

# GEFRAN

BEYOND TECHNOLOGY



## GEFRAN GROUP

Half-yearly financial report  
as at 30 June 2025



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# Highlights

# 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

Deloitte & Touche S.p.A.

On 23 April 2024, the ordinary Shareholders' Meeting of Gefran S.p.A. engaged the external auditor Deloitte & Touche S.p.A. to audit the separate annual financial statements of Gefran S.p.A., as well as the consolidated annual financial statements and the consolidated half-yearly report of the Gefran Group for a period of nine years until the approval of the financial statements for 2033, in accordance with Italian Legislative Decree no. 39/2010.

# Key consolidated income statement and statement of financial position figures

## Group income statement highlights

(Euro /000)	30 June 2025		30 June 2024		2Q 2025		2Q 2024	
Revenues	72,155	100.0%	68,499	100.0%	35,713	100.0%	34,343	100.0%
Profit	13,764	19.1%	13,333	19.5%	5,928	16.6%	6,205	18.1%
EBIT	9,780	13.6%	9,350	13.6%	3,913	11.0%	4,243	12.4%
Profit (loss) before tax	9,022	12.5%	9,462	13.8%	3,399	9.5%	4,298	12.5%
Net profit (loss)	6,632	9.2%	7,163	10.5%	2,547	7.1%	3,355	9.8%
Attributable to:								
Group	6,618	9.2%	7,163	10.5%	2,533	7.1%	3,355	9.8%
Third parties	14	0.0%	-	0.0%	14	0.0%	-	0.0%

## Group statement of financial position highlights

(Euro /000)	30 June 2025	31 December 2024
Invested capital from operations	70,593	65,183
Net working capital	23,422	20,216
Shareholders' equity	97,896	99,338
Group Shareholders' equity	97,405	99,338
Shareholders' equity of minority interests	491	-
Net debt relating to operations	27,303	34,155

(Euro /000)	30 June 2025	30 June 2024
Operating cash flow from operations	10,335	11,053
Investments in operations	3,088	2,698

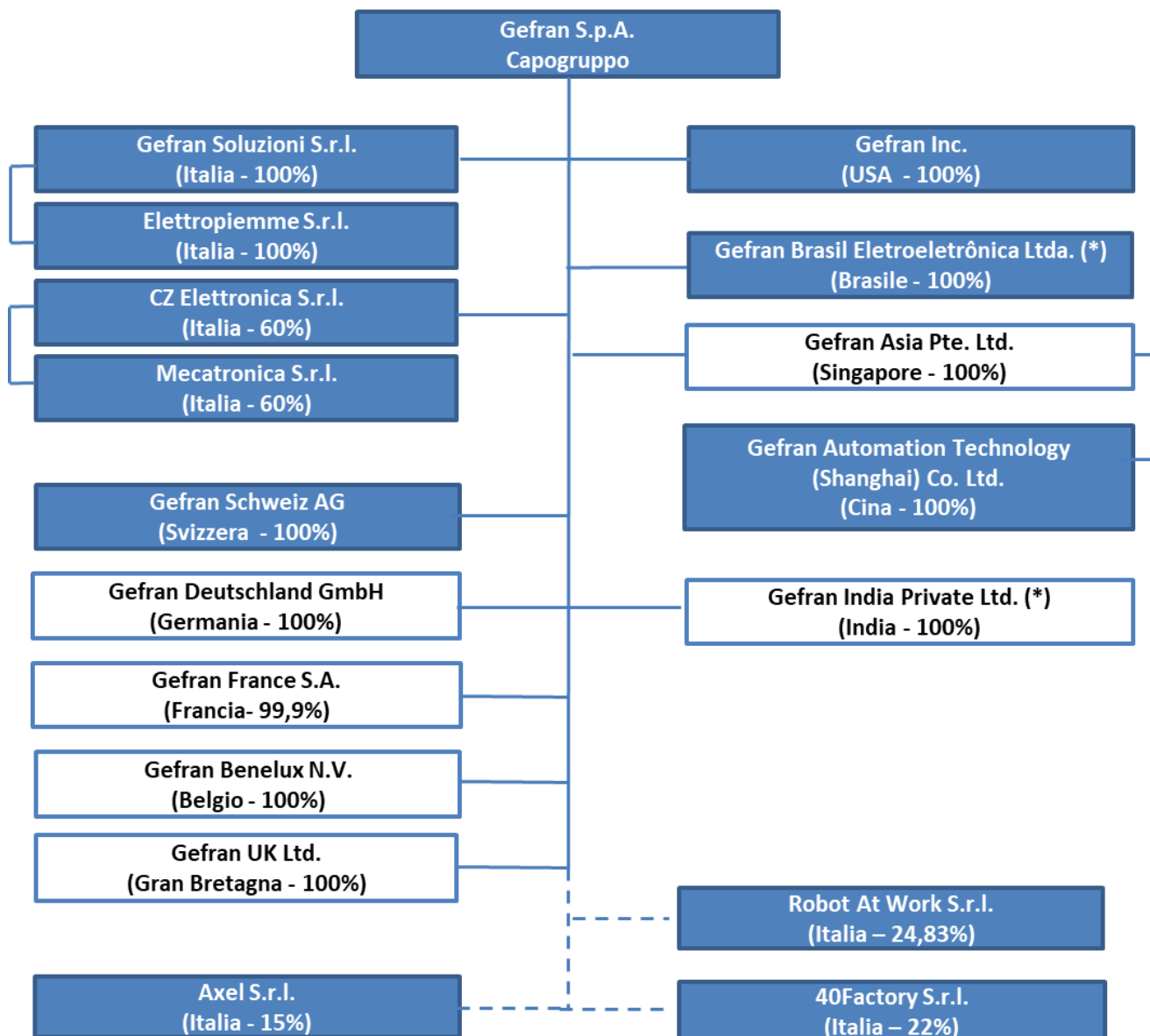






# **Report on operations – Profile of the Group**

# Group Structure



**Unità produttive**

**Filiali commerciali**

(\*) Gefran India e Gefran Brasil in via indiretta tramite Gefran Schweiz AG

# Gefran Group Activities

The Gefran Group's business is centred around two main business areas: industrial sensors and automation components.

Design, production and commercialization activities are carried out through various sales channels, offering a complete range of products and solutions that can be applied in multiple automation sectors. About 68% of revenues are generated abroad.

## Sensors

The **sensors** business offers a complete range of products for measuring four physical parameters of position, pressure, force and temperature - which are used in many industrial sectors.

Gefran stands out for its technological leadership, creating in-house the primary elements, offering a complete range that is unique in the world and occupying leading positions worldwide for some product families. The sensors business generates about 78% of its revenues abroad.

## Automation components

The **automation components** business develops around three main product lines that are widely used in the control of industrial processes: instrumentation, power control and automation platforms (operator panels, PLC, I/O modules). In addition to the supply of products, Gefran offers its customers the possibility of designing the entire automation solution, providing "tailor-made" and "turnkey" solutions, thanks to a strategic partnership both during the design and production stages.

Gefran stands out for its expertise in hardware and software acquired in over thirty years of experience. Gefran is one of the main Italian manufacturers in these product lines and generates around 43% of its business revenues through exports.

## Research and development

The Gefran Group invests significant financial and human resources in product research and development. In the first half of 2025, about 5% of revenues were invested in these activities, which are considered strategic to maintain high technological and innovative levels in products, ensuring the competitiveness required by the market.

Research and development is mainly concentrated in Italy and managed by the technical area. It includes development of new technologies, evolution of the characteristics of existing products, product certification in addition to the design of custom products at the request of specific customers. The work carried out at the laboratories of the Group's historical offices in Provaglio d'Iseo (BS) is now supported by the technological hub dedicated to force and deformation sensors in the Swiss subsidiary Gefran Schweiz AG.

The cost of technical personnel involved in these activities, as well as for consultancy and the purchase of materials used for testing, is charged in full to the income statement, except for costs that are capitalised according to the conditions set out in IAS 38. Costs identified for capitalisation and that meet the above requirements are indirectly suspended by a revenue entry under "Increases for internal work" in the income statement.

In the first half of 2025, the technical area of the **Sensors** business directed its research and development activity at further expanding the product offering, focusing on the range dedicated to mobile hydraulics sensors and on the launch of sensors with digital connectivity for use in Industry 4.0 architecture. These developments are consistent with the main business drivers identified by the Group, specifically:

- digital communications, a prerequisite for integrating sensors into modern machine architecture;
- product certifications, mainly safety certifications, as a response to the growing need to ensure operator safety (sensors are fundamental devices in this area);
- "multi-variability", so as to provide customers with a complete set of information and ensure a higher level of control, aimed at the operational continuity of machines and plants;
- completion of the product portfolio for the mobile hydraulics market.

Specifically, with regard to pressure measurement, new versions of the KM probe (with solenoid valve connectors and micro-solenoid valve) were launched. On this basis, the KM sensor was developed with RAIL type-approval (in accordance with the EN50155 standard), which was subsequently extended to the entire KM series, with the aim of strengthening Gefran's presence in the railway application market.

In order to increase our market share in the agriculture sector, a new line of GR3P rotary sensors (with single output and 3 pin electrical connection) was launched in early 2025. The mechanics of this new sensor are such that it can easily replace the main models currently available on the market, while the measurement technology incorporates the know-how of all the primary elements with a "hall" effect developed in previous years.

During the first half of 2025, the evolution of sensors for mobile hydraulics was further pursued in order to meet safety certification requirements (SIL2/PLd). This initiative, involving a significant part of Gefran's sensor portfolio, is the expression of its strategy to strengthen the Group's positioning in the mobile machinery market and offer customers the highest functional safety.

Lastly, in the plastics sector, and in particular the polymer market, the IECEx international certification for explosion-risk environments was obtained in June, in connection with high-temperature pressure (melt) sensors. This qualification is the basis for achieving, by the end of 2025, the NEPSI certification, mainly intended for the Asian market.



During the first half of 2025, research and development of **automation components** focused heavily on the ranges of programmable automation and power controllers, in line with the strategic development guidelines already identified in previous years.

In particular, G-Mation, the new programmable automation platform, was launched in the second quarter of the year. Gefran renewed its presence in this market area with G-Mation P6, a new PLC unit that, combined with the GF Project 6.x application development software, offers machine manufacturers a high-performance, flexible and state-of-the-art solution. The G-Mation platform implements webserver and docker technologies and is designed to be in line with the latest cybersecurity regulations. To complete our offering, the CPU launch was enriched by the availability of six new input/output units alongside the six already made available last year. During the third quarter of 2025, the Gefran automation board offering will be enriched by two additional new I/O units.

As regards power control, activities in the early months of 2025 focused on pursuing the development of the new platform, the GRC series, which will be launched at the end of the third quarter of 2025 (in the first two mechanical sizes from 25 A to 150 A). Further developments are expected during the fourth quarter of 2025 and will continue in 2026.

In addition, process control protocols based on PID-type negative feedback systems, already partly included in the Termo4, were further refined in early 2025. During the second half of the year, these will first be integrated to complete the Termo4 series and then extended to the other product families.

# Information on shareholders and stock performance

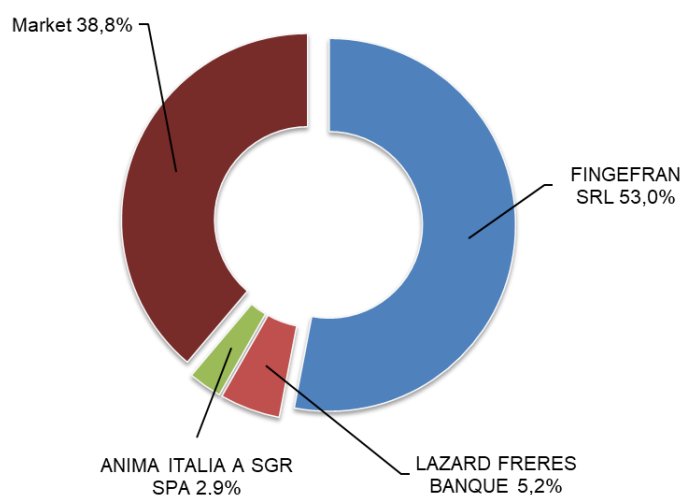
On 30 June 2025, the subscribed and paid-up share capital was 14,400,000.00 Euro, divided into 14,400,000 ordinary shares, with a nominal value of 1.00 Euro per share. No further financial instruments have been issued.

STRUCTURE OF SHARE CAPITAL				
Type of shares	No. of shares	% of share capital	Listed	Rights and obligations
Ordinary shares	14,400,000	100	Euronext STAR MILAN	ordinary

## Shareholder structure

Parent company Gefran S.p.A. has been listed on the Milan Stock Exchange since 9 June 1998, and in 2001 joined the “STAR” (Segmento Titoli con Alti Requisiti) segment of the Automated Stock Market for small to mid-sized companies that meet specific transparency, liquidity and corporate governance requirements. On 31 January 2005 this segment was renamed *ALL STARS*, taking on the name *FTSE Italia STAR* following the 1 June 2009 merger of Borsa Italiana with the London Stock Exchange before being given its current name, *Euronext STAR Milan*.

### Gefran S.p.A. shareholder structure

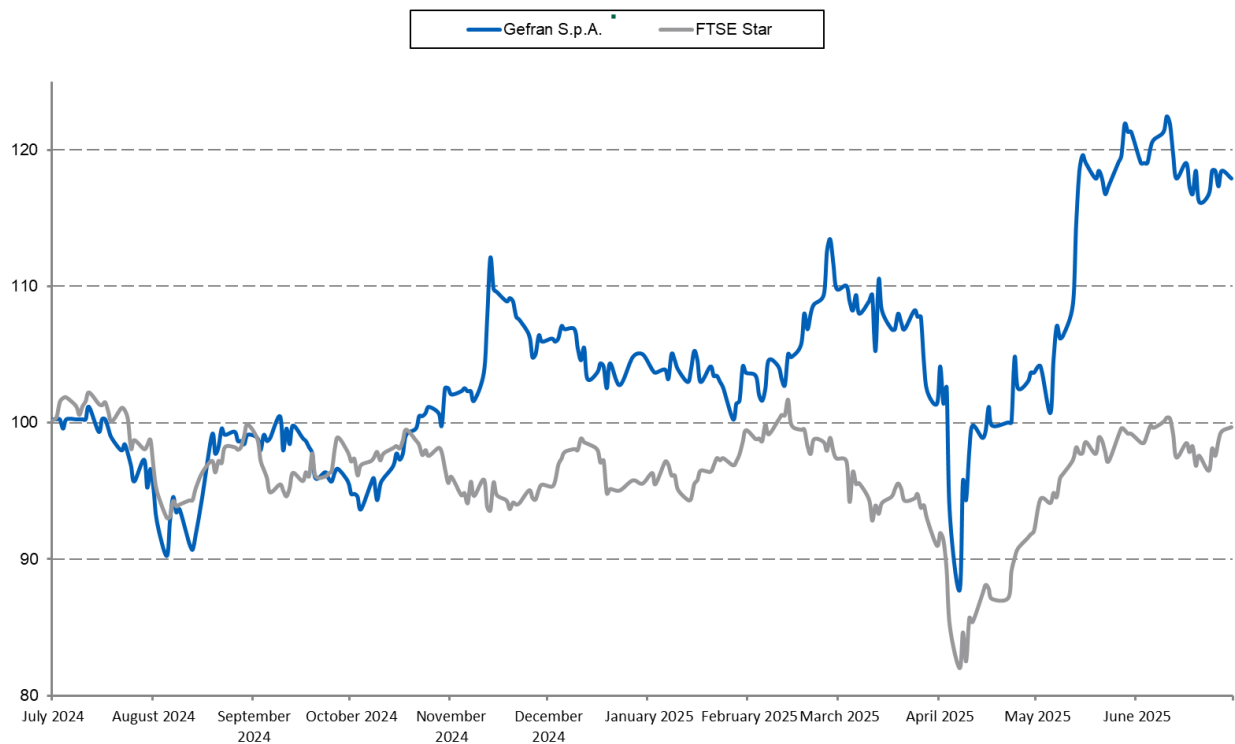


## Share performance and volumes traded

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

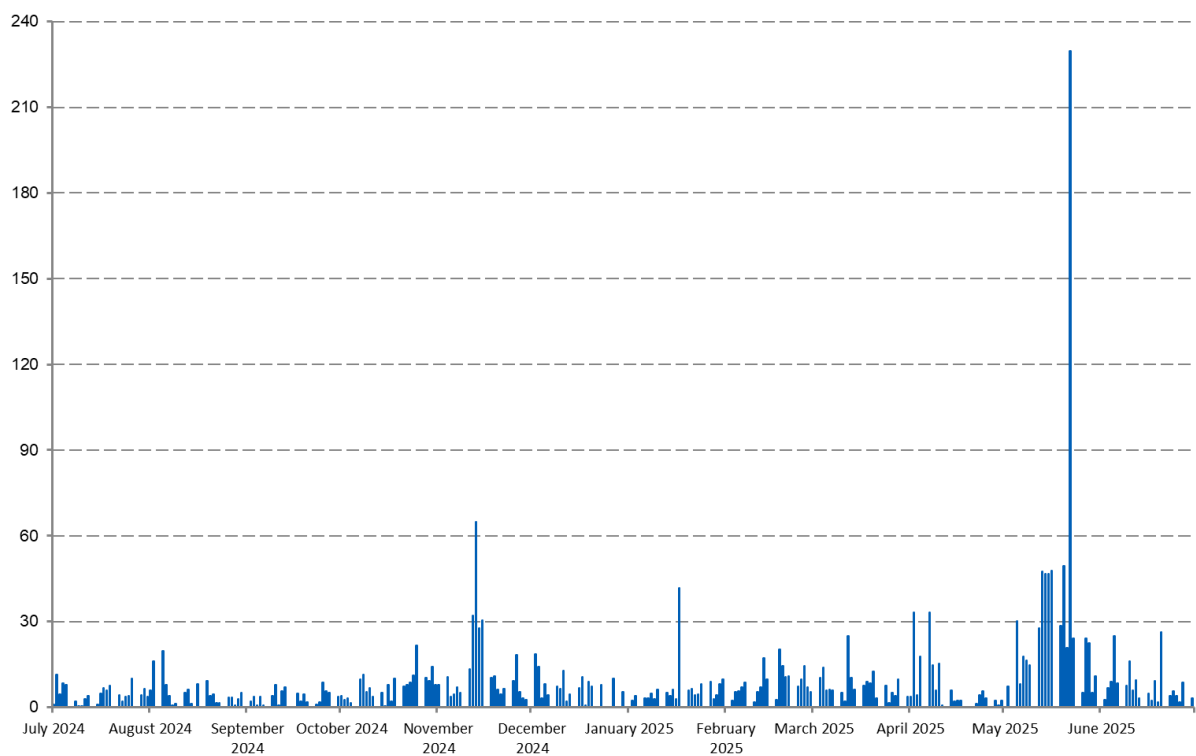
Variation

## Gefran S.p.A. stock performance



## Gefran S.p.A. Volume Performance

Thousand



## 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. 49/2019, with regard to primary legislation, and by Consob Resolution no. 21624 of 10 December 2020, with regard to secondary legislation.

This document is published in the section “Investor Relations/Governance/Documents, procedures and shareholders’ agreements” 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 insignificant transactions, transactions of negligible amount, etc.).
- **Second section**: procedures to approve significant and insignificant transactions, exemptions.
- **Third section**: obligations to disclose and supervise compliance with the procedure.

Please refer to note 31 of the **Specific explanatory notes** to the condensed half-yearly consolidated financial statements for details of the dealings between Group companies and related parties.



## Alternative performance indicators

In addition to the standard financial schedules and indicators required under IFRS, this document includes 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 miscellaneous 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 net fixed assets, working capital and provisions
- **Net financial position**: the algebraic sum of the following items:
  - o Medium to long-term financial payables
  - o Short-term financial payables
  - o Financial liabilities for derivatives
  - o Financial assets for derivatives
  - o Non-current financial assets
  - o Cash and cash equivalents and short-term financial receivables



## Disclosure simplification

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



## **Report on operations - Information on activities**

# Gefran consolidated results

It should be noted that the Group's results for the current period, described and commented on below, reflect, among other things, the corporate acquisitions described in the **Significant events during in the first half of 2025** section of this Report on Operations. Specifically:

- the acquisition, signed on 20 March 2025 by Gefran S.p.A., of 22% of the share capital of 40Factory S.r.l. with operational headquarters in Piacenza, entered among shareholdings valued at equity;
- the acquisition, signed on 14 April 2025 and recognised among the subsidiaries of Gefran S.p.A., of 60% of the share capital of CZ Elettronica S.r.l., together with its subsidiary Mecatronica S.r.l., both of which are based in the province of Vicenza.

The following paragraphs describe the effects of such operations, where relevant and useful for understanding performance.

## Consolidated income statement for the second quarter

The income statement for the second quarter of 2025 is shown below, in comparison with the income statement for the same period in 2024.

(Euro /000)	2Q 2025	2Q 2024	Change 2025-2024	
	Total	Total	Value	%
a Revenues	35,713	34,343	1,370	4.0%
b Increases for internal work	520	579	(59)	-10.2%
c Consumption of materials and products	11,215	9,824	1,391	14.2%
<b>d Added Value (a+b-c)</b>	<b>25,018</b>	<b>25,098</b>	<b>(80)</b>	<b>-0.3%</b>
e Other operating costs	5,790	5,912	(122)	-2.1%
f Personnel costs	13,300	12,981	319	2.5%
<b>g EBITDA (d-e-f)</b>	<b>5,928</b>	<b>6,205</b>	<b>(277)</b>	<b>-4.5%</b>
h Depreciation, amortisation and impairment	2,015	1,962	53	2.7%
<b>i EBIT (g-h)</b>	<b>3,913</b>	<b>4,243</b>	<b>(330)</b>	<b>-7.8%</b>
l Gains (losses) from financial assets/liabilities	(505)	43	(548)	-1274.4%
m Gains (losses) from shareholdings valued at equity	(9)	12	(21)	-175.0%
<b>n Profit (loss) before tax (i±l±m)</b>	<b>3,399</b>	<b>4,298</b>	<b>(899)</b>	<b>-20.9%</b>
o Taxes	(852)	(943)	91	9.7%
<b>p Net profit (loss) (n±o)</b>	<b>2,547</b>	<b>3,355</b>	<b>(808)</b>	<b>-24.1%</b>
Attributable to:				
Group	2,533	3,355	(822)	-24.5%
Third parties	14	-	14	

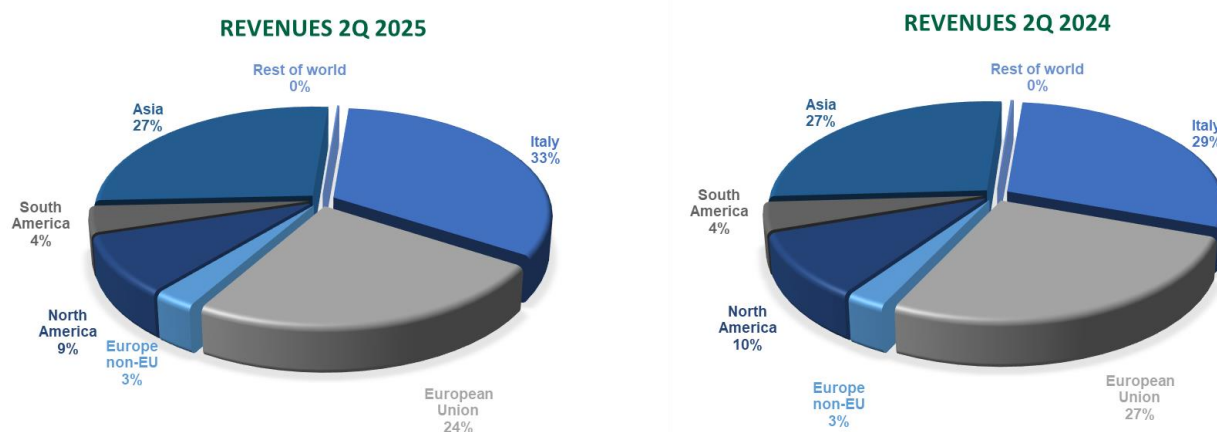
**Revenues** in the second quarter of 2025 amounted to 35,713 thousand Euro, as compared to 34,343 thousand Euro in the same period of the previous year, up by 1,370 thousand Euro (equal to 4.0%). The acquisition of the aforementioned subsidiaries (CZ Elettronica S.r.l. and Mecatronica S.r.l.) contributed to the increase in revenues, for a total amount of 736 thousand Euro, without which growth in the quarter would be 634 thousand Euro (1.8%).

Overall, without taking into account the negative effect of exchange rate fluctuations compared to the same period of the previous year, estimated at 404 thousand Euro, the growth in revenues for the quarter would be more significant (5.2%).

Analysing the order intake for the second quarter of 2025, compared to the figure for the same period in 2024, there was an increase (overall of 3.7%), driven by an increase in order intake for the sensors business (+4%). For the automation components business, order intake increased overall (+3%), mainly as a result of the companies acquired.

The table below shows a breakdown of revenues in the second quarter by geographical region.

(Euro /000)	2Q 2025		2Q 2024		Change 2025-2024	
	Value	%	Value	%	Value	%
Italy	11,672	32.7%	10,006	29.1%	1,666	16.7%
European Union	8,681	24.3%	9,134	26.6%	(453)	-5.0%
Europe non-EU	979	2.7%	893	2.6%	86	9.6%
North America	3,243	9.1%	3,450	10.0%	(207)	-6.0%
South America	1,463	4.1%	1,488	4.3%	(25)	-1.7%
Asia	9,617	26.9%	9,285	27.0%	332	3.6%
Rest of the world	58	0.2%	87	0.3%	(29)	-33.3%
<b>Total</b>	<b>35,713</b>	<b>100%</b>	<b>34,343</b>	<b>100%</b>	<b>1,370</b>	<b>4.0%</b>



The breakdown of revenues in the quarter by **geographical region**, compared with the figure for the same quarter of the previous year, shows a good performance in Italy, where there was a double digit percentage increase (+16.7%), which, net of the contribution made by the operations described in the introduction, remained significant despite being lower (+9.3%). Revenues in Asian countries also grew (+3.6%), despite the negative effect of exchange rate fluctuations compared to the first quarter of 2024 (net of which the increase in revenues in the region would be 5.5%). However, revenues in European countries (overall -3.7%) and in America (overall -4.7%) went down. The latter area was affected by the negative effect of foreign currency trends (without which revenues would be in line with the same period in the previous year).

Below is a breakdown of revenues in the second quarter by **business area** in comparison with the same period in the previous year.

(Euro /000)	2Q 2025		2Q 2024		Change 2025-2024	
	Value	%	Value	%	Value	%
Sensors	23,471	65.7%	22,397	65.2%	1,074	4.8%
Automation components	14,308	40.1%	13,997	40.8%	311	2.2%
Eliminations	(2,066)	-5.8%	(2,051)	-6.0%	(15)	0.7%
<b>Total</b>	<b>35,713</b>	<b>100%</b>	<b>34,343</b>	<b>100%</b>	<b>1,370</b>	<b>4.0%</b>

Compared to the previous second quarter, revenues from the sensors segment increased overall by 4.8% in all the geographical regions reached by this business, except for America, where the decrease was attributable to currency trends. With regard to the automation components segment, growth was more limited (2.2%), influenced, among others, by the revenues contributed by the companies acquired in April 2025 (CZ Elettronica S.r.l and Mecatronica S.r.l.), whose operating activities fall within the segment in question. Without considering this contribution, the revenues generated by the automation components segment decreased by 3% during the quarter compared to the same period in 2024. For further details on the economic performance of each segment, please see the **Business Areas** section.

**Increases for internal work** in the second quarter of 2025 amounted to 520 thousand Euro (579 thousand Euro in the second quarter of 2024). This item represents the new product development costs incurred in the period that have been capitalised.

**Added value** in the quarter amounted to 25,018 thousand Euro (25,098 thousand Euro in the corresponding period of 2024), corresponding to 70.1% of revenues (down 3% from the figure of the second quarter of 2024). The decrease in added value, totalling 80 thousand Euro (544 thousand Euro without considering the added value of the new subsidiaries acquired in April 2025), mainly relates to the lower margins achieved, due to the different product and geographical mix compared to the same period of the previous year, as well as higher customs duties (in particular linked to trade with the US subsidiary), only partially offset by higher revenues in the period.

**Other operating costs** in the second quarter of 2025 amounted to 5,790 thousand Euro, a decrease of 122 thousand Euro over the figure for the second quarter of 2024 (a 248 thousand Euro decrease net of the effect of the acquisitions described in the introduction), corresponding to 16.2% of revenues (17.2% in the second quarter of 2024). Overall, the change is due to lower costs for professional services, consultancy, travel and maintenance services, partly offset by higher costs for the selection and training of personnel, as well as the greater use of external processing.

**Personnel costs** during the quarter, amounting to 13,300 thousand Euro, were 319 thousand Euro higher than in the same period of 2024, when they amounted to 12,981 thousand Euro (without considering the higher costs for the acquisitions described in the introduction, personnel costs for the quarter would be substantially in line with the same period of 2024). They absorbed 37.2% of revenues (37.8% in the second quarter of 2024). For details on the workforce and its changes, please see the **Human Resources** section.

**EBITDA** in the second quarter of 2025 amounted to 5,928 thousand Euro (6,205 thousand Euro in the same quarter of 2024), corresponding to 16.6% of revenues (18.1% of revenues in the same period of 2024), which is lower than in the second quarter of 2024 by 277 thousand Euro (327 thousand Euro without considering EBITDA contributed by the new acquired subsidiaries). The change is due to the lower added value generated, despite higher sales compared with the corresponding quarter of the previous year, as well as higher overall operating costs.

The item **depreciation, amortisation and impairment** in the quarter amounted to 2,015 thousand Euro, compared with 1,962 thousand Euro in the same period of the previous year, an increase of 53 thousand Euro (41 thousand Euro net of amortisation/depreciation of the assets of the acquired companies).

**EBIT** in the second quarter of 2025 amounted to 3,913 thousand Euro (11.0% of revenues), compared with 4,243 thousand Euro in the same period of 2024 (12.4% of revenues), a decrease of 330 thousand Euro (368 thousand Euro without considering the contribution made by the new acquired subsidiaries). The change is the result of the same dynamics illustrated for EBITDA.

**Losses from financial assets/liabilities** in the second quarter of 2025 amounted to 505 thousand Euro (in the second quarter of 2024 net gains of 43 thousand Euro were recorded), including:

- financial income of 184 thousand Euro, including 177 Euro deriving from cash management (overall 330 thousand Euro in the second quarter of 2024);
- financial charges linked with the Group's indebtedness of 217 thousand Euro, up from the second quarter of 2024, when they totalled 178 thousand Euro;
- exchange losses from foreign currency transactions of 449 thousand Euro, compared with the second quarter of 2024 when they were negative at 92 thousand Euro.

It should be noted that the transactions described in the introduction affected this item in an insignificant manner.

**Losses from shareholdings valued at equity** in the quarter, amounting to 9 thousand Euro, reflect the results reported by the subsidiary Axel S.r.l. Gains in the second quarter of 2024 totalled 12 thousand Euro.

**Taxes** during the quarter had a negative balance on the whole and amounted to 852 thousand Euro (on the whole negative by 943 thousand Euro in the second quarter of 2024). They consist of:

- negative current taxes of 858 thousand Euro (negative for the amount of 942 thousand Euro in the second quarter of 2024);
- deferred tax assets and liabilities, on the whole positive for the amount of 6 thousand Euro (negative for the amount of 1 thousand Euro in the second quarter of 2024).

The **net profit** in the second quarter of 2025 amounted to 2,547 thousand Euro, compared with a profit of 3,355 thousand Euro in the same period of the previous year. The change, negative by 808 thousand Euro (844 thousand Euro, net of the contribution made by the companies acquired in April 2025), reflects the decrease in EBIT, as well as the negative financial operations, only partially offset by the fiscal management trend.

Following the operations described in the introduction, and in particular the acquisition of 60% of CZ Elettronica S.r.l. and Meccatronica S.r.l., the **Gefran Group's net profit** in the second quarter of 2025 was 2,533 thousand Euro, while the minority **stake-share** was 14 thousand Euro.

## Progressive Consolidated Income Statement

The Group's results at 30 June 2025 are shown below, compared with those reported at 30 June 2024.

(Euro /000)	30 June 2025	30 June 2024	Change 2025-2024	
	Total	Total	Value	%
a Revenues	72,155	68,499	3,656	5.3%
b Increases for internal work	917	1,053	(136)	-12.9%
c Consumption of materials and products	21,367	19,905	1,462	7.3%
<b>d Added Value (a+b-c)</b>	<b>51,705</b>	<b>49,647</b>	<b>2,058</b>	<b>4.1%</b>
e Other operating costs	11,945	11,450	495	4.3%
f Personnel costs	25,996	24,864	1,132	4.6%
<b>g EBITDA (d-e-f)</b>	<b>13,764</b>	<b>13,333</b>	<b>431</b>	<b>3.2%</b>
h Depreciation, amortisation and impairment	3,984	3,983	1	0.0%
<b>i EBIT (g-h)</b>	<b>9,780</b>	<b>9,350</b>	<b>430</b>	<b>4.6%</b>
l Gains (losses) from financial assets/liabilities	(753)	98	(851)	-868.4%
m Gains (losses) from shareholdings valued at equity	(5)	14	(19)	-135.7%
<b>n Profit (loss) before tax (i±l±m)</b>	<b>9,022</b>	<b>9,462</b>	<b>(440)</b>	<b>-4.7%</b>
o Taxes	(2,390)	(2,299)	(91)	-4.0%
<b>p Net profit (loss) (n±o)</b>	<b>6,632</b>	<b>7,163</b>	<b>(531)</b>	<b>-7.4%</b>
Attributable to:				
Group	6,618	7,163	(545)	-7.6%
Third parties	14	-	14	

**Revenues** at 30 June 2025 amounted to 72,155 thousand Euro, compared to 68,499 thousand Euro in the same period of the previous year, up by 3,656 thousand Euro (5.3%). The acquisition of the subsidiaries (CZ Elettronica S.r.l. and Mecatronica S.r.l.) in April 2025 contributed to the increase in revenues, for a total amount of 736 thousand Euro, without which revenue growth in the half-year period would be 2,920 thousand Euro (4.3%).

Exchange rate fluctuations had a negative impact on this item, in particular due to the fluctuations of the Brazilian Real, Chinese Renmimbi, Indian Rupee and US dollar. Excluding this effect (estimated at 797 thousand Euro in total), growth in revenues during the half-year compared to the same period of the previous year would increase to 4,453 thousand Euro (6.5%).

Analysing the order intake for the first half of 2025, compared to the figure for the same period in 2024, there was an increase (overall 3.8% which, net of order intake related to the acquired subsidiaries, would be 3.3%), driven by an increase in order intake for the sensors business (+5.4%). For the automation components business, the increase in order intake (+0.7%) is related to the new subsidiaries that entered the Group in the second quarter of 2025 (without this effect, there would be a 0.4% decrease compared to the amount of order intake in the same half of 2024).

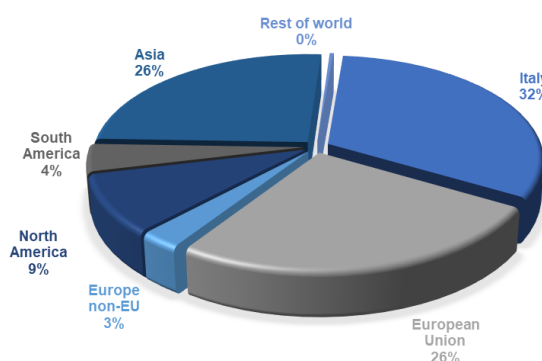
The backlog at the end of the first half-year reflects an increase on the figure of 31 December 2024 (+3.4%). Without considering the order portfolio of the new subsidiaries CZ Elettronica S.r.l. and Mecatronica S.r.l., which entered the Group during the second quarter of 2025, the increase would be more limited (+2%). However, the figure decreased compared to 30 June 2024 (-2.9%, which would be 4.2% without the contribution of CZ Elettronica S.r.l. and Mecatronica S.r.l.).

The table below shows a breakdown of revenues in the first half by geographical region.

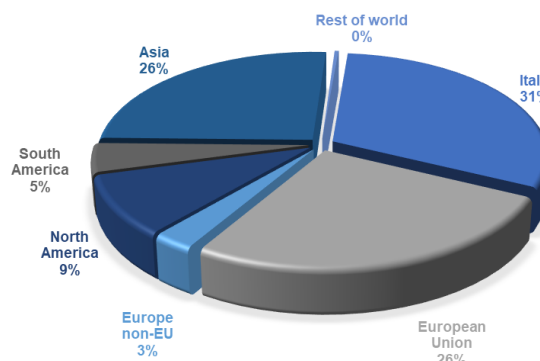


(Euro /000)	30 June 2025		30 June 2024		Change 2025-2024	
	Value	%	Value	%	Value	%
Italy	23,099	32.0%	21,087	30.8%	2,012	9.5%
European Union	18,701	25.9%	18,106	26.4%	595	3.3%
Europe non-EU	1,980	2.7%	1,884	2.8%	96	5.1%
North America	6,624	9.2%	6,473	9.4%	151	2.3%
South America	3,103	4.3%	3,105	4.5%	(2)	-0.1%
Asia	18,411	25.5%	17,616	25.7%	795	4.5%
Rest of the world	237	0.3%	228	0.3%	9	3.9%
<b>Total</b>	<b>72,155</b>	<b>100%</b>	<b>68,499</b>	<b>100%</b>	<b>3,656</b>	<b>5.3%</b>

REVENUES UP TO 30 JUNE 2025



REVENUES UP TO 30 JUNE 2024



The breakdown of revenues in the half-year by **geographical region**, compared with the figure for the first six months of 2024, shows good performance across all areas in which the Group operates, with the most significant increase being recorded on the national market (+9.5%). As described for the quarter, the figure is positively affected by the revenues generated by the subsidiaries that entered the Group in April 2025. Without this effect, the increase in revenues in Italy would be more limited (+6.1%). Compared to the first half of 2024, there was also an increase in revenues in Europe (overall +3.5%), in America (+1.6%, which, net of the negative effect of currency fluctuations, in particular the Brazilian Real and the US Dollar, would rise to +6.6%), as in Asia (+4.5%, where the dynamics of the exchange rates for the Chinese Renminbi and Indian Rupee had an equally negative effect, without which the increase would be +6.4%).

Below is a breakdown of revenues at 30 June 2025 by **business area** in comparison with the same period in the previous year.

(Euro /000)	30 June 2025		30 June 2024		Change 2025-2024	
	Value	%	Value	%	Value	%
Sensors	47,228	65.5%	43,783	63.9%	3,445	7.9%
Automation components	29,072	40.3%	28,592	41.7%	480	1.7%
Eliminations	(4,145)	-5.7%	(3,876)	-5.7%	(269)	6.9%
<b>Total</b>	<b>72,155</b>	<b>100%</b>	<b>68,499</b>	<b>100%</b>	<b>3,656</b>	<b>5.3%</b>

Compared to the previous first half-year period, revenues from the sensors segment increased overall by 7.9% (+9.5% net of exchange rate fluctuations) in all the geographical regions reached by this business (in particular in Italy and Europe). With regard to the automation components segment, growth was more limited (1.7%), influenced, among others, by the revenues contributed by the companies acquired i (CZ Elettronica S.r.l and Mecatronica S.r.l.), whose operating activities fall within the segment in question. Without considering this contribution, the revenues generated by the automation components segment decreased in the half-year period compared to the same period of the previous year (-0.9%). For further details on the economic performance of each segment, please see the **Business Areas** section.

**Increases for internal work** during the period to 30 June 2025 amounted to 917 thousand Euro, down by 136 thousand Euro compared with the period ended 30 June 2024. This item represents the new product development costs incurred in the period that have been capitalised.

**Added value** at 30 June 2025 amounted to 51,705 thousand Euro (49,647 thousand Euro at 30 June 2024), corresponding to 71.7% of revenues (0.8% lower than the figure as at 30 June 2024). The increase in added value, totalling 2,058 thousand Euro (1,594 thousand Euro without considering the added value of the new subsidiaries acquired), mainly reflects the higher revenues recorded, for which, however, lower margins were achieved than in the comparative period, due to the different product and geographical mix, as well as higher customs duties (in particular linked to trade with the US subsidiary).

**Other operating costs** for the first half amounted to 11,945 thousand Euro with, in absolute terms, an increase of 495 thousand Euro compared with the first six months of 2024 (an increase of 369 thousand Euro net of the effect of the acquisitions described in the introduction), corresponding to 16.6% of revenues (16.7% in the same period of 2024). Overall, the change is the result of higher costs for professional and consulting services (especially administrative and management consultancy), as well as for advertising and trade fairs, external processing and personnel training and search costs.

**Personnel costs** in the first six months of 2025 amounted to 25,996 thousand Euro, compared with 24,864 thousand Euro in the same period of 2024. As a percentage of revenues, the ratio was 36% (36.3% in the first half of 2024). The increase, in absolute terms of 1,132 thousand Euro, is partly due to the effect of the acquisitions described in the introduction, net of which personnel costs for the half-year would be 844 thousand Euro higher than in the same period of the previous year, reflecting the general increase in the number of employees: the average number of employees in the first quarter of 2025 was 722 (22 employees of the subsidiaries CZ Elettronica S.r.l and Mecatronica S.r.l.) while in the same period of the previous year it was 672. For further details on the Group's workforce and its changes, please see the **Human Resources** section.

**EBITDA** in the period ended 30 June 2025 was positive by 13,764 thousand Euro (13,333 thousand Euro at 30 June 2024), corresponding to 19.1% of revenues (19.5% of revenues in 2024), which was higher than in the same period of the previous year by 431 thousand Euro (381 thousand Euro without considering EBITDA contributed by the newly acquired subsidiaries). The higher added value generated by higher sales compared to the first half-year period of 2024 was partially offset by higher operating costs.

**Depreciation, amortisation and impairment** amounted to 3,984 thousand Euro, compared with 3,983 thousand Euro in the same period of the previous year.

**EBIT** at 30 June 2025 amounted to 9,780 thousand Euro (13.6% of revenues), compared with 9,350 thousand Euro in the same period of 2024 (13.6% of revenues), an increase of 430 thousand Euro (392 thousand Euro without considering the contribution made by the new acquired subsidiaries). The change is essentially the result of the same dynamics illustrated for EBITDA.

**Losses from financial assets/liabilities** in the first half of 2025 totalled 753 thousand Euro (in the first half of 2024, income totalling 98 thousand Euro was posted instead), and included:

- financial income of 457 thousand Euro, including 446 Euro deriving from cash management (down by 193 thousand Euro compared with the figure for the first half of 2024);
- financial charges related to the Group's indebtedness amounting to 408 thousand Euro (down 91 thousand Euro compared with the 2024 figure);
- negative differences on currency transactions, amounting to 757 thousand Euro, compared with the result for the first half of 2024, which was negative by 60 thousand Euro; the change was especially the result of the exchange rate of the Euro compared with the Indian rupee and the Chinese renminbi;
- financial charges on the financial payables recognised pursuant to IFRS16 of 47 thousand Euro (10 thousand Euro in the first six months of 2024).

It should be noted that the transactions described in the introduction affected this item in an insignificant manner.

**Losses from shareholdings valued at equity** in the half-year period reflect the results reported by Axel S.r.l. and amounted to 5 thousand Euro, while in the same period of 2024 they totalled 14 thousand Euro.

In the first six months of 2025, **taxes** were negative on the whole and amounted to 2,390 thousand Euro (on the whole negative by 2,299 thousand Euro in the same period of 2024). They consist of:

- negative current taxes of 2,453 thousand Euro (negative for the amount of 2,431 thousand Euro in the first half of 2024);
- deferred tax assets and liabilities, on the whole positive by 63 thousand Euro (positive by 132 thousand Euro in the first half of the previous year).

The **net profit** at 30 June 2025 amounted to 6,632 thousand Euro (9.2% of revenues), as compared with the positive result of 7,163 thousand Euro in the same period of the previous year (10.5% of revenues), a decrease of 531 thousand Euro (567 thousand Euro net of the contribution made by the companies acquired in April 2025). The change relates to the financial and tax management performances described above, affecting the higher EBIT generated.

Following the operations described in the introduction, and in particular the acquisition of 60% of CZ Elettronica S.r.l. and Meccatronica S.r.l., the **Gefran Group's net profit** in the first half of 2025 was 6,618 thousand Euro, while the minority **stake-share** was 14 thousand Euro.

## Reclassified consolidated statement of financial position at 30 June 2025

The Gefran Group's reclassified consolidated statement of financial position at 30 June 2025 is presented below:

(Euro /000)	30 June 2025		31 December 2024	
	Value	%	Value	%
Intangible assets	13,393	19.0	13,330	20.5
Tangible assets	39,940	56.6	41,368	63.5
Other non-current assets	9,108	12.9	5,058	7.8
<b>Net non-current assets</b>	<b>62,441</b>	<b>88.5</b>	<b>59,756</b>	<b>91.7</b>
Inventories	16,246	23.0	15,747	24.2
Trade receivables	27,570	39.1	23,264	35.7
Trade payables	(20,394)	(28.9)	(18,795)	(28.8)
Other assets/liabilities	(10,741)	(15.2)	(10,460)	(16.0)
<b>Working capital</b>	<b>12,681</b>	<b>18.0</b>	<b>9,756</b>	<b>15.0</b>
Provisions for risks and future liabilities	(1,225)	(1.7)	(1,265)	(1.9)
Deferred tax provisions	(829)	(1.2)	(933)	(1.4)
Employee benefits	(2,475)	(3.5)	(2,131)	(3.3)
<b>Net invested capital</b>	<b>70,593</b>	<b>100.0</b>	<b>65,183</b>	<b>100.0</b>
Group Shareholders' equity	97,405	138.0	99,338	152.4
Shareholders' equity of minority interests	491	0.7	-	-
<b>Shareholders' equity</b>	<b>97,896</b>	<b>138.7</b>	<b>99,338</b>	<b>152.4</b>
Non-current financial payables	13,710	19.4	16,269	25.0
Current financial payables	5,217	7.4	5,173	7.9
Financial payables for IFRS 16 leases (current and non-current)	3,813	5.4	3,859	5.9
Financial liabilities for derivatives (current and non-current)	308	0.4	311	0.5
Financial assets for derivatives (current and non-current)	(15)	(0.0)	(34)	(0.1)
Other non-current financial investments	(103)	(0.1)	(104)	(0.2)
Cash and cash equivalents and current financial receivables	(50,233)	(71.2)	(59,629)	(91.5)
<b>Net debt relating to operations</b>	<b>(27,303)</b>	<b>(38.7)</b>	<b>(34,155)</b>	<b>(52.4)</b>
<b>Total sources of financing</b>	<b>70,593</b>	<b>100.0</b>	<b>65,183</b>	<b>100.0</b>

**Net non-current assets** at 30 June 2025 totalled 62,441 thousand Euro, compared with 59,756 thousand Euro at 31 December 2024. The main changes are indicated below:

- intangible assets, equal to 13,393 thousand Euro, increased overall by 63 thousand Euro. This change includes the capitalisation of development costs (861 thousand Euro) and new investments (265 thousand Euro), as well as decreases due to amortisation in the period (829 thousand Euro). The change in exchange rates had a negative impact on the item amounting to 345 thousand Euro overall. On top of this there is the provisional accounting of goodwill of 155 thousand Euro, calculated as the difference between the cost for the acquisition of CZ Elettronica S.r.l. and Mecatronica S.r.l. and the value of the net assets acquired, as shown in note 9 of the **Specific explanatory notes** to the condensed half-yearly consolidated financial statements;

- tangible assets, equal to 39,940 thousand Euro, decreased compared to 31 December 2024 by 1,428 thousand Euro. Investments during the first six months of 2025 (1,962 thousand Euro) were more than offset by the depreciation charge for the period (2,437 thousand Euro). This item also includes the value of the right-of-use assets recognised in accordance with IFRS 16. The total increased, compared to the closing figure of the previous year, following the renewals or signing of new contracts (788 thousand Euro), offset by depreciation (678 thousand Euro) and decreases due to advance termination of contracts (105 thousand Euro). Lastly, the net effect of exchange-rate changes was negative at 960 thousand Euro overall;
- other non-current assets as at 30 June 2025 amounted to 9,108 thousand Euro (5,058 thousand Euro as at 31 December 2024), with an increase of 4,050 thousand Euro, essentially due to the acquisition of 22% of 40Factory S.r.l., recognised among shareholdings valued at equity of the Parent Company Gefran S.p.A., as described in the introduction.

**Working capital** as at 30 June 2025 was 12,681 thousand Euro, compared with 9,756 thousand Euro as at 31 December 2024, showing a total increase of 2,925 thousand Euro (1,765 thousand Euro without considering the entries of the subsidiaries CZ Elettronica S.r.l. and Meccatronica S.r.l., which joined the Group in the second quarter of 2025). The main changes are illustrated below:

- inventories rose from 15,747 thousand Euro at 31 December 2024 to 16,246 thousand Euro at 30 June 2025, with a net growth of 499 thousand Euro (with the same scope of consolidation, however, there would be a decrease of 111 thousand Euro). There was an increase in semi-finished products and finished products (401 thousand Euro and 93 thousand Euro, respectively), to meet requests for delivery to customers scheduled for the following quarter; the change includes the exchange rate effect, which was negative overall by 417 thousand Euro;
- trade receivables amounted to 27,570 thousand Euro, an increase of 4,306 thousand Euro compared to 31 December 2024 (a 2,877 thousand Euro increase when considering the same scope of consolidation), reflecting the growth in revenues; the Group analyses receivables in a timely manner, considering various factors (geographical region, business area, solvency of individual customers). These checks have not identified any positions that might jeopardise their collectability;
- trade payables amounted to 20,394 thousand Euro, an increase of 1,599 thousand Euro compared to 31 December 2024 (1,139 thousand Euro without considering the effect brought by the acquisitions described in the introduction);
- other net liabilities at 30 June 2025 totalled 10,741 thousand Euro (10,460 thousand Euro at 31 December 2024). They include, inter alia, payables to employees and social security institutions, receivables and payables for direct and indirect taxes; the change compared with the closing date of the previous year mainly relates to receivables and payables for direct taxes.

The **provisions for risks and future liabilities** totalled 1,225 thousand Euro and were essentially aligned with the figure for 31 December 2024, when they amounted to 1,265 thousand Euro. This item includes provisions for legal disputes (specifically, a lawsuit is currently pending against a former employee of the subsidiary Gefran Brazil), miscellaneous risks and the provision for product warranties.

**Employee benefits** amounted to 2,475 thousand Euro, compared with 2,131 thousand Euro on 31 December 2024. This item includes the post-employment benefit reserve (2,408 thousand Euro, of which 220 thousand Euro for employees of the newly-acquired subsidiaries), in addition to residual payables to employees who have signed agreements that protect the Company from competing activities (so-called Non-competition agreements, 67 thousand Euro).



**Shareholders' equity** at 30 June 2025 amounted to 97,896 thousand Euro, down by 1,442 thousand Euro since the end of 2024. The change is related to the positive result for the period, equal to 6,632 thousand Euro, reduced by the change in the translation reserve, negative by 2,419 thousand Euro, and by the payment of dividends on the 2024 profit, totalling 6,107 thousand Euro. The effects of the acquisitions described in the introduction, in particular 60% of CZ Elettronica S.r.l. and Meccatronica S.r.l., positive overall by 477 thousand Euro, also contributed to the change in shareholders' equity. Finally, it should be noted that at 30 June 2025 the share of shareholders' equity attributable to the Gefran Group amounted to 97,405 thousand Euro, while the minority share amounted to 491 thousand Euro.

The following schedule reconciles the shareholders' equity and result for the period of the Parent Company with the related amounts reported in the consolidated financial statements:

(Euro /000)	30 June 2025		31 December 2024	
	Shareholders' equity	Result for the period	Shareholders' equity	Result for the period
<b>Parent Company shareholders' equity and operating result</b>	<b>85,773</b>	<b>7,725</b>	<b>84,182</b>	<b>10,222</b>
Shareholders' equity and operating result of the consolidated companies	40,172	2,448	42,560	6,531
Elimination of the carrying value of consolidated investments	(31,708)	(49)	(30,287)	-
Goodwill	3,882	-	3,778	-
Elimination of the effects of transactions conducted between consolidated companies	(714)	(3,506)	(895)	(5,611)
<b>Group share of shareholders' equity and operating result</b>	<b>97,405</b>	<b>6,618</b>	<b>99,338</b>	<b>11,142</b>
Minorities' share of shareholders' equity and operating result	491	14	-	-
<b>Shareholders' equity and operating result</b>	<b>97,896</b>	<b>6,632</b>	<b>99,338</b>	<b>11,142</b>

The **net financial position** at 30 June 2025 was positive and amounted to 27,303 thousand Euro, compared with the figure recorded at the end of the previous year, which was positive by 34,155 thousand Euro.

The total comprises net short-term cash and cash equivalents of 43,786 thousand Euro and net medium/long-term debt of 16,483 thousand Euro.

This item also includes the effect of applying IFRS 16, leading to the recording of financial payables in the amount of 3,813 thousand Euro as at 30 June 2025, of which 1,230 thousand Euro reclassified as current and 2,583 thousand Euro as non-current (overall 3,859 thousand Euro as at 31 December 2024, of which 1,195 thousand Euro reclassified as current and 2,664 thousand Euro as medium/long-term).

No new loans were arranged during the first six months of 2025.

The change in net financial position, down by 6,852 thousand Euro compared to 31 December 2024, mainly reflects the positive cashflow generated by ordinary operations (10,335 thousand Euro), as partly absorbed by the disbursements for technical investments made during the first six months of the year (3,088 thousand Euro) and for the operations described in the introduction and in **Significant events in the first half of 2025**, relating to the acquisition of a [stake-share](#) in 40Factory S.r.l. (4,000 thousand Euro), equal to 22% of its share capital, and of a 60% majority [sharetake](#) in CZ Elettronica S.r.l. and Mecatronica S.r.l., recognised among the subsidiaries of Gefran S.p.A. (739 thousand Euro, net of acquired cash). The payment of dividends on the 2024 results in the second quarter of 2025 (6,107 thousand Euro), as well as taxes and rental fees (totalling 2,047 thousand Euro), contributed to the decrease in financial resources. In addition, the change in the Group's available financial position as at 30 June 2025 includes the negative effect of the exchange rate difference for foreign currencies compared with the previous year (estimated overall at 1,148 thousand Euro).

This item is analysed below:

(Euro /000)	30 June 2025	31 December 2024	Change
Cash and cash equivalents and current financial receivables	50,233	59,629	(9,396)
Current financial payables	(5,217)	(5,173)	(44)
Current financial payables for IFRS 16 leases	(1,230)	(1,195)	(35)
<b>(Debt)/short-term cash and cash equivalents</b>	<b>43,786</b>	<b>53,261</b>	<b>(9,475)</b>
Non-current financial payables	(13,710)	(16,269)	2,559
Non-current financial payables for IFRS 16 leases	(2,583)	(2,664)	81
Non-current financial liabilities for derivatives	(308)	(311)	3
Non-current financial assets for derivatives	15	34	(19)
Other non-current financial investments	103	104	(1)
<b>(Debt)/medium-/long-term cash and cash equivalents</b>	<b>(16,483)</b>	<b>(19,106)</b>	<b>2,623</b>
<b>Net financial position</b>	<b>27,303</b>	<b>34,155</b>	<b>(6,852)</b>

It should be noted that the "Net financial position" table includes "Other non-current financial investments" (totalling 103 thousand Euro) which comprise, among other things, the item "Financial pre-paid expenses" in the amount of 3 thousand Euro (4 thousand Euro at 31 December 2024). Net of this item and for the purposes of Regulation (EU) 2017/1129, the positive net financial position as at 30 June 2025 was positive at 27,300 thousand Euro, while at 31 December 2024 it was positive at 34,151 thousand Euro.

### Consolidated cash flow statement for the period ended 30 June 2025

The Gefran Group's **consolidated cash flow statement** as at 30 June 2025 showed a negative net change in cash at hand of 9,396 thousand Euro (it was negative and amounted to 3,826 thousand Euro as at 30 June 2024). The change was as follows:

(Euro /000)	30 June 2025	30 June 2024
<b>A) Cash and cash equivalents at the start of the period</b>	<b>59,629</b>	<b>57,159</b>
B) Cash flow generated by (used in) operations in the period	10,335	11,053
C) Cash flow generated by (used in) investment activities	(7,820)	(2,692)
<b>D) Free Cash Flow (B+C)</b>	<b>2,515</b>	<b>8,361</b>
E) Cash flow generated by (used in) financing activities	(10,763)	(12,128)
<b>F) Cash flow from continuing operations (D+E)</b>	<b>(8,248)</b>	<b>(3,767)</b>
G) Exchange rate translation differences on cash at hand	(1,148)	(59)
<b>H) Net change in cash at hand (F+G)</b>	<b>(9,396)</b>	<b>(3,826)</b>
<b>I) Cash and cash equivalents at the end of the period (A+H)</b>	<b>50,233</b>	<b>53,333</b>

Cash flow from operations for the period was positive overall at 10,335 thousand Euro; in particular, operations in the first half of 2025, netted of the effect of allocations, depreciation/amortisation and financial items, generated cash of 14,749 thousand Euro (14,631 thousand Euro in the first half of 2024). In the same period, the net change in other assets and liabilities absorbed resources of 1,078 thousand Euro (in the first half of 2024 it had transferred resources of 307 thousand Euro) and the management of working capital, netted by the acquired items of the subsidiaries CZ Elettronica S.r.l. and Mecatronica S.r.l., absorbed cash of 3,013 thousand Euro (3,553 thousand Euro in the same period of the previous year). The changes in provisions (risks and future liabilities, deferred taxes) absorbed 323 thousand Euro in cash (202 thousand Euro in the first six months of 2024).

With regard to investing activities, in the first half of 2025 disbursements of 3,088 thousand Euro were recorded for the technical investments made (2,698 thousand Euro in the first six months of 2024). It should also be noted that, as described in the **Significant events in the first quarter-half of 2025** section, an investment agreement was concluded for the acquisition of 22% of 40Factory S.r.l., leading to a cash outlay (4,000 thousand Euro), as well as for the acquisition of 60% of CZ Elettronica S.r.l. together with its subsidiary Mecatronica S.r.l., which led to a further financial outlay (739 thousand Euro, net of the cash acquired).

Free cash flow (operating cash flow net of investing activities) at the end of the half year amounted to positive 2,515 thousand Euro (positive 8,361 thousand Euro at 30 June 2024).

Financing activities absorbed resources totalling 10,763 thousand Euro (a total of 12,128 thousand Euro in the first half of 2024), of which 2,557 thousand Euro related to the repayment of non-current financial payables (4,845 thousand Euro as of 30 June 2024) and 6,107 thousand Euro for dividend payment (5,965 thousand Euro for the first half of 2024).



# Business areas

The following sections comment on the performance of the individual business areas. To ensure correct interpretation of figures relating 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 costs of central functions, 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.

It should be added that the results of the subsidiaries CZ Elettronica S.r.l. and Meccatronica S.r.l., acquired during the second quarter of 2025 as described in **Significant events in the first half of 2025**, are included in the automation components business.

Please refer to Note 11 of the **Specific explanatory notes** to the condensed half-yearly consolidated financial statements for an examination of the consolidated statement of financial position by business area.

## 1. Sensors

### Summary results

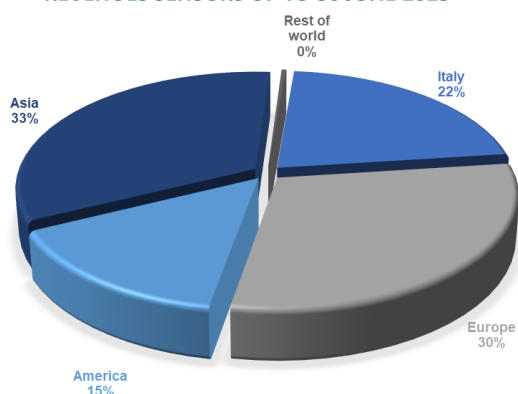
The table below shows the key economic figures:

(Euro /000)	30 June 2025	30 June 2024	Change 2025 - 2024		2Q 2025	2Q 2024	Change 2025 - 2024	
			Value	%			Value	%
Revenues	47,228	43,783	3,445	7.9%	23,471	22,397	1,074	4.8%
EBITDA	11,437	10,152	1,285	12.7%	5,377	4,732	645	13.6%
% of revenues	24.2%	23.2%			22.9%	21.1%		
EBIT	9,123	7,812	1,311	16.8%	4,210	3,564	646	18.1%
% of revenues	19.3%	17.8%			17.9%	15.9%		

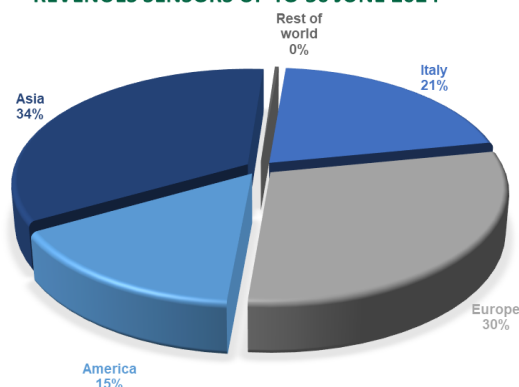
The revenues of the sensors business are analysed by geographical region below:

(Euro /000)	30 June 2025		30 June 2024		Change 2025 - 2024	
	Value	%	Value	%	Value	%
Italy	10,189	21.6%	8,985	20.5%	1,204	13.4%
Europe	14,096	29.8%	12,920	29.5%	1,176	9.1%
America	7,050	14.9%	6,731	15.4%	319	4.7%
Asia	15,725	33.3%	15,026	34.3%	699	4.7%
Rest of the world	168	0.4%	121	0.3%	47	38.8%
<b>Total</b>	<b>47,228</b>	<b>100%</b>	<b>43,783</b>	<b>100%</b>	<b>3,445</b>	<b>7.9%</b>

REVENUES SENSORS UP TO 30 JUNE 2025



REVENUES SENSORS UP TO 30 JUNE 2024



## Business performance

Revenues from the business as at 30 June 2025 amounted to 47,228 thousand Euro, an increase compared to the figure as at 30 June 2024, which amounted to 43,783 thousand Euro, recording a percentage increase of 7.9%. Exchange rate fluctuations had a negative impact on this item (in particular due to the fluctuations of the Brazilian Real, Chinese Renminbi and Indian Rupee). Excluding this effect (estimated at 599 thousand Euro in total for the business in question), growth in revenues during the half-year compared to the same period of the previous year would be 9.2%.

In particular, revenue growth was driven by sales of melt and industrial pressure product families.

From a geographical point of view, the increase in revenues in the half-year period (compared with the same period of the previous year) was recorded in all areas served by the Group, with positive double-digit percentage changes for the national market (+13.4%). Revenues also increased in Europe (+9.1%), in the Americas (+4.7%, which, net of the negative effect of currencies, would be +9.6%), as in Asia (+4.7%, which, without the effect of exchange rate fluctuations, would be +6.6%).

Positive signs were also recorded in orders received for the sensors business in the first half of 2025, totalling 47,234 thousand Euro, an increase over the figure for the same period of 2024 (+5.4%). The backlog at 30 June 2025 was lower than at 30 June 2024 (-0.6%), though slightly higher when compared to the closing figure of 2024 (+0.3%).

Turning to the second quarter of 2025, revenues amounted to 23,471 thousand Euro, up by 4.8% compared with the same period in 2024 when they totalled 22,397 thousand Euro. The figure for the quarter is also influenced by currency dynamics, without which the increase in revenues compared to the same previous quarter would be 6.2%.

EBITDA for the period ended 30 June 2025 amounted to 11,437 thousand Euro (24.2% of the business unit's revenues), largely positive and up by 1,285 thousand Euro compared with 30 June 2024, when it was 10,152 thousand Euro (23.2% of revenues). The change in EBITDA was essentially due to the increase in sales, which led to a consequent increase in added value, partly reduced by higher costs for the operational management of the business and partly connected with workforce strengthening.

EBIT for the first quarter of 2025 amounted to 9,123 thousand Euro, equal to 19.3% of revenues, compared with an EBIT of 7,812 thousand Euro in the same period in the previous year (17.8% of revenues), an increase of 1,311 thousand Euro. The change in the figure for the first half of 2025 compared to the same period in the previous year was mainly due to the same dynamics illustrated for EBITDA.

Comparing the figures by quarter, EBIT in the second quarter of 2025 amounted to 4,210 thousand Euro (17.9% of revenues), compared with 3,564 thousand Euro (15.9% of revenues) in the same quarter of 2024.

## Investments

Investments in sensors in the first half of 2025 amounted to 2,005 thousand Euro, and included investments in "Intangible assets" equal to 469 thousand Euro, of which 300 thousand Euro related to the capitalization of research and development costs for new products (for the remaining part they refer to the purchase of software programmes and licenses and to the development of the company's management software).

Increases in "Tangible assets" totalled 1,536 thousand Euro. They included enhancing the production lines of the business through the installation of new production and laboratory equipment, partly made within the Group, both in foreign production sites (specifically, 64 thousand Euro were invested in the Chinese facility) and in the Parent Company Gefran S.p.A. (investments totalling 1.109 thousand Euro, with the aim of increasing the efficiency of production departments).

# 2.Automation components

## Summary results

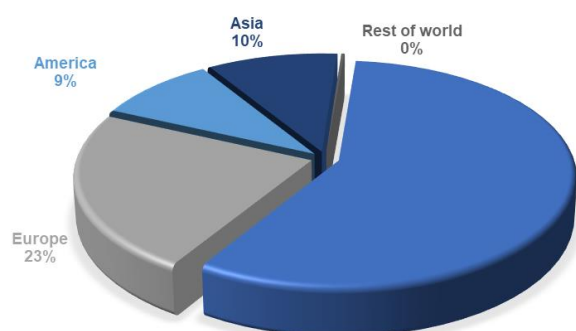
The table below shows the key economic figures:

(Euro /000)	30 June 2025	30 June 2024	Change 2025 - 2024		2Q 2025	2Q 2024	Change 2025 - 2024	
			Value	%			Value	%
Revenues	29,072	28,592	480	1.7%	14,308	13,997	311	2.2%
EBITDA	2,327	3,181	(854)	-26.8%	551	1,473	(922)	-62.6%
% of revenues	8.0%	11.1%			3.9%	10.5%		
EBIT	657	1,538	(881)	-57.3%	(297)	679	(976)	-143.7%
% of revenues	2.3%	5.4%			-2.1%	4.9%		

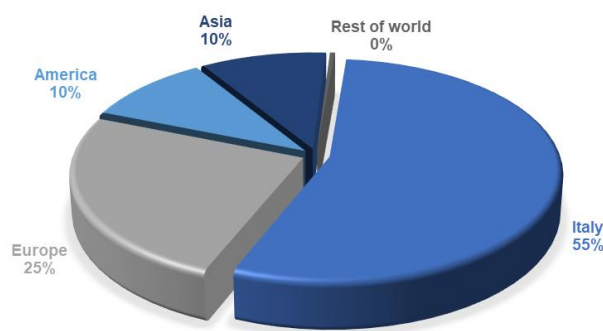
The revenues of the automation components business are analysed by geographical region below:

(Euro /000)	30 June 2025		30 June 2024		Change 2025 - 2024	
	Value	%	Value	%	Value	%
Italy	16,714	57.5%	15,665	54.8%	1,049	6.7%
Europe	6,655	22.9%	7,113	24.9%	(458)	-6.4%
America	2,713	9.3%	2,880	10.1%	(167)	-5.8%
Asia	2,921	10.0%	2,827	9.9%	94	3.3%
Rest of the world	69	0.2%	107	0.4%	(38)	-35.5%
<b>Total</b>	<b>29,072</b>	<b>100%</b>	<b>28,592</b>	<b>100%</b>	<b>480</b>	<b>1.7%</b>

REVENUES AUTOMATION COMPONENTS UP  
TO 30 JUNE 2025



REVENUES AUTOMATION COMPONENTS UP  
TO 30 JUNE 2024



## Business performance

At 30 June 2025, business revenues amounted to 29,072 thousand Euro, up 1.7% compared to 30 June 2024, when they amounted to 28,592 thousand Euro (a 2.4% increase net of the negative effect of exchange rate fluctuations, particularly the Brazilian Real). The acquisition of the subsidiaries CZ Elettronica S.r.l. and Meccatronica S.r.l., described in **Significant events in the first half of 2025**, contributed to the increase in revenues, for a total amount of 736 thousand Euro, without which revenues in the first half of 2025 would be down by 0.9% compared to the same period of 2024.

Analysing the trend by product family, sales in the power control range in the first six months of 2025 were in line with the same period of 2024, while there was a decline in both commercial products (-4.4%) and instrument families (-9.1%). Sales of products in the solution range, within which the products manufactured by the newly acquired subsidiaries fall, went up (by a total of 10.5%).

Analysing revenues by geographical region compared with the first half of 2024, there was an increase in the national market (+6.7%), given that it remained positive (+2.0%), even net of the contribution made by the newly acquired subsidiaries. On the other hand, revenues decreased in Europe (overall -6.4%) and in the Americas (overall -5.8%), the latter area being particularly affected by the fluctuations of the Brazilian Real (not taking into account the negative exchange rate effect, revenues for the half-year would be substantially in line with the comparative period).

Order intake in the first six months of 2025 amounted to 24,972 thousand Euro and was overall higher than the figure for the same period in the previous year (by 0.7%), thanks to the contribution made by the newly acquired CZ Elettronica S.r.l. and Meccatronica S.r.l. (net of which, order intake in the half-year would be slightly lower). The backlog as at 30 June 2025 was lower than as at 30 June 2024 (-6.5%) though up compared to the end of 2024 (+9.1%).

Turning to the second quarter of 2025, revenues amounted to 14,308 thousand Euro, up by 2.2% compared with the same period in 2024 when they totalled 13,997 thousand Euro. The change relates to the revenues of CZ Elettronica S.r.l. and Meccatronica S.r.l. (which joined the Group in April 2025), without which the figure for the quarter would be 3% lower than in the same period of the previous year.

EBITDA for the period ended 30 June 2025 ~~rose~~ amounted to 2,327 thousand Euro (equal to 8.0% of revenues), down 854 thousand Euro compared to the figure reported at 30 June 2024 of 3,181 thousand Euro (11.1% of revenues). Considering the same scope, thus excluding EBITDA contributed by CZ Elettronica S.r.l. and Meccatronica S.r.l. (which joined the Group in April 2025), EBITDA for the first half of 2025 would be down by 904 thousand Euro compared to the same period of the previous year. Overall, the change is mainly attributable to lower sales margins, due to the different product and geographical mix, as well as higher customs duties incurred for trade with subsidiaries. Higher personnel costs necessary to strengthen the business's workforce also contributed to the decrease in EBITDA in the first half of the year compared with the same period of the previous year.

EBIT in the first half of 2025 was positive at 657 thousand Euro (2.3% of revenues). This compares with a positive EBIT at 30 June 2024 of 1,538 thousand Euro (5.4%), showing a decrease of 881 thousand Euro (which would amount to 919 thousand Euro when considering the same scope of consolidation). The change in EBIT compared with the comparative period is attributable to the same dynamics described for EBITDA.

Comparing the figures by quarter, EBIT in the second quarter of 2025 was negative by 297 thousand Euro (-2.1% of revenues), compared with the positive figure of 679 thousand Euro (4.9% of revenues) in the second quarter of 2024. The decrease, amounting to 976 thousand Euro, mainly relates to the lower added value achieved in the quarter compared to the same period in the previous year, influenced both by the different sales mix in the period and by higher customs duties.

## Investments

Investments in the first six months of 2025 amounted to 1,083 thousand Euro. Investments in "Intangible assets" amounted to 657 thousand Euro, of which 561 thousand Euro referred to the capitalisation of development costs for the new range of static units and new programmable automation products. The remainder related to the purchase of software programmes and licences as well as to the development of the company's management software.

Investments in "Tangible assets" amounted to 426 thousand Euro, of which 391 thousand Euro were made by the Parent Company Gefran S.p.A. (230 thousand Euro for the introduction of production machinery to increase the capacity and production efficiency required for new products and 143 thousand Euro for the renewal of buildings housing the business's operating activities).

# Investments

Technical investments made by the Group during the first six months of 2025 totalled 3,088 thousand Euro (2,698 thousand Euro in the first half of 2024) and relate to:

- production and laboratory facilities, machinery and tools for the Group's Italian plants, totalling 1,347 thousand Euro (at 30 June 2024, a total of 146 thousand Euro had been invested), including 1,109 thousand Euro for the production departments of the sensors business in the Parent Company;
- production and laboratory facilities, machinery and tools for the plants of the Group's foreign subsidiaries for a total of 93 thousand Euro, of which 64 thousand Euro in China to reinforce the production lines of the sensors business (as at 30 June 2024, a total of 371 thousand Euro had been invested abroad, of which 219 thousand Euro in the United States and 136 Euro in China);
- upgrading of industrial buildings for a total of 354 thousand Euro in the Parent Company Gefran S.p.A. and 45 thousand Euro in the foreign subsidiaries (as at 30 June 2024, 879 thousand Euro had been invested in the upgrading of buildings, broken down as follows: 340 thousand Euro in the Parent Company and 539 thousand Euro in the foreign subsidiaries, of which 465 thousand Euro in the US subsidiary);
- renewal of electronic office machines and Information Technology systems equipment used within the Group, totalling 123 thousand (76 thousand Euro as at 30 June 2024);
- capitalisation of costs incurred in the period for new product development, totalling 861 thousand Euro (969 thousand Euro in the first half of 2024);
- investments in intangible assets amounting of 265 thousand Euro, mainly relating to management software licences and SAP ERP development (other intangible assets totalling 222 thousand Euro were recognised in the first six months of 2024).

The investments carried out by the Group are summarised below by type and geographical region:

(Euro /000)	30 June 2025	30 June 2024
Intangible assets	1,126	1,191
Tangible assets	1,962	1,507
<b>Total</b>	<b>3,088</b>	<b>2,698</b>

(Euro /000)	30 June 2025		30 June 2024	
	intangible assets and goodwill	tangible assets	intangible assets and goodwill	tangible assets
Italy	1,021	1,675	1,190	535
European Union	4	46	-	54
Europe non-EU	99	29	-	3
North America	-	4	-	687
South America	2	42	1	30
Asia	-	166	-	198
<b>Total</b>	<b>1,126</b>	<b>1,962</b>	<b>1,191</b>	<b>1,507</b>



# Human resources

## Workforce

The Group's workforce at 30 June 2025 totalled 744 persons, up by 45 since the end of 2024 and by 51 since 30 June 2024.

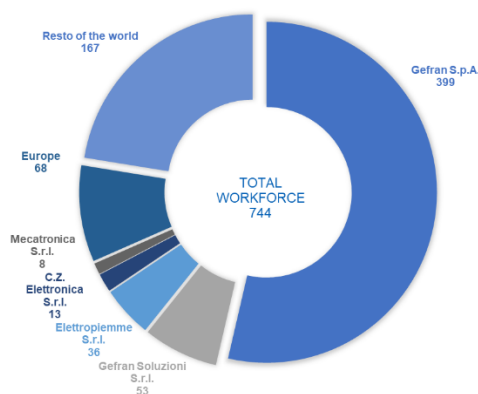
Workforce changes in the first half of the year included the effect of the newly acquired CZ Elettronica S.r.l. joining the Group together with its subsidiary Meccatronica S.r.l. At the time of the acquisition, the same had 22 employees, including 8 manual workers and 14 clerical staff. In addition to this event, changes during the first six months of 2025 are detailed as follows:

- 43 people joined the Group, including 13 manual workers and 30 clerical staff;
- 20 people left the Group, including 4 manual workers and 16 clerical staff.

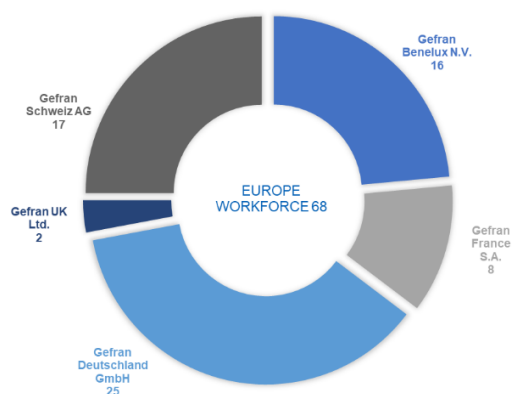
The change includes the stabilisation of 10 temporary workers (in Italy), which took place in early 2025.

As a result of the change in the first half-year period, the Group's turnover rate, calculated on the average number of employees of 722, is 8.7% which, net of the effect of the aforesaid acquisition, would be 11.8%.

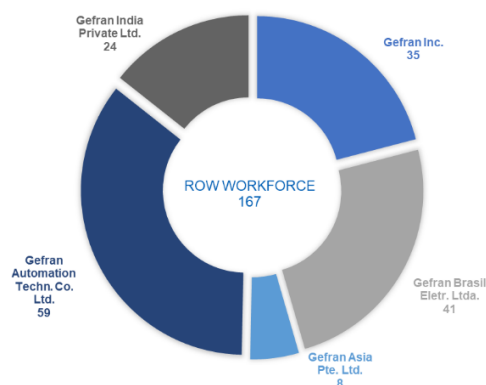
WORKFORCE UP TO 30 JUNE 2025



EUROPE WORKFORCE UP TO 30 JUNE 2025



REST OF THE WORLD WORKFORCE UP TO 30 JUNE 2025



## Significant events in the first half of 2025

- On 31 January 2025 Gefran S.p.A. signed an investment agreement to acquire a minority [sharetake](#) in 40Factory S.r.l. with operational headquarters in Piacenza, a tech scale-up that offers manufacturers of industrial machines and end-users an Industrial IoT (Internet of Things) platform for the collection and use of plant data and that also owns a generative artificial intelligence system dedicated to providing support in the use of industrial machines.

The operation is based on an awareness of the strategic importance of data for modern manufacturing companies. Their collection, management, and analysis are essential to optimize processes, improve efficiency, and support decisions. Indeed, thanks to the expertise and IoT services of 40Factory, Gefran is developing its ability to process and transform data collected in the field into more valuable information for customers, further strengthening its role as a strategic partner in the digital and sustainable transformation of production processes.

- On 13 February 2025, the Board of Directors of Gefran S.p.A. examined the preliminary consolidated results at 31 December 2024.
- On 13 March 2025, the Board of Directors of Gefran S.p.A. unanimously approved the annual financial statements, the consolidated financial statements and the Sustainability Report as at 31 December 2024.

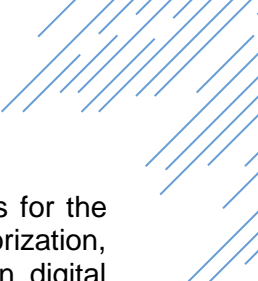
The Board of Directors also resolved to propose to the Shareholders' Meeting the distribution of a dividend of 0.43 Euro per share in circulation (not including own shares), through use of the necessary amount of the retained earnings reserve.

Moreover, the Board of Directors resolved to propose to the Shareholders' Meeting to allocate part of the net profit for 2024 to a specific reserve pursuant to Article 1, para. 436 – 444 of Law No. 207 of 30 December 2024, and to allocate the remaining part of 2024 profit to the retained earnings reserve, in line with the Group's value creation strategy for its shareholders, safeguarding the Group's growth.

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 its share capital. The authorisation was requested for a period of 18 months from the date of the shareholders' resolution.

- On 18 March 2025, Gefran S.p.A. signed an investment agreement to acquire a majority [sharetake](#) in CZ Elettronica S.r.l., together with its subsidiary Meccatronica S.r.l., both based in the province of Vicenza.  
The agreement provides for Gefran's entry into the shareholding structure of CZ Elettronica S.r.l. through the sale of shares, following which Gefran S.p.A. will hold a 60% stake in the share capital for a total consideration of 870,000 Euro.





CZ Elettronica S.r.l. specializes in the development of custom turnkey plant solutions for the steel, textile and plastic sectors, and manufactures systems for regulating industrial motorization, standing out on the market for its constant innovation, its use of the most modern digital technologies and its team of highly qualified technicians.

With this operation, Gefran integrates and enriches its wealth of expertise by strengthening its ability to offer tailor-made application solutions to its customers.

- On 20 March 2025, the investment agreement signed on 31 January 2025 was finalised through a capital increase of 40Factory S.r.l., fully paid up and subscribed by Gefran S.p.A. for a total consideration of 4 million Euro (paid in cash, using its own funds), as a result of which Gefran S.p.A. now holds 22% of the share capital of 40Factory S.r.l.
- On 1 April 2025, the Swiss subsidiary Sensormate AG adopted the new name Gefran Schweiz AG.
- On 14 April 2025, the investment agreement signed on 18 March 2025 was finalised through the sale of part of the share capital of CZ Elettronica S.r.l. to Gefran S.p.A., for a total consideration of 870 thousand Euro (paid in cash, using its own funds), as a result of which Gefran S.p.A. now holds 60% of the Company, together with its subsidiary Mecatronica S.r.l.
- On 29 April 2025, the Ordinary Shareholders' Meeting of Gefran S.p.A. resolved to:
  - o Approve the 2024 financial statements and distribute an ordinary dividend, gross of withholding taxes provided for by law, of 0.43 Euro per eligible share, by using retained earnings to the necessary extent (ex-dividend date 5 May 2025, record date 6 May 2025 and payment from 7 May 2025).
  - o Approve the allocation of a portion of the profit for 2024, amounting to 8.2 million Euro, to a specific reserve pursuant to Article 1 (paragraphs 436-444) of Law no. 207 of 30 December 2024, and the allocation of the remaining portion of the profit for 2024, amounting to 2 million Euro, to the retained earnings reserve.
  - 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 the Consolidated Law on Finance, also held a binding vote that approved the Group's 2025 Remuneration Policy and also held an advisory and non-binding vote that approved its 2024 Remuneration Report.

- On 13 May 2025, the Board of Directors of Gefran S.p.A. unanimously approved the consolidated results of the Group at 31 March 2025.

# Significant events following the first half of 2025

Nothing to report.

## Outlook

2025 began with global growth being projected at 3.3% by the International Monetary Fund (in line with what was observed for 2024) for both 2025 and 2026; the estimate was subsequently and necessarily adjusted in the light of the latest developments in trade policies. According to the latest report (first published by the IMF at the end of April), global growth is now forecast at 2.8% in 2025 and 3% in 2026, as a result of ongoing trade tensions and high political uncertainties, which can cause financial instability and negative impacts on the international monetary system. Inflation is forecast (overall) at 4.3% in 2025 and 3.6% in 2026 (with upgrades for advanced economies and downgrades for emerging economies).

With regard to the Eurozone, GDP is projected to grow by 0.8% in 2025, up from 0.9% in 2024, and then to rise to 1.2% in 2026.

In terms of the national scenario, the IMF estimates growth at 0.4% in 2025 (0.7% in 2024), supported by household consumption and public investment, returning to 0.8% in 2026.

The analysis is also confirmed by the Bank of Italy economic bulletin published in July, which highlights the high political instability and uncertainty that continues to influence trade relations and global growth, partly fuelled by the unpredictable outcomes of the negotiations between the United States and its main trading partners. Despite the above, Italy's GDP grew by 0.3% in the first quarter of the year, compared with the previous period, mainly owing to higher consumption and investment. GDP is projected to grow by 0.6% in 2025 and by around 0.8% in the two-year period 2026-2027 (this projection is, however, subject to significant uncertainty, given the factors described above).

In the first half of the year, the Group recorded revenue growth in all the geographical regions served by it. However, in the second quarter sales declined in some European countries (particularly France and Germany) and in the Americas; this latter region, in particular, was adversely affected by foreign currency fluctuations (US dollar and Brazilian real); net of currency effects, revenues would have been in line with the same period of the previous year. The increase in revenues and ongoing satisfactory added value – despite a decrease compared to the same period last year and the first quarter of 2025, mainly attributable to changes in the product and geographical mix – made it possible to offset the higher costs almost entirely, generating positive margins. However, this result was negatively affected by currency fluctuations in the Group's operating areas, resulting in a reduction in net profit compared with the same period last year. In the second quarter, the Group focused on integrating the investment in CZ Elettronica S.r.l. and on developing commercial and technological synergies with the 40Factory products, while continuing investments in product innovation and strategic manufacturing processes.

Whilst acknowledging the complexity of the overall context, the results achieved so far confirm the solidity of the Group, which aims to maintain moderate revenue growth and to continue to consolidate its solidly positive margins.



## Own shares

As at 31 December 2024, 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 six months of 2025, as at the date of this publication, no trading activities took place; therefore, the situation is unchanged with respect to what is described above.





## **Report on operations – Disclosure of risks and uncertainties**

# Main risks and uncertainties to which the Group is exposed

In the course of its business, the Gefran Group is exposed to various risk factors, which, should they materialise, may have a significant effect on its economic, financial, operational and reputational situation as well as on health and safety of people and on the environment.

The analysis of risk factors, along with an integrated assessment of their impact and likelihood of occurrence, are the prerequisite for the creation of value in the organisation: the ability to manage risks helps the Company to face its corporate and strategic choices with awareness and confidence, as well as helping to prevent negative impacts.

Gefran has long implemented a structured Enterprise Risk Management (ERM) system integrated into its business processes and organisational structures, connected with actions that contribute to the achievement of the Group's strategic objectives. It is based on identifying focus areas and specific figures (Risk Owners & Action Owners), and on providing for the periodic identification, assessment, management and monitoring of the main risk factors. This activity allows for the identification of situations that might jeopardise the achievement of strategic objectives and for taking the appropriate decisions, aimed at mitigating risk exposure.

With the aim of increasing the integration between ERM activities and corporate processes in order to guarantee their constant alignment with (strategic, management and operational) decisions and ensure sustainability over time, Gefran has further developed its ERM model in recent years. The latest developments have been the integration of **ESG-related risks** into the Risk Model as potentially impactful risks and the strengthening of the connection between the **Group's assessed risks** and additional strategic elements, such as:

- the potentially affected **objectives of the Industrial Plan**;
- the topic-related **pillars of the Strategic Sustainability Plan**;
- the taking out of **insurance policies** to mitigate such risks;
- the **double materiality assessment**, also in light of ESG issues and changes in legislation on sustainability reporting (known as CSRD).

Currently, the model provides that, for each risk assessed, a link is identified with the objectives included in the industrial plan and, in the case of materiality, also with the elements of the Strategic Sustainability Plan. In addition, for the purposes of the Double Materiality Assessment required by the Corporate Sustainability Reporting Directive, a relationship with the sustainability issues included in the topical ESRS - the single Sustainability Reporting Standards issued by EFRAG and in force since 1 January 2024 - is identified for each risk. The analysis, conducted in 2024 and validated by the proposed Corporate Bodies, took into account both Gefran's activities and the processes carried out along the value chain, and was crucial for identifying the Impacts, Risks and Opportunities that are relevant to the Group.

## Enterprise Risk Management Policy

The system is governed by the **Enterprise Risk Management Policy** (the ERM Policy) approved by the Board of Directors at its meeting on 8 November 2023. It defines the governance as well as the steps of the ERM process, providing the guidelines to execute the different steps.

More specifically, this policy governs:

- the reference principles on which the ERM model is based;
- the roles and responsibilities of the functions and/or individuals involved in the ERM process;
- the steps involved in the process of identifying, assessing and managing risks;
- the main information flows whose adoption enables adequate dissemination of risk information and informed decision-making.

## Risk Governance

The functioning of the ERM system involves the structured participation of specific corporate roles and departments, as well as the involvement of the main control bodies. In line with the recommendations of the Corporate Governance Code, the governance model governing the roles and responsibilities of the subjects and bodies involved in the process has thus been defined.

Several subjects, bodies and control levels have been identified, as described below.

The **Board of Directors (BoD)** plays a primary role in the direction and oversight of the risk management system and specifically: (i) defines, in line with the organisation's strategies, the guidelines for risk management, so that the main risks pertaining to the Group are identified, measured, managed and monitored; (ii) periodically evaluates the adequacy and effectiveness of the risk management system with respect to the assumed risk profile and the changes affecting the Group's reference context; (iii) delves into the information relating to the risks that emerged during the risk assessment.

The **Control and Risks Committee** performs consultative, recommendatory and preparatory activities for the Board of Directors and the Chief Executive Office. Specifically: it (i) supports, with an adequate investigative activity, the assessments and decisions of the Board of Directors regarding the risk management system, and periodically reports on its adequacy; (ii) supports the Chief Executive Officer in fulfilling its tasks of design and implementation of the risk system; (iii) examines and discusses the summary document aimed at illustrating the main risks that have emerged to the Board of Directors.

The **Chief Executive Officer (CEO)** is responsible for establishing and maintaining the internal control and risk management system. Specifically, the Chief Executive Officer: (i) ensures the execution of the guidelines defined by the Board of Directors, promoting the establishment and maintenance of an effective ERM process and constantly verifying its adequacy with respect to the dynamics of operating conditions and the legislative and regulatory landscape; (ii) validates the ERM approach, methodology and related support tools, periodically evaluating any development lines; (iii) validates the results of the risk assessment; (iv) monitors, with the support of the Risk Management and Internal Audit Functions, the implementation status and effectiveness of the defined risk response strategies; (v) periodically reports to the Board of Directors and the Risk Control Committee, with the support of the Risk Management Function, on the results of the risk assessment and, in general, on the evolution of the Group's overall risk profile and its consistency with the strategic objectives; (vi) evaluates the possible acceptance of risk.

The **Risk Management Function** has the roles and responsibilities attributed to the Group's Legal and Corporate Affairs Department. Coordinating with the Chief Executive Officer, it is responsible for defining, implementing and maintaining an ERM methodology, promoting a systematic, structured and homogeneous process for identifying, measuring and managing risks. It conducts the risk assessment process, providing methodological support for the identification, analysis and management of risks. In addition, it periodically monitors the progress and effectiveness of the defined risk response strategies, as well as the evolution of the organisation's risk profile.

The **Management (Risk Owners & Action Owners)** has the primary responsibility for the identification, assessment and management of risks that pertain to its function or area of expertise. In addition to the Top Management of the Parent Company Gefran Spa, the Management includes also the General Managers of the subsidiaries who, depending on the evolution of the reference context, can be involved in the process. Specifically, each **Risk Owner** is therefore responsible for: (i) identifying and assessing the risks that may compromise the achievement of the Group's objectives, as well as its performance; (ii) proposing appropriate mitigation actions aimed at bringing the main corporate risks back to levels deemed "acceptable", also ensuring their implementation and periodic monitoring; (iii) identifying any support teams for the definition and implementation of the mitigation actions necessary to reduce or prevent the negative consequences of risks. **Action Owners** are instead responsible for ensuring that the mitigation actions proposed to mitigate risks are implemented in line with the defined deadlines.

The **Internal Audit Function**, within the scope of its assurance responsibilities, is responsible for independently verifying the operation and suitability of the risk management system. Specifically, it has the task of coordinating with the Risk Management Function with regard to the results of the Internal Audit activities carried out by enabling: (i) the monitoring of risks and the related mitigation actions that have emerged in the ERM field, favouring the identification of any deficiencies in the existing risk management system; (ii) the detection of additional unmapped risks in the ERM risk assessment phase and any deficiencies in the existing risk management system.

## Enterprise Risk Management Process Stages

The process conducted by Gefran involves several stages:

### 1) *Periodic Risk Assessment*

It involves periodically updating (typically once a year) the Group's risk profile by reviewing the risks mapped in previous risk and emerging risk assessments.

It is carried out through interviews with the Managers of the Parent Company and the main subsidiaries; the process of reviewing the risk catalogue is based on the results of the previous risk assessment, which are confirmed, modified and/or eliminated to provide an updated view of the risk profile.

This allows the Board of Directors and management to assess knowledgeably those risk scenarios that might compromise the achievement of strategic goals and take additional action to mitigate or manage significant exposures, thus strengthening the Group's corporate governance and Internal Control system.



## 2) Materiality Assessment and Workshop

The topics and risks in the field of sustainability are reconsidered and deepened during the dedicated Workshop that involves the first line of the Chief Executive Officer (C-level) and some functional reporting parties.

The Workshop conducted in June 2024 also aimed at validating Gefran's List of IROs (Impacts, Risks and Opportunities), and was functional to the launch of the double materiality assessment conducted in accordance with ESRS standards on sustainability reporting.

## 3) Reporting

During this stage, the results of the risk assessment are formalised and shared with Management and Control bodies

## 4) Monitoring

This involves monitoring the progress and implementation of mitigation actions against the most significant risks (so-called Tier 1 or Top Risks) identified during the previous risk assessment, as well as the evolution of risk exposure.

During the first half of 2025, the assessment conducted at the end of 2024 was monitored and the Owners of each action evaluated the relevant progress.

### Description of the Enterprise Risk Management process and information flows

The periodic update of the Group's risk profile consists in reviewing previously mapped risks and identifying emerging risks, for the purpose of defining the so-called risk catalogue. The activity is carried out through interviews with the managers of the Parent Company and the main subsidiaries, and is based on the results of the previous risk assessment. The assessment is repeated periodically (at least once a year) taking into account the actions taken to mitigate risks and the evolution of the contingent situation.

In conducting the period risk assessment, Management involved in the process must use a clearly defined shared methodology to identify and assess specific risk events in terms of the probability of them actually occurring, their impact and the degree of adequacy of the existing Risk Management system, according to the following definitions:

- **probability** of a certain event occurring within the time horizon of the Plan, measured on the basis of a scale from "improbable/remote" risk (1) to "highly probable" (4);
- **impact**: depending on the category, estimate of the economic and financial, HSE, reputational impacts or of the repercussions for operations within the time horizon under consideration, measured on the basis of a scale from "insignificant" (1) to "critical" (4);
- **level of risk management** or of maturity and efficiency of existing risk management systems and processes, measured on the basis of a scale from "optimal" (1) to "to be initiated" (4).

The results of risk exposure measurements are then represented in the so-called Heat Map, a 4x4 matrix which, combining the variables in question, provides an immediate overview of risk events considered particularly significant.

In addition, the identified and assessed risks are linked to the objectives of the Industrial Plan, in order to incorporate risk management into the Group's strategy, as well as to the pillars of the Strategic Sustainability Plan, and, finally, to the sustainability issues (Topics and Sub-Topics) considered in the single reporting standards issued by EFRAG (ESRS).

The main risks detected and assessed through ERM are described and discussed with all organisations of significance for the purposes of the Internal Control and risk management system and with the Board of Directors.

The overview of the risks the Group is exposed to allows the Board of Directors and Management to reflect on the group's propensity for risk and identify risk management strategies to be adopted, or assess which risks and priorities are considered to require new mitigation actions, or improvement or optimisation of ongoing ones, or simple monitoring of exposure over time.

To ensure the adequacy of the risk management system and assess its effectiveness, a reporting system and a dashboard are provided for monitoring the mitigation actions taken by individual functions.

Risk reporting and related information provides an authentic view of the strengths and weaknesses of risk management. The disclosure of this information to key Stakeholders also supports decision-making processes and increases transparency on risks that could affect the targets' achievement. Systematic monitoring of the risks identified and assets to manage them according to established metrics enables timely and proactive responses.

The mapped risks are broken down, depending on seriousness, into three categories (Tier 1, Tier 2 and Tier 3), taking into account both the risk in the abstract (the so-called inherent risk), and the mitigation effects of the internal control system (so-called residual risk). Both types were evaluated.

Comparing the residual risks and inherent risks reveals the safeguards, actions taken and **the effectiveness of the internal control system**.

## Risk Model

The risks mapped are represented in the **Risk Model** and grouped into **four categories** and **eleven families**, outlined below:

EXTERNAL RISKS	STRATEGIC RISKS	NATURE OF THE RISK
<b>1 COUNTRY/MARKET</b> <ul style="list-style-type: none"> <li>/ [1.1] Macroeconomic context</li> <li>/ [1.2] Instability of the Countries in which the Group produces or sells</li> <li>/ [1.3] Catastrophic Events / Business Interruption</li> <li>/ [1.4] Evolving law, regulations and industry standards</li> <li>/ [1.5] Competition</li> <li>/ [1.6] Unexpected changes in demand (including consumer habits)</li> </ul>	<b>3 STRATEGIC</b> <ul style="list-style-type: none"> <li>/ [3.1] Business sustainability</li> <li>/ [3.2] Investment decision</li> <li>/ [3.3] Product Portfolio</li> <li>/ [3.4] Product/process innovation</li> <li>/ [3.5] Effectiveness / Delay of short-, medium-, and long-term strategies</li> <li>/ [3.6] Effectiveness of extraordinary transactions</li> <li>/ [3.7] Strategic planning</li> <li>/ [3.8] Effectiveness of Crisis Management Plans</li> <li>/ [3.9] Dependence on key customer</li> <li>/ [3.10] Dependence on contractor/critical suppliers</li> <li>/ [3.11] Digital Transformation &amp; Change Management</li> </ul>	<b>MACRO RISK CATEGORY</b>  <b>SUB-CATEGORY OF RISK</b>
<b>2 FINANCIAL</b> <ul style="list-style-type: none"> <li>/ [2.1] Unpredictability of raw material prices / financial markets</li> <li>/ [2.2] Commercial/financial counterparts</li> <li>/ [2.3] Exchange rate</li> <li>/ [2.4] Interest rate</li> <li>/ [2.5] Liquidity</li> <li>/ [2.6] Capital availability / debt repayment capacity</li> </ul>		

MACRO RISK  
CATEGORY

## 4 GOVERNANCE AND INTEGRITY

- / [4.1] Change resistance
- / [4.2] Integrity of behavior/fraud
- / [4.3] Delegations and Powers
- / [4.4] R&R (Ries and Responsibilities) / SoD
- / [4.5] Direction and government, including foreign branches

## 5 OPERATIONAL AND REPORTING

- / [5.1] Adequacy/saturation of production capacity
- / [5.2] Incorrect/inefficient production planning
- / [5.3] Obsolescence/Unavailability of plant / machinery
- / [5.4] Product quality / Recall
- / [5.5] Obsolescence stock
- / [5.6] Unavailability of raw materials/ semi-finished goods/ other goods and extra cost of supplies
- / [5.7] Reliability of supplier portfolio
- / [5.8] Ineffectiveness of sales channels
- / [5.9] Ineffectiveness/reducing prices, complexity and extra business costs
- / [5.10] Budget, Planning and Reporting
- / [5.11] Unavailability of data and information
- / [5.12] Transfer Pricing
- / [5.13] Orders execution risk
- / [5.14] Parcelizing out suppliers
- / [5.15] Delays in the execution of investments plans
- / [5.16] Interruptions/Delays in logistics

## 6 LEGAL AND COMPLIANCE

- / [6.1] Protection of product exclusivity
- / [6.2] Litigation
- / [6.3] Contractual/force majeure risks
- / [6.4] Compliance with labour law regulations
- / [6.5] Compliance with 262 / financial reporting
- / [6.6] Compliance with of tax regulation
- / [6.7] Compliance with industry regulation (e.g., ISO)
- / [6.8] Compliance with customs regulations

## 7 IT

- / [7.1] IT & Data Security (Cybersecurity and SoD)
- / [7.2] Disaster Recovery / Business Continuity
- / [7.3] IT Governance
- / [7.4] IT infrastructure/technology capacity limits
- / [7.5] Web Domains

## 8 HUMAN RESOURCES

- / [8.1] Attraction and Retention
- / [8.2] Dependence on key figures
- / [8.3] Poor communication between the first lines of management
- / [8.4] Timeliness of communications regarding organisational changes
- / [8.5] Risk of Ageing
- / [8.6] Staff unavailability
- / [8.7] Staff Performance

ESG  
RISKSNATURE  
OF THE RISK

## 9 ENVIRONMENTAL

- / [9.1] Natural disasters
- / [9.2] Climate change (physical and transitional risks)
- / [9.3] Pollution and contamination (e.g., waste management, emissions, spills and wastewater, noise pollution)
- / [9.4] Resource availability and consumption (e.g. nonrenewable resources: water, gas)
- / [9.5] Product sustainability (e.g., product end-of-life management, environmental impact of products)
- / [9.6] Evolution/adaptation of environmental regulations (e.g., carbon tax, Emission Trading Scheme)

## 11 GOVERNANCE

- / [11.1] Corporate integrity, anti-money laundering and anti-corruption
- / [11.2] Non-compliance with internal regulations (e.g., Code of Ethics, policies and procedures)
- / [11.3] Governance of ESG topics
- / [11.4] Reporting on ESG topics

## 10 SOCIAL

- / [10.1] User health and safety
- / [10.2] Employees health and safety
- / [10.3] Sustainable supply chain management
- / [10.4] Respect for humn/workers' rights
- / [10.5] Non-compliance/compliance with Privacy regulations
- / [10.6] Biological risks
- / [10.7] Customer experience, customer satisfaction and claims
- / [10.8] Responsible Marketing and communication transparency
- / [10.9] Non-compliance with product regulations (e.g., labeling)
- / [10.10] Evolving expectation of stakeholders and end-users in terms of environmental and social performance
- / [10.11] Evolution/compliance with H & S regulations
- / [10.12] Relations with local communities
- / [10.13] Professional development and compensation
- / [10.14] Generational transitions
- / [10.15] Industrial relations
- / [10.16] Business climate
- / [10.17] Smart working/remote working managing

MACRO RISK  
CATEGORYSUB-CATEGORY  
OF RISK

Focus HR

The Risk Model includes risks of different kinds:

- **Country/market risks** arising from factors such as macroeconomic environment, changes in the regulatory and/or market environment, changes in economic or political stability in Countries or geographical regions;
- **financial risks** connected with the availability of funding, credit and liquidity management, and/or volatility of key market variables (e.g. commodity prices, interest rates, exchange rates);
- **strategic risks** connected with the company's strategic decisions regarding product portfolio, extraordinary operations, innovation, digital transformation, etc. which could influence the Group's performance;
- **governance and integrity risks** connected with Group/Company governance or with professionally incorrect behaviour which does not conform to the Company's ethical policy and could expose the Group to possible sanctions, undermining its reputation on the market;
- **operating risks and reporting risks** connected with the efficacy/efficiency of company processes, with potential negative consequences for the Company's performance and operations, and/or connected with the possibility that planning, reporting and control processes may not be sufficient to assist Management with strategic decision-making and/or monitoring of the business;
- **legal and compliance risks** pertaining to management of legal and contractual aspects and conformity to national, international and industry laws and regulations applicable to the Company;
- **IT Risks** connected with the adequacy of Information Technology systems for supporting the current and/or future requirements of the business, in terms of infrastructure, integrity, security and availability of data, information and information systems;
- **human resources risks** connected with the attraction, retention, availability, management and development of the resources and skills necessary to conduct business and management of trade union relations;
- **ESG-specific risks** tied to sustainability issues, divided among environmental, social and governance risks.

The Top Risks, i.e. the most relevant risks (so-called Tier 1) include matters related to cybersecurity, geopolitical tensions and product portfolio evolution, and in particular concern:

- the adoption of new technologies (e.g., artificial intelligence) and new methods of quick working increase exposure to hacker attacks, an ever-evolving trend that can lead to disruptions in business operations and loss of sensitive data at ever increasing costs, as well as vulnerabilities of products with IT/OT functionalities;
- the importance of continuous investments in product innovation, to ensure alignment with the market's best technologies and support the pursuit of sustainability objectives;
- the political and economic instability of the Countries in which the Group produces and recent protectionism policies and barriers to entry might damage the competitiveness of the Group's products, increasing production costs and adversely affecting the management of global supply chains, as well as creating difficulties in entering or staying on foreign markets.

External and internal risk factors are analysed below, classified according to the risk families described above.

Based on the economic and cash flows achieved in the last few years and available funds, and based on the results of ERM activities, there are currently no significant uncertainties that raise significant doubts as to the Company's ability to continue to operate as a going concern.

# 1. Risks associated with countries and markets

## Risks associated with the general economic conditions and market trends

The most recent projections and estimates on general economic performance and the markets in which the Group operates are presented in the **Outlook** paragraph of this Report on Operations, to which reference is made.

In this scenario, where there are still uncertainties about the geopolitical future, it should be noted that the Group does not possess strategic assets in the territories currently involved in the hostilities and that sales in these regions are limited. Although the scenario is changeable, given current considerations, Gefran does not believe that the hostilities will have a significant direct impact on its activities and, consequently, on its ability to generate income in addition to what has already been absorbed during the year.

## Risks associated with the market structure and competitive pressure

Gefran operates in open and highly competitive markets in terms of product quality, innovation, price competitiveness, product reliability and customer service to machinery manufacturers.

The Group operates in a very crowded competitive environment: operators which are large groups may have greater resources or better cost structures, both in terms of economies of scale and factor costs, enabling them to implement aggressive pricing policies.

The success of Gefran Group activities derives from its ability to focus efforts on specific industrial sectors, concentrating on resolving technological problems and on customer service, thereby providing greater value to customers in the niche markets in which it competes.

To mitigate the impact of this risk, Gefran has invested in human resources through the inclusion of specialised personnel with a focus on innovation and innovative trends in technology.


Should the Group prove unable to develop and offer innovative or sustainable and competitive products and solutions that match those supplied by its main competitors in terms of price, quality, functionality, or should there be delays in such developments, sales volumes could decline, with a negative impact on the Group's economic and financial results.

Although Gefran believes that it can adapt its cost structure if sales volumes or prices decrease, the risk is that such a change will not be sufficiently large and timely, and thus there may be negative effects on the economic and financial situation.

## Risks associated with changes in the regulatory framework

Since Gefran makes and distributes electronic components used in various applications, it is subject to numerous legal and regulatory requirements in the various Countries in which it operates, as well as to the national and international technical standards applicable to companies operating in the same industry and to the products made and sold, with reference to the certifications required for the products.

Any changes in laws or regulations could entail (substantial) costs required to adapt the product characteristics or even bring about the temporary suspension of the commercialization of some products, which would consequently affect the generation of revenues.



Moreover, the enactment of other regulations that apply to the Group or its products, or changes in the regulations currently in force in the sectors in which the Group operates, also internationally, could force the Group to adopt more rigorous standards or limit its freedom of action in its areas of operation. These factors could entail costs relating to adapting the production facilities or product characteristics. This could have a negative impact on the Group's business, its operations and image and/or influence its ability to expand business in new markets.

Lastly, changes to or tightening of the regulatory environment by government bodies (supranational or national) in the areas in which Gefran operates could have an impact on the Group's economic results; this includes the introduction of increasingly stringent regulations to encourage sustainable business management and greater transparency on the impact of the business on the surrounding environment. In particular, by operating through production plants located in several Countries, Gefran is exposed to risks deriving from changes in labour safety regulations, although there are currently no areas that are not managed by the implemented practices, operational procedures and management policies.

### Country risk

A significant portion of the Group's production and sales activities is carried out outside the European Union, particularly in Asia, the US, Brazil and Switzerland. The Group is exposed to risks relating to the global scale of its operations, including those relating to:

- exposure to local economic and political conditions;
- the implementation of policies restricting imports and/or exports;
- operating in multiple tax regimes;
- the introduction of policies limiting or restricting foreign investment and/or trade;
- possible disruptions in the supply chain.

Unfavourable political and/or economic developments in the countries in which the Group operates could adversely affect – the extent of which would vary by country – the Group's prospects, operations and economic and financial results. Such risk is, however, mitigated by the fact that the production sites where there are certain productions, and are therefore not easily interchangeable with productions of other countries, are operational in the USA and Switzerland, where the Country risk is reduced.

In the light of political developments linked to the Russian-Ukraine conflict, Gefran has formally expressed its desire to terminate business relations with customers residing in Russia and Belarus. Noting that the Group does not possess strategic assets in those regions and that the volume of business affected is modest, this decision has not significantly affected the ability of the Group to generate revenues.

Although the scenario is evolving, given current considerations, Gefran does not believe that the hostilities will have a significant direct impact on its activities and, consequently, on its ability to generate income.



## 2. Financial Risks

### Exchange rate risk

As a global operator, the Gefran Group is exposed to market risks stemming from exchange rate fluctuations in the currencies of the various countries in which it operates.

Exposure to exchange rate risk is linked to the presence of production activities concentrated in some countries (particularly Switzerland, the United States and China) and sales in various geographic areas outside the Eurozone. This organisational structure generates flows in currencies other than the currency in the place of production, mainly the US dollar, the Chinese renminbi, the Brazilian real, the Indian rupee, the Swiss franc, and the UK pound; production areas in the US, Brazil and China mainly serve their local markets, with flows in the same currency.

Exchange rate risk arises when future transactions or assets and liabilities already recorded in the statement of financial position are denominated in a currency other than the functional currency of the company conducting the operation. In order to manage the exchange rate risk resulting from future commercial transactions and the recording of assets and liabilities in foreign currencies, the Group first and foremost exploits so-called Natural Hedging, seeking to level out the incoming and outgoing flows on all the currencies other than the Group's functional currency; furthermore, where necessary, Gefran evaluates whether to establish hedging transactions on the main currencies, by means of the Parent Company signing futures contracts. However, since it prepares its consolidated financial statements in Euro, fluctuations in the exchange rates used to translate the financial statements of subsidiaries, originally denominated in local currency, may affect the Group's results and financial position.

### Interest rate risk

Changes in interest rates affect the market value of the Group's financial assets and liabilities, as well as net financial charges for the income statement. The interest rate risk to which the Group is exposed mainly originates from long-term financial payables. The Group is exposed almost exclusively to fluctuations in the Euro rate, since the majority of bank loans have been arranged by Gefran S.p.A.

These are primarily variable rate loans that expose the Company to a risk associated with interest-rate volatility (cash flow risk). To limit exposure to this risk, the Parent Company evaluates and subsequently signs hedging contracts (so-called derivative contracts), specifically Interest Rate Swaps (IRS), which convert the variable rate to a fixed rate, or Interest Rate Caps (CAP), which set the maximum interest rate, thereby reducing the risk originating from interest-rate volatility.

Given developments in the current political and monetary situation, both domestically and internationally, the rise in interest rates represents a risk factor in the coming quarters, although this is limited by hedging contracts in place.

### Risks associated with fluctuations in commodity prices

Since the Group's production mainly involves mechanical, electronic and assembly processes, exposure to energy price fluctuations is limited.

The Group is exposed to changes in basic commodity prices (e.g. metals) to a small extent, as the product cost component represented by these materials is quite limited.

On the other hand, the Group purchases electronic and electromechanical components for the production of finished products. These materials are exposed to cyclical price variations, even significant ones, that could adversely affect the Group's results.

The overall market situation has seen cyclical and generalised price increases over the years (especially in 2022), mainly driven by the scarcity of raw materials and electronic components in particular, and is leading to significant price fluctuations with a subsequent impact on the overall cost of products. Since 2024, the market situation has become relatively stable, in terms of both prices and the availability of components, as confirmed also in the first half of 2025.

Thanks to careful and efficient management of the supply chain and logistic-production processes within the organisation, any further price fluctuations are expected not to have significant impacts.

### **Risks associated with funding requirements and liquidity risk**

The Gefran Group's financial situation is subject to risks associated with the general performance of the economy and trends in the sectors in which the Group operates.

Gefran's capital structure is strong; in particular, own funds total 97.4 million Euro, while liabilities amount to 63 million Euro.

Operational management in the first half of 2025 generated positive free cash flow of 2.5 million Euro, after investing a total of 7.8 million Euro (of which 3.1 million Euro in technical investments and 4.7 million Euro in acquisitions of company shares).

At 30 June 2025, the net financial position was positive overall and equal to 27.3 million Euro, reflecting a reduction of 6.9 million Euro since the end of the previous year, also as a result of divided distribution in the amount of 6.1 million Euro.

Credit lines and cash on hand are sufficient with respect to the Group's operations and the expected economic outlook.

Most existing loan contracts were negotiated at variable rates, based on the Euribor, increased by an average spread of 0.89% over the last two years. The variable rate was turned into a fixed rate through the subscription, during the loan opening period, of Interest Rate Swap (IRS) hedging contracts at an average rate of 2.84% excluding spreads.


No new loan agreements were signed during 2025.

Please refer to Note 18 of the **Specific explanatory notes** to the condensed half-yearly consolidated financial statements for further details on the Group's net financial position.

### **Credit risk**

The Group has business relations with a large number of customers. Customer concentration is not high, since no customer accounts for more than 5% of total revenues. Supply agreements are normally long-term, because Gefran products form an integral part of the customer's product design, being incorporated into their end products and having a significant influence on their performance. In accordance with IFRS 7.3.6a, all amounts presented in the financial statements represent the maximum exposure to credit risk.





The Group grants its customers deferred payment conditions, which vary according to the market practices in individual countries. The solvency of all customers is monitored regularly and any risks are periodically covered by appropriate provisions. Despite these precautions, under current market conditions, it is possible that some customers may be unable to generate sufficient cash flow or access sufficient sources of funding, resulting in payment delays or failure to honour their obligations.

Receivables are adjusted to their estimated realisable value by the allowance for doubtful receivables, which is determined pursuant to IFRS 9 with reference to the expected credit losses on each position, taking account of past experience in each business area and geographical region.

The Group has developed estimates based on the best information available about past events, current economic conditions and forecasts for the future. With reference to the latter point, the Group has carried out analyses using a risk matrix that considers geographical region, business sector and individual customer solvency.

Management considers the forecasts generated to be reasonable and sustainable, despite the current climate of uncertainty.

## 3. Strategic Risks

### Risks associated with the implementation of the Group's strategy

Gefran's ability to improve profitability and achieve the expected profit margins also depends on successful implementation of its strategy. Group strategy is based on sustainable growth, which can be achieved through investments and projects for products, applications and geographical and vertical markets that lead to growth in profitability.


Gefran plans to implement its strategy by concentrating available resources on the development of its core industrial business, favouring growth in strategic products that guarantee volumes, and in which the Group is technological and market leader. Gefran continues to make changes to its organisational structure, work processes and staff know-how to increase specialisation in research, marketing and sales by product and by application.

The strategy also aims to diversify as much as possible the markets and their customers to avoid repercussions from the performance of a single market or client.

In this light, the sale of the motion control business completed in the first quarter of 2023 confirms the focused strategic evolution of the Group, which aims to strengthen its long-established and strategic sectors: sensors and automation components, where Gefran has invested most heavily in recent years.

### Risks connected with delays in product/process innovation

Gefran operates in a sector that is strongly influenced by technological innovation. The Group's approach to innovation is often customer-driven. Inadequate or delayed product/process/model innovation to anticipate and/or influence customers' demands could have negative repercussions, causing the Company to miss opportunities and sacrifice market shares, consequently impacting on revenue generation. The impact of this risk would increase should one or more competitors propose business models or technologies that are more innovative than Gefran's.



In order to mitigate the impact of this risk, the Gefran Group has invested in software that introduces new production and process controls in the reorganisation of production flows, as well as in human resources, with the addition of specialised personnel focused on innovative technological trends.

### **Risks linked to dependence on certain unique or critical suppliers**

The Group purchases raw materials and components from a large number of suppliers and, in some cases, depends on services and products supplied by other companies outside the Group. Electronic components, primarily microprocessors, power semi-conductors and memory chips, are purchased from leading global producers.

Dependence on some suppliers of technological components or platforms could result in delays in production in some particular periods due to lack of supply and/or extra costs due to the need to search for alternative components in the market, specifically components. To date, this phenomenon appears to have subsided for most of the components used in the production stages.

In fact, the electronic components market is marked by the saturation of production capacity, with the consequent need to use the production allocation process to assign the quantities of material available to its customers. By its cyclical nature, the few world players of active electronic components can suffer, in case of increased market demand.

Back in early 2020, in response to the spread of Covid-19, the Group promptly set up a task force to identify the location of suppliers considered critical and, when they were located in areas and countries subject to lockdowns, sent orders to the plants that were still in operation. The Group Purchasing function also took prompt action to research and qualify alternative suppliers to mitigate the risk of interruption of supply by reducing dependence on a single supplier wherever possible.

Some of the operating methods developed at the outset of the emergency turned out to be particularly effective including coping with the subsequent market shortage phase and have therefore been integrated into the Group's standard procedures, with the goal of mitigating, wherever possible, some of the risks associated with possible supply chain interruptions caused by events beyond the Group's control.

Lastly, it is confirmed that the Group does not have direct supply relationships in countries currently involved in the Russian-Ukraine conflict. In this regard, Gefran complies with the applicable regulatory requirements and restrictive measures established by the European Union and recommends that its suppliers comply with the same high standard.

## **4. Governance and integrity risks**

### **Risks arising from ineffective Group coordination**

The proper implementation of company strategies requires sufficient coordination between the Parent Company and the Group's subsidiaries.

To allow meetings to be held between teams from the various Group entities, with the aim of favouring the coordination and pursuit of corporate objectives and/or the implementation of specific projects, the Company promotes the use of hardware and software solutions for organising digital meetings and conferences, to mitigate the risk of slowing down the progress of joint projects.

## 5. Operating risks and reporting risks

### Risks associated with product development, management and quality

The Group's value chain covers all activities, including R&D, production, marketing, sales and technical support, all the way down to technical support. Defects or errors in these processes may cause product quality problems that could potentially affect the Group's results and financial position.

The quality of the product and of the process underlying its creation is of the utmost importance for Gefran. This is evident from the organisation of the activities of the integrated Quality, Safety and Environment function, which has Group-wide responsibilities; over the years, the function has been endowed with new resources and skills to ensure the proper supervision of this fundamental aspect.

In line with the practices of many operators in the sector, Gefran has arranged insurance policies deemed sufficient to protect against product liability risks. Furthermore, a specific product warranty provision is recorded to cover these risks, in line with the volume of business and the historical occurrence of claims.

Nevertheless, should the insurance cover and risk provisions prove inadequate, the Group's economic and financial position could be adversely affected. In addition, the Group's involvement in disputes concerning product quality and any adverse rulings could expose the Group to reputational damage, which might also indirectly affect the economic and financial position.

### Risks associated with operations at industrial facilities

Gefran is an industrial group, so it is potentially exposed to the risk of production stoppages at one or more of its plants, due, for example, to machinery breakdowns, revocation or disputes regarding permits or licences from public authorities (e.g. following changes in the law), strikes or manpower unavailability, natural disasters, major disruptions to the supply of raw materials or energy, sabotage or attack.

There have not been any significant interruptions of activity in recent years, except for limited periods and in relation to the healthcare emergency linked to the ongoing Covid-19 pandemic; however, future interruptions cannot be ruled out, and if they occur for lengthy periods, the Group's economic and financial position could be adversely affected if the losses exceed the amount currently covered by insurance policies.

Gefran has implemented a disaster recovery system for restoring the systems, data and infrastructures necessary for the Group's work in the event of an emergency and to contain its impact.

Moreover, to mitigate this risk, Gefran has developed plans for investment in plant and machinery, aiming for the digitalisation of processes, the expansion and reorganisation of productive areas and the hiring of new employees. Additionally, the uniformity of production processes and use of the same bill of materials means, if required by external conditions, that production can be transferred to plants not specified in the standard operating processes.

However, possible major fluctuations in demand that prevent effective production planning, or demand in excess of productive capacity, could result in lost business opportunities or even lost revenues.

## 6. Legal and compliance risks

### Legal risks and product liability

In the context of the Group's core business, issues may arise linked to product defects and consequent civil liabilities towards customers or third parties. The Group is therefore exposed to the risk of product liability claims, provided for in the different countries in which it operates.

In line with the practices of many operators in the sector, Gefran has arranged insurance policies deemed sufficient to protect against product liability risks.

Nevertheless, should the insurance cover and risk provisions prove inadequate, the Group's economic and financial position could be adversely affected. In addition, the Group's involvement in legal disputes relating to product liability and any adverse rulings could expose Gefran to reputational damage, which might also affect the economic and financial position.

### Risks related to the protection of exclusivity and intellectual property rights

The Group believes that it has adopted an appropriate system to protect its intellectual property rights, but is exposed to the risk related to higher costs, related to any actions to be taken to defend those rights.

Furthermore, the intellectual property rights of third parties could inhibit or limit the Group's capacity to place new products on the market. These events could have an adverse impact on the development of the Group business.

## 7. IT risks

### Risks related to data security, IT systems and products with Information Technology/Operational Technology (Cybersecurity) functionalities

The digitisation of processes, the adoption of new technologies (e.g. artificial intelligence) and new methods of smart working, as well as the development of products with IT/OT functionalities, increase exposure to hacker attacks, which can cause business interruptions and loss of sensitive data with increasing costs. In view of the increasing phenomenon of so-called cyber crime and its constant evolution, the Group is exposed to IT attacks that could compromise the company's data published on the internet, its internal network or other company systems. Also with regard to products with IT/OT functionalities, cyber crime phenomena may expose the Group and its customers to interruption in their operations, and possible damage to trust relationships, as well as market competitiveness and regulatory non-compliance, giving rise to higher costs. However, the risk is considered partially mitigated as the critical systems adopted by the various Group entities (SAP ERP, email, etc.) are installed and managed directly by the Parent Company from a central location, where a control plan and risk assessment have been defined.

Gefran has placed a strong focus on cybersecurity, adopting procedures and systems to monitor and prevent attacks on the corporate network by hackers, arranging specific insurance cover as well as by launching special training and awareness-raising initiatives on IT security issues.

## 8. Risks associated with human resources

### Difficulty in attraction and retention of personnel

Gefran is exposed to the tensions that are affecting the world of work concerning the attraction and retention of personnel with the necessary knowledge and critical skills in strategic areas for the Group (e.g. R&D and production engineering).

Gefran has implemented actions to increase its reputational value, including by engaging in projects aimed at creating a professional organisation to which it is desirable to belong. This goes beyond guaranteeing health and a safe working environment, but more generally concerns the quality of life inside and outside the company, the training and development of talents, promoting diversity as a value, as well as the strengthening of partnerships with universities, allowing the Group to increase its ability to attract and retain its personnel and to stand up to the fierce competition among market players in the recruitment phase.

## 9. ESG Risks

### Environmental damage risks

Although the Group's activities do not include the processing or treatment of materials or components to an extent representing a significant risk of pollution or, in any case, of environmental damage, the Group also pays special attention to the environmental protection regulations.

Gefran has implemented a series of controls and monitoring to identify and prevent risks related to safety and environment, and has prepared and disseminated the "Health, Safety and Environment System" management policy at every level. As a guarantee of the appropriate management methods implemented, the Group's Italian companies have now obtained ISO 14001:2015 Environmental Management System certification, which is being extended to the Group's foreign production subsidiaries.

If potential liabilities deriving from environmental damage arise, the Group may have recourse on the insurance policies taken out to cover such effects.

### Health and safety risks

Risk assessment is essential to protect the health and safety of our workers. Gefran is constantly committed to mapping the operating risks that could arise in the various business sectors, to define opportunities and take action to minimise these risks wherever possible.

Protecting health and safety is essential for Gefran. Confirming the importance of these issues, the organisation established an integrated "Quality, Safety and Environment" function that still operates today, drawing on Group-wide expertise. The policy for the "Health, Safety and Environment System", which defines guiding principles in these areas, has also been signed and disseminated throughout the Group.

As a guarantee of the appropriate management methods implemented, the Group's Italian companies have now obtained Occupational Health and Safety Management System ISO 45001:2018 certification, which is being extended to the Group's foreign production subsidiaries.

## Risk of non-compliance with adequate labour standards in the supply chain

Gefran purchases some raw materials and semi-finished products required for its production from suppliers outside the Group. For this reason, it is exposed to the risk that the same standards of compliance with the rights of workers guaranteed by the Group are not guaranteed in the supply chain and this risk is greater in some of the geographical regions in which the Group operates.

This could result in accidents leading to disruption of the supply chain and, therefore, impact on business continuity, as well as possible impact on its reputation.

To this end, Gefran has modified the accreditation process for new suppliers, requesting the signing of the Sustainability Pact, a document which requires compliance with certain sustainability principles (guarantee of a healthy and safe working environment, respect for human rights in working conditions and discrimination, fight against corruption, etc.). Today the Group is striving to extend its sustainability commitments to an ever larger share of its supply chain.

## Ethical risks

The Gefran Group has always been committed to applying and observing rigorous ethical and moral principles when conducting its internal and external activities, in full compliance with the laws in force and market regulations. The adoption of the Code of Ethics and Conduct, updated by the Board of Directors at its 10 March 2022 meeting, the related internal compliance procedures put in place and the controls adopted together guarantee a healthy, safe and efficient working environment for employees and an approach intended to ensure complete respect for external Stakeholders. The Group believes that ethics in business management must be pursued alongside financial growth, and the Code is therefore an explicit point of reference for everyone working with the Group.

On 10 March 2022, Gefran approved the “Policy for managing dialogue with shareholders and investors” (known as Engagement Code), in accordance with the Corporate Governance Code approved by the Italian Corporate Governance Committee. The adoption of this policy, aimed at regulating and promoting dialogue with shareholders and institutional analysts, is consistent with one of the principles that has always characterised the Company: encouraging honest dialogue with Stakeholders with a view to creating value in the medium to long term.

Respect for people and appreciation of their skills, protection of diversity and equal opportunities are the ethical principles inspiring the Group’s HR Policy and expressed in the “Persons in Gefran” policy, which applies to the Group as a whole and the “Sustainability Pact” required of suppliers.

The Group has also effectively adopted an Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 (known as the Organisational Model). The Organisational Model, drawn up on the basis of the Confindustria Guidelines, is periodically updated in line with the evolution of the legislation. At least annually, Gefran carries out the updating of the risk assessment 231 activity, with the aim of evaluating changes in the Company’s risk profile and of incorporating any organisational changes or the introduction of new “predicate offences” or changes thereto. This activity is carried out both through interviews with the departments involved and through document analysis.

The Group believes that this is not only a regulatory obligation, but also a source of growth and wealth generation and has therefore fully restructured its activities and internal procedures to prevent the offences set out in this regulation from being committed. The Supervisory Board established by the Board of Directors performs its duties constantly and professionally, guaranteed by the presence of two professionals with excellent knowledge of administrative and process control systems.



It is stipulated that the Group conducts the bulk of its business with private customers, which do not directly or indirectly belong to government organisations or public agencies, and rarely takes part in public tenders or funded projects. This further limits the risks of reputational or economic damage resulting from unacceptable ethical conduct.

In this context, to ensure that appropriate management methods are implemented, an Integrated Management System has been implemented, certified according to the SA 8000:2014 Social Accountability standard, in the Group's Italian companies, and the process will be gradually extended to the Group's foreign production subsidiaries. The project to extend the integrated management system is continuing towards the main production branches abroad, based on the model developed on Italian companies.







# **Condensed half-yearly consolidated financial statements**



# Consolidated financial statements

## Statement of profit/(loss) for the period

(Euro /000)	Notes	progress. 30 June	
		2025	2024
Revenues from product sales	22	71,534	67,895
of which related parties:	31	-	-
Other revenues and income	22	621	604
Increases for internal work	13,14	917	1,053
<b>TOTAL REVENUES</b>		<b>73,072</b>	<b>69,552</b>
Change in inventories	17	180	333
Costs of raw materials and accessories	24	(21,547)	(20,238)
of which related parties:	31	(373)	(394)
Service costs	25	(11,560)	(11,105)
of which related parties:	31	(160)	(152)
Miscellaneous management costs	-	(449)	(421)
Other operating income	-	89	51
Personnel costs	26	(25,996)	(24,864)
Impairment/reversal of trade and other receivables	17	(25)	25
Amortisation and impairment of intangible assets	27	(869)	(892)
Depreciation and impairment of tangible assets	27	(2,437)	(2,465)
Depreciation rights of use	27	(678)	(626)
<b>EBIT</b>		<b>9,780</b>	<b>9,350</b>
Gains from financial assets	28	686	952
Losses from financial liabilities	28	(1,439)	(854)
(Losses) gains from shareholdings valued at equity	-	(5)	14
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>9,022</b>	<b>9,462</b>
Current taxes	29	(2,453)	(2,431)
Deferred tax assets and liabilities	29	63	132
<b>TOTAL TAXES</b>		<b>(2,390)</b>	<b>(2,299)</b>
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<b>6,632</b>	<b>7,163</b>
Attributable to:			
Group	-	6,618	7,163
Third parties	-	14	-

### Earnings per share

(Euro)	Notes	progress. 30 June	
		2025	2024
Basic earnings per ordinary share	20	0.47	0.50
Diluted earnings per ordinary share	20	0.47	0.50

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

(Euro /000)	Notes	progress. 30 June	
		2025	2024
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<b>6,632</b>	<b>7,163</b>
Items that will not subsequently be reclassified in the statement of profit/(loss) for the period			
- equity investments in other companies	19	(14)	(54)
Items that will or could subsequently be reclassified in the statement of profit/(loss) for the period			
- conversion of foreign companies' financial statements	19	(2,418)	254
- fair value of cash flow hedging derivatives	19	(13)	(21)
<b>Total changes, net of tax effect</b>		<b>(2,445)</b>	<b>179</b>
<b>Comprehensive result for the period</b>		<b>4,187</b>	<b>7,342</b>
Attributable to:			
Group	-	4,173	7,342
Third parties	-	14	-

## Statement of financial position

(Euro /000)	Notes	30 June 2025	31 December 2024
<b>NON-CURRENT ASSETS</b>			
Goodwill	12	5,924	6,081
Intangible assets	13	7,469	7,249
Property, plant, machinery and tools	14	36,221	37,598
of which related parties:	31	98	198
Usage rights	15	3,719	3,770
Shareholdings valued at equity	16	4,759	764
Equity investments in other companies	-	1,796	1,810
Receivables and other non-current assets	-	103	88
Deferred tax assets	29	2,450	2,396
Non-current financial assets for derivatives	18	15	34
Other non-current financial investments	18	103	104
<b>TOTAL NON-CURRENT ASSETS</b>		<b>62,559</b>	<b>59,894</b>
<b>CURRENT ASSETS</b>			
Inventories	17	16,246	15,747
Trade receivables	17	27,570	23,264
Other receivables and assets	-	3,937	3,831
Current tax receivables	-	303	328
Cash and cash equivalents	18	50,233	59,629
<b>TOTAL CURRENT ASSETS</b>		<b>98,289</b>	<b>102,799</b>
<b>TOTAL ASSETS</b>		<b>160,848</b>	<b>162,693</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	19	14,400	14,400
Reserves	19	76,387	73,796
Profit / (Loss) for the year	19	6,618	11,142
Group Shareholders' equity	19	97,405	99,338
Shareholders' equity of minority interests	19	491	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>97,896</b>	<b>99,338</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current financial payables	18	13,710	16,269
Non-current financial payables for IFRS 16 leases	18	2,583	2,664
Non-current financial liabilities for derivatives	18	308	311
Employee benefits	-	2,475	2,131
Non-current provisions	21	454	463
Deferred tax provisions	29	829	933
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>20,359</b>	<b>22,771</b>
<b>CURRENT LIABILITIES</b>			
Current financial payables	18	5,217	5,173
Current financial payables for IFRS 16 leases	18	1,230	1,195
Trade payables	17	20,394	18,795
of which related parties:	31	381	314
Current provisions	21	771	802
Current tax payables	-	1,435	1,146
Other payables and liabilities	-	13,546	13,473
<b>TOTAL CURRENT LIABILITIES</b>		<b>42,593</b>	<b>40,584</b>
<b>TOTAL LIABILITIES</b>		<b>62,952</b>	<b>63,355</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>160,848</b>	<b>162,693</b>

## Consolidated cash flow statement

(Euro /000)	Notes	30 June 2025	30 June 2024
<b>(A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD</b>		<b>59,629</b>	<b>57,159</b>
<b>B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD</b>			
Net profit (loss) for the period		6,632	7,163
Depreciation, amortisation and impairment	27	3,984	3,983
Provisions (Releases)	17, 21	985	1,170
Capital (gains) losses on the sale of non-current assets	-	-	(4)
Net result from financial operations	28	758	(112)
Taxes	29	2,390	2,431
Change in provisions for risks and future liabilities	21	(320)	(202)
Change in other assets and liabilities	-	(1,078)	307
Change in deferred taxes	29	(3)	(130)
Change in trade receivables	17	(3,422)	(3,005)
of which related parties:	31	-	35
Change in inventories	17	(874)	(1,153)
Change in trade payables	17	1,283	605
of which related parties:	31	67	149
<b>TOTAL</b>		<b>10,335</b>	<b>11,053</b>
<b>C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES</b>			
Investments in:			
- Property, plant & equipment and intangible assets	13, 14	(3,088)	(2,698)
of which related parties:	31	(98)	(197)
- Equity investments and securities	16	(4,000)	-
- Acquisitions net of acquired cash	9	(739)	-
- Financial receivables	-	(15)	1
Disposal of non-current assets	13, 14	22	5
<b>TOTAL</b>		<b>(7,820)</b>	<b>(2,692)</b>
<b>D) FREE CASH FLOW (B+C)</b>		<b>2,515</b>	<b>8,361</b>
<b>E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES</b>			
Repayment of financial payables	18	(2,557)	(4,845)
Increase (decrease) in current financial payables	18	1	-
Outgoing cash flow due to IFRS 16	18	(605)	(629)
Taxes paid	29	(1,442)	(688)
Interest paid	28	(380)	(626)
Interest received	28	327	625
Dividends paid	19	(6,107)	(5,965)
<b>TOTAL</b>		<b>(10,763)</b>	<b>(12,128)</b>
<b>F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)</b>		<b>(8,248)</b>	<b>(3,767)</b>
G) Exchange rate translation differences on cash at hand	18	(1,148)	(59)
<b>H) NET CHANGE IN CASH AT HAND (F+G)</b>		<b>(9,396)</b>	<b>(3,826)</b>
<b>I) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+H)</b>		<b>50,233</b>	<b>53,333</b>

## Statement of changes in shareholders' equity

(Euro /000)	Notes	Overall EC reserves									Group Total shareholders' equity	Shareholders' equity of minority interests	Total shareholders' equity
		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			
<b>Balance at 1 January 2024</b>		<b>14,400</b>	<b>21,926</b>	<b>9,390</b>	<b>8,500</b>	<b>24,589</b>	<b>298</b>	<b>3,573</b>	<b>(388)</b>	<b>11,653</b>	<b>93,941</b>	<b>-</b>	<b>93,941</b>
Destination of profit 2023													
- Other reserves and provisions	19	-	-	721	-	10,932	-	-	-	(11,653)	-	-	-
- Dividends	19	-	-	-	-	(5,965)	-	-	-	-	(5,965)	-	(5,965)
Income/ (Expenses) recognised at equity	19	-	-	-	-	-	(75)	-	-	-	(75)	-	(75)
Change in translation reserve	19	-	-	-	-	-	-	254	-	-	254	-	254
Other changes	19	-	-	(5)	-	-	-	-	-	-	(5)	-	(5)
Profit 30 June 2024	19	-	-	-	-	-	-	-	-	7,163	7,163	-	7,163
<b>Balance at 30 June 2024</b>		<b>14,400</b>	<b>21,926</b>	<b>10,106</b>	<b>8,500</b>	<b>29,556</b>	<b>223</b>	<b>3,827</b>	<b>(388)</b>	<b>7,163</b>	<b>95,313</b>	<b>-</b>	<b>95,313</b>
<b>Balance at 1 January 2025</b>		<b>14,400</b>	<b>21,926</b>	<b>10,106</b>	<b>8,501</b>	<b>29,556</b>	<b>(168)</b>	<b>4,257</b>	<b>(382)</b>	<b>11,142</b>	<b>99,338</b>	<b>-</b>	<b>99,338</b>
Destination of profit 2024													
- Other reserves and provisions	19	-	-	920	8,178	2,044	-	-	-	(11,142)	-	-	-
- Dividends	19	-	-	-	-	(6,107)	-	-	-	-	(6,107)	-	(6,107)
Income/ (Expenses) recognised at equity	19	-	-	-	-	-	(27)	-	-	-	(27)	-	(27)
Change in translation reserve	19	-	-	-	-	-	-	(2,418)	-	-	(2,418)	-	(2,418)
Other changes	19	-	-	1	-	-	-	-	-	-	1	477	478
Profit 30 June 2025	19	-	-	-	-	-	-	-	-	6,618	6,618	14	6,632
<b>Balance at 30 June 2025</b>		<b>14,400</b>	<b>21,926</b>	<b>11,027</b>	<b>16,679</b>	<b>25,493</b>	<b>(195)</b>	<b>1,839</b>	<b>(382)</b>	<b>6,618</b>	<b>97,405</b>	<b>491</b>	<b>97,896</b>

# Specific explanatory notes to the accounts

## 1. General information, form and content

Gefran S.p.A. is incorporated and located at Via Sebina 74, Provaglio d'Iseo (BS).

This half-yearly financial report of the Gefran Group for the period ended 30 June 2025 was approved, and its publication was authorised, by the Board of Directors, on 5 August 2025.

The Group's main activities are described in the Report on Operations.

## 2. Form and content

The condensed half-yearly consolidated financial statements of the Gefran Group have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union and, in particular, according to IAS 34.

They comprise the financial statements of Gefran S.p.A., its subsidiaries and its direct and indirect affiliates, approved by their respective Boards of Directors. The consolidated companies have adopted international accounting standards, with the exception of a number of companies whose financial statements have been restated in accordance with IAS/IFRS for the purposes of the Group's condensed half-yearly consolidated financial statements.

The legal audit of the condensed half-yearly consolidated financial statements was carried out by Deloitte & Touche S.p.A.

These condensed half-yearly consolidated financial statements are presented in Euro (EUR), 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, please refer to the attached "Consolidated income statement by quarter".

## 3. Accounting schedules

The Gefran Group has adopted:

- a statement of financial position, according to which assets and liabilities are separated into current and non-current categories;
- a statement of profit/(loss) for the year, in which costs are categorised by nature;
- a statement of profit/(loss) for the year and other items of comprehensive income, which shows income and charges posted directly to shareholders' equity, net of tax effects;
- the cash flow statement prepared using the indirect method, which adjusts the pre-tax profit for the period to eliminate the effects of non-monetary transactions, any deferral or allocation from previous or future operating collections or payments, and revenues or costs associated with the cash flows deriving from investment or financing activities; with a view to greater transparency, the Company has chosen to present the cash flow statement in a format that better represents its own dynamics, starting with net profit for the period and then eliminating the taxes charged to the income statement, rather than starting with the pre-tax profit.



With reference to Consob resolution 15519 of 27 July 2006, amounts referring to transactions with related parties and non-recurring items, if any, are classified separately from the relevant items in the statement of financial position and income statement.

#### **4. Consolidation principles and measurement criteria**

The consolidation principles and measurement criteria adopted for the preparation of this half-yearly financial report at 30 June 2025 are consistent with those adopted to prepare the annual financial report at 31 December 2024.

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. The consolidated half-yearly financial report was prepared using the general historical cost criterion, adjusted as required for the valuation of certain financial instruments.

With reference to Consob Communication 0003907 of 19 January 2015, note 12 "Goodwill" includes the required information and, specifically, the references to external information and the sensitivity analysis needed to measure certain financial instruments.

With reference to Consob Communication 0092543 dated 3 December 2015, it is noted that the Report on operations follows the ESMA guidelines (ESMA/2015/1415) for the disclosures needed to ensure the comparability, reliability and understandability of the Alternative Performance Indicators.

With reference to Consob communication no. 0007780 of 28 January 2016, it is noted that the impact of market conditions on the information disclosed in the financial statements was considered in the Directors' Report on Operations. We also note that the application of IFRS 13 "Fair Value Measurement" by Gefran did not involve significant changes to the financial statements.

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 have been detected from the first comparative year presented (modified retrospective basis).

Finally, with reference to the amendment called "International Tax Reform-Pillar Two Model Rules-Amendments to IAS 12 (the Amendments)" published by the IASB on 23 May 2023, it should be noted that the rules of the Pillar Two Model Rules apply to multinational groups with revenues in their Consolidated Financial Statements exceeding 750 million Euro, in at least two of the four previous financial years. For this reason as well, all the amendments related to the so-called "Global Antibase Erosion Model Rules", including the one published by the IASB on 23 May 2023 and aimed at simplifying deferred tax accounting, are not applicable to the Gefran Group.

## 5. Change in consolidation scope

The scope of consolidation as at 30 June 2025 is different from both the one as 30 June 2024 and the one as at 31 December 2024, as in the first quarter of 2025 Gefran S.p.A. completed the acquisition of 22% of 40Factory S.r.l., recorded among the shareholdings valued at equity. This shareholding 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.

In addition, in the second quarter of 2025 Gefran S.p.A. acquired a 60% interest in CZ Elettronica S.r.l. together with its subsidiary Mecatronica S.r.l., which is registered among the Parent Company’s subsidiaries. Note that in the diagrams appearing in the **Specific explanatory notes to the accounts** regarding changes in this item, the column “Change in consolidation scope” represents the effect of the change in this item following the said acquisition.

## 6. Accounting standards, amendments and interpretations applied since 1 January 2025

The amendment to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability”, was published by the IASB in August 2023, endorsed by the European Commission on 13 November 2024 and applicable since 1 January 2025.

Gefran assessed and verified the absence of impacts of the amendments in relation to situations in which a currency cannot be traded on regulated markets or mechanisms. The adoption of this amendment has had no effect on the Group’s financial statements.

## 7. Accounting standards, amendments and interpretations not yet applicable or not applied in advance

The new IFRS standards, amendments and interpretations approved by the IASB which, as of the date of this Half-yearly financial report, have not yet been endorsed by the European Union and therefore are of future effect, are set out below:

- Package of amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standard”, IFRS 7 “Financial Instruments: Disclosures” and corresponding guidelines for its implementation, IFRS 9 “Financial Instruments”, IFRS 10 “Consolidated Financial Statements” and IAS 7 “Statement of the Cash Flows” described in the document entitled “Annual Improvements Volume 11” published on 18 July 2024; these amendments are aimed at improving consistency between the various Accounting Standards and are expected to apply from 1 January 2026 (early application is permitted); the new standards are being analysed by Gefran, which is assessing any effects on its Group financial statements (currently deemed not significant);
- New IFRS 18 “Presentation and Disclosure in Financial Statements”, published on 9 April 2024, replacing IAS 1 “Presentation of Financial Statements” with the aim of improving the presentation of financial statements; it will enter into force on 1 January 2027 (early application is permitted) and will affect the presentation of the financial statements of the Gefran Group;
- New IFRS 19 “Subsidiaries without Public Accountability: Disclosures”, which simplifies the disclosures required by IFRSs when presenting the financial statements of a subsidiary that meets certain requirements; published on 9 May 2024, it will enter into force on 1 January 2027 (early application is permitted) and will have no impact on the financial statements of the Gefran Group; however, the effects on the presentation of the financial statements of the subsidiaries of Gefran S.p.A., which meet the characteristics described by the standard, are being assessed.

In addition, the amendments approved by the European Union, which are not yet mandatory and for which the Gefran Group has not opted for early application, are listed below:

- Amendment entitled “Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7”, published on 30 May 2024, which clarifies certain aspects on the accounting treatment of financial instruments (including financial assets related to the achievement of ESG objectives); the amendments will apply from 1 January 2026 and no significant effects on the Group’s financial statements are currently expected, since many of the cases included in the amendment, where present, are not significant;
- Amendment entitled “Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7”, published on 18 December 2024, with the aim of supporting the reporting of the financial effects deriving from contracts for the purchase of electricity from renewable sources; the amendments will be applicable from 1 January 2026 and early application permitted; Gefran is analysing the changes introduced, assessing any effects on its Group Financial Statements (currently considered not significant).

## **8. Main decisions in the application of accounting standards and uncertainties when making estimates**

The Group makes estimates and assumptions to measure certain items when preparing the condensed half-yearly financial statements and related explanatory notes in accordance with IAS/IFRS. These are based on historical experience and uncertain but realistic assumptions that are assessed regularly and, if necessary, updated, with effect on the income statement for the period and prospectively. The uncertainty inherent in these assessments may lead to misalignment between the estimates made and recognition in the financial statements of the actual effects of the forecasted events.

The following processes require management to make accounting estimates, and for which a change in the underlying conditions could have a significant impact on the consolidated financial data:

### Inventory allowance

Inventories are stated at their purchase cost (measured using the weighted average cost method) or, if lower, their net realisable value. The inventory allowance is needed to align the value of inventories with their estimated realisable value: inventories are analysed to identify slow-moving items, to recognise a provision that reflects their potential obsolescence.

### Provision for doubtful receivables

The provision for doubtful receivables reflects Management’s estimates regarding the recoverability of receivables from customers. This assessment is based on past experience and an analysis of situations faced with known or probable collection risks.

Regarding the introduction of IFRS 9, and particularly the new method for impairment of financial investments, the Group adopts the method for determination of the reserve to be used for coverage of losses on receivables, taking into account the losses expected throughout the life of the receivable, as required by the new standard.

### Goodwill and intangible assets with an indefinite life

These are measured periodically using impairment tests, with the aim of determining their present value and recognising any differences with respect to their carrying amounts; for details, see the **Specific explanatory notes to the accounts**.

### Employee benefits and no-competition agreements

The provisions for post-employment benefits and no-competition agreements are recorded in the financial statements and remeasured annually by external actuaries who inter alia make assumptions about the discount rate, inflation and demographic assumptions; for details, see the **Specific explanatory notes to the accounts**.

### Deferred tax assets

The recoverability of deferred tax assets is periodically evaluated, based on the results achieved and on the industrial plans prepared by Management.

### Current and non-current provisions

Provisions are made for risks that will probably have an adverse outcome. The provisions recorded in the financial statements reflect management's best estimate of the risk at that time. This estimate entails the adoption of assumptions that depend on factors that may change over time and that could, therefore, have a significant effect on the current estimates made by Management in preparing the Group's consolidated financial statements.

With regard to the assessment of the risks associated with the Group's activities, Gefran assesses the effects of ongoing climate change, reporting the results of these assessments in the paragraph Main risks and uncertainties to which the Gefran Group is exposed, as well as in the section General disclosures (ESRS 2 SMB-3 and IRO-1) of the paragraph Sustainability Reporting, of the Report on Operations as at 31 December 2024. In particular, the first assessments carried out in 2024 on physical and transition climate risks reasonably ensure the resilience of assets and the sustainability of activities in the short, medium and long term, based on different scenarios. Changes in scenarios may of course have different effects, but they are currently considered not likely. The assessment considered the Group's production sites, sales offices and main suppliers, and did not reveal any significant financial effects. At present, no factors related to climate change that might affect the recoverability of goodwill, and no impairment indicators that may affect the recoverability of non-current assets with a finite useful life, have been identified. The assessments made to date on potential legislative or regulatory changes relating to climate change do not establish the need to allocate funds for liabilities linked to environmental risks.

## 9. Business combinations

On 14 April 2025 Gefran S.p.A. purchased 60% of the shares in CZ Elettronica S.r.l. for a payment of 870 thousand Euro, paid on that date, without resort to loans. The transaction also included the acquisition of 60% of Mecatronica S.r.l., a subsidiary of CZ Elettronica S.r.l.

(Euro /000)	Net total
Cash present in the acquired company, attributable to:	
Group	79
Third parties	52
Financial Group outlay for the acquisition	870
<b>Negative Group cash flow from acquisition</b>	<b>(791)</b>

The net assets acquired by the Group amount to 715 thousand, as detailed below:

(Euro /000)	CZ Elettronica S.r.l.	Mecatronica S.r.l.	Net total
Property, plant, machinery and tools	18	2	20
Receivables and other non-current assets	12	10	22
Deferred tax assets	-	6	6
Inventories	577	159	736
Trade receivables	1,385	356	1,496
Other receivables and assets	162	17	179
Current tax receivables	27	-	27
Cash and cash equivalents	128	3	131
<b>TOTAL ASSETS SCOPE OF ACQUISITION</b>	<b>2,309</b>	<b>553</b>	<b>2,617</b>
Attributable to:			
Group	1,385	332	1,570
Third parties	924	221	1,047
Employee benefits	277	85	362
Current financial payables	12	-	12
Trade payables	554	87	396
Current tax payables	44	-	44
Other payables and liabilities	500	112	612
<b>TOTAL LIABILITIES SCOPE OF ACQUISITION</b>	<b>1,387</b>	<b>284</b>	<b>1,426</b>
Attributable to:			
Group	832	170	856
Third parties	555	114	570
<b>NET VALUE ACQUIRED BY THE GROUP</b>	<b>553</b>	<b>161</b>	<b>715</b>

The greater value paid, equal to 155 thousand Euro, was thus determined, which led to a consolidation difference:

(Euro /000)	Net total
Acquisition value (A)	870
Fair value of net assets acquired (B)	715
<b>Difference of value paid (AB)</b>	<b>155</b>

The Group provisionally booked the business combination under goodwill, reserving the right to complete the cost allocation method within twelve months of the acquisition date.

## 10. Financial instruments: supplementary disclosure pursuant to IFRS 7

The Group's activities are exposed to different types of risk: market risk (including exchange-rate risks, interest-rate risks and price risks), credit risk and liquidity risk. The Group's risk management strategy focuses on the unpredictability of markets and is intended to minimise the potential adverse impact on the Group's results. Certain types of risk are mitigated through the use of derivatives. Coordination and monitoring of the main financial risks are centralised in the Group's Finance and Administration Department, as well as in the Purchasing function as regards price risk, in close collaboration with the Group's operating units. Risk management policies are approved by the Group's Administration, Finance and Control Department, which provides written guidelines for managing the risks listed above and the use of financial derivatives and other financial instruments. In the context of the sensitivity analyses described below, the effect on net profit and shareholders' equity is determined gross of the tax effect.

### Exchange rate risks

The Group is exposed to the exchange rate risk in relation to commercial transactions and cash on hand held in currencies other than the Euro, which is the Group's functional currency. Around 36% of sales are denominated in a different currency. Specifically, the Group is most exposed to the following exchange rates:

- Euro/USD, about 10%, primarily in relation to the commercial relations of Gefran Inc. (operating in the United States) and Gefran Asia (operating on the Asian market), which are both foreign subsidiaries;
- Euro/RMB, about 17%, in relation to Gefran Automation Technology (operating in China);
- the remainder is divided between Euro/BRL, Euro/GBP, Euro/CHF, and Euro/INR.

With reference to the two main currencies, at 30 June 2025 trade receivables included 1,194 thousand US dollars and trade payables included 557 thousand US dollars (at 30 June 2024, receivables included 2,768 thousand US dollars and payables included 1,727 US dollars); trade receivables also included 21,195 thousand Renminbi and trade payables also included 2,861 thousand Renminbi (at 30 June 2024, receivables included 17,703 thousand Renminbi and payables included 1,966 thousand Renminbi).

The sensitivity of the fair value of reported assets and liabilities to hypothetical and unexpected 5% and 10% exchange rate fluctuations is shown below:

(Euro /000)	30 June 2025		30 June 2024	
	-5%	+5%	-5%	+5%
Chinese renminbi	115	(104)	106	(96)
US dollar	43	(39)	51	(46)
<b>Total</b>	<b>158</b>	<b>(143)</b>	<b>157</b>	<b>(142)</b>

(Euro /000)	30 June 2025		30 June 2024	
	-10%	+10%	-10%	+10%
Chinese renminbi	242	(198)	225	(184)
US dollar	91	(74)	108	(89)
<b>Total</b>	<b>333</b>	<b>(272)</b>	<b>333</b>	<b>(273)</b>

The sensitivity of the fair value of the net profit for the period to hypothetical and unexpected 5% and 10% fluctuations in the most significant exchange rates is shown below:

(Euro /000)	30 June 2025		30 June 2024	
	-5%	+5%	-5%	+5%
Chinese renminbi	22	(20)	62	(56)
US dollar	28	(25)	6	(5)
<b>Total</b>	<b>50</b>	<b>(45)</b>	<b>68</b>	<b>(61)</b>

(Euro /000)	30 June 2025		30 June 2024	
	-10%	+10%	-10%	+10%
Chinese renminbi	46	(38)	131	(107)
US dollar	58	(48)	12	(10)
<b>Total</b>	<b>104</b>	<b>(86)</b>	<b>143</b>	<b>(117)</b>

The sensitivity to hypothetical and unexpected fluctuations in the most significant exchange rates of 5% and 10% in the fair value of the shareholders' equity is shown below:

(Euro /000)	30 June 2025		30 June 2024	
	-5%	+5%	-5%	+5%
Chinese renminbi	509	(461)	585	(529)
US dollar	462	(418)	504	(456)
<b>Total</b>	<b>971</b>	<b>(879)</b>	<b>1,089</b>	<b>(985)</b>

(Euro /000)	30 June 2025		30 June 2024	
	-10%	+10%	-10%	+10%
Chinese renminbi	1,075	(880)	1,235	(1,011)
US dollar	975	(798)	1,065	(871)
<b>Total</b>	<b>2,050</b>	<b>(1,678)</b>	<b>2,300</b>	<b>(1,882)</b>

### Interest rate risk

The interest rate risk to which the Group is exposed mainly originates from short- and long-term financial payables with a variable rate (totalling 18,335 thousand Euro at 30 June 2025). Variable rate loans expose the Group to a risk associated with interest rate volatility (cash flow risk). The Group uses derivatives to hedge its exposure to interest rate risk, arranging Interest Rate Swap (IRS) and Interest Rate Cap (CAP) contracts.

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 when necessary.

The following sensitivity analysis shows the impact on consolidated net profit/(loss) of an interest rate increase/decrease of 100 basis points with respect to the spot interest rates at 30 June 2025 and 30 June 2024, while keeping other variables unchanged.



(Euro /000)	30 June 2025		30 June 2024	
	(100)	100	(100)	100
Euribor	502	(502)	534	(534)
<b>Total</b>	<b>502</b>	<b>(502)</b>	<b>534</b>	<b>(534)</b>

The potential impacts described above have been calculated on the basis of the net liabilities representing the most significant part of the Group's debt as of the date of this Half-yearly Financial Report and calculating, on the basis of this amount, the effect on net financial charges of a change in the annual interest rate.

The net liabilities considered in this analysis include variable-rate financial receivables and payables, cash on hand, and financial derivatives, the value of which is affected by interest rate fluctuations.

The table below analyses by maturity the carrying value at 30 June 2025 of the Group's financial instruments exposed to the interest rate risk:

(Euro /000)	<1 year	1 - 5 years	>5 years old	Total
Loans	5,123	13,710	-	18,833
Financial payables due to leasing under IFRS 16	1,230	2,287	296	3,813
Other accounts payable	92	-	-	92
Account overdrafts	2	-	-	2
<b>Total liabilities</b>	<b>6,447</b>	<b>15,997</b>	<b>296</b>	<b>22,740</b>
Cash in current accounts	50,218	-	-	50,218
<b>Total assets</b>	<b>50,218</b>	<b>-</b>	<b>-</b>	<b>50,218</b>
<b>Total variable rate</b>	<b>43,771</b>	<b>(15,997)</b>	<b>(296)</b>	<b>27,478</b>

Unlike Net Financial Position figures, the amounts shown in the table above do not include the fair value of derivatives (negative at 293 thousand Euro), cash on hand (positive at 15 thousand Euro) or financial pre-paid expenses (positive at 103 thousand Euro).

The table below analyses by maturity the carrying value at 30 June 2024 of the Group's financial instruments exposed to interest rate risk:

(Euro /000)	<1 year	1 - 5 years	>5 years old	Total
Loans	7,258	17,428	1,398	26,084
Financial payables due to leasing under IFRS 16	1,095	2,247	567	3,909
Other accounts payable	47	-	-	47
<b>Total liabilities</b>	<b>8,400</b>	<b>19,675</b>	<b>1,965</b>	<b>30,040</b>
Cash in current accounts	53,316	-	-	53,316
<b>Total assets</b>	<b>53,316</b>	<b>-</b>	<b>-</b>	<b>53,316</b>
<b>Total variable rate</b>	<b>44,916</b>	<b>(19,675)</b>	<b>(1,965)</b>	<b>23,276</b>

### Liquidity risk

Prudent management of the liquidity risk arising from the Group's normal operations means that an appropriate level of cash on hand and short-term securities must be maintained, together with an ability to draw funds from an appropriate amount of committed credit lines.

The Group's Administration and Finance Department monitors forecast uses of the Group's liquidity reserves based on expected cash flows. The following table analyses the liquidity reserves available on the specified reporting dates:

(Euro /000)	30 June 2025	31 December 2024	Change
Cash and cash equivalents	15	14	1
Cash in bank deposits	50,218	59,615	(9,397)
<b>Total liquidity</b>	<b>50,233</b>	<b>59,629</b>	<b>(9,396)</b>
Multiple mixed credit lines	20,500	21,200	(700)
Cash flexibility credit lines	3,510	3,225	285
Credit lines on invoice	2,000	2,150	(150)
<b>Total credit lines available</b>	<b>26,010</b>	<b>26,575</b>	<b>(565)</b>
<b>Total liquidity available</b>	<b>76,243</b>	<b>86,204</b>	<b>(9,961)</b>

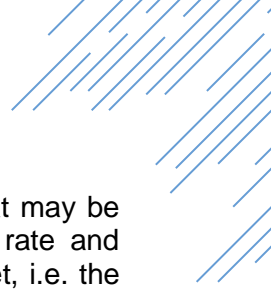
To complete the disclosure about financial risks, the following table reconciles the financial assets and liabilities reported in the Group's statement of financial position with those identified pursuant to IFRS 7 requirements:

(Euro /000)	Level 1	Level 2	Level 3	Total
Available-for-sale assets and discontinued operations valued at fair value:				
Shareholdings valued at fair value with a balancing item in other overall profit/(loss)	187	-	1,609	1,796
Hedging transactions	-	15	-	15
<b>Total assets</b>	<b>187</b>	<b>15</b>	<b>1,609</b>	<b>1,811</b>
Hedging transactions	-	(308)	-	(308)
<b>Total liabilities</b>	<b>-</b>	<b>(308)</b>	<b>-</b>	<b>(308)</b>

The following table reconciles the financial assets and liabilities reported in the Group's statement of financial position at 30 June 2024 with those identified pursuant to IFRS 7:

(Euro /000)	Level 1	Level 2	Level 3	Total
Available-for-sale assets and discontinued operations valued at fair value:				
Shareholdings valued at fair value with a balancing item in other overall profit/(loss)	262	-	1,609	1,871
Hedging transactions	-	163	-	163
<b>Total assets</b>	<b>262</b>	<b>163</b>	<b>1,609</b>	<b>2,034</b>
Hedging transactions	-	(5)	-	(5)
<b>Total liabilities</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>(5)</b>

**Level 1:** Fair values represented by the prices - listed in active markets (unadjusted) - of financial instruments identical to those being valued that may be accessed at the measurement date. These prices are defined as mark-to-market inputs as they provide a fair value measurement based directly on official market prices, therefore without the need for any modification or adjustment. The change since 30 June 2024 reflects the decrease in the value of the shareholding in Woojin Plaimm Co Ltd. by 75 thousand Euro.



**Level 2:** Fair values determined using measurement techniques based on variables that may be observed in active markets, which in this case include the measurement of interest rate and exchange rate hedges. As with the Level 1 inputs, the reference value is mark-to-market, i.e. the evaluation method whereby the value of a financial instrument or contract is systematically adjusted according to the current market prices.

**Level 3:** Fair values determined using measurement techniques based on market variables that may not be observable, which in particular refer to equity investments in other companies not listed on international markets. This item mainly relates to the shareholding in Colombero S.p.A.

### Credit risk

The Group grants its customers deferred payment conditions, which vary according to the market practices in individual countries. The solvency of all customers is monitored regularly and any risks are periodically covered by appropriate provisions. Despite these precautions, under current market conditions, it is possible that some customers may be unable to generate sufficient cash flow or access sufficient sources of funding, resulting in payment delays or failure to honour their obligations.

Receivables are adjusted to their estimated realisable value by the allowance for doubtful receivables, which is determined pursuant to IFRS 9 with reference to the expected credit losses on each position, taking account of past experience in each business area and geographical region.

The Group has developed estimates based on the best information available about past events, current economic conditions and forecasts for the future. The analyses conducted to determine the existence of this risk are based primarily on three factors:

- the potential effects deriving from the increase in interest rates;
- the support measures implemented by governments;
- the recoverability of receivables following changes in the probability of default by customers.

With reference to the latter point, the Group conducts its analyses using a risk matrix that takes into consideration various factors, including for example geographical region, industry, and individual customer solvency.

The forecasts generated are considered reasonable and sustainable by management, despite some localised circumstances and in all geographical regions they may cause uncertainty.

Gross trade receivables are analysed below at 30 June 2025 and 31 December 2024:

(Euro /000)	Total value	Not overdue	Overdue by up to 2 months	Overdue by 2 to 6 months	Overdue by 6 to 12 months	Overdue by more than 12 months	Receivables individually written down
Gross trade receivables at 30 June 2025	28,475	25,078	1,313	773	332	224	755
Gross trade receivables at 31 December 2024	24,160	21,290	1,659	252	78	175	706

The Gefran Group has established formal procedures for granting credit limits and for credit collection by the credit department, in partnership with leading external law firms. All the procedures put in place are intended to reduce credit risk. The exposure to other forms of credit, such as financial receivables, is monitored constantly and reviewed monthly, or at least quarterly, in order to identify any losses or collection risks.

#### Risk of change in raw material prices

Since the Group's production mainly involves mechanical, electronic and assembly processes, exposure to energy price fluctuations is limited. The Group is exposed to changes in basic commodity prices (e.g. metals) to a small extent, given the product cost component related to these materials is very limited.

The purchase prices of key components are usually agreed with counterparts for the full year and reflected in the budget. The structured and formalised governance systems adopted by the Group mean that the margins earned can be analysed periodically.

As regards the recent rise in prices, also related to developments in the geo-political situation, key factors were in-depth knowledge of the product and the synergy between the various company areas, which has made it possible to promptly navigate new technological roads, broaden the panorama of choices and introduce new supply opportunities, in order to mitigate the effect of rising prices.

#### Fair value of financial instruments

All financial instruments are recorded in the Group's financial statements at fair value. The carrying value of the financial liabilities measured at amortised cost is deemed to approximate their fair value at the reporting date.

The following table summarises the Group's net financial position, comparing fair value and carrying value:

(Euro /000)	carrying value		fair value	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
<b>Financial assets</b>				
Cash and cash equivalents	15	14	15	14
Cash in bank deposits	50,218	59,615	50,218	59,615
Financial assets for derivatives	15	34	15	34
Non-current financial investments	103	104	103	104
<b>Total financial assets</b>	<b>50,351</b>	<b>59,767</b>	<b>50,351</b>	<b>59,767</b>
<b>Financial liabilities</b>				
Current portion of long-term debt	(5,123)	(5,112)	(5,123)	(5,112)
Short-term bank debt	(2)	(1)	(2)	(1)
Financial liabilities for derivatives	(308)	(311)	(308)	(311)
Payables due to leasing contracts under IFRS 16	(3,813)	(3,859)	(3,813)	(3,859)
Other financial payables	(92)	(60)	(92)	(60)
Non-current financial debt	(13,710)	(16,269)	(13,710)	(16,269)
<b>Total financial liabilities</b>	<b>(23,048)</b>	<b>(25,612)</b>	<b>(23,048)</b>	<b>(25,612)</b>
<b>Total net financial position</b>	<b>27,303</b>	<b>34,155</b>	<b>27,303</b>	<b>34,155</b>

## 11. Information by segment

### Primary segment – sector of activity

The Gefran Group's organisational structure is divided into two sectors of activity: sensors and automation components. The economic trends and principal investments are discussed in the Report on Operations.

## Figures by business area

(Euro /000)	Sensors	Automation components	Eliminations	Not divided	30 June 2025
a Revenues	47,228	29,072	(4,145)		72,155
b Increases for internal work	349	568	-		917
c Consumption of materials and products	13,231	12,281	(4,145)		21,367
<b>d Added Value (a+b-c)</b>	<b>34,346</b>	<b>17,359</b>	<b>-</b>	<b>-</b>	<b>51,705</b>
e Other operating costs	7,576	4,369	-		11,945
f Personnel costs	15,333	10,663	-		25,996
<b>g EBITDA (d-e-f)</b>	<b>11,437</b>	<b>2,327</b>	<b>-</b>	<b>-</b>	<b>13,764</b>
h Depreciation, amortisation and impairment	2,314	1,670			3,984
<b>i EBIT (g-h)</b>	<b>9,123</b>	<b>657</b>	<b>-</b>	<b>-</b>	<b>9,780</b>
l Gains (losses) from financial assets/liabilities				(753)	(753)
m Gains (losses) from shareholdings valued at equity				(5)	(5)
<b>n Profit (loss) before tax (i±l±m)</b>	<b>9,123</b>	<b>657</b>		<b>(758)</b>	<b>9,022</b>
o Taxes				(2,390)	(2,390)
<b>p Net profit (loss) (n±o)</b>	<b>9,123</b>	<b>657</b>		<b>(3,148)</b>	<b>6,632</b>
Attributable to:					
Group					6,618
Third parties					14

(Euro /000)	Sensors	Automation components	Eliminations	Not divided	30 June 2024
a Revenues	43,783	28,592	(3,876)		68,499
b Increases for internal work	229	824	-		1,053
c Consumption of materials and products	12,280	11,501	(3,876)		19,905
<b>d Added Value (a+b-c)</b>	<b>31,732</b>	<b>17,915</b>	<b>-</b>	<b>-</b>	<b>49,647</b>
e Other operating costs	7,013	4,437	-		11,450
f Personnel costs	14,567	10,297	-		24,864
<b>g EBITDA (d-e-f)</b>	<b>10,152</b>	<b>3,181</b>	<b>-</b>	<b>-</b>	<b>13,333</b>
h Depreciation, amortisation and impairment	2,340	1,643			3,983
<b>i EBIT (g-h)</b>	<b>7,812</b>	<b>1,538</b>	<b>-</b>	<b>-</b>	<b>9,350</b>
l Gains (losses) from financial assets/liabilities				98	98
m Gains (losses) from shareholdings valued at equity				14	14
<b>n Profit (loss) before tax (i±l±m)</b>	<b>7,812</b>	<b>1,538</b>		<b>112</b>	<b>9,462</b>
o Taxes				(2,299)	(2,299)
<b>p Net profit (loss) (n±o)</b>	<b>7,812</b>	<b>1,538</b>		<b>(2,187)</b>	<b>7,163</b>
Attributable to:					
Group					7,163
Third parties					-

Inter-sector sales are booked at transfer prices that are broadly in line with market prices.

## Statement of financial position figures by business area

(Euro /000)	Sensors	Automation components	Not divided	30 June 2025	Sensors	Automation components	Not divided	31 December 2024
Intangible assets	8,756	4,637		13,393	9,028	4,302		13,330
Tangible assets	25,003	14,937		39,940	25,997	15,371		41,368
Other non-current assets			9,108	9,108			5,058	5,058
<b>Net non-current assets</b>	<b>33,759</b>	<b>19,574</b>	<b>9,108</b>	<b>62,441</b>	<b>35,025</b>	<b>19,673</b>	<b>5,058</b>	<b>59,756</b>
Inventories	8,220	8,026		16,246	7,615	8,132		15,747
Trade receivables	14,813	12,757		27,570	11,980	11,284		23,264
Trade payables	(10,978)	(9,416)		(20,394)	(9,552)	(9,243)		(18,795)
Other assets/liabilities	(4,598)	(4,574)	(1,569)	(10,741)	(4,884)	(4,193)	(1,383)	(10,460)
<b>Working capital</b>	<b>7,457</b>	<b>6,793</b>	<b>(1,569)</b>	<b>12,681</b>	<b>5,159</b>	<b>5,980</b>	<b>(1,383)</b>	<b>9,756</b>
Provisions for risks and future liabilities	(630)	(525)	(70)	(1,225)	(671)	(523)	(71)	(1,265)
Deferred tax provisions			(829)	(829)			(933)	(933)
Employee benefits	(888)	(1,587)		(2,475)	(851)	(1,280)		(2,131)
<b>Net invested capital</b>	<b>39,698</b>	<b>24,255</b>	<b>6,640</b>	<b>70,593</b>	<b>38,662</b>	<b>23,850</b>	<b>2,671</b>	<b>65,183</b>
Group Shareholders' equity			97,405	97,405	-	-	99,338	99,338
Shareholders' equity of minority interests			491	491	-	-	-	-
<b>Shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>97,896</b>	<b>97,896</b>	<b>-</b>	<b>-</b>	<b>99,338</b>	<b>99,338</b>
Non-current financial payables			13,710	13,710			16,269	16,269
Current financial payables			5,217	5,217			5,173	5,173
Financial payables for IFRS 16 leases (current and non-current)			3,813	3,813			3,859	3,859
Financial liabilities for derivatives (current and non-current)			308	308			311	311
Financial assets for derivatives (current and non-current)			(15)	(15)			(34)	(34)
Other non-current financial investments			(103)	(103)			(104)	(104)
Cash and cash equivalents and current financial receivables			(50,233)	(50,233)			(59,629)	(59,629)
<b>Net debt relating to operations</b>	<b>-</b>	<b>-</b>	<b>(27,303)</b>	<b>(27,303)</b>	<b>-</b>	<b>-</b>	<b>(34,155)</b>	<b>(34,155)</b>
<b>Total sources of financing</b>	<b>-</b>	<b>-</b>	<b>70,593</b>	<b>70,593</b>	<b>-</b>	<b>-</b>	<b>65,183</b>	<b>65,183</b>



## Investments by business segment

(Euro /000)	Sensors	Automation components	Total
Intangible assets	469	657	1,126
Tangible assets	1,536	426	1,962
<b>Total</b>	<b>2,005</b>	<b>1,083</b>	<b>3,088</b>

## Secondary segment - geographical region

### Revenues by geographical region

(Euro /000)	30 June 2025	30 June 2024	Change	%
Italy	22,586	20,610	1,976	9.6%
European Union	18,600	18,106	494	2.7%
Europe non-EU	1,980	1,884	96	5.1%
North America	6,624	6,473	151	2.3%
South America	3,103	2,982	121	4.1%
Asia	18,404	17,612	792	4.5%
Rest of the world	237	228	9	3.9%
<b>Total</b>	<b>71,534</b>	<b>67,895</b>	<b>3,639</b>	<b>5.4%</b>

### Investments by geographical region

(Euro /000)	30 June 2025		30 June 2024	
	intangible assets and goodwill	tangible assets	intangible assets and goodwill	tangible assets
Italy	1,021	1,675	1,190	535
European Union	4	46	-	54
Europe non-EU	99	29	-	3
North America	-	4	-	687
South America	2	42	1	30
Asia	-	166	-	198
<b>Total</b>	<b>1,126</b>	<b>1,962</b>	<b>1,191</b>	<b>1,507</b>

### Non-current assets by geographical region

(Euro /000)	30 June 2025	31 December 2024	Change	%
Italy	45,223	40,994	4,229	10.3%
European Union	2,690	2,676	14	0.5%
Europe non-EU	2,984	2,931	53	1.8%
North America	7,152	8,256	(1,104)	-13.4%
South America	597	649	(52)	-8.0%
Asia	3,913	4,388	(475)	-10.8%
<b>Total</b>	<b>62,559</b>	<b>59,894</b>	<b>2,665</b>	<b>4.4%</b>

## 12. Goodwill

“Goodwill” totalled 5,769 thousand Euro at 30 June 2025, a decrease of 157 thousand Euro compared with 31 December 2024, as detailed below:

(Euro /000)	31 December 2024	Increases	Decreases	Exchange rate differences	30 June 2025
Gefran France S.A.	1,310	-	-	-	1,310
Gefran Inc.	2,817	-	-	(312)	2,505
Gefran Schweiz AG	1,954	-	-	-	1,954
CZ Elettronica S.r.l.	-	155	-	-	155
<b>Total</b>	<b>6,081</b>	<b>155</b>	<b>-</b>	<b>(312)</b>	<b>5,924</b>

During the first half of 2025, the difference in the value of goodwill relating to the US subsidiary Gefran Inc was recognised (a loss of 312 thousand Euro).

In addition, pending completion of the allocation (within twelve months from the acquisition date), goodwill of 155 thousand Euro, calculated as the difference between the cost for the acquisition of CZ Elettronica S.r.l. and Mecatronica S.r.l. and the value of the net assets acquired, was provisionally accounted for, as described in note 9 of the **Specific explanatory notes** to the condensed half-yearly consolidated financial statements.

The goodwill acquired on business combinations was allocated to specific Cash Generating Units for impairment testing purposes.

The carrying value of goodwill is analysed below:

(Euro /000)	Year	Goodwill France	Goodwill India	Goodwill USA	Goodwill Switzerland	Goodwill Italy	Total
Sensors	2025	1,310	-	2,505	1,954	-	5,769
	2024	1,310	-	2,817	1,954	-	6,081
Automation components	2025	-	-	-	-	155	155
	2024	-	-	-	-	-	-
<b>Total</b>	<b>2025</b>	<b>1,310</b>	<b>-</b>	<b>2,505</b>	<b>1,954</b>	<b>155</b>	<b>5,924</b>
	<b>2024</b>	<b>1,310</b>	<b>-</b>	<b>2,817</b>	<b>1,954</b>	<b>-</b>	<b>6,081</b>

When determining value in use, management considers the specific cash flows forecast in the Group’s Plan plus the projected and terminal values, which represent the ability to generate cash flows beyond the explicit forecasting horizon.

In preparing the half-yearly financial report, impairment tests are performed on goodwill values in the presence of any impairment indicators.

When examining the possible presence of impairment indicators and developing its own assessments, Management took into account the plans of the companies that carry a goodwill as well as the results of the same and the operating cash flow generated by the Group, confirming the substantial absence of impairment indicators.

In addition, the relationship between stock market capitalization and the carrying value of the Group’s shareholders’ equity was also verified, which as of 30 June 2025 was largely positive.

### 13. Intangible assets

This item exclusively comprises assets with a finite life, and increased from 7,249 thousand Euro on 31 December 2024 to 7,469 thousand Euro on 30 June 2025. The changes during the period are shown below:

Historical cost	31 December 2024	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2025
(Euro /000)							
Development costs	16,313	330	-	1,750	-	-	18,393
Intellectual property rights	9,000	43	-	23	-	(45)	9,021
Other assets	9,589	44	-	38	-	(48)	9,623
Assets in progress and payments on account	2,875	709	-	(1,815)	-	2	1,771
<b>Total</b>	<b>37,777</b>	<b>1,126</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(91)</b>	<b>38,808</b>

Accumulated depreciation	31 December 2024	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2025
(Euro /000)							
Development costs	13,409	577	-	-	-	-	13,986
Intellectual property rights	8,331	196	-	-	-	(43)	8,484
Other assets	8,788	96	-	-	-	(15)	8,869
<b>Total</b>	<b>30,528</b>	<b>869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(58)</b>	<b>31,339</b>

Net value	31 December 2024	30 June 2025	Change
(Euro /000)			
Development costs	2,904	4,407	1,503
Intellectual property rights	669	537	(132)
Other assets	801	754	(47)
Assets in progress and payments on account	2,875	1,771	(1,104)
<b>Total</b>	<b>7,249</b>	<b>7,469</b>	<b>220</b>

The net carrying amount of **development costs** includes the capitalisation of costs incurred for the following activities:

- 1,316 thousand Euro for the sensors segment, referring to lines for mobile hydraulics, pressure transducers (KS and KH in miniaturized version), non-contact linear transducers (WP-WR, WPA/WPP I/O LINK, RTE Profinet, TWIIST technology), pressure and melt (KMC, I/O LINK technology);
- 3,091 thousand Euro referring to the component lines for the new ranges of regulators (850-1650-1850-2850), power control (GRS, GRZ, GRP, GPC, G-Start) and programmable automation (G-mation).

These assets are estimated to have a useful life of 5 years.

**Intellectual property rights** comprise the costs incurred to purchase IT system management software and user licences for third-party software, as well as patents. These assets have a useful life of 3 years.

**Assets in progress and payments on account** include 1,248 thousand Euro in development costs, of which 768 thousand Euro which pertain to the automation components business and 480 thousand Euro to the sensors business, the benefits of which will be reflected in the income statement starting in the next year, which have not therefore been amortised.

The item **other assets** includes almost all the costs incurred by the Parent Company Gefran S.p.A. to implement ERP SAP/R3, Business Intelligence (BW), Customer Relationship Management (CRM) and management software in previous years and in the current year. These assets have a useful life of 5 years.

The increase in the historical cost of intangible assets, by 1,126 thousand Euro in the first six months of 2025, includes 861 thousand Euro on the capitalisation of internal costs (969 thousand Euro in the first half of 2024).

The changes during the first six months of 2024 are analysed below:

Historical cost	31 December 2023	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2024
(Euro /000)							
Development costs	15,544	8	-	56	-	-	15,608
Intellectual property rights	8,834	10	(3)	(79)	-	-	8,762
Other assets	8,932	101	-	437	-	4	9,474
Assets in progress and payments on account	1,567	1,072	-	(115)	-	-	2,524
<b>Total</b>	<b>34,877</b>	<b>1,191</b>	<b>(3)</b>	<b>299</b>	<b>-</b>	<b>4</b>	<b>36,368</b>

Accumulated depreciation	31 December 2023	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2024
(Euro /000)							
Development costs	12,264	575	-	-	-	-	12,839
Intellectual property rights	8,031	205	(3)	(107)	-	-	8,126
Other assets	8,163	112	-	393	-	-	8,668
<b>Total</b>	<b>28,458</b>	<b>892</b>	<b>(3)</b>	<b>286</b>	<b>-</b>	<b>-</b>	<b>29,633</b>

Net value	31 December 2023	30 June 2024	Change
(Euro /000)			
Development costs	3,280	2,769	(511)
Intellectual property rights	803	636	(167)
Other assets	769	806	37
Assets in progress and payments on account	1,567	2,524	957
<b>Total</b>	<b>6,419</b>	<b>6,735</b>	<b>316</b>

#### 14. Property, plant, machinery and tools

This item decreased from 37,598 thousand Euro on 31 December 2024 to 36,221 thousand Euro on 30 June 2025 and showed the following changes:

Historical cost	31 December 2024	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2025
(Euro /000)							
Land	3,863	-	-	-	-	(74)	3,789
Industrial buildings	36,499	3	-	-	-	(768)	35,734
Plant and machinery	44,014	390	(4)	694	101	(573)	44,622
Industrial and commercial equipment	18,018	106	(5)	161	70	(11)	18,339
Other assets	8,103	154	(48)	58	423	(223)	8,467
Assets in progress and payments on account	1,443	1,309	(17)	(909)	-	(8)	1,818
<b>Total</b>	<b>111,940</b>	<b>1,962</b>	<b>(74)</b>	<b>4</b>	<b>594</b>	<b>(1,657)</b>	<b>112,769</b>

Accumulated depreciation	31 December 2024	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2025
(Euro /000)							
Industrial buildings	18,993	461	-	-	-	(147)	19,307
Plant and machinery	32,839	1,292	-	-	90	(429)	33,792
Industrial and commercial equipment	16,311	411	(8)	-	70	(10)	16,774
Other assets	6,199	273	(44)	-	414	(167)	6,675
<b>Total</b>	<b>74,342</b>	<b>2,437</b>	<b>(52)</b>	<b>-</b>	<b>574</b>	<b>(753)</b>	<b>76,548</b>

Net value	31 December 2024	30 June 2025	Change
(Euro /000)			
Land	3,863	3,789	(74)
Industrial buildings	17,506	16,427	(1,079)
Plant and machinery	11,175	10,830	(345)
Industrial and commercial equipment	1,707	1,565	(142)
Other assets	1,904	1,792	(112)
Assets in progress and payments on account	1,443	1,818	375
<b>Total</b>	<b>37,598</b>	<b>36,221</b>	<b>(1,377)</b>

The historical cost increases of property, plant, machinery and tools in the first half of 2025 totalled 1,962 thousand Euro. The most significant changes relate to:

- investment of 1,347 thousand Euro in production and laboratory facilities and equipment for the Group's Italian plants and 93 thousand Euro for other Group subsidiaries;
- adaptation of the industrial buildings of the Group's Italian factories in the amount of 354 thousand Euro, and of those abroad in the amount of 45 thousand Euro;
- investment in renewal of electronic office machines and IT equipment totalling 123 thousand Euro.

The increases include 56 thousand Euro on the capitalisation of internal costs (84 thousand Euro in the first six months of 2024).

It should also be noted that the entry of CZ Elettronica S.r.l. and Meccatronica S.r.l. into the Group (in the second quarter of 2025, as described in the **Significant events in the first half of 2025** section of the Report on Operations) resulted in an increase in net tangible assets of 20 thousand Euro, as highlighted in the "Change in consolidation scope" column (historical cost of 594 thousand Euro and accumulated depreciation of 574 thousand Euro).

Overall, the change in exchange rate had a negative impact of 904 thousand Euro on the item.

The changes during the first six months of 2024 are reported below:

Historical cost	31 December 2023	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2024
(Euro /000)							
Land	3,824	-	-	-	-	20	3,844
Industrial buildings	35,919	405	(126)	(138)	-	105	36,165
Plant and machinery	41,941	574	(322)	1,076	-	41	43,310
Industrial and commercial equipment	17,973	8	(125)	(140)	-	(11)	17,705
Other assets	7,089	117	(41)	589	-	18	7,772
Assets in progress and payments on account	2,199	403	-	(1,819)	-	1	784
<b>Total</b>	<b>108,945</b>	<b>1,507</b>	<b>(614)</b>	<b>(432)</b>	<b>-</b>	<b>174</b>	<b>109,580</b>

Accumulated depreciation	31 December 2023	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2024
(Euro /000)							
Industrial buildings	18,586	477	(126)	(411)	-	(7)	18,519
Plant and machinery	30,702	1,337	(320)	(181)	-	35	31,573
Industrial and commercial equipment	15,885	390	(126)	(172)	-	(5)	15,972
Other assets	5,387	261	(41)	345	-	13	5,965
<b>Total</b>	<b>70,560</b>	<b>2,465</b>	<b>(613)</b>	<b>(419)</b>	<b>-</b>	<b>36</b>	<b>72,029</b>

Net value	31 December 2023	30 June 2024	Change
(Euro /000)			
Land	3,824	3,844	20
Industrial buildings	17,333	17,646	313
Plant and machinery	11,239	11,737	498
Industrial and commercial equipment	2,088	1,733	(355)
Other assets	1,702	1,807	105
Assets in progress and payments on account	2,199	784	(1,415)
<b>Total</b>	<b>38,385</b>	<b>37,551</b>	<b>(834)</b>

## 15. Right-of-Use assets

This item reflects the recognition of leased assets in accordance with IFRS 16.

The carrying amount of RoU assets at 30 June 2025 was 3,719 thousand Euro, as analysed below:

Historical cost	31 December 2024	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2025
(Euro /000)							
Real estate	5,314	250	-	-	-	(107)	5,457
Vehicles	4,313	538	(212)	-	-	(25)	4,614
Office machines	26	-	-	-	-	-	26
Machinery and equipment	78	-	-	-	-	-	78
<b>Total</b>	<b>9,731</b>	<b>788</b>	<b>(212)</b>	<b>-</b>	<b>-</b>	<b>(132)</b>	<b>10,175</b>

Accumulated depreciation	31 December 2024	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2025
(Euro /000)							
Real estate	3,048	286	-	-	-	(53)	3,281
Vehicles	2,849	383	(107)	-	-	(23)	3,102
Office machines	9	3	-	-	-	-	12
Machinery and equipment	55	6	-	-	-	-	61
<b>Total</b>	<b>5,961</b>	<b>678</b>	<b>(107)</b>	<b>-</b>	<b>-</b>	<b>(76)</b>	<b>6,456</b>

Net value	31 December 2024	30 June 2025	Change
(Euro /000)			
Real estate	2,266	2,176	(90)
Vehicles	1,464	1,512	48
Office machines	17	14	(3)
Machinery and equipment	23	17	(6)
<b>Total</b>	<b>3,770</b>	<b>3,719</b>	<b>(51)</b>

When assessing the fair value and useful lifespan of the assets which are the subject of the contracts subject to application of IFRS 16, the following factors were taken into consideration:

- the amount of the periodic lease or rental payments, as defined in the contract and revalued where applicable;
- initial ancillary costs, if specified in the contract;
- final restoration costs, if specified in the contract;
- the number of outstanding instalments;
- where not stated in the contract, embedded interest was estimated using the Group's average borrowing rates.

The assets and liabilities analysed are included in the financial statement schedules:

- in non-current tangible assets as "Right-of-Use assets" (reported here);
- under Net Financial Position, for the corresponding financial payable recognised as current (payable within the year) and non-current (payable beyond a year) "Financial payables for leases under IFRS 16".

As of 1 January 2025, the Group had a total of 162 contracts in place for leasing of vehicles, machinery, industrial equipment and electronic office machinery, as well as for rental of real estate. Practical expedients allowed by the IASB have been employed, such as excluding contracts with a residual duration of less than 12 months and contracts for assets whose fair value is below the conventional threshold of 5 thousand US dollars (modest unit value). On the basis of their value and term:

- 155 contracts fell within the scope of application of IFRS 16;
- 7 contracts were excluded from the scope of application of the standard (6 for terms of less than 12 months and 1 for fair value considered insignificant).

The historical cost increases recorded in the half-year for the item "Right-of-Use assets" include new contracts signed, as well as the effect of the adjustment of contracts already in place and extended or for which new conditions have been defined. They are summarized as follows:

- real estate, for the amount of 250 thousand Euro, primarily relating to the lease agreement for the property that houses the operating activities of the newly acquired CZ Elettronica S.r.l., as well as the indexation of existing contracts;
- vehicles, for the amount of 538 thousand Euro, which include both the effect of extensions and 22 new car rental contracts signed by the Group in 2025, part of which replaces expired contracts.

As of 30 June 2025 the historical cost had decreased by 212 thousand Euro as a result of termination of vehicle rental agreements in advance of their original expiry date.



Changes related to the first six months of 2024 are shown below:

Historical cost	31 December 2023	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2024
(Euro /000)							
Real estate	4,832	465	(3)	-	-	(14)	5,280
Vehicles	3,712	365	(262)	-	-	(20)	3,795
Office machines	26	-	-	-	-	(1)	25
Machinery and equipment	57	5	-	-	-	(1)	61
<b>Total</b>	<b>8,627</b>	<b>835</b>	<b>(265)</b>	<b>-</b>	<b>-</b>	<b>(36)</b>	<b>9,161</b>

Accumulated depreciation	31 December 2023	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2024
(Euro /000)							
Real estate	2,467	294	-	-	-	(6)	2,755
Vehicles	2,396	326	(191)	-	-	(16)	2,515
Office machines	4	3	-	-	-	1	6
Machinery and equipment	45	3	-	-	-	-	48
<b>Total</b>	<b>4,912</b>	<b>626</b>	<b>(191)</b>	<b>-</b>	<b>-</b>	<b>(21)</b>	<b>5,324</b>

Net value	31 December 2023	30 June 2024	Change
(Euro /000)			
Real estate	2,365	2,525	160
Vehicles	1,316	1,280	(36)
Office machines	22	19	(3)
Machinery and equipment	12	13	1
<b>Total</b>	<b>3,715</b>	<b>3,837</b>	<b>122</b>

## 16. Shareholdings valued at equity

At 30 June 2025, the following equity investments were all registered in the Parent Company Gefran S.p.A.:

(Euro /000)		30 June 2025	31 December 2024	Change
<b>Axel S.r.l.</b>	Shareholding	15.00%	15.00%	
Via del Cannino, 3	Investment value	137	137	-
Crosio della Valle (VA)	Adjustment provision	46	51	(5)
	Net value	183	188	(5)
<b>Robot At Work S.r.l.</b>	Shareholding	24.83%	24.83%	
Via Primo Maggio, 40/E	Investment value	576	576	-
Rovato (BS)	Adjustment provision	-	-	-
	Net value	576	576	-
<b>40Factory S.r.l.</b>	Shareholding	22.00%	0.00%	
Via Vittore Calligari, 21	Investment value	4,000	-	4,000
Piacenza (PC)	Adjustment provision	-	-	-
	Net value	4,000	-	4,000
<b>Total</b>		<b>4,759</b>	<b>764</b>	<b>3,995</b>

It should be noted that the investment in Robot At Work S.r.l. (acquired in 2023 for a value of 576 thousand Euro as consideration for 24.83% of the company), just like the investment in 40Factory S.r.l. (acquired in the first quarter of 2025 for a value of 4,000 Euro representing 22% of the share capital), are recognised “at cost” as the amount of the companies’ shareholders’ equity is not representative of their value, since implicit goodwill arose for both companies at the time of their acquisition.

The change in the adjustment provision for the shareholding in Axel S.r.l. is exclusively due to the company’s economic results.

## 17. Net working capital

“Net Working Capital” totalled 23,422 thousand Euro, compared with 20,216 thousand Euro as at 31 December 2024, and is analysed below:

(Euro /000)		30 June 2025	31 December 2024	Change
Inventories		16,246	15,747	499
Trade receivables		27,570	23,264	4,306
Trade payables		(20,394)	(18,795)	(1,599)
<b>Net amount</b>		<b>23,422</b>	<b>20,216</b>	<b>3,206</b>

It should be noted that the entry of CZ Elettronica S.r.l. and Meccatronica S.r.l. into the Group (in the second quarter of 2025, as described in the **Significant events in the first half of 2025** section of the Report on Operations) resulted in an increase in working capital at 30 June 2025 of a total of 1,579 thousand Euro (consisting of: inventories of 610 thousand Euro, trade receivables of 1,429 thousand Euro and trade payables of 460 thousand Euro).

The value of **inventories** at 30 June 2025 was 16,246 thousand Euro, an increase of 499 thousand Euro compared to 31 December 2024 (though a decrease of 111 thousand Euro when excluding the effect of the newly acquired subsidiaries).

Exchange rate fluctuations during the half-year had a negative effect of 417 thousand Euro.

The economic impact of the change in inventories saw a more limited increase compared to 31 December 2024 of 180 thousand Euro, since the average progressive exchange rate for the year is used for the economic recognition of events.

The balance is analysed as follows:

(Euro /000)	30 June 2025	31 December 2024	Change
Raw materials, consumables and supplies	8,945	8,867	78
<i>provision for impairment of raw materials</i>	<i>(1,391)</i>	<i>(1,318)</i>	<i>(73)</i>
Work in progress and semi-finished products	6,357	5,734	623
<i>provision for impairment of work in progress</i>	<i>(689)</i>	<i>(467)</i>	<i>(222)</i>
Finished products and goods for resale	4,433	4,268	165
<i>provision for impairment of finished products</i>	<i>(1,409)</i>	<i>(1,337)</i>	<i>(72)</i>
<b>Total</b>	<b>16,246</b>	<b>15,747</b>	<b>499</b>

The gross value of inventories totalled 19,735 thousand Euro, an increase of 866 thousand Euro compared to the end of 2024 (256 thousand Euro net of the value of inventories resulting from the acquisition of the subsidiaries CZ Elettronica S.r.l. and Mecatronica S.r.l.). At 31 December 2024 it amounted to 18,769 thousand Euro.

The provision for obsolete and slow-moving inventories was adjusted as necessary during the first six months of 2025, resulting in specific provisions totalling 695 thousand Euro (compared with 872 thousand Euro in the first six months of 2024), while no releases for surplus were recognised (releases of 49 thousand Euro in the first half of 2024).

The changes in the provision in the first half of 2025 and 2024 are shown below:

(Euro /000)	31 December 2024	Provisions	Uses	Releases	Exchange rate differences	30 June 2025
<b>Provision for impairment of inventory</b>	<b>3,122</b>	<b>695</b>	<b>(259)</b>	<b>-</b>	<b>(69)</b>	<b>3,489</b>

(Euro /000)	31 December 2023	Provisions	Uses	Releases	Exchange rate differences	30 June 2024
<b>Provision for impairment of inventory</b>	<b>4,427</b>	<b>872</b>	<b>(195)</b>	<b>(49)</b>	<b>(4)</b>	<b>5,051</b>

**Trade receivables** amounted to 27,570 thousand Euro, compared with 23,264 thousand Euro on 31 December 2024, an increase of 4,306 thousand Euro (2,877 thousand Euro when excluding the increase related to the entries of the newly acquired CZ Elettronica S.r.l. and Mecatronica S.r.l.):

(Euro /000)	30 June 2025	31 December 2024	Change
Receivables from customers	28,475	24,160	4,315
Provision for doubtful receivables	(905)	(896)	(9)
<b>Net amount</b>	<b>27,570</b>	<b>23,264</b>	<b>4,306</b>

The increase compared to the end of the previous year is consistent with the higher revenues recorded in the first two quarters of 2025 compared to the third and fourth quarters of 2024.

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 at 30 June 2025 represents an estimate of the current risk after the following changes (all at 30 June 2024):

(Euro /000)	31 December 2024	Provisions	Uses	Releases	Exchange rate differences	30 June 2025
Provision for doubtful receivables	896	36	(11)	(11)	(5)	905

(Euro /000)	31 December 2023	Provisions	Uses	Releases	Exchange rate differences	30 June 2024
Provision for doubtful receivables	1,035	5	(68)	(30)	(6)	936

The value of uses of the provision 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 value of trade receivables is deemed to approximate their fair value.

In addition, there is no significant concentration of sales to individual customers: this phenomenon involves less than 5% of Group revenues.

**Trade payables** totalled 20,394 thousand Euro, compared to 18,795 thousand Euro as at 31 December 2024. This item is analysed below:

(Euro /000)	30 June 2025	31 December 2024	Change
Payables to suppliers	17,342	16,740	602
Payables to suppliers for invoices to be received	3,052	2,055	997
<b>Total</b>	<b>20,394</b>	<b>18,795</b>	<b>1,599</b>

Trade payables increased by 1,599 thousand Euro compared to 31 December 2024 (1,139 thousand Euro net of the entries of the newly acquired CZ Elettronica S.r.l. and Mecatronica S.r.l.).

## 18. Net financial position

The net financial position is analysed in the following table:

(Euro /000)	30 June 2025	31 December 2024	Change
Cash and cash equivalents and current financial receivables	50,233	59,629	(9,396)
Financial assets for derivatives	15	34	(19)
Other non-current financial investments	103	104	(1)
Non-current financial payables	(13,710)	(16,269)	2,559
Non-current financial payables for IFRS 16 leases	(2,583)	(2,664)	81
Current financial payables	(5,217)	(5,173)	(44)
Current financial payables for IFRS 16 leases	(1,230)	(1,195)	(35)
Financial liabilities for derivatives	(308)	(311)	3
<b>Total</b>	<b>27,303</b>	<b>34,155</b>	<b>(6,852)</b>

The net financial position at 30 June 2025 was positive by 27,303 thousand Euro, down by 6,852 thousand Euro since the end of 2024, when it was positive by 34,155 thousand Euro.

The decrease in net financial position compared to 31 December 2024 mainly reflects the positive cashflow generated by ordinary operations (10,335 thousand Euro), as partly absorbed by the disbursements for technical investments made during the first six months of the year (3,088 thousand Euro), and for the operations described in **Significant events in the first half of 2025**, relating to the acquisition of a [sharetake](#) in 40Factory S.r.l. (4,000 thousand Euro), equal to 22% of its share capital, and of a 60% majority [sharetake](#) in CZ Elettronica S.r.l. and Mecatronica S.r.l., recognised among the subsidiaries of Gefran S.p.a. (739 thousand Euro, net of acquired cash). The payment of dividends on the 2024 results in the second quarter of 2025 (6,107 thousand Euro), as well as taxes and rental fees (totalling 2,047 thousand Euro), contributed to the decrease in financial resources. In addition, the negative effect of the exchange rate difference for foreign currencies compared with the previous year is recognised (estimated at 1,148 thousand Euro in total).

**Cash and cash equivalents** amounted to 50,233 thousand Euro at 30 June 2025, compared to 59,629 thousand Euro at 31 December 2024. This item is analysed below:

(Euro /000)	30 June 2025	31 December 2024	Change
Cash in bank deposits	50,218	59,615	(9,397)
Cash	15	14	1
<b>Total</b>	<b>50,233</b>	<b>59,629</b>	<b>(9,396)</b>

The technical forms used at 30 June 2025 are shown below:

- 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.

In order to support its current assets, 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 26,650 thousand Euro. As of 30 June 2025 there was 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.

**Current financial payables** as at 30 June 2025 posted an increase in the amount of 44 thousand Euro compared to the end of 2024; they break down as follows:

(Euro /000)	30 June 2025	31 December 2024	Change
Current portion of debt	5,123	5,112	11
Current overdrafts	2	1	1
Other payables	92	60	32
<b>Total</b>	<b>5,217</b>	<b>5,173</b>	<b>44</b>

**Non-current financial payables** are analysed as follows:

Bank (Euro /000)	30 June 2025	31 December 2024	Change
Intesa (ex UBI)	252	755	(503)
SIMEST	180	240	(60)
Crédit Agricole	7,335	8,461	(1,126)
BNL	5,828	6,660	(832)
SIMEST	115	153	(38)
Crédit Agricole	-	-	-
<b>Total</b>	<b>13,710</b>	<b>16,269</b>	<b>(2,559)</b>

The loans, detailed in the following table, have the following characteristics:

Bank (Euro /000)	Amount disbursed	Signing date	Balance at 30 June 2025	Of which within 12 months	Of which beyond 12 months	Interest rate	Maturity	Repayment method
<b>entered into by Gefran S.p.A. (IT)</b>								
Intesa (ex UBI)	3,000	24 Jul 20	1,257	1,005	252	Euribor 6m + 1%	24Jul 26	half-yearly
SIMEST	480	9 Jul 21	300	120	180	Fixed 0.55%	31Dec 27	half-yearly
Crédit Agricole	13,000	29 Sep 23	9,587	2,252	7,335	Euribor 3m + 0.88%	28Sep 29	quarterly
BNL	10,000	27 Oct 23	7,491	1,663	5,828	Euribor 3m + 0.93%	27Oct 29	quarterly
<b>entered into by Gefran Soluzioni S.r.l. (IT)</b>								
SIMEST	307	21 May 21	192	77	115	Fixed 0.55%	31Dec 27	half-yearly
<b>entered into by CZ Elettronica S.r.l. (IT)</b>								
Crédit Agricole	25	6 Jun 22	6	6	-	Fixed 1.10%	5Jun 26	monthly
<b>Total</b>			<b>18,833</b>	<b>5,123</b>	<b>13,710</b>			

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 investing activities, working capital management and the repayment of debt at its natural maturity.

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 30 June 2025 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 30 June 2025 has clauses requiring compliance with economic and financial requirements (covenants).

No new loans were arranged during 2025.

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 30 June 2025 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. At 30 June 2025, no derivatives had been arranged to hedge exchange rate risk.

All derivatives were tested for effectiveness as at 30 June 2025, with positive results.

The **financial assets for derivatives** amounted to 15 thousand Euro, while the **liabilities for derivatives** amounted to 308 thousand Euro, due to the fair value of the individual contracts.

(Euro /000)	as at 30 June 2025		as at 31 December 2024	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Interest rate risk	15	(308)	34	(311)
<b>Total cash flow hedge</b>	<b>15</b>	<b>(308)</b>	<b>34</b>	<b>(311)</b>

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 30 June 2025	Derivative	Fair Value as at 30 June 2025	Long position rate	Short position rate
Intesa (ex UBI)	3,000	2 4 Jul 20	24 Jul 26	1,257	IRS	15	Fixed -0.115%	Euribor 3m
<b>Total financial assets for derivatives – Interest rate risk</b>						<b>15</b>		

Bank (Euro /000)	Notional principal	Signing date	Maturity	Notional as at 30 June 2025	Derivative	Fair Value as at 30 June 2025	Long position rate	Short position rate
BNL	10,000	29 Jan 24	27 Oct 29	7,491	IRS	(152)	Fixed 2,94%	Euribor 3m (Floor: 1.00%)
Crédit Agricole	13,000	12 Jan 24	28 Sep 29	9,587	IRS	(156)	Fixed 2,75%	Euribor 3m
<b>Total financial liabilities for derivatives– Interest rate risk</b>						<b>(308)</b>		

Financial payables for IFRS 16 leases (current and non-current) at 30 June 2025 amounted to 3,813 thousand Euro and reflect the application of IFRS 16 by the Group from 1 January 2019, which requires the initial recognition of financial payables corresponding to the value of the RoU assets classified as non-current assets. Financial payables for leases under IFRS 16 are classified on the basis of their maturity as either current payables (due within one year), amounting to 1,230 thousand Euro, or non-current payables (due beyond one year), amounting to 2,583 thousand Euro.



Changes in this item in the first half of 2025 and 2024 are detailed below:

(Euro /000)	31 December 2024	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2025
Leasing payables under IFRS 16	3,859	836	(820)	-	-	(62)	3,813
<b>Total</b>	<b>3,859</b>	<b>836</b>	<b>(820)</b>	<b>-</b>	<b>-</b>	<b>(62)</b>	<b>3,813</b>

(Euro /000)	31 December 2023	Increases	Decreases	Reclassifications	Change in scope of consolidation	Exchange rate differences	30 June 2024
Leasing payables under IFRS 16	3,779	866	(726)	-	-	(10)	3,909
<b>Total</b>	<b>3,779</b>	<b>866</b>	<b>(726)</b>	<b>-</b>	<b>-</b>	<b>(10)</b>	<b>3,909</b>

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

(Euro /000)	30 June 2025	31 December 2024	Change
A. Cash	50,233	59,629	(9,396)
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
<b>D. Cash and cash equivalents ( A ) + ( B ) + ( C )</b>	<b>50,233</b>	<b>59,629</b>	<b>(9,396)</b>
Current financial liabilities for derivatives	-	-	-
Current financial debts	(1,324)	(1,256)	(68)
E. Current financial payables	(1,324)	(1,256)	(68)
F. Current portion of long-term debt	(5,123)	(5,112)	(11)
<b>G. Total current financial debts (E) + (F)</b>	<b>(6,447)</b>	<b>(6,368)</b>	<b>(79)</b>
<b>H. Net current financial debt (I) + (D)</b>	<b>43,786</b>	<b>53,261</b>	<b>(9,475)</b>
I. Non-current financial debt	(16,293)	(18,933)	2,640
Non-current financial liabilities for derivatives	(308)	(311)	3
J. Financial debt instruments	(308)	(311)	3
K. Trade payables and Other non-current financial debts	-	-	-
<b>L. Non-current financial debt (I) + (J) + (K)</b>	<b>(16,601)</b>	<b>(19,244)</b>	<b>2,643</b>
<b>M. Total financial debt (H) + (L)</b>	<b>27,185</b>	<b>34,017</b>	<b>(6,832)</b>
of which to minorities:	27,185	34,017	(6,832)

## 19. Shareholders' equity

Consolidated shareholders' equity is analysed as follows:

(Euro /000)	30 June 2025	31 December 2024	Change
Portion pertaining to the Group	97,405	99,338	(1,933)
Portion pertaining to minority interests	491	-	491
<b>Shareholders' equity</b>	<b>97,896</b>	<b>99,338</b>	<b>(1,442)</b>

Shareholders' equity at 30 June 2025 was 97,896 thousand Euro, down by 1,442 thousand Euro compared with 31 December 2024.

The change is essentially related to the positive result for the half-year period (6,632 thousand Euro), reduced by the change in the translation reserve (negative by 2,419 thousand Euro) and by the payment of dividends on the 2024 profit (6,107 thousand Euro). The effects of the acquisitions of 60% of CZ Elettronica S.r.l. and Mecatronica S.r.l. (positive overall by 477 million Euro) also contributed to the change in shareholders' equity.

It should be noted that at 30 June 2025 the share of shareholders' equity attributed to the Gefran Group amounted to 97,405 thousand Euro, while the minority share amounted to 491 thousand Euro.

Share capital amounts to 14,400 thousand Euro, represented by 14,400,000 ordinary shares with a nominal value of 1 Euro each.

As at 31 December 2024, Gefran S.p.A. held 198,405 own 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 six months of 2025, 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 Company has not issued any convertible bonds.

See the "Statement of changes in shareholders' equity" for an analysis of changes in the equity reserves during the period.

The balances of the reserve for the measurement of securities at fair value are summarised in the table below:

(Euro /000)	30 June 2025	31 December 2024	Change
Balance at 1 January	42	157	(115)
Woojin Plaimm Co Ltd Shares	(14)	(116)	102
Tax effect	-	1	(1)
<b>Net amount</b>	<b>28</b>	<b>42</b>	<b>(14)</b>

The balances of the reserve for the measurement of derivatives at fair value are shown below:

(Euro /000)	30 June 2025	31 December 2024	Change
Balance at 1 January	(210)	141	(351)
Change in fair value derivatives	(17)	(462)	445
Tax effect	4	111	(107)
<b>Net amount</b>	<b>(223)</b>	<b>(210)</b>	<b>(13)</b>

## 20. Earnings per share

Basic and diluted earnings per share are shown in the table below:

	30 June 2025	30 June 2024
<b>Basic earnings per share</b>		
- Profit (loss) for the period pertaining to the Group (Euro/000)	6,618	7,163
- Average No. of ordinary shares (No./000,000)	14.202	14.202
- Basic earnings per ordinary share	0.466	0.504
<b>Diluted earnings per share</b>		
- Profit (loss) for the period pertaining to the Group (Euro/000)	6,618	7,163
- Average No. of ordinary shares (No./000,000)	14.202	14.202
- Basic earnings per ordinary share	0.466	0.504
Average number of ordinary shares	14,201,595	14,201,595

For the purpose of calculating earnings per share, the net profit (loss) for the period of Gefran S.p.A. is reconciled with that attributable to the Group in the schedule provided in the **Gefran consolidated results** section of the Report on Operations included in this Half-yearly Financial Report.

## 21. Current and non-current provisions

“Non-current provisions” totalled 454 thousand Euro and break down as follows:

(Euro /000)	31 December 2024	Provisions	Uses	Releases	Change in scope of consolidation	Exchange rate differences	30 June 2025
<b>Gefran Brasil risk provisions</b>							
- other provisions	41	-	-	-	-	-	41
<b>Elettropiemme S.r.l. risk provisions</b>							
- other provisions	422	-	(9)	-	-	-	413
<b>Total</b>	<b>463</b>	<b>-</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>454</b>

The change relates to the use of a portion (equal to 9 thousand Euro) following the ending of a dispute involving the subsidiary Elettropiemme S.r.l.

“Current provisions” totalled 771 thousand Euro at 30 June 2025, down by 31 thousand Euro compared with 31 December 2024, and break down as follows:

(Euro /000)	31 December 2024	Provisions	Uses	Releases	Change in scope of consolidation	Exchange rate differences	30 June 2025
FISC	29	-	-	-	-	-	29
Product warranty	773	174	(141)	(61)	-	(3)	742
<b>Total</b>	<b>802</b>	<b>174</b>	<b>(141)</b>	<b>(61)</b>	<b>-</b>	<b>(3)</b>	<b>771</b>

The change relates to the item “Product warranty”, relating to the charges provided for repairs on products under warranty in the Parent Company Gefran S.p.A. and in the production subsidiaries; during the first half of 2025 provisions were recorded for 174 thousand Euro against uses for 141 thousand Euro and surplus releases for a total of 61 thousand Euro. As of 30 June 2025, provisions have been verified as meeting needs, with a positive outcome.

The “FISC” item mainly includes contractual treatments existing at the Parent Company Gefran S.p.A.

## 22. Revenues from product sales

“Revenues from product sales” during the period ended 30 June 2025 amounted to 71,534 thousand Euro, up 5.4% compared with those reported at 30 June 2024, which amounted to 67,895 thousand Euro. The acquisition of the subsidiaries CZ Elettronica S.r.l. and Mecatronica S.r.l. (which took place in April 2025) contributed to the increase in revenues, without which the increase over the first half of 2024 would be 4.3%.

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

(Euro /000)	30 June 2025	30 June 2024	Change	%
Sensors	46,606	43,200	3,406	7.9%
Automation components	24,928	24,695	233	0.9%
<b>Total</b>	<b>71,534</b>	<b>67,895</b>	<b>3,639</b>	<b>5.4%</b>

Total revenues include revenues from services of 1,271 thousand Euro (1,076 thousand Euro in the period ended 30 June 2024); see the section on **Gefran consolidated results** in the Report on Operations for information about the performance of the various business areas and geographical regions.

## 23. Other revenues and income

Other operating revenues and income amounted to 621 thousand Euro, compared with 604 thousand Euro in the first half of 2024, as shown in the following table:

(Euro /000)	30 June 2025	30 June 2024	Change	%
Recovery of company canteen expenses	13	12	1	8.3%
Rental income	-	47	(47)	-100.0%
Government grants	18	4	14	350.0%
Other income	590	541	49	9.1%
<b>Total</b>	<b>621</b>	<b>604</b>	<b>17</b>	<b>2.8%</b>

The item “Other income” amounted to 590 thousand Euro, up by 49 thousand Euro compared to the figure recorded at 30 June 2024. It includes, among others, the chargebacks for R&D specifically requested by customers, as well as the recognition of tax credits for investing in R&D, assets, Industry 4.0 and the Digital Academy (in the first half of 2025 equal to 387 thousand Euro, while they amounted to 289 thousand Euro in the same period of the previous year). It should also be noted that, as at 30 June 2024, rental income of 47 thousand Euro was included, relating to contracts concluded in the first quarter of 2024.

The item “Government grants” amounting to 18 thousand Euro, down by 14 thousand Euro on the figure for the first half of 2024, includes, inter alia, grants for the installation of electric vehicle charging stations (investment made in the Parent Company Gefran S.p.A. in 2024).

## 24. Costs of raw materials and accessories

The costs of raw materials and accessories amounted to 21,547 thousand Euro, compared with 20,238 thousand Euro in the period ended 30 June 2024. The change is shown below:

(Euro /000)	30 June 2025	30 June 2024	Change
Raw materials and accessories	21,547	20,238	1,309
<b>Total</b>	<b>21,547</b>	<b>20,238</b>	<b>1,309</b>

The change of 1,309 thousand Euro (1,163 thousand Euro when considering the same scope of consolidation) is due to the greater need for raw materials, in view of the increase in sales volumes in the half-year compared to the first half of 2024. In addition, in the first half of 2025, there were higher customs duties and transport costs on purchases than in the same period of the previous year, which contributed to the increase in the item by 387 thousand Euro.

## 25. Service costs

Service costs amounted to 11,560 thousand Euro, an overall increase of 455 thousand Euro compared with the total reported at 30 June 2024 of 11,105 thousand Euro (the increase, when considering the same scope of consolidation, would be 328 thousand Euro). They are analysed below:

(Euro /000)	30 June 2025	30 June 2024	Change
Services	11,195	10,698	497
Use of third-party assets	365	407	(42)
<b>Total</b>	<b>11,560</b>	<b>11,105</b>	<b>455</b>

Following the adoption of IFRS 16, the lease instalments for the period no longer charged to the income statement as operating costs amount to 714 thousand Euro (629 thousand Euro in the period ended 30 June 2024). 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 30 June 2025 costs for use of third-party assets in the amount of 365 thousand Euro (equal to 407 thousand Euro in the same period in 2024).

With reference to the item “Services”, other than the rental fees described above, the item shows an increase of 497 thousand Euro in the first half of 2025 compared to the same period in the previous year. Overall, the change is the result of higher costs for professional and consulting services (especially administrative and management consultancy), as well as for advertising and trade fairs, external processing and personnel training and search costs.

## 26. Personnel costs

“Personnel costs” amounted to 25,996 thousand Euro, posting an increase compared to the figure of 30 June 2024 of 1,132 thousand (844 thousand Euro without considering the costs brought on by the acquisition of CZ Elettronica S.r.l. and Mecatronica S.r.l.). The change is shown below:

(Euro /000)	30 June 2025	30 June 2024	Change
Salaries and wages	19,704	18,710	994
Social security contributions	5,082	4,894	188
Post-employment benefit reserve	1,107	1,073	34
Other costs	103	187	(84)
<b>Total</b>	<b>25,996</b>	<b>24,864</b>	<b>1,132</b>

At the end of the half-year period, the Group had 744 employees, as compared to 693 at 30 June 2024 and 699 at 31 December 2024. During the first quarter of 2025, a total of 10 temporary workers were stabilised in Italian companies (in the first quarter of 2024, 31 temporary workers were stabilised in Italy).

In addition, personnel changes in the first half of 2025 include the effect of the entry into the Group of the newly acquired CZ Elettronica S.r.l. together with its subsidiary Mecatronica S.r.l. (at the time of the acquisition they had a workforce of 22 employees, 8 of whom were manual workers and 14 clerical staff).

In general, the change compared to the cost incurred in the first six months of 2024 is related to the strengthening of the workforce, with the exception of stabilised temporary workers, whose labour costs were recorded in the item in question in the previous year.

“Social security contributions” include costs for defined contribution plans for management (Previndai and Azimut Previdenza pension plan) amounting to 61 thousand Euro (55 thousand Euro at 30 June 2024).

“Other costs”, down by 84 thousand Euro compared to the same period in the previous year, refer to restructuring charges arising from the reorganisation of Group companies (zero in the first half of 2025, amounting to 81 thousand Euro in the first six months of 2024), as well as to commissions on sales paid to employees (81 thousand Euro at 30 June 2025, in line with the comparative period).

Like the headcount figure, the average number of Group employees in the first half of 2025 also increased compared to the figure for the same period in 2024:

	30 June 2025	30 June 2024	Change
Managers	14	14	-
Clerical staff	462	435	27
Manual workers	246	223	23
<b>Total</b>	<b>722</b>	<b>672</b>	<b>50</b>

## 27. Depreciation, amortisation and impairment

This item totalled 3,984 thousand Euro, compared to 3,983 thousand Euro in the first half of 2024. These totals are analysed below:

(Euro /000)	30 June 2025	30 June 2024	Change
Intangible assets	869	892	(23)
Tangible assets	2,437	2,465	(28)
Usage rights	678	626	52
<b>Total</b>	<b>3,984</b>	<b>3,983</b>	<b>1</b>

As from 1 January 2019, this item includes the depreciation of RoU assets pursuant to IFRS 16. The related charge for the period ended 30 June 2025 was 678 thousand Euro (626 thousand Euro reported at 30 June 2024).

“Depreciation, amortisation and impairment” are analysed by sector of activity in the following table:

(Euro /000)	30 June 2025	30 June 2024	Change
Sensors	2,314	2,340	(26)
Automation components	1,670	1,643	27
<b>Total</b>	<b>3,984</b>	<b>3,983</b>	<b>1</b>

## 28. Gains (losses) from financial assets/liabilities

The net loss of 753 thousand Euro compares with a net gain of 98 thousand Euro in the period ended 30 June 2024, as analysed below:

(Euro /000)	30 June 2025	30 June 2024	Change
<b>Cash management</b>			
Income from cash management	446	639	(193)
Other financial income	11	26	(15)
Medium-/long-term interest	(397)	(470)	73
Factoring interest and fees	-	(14)	14
Other financial charges	(11)	(15)	4
<b>Total income (charges) from cash management</b>	<b>49</b>	<b>166</b>	<b>(117)</b>
<b>Currency transactions</b>			
Exchange rate gains	208	184	24
Positive currency valuation differences	19	101	(82)
Exchange rate losses	(705)	(303)	(402)
Negative currency valuation differences	(279)	(42)	(237)
<b>Total other income (charges) from currency transactions</b>	<b>(757)</b>	<b>(60)</b>	<b>(697)</b>
<b>Other</b>			
Gains from financial instruments	2	2	-
Interest on financial payables due to leasing under IFRS 16	(47)	(10)	(37)
<b>Total other financial income (charges)</b>	<b>(45)</b>	<b>(8)</b>	<b>(37)</b>
<b>Gains (losses) from financial assets/liabilities</b>	<b>(753)</b>	<b>98</b>	<b>(851)</b>

Cash management, which was positive overall as at 30 June 2025, consists of income of 457 thousand Euro (665 thousand Euro as at 30 June 2024) and charges totalling 408 thousand Euro (499 thousand Euro as at 30 June 2024).

The balance of differences on currency transactions was negative, amounting to 757 thousand Euro compared with the first half of the previous year when it was negative by 60 thousand Euro. The change is primarily a result of the trend in exchange rates in effect between the Euro and the Indian Rupee and the Chinese renminbi.

The item "Other financial charges" includes financial charges on financial payables resulting from application of the new accounting standard IFRS 16, worth 47 thousand Euro in the first six months of 2025 (10 thousand Euro in the first half of 2024).



## 29. Income taxes, deferred tax assets and deferred tax liabilities

The “Taxes” item was negative by 2,390 thousand Euro; this compares with a negative balance of 2,299 thousand Euro in the first half of 2024, and breaks down as follows:

(Euro /000)	30 June 2025	30 June 2024	Change
<b>Current taxes</b>			
IRES (corporate income tax)	(1,326)	(1,385)	59
IRAP (regional production tax)	(295)	(318)	23
Foreign taxes	(832)	(728)	(104)
<b>Total current taxes</b>	<b>(2,453)</b>	<b>(2,431)</b>	<b>(22)</b>
<b>Deferred tax assets and liabilities</b>			
Deferred tax liabilities	2	13	(11)
Deferred tax assets	61	119	(58)
<b>Total deferred tax assets and liabilities</b>	<b>63</b>	<b>132</b>	<b>(69)</b>
<b>Total taxes</b>	<b>(2,390)</b>	<b>(2,299)</b>	<b>(91)</b>

Current taxes were essentially in line with the figure for the first half of 2024 (up by a total of 22 thousand Euro).

Deferred taxes, overall positive and equal to 63 thousand Euro, arise mainly from the allocation of deferred tax assets recorded on the impairment of inventories in the Parent Company Gefran S.p.A.

It should also be noted that, in application of the amendment to IAS 12 “Income Taxes” published by the IASB on 7 May 2021 and which came into effect on 1 January 2023, deferred tax assets were recognised in the first half of 2025 for a value of 13 thousand Euro and deferred tax liabilities were recognised for 2 thousand Euro (at 30 June 2024 deferred tax assets amounted to 4 thousand Euro). For the presentation in the statement of financial position, deferred tax assets and liabilities have been offset, as required by IAS 12.

The following table analyses the changes in deferred tax assets and deferred tax liabilities during the first half of 2025 and in the same period of the previous year:

(Euro /000)	31 December 2024	Posted to the income statement	Recognised in shareholders' equity	Change in scope of consolidation	Exchange rate differences	30 June 2025
<b>Deferred tax assets</b>						
Impairment of inventories	610	91	-	-	(4)	697
Impairment of trade receivables	185	(1)	-	-	(1)	183
Impairment of assets	540	(2)	-	-	-	538
Deductible losses to be brought forward	360	11	-	-	(10)	361
Exchange rate fluctuations	6	(6)	-	-	-	-
Elimination of unrealised margins on inventories	376	(38)	-	-	-	338
Provision for product warranty risk	202	(4)	-	-	-	198
Provision for sundry risks	30	(3)	-	6	(2)	31
Fair value hedging	66	-	4	-	-	70
Other deferred tax assets	21	13	-	-	-	34
<b>Total deferred tax assets</b>	<b>2,396</b>	<b>61</b>	<b>4</b>	<b>6</b>	<b>(17)</b>	<b>2,450</b>
<b>Deferred tax liabilities</b>						
Discounting post-employment benefits reserve	(14)	-	-	-	-	(14)
Fair value measurement	(1)	1	-	-	-	-
Currency valuation differences	-	-	-	-	-	-
Other deferred tax liabilities	(918)	1	-	-	102	(815)
<b>Total deferred tax liabilities</b>	<b>(933)</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>102</b>	<b>(829)</b>
<b>Total</b>	<b>1,463</b>	<b>63</b>	<b>4</b>	<b>6</b>	<b>85</b>	<b>1,621</b>

(Euro /000)	31 December 2023	Posted to the income statement	Recognised in shareholders' equity	Change in scope of consolidation	Exchange rate differences	30 June 2024
<b>Deferred tax assets</b>						
Impairment of inventories	968	172	-	-	-	1,140
Impairment of trade receivables	234	(15)	-	-	-	219
Impairment of assets	541	(1)	-	-	-	540
Deductible losses to be brought forward	635	(49)	-	-	4	590
Elimination of unrealised margins on inventories	353	7	-	-	-	360
Provision for product warranty risk	219	(3)	-	-	-	216
Provision for sundry risks	29	4	(1)	-	-	32
Other deferred tax assets	15	4	-	-	-	19
<b>Total deferred tax assets</b>	<b>2,994</b>	<b>119</b>	<b>(1)</b>	<b>-</b>	<b>4</b>	<b>3,116</b>
<b>Deferred tax liabilities</b>						
Discounting post-employment benefits reserve	(7)	-	-	-	-	(7)
Fair value measurement	(44)	(2)	7	-	-	(39)
Currency valuation differences	(6)	8	-	-	-	2
Other deferred tax liabilities	(877)	7	-	-	(27)	(897)
<b>Total deferred tax liabilities</b>	<b>(934)</b>	<b>13</b>	<b>7</b>	<b>-</b>	<b>(27)</b>	<b>(941)</b>
<b>Total</b>	<b>2,060</b>	<b>132</b>	<b>6</b>	<b>-</b>	<b>(23)</b>	<b>2,175</b>

### 30. Guarantees granted, commitments and other contingent liabilities

#### a) Guarantees granted

At 30 June 2025, the Group had granted guarantees for payables or commitments totalling 1,329 thousand Euro. These are summarised in the table below:

(Euro /000)	30 June 2025	31 December 2024
Sandrini Costruzioni	66	66
Sandrini Costruzioni	29	29
WEG Equipamentos Elétricos S.A.	1,150	1,150
SMS Group	-	50
SMS Group	25	-
SMS Group	50	-
Tenova S.p.A.	9	9
<b>Total</b>	<b>1,329</b>	<b>1,304</b>

The two sureties issued in favour of Sandrini Costruzioni guarantee the rent of the industrial property used by Elettropiemme S.r.l. under 2 leases, one of which will expire on 31 January 2027 while the other will expire on 31 December 2029.

On 30 September 2022, with regard to the sale of the motion control business to the Brazilian group WEG, Gefran S.p.A. issued a bank guarantee to WEG Equipamentos Eléctricos S.A., expiring on 30 September 2026. This guarantee, originally signed for 2,300 thousand Euro, now amounts to 1,150 thousand Euro.

In addition, bank sureties guarantee the quality of products supplied, granted in favour of:

- Tenova S.p.A., a customer of Gefran Soluzioni S.r.l., for 9 thousand Euro, issued in 2024, expiring on 19 August 2025;
- SMS Group, a customer served by Elettropiemme S.r.l., for 25 thousand Euro and 50 thousand Euro, both issued by the Parent Company Gefran S.p.A. in the first half of 2025, expiring on 31 December 2027 and 31 March 2028, respectively.

## **b) Legal proceedings and disputes**

The Parent Company and certain subsidiaries are involved in various legal proceedings and disputes. However, the resolution of these disputes is not thought likely to generate significant liabilities not already covered by existing provisions.

## **c) Commitments**

The Group has entered into contracts for the rental of buildings and the lease of equipment, electronic machinery and company vehicles. Pursuant to IFRS 16, the initial lease liability is capitalised as a RoU asset with a matching entry to Financial payables due to leasing under IFRS 16; see the **Specific explanatory notes to the accounts** for more information.

As envisaged in this standard, certain contracts are excluded from the application of IFRS 16 as they satisfy the requirements for exclusion; lease instalments for those contracts totalling 365 thousand Euro were charged to the income statement in the first half of 2025 (407 thousand Euro in the first six months of 2024).

At 30 June 2025, the total value of the Group's commitments was 961 thousand Euro, for leasing and rental contracts expiring within the next five years, which do not fall within the scope of application of IFRS 16 (equal to 883 thousand Euro at 30 June 2024). This amount mainly refers to ancillary services pertaining to contracts subject to IFRS 16, as well as to contracts for which, based on their value and duration, the above standard has not been applied.

### 31. Dealings with related parties

With regard to Group companies' dealings with related parties, in accordance with IAS 24 we provide below information for the first half of 2025 and 2024.

In accordance with the provisions of Consob Resolution no. 17221 of 12 March 2010, the Board of Directors of Gefran S.p.A. has adopted a Regulation for transactions with related parties, the current version of which was updated by the Board on 24 June 2021 to implement the new requirements of Directive (EU) 2017/828 (so-called "Shareholders' Rights II"), and can be viewed on the Company's website, at <https://www.gefran.com/governance/documents-and-procedures/>.

Dealings 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 consolidated intragroup transactions are eliminated in the consolidation process, the most significant<sup>1</sup> dealings 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 tables:

(Euro /000)	Marfran S.r.l.	Imet S.p.A.	Total
<b>Costs of raw materials and accessories</b>			
2024	-	(394)	(394)
2025	-	(373)	(373)

(Euro /000)	B. T. Schlaepfer	Climat S.r.l.	Total
<b>Service costs</b>			
2024	(54)	(98)	(152)
2025	(54)	(106)	(160)

(Euro /000)	Climat S.r.l.	Imet S.p.A.	Total
<b>Property, plant, machinery and tools</b>			
2024	198	-	198
2025	98	-	98
<b>Trade payables</b>			
2024	144	170	314
2025	131	250	381

<sup>1</sup> As per internal regulations, the threshold of 50 thousand Euro identifies the most significant dealings; dealings of lower amounts are therefore not reported.

It should also be noted that employment relationships with related parties are active within Group companies, for a total amount of 53 thousand Euro at 30 June 2025 (none at 30 June 2024).

In dealings with its subsidiaries, the Parent Company Gefran S.p.A. provided technical and administrative/management services and paid royalties on behalf of the Group's operative subsidiaries totalling 1.9 million Euro under specific contracts (1,8 million Euro as of 30 June 2024).

Gefran S.p.A. provides a Group cash pooling service, partly through a "Zero Balance" service, which involves all the European subsidiaries and the Singapore subsidiary.

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

In the first half of 2025, the Parent Company Gefran S.p.A. recognised dividends from subsidiaries amounting to 3.8 thousand Euro (4.3 million Euro in the first half of 2024).

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 responsibility, identified in the General Manager of Gefran S.p.A., as well as in the Chief Financial Officer, Chief People & Organisation Officer, Group Chief Technology Officer and Chief Sales Officer.

### 32. Summary of public funds pursuant to Article 1, paragraphs 125-129, Law no. 124/2017

In compliance with the transparency and publicity requirements provided for under Law no. 124 of 4 August 2017, Article 1, paragraphs 125-129, which made it compulsory for companies to disclose "subsidiaries, contributions, and other economic advantages of any kind" in the notes to the financial statements, the details of the relevant amounts are given below, in addition to what has already been published in the Italian national register of state aid – transparency of individual aid.

(Euro /000)	Providing body	Values at 30 June 2025
R&D Tax credit	Italian government	-
Industry 4.0 Tax credit	Italian government	134
<b>Total</b>		<b>134</b>

Provaglio d'Iseo, 5 August 2025

For the Board of Directors

Chairwoman

**Maria Chiara Franceschetti**

Chief Executive Officer

**Marcello Perini**

# Annexes

## a) Consolidated income statement by quarter

(Euro /000)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	TOT 2024	Q1 2025	Q2 2025	TOT 2025
a Revenues	34,156	34,343	32,100	32,008	132,607	36,442	35,713	72,155
b Increases for internal work	474	579	450	645	2,148	397	520	917
c Consumption of materials and products	10,081	9,824	9,157	10,263	39,325	10,152	11,215	21,367
<b>d Added Value (a+b-c)</b>	<b>24,549</b>	<b>25,098</b>	<b>23,393</b>	<b>22,390</b>	<b>95,430</b>	<b>26,687</b>	<b>25,018</b>	<b>51,705</b>
e Other operating costs	5,538	5,912	5,417	6,034	22,901	6,155	5,790	11,945
f Personnel costs	11,883	12,981	11,901	12,708	49,473	12,696	13,300	25,996
<b>g EBITDA (d-e-f)</b>	<b>7,128</b>	<b>6,205</b>	<b>6,075</b>	<b>3,648</b>	<b>23,056</b>	<b>7,836</b>	<b>5,928</b>	<b>13,764</b>
h Depreciation, amortisation and impairment	2,021	1,962	1,970	1,978	7,931	1,969	2,015	3,984
<b>i EBIT (g-h)</b>	<b>5,107</b>	<b>4,243</b>	<b>4,105</b>	<b>1,670</b>	<b>15,125</b>	<b>5,867</b>	<b>3,913</b>	<b>9,780</b>
l Gains (losses) from financial assets/liabilities	55	43	(232)	323	189	(248)	(505)	(753)
m Gains (losses) from shareholdings valued at equity	2	12	9	16	39	4	(9)	(5)
<b>n Profit (loss) before tax (i+l+m)</b>	<b>5,164</b>	<b>4,298</b>	<b>3,882</b>	<b>2,009</b>	<b>15,353</b>	<b>5,623</b>	<b>3,399</b>	<b>9,022</b>
o Taxes	(1,356)	(943)	(953)	(959)	(4,211)	(1,538)	(852)	(2,390)
<b>p Net profit (loss) (n±o)</b>	<b>3,808</b>	<b>3,355</b>	<b>2,929</b>	<b>1,050</b>	<b>11,142</b>	<b>4,085</b>	<b>2,547</b>	<b>6,632</b>
Attributable to:								
Group	3,808	3,355	2,929	1,050	11,142	4,085	2,533	6,618
Third parties	-	-	-	-	-	-	14	14

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

### End-of-period exchange rates

Currency	30 June 2025	31 December 2024
Swiss franc	0.9347	0.9412
Pound sterling	0.8555	0.8292
U.S. dollar	1.1720	1.0389
Brazilian real	6.4384	6.4253
Chinese renminbi	8.3970	7.5833
Indian rupee	100.5605	88.9335

### Average exchange rates in the period

Currency	30 June 2025	30 June 2024	2Q 2025	2Q 2024
Swiss franc	0.9414	0.9615	0.9369	0.9735
Pound sterling	0.8423	0.8546	0.8490	0.8529
U.S. dollar	1.0930	1.0812	1.1336	1.0766
Brazilian real	6.2909	5.4945	6.4208	5.6129
Chinese renminbi	7.9260	7.8011	8.1966	7.7972
Indian rupee	94.0947	89.9804	97.0311	89.8118

## 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 S.A.	Saint-Priest	France	EUR	800,000	Gefran S.p.A.	99.99
Gefran Benelux N.V.	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 Eletroeletrônica Ltda.	San Paulo	Brazil	BRL	450,000	Gefran S.p.A.	99.90
					Gefran Schweiz AG	0.10
Gefran India Private Ltd.	Pune	India	INR	100,000,000	Gefran S.p.A.	95.00
					Gefran Schweiz 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 Asia Pte. Ltd.	100.00
Gefran Schweiz 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
CZ Elettronica S.r.l.	Monticello Conte Otto	Italy	EUR	10,400	Gefran S.p.A.	60.00
Mecatronics S.r.l.	Monticello Conte Otto	Italy	EUR	12,480	Gefran S.p.A.	60.00



#### d) List of companies consolidated at equity

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
40Factory S.r.l.	Piacenza	Italy	EUR	18,804	Gefran S.p.A.	22.00

#### e) List of other affiliates

Name	Registered office	Nation	Currency	Share capital	Parent company	% of direct ownership
Colombera S.p.A.	Iseo	Italy	EUR	8,788,230	Gefran S.p.A.	17.08
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

# Certification of consolidated financial statements pursuant to Article 81-ter of Consob regulation no. 11971 dated 14 May 1999, as subsequently amended and added to

The undersigned **Marcello Perini**, in his capacity as Chief Executive Officer, and **Paolo Beccaria**, as the Executive in charge of financial reporting of Gefran S.p.A., hereby certifies, with due regard for the provisions of Article 154-bis, paragraphs 3 and 4, of Decree 58 dated 24 February 1998:

- the adequacy, with respect to the Company's characteristics,

and

- the effective application of the administrative and accounting procedures applied to prepare the consolidated financial statements, during the first half of 2025.

There are no significant matters to report in this regard.

It is further certified that:

the condensed **half-yearly consolidated financial statements**:

- were prepared in accordance with the applicable international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the entries made in accounting ledgers and records;
- provide a true and accurate representation of the economic and financial situation of the issuer and all companies included in the scope of consolidation.

the **Report on Operations** contains a reliable analysis of operating performance, results and condition of the issuer and all companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Provaglio d'Iseo, 5 August 2025

Chief Executive Officer

**Marcello Perini**

Executive in charge  
of financial reporting

**Paolo Beccaria**



## **External auditors' report on the condensed half- yearly consolidated financial statements**

## REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of  
Gefran S.p.A.

### Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Gefran S.p.A. and subsidiaries (the "Gefran Group"), which comprise the statement of financial position as of June 30, 2025 and the profit/(loss) statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the Gefran Group as at June 30, 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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**Other Matter**

The consolidated financial statements of the Gefran Group for the period ended as of December 31, 2024 and the half-yearly condensed consolidated financial statements as at June 30, 2024 have been respectively audited and reviewed by other auditors that on March 28, 2025 and on August 2, 2024 expressed an unmodified opinion and an unmodified conclusion on those consolidated financial statements.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Andrea Restelli**  
Partner

Milan, Italy  
August 6, 2025

*This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

