Note that, on 30 November 2022, 70% of Cogne Acciai Speciali was transferred to the Walsin Lihwa Corporation Group.

The changes in the amounts of the items that make up net equity, as well as the related possibility of use and distribution, are shown in the following table (Art. 2427, para. 1, nos. 4, 7 and 7 bis of the Italian Civil Code). As suggested by OIC document no. 28, the availability of reserves is coded on the basis of the first letters of the alphabet, as follows:

- A) For share capital increase;
- B) To cover losses;
- C) For dividends;
- D) For other regulatory constraints.

Use of Shareholder's Equity	Closing balance	Origin/Kind	Possibility of use	Available portion	Summary of usage in the last three years
Share capital	405.563.167,00				
Share premium reserve	44.436.833,00	Capital reserves	A,B		
Legal reserve	4.861.472,00	Profits reserves	B		
Other reserves, with distinct indication					
<i>Extraordinary reserve</i>	2.061.651,00	Profits reserves	A,B,C		
<i>Merger reserve</i>	145.621,99	Capital reserves	B		
Cash flow hedging reserve	1.302.907,53	Capital reserves			
Retained Earnings	34.594.749,10				
Net equity	492.966.402				

**B. PROVISIONS FOR RISKS AND CHARGES**

The changes in the items that make up the provisions for risks and charges are shown in the table below (Article 2427, paragraph 1, nos. 4 and 7 of the Italian Civil Code):

Provisions for risks and other charges	31/12/2023	Accrual	Release	Other movements	30/06/2024
Deferred tax liabilities fund	547.398	-	(81.621)	130.331	596.108
Other taxes provision fund	-	507.171	-	-	507.171
Deferred tax and other tax liabilities fund	547.398	507.171	(81.621)	130.331	1.103.279
Reserve for derivative financial instruments	1.372.152	-	-	(526.165)	845.987
Reserve for derivative financial instruments	1.372.152	-	-	(526.165)	845.987
Investments provision fund	165.000	-	-	-	165.000
Other provisions fund	640.000	-	(260.442)	(5.484)	374.074
Other provisions fund	805.000	-	(260.442)	(5.484)	539.074
Total	2.724.550	507.171	(342.063)	(401.318)	2.488.340

B.2) Provision for deferred tax and other tax liabilities

The item "Deferred tax liabilities fund" increases due to the release of the provision for Euro 82 thousand and the recognition of deferred taxation on IRS and Cmdty Energy hedging derivatives which do not pass through the income statement. The item "Other taxes provision fund" increases due to the estimate of the period income tax (IRAP purpose) of Euro 507 thousand.

The items are shown in the appropriate tables in the comment paragraph under item 20) "Income Taxes" in the Income Statement, to which reference should be made.

B.3) Derivative financial instruments - liabilities**Exchange rates**

At 30 June 2024, forward agreements were in place, signed with the aim of mitigating structural exposure in GBP, USD, BRL, KRW e SEK. Said contracts reduce the company's exposure to the risk of changes in the exchange rate on sales and purchases in currencies other than the Euro.

With regard to the forward purchase and sale transactions involving foreign currencies as at 30 June 2024, aimed at hedging exchange rate fluctuations, write-downs of derivative financial instruments were entered for €92 thousand; these amounts include the sterilization impact of the profits and losses on exchange rates recorded on the hedged positions.

Type	Currency	Nozionale outstanding (EUR)	MTM (Eur)
Forward	GBP	2.894.681	(30.918)
Forward	USD	4.110.229	(14.825)
forward	BRL	288.551	(2.457)
Forward	KRW	264.432	(1.919)
Forward	SEK	4.553.898	(42.061)
Totale		12.111.791	(92.180)

**Rates**

At 30 June 2024, there are derivative contracts signed to cover the interest rate risk relating to outstanding loans. Reserves of €1.534 thousand for expected cash flow hedges net of tax effects were recognised for this category of derivative financial instruments.

C. EMPLOYEE SEVERANCE INDEMNITY

The changes in the balance of this item are shown in the following table (Article 2427, para. 1, no. 4 of the Italian Civil Code):

Employee severance indemnity	31/12/2023	Accrual	Release	Reclassifications	Other movements	30/06/2024
Provision for employee severance indemnity	2.321.842	1.584.094	-	-	(1.705.966)	2.199.969
Total	2.321.842	1.584.094	-	-	(1.705.966)	2.199.969

The Employee Severance Indemnity includes the severance accrued at 30 June 2024 to be paid to all employees upon termination of employment pursuant to Article 2120 of the Italian Civil Code, the collective agreements and the company agreements.

Uses in the period reflect the share of severance pay paid to employees leaving the company and the transfer of part of the portion accrued during the year to supplementary pension funds.

D. PAYABLES**D.1) Bonds**

Debenture loans	30/06/2024	31/12/2023	Variatione
ST portion debenture loans	3.003.452	3.005.034	(1.582)
LT portion debenture loans	2.970.553	4.455.709	(1.485.156)
Total	5.974.005	7.460.743	(1.486.738)

This item refers to the issuance by the Company in 2019 of the bond loan below par (called "Cogne Acciai Speciali S.p.A. – 3.50 2019- 2026") for a total nominal value of € 15,000,000 (€ 5.970.553 applying the amortised cost at the reporting date). It comprises 150 non-divisible dematerialised bonds with an individual nominal value of 100,000 each. These bonds are underwritten at a price of 99.57% of their nominal value, with an issue discount of €64,5 thousand. Interest is paid in arrears on a six-monthly basis, at a nominal gross fixed annual rate of 3.50%; the loan will be repaid by amortisation at par as of 24 December 2021, with six-monthly instalments. The loan is subject to compliance with the NFP/EBITDA covenant.

The change in the period is due to the repayment of the obligation amounting to Euro 1,5 million, partially offset by the effect of the application of the amortized cost method.

D.3) Payables due to the shareholders

Payables due to the shareholders	30/06/2024	31/12/2023	Variation
ST shareholders' payables	30.000.000	-	30.000.000
Total	30.000.000	-	30.000.000

This item includes the financing provided by the shareholders to cover the purchase of 65% of the company Comsteel Inox SpA (see paragraph "Equity investments")



D.4) Payables to banks

Payables due to banks	30/06/2024	31/12/2023	Variazione
ST collateralised bank loans	260.000	260.000	-
ST uncollateralised bank loans	55.678.053	43.201.767	12.476.286
Bank accounts	16.430.101	278.819	16.151.282
Advances bank accounts	43.564.922	-	43.564.922
LT collateralised bank loans	1.265.000	1.395.000	(130.000)
LT uncollateralised bank loans	121.179.864	148.720.915	(27.541.051)
Total	238.377.940	193.856.501	44.521.439

“Bank accounts” and “Advances bank accounts” includes the payables due to banks resulting from ordinary current accounts, the debt for advances on invoices and payables for bank receipts subject to collection. Current financial debt increased by a total of €45 million. At 30 June 2024, cash and cash equivalents amounted to € 10.449 thousand, as shown in Assets under Bank and Postal Accounts. At 30 June 2024, the monetary and unsecured lines granted to the Company were renewed until revoked.

The item “Bank loans within the period” includes the short-term debt to banks for loans granted. The portion carried forward indicates the amount of debt that will be repaid within 12 months.

All the loans entered into, with the exception of those granted by Invitalia, Simest, Cassa Centrale Banca, MedioCredito Centrale and the mortgage loans granted by Intesa San Paolo, are subject to NFP/EBITDA and NFP/NE covenants, calculated on consolidated results.

The measurement as of 30 June, calculated with 12-month rolling EBITDA, is only foreseen on loans signed with BNL, BPM and Unicredit.

The Company, due to the low economic results of the second half of 2023 and due to the acquisition of Comsteel Inox, which brought approximately €53,9 million of NFP against a contribution of €2 million of EBITDA (consolidated from May 2024), failed to comply with the PFN\EBITA covenant.

The Company has requested the waiver on the calculation as of 30 June 2024 and has already received confirmation from BNL and BPM, is awaiting a resolution from Unicredit and has therefore proceeded to reclassify the long-term portion into short-term debt for this latter loan term for Euro 1,250 thousand.

The breakdown of payables to banks for loans based on the repayment timeframe is as follows:

Institute	Share within the year	Share beyond the year
Deutsche Bank Sace	3.000.000	7.707.093
Intesa San Paolo	2.000.000	23.819
Banca BNL SACE	5.078.230	1.056.296
Unicredit SACE	6.250.000	193.749
Ipotecario Intesa San Paolo	261.969	1.265.000
Intesa San Paolo SACE	19.044.022	48.289.542
Simest	120.000	300.000
Banco BPM SACE	4.000.000	10.231.939
Invitalia	5.987.270	19.147.645
Monte dei Paschi di Siena	926.846	3.184.216
Supportitalia SACE Cassa Depositi e Prestiti	5.000.000	15.026.692
Supportitalia SACE Cassa Centrale	2.133.217	8.008.988
Supportitalia SACE Mediocredito Centrale	2.136.500	8.005.204
Hyundai Capital - Korea branch	4.680	
Totale	55.942.733	122.440.184



There are no payables for medium-long term loans with a maturity of over 5 years.

Details of the net financial position at 30 June 2024 are as follows:

Net financial position	30/06/2024	31/12/2023	Variation
Bank Deposit	10.448.685	66.505.391	(56.056.706)
Cash equivalents and treasury shares	10.448.685	66.505.391	(56.056.706)
Financial assets other than fixed assets	2.691.144	22.635.610	(19.944.466)
ST portion debenture loans	3.003.452	3.005.034	(1.582)
Bonds (within 12 mpnths)	(3.003.452)	(3.005.034)	1.582
Bank accounts	16.430.101	278.819	16.151.282
Advances bank accounts	43.564.922	-	43.564.922
Payables to bank (within 12 months)	(59.995.023)	(278.819)	(59.716.204)
ST collateralised bank loans	260.000	260.000	-
ST uncollateralised bank loans	55.678.053	43.201.767	12.476.286
Payables for loans (within 12 months)	(55.938.053)	(43.461.767)	(12.476.286)
Debiti verso altri finanziatori (entro 12 mesi)	(30.000.000)	-	(30.000.000)
Other payables (within 12 months)	(129.901)	(472.971)	343.070
Derivative financial instruments liabilities	(845.987)	(1.372.152)	526.165
Short-term financial payables	(149.912.416)	(48.590.743)	(101.321.673)
Short-term financial receivables	7.173.297	7.173.297	-
° Net financial position short term	(129.599.290)	47.723.555	(177.322.845)
Bonds (beyond 12 mpnths)	2.970.553	4.455.709	(1.485.156)
Bonds (beyond 12 mpnths)	(2.970.553)	(4.455.709)	1.485.156
Payables to bank (beyond 12 months)	(122.444.864)	(150.115.915)	27.671.051
Other payables (beyond 12 months)	(2.959.352)	(87.250)	(2.872.102)
Long-term financial payables	(128.374.769)	(154.658.874)	26.284.105
° Net financial position medium/long term	(128.374.769)	(154.658.874)	26.284.105
° Net financial position	(257.974.059)	(106.935.319)	(151.038.740)

The changes in net financial debt and cash flows are illustrated and commented in the Report on operations. For further details, see the Cash Flow Statement in the financial statements.

D.7) Trade payables

Trade payables amounting to €110.072 thousand refer to payables to third parties for the purchase of goods and services.

D.9) Payables to subsidiaries

The table below provides a breakdown of payables to subsidiaries:

Detail of payables from subsidiaries companies	30/06/2024	31/12/2023	Variation
Cogne Edelstahl GmbH	196.112	67.043	129.069
Cogne France S.A.	77.239	59.353	17.886
Cogne Celik Ltd	57.987	4.259	53.728
Cogne UK Ltd	8.266	-	8.266
Cogne USA Inc	68.311	23.494	44.817
Metalinox Cogne	4.300	10.006	(5.706)
Cogne Mexico	15.286	-	15.286
Cogne Stainless Bars S.A.	1.761.012	92.959	1.668.053
Cogne SG Pte Ltd	19.554	892	18.662
Dongguan Cogne Steel Products Co., Ltd	917.834	1.167.079	(249.245)
Degerfors Long Product	1.567.330	100.137	1.467.193
Special Melted Product	12.835.095	425.563	12.409.532
Com.Steel Inox Spa	25.027.477	-	25.027.477
Other entities	4.744.901	3.066.408	1.678.493
Total	47.300.704	5.017.193	42.283.511



Payables originally expressed in foreign currency, entered at the exchange rate in force on the date of their occurrence, were aligned to current exchange rates at the end of the period. This resulted in an exchange loss of € 350 thousand. Of this amount, € 231 thousand related to payables from third parties and € 119 thousand to payables from subsidiaries.

D.12) Tax payables

The breakdown of the item is as follows:

Tax payables	30/06/2024	31/12/2023	Variazione
Other ST tax payables	30.355	3.908	26.447
ST debts payables for withholding tax	905.085	1.627.043	(721.958)
Total	935.440	1.630.951	(695.511)

D.13) Payables to social security institutions and welfare funds

This item includes the payables to the following social security institutions:

Payables to social security institute	30/06/2024	31/12/2023	Variazione
ST payables to social security institutes (INPS - only italian comp)	3.513.931	3.315.984	197.947
ST payables to social security institutes (INAIL - only italian comp)	278.891	142.929	135.962
ST payables to social security institutes (OTHERS)	768.705	810.200	(41.495)
Total	4.561.527	4.269.113	292.414

As shown in the table, this item also includes payables related to the employee severance indemnity reform under which the portion of the provision accrued from the date the employee exercises the option envisaged by law is paid to INPS or another social security institution.

D.14) Other payables

a) ST payables:

- less than 12 months	30/06/2024	31/12/2023	Variazione
ST payables to employees	7.373.829	3.816.972	3.556.857
ST payables to agents	129.901	472.971	(343.070)
ST other payables	1.138.375	1.460.451	(322.076)
Total	8.642.105	5.750.394	2.891.711

- payables relating to the portion of accrued holiday not taken (€3.215 thousand);
- payables related to the accrued 13th month bonus (€1.570);
- payables relating to the assessment of the seniority bonus (€ 987 thousand).
- payables relating to the assessment of the performance bonus and MBO (€ 1.591 thousand);
- payables relating to salaries (€ 11 thousand).



“Other payables of a financial nature” relate to trade payables for the purchase of plant/equipment with instalment payment terms.

Details of the item “other payables”:

- payables for remuneration paid to the Board of Statutory Auditors (€52 thousand);
- payables for remuneration to the Supervisory Body (€12 thousand);
- payables related to the Internal Assistance Fund (€113 thousand);
- payables related to the exemption contribution for disabled people (€ 201 thousand);
- variable costs pertaining to June 2024 and deferred to the following month's remuneration (€646 thousand).
- other sundry payables (€114 thousand).

b) Payables beyond the year:

- more than 12 months	30/06/2024	31/12/2023	Variazione
LT payables to agents	2.959.352	87.250	2.872.102
Total	2.959.352	87.250	2.872.102

The change that occurred during the period is attributable to the accounting of the earn out provided for by the contract relating to the acquisition of the share held by Comsteel SpA in Comsteel Inox SpA equal to 35%; this operation resulted in the recognition of a financial debt of Euro 2.916 thousand including interest accrued as of the date of these interim financial statements.

E. ACCRUED EXPENSES AND DEFERRED INCOME

The breakdown of accrued expenses and deferred income is as follows:

Accruals and Deferred Income	30/06/2024	31/12/2023	Variazione
Accruals for deferred interests	481.461	635.778	(154.317)
Accruals for insurances	140.287	95.748	44.539
Other accruals	256	3.144	(2.888)
Total Ratei passivi	622.004	734.670	(112.666)
Accrued interests for capital contribution	320.735	357.279	(36.544)
Total Risconti passivi	320.735	357.279	(36.544)
Total	942.739	1.091.949	(149.210)

Deferred income refers entirely to the allocation over the duration of five years of tax credits recorded for €25 thousand on assets belonging to the “Industry 4.0” category and for €296 thousand on ordinary assets.

**COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES NOT RESULTING FROM THE
BALANCE SHEET**

Conti d'ordine	30/06/2024	31/12/2023	Variazione
Other interim account	5.156.887	9.576.038	(4.419.151)
Company assets held by third parties	13.700.308	12.188.148	1.512.160
Guarantees	35.163.700	21.229.025	13.934.675
Others	13.820.720	16.428.870	(2.608.150)
Letters of patronage	21.342.980	4.800.155	16.542.825
Commitments undertaken by the company	140.176.245	140.988.620	(812.375)
Financial leases	12.496.245	13.308.620	(812.375)
"Notional value ""IRS"" composed"	127.680.000	127.680.000	-
Others interim account	4.500.000	4.500.000	-
Real guarantees in favor of third parties on assets of subsidiaries	4.500.000	4.500.000	-
Interim accounts	198.697.140	188.481.831	10.215.309

The sureties granted in favour of third parties amounted to € 13.821 thousand and included those granted to key suppliers and the Ministry of the Environment as provided for by Ministry of the Environment Decree no. 370 of 3 September 1998.

Guarantees given on behalf of subsidiaries amount to €21.343 thousand and refer to letters of patronage.

**INCOME STATEMENT**

Revenues, income, costs and expenses have been shown net of returns, discounts, allowances and premiums, as well as taxes directly related to the sale of products and provision of services.

A. VALUE OF PRODUCTION**A.1) Revenues**

This item essentially includes income from the sale of goods, net of returns, discounts and premiums.

Details of revenues realised with other Group companies and related parties are provided in the Report on operations.

A.5) Other revenues and income

“Other revenues and income” is broken down as follows:

Other revenue and income	30/06/2024	30/06/2023	Variation
Other revenues	1.061.463	10.522.887	(9.461.424)
Grants	1.061.463	10.522.887	(9.461.424)
Revenue from direct sales of work in progress and finished goods	2.202.216	3.259.024	(1.056.808)
Ordinary gains on sale of tangible assets	106.700	-	106.700
Recovered expenses from subsidiaries	10.791	115.365	(104.574)
Recovered selling expenses	(30.888)	(72.487)	41.599
Refund of insurance expenses	900	350.139	(349.239)
Other revenues from transport	237.065	293.253	(56.188)
Extraordinary financial gains	(246.455)	(728.505)	482.050
Other revenues and income	1.606.878	585.180	1.021.698
Other revenues	3.887.207	3.801.969	85.238
Total	4.948.670	14.324.856	(9.376.186)

The item Operating grants is reduced due to the failure to accrue tax credits in relation to the raw materials Energy and Gas, recorded in the previous year for Euro 5.05 million and Euro 4.4 million respectively.

Details of other revenues and income from subsidiaries, holding companies and other Cogne Group companies are provided in the Report on operations.



B. COSTS OF PRODUCTION

B.6) Costs for raw materials, consumables and goods

The detail of the item is given below:

for raw material and consumables	30/06/2024	30/06/2023	Variation
Raw material	257.211.164	235.562.741	21.648.423
Supply	22.053.439	8.061.047	13.992.392
Fuels	219.194	234.556	(15.362)
Other material	21.976.837	18.476.855	3.499.982
Utilities (Electricity/Water)	13.907.616	16.348.387	(2.440.771)
Gas / Methane	12.525.437	16.536.766	(4.011.329)
Purchase of other production material	354.921	688.891	(333.970)
Purchase of packaging	167.233	205.875	(38.642)
Additional purchase charges for raw material, components, supplies and consum	2.090.850	1.532.542	558.308
Adjustments purchases of raw material, components, supplies and consumption	(1.427)	63.406	(64.833)
Total	330.505.264	297.711.066	32.794.198

B.7) Costs for services

This item breaks down as follows:

for services	30/06/2024	30/06/2023	Variation
External workings	10.515.221	9.012.953	1.502.268
Purchases transport	223.943	115.530	108.413
Sales transport	6.261.970	5.858.863	403.107
Storage	2.486.341	1.985.819	500.522
Insurances	1.626.561	1.596.665	29.896
Fiscal and administrative consultancy services	744.306	1.019.268	(274.962)
IT consultancy service	172.999	50.534	122.465
Commercial consultancy service	66.147	191.036	(124.889)
Technical consultancy service	528.811	466.148	62.663
Legal and notary expenses	227.228	1.051.533	(824.305)
Other Consultancies	539.907	905.626	(365.719)
Training expenses	372.141	250.815	121.326
Commissions to agents	586.832	765.645	(178.813)
Advertising expenses	30.903	40.834	(9.931)
Surveillance expenses	358.717	328.189	30.528
Travelling expenses	690.978	551.581	139.397
Bank services	45.228	37.154	8.074
Board of Directors' fees	264.988	264.988	-
Statutory auditors' fees	72.800	72.800	-
Supervisory Body's fees	31.200	46.800	(15.600)
Cafeteria expenses	361.395	287.009	74.386
Representing expenses	31.139	27.898	3.241
Telephone expenses	127.331	168.040	(40.709)
Ecology expenses	5.189.661	3.497.585	1.692.076
Postal expenses	1.041	1.035	6
Cleaning related services	2.516.813	1.976.865	539.948
Other services costs	903.032	745.777	157.255
Quality plants maintenance costs	4.013.350	3.628.093	385.257
Total	38.990.983	34.945.083	4.045.900



B.8) Costs for use of assets

This item mainly includes fees paid for rentals of office machinery, industrial vehicles, plant and machinery, tanks and software, rents and finance leases, as summarised below:

for rents and leases	30/06/2024	30/06/2023	Variation
Renting costs	558.702	220.873	337.829
Leasing costs	1.145.834	893.577	252.257
Other renting related costs	1.788.464	1.297.460	491.004
Motorvehicles renting costs	796.728	623.968	172.760
Equipment renting costs	1.276.954	1.061.601	215.353
Total	5.566.682	4.097.479	1.469.203

B.9) Personnel costs

Labour costs totalled €32,162 thousand, as detailed below:

Personnel costs	30/06/2024	30/06/2023	Variation
Salaries and wages	26.461.388	22.861.134	3.600.254
Social security costs	9.262.398	7.836.898	1.425.500
Provision for severance indemnity	1.584.094	1.363.563	220.531
Other costs	655.775	100.372	555.403
Total	37.963.655	32.161.967	5.801.688

The following table shows the changes in the company's workforce during the period, broken down by category:

Number of employees	31/12/2023	Increases	Decreases	Carreer increase	30/06/2024
Directors	15			1	16
Executive staff	28			(1)	27
Office workers	290	10	(3)	10	307
Office workers in training	19	2	(2)	(10)	9
Manual workers	821	81	(53)		849
Totale	1.173	93	(58)	-	1.208

B.10) Amortisation/depreciation and write-downs

With reference to this entry, reference should be made to the corresponding items under assets.

The amortisation of intangible fixed assets is detailed below:

Amortization of intangible assets	30/06/2024	30/06/2023	Variation
Amortization of start-up and expansion costs	532	11.294	(10.762)
Amortization of concessions, licences, trademarks and similar rights	472.760	472.760	-
Amortization of software	388.598	305.766	82.832
Amortization of other costs	165.562	194.948	(29.386)
Amortization of costs for plants compliance	335.027	338.462	(3.435)
Amortization of costs for improvements on third parties assets	1.341.016	1.070.547	270.469
Total	2.703.495	2.393.777	309.718



The depreciation quotas allocated for tangible assets represent the expenses for the period covering use of the assets, the detail is as follows:

Amortization of tangible fixed assets	30/06/2024	30/06/2023	Variation
Amortization of buildings	197.594	190.756	6.838
Amortization of generic plants	895.150	825.526	69.624
Amortization of internal means of transport	56.658	21.387	35.271
Amortization of furnaces and appliances	2.414.130	2.166.387	247.743
Amortization of specific plants	6.137.933	5.543.477	594.456
Amortization of industrial equipments	667.033	637.865	29.168
Amortization of vehicles	4.308	14.607	(10.299)
Amortization of furniture and office equipments	41.592	52.015	(10.423)
Amortization of EDP machinery	216.738	178.517	38.221
Total	10.631.136	9.630.537	1.000.599

B.14) Other operating costs

This item includes the following charges:

Other operating losses	30/06/2024	30/06/2023	Variation
Other taxes (different than income taxes)	156.526	257.981	(101.455)
Losses on trade receivables	110	7	103
Subscription to newspaper and magazines	18.071	12.401	5.670
Contributions	82.437	108.623	(26.186)
Other operating costs	941.092	2.332.910	(1.391.818)
Other extraordinary expenses	11.077	6.990	4.087
Fairs, exhibitions and travels	598.730	300.806	297.924
Administrative sanctions, fines and surcharges	7.564	1.061	6.503
Total	1.815.607	3.020.779	(1.205.172)

C. FINANCIAL INCOME AND CHARGES

C.16.d Other financial income other than the above

The breakdown is as follows:

Other financial income	30/06/2024	30/06/2023	Variation
Other financial income	176.399	-	176.399
Interests in bank and postal accounts	162.629	26.830	135.799
Other financial income from other companies	5.015	-	5.015
Other financial income	344.043	26.830	317.213

The item financial income from subsidiary companies includes the accrual of interest on the active loan provided to the subsidiary Special Melted Product Ltd.



C.17a) Interest and other financial charges from subsidiaries

This item is composed as follows:

Interests expenses and similar charges	30/06/2024	30/06/2023	Variation
Financial charges from subsidiary companies	263.836	68.198	195.638
Interest and other financial charges from subsidiary companies	263.836	68.198	195.638

C.17b) Interest and other financial charges from others

This item is composed as follows:

Interests expenses and similar charges	30/06/2024	30/06/2023	Variation
LT interests payables to bank	3.955.640	1.870.995	2.084.645
ST interests payables to bank	508.200	1.039.553	(531.353)
Financial charges from other companies	111.228	2.033	109.195
Financial discounts to clients	799.440	461.539	337.901
Financial institutions agent's fees	412.908	467.367	(54.459)
Interest and commission factoring	1.187.132	1.059.998	127.134
Interest late payments	59.985	226.786	(166.801)
Other financial charges	51.351	(10.639)	61.990
Others	7.085.884	5.117.632	1.968.252

C.17 bis) Profits and losses on exchange differences

This item is composed as follows:

Profit (loss) on exchange difference	30/06/2024	30/06/2023	Variation
Exchange profits	2.519.701	5.540.111	(3.020.410)
Exchange losses	(2.248.964)	(3.580.947)	1.331.983
Exchange profits	270.737	1.959.164	(1.688.427)
Unrealised exchange profits	652.160	1.578.101	(925.941)
Unrealised exchange losses	(920.616)	(1.356.903)	436.287
Unrealised exchange profits	(268.456)	221.198	(489.654)
Total	2.281	2.180.362	(2.178.081)

D. VALUE ADJUSTMENTS TO FINANCIAL ASSETS

D.18.a) Revaluations of equity investments

Revaluations of equity investments	30/06/2024	30/06/2023	Variation
Revaluations of equity investments in subsidiary companies	2.161.556	2.716.837	(555.281)
Total	2.161.556	2.716.837	(555.281)

During the period, in consideration of the positive results obtained by the subsidiary Cogne Edelstahl, the value of the investment was revalued by Euro 2,16 million.



D.18.d) Write-ups of derivative financial instruments

The breakdown is as follows:

Revaluations of derivative financial instruments	30/06/2024	30/06/2023	Variation
Revaluations of derivative financial instruments	1.130.516	5.565.064	(4.434.548)
Revaluations of derivative financial instruments not realized	144.425	454.703	(310.278)
Total	1.274.941	6.019.767	(4.744.826)

D.19.a) Write-offs of equity investments

Write-offs of equity investments	30/06/2024	30/06/2023	Variation
Write-offs of equity investments in other companies	2.015.800	-	2.015.800
Total	2.015.800	-	2.015.800

During the period, the value of the investment in the Metal Interconnector company was written down by Euro 2 million in line with the expected return on the investment.

D.19.d) Write-downs of derivative financial instruments

The breakdown is as follows:

Write-offs of equity investments	30/06/2024	30/06/2023	Variation
Write-offs of equity investments in other companies	2.015.800	-	2.015.800
Total	2.015.800	-	2.015.800

20. INCOME TAX

At 30 June 2024, the Company's taxable income for IRAP purposes amounted to € 13.004. IRES also shows a negative income tax that represents a fiscal loss of €5.745 thousand. The impact of prepaid and deferred taxes on the income statement reflects the recognition of prepaid taxes of € 79 thousand and the reversal of deferred taxes of € 82 thousand, respectively.

Income taxes	30/06/2024	30/06/2023	Variation
Regional tax on productive activities (only for italian companies)	507.171	245.579	261.592
Other current income taxes (non-italian companies)	16.981	-	16.981
Current taxes	524.152	245.579	278.573
Previous years taxes	6.855	363	6.492
Previous years taxes	6.855	363	285.065
Deferred taxes	(81.621)	30.845	(112.466)
Advanced taxes	(46.969)	(976.870)	929.901
Deferred/Advanced taxes	(128.590)	(946.025)	1.102.500
Total	402.417	(700.083)	1.666.138

Operations in the first half of 2024 closed with a loss of €5.587 thousand.



Deferred tax

The items that generated prepaid taxes are shown below, together with the changes of the year (Article 2427, paragraph I, no. 14, of the Italian Civil Code):

Description of DTA	31.12.2023		Ajustment		Movements 2024		30.06.2024	
	Temporary Diff.	Tax			Temporary Diff.	Tax	Temporary Diff.	Tax
Provision for doubtful debts taxed (CDI)	394.839	94.762			-	-	394.839	94.762
Provision for doubtful debts taxed	272.951	65.508			-	-	272.951	65.508
Provision for sundrisks	640.000	153.600			(265.926)	(63.822)	374.074	89.778
Derivatives	-	-			-	-	-	-
Warehouse devaluation	2.167.730	604.797			405.134	113.023	2.572.830	717.819
Derivatives that pass through the reserve in SE and not in P&L	-	29.690			-	(29.691)	-	-
Unrealized net exchange loss	-	-			123.134,00	29.552	123.134,00	29.552
Other fiscal variations	(73)	(17)			-	-	(73)	(17)
Total prepaid taxes on temporary differences	3.475.447	948.340			262.342	49.062	3.737.755	997.402
Losses carried forward tax purposes	41.476.205	9.954.288	(132.433)	(31.784)	-	-	41.343.772	9.922.504
Total prepaid tax credits	44.951.652	10.902.629	(132.433)	(31.784)	262.308	49.062	45.081.527	10.919.907

Receivables for prepaid taxes were entered only on the basis of the reasonable certainty of their recovery, on the basis of forecasts for making taxable income such as to allow incorporating prepaid taxes when the differences are reversed. In particular, the assessment of the recoverability of prepaid taxes took into consideration the economic-financial forecasts contained in the 2024-Q2 budget approved at the end of April. In relation to the tax loss of Euro 5.745 thousand, no DTA has been allocated for the Q2.

The items that generated deferred taxes in 2024-Q2 are shown below, together with the changes of the year (Article 2427, paragraph I, no. 14, of the Italian Civil Code):

Description of DTL	31.12.2023		Movements 2024		30.06.2024	
	Temporary Diff.	Tax	Temporary Diff.	Tax	Temporary Diff.	Tax
Net gains unrealized exchanges rates	(357.766)	(85.864)	268.457	64.430	(89.309)	(21.434)
Derivatives that pass through the reserve in SE and not P&L	-	(136.639)	-	(130.330)	-	(666.970)
Derivatives	(71.632)	(17.192)	71.632	17.192	-	-
Default interest not paid/collected	(36.249)	(8.700)	-	-	(36.249)	(8.700)
Total deferred taxes on temporary differences	(465.647)	(547.397)	340.089	(48.709)	(125.558)	(596.107)

ADDITIONAL INFORMATION

1. DIRECTION AND COORDINATION

Pursuant to the provisions of the fourth paragraph of Article 2497 bis of the Italian Civil Code introduced as part of the corporate law reform, it should be noted that the Company, although controlled by MEG S.A, is not subject to management and coordination by the holding company.

2. TRANSACTIONS WITH RELATED PARTIES

During the period, the Company carried out transactions with related parties under market conditions. For more complete information on transactions with related parties, refer to the specific paragraph "Relations with subsidiaries, associates and holding companies" contained in the Report on operations.



3. EVENTS AFTER THE REPORTING DATE

Pursuant to paragraph 3. no. 5 of Article 2428 of the Italian Civil Code, the following information on the significant events occurring after the closure of the period are reported.

No significant events occurred after the reporting date.

4. INFORMATION REQUIRED BY LAW NO. 124 OF 4 AUGUST 2017, ART. 1, PARAGRAPH 125

Law 124/2017 introduced in Art. 1, paragraphs 125-129, new obligations on disclosure in relation to the transparency of public funds received and granted; in particular, for companies, paragraph 125 requires the publication in the notes to the financial statements of all economic benefits, of an amount equal to or greater than €10,000, received from public resources.

The law is accompanied by a strict sanctions system: for recipient companies, the breach of the obligation to publish leads to the repayment of the amounts to the funding bodies (paragraph 125).

More recently Law No. 12 of 11 February 2019 (which converted the "simplification decree"), created a link between the obligations imposed by Law no. 124/2017 and the regulations of the National Register of State Aid, aiming to simplify the publication requirements laid down for companies receiving aid.

On the basis of some authoritative interpretations published, firstly the circular letter no. 5 of 22 February 2019 by Assonime, it is deemed that the disclosure in the notes to the financial statements is not required in the following cases:

- amounts received as payment for public works, services and supplies
- remunerated appointments falling within the typical exercise of the company activities
- general measures usable by all companies within the general structure of the reference system defined by the State, e.g. ACE
- selective economic benefits, therefore state aid received in application of an aid scheme, i.e. accessible to all companies meeting certain conditions, on the basis of pre-set general criteria (e.g. contributions for research and development projects and tax facilities) or public resources from public institutions in other States (in or outside Europe) and European institutions or Contributions for training received from interprofessional funds (e.g. Fondimpresa and Fondirigenti); these funds are of an associative nature and legal nature of bodies of private law, funded with contributions paid by the companies themselves.

The same interpretative documents state that it is preferable to adopt the "cash accounting" criterion rather than the "accruals basis" criterion.

Full reference is made to the National Register of State Aid, "Transparency" section.

In addition to the above, it is also specified that Cogne Acciai Speciali S.p.A., a company with high electricity consumption, benefits from reductions which are clearly highlighted by the publication of the name of the Company and the relative discount class on the official website of the Cassa per i Servizi Energetici ed Ambientali (C.S.E.A), to which full reference is made.



Interim financial statements as at 30 June 2024

CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

Assets	30/06/2024	31/12/2023
A) Unpaid capital contribution from shareholders	-	-
B) Fixed assets		
I - Intangible assets		
1) Start-up and expansion costs	9.037	4.257
4) Concessions, licences, trademarks, and similar rights	16.347.392	16.618.149
5) Goodwill	135.148.135	114.465.816
6) Work in progress and advances	231.677	2.028.383
7) Others	6.516.214	7.171.641
Total	158.252.455	140.288.246
II - Tangible assets		
1) Land and buildings	37.736.835	37.747.296
2) Plant and machinery	153.004.662	143.773.056
3) Fixtures, fittings, tools and equipment	11.235.148	9.138.314
4) Others	3.317.522	3.645.834
5) Work in progress and advances	51.583.009	48.711.982
Total	256.877.176	243.016.482
III - Investments		
1) Investments	2.145.931	4.161.731
d-bis) Financial investments from others companies	2.145.931	4.161.731
2) Receivables	452.854	305.311
d-bis) Receivables from other companies	452.854	305.311
ST receivables from other companies	452.854	305.311
3) Other securities/ holdings	9.656.419	9.403.981
Total	12.255.204	13.871.023
Total assets (B)	427.384.835	397.175.751
C) Current assets		
I - Inventory		
1) Raw materials, consumable and supplies	74.908.253	63.183.429
2) Work in progress and components products	177.979.849	109.576.585
4) Finished products and goods	164.791.325	141.431.678
5) Advances	4.329.368	3.563.930
Total	422.008.795	317.755.622
II - Receivables		
1) Trade receivables	177.543.576	137.275.352
- less than 12 months	177.543.576	137.275.352
5-bis) Tax receivables	16.809.111	16.123.178
- less than 12 months	16.538.898	15.765.300
- more than 12 months	270.213	357.878
5-ter) Deferred tax assets	14.649.271	14.478.330
5-quater) Other receivables	13.170.185	4.118.928
- less than 12 months	13.170.185	4.118.928
Total	222.172.143	171.995.788
III - Investments that do not constitute a fixed asset		
5) Derivative financial instruments	2.691.144	2.635.610
6) Other securities/ holdings	267.768	20.021.384
Total	2.958.912	22.656.994
Cash and cash equivalents		
1) Banks and postal current accounts	42.794.542	98.881.954
2) Bank cheques	267.523	737.656
3) Cash on hand	18.136	31.343
Total	43.080.201	99.650.953
Total current assets (C)	690.220.051	612.059.357
Prepayments and accrued income	8.430.106	5.430.943
1) Accrued incomes	71.671	112.261
2) Deferred charges	8.358.435	5.318.682
Total assets	1.126.034.992	1.014.666.051



Liabilities and Net equity	30/06/2024	31/12/2023
Net equity		
I - Share capital	405.563.167	405.563.167
II - Share premium reserve	44.436.833	44.436.833
IV - Legal reserve	4.971.919	4.861.472
VI - Other reserves, with distinct indication	68.743.635	69.474.698
VII - Cash flow hedging reserve	1.744.532	1.302.908
VIII - Retained Earnings	36.113.025	34.594.749
IX - Net profit (loss) for the period	(2.902.800)	(1.446.620)
Shareholders' equity of the Group	558.670.311	558.787.207
I - Equity attributable to minority shareholders	3.243.928	1.956.409
II - Profit (loss) for the period attributable to minority shareholders	349.200	(122.880)
Minority interest	3.593.128	1.833.529
Total net equity (A)	562.263.439	560.620.736
2) Deferred tax and other tax liabilities fund	7.570.664	7.342.380
3) Reserve for derivative financial instruments	845.987	1.372.152
4) Other provisions fund	374.074	640.001
Total provisions for risks and other charges (B)	8.790.725	9.354.533
C) Employee severance indemnity	3.434.890	3.488.936
1) Debenture loans	5.974.005	7.460.743
ST portion debenture loans	3.003.452	3.005.034
LT portion debenture loans	2.970.553	4.455.709
3) Payables due to the shareholders	52.032.552	1.854.556
ST shareholders' payables	50.354.943	370.911
LT shareholders' payables	1.677.609	1.483.645
4) Payables due to banks	279.268.257	215.809.121
- less than 12 months	156.823.393	65.693.206
- more than 12 months	122.444.864	150.115.915
5) Other financial institutions payables	14.729.065	14.497.633
- less than 12 months	3.448.193	2.070.816
- more than 12 months	11.280.872	12.426.817
6) Advances	55.775	162.628
ST advances from customers	55.775	162.628
7) Payables to suppliers	162.917.224	172.405.460
ST payables to suppliers	162.917.224	172.405.460
12) Tax payables	10.096.227	9.706.222
- less than 12 months	10.096.227	9.706.222
13) Payables to social security institute	5.377.131	5.251.733
- less than 12 months	5.377.131	5.251.733
14) Other payables	14.998.484	9.981.729
- less than 12 months	12.038.940	9.894.479
- more than 12 months	2.959.544	87.250
Total	545.448.720	437.129.825
E) Accruals and Deferred Income	6.097.218	4.072.021
Deferred income	5.563.242	3.501.501
Accrued interests	533.976	570.520
Total liabilities	1.126.034.992	1.014.666.051



Interim financial statements as at 30 June 2024

Profit and Loss	30/06/2024	30/06/2023
A) Production value		
1) Revenues from sales and services	456.456.377	424.077.355
2) Change in work in progress and finished goods	73.162.995	4.240.425
4) Internally generated fixed assets	964.870	947.075
5) Other revenue and income	6.289.279	16.356.061
a) Grants	1.060.587	10.526.237
b) Other revenues	5.228.692	5.829.824
Total production value (A)	536.873.521	445.620.916
B) Cost of production		
6) for raw material and consumables	395.748.031	315.199.463
7) for services	49.478.636	37.601.768
8) for rents and leases	7.184.813	4.806.575
9) Personnel costs	59.693.531	41.551.407
a) Salaries and wages	44.538.900	29.896.646
b) Social security costs	11.769.381	9.576.893
c) Provision for severance indemnity	1.727.974	1.471.377
d) (Retirement) Pension costs	115.911	110.977
e) Other costs	1.541.365	495.514
10) Amortization, depreciation and provision	25.643.624	13.546.087
a) Amortization of intangible assets	9.220.230	2.539.967
b) Amortization of tangible fixed assets	15.424.295	10.884.721
c) Write-offs of net working capital receivables and cash and cash equivalents	999.099	121.399
11) Variation in inventory of raw material and consumables	(14.510.397)	9.130.080
12) Provision for risks	-	(59.402)
14) Other operating losses	2.655.603	3.818.839
Total production costs (B)	525.893.841	425.594.817
Differences production value and cost of production (A-B)	10.979.680	20.026.099
C) Financial income and charges		
16) Other financial income	359.879	51.756
c) from other ST titles	82	-
d) Other financial income	359.797	51.756
- altri proventi diversi dai precedenti	359.797	51.756
17) Interests expenses and similar charges	8.783.842	5.657.573
Others	8.783.842	5.657.573
17-bis) Profit (loss) on exchange difference	356.397	2.017.408
Exchange profits and losses	532.233	1.854.191
Unrealised exchange profits and losses	(175.836)	163.217
Total financial income and expenses (C)	(8.067.566)	(3.588.409)
D) Financial assets revaluations or write-offs		
18) Revaluations	1.274.941	6.019.767
d) Revaluations of derivative financial instruments	1.274.941	6.019.767
19) Write-offs	3.945.706	7.454.205
a) Write-offs of equity investments	2.015.800	-
d) Devaluations of derivative financial instruments	1.929.906	7.454.205
Total financial assets revaluations or write-offs (D)	(2.670.765)	(1.434.438)
Result before taxes (A-B+C+D)	241.349	15.003.252
20) Income taxes	2.794.949	1.992.357
a) Current taxes	3.073.767	2.746.618
b) Previous years taxes	6.855	(42.031)
c) Deferred/Advanced taxes	(285.673)	(712.230)
Profit (loss) for the year	(2.553.600)	13.010.895

Aosta, 16 July 2024

On behalf of the Board of Directors
The Chairman
Yu-Lon Chiao