SABAF®

HALF-YEARLY REPORT

AT 30 JUNE 2025

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GROUP STRUCTURE AND CORPORATE BODIES
Group structure

Parent company

SABAF S.p.A.
Registered and administrative office: Via dei Carpini 1 - 25035 Ospitaletto (Brescia)
REA.: Brescia 347512
Tax Code: 03244470179
Share capital at 30 June 2025: €12,686,795 fully paid in
Web site: www.sabafgroup.com

Subsidiaries and equity interest attributable to the Group

Companies consolidated on a line-by-line basis		
Faringosi Hinges S.r.l.	Italy	100%
Sabaf do Brasil Ltda. (Sabaf Brazil)	Brazil	100%
Sabaf Beyaz Esya Parcalari Sanayi Ve Ticaret Limited Sirketi (Sabaf Turkey)	Turkey	100%
Sabaf Appliance Components (Kunshan) Co., Ltd. (Sabaf China)	China	100%
A.R.C. S.r.l.	Italy	100%
Sabaf India Private Limited (Sabaf India)	India	100%
Sabaf Mexico Appliance Components S.A. de c.v. (Sabaf Mexico)	Mexico	100%
C.M.I. S.r.l.	Italy	100%
C.G.D. S.r.l.	Italy	100%
P.G.A S.r.l.	Italy	100%
Sabaf America Inc. (Sabaf America)	U.S.A.	100%
Mansfield Engineered Components LLC (MEC)	U.S.A.	51%

Corporate bodies

Board of Directors

Chairman	Claudio Bulgarelli
Chief Executive Officer	Pietro Iotti
Director	Gianluca Beschi
Director	Alessandro Potestà
Director	Cinzia Saleri
Director (*)	Laura Ciambellotti
Director (*)	Francesca Michela Maurelli
Director (*)	Federica Menichetti
Director (*)	Daniela Toscani

(*) independent directors

Board of Statutory Auditors

Chairwoman	Alessandra Tronconi
Statutory Auditor	Maria Alessandra Zunino de Pignier
Statutory Auditor	Mauro Giorgio Vivenzi

Independent auditors EY S.p.A.

INTERIM REPORT ON OPERATIONS

INTERIM REPORT ON OPERATIONS

Introduction

This Half-Yearly Financial Report for the six months ended 30 June 2025 has been prepared pursuant to Article 154-ter of Legislative Decree no. 58/1998 and in accordance with the applicable international financial reporting standards endorsed by the EU, specifically, IAS 34 Interim Financial Reporting. The half-year figures at 30 June 2025 and 30 June 2024 and for the six-month period then ended were reviewed by EY S.p.A., the financial figures at 31 December 2024, shown for comparative purposes, were audited by EY S.p.A.

The business

The Sabaf Group is active in the production of components for household appliances and is one of the world's leading manufacturers of components for gas cooking appliances. Its reference market therefore consists of manufacturers of household appliances.
Sabaf's product range focuses on the following main lines:

- Gas components, made up of:
    - Valves and thermostats, with or without thermoelectric safety devices: the components that regulate the flow of gas to the burner;
    - Burners: these are the components that, via the mixing of gas with air and combustion of the gas used, produce one or more rings of flame;
    - Accessories: other components that complete the range, aimed particularly at making it possible to light and control the flame.
- Hinges: these components enable the smooth and balanced movement of appliance doors when they are opened or closed.
- Electronic components for household appliances, such as electronic control boards, timers and display and power units for ovens, refrigerators, freezers, hoods and other products.
- Electromagnetic induction cooking components: complete kits including all components for hob operation.

The Sabaf Group currently has fifteen production plants: Ospitaletto (Brescia), Bareggio (Milan), Campodarsego (Padua), Crespellano (Bologna - two plants), Fabriano (Ancona), Jundiai (Brazil), Manisa (Turkey - two plants), Istanbul (Turkey), Kunshan (China), Myszkow (Poland), Hosur (India), San Luis Potosi (Mexico) and Mansfield (USA).

Economic performance

The economic results for the first half of 2025 and the second quarter of 2025 are presented and commented on below on a normalised basis, i.e. adjusted for the effects of the application of IAS 29 - the hyperinflation accounting standard - with reference to the financial statements of the subsidiary Sabaf Turkey. This representation allows a better understanding of the Group's performance and a more accurate comparison with previous periods.

First half of 2025

Half-year results *Data in thousands of €*	**H1 2025**	**H1 2024**	**2025-2024 change**	**% change**	**12 MONTHS 2024**
Sales revenue	143,000	144,677	(1,677)	*-1.2%*	285,091
Hyperinflation – Turkey	2,738	(1,566)			(8,126)
Normalised revenue	**145,738**	**143,111**	**2,627**	***+1.8%***	**276,965**
EBITDA	20,237	23,674	(3,437)	*-14.5%*	43,704
EBITDA %	*14.2*	*16.4*			*15.3*
Hyperinflation – Turkey	1,090	(734)			(3,306)
Normalised EBITDA	**21,327**	**22,940**	**(1,613)**	***-7.0%***	**40,398**
Normalised EBITDA%	***14.6***	***16.0***			***14.6***
EBIT	7,832	12,394	(4,562)	*-36.8%*	17,739
EBIT %	*5.5*	*8.6*			*6.2*
Hyperinflation – Turkey	3,233	1,099			**3,465**
Normalised EBIT	**11,065**	**13,493**	**(2,428)**	***-18.0%***	**21,204**
Normalised EBIT %	***7.6***	***9.4***			***7.7***
Net profit	5,239	8,363	(3,124)	*-37.4%*	6,928
Net result %	*3.7*	*5.8*			*2.4*
Hyperinflation – Turkey	1,459	1,779			9,022
Normalised result of the Group	**6,698**	**10,142**	**(3,444)**	***-34.0%***	**15,950**
Normalised result %	***4.6***	***7.1***			***5.8***

In the first half of 2025, the Sabaf Group achieved normalised sales revenue of €145.7 million, up 1.8% compared to €143.1 million in the first half of 2024 (+2.2% at equal exchange rates).

Normalised EBITDA for the first half of 2025 was €21.3 million (14.6% of sales), down by 7% compared to the figure of €22.9 million (16%) in the first half of 2024.

Normalised EBIT was €11.1 million (7.6%), down 18% compared to €13.5 million (9.4%) in the first half of 2024.

In view of the positive performance of MEC - the US company in which the Group acquired 51% in 2023 - the value of the put option granted to the minority shareholders for the 49% stake was adjusted as at 30 June 2025, the price of which is correlated to MEC's results in the two years preceding the exercise of the option. The related financial liability (now €12.9

million) increased by €1.4 million, resulting from the net effect of financial expenses amounting to €2.9 million and foreign exchange gains of €1.5 million.

Normalised net profit for the period was €6.7 million (€10.1 million in the first half of 2024).

Second quarter of 2025

Quarterly results *Data in thousands of €*	**Q2 2025 (*)**	**Q1 2025**	**% change**	**Q2 2025 (*)**	**Q2 2024 (*)**	**% change**
Sales revenue	69,353	73,647	*-5.8*	69,353	75,816	*-8.5*
Hyperinflation – Turkey	1,790	948		1,790	(1,703)	
Normalised revenue	**71,143**	**74,595**	***-4.6***	**71,143**	**74,113**	***-4.0***
EBITDA	9,987	10,250	*-2.6*	9,987	13,106	*-23.8*
EBITDA %	*14.4*	*13.9*		*14.4*	*17.3*	
Hyperinflation – Turkey	918	172		918	(719)	
Normalised EBITDA	**10,905**	**10,422**	***+4.6***	**10,905**	**12,387**	***-12.0***
Normalised EBITDA %	***15.3***	***14.0***		***15.3***	***16.7***	
EBIT	3,970	3,862	*+2.8*	3,970	7,421	*-46.5*
EBIT %	*5.7*	*5.2*		*5.7*	*9.8*	
Hyperinflation – Turkey	1,850	1,382		1,850	260	
Normalised EBIT	**5,820**	**5,244**	***+11.0***	**5,820**	**7,681**	***-24.2***
Normalised EBIT %	***8.2***	***7.0***		***8.2***	***10.4***	
Group net result	1,449	3,790	*-61.8*	1,449	4,093	*-64.6*
Net result %	*2.1*	*5.1*		*2.1*	*5.4*	
Hyperinflation – Turkey	1,739	(281)		1,739	1,354	
Normalised result of the Group	**3,188**	**3,509**	***-9.1***	**3,188**	**5,447**	***-41.5***
Normalised result %	***4.5***	***4.7***		***4.5***	***7.3***	

(*) unaudited figures

In the second quarter, uncertainties in the international political and macroeconomic scenarios dampened the upward trend in demand that had emerged at the beginning of the year.

The Group recorded normalised sales of €71.1 million, down by 4.6% compared to €74.6 million for the first quarter of 2025 and 4% compared to €74.1 million in the second quarter of 2024 (-2.4% at equal exchange rates).

Normalised EBITDA for the second quarter was €10.9 million (15.3% of turnover), up by 4.6% compared to the figure of €10.4 million (14%) in the first quarter of 2025. In comparison with the second quarter of 2024 (€12.4 million, 16.7%) there was a 12% decrease.

Normalised EBIT was €5.8 million (8.2%), up 11% compared to €5.2 million in the first quarter of 2025 (7%) and down 24.2% to €7.7 million in the second quarter of 2024 (10.4%).

Normalised net profit for the period was €3.2 million (€3.5 million in the first quarter of 2025 and €5.4 million in the second quarter of 2024).

Financial position, cash flows and financial debt at 30 June 2025

Data in thousands of €	30/06/2025	31/12/2024	30/06/2024
Non-current assets	*171,120*	*177,663*	*181,619*
Current assets[1]	147,645	142,200	149,925
Current liabilities[2]	(74,658)	(63,953)	(73,213)
Net working capital[3]	*72,987*	*78,247*	*76,712*
Provisions for risks and charges, post-employment benefits, deferred taxes, other non-current payables	*(8,558)*	*(8,285)*	*(9,278)*
Net invested capital	**235,549**	**247,625**	**249,053**
Short-term net financial position	(3,958)	(11,026)	8,160
Medium/long-term net financial position	(75,459)	(62,855)	(82,923)
Net financial debt	**(79,417)**	**(73,881)**	**(74,763)**
Shareholders' equity	**156,132**	**173,744**	**174,290**

Cash flows for the financial year are summarised in the table below:

Data in thousands of €	H12025	2024	H12024
Opening liquidity	**30,641**	**36,353**	**36,353**
Operating cash flow	*19,687*	*27,033*	*13,693*
Cash flow from investments	*(12,130)*	*(14,706)*	*(6,152)*
Free cash flow	7,557	12,327	7,541
Cash flow from financing activities	6,751	(7,899)	(10,545)
Payment of dividends	(7,534)	(8,663)	(7,229)
Treasury share transactions	(1,262)	(211)	-
Foreign exchange differences	(2,483)	(1,266)	(575)
Cash flow for the period	**3,029**	**(5,712)**	**(10,808)**
Closing liquidity	**33,670**	**30,641**	**25,545**

In the first half of 2025, operations generated cash flows of €19.7 million. At 30 June 2025, the impact of the net working capital3 on revenue was 25.5% compared to 26.5% at 30 June 2024 and 27.4% at the end of 2024.

Net investments for the half-year came to €12.1 million (€6.2 million in the first half of 2024 and €14.7 million for 2024). For 2025, the Group plans to invest approximately €18 million.

As at 30 June 2025, net financial debt was €79.4 million (€73.9 million as at 31 December 2024 and €74.8 million as at 30 June 2024), against a consolidated equity of €156.1 million. Net financial debt at 30 June 2025 includes the financial liability of €12.9 million related to the recognition of the put option granted to the minority shareholders of MEC (US company in which Sabaf acquired 51% in July 2023) and the financial liabilities of €6 million recognised in accordance with IFRS 16 (€5.6 million related to operating leases and €0.4 million related to finance leases).

[1] Sum of Inventories, Trade receivables, Tax receivables and Other current receivables
[2] Sum of Trade payables, Tax payables and Other liabilities
[3] Difference between current assets and current liabilities

Intra-group and related party transactions

Transactions with related parties, including intra-group transactions, have not been qualified as atypical or unusual, as they fall under the normal course of Group operations. These transactions are regulated at arm's length conditions.

Related-party transactions other than intra-group transactions are described in the Explanatory Notes to the half-yearly condensed consolidated financial statements, which also show to what extent related- party transactions affected financial statement items.

Risk factors related to the segment in which the Group operates and main risks and uncertainties for the remainder of 2025

Risks related to the conflicts in Ukraine and in the Middle East

In relation to the conflict between Ukraine and Russia, it is noted that the Group has an insignificant direct exposure to the markets of Russia, Belarus and Ukraine. However, these are markets supplied by some of the Sabaf Group's customers, who are exposed to these markets to varying degrees.

In October 2023, the war that broke out between Israel and Hamas led to a further increase in global geopolitical tensions. The Group has not identified any significant risks related to this conflict as it does not operate in the affected areas.

In general, the economic recovery that characterised the early post-pandemic period has come to an end and the short to medium term outlook remains uncertain and difficult to assess, with the possibility of a continuation of a weak macroeconomic situation. The Group continuously monitors the macroeconomic environment and its impact on the business.

Tariff barriers

The recent tightening of US customs policies has led to an increase in tariffs. Specifically - at the date of this Report and in a framework that is subject to further developments - the tariffs on the European Union (15%) and general tariffs on steel and aluminium (50%) have a major effect for the Sabaf Group.

The Group's exports to the United States are modest (€10.7 million in the first half of 2025) and refer to products for which customers have no alternative local supplies. The Group's manufacturing footprint, with plants located in all major markets, including the United States, is a further factor that mitigates the risk associated with tariff barriers.

However, in the medium term, the US administration's policies are likely to result in higher inflation in the US, which could affect demand from end consumers.

Climate change and energy transition

The Sabaf Group follows a business development path that aims to reduce the environmental impact of its own operations and that of its value chain, and gives due consideration to the risks and opportunities related to climate change. The double materiality assessment identified three transition risks, while no material physical risks emerged.

The first risk relates to the need to adapt to market expectations regarding sustainability, e.g. through the implementation of effective decarbonisation strategies. It is becoming increasingly common for appliance manufacturers to involve their suppliers on environmental matters, specifically climate change. Companies that develop concrete plans to reduce their environmental impact can improve their competitiveness, consolidate their position in their target markets and, more generally, strengthen stakeholder relations.

The second risk is the management of CO_2 emissions along the entire production chain, an increasingly important factor in meeting market demands. Emissions management facilitates the monitoring of environmental performance and enables comprehensive communication, in line with customer and investor expectations.

The third risk concerns the adaptation of companies to changing environmental regulations, such as Carbon Free, RoHS and CBAM regulations. The evolving regulatory framework requires constant updating and rapid adaptation, both to ensure compliance, and to seize opportunities for operational efficiency and consolidate market presence.

In order to address stakeholder requirements and new climate and sustainability reporting regulations, in 2023 the Group launched a carbon management and climate change mitigation pathway that includes the identification of specific drivers of decarbonisation. These drivers will form the basis for the formalisation of a transition plan, which the Group aims to define by 2025.

For additional information, reference should be made to the Consolidated Sustainability Statement included in the 2024 Report on Operations, with respect to which no significant changes occurred.

The Sabaf Group is also exposed to various risk factors, attributable to the macro-categories described below:

Risks of external context
Risks deriving from the external context in which Sabaf operates, which could have a negative impact on the economic and financial sustainability of the business in the medium/long-term. The most significant risks in this category are related to general economic conditions, trend in demand and product competition.

Strategic risks
Strategic risks that could negatively impact Sabaf's medium-term performance, including, for example, risks related to low profitability of certain product lines and the risks arising from the mismatch between market needs and product innovation.

Operational risks
Risks of suffering losses due to inadequate or malfunctioning processes, human resources and information systems. This category includes financial risks (e.g. losses deriving from the volatility of the price of raw materials and from fluctuations in exchange rates), risks related to production processes (e.g. product liability, saturation level of production capacity), organisational risks (e.g. loss of key staff and expertise and/or the difficulty of replacing them) and Information Technology risks.

Legal and compliance risks
Risks related to Sabaf's contractual liabilities and compliance with the regulations applicable to the Group, including: Legislative Decree 231/2001, Law 262/2005, HSE regulations, regulations applicable to listed companies, tax regulations, labour regulations, international trade regulations and intellectual property regulations.

The Report on Operations at 31 December 2024, to which reference should be made, describes in detail these risks and the related risk management actions that are currently being implemented.

Significant events after the end of the half-year

No significant events occurred after 30 June 2025.

Outlook for the current year

The Group's current order book shows a slightly positive sales trend for the current year. In the second half of the year, demand is expected to be stable, with volumes below historical averages, affected by the critical international political and macroeconomic scenario.

For the Board of Directors
The Chairman
Claudio Bulgarelli

Ospitaletto, 4 September 2025

Annexes to the Interim Report on Operations

Normalised turnover by geographical area

Normalised half-year revenue *(€/000)*	**H1 2025**	*%*	**H1 2024**	*%*	% change	**2024 FY**
Europe (excluding Turkey)	42,446	*29.1%*	41,492	*29.0%*	*+2.3%*	79,036
Turkey	36,229	*24.9%*	36,853	*25.8%*	*-1.7%*	70,459
North America	33,187	*22.8%*	30,437	*21.3%*	*+9.0%*	60,088
South America	18,350	*12.6%*	17,620	*12.3%*	*+4.1%*	35,654
Africa and Middle East	6,686	*4.6%*	9,236	*6.5%*	*-27.6%*	15,190
Asia and Oceania	8,840	*6.1%*	7,473	*5.2%*	*+18.3%*	16,538
Total	**145,738**	***100%***	**143,111**	***100%***	***+1.8%***	**276,965**

Normalised quarterly revenue *(€/000)*	**Q2 2025***	*%*	**Q2 2024***	*%*	% change	**2024 FY**
Europe (excluding Turkey)	21,296	*29.9%*	20,834	*28.1%*	*+2.2%*	79,036
Turkey	17,001	*23.9%*	18,467	*24.9%*	*-7.9%*	70,459
North America	16,657	*23.4%*	15,779	*21.3%*	*+5.6%*	60,088
South America	8,988	*12.6%*	10,660	*14.4%*	*-15.7%*	35,654
Africa and Middle East	2,608	*3.7%*	4,292	*5.8%*	*-39.2%*	15,190
Asia and Oceania	4,593	*6.5%*	4,081	*5.5%*	*+12.5%*	16,538
Total	**71,143**	***100%***	**74,113**	***100%***	***-4.0%***	**276,965**

Normalised turnover by product line

Normalised half-year revenue *(€/000)*	**H1 2025**	*%*	**H1 2024**	*%*	% change	**2024 FY**
Gas parts	86,300	*59.2%*	84,754	*59.2%*	*+1.8%*	164,081
Hinges	46,930	*32.2%*	43,932	*30.7%*	*+6.8%*	86,627
Electronic components	12,390	*8.5%*	14,194	*9.9%*	*-12.7%*	25,783
Induction	118	*0.1%*	231	*0.2%*	*-48.9%*	474
Total	**145,738**	***100%***	**143,111**	***100%***	***+1.8%***	**276,965**

Normalised quarterly revenue *(€/000)*	**Q2 2025***	*%*	**Q2 2024***	*%*	% change	**2024 FY**
Gas parts	41,956	*59.0%*	44,129	*59.5%*	*-4.9%*	164,081
Hinges	22,807	*32.1%*	23,001	*31.0%*	*-0.8%*	86,627
Electronic components	6,274	*8.8%*	6,832	*9.3%*	*-8.2%*	25,783
Induction	106	*0.1%*	151	*0.2%*	*-29.8%*	474
Total	**71,143**	***100%***	**74,113**	***100%***	***-4.0%***	**276,965**

(*) unaudited figures

Reconciliation of the consolidated income statement at 30 June 2025

(€/000) **INCOME STATEMENT COMPONENTS**	**H1 2025**	**IAS29 effect**	**H1 2025 Normalised**
OPERATING REVENUE AND INCOME			
Revenue	143,000	2,738	145,738
Other income	5,435	71	5,506
Total operating revenue and income	**148,435**	**2,809**	**151,244**
OPERATING COSTS			
Materials	(71,876)	(1,001)	(72,877)
Change in inventories	6,737	40	6,777
Services	(26,310)	(252)	(26,562)
Personnel costs	(37,103)	(505)	(37,608)
Other operating costs	(718)	(1)	(719)
Costs for capitalised in-house work	1,072	-	1,072
Total operating costs	**(128,198)**	**(1,719)**	**(129,917)**
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND IMPARIMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES OF NON-CURRENT ASSETS	**20,237**	**1,090**	**21,327**
Amortisation/depreciation	(12,309)	2,143	(10,166)
Capital gains on disposals of non-current assets	13	-	13
Impairment losses on non-current assets	(109)	-	(109)
EBIT	**7,832**	**3,233**	**11,065**
Financial income	341	8	349
Financial expenses	(4,732)	(5)	(4,737)
Net income/(charges) from hyperinflation	2,535	(2,535)	-
Exchange rate gains and losses	1,351	271	1,622
PROFIT BEFORE TAXES	**7,327**	**972**	**8,299**
Income taxes	(1,219)	487	(732)
NET PROFIT FOR THE PERIOD	**6,108**	**1,459**	**7,567**
of which:			
Minority interests	869	-	869
PROFIT ATTRIBUTABLE TO THE GROUP	**5,239**	**1,459**	**6,698**

Reconciliation of the consolidated income statement at 30 June 2024

(€/000) **INCOME STATEMENT COMPONENTS**	**H1 2024**	**IAS 29 effect**	**H1 2024 Normalised**
OPERATING REVENUE AND INCOME			
Revenue	144,677	(1,566)	143,111
Other income	4,638	(39)	4,599
Total operating revenue and income	**149,315**	**(1,605)**	**147,710**
OPERATING COSTS			
Materials	(71,296)	652	(70,644)
Change in inventories	5,313	(170)	5,143
Services	(25,284)	160	(25,124)
Personnel costs	(34,735)	228	(34,507)
Other operating costs	(1,163)	1	(1,162)
Costs for capitalised in-house work	1,524	-	1,524
Total operating costs	**(125,641)**	**871**	**(124,770)**
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND IMPARIMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES OF NON-CURRENT ASSETS	**23,674**	**(734)**	**22,940**
Amortisation/depreciation	(11,327)	1,789	(9,538)
Capital gains on disposals of non-current assets	55	44	99
Impairment losses on non-current assets	(8)	-	(8)
EBIT	**12,394**	**1,099**	**13,493**
Financial income	1,648	(9)	1,639
Financial expenses	(2,334)	(3)	(2,337)
Net income/(charges) from hyperinflation	(1,119)	1,119	-
Exchange rate gains and losses	864	(21)	843
PROFIT BEFORE TAXES	**11,453**	**2,185**	**13,638**
Income taxes	(2,625)	(406)	(3,031)
NET PROFIT FOR THE PERIOD	**8,828**	**1,779**	**10,607**
of which:			
Minority interests	465	-	465
PROFIT ATTRIBUTABLE TO THE GROUP	**8,363**	**1,779**	**10,142**

Reconciliation of the Consolidated Income Statement for the Second Quarter 2025*

(€/000) **INCOME STATEMENT COMPONENTS**	**Q2 2025**	**Hyperinflation IAS29**	**Q2 2025 Normalised**
OPERATING REVENUE AND INCOME			
Revenue	69,353	1,790	71,143
Other income	2,372	51	2,423
Total operating revenue and income	**71,725**	**1,841**	**73,566**
OPERATING COSTS			
Materials	(34,838)	(661)	(35,499)
Change in inventories	4,530	220	4,750
Services	(13,359)	(163)	(13,522)
Personnel costs	(18,194)	(321)	(18,515)
Other operating costs	(290)	2	(288)
Costs for capitalised in-house work	413	-	413
Total operating costs	**(61,738)**	**(923)**	**(62,661)**
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND IMPARIMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES OF NON-CURRENT ASSETS	**9,987**	**918**	**10,905**
Amortisation/depreciation	(6,031)	932	(5,099)
Capital gains on disposals of non-current assets	11	-	11
Impairment losses on non-current assets	3	-	3
EBIT	**3,970**	**1,850**	**5,820**
Financial income	141	7	148
Financial expenses	(3,542)	(4)	(3,546)
Net income/(charges) from hyperinflation	689	(689)	-
Exchange rate gains and losses	792	189	981
PROFIT BEFORE TAXES	**2,050**	**1,353**	**3,403**
Income taxes	(166)	386	220
NET PROFIT FOR THE PERIOD	**1,884**	**1,739**	**3,623**
of which:			
Minority interests	435	-	435
PROFIT ATTRIBUTABLE TO THE GROUP	**1,449**	**1,739**	**3,188**

(*) unaudited figures

Reconciliation of the Consolidated Income Statement for the Second Quarter 2024*

(€/000) **INCOME STATEMENT COMPONENTS**	**Q2 2024**	**Hyperinflation IAS29**	**Q2 2024 Normalised**
OPERATING REVENUE AND INCOME			
Revenue	75,816	(1,703)	74,113
Other income	2,500	(46)	2,454
Total operating revenue and income	78,316	(1,749)	76,567
OPERATING COSTS			
Materials	(37,985)	689	(37,296)
Change in inventories	3,595	(78)	3,517
Services	(13,236)	174	(13,062)
Personnel costs	(17,633)	241	(17,392)
Other operating costs	(746)	2	(744)
Costs for capitalised in-house work	795	2	797
Total operating costs	(65,210)	1,030	(64,180)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND IMPARIMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES OF NON-CURRENT ASSETS	**13,106**	**(719)**	**12,387**
Amortisation/depreciation	(5,689)	941	(4,748)
Capital gains on disposals of non-current assets	12	38	50
Impairment losses on non-current assets	(8)	-	(8)
EBIT	**7,421**	**260**	**7,681**
Financial income	997	(9)	988
Financial expenses	(1,263)	(4)	(1,267)
Net income/(charges) from hyperinflation	(1,460)	1,460	-
Exchange rate gains and losses	110	(22)	88
PROFIT BEFORE TAXES	**5,805**	**1,685**	**7,490**
Income taxes	(1,445)	(331)	(1,776)
NET PROFIT FOR THE PERIOD	**4,360**	**1,354**	**5,714**
of which:			
Minority interests	267	-	267
PROFIT ATTRIBUTABLE TO THE GROUP	**4,093**	**1,354**	**5,447**

(*) unaudited figures

Consolidated statement of financial position

(€/000)	30/06/2025	31/03/2025	31/12/2024	30/06/2024
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	104,004	106,142	105,539	106,712
Investment property	493	515	537	580
Intangible assets	56,457	59,137	60,136	60,427
Equity investments	86	86	86	86
Non-current receivables	989	949	905	1,133
Deferred tax assets	9,090	10,101	10,460	12,681
Total non-current assets	**171,120**	**176,930**	**177,663**	**181,619**
CURRENT ASSETS				
Inventories	65,336	63,402	63,132	65,624
Trade receivables	69,631	68,395	64,837	71,105
Tax receivables	9,082	8,972	9,909	8,663
Other current receivables	3,596	4,911	4,322	4,533
Current financial assets	1,656	2,296	3,120	9,370
Cash and cash equivalents	33,670	34,490	30,641	25,545
Total current assets	**182,971**	**182,466**	**175,961**	**184,840**
ASSETS HELD FOR SALE	-	-	-	-
TOTAL ASSETS	**354,091**	**359,396**	**353,624**	**366,459**
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	12,687	12,687	12,687	12,687
Retained earnings, Other reserves	77,853	95,201	88,528	93,910
IAS 29 reserve	52,818	51,501	57,661	50,757
Net profit for the period	5,239	3,790	6,928	8,363
Total equity interest pertaining to the Parent Company	*148,597*	*163,179*	*165,804*	*165,717*
Minority interests	*7,535*	*8,050*	*7,940*	*8,573*
Total shareholders' equity	**156,132**	**171,229**	**173,744**	**174,290**
NON-CURRENT LIABILITIES				
Loans	75,459	66,761	62,855	71,396
Other financial liabilities	-	-	-	11,527
Post-employment benefits and retirement provisions	4,005	4,097	4,049	3,832
Provisions for risks and charges	327	330	320	327
Deferred tax liabilities	4,117	4,283	3,807	4,901
Other non-current payables	109	109	109	218
Total non-current liabilities	**84,017**	**75,580**	**71,140**	**92,201**
CURRENT LIABILITIES				
Loans	26,260	29,347	33,234	26,575
Other financial liabilities	13,024	11,288	11,553	180
Trade payables	51,212	48,296	41,681	51,034
Tax payables	4,296	5,562	4,794	3,497
Other payables	19,150	18,094	17,478	18,682
Total current liabilities	**113,942**	**112,587**	**108,740**	**99,968**
LIABILITIES HELD FOR SALE	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**354,091**	**359,396**	**353,624**	**366,459**

Consolidated Income Statement

(€/000)	Q2 2025 (*)	Q2 2024 (*)	H1 2025	H1 2024
OPERATING REVENUE AND INCOME				
Revenue	69,353	75,816	143,000	144,677
Other income	2,372	2,500	5,435	4,638
Total operating revenue and income	**71,725**	**78,316**	**148,435**	**149,315**
OPERATING COSTS				
Materials	(34,838)	(37,985)	(71,876)	(71,296)
Change in inventories	4,530	3,595	6,737	5,313
Services	(13,359)	(13,236)	(26,310)	(25,284)
Personnel costs	(18,194)	(17,633)	(37,103)	(34,735)
Other operating costs	(290)	(746)	(718)	(1,163)
Costs for capitalised in-house work	413	795	1,072	1,524
Total operating costs	**(61,738)**	**(65,210)**	**(128,198)**	**(125,641)**
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES AND IMPAIRMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES ON NON-CURRENT ASSETS (EBITDA)	**9,987**	**13,106**	**20,237**	**23,674**
Amortisation/depreciation	(6,031)	(5,689)	(12,309)	(11,327)
Capital gains/(losses) on disposals of non-current assets	11	12	13	55
Impairment losses/reversal of impairment losses on non-current assets	3	(8)	(109)	(8)
OPERATING PROFIT (EBIT)	**3,970**	**7,421**	**7,832**	**12,394**
Financial income	141	997	341	1,648
Financial expenses	(3,542)	(1,263)	(4,732)	(2,334)
Net income/(charges) from hyperinflation	689	(1,460)	2,535	(1,119)
Exchange rate gains and losses	792	110	1,351	864
PROFIT BEFORE TAXES	**2,050**	**5,805**	**7,327**	**11,453**
Income taxes	(166)	(1,445)	(1,219)	(2,625)
PROFIT FOR THE YEAR	**1,884**	**4,360**	**6,108**	**8,828**
of which				
Minority interests	435	267	869	465
PROFIT ATTRIBUTABLE TO THE GROUP	**1,449**	**4,093**	**5,239**	**8,363**

(*) unaudited figures

HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2025

Consolidated statement of financial position

(€/000)	Notes	30/06/2025	31/12/2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1	104,005	105,539
Investment property	2	493	537
Intangible assets	3	56,457	60,136
Equity investments	4	86	86
Non-current receivables	5	989	905
Deferred tax assets	23	9,090	10,460
Total non-current assets		**171,120**	**177,663**
CURRENT ASSETS			
Inventories	6	65,336	63,132
Trade receivables	7	69,631	64,837
Tax receivables	8	9,082	9,909
Other current receivables	9	3,596	4,322
Current financial assets	10	1,656	3,120
Cash and cash equivalents	11	33,670	30,641
Total current assets		**182,971**	**175,961**
ASSETS HELD FOR SALE		-	-
TOTAL ASSETS		**354,091**	**353,624**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	12	12,687	12,687
Retained earnings, Other reserves	13	77,853	88,528
Reserve IAS29		52,818	57,661
Net profit for the period		5,239	6,928
Total equity interest pertaining to the Parent Company		*148,597*	*165,804*
Minority interests		*7,535*	*7,940*
Total shareholders' equity		**156,132**	**173,744**
NON-CURRENT LIABILITIES			
Loans	14	75,459	62,855
Post-employment benefits and retirement provisions	16	4,005	4,049
Provisions for risks and charges	17	327	320
Deferred tax liabilities	23	4,117	3,807
Other non-current payables	18	109	109
Total non-current liabilities		**84,017**	**71,140**
CURRENT LIABILITIES			
Loans	14	26,260	33,234
Other financial liabilities	15	13,024	11,553
Trade payables	19	51,212	41,681
Tax payables	20	4,296	4,794
Other payables	21	19,150	17,478
Total current liabilities		**113,942**	**108,740**
LIABILITIES HELD FOR SALE		-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**354,091**	**353,624**

Consolidated income statement

(€/000)	Notes	H1 2025	H1 2024
OPERATING REVENUE AND INCOME			
Revenue	24	143,000	144,677
Other income	25	5,435	4,638
Total operating revenue and income		**148,435**	**149,315**
OPERATING COSTS			
Materials	26	(71,876)	(71,296)
Change in inventories		6,737	5,313
Services	27	(26,310)	(25,284)
Personnel costs	28	(37,103)	(34,735)
Other operating costs	29	(718)	(1,163)
Costs for capitalised in-house work		1,072	1,524
Total operating costs		**(128,198)**	**(125,641)**
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES AND IMPAIRMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES ON NON-CURRENT ASSETS (EBITDA)		**20,237**	**23,674**
Amortisation/depreciation		(12,309)	(11,327)
Capital gains/(losses) on disposals of non-current assets		13	55
Write-downs/write-backs of non-current assets		(109)	(8)
OPERATING PROFIT (EBIT)		**7,832**	**12,394**
Financial income	30	341	1,648
Financial expenses	31	(4,732)	(2,334)
Net income/(charges) from hyperinflation	32	2,535	(1,119)
Exchange rate gains and losses	33	1,351	864
PROFIT BEFORE TAXES		**7,327**	**11,453**
Income taxes	34	(1,219)	(2,625)
PROFIT FOR THE PERIOD		**6,108**	**8,828**
of which			
Minority interests		869	465
PROFIT ATTRIBUTABLE TO THE GROUP		**5,239**	**8,363**
(in €)			
Basic earnings per share	35	**0.420**	**0.670**
Diluted earnings per share	35	**0.420**	**0.670**

Consolidated statement of comprehensive income

(€/000)	H1 2025	H1 2024
NET PROFIT FOR THE PERIOD	**6,108**	**8,828**
Total profits/losses that will be subsequently reclassified under profit (loss) for the period:		
Forex differences due to translation of financial statements in foreign currencies	(19,597)	(6,943)
Hedge accounting effect of derivative financial instruments	103	(79)
Tax effect		-
Total other profits/(losses) net of taxes for the period	**(19,494)**	**(7,022)**
COMPREHENSIVE INCOME/(EXPENSE)	**(13,386)**	**1,806**
of which		
Net profit for the period attributable to minority interests	869	465
Foreign exchange difference from translation of financial statements of minority interests	(960)	268
MINORITY INTERESTS	**(91)**	**733**
COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO THE GROUP	**(13,295)**	**1,073**

Consolidated statement of cash flows

	H1 2025	H1 2024
Cash and cash equivalents at beginning of period	***30,641***	***36,353***
Net profit/(loss) for the period	6,108	8,828
Adjustments for:		
- Depreciation and amortisation for the period	12,309	11,327
- Realised gains/losses	(13)	(55)
- Profits and losses from equity investments	-	8
- Impairment losses/Reversals of impairment losses on non-current assets	109	-
- Revaluation IAS 29	1,459	1,779
- Financial income and expenses	1,758	(729)
- IFRS 2 measurement stock grant plan	389	(299)
- Income tax	1,219	2,625
- Non-monetary foreign exchange differences	(1,942)	374
Change in post-employment benefits	(44)	27
Change in risk provisions	7	(26)
Change in trade receivables	*(6,230)*	*(15,745)*
Change in inventories	*(6,099)*	*(4,813)*
Change in trade payables	*9,972*	*8,730*
Change in net working capital	(2,357)	(11,828)
Change in other receivables and payables, deferred taxes	2,997	3,495
Payment of taxes	(1,146)	(843)
Payment of financial expenses	(1,484)	(2,061)
Collection of financial income	318	1,071
Cash flows from operations	**19,687**	**13,693**
Investments in non-current assets		
- intangible	(1,423)	(1,351)
- tangible	(10,876)	(5,061)
- financial	-	-
Disposal of non-current assets	169	260
Cash flows from investment activities	**(12,130)**	**(6,152)**
Free cash flow	**7,557**	**7,541**
Repayment of loans	(26,054)	(13,285)
New loans	31,454	5,474
Change in financial assets	1,351	(2,734)
Purchase of treasury shares	(1,262)	-
Payment of dividends	(7,534)	(7,229)
Cash flows from financing activities	**(2,045)**	**(17,774)**
Foreign exchange differences	(2,483)	(575)
Net cash flows for the period	**3,029**	**(10,808)**
Cash and cash equivalents at end of period	***33,670***	***25,545***

Statement of changes in consolidated shareholders' equity

(€/000)	Share capital	Share premium reserve	Legal reserve	Treasury shares	Translation reserve	IAS 29 reserve	Post-employment benefit reserve	Other reserves	Profit for the year	Group shareholders' equity	Minority interests	Shareholders' equity
Balance at 31 December 2023	**12,687**	**26,160**	**2,307**	**(3,683)**	**(80,428)**	**48,649**	**(365)**	**153,665**	**3,103**	**162,095**	**8,293**	**170,388**
Allocation of 2023 profit												
- carried forward			175						(175)	-		-
- dividends								(3,848)	(2,928)	(6,776)	(1,887)	(8,663)
IFRS 2 measurement Stock Grant				1,574				(1,479)		95		95
Treasury share transactions				(211)						(211)		(211)
Hyperinflation (IAS 29)						9,012		7,521		16,533		16,533
Other changes								(7)		(7)		(7)
Change in translation reserve					*(12,715)*					*(12,715)*	*569*	*(12,146)*
Other components of the total result							*1*	*(139)*	*6,928*	*6,790*	*965*	*7,755*
Total profit at 31 December 2024					(12,715)		1	(139)	6,928	(5,925)	1,534	(4,391)
Balance at 31 December 2024	**12,687**	**26,160**	**2,482**	**(2,320)**	**(93,143)**	**57,661**	**(364)**	**155,713**	**6,928**	**165,804**	**7,940**	**173,744**
Allocation of 2024 profit												
- dividends								(292)	(6,928)	(7,220)	(314)	(7,534)
IFRS 2 measurement Stock Grant								389		389		389
Treasury share transactions				(1,262)						(1,262)		(1,262)
Hyperinflation (IAS 29)						(4,843)		9,022		4,179		4,179
Other changes								2		2		2
Change in translation reserve					*(18,637)*					*(18,637)*	*(960)*	*(19,597)*
Other components of the total result								*103*	*5,239*	*5,342*	*869*	*6,211*
Total profit at 30 June 2025					(18,637)			103	5,239	(13,295)	(91)	(13,386)
Balance at 30 June 2025	**12,687**	**26,160**	**2,482**	**(3,582)**	**(111,780)**	**52,818**	**(364)**	**164,937**	**5,239**	**148,597**	**7,535**	**156,132**

EXPLANATORY NOTES

Basis of presentation and accounting policies used

The half-yearly condensed consolidated financial statements at 30 June 2025 were prepared in accordance with IAS 34 on interim reports. These condensed half-year consolidated financial statements do not include all the information required for the annual financial report and must be read together with the financial statements for the year ended 31 December 2024. Reference to IFRS also includes all current International Accounting Standards (IAS). They have been prepared in euro, rounding amounts to the nearest thousand, and are compared with the half-yearly and annual consolidated financial statements of the previous year, prepared according to the same standards. They consist of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flows and these explanatory notes.
The half-yearly consolidated financial statements have been prepared on a going concern basis with reference to which the Group assessed that it is a going concern in accordance with paragraphs 25 and 26 of IAS 1 and Art. 2423 bis of the Italian Civil Code, also due to the strong competitive position, positive profitability and solidity of the financial structure.
The consolidation policies, the criteria for translating foreign currency items, the accounting policies and the measurement criteria are the same as those used for preparing the financial statements at 31 December 2024, to which reference should be made for additional information. In order to reflect the higher degree of innovation in the induction sector compared to the other sectors in which the Group operates, as of these half-yearly consolidated financial statements the estimated useful life of development costs related to induction cooking projects has been set at 5 years (previously 10 years). In addition, based on developments in the reference market, as of these half-yearly consolidated financial statements the estimated useful life of the "Customer Relationships" allocated to the Electronic Components CGUs (carrying amount of €12,507 thousand at 30 June 2025) has been set at 10 years (previously 15 years). The adoption of the new standards and amendments effective from 1 January 2025 described below had no significant impact. The Group has not early adopted any new standards, interpretations or amendments issued but not yet in force.

New standards

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates".

The amendments to IAS 21 specify how to assess whether a currency is exchangeable and how to determine a spot exchange rate if it is not. The amendments also require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. These amendments had no impact on the Group's half-yearly condensed consolidated financial statements.

Financial statements

The Group has adopted the following formats:

- current and non-current assets and current and non-current liabilities are stated separately in the statement of the financial position;
- an income statement that expresses costs using a classification based on the nature of each item;
- a comprehensive income statement, which records all changes in Other overall earnings (losses) during the year, generated by transactions other than those conducted with shareholders and based on specific IAS/IFRS standards;
- a statement of cash flows that presents cash flows originating from operating activity, using the indirect method.

Use of these formats permits the most meaningful representation of the Group's operating results, financial position and cash flows.

Scope of consolidation

The scope of consolidation at 30 June 2025 comprises the parent company Sabaf S.p.A. and the following companies controlled by Sabaf S.p.A., consolidated on a line-by-line basis:

- Faringosi Hinges S.r.l.
- Sabaf do Brasil Ltda (Sabaf Brazil)
- Sabaf Beyaz Esya Parcalari Sanayi Ve Ticaret Limited Sirketi (Sabaf Turkey)
- Sabaf Appliance Components (Kunshan) Co., Ltd. (Sabaf China)
- A.R.C. S.r.l.
- Sabaf India Private Limited (India)
- Sabaf Mexico Appliance Components (Sabaf Mexico)
- C.M.I. S.r.l.
- C.G.D. S.r.l.
- P.G.A s.r.l.
- Sabaf America Inc. (Sabaf America)
- Mansfield Engineered Components LLC (MEC)

Control is the power to determine, directly or indirectly, the financial and management policies of an entity so as to obtain benefits from its activities. Subsidiaries are consolidated from the date on which control begins until the date on which control ceases.

With respect to 30 June 2024 and 31 December 2024, Sabaf U.S. is no longer included in the scope of consolidation, as it was dissolved.

The companies in which Sabaf S.p.A. simultaneously possess the following three elements are considered subsidiaries: (a) power over the company; (b) exposure or rights to variable returns resulting from involvement therein; (c) ability to affect the size of these returns by exercising power. If these subsidiaries exercise a significant influence, they are consolidated as from the date in which control begins until the date in which control ends so as to provide a correct representation of the Group's operating results, financial position and cash flows.

Consolidation criteria

The criteria applied for consolidation are as follows:

a) Assets and liabilities, income and costs in financial statements consolidated on a line-by-line basis are incorporated into the Group financial statements, regardless of the entity of the equity interest concerned. In addition, the carrying value of equity interests is eliminated against the shareholders' equity relating to investee companies.

b) Positive differences arising from elimination of equity investments against the carrying value of shareholders' equity at the date of first-time consolidation are attributed to the higher values of assets and liabilities when possible and, for the remainder, to goodwill.

c) Payable/receivable and cost/revenue items between consolidated companies and profits/losses arising from intercompany transactions are eliminated.

d) If minority shareholders exist, the portion of shareholders' equity and net profit for the period pertaining to them is posted in specific items of the consolidated statement of financial position and income statement.

Conversion into euro of foreign-currency income statements and statements of financial position

Separate financial statements of each company belonging to the Group are prepared in the currency of the country in which that company operates (functional currency). For the purposes of the consolidated financial statements, the financial statement of each foreign entity is expressed in euro, which is the Group's functional currency and the reporting currency for the consolidated financial statements.
The balance sheet items in accounts expressed in currencies other than euro are converted by applying current end-of-year exchange rates. Income statement items are converted at average exchange rates for the period, with the exception of the financial statements of the two Turkish subsidiaries operating in an hyperinflationary economy whose income statements are converted by applying the end-of-year exchange rate as required by IAS 21 paragraph 42.b.
Foreign exchange differences arising from the comparison between opening shareholders' equity converted at current exchange rates and at historical exchange rates, together with the difference between the net result expressed at average and current exchange rates, are allocated to "Other Reserves" in shareholders' equity.
The exchange rates used for conversion into euro of the statements of financial position of the foreign subsidiaries, prepared in local currency, are shown in the following table:

Description of currency	Exchange rate in effect at 30/06/2025	Average exchange rate 01/01/2025 - 30/06/2025	Exchange rate in effect at 31/12/2024	Exchange rate in effect at 30/06/2024	Average exchange rate 01/01/2024 - 30/06/2024
Brazilian real	6.4384	6.2913	6.42530	5.8915	5.4922
Turkish lira	46.5682	41.0912	36.73720	35.1868	34.2364
Chinese renminbi	8.3970	7.9238	7.58330	7.7748	7.8011
Indian Rupee	100.5605	94.0693	88.93350	89.2495	89.9862
Mexican peso	22.0899	21.8035	21.55040	19.5654	18.5089
US Dollar	1.1720	1.0928	1.03890	1.0705	1.0813

Segment reporting

The Group's operating segments in accordance with IFRS 8 - Operating Segments are the business segments that generate revenue and costs, whose results are periodically assessed by top management in order to assess performance and decisions regarding resource allocation. The Group operating segments are the following:
- gas parts (household and professional);
- hinges;
- electronic components;
- components for induction cooking.

Use of estimates

The preparation of the half-yearly financial statements and the notes thereto in accordance with the IFRS requires the Directors to make estimates and assumptions that affect the carrying amount of revenue, costs, assets and liabilities of the half-yearly financial statements and the disclosures on contingent assets and liabilities at 30 June 2025. In the event that in future these estimates and assumptions, which are based on the Directors' best assessments, should deviate from actual circumstances, they will be amended appropriately at the time the circumstances change. Estimates and assumptions are regularly reviewed and the effects of each change immediately reflected in the income statement.
In these half-year consolidated financial statements, the calculation of the income taxes generated in Turkey is estimated in accordance with current tax legislation, which may be subject to further changes during the year.
Furthermore, certain measurement processes, particularly the more complex ones such as the identification of any impairment losses on non-current assets, are generally carried out in full only as part of the preparation of the annual financial statements, when all information that could be necessary is available, except when there are impairment indicators that require an immediate impairment test.

Hyperinflation - Turkey: application of IAS 29

In the half-yearly condensed consolidated financial statements at 30 June 2025, IAS 29 was applied with reference to the subsidiary Sabaf Turkey. The effect related to the re-measurement of non-monetary assets and liabilities, equity items and income statement items in the first half of 2025 was recognised in a separate item in the income statement under financial income and expenses. The related tax effect was recognised in taxes for the period.

The cumulative levels of general consumer price indices are shown below:

Consumer price index	Value at 31/12/2024	Value at 30/06/2025	Change
TURKSTAT	2,684.55	3,132.17	+16.67%

Consumer price index	Value at 31/12/2023	Value at 31/12/2024	Change
TURKSTAT	1,859.38	2,684.55	+44.38%

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

Effects of the application of the hyperinflation on the Consolidated Statement of Financial Position

(€/000)	30/06/2025	Hyperinflation effect	30/06/2025 with Hyperinflation effect
Total non-current assets	139,206	31,914	171,120
Total current assets	182,165	806	182,971
Total assets	**321,371**	**32,720**	**354,091**
Total shareholders' equity	123,412	32,720	156,132
Total non-current liabilities	84,017	-	84,017
Total current liabilities	113,942	-	113,942
Total liabilities and shareholders' equity	**321,371**	**32,720**	**354,091**

Effects of the application of the hyperinflation on the Consolidated Income Statement

(€/000)	6M 2025	Hyperinflation effect	6 months 2025 with Hyperinflation effect
Operating revenue and income	151,244	(2,809)	148,435
Operating costs	(129,917)	1,719	(128,198)
EBITDA	21,327	(1,090)	20,237
EBIT	11,065	(3,233)	7,832
Profit before taxes	8,299	(972)	7,327
Income taxes	(732)	(487)	(1,219)
Minority interests	869	-	869
Net result for the period	**6,698**	**(1,459)**	**5,239**

Comments on the main items of the statement of financial position

1. PROPERTY, PLANT AND EQUIPMENT

	Property	Plant and equipment	Other assets	Assets under construction	Total
Cost					
At 31 December 2024	**80,791**	**275,177**	**76,382**	**3,839**	**436,189**
Increases	558	2,881	1,779	6,307	11,525
Reclassifications	-	1,602	194	(1,805)	(9)
Disposals	(274)	(1,432)	(18)	(5)	(1,729)
Monetary revaluation (IAS 29)	1,187	3,890	1,399	-	6,476
Forex differences	(2,757)	(7,577)	(2,440)	(206)	(12,980)
At 30 June 2025	**79,505**	**274,541**	**77,296**	**8,130**	**439,472**
Accumulated depreciation					
At 31 December 2024	**36,619**	**228,422**	**65,609**	**-**	**330,650**
Increases	1,648	5,578	2,309	-	9,535
Write-downs	-	109	-	-	109
Disposals	(274)	(1,138)	(85)	-	(1,497)
Monetary revaluation (IAS 29)	468	2,074	1,004	-	3,546
Forex differences	(991)	(4,147)	(1,738)	-	(6,876)
At 30 June 2025	**37,470**	**230,898**	**67,099**	**-**	**335,467**
Carrying amount					
At 31 December 2024	**44,172**	**46,755**	**10,773**	**3,839**	**105,539**
At 30 June 2025	**42,035**	**43,643**	**10,197**	**8,130**	**104,005**

The investments during the period were aimed at the Group's organic growth in terms of internationalisation and product innovation, as well as optimising the efficiency and automation of production processes. They included those related to the fourth die-casting island at the Mexican plant. Assets under construction include:

- the construction of a 2.5 MW photovoltaic plant at the Ospitaletto factory (€2,189 thousand);
- the replacement of the current die-casting waste treatment system at the Ospitaletto plant (electric evaporator) with a chemical-physical treatment system, which will significantly reduce the associated energy consumption (€347 thousand).

Decreases mainly relate to the disposal of machinery no longer in use.
Assets under construction include machinery under construction and advance payments to suppliers of capital equipment.

The carrying amount of the item "Property" is made up as follows:

	30/06/2025	31/12/2024	Change
Land	9,298	9,527	(229)
Industrial buildings	32,737	34,645	(1,908)
Total	**42,035**	**44,172**	**(2,137)**

Changes in property, plant and equipment resulting from the application of IFRS 16 are shown below:

	Property	Plant and equipment	Other assets	Total
At 31 December 2024	**5,508**	**7**	**1,028**	**6,543**
Increases	193	-	383	576
Monetary revaluation (IAS 29)	233	-	-	233
Decreases	-	-	(77)	(77)
Reclassifications	(40)	-	-	(40)
Depreciation	(681)	(7)	(170)	(858)
Foreign exchange differences	(493)	-	-	(493)
At 30 June 2025	**4,720**	**-**	**1,164**	**5,884**

At 30 June 2025, the Group found no endogenous or exogenous indicators of impairment of its property, plant and equipment. Consequently, no impairment test was carried out.

2. INVESTMENT PROPERTY

Cost	
At 31 December 2024	**1,606**
Increases	-
Disposals	-
At 30 June 2025	**1,606**
Accumulated depreciation and impairment losses	
At 31 December 2024	**1,069**
Depreciation for the period	44
Derecognition due to disposal	-
At 30 June 2025	**1,113**
Carrying amount	
At 31 December 2024	**537**
At 30 June 2025	**493**

Disposals during the period resulted in capital gains totalling €31 thousand.

Changes in investment property resulting from the application of IFRS 16 are shown below:

	Investment property
At 31 December 2024	**40**
Increases	-
Decreases	-
Depreciation	(20)
At 30 June 2025	**20**

This item includes non-operating buildings owned by the Group: these are mainly properties for residential use, located in Ospitaletto near Sabaf S.p.A.'s headquarters, held for rental or sale.

At 30 June 2025, the Group found no endogenous or exogenous indicators of impairment of its investment property. Consequently, no impairment test was carried out.

3. INTANGIBLE ASSETS

	Goodwill	Patents, software and know-how	Development costs	Other intangible assets	Total
Cost					
At 31 December 2024	**38,271**	**11,801**	**14,924**	**34,186**	**99,182**
Increases	-	445	965	13	1,423
Decreases	-	(2)	-	-	(2)
Reclassifications	-	579	(566)	(8)	5
Monetary revaluation (IAS 29)	2,531	124	-	1,640	4,295
Forex differences	(3,961)	(197)	(8)	(2,929)	(7,095)
At 30 June 2025	**36,841**	**12,750**	**15,315**	**32,902**	**97,808**
Accumulated amortisation					
At 31 December 2024	**7,461**	**10,853**	**6,969**	**13,763**	**39,046**
Increases	-	270	855	1,660	2,785
Decreases	-	-	-	-	-
Reclassifications	-	-	-	-	-
Monetary revaluation (IAS 29)	-	109	-	776	885
Forex differences	-	(176)	-	(1,189)	(1,365)
At 30 June 2025	**7,461**	**11,056**	**7,824**	**15,010**	**41,351**
Carrying amount					
At 31 December 2024	**30,810**	**948**	**7,955**	**20,423**	**60,136**
At 30 June 2025	**29,380**	**1,694**	**7,491**	**17,892**	**56,457**

Goodwill

In accordance with IAS 36, goodwill is allocated to cash-generating units ("CGUs") identified on the basis of operating segments and legal entities that correspond to the acquired businesses. The CGUs to which goodwill has been allocated are shown below:

CGU	31/12/2024	Revaluation IAS 29	Forex differences	30/06/2025
Professional burners	1,770	-	-	1,770
Electronic components	18,299	2,531	(3,865)	16,965
PGA electronic components	1,804	-	-	1,804
Hinges	4,414	-	-	4,414
C.M.I. hinges	3,680	-	-	3,680
MEC hinges	843	-	(96)	747
Total	**30,810**	**2,531**	**(3,961)**	**29,380**

The Group tests goodwill for impairment at least once a year or more frequently if there are indications of impairment. Recoverable amount is determined through value of use, by discounting expected cash flows.
At 31 December 2024, the Group had performed an impairment test on the goodwill recognised in the period 2025-2027, using a plan for each CGU. For further information, reference should be made to the consolidated financial statements at 31 December 2024.

During the preparation of these half-yearly condensed consolidated financial statements, an analysis was carried out in order to identify any impairment indicators, considering both external and internal factors. In particular, the following activities were carried out:

- comparison of the actual financial performance for the first half of 2025 with the budget and that for the first half of 2024;
- confirmation of the expected results for future years, as per the 2025-2027 plans drawn up by management during the impairment test at 31 December 2024;
- analysis of changes in the carrying amounts of assets allocated to individual CGUs at 30 June 2025, compared to 31 December 2024;
- analysis of the trend, in the first half of 2025, of the rates that formed the basis for calculating the discount rate used to perform the impairment test at 31 December 2024 (Wacc);
- review of the sensitivity analyses performed as part of the impairment tests at 31 December 2024;
- analysis of market trends and the evolution of the context in which the Group operates;
- analysis of the economic performance of the entire Sabaf Group.

Finally, the Group assessed the relationship between the market capitalisation (€184.7 million) and the carrying amount of the Group's shareholders' equity at 30 June 2025 (€148.6 million), which shows a largely positive difference.

The financial performance of the "Electronic Components" CGU were lower than the budget. Therefore, the model used to conduct the impairment test at 31 December 2024 was updated based on the most recent data available. This analysis, which was approved by the Board of Directors on 4 September 2025, shows that the effect of the new estimates is more than offset by the reduction in net invested capital (-€4.7 million compared to 31 December 2024). Consequently, there is no need to adjust the carrying amount of goodwill allocated to the CGU.

The analyses carried out on all other CGUs confirmed that there were no elements indicating a possible reduction in the recoverable amount of the company's assets. Therefore, there was no need to prepare or update any impairment tests at 30 June 2025.

Development costs
Development costs mainly refer to the development of new products to extend the range and features offered within the induction cooking sector (carrying amount at 30 June 2025: €5,166 thousand). To this end, a specific project team was set up to develop the project know-how in-house, with patents, proprietary software and hardware.

Other intangible assets
Other intangible assets mainly refer to the purchase price allocation carried out following the acquisition of Okida Elektronik (in September 2018), of C.M.I. S.r.l. (in July 2019), of P.G.A. (in October 2022) and of MEC (in July 2023).

The carrying amount of other intangible assets is broken down as follows:

	30/06/2025	31/12/2024	Change
Customer relationship	12,507	14,351	(1,844)
Brand	3,271	3,518	(247)
Know-how	400	567	(167)
Patents	1,508	1,776	(268)
Other	206	211	(5)
Total	17,892	20,423	(2,531)

With respect to patents, software, development costs and other intangible assets, no internal and external indicators that would require the performance of an impairment test were identified.

4. EQUITY INVESTMENTS

	30/06/2025	31/12/2024	Change
Other equity investments	86	86	-
Total	**86**	**86**	**-**

5. NON-CURRENT RECEIVABLES

	30/06/2025	31/12/2024	Change
Tax receivables	153	63	90
Guarantee deposits	191	197	(6)
Receivables from former P.G.A. shareholders	645	645	-
Total	**989**	**905**	**84**

Tax receivables relate to indirect taxes expected to be recovered after 30 June 2026.
Receivables from former P.G.A. shareholders, already agreed upon between the parties and discounted, refer to compensation obligations envisaged upon the occurrence of certain events (liabilities incurred by P.G.A.) regulated by the acquisition agreement.

6. INVENTORIES

	30/06/2025	31/12/2024	Change
Raw Materials	30,028	29,476	552
Semi-processed goods	17,123	17,442	(319)
Finished products	23,705	21,604	2,101
Provision for inventory write-downs	(5,520)	(5,390)	(130)
Total	**65,336**	**63,132**	**2,204**

At 30 June 2025, inventories were slightly up on the balance at 31 December 2024, due to the different seasonality and higher purchase prices of raw materials.
At 30 June 2025, their carrying amount was adjusted based on an improved estimate of the idle capacity and obsolescence risk, measured by analysing slow and non-moving inventory.

7. TRADE RECEIVABLES

	30/06/2025	31/12/2024	Change
Total trade receivables	70,630	65,891	4,739
Bad debt provision	(999)	(1,054)	55
Net total	**69,631**	**64,837**	**4,794**

The increase in trade receivables at 30 June 2025 compared to 31 December 2024 is due to seasonality. There were no significant changes in the payment terms agreed with customers.

Trade receivables include insured receivables worth approximately €28 million (€18.5 million at 31 December 2024).

The breakdown of trade receivables by past due period is shown below:

	30/06/2025	31/12/2024	Change
Current receivables (not past due)	58,258	49,638	8,890
Outstanding up to 30 days	8,503	9,856	(1,353)
Outstanding from 30 to 60 days	1,986	3,114	(1,128)
Outstanding from 60 to 90 days	814	1,209	(395)
Outstanding for more than 90 days	1,069	2,344	(1,275)
Total	**70,630**	**65,891**	**4,151**

The bad debt provision was adjusted to the better estimate of the credit risk and expected loss at the end of the period. Changes during the period were as follows:

31/12/2024	**1,054**
Provisions	11
Utilisation	-
Forex differences	(66)
30/06/2025	**999**

8. TAX RECEIVABLES

	30/06/2025	31/12/2024	Change
For income tax	2,553	3,813	(1,260)
For VAT and other sales taxes	6,483	5,997	486
Other tax credits	46	99	(53)
Total	**9,082**	**9,909**	**(827)**

At 30 June 2025, income tax receivables mainly include:

- €531 thousand relating to the tax credit for investments in capital goods;
- €79 thousand relating to the tax credit for research and development;
- €635 thousand related to the "Patent Box" tax credit for 2020 and 2021, following the prior agreement signed with the Tax Authorities in 2023;
- advance payments on Italian income taxes: IRES for €720 thousand and IRAP for €185 thousand.

9. OTHER CURRENT RECEIVABLES

	30/06/2025	31/12/2024	Change
Advances to suppliers	839	1,888	(1,049)
Credits to be received from suppliers	248	951	(703)
Accrued income and prepaid expenses	1,873	1,197	676
Other	636	286	350
Total	**3,596**	**4,322**	**(726)**

Credits to be received from suppliers mainly refer to bonuses paid to the Group for the attainment of purchasing objectives.
The increase in accrued income and prepaid expenses at 30 June 2025 compared to 31 December 2024 is due to the recognition of costs or revenues whose collection or payment occurs annually at the beginning or end of year, such as insurance premiums.

10. CURRENT FINANCIAL ASSETS

	30/06/2025	31/12/2024	Change
Time deposits and other financial assets	1,268	2,744	(1,476)
Derivative instruments on interest rates	223	376	(153)
Currency derivatives	143	-	143
Commodity derivatives	22	-	22
Total	**1,656**	**3,120**	**(1,464)**

Time deposits mainly refer to certain foreign subsidiaries; these are temporary investments of liquidity in excess of normal operations at better yields than ordinary deposits.
Derivative instruments on interest rates refer to an interest rate swap (IRS) whose amount and maturity coincides with an unsecured loan currently being repaid, whose residual balance at 30 June 2025 is €7,405 thousand. This derivative has not been designated as a cash flow hedge and, therefore, was recognised at fair value through profit or loss, with a balancing entry under "Financial income". Currency derivatives relate to forward sales contracts of US dollars, recognised in accordance with the hedge accounting method, to hedge Group sales expressed in that currency. Commodity derivatives, also recognised in accordance with the hedge accounting method, relate to a commodity swap entered into during the period to hedge the risk of fluctuations in the market price of aluminium. With respect to contracts recognised in accordance with the hedge accounting method, the Group checks compliance with the applicable requirements of IFRS 9 by recognising the effective portion of the hedge in a specific equity reserve (note 13).

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, which amounted to €33,670 thousand at 30 June 2025 (€30,641 thousand at 31 December 2024), consist of cash and bank current account balances of which €26,654 thousand related to the Italian group companies. Changes in the cash and cash equivalents are analysed in the statement cash flows.

12. SHARE CAPITAL

Sabaf S.p.A.'s share capital at 30 June 2025 consists of 12,686,795 shares with a par value of €1.00 each and has not changed compared with 31 December 2024.

13. TREASURY SHARES AND OTHER RESERVES

At 30 June 2025, Sabaf S.p.A. held 238,983 treasury shares (1.884% of the share capital), recognised as an adjustment to shareholders' equity at a weighted average unit value of €14.99 (the closing stock market price of the Share at 30 June 2025 was €14.50). There were 12,477,812 outstanding shares at 30 June 2025.

Stock grant reserve

"Retained earnings, other reserves" of €77,853 thousand (31 December 2024: €88,528 thousand) include the stock grant reserve of €783 thousand, which includes the 30 June 2025 measurement of the fair value of the rights assigned to receive shares of the Parent Company relating to the 2024 – 2026 Stock Grant Plan, medium- and long-term incentive plan for directors and employees of the Sabaf Group. For additional information, reference should be made to note 39.

Cash Flow Hedge reserve

The following table shows the change in the Cash Flow Hedge reserve related to the application of IFRS 9 on derivative contracts and referring to the recognition in equity of the effective part of the derivative contracts entered into to hedge the currency, interest rate and raw material price risk to which the Group applies hedge accounting. For additional information, reference should be made to notes 10 and 15.

Value at 31 December 2024	**(65)**
Change during the period	168
Value at 30 June 2025	**103**

14. LOANS

	30/06/2025			31/12/2024		
	Current	Non-current	Total	Current	Non-current	Total
Bond issue	-	29,773	29,773	-	29,755	29,755
Unsecured loans	19,328	41,430	60,758	18,508	28,246	46,754
Short-term bank loans	5,000	-	5,000	11,000	-	11,000
Advances on bank receipts or invoices	13	-	13	1,711	-	1,711
Leases	1,726	4,256	5,982	1,786	4,854	6,640
Interest payable	193	-	193	229	-	229
Total	**26,260**	**75,459**	**101,719**	**33,234**	**62,855**	**96,089**

Changes in loans over the half-year are shown in the statement of cash flows.
In 2021, Sabaf S.p.A. issued a €30 million bond fully subscribed by PRICOA with a maturity of 10 years, an average life of 8 years and a fixed coupon of 1.85% per year. The loan has some covenants, defined with reference to the consolidated financial statements at the reporting date

and at 30 June each year, all complied with at 30 June 2025 and for which, according to the Group's business plan, compliance is also expected in subsequent years.

During the first half of 2025, the Group took out new unsecured loans totalling €31 million to finance investments and extend the average term of its financial debt. All loan agreements have an original maturity of 5 years and are repayable in instalments.
Some unsecured loans include financial covenants which, at 30 June 2025, had been fully complied with and for which compliance is also expected at 31 December 2025.

To manage the interest rate risk, the bond issue and some unsecured loans were either fixed-rate or hedged by IRS, with a total residual value of €76,952 thousand at 30 June 2025. On the other hand, the residual value of unsecured loans taken out at a variable rate and not covered by IRS was €13,579 thousand.

The following table shows the changes in lease liabilities during the first half of 2025:

Lease liabilities at 31 December 2024	**6,640**
New agreements signed during the first half of 2025	1,938
Repayments during the first half of 2025	(2,150)
Forex differences	(446)
Lease liabilities at 30 June 2025	**5,982**

Lease liabilities at 30 June 2025 include operating leases of €5,589 thousand and finance leases of €393 thousand, all recognised in accordance with IFRS 16.

15. OTHER FINANCIAL LIABILITIES

	30/06/2025		31/12/2024	
	Current	Non-current	Current	Non-current
Option on MEC minorities	12,909	-	11,469	-
Derivative instruments on interest rates	115	-	84	-
Total	**13,024**	**-**	**11,553**	**-**

As part of the acquisition of MEC, a call option in favour of Sabaf for the remaining 49% of the share capital, exercisable from 2028, and a put option in favour of the minority shareholders, exercisable from 2025 to 2028, were subscribed. The valuation of the residual share will be based on an Enterprise Value equal to 8 times MEC's average EBITDA of the two financial statements preceding the date of exercise of the relevant option, adjusted for the net financial position at that date. The assignment of an option to sell in the terms described above (put option) required the recording of a liability corresponding to the estimated redemption value, expected at the time of any exercise of the option. To this end, a financial liability of €11,469 thousand was recognised in the consolidated financial statements at 31 December 2024. As required by IFRS 9, the Group redetermined the estimated outlay based on MEC's most recent results and increased the liability by €1,440 thousand following the net effect of financial charges of €2,942 thousand and exchange gains of €1,502 thousand.

Derivative instruments refer to five interest rate swaps (IRS) entered into during the period with amounts and maturities coinciding with five unsecured loans that are currently being repaid, whose residual balance at 30 June 2025 is €30,200 thousand. These derivatives were designated as cash flow hedges and therefore accounted for in accordance with the hedge accounting method (note 13).

16. POST-EMPLOYMENT BENEFITS AND RETIREMENT PROVISIONS

	30/06/2025	31/12/2024	Change
Post-employment benefits	4,005	4,049	(44)
Total	**4,005**	**4,049**	**(44)**

17. PROVISIONS FOR RISKS AND CHARGES

	31/12/2024	Provisions	Utilisation	Exchange rate differences	30/06/2025
Provision for agents' indemnities	191	5	(12)	-	184
Product guarantee fund	31	29	(6)	-	54
Provision for legal risks	98	-	(8)	(1)	89
Total	**320**	**34**	**(26)**	**(1)**	**327**

The provision for agents' indemnities covers amounts payable to agents if the Group terminates the agency relationship.
The product guarantee fund covers the risk of returns or charges by customers for products already sold.
The provision for legal risks, set aside for minor disputes, was partially released during the period given the settlement of some of the outstanding disputes.
The provisions for risks, which represent the estimate of future payments made based on historical experience, have not been discounted because the effect is considered negligible.

18. OTHER NON-CURRENT LIABILITIES

	30/06/2025	31/12/2024	Change
Total	**109**	**109**	**-**

Other non-current liabilities refer to payables to the tax authorities, which will be paid in 2026.

19. TRADE PAYABLES

	30/06/2025	31/12/2024	Change
Total	**51,212**	**41,681**	**9,531**

At 30 June 2025, there were no overdue payables of a significant amount and the Group did not receive any injunctions for overdue payables.

20. TAX PAYABLES

	30/06/2025	31/12/2024	Change
Income tax payables	1,312	1,778	(466)
Withholding taxes	1,677	1,664	13
Other tax payables	1,307	1,352	(45)
Total	**4,296**	**4,794**	**(498)**

21. OTHER CURRENT PAYABLES

	30/06/2025	31/12/2024	Change
To employees	9,062	6,978	2,084
To social security institutions	3,159	3,410	(251)
To agents	313	337	(24)
Advances from customers	1,359	884	475
Other current payables, accrued expenses and deferred income	5,257	5,869	(612)
Total	**19,150**	**17,478**	**1,672**

At 30 June 2025, payables due to employees included amounts for the thirteenth month's pay and for holidays accrued but not taken.

22. TOTAL FINANCIAL DEBT

		30/06/2025	31/12/2024	Change
A.	Cash	33,670	30,641	3,029
B.	Cash equivalents	-	-	-
C.	Other current financial assets	1,656	3,120	(1,464)
D.	**Liquidity (A+B+C)**	**35,326**	**33,761**	**1,565**
E.	Current financial payable	19,396	26,279	(6,883)
F.	Current portion of non-current financial debt	19,888	18,508	1,380
G.	**Current financial debt (E+F)**	**39,284**	**44,787**	**(5,503)**
H.	**Net current financial debt (G-D)**	**3,958**	**11,026**	**(7,068)**
I.	Non-current financial payable	45,686	33,100	12,586
J.	Debt instruments	29,773	29,755	18
K.	Trade payables and other non-current payables	-	-	-
L.	**Non-current financial debt (I+J+K)**	**75,459**	**62,855**	**12,604**
M.	**Total financial debt (H+L)**	**79,417**	**73,881**	**5,536**

The consolidated statement of cash flows, which shows the changes in cash and cash equivalents (sum of letters A. and B. of this statement), describes in detail the cash flows that led to the change in the net financial debt.

23. DEFERRED TAX ASSETS AND LIABILITIES

	30/06/2025	31/12/2024	Change
Deferred tax assets	9,090	10,460	(1,370)
Deferred tax liabilities	(4,117)	(3,807)	(10)
Net position	**4,973**	**6,653**	**(1,680)**

The table below analyses the nature of the temporary differences that determine the recognition of deferred tax liabilities and assets and changes during the period under review:

	Non-current tangible and intangible assets	Provisions, value adjustments	Fair value of derivative instruments	Goodwill	Tax incentives	Tax losses	Actuarial evaluation of post-employment benefits	effect	Other temporary differences	Total
31/12/2024	**(1,254)**	**2,226**	**(92)**	**532**	**4,429**	**797**	**122**	**(1,308)**	**1,201**	**6,653**
Through profit or loss	70	(610)	37	(89)	124	793	0	(131)	(174)	20
In shareholders' equity	0	0	(33)	0	0	0	0	0	0	(33)
Reclassification						(609)				(609)
Forex differences	(366)	(34)	0	0	(935)	0	0	276	1	(1,058)
30/06/2025	**(1,550)**	**1,582**	**(88)**	**443**	**3,618**	**981**	**122**	**(1,163)**	**1,028**	**4,973**

Deferred taxes related to “non-current property, plant and equipment and intangible assets” arise from the difference between the related carrying amount and the amount calculated for tax purposes (purchase price allocation, tax revaluations made in previous years on Sabaf Turkey's assets, other differences).
Deferred tax assets relating to goodwill refer to the exemption of the carrying amount of the investment in Faringosi Hinges S.r.l. made in 2011 pursuant to Italian law Decree 98/2011, deductible in ten instalments starting in 2018.
Deferred tax assets relating to tax incentives are commensurate to investments made in Turkey, for which the Group will benefit from a direct tax deduction. The tax effects of the application of IAS 29 and hyperinflation according to the rules in place in Turkey are cumulatively shown in the column "Hyperinflation" and reflect the changed local regulations and the partial recognition of hyperinflation for tax purposes.

Comments on key income statement items

24. REVENUE

In the first half of 2025, revenue from sales totalled €143.000 million, down by 1.2% compared to €144.677 million in the same period of the previous year.
Please refer to the Interim Report on Operations for comments on the change in revenue.

Revenue by geographical area

Revenue	H1 2025	%	H1 2024	%	% change
Europe (excluding Turkey)	42,291	*29.5%*	41,700	*28.8%*	*+1.4%*
Turkey	33,698	*23.6%*	37,878	*26.2%*	*-11.0%*
North America	33,145	*23.2%*	30,629	*21.2%*	*+8.2%*
South America	18,418	*12.9%*	17,664	*12.2%*	*+4.3%*
Africa and Middle East	6,615	*4.6%*	9,299	*6.4%*	*-28.9%*
Asia and Oceania	8,833	*6.2%*	7,507	*5.2%*	*+17.7%*
Total	**143,000**	***100%***	**144,677**	***100%***	***-1.2%***

Revenue by product family

Revenue	H1 2025	%	H1 2024	%	% change
Gas parts	84,584	*59.2%*	85,756	*59.2%*	*-1.4%*
Hinges	46,521	*32.5%*	44,078	*30.5%*	*+5.5%*
Electronic components	11,777	*8.2%*	14,612	*10.1%*	*-19.4%*
Induction	118	*0.1%*	231	*0.2%*	*-48.9%*
Total	**143,000**	***100%***	**144,677**	***100%***	***-1.2%***

25. OTHER INCOME

	H1 2025	H1 2024	Change
Sale of trimmings and raw materials	2,674	2,513	161
Contingent income	385	221	164
Rental income	30	34	(4)
Release of risk provisions	26	8	18
Other income	2,320	1,862	458
Total	**5,435**	**4,638**	**797**

Other income mainly includes compensation (€960 thousand), tax benefits for investments in capital goods and research and development (€494 thousand), Turkish government grants (€235 thousand) for the hiring of personnel, revenues from the sale of moulds and equipment (€134 thousand) and revenues from the sale of energy produced by photovoltaic plants (€45 thousand).

26. MATERIALS

	H1 2025	H1 2024	Change
Commodities and outsourced components	66,657	65,883	774
Consumables	5,219	5,413	(194)
Total	**71,876**	**71,296**	**580**

The costs for the purchase of materials in the first half of 2025 are substantially in line with those recorded in the same period of the previous year. During the first half of 2025, the trend of actual purchase prices for the main raw materials (aluminium alloys, steel and brass) had a negative impact of 0.5% on sales compared to the same period in 2024. Consumption (purchases plus change in inventories) as a percentage of sales was 45.6% in the first half of 2025 (unchanged from the first half of 2024).

27. COSTS FOR SERVICES

	H1 2025	H1 2024	Change
Outsourced processing	6,133	6,028	105
Natural gas and electricity	4,795	4,523	272
Maintenance	3,986	3,597	389
Advisory services	1,151	1,281	(130)
Transport and export expenses	3,000	2,664	336
Travel expenses and allowances	466	455	11
Directors' fees	587	601	(14)
Commissions	848	828	20
Insurance	695	582	113
Waste disposal	372	331	41
Canteen	608	603	5
Use of temporary agency workers	159	170	(11)
Other costs	3,510	3,621	(111)
Total	**26,310**	**25,284**	**1,026**

The main outsourced processing include hot moulding of brass and steel blanking as well as some mechanical processing and assembly. Other costs included expenses for the registration of patents, waste disposal, cleaning, leasing third-party assets and other minor charges.

28. PERSONNEL COSTS

	H1 2025	H1 2024	Change
Salaries and wages	25,152	22,782	2,370
Social Security costs	7,067	6,936	131
Post-employment benefits and supplementary pension	1,470	1,356	114
Temporary agency workers	2,691	3,327	(636)
Stock grant plan	389	(299)	688
Other costs	334	633	(299)
Total	**37,103**	**34,735**	**2,368**

The Group headcount at 30 June 2025 was 1,782 employees compared to 1,758 at 30 June 2024. The number of employees compared to the previous year increased by 24. The increase in personnel costs compared to the same period of the previous year is mainly due to the inflation trends of the period.
"Stock Grant Plan" of €389 thousand includes the recognition of the fair value of the rights assigned to receive shares of the Parent Company relating to the 2024 – 2026 Stock grant plan for the period, increasing personnel costs.
On the other hand, in the first half of 2024, the final recognition of the fair value of the previous 2021 - 2023 Stock grant plan was recognised as a reduction in personnel costs (€299 thousand). For additional information, reference should be made to notes 13 and 39.

29. OTHER OPERATING COSTS

	H1 2025	H1 2024	Change
Non-income related taxes and duties	329	340	(11)
Contingent liabilities	171	176	(5)
Accruals to provisions for risks and charges	34	-	34
Bad debt provision	11	381	(370)
Other operating costs	173	266	(93)
Total	**718**	**1,163**	**(445)**

Non-income taxes chiefly relate to property tax.

30. FINANCIAL INCOME

	H1 2025	H1 2024	Change
Interest from time deposit	100	669	(569)
MEC option valuation adjustment (note 15)	-	568	(568)
Interest rate derivatives	3	182	(179)
Interest from bank current accounts	208	209	(1)
Other financial income	30	20	10
Total	**341**	**1,648**	**(1,307)**

Interest from time deposits of €100 thousand related to interest accrued on time deposit accounts opened by certain foreign subsidiaries; these are temporary investments of liquidity in excess of normal operations at better yields than ordinary deposits.

31. INCOME/EXPENSES FROM HYPERINFLATION

	H1 2025	H1 2024	Change
Income from hyperinflation	2,535	-	2,535
Expenses from hyperinflation		(1,119)	1,119
Total	**2,535**	**(1,119)**	**3,654**

As from 2022, the effect of inflation accounting on the Turkish subsidiaries has been recognised in the financial statements. During the period, this resulted in the recognition of income of €2,535 thousand. For an appropriate and detailed analysis, please refer to the specific paragraph in the Explanatory Notes to these Financial Statements. The effects of applying IAS 29 to each item in the consolidated income statement are also shown in the annex to the Report on Operations.

32. FINANCIAL EXPENSES

	H1 2025	H1 2024	Change
MEC option valuation adjustment (note 15)	2,942	-	2,942
Interest paid to banks	1,291	1,898	(607)
Interest paid on leases and rents	156	162	(6)
Banking expenses	129	98	31
Other financial expense	214	176	37
Financial expenses	**4,732**	**2,334**	**2,398**

33. EXCHANGE RATE GAINS AND LOSSES

In the first half of 2025, the Group recognised net exchange rate gains of €1,351 thousand (€864 thousand in the same period of 2024). These include €1,502 thousand related to the adjustment of the carrying amount of the MEC option (note 15)

34. INCOME TAXES

	H1 2025	H1 2024	Change
Current taxes	1,199	2,302	(1,103)
Deferred tax liabilities	20	323	(303)
Total	**1,219**	**2,625**	**(1,406)**

During the first half of the year, the Group recognised lower taxes in connection with the tax benefits generated by the investments made in Turkey (approximately €800 thousand).

35. EARNINGS PER SHARE

Basic and diluted EPS are calculated based on the following data:

Profit

	H1 2025	H1 2024
	(€/000)	*(€/000)*
Net result for the period	5,239	8,363

Number of shares

	H1 2025	H1 2024
Weighted average number of ordinary shares for determining basic earnings per share	12,471,329	12,473,540
Dilutive effect from potential ordinary shares	0	0
Weighted average number of ordinary shares for determining diluted earnings per share	12,471,329	12,473,540

	H1 2025	H1 2024
	Euro	*Euro*
Basic earnings per share	0.420	0.670
Diluted earnings per share	0.420	0.670

The number of shares for measuring the earnings per share was calculated net of the average number of shares in the portfolio.

36. DIVIDENDS

On 28 May 2025, a dividend of €0.58 per share was paid to shareholders (total dividends of €7,220 thousand), implementing the resolution to allocate the 2024 profit approved by Sabaf S.p.A. shareholders in their meeting on 29 April 2025.

37. INFORMATION BY BUSINESS SEGMENT

Below is the information by business segment for the first half of 2025 and 2024.

First half of 2025

	Gas parts (household and professional)	**Hinges**	**Electronic components**	**Components for induction cooking**	**Unallocated revenues and costs**	**Total**
Sales	86,300	46,930	12,390	118	**(2,738)**	**143,000**
Operating profit	8,356	5,937	1,258	(1,732)	**(5,987)**	**7,832**

First half of 2024

	Gas parts (household and professional)	**Hinges**	**Electronic components**	**Components for induction cooking**	**Unallocated revenues and costs**	**Total**
Sales	84,754	43,932	14,194	231	1,566	**144,677**
Operating profit	8,850	4,139	2,838	(245)	(3,188)	**12,394**

38. RELATED PARTY TRANSACTIONS

Transactions between Sabaf S.p.A. and its consolidated subsidiaries have been eliminated from the consolidated financial statements and are not addressed in these notes. The table below illustrates the impact of all transactions between the Group and other related parties on the statement of financial position and income statement.

Impact of related party transactions or positions on items in the statement of financial position at 30 June 2025.

	Total financial statement item	**Of which with related parties**	**Impact on the total**
Trade payables	51,212	-	0.00%

Impact of related party transactions or positions on items in the statement of financial position at 30 June 2024.

	Total financial statement item	**Of which with related parties**	**Impact on the total**
Trade payables	51,034	2	0.00%

Impact of related party transactions or positions on income statement items at 30 June 2025

	Total financial statement item	Of which with related parties	Impact on the total
Services	26,310	-	0.00%

Impact of related party transactions or positions on income statement items at 30 June 2024

	Total financial statement item	Of which with related parties	Impact on the total
Services	25,284	12	0.05%

All transactions are regulated by specific contracts regulated at arm's length conditions.

39. SHARE-BASED PAYMENTS

2021 – 2023 Stock Grant Plan

Following the completion of the free share allocation plan approved by the shareholders in their meeting on 6 May 2021 for the period 2021-2023, during the first half of 2024, to reduce personnel costs by €299 thousand, the fair value of the rights granted to the beneficiaries for the period was recognised (note 28) and the related reserve recognised in the Group's shareholders' equity was released.

2024 – 2026 Stock Grant Plan

A plan for the free allocation of shares, approved by the Shareholders' Meeting of 8 May 2024, is in place. The related Regulations were approved by the Board of Directors on 18 June 2024. The main features of this Plan are summarised below.

Aim

The Plan aims to promote and pursue the involvement of the beneficiaries whose activities are considered relevant for the implementation of the content and the achievement of the objectives set out in the Business Plan, foster loyalty development and motivation of managers, by increasing their entrepreneurial approach as well as align the interests of management with those of the Company's shareholders more closely, with a view to promoting the sustainable success of the Company and the Group, achieve specific levels of growth and development, and the Group's sustainable objectives.

Purpose

The purpose of the Plan is the free allocation to the Beneficiaries of a maximum of 270,000 Options, each of which entitles them to receive free of charge, under the terms and conditions provided for by the Regulations of the relevant Plan, 1 Sabaf S.p.A. share.
The free allocation of Sabaf S.p.A. shares is conditional on the achievement, in whole or in part, with progressiveness, of the business targets related to the ROI and EBITDA and the social and environmental targets.

Beneficiaries

The Plan is intended for persons who hold or will hold key positions in the Company and/or its Subsidiaries, with reference to the implementation of the contents and the achievement of the objectives of the 2024 - 2026 Business Plan. A total of 263,000 Rights were allocated to the Beneficiaries already identified.

Deadline

The 2024 - 2026 Plan expires in 2027.

Accounting impacts and Fair Value measurement methods

In connection with this Plan, €389 thousand (note 28) was recognised under personnel costs during the period. An equity reserve of the same amount (note 13) was recognised as a balancing entry.

In line with the date on which the beneficiaries became aware of the assignment of the rights and terms of the plan, the grant date was set at 1 July 2024.

The main assumptions made at the beginning of the vesting period and the methods for determining the fair value at the end of the reporting period are illustrated below. The following economic and financial parameters were taken into account in determining the fair value per share at the start of the vesting period:

Share price on grant date adjusted for dividends	€16.60
Dividend yield	2.90%
Expected volatility per year	31.30%
Interest rate per year	3.10%

Based on the exercise right at the different dates established by the Plan Regulations and on the estimate of the expected probability of achieving the objectives for each reference period, the unitary fair value at 30 June 2025 was determined as follows:

Rights relating to objectives measured on ROI	Total value on ROI	9.80	Fair Value	3.43
	Rights on ROI	35%		

Rights relating to objectives measured on EBITDA	Total value on EBITDA	6.33	Fair Value	2.85
	Rights on EBITDA	45%		

Rights relating to ESG objectives measured on personnel training	Total value on "Personnel training"	14.02	Fair Value	0.70
	Rights on "Personnel training".	5%		

Rights relating to ESG objectives measured on safety indicator	Total value on "Safety indicator"	10.17	Fair Value	0.51
	Rights on "Safety indicator"	5%		

Rights relating to ESG objectives measured on reduction of emissions.	Total value on "Reduction of emissions"	13.73	Fair Value	1.37
	Rights on "Reduction of emissions"	10%		

Fair value per share	8.86

40. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Pursuant to Consob communication of 28 July 2006, the Group declares that no significant non-recurring transactions as defined by the Consob communication itself were carried out during the first half of 2025.

41. SIGNIFICANT EVENTS AFTER THE END OF THE FIRST HALF-YEAR

There were no important events after the end of the first-half of 2025.

42. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Pursuant to Consob communication of 28 July 2006, the Group declares that no atypical and/or unusual transactions as defined by the Consob communication itself were carried out during the first half of 2025.

43. COMMITMENTS

Guarantees issued

The Sabaf Group issued sureties to guarantee consumer and mortgage loans granted by BPER (formerly Ubi Banca) to Group employees for a total of €1,909 thousand (€2,135 thousand at 30 June 2024).

SCOPE OF CONSOLIDATION AT 30 June 2025

COMPANIES CONSOLIDATED USING THE FULL LINE-BY-LINE CONSOLIDATION METHOD

Company name	Registered offices	Share capital	Shareholders	% ownership
Faringosi Hinges S.r.l.	Ospitaletto (BS)	EUR 90,000	Sabaf S.p.A.	100%
Sabaf do Brasil Ltda	Jundiai - São Paulo (Brazil)	BRL 53,348,061	Sabaf S.p.A.	100%
Sabaf Beyaz Esya Parcalari Sanayi Ve Ticaret Limited Sirteki (Sabaf Turkey)	Manisa (Turkey)	TRY 1,306,029,421	Sabaf S.p.A.	100%
Sabaf Appliance Components Ltd.	Kunshan (China)	CNY 69,951,149	Sabaf S.p.A.	100%
Sabaf India Private Limited	Bangalore (India)	INR 311,666,338	Sabaf S.p.A.	100%
A.R.C. S.r.l.	Campodarsego (PD)	EUR 45,000	Sabaf S.p.A.	100%
Sabaf Mexico Appliance Components	San Louis Potosi (Mexico)	MXN 141,003,832	Sabaf S.p.A.	100%
C.M.I. Cerniere Meccaniche Industriali s.r.l.	Valsamoggia (BO)	EUR 1,000,000	Sabaf S.p.A.	100%
C.G.D. S.r.l.	Valsamoggia (BO)	EUR 26,000	C.M.I. S.r.l.	100%
P.G.A S.r.l.	Fabriano (AN)	EUR 100,000	Sabaf S.p.A.	100%
Sabaf America Inc.	Delaware (USA)	USD 4,000,000	Sabaf S.p.A.	100%
Mansfield Engineered Components LLC (MEC)	Mansfield (USA)	USD 2,823,248	Sabaf America	51%

Certification of the Half-Yearly Condensed Consolidated Financial Statements pursuant to Article 154-bis of Legislative Decree no. 58/98

The undersigned Pietro Iotti, CEO, and Gianluca Beschi, Financial reporting officer of SABAF S.p.A., confirm, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998:

- the adequacy, in relation to the business characteristics and
- the actual application

of the administrative and accounting procedures to draft the half-yearly condensed consolidated financial statements in the first half of 2025.

They also certify that:

- the half-yearly condensed consolidated financial statements:
  - have been prepared in accordance with the international financial reporting standards endorsed by the EU in accordance with EC regulation 1606/2002 of the European Parliament and Council, of 19 July 2002;
  - are consistent with accounting books and records;
  - provide a true and fair view of the operating results, financial position and cash flows of the issuer and of the companies included in the consolidation;

- the interim report on operations includes a reliable analysis of the important events that occurred in the first six months of the year and their impact on the condensed consolidated interim financial statements, along with a description of the main risks and uncertainties for the six remaining months of the year. The interim report on operations also contains a reliable analysis of the information on significant transactions with related parties.

Ospitaletto, 4 September 2025

Chief Executive Officer
Pietro Iotti

The Financial Reporting Officer
Gianluca Beschi

Shape the future
with confidence

Sabaf S.p.A.

Half-yearly condensed consolidated financial statements
as of 30 June 2025

Review report on the half-yearly condensed consolidated financial statements

(Translation from the original Italian text)

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Review report on the half-yearly condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Sabaf S.p.A.

Introduction

We have reviewed the half-yearly condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flows and the related explanatory notes of Sabaf S.p.A. and its subsidiaries (the "Sabaf Group") as of 30 June 2025. The Directors of Sabaf S.p.A. are responsible for the preparation of the half-yearly condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by Consob for the review of the half-yearly financial statements under Resolution no. 10867 of 31 July 1997. A review of interim 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 on the half-yearly condensed consolidated financial statements.

Conclusion

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

Brescia, 10 September 2025

EY S.p.A.
Signed by: Marco Malaguti, Auditor

This report has been translated into the English language solely for the convenience of international readers

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Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

A member firm of Ernst & Young Global Limited