



# 2025 HALF-YEAR REPORT



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## COMPANY INFORMATION

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### REGISTERED OFFICE OF THE PARENT COMPANY

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

Tel. +39 02 920 0201

[www.cofle.it](http://www.cofle.it)

### LEGAL DATA OF THE PARENT COMPANY

Approved share capital € 615,599.60 i.v.

Tax code and registration number: 05086630158 of the Register of Companies of Milan Monza Brianza Lodi

Registered with the R.E.A. of Milan Monza Brianza Lodi at no. 1145178

### OFFICES AND PRODUCTION PLANTS

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 Lagoas - 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

## CORPORATE BODIES

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### BOARD OF DIRECTORS <sup>1</sup>

PRESIDENT AND CEO	WALTER BARBIERI
MANAGING DIRECTOR AND VICE PRESIDENT	ALESSANDRA BARBIERI
COUNCILLOR	ANDREA COSTANTINI
COUNCILLOR	MARCO FACCHIN ASSI
INDEPENDENT DIRECTOR	ENRICO MAMBELLI

### BOARD OF STATUTORY AUDITORS <sup>2</sup>

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

### INDEPENDENT AUDITORS <sup>3</sup>

BDO ITALIA S.P.A.

### EURONEXT GROWTH ADVISOR

BANCA PROFILO S.P.A.

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<sup>1</sup> Until approval of the financial statements as at 31 December 2026 – date of appointment 29 April 2024

<sup>2</sup> Until approval of the financial statements as at 31 December 2026 – date of appointment 29 April 2024

<sup>3</sup> Until approval of the financial statements as at 31 December 2027 – date of appointment 29 April 2025



## INTERIM REPORT ON OPERATIONS

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Dear Shareholders,

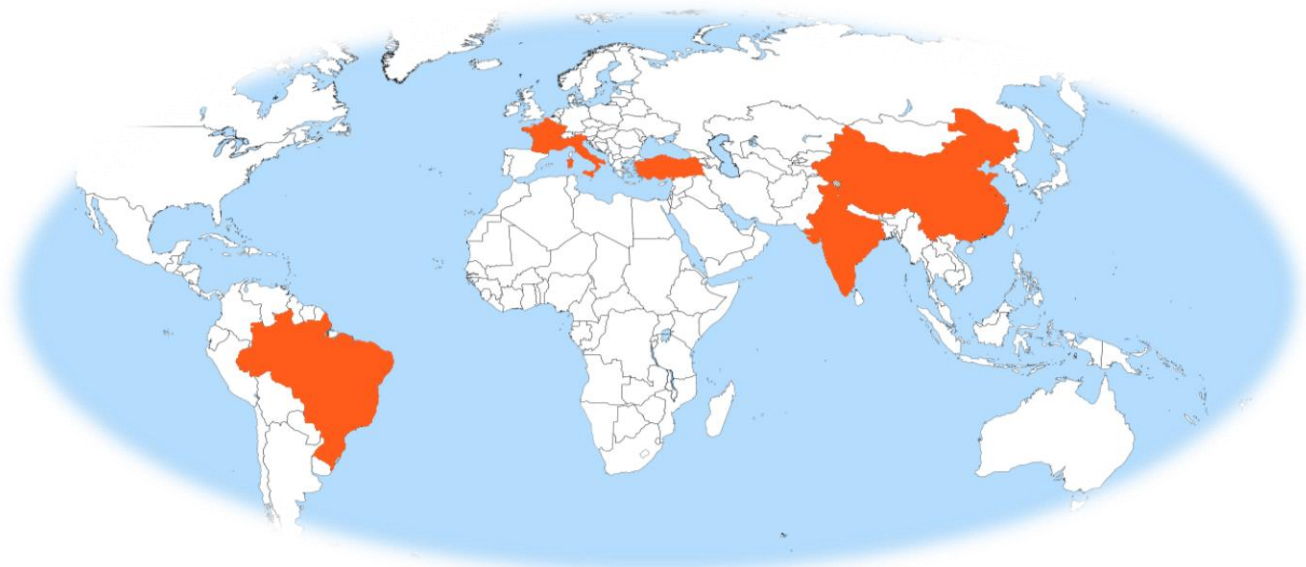
We present the Report on Operations, prepared pursuant to Article 2428 of the Italian Civil Code, to accompany the consolidated interim financial statements as of 30 June 2025, with the aim of providing a faithful, balanced and comprehensive analysis of the Group and the Parent Company, the performance and result of operations, as a whole and in the various reference sectors.

### GROUP ACTIVITIES

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The Group specializes in the design, production and worldwide marketing of control cables and remote-control systems for the agricultural, off-road vehicles, automotive and automotive after-market sectors, and its international profile allows it to operate on a global scale.

The Group operates through two business lines:

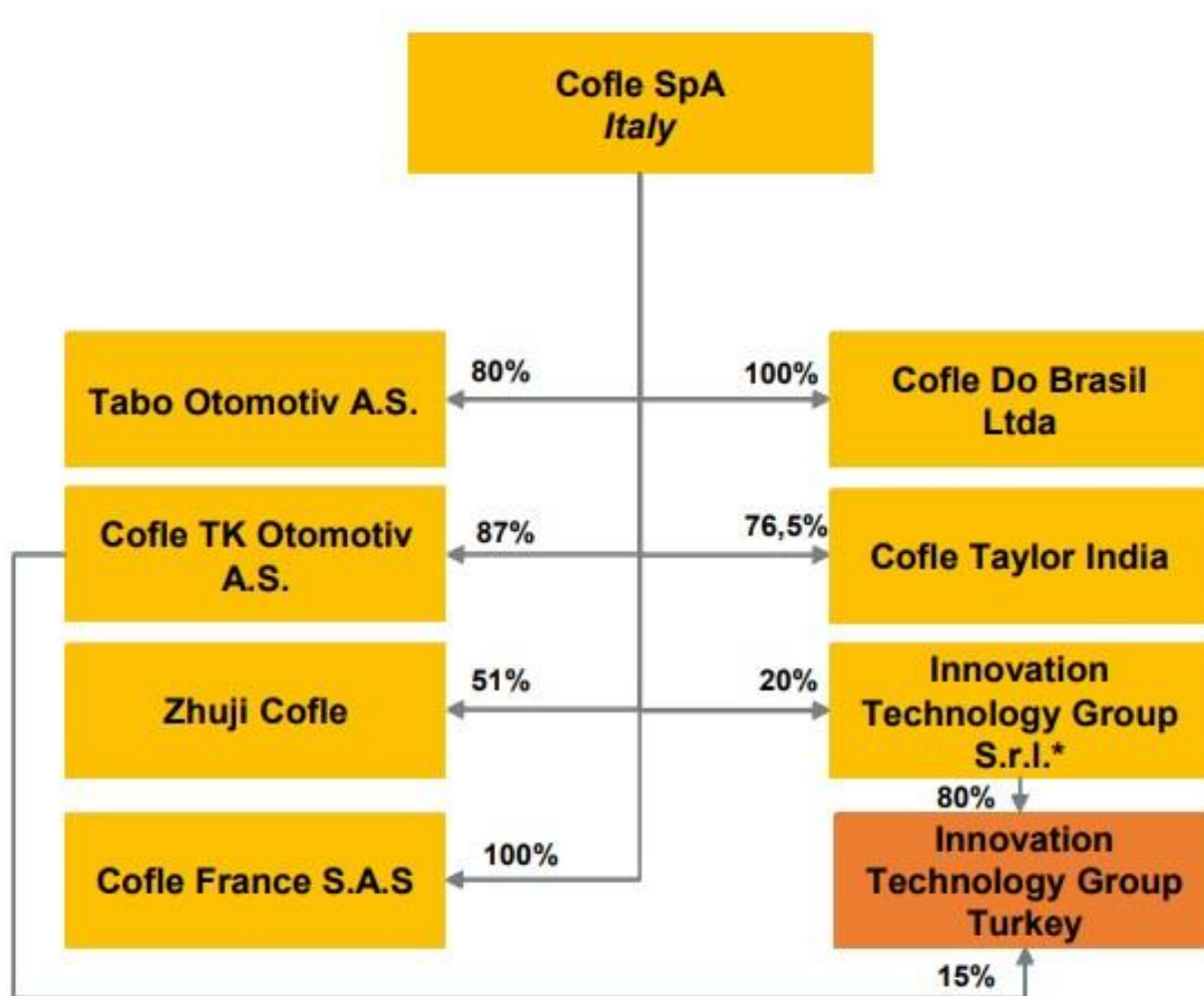


- Original Equipment (**OE**) is the division with which the Group manufactures a diversified range of highly customized products for customers who will incorporate the components into the products sold: the Group, through its products, reaches customers in the agricultural sector, earthmoving machinery, commercial vehicles and the premium automotive sector.
- Independent After Market (**IAM**) is the division of the Group that manufactures Cofle-branded components, such as control cables, brake hoses or EPB of the same quality as the original for the automotive customer segment.



## GROUP STRUCTURE

The Group's organisational chart, showing the percentages of ownership of the share capital, is as follows:



### COFLE S.P.A.

Cofle S.p.A. was established in 1964 and the initial production line was the production of original cables (OE) for the most important Italian brands. In the 70s, the company took production from an artisanal level to a more industrial dimension. During the 80s, Cofle set its headquarters in Trezzo sull'Adda, acquiring the current plant that allowed it to become an "all in house" company, through the creation of a vertical production system: in these years, the company began to produce cables for the Aftermarket business line, which then materialized in the 90s, with the construction of a warehouse in Pozzo d'Adda, dedicated to the customization and distribution of Aftermarket products. The 90s represented the start of the company's internalization process through direct sales on foreign markets. In the 2000s, however, the expansion abroad led to the birth of the Group, with the establishment or majority participation of companies in various countries around the world.

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

Shareholders	Ordinary Shares	Share capital	% Share Capital
Valfin S.r.l.	4.827.056	482.706	78,41%
Smart Agri S.r.l.	239.265	23.927	3,89%
Market	1.089.675	108.968	17,70%
<b>TOTAL SHAREHOLDERS</b>	<b>6.155.996</b>	<b>615.600</b>	<b>100%</b>

holdings for ISIN as of 28/04/2025

## FULLY CONSOLIDATED COMPANIES

### COFLE INDÚSTRIA E COMÉRCIO LTDA DO BRASIL

Incorporated in 2016, Cofle industria e comercio do Brasil Ltda is headquartered in Sete Lagoas. The company operates mainly with the OE division, has a warehouse of about 2,000 square meters and a production capacity of about 0.45 million units.

### COFLE FRANCE SAS

Cofle France S.a.s. was established in the second half of 2022, with the aim of acquiring shares of the French, Spanish, Portuguese and Benelux markets for the Independent After Market division.

### COFLE TAYLOR INDIA

Established in 2018 through a joint venture, Cofle Taylor India control cables & systems private Ltd is headquartered in Chennai. The company mainly provides production support for the Group for the Independent After Market division and, during the 2024 financial year, the subsidiary also implemented direct deliveries to domestic customers of the Original Equipment division. The company operates in a production complex with a total area of 1,800 square meters and a production capacity of about 2.5 million units.

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

Incorporated in 2010, Cofle Tk Otomotiv Kontrol Sistemleri Sanayi A.Ş. is headquartered in Istanbul. The company contributes significantly to the turnover of the OE division, has 2 warehouses with a total area of about 4,000 square meters and a production capacity of about 2.25 million units.

### TABO OTOMOTIV MAK.SAN VE TIC A.Ş

Incorporated in 1996, Tabo Otomotiv Makina Sanayi ve Ticaret A.Ş. is headquartered in Istanbul. The company contributes significantly to the turnover of the IAM division, has a warehouse with a total area of about 4,000 square meters and a production capacity of about 3 million units.

### ZHUJI COFLE MECHANICAL CONTROL SYSTEM CO., LTD

Established in 2006 through a joint venture, Zhuji Cofle mechanical control systems company Ltd is headquartered in Zhejiang. The company is primarily a representative office for the OE Group.



## RELATED COMPANIES

### 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 developing new ideas and product and process solutions to anticipate new technological trends for the *automotive* and *farm equipment sectors*.

### INNOVATION TECHNOLOGY GROUP TURKEY

Founded in the second half of the 2022 financial year from a joint venture between I.T.G. S.r.l., Cofle Tk and local management, I.T.G. Turkey aims to design innovative and design solutions for the agricultural and *off-road vehicle sector* in Turkey.

## MAIN EVENTS AND TRANSACTIONS OF THE PERIOD

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In the first half of 2025, the Group undertook strategic actions aimed at reorganizing and improving the efficiency of the various Plants, with the aim of offsetting the market downturn in the first half of 2025. The Group's management has taken a series of actions to optimize its structure and improve future performance: these have involved a significant reduction in the staff of the Turkish subsidiaries, also due to the need to manage annual contract renewals, and an optimization of the Parent Company's management structure. At the same time, the Indian subsidiary has increased its staff in view of the *reshoring* of production activities, i.e. the return of production to India. All these measures are aimed at improving operational efficiency and reducing costs, while trying to adapt to changes in contractual and production conditions in the various countries.

On the investment side, the Group has concentrated its financial resources on research and development projects aimed at expanding scientific knowledge and developing new products, processes or services, or to significantly improve existing ones.

## MACROECONOMIC AND SECTOR DEVELOPMENTS

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Global trade in the first part of 2025 was characterized by a substantial increase in trade barriers, tightening financial conditions, weakening business and consumer confidence, with consequent negative effects on growth prospects. Higher trade costs, particularly in countries that have raised their tariffs, will also cause inflation to spike, although the impact of this increase will be partially offset by lower commodity prices. In the G20 economies, annual headline inflation is estimated to decline from 6.2% to 3.6% in 2025 and 3.2% in 2026, with the United States being a notable exception, as annual inflation is expected to rise to almost 4% by the end of 2025 and remain above target in 2026. Inflation, as is well known, is an aspect that influences the Group, due to the existing hyperinflation in Turkey, which slowed down in June 2025 on an annual basis, standing at 35.05% below market expectations of 35.2%. In this macroeconomic environment, the OECD projections expect growth to remain particularly weak throughout 2025, with global output increasing by more than 2.5% over the year to the fourth quarter and only 1.1% in the US.

Focusing on the sectors in which the Group operates, in the reference period, the agricultural machinery market did not reverse the negative trend after the sharp decline in 2024: the main players in the market highlight a common picture characterized by weak demand, pressure on margins and reduced inventories along the distribution chain. Specifically, the domestic market showed a drop in registrations of tractors, combining harvesters, trailers and telehandlers: a sign that reflects a moment of slowdown in investments by agricultural companies, thanks to economic uncertainty and the increase in management costs. The positive sign is represented by the *transport segment* , which is growing compared to the past, a sign that some types of machines are able to meet specific

needs of the domestic market. This circumstance highlights how the resale of agricultural machinery is not experiencing a generalized crisis, but a transition phase towards a more selective model that is attentive to the real needs of operators. The European market is also not very different from the Italian one, in which the minus sign predominates for the third consecutive year, except for Spain and Poland, whose registrations show an increase compared to the same period of the previous year. The market in Turkey also recorded a significant drop in registrations of more than 30%. Outside Europe, the US market recorded a smaller decrease in registrations than the European market, while India confirmed its market potential with registrations up by more than 20% compared to last year.

The *aftermarket* is going through a phase of change characterized by the influence of technological changes in the automotive field because of the electrification process of mobility, the push of digitalization with the continuous increase in the number of digital platforms as a tool for the aftermarket and the rise of fleet rental operators at the expense of personal ownership of a vehicle. This change is, however, accompanied by uncertainties related to technological processes and destabilizing factors such as the risks of a *tension in tariffs* as well as the growing penetration of Chinese brands on the European car market. In this context, inflationary dynamics and an economic context characterized by strong instability influenced the aftermarket which recorded a slight decline compared to a three-year period 2022 - 2024 in strong growth.

## OPERATING PERFORMANCE

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In the macroeconomic context illustrated above, consolidated revenues for the first half of 2025, gross of the impact of the effects of Turkish hyperinflation, showed a decrease of 21.5% compared to the same period last year (24.4 million euros compared to 31.1 million in June 2024).

The *Independent After Market* division recorded revenues close to €9.3 million, a decrease of 21.2% compared to the same period last year, which amounted to €11.8 million.

As for the *Original Equipment* division, the division's turnover stood at €15.1 million, a decrease of approximately 21.8% compared to June 2024, which stood at €19.3 million.

In order to allow a better understanding of the performance of the year, the Group's normalized consolidated turnover, i.e. adjusted for the effects deriving from the application of the accounting standard relating to hyperinflation, amounted to €25.3 million compared to €30.4 million at 30 June 2024, showing an overall decrease of 16.7%. Specifically, the *Independent After Market* division amounted to €9.6 million, a decrease of 16.5% compared to the previous year (€11.5 million as at 30 June 2024), interrupting a constant growth that had lasted for some years. The *Original Equipment* division recorded revenues of €15.7 million, a decrease of 17.1% compared to the first half of 2024 of €18.9 million, when the contraction of the global agricultural machinery market was not yet particularly marked: turnover in the first half of 2025 clearly continued the negative trend already in the previous year, while signaling a slight recovery in the second quarter of 2025.

Regarding the evolution of turnover in the months following the end of the reference period, it should be noted that the Group performed better than the previous year, reducing the gap recorded in the first half of the year by approximately 6% and it is estimated to further reduce this gap by the end of 2025.

The Group's value of production as of June 30, 2025, gross of the impact of the effects of Turkish hyperinflation, amounted to euro 26,317,942, showing a decrease of 17.2%, mainly attributable to the contraction in turnover for the period. The value of production, net of the effects of Turkish hyperinflation, amounted to €27,214,649, showing a less marked decrease of 12.1% compared to the value of €30,959,921 as of June 30, 2024.



Operating costs for the year amounted to €25,151,475, down 10.7% compared to the previous year, mainly due to the decrease in the costs of purchasing and processing raw materials externally, as well as the spending review of some fixed costs. In particular, the purchase costs of raw materials, together with the change in inventories of raw materials and finished products, show a decrease of 22.2% compared to the same period of the previous year, in line with the decrease in turnover recorded in the period. The decrease in costs for services is quite similar, standing at around 22.4% compared to 30 June 2024. Personnel costs, although down compared to 30 June 2024, show a decrease of 4.8% as a result of the indemnities to be paid to staff, as part of the *re-shoring* activities of production activities and the renegotiation of collective bargaining for personnel under the Turkish subsidiaries: personnel costs, indemnities and the recognition of severance pay had an impact of approximately 1.2 million euros.

EBITDA amounted to euro 1,166,467, or 4.4% of the value of production, down from 11.3% in June 2024. In order to mitigate the erosion of margins, the strategic choices made by the Group's management are continuing in the second half of the year: these include the *reshoring* of some production activities in Italy and *offshoring* of others from Turkey to India and the consequent internal reorganization of the plants involved, including the closure of a logistics plant in Turkey with a consequent reduction in costs to it and further reduction of the employees of the Turkish subsidiaries under a lease contract of a plant in Turkey.

Returning to the examination of the management of the period, the financial management of the year shows a negative balance of € 2,124,432, an improvement of 34% compared to the negative balance of € 3,214,092 in the same previous period. The policy of monitoring and rescheduling the bank debt of the Turkish subsidiaries has made it possible to improve the contractual conditions relating to financial charges and current account remuneration, contributing to the alleviation of the Group's financial charges.

In addition, also in the first half of 2025, to eliminate the distortive effects of inflation of the Turkish subsidiaries and to reflect changes in the purchasing power of the Turkish lira at the balance sheet date, non-monetary assets and liabilities, equity items and components of the income statement were restated by applying the general index of consumer prices to historical data. The value of the general consumer price index, at the end of the period, was 3,132.17, an increase of 16.67% compared to December 31, 2024.

In addition, in order to take into account the impact of hyperinflation also on the local currency exchange rate, the balances of the profit and loss accounts denominated in hyperinflationary currencies were converted into euro, applying the final exchange rate (€1 = 46.5682 TRY) instead of the average exchange rate for the period (€1 = 41.1116 TRY), in order to bring these amounts back to current values. The related accounting effects have been recognized in a specific income statement item under financial income and expenses, identified as hyperinflation charges, before tax, amounting to approximately €0.9 million (approximately €2.7 million at 30 June 2024).

The reclassified consolidated income statement for the first half of 2025 is as follows:

Amounts in euro	30/06/2025	30/06/2024	% CHANGE
Revenue from sales and services	24.430.863	31.141.172	(21,5%)
Change in inventories	1.667.781	261.420	538,0%
Other income and income	219.297	378.456	(42,1%)
<b>VALUE OF PRODUCTION</b>	<b>26.317.942</b>	<b>31.781.047</b>	<b>(17,2%)</b>

Costs for raw materials, supplies, consumables and goods	11.307.606	12.226.251	(7,5%)
Service fees	4.653.216	5.992.976	(22,4%)
Costs for the use of third-party assets	990.394	1.042.090	(5,0%)
Personnel costs	8.371.519	8.795.392	(4,8%)
Change in inventories of raw materials	(516.016)	(243.106)	112,3%
Miscellaneous operating costs	344.756	361.008	(4,5%)
<b>EBITDA</b>	<b>1.166.467</b>	<b>3.606.437</b>	<b>(67,7%)</b>
Depreciation, amortization and impairment losses	1.980.100	2.288.529	(13,5%)
Provisions for risks	57.619	0	100,0%
<b>EBIT</b>	<b>(871.253)</b>	<b>1.317.908</b>	<b>(166,1%)</b>
Financial income	259.698	808.065	(67,9%)
Financial charges	(886.067)	(1.863.359)	(52,4%)
Income (expenses) from hyperinflation	(864.707)	(2.652.132)	(67,4%)
Currency adjustments	(633.356)	493.334	(228,4%)
<b>PROFIT BEFORE TAX</b>	<b>(2.995.685)</b>	<b>(1.896.182)</b>	<b>58,0%</b>
Taxes	299.693	212.844	40,8%
<b>RESULT FOR THE YEAR</b>	<b>(3.295.378)</b>	<b>(2.109.026)</b>	<b>56,3%</b>

<i>Profitability ratios</i>	<i>Meaning</i>	<b>30/06/2025</b>	<b>30/06/2024</b>
<b>Return on sales (R.O.S.):</b> Operating profit for the year / Net revenues for the year	Sales profitability	(3,6%)	4,2%
<b>Return on investment (R.O.I.):</b> Operating result / Capital invested for the year	Overall efficiency of the Group's corporate businesses	(1,5%)	2,0%
<b>Return on Equity (R.O.E.):</b> Profit for the year / Shareholders' equity	Profitability for those who contributed capital	(14,9%)	(7,3%)

To provide an overview of the impact of hyperinflation on the items in the consolidated interim income statement for the period, the effects on the main economic measures are shown below:

<i>Amounts in euro</i>	<b>EFFECTHYPERINFLATION</b>	<b>EXCHANGE EFFECT</b>	<b>OVERALL EFFECT</b>
Value of production	765.606	(1.662.313)	(896.708)
Operating costs	568.955	(1.644.602)	(1.075.647)
EBITDA	196.651	(17.712)	178.939
Operating Profit (EBIT)	(327.871)	155.899	(171.972)
Profit before tax (EBT)	(1.380.814)	363.525	(1.017.289)



Result for the period	(1.697.431)	400.624	(1.296.807)
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The consolidated balance sheet reclassified according to the financial method is as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>% CHANGE</b>
Intangible assets	6.197.406	6.407.588	(3,3%)
Tangible fixed assets	11.108.688	12.458.256	(10,8%)
Financial fixed assets	320.616	320.780	(0,1%)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>17.626.710</b>	<b>19.186.623</b>	<b>(8,1%)</b>
Inventories	17.568.678	18.919.715	(7,1%)
Loans with a maturity of less than 12 months	13.041.634	15.173.123	(14,0%)
Accrued income and deferred income	725.935	493.531	47,1%
Cash equivalents	8.652.786	8.073.082	7,2%
<b>TOTAL CURRENT ASSETS</b>	<b>39.989.034</b>	<b>42.659.450</b>	<b>(6,3%)</b>
<b>TOTAL LOANS</b>	<b>57.615.744</b>	<b>61.846.073</b>	<b>(6,8%)</b>

In line with the previous year, the Group's invested capital mainly leans towards current activities.

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>% CHANGE</b>
Capital and reserves	25.432.474	32.468.466	(21,7%)
Profit (loss) for the year	(3.295.378)	(5.572.035)	(40,9%)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>22.137.096</b>	<b>26.896.430</b>	<b>(17,7%)</b>
Provisions for risks and charges	1.122.085	888.235	26,3%
Severance indemnity fund	488.855	538.845	(9,3%)
Debts with a maturity of more than 12 months	5.985.071	5.265.096	13,7%
Accrued expenses and deferred income	592.738	583.688	1,6%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>8.188.749</b>	<b>7.275.865</b>	<b>12,5%</b>
Debts with a maturity of less than 12 months	27.289.899	27.673.778	(1,4%)
<b>TOTAL CURRENT LIABILITIES</b>	<b>27.289.899</b>	<b>27.673.778</b>	<b>(1,4%)</b>
<b>TOTAL SOURCES</b>	<b>57.615.744</b>	<b>61.846.073</b>	<b>(6,8%)</b>

Net financial debt as at 30 June 2025 amounted to approximately 12.1 million euro, showing a decrease of 13.3% compared to 31 December 2024:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>% CHANGE</b>
Cash equivalents	(8.652.786)	(8.073.082)	7,2%
Financial receivables	(100.000)	(100.000)	0%
Bonds	3.439.173	3.929.174	(12,5%)
Payables to banks	16.986.376	17.707.989	(4,1%)
Other financial payables	418.383	475.721	(12,1%)

NET FINANCIAL DEBT	12.091.146	13.939.802	(13,3%)
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The improvement in net financial debt as of 30 June 2025 was achieved by the Group's management by adopting working capital efficiency strategies, containing investments for the period and renegotiating interest rates.

The analysis of the Group's liquidity and solidity is developed through the following indices:

Structure indexes	Meaning	30/06/2025	31/12/2024
<b>Primary structure quotient:</b> Shareholders' equity / Fixed assets	Ability to self-finance fixed investments	1,26	1,40
<b>Secondary Structure Ratio:</b> P Net Assets + Consolidated Liabilities/ Fixed Assets	Ability to cover investments with equity and third-party capital	1,72	1,78

Balance sheet and financial ratios	Meaning	30/06/2025	31/12/2024
<b>Leverage:</b> Invested Capital / Equity	It expresses the intensity of the use of debt to cover the invested capital	2,60	2,30
<b>Elasticity of uses:</b> Current assets / Capital employed	Measures the impact of current assets on invested capital	69,41%	68,98%
<b>Total debt ratio:</b> Third-party funds / Shareholders' equity	Represents the degree of indebtedness to third parties, considering equity	1,60	1,30

## RESEARCH AND DEVELOPMENT ACTIVITIES

The Group adopts research and development policies aimed at creating highly specialized and innovative products. The OE division's R&D is based on *co-engineering principles*, collaborating with customers' R&D to create prototypes. The research and development of the IAM division, on the other hand, is based on the principles of reverse-engineering: starting from the analysis of the technical characteristics and raw materials of the original product, to create an equivalent product in terms of technical characteristics and design. Research and development activities are carried out both in the Italian plant and in the Turkish plant of the subsidiary Cofle TK Otomotiv, which has a *designer center* dedicated to the development of new products for the Original Equipment market.

## TREASURY SHARES OR QUOTAS OR THOSE PARENT COMPANIES

With reference to the provisions of art. 40, paragraph 2, letter d), of Legislative Decree no. 127/91, it should be noted that the Parent Company directly holds 102,284 treasury shares, equal to 1.66% of the share capital.

## RISKS AND UNCERTAINTIES

Certain risk factors relating to the Parent Company and the Group are set out below, insofar as the occurrence of the events could have significant negative effects on the economic and financial position.



## RISK RELATED TO LIABILITY FOR PRODUCT DEFECTS

Any defects in the design and manufacture of their products could generate liability towards customers, with possible repercussions in terms of turnover as well as reputation. The management of this risk associated with the production and marketing of products that may not comply with quality and safety standards is managed by the Parent Company and, more generally, by the Group, by adopting research and development policies, production processes and quality control systems aimed at preventing design or manufacturing defects, failures or malfunctions. In addition, the Group has insurance policies in place to cover the risk of product liability, including the risk associated with product recall campaigns.

## RISK RELATED TO COMMODITY PRICES

The materials supplied by the Group are mainly semi-finished steel, aluminium, zamak and plastics, the purchase price of which is subject to fluctuations, as it is conditioned by a variety of factors, beyond the Group's control. The risk of not being able to manage the fluctuation in the price of raw materials for the production of its products is mitigated by the fact that the Group has the possibility of negotiating purchase and sales lists with its suppliers and customers, especially in the circumstances of long-term contracts.

## RISK RELATED TO TRADE RECEIVABLES

The Group is exposed to the risk that its customers may delay or fail to fulfil their payment obligations within the agreed terms and conditions. This risk is mitigated both by the fact that the Group has commercial relationships with leading automotive or agricultural machinery construction companies with high credit standing, and by the continuous monitoring of credit positions, in order to anticipate situations of risk of insolvency and delay in compliance with payment terms. At present, there are no significant credit positions for the Group that are doubtfully recoverable.

## LIQUIDITY RISK

Through forms of self-financing and recourse to debt, the Group meets its financial needs: through the periodic monitoring of net financial debt, the constant verification of forecast financial requirements and the obtaining of adequate credit lines, the Group manages this risk.

## EXCHANGE RATE RISK

The Group, through its subsidiaries, operates in markets or economies where the reference currency is different from the euro, therefore it is exposed to the risk of fluctuations in exchange rates, also in consideration of the absence of hedging financial instruments. To manage this risk, i.e. to limit the effect to margins only, the management of the Parent Company supports the intra-group procurement and resale policy of products in euros for the Turkish subsidiaries, which are most exposed to this regard. This policy also includes actions aimed at mitigating the distortions attributable to hyperinflation (Turkey), through an adjustment of selling prices as soon as possible to reduce the impact on margins.

## TRANSACTIONS WITH RELATED PARTIES

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Transactions with related parties and associated companies originate from transactions carried out at conditions that do not differ from market conditions. Below is a summary of the relationships maintained during the year:

<i>Amounts in euro</i>	Trade Receivables	Trade payables	Financial Receivables	Financial payables	Revenue s	Costs
Valdiporto S.r.l.	79.514	0	0	0	0	273.871
Innovation Technology Group S.r.l.	1.000	0	100.000	0	6.400	4.500
Innovation Technology Group Turkey	0	348	0		3.955	51.167
Studio Facchin Assi S.a.s.	0	0	0	0	0	41.613
Ginini Danışmanlık Hizmetleri	0	4.211	0	0	0	39.871
Taylor Rubber Private Limited	0	48.185	0	0	0	219.967
JLG contabilidade Ltda	0	0	0	0	0	6.944
<b>RELATED PARTIES</b>	<b>80.514</b>	<b>52.744</b>	<b>100.000</b>	<b>0</b>	<b>10.355</b>	<b>637.933</b>

## SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE PERIOD

After the end of the period and before the date of preparation of the interim consolidated financial statements, no events occurred that affected the situation existing at the end of the period or of such importance that failure to disclose them would compromise the ability of the recipients of the corporate information to make correct assessments and make appropriate decisions.

## OUTLOOK

In the coming months of 2025, the Group will continue to complete the strategic choices aimed at reorganizing and improving the efficiency of the various plants, offsetting the downturn in the first part of 2025 and at the same time laying the foundations for seizing the opportunities arising from the recovery of the market, the recovery of which is expected in the face of a greater stabilization of the overall macroeconomic framework and support for demand through incentive systems for the purchase of technologically advanced machinery.

Trezzo sull'Adda, 29 September 2025

The President of the Board of Directors

Walter Barbieri



PROSPETTI CONTABILI



## CONSOLIDATED INTERIM BALANCE SHEET

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>
<b>Balance sheet assets</b>	<b>57.615.744</b>	<b>61.846.073</b>
<b>B) Fixed assets</b>	<b>17.626.710</b>	<b>19.186.623</b>
<b>I) Intangible assets</b>	<b>6.197.406</b>	<b>6.407.588</b>
1) Set-up and expansion costs	127.672	255.344
2) Development costs	2.938.538	3.691.681
3) Industrial patent rights and intellectual property rights	187.415	211.536
(4) Concessions, licences, trademarks and similar rights	1.552.257	1.606.390
5) Start-up	8.430	11.240
6) Fixed assets under construction and payments on account	1.047.097	215.819
7) Other ...	335.998	415.578
<b>II) Tangible fixed assets</b>	<b>11.108.688</b>	<b>12.458.256</b>
1) Land and buildings	3.701.479	3.749.095
2) Plant and machinery	5.283.893	6.324.799
3) Industrial and commercial equipment	507.131	518.638
4) Other assets	1.519.023	1.802.298
5) Assets under construction and payments on account	97.162	63.425
<b>III) Financial fixed assets</b>	<b>320.616</b>	<b>320.780</b>
1) Investments in:	7.717	8.325
(b) Associated undertakings	5.231	5.514
(da) Other undertakings	2.486	2.811
2) Credits	100.000	100.000
(b) To related undertakings	100.000	100.000
2) Beyond the following financial year	100.000	100.000
3) Other titles	151.308	155.393
4) Active derivative financial instruments	61.592	57.062
<b>C) Current assets</b>	<b>39.263.098</b>	<b>42.165.919</b>
<b>I) Inventories</b>	<b>17.568.678</b>	<b>18.919.715</b>
1) Raw materials, supplies and consumables	10.926.432	12.027.615
2) Work in progress and semi-finished products	933.623	830.600
4) Finished products and goods	5.340.892	5.042.647
5) Down payments	367.731	1.018.854
<b>II) Claims</b>	<b>13.041.634</b>	<b>15.173.123</b>
1) To customers	10.608.847	11.769.292
1) Due within the following financial year	10.608.847	11.769.292
5a) For tax credits	1.425.776	1.928.155
1) Due within the following financial year	1.425.776	1.928.155

(5b) For deferred tax assets	287.270	307.445
1) Due within the following financial year	287.270	307.445
5c) To others	719.741	1.168.231
1) Due within the following financial year	719.741	1.168.231

<b>IV) Cash and cash equivalents</b>	<b>8.652.786</b>	<b>8.073.082</b>
1) Bank and postal deposits	8.647.070	8.067.445
3) Money and cash values	5.716	5.637
<b>D) Accruals and deferrals</b>	<b>725.935</b>	<b>493.531</b>

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>
<b>Balance sheet liabilities</b>	<b>57.615.744</b>	<b>61.846.074</b>
<b>A) Shareholders' equity</b>	<b>22.137.096</b>	<b>26.896.430</b>
I) Group shareholders' equity	19.996.958	24.146.260
I) 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 reservation	123.120	123.120
(VI) Other reserves, separately indicated	(15.340.720)	(12.304.910)
Foreign consolidation translation reserves	(15.959.949)	(12.924.139)
Consolidation reserve	619.229	619.229
VII) Reserve for hedging operations of expected cash flows	61.592	57.062
VIII) Retained earnings (losses)	20.688.767	24.181.054
IX) Profit (loss) for the year	(2.921.507)	(5.295.773)
X) Negative reserve for treasury shares held in portfolio	(581.593)	(581.593)
<b>Third-party assets</b>	<b>2.140.138</b>	<b>2.750.171</b>
Third-party capital and reserves	2.514.009	3.026.432
Minority interests (losses)	(373.871)	(276.262)
<b>B) Provisions for risks and charges</b>	<b>1.122.085</b>	<b>888.235</b>
1) Retirement funds and similar obligations	206.482	203.077
2) Provisions for taxes, including deferred taxes	907.683	678.050
4) Others	7.920	7.108
<b>C) Employee severance pay</b>	<b>488.855</b>	<b>538.845</b>
<b>D) Debts</b>	<b>33.274.971</b>	<b>32.938.875</b>
1) Bonds	3.439.173	3.929.174
1) Within the following financial year	3.439.173	3.929.174
4) Payables to banks	16.986.376	17.707.989
1) Within the following financial year	11.281.343	12.792.103
2) Beyond the following financial year	5.705.034	4.915.886
5) Payables to other lenders	418.383	475.721
1) Within the following financial year	138.346	126.510

2) Beyond the following financial year	280.037	349.210
6) Down payments	131.760	46.155
1) Within the following financial year	131.760	46.155
7) Payables to suppliers	8.843.467	7.286.293
1) Within the following financial year	8.843.467	7.286.293
10) Payables to associated companies	0	1.004
1) Within the following financial year	0	1.004
12) Tax payables	342.293	523.501
1) Within the following financial year	342.293	523.501
13) Payables to social security institutions	270.750	491.406
1) Within the following financial year	270.750	491.406
14) Other payables	2.842.768	2.477.632
1) Within the following financial year	2.842.768	2.477.632
<b>E) Accruals and deferrals</b>	<b>592.738</b>	<b>583.688</b>

## CONSOLIDATED INTERIM INCOME STATEMENT

Amounts in euro	30/06/2025	30/06/2024
<b>A) Value of production</b>	<b>26.317.942</b>	<b>31.781.047</b>
1) Revenue from sales and services	24.430.863	31.141.172
2) Change in inventories of work-in-progress, semi-finished and finished products	1.667.781	261.420
5) Other revenues and income, with separate indication of operating grants	219.297	378.456
<b>B) Production costs</b>	<b>27.189.195</b>	<b>30.463.139</b>
6) For raw materials, ancillary, consumer and goods	11.307.606	12.226.251
7) For services	4.653.216	5.992.976
8) For the use of third-party assets	990.394	1.042.090
9) For staff	8.371.519	8.795.392
a) Wages and salaries	6.508.834	6.741.127
(b) Social security contributions	1.401.796	1.529.477
c) Severance pay	180.601	175.781
e) Other costs	280.287	349.006
10) Depreciation, amortization and impairment losses	1.980.100	2.288.529
(a) Depreciation of intangible assets	734.639	618.824
b) Depreciation of tangible fixed assets	1.245.461	1.669.705
11) Changes in inventories of raw materials, supplies, consumables and goods	(516.016)	(243.106)
12) Provision for risks	57.619	0
14) Miscellaneous operating costs	344.756	361.008
<b>Difference between value and cost of production (A-B)</b>	<b>(871.253)</b>	<b>1.317.908</b>
<b>C) Financial income and expenses</b>	<b>(2.124.432)</b>	<b>(3.214.092)</b>
<b>16) Other financial income</b>	<b>259.698</b>	<b>808.065</b>
b) Securities recorded in fixed assets that do not constitute equity investments	0	12.687
d) Income other than the above	259.698	795.378
<b>17) Interest and other financial charges</b>	<b>1.750.774</b>	<b>4.515.491</b>
(c) Other	1.750.774	4.515.491
<b>(17a) Foreign exchange gains and losses</b>	<b>(633.356)</b>	<b>493.334</b>
<b>Profit before tax (A-B + - C + - D)</b>	<b>(2.995.685)</b>	<b>(1.896.184)</b>
<b>20) Income taxes for the year, current, deferred and prepaid</b>	<b>299.693</b>	<b>212.844</b>
(a) Current taxes	0	257.804
c) Deferred tax assets (deferred)	299.693	(44.961)
<b>21) Profit (loss) for the year</b>	<b>(3.295.378)</b>	<b>(2.109.028)</b>
1) Minority interests	(373.871)	(123.801)
2) Group profit (loss)	(2.921.507)	(1.985.226)



## CONSOLIDATED INTERIM CASH FLOW STATEMENT

Amounts in euro	30/06/2025	30/06/2024
<b>A) Cash flows from operating activities (indirect method)</b>		
Profit (loss) for the year	(3.295.378)	(2.109.028)
Income taxes	299.693	212.844
Interest expense/(income)	2.124.432	3.214.092
<b>1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposals</b>	<b>(871.253)</b>	<b>1.317.908</b>
<i>Adjustments for non-monetary items that have not been offset in net working capital</i>		
Provisions for funds	77.639	0
Depreciation of fixed assets	1.980.100	2.288.529
Other up/(down) adjustments for non-monetary items	(178.939)	(517.854)
<b>Total rect. for el. not mon. which have not had a counterpart in the net circ. capital</b>	<b>1.878.801</b>	<b>1.770.675</b>
<b>2) Cash flow before changes in net working capital</b>	<b>1.007.548</b>	<b>3.088.583</b>
<i>Changes in net working capital</i>		
Decrease/(Increase) in inventories	455.752	(383.162)
Decrease/(Increase) in receivables from customers	1.160.444	(1.724.518)
Increase/(decrease) in payables to suppliers	1.557.175	(1.571.010)
Decrease/(Increase) in accrued income and deferred income	(232.405)	(558.590)
Increase/(decrease) in accrued income and deferred income	9.050	271.729
Other decreases/(Other Increases) in net working capital	998.741	849.375
<b>Total changes in net working capital</b>	<b>3.948.756</b>	<b>(3.116.177)</b>
<b>3) Cash flow after changes in net working capital</b>	<b>4.956.304</b>	<b>(27.594)</b>
<i>Other adjustments</i>		
Interest received/(paid)	(1.269.116)	(1.015.519)
(Income taxes paid)	0	(286.721)
(Use of funds)	(65.794)	(56.804)
<b>Total other corrections</b>	<b>(1.334.910)</b>	<b>(1.359.044)</b>
<b>Cash flow from operating activities (A)</b>	<b>3.621.394</b>	<b>(1.386.638)</b>
<b>B) Cash flows from investment activities</b>		
<i>Tangible fixed assets</i>	<b>(325.762)</b>	<b>(1.591.548)</b>
(Investments)	(368.421)	(1.758.978)
Divestments	42.660	167.431
<i>Intangible assets</i>	<b>(848.491)</b>	<b>(1.008.218)</b>
(Investments)	(848.491)	(1.016.147)
Divestments	0	7929
<i>Financial fixed assets</i>	<b>0</b>	<b>(737)</b>
(Investments)	0	(737)
Divestments	0	0

*Non-fixed financial assets*

(Investments)  
Divestments

**0**      **0**  
0      0  
0      0

**Cash flow of investment activity (B)**

**(1.174.253)**    **(2.600.503)**

**C) Cash flows from financing activities**

*Third-party means*

Increase/(decrease) in payables to banks  
Increase/(decrease) in payables to other lenders  
Increase/(decrease) in debt due to bonds

(721.613)    1.666.957  
(57.338)    (69.525)  
(500.000)    (500.000)

*Equity*

Changes in shareholders' equity  
Sale/Purchase) of treasury shares  
(Dividends and interim dividends paid)

(588.487)    298.643  
0    (271.419)  
0    (1.306.598)

**Cash flow of financing activities (C)**

**(1.867.437)**    **(181.942)**

**Increase (decrease) in cash and cash equivalents (A ± B ± C)**

**579.704**    **(4.169.083)**

Cash and cash equivalents at the beginning of the year  
Cash and cash equivalents at the end of the year

8.073.082    18.182.799  
8.652.786    14.013.716

## NOTES TO THE FINANCIAL STATEMENTS

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### GENERAL CRITERIA FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the provisions of art. 29 of Legislative Decree 129/91, the interim consolidated financial statements of the Cofle Group consist of the interim balance sheet, the interim income statement, the interim cash flow statement and the notes to the financial statements and have been prepared by the directors of the parent company in accordance with the provisions of the Italian Civil Code on separate and consolidated financial statements, as well as in accordance with the accounting principles issued by the Italian accounting body, and in particular OIC 17, or where missing, from IAS/IFRS issued by the IASB. The directors, in preparing the interim consolidated financial statements as at 30 June 2025, assessed that there are no significant uncertainties regarding compliance with the going concern assumption, especially in view of the strategic and operational guidelines outlined for the future of the Group capable of generating cash flows and current and prospective positive economic results.

Since this is an interim consolidated financial statement, relating to the period 1 January 2025 – 30 June 2025, these Notes have been prepared in accordance with the provisions provided by Accounting Standard OIC 30 (containing indications regarding the structure and contents of interim financial statements), with a more contained information detail and with more concise representations.

The following is all the additional information considered necessary for a true and fair representation of the Cofle Group's financial position.

The interim consolidated financial statements have been prepared in units of euro, as have the tables and the notes to the financial statements. The criteria and principles used in the preparation of the interim consolidated financial statements do not differ from those used for the preparation of the consolidated financial statements of the previous year.

### SCOPE OF CONSOLIDATION

The Group's interim consolidated financial statements include the interim financial statements of the Parent Company and those of the companies where the Parent Company holds, directly or indirectly, a shareholding of more than 50% or a sufficient number of votes to exercise control or dominant influence at their respective ordinary shareholders' meetings.

Less significant investments, i.e. those in which the percentage of ownership is generally less than 20%, were valued at purchase and/or subscription cost, including ancillary costs incurred.

The financial statements used for the preparation of these consolidated interim financial statements of the Group are those prepared by the respective Boards of Directors, possibly adjusted to reflect the accounting policies adopted by the Parent Company.

The companies included in the scope of consolidation are listed below:

Investee Name	Seat	Currency	Share capital	Result	Equity	% possession
Tabo Otomotiv A.S.	Istanbul (TK)	TRY	624.200	(1.286.691)	1.164.009	80%
Cofle TK Otomotiv A.S.	Istanbul (TK)	TRY	925.696	(1.226.978)	11.010.833	87,1%
Zhuji Cofle	Zhejiang (CN)	CNY	448.931	7.748	408.517	51,00%
Cofle Do Brasil Ltda	Sete Lagoas (BR)	BRL	1.634.786	71.970	290.816	100,00%
Cofle Taylor India	Chennai (IN)	INR	706.180	114.863	1.221.939	76,48%
Cofle France S.a.S.	Allonne (FR)	EUR	30.000	9.752	(184.964)	100%

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

## CONSOLIDATION CRITERIA

Consolidation is carried out according to the global integration method, therefore, in accordance with paragraph 1 of Article 31 of Legislative Decree 127/91, the assets and liabilities as well as the income and expenses of the companies included in the consolidation are taken over in full.

In compliance with paragraph 2 of the article, the following are deleted:

- Investments in companies included in the consolidation and the corresponding fractions of their shareholders' equity.
- Receivables and payables between the companies included in the consolidation.
- Income and expenses relating to transactions carried out between the companies themselves.
- Gains and losses resulting from transactions between such undertakings relating to assets other than work in progress on behalf of third parties.

The carrying amount of equity investments in companies included in the scope of consolidation is eliminated against the corresponding fraction of shareholders' equity against the assumption of the assets and liabilities of the investee companies, showing separately the shareholders' equity and the result for the year attributable to the minority shareholders. As reported in paragraph 1 of art. 33 of Legislative Decree 129/91, the elimination of equity investments is carried out based on the book values referred to the date on which the company is included for the first time in the consolidation. Any higher value paid with respect to the net book equity of the investee companies at the date of purchase is attributed to the individual asset and liability items to which this higher value refers. Any positive residue is recorded under goodwill. If a negative difference emerges, it is recognized and classified in Shareholders' equity under "Consolidation reserve", or when it is attributable to forecasts of unfavorable economic results, in the liability item "Provision for consolidation for future risks and charges".

Changes in the shareholders' equity of investee companies that occurred after the acquisition are allocated, for the Group's share, to Retained earnings.

It should be noted that the accounting effects deriving from the elimination of equity investments with the net fraction attributable to the company were carried out in continuity with the valuation of equity investments used in the preparation of the Parent Company's separate financial statements.



## CONVERSION OF FINANCIAL STATEMENTS DRAWN UP IN CURRENCIES OTHER THAN THE EURO

The financial statements of the subsidiaries prepared in currencies other than the Euro have been translated into the currency used by the Parent Company for the preparation of the interim consolidated financial statements, using the exchange rate in force as of 30 June 2025 for the balance sheet data and the average exchange rate for the year 2025 for the income statement data. except for the financial statements of companies operating in hyper-inflationary economies whose income statement has been translated by applying the exchange rate at the end of the period.

The exchange rate difference resulting from the translation of the balance sheet data at the exchange rates of December 31, 2024, and June 30, 2025 and that resulting from the translation of the result for the year at the average rate of 2025 is allocated to a special equity reserve, called the translation reserve.

The exchange rates used are as follows:

<i>Currency</i>	<b>30/06/2025Final</b>	<b>30/06/2025Average</b>	<b>31/12/2024Final</b>	<b>30/06/2024Average</b>
Brazilian Real - BRL	6,44	6,29	6,43	5,49
Chinese Yuan - CNY	8,40	7,93	7,58	7,80
Indian Rupee - INR	100,56	94,09	88,93	89,98
Turkish Lira - TRY	46,57	41,11	36,74	34,25

During 2022, the International Monetary Fund (IMF) identified the Turkish economy as a "hyper-inflated" economy, therefore, to eliminate the distortive effects of inflation, as governed by paragraph 125 of the Italian accounting standard OIC 17, the Group applied the international accounting standard "IAS 29 – accounting reporting in hyperinflationary economies", in the absence of a reference standard. This principle applies with reference 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 balance sheet date, the Group has restated the value of non-monetary items, shareholders' equity and income statement items of investee companies in Turkey, applying the change in the general consumer price index to historical data.

The cumulative levels of the general consumer price index are shown below:

<i>Consumer Price Index</i>	<b>Value as of 30/06/2025</b>	<b>Value as of 31/12/2024</b>	<b>Variation</b>
TURKSTAT	3.132,17	2.684,55	16,67%

<i>Consumer Price Index</i>	<b>Value as of 31/12/2024</b>	<b>Value as of 31/12/2023</b>	<b>Variation</b>
TURKSTAT	2.684,55	1.859,38	44,38%

The financial statements of the Turkish subsidiaries were restated before being included in the Group's consolidated financial statements:

- The effect of the inflationary adjustment of non-cash assets and liabilities and equity, net of the related tax effect, was recognised as a contra-entry to retain earnings in equity, amounting to approximately €1.8 million.
- The effect relating to the re-measurement of the same non-monetary items, equity items, as well as the income statement components recognised during 2025 was recognised in a specific income statement item under financial income and expenses, amounting to approximately €0.86 million, and the related tax effect was recognised under taxes for the period, equal to approximately 0.2 million euros.

At the time of consolidation, these restated financial statements were translated using the final exchange rate to carry the amounts back to their fair values.

## EVALUATION CRITERIA

The valuation of the balance sheet items was carried out on the basis of the general criteria of prudence and accrual, as well as taking into account the economic function of the asset or liability element considered and with a view to the continuation of the business, in accordance with the provisions of Article 2426 of the Civil Code and with the accounting principles established by the Italian Accounting Body. In accordance with art. 35 of Legislative Decree 127/91, the valuation criteria correspond to those used in the financial statements of the company that prepares the consolidated financial statements.

In particular, the measurement criteria adopted in the preparation of the interim consolidated financial statements are set out below.

## INTANGIBLE ASSETS

Pursuant to art. 2426, no. 1, of the Italian Civil Code, intangible assets are recorded at purchase cost incurred.

The depreciation of intangible assets was carried out systematically and in each financial year, in relation to the residual possibility of future economic use of each individual asset or cost. The cost of the fixed assets in question, in fact, has been depreciated on the basis of a "plan" that is considered to ensure a correct distribution of the same over the period of the useful economic life of the asset to which it refers, a period which, for multi-year costs, is not more than five years.

The goodwill acquired for consideration has been recognised as an asset within the limits of the cost incurred, since, in addition to having a quantifiable value, it is originally made up of charges and costs with deferred utility over time that guarantee future economic benefits, and the related cost is recoverable. The goodwill, acquired for consideration, has been recorded in the assets and amortized for a period of five years, consequently, the amortization is carried out on this period.

If, regardless of the depreciation already accounted for, there is a lasting loss in value, the fixed asset is written down accordingly. If the conditions for the write-down are no longer met in subsequent periods, the effects are eliminated.

As of 31 December 2020, the Parent Company, in application of the provisions of art. 110 of Legislative Decree 104/2020, had proceeded with the revaluation of the "COFLE" brand, adjusting it to the actual value, estimated at a total of € 2,000,000.

It should be noted that it was not necessary to make any devaluation on the revalued trademark pursuant to art. 2426 paragraph 1 no. 3 of the CC since, as required by accounting standard OIC 9, no indicators of potential impairment losses were found.

## TANGIBLE FIXED ASSETS

As with intangible assets, the Italian Civil Code provides that tangible fixed assets are recorded in the financial statements at purchase cost, including monetary revaluations carried out in compliance with specific legal provisions and directly attributable ancillary charges, net of accumulated depreciation.

Depreciation rates are calculated systematically and constantly on the basis of economic and technical rates considered representative of the residual possibility of use of the assets.

The depreciation rates used by Group companies on owned assets are:

- Industrial and commercial buildings: 3%
- Photovoltaic system: 9%
- General Plants: 10%
- Specific Plants: 17.50%
- Specific high-tech systems: 17.50%
- Miscellaneous and small equipment: 25%
- Transport vehicles: 20%
- Passenger cars: 25%
- Office furniture and machines: 12%
- Electronic office machines and computers: 20%

If, regardless of the depreciation already accounted for, there is a lasting loss in value, the fixed asset is written down accordingly. If the conditions for the write-down are no longer met in subsequent periods, the effects are eliminated.

## FINANCIAL FIXED ASSETS

Investments in non-consolidated subsidiaries are valued using the cost method; this is reduced for impairment losses and restored if the reasons for the write-down no longer exist.

Investments in other companies and securities that constitute fixed assets are recorded at purchase or subscription cost, increased by directly attributable ancillary charges. The cost incurred is reduced in the event of impairment losses. The reduction in the purchase cost is reinstated in the year in which the reasons for the adjustment no longer existed.

Non-current receivables are recognized based on amortized cost, discounted in consideration of the time factor.

With reference to the investment in Innovation Technology Group S.r.l. and Innovation Technology Group Turkey, it should be noted that they represent a related party.

## INVENTORIES

Inventories of goods and finished products are recorded at the lower of the purchase or production cost, including directly attributable ancillary charges, and the estimated realisable value that can be inferred from market trends, through the recognition of any special allowance for impairment losses shown as a direct reduction in the value of inventories. The purchase cost is determined by using the weighted average cost method. Semi-finished products are valued based on the cost incurred, in relation to the processing phase reached at the end of the year.

## RECEIVABLES AND PAYABLES

Receivables and payables have been recognized in the financial statements based on amortized cost, considering the time factor and, regarding receivables, the estimated realizable value, in accordance with the provisions of art. 2426, paragraph 8, of the Civil Code.

The adjustment to the presumed realizable value was made through the allocation of a provision for doubtful debts, obtained considering the general economic conditions, the sector and the country's risk.

For receivables and payables for which the application of the amortized cost method and/or discounting has been verified to be irrelevant for the purposes of the need to give a true and fair representation of the company's financial position and income statement, the recognition has been maintained, respectively, according to the presumed realizable value, or the nominal value.

They are classified as fixed assets or current assets on the basis of their destination and origin with respect to ordinary activities. The breakdown of the amounts due within and beyond the financial year is carried out with reference to the contractual or legal maturity, also taking into account facts and events that may lead to a change in the original maturity, the debtor's realistic ability to fulfil the obligation within the contractual terms and the time horizon in which, reasonably, it is believed that the credit can be claimed.

## CASH EQUIVALENTS

Cash and cash equivalents in euro are recorded at nominal value, cash and cash equivalents in other currencies are recorded in the balance sheet at the current exchange rate at the end of the year. The book value considers the interest accrued on the current account and the fees charged.

## ACCRUALS AND DEFERRALS

Accruals and deferrals are determined in such a way as to allocate to the financial year the portion of costs and income common to two or more financial years. For accruals and deferrals with a duration of several years, the conditions that had determined their original recognition were verified, adopting, where necessary, the appropriate variations.

## PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to costs and charges of a specific nature, of certain or probable existence, the amount or date of occurrence of which are undetermined at the end of the financial year. The appropriations reflect the best possible estimate on the basis of the available evidence. In the valuation of these funds, the general criteria of prudence and accrual were respected, and no generic risk funds were set up without economic justification.

## EMPLOYEE SEVERANCE PAY

Severance pay is allocated on an accrual basis during the period of employment of employees in accordance with legislation and employment contracts, net of applicable advances. The amount recorded in the financial statements reflects the debt accrued to employees' net of advances paid to them and what has been disposed of to supplementary funds according to the choice expressed by employees.

## REVENUE AND COSTS



As of 1 January 2024, accounting standard OIC 34 - Revenue came into force, which governs the criteria for recording the total price of the contract or a group of contracts, the elements of variability, the elementary accounting units, distinguishing between the recognition of revenues from the sale of goods or from the provision of services. The scope of the new accounting standard has not produced significant accounting effects or those that could be determined retroactively.

Revenue from sales is recognised when the risks and rewards associated with the sale have been substantially transferred and the amount of revenue can be reliably determined.

Revenue from the provision of services is recognised on a progress basis if the agreement between the parties provides that the seller's right to consider accrues as the service is performed and the amount attributable can be reliably measured. It seems appropriate, however, to recall that among the services provided by the Group companies, there are active rents, which fall within the cases of exclusion from the application of the principle: in these cases, the recognition of revenues takes place against the provision of the service in compliance with the accrual principle.

Costs are recognized when they relate to goods and services sold or consumed during the year, or by systematic allocation or when the future usefulness of the same can no longer be identified.

Revenues and costs are recorded net of returns, discounts, rebates and bonuses, as well as taxes directly related to the sale of products and the provision of services.

## INCOME TAXES

Current taxes are calculated on the basis of the Group's estimated taxable income.

Deferred and deferred income taxes are calculated on the temporary differences between the values of assets and liabilities determined according to statutory criteria and the corresponding values recognized for tax purposes. The recognition of deferred tax assets is subject to reasonable certainty that they are recoverable. Deferred tax assets and deferred tax liabilities are offset if they relate to offsetting taxes. The balance of the offsetting, if receivable, is recorded under "Deferred tax receivables", if liabilities, under "Provisions for risks and charges for taxes, including deferred taxes".

## FINANCIAL INSTRUMENTS

Derivative financial instruments are recorded at fair value. Changes in fair value are recognized in the income statement or, if the instrument hedges the risk of changes in the expected cash flows of another financial instrument or a forecast transaction, directly to a positive or negative equity reserve; this reserve is recognized in the income statement to the extent and at the time corresponding to the occurrence or change in the cash flows of the hedged instrument or the occurrence of the hedged transaction. If the fair value at the reporting date is positive, it is recognized under "active derivative financial instruments" under financial fixed assets or financial assets that do not constitute fixed assets. If the value is negative, it is recorded under "passive derivative financial instruments" under provisions for risks and charges. It should be noted that all derivatives have a "simple" hedging relationship (as defined by OIC 32) as they have characteristics that are very similar to those of the hedged item (nominal amount, maturities and underlying).

## INTANGIBLE ASSETS

Intangible assets total €6,197,406 (€6,407,588 as of December 31, 2024) and break down as follows:

<i>Amounts in euro</i>	30/06/2025	31/12/2024	Variations
Plant and expansion costs	127.672	255.344	(127.672)
Development costs	2.938.538	3.691.681	(753.143)
Industrial patent rights. and utiliz. Intellectual works	187.415	211.536	(24.121)
Concessions, licenses, trademarks and similar rights	1.552.257	1.606.390	(54.133)
Starting	8.430	11.240	(2.811)
Assets under construction and payments on account	1.047.097	215.819	831.278
Other	335.998	415.578	(79.579)
<b>INTANGIBLE ASSETS</b>	<b>6.197.406</b>	<b>6.407.588</b>	<b>(210.182)</b>

Changes in intangible assets are shown below:

<i>Amounts in euro</i>	Imp. costs and ampl.	Development costs	Industrial patent rights.	Concessions, licenses, trademarks	Starting	Ongoing image	Other	TOTAL
<b>HISTORICAL COST</b>								
<b>31/12/2024</b>	<b>1.276.721</b>	<b>5.560.949</b>	<b>1.420.158</b>	<b>2.094.870</b>	<b>392.385</b>	<b>215.819</b>	<b>3.887.198</b>	<b>14.848.100</b>
Increments	0	1.020	36.996	0	0	807.788	2.689	848.494
Decrements	0	0	0	0	0	0	0	0
Rerankings	0	0	0	0	0	0	0	0
Hyperinflation	0	685.056	61.996	0	0	69.052	155.945	972.050
Exchange differences	0	(1.099.460)	(98.883)	(193)	0	(45.561)	(258.801)	(1.502.898)
<b>30/06/2025</b>	<b>1.276.721</b>	<b>5.147.566</b>	<b>1.420.268</b>	<b>2.094.677</b>	<b>392.385</b>	<b>1.047.098</b>	<b>3.787.032</b>	<b>15.165.746</b>
<b>ACCUMULATED DEPRECIATION AND AMORTIZATION</b>								
<b>31/12/2024</b>	<b>1.021.376</b>	<b>1.869.269</b>	<b>1.208.621</b>	<b>488.480</b>	<b>381.145</b>	<b>0</b>	<b>3.471.618</b>	<b>8.440.509</b>
Increments	127.672	484.637	28.987	54.217	2.810	0	36.317	734.639
Decrements	0	0	0	0	0	0	0	0
Rerankings	0	0	0	0	0	0	0	0
Hyperinflation	0	221.678	68.878	0	0	0	135.304	425.859
Exchange differences	0	(366.557)	(73.634)	(278)	0	0	(192.206)	(632.674)
<b>30/06/2025</b>	<b>1.149.048</b>	<b>2.209.027</b>	<b>1.232.852</b>	<b>542.419</b>	<b>383.955</b>	<b>0</b>	<b>3.451.033</b>	<b>8.968.333</b>
<b>NET BOOK VALUE</b>								
<b>30/06/2025</b>	127.672	2.938.538	187.415	1.552.257	8.430	1.047.097	335.998	<b>6.197.406</b>
<b>31/12/2024</b>	255.345	3.691.680	211.537	1.606.390	11.240	215.819	415.580	<b>6.407.588</b>

In compliance with the provisions of Article 2427, no. 3), the installation and expansion costs amount to a total of € 127,672 and consist mainly of the costs incurred by the Parent Company in the process of admission to listing on the Euronext Growth Milan market of the Italian Stock Exchange which took place in 2021. These costs are amortized over a period of five years.

Development costs, amounting to €2,938,538, are attributable to the research and development programs that the Group companies carry out with the aim of generating increases in turnover and margins for the Group.

The item concessions, licenses, trademarks and similar rights mainly includes the revalued value of the "Cofle" brand, carried out by the Parent Company during the 2020 financial year. The decrease in the year under review is attributable to the depreciation process.

The goodwill item amounts to a total of €8,430 and includes the consolidation difference deriving from the higher values of the assets of the consolidated company Cofle France: the decrease for the year is attributable to the related amortization process.

The item assets under construction amounts to €1,047,097 and include all costs attributable to research and development programs that will be completed by the end of the year, when they will then be allocated to development costs.

Pursuant to Article 2427, no. 3-bis) of the Italian Civil Code, during the year, no significant events arose, with reference to the future production of economic results or the foreseeable useful life, such as to justify a reduction in the value of intangible assets.

## TANGIBLE FIXED ASSETS

Tangible fixed assets amounted to €11,108,688 (€12,458,256 as of December 31, 2024) and break down as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>Variations</b>
Land and buildings	3.701.479	3.749.095	(47.615)
Plant and machinery	5.283.893	6.324.799	(1.040.906)
Industrial equipment and comm.	507.131	518.638	(11.507)
Other assets	1.519.023	1.802.298	(283.275)
Assets under construction and payments on account	97.162	63.425	33.736
<b>TANGIBLE FIXED ASSETS</b>	<b>11.108.688</b>	<b>12.458.256</b>	<b>(1.349.568)</b>

Changes in tangible fixed assets during the year are shown below:

<i>Amounts in euro</i>	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Industrial and commercial equipment</b>	<b>Other assets</b>	<b>Assets under construction and payments on account</b>	<b>TOTAL</b>
<b>HISTORICAL COST</b>						
<b>31/12/2024</b>	<b>3.895.452</b>	<b>19.684.147</b>	<b>5.013.322</b>	<b>5.278.780</b>	<b>63.425</b>	<b>33.935.126</b>
Increments	0	156.411	106.372	65.087	37.420	365.289
Decrements	0	0	0	(41.091)	0	(41.091)
Rerankings	0	0	0	0	0	0
Hyperinflation	0	1.522.851	0	334.642	3.569	1.861.063
Exchange differences	(230)	(2.509.413)	(39)	(535.880)	(7.252)	(3.052.813)
<b>30/06/2025</b>	<b>3.895.222</b>	<b>18.853.996</b>	<b>5.119.655</b>	<b>5.101.539</b>	<b>97.162</b>	<b>33.067.574</b>
<b>ACCUMULATED DEPRECIATION AND AMORTIZATION</b>						
<b>31/12/2024</b>	<b>146.358</b>	<b>13.359.348</b>	<b>4.494.684</b>	<b>3.476.482</b>	<b>0</b>	<b>21.476.871</b>
Increments	47.615	881.663	117.876	198.306	0	1.245.462
Decrements	0	0	0	(1.569)	0	(1.569)
Rerankings	0	0	0	0	0	0
Hyperinflation	0	924.534	0	242.509	0	1.167.043
Exchange differences	(232)	(1.595.443)	(37)	(333.214)	0	(1.928.925)
<b>30/06/2025</b>	<b>193.741</b>	<b>13.570.102</b>	<b>4.612.523</b>	<b>3.582.515</b>	<b>0</b>	<b>21.958.881</b>

**NET BOOK VALUE**

<b>30/06/2025</b>	3.701.479	5.283.893	507.131	1.519.023	97.162	<b>11.108.688</b>
<b>31/12/2024</b>	3.749.095	6.324.799	518.638	1.802.299	63.425	<b>12.458.256</b>

Land and buildings amounted to a total of € 3,701,479 and the change for the year is attributable to the depreciation process.

The item plant and machinery, amounting to €5,283,893, shows investments of €156,411 and depreciation and amortisation of €881,663. Investments are equally distributed between the Parent Company and the two Turkish subsidiaries in order to maintain the level of production efficiency required by the market.

The other assets amount to € 1,519,023 and are attributable to furniture and furnishings, electronic office machines and vehicles.

Pursuant to Article 2427, no. 3-bis) of the Italian Civil Code, during the year, no significant events arose, with reference to the future production of economic results or the foreseeable useful life, such as to justify a reduction in the value of tangible fixed assets.

**FINANCIAL FIXED ASSETS**

Financial fixed assets totalled €320,616 (€320,780 as of 31 December 2024) and break down as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>Variations</b>
Investments in associated companies	5.231	5.514	(284)
Other companies	2.486	2.811	(325)
Receivables from associated companies	100.000	100.000	0
Other titles	151.308	155.393	(4.085)
Active derivative financial instruments	61.592	57.062	4.530
<b>FINANCIAL ASSETS</b>	<b>320.616</b>	<b>320.780</b>	<b>(164)</b>

The item equity investments in associates is attributable to the 20% share capital of Innovation Technology Group S.r.l. (an R&D company, based in Vaprio D'Adda) for €4,000: as of December 31, 2024, the associate had shareholders' equity of €128,535 and a profit for the year of €23,563. In addition, during the 2022 financial year, the Turkish subsidiary Cofle TK subscribed 20% of the newly established Innovation Technology Group Turkey.

Receivables from associated companies, due after the following year, amounting to €100,000, are due by the Parent Company against the aforementioned Italian associate.

The item of other securities, amounting to euro 151,308, mainly includes the TFM policy taken out during the period by the Parent Company in favor of the Directors with proxy for euro 102,000.

Derivative financial instruments assets, amounting to euro 61,592, include the *positive mark-to-market*, at the balance sheet date, of the hedging derivative subscribed by the Parent Company, at the same time as taking out a loan, in past years.

**INVENTORIES**

Inventories total €17,568,678 (€18,919,715 as of December 31, 2024) and break down as follows:



<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>Variations</b>
Raw materials, supplies and consumables	10.926.432	12.027.615	(1.101.183)
Work in progress and semi-finished products	933.623	830.600	103.023
Finished Products & Goods	5.340.892	5.042.647	298.245
Advances	367.731	1.018.854	(651.123)
<b>INVENTORIES</b>	<b>17.568.678</b>	<b>18.919.715</b>	<b>(1.351.037)</b>

Inventories are stated net of a provision for impairment losses of €408,202, estimated based on inventory turnover or inventory obsolescence: from the analyses carried out, it was deemed appropriate to supplement the provision for impairment losses by €55,553.

## CREDITS

The item receivables amount to a total of €13,041,634 (€15,173,123 as of December 31, 2024) and is composed as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>Variations</b>
Customers to customers	10.608.847	11.769.292	(1.160.444)
Tax credits	1.425.776	1.928.155	(502.379)
Deferred tax assets	287.270	307.445	(20.176)
Receivables from others	719.741	1.168.231	(448.490)
<b>CREDITS</b>	<b>13.041.634</b>	<b>15.173.123</b>	<b>(2.131.488)</b>

All these receivables are due within the financial year.

The breakdown by region is as follows:

<i>Amounts in euro</i>	<b>Italy</b>	<b>Europe</b>	<b>World</b>	<b>Total</b>
Customers to customers	1.235.772	8.605.964	767.111	10.608.847
Tax credits	521.517	496.713	407.547	1.425.776
Deferred tax assets	287.270	0	0	287.270
Receivables from others	274.870	298.935	145.935	719.741
<b>RECEIVABLES BY GEOGRAPHICAL AREA</b>	<b>2.319.429</b>	<b>9.401.613</b>	<b>1.320.593</b>	<b>13.041.634</b>

Pursuant to art. 2427, no. 6) of the Italian Civil Code, as of 30 June 2025, receivables with a maturity of more than five years are not recorded in the interim consolidated financial statements.

On the other hand, about foreign currency receivables, as required by art. 2427, no. 6-bis), there were no significant effects of changes in currency exchange rates that occurred after the end of the year.

Furthermore, in compliance with art. 2427, no. 6-ter), as of 30 June 2025, receivables relating to transactions that provide for the obligation of the purchaser to retrocede forward are not recorded in the interim consolidated financial statements.

## RECEIVABLES FROM CUSTOMERS

Receivables from customers, fully due within the following year, amounted to a total of €10,608,847 (€11,769,292 as at 31 December 2024) and are divided as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>Variations</b>
Italy	1.235.772	860.236	375.536
Europe	8.605.964	10.293.633	(1.687.668)
World	767.111	615.423	151.688
<b>RECEIVABLES FROM CUSTOMERS</b>	<b>10.608.847</b>	<b>11.769.292</b>	<b>(1.160.444)</b>

The adjustment of the nominal value of the receivables to the presumed realizable value was obtained through a special provision for doubtful accounts which, as of June 30, 2025, amounted to €19,718 depending on the receivables due on.

## TAX CREDITS

Tax receivables amount to a total of €1,425,776 (€1,928,155 as of December 31, 2024) and are made up as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>Variations</b>
Tax credits	219.292	140.743	78.549
Tax advances	494.809	666.906	(172.097)
VAT	711.676	1.120.506	(408.830)
<b>TAX RECEIVABLES</b>	<b>1.425.776</b>	<b>1.928.155</b>	<b>(502.378)</b>

Tax receivables consist mainly of the VAT credit accrued mainly by the Parent Company and Turkish companies: the decrease in the year is mainly attributable to the use in offsetting against other taxes.

## DEFERRED TAX CREDITS

Deferred tax assets amounted to a total of €287,270 (€307,445 as of December 31, 2024) and are counted with reference to temporary differences that can be deducted in the coming years, as well as in relation to the elimination of intercompany margins.

## RECEIVABLES FROM OTHERS

Receivables from others amounted to a total of €719,741 (€1,168,321 as of December 31, 2024) and are mainly attributable to €251,278 to security deposits, €314,844 to advances from employees and suppliers, €35,091 to interest income to be paid and €113,241 to repayments to be received.

## CASH EQUIVALENTS

Cash and cash equivalents amounted to a total of €8,652,786 (€8,073,082 as of December 31, 2024) and are made up as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>Variations</b>
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	Accounts	Cash in the cash register	Accounts	Cash in the cash register	Accounts	Cash in the cash register
Cofle S.p.A.	5.565.062	2.687	6.262.875	2.620	(697.813)	68
Cofle Brasil	259.858	20	136.157	287	123.701	(268)
Cofle France	5.117	0	5.938	0	(821)	0
Cofle Taylor India	32.850	1.149	81.546	489	(48.695)	659
Cofle TK	2.323.812	589	1.205.198	796	1.118.614	(207)
Tabo Otomotiv	450.681	1.271	368.330	1.445	82.351	(173)
Zhuji Cofle	9.689	0	7.400	0	2.289	0
<b>CASH HOLDINGS</b>	<b>8.647.070</b>	<b>5.716</b>	<b>8.067.445</b>	<b>5.637</b>	<b>579.625</b>	<b>79</b>

### ACCRUED INCOME AND DEFERRED INCOME

Accrued income and deferred income amounted to a total of €725,935 (€493,531 on 31 December 2024), mainly attributable to costs pertaining to the following period.

Finally, in compliance with art. 2427, no. 8) of the Italian Civil Code, during the year no financial charges were charged to the asset values of the balance sheet.

## EQUITY

Shareholders' equity totals €22,137,096 (€26,896,430 as of December 31, 2024), of which the Group amounting to €19,996,958 (€24,146,260 as of December 31, 2024) and is composed as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>Variations</b>
Share capital	615.600	615.600	0
Reserves	2.195.692	5.226.973	(3.031.280)
Retained earnings / (losses)	20.688.767	24.181.054	(3.492.287)
Profit / (loss)	(2.921.507)	(5.295.773)	2.374.266
Negative reserve for treasury shares held in portfolio	(581.593)	(581.593)	0
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>19.996.958</b>	<b>24.146.260</b>	<b>(4.149.302)</b>
Minority interests	2.140.138	2.750.171	(610.033)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>22.137.096</b>	<b>26.896.430</b>	<b>(4.759.335)</b>

Changes in shareholders' equity for the year are shown below:

<i>Amounts in euro</i>	<b>31/12/2024</b>	<b>Result e.g. previous</b>	<b>Hyperinflation</b>	<b>Other movements</b>	<b>Result</b>	<b>30/06/2025</b>
Capital	615.600	0	0	0	0	615.600
Res. Sovr. Actions	14.916.771	0	0	0	0	14.916.771
Res. Revaluation	2.434.930	0	0	0	0	2.434.930
Res. Legal	123.120	0	0	0	0	123.120
Res. Consolidation	619.229	0	0	0	0	619.229
Res. conversion from conso. foreign	(12.924.139)	0	0	(3.035.811)	0	(15.959.949)
Res. Oper. Flows Fin. Expected	57.062	0	0	4.530	0	61.592
Retained earnings (losses)	24.181.054	(5.295.773)	1.803.487	0	0	20.688.768
Profit (loss)	(5.295.773)	5.295.773	0	0	(2.921.507)	(2.921.507)
Res. Neg. for treasury shares	(581.593)	0	0	0	0	(581.593)
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>24.146.260</b>	<b>0</b>	<b>1.803.487</b>	<b>(3.031.280)</b>	<b>(2.921.507)</b>	<b>19.996.959</b>
Capital and Third Party Reserves	3.026.432	(276.262)	295.656	(531.818)	0	2.514.009
Minority interests	(276.262)	276.262	0	0	(373.871)	(373.871)
<b>MINORITY INTERESTS</b>	<b>2.750.171</b>	<b>0</b>	<b>295.656</b>	<b>(531.818)</b>	<b>(373.871)</b>	<b>2.140.138</b>
<b>EQUITY</b>	<b>26.896.430</b>	<b>0</b>	<b>2.099.142</b>	<b>(3.563.098)</b>	<b>(3.295.378)</b>	<b>22.137.096</b>

The consolidation reserve, which was established at the time of the first consolidation of the equity investments in Tabo for euro 585,119 and in Zhuji Cofle for euro 34,110, did not change during the period.

The foreign consolidation translation reserve changed during the year by euro (3,035,811) because of the change in the exchange rates applied when translating the financial statements of the foreign subsidiaries denominated in currencies other than euro.

The reserve for hedging transactions of expected cash flows includes the positive "market to market" value of derivative instruments outstanding at the end of the year, equal to euro 61,592.

Retained earnings (losses) amounted to €20,688,767, showing a net change of €3,492,287. The main incremental movements are attributable to the carryforward of part of the result for the year 2024 for euro 5,295,773 and the currency revaluation due to hyperinflation for euro 1,803,487.

The negative reserve for treasury shares in the portfolio amounted to euro 581,593 and did not change during the period.

The reconciliation between the Parent Company's shareholders' equity and profit for the year and the corresponding consolidated figures as of 30 June 2025 is set out below:

<i>Amounts in euro</i>	30/06/2025		31/12/2024	
	Result	Patr. Net	Result	Patr. Net
Cofle S.p.A.	(2.978.737)	20.890.944	(5.593.230)	25.097.480
Pro-rata results for consolidated companies	9.752	221.144	1.347.587	211.392
Intragroup dividends	0	0	(1.464.052)	0
Intra-group write-downs	(6.941)	176.533	122.087	183.474
Goodwill and allocated gains	(2.811)	(387.221)	(5.621)	(384.411)
Elimination of intra-group profits	57.230	(923.093)	297.465	(980.323)
Other consolidation adjustments	0	18.652	(9)	18.648
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>(2.921.507)</b>	<b>19.996.959</b>	<b>(5.295.774)</b>	<b>24.146.260</b>

## PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges amounted to a total of €1,122,085 (€888,235 as of December 31, 2024) and are presented as follows:

<i>Amounts in euro</i>	30/06/2025	31/12/2024	Variations
Retirement funds and similar obligations	206.482	203.077	3.405
Provisions for taxes, including deferred taxes	907.683	678.050	229.633
Other	7.920	7.108	812
<b>PROVISIONS FOR RISKS AND CHARGES</b>	<b>1.122.085</b>	<b>888.235</b>	<b>233.850</b>

The provision for risks for retirement benefits includes the TFM provision booked to Directors with proxies.

The provision for deferred tax assets amounted to euro 907,683 and the increase in the period is attributable to the effect of hyperinflation on the deferred liabilities of the Turkish subsidiaries.

## EMPLOYEE SEVERANCE PAY

Employee severance indemnities amounted to a total of €488,855 (€538,845 as at 31 December 2024) and changes for the year are as follows:

<i>Amounts in euro</i>	31/12/2024	Increment	Decrement	30/06/2025
Severance pay sub.	538.845	20.020	(70.010)	488.855
<b>PROVISION FOR SEVERANCE INDEMNITY</b>	<b>538.845</b>	<b>20.020</b>	<b>(70.010)</b>	<b>488.855</b>



The provision is mainly attributable to the Parent Company and uses are mainly attributable to the liquidation of discontinued employees.

## DEBTS

The item payables amount to a total of €33,274,971 (€32,938,875 as of December 31, 2024) and is composed as follows:

Amounts in euro	30/06/2025		31/12/2024		Variations	
	Within	Beyond	Within	Beyond	Within	Beyond
Bonds	3.439.173	0	3.929.174	0	(490.001)	0
Payables to banks	11.281.343	5.705.034	12.792.103	4.915.886	(1.510.761)	789.148
Payables to other lenders	138.346	280.037	126.510	349.210	11.835	(69.173)
Advances	131.760	0	46.155	0	85.604	0
Payables to suppliers	8.843.467	0	7.286.293	0	1.557.175	0
Payables to associated companies	0	0	1.004	0	(1.004)	0
Tax debts	342.293	0	523.501	0	(181.207)	0
Payables to Ist. of prev. and sic. social	270.750	0	491.406	0	(220.656)	0
Other payables	2.842.768	0	2.477.632	0	365.136	0
<b>DEBTS</b>	<b>27.289.899</b>	<b>5.985.071</b>	<b>27.673.778</b>	<b>5.265.096</b>	<b>(383.879)</b>	<b>719.975</b>

The breakdown by region is as follows:

Amounts in euro	Italy	Europe	World	Total
Bonds	3.439.173	0	0	3.439.173
Payables to banks	6.891.751	10.094.625	0	16.986.376
Payables to other lenders	418.383	0	0	418.383
Advances	25.575	106.185	0	131.760
Payables to suppliers	2.429.386	5.255.120	1.158.962	8.843.467
Tax debts	80.541	231.653	30.099	342.293
Payables to social security institutions	84.785	183.003	2.963	270.750
Other payables	1.801.028	964.937	76.803	2.842.768
<b>PAYABLES BY GEOGRAPHICAL AREA</b>	<b>15.170.622</b>	<b>16.835.523</b>	<b>1.268.826</b>	<b>33.274.971</b>

Pursuant to art. 2427, no. 6) of the Italian Civil Code, as of 30 June 2025, payables secured by collateral on company assets are not recorded in the consolidated interim financial statements, with the exception of what is reported below in the notes to the financial statements in the paragraph "other information".

On the other hand, regarding foreign currency debts, as required by art. 2427, no. 6-bis), there were no significant effects of changes in currency exchange rates that occurred after the end of the year.

Furthermore, in compliance with art. 2427, no. 6-ter), as of 30 June 2025, payables relating to transactions that provide for the obligation for the purchaser to retrocede forward are not recorded in the interim consolidated financial statements.

## BONDS

In 2022, the Parent Company, to support new growth initiatives in Italy, subscribed to a non-convertible bond loan, with a total nominal amount of €5,000,000, consisting of 50 bonds, with a nominal value of €100,000 each.

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

The repayment of the bonds at par is expected in 10 semi-annual installments of €500,000 each starting from April 21, 2024.

The debt for bonds was accounted for according to the amortized cost method, therefore the initial book value, represented by the nominal value of the debt, was net of transaction costs and the "time factor" was taken into account in the valuation of the debt: as of June 30, 2025, the debt amounted to €3,439,173 also due to the repayment of the repayment of an installment in the period for a total of €500,000. During the 2025 financial year, on 21 October 2025, an additional instalment for a total of €500,000 will fall due, for which the Parent Company has the necessary financial provisions to fulfil the relevant payment. As part of the financial commitments included in the subscription agreement, the Group is required to comply with 2 financial parameters for the entire duration of the contract: as of December 31, 2024, the *leverage ratio* was higher than that required by the regulation and this case represented a *significant* event which could have requested the early redemption of the Bonds. However, the administrative body of the Parent Company, in its capacity as Issuer, promptly activated the procedures necessary to obtain the *waiver* and review the financial parameters: with regard to the 2024 reference period, the "Holders of Securities" resolved in favor of the waiver request on 22 April 2025. Negotiations for the renegotiation of the financial parameters until the end of the bond loan are currently being defined and, in the case governed by paragraph 24 of OIC 19, the debt as at 30 June 2025 has been classified as due in the year.

## PAYABLES TO BANKS

Payables to banks amounted to a total of €16,986,376 (€17,707,989 as of December 31, 2024) and consisted mainly of payables for mortgages and loans received.

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>Variations</b>
Cofle S.p.A.	6.891.751	7.960.303	(1.068.552)
Cofle TK	7.225.958	7.548.398	(322.439)
Cofle Tabo	2.868.667	2.199.288	669.378
<b>PAYABLES TO BANKS</b>	<b>16.986.376</b>	<b>17.707.989</b>	<b>(721.613)</b>

The change in the Parent Company's loans is attributable to the regular repayment of overdue loan instalments and accounts, advances, invoices and cash flows.

The Turkish subsidiaries, in addition to having repaid part of the overdue installments, also extinguished the loans receivable in the previous year, obtaining new ones at more advantageous conditions both in terms of lower interest rates, compared to the average applied, and higher remuneration for the existing funds on current accounts.

Overall, therefore, the Group's short-term debt is mainly characterized by forms of bank credit granted on a continuous basis (so-called "revolving").

## PAYABLES TO OTHER LENDERS

Payables to other lenders amounted to €418,383 (€475,721 at 31 December 2024) and include the three subsidized loans contracted by the Parent Company with SIMEST. The change in the period is attributable to the repayment of the overdue installments.

#### PAYABLES TO SUPPLIERS

Payables to suppliers amounted to a total of €8,843,467 (€7,286,293 on 31 December 2024) and mainly refer to the purchase of raw materials and services.

#### TAX DEBTS

Tax payables amounted to €342,293 (€523,501 as of 31 December 2024) and consist of withholding taxes on income from employment and self-employment, taxes and duties to be paid to the country to which they belong.

#### PAYABLES TO SOCIAL SECURITY INSTITUTIONS

Payables to social security institutions amount to a total of €270,750 (€491,406 as of 31 December 2024) and refer to the payables of the various Group companies to INPS, INAIL and other similar social security and welfare institutions in foreign countries.

#### OTHER PAYABLES

Other payables amounted to €2,842,768 (€2,477,632 as of 31 December 2024) and are mainly attributable to payables to employees for wages, holidays and leave.

#### ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income amounted to a total of €592,738 (€583,688 on 31 December 2024), mainly attributable, in addition to accrued expenses on interest expenses and commission charges, to non-repayable grants received by the Parent Company against Simest loans spread over the entire duration of the amortization plan.

## VALUE OF PRODUCTION

The value of production amounted to €26,317,942 (€31,781,047 as of June 30, 2024) and is represented as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>30/06/2024</b>	<b>Variations</b>
Revenue from sales and services	24.430.863	31.141.172	(6.710.308)
Var. of the rims. of prod. in corso di lav., semilav. and finished	1.667.781	261.420	1.406.361
Other income and income	219.297	378.456	(159.158)
<b>VALUE OF PRODUCTION</b>	<b>26.317.942</b>	<b>31.781.047</b>	<b>(5.463.106)</b>

Regarding the decrease in turnover, please refer to the report on operations regarding the performance of the period: the value of production shows a decrease of 17.2% mainly attributable to the turnover of the period which shows a decrease of 21.5%.

The breakdown by geographical area is shown below:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>30/06/2024</b>	<b>Variations</b>
Italy	4.802.105	5.386.547	(584.443)
Europe	18.180.323	24.865.402	(6.685.078)
World	1.448.436	889.223	559.213
<b>REVENUES FROM SALES AND SERVICES</b>	<b>24.430.863</b>	<b>31.141.172</b>	<b>(6.710.308)</b>

## PRODUCTION COSTS

Production costs amounted to €27,189,195 (€30,463,139 as of June 30, 2024) and is composed as follows:

<i>Amounts in euro</i>	<b>30/06/2025</b>	<b>30/06/2024</b>	<b>Variations</b>
Raw materials, supplies, consumables and goods	11.307.606	12.226.251	(918.645)
Services	4.653.216	5.992.976	(1.339.760)
Use of leasehold assets	990.394	1.042.090	(51.696)
Staff	8.371.519	8.795.392	(423.873)
Depreciation, amortization and impairment losses	1.980.100	2.288.529	(308.428)
Var. of the inventories of mat. Prime, Ancillary, Consumer and Goods	(516.016)	(243.106)	(272.911)
Provision for risks	57.619	0	57.619
Miscellaneous operating costs	344.756	361.008	(16.252)
<b>PRODUCTION COSTS</b>	<b>27.189.195</b>	<b>30.463.139</b>	<b>(3.273.945)</b>

Overall, the decrease in the item amounted to €3,273,945, i.e. approximately 10.7% compared to June 30, 2024, and is mainly attributable to the decrease in the purchase costs of raw materials, which followed the decline in turnover and costs for services, which benefited from the spending review adopted during the period. Labour costs also decreased by approximately 4.8% compared to the same period of the previous year: this item includes the indemnities paid to dismissed personnel as part of the reorganization of the Group and the salary increase envisaged by the renegotiation of the collective agreements of the Turkish subsidiaries.

## FINANCIAL INCOME AND EXPENSES

Financial management for the year was negative for euro 2,124,432 (negative for euro 3,214,092 on June 30, 2024), mainly due to the *monetary gains and losses* of the monetary revaluation of hyperinflation and the higher losses deriving from valuation items.

#### DEFERRED AND PREPAID INCOME TAXES FOR THE YEAR

Tax management for the year shows a balance of €299,693 (€212,844 on 30 June 2024), entirely attributable to deferred taxes.



## OTHER DETAILED INFORMATION

### COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES NOT SHOWN IN THE BALANCE SHEET

Pursuant to art. 2427, no. 9) of the Italian Civil Code, the Group has entered a commitment to take over the leasing contract of the associated company for a total of €533,400, for leasing contracts expiring for a total of €40,061. The Parent Company also issued a mortgage of € 2,100,000 in favour of a bank to guarantee the payment of the loan relating to the purchase of the building in Trezzo sull'Adda.

### REVENUE ITEMS AND COSTS OF EXCEPTIONAL MAGNITUDE OR IMPACT

Pursuant to art. 2427, no. 13) of the Civil Code, they did not record revenues and costs of exceptional magnitude or incidence.

### AVERAGE NUMBER OF EMPLOYEES

Pursuant to art. 2427, no. 15) of the Italian Civil Code, the average number of Group employees is shown separately by category:

Qualification	30/06/2025			31/12/2024		
	Group leader	Check	Total	Group leader	Check	Total
Executives, middle managers, clerical workers	46	76	122	49	81	130
Workers	103	264	367	103	325	428
<b>AVERAGE HEADCOUNT</b>	<b>149</b>	<b>340</b>	<b>489</b>	<b>152</b>	<b>406</b>	<b>558</b>

### REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

Pursuant to art. 2427, no. 16) of the Italian Civil Code, the total remuneration due to the directors and members of the board of statutory auditors of the parent company, including those relating to the performance of these functions also in other companies included in the consolidation, are reported. The directors were paid a total remuneration of € 352,300. The Board of Statutory Auditors of the parent company was paid total remuneration of €16,000.

### INFORMATION ON THE SHARE CAPITAL

Pursuant to art. 2427, no. 17) of the Italian Civil Code, it should be noted that the share capital is equal to € 615,599.60, divided into 6,155,996 ordinary shares with a nominal value of € 0.10 each.

### DIVIDEND SHARES, BONDS CONVERTIBLE INTO SHARES, SECURITIES ISSUED

Pursuant to art. 2427, no. 18) of the Italian Civil Code, it is reported that on 29 November 2024, the warrants issued by the Parent Company, in conjunction with the capital increase for the year 2021 and the consequent listing on the EGM market of the Italian Stock Exchange, ceased to be valid.

## DERIVATIVE FINANCIAL INSTRUMENTS

Pursuant to art. 2427, no. 19) of the Italian Civil Code, it should be noted that the Group has not issued financial instruments conferring property or equity rights.

As of June 30, 2025, the Group has 2 hedging derivative contracts signed at the same time as taking out two loans.

In compliance with the requirements of the Italian Civil Code, it should be noted that the fair value (mark to market) of the above-mentioned derivative contracts, as of June 30, 2025, is positive, for a total of euro 61,592.

## LOANS MADE BY MEMBERS

Pursuant to art. 2427, no. 19-bis) of the Italian Civil Code, it is reported that the Group has not received loans from shareholders.

## ASSETS ALLOCATED TO A SPECIFIC BUSINESS

Pursuant to art. 2427, no. 20) of the Italian Civil Code, it is reported that the Group has no assets intended for a specific business.

## TRANSACTIONS WITH RELATED PARTIES

Pursuant to art. 2427, no. 22-bis) of the Italian Civil Code, it should be noted that, during the year, no atypical and/or unusual transactions were carried out which, due to their significance and/or significance, could give rise to doubts regarding the protection of the company's assets, either with subsidiaries, associates or other related parties or with parties other than related parties.

During the year, transactions with related parties were concluded in market conditions.

At the end of the year, the transactions with the parent company and related parties are summarized in the receivables and payables and the consequent income components:

<i>Amounts in euro</i>	<b>Trade Receivables</b>	<b>Trade payables</b>	<b>Financial Receivables</b>	<b>Financial payables</b>	<b>Revenue s</b>	<b>Costs</b>
Valdiporto S.r.l.	79.514	0	0	0	0	273.871
Innovation Technology Group S.r.l.	1.000	0	100.000	0	6.400	4.500
Innovation Technology Group Turkey	0	348	0	0	3.955	51.167
Studio Facchin Assi S.a.s.	0	0	0	0	0	41.613
Smart Capital S.p.A.	0	0	0	0	0	0
Ginini Danışmanlık Hizmetleri	0	4.211	0	0	0	39.871
Taylor Rubber Private Limited	0	48.185	0	0	0	219.967
JLG contabilidade Ltda	0	0	0	0	0	6.944
<b>RELATED PARTIES</b>	<b>80.514</b>	<b>52.744</b>	<b>100.000</b>	<b>0</b>	<b>10.355</b>	<b>637.933</b>

## AGREEMENTS NOT SHOWN IN THE BALANCE SHEET

Pursuant to art. 2427, no. 22-ter) of the Italian Civil Code, it should be noted that there are no agreements not resulting from the interim balance sheet, which could significantly influence the interim balance sheet and financial position and the interim economic result of the Group.

### SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

Pursuant to art. 2427, no. 22-quarter) of the Italian Civil Code, it should be noted that there were no significant events after the end of the period that had a significant impact on the Group's interim balance sheet, financial and economic performance.

### COMPANIES THAT PREPARE CONSOLIDATED FINANCIAL STATEMENTS AS A WHOLE

Pursuant to art. 2427, no. 22-quinquies) of the Italian Civil Code, the Group is consolidated by Finan.co S.r.l., with registered office in Vimercate (MB).

### MANAGEMENT AND COORDINATION ACTIVITIES

Pursuant to art. 2497-bis of the Italian Civil Code, the Parent Company is not subject to management and coordination activities.

### INFORMATION PURSUANT TO ARTICLE 1, PARAGRAPH 125, LAW NO. 124 OF 4 AUGUST 2017

Pursuant to the provisions of art. 3-quarter of Decree-Law 135/2018 and art.35 of Decree-Law 34/2019 for the disbursements received, please refer to the indications contained in the National Register of State Aid, Transparency section, which provides the overall picture of the disbursements made by public bodies.

With reference to disbursements, and based on the interpretation of Assonime Circular 5/2019, the following do not fall within the scope of application:

- sums received as consideration for public works, services and supplies or due as compensation.
- paid assignments falling within the typical exercise of the company's activity.
- the forms of incentive/subsidy received under 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 contributions received from interprofessional funds established in the legal form of association.

Disbursements are identified according to the cash criterion; As required by the law, disbursements of less than € 10,000 per donor are excluded.

However, the following is a summary of grants, contributions and economic benefits received by public administrations during the 2025 financial year:

<i>Amounts in euro</i>	<b>Granting Entity</b>	<b>Amount</b>
SIMEST non-repayable grant – Fiere Italia Estero	SIMEST	2.730
SIMEST non-repayable grant – Company capitalization	SIMEST	18.177
SIMEST non-repayable grant – Digital and ecological transition	SIMEST	5.719
<b>CONTRIBUTIONS</b>		<b>26.626</b>

TREZZO SULL'ADDA, 29 SEPTEMBER 2025

THE PRESIDENT OF THE BOARD OF DIRECTORS

WALTER BARBIERI

