

2024
HALF-YEAR
REPORT



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COMPANY INFORMATION

REGISTERED OFFICE OF THE PARENT

Cofle S.p.A. – via del Ghezzo 54 – 20056 Trezzo sull’Adda (Milan) – Italy

Tel. +39 02 920 0201

www.cofle.it

INFORMATION ABOUT THE PARENT

Approved share capital €615,599.60 fully paid up

Tax code and Milan Monza Brianza Lodi company registration no.: 05086630158

Milan Monza Brianza Lodi REA no. 1145178

OFFICES AND PRODUCTION SITES

Trezzo sull’Adda – Via del Ghezzo 54 (Headquarters, O.E. Industrial Division)

Trezzo sull’Adda - Via L. Grassi 19 (Original Equipment Logistic Division)

Pozzo d’Adda – Via del Lavoro 1 (Independent Aftermarket Division)

Istanbul - Gazi Bulvari Cad. no. 42

Istanbul - Kimyacılar OSB, Organik Cd. no. 25

Sete Lagos - Av. Prefeito Alberto Moura, 200B

Allonne - Rue des Quarante Mines 119

Chennai - no. 39 & 40, Sidco Industrial Estate

Zhejiang - no. 9 Huajia Rd. Diankou Town

COMPANY BODIES

BOARD OF DIRECTORS ¹

CHAIRMAN	WALTER BARBIERI
DEPUTY CHAIRMAN	ALESSANDRA BARBIERI
DIRECTOR	ANDREA COSTANTINI
DIRECTOR	MARCO FACCHIN ASSI
INDEPENDENT DIRECTOR	ENRICO MAMBELLI

BOARD OF STATUTORY AUDITORS ²

CHAIRMAN	GIUSEPPE ROTA
STANDING AUDITOR	ARTURO CARCASSOLA
STANDING AUDITOR	UGO PALUMBO
ALTERNATE AUDITOR	NICOLA ALESSANDRO COLETTI
ALTERNATE AUDITOR	SILVIA BOLOGNINI

INDEPENDENT AUDITORS ³

BDO ITALIA S.P.A.

EURONEXT GROWTH ADVISOR

BANCA PROFILO S.P.A.

¹ Until the approval of the financial statements at 31 December 2026 – appointed as per the deed dated 29 April 2024

² Until the approval of the financial statements at 31 December 2026 – appointed as per the deed dated 29 April 2024

³ Until the approval of the financial statements at 31 December 2024 – appointed as per the deed dated 29 April 2022



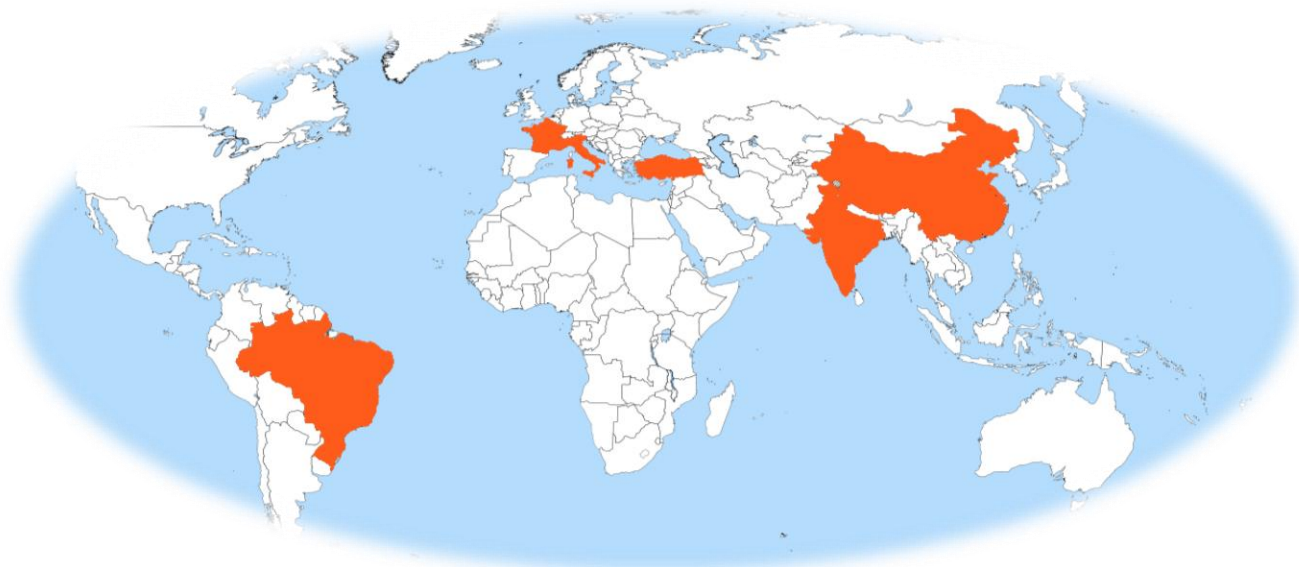
REPORT ON OPERATIONS

Dear shareholders,

This report has been prepared in accordance with article 2428 of the Italian Civil Code and accompanies the consolidated interim financial statements as at 30 June 2024. This report gives a true, fair and comprehensive description of the Group, of its performance and result of operations, as a whole and in the various sectors in which it operates.

THE GROUP'S BUSINESS

The Group designs, produces and sells worldwide control cables and remote control systems for the off-road vehicle, automotive and automotive after-market sectors. Thanks to its international profile it operates globally.

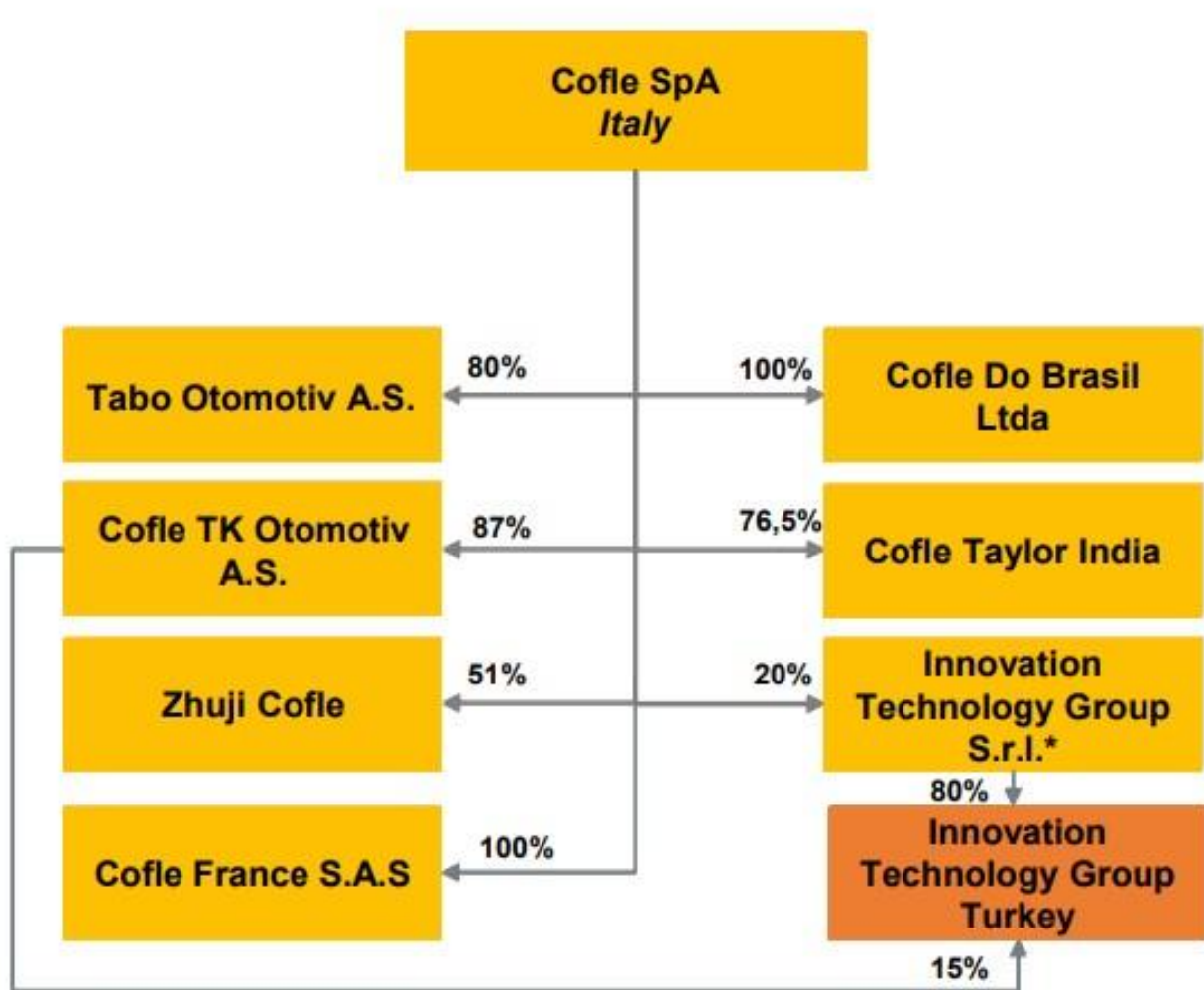


It has two divisions:

- the Original Equipment (**OE**) division through which it manufactures a wide range of highly customised products for customers who install the components on the products sold: through its products, the Group deals with customers operating in the agricultural sector, earth-moving and commercial vehicles and the premium automotive sector;
- the Independent After Market (**IAM**) division which manufactures Cofle-branded components such as control cables, brake hoses or EPBs with the same quality as the original for the automotive sector.

THE GROUP'S STRUCTURE

The Group's organisational chart and the percentage of ownership is shown below:



COFLE S.P.A.

Cofle S.p.A. was established in 1964. Its first production line focused on the production of original equipment (OE) cables for major Italian brands. In the '70s, the company began operating on a more industrial scale. In the '80s, Cofle set up its headquarters in Trezzo sull'Adda, acquiring the current facility which, thanks to its vertical production system, enabled it to become an all in-house company. During these years, the company began manufacturing cables for the Aftermarket division which, in the '90s, led to the construction of a warehouse in Pozzo d'Adda, for the customisation and distribution of Aftermarket products. In the '90s, the company began an internalisation process by selling directly to foreign markets. In the new millennium, the international expansion led to the incorporation of the Group, setting up or holding controlling investments in companies located in several countries around the world.

Cofle S.p.A. share capital currently consists of 6,155,996 ordinary shares:

<i>Shareholder</i>	Ordinary shares	Share capital	% of share capital
Valfin S.r.l.	4,827,056	482,706	78.4%
Smart Agri S.r.l.	239,265	23,927	3.9%
Independence AM Sicav	158,143	15,814	2.6%
Market	931,532	93,153	15.1%
	6,155,966	615,600	100%

holdings per ISIN greater than 2% at the ex-dividend record date of 22/05/2024

COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

COFLE INDÚSTRIA E COMÉRCIO LTDA DO BRASIL

Set up in 2016, Cofle industria e comercio do Brasil Ltda is based in Sete Lagoas. This company operates mainly with the OE division and has a warehouse of about 2,000 square metres with a production capacity of about 0.45 million units.

COFLE FRANCE SAS

Cofle France S.a.s. was set up in the second half of 2022 in order to acquire a share in the French, Spanish, Portuguese and Benelux markets for both the IAM and OE divisions.

COFLE TAYLOR INDIA

Set up in 2018 through a joint venture, Cofle Taylor India control cables & systems private Ltd is based in Chennai. This company primarily provides manufacturing support for the Group's Aftermarket division. In 2023, the subsidiary began its first direct deliveries to domestic OE customers.

COFLE TK OTOMOTIV KONTROL SISTEMLERİ SAN VE TIC. A.Ş

Set up in 2010, Cofle Tk Otomotiv Kontrol Sistemleri Sanayi A.Ş. is based in Istanbul. This company contributes significantly to the turnover of the OE division and has two plants covering a total area of approximately 4,000 square metres with a production capacity of about 2.25 million units.

TABO OTOMOTIV MAK.SAN VE TIC A.Ş

Set up in 1996, Tabo Otomotiv Makina Sanayi ve Ticaret A.Ş. is based in Istanbul. This company contributes significantly to the turnover of the IAM division and has two plants covering a total area of approximately 4,000 square metres with a production capacity of about 3 million units.

ZHUJI COFLE MECHANICAL CONTROL SYSTEM CO., LTD

Set up in 2006 through a joint venture, Zhuji Cofle mechanical control systems company Ltd is based in Zhejiang. This company acts mainly as a representative office for the Group's OE division.

ASSOCIATES

INNOVATION TECHNOLOGY GROUP S.R.L.

In 2019, the Group acquired 20% of the innovative start-up I.T.G. S.r.l., an engineering company specialising in the development of new product and process ideas and solutions that anticipate new technological trends for the automotive and farm equipment sector.

INNOVATION TECHNOLOGY GROUP TURKEY

Set up in the second half of 2022 as part of a joint venture between I.T.G. S.r.l., Cofle Tk and local management, I.T.G. Turkey designs innovative solutions for the off-road vehicle sector in Turkey.

MAIN EVENTS AND TRANSACTIONS OF THE YEAR

The first half of 2024 was characterised by major investments by the Group, in particular by the parent company and the Turkish subsidiary Cofle TK.

The parent company completed the installation of machinery and equipment within the investment property acquired last year and started the construction of the latest-generation logistics hub, where artificial intelligence will manage scheduling and thereby optimise delivery times.

The subsidiary Cofle TK, instead, made investments in machinery and plants to increase production capacity as well as investments in the strategic electronics production department so as to produce electronic boards and the different sensors in-house.

MACROECONOMIC CONTEXT AND INDUSTRY

The factors that contributed to the slowdown in world trade in 2023 can still be seen in early 2024: these include interest rates at record highs, the cost of goods and materials permanently above pre-pandemic prices, high tensions and increasing geopolitical fragmentation. However, encouraging signs are coming from the gradual strengthening of industrial production, the faster decline in inflation than initially expected, and the renewed confidence of the private sector.

The OECD forecasts global GDP growth at 3.1% in 2024 and 3.2% in 2025: growth continues to diverge across countries, with weaker performance in many advanced economies, especially in Europe, offset by strong growth in the US and many emerging market economies.

Eurozone growth is expected at 0.7% in 2024 and 1.5% in 2025. France and Italy will both grow by 0.7% this year and 1.3% and 1.2% next year, respectively, while Germany will show a more modest pace (+0.2% in 2024 and +1.1% in 2025).

The US will grow by 2.6% this year and 1.8% next year, and China by 4.9% and 4.5% in 2025. As for inflation, headline inflation fell rapidly in most economies during 2023, pushed down by tight monetary policies, lower energy prices and the continued easing of supply chain pressures. Food price inflation also fell sharply in most countries, as good harvests for key crops such as wheat and maize saw prices fall rapidly from the highs reached after the start of the war in Ukraine. Goods price inflation generally declined, but services price inflation was stronger, remaining well above pre-pandemic averages in most countries.

In addition to eurozone inflation, the group is also affected by current hyperinflation in Turkey, which slowed down significantly in June, halting its seven-month upward run: the figure, as measured by the consumer price index, fell to 71.6% in June from 75.5% in the previous month.

Focusing on the sectors where the Group operates, the agricultural machinery market recorded a drop in sales globally in the reporting period, compared to the previous year. The downturn depends on cyclical factors, in particular the increase in the price of machinery due to rising production costs, the cost of money and in general the uncertainty caused by geopolitical variables and the ongoing conflicts in Ukraine and the Middle East. The European market declined by more than ten percentage points compared to the same period last year, with the trend varying across power classes: the medium-high power range was the most affected.

Compared to the European market, the Italian tractor market decreased by more than 17% compared to last year: in addition to the increase in costs, the continuation of the various incentive measures was awaited. The slowdown in the domestic agricultural technology market came after the strong growth recorded in 2021-2022 thanks to the driving force of public incentives for the digitisation of the primary sector. The gradual decline in 4.0 technology subsidies and the delay in setting up the incentive tools provided by the NRP, combined with the decline in agricultural incomes, has been significantly affecting the sector's dynamics over the last 18 months. The unfavourable economic situation of the period is also confirmed by the two main markets outside Europe: the United States shows a drop in tractor sales of more than eleven percentage points, while the Indian market shows a drop of eight percentage points.

PERFORMANCE OF OPERATIONS

In the macroeconomic context illustrated above, consolidated turnover in the first half of 2024, including the impact of Turkey's hyperinflation, posted 4.7% growth compared to the same period of last year (about €31.1 million compared to €29.7 in June 2023).

The Independent After Market division showed the best performance, with a turnover close to €11.8 million and a double-digit increase over the same period last year, which stood at €9.3 million.

As far as the Original Equipment division is concerned, the division's turnover was around €19.3 million, a decrease of about 5.4% compared to June 2023, though still better than the market thanks to the quality and innovation of its products.

In order to allow for a better understanding of the half-year performance, the Group's normalised consolidated turnover, i.e. adjusted for the effects of the application of the hyperinflation accounting standard, amounted to €30.4

million compared to €32.8 million as at 30 June 2023. Specifically, the Independent After Market division amounted to €11.5 million, up 9.5% compared to the previous period, while the Original Equipment division showed a turnover of €18.9 million, down 15.7% compared to 30 June 2023.

The Group's production revenues as of 30 June 2024, including the impact of the Turkish hyperinflation effects, amounted to €31,781,047, up 3.2% mainly due to the increase in turnover in the eurozone. The Group's export-oriented profile is confirmed by the over 300 customers located in about 40 countries, mainly customers based in Europe, and a smaller volume of sales to customers in the United States, Mexico, Argentina, China and Brazil. As at 30 June 2024, 80% of the Group's turnover was concentrated in European countries, 17% in Italy and the remaining 3% in the rest of the world.

Operating costs for the period amounted to €28,174,611, up 6.1% over the same period of the previous year, mainly due to higher labour costs, for the renegotiation of collective agreements of the Turkish subsidiaries, and to rent and software rental fees to support technological innovation.

This had a negative impact on EBITDA, which amounted to €3,606,437, i.e. 11.3% of production revenues, down 13.8% compared to the same period in 2023. In order to mitigate the erosion of margins, as of the date of this report, a number of strategic choices have already been implemented by the Group's management, aimed at making the production processes of the various plants more efficient. These include the reshoring of some production activities in Italy and the offshoring of others from Turkey to India, the outsourcing of low value-added production and the ensuing internal reorganisation of the plants involved, as part of a broader, across-the-board spending review. These actions, together with others already planned, will produce the desired effects towards the end of FY 2024 and, to a greater extent, in the following year when they will be fully implemented.

Returning to the review of management for the period, net financial charges for the first half of 2024 showed a negative balance of €3,214,092, compared with a negative balance of €1,086,478 in the first half of 2023. The eurozone's monetary policy of keeping official rates unchanged also for the first months of 2024 (4.50% on loans to banks, 4% on deposits), together with the Turkish Central Bank's monetary policy of keeping reference rates at around 45%, contributed to the Group's financial charges. Also in the first half of 2024, in order to eliminate the inflation-distorting effects of Turkish subsidiaries and to reflect changes in the purchasing power of the Turkish lira at the reporting date, non-monetary assets and liabilities, net equity and profit and loss account items were restated by applying the general consumer price index to historical data. The general consumer price index at the end of the period was 2,319.29, up by approximately 24.7% compared to 31 December 2023. In addition, to take into account the impact of hyperinflation also on the local currency exchange rate, the balances of profit and loss accounts in hyperinflationary currencies were converted to euro, applying the final exchange rate (1€ = 35.1868 TRY) rather than the average exchange rate for the period (1€ = 34.2539 TRY), in order to report such amounts at current values. The related accounting effects were recognised in a separate item in the profit and loss account under financial income and charges, identified as charges from hyperinflation, before tax, of approximately €2.7 million (approximately €1.8 million as at 30 June 2023).

The consolidated profit and loss account for the first half of 2024 is shown below:

€	30/06/2024	30/06/2023	CHANGE (%)
Turnover from sales and services	31,141,172	29,740,621	4.7%
Changes in inventory	261,420	372,548	(29.8%)
Other revenues and income	378,456	668,921	(43.4%)
PRODUCTION REVENUES	31,781,047	30,782,090	3.2%
Raw materials, consumables, supplies and goods	12,226,251	13,358,691	(8.5%)
Services	5,992,976	5,561,418	7.8%
Use of third-party assets	1,042,090	701,280	48.6%
Personnel expenses	8,795,392	7,156,700	22.9%
Change in raw materials	(243,106)	(1,176,085)	(79.3%)
Other operating costs	361,008	945,762	(61.8%)
EBITDA (gross operating profit)	3,606,437	4,234,324	(14.8%)
Amortisation, depreciation and write downs	2,288,529	1,498,208	52.8%
EBIT (operating profit)	1,317,908	2,736,117	(51.8%)
Financial income	808,065	118,979	579.2%
Financial charges	(1,863,359)	(783,730)	137.8%
Income (charges) from hyperinflation	(2,652,132)	(1,843,613)	43.9%
Currency adjustments	493,334	1,421,887	(65.3%)
PRE-TAX PROFIT	(1,896,184)	1,649,639	(214.9%)
Income taxes	212,844	801,705	(73.5%)
NET PROFIT (LOSS) FOR THE PERIOD	(2,109,028)	847,934	(348.7%)

<i>Profitability ratios</i>	Meaning	30/06/2024	30/06/2023
Return on sales (R.O.S.):			
Operating profit for the period / Net revenues for the period	Profitability of sales	4.23%	9.20%
Return on investment (R.O.I.):			
Operating profit / Invested capital for the year	Overall efficiency of corporate businesses within the Group	1.97%	4.35%
Return on Equity (R.O.E.):			
Net profit (loss) for the period / Net equity	Remunerative capacity for those who contributed with capital	(7.3%)	3.09%

In order to provide an illustrative summary of the impact of hyperinflation on the consolidated profit and loss account items for the first half of 2024, the effects on the main economic figures are shown below:

€	HYPERINFLATION EFFECT	EXCHANGE RATE EFFECT	OVERALL EFFECT
Production revenues	1,310,161	(489,034)	821,127
Operating costs	721,127	(417,854)	303,272

Gross operating margin (EBITDA)	589,034	(71,180)	517,854
Operating income (EBIT)	54,852	(27,487)	27,365
Pre-tax profit (loss) (EBT)	(2,010,270)	89,306	(1,920,964)
Net profit (loss) for the period	(1,932,893)	89,900	(1,842,993)

The reclassified consolidated balance sheet may be analysed as follows:

€	30/06/2024	31/12/2023	CHANGE (%)
Intangible fixed assets	5,532,580	4,828,219	14.6%
Tangible fixed assets	12,590,465	11,569,697	8.8%
Financial fixed assets	185,209	401,243	(53.8%)
TOTAL NON-CURRENT ASSETS	18,308,254	16,799,158	9.0%
Inventory	16,655,637	16,272,475	2.4%
Receivables due within one year	16,852,017	15,121,960	11.4%
Prepayments and accrued income	1,049,355	439,486	138.8%
Liquid funds	14,013,716	18,182,799	(22.9%)
TOTAL CURRENT ASSETS	48,570,724	50,016,720	(2.9%)
TOTAL INVESTMENTS	66,878,978	66,815,879	0.1%

In line with 2021, the Group's capital is mainly invested in current assets.

€	30/06/2024	31/12/2023	CHANGE (%)
Capital and reserves	30,938,233	28,394,683	9.0%
Net profit (loss) for the period	(2,109,028)	784,875	(368.7%)
TOTAL NET EQUITY	28,829,205	29,179,558	(1.2%)
Provisions for risks and charges	679,920	841,972	(19.2%)
Employees' leaving entitlement	556,913	620,423	(10.2%)
Payables due after one year	8,852,430	9,154,624	(3.3%)
Accrued expenses and deferred income	1,009,271	737,542	36.8%
TOTAL CURRENT LIABILITIES	11,098,534	11,354,561	(2.3%)
Payables due within one year	26,951,239	26,281,760	2.5%
TOTAL CURRENT LIABILITIES	26,951,239	26,281,760	2.5%
TOTAL SOURCES	66,878,978	66,815,878	0.1%

Investments were supported by bank loans, which resulted in an increase in financial charges, mainly affected by the high interest rates applied in Turkey. The net financial position as at 30 June 2024 amounted to approximately €10.26 million.

The analysis of the Group's liquidity and solidity is based on the following ratios:

<i>Equity to fixed assets ratio</i>	Meaning	30/06/2024	31/12/2023
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Own funds to fixed assets ratio Net equity / Fixed assets	Capacity to self-finance fixed investments	1.57	1.74
Secondary structure quotient: Net equity + Consolidated liabilities/ Fixed assets	Capacity to cover investments with equity and debt capital	2.18	2.41

<i>Financial and equity ratios</i>	<i>Meaning</i>	<i>30/06/2024</i>	<i>31/12/2023</i>
Leverage (financial dependence): Invested capital / Net equity	It expresses the intensity of borrowing to hedge invested capital	2.32	2.29
Investment flexibility: Current assets / Invested capital	It measures the incidence of current assets on invested capital	72.62%	74.86%
Gearing ratio: Third party funds / Net equity	It represents the level of borrowing from third parties, taking account of own funds	1.32	1.29

RESEARCH AND DEVELOPMENT

The Group's research and development policies are aimed at producing highly specialised and innovative products. The OE division's research and development activities rely on co-engineering principles, collaborating with customers' R&D in order to create prototypes. On the other hand, the research and development activities of the IAM division are based on reverse-engineering principles, i.e, starting from the analysis of the technical features and raw materials of the original product to subsequently manufacture an equivalent product in terms of technical features and design. Research and development activities are conducted at both the Italian and the Turkish facility of the subsidiary Cofle TK Otomotiv, which has a designer centre responsible for developing new products for the Original Equipment market.

TREASURY SHARES OR QUOTAS OR SHARES/QUOTAS OF PARENTS

Pursuant to article 40.2, letter d), of Legislative decree no. 127/91, it should be noted that the Parent directly holds 51,634 treasury shares, equal to 0.84% of the share capital.

RISKS AND UNCERTAINTIES

Some risk factors relating to the Group are described below as the occurrence of certain events could have a material adverse effect on their financial position and results of operations.

PRODUCT LIABILITY

Any defects in the design and manufacture of the products could generate a liability towards customers, with possible repercussions on turnover and reputation. The Parent and, more generally, the Group manages the risk

associated with the production and marketing of products that potentially do not comply with quality and safety standards by adopting research and development policies, production processes and quality control systems that prevent design or manufacturing defects, failures or malfunctions. Furthermore, the Group has entered into insurance policies covering product liability risks, which also cover the risk associated with defective product recall campaigns. However, at the date of this report, neither the Parent nor any other group company is party to any litigation or disputes for damages.

RISK ASSOCIATED WITH THE PRICE OF RAW MATERIALS

The Group mainly purchases semi-finished steel, aluminium, zamak and plastic materials. The purchase price of these materials fluctuates as it is affected by a variety of factors which are beyond the Group's control. The risk for the Group of being unable to manage fluctuations in the price of raw materials for the manufacture of its products is mitigated by the Group's ability to negotiate price lists with its suppliers and customers, especially in the case of long-term contracts.

RISK ASSOCIATED WITH TRADE RECEIVABLES

The Group is exposed to the risk that its customers may delay or fail to fulfil their payment obligations in accordance with the agreed terms and conditions. This risk is mitigated both by the fact that the Group has commercial relations with leading automotive or agricultural equipment manufacturing companies with a high credit standing, and by the continuous monitoring of credit positions, in order to anticipate insolvency risks and late payments. At present, there are no significant doubtful credit positions for the Group.

LIQUIDITY RISK

The Group is exposed to the risk that it may be unable to negotiate and obtain the financing necessary to develop its business or to refinance expiring loans at favourable conditions. The Group meets its financial requirements through forms of self-financing and borrowings and manages this risk by periodically monitoring net financial debt, constantly checking forecast financial requirements and obtaining adequate credit lines.

CURRENCY RISK

Through its subsidiaries, the Group operates in markets or economies using currencies other than the euro. Therefore, it is exposed to the risk of exchange rate fluctuations, also considering that no hedging financial instruments are in place. In order to manage this risk, i.e., to mitigate the effect to profit margins only, for the Turkish subsidiaries, which are more exposed to this risk, the Parent's management applies the policy of intragroup procurement and resale of products in euros. This policy also includes actions that mitigate the distorting phenomena caused by hyperinflation (Turkey), by adjusting sales prices as promptly as possible in order to reduce the impact on profit margins.

RELATED PARTY TRANSACTIONS

Transactions with related parties and associates are transactions carried out at market conditions. Below is a summary of the transactions carried out during the period:

€	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Revenue	Costs
Valdiporto S.r.l.	0	0	0	0	0	270,301
Innovation Technology Group S.r.l.	427	11,663	100,000	0	7,322	9,150
Innovation Technology Group Turkey	0	7,248	0	0	8,338	32,190
Studio Facchin Assi S.a.s.	0	3,536	0	0	0	21,478
Smart Capital S.p.A.	0	2,936	0	0	0	30,409
Ginini Danışmanlık Hizmetleri	0	7,502	0	0	0	42,488
Taylor Rubber Private Limited	0	104,282	0	0	0	283,968
JLG contabilidade Ltda	0	0	0	0	0	20,187
RELATED PARTIES	427	137,167	100,000	0	15,660	710,171

POST-BALANCE SHEET EVENTS

Between the reporting date and the preparation date of the consolidated interim financial statements, no events occurred that have modified the conditions existing at the reporting date or that, if not disclosed, would jeopardise the ability of financial statements' readers to make correct assessments and take appropriate decisions.

OUTLOOK

In the coming months of FY 2024, the Group will continue to invest in advanced technologies to offer cutting-edge solutions to its customers. In July 2024, the Parent completed its new range of Electronic Parking Brakes (EPB), consisting of an advanced technology applied on many car models of different sizes, which can replace the traditional cable-operated mechanical parking brake. This new technology responds to evolving market needs and strengthens the Group's competitive position: the global EPB market shows significant potential, which we intend to make the most of to ensure significant growth in this division's turnover over the next five years. The outlook for the OE division for the next few months of 2024 confirms the downturn in agricultural machinery in the European and major foreign markets, although demand remains potentially high: the Group will continue to work actively to close important new deals in this sector, trusting that it will be able to recover growth in the coming months. The Group's strategic choices are also aimed at reorganising and streamlining production at various plants, relocating low value-added products, reshoring production and reviewing fixed costs spending.

Trezzo sull'Adda (Milan), 23 September 2024 The Chairman of the

Board of Directors



Walter Barbieri



FINANCIAL STATEMENTS

CONSOLIDATED INTERIM BALANCE SHEET

€	30/06/2024	31/12/2023
Balance sheet - Assets	66,878,978	66,815,879
B) Fixed assets	18,308,254	16,799,158
I) Intangible fixed assets	5,532,580	4,828,219
1) Start-up and capital costs	383,016	510,688
2) Development costs	1,959,164	1,974,402
3) Industrial patents and intellectual property rights	214,360	201,458
4) Concessions, licences, trademarks and similar rights	1,661,587	1,719,493
5) Goodwill	14,051	16,861
6) Assets under construction and payments on account	925,027	165,033
7) Other	375,375	240,283
II) Tangible fixed assets	12,590,465	11,569,697
1) Land and buildings	3,569,859	2,962,554
2) Plant and machinery	6,565,010	6,156,822
3) Industrial and commercial equipment	448,474	362,721
4) Other assets	1,898,124	1,535,600
5) Assets under construction and payments on account	108,999	552,000
III) Financial fixed assets	185,209	401,243
1) Equity investments:	5,418	4,681
b) Associates	5,418	4,681
2) Financial receivables	100,000	100,000
b) From associates	100,000	100,000
2) Due after one year	100,000	100,000
3) Other securities	20,968	200,579
4) Derivatives	58,822	95,983
C) Current assets	47,521,369	49,577,234
I) Inventory	16,655,637	16,272,475
1) Raw materials, consumables and supplies	10,753,995	10,825,729
2) Work in progress and semi-finished products	708,705	559,738
4) Finished goods	4,140,431	4,322,695
5) Payments on account	1,052,506	564,314
II) Receivables	16,852,017	15,121,960
1) Trade receivables	13,354,348	11,629,830
1) Due within one year	13,354,348	11,629,830
5-bis) Tax receivables	2,281,735	2,392,365
1) Due within one year	2,281,735	2,392,365
5-ter) Deferred tax assets	275,311	305,676
1) Due within one year	275,311	305,676
5-quater) From others	940,623	794,089
1) Due within one year	940,623	794,089

	14,013,716	18,182,799
IV) Liquid funds		
1) Bank and postal accounts	14,007,775	18,177,144
3) Cash-in-hand and cash equivalents	5,941	5,655
D) Prepayments and accrued income	1,049,355	439,486
€	30/06/2024	31/12/2023
Balance sheet - Liabilities	66,878,978	66,815,878
A) Net equity	28,829,205	29,179,558
A) Net equity attributable to the Parent	26,194,999	26,643,687
I) Share capital	615,600	615,600
II) Share premium reserve	14,916,771	14,916,771
III) Revaluation reserves	2,434,930	2,434,930
IV) Legal reserve	123,120	123,120
VI) Other reserves, indicated separately	(11,806,672)	(10,910,696)
Translation reserves from foreign consolidation	(12,425,901)	(11,529,925)
Consolidation reserve	619,229	619,229
VII) Hedging reserve	58,822	95,983
VIII) Retained earnings	22,179,214	19,078,444
IX) Net profit (Loss) for the period	(1,985,226)	359,676
X) Negative reserve for treasury shares in portfolio	(341,559)	(70,139)
Net equity attributable to minority interests	2,634,207	2,535,870
Share capital and reserves attributable to minority interests	2,758,008	2,110,672
Net profit attributable to minority interests	(123,801)	425,199
B) Provisions for risks and charges	679,920	841,972
1) Pension and similar provisions	149,800	272,880
2) Tax provision, including deferred tax liabilities	523,038	563,464
4) Other	7,082	5,628
C) Employees' leaving entitlement	556,913	620,423
D) Payables	35,803,669	35,436,384
1) Bonds	4,411,301	4,891,899
1) Due within one year	1,000,000	1,000,000
2) Due after one year	3,411,301	3,891,899
4) Bank loans and borrowings	19,392,344	17,725,387
1) Due within one year	14,333,351	12,962,758
2) Due after one year	5,058,994	4,762,629
5) Loans and borrowings from other financial backers	569,621	639,146
1) Due within one year	187,486	139,050
2) Due after one year	382,135	500,096
6) Payments on account	13,249	66,420
1) Due within one year	13,249	66,420

7) Trade payables	7,591,540	9,162,550
1) Due within one year	7,591,540	9,162,550
12) Tax payables	460,128	634,575
1) Due within one year	460,128	634,575
13) Social security charges payable	501,737	500,766
1) Due within one year	501,737	500,766
14) Other payables	2,863,749	1,815,640
1) Due within one year	2,863,749	1,815,640
E) Accrued expenses and deferred income	1,009,271	737,542

INTERIM PROFIT AND LOSS ACCOUNT

€	30/06/2024	30/06/2023
A) Production revenues	31,781,047	30,782,090
1) Turnover from sales and services	31,141,172	29,740,621
2) Changes in work in progress, semi-finished products and finished goods	261,420	372,548
5) Other revenues and income	378,456	668,921
B) Production cost	30,463,139	28,045,974
6) Raw materials, consumables, supplies and goods	12,226,251	13,358,691
7) Services	5,992,976	5,561,418
8) Use of third party assets	1,042,090	701,280
9) Personnel expenses	8,795,392	7,156,700
a) Wages and salaries	6,741,127	5,460,789
b) Social security contributions	1,529,477	1,342,006
c) Employees' leaving entitlement	175,781	155,241
e) Other costs	349,006	198,664
10) Amortisation, depreciation and write-downs	2,288,529	1,498,208
a) Amortisation of intangible fixed assets	618,824	454,208
b) Depreciation of tangible fixed assets	1,669,705	1,043,999
11) Change in raw materials, consumables, supplies and goods	(243,106)	(1,176,085)
14) Other operating costs	361,008	945,762
Operating profit (A - B)	1,317,908	2,736,117
C) Financial income and charges	(3,214,092)	(1,086,478)
16) Other financial income	808,065	118,979
b) From securities classified as fixed assets which are not equity investments	12,687	0
d) Other income	795,378	118,979
17) Interest and other financial charges	4,515,491	2,627,343
e) Other	4,515,491	2,627,343
17 bis) Net exchange rate gains and losses	493,334	1,421,887
Pre-tax profit (A - B + - C + - D)	(1,896,184)	1,649,639
20) Income taxes, current and deferred	212,844	801,705
a) Current taxes	257,804	651,879
c) Deferred taxes	(44,961)	149,826
21) Net profit (Loss) for the period	(2,109,028)	847,934
1) attributable to minority interests	(123,801)	202,478
2) attributable to the Parent	(1,985,226)	645,456

INTERIM STATEMENT OF CASH FLOWS

€	30/06/2024	31/12/2023
A) Cash flows from operating activities (indirect method)		
Net profit (loss) for the period	(2,109,028)	784,875
Income taxes	212,844	593,049
Interest expense/(income)	3,214,092	5,327,543
1) Profit (loss) before income taxes, interest, dividends and gains and losses on sales	1,317,908	6,705,466
<i>Adjustments for non-monetary items that did not affect net working capital</i>		
Accruals to provisions	0	17,780
Amortisation and depreciation	2,288,529	3,203,759
Other adjustments for non-monetary items	(517,854)	484,003
Total adjustments for non-monetary items that did not affect working capital	1,770,675	3,705,542
2) Cash flows before changes in net working capital	3,088,583	10,411,009
<i>Changes in net working capital</i>		
Decrease/(Increase) in inventory	(383,162)	(2,206,861)
Decrease/(Increase) in trade receivables	(1,724,518)	2,031,409
Increase/(Decrease) in trade payables	(1,571,010)	1,070,171
Decrease/(Increase) in prepayments and accrued income	(558,590)	218,529
Decrease/(Increase) in accrued expenses and deferred income	271,729	101,420
Other decreases/(Other Increases) in net working capital	849,375	288,814
Total changes in net working capital	(3,116,177)	1,503,481
3) Cash flows after changes in net working capital	(27,594)	11,914,490
<i>Other adjustments</i>		
Interest collected/(paid)	(1,015,519)	(5,288,562)
(Income taxes paid)	(286,721)	(1,336,719)
(Use of provisions)	(56,804)	(348,964)
Total other adjustments	(1,359,044)	(6,974,246)
Cash flows from operating activities (A)	(1,386,638)	4,940,244
B) Cash flows from investing activities		
<i>Tangible fixed assets</i>		
(Investments)	(1,758,978)	(7,235,827)
Disinvestments	167,431	431,518
Intangible fixed assets	(1,008,218)	(1,662,555)
(Investments)	(1,016,147)	(1,662,555)
Disinvestments	7,929	0
Financial fixed assets	(737)	258

(Investments)	(737)	258
Disinvestments	0	0
<i>Current financial assets</i>	0	(12,533)
(Investments)	0	(12,533)
Disinvestments	0	0
Cash flows used in investing activities (B)	(2,600,503)	(8,479,138)
C) Cash flows from financing activities		
<i>Third party funds</i>		
Increase/(Decrease) in bank loans and borrowings	1,666,957	3,154,674
Increase/(decrease) in loans and borrowings from other financial backers	(69,525)	206,182
Increase/(Decrease) in payables to parents	0	(255,000)
Increase/(Decrease) in bonds	(500,000)	0
<i>Own funds</i>		
Other changes in net equity	298,643	121,376
Sale/(Purchase) of treasury shares	(271,419)	(70,139)
(Dividends and interim dividends)	(1,306,598)	(1,755,215)
Cash flows from financing activities (C)	(181,942)	1,401,878
Increase (decrease) in liquid funds (A ± B ± C)	(4,169,083)	(2,137,016)
Opening liquid funds	18,182,799	20,319,815
Closing liquid funds	14,013,716	18,182,799

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

Pursuant to article 29 of Legislative decree no. 129/91, the consolidated interim financial statements of the Cofle Group consist of an interim balance sheet, an interim profit and loss account, an interim cash flow statement and these notes. They have been prepared by the Parent's directors in accordance with the provisions of the Italian Civil Code governing financial statements and consolidated financial statements and the reporting standards promulgated by the Italian Accounting Standard Setter, specifically OIC 17. Where these are silent, reference was made to the IFRS issued by the IASB.

Since these Notes illustrate consolidated interim financial statements relating to the period from 1 January 2024 to 30 June 2024, they have been prepared in accordance with Accounting Standard OIC 30 (providing guidance on the structure and content of interim financial statements), with fewer details and more concise representations.

All additional information deemed necessary for the purposes of a true and fair view of the Cofle Group's financial position and results of operations is provided below.

The consolidated interim financial statements have been prepared in euros, including the tables and these notes. The basis of preparation of these consolidated interim financial statements is unchanged from that used to prepare the consolidated financial statements of the previous period.

CONSOLIDATION SCOPE

The Group's consolidated interim financial statements include the interim financial statements of the Parent and those of the companies in which the Parent holds, directly or indirectly, an investment of more than 50% or a sufficient number of votes to exercise control or a significant influence in the respective ordinary shareholders' meetings.

Other investments, i.e., those with a percentage of ownership generally below 20%, have been measured at purchase and/or subscription cost, including transaction costs.

The financial statements used to prepare the Group's consolidated interim financial statements are those prepared by the respective boards of directors, adjusted, if necessary, to reflect the reporting standards adopted by the Parent.

The companies included in the consolidation scope are listed below:

Company	Registered office	Currency	Share capital	Net profit (loss) for the period	Net equity	Investment %	Investor company
Cofle S.p.A.	Trezzo sull'Adda (IT)	€	615,600	(2,214,618)	27,214,284		Consolidating company
Cofle Do Brasil Ltda	Sete Lagoas (BR)	BRL	3,512,743	(161,295)	313,407	100%	Cofle S.p.A.
Cofle France S.a.S.	Beauvais (FR)	€	130,000	(39,229)	(117,480)	100%	Cofle S.p.A.
Cofle Taylor India	Chennai (IN)	INR	795,677	97,898	1,062,628	76.48%	Cofle S.p.A.
Cofle TK Otomotiv A.S.	Istanbul (TK)	TRY	907,168	(419,899)	11,601,315	87.10%	Cofle S.p.A.
Tabo Otomotiv A.S.	Istanbul (TK)	TRY	611,707	(566,510)	3,501,938	80%	Cofle S.p.A.
Zhuji Cofle Ltd	Zhejiang (CN)	CNY	484,858	11,268	433,410	51%	Cofle S.p.A.

The consolidation scope includes the Parent company and the companies over which it exercises control, as defined in this document: no changes in ownership by the Parent company Cofle S.p.A. were recorded during the period.

BASIS OF CONSOLIDATION

Companies are consolidated on a line-by-line basis. Therefore, pursuant to article 31.1 of Legislative decree no. 127/91, the assets and liabilities and income and charges of consolidated companies are included in their entirety.

Conversely, in accordance with paragraph 2 of the above article, the following are eliminated upon consolidation:

- Investments in consolidated companies and the corresponding portions of net equity;
- Receivables and payables between consolidated companies;
- Intragroup income and charges;
- Gains and losses from intragroup transactions and related to assets, other than contract work in progress.

The carrying amount of investments in consolidated companies is eliminated against the corresponding portion of net equity when the assets and liabilities of the investees are acquired/assumed, showing separately the net equity and net profit (loss) for the period attributable to minority interests. Pursuant to article 33.1 of Legislative decree no. 129/91, equity investments are eliminated based on the carrying amounts at the date of their first-time consolidation. Any amount paid in excess of the carrying amount of the investee's net equity at the purchase date is allocated to the individual asset and liability captions to which this greater amount refers. Any positive residual value is recognised as goodwill, while any negative difference is taken to net equity under the "Consolidation reserve" or, when it pertains to expected unfavourable financial results, it is taken to liabilities, under the "Consolidation provision for future risks and charges".

Changes in the net equity of investees that occurred after the purchase date are taken to "Retained earnings" to the extent pertaining to the Parent.

The accounting effects arising from the elimination of the investments against the corresponding share of net equity was carried out in line with the measurement of investments using the equity method applied in the preparation of the Parent's financial statements.

TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

The financial statements of subsidiaries prepared in currencies other than the euro have been translated in the reporting currency used by the Parent to prepare its consolidated interim financial statements. Specifically, balance sheet figures were translated using the closing rate (30 June 2024) and profit and loss account figures were translated using the average exchange rate for the first six months of 2024, except for the financial statements of companies operating in hyperinflationary economies, whose profit and loss account was translated applying the closing rate.

The exchange differences resulting from the translation of the balance sheet figures at the 31 December 2023 and 30 June 2024 closing rate and those arising from the translation of the net profit (loss) for the period using the 2024 half-year average rate is taken to the translation reserve under net equity.

The following exchange rates were used:

<i>Currency</i>	30/06/2024 Final	30/06/2024 Average	31/12/2023 Final	30/06/2023 Average
Brazilian Real - BRL	5.89	5.49	5.36	5.48
Chinese Yuan - CNY	7.77	7.80	7.85	7.49
Indian Rupee - INR	89.25	89.98	91.90	88.88
Turkish Lira - TRY	35.19	34.25	32.65	21.54

In the course of 2022, the Turkish economy was considered by the International Monetary Fund (IMF) as a "hyperinflationary" economy; therefore, in the absence of a reference standard and in order to eliminate the distorting effects of inflation, as governed by paragraph 125 of the Italian accounting standard OIC 17, the Group applied the international accounting standard "IAS 29 - Reporting in Hyperinflationary Economies". This standard applies to the subsidiaries Cofle TK Otomotiv A.S. and Tabo Otomotiv A.S.. To reflect the changes in the purchasing power of the Turkish lira at the reporting date, the Group restated the value of non-monetary items, net equity and profit and loss account items of the investees in Turkey, applying the change in the general consumer price index to historical data.

Please find below the cumulated levels of the general consumer price index:

<i>Consumer price index</i>	Value at 30/06/2024	Value at 31/12/2023	Change
TURKSTAT	2,319.29	1,859.38	24.73%

<i>Consumer price index</i>	Value at 31/12/2023	Value at 31/12/2022	Change
TURKSTAT	1,859.38	1,128.45	64.77%

The financial statements of the Turkish subsidiaries were restated before their inclusion in the Group's consolidated interim financial statements:

- the effect of the inflation-based adjustment of non-monetary assets and liabilities and net equity, net of the related tax effect, was recognised as a balancing entry to Retained earnings in net equity for approximately €3.8 million;
- the effect of the restatement of these non-monetary items, net equity items and profit and loss account captions recognised in 2024 was taken to a separate caption of the profit and loss account under financial income and charges, amounting to approximately €2.7 million, and the related tax effect was recognised in the taxes for the period, equal to about €0.1 million;

Upon consolidation, the restated financial statements were translated using the closing rate in order to reinstate the amounts to current values.

ACCOUNTING POLICIES

The financial statements captions have been measured in accordance with the general principles of prudence and accruals, considering the economic function of the asset or liability item, and on a going-concern basis, pursuant to article 2426 of the Italian Civil Code and the reporting standards promulgated by the Italian Accounting Standard Setter. In accordance with article 35 of Legislative decree no. 127/91, the accounting policies are the same as those used by the Parent.

The main accounting policies used to prepare the consolidated interim financial statements are shown below:

INTANGIBLE FIXED ASSETS

Pursuant to article 2426.1 of the Italian Civil Code, intangible fixed assets are recognised at acquisition cost.

Intangible fixed assets are amortised systematically each period over their entire useful life. Indeed, they are amortised based on a pattern that ensures the correct allocation of cost over the assets' useful life which, for deferred costs, does not exceed five years.

Goodwill acquired against consideration is recognised as an asset to the extent of the cost incurred. Indeed, in addition to being quantifiable, it originally consists of costs and charges with a long-term useful life which ensure future economic benefits and, therefore, its cost can be recovered. Goodwill acquired against consideration has been recognised as an asset and amortised over five years.

If, regardless of the amortisation already recognised, an impairment loss is identified, the asset is written down accordingly. If, in subsequent periods, the reasons for the write-down no longer apply, the write-down is reversed.

At 31 December 2020, pursuant to article 110 of Decree law no. 104/2020, the Parent revalued the COFLE brand, adjusting it to its actual value, estimated at €2,000,000.

The revalued brand was not written down pursuant to article 2426.1. 3 of the Italian Civil Code since, as set forth in OIC 9, no indicators of impairment were identified.

TANGIBLE FIXED ASSETS

Similarly to intangible fixed assets, under the Italian Civil Code, tangible fixed assets are recognised at purchase cost, including monetary revaluations carried out in compliance with specific legal provisions and direct transaction costs, net of accumulated depreciation.

Depreciation rates are calculated on a systematic and straight-line basis, using economic-technical rates deemed representative of the residual useful life of the assets.

They are as follows:

- Industrial and commercial equipment: 3%
- Photovoltaic system: 9%
- Generic plants: 10%
- Specific plants: 17.50%
- Specific high-tech plants: 17.50%
- Sundry and small equipment: 25%
- Transport vehicles: 20%
- Vehicles: 25%
- Furniture and office machines: 12%
- Electronic office machines and computers: 20%

If, regardless of the depreciation already recognised, an impairment loss is identified, the asset is written down accordingly. If, in subsequent periods, the reasons for the write-down no longer apply, the write-down is reversed.

FINANCIAL FIXED ASSETS

Equity investments in unconsolidated subsidiaries are measured at cost, net of write-downs for impairment losses which are reversed if the reasons for the write-down no longer apply.

Investments in other companies and securities are recognised at purchase or subscription cost, increased by direct transaction costs. The cost incurred is reduced in the event of impairment losses. Equity investments are written back up to their original cost if the reasons for the write-downs cease to exist.

Financial receivables are recognised at amortised cost and discounted considering the time value of money.

As regards the investment in Innovation Technology Group S.r.l. and Innovation Technology Group Turkey, it is noted that the same configure a related party.

INVENTORY

Goods and finished goods are recognised at the lower of purchase or production cost, including directly attributable transaction costs, and estimated realisable value based on market trends, by accruing a write-down provision which directly reduces the carrying amount of inventory. Purchase cost is determined using the weighted average cost method. Semi-finished products are measured based on the cost incurred, considering the stage of processing achieved at the reporting date.

RECEIVABLES AND PAYABLES

They are recognised at amortised cost considering the time value of money. Receivables are measured at their estimated realisable value pursuant to article 2426.8 of the Italian Civil Code.

Receivables are adjusted to their estimated realisable value by accruing a bad debt provision which reflects the general economic and sector conditions and also country risk.

Receivables and payables for which the application of the amortised cost method and/or discounting is irrelevant for the purpose of giving a true and fair view of the Company's financial position and results of operations, are maintained at their estimated realisable value or nominal amount, respectively.

They are classified as fixed or current assets on the basis of their destination and origin in relation to ordinary activities. Amounts due within and after one year are broken down by contractual or legal due date, also taking into account facts and events that may alter the original maturity date, the debtor's realistic ability to fulfil the obligation within the contract terms and the time horizon over which the receivable is reasonably expected to be collected.

LIQUID FUNDS

Liquid funds in euros are stated at their nominal amount, while those expressed in other currencies are recognised using the closing rate. The carrying amount takes into account the interest accrued on current accounts and the related expenses.

PREPAYMENTS AND ACCRUED INCOME AND ACCRUED EXPENSES AND DEFERRED INCOME

They are determined in order to allocate the portion of costs and income common to two or more years. For those of a long-term nature, the Company analyses the conditions underlying their initial recognition and makes any necessary adjustments.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised to cover specific liabilities that are certain or probable, but whose amount or due date is unknown at the reporting date. The amount of the accruals to the provisions is based on the best possible estimates considering the information available. These provisions are measured on a prudent and accruals basis and no generic risk provisions without economic justification were accrued.

EMPLOYEES' LEAVING ENTITLEMENT

The Italian employees' leaving entitlement (TFR) is accrued by the employees during their employment period in accordance with applicable legislation and employment contracts, net of applicable advances. The recognised amount is the liability due to the employees, net of any advances paid to them and the amount transferred to supplementary pension funds as elected by the employees.

REVENUES AND COSTS

On 1 January 2024, accounting standard OIC 34 - Revenues - came into force, which governs the criteria for recognising the total price of a contract or group of contracts, variable components and elementary accounting units, distinguishing between the recognition of revenues from the sale of goods and those from the provision of services. The scope of application of the new accounting standard did not have any material accounting effects or any effects that were such as to be determined retroactively.

Revenues from sales are recognised when the substantial transfer of the risks and benefits associated with the sale takes place and the amount of revenues can be measured reliably.

Revenues from the provision of services are recognised on a progress basis if the agreement between the parties provides that the seller's right to consideration accrues as the service is performed and the accrued amount can be measured reliably. However, it should be recalled that the services realised by Group companies include rental income, which falls within the cases of exclusion of application of the aforementioned standard: in such cases, revenues are recognised upon the provision of the service on an accrual basis.

Costs are recognised when they relate to goods and services sold or used during the period or by systematic allocation or when their future useful life no longer exists.

Revenue and income, costs and charges are stated net of returns, discounts, allowances and premiums, as well as taxes directly related to the sale of goods and the provision of services.

INCOME TAXES

Current income taxes are calculated on the basis of a realistic forecast of the Group's taxable profit.

Deferred tax assets and liabilities are calculated on the temporary differences between the carrying amounts of assets and liabilities determined in accordance with the Italian Civil Code and their tax base. Deferred tax assets are recognised when their recoverability is reasonably certain. Deferred tax assets are offset against deferred tax liabilities

if the relevant requirements are met. The offsetting balance, if positive, is taken to “Deferred tax assets” and, if negative, to “Provisions for risks and charges - tax provision, including deferred tax liabilities”.

DERIVATIVES

Derivatives are recognised at fair value. Fair value gains and losses are recognised in the profit and loss account or, if the instrument hedges the risk of changes in the expected cash flows of another financial instrument or a forecast transaction, they are taken directly to a positive or negative net equity reserve. This reserve is reversed to the profit and loss account to the extent and at the time the cash flows of the hedged instrument change or when the hedged transaction takes place. At the reporting date, the positive balance of fair value is recognised as “Derivatives” under financial fixed assets or as current financial assets, while any negative balance is taken to the provisions for risks and charges under liabilities. All derivatives are simple hedges (as defined by OIC 32); indeed, their characteristics are entirely similar to those of the hedged item (nominal amount, maturity and underlying).

INTANGIBLE FIXED ASSETS

Intangible fixed assets amount to €5,532,580 (31 December 2023: €4,828,219) and may be analysed as follows:

€	30/06/2024	31/12/2023	Change
Start-up and capital costs	383,016	510,688	(127,672)
Development costs	1,959,164	1,974,402	(15,238)
Industrial patents and intellectual property rights	214,360	201,458	12,902
Concessions, licences, trademarks and similar rights	1,661,587	1,719,493	(57,906)
Goodwill	14,051	16,861	(2,811)
Assets under construction and payments on account	925,027	165,033	759,994
Other	375,375	240,283	135,092
INTANGIBLE FIXED ASSETS	5,532,580	4,828,219	704,362

The changes in Intangible fixed assets are shown below:

€	Start-up and capital costs	Development costs	Industrial patent rights	Concessions, licences, trademarks	Goodwill	Assets under construction	Other	TOTAL
HISTORICAL COST								
31/12/2023	1,276,721	2,877,218	1,248,615	2,113,687	392,385	165,033	3,414,595	11,488,254
Increases	0	31,557	40,977	0	0	779,807	163,806	1,016,146
Decreases	0	0	0	0	0	(7,929)	0	(7,929)
Reclassifications	0	0	0	0	0	0	0	0
Hyperinflation	0	588,868	73,805	0	0	0	173,723	836,396
Differences on foreign exchange	0	(184,733)	(22,286)	(10,222)	0	(11,884)	(52,046)	(281,169)
30/06/2024	1,276,721	3,312,911	1,341,110	2,103,466	392,385	925,027	3,700,078	13,051,698
ACCUMULATED AMORTISATION								
31/12/2023	766,032	902,817	1,047,157	394,194	375,523	0	3,174,312	6,660,034
Increases	127,672	314,712	32,796	56,598	2,811	0	84,235	618,824
Decreases	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Hyperinflation	0	196,737	62,359	0	0	0	112,761	371,857
Differences on foreign exchange	0	(60,519)	(15,562)	(8,913)	0	0	(46,604)	(131,599)
30/06/2024	893,704	1,353,746	1,126,750	441,878	378,333	0	3,324,703	7,519,115
CARRYING AMOUNT								
31/12/2023	510,688	1,974,402	201,458	1,719,493	16,861	165,033	240,283	4,828,219
30/06/2024	383,016	1,959,164	214,360	1,661,587	14,051	925,027	375,375	5,532,580

Pursuant to article 2427.3, **start-up and capital costs** amount to €383,016 and mainly comprise the costs incurred by the Parent as part of the admission to listing on the Euronext Growth Milan market managed by Borsa Italiana in 2021. These costs are amortised over five years.

Development costs amount to €1,959,164 and refer to the research and development innovation programmes carried out by the group companies in order to increase the Group's turnover and profit margins.

Concessions, licences, trademarks and similar rights mainly include the Cofle brand revalued by the Company in 2020. The decrease of the period is due to amortisation.

Goodwill amounts to €14,051 and includes the consolidation difference arising from the higher values of the assets of the consolidated company Cofle France: the decrease in the year is attributable to the related amortisation process. It should be noted that in the previous year, consolidation differences relating to the subsidiaries Cofle TK Otomotiv A.S. and Cofle Taylor India were written off due to the amortisation process.

Pursuant to article 2427.3-bis of the Italian Civil Code, during the period, no significant events occurred with respect to future economic results or the foreseeable useful life which required the write-down of intangible fixed assets.

TANGIBLE FIXED ASSETS

Tangible fixed assets amount to €12,590,465 (31 December 2023: €11,569,697) and may be analysed as follows:

€	30/06/2024	31/12/2023	Change
Land and buildings	3,569,859	2,962,554	607,305
Plant and machinery	6,565,010	6,156,822	408,188
Industrial and commercial equipment	448,474	362,721	85,753
Other assets	1,898,124	1,535,600	362,523
Assets under construction and payments on account	108,999	552,000	(443,001)
TANGIBLE FIXED ASSETS	12,590,465	11,569,697	1,020,768

The changes of the period in tangible fixed assets are shown below:

€	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	TOTAL
HISTORICAL COST						
31/12/2023	3,026,799	16,123,809	4,674,407	4,288,785	552,000	28,665,801
Increases	256,740	705,952	179,070	520,094	97,543	1,759,399
Decreases	0	(20,948)	(2,050)	(108,987)	(64,026)	(196,011)
Reclassifications	390,000	82,017	1,940	0	(473,957)	0
Hyperinflation	195	1,980,312	0	433,123	84	2,413,714
Differences on foreign exchange	(388)	(628,747)	(2,000)	(145,433)	(2,645)	(779,214)
30/06/2024	3,673,346	18,242,395	4,851,368	4,987,582	108,999	31,863,689
ACCUMULATED DEPRECIATION						
31/12/2023	64,245	9,966,987	4,311,687	2,753,186	0	17,096,104
Increases	39,435	1,255,602	92,758	282,328	0	1,670,123
Decreases	0	(8,649)	(150)	(19,781)	0	(28,580)
Reclassifications	0	0	0	0	0	0
Hyperinflation	195	788,211	0	148,975	0	937,380
Differences on foreign exchange	(388)	(324,765)	(1,400)	(75,251)	0	(401,805)
30/06/2024	103,486	11,677,385	4,402,894	3,089,456	0	19,273,222
CARRYING AMOUNT						
31/12/2023	2,962,554	6,156,822	362,721	1,535,600	552,000	11,569,697
30/06/2024	3,569,859	6,565,010	448,474	1,898,126	108,999	12,590,465

Land and buildings totalled €3,569,859 and the change for the year is attributable to the renovation works carried out by the Parent Cofle S.p.A. on the new plant in Trezzo sull'Adda to make it fully functional and usable.

Plant and machinery, amounting to €6,565,010, include investments for €705,952 and depreciation for €1,255,602. The largest investments were made by the Turkish subsidiary Cofle TK Otomotiv, which, in order to support and increase production capacity, invested in highly technological and robotised machinery, and by the Parent, which invested in plant engineering works, such as electrical and data networks, at the new plant.

Other assets amounted to €1,898,126 and the main investments were made by the Parent with the installation of a new networking and data centre facility, as well as two wire-driven three-way forklifts installed at the new plant.

Pursuant to article 2427.3-bis of the Italian Civil Code, during the period no significant events occurred with respect to future economic results or the foreseeable useful life which required the write-down of tangible fixed assets.

FINANCIAL FIXED ASSETS

Financial fixed assets amount to €185,209 (31 December 2023: €401,243) and may be analysed as follows:

€	30/06/2024	31/12/2023	Change
Equity investments in associates	5,418	4,681	737
Financial receivables from associates	100,000	100,000	0
Other securities	20,968	200,579	(179,611)
Derivatives	58,822	95,983	(37,160)
FINANCIAL FIXED ASSETS	185,209	401,243	(216,034)

Equity investments in associates refer, for €4,000, to the 20% stake in the quota capital of Innovation Technology Group S.r.l. (a R&D company, based in Vaprio D'Adda): at 31 December 2023, the associate's net equity and net profit for the period amounted to €116,467 and €27,671, respectively. Moreover, during 2022, the Turkish subsidiary Cofle TK acquired 20% of the new-co Innovation Technology Group Turkey.

Financial receivables from associates, due after one year, amounting to €100,000, are represented by amounts payable to the Parent by its Italian associate.

Other securities amount to €20,968 as a result of the liquidation of the TFM insurance policy during the period by the Parent.

Derivatives amount to €58,822 and include the positive mark-to-market, at the reporting date, of the hedging derivative entered into by the Parent concurrently with a loan in the past.

INVENTORY

Inventory amounts to €16,655,637 (31 December 2023: €16,272,475) and may be analysed as follows:

€	30/06/2024	31/12/2023	Change
Raw materials, consumables and supplies	10,753,995	10,825,729	(71,734)
Work in progress and semi-finished products	708,705	559,738	148,967
Finished goods	4,140,431	4,322,695	(182,264)
Payments on account	1,052,506	564,314	488,192
INVENTORY	16,655,637	16,272,475	383,162

Inventory is shown net of the write-down provision of €190,829 which is based on inventory turnover/obsolescence: compared to the previous period, it was not necessary to make adjustments to the write-down provision.

RECEIVABLES

This caption amounts to €16,852,017 (31 December 2023: €15,121,960) and may be analysed as follows:

€	30/06/2024	31/12/2023	Change
Trade receivables	13,354,348	11,629,830	1,724,518
Tax receivables	2,281,735	2,392,365	(110,630)
Deferred tax assets	275,311	305,676	(30,365)

Financial receivables from others	940,623	794,089	146,534
RECEIVABLES	16,852,017	15,121,960	1,730,057

The said receivables are all due within one year.

Receivables may be analysed by geographical segment as follows:

€	Italy	Europe	Rest of the world	Total
Trade receivables	1,434,803	11,342,651	576,893	13,354,348
Tax receivables	1,348,474	855,487	77,774	2,281,735
Deferred tax assets	275,311	0	0	275,311
From others	229,294	376,007	335,322	940,623
RECEIVABLES BY GEOGRAPHICAL SEGMENT	3,287,882	12,574,146	989,989	16,852,017

Pursuant to article 2427.6 of the Italian Civil Code, it is noted that, at 30 June 2024, there were no receivables due after five years.

With respect to foreign currency receivables, as required by article 2427.6-bis of the Italian Civil Code, it is noted that, after the reporting date, there were no significant effects of changes in exchange rates.

Furthermore, pursuant to article 2427.6-ter, it is noted that, at 30 June 2024, there were no receivables which included repurchase agreements.

TRADE RECEIVABLES

Trade receivables are all due within one year and total €13,354,348 (31 December 2023: €11,629,830). They may be analysed as follows:

€	30/06/2024	31/12/2023	Change
Italy	1,434,803	945,494	489,310
Europe	11,342,651	10,247,975	1,094,676
Rest of the world	576,893	436,361	140,532
TRADE RECEIVABLES	13,354,348	11,629,830	1,724,518

The nominal amount of trade receivables was adjusted to their estimated realisable value via the specific bad debt provision which, at 30 June 2024, amounted to €25,000, based on the collectability of existing receivables.

TAX RECEIVABLES

This caption amounts to €2,281,735 (31 December 2023: €2,392,365) and may be analysed as follows:

€	30/06/2024	31/12/2023	Change
Tax credits	136,469	111,795	24,674

Tax advances	757,521	633,709	123,812
VAT	1,387,745	1,646,862	(259,117)
TAX RECEIVABLES	2,281,735	2,392,365	(110,630)

Tax receivables essentially consist of the VAT receivable accrued mainly by the Parent and the Turkish subsidiaries.

DEFERRED TAX ASSETS

Deferred tax assets amount to €275,311 (31 December 2023: €305,676) and have been calculated on the temporary differences deductible in the next few years and on the elimination of intragroup profit margins.

FROM OTHERS

This caption amounts to €940,623 (31 December 2023: €794,089) and mainly includes guarantee deposits (€232,417), advances to employees and suppliers (€450,839) and interest income to be paid (€259,933).

LIQUID FUNDS

Liquid funds amount to €14,013,716 (31 December 2023: €18,182,799) and may be analysed as follows:

€	30/06/2024		31/12/2023		Change	
	Current accounts	Cash-in-hand	Current accounts	Cash-in-hand	Current accounts	Cash-in-hand
Cofle S.p.A.	10,247,721	3,059	14,213,522	3,261	(3,965,801)	(202)
Cofle Brazil	96,826	187	150,474	30	(53,648)	157
Cofle France	2,119	0	24,024	0	(21,905)	0
Cofle Taylor India	242,535	332	264,507	554	(21,972)	(222)
Cofle TK	2,641,766	1,091	2,675,590	531	(33,824)	560
Tabo Otomotiv	767,819	1,272	845,482	1,279	(77,663)	(7)
Zhuji Cofle	8,990	0	3,544	0	5,446	0
LIQUID FUNDS	14,007,775	5,941	18,177,144	5,655	(4,169,369)	285

PREPAYMENTS AND ACCRUED INCOME

Prepayments and accrued income, totalling €1,049,355 (31 December 2023: €439,486), mainly refer to costs pertaining to the subsequent period.

Finally, pursuant to article 2427.8 of the Italian Civil Code, no financial charges were capitalised during the period.

NET EQUITY

Net equity totals €28,829,205 (31 December 2023: €29,179,558). Of this amount, €26,194,999 pertains to the Group (31 December 2023: €26,643,687) and may analysed as follows:

€	30/06/2024	31/12/2023	Change
Share capital	615,600	615,600	0
reserves	5,726,970	6,660,107	(933,137)
Retained earnings	22,179,214	19,078,444	3,100,770
Profit / (loss)	(1,985,226)	359,676	(2,344,903)
Negative reserve for treasury shares in portfolio	(341,559)	(70,139)	(271,419)
NET EQUITY ATTRIBUTABLE TO THE PARENT	26,194,999	26,643,687	(448,689)
Net equity - minority interests	2,634,207	2,535,870	98,336
TOTAL NET EQUITY	28,829,205	29,179,558	(350,353)

Changes in net equity in the period may be analysed as follows:

€	31/12/2023	Net profit (loss) for 2023	Dividends	Hyperinflation	Other changes	Net profit (loss) for the period	30/06/2024
Share capital	615,600	0	0	0	0	0	615,600
Share premium reserve	14,916,771	0	0	0	0	0	14,916,771
Write-back reserve	2,434,930	0	0	0	0	0	2,434,930
Legal reserve	123,120	0	0	0	0	0	123,120
Consolidation reserve	619,229	0	0	0	0	0	619,229
Translation reserve	(11,529,925)	0	0	0	(895,976)	0	(12,425,901)
Hedging reserve	95,983	0	0	0	(37,161)	0	58,822
Retained earnings	19,078,444	359,676	(1,042,267)	3,773,917	9,444	0	22,179,214
Profit (Loss)	359,676	(359,676)	0	0	0	(1,985,226)	(1,985,226)
Negative reserve for treasury shares	(70,139)	0	0	0	(271,419)	0	(341,559)
NET EQUITY ATTRIBUTABLE TO THE PARENT	26,643,687	0	(1,042,267)	3,773,917	(1,195,112)	(1,985,226)	26,194,999
Share capital and reserves attributable to minority interests	2,110,672	425,199	(264,331)	630,878	(144,410)	0	2,758,008
Net profit attributable to minority interests	425,199	(425,199)	0	0	0	(123,801)	(123,801)
NET EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	2,535,870	0	(264,331)	630,878	(144,410)	(123,801)	2,634,207
NET EQUITY	29,179,558	0	(1,306,598)	4,404,795	(1,339,522)	(2,109,028)	28,829,205

The **consolidation reserve**, which was set upon the first-time consolidation of Tabo (€585,119) and Zhuji Cofle (€34,110) is unchanged from the previous period.

The **translation reserve** decreased by €895,976 due to the changes in the exchange rates used when translating the financial statements of foreign subsidiaries prepared in currencies other than the euro.

The **hedging reserve** includes the positive market-to-market value of the derivatives in place at the reporting date (€58,822).

Retained earnings amount to €22,179,214, up by €3,100,700. The main increases refer to the allocation of part of the net profit for 2023 to retained earnings (€359,676), to the monetary revaluation for hyperinflation (€3,773,917) and to the translation of the financial statements of subsidiaries prepared in currencies other than the euro (€9,444), while with respect to decreases, €1,042,267 relates to dividends paid by the Parent during the period.

The **negative reserve for treasury shares in portfolio** amounts to €341,559 and was replenished as a result of the buy-back programme launched in the previous period.

The following table shows the reconciliation between the Parent's and consolidated net equity and net profit for the period as at 30 June 2024:

€	30/06/2024		31/12/2023	
	Net profit (loss)	Net equity	Net profit (loss)	Net equity
Cofle S.p.A.	(2,214,618)	27,214,284	284,936	27,892,364
Pro quota profit of consolidated companies	1,424,823	288,629	1,482,875	327,858
Intragroup dividends	(1,464,052)	0	(1,459,853)	0
Intragroup write-downs	42,040	103,427	61,387	61,387
Goodwill and gains	(2,811)	(381,600)	(81,725)	(378,790)
Elimination of intragroup profits	229,392	(1,052,352)	68,665	(1,283,247)
Other consolidation adjustments	0	22,612	3,391	24,115
NET EQUITY ATTRIBUTABLE TO THE PARENT	(1,985,226)	26,194,999	359,676	26,643,687

PROVISIONS FOR RISKS AND CHARGES

They total €679,920 (31 December 2023: €841,972) and may be analysed as follows:

€	30/06/2024	31/12/2023	Change
Pension and similar provisions	149,800	272,880	(123,080)
Tax provision, including deferred tax liabilities	523,038	563,464	(40,426)
Other provisions	7,082	5,628	1,454
PROVISIONS FOR RISKS AND CHARGES	679,920	841,972	(162,051)

Pension and similar provisions show a net decrease of €123,080 due to the full utilisation of the provision in favour of Board members entrusted with specific powers, whose term of office ended with the approval of the financial

statements as at 31 December 2023, and the TFM (end-of-service) accrual recognised in favour of newly appointed Board members and a bonus system in favour of employees.

The **tax provision, including deferred tax liabilities** amounts to €523,038 and decreased as a consequence of the deferred liabilities pertaining to the Turkish subsidiaries.

EMPLOYEES' LEAVING ENTITLEMENT

This caption amounts to €556,913 (31 December 2023: €620,423) and may be analysed as follows:

€	31/12/2023	INCREASE	DECREASE	30/06/2024
Employees' leaving entitlement	620,423	17,512	(81,022)	556,913
EMPLOYEES' LEAVING ENTITLEMENT	620,423	17,512	(81,022)	556,913

The provision is mainly attributable to the Parent company and its use mainly relates to the amounts paid to terminated employees.

PAYABLES

This caption amounts to €35,803,669 (31 December 2023: €35,436,384) and may be analysed as follows:

€	30/06/2024		31/12/2023		Change	
	Within one year	After one year	Within one year	After one year	Within one year	After one year
Bonds	1,000,000	3,411,301	1,000,000	3,891,899	0	(480,598)
Bank loans and borrowings	14,333,351	5,058,994	12,962,758	4,762,629	1,370,592	296,365
Loans and borrowings from other financial backers	187,486	382,135	139,050	500,096	48,436	(117,961)
Payments on account	13,249	0	66,420	0	(53,171)	0
Trade payables	7,591,540	0	9,162,550	0	(1,571,010)	0
Tax payables	460,128	0	634,575	0	(174,447)	0
Social security charges payable	501,737	0	500,766	0	971	0
Other payables	2,863,749	0	1,815,640	0	1,048,108	0
PAYABLES	26,951,239	8,852,430	26,281,760	9,154,624	669,479	(302,194)

Payables may be analysed by geographical segment as follows:

€	Italy	Europe	Rest of the world	Total
Bonds	4,411,301	0	0	4,411,301
Bank loans and borrowings	9,401,400	9,990,944		19,392,344
Loans and borrowings from other financial backers	569,621	0	0	569,621
Payments on account	0	13,249	0	13,249
Trade payables	2,538,960	4,404,335	648,245	7,591,540
Tax payables	166,442	288,074	5,612	460,128
Social security charges payable	183,906	315,922	1,909	501,737
Other payables	1,859,619	971,870	32,260	2,863,749

PAYABLES BY GEOGRAPHICAL SEGMENT	19,131,250	15,984,393	688,026	35,803,669
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Pursuant to article 2427.6 of the Italian Civil Code, it is noted that, at 30 June 2024, there were no payables secured by collateral on company assets.

With respect to foreign currency payables, as required by article 2427.6-bis of the Italian Civil Code, it is noted that, after the reporting date, there were no significant effects of changes in exchange rates.

Furthermore, pursuant to article 2427.6-ter, it is noted that, at 30 June 2024, there were no payables which included repurchase agreements.

BONDS

During 2022, in order to support new growth initiatives in Italy, the Company subscribed a non-convertible bond for a total nominal amount of €5,000,000, comprised of 50 bonds, each with a nominal amount of €100,000.

The bond was issued on 29 November 2022 and has a duration until 21 October 2028: each bond accrues interest, on a daily basis, at a gross annual nominal fixed rate of 5.06%.

The bonds will be repaid at par in 10 six-monthly instalments of €500,000, each starting on 21 April 2024.

The related payable was recognised at amortised cost. Consequently, the initial carrying amount, which reflects the nominal amount of the payable, was netted of transaction costs, and the payable was measured considering the time value of money: at 30 June 2024, this payable amounted to €4,411,301.

BANK LOANS AND BORROWINGS

This caption amounts to €19,392,344 (31 December 2023: €17,725,387) and mainly refers to loans and financing.

€	30/06/2024	31/12/2023	Change
Cofle S.p.A.	9,401,400	9,613,726	(212,326)
Cofle TK	7,691,243	6,780,918	910,325
Tabo	2,299,701	1,330,743	968,958
BANK LOANS AND BORROWINGS	19,392,344	17,725,387	1,666,957

LOANS AND BORROWINGS FROM OTHER FINANCIAL BACKERS

This caption amounts to €569,621 (31 December 2023: €639,146) and comprises four subsidised loans granted to the Parent by SIMEST. The change in the period is solely attributable to the repayment of instalments falling due.

TRADE PAYABLES

This caption totals €7,591,540 (31 December 2023: €9,162,550) and mainly refers to purchases of raw materials and services.

TAX PAYABLES

Tax payables amount to €460,128 (31 December 2023: €634,575) and comprise withholding taxes on employees' remuneration and consultants' fees and taxes and duties to be paid to the relevant government.

SOCIAL SECURITY CHARGES PAYABLE

This caption totals €501,737 (31 December 2023: €500,766) and refers to the amounts due by the group companies to INPS (Italy's social security institution), INAIL (Italy's national institute for insurance against accidents at work) and other similar social security institutions in foreign countries.

OTHER PAYABLES

This caption amounts to €2,863,749 (31 December 2023: €1,815,640) and mainly refers to the amount due to employees for remuneration, holidays and leave.

ACCRUED EXPENSES AND DEFERRED INCOME

This caption amounts to €1,009,271 (31 December 2023: €737,542) and mainly refers to accrued interest and commission expense, outright grants received by the Parent following Simest loans allocated over the entire term of the repayment plan.

PRODUCTION REVENUES

Production revenues amount to €31,781,047 (30 June 2023: €30,782,090). They may be analysed as follows:

€	30/06/2024	30/06/2023	Change
Turnover from sales and services	31,141,172	29,740,621	1,400,551
Change in work in progress, semi-finished products and finished goods	261,420	372,548	(111,128)
Other revenues and income	378,456	668,921	(290,466)
PRODUCTION REVENUES	31,781,047	30,782,090	998,957

This caption increased by €998,957 mainly as a result of the turnover for the period. Reference should be made to the directors' report.

Production revenues may be analysed by geographical segment as follows:

€	30/06/2024	30/06/2023	Change
Italy	5,386,547	6,549,709	(1,163,162)
Europe	24,865,402	22,253,673	2,611,729
Rest of the world	889,223	937,239	(48,016)
TURNOVER FROM SALES AND SERVICES	31,141,172	29,740,621	1,400,551

PRODUCTION COST

Production cost amounts to €30,463,139 (30 June 2023: €28,045,974). It may be analysed as follows:

€	30/06/2024	30/06/2023	Change
Raw materials, consumables, supplies and goods	12,226,251	13,358,691	(1,132,440)
Services	5,992,976	5,561,418	431,558
Use of third party assets	1,042,090	701,280	340,809
Personnel expenses	8,795,392	7,156,700	1,638,692
Amortisation, depreciation and write downs	2,288,529	1,498,208	790,321
Change in raw materials, consumables, supplies and goods	(243,106)	(1,176,085)	932,979
Other operating costs	361,008	945,762	(584,754)
PRODUCTION COST	30,463,139	28,045,974	2,417,166

Production cost rose 9% on the previous period mainly as a result of the increase in the personnel cost of the Turkish subsidiaries.

FINANCIAL INCOME AND CHARGES

Net financial charges for the year are negative in the amount of €3,214,092 (30 June 2023: €1,086,478), mainly as a result of the monetary gains and losses arising from the monetary revaluation for hyperinflation and the higher financial charges attributable to the increased use of bank debt to support the investments made during the period.

INCOME TAXES, CURRENT AND DEFERRED

Income taxes amount to €212,884 (30 June 2023: €801,705) and comprise current taxes of €257,804 and changes in deferred tax assets of €44,961.

OTHER INFORMATION

OFF-BALANCE SHEET COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

Pursuant to article 2427.9 of the Italian Civil Code, the Group has committed to take over the lease of the associate for a total of €533,400 and lease payments nearing expiration for a total of €114,999.

EXCEPTIONAL INCOME AND EXPENSES

Pursuant to article 2427.13 of the Italian Civil Code, it is noted that the Parent did not recognise exceptional income or expenses.

AVERAGE NUMBER OF EMPLOYEES

Pursuant to article 2427.13 of the Italian Civil Code, the average number of the Group's employees is shown below broken down by category:

<i>Position</i>	30/06/2024			31/12/2023		
	Parent	Subsidiaries	Total	Parent	Subsidiaries	Total
Managers	4	3	7	0	3	3
Junior managers	1	0	1	5	14	19
White collars	42	76	118	44	56	100
Blue collars	101	345	446	99	362	461
AVERAGE WORKFORCE	148	424	572	148	435	583

DIRECTORS' AND STATUTORY AUDITORS' FEES

Pursuant to article 2427.16 of the Italian Civil Code, the fees of the Company's directors and statutory auditors, including those related to the performance of these functions also in other consolidated companies, are shown below. Directors' fees amounted to €256,714, while those pertaining to the Board of statutory auditors totalled €15,334.

SHARE CAPITAL

Pursuant to article 2427.17 of the Italian Civil Code, it is noted that the share capital amounts to €615,599.60, divided into 6,155,996 ordinary shares with a nominal amount of €0.10 each.

DIVIDEND-RIGHT SHARES, BONDS CONVERTIBLE INTO SHARES AND SECURITIES ISSUED

Pursuant to article 2427.18 of the Italian Civil Code, it is noted that, as part of the capital increase carried out in 2021 and the consequent listing on the EGM managed by Borsa Italiana, the Parent concurrently issued 365,168 warrants, of which 362,900 remain outstanding. On 2 May 2023 the extraordinary shareholders' meeting approved the amendments to the new Rules of the "Cofle 2021-2024 Warrants".

DERIVATIVES

Pursuant to article 2427.19 of the Italian Civil Code, it is noted that the Group did not issue any financial instruments that carry dividend or voting rights.

At 31 December 2023, the Group entered into two hedging derivatives while it took out two loans.

Pursuant to the Italian Civil Code, it is noted that, at 30 June 2024, the fair value (mark to market) of the above derivatives was a positive €58,822.

SHAREHOLDER LOANS

Pursuant to article 2427.19-bis of the Italian Civil Code, it is noted that the Group did not receive any shareholder loan.

ASSETS EARMARKED FOR A SPECIFIC BUSINESS

Pursuant to article 2427.20 of the Italian Civil Code, it is noted that the Group has no assets earmarked for a specific business.

RELATED PARTY TRANSACTIONS

Pursuant to article 2427.22-bis of the Italian Civil Code, it is noted that, during the period, no atypical and/or unusual transactions were carried out that, due to their significance and/or materiality, could cast doubts as to the safeguard of the group assets, either with subsidiaries, associates or other related parties or parties other than related parties.

During the period, related party transactions were carried out at market conditions.

The transactions carried out with the Company and related parties are summarised below in terms of receivables and payables and the resulting income components:

€	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Revenue	Costs
Valdiporto S.r.l.	0	0	0	0	0	270,301
Innovation Technology Group S.r.l.	427	11,663	100,000	0	7,322	9,150
Innovation Technology Group Turkey	0	7,248	0	0	8,338	32,190
Studio Facchin Assi S.a.s.	0	3,536	0	0	0	21,478
Smart Capital S.p.A.	0	2,936	0	0	0	30,409
Ginini Danışmanlık Hizmetleri	0	7,502	0	0	0	42,488
Taylor Rubber Private Limited	0	104,282	0	0	0	283,968
JLG contabilidade Itda	0	0	0	0	0	20,187
RELATED PARTIES	427	137,167	100,000	0	15,660	710,171

OFF-BALANCE SHEET ARRANGEMENTS

Pursuant to article 2427.22-ter of the Italian Civil Code, it is noted that there are no interim off-balance sheet arrangements which could significantly affect the Group's interim financial position and interim results of operations.

POST-BALANCE SHEET EVENTS

Pursuant to article 2427.22-quater of the Italian Civil Code, it is noted that no significant events occurred after the reporting date that had a significant impact on the Group's interim financial position and results of operations.

COMPANIES DRAWING UP THE CONSOLIDATED FINANCIAL STATEMENTS OF THE LARGER GROUP

Pursuant to article 2427.22-quinquies of the Italian Civil Code, it is noted that the Group is consolidated by Finan.co S.r.l., with registered office in Vimercate (MB).

MANAGEMENT AND COORDINATION

Pursuant to article 2497-bis of the Italian Civil Code, it is noted that the Parent is not subject to management or coordination.

DISCLOSURES REQUIRED BY ARTICLE 1.125 OF LAW NO. 124 OF 4 AUGUST 2017

Pursuant to article 3-quater of Decree law no. 135/2018 and article 35 of Decree law no. 34/2019, for information about the grants received, reference should be made to that set out in the National state aid register - transparency section, which provides the overall picture of disbursements made by public entities.

With reference to disbursements, and based on the interpretation of Assonime (the Italian association of joint stock companies) circular no. 5/2019, the following amounts are outside the scope of application:

- consideration for public works, services and supplies or due as compensation;
- remunerated positions that form part of standard business operations;
- incentives/subsidies received as part of a general aid scheme to all beneficiaries;
- public resources attributable to public entities of other States (European or non-European) and to European institutions;
- training grants received from interprofessional funds established as associations.

Disbursements are identified on a cash basis. In accordance with the applicable regulation, those worth less than €10,000 per granting entity are excluded.

Below is a summary of aids, contributions and economic benefits received from public administrations during 2024:

€	Granting Entity	Amount


SIMEST outright grant – Trade fairs in Italy and abroad	SIMEST	7,300
SIMEST outright grant – Company capitalisation	SIMEST	18,277
SIMEST outright grant – Temporary Export Manager	SIMEST	2,075
SIMEST outright grant - Digital and green Transition	SIMEST	5,751

CONTRIBUTIONS**33,403**

TREZZO SULL'ADDA (MILAN), 23 SEPTEMBER 2024

CHAIRMAN OF THE

BOARD OF DIRECTORS


Walter Barbieri

