

GEFRAN

BEYOND TECHNOLOGY



GEFRAN GROUP

Interim financial statements
as at 31 March 2024



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Corporate Bodies

Board of Directors

Chairwoman	Maria Chiara Franceschetti
Vice Chairman	Andrea Franceschetti
Vice Chairwoman	Giovanna Franceschetti
Chief Executive Officer	Marcello Perini
Director	Alessandra Maraffini (*)
Director	Enrico Zampedri (*)
Director	Cristina Mollis (*)
Director	Giorgio Metta (*)
Director	Luigi Franceschetti

(*) Independent directors pursuant to the Consolidated Law on Finance (TUF) and the Corporate Governance Code

Board of Statutory Auditors

Chairman	Giorgio Alberti
Standing auditor	Roberta dell'Apa
Standing auditor	Luisa Anselmi
Deputy auditor	Simona Bonomelli
Deputy auditor	Simonetta Ciochi

Control and Risks Committee

- Alessandra Maraffini
- Luigi Franceschetti
- Enrico Zampedri

Appointments and Remuneration Committee

- Cristina Mollis
- Giorgio Metta
- Enrico Zampedri

Sustainability Committee

- Giovanna Franceschetti
- Marcello Perini
- Cristina Mollis

External auditor

PricewaterhouseCoopers S.p.A.

On 21 April 2016, the ordinary shareholders' meeting of Gefran S.p.A. engaged the external auditor PricewaterhouseCoopers S.p.A. to audit the separate annual financial statement of Gefran S.p.A., as well as the consolidated annual and half-yearly financial statements of the Gefran Group for a period of nine years until the approval of the financial statements report for 2024, in accordance with Italian Legislative Decree no. 39/2010.

Key consolidated economic, financial, equity and operating figures

The amounts shown below only refer to continuing operations, unless otherwise specified.

Group income statement highlights

(Euro /000)	31 March 2024		31 March 2023	
Revenues	34,156	100.0%	36,064	100.0%
EBITDA	7,128	20.9%	8,239	22.8%
EBIT	5,107	15.0%	6,369	17.7%
Profit (loss) before tax	5,164	15.1%	6,270	17.4%
Result from operating activities	3,808	11.1%	3,924	10.9%
Net profit (loss) from assets held for sale and discontinued operations	-	0.0%	(31)	-0.1%
Group net profit (loss)	3,808	11.1%	3,893	10.8%

Group statement of financial position highlights

(Euro /000)	31 March 2024	31 December 2023
Invested capital from operations	74,396	71,279
Net working capital	25,733	22,136
Shareholders' equity	97,951	93,941
Net debt relating to operations	23,555	22,662

(Euro /000)	31 March 2024	31 March 2023
Operating cash flow from operations	2,963	1,880
Investments in operations	1,390	2,309

Alternative performance indicators

In addition to the standard financial schedules and indicators required under IFRS, this document includes some reclassified schedules and alternative performance indicators. These are intended to enable a better assessment of the Group's economic and financial management. However, these tables and indicators must not be considered as a substitute for those required under IFRS.

Specifically, the alternative indicators used in the notes to the income statement are:

- **Added value**: the direct margin resulting from revenues, including only direct materials, gross of other production costs, such as personnel costs, services and other sundry costs;
- **EBITDA**: this is EBIT before depreciation, amortisation and impairment. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items;
- **EBIT**: operating result before financial management and taxes. The purpose of this indicator is to present the Group's operating profitability.

Alternative indicators used in the notes to the reclassified statement of financial position are:

- **Net non-current assets**: the algebraic sum of the following items in the statement of financial position:
 - o Goodwill
 - o Intangible assets
 - o Property, plant, machinery and tools
 - o Shareholdings valued at equity
 - o Equity investments in other companies
 - o Receivables and other non-current assets
 - o Deferred tax assets
- **Working capital**: the algebraic sum of the following items in the statement of financial position:
 - o Inventories
 - o Trade receivables
 - o Trade payables
 - o Other assets
 - o Tax receivables
 - o Current provisions
 - o Tax payables
 - o Other liabilities
- **Net invested capital**: the algebraic sum of fixed assets, operating capital and provisions
- **Net financial position**: the algebraic sum of the following items:
 - o Medium/long-term financial payables
 - o Short-term financial payables
 - o Financial liabilities for derivatives
 - o Financial investments for derivatives
 - o Non-current financial investments
 - o Cash and cash equivalents and short-term financial receivables

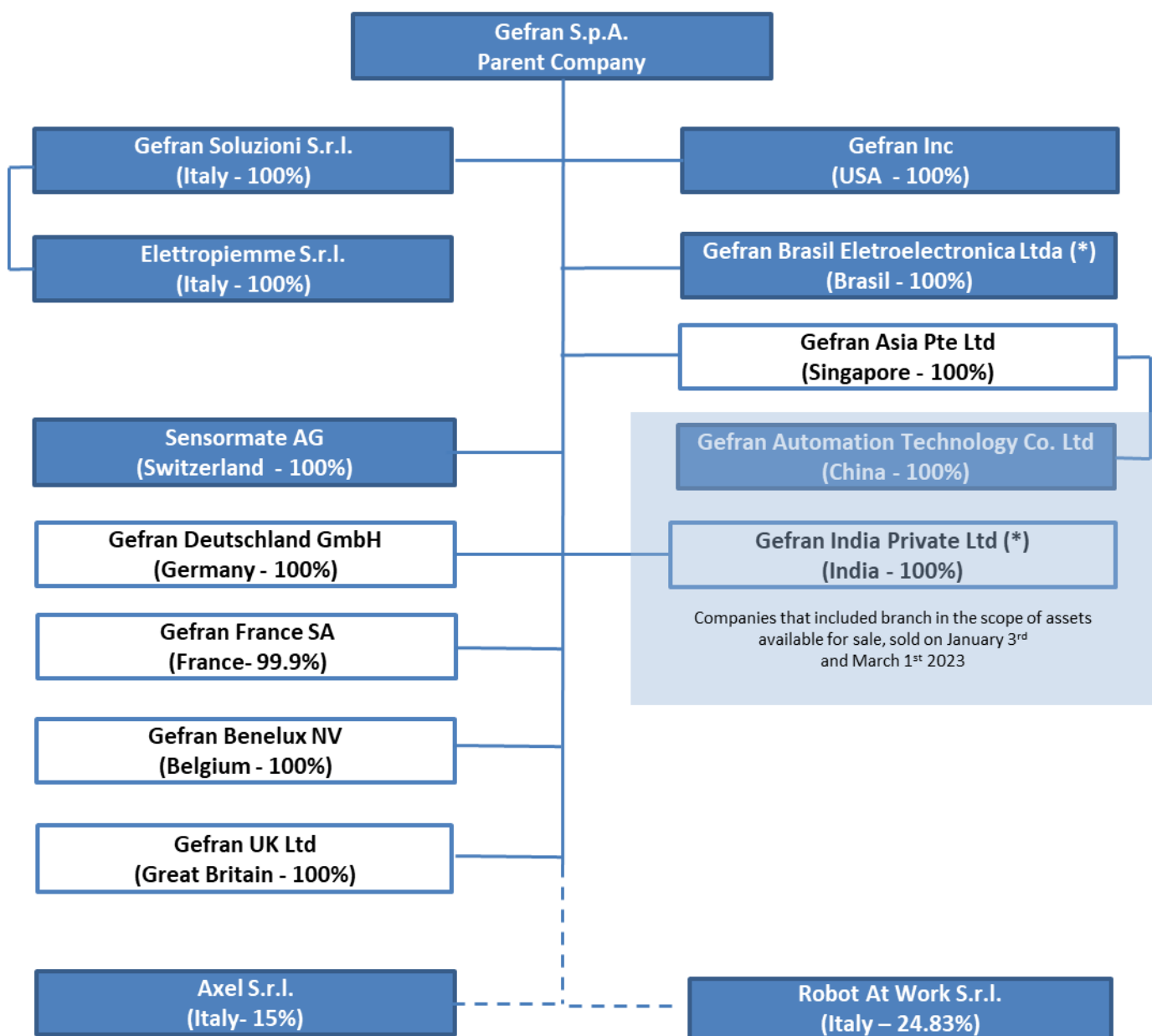


Introduction

In light of the sale of the motion business to the Brazilian group WEG S.A., defined by the framework agreement of 1 August 2022 and conducted in several phases until its conclusion during the first quarter of 2023, the Company reclassified the economic results related to the scope sold, in accordance with the provisions of IFRS 5 “Non-current assets held for sale and discontinued operations”.

This document consequently focuses on the performance of continuing operations with homogeneous comparisons, while the operational results from the assets held for sale and subsequently discontinued are described in separate paragraphs.

Group Structure



(*) Gefran India and Gefran Brasil indirectly through Sensormate AG

Consolidated financial statements

Statement of profit/(loss)

(Euro /000)	progress. 31 March	
	2024	2023
Revenue from product sales	33,638	35,538
Other revenues and income	518	526
Increases for internal work	474	445
TOTAL REVENUES	34,630	36,509
Change in inventories	(271)	1,146
Costs for raw materials and accessories	(9,810)	(11,561)
of which related parties:	(200)	-
Service costs	(5,393)	(6,031)
of which related parties:	(52)	(41)
Miscellaneous management costs	(202)	(260)
Other operating income	33	185
Personnel costs	(11,883)	(11,775)
Impairment/reversal of trade and other receivables	24	26
Amortisation and impairment of intangible assets	(452)	(478)
Depreciation and impairment of tangible assets	(1,246)	(1,098)
Depreciation/amortisation total usage rights	(323)	(294)
EBIT	5,107	6,369
Gains from financial assets	538	687
Losses from financial liabilities	(483)	(802)
(Losses) gains from shareholdings valued at equity	2	16
PROFIT (LOSS) BEFORE TAX	5,164	6,270
Current taxes	(1,489)	(2,228)
Deferred tax assets and liabilities	133	(118)
TOTAL TAXES	(1,356)	(2,346)
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUOUS OPERATING ACTIVITIES	3,808	3,924
Net profit (loss) from assets held for sale and discontinued operations	-	(31)
NET PROFIT (LOSS) FOR THE PERIOD	3,808	3,893
Attributable to:		
Group	3,808	3,893
Third parties	-	-

Earnings per share (Euro)	progress. 31 March	
	2024	2023
Basic earnings per ordinary share	0.27	0.27
Diluted earnings per ordinary share	0.27	0.27

Statement of profit/(loss) and other items of comprehensive income

(Euro /000)	progress. 31 March	
	2024	2023
NET PROFIT (LOSS) FOR THE PERIOD	3,808	3,893
Items that will not subsequently be reclassified in the statement of profit/(loss) for the period		
- equity investments in other companies	(16)	20
Items that will or could subsequently be reclassified in the statement of profit/(loss) for the period		
- conversion of foreign companies' financial statements	243	(326)
- fair value of cash flow hedging derivatives	(80)	(75)
Total changes, net of tax effect	147	(381)
Comprehensive result for the period	3,955	3,512
Attributable to:		
Group	3,955	3,512
Third parties	-	-

Statement of financial position

(Euro /000)	31 March 2024	31 December 2023
NON-CURRENT ACTIVITIES		
Goodwill	5,980	5,921
Intangible assets	6,427	6,419
Property, plant, machinery and tools	38,170	38,385
of which related parties:	81	294
Usage rights	3,982	3,715
Shareholdings valued at equity	727	725
Equity investments in other companies	1,910	1,926
Receivables and other non-current assets	86	88
Deferred tax assets	3,119	2,994
Non-current financial investments for derivatives	150	185
Other non-current financial investments	110	112
TOTAL NON-CURRENT ACTIVITIES	60,661	60,470
CURRENT ACTIVITIES		
Inventories	17,546	17,807
Trade receivables	26,159	23,740
of which related parties:	-	35
Other receivables and assets	4,615	4,000
Current tax receivables	999	2,008
Cash and cash equivalents	55,891	57,159
TOTAL CURRENT ACTIVITIES	105,210	104,714
TOTAL ASSETS	165,871	165,184
SHAREHOLDERS' EQUITY		
Share capital	14,400	14,400
Reserves	79,743	67,888
Profit / (Loss) for the year	3,808	11,653
Total Group Shareholders' Equity	97,951	93,941
Shareholders' equity of minority interests	-	-
TOTAL SHAREHOLDERS' EQUITY	97,951	93,941
NON-CURRENT LIABILITIES		
Non-current financial payables	20,154	21,382
Non-current financial payables for IFRS 16 leases	2,915	2,774
Non-current financial liabilities for derivatives	53	-
Employee benefits	2,113	2,103
Non-current provisions	531	531
Deferred tax provisions	937	934
TOTAL NON-CURRENT LIABILITIES	26,703	27,724
CURRENT LIABILITIES		
Current financial payables	8,361	9,633
Current financial payables for IFRS 16 leases	1,113	1,005
Trade payables	17,972	19,411
of which related parties:	395	328
Current provisions	887	899
Current tax payables	1,018	796
Other payables and liabilities	11,866	11,775
TOTAL CURRENT LIABILITIES	41,217	43,519
TOTAL LIABILITIES	67,920	71,243
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	165,871	165,184

Consolidated cash flow statement

(Euro /000)	31 March 2024	31 March 2023
(A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	57,159	44,114
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD		
Net profit (loss) for the period	3,808	3,893
Depreciation, amortisation and impairment	2,021	1,870
Provisions (Releases)	539	1,275
Capital (gains) losses on the sale of non-current assets	(1)	(3)
Net profit (loss) from assets held for sale and discontinued operations	-	(76)
Net result from financial operations	(57)	99
Taxes	1,489	2,228
Change in provisions for risks and future liabilities	(213)	(243)
Change in other assets and liabilities	(559)	(3,161)
Change in deferred taxes	(130)	120
Change in trade receivables	(2,361)	(3,267)
of which related parties:	35	3
Change in inventories	(132)	(1,592)
Change in trade payables	(1,441)	737
of which related parties:	67	(130)
TOTAL	2,963	1,880
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES		
Investments in:		
- Property, plant & equipment and intangible assets	(1,390)	(2,309)
of which related parties:	(81)	(80)
- Financial receivables	2	-
Disposal of non-current assets	1	3,449
TOTAL	(1,387)	1,140
D) FREE CASH FLOW (B+C)	1,576	3,020
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES		
Repayment of financial debts	(2,504)	(1,684)
Increase (decrease) in current financial payables	13	-
Outgoing cash flow due to IFRS 16	(319)	(287)
Taxes paid	(203)	(87)
Interest paid	(375)	(232)
Interest received	625	4
Sale (purchase) of own shares	-	(615)
TOTAL	(2,763)	(2,901)
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(1,187)	119
H) Exchange rate translation differences on cash at hand	(81)	(9)
I) NET CHANGE IN CASH AT HAND (F+G+H)	(1,268)	110
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	55,891	44,224

Statement of changes in shareholders' equity

(Euro /000)	Overall EC reserves											
	Share capital	Capital reserves	Consolidation reserve	Other reserves	Retained profit /(loss)	Fair value measurement reserve	Currency translation reserve	Other reserves	Profit/(loss) for the year	Group Total shareholders' equity	Shareholders' equity of minority interests	Total shareholders' equity
Balance at 1 January 2023	14,400	21,926	8,961	9,843	20,782	642	4,568	(387)	9,988	90,723	-	90,723
Destination of profit 2022												
- Other reserves and provisions	-	-	468	-	9,520	-	-	-	(9,988)	-	-	-
- Dividends	-	-	-	-	(5,713)	-	-	-	-	(5,713)	-	(5,713)
Income/ (Expenses) recognised at equity	-	-	-	(20)	-	(344)	-	(1)	-	(365)	-	(365)
Change in translation reserve	-	-	-	-	-	-	(995)	-	-	(995)	-	(995)
Other changes	-	-	(39)	(1,323)	-	-	-	-	-	(1,362)	-	(1,362)
Profit 2023	-	-	-	-	-	-	-	-	11,653	11,653	-	11,653
Balance at 31 December 2023	14,400	21,926	9,390	8,500	24,589	298	3,573	(388)	11,653	93,941	-	93,941
Destination of profit 2023												
- Other reserves and provisions	-	-	721	-	10,932	-	-	-	(11,653)	-	-	-
- Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Income/ (Expenses) recognised at equity	-	-	-	-	-	(96)	-	-	-	(96)	-	(96)
Change in translation reserve	-	-	-	-	-	-	243	-	-	243	-	243
Other changes	-	-	55	-	-	-	-	-	-	55	-	55
Profit 31 March 2024	-	-	-	-	-	-	-	-	3,808	3,808	-	3,808
Balance at 31 March 2024	14,400	21,926	10,166	8,500	35,521	202	3,816	(388)	3,808	97,951	-	97,951

Group performance in the first quarter of 2024

The income statement for the first quarter of 2024 is shown below, in comparison with the income statement for the same period in the fiscal year 2023.

(Euro /000)	1Q 2024	1Q 2023	Var. 2024-2023	
	Total	Total	Value	%
a Revenues	34,156	36,064	(1,908)	-5.3%
b Increases for internal work	474	445	29	6.5%
c Consumption of materials and products	10,081	10,415	(334)	-3.2%
d Added Value (a+b-c)	24,549	26,094	(1,545)	-5.9%
e Other operating costs	5,538	6,080	(542)	-8.9%
f Personnel costs	11,883	11,775	108	0.9%
g EBITDA (d-e-f)	7,128	8,239	(1,111)	-13.5%
h Depreciation, amortisation and impairment	2,021	1,870	151	8.1%
i EBIT (g-h)	5,107	6,369	(1,262)	-19.8%
l Gains (losses) from financial assets/liabilities	55	(115)	170	147.8%
m Gains (losses) from shareholdings valued at equity	2	16	(14)	n.s.
n Profit (loss) before tax (i±l±m)	5,164	6,270	(1,106)	-17.6%
o Taxes	(1,356)	(2,346)	990	-42.2%
p Result from operating activities (n±o)	3,808	3,924	(116)	-3.0%
q Net profit (loss) from assets held for sale and discontinued operations	-	(31)	31	-100.0%
r Group net profit (loss) (p±q)	3,808	3,893	(85)	-2.2%

Revenues in the first quarter of 2024 amounted to 34,156 thousand Euro, compared to 36,064 thousand Euro in the same period of the previous year, down by 1,908 thousand Euro (equal to 5.3%), which would fall to 1,622 thousand Euro (equal to 4.5%) net of the negative effect of exchange-rate changes.

It should also be noted that revenues for the first quarter of 2024 include 106 thousand Euro related to residual sales of drive products, whereas a total of 339 thousand Euro was recognised as of 31 March 2023, partly related to residual sales of drive products (242 thousand Euro) and partly for the provision of services to the WEG group (97 thousand Euro). Net of these effects, the decrease in revenues in the first quarter of 2024 compared to the same period in the previous year is more limited (equal to 4.7%).

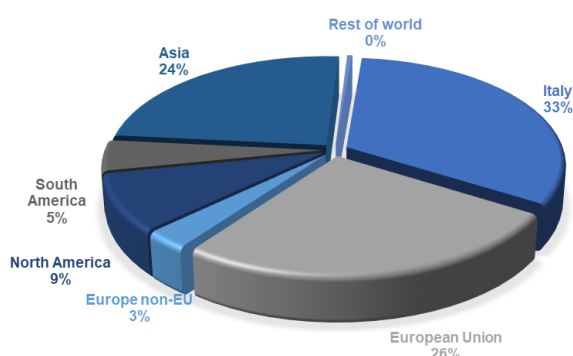
Analysing the order intake in the first quarter of 2024, compared to the figure for the same period in 2023, there was an increase (overall 1.8%), mainly driven by an increase in orders collected for the automation components business (+3.8%). For the sensors business, order intake was essentially consistent with the first quarter of the previous year, showing a slight growth (+0.6%).

The backlog at the end of the first quarter reflects an increase compared to the figure at 31 December 2023 (+10.4%), and a decrease when compared to the same figure at 31 March 2023 (-24.6%).

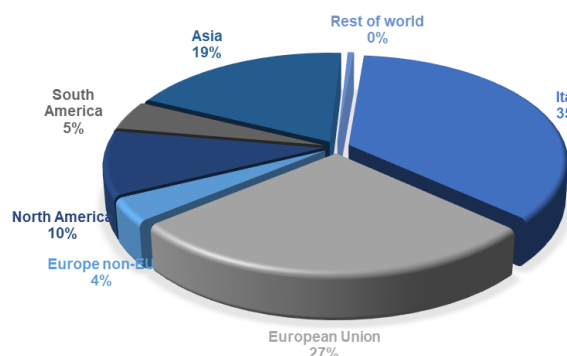
The chart below presents a breakdown of revenues in the first quarter by geographical region:

(Euro /000)	1Q 2024		1Q 2023		Var. 2024-2023	
	Value	%	Value	%	Value	%
Italy	11,081	32.4%	12,725	35.3%	(1,644)	-12.9%
European Union	8,972	26.3%	9,894	27.4%	(922)	-9.3%
Europe non-EU	991	2.9%	1,326	3.7%	(335)	-25.3%
North America	3,023	8.9%	3,586	9.9%	(563)	-15.7%
South America	1,617	4.7%	1,627	4.5%	(10)	-0.6%
Asia	8,331	24.4%	6,722	18.6%	1,609	23.9%
Rest of the world	141	0.4%	184	0.5%	(43)	-23.4%
Total	34,156	100%	36,064	100%	(1,908)	-5.3%

Revenues up to 31 March 2024



Revenues up to 31 March 2023



The breakdown of quarterly revenues by **geographical area**, shows the good performance recorded in the Asia market , where, despite the negative effect of currency developments, the revenues generated are 23.9% higher than in the first quarter of 2023 (net of the exchange rate differences, the growth would rise to 28.2%). Otherwise, the revenues generated in the other areas served by the Group are decreasing, in particular Italy (-12.9%), Europe (overall -11.2%) and America (overall -11%).

The breakdown of revenues for the first quarter by **business area** is presented below in comparison with the same period in the previous year:

(Euro /000)	1Q 2024		1Q 2023		Var. 2024-2023	
	Value	%	Value	%	Value	%
Sensors	21,386	62.6%	23,777	65.9%	(2,391)	-10.1%
Automation components	14,595	42.7%	14,407	39.9%	188	1.3%
Eliminations	(1,825)	-5.3%	(2,120)	-5.9%	295	-13.9%
Total	34,156	100%	36,064	100%	(1,908)	-5.3%

Compared to the previous first quarter, revenues generated by the automation components segment are up (+1.3%), due to the good performance recorded in Asia, Europe and America, which was only partially affected by the contraction in the domestic market. On the other hand, a decrease was recorded for the sensors segment (-10.1%), spread across the main geographical areas served with the exception of the Asia market where, as for the automation components segment, revenues increased compared to the same period in the previous year.

Increases for internal work in the first quarter of 2024 amounted to 474 thousand Euro, essentially consistent with the same period of the previous year. This item represents the new product development costs incurred in the period that have been capitalised.

Added value in the quarter amounted to 24,549 thousand Euro (26,094 thousand Euro in the same quarter in 2023), corresponding to 71.9% of revenues and slightly lower than the figure for 31 March 2023 (-0.5%). The decrease in added value, totalling 1,545 thousand Euro, is mainly due to the lower revenues recorded, as well as the lower margins realised and related to the different product mix compared to the same period in the previous year.

Other operating costs in the first quarter of 2024 amount to 5,538 thousand Euro, a decrease of 542 thousand Euro over the figure for the first quarter of 2023, absorbing 16.2% of revenues (16.9% in the same quarter in the previous year). The decrease relates to lower consulting costs (of which 105 thousand Euro incurred in the first quarter of 2023 related to the activities required for the spin-off of the drives business), as well as for travel, for utilities, for temporary employment services and product warranty costs.

Personnel costs in the quarter, equal to 11,883 thousand Euro, were 108 thousand Euro higher than in the comparative period of the previous year, when they totalled 11,775 thousand Euro. The percentage of revenues is 34.8% (32.7% in the first quarter of 2023). It should also be noted that, during the first quarter of 2024, there was a significant increase in the workforce, mainly due to the stabilisation of 31 temporary workers.

EBITDA in the first quarter of 2024 is positive at 7,128 thousand Euro (8,239 thousand Euro in the same quarter of 2023), corresponding to 20.9% of revenues (22.8% of revenues in 2023), which is lower than in the same period of the previous year by 1,111 thousand Euro. The decrease in operating costs compared to the first quarter of the previous year only partially offsets the decrease in added value, mainly related to lower sales volumes.

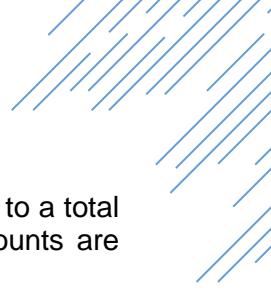
The item **depreciation, amortisation and impairment** in the quarter amounts to 2,021 thousand Euro, compared with 1,870 thousand Euro in the same period in the previous year, an increase of 151 thousand Euro.

EBIT in the first quarter of 2024 is positive at 5,107 thousand Euro (15.0% of revenues), compared with 6,369 thousand Euro in the same period of 2023 (17.7% of revenues), a decrease of 1,262 thousand Euro. As with the gross operating margin, the change is due to the decrease in sales, and is only partially offset by lower operating costs.

Gains from financial assets/liabilities in the first quarter of 2024 totalled 55 thousand Euro (whereas in the first quarter of 2023 costs totalling 115 thousand Euro were entered), and included:

- financial income of 335 thousand Euro, including 323 thousand Euro deriving from liquidity management (overall comprising 151 thousand Euro in the first quarter of 2023);
- financial charges related to the Group's indebtedness, amounting to 321 thousand Euro, an increase compared to the figure for the first quarter of 2023, which amounted to 196 thousand Euro and included 91 thousand Euro as a provision following the assessment notice received from the Italian Revenue Authority with reference to the tax audit for the 2016-2017-2018 periods (which was settled in the fourth quarter of 2023);
- positive result of differences in foreign currency transactions of 32 thousand Euro, as compared to a negative result of 60 thousand Euro for the first quarter of the previous year.

Income from shareholdings valued at equity reflects the results reported by Axel S.r.l. and amount to 2 thousand Euro. Income in the first quarter of 2023 totalled 16 thousand Euro.



Taxes have a total negative balance of 1,356 thousand Euro in the quarter (as compared to a total negative balance of 2,346 thousand Euro in the first quarter of 2023). The above amounts are analysed below:

- negative current taxes, amounting to 1,489 thousand Euro (2,228 thousand Euro in negative taxes in the first quarter of 2023, when they included the prudent provision of 460 thousand Euro for the assessment notice received by the Italian Revenue Authority following the tax audit carried out against the Parent Company in relation to the 2016-2017-2018 tax periods);
- deferred tax assets and liabilities, on the whole positive by 133 thousand Euro (negative by 118 thousand Euro in the first quarter of the previous year).

The **result from operating activities** in the first quarter 2024 is positive, amounting to 3,808 thousand Euro. This compares with the still positive result of 3,924 thousand Euro in the first quarter of the previous year, showing a decrease of 116 thousand Euro.

The **net profit (loss) from assets held for sale and discontinued** in the first quarter of 2024 is zero, while in the same period of the previous year it was negative in the amount of 31 thousand Euro and related to the EBIT of the business branches for the drives business, transferred to the WEG group during the first quarter of 2023 under the framework agreement signed on 1 August 2022.

The **Group net profit** in the first quarter of 2024 is positive at 3,808 thousand Euro, compared with a net profit of 3,893 thousand Euro in the same period in the previous year. The loss of 85 thousand Euro is mainly due to a decrease in the profit from continuing operations (down by 116 thousand Euro compared to the same quarter), partially offset by an improvement in the net result from assets held for sale and discontinued (31 thousand Euro).

Reclassified consolidated balance sheet at 31 March 2024

The Gefran Group's reclassified consolidated statement of financial position as at 31 March 2024 may be broken down as follows:

(Euro /000)	31 March 2024		31 December 2023	
	Value	%	Value	%
Intangible assets	12,407	16.7	12,340	17.3
Tangible fixed assets	42,152	56.7	42,100	59.1
Other non-current assets	5,842	7.9	5,733	8.0
Net non-current assets	60,401	81.2	60,173	84.4
Inventories	17,546	23.6	17,807	25.0
Trade receivables	26,159	35.2	23,740	33.3
Trade payables	(17,972)	(24.2)	(19,411)	(27.2)
Other assets/liabilities	(7,270)	(9.8)	(6,563)	(9.2)
Working capital	18,463	24.8	15,573	21.8
Provisions for risks and future liabilities	(1,418)	(1.9)	(1,430)	(2.0)
Deferred tax provisions	(937)	(1.3)	(934)	(1.3)
Employee benefits	(2,113)	(2.8)	(2,103)	(3.0)
Net invested capital	74,396	100.0	71,279	100.0
Shareholders' equity	97,951	131.7	93,941	131.8
Non-current financial payables	20,154	27.1	21,382	30.0
Current financial payables	8,361	11.2	9,633	13.5
Financial payables for IFRS 16 leases (current and non-current)	4,028	5.4	3,779	5.3
Financial liabilities for derivatives (current and non-current)	53	0.1	-	-
Financial assets for derivatives (current and non-current)	(150)	(0.2)	(185)	(0.3)
Other non-current financial investments	(110)	(0.1)	(112)	(0.2)
Cash and cash equivalents and current financial receivables	(55,891)	(75.1)	(57,159)	(80.2)
Net debt relating to operations	(23,555)	(31.7)	(22,662)	(31.8)
Total sources of financing	74,396	100.0	71,279	100.0

Net fixed assets as at 31 March 2024 totals 60,401 thousand Euro, as compared with 60,173 thousand Euro as at 31 December 2023. The main changes are indicated below:

- intangible assets, equal to 12,407 thousand Euro, have increased overall by 67 thousand Euro. This change includes the capitalisation of development costs (426 thousand Euro) and new investment (32 thousand Euro), as well as decreases due to depreciation/amortisation in the period (452 thousand Euro). The change in exchange rates had a net positive effect of 61 thousand Euro overall;
- tangible fixed assets, equal to 42,152 thousand Euro, have increased since 31 December 2023 by 52 thousand Euro. Additions during the first three months of 2024 (932 thousand Euro) were offset by depreciation/amortisation in the period (1,246 thousand Euro). This item also includes the value of the right-of-use assets recognised in accordance with IFRS 16. The total has increased by 622 thousand Euro, following the renewals or signing of new contracts, and is offset by depreciation/amortisation totalling 323 thousand Euro and

- decreases due to advance termination of contracts totalling 23 thousand Euro. Lastly, the negative effect of exchange-rate changes was positive overall at 91 thousand Euro overall;
- other non-current assets at 31 March 2024 amount to 5,842 thousand Euro (5,733 thousand Euro at 31 December 2023), up by 109 thousand Euro.

Working capital as at 31 March 2024 totals 18,463 thousand Euro, compared to 15,573 thousand Euro as at 31 December 2023, reflecting a total net increase of 2,890 thousand Euro overall. The main changes are illustrated below:

- inventories changed from 17,807 thousand Euro on 31 December 2023 to 17,546 thousand Euro on 31 March 2024, with a net decrease of 261 thousand Euro. There was an increase in stocks of semi-finished products (248 thousand Euro), while raw materials (18 thousand Euro) and finished products for sale (491 thousand Euro) decreased; exchange rate fluctuations, overall positive in the amount of 12 thousand Euro, partially offset the increase;
- trade receivables total 26,159 thousand Euro, up by 2,419 thousand Euro since 31 December 2023. The Group analyses receivables in a timely manner, considering various factors (geographical area, business area, solvency of individual customers). These checks have not identified any positions that might jeopardise their collectability;
- trade payables total 17,972 thousand Euro, down by 1,439 thousand Euro since 31 December 2023;
- Other net assets and liabilities as at 31 March 2024 are negative by a total of 7,270 thousand Euro (negative by 6,563 thousand Euro as at 31 December 2023). They include, among other items, payables to employees and social security institutions, as well as direct and indirect tax receivables and payables.

The **provisions for risks and future liabilities** total 1,418 thousand Euro and are essentially unchanged since 31 December 2023, when they amounted to 1,430 thousand Euro. The item includes funds for ongoing legal disputes (where present), miscellaneous risks and the product warranty provision.

Employee benefits amount to 2,113 thousand Euro, compared to 2,103 thousand Euro as at 31 December 2023. This item includes the provision for post-employment benefits (TFR), while there are no residual payables to employees who have signed agreements that protect the Group from competing activities (so-called “Non-competition agreements”).

Shareholders’ equity as at 31 March 2024 amounts to 97,951 thousand Euro, up 4,010 thousand Euro over the end of the 2023 fiscal year. The positive result for the period, amounting to 3,808 thousand Euro, contributed to the increase, as well as the movement of the translation reserve, amounting to positive 243 thousand Euro.

The **net financial position** as at 31 March 2024 is positive by 23,555 thousand Euro, up by 893 thousand Euro since the end of 2023, when it was overall positive by 22,662 thousand Euro.

The total comprises net short-term cash and cash equivalents of 46,417 thousand Euro and net medium/long-term debt of 22,862 thousand Euro.

This item also includes the negative effect of applying IFRS 16, totalling 4,028 thousand Euro as at 31 March 2024, of which 1,113 thousand Euro reclassified as current and 2,915 thousand Euro as non-current (overall 3,779 thousand Euro as at 31 December 2023, of which 1,005 thousand Euro reclassified as current and 2,774 thousand Euro included in the medium/long-term balance).

No new loans were arranged during the first three months of 2024.

The change in net financial position mainly reflects the cash flow generated by ordinary operations (2,963 thousand Euro), as partially absorbed by investment activities during the first three months of

the year (1,390 thousand Euro), as well as the payment of taxes and rental fees (totalling 452 thousand Euro).

This item is analysed in detail below:

(Euro /000)	31 March 2024	31 December 2023	Change
Cash and cash equivalents and current financial receivables	55,891	57,159	(1,268)
Current financial payables	(8,361)	(9,633)	1,272
Current financial payables for IFRS 16 leases	(1,113)	(1,005)	(108)
(Debt)/short-term cash and cash equivalents	46,417	46,521	(104)
Non-current financial payables	(20,154)	(21,382)	1,228
Non-current financial payables for IFRS 16 leases	(2,915)	(2,774)	(141)
Non-current financial liabilities for derivatives	(53)	-	(53)
Non-current financial investments for derivatives	150	185	(35)
Other non-current financial investments	110	112	(2)
(Debt)/medium-/long-term cash and cash equivalents	(22,862)	(23,859)	997
Net financial position	23,555	22,662	893

It should be noted that the “Other non-current financial investments” caption in the “Net financial position” chart comprises prepaid financial expenses totalling 10 thousand Euro (12 thousand Euro at 31 December 2023). Net of this item and for the purposes of Regulation (EU) 2017/1129, the positive net financial position as at 31 March 2024 is positive at 25,454 thousand Euro, while at 31 December 2022 it was positive at 22,650 thousand Euro.

Consolidated cash flow statement as at 31 March 2024

The Gefran Group's **consolidated cash flow statement** as at 31 March 2024 shows a negative net change in cash at hand of 1,268 thousand Euro (it was positive and amounted to 110 thousand Euro as at 31 March 2023). These changes are analysed below:

(Euro /000)	31 March 2024	31 March 2023
A) Cash and cash equivalents at the start of the period	57,159	44,114
B) Cash flow generated by (used in) operations in the period	2,963	1,880
C) Cash flow generated by (used in) investment activities	(1,387)	1,140
D) Free Cash Flow (B+C)	1,576	3,020
E) Cash flow generated by (used in) financing activities	(2,763)	(2,901)
F) Cash flow from continuing operations (D+E)	(1,187)	119
H) Exchange rate translation differences on cash at hand	(81)	(9)
G) Net change in cash at hand (F+H)	(1,268)	110
I) Cash and cash equivalents at the end of the period (A+G)	55,891	44,224

The cash flow generated by operations in the period is positive at 2,963 thousand Euro; specifically, operations during the period to the end of the first quarter of 2024, excluding the effect of provisions, amortisation and depreciation, and financial entries, generated cash of 7,789 thousand Euro (9,286 thousand Euro in the first quarter of 2023), while the net change in other assets and liabilities in the same period absorbed 559 thousand Euro (absorption of 3,161 thousand Euro in the period to the end of the first quarter of 2023) and the management of operating capital generated 3,934 thousand Euro (4,122 thousand Euro in the same period of the previous year). The changes in provisions (risks and future liabilities, deferred taxes) absorbed 343 thousand Euro (242 thousand Euro in the first three months of 2023).

With regard to investment activities, in the first quarter of 2024 disbursements of 1,390 thousand Euro were recorded for the technical investments made (2,309 thousand Euro in the first three months of 2023). It should also be noted that, in the first quarter of 2023, the proceeds (equal to 3,387 thousand Euro) from the finalisation of the sale of the drives business, which took place with the sale of the Gefran Automation Technology and Gefran India business branches on 3 January and 1 March 2023 respectively, were recognised.

Free cash flow (operating cash flow net of investing activities) at the end of the quarter amounted to positive 1,576 thousand Euro (positive 3,020 thousand Euro at 31 March 2023).

Financing activities absorbed resources totalling 2,763 thousand Euro (a total of 2,901 thousand Euro in the first quarter of 2023), of which 2,504 thousand Euro related to the repayment of non-current financial payables (1,685 thousand Euro as of 31 March 2023).

Economic performance of the Group's scope for sale and sold as at 31 March 2024

Following the sale of the drives business and the related assets reclassified, pursuant to IFRS 5, as "Available for sale", in the first quarter of 2024 there was no economic activity connected to them. On the other hand, the assets recognised in the first quarter of 2023, as represented in the reclassified profit and loss account below, related to the January and February operations of the motion control business branch of the subsidiary Gefran India, which was sold to WEG on 1 March 2023. This also includes the effects of the sale of the assets (storage, other assets and employees) of the motion control business branch within the Chinese subsidiary Gefran Automation Technology (China), sold on 3 January 2023.

(Euro /000)	31 March 2024 Total	31 March 2023 Total	Var. 2024-2023 Value	%
a Revenues	-	2,422	(2,422)	n.s.
b Increases for internal work	-	-	-	n.s.
c Consumption of materials and products	-	2,412	(2,412)	n.s.
d Added Value (a+b-c)	-	10	(10)	n.s.
e Other operating costs	-	-	-	n.s.
f Personnel costs	-	85	(85)	n.s.
g EBITDA (d-e-f)	-	(75)	75	n.s.
h Depreciation, amortisation and impairment	-	1	(1)	n.s.
i EBIT (g-h)	-	(76)	76	n.s.
l Gains (losses) from financial assets/liabilities	-	-	-	n.s.
m Impairment of assets held for sale and discontinued operations	-	45	(45)	n.s.
n Profit (loss) before tax (i±l±m)	-	(31)	31	n.s.
o Taxes	-	-	-	n.s.
p Group net profit (loss) (n±o)	-	(31)	31	n.s.

The **revenues** recognised at 31 March 2023 amounted to 2,422 thousand Euro.

The **added value** at 31 March 2023 amounted to 10 thousand Euro (41.9% impact on revenues).

The **personnel costs** recorded in the first three months of 2023 amounted to 85 thousand Euro (3.5% of revenues).

EBITDA for the period ended 31 March 2023 was negative by 75 thousand Euro (corresponding to -3.1% of revenues).

EBIT as at 31 June 2023 was negative and amounted to 76 thousand Euro (-3.1% of revenues).

In the first quarter of 2023, the **write-down of assets held for sale** reflects the adjustment from the initial estimate (positive by 45 thousand Euro) of the net accounting effects expected from the disposal of the business, already recognised in the second half of 2022.

The **net loss from assets held for sale** in the period to 31 March 2023 totalled 31 thousand Euro.

Investments

The total gross technical investments made by the Group during the first quarter of 2024 amounted to 1,390 thousand Euro (2,309 thousand Euro in the first quarter of 2023) and related to:

- production and laboratory facilities and equipment for plants of the Parent Company and the Group's Italian subsidiaries for a total of 31 thousand Euro (as at 31 March 2023, a total of 675 thousand Euro had been invested);
- production and laboratory facilities and equipment for plants of the Group's foreign subsidiaries for a total of 332 thousand Euro, of which 210 thousand Euro in the United States and 118 thousand Euro in China, in both cases to reinforce the production lines of the sensors business (as of 31 March 2023, a total of 143 thousand Euro had been invested abroad);
- upgrading of industrial buildings of the Parent Company in the amount of 141 thousand Euro and of the foreign subsidiaries in the amount of 394 thousand Euro, of which 357 thousand Euro was invested in the production plant in the United States (dedicated to the sensors business) to make it more energy efficient and equip it with a second area dedicated to the production of NaK-filled sensors (as of 31 March 2023, a total of 887 thousand Euro had been invested, of which 763 thousand Euro in Italy and 124 thousand Euro abroad);
- renewal of electronic office machines and equipment for IT equipment used in the Parent Company amounting to 12 thousand Euro, in the Group's Italian subsidiaries in the amount of 12 thousand Euro, and in the foreign subsidiaries in the amount of 9 thousand Euro (as at 31 March 2023, a total of 99 thousand Euro had been invested in Italy and 18 thousand Euro abroad);
- capitalisation of costs incurred in the period for new product development, totalling 426 thousand Euro (412 thousand Euro in the first quarter of 2023);
- investments in intangible assets amounting to 32 thousand Euro, mainly related to management software licences and SAP ERP development (other intangible assets totalling 60 thousand Euro were recognised in the first three months of 2023).

The investments carried out by the Group in continuing business sectors alone are summarised below by type and geographical area:

(Euro /000)	31 March 2024	31 March 2023
Intangible assets	458	472
Tangible assets	932	1,837
Total	1,390	2,309

(Euro /000)	31 March 2024		31 March 2023	
	intangible	tangible assets	intangible	tangible assets
Italy	457	195	467	1,545
European Union	-	25	4	83
Europe non-EU	-	1	-	23
North America	-	569	-	-
South America	1	3	1	130
Asia	-	139	-	56
Total	458	932	472	1,837

Results by business area

The following sections comment on the performance of the individual continuing business areas.

To ensure correct interpretation of figures related to the individual activities, it should be noted that:

- the business represents the sum of revenues and related costs of the Parent Company Gefran S.p.A. and of the Group subsidiaries;
- the figures for each business are provided gross of internal trade between different businesses;
- the central operations costs, which mainly pertain to Gefran S.p.A., are fully allocated to the businesses, where possible, and quantified according to actual use; they are otherwise divided according to economic-technical criteria.

1. Sensors

Summary of economic results

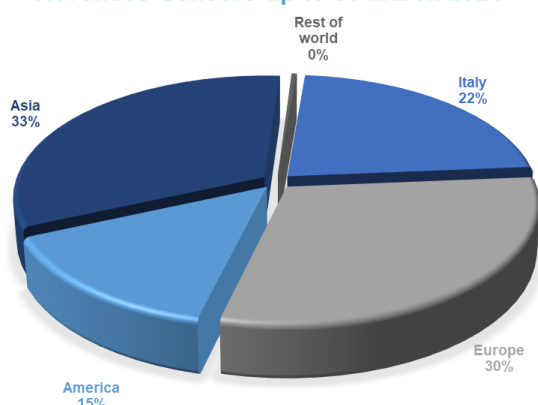
The chart below shows the key economic figures:

(Euro /000)	31 March 2024	31 March 2023	Var. 2024 - 2023	
			Value	%
Revenues	21,386	23,777	(2,391)	-10.1%
EBITDA	5,420	6,615	(1,195)	-18.1%
% of revenues	25.3%	27.8%		
EBIT	4,248	5,528	(1,280)	-23.2%
% of revenues	19.9%	23.2%		

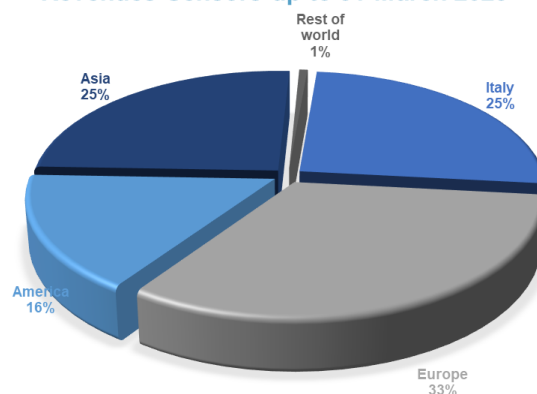
The revenues of the sensors business are analysed by geographical area below:

(Euro /000)	31 March 2024		31 March 2023		Var. 2024 - 2023	
	Value	%	Value	%	Value	%
Italy	4,770	22.3%	6,013	25.3%	(1,243)	-20.7%
Europe	6,439	30.1%	7,828	32.9%	(1,389)	-17.7%
America	3,113	14.6%	3,797	16.0%	(684)	-18.0%
Asia	6,985	32.7%	5,991	25.2%	994	16.6%
Rest of the world	79	0.4%	148	0.6%	(69)	-46.6%
Total	21,386	100%	23,777	100%	(2,391)	-10.1%

Revenues Sensors up to 31 March 2024



Revenues Sensors up to 31 March 2023



Business performance

Revenues from the business as at 31 March 2024 amounted to 21,386 thousand Euro, a decrease compared to the figure as at 31 March 2023, which amounted to 23,777 thousand Euro, recording a percentage decrease of 10.1%. Also contributing to the decrease was the negative effect of exchange rate developments (estimated at 233 thousand Euro), without which the percentage decrease would have been smaller and equal to 8.9%.

As already observed in the second half of 2023, the contraction in revenues generated was affected by the signs of a general slowdown. The product families that suffered the most were industrial pressure and melt, while products in the position and non-contact transducer ranges registered an increase in sales compared to the comparative quarter, although not enough to close the gap.

In terms of geography, the Asia region performed well in the quarter, with revenues up 16.6% compared to the first quarter of 2023. For the other areas served by the business, revenues decreased compared to the comparison period, and in particular Italy (-20.1%), Europe (-17.7%), and America (-18%).

The order intake for the first three months of 2024, totalling 22,744 thousand Euro, is up slightly compared to the figure for the same period in 2023 (+0.6%) and the backlog at 31 March 2024 is up (by 11.5%) compared to the same period recorded at 31 December 2023.

EBITDA for the period ended 31 March 2024 amounts to 5,420 thousand Euro (25.3% of the business branch's revenues), largely positive but still down by 1,195 thousand Euro compared with the period ended 31 March 2023, when it was 6,615 thousand Euro (27.8% of revenues). The change in EBIT is largely attributable to the decrease in sales volumes.

EBIT for the first quarter of 2024 amounts to 4,248 thousand Euro, equal to 19.9% of revenues, compared with an EBIT of 5,528 thousand Euro in the same period in the previous year (23.2% of revenues), a decrease of 1,280 thousand Euro. The change in the figure for the first quarter 2024 compared to the same period in the previous year is mainly due to the same trends as the EBITDA.

Investments

Investments in the first quarter of 2024 total 750 thousand Euro, including 78 thousand Euro in investments in "Intangible assets", 74 thousand Euro of which was for research and development costs for new products. The remainder was for the purchase of software programmes and licences.

Increases in "Tangible assets" total 672 thousand Euro. They include the strengthening of the business's production lines at foreign sites, through the installation of new production and laboratory facilities and equipment, some of which were built in-house, as well as through investments in upgrading buildings (547 thousand Euro in the US and 129 thousand Euro in China).

2.Automation components

Summary of economic results

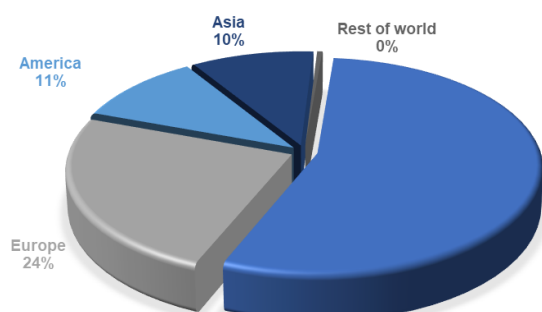
The chart below shows the key economic figures:

(Euro /000)	31 March 2024	31 March 2023	Var. 2024 - 2023	
			Value	%
Revenues	14,595	14,407	188	1.3%
EBITDA	1,708	1,624	84	5.2%
% of revenues	11.7%	11.3%		
EBIT	859	841	18	2.1%
% of revenues	5.9%	5.8%		

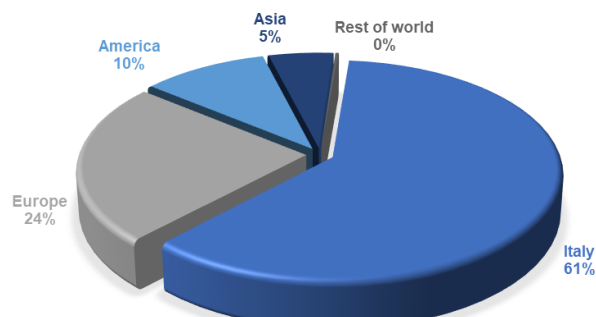
The revenues of the automation components business are analysed by geographical region below:

(Euro /000)	31 March 2024		31 March 2023		Var. 2024 - 2023	
	Value	%	Value	%	Value	%
Italy	8,013	54.9%	8,747	60.7%	(734)	-8.4%
Europe	3,539	24.2%	3,426	23.8%	113	3.3%
America	1,535	10.5%	1,455	10.1%	80	5.5%
Asia	1,446	9.9%	743	5.2%	703	94.6%
Rest of the world	62	0.4%	36	0.2%	26	72.2%
Total	14,595	100%	14,407	100%	188	1.3%

Revenues Automation Components
up to 31 March 2024



Revenues Automation Components
up to 31 March 2023



Business performance

The revenues of the business branch in the period to 31 March 2024 amount to 14,595 thousand Euro, up by 1.3% compared with those for the period ended 31 March 2023. Despite the signs of a general slowdown, the strategic line aimed at consolidating the baseline of customers acquired due to the high level of service and the expansion of the product range resulted in an increase in revenues recorded compared to the comparison period.

This result is driven by the increase in sales volumes of the product families in the power control ranges (+14.5% compared to what was recorded in the first quarter of 2023) and solutions (+11.9% compared to the same quarter in the previous year).

In the analysis of revenues by geographical area, the increase in Asia is significant, where they doubled compared to the first quarter of 2023. Strong performance was also recorded in Europe (+3.3%) and America (+5.5%). The only area served by contracting business is Italy (-8.4%).

The orders received during the first three months of 2024 amount to 13,465 thousand Euro, and were overall higher than in the first half of the previous year (+3.8%). The backlog as at 31 March 2024 is lower than as at 31 March 2023 (-12.8%) but up compared to the end of 2023 (+8.7%).

EBITDA as at 31 March 2024 is positive by 1,708 thousand Euro (equal to 11.7% of revenues), up by 84 thousand Euro over the figure recorded on 31 March 2023 when it amounted to 1,624 thousand Euro (11.3% of revenues).

EBIT in the first quarter of 2024 is positive at 859 thousand Euro (5.9% of revenues). By comparison, EBIT in the period to 31 March 2023 is positive at 841 thousand Euro (5.8% of revenues), being seen to be broadly aligned. The higher revenues achieved are almost completely absorbed by the slight increase in costs allocated to the business.

Investments

Investments in the first three months of 2024 totals 640 thousand Euro. Investments in “Intangible assets” amounts to 380 thousand Euro, of which 352 thousand Euro reflects capitalisation of the development costs for the new range of static units and new programmable automation products. The remainder was for the purchase of software programmes and licences.

Investments in “Tangible assets” amount to 260 thousand Euro, of which 200 thousand Euro made in the Parent Company for new machinery to enhance both capacity and the production efficiency required for new products, and to renew buildings, with investments that also aim to improve energy efficiency.

Human resources

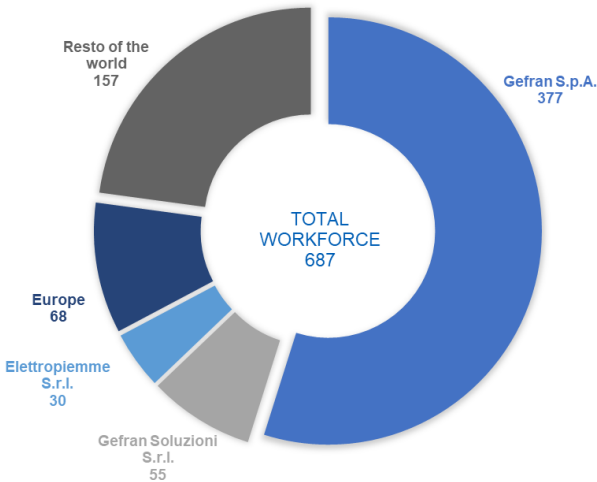
Workforce

The Group's workforce at 31 March 2024 totals 687 persons, up by 36 since the end of 2023 and the one-off figure at 31 March 2023. The change was marked by a Group turnover rate of 9.6% in the first quarter of the year. During the first quarter of 2024, there was a significant increase in the workforce mainly due to the stabilisation of 31 temporary workers.

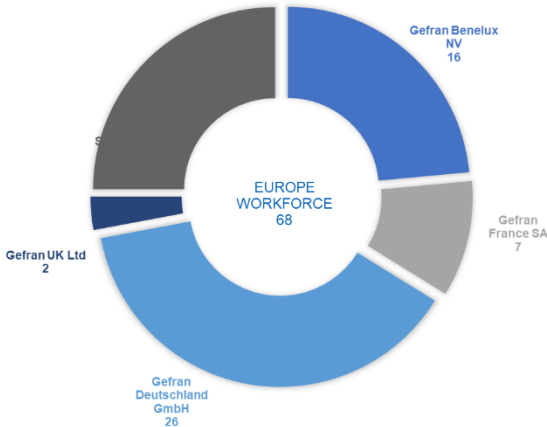
Changes in the first three months of 2024 were as follows:

- 50 people were included in the Group, including 29 manual workers and 21 clerical staff;
- 14 people left the Group, including 4 manual workers, 9 clerical staff and 1 executive.

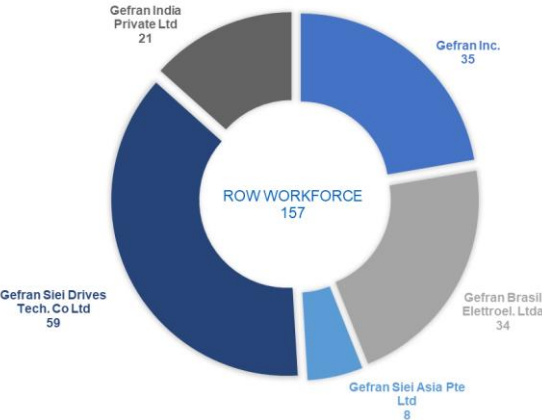
Workforce up to 31 March 2024



Europe Workforce up to 31 March 2024



Rest of the World Workforce up to 31 March 2024



Significant events in the first quarter of 2024

- On 14 February 2024, the Board of Directors of Gefran S.p.A. examined the preliminary consolidated results at 31 December 2023.
- On 12 March 2024, the Board of Directors of Gefran S.p.A. unanimously approved the separate annual financial statement as at 31 December 2023, the consolidated annual financial statement and the consolidated non-financial statement.

The Board of Directors also resolved to propose to the Shareholders' Meeting the distribution of a dividend of 0.42 Euro per share in circulation (not including own shares) by drawing on the net profit for the year for the amount required, with allocation of the residual amount to "Retained profit".

During the same meeting, the Board resolved to propose to the Shareholders' Meeting approval of the authorisation to purchase and dispose of, on one or more occasions, a maximum of 1,440,000.00 ordinary shares in the Company equal to 10% of the share capital. The authorisation was requested for a period of 18 months from the date of the shareholders' resolution.

Significant events following the close of the first quarter of 2024

- On 23 April 2024, the Ordinary Shareholders' Meeting of Gefran S.p.A. resolved to:
 - o Approve the 2023 financial statements and distribute an ordinary dividend, gross of withholding taxes foreseen by law, of 0.42 Euro per eligible share (ex-dividend date 6 May 2024, record date 7 May 2024 and payment from 8 May 2024). The remainder of the profit for the period was allocated to "Retained earnings" reserve.
 - o Appoint the Board of Statutory Auditors for the 2024-2026 three-year period, composed as follows: Giorgio Alberti (Chairman), Roberta Dell'Apa (Standing Auditor), Luisa Anselmi (Standing Auditor), Simonetta Ciochi (Deputy Auditor) and Simona Bonomelli (Deputy Auditor). To the Company's knowledge, none of the newly elected Statutory Auditors holds ordinary shares in Gefran S.p.A. The newly elected Board of Statutory Auditors examined whether the requirements of independence were met in a meeting held at the end of the Shareholders' Meeting, notifying the Board of Directors of the successful outcome of this check.
 - o Confer the audit review mandate to the external auditor Deloitte & Touche S.p.A. for nine fiscal years (2025-2033), or from the approval of the financial statements as at 31 December 2024 until the approval of the financial statements as at 31 December 2033.
 - o Authorise the Board of Directors to purchase a maximum of 1,440,000 own shares with a face value of 1 Euro each, within 18 months from the date of the Shareholders' Meeting.

The Shareholders' Meeting, pursuant to Article 123-ter of Italy's Consolidated Law on Finance (TUF), also held a binding vote that approved the Group's 2024 Remuneration Policy and also held an advisory and non-binding vote that approved its 2023 Remuneration Report.

- The Extraordinary Shareholders' Meeting, held at the same time as the Ordinary Shareholders' Meeting, resolved to amend Articles 9 and 16 of the Articles of Association, and in particular:
 - o The amendment to Article 9 provides that, as an alternative to the Shareholders' Meeting being held through attendance of the Shareholders in person, attendance and the exercise of voting rights may take place exclusively through the representative designated by the Company, in accordance with the procedure defined from time to time by the Board of Directors for each meeting.
 - o The amendment to Article 16 introduces the possibility for Board meetings to be held also without a formal call, passing valid resolutions, when all the Directors in office and all the members of the Board of Statutory Auditors attend the meeting, with all of them declaring to be informed about the items on the agenda.

Business outlook

2024 opened with an estimated growth rate of 3.2% compared to the year just ended, projected at the same pace over the following two years according to the most recent evaluations. This is still below the historic levels observed before the pandemic. Although economic activity has been resilient and growing steadily, in the disinflation phase after the inflation peak in mid-2022, the estimated pace of expansion remains lower by historic standards. This is on account of both short-term factors, such as still high financing costs and the withdrawal of fiscal support, and the long-term effects of the COVID-19 pandemic and Russia's invasion of Ukraine, leading to weak productivity growth and increasingly significant geo-economic fragmentation.

With reference to the Eurozone, compared to +0.4% calculated for 2023, GDP is projected to grow by 0.8% in 2024 and 1.5% in 2025.

Within Italy, growth is estimated at 0.9% in 2023, whereas projections for the following two years are a steady +0.7%, making it more contained than in the Eurozone.

The level of revenues and consequent result achieved in the first quarter reflects the erosion of the backlog in the final months of 2023 and a demand trend that, despite improving compared to the same period in the previous year, remains difficult to forecast.

The uncertainty fuelled by escalating geopolitical tensions among other things, combined with reduced visibility, does not presently allow growth scenarios to be confirmed for the Group in the coming months. We are therefore keeping our forecasts consistent with what has been communicated in previous reports, i.e., conservatively stable revenues with the possibility of growth if the second half of the year sees stable, positive changes in demand in the various markets where the Group operates.

At the same time, also in light of the results achieved in the first quarter, we confirm our forecasts for a largely positive margin, which will be influenced by the progression of sales volumes in the second half of the year.

Possible impacts of ongoing conflicts and related risks

The geopolitical crisis dictated by the escalating tensions between Russia and Ukraine and leading to the current conflict has progressively involved the international community, leading NATO countries to introduce sanctions against the invading country.

By supporting the international community in demanding peace, Gefran remains committed to supporting the economic sanctions applied by the European Union and, in accordance with them, has stated that it is not undertaking any new activities or signing any new contracts involving Russian and Belarusian customers or suppliers. Noting that the Group does not own strategic assets in the territories directly involved in the conflict and that sales in these regions, made until early 2022, can be considered limited, no direct impacts are currently estimated.

This global uncertainty further fuelled the general rise in inflation during the 2022 fiscal year, as reflected in higher raw material costs, particularly for energy commodities, as Russia is one of the world's leading energy suppliers. During 2023, including as a result of the monetary and fiscal policies adopted by governments, inflation began to fall gradually.

With regard to possible increases in the prices of raw materials, the Group continues to carefully monitor and control procurement costs, through careful and efficient management of the supply chain and logistics-production processes, as well as by involving the R&D departments in re-engineering activities where it is necessary to make up for component shortages.

Specifying further that the Group's production activities do not require gas consumption, which is only used for space heating, no significant impacts were identified for Gefran.

In light of the most recent conflict in the Middle East, new price increases could appear in European markets, although they are currently difficult to predict meaning that there are no significant impacts on the Group's economic and financial situation at present.

In the normal course of its business, the Gefran Group is exposed to various financial and non-financial risk factors that, should they materialise, could have a significant impact on its economic and financial situation, as well as on its main business processes.

Analysis of risk factors, through assessment of their impact and the preparation of risk mitigation/containment plans, is a requirement for the creation of value in the organisation. The ability to monitor and respond to risk correctly helps the Company to address corporate and strategic choices with confidence, as well as to prevent adverse consequences for the corporate and business targets set at Group level.

Based on the performance of operations in the first three months of the year and the reference macroeconomic context, these risks do not appear to be different from those illustrated in the annual financial report to 31 December 2023, to which explicit reference is made.

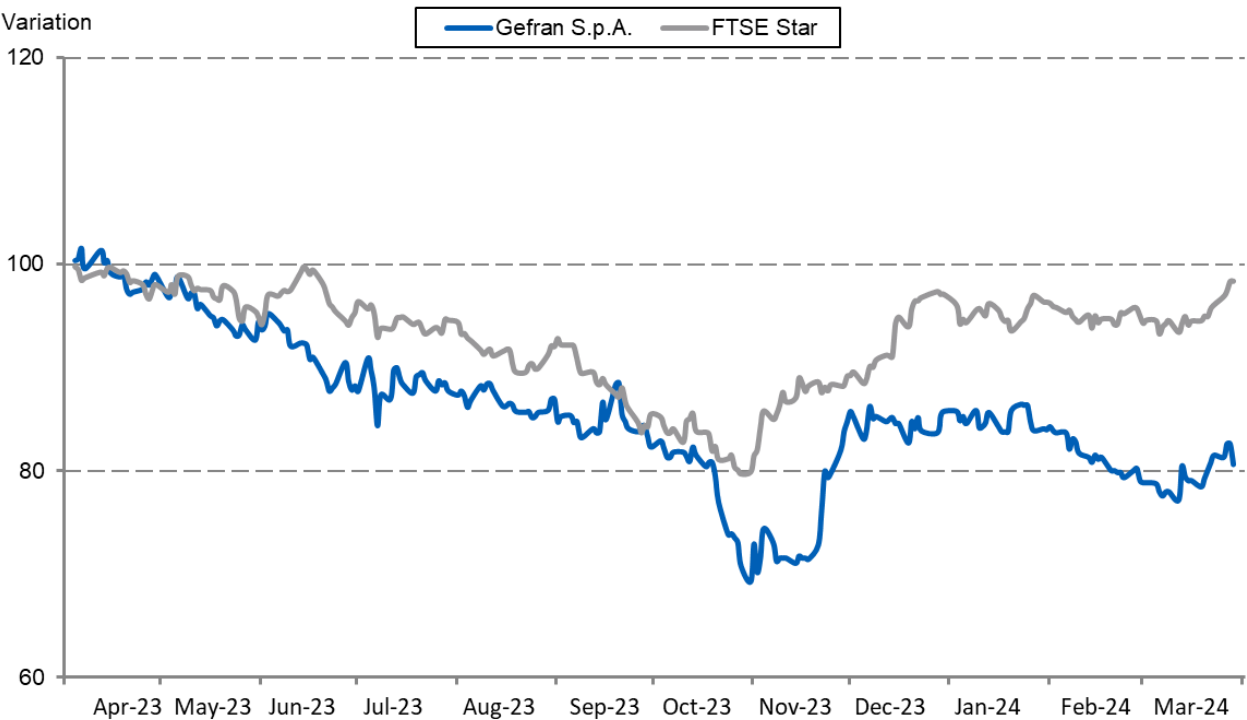
Own shares and stock performance

As at 31 December 2023, Gefran S.p.A. held 198,405 shares, equal to 1.38% of the total, with an average book value of 8.6483 Euro per share, and a total value of 1,716 thousand Euro.

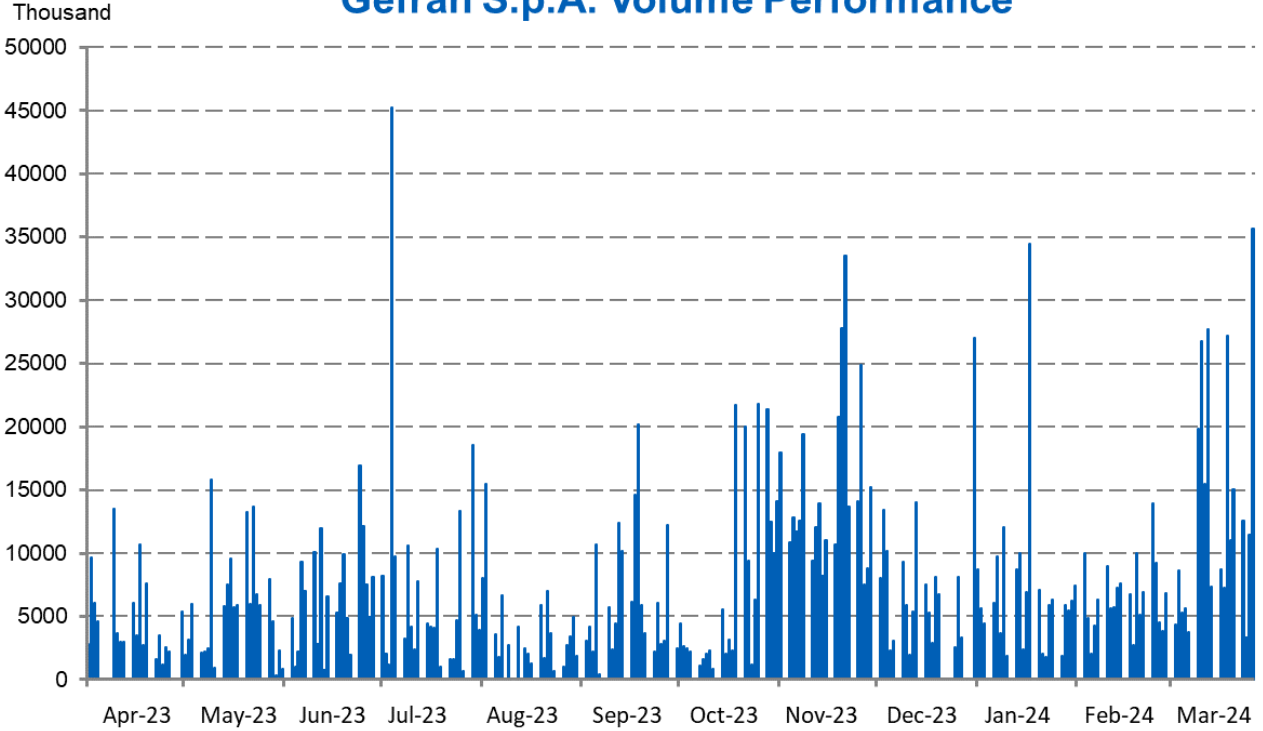
During the first three months of 2024, as at the date of this publication, no trading activities took place; therefore, the situation is unchanged with respect to what is described above.

The performance of the stock and volumes traded in the last 12 months are summarised below:

Gefran S.p.A. stock performance



Gefran S.p.A. Volume Performance



Dealings with related parties

On 12 November 2010, the Board of Directors of Gefran S.p.A. approved the “Internal Procedure for Transactions with Related Parties”, in accordance with Consob Resolution no. 17221 of 12 March 2010. The procedure in question was subsequently updated by the Board of Directors, on 24 June 2021, to implement the new provisions of EU Directive 2017/828 (so-called “Shareholders’ Rights II”), which was transposed into Italian law by Decree no. 49 of 2019, with regard to the primary legislation, and by Consob Resolution no. 21624 of 10 December 2020, with regard to the secondary regulations.

This document is published in the section “Investor Relations/Governance/Documents and procedures” of the Company’s website, available at <https://www.gefran.com/governance/documents-and-procedures/>.

The “Internal Procedure for Transactions with Related Parties” is based, inter alia, on the following general principles:

- ensuring the essential and procedural transparency and probity of transactions with related parties;
- providing the Board of Directors and the Board of Statutory Auditors with an appropriate assessment, decision-making and control tool regarding transactions with related parties.

It is structured as follows:

- **First section**: definitions (related parties, significant and minor transactions, transactions of negligible amount, etc.).
- **Second section**: procedures to approve significant and minor transactions, exemptions.
- **Third section**: notification obligations and supervision of compliance with the procedure.

With regard to Group companies’ dealings with related parties, in accordance with IAS 24 we provide below information for the first quarter of 2024 and 2023.

Transactions with related parties are part of normal operations and the typical business of each entity involved and are carried out under normal market conditions. There have not been any atypical or unusual transactions.

Noting that the economic and equity effects of infragroup transactions are eliminated in the consolidation process, the most significant transactions with related parties are listed below. These transactions have no material impact on the Group’s economic and financial structure. They are summarised in the following charts:

(Euro /000)		Imet S.p.A.
Costs for raw materials and		
2023		-
2024		(200)

(Euro /000)

Climat S.r.l.

Service costs

2023	(41)
2024	(52)

(Euro /000)

Climat S.r.l.

Marfran S.r.l.

Imet S.p.A.

Total

**Property, plant,
machinery and tools**

2023	294	-	-	294
2024	81	-	-	81

Trade receivables

2023	-	35	-	35
2024	-	-	-	-

Trade payables

2023	144	14	170	328
2024	158	-	237	395

It is also to be noted that transactions with related parties of an amount below 50 thousand Euro are not reported since, as per internal regulations, this amount has been identified as the threshold for identifying significant transactions.

In relations with its subsidiaries, the Parent Company Gefran S.p.A. has provided technical and administrative/management services and paid royalties on behalf of the Group's operative subsidiaries totalling 907 thousand Euro under specific contracts (734 thousand Euro as of 31 March 2023).

Gefran S.p.A. provides a Group cash pooling service, including through the use of a "Zero Balance" Cash Pooling service, which involves all European subsidiaries.

None of the subsidiaries holds shares of the Parent Company or held them during the period.

Persons of strategic importance have been identified as members of the executive Board of Directors of Gefran S.p.A. and of other Group companies, as well as executives with strategic responsibilities, identified in the following functions: General Manager of Gefran S.p.A., Chief Financial Officer, Chief People & Organization Officer, Chief Technology Officer and Chief Sales Officer of the Group.

Simplified disclosure

On 1 October 2012, the Board of Directors of Gefran S.p.A. resolved to make use of simplified disclosure provided for in Article 70, paragraph 8, and Article 71, paragraph 1-bis, of Consob Regulation no. 11971/1999 as amended.

Specific explanatory notes to the accounts

1. General information, form and content

Gefran S.p.A. is incorporated and domiciled in Italy, with registered office at Via Sebina 74, Provaglio d'Iseo (BS).

These interim financial statements of the Gefran Group for the quarter ending on 31 March 2024 were approved by the Board of Directors on 9 May 2024, which authorised their publication.

The Company has prepared this document in accordance with International Financial Reporting Standards (IFRS), issued by the IASB and recognised in the European Community pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002, and in particular IAS 34 – Interim financial statements.

The same accounting policies adopted to prepare the Annual financial report as at 31 December 2023 were also used to prepare these interim financial statements. The interim financial statements for the quarter ending 31 March 2024 do not contain all the additional information required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ending 31 December 2023, prepared in accordance with IFRS.

Material transactions with related parties and non-recurring items have been detailed in separate accounting schedules, as required by Consob Resolution no. 15519 of 27 July 2006.

These interim financial statements for the quarter ending 31 March 2024 are consolidated on the basis of the income statement and statement of financial position figures of Gefran S.p.A. and its subsidiaries related to the first three months of 2024, prepared in accordance with international accounting standards. The above accounting schedules were prepared using measurement criteria consistent with those of the Parent Company, or were adjusted on consolidation.

Interim financial statements are not subjected to audit.

These consolidated interim financial statements are presented in Euro, which is the functional currency of most Group companies. Unless otherwise stated, all amounts are expressed in thousands of Euro.

For details on the seasonal nature of the Group's operations, reference should be made to the attached "Consolidated income statement by quarter".

2. Consolidation principles and measurement criteria

The measurement criteria adopted for the preparation of these interim financial statements as at 31 March 2024 are the same as those adopted in preparing the annual financial report for the year ending 31 December 2023.

Consistent with the requirements of document no. 2 of 6 February 2009 issued jointly by the Bank of Italy, Consob and ISVAP, it should be noted that the present interim financial statements of the Gefran Group are prepared on the presumption of business continuity.

With reference to Consob communication no. Dem/11070007 of 5 August 2011, it is also recalled that the Group's portfolio does not contain any bonds issued by central or local governments or government agencies, and is therefore not exposed to risks generated by market fluctuations. Consolidated interim financial statements were prepared using the general historic cost criterion, as amended as required for evaluating certain financial instruments.

With reference to Consob communication no. 0092543 dated 3 December 2015, it is noted that the Report on Operations follows the ESMA orientations (ESMA/2015/1415) for the disclosures needed to ensure the comparability, reliability and comprehensibility of the Alternative Performance Indicators.

It should also be noted that the Company has applied the amendment "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" issued by the IASB on 7 May 2021 and referring to IAS 12 "Income Taxes". The application is effective from 1 January 2023 and the effects are detected from the first comparative year presented (modified retrospective basis).

3. Change in the scope of consolidation

The scope of consolidation as at 31 March 2024 is unchanged from that of 31 December 2023. However, it is different from the situation of 31 March 2023, as in the fourth quarter of 2023 Gefran S.p.A. completed the acquisition of 24.83% of Robot At Work S.r.l., recorded among the shareholdings valued at equity at 31 December 2023. It should be noted that this investment is accounted for "at cost" as the value of the Company's shareholders' equity is not representative of its value, since implicit goodwill emerged at the time of acquisition.

4. Notes commenting on the most significant changes in items in the consolidated financial statements

Property, plant, machinery and tools

This item increased from 38,385 thousand Euro on 31 December 2023 to 38,170 thousand Euro on 31 March 2024 and shows the following changes:

Historical cost	31 December 2023	Increases	Decreases	Reclassifications	Exchange rate differences	31 March 2024
(Euro /000)						
Land	3,824	-	-	-	13	3,837
Industrial buildings	35,919	-	-	(145)	94	35,868
Plant and machinery	41,941	217	(318)	641	41	42,522
Industrial and commercial equipment	17,973	19	(16)	(152)	(2)	17,822
Other assets	7,089	44	-	588	17	7,738
Assets in progress and payments on account	2,199	652	-	(1,365)	2	1,488
Total	108,945	932	(334)	(433)	165	109,275

Accumulated depreciation	31 December 2023	Increases	Decreases	Reclassifications	Exchange rate differences	31 March 2024
(Euro /000)						
Industrial buildings	18,586	242	-	(410)	10	18,428
Plant and machinery	30,702	677	(317)	(183)	32	30,911
Industrial and commercial equipment	15,885	195	(17)	(172)	(2)	15,889
Other assets	5,387	132	-	347	11	5,877
Total	70,560	1,246	(334)	(418)	51	71,105

Net value	31 December 2023	31 March 2024	Change
(Euro /000)			
Land	3,824	3,837	13
Industrial buildings	17,333	17,440	107
Plant and machinery	11,239	11,611	372
Industrial and commercial equipment	2,088	1,933	(155)
Other assets	1,702	1,861	159
Assets in progress and payments on account	2,199	1,488	(711)
Total	38,385	38,170	(215)

The increases in the historic value of “Property, plant, machinery and tools” amounted to a total of 932 thousand Euro in the first quarter of 2024. The most significant changes related to:

- production and laboratory facilities and equipment used in the Parent Company’s plants and in the Group’s Italian subsidiaries totalling 31 thousand Euro, while in the plants of the Group’s foreign subsidiaries, for the same item, totalling 332 thousand Euro (mainly in China and in the United States);
- adjustment of the industrial buildings of the Parent Company totalling 141 thousand Euro and of foreign subsidiaries totalling 394 thousand Euro (in particular in the United States);
- renewal of electronic office machines and IT equipment used by the Parent Company amounting to 12 thousand Euro, by the Group’s Italian subsidiaries amounting to 12 thousand Euro and by foreign subsidiaries amounting to 9 thousand Euro.

Increases also include 48 thousand Euro for capitalisation of internal costs (48 thousand Euro in the first three months of 2023).

The change in exchange rates had a positive effect on the item, amounting to 114 thousand Euro (negative by 121 thousand Euro at 31 March 2023).

Changes related to the first three months of 2023 are shown below:

Historical cost	31 December 2022	Increases	Decreases	Reclassifications	Exchange rate differences	31 March 2023
(Euro /000)						
Land	3,846	-	-	-	(12)	3,834
Industrial buildings	34,643	47	-	63	(112)	34,641
Plant and machinery	38,148	155	(36)	580	(24)	38,823
Industrial and commercial equipment	16,636	121	(3)	303	1	17,058
Other assets	6,498	105	(75)	64	(26)	6,566
Assets in progress and payments on account	2,027	1,409	-	(783)	(6)	2,647
Total	101,798	1,837	(114)	227	(179)	103,569

Accumulated depreciation	31 December 2022	Increases	Decreases	Reclassifications	Exchange rate differences	31 March 2023
(Euro /000)						
Industrial buildings	17,662	236	-	-	(16)	17,882
Plant and machinery	28,441	585	(28)	166	(19)	29,145
Industrial and commercial equipment	15,350	159	-	13	(2)	15,520
Other assets	5,128	118	(58)	27	(21)	5,194
Total	66,581	1,098	(86)	206	(58)	67,741

Net value	31 December 2022	31 March 2023	Change
(Euro /000)			
Land	3,846	3,834	(12)
Industrial buildings	16,981	16,759	(222)
Plant and machinery	9,707	9,678	(29)
Industrial and commercial equipment	1,286	1,538	252
Other assets	1,370	1,372	2
Assets in progress and payments on account	2,027	2,647	620
Total	35,217	35,828	611

Net working capital

“Net working capital” totals 25,733 thousand Euro, compared with 22,136 thousand Euro as at 31 December 2023, and is analysed below:

(Euro /000)	31 March 2024	31 December 2023	Change
Inventories	17,546	17,807	(261)
Trade receivables	26,159	23,740	2,419
Trade payables	(17,972)	(19,411)	1,439
Net amount	25,733	22,136	3,597

The amount of **inventories** at 31 March 2024 is 17,546 thousand Euro, down by 261 thousand Euro since 31 December 2023, where the positive change in exchange rates offsets the 12 thousand Euro decrease. On the other hand, the economic impact of the change in inventories shows a decrease of 271 thousand Euro compared to 31 December 2023, as the economic assessment of events is performed using the moving-average exchange rates for the period.

The balance is analysed as follows:

(Euro /000)	31 March 2024	31 December 2023	Change
Raw materials, consumables and supplies	9,934	9,914	20
<i>provision for impairment of raw materials</i>	<i>(1,288)</i>	<i>(1,250)</i>	<i>(38)</i>
Work in progress and semi-finished products	7,073	6,667	406
<i>provision for impairment of work in progress</i>	<i>(1,476)</i>	<i>(1,318)</i>	<i>(158)</i>
Finished products and goods for resale	5,295	5,653	(358)
<i>provision for impairment of finished products</i>	<i>(1,992)</i>	<i>(1,859)</i>	<i>(133)</i>
Total	17,546	17,807	(261)

The gross value of inventories is 22,302 thousand Euro overall, up by 68 thousand Euro since the end of 2023.

In the first three months of 2024 the provision for obsolescence and slow-moving inventories was adjusted according to need, through specific provisions of 424 thousand Euro (as compared to 463 thousand Euro in the first three months of 2023).

The changes in the provision in the first quarter of 2024 are shown below:

(Euro /000)	31 December 2023	Provisions	Uses	Releases	Exchange rate differences	31 March 2024
Provision for impairment of inventory	4,427	424	(77)	(21)	3	4,756

By contrast, the changes in the provision as at 31 March 2023 are as follows:

(Euro /000)	31 December 2022	Provisions	Uses	Releases	Exchange rate differences	31 March 2023
Provision for impairment of inventory	5,713	463	(60)	(11)	(3)	6,102

Trade receivables amount to 26,159 thousand Euro, compared to 23,740 thousand Euro as at 31 December 2023, up by 2,419 thousand Euro:

(Euro /000)	31 March 2024	31 December 2023	Change
Receivables from customers	27,165	24,775	2,390
Provision for doubtful receivables	(1,006)	(1,035)	29
Net amount	26,159	23,740	2,419

It should be noted that the balance of the item “Receivables from customers” at 31 December 2023 included 93 thousand Euro in advance payments to suppliers, now recorded in the “Other assets”.

Receivables are adjusted to their estimated realisable value by the allowance for doubtful accounts, which is determined by analysing individual debtor positions and considering past experience in each business area and geographical region, as required by IFRS 9. The provision as at 31 March 2024 represents an estimate of the current risk and reported the following changes:

(Euro /000)	31 December 2023	Provisions	Uses	Releases	Other changes	Exchange rate differences	31 March 2024
Provision for doubtful receivables	1,035	6	(6)	(30)	-	1	1,006

By contrast, the changes in the provision as at 31 March 2023 are as follows:

(Euro /000)	31 December 2022	Provisions	Uses	Releases	Other changes	Exchange rate differences	31 March 2023
Provision for doubtful receivables	1,100	13	(3)	(21)	134	1	1,224

The value of uses of the allowance includes the coverage of losses on receivables that are no longer recoverable. The Group monitors the receivables most at risk and also initiates appropriate legal action. The carrying amount of trade receivables is deemed to approximate their fair value.

There is no significant concentration of sales to individual customers: this phenomenon involves less than 10% of Group revenues.

Trade payables total 17,972 thousand Euro, compared to 19,411 thousand Euro as at 31 December 2023. This item is analysed below:

(Euro /000)	31 March 2024	31 December 2023	Change
Payables to suppliers	14,777	15,994	(1,217)
Payables to suppliers for invoices to be received	3,195	2,842	353
Advance payments received from customers	-	575	(575)
Total	17,972	19,411	(1,439)

Trade payables are down by 1,439 thousand Euro compared to 31 December 2023. Part of the decrease, specifically 575 thousand Euro, is attributable to the reclassification of payments on account received from customers, now recorded among the “Other current liabilities” while at 31 December 2023 they were included in trade payables, as represented in the chart above.

Net financial position

The net financial position is analysed in the following chart:

(Euro /000)	31 March 2024	31 December 2023	Change
Cash and cash equivalents and current financial receivables	55,891	57,159	(1,268)
Financial investments for derivatives	150	185	(35)
Other non-current financial investments	110	112	(2)
Non-current financial payables	(20,154)	(21,382)	1,228
Non-current financial payables for IFRS 16 leases	(2,915)	(2,774)	(141)
Current financial payables	(8,361)	(9,633)	1,272
Current financial payables for IFRS 16 leases	(1,113)	(1,005)	(108)
Financial liabilities for derivatives	(53)	-	(53)
Total	23,555	22,662	893

The net financial position as at 31 March 2024 is positive by 23,555 thousand Euro, up by 893 thousand Euro since the end of 2023, when it was overall positive by 22,662 thousand Euro.

The change in net financial position is mainly due to the cash flow generated by typical operations (2,963 thousand Euro), as absorbed by disbursements for technical investments made during the first three months of the year (1,390 thousand Euro), and the payment of interest, taxes and rental fees (totalling 452 thousand Euro).

The balance of **cash and cash equivalents** amounts to 55,891 thousand Euro as at 31 March 2024, compared to 57,159 thousand Euro as at 31 December 2023. This item is analysed below:

(Euro /000)	31 March 2024	31 December 2023	Change
Cash in bank deposits	55,874	57,142	(1,268)
Cash	17	17	-
Total	55,891	57,159	(1,268)

The technical forms used for the use of the available assets as at 31 March 2024 are as follows:

- maturities: collectible on demand;
- counterparty risk: deposits are made with leading banks;
- country risk: deposits are made in the countries in which Group companies have their registered offices.

Current financial payables as at 31 March 2024 decreased by 1,272 thousand Euro compared to the end of 2023; it breaks down as follows:

(Euro /000)	31 March 2024	31 December 2023	Change
Current portion of debt	8,272	9,548	(1,276)
Current overdrafts	13	-	13
Other payables	76	85	(9)
Total	8,361	9,633	(1,272)

Bank liabilities as at 31 March 2024 amount to 13 thousand Euro, compared with a balance as at 31 December 2023 of nil.

Non-current financial payables are analysed as follows:

Bank (Euro /000)	31 March 2024	31 December 2023	Change
Intesa (ex UBI)	1,507	1,757	(250)
SIMEST	360	360	-
Crédit Agricole	10,150	10,712	(562)
BNL	7,907	8,323	(416)
SIMEST	230	230	-
Total	20,154	21,382	(1,228)

The loans listed in the chart are all floating-rate contracts with the following characteristics:

Bank (Euro /000)	Amount disbursed	Signing date	Balance at 31 March 2024	Of which within 12 months	Of which beyond 12 months	Interest rate	Maturity	Repayment method
entered into by Gefran S.p.A. (IT)								
BNL	10,000	29Apr 19	500	500	-	Euribor 3m + 1%	29Apr 24	quarterly
Unicredit	5,000	30Apr 20	1,111	1,111	-	Euribor 6m + 0.95%	31Dec 24	half-yearly
BNL	7,000	29May 20	1,556	1,556	-	Euribor 6m + 1.1%	31Dec 24	half-yearly
Intesa (ex UBI)	3,000	24Jul 20	2,503	996	1,507	Euribor 6m + 1%	24Jul 26	half-yearly
SIMEST	480	9Jul 21	480	120	360	Fixed 0.55%	31Dec 27	half-yearly
Crédit Agricole	13,000	29Sep 23	12,399	2,249	10,150	Euribor 3m + 0.88%	00/01/00	quarterly
BNL	10,000	27Oct 23	9,570	1,663	7,907	Euribor 3m + 0.93%	00/01/00	quarterly
entered into by Gefran Soluzioni S.r.l. (IT)								
SIMEST	307	21May 21	307	77	230	Fixed 0.55%	31Dec 27	half-yearly
Total			28,426	8,272	20,154			

No new loans were arranged during 2024.

It should be noted that the loan with Crédit Agricole requires compliance with a financial parameter (covenant), calculated at the consolidated level, and in particular the ratio of net financial debt (NFP) to EBITDA < 3.25x. Failure to comply with the ratio could result in the lending institution being entitled to demand repayment. The verification of contractual constraints is updated on a quarterly basis by the Administration, Finance and Control Director and, specifically, the ratio as at 31 March 2024 is largely respected. The loan, therefore, is represented according to the forms originally provided for in the contract.

With the exception of the contract described above, none of the loans outstanding at 31 March 2024 has clauses requiring compliance with economic and financial requirements (covenants).

Management considers that the credit lines currently available, together with the cash flow generated by operations, will enable Gefran to meet its financial requirements resulting from investment activities, working capital management and the repayment of debt at its natural maturity.

Variable rate payables expose the Group to a risk arising from interest-rate volatility. In this regard, the Group's Administration and Finance Department monitors the exposure to interest-rate risk and proposes appropriate hedging strategies to contain the exposure within the limits defined and agreed in the Group's policies, using derivatives, Interest Rate Swap (IRS) and Interest Rate Cap (CAP) when necessary.

All derivatives outstanding at 31 March 2024 are stipulated by the Parent Company to hedge the interest rate risk on variable rate loans, which could occur in the event of a change in the Euribor. As at 31 March 2024 there are no derivatives signed to hedge exchange rate risks.

During the first quarter of 2024, two new contracts (IRS), described below, were signed to hedge the interest rate risk associated with the Crédit Agricole and BNL loans, both launched in the second half of 2023.

As at 31 March 2024, all derivatives were tested for effectiveness, with positive results.

The **financial assets for derivatives** amount to 150 thousand Euro, while the **liabilities for derivatives** amount to 53 thousand Euro, due to the fair value of the individual contracts.

(Euro /000)	as at 31 March 2024		as at 31 December 2023	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Interest rate risk	150	(53)	185	-
Total cash flow hedge	150	(53)	185	-

The following details are provided on hedges, showing the related fair value, positive and negative respectively:

Bank (Euro /000)	Notional principal	Signing date	Maturity	Notional as at 31 March 2024	Derivative	Fair Value as at 31 March 2024	Long position rate	Short position rate
BNL	10,000	29Apr 19	29Apr 24	500	IRS	2	Fixed 0.05%	Euribor 3m (Floor: -1.00%)
Unicredit	5,000	30Apr 20	31Dec 24	1,111	IRS	20	Fixed 0.05%	Euribor 6m (Floor: -0.95%)
BNL	7,000	29May 20	31Dec 24	1,556	IRS	30	Fixed -0.12%	Euribor 6m (Floor: -1.10%)
Intesa (ex UBI)	3,000	24Jul 20	24Jul 26	2,503	IRS	96	Fixed -0.115%	Euribor 3m
Crédit Agricole	13,000	12Jan24	00/01/00	12,399	IRS	2	Fixed 2,75%	Euribor 3m
Total financial assets for derivatives – Interest rate risk						150		

Bank (Euro /000)	Notional principal	Signing date	Maturity	Notional as at 31 March 2024	Derivative	Fair Value as at 31 March 2024	Long position rate	Short position rate
BNL	10,000	29Jan24	00/01/00	9,570	IRS	(53)	Fixed 2,94%	Euribor 3m (Floor: 1.00%)
Total financial liabilities for derivatives– Interest rate risk						(53)		

In order to support its current activities, the Group has various credit lines available from banks and other financial institutions, mainly in the form of advances against invoices, cash flexibility and mixed credit lines totalling 26,575 thousand Euro. As of 31 March 2024 there is no use of these lines, so the remaining liquid assets are equal to the total amount granted. No fees are due if these lines are not used.

The balance of financial payables for leasing under IFRS 16 (current and non-current) as at 31 March 2024 amounts to 4,028 thousand Euro, following the accounting standard IFRS 16, applied by the Group as of 1 January 2019, which sees the recognition of financial debts corresponding to the value of the right of use recorded under non-current assets. Financial payables for IFRS 16 leases are classified on the basis of their maturity as either current payables (due within one year), amounting to 1,113 thousand Euro, or non-current payables (due beyond one year), amounting to 2,915 thousand Euro.

Changes in this item in the first quarter of 2024 are detailed below:

(Euro /000)	31 December 2023	Increases	Decreases	Reclassifications	Exchange rate differences	31 March 2024
Leasing payables under IFRS 16	3,779	635	(364)	-	(22)	4,028
Total	3,779	635	(364)	-	(22)	4,028

The breakdown of changes in the item in the first quarter of 2023 is as follows:

(Euro /000)	31 December 2022	Increases	Decreases	Reclassifications	Exchange rate differences	31 March 2023
Leasing payables under IFRS 16	2,737	1,068	(486)	-	(16)	3,303
Total	2,737	1,068	(486)	-	(16)	3,303

A breakdown of financial debt, as per Esma and Consob regulations, is set out below:

(Euro /000)	31 March 2024	31 December 2023	Change
A. Cash	55,891	57,159	(1,268)
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
D. Cash and cash equivalents (A) + (B) + (C)	55,891	57,159	(1,268)
Current financial liabilities for derivatives	-	-	-
Current financial debt	(1,202)	(1,090)	(112)
E. Current financial payables	(1,202)	(1,090)	(112)
F. Current portion of long-term debt	(8,272)	(9,548)	1,276
G. Total current financial debts (E) + (F)	(9,474)	(10,638)	1,164
H. Net current financial debt (I) + (D)	46,417	46,521	(104)
I. Non-current financial debt	(23,069)	(24,156)	1,087
Non-current financial liabilities for derivatives	(53)	-	(53)
J. Financial debt instruments	(53)	-	(53)
K. Trade payables and Other non-current financial debts	-	-	-
L. Non-current financial debt (I) + (J) + (K)	(23,122)	(24,156)	1,034
M. Total financial debt (H) + (L)	23,295	22,365	930
of which to minorities:	23,295	22,365	930

Revenues from product sales

“Revenues from product sales” totalled 33,638 thousand Euro as at 31 March 2024, down 5.3% compared to the figure as at 31 March 2023, amounting to 35,538 thousand Euro. The signs of a slowdown observed in the second half of 2023 are also confirmed in the first three months of 2024, resulting in a contraction in sales volumes compared to the previous quarter.

Revenues from sales and services are analysed by sector of activity in the following chart:

(Euro /000)	31 March 2024	31 March 2023	Change	%
Sensors	20,978	23,386	(2,408)	-10.3%
Automation components	12,660	12,152	508	4.2%
Total	33,638	35,538	(1,900)	-5.3%

The amount of total revenues includes revenues from the provision of services totalling 491 thousand Euro (534 thousand Euro as at 31 March 2023); as regards comments on the performance of the various sectors and geographical areas, we refer to the paragraph “Consolidation of the Group in the first quarter of 2024”.

Service costs

“Service costs” amount to 5,393 thousand Euro, an overall decrease of 638 thousand Euro compared to the figure of 31 March 2023, when it amounted to 6,031 thousand Euro. They are analysed below:

(Euro /000)	31 March 2024	31 March 2023	Change
Services	5,191	5,787	(596)
Use of third-party assets	202	244	(42)
Total	5,393	6,031	(638)

Fees, which with the implementation of IFRS 16 are no longer charged to the income statement under operating costs, amount to 319 thousand Euro (equal to 287 thousand Euro as at 31 March 2023). Contracts that were excluded from the adoption of IFRS 16 based on the provisions of the principle itself, for which leasing fees are still recognised in the income statement, registered on 31 March 2024 costs for use of third-party assets in the amount of 220 thousand Euro (equal to 244 thousand Euro in the same period in 2023).

With reference to the item “Services”, other than the rental fees described above, the item shows a decrease of 596 thousand Euro in the first quarter of 2024 compared to the same period in the previous year. The decrease is related to lower consulting costs (of which 105 thousand Euro incurred in the first quarter of 2023 related to the activities required for the spin-off of the drives business), as well as for travel, utilities, for the provision of temporary employment services and product warranty costs.

Personnel costs

“Personnel costs” amount to 11,883 thousand Euro, with an increase against the value as at 31 March 2023 of 108 thousand Euro, and break down as follows:

(Euro /000)	31 March 2024	31 March 2023	Change
Salaries and wages	8,919	8,982	(63)
Social security contributions	2,353	2,271	82
Post-employment benefit reserve	505	454	51
Other costs	106	68	38
Total	11,883	11,775	108

At 31 March 2023, the Group had 651 employees, as well as at 31 December 2023. At the end of the first quarter of 2024, there were 687. During the first quarter of 2024, there was a significant increase in the workforce, mainly due to the stabilisation of 31 temporary workers.

Compared to what was incurred in the first three months of 2023, costs for salaries and wages are decreasing, while social security contributions, post-employment benefit reserves and other costs are increasing.

“Social security contributions” include costs for defined contribution plans for management (Previndai and Azimut Previdenza pension plan) amounting to 26 thousand Euro (16 thousand Euro at 31 December 2022).

The item “Other costs”, up by 38 thousand Euro, include, among other items, restructuring costs resulting from the reorganisation of Group companies, as well as sales commissions recognised to employees.

Like the headcount figure, the average number of Group employees in the first quarter of 2024 is also increasing compared to the figure for the same period in 2023:

	31 March 2024	31 March 2023	Change
Managers	14	15	(1)
Clerical staff	434	422	12
Manual workers	222	212	10
Total	670	649	21

Provaglio d'Iseo, 9 May 2024

For the Board of Directors

Chairwoman

Maria Chiara Franceschetti

Chief Executive Officer

Marcello Perini





Attachments



a) Consolidated income statement by quarter

(Euro /000)		Q1 2023	Q2 2023	Q3 2023	Q4 2023	TOT 2023	Q1 2024
a	Revenues	36,064	35,424	29,738	31,552	132,778	34,156
b	Increases for internal work	445	715	648	628	2,436	474
c	Consumption of materials and products	10,415	11,186	9,368	10,137	41,106	10,081
d	Value Added (a+b-c)	26,094	24,953	21,018	22,043	94,108	24,549
e	Other operating costs	6,080	5,755	5,408	5,678	22,921	5,538
f	Personnel costs	11,775	12,239	11,131	11,897	47,042	11,883
g	EBITDA (d-e-f)	8,239	6,959	4,479	4,468	24,145	7,128
h	Depreciation, amortisation and impairment	1,870	1,870	1,882	1,973	7,595	2,021
i	EBIT (g-h)	6,369	5,089	2,597	2,495	16,550	5,107
l	Gains (losses) from financial assets/liabilities	(115)	(46)	110	251	200	55
m	Gains (losses) from shareholdings valued at equity	16	(4)	6	12	30	2
n	Profit (loss) before tax (i±l±m)	6,270	5,039	2,713	2,758	16,780	5,164
o	Taxes	(2,346)	(1,340)	(603)	(633)	(4,922)	(1,356)
r	Group net profit (loss) (n±o)	3,893	3,520	2,113	2,127	11,653	3,808

b) Exchange rates used to translate the financial statements of foreign companies

End-of-period exchange rates

Currency	31 March 2024	31 December 2023
Swiss franc	0.9766	0.9260
Pound sterling	0.8551	0.8691
U.S. dollar	1.0811	1.1050
Brazilian real	5.4032	5.3618
Chinese renminbi	7.8144	7.8509
Indian rupee	90.1365	91.9045

Average exchange rates in the period

Currency	31 March 2024	31 March 2023
Swiss franc	0.9495	0.9925
Pound sterling	0.8562	0.8832
U.S. dollar	1.0857	1.0730
Brazilian real	5.3762	5.5739
Chinese renminbi	7.8050	7.3408
Indian rupee	90.1490	88.2535

c) List of subsidiaries included in the scope of consolidation

Name	Registered office	Nation	Currency	Share capital	Parent company	% of direct ownership
Gefran UK Ltd	Warrington	United Kingdom	GBP	4,096,000	Gefran S.p.A.	100.00
Gefran Deutschland GmbH	Seligenstadt	Germany	EUR	365,000	Gefran S.p.A.	100.00
Gefran France SA	Saint-Priest	France	EUR	800,000	Gefran S.p.A.	99.99
Gefran Benelux NV	Geel	Belgium	EUR	344,000	Gefran S.p.A.	100.00
Gefran Inc	North Andover	United States	USD	1,900,070	Gefran S.p.A.	100.00
Gefran Brasil Elettroel. Ltda	San Paolo	Brazil	BRL	450,000	Gefran S.p.A.	99.90
					Sensormate AG	0.10
Gefran India Private Ltd	Pune	India	INR	100,000,000	Gefran S.p.A.	95.00
					Sensormate AG	5.00
Gefran Asia Pte Ltd	Singapore	Singapore	EUR	3,359,369	Gefran S.p.A.	100.00
Gefran Automation Technology (Shanghai) Co Ltd	Shanghai	China (PRC)	RMB	28,940,000	Gefran S.p.A.	100.00
Sensormate AG	Aadorf	Switzerland	CHF	100,000	Gefran S.p.A.	100.00
Gefran Soluzioni S.r.l.	Provaglio d'Iseo	Italy	EUR	100,000	Gefran S.p.A.	100.00
Elettropiemme S.r.l.	Trento	Italy	EUR	70,000	Gefran Soluzioni S.r.l.	100.00

d) List of companies consolidated using the equity method

Name	Registered office	Nation	Currency	Share capital	Parent company	% of direct ownership
Axel S.r.l.	Crosio della Valle	Italy	EUR	26,008	Gefran S.p.A.	15.00
Robot At Work S.r.l.	Rovato	Italy	EUR	14,500	Gefran S.p.A.	24.83

e) List of other affiliates

Name	Registered office	Nation	Currency	Share capital	Parent company	% of direct ownership
Colombera S.p.A.	Iseo	Italy	EUR	8,098,958	Gefran S.p.A.	16.56
Woojin Plaimm Co Ltd	Seoul	South Korea	WON	3,200,000,000	Gefran S.p.A.	2.00
CSMT GESTIONE S.C.A.R.L.	Brescia	Italy	EUR	1,400,000	Gefran S.p.A.	1.78

Declaration of the executive in charge of financial reporting

Declaration pursuant to Article 154-bis, paragraph 2 of Italian Legislative Decree no. 58 of
24 February 1998
("Consolidated Finance Act")

The undersigned **Paolo Beccaria**, Executive in charge of financial reporting of Gefran S.p.A, hereby declares, pursuant to Article 154-bis, paragraph 2, of the TUF (Consolidated Law on Finance), that the accounting information contained in these interim financial statements as at 31 March 2024 accurately represents the details contained in the documentary evidence, accounts and records.

Provaglio d'Iseo, 9 May 2024

The Executive in charge of financial reporting

Paolo Beccaria