



COGNE ACCIAI SPECIALI SPA

**Consolidated Financial statements
December 31, 2024**



GENERAL INFORMATION

COGNE ACCIAI SPECIALI S.p.A. is a legal entity operating in accordance with the legal system of the Italian Republic.

COGNE ACCIAI SPECIALI

Company limited by shares
Fully paid up Share Capital €439,208,027
Tax ID Code and Aosta Companies Register
No.: 02187360967
VAT Reg. No.: 00571320076
AOSTA ECONOMIC ADMINISTRATIVE
INDEX NUMBER: 50474
Registered office in Aosta - Via Paravera 16

BOARD OF DIRECTORS

Chairman
Yu-Lon Chiao

Vice Chairman
Eugenio Marzorati

Chief Executive Officer
Massimiliano Burelli

General Manager - Delegated Board Member
Monica Pirovano

Directors
Roberto Marzorati
Hsin-Yi Ho
Chester Chiao
Chi Chia
Shyi-Chin Wang

BOARD OF STATUTORY AUDITORS

Chairman
Mara Vanzetta

Statutory auditors
Paola Barazzetta
Aldo Valsecchi

Alternate statutory auditors
Franco Boga
Roberto Piatti

SUPERVISORY BODY

Chairman
Paolo Gallarati

Members
Aldo Valsecchi
Roberto Fiore

AUDITING FIRM

EY S.p.A.



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REPORT ON OPERATIONS

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1. Profile

Work, commitment, integration and innovation are the defining values that have always marked the activities of the main plant in Valle d'Aosta and one of the great historical Italian businesses. The idea of building a metalwork strategically close to the raw materials came in the early years of the 20th century, and was realised in 1916 at the initiative of Belgian entrepreneur Charles Van Der Straten Pontoz, who established the company "Società Miniere di Cogne". However, the development of the electro-steel works in Valle d'Aosta came thanks to the work of Pio Perrone, his determination and the skill of Italian and Swedish engineers, thanks to whom in a difficult period - that of the First World War - set up a unique electrical steelworks, supplied by magnetite from Cogne and powered by the power stations of Aymavilles, Chavonne and Champagne.

In the 1970s and 80s, Cogne experienced the troubled state participation in the steel industry, surviving the struggles that ended with the liquidation firstly of Egam and then Finsider, to end up as part of the Ilva Group. In subsequent years, many of the most industrialised countries had to drastically reduce their production capacity in the cast iron and steel sector. Excess supply and reduced consumption were the result of new products and new manufacturers from Far Eastern markets. For Ilva, Italy's top manufacturer, the rationalisation process led to progressive downsizing, achieved following significant restructuring and plant closures. In the early 1990s Ilva decided to focus its activities on its core business only, that of the production of flat steels. Despite its recognised quality in the long products sector, the plant in Aosta risked closure as it was no longer part of the Group's strategic plans.

On 1 January 1994, Cogne Acciai Speciali was bought out by private buyer, who planned its industrial restructuring and subsequent relaunch. Reducing the areas occupied by the plant half and their subsequent optimization returned an area - Espace Aoste - to the city, for the development of new business entities.

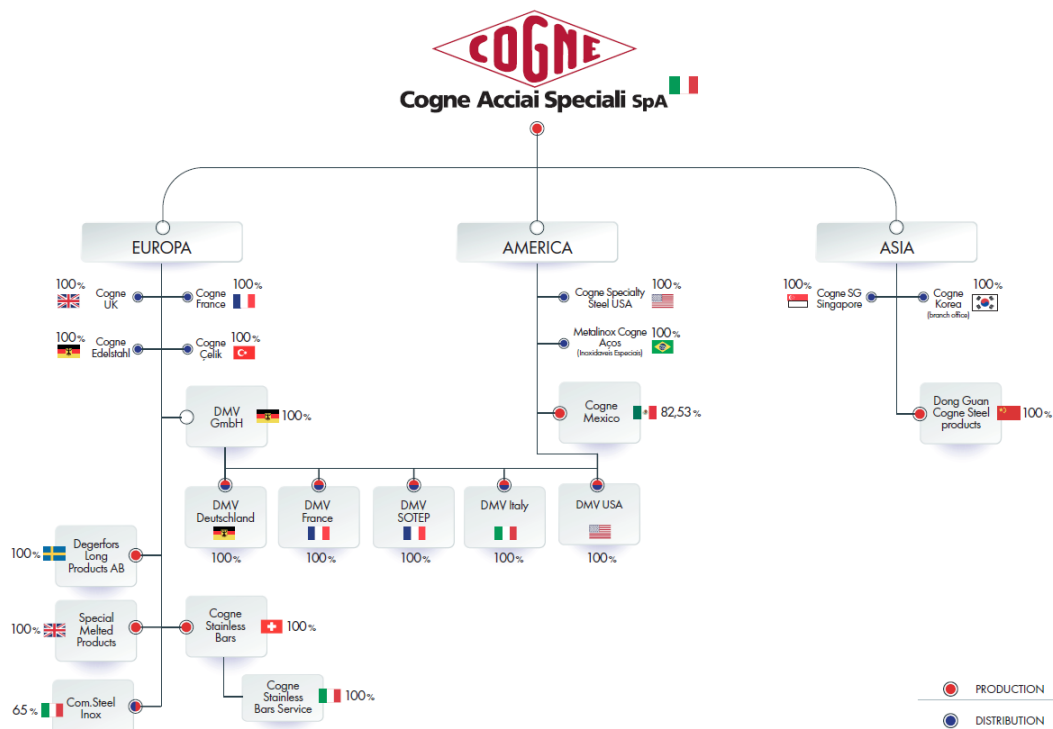
The plant as we know it today was in fact reborn from the meeting of two traditions that led to the Cogne Acciai Speciali project:

a long-standing one linked closely to Valle d'Aosta, which stood out after the war for its production of special and stainless steels;

a family-run business, consolidated over the generations and willing to invest in order to develop this excellent business.

In recent years, an ambitious company restructuring programme has been successfully completed, with significant interventions in plants and sales. The Management developed a consolidation and relaunch programme based on several priorities: reduce the product cost, explore new markets maintaining a high quality level, support the new strategic plan by increasing its sales competitiveness worldwide, develop process know-how, increase the level of customer services, change the company culture by supporting a more competitive, flexible and widespread market approach based on the principles of Lean Organisation. The Company's international character is accompanied by solid local roots. Indeed, for over one hundred years now, Cogne has been receiving and returning work and value to the area, fuelling economic growth and shaping its development and social characteristics (as well as urban planning), pursuing the protection and safety of workers and respecting the external environment. Cogne has drawn the strength necessary to return to conquer world markets, establish itself among the leading producers of stainless and special steel and now once again takes its place as an important, qualified and coveted employment opportunity, precisely as a result of this combination of entrepreneurship and ties with the city.

1.1 The Group



The Company wholly owns Cogne Stainless Bars SA, with registered office in Switzerland. It cold processes the products of the holding company which it then sells and distributes within the group and to third party customers.

The Company wholly owns Cogne Edelstahl GmbH, with registered office in Germany. The subsidiary operates in two locations in Germany: Neuss, where the registered and administrative offices are also located, and the Rudesberg warehouse in southern Germany.

The Company wholly owns Cogne UK LTD, based in Great Britain and comprised of operational divisions based on the type of product distributed. From its warehouse in Sheffield it provides distribution services to wholesalers and end customers.

The Company wholly owns Cogne France S.A.. The subsidiary operates across its warehouses where it stores the goods for the end customers in the Eragny-Paris and Lyon areas, in order to be close to its customer base in southern France.

The Company wholly owns Metalinox Cogne Aços Inoxideis Especiais Ltda based in Brazil. The subsidiary manages the distribution, over the whole national market, mainly of the holding company stainless steel products, and has a leased warehouse in Sao Paolo.

The Company wholly owns Dongguan Cogne Steel Products Co. Ltd, an operating company based in China (Guangdong Province, Dongguan City and Changan Town) which produces and sells stainless steel products on the local and nearby markets.

Cogne Acciai Speciali S.p.A wholly owns Cogne Celik Sanayi ve Ticaret Limited, based in Istanbul, Turkey, which distributes and sells stainless steel products on the local market.

The Company wholly owns Cogne Speciality Steel USA Inc., based in Fairfield, New Jersey, which carries out distribution activities in the US market through its warehouses in Chicago, Illinois and Lyndhurst, New Jersey.

The Company also has a branch office (Cogne Korea) in Seoul in South Korea, which is used to develop the Group's sales in the country, and works from a warehouse rented in the Busan area.

The Company holds an 82.53% investment in Cogne Mexico. The residual interest is held by Simest. The Company was established in Mexico City, with the aim of producing and selling stainless products on the local market.

The Company wholly owns Cogne SG Singapore based in Singapore. The Company distributes stainless products on the local market.

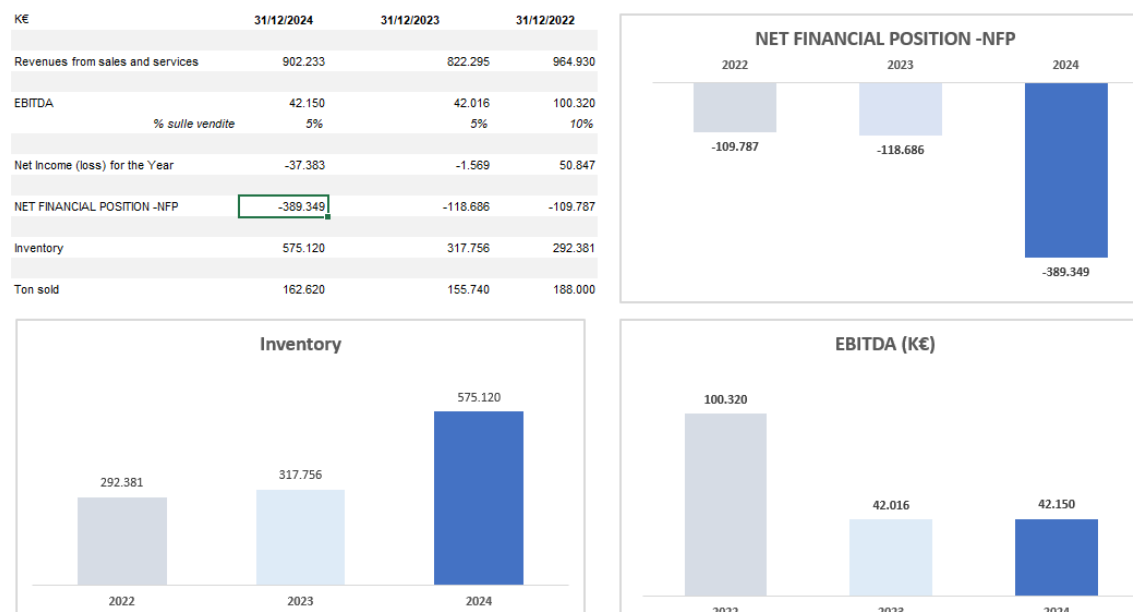
On August 1, 2023, it acquired 100% of Degerfors Long Products AB in Sweden, which owns the Degerfors and Storfors plants and specialises in the production of large bars.

On September 19, 2023, the Company acquired 100% of Special Melted Products, based in Sheffield which manufactures products mainly for the Aerospace and Oil and Gas sectors.

On 3 May 2024, the Company acquired 65% of Com.Steel Inox based in Italy. This company operates in the recovery and treatment of stainless steel scrap and nickel alloys which it subsequently distributes both within the group and to third-party customers.

On 31 October 2024, the Company acquired 100% of Mannesmann Stainless Tubes GmbH from Salzgitter AG. Mannesmann Stainless Tubes, with subsidiaries and operating facilities in Germany, France, Italy and the United States, manufactures and sells seamless stainless steel and nickel alloy tubes and pipes, with a global foothold and a first-class customer base. Upon joining the Group, the company changed its name to DMV.

2. Key Financial Statements Data



3. The international economic scenario

In 2024, the global economy showed mixed signals. On the one hand, the stabilisation of inflation and the first actions by central banks to ease monetary policies have underpinned market confidence. On the other, the geopolitical uncertainty and the outcome of the US elections continued to weigh on investment decisions. The industrial sector is still facing weak demand, although there have been some signs of recovery in specific segments.

In the January 2025 World Economic Outlook, the International Monetary Fund estimates global GDP growth at 3.2% for 2024 (+0.1 percentage point compared to October forecasts). Global growth is projected at 3.3% in 2025, below the historical (2000–19) average of 3.7%. In 2024, global headline inflation is expected to decline by 1% year-on-year (from 6.7% in 2023 to 5.7%), and to 4.2% in 2025.

Momentum in the United States remained robust, with GDP expanding at a rate of 2.8%, powered by strong consumption. Inflation moderated further after a significant slowdown in 2023, but is still slightly above the 2% target set by the Federal Open Market Committee (FOMC). Unlike GDP, manufacturing production remained essentially unchanged, partly due to the weak production in sectors that are more sensitive to changes in interest rates. Growth is projected to be at 2.7% in 2025. This is 0.5 percentage point higher than the October forecast, in part reflecting carryover from 2024 as well as robust labour markets and accelerating investment, among other signs of strength. However, despite the favourable economic situation, the forecast of the impact of the new presidential term focused on economic nationalism, deregulation, tariffs and tax cuts, on the evolution of the US economy remains very complex.

Growth in China, at 4.8% in year-over-year terms, was below expectations. Faster-than-expected net export growth only partly offset a faster-than-expected slowdown in consumption amid

delayed stabilisation in the property market and persistently low consumer confidence. Growth in 2025 is estimated at 4.6% and will be mainly supported by the positive impact of the fiscal package announced in November, designed as an urgent measure for domestic demand in view of the growing trade tensions with the United States led by Trump.

Growth continued to be subdued in the euro area (with Germany's performance lagging that of other euro area countries and with GDP down 0.2%), reflecting continued weakness in manufacturing and goods exports even as consumption picked up in line with the progressive stabilisation of inflation and easing of the ECB's restrictive monetary policy. For 2024, the Fund recorded a 0.8% increase in GDP growth in said area. Growth is expected to pick up in 2025 (+1% year-on-year), but at a more gradual pace than anticipated in October, with geopolitical tensions continuing to weigh on sentiment.

Finally, after the disappointing +0.7% increase recorded last year, the Fund forecasts a 3.4% rise in international trade for 2024. For 2025, forecasts point to +3.2%, although the final figure will be affected by the effects of the protectionist measures that will be implemented on a global scale.

Geopolitical events did not affect oil prices as expected. After reaching a peak of \$90 per barrel in April, the price of Brent reversed course, back to the values of the beginning of the year (\$75/b). On the one hand, the evolution of China economy and, on the other, the future decisions of OPEC+ about the extension of production cuts will be critical for the direction of market prices in the next few months.

As for the performance of the Euro exchange rates against the US currency, the year was characterised by high volatility: the average €/US\$ exchange rate was 1.084, with a minimum value of 1.039 (31 December) and a maximum of 1.119 (30 September). Overall, since the outcome of the presidential elections, the US dollar has risen significantly compared to all major currencies, indicating the stronger confidence of investors in US assets.

4. The Italian scenario

Economic activity in Italy remained weak and, similarly to the rest of the euro area, was affected by the continued weakness in manufacturing and the slowdown in consumption.

According to the most recent forecasts by the Bank of Italy, in 2024, Italian GDP will grow by 0.5% year-on-year. Excluding the year of the pandemic (2020), the growth rate recorded in 2024 is one of the lowest in a decade, along with 2019, when it was 0.4%. In particular, Italy was affected by an unfavourable international scenario which includes the slowdown in global trade and the slowdown in several markets - starting with Germany, Italy's main trading partner - in addition to a still restrictive monetary policy, which had an impact on investment and consumption.

Employment rates were positive, as were inflation rate trends, which fell below 2% and therefore show signs of normalisation. In contrast, the weakness of the manufacturing industry was confirmed by the 2.2% decline recorded in the first 11 months of the year. The decline affected all major sectors of industry, except for construction, still supported by projects related to the recovery and resilience plan (PNRR). The automotive industry hit the low peak: the production of cars alone in 2024 is estimated at -42.8% compared to 2023 (Anfia (Italian Association of the Automotive Industry) data), with heavy repercussions on the entire industry.

According to the latest estimates by the Bank of Italy, Italy's growth will gain momentum in 2025, standing at around 1% on average over the next three years (2025-27), driven by the recovery in consumption and exports.

The development of the recent international trade tensions and the uncertainties surrounding the implementation of the Transition 5.0. plan will have a decisive effect on the evolution of national and, in general, European growth.

5. The stainless steel market

Based on the latest available data published by the Worldstainless Association, global stainless steel production in the first nine months of 2024 grew by 5.4% year-on-year.

All geographical areas recorded an increase, although to a different extent: US production grew 9.1%, Asian production (excluding China and Korea) by 8.1% and Europe by 4.9%. In China, production grew by 3.4% year-on-year.

With respect to stainless steel long products - the Company's main target market - SMR (Steel & Metals Market Research) estimates a stable global demand for 2024, up 2% on the previous year (approximately 6 million tonnes). From a geographical point of view: Europe and the US are expected to decrease 4% and 2%, respectively. Positive data are expected for Asia, including China (+2.8%) and, in particular, for India (+7%).

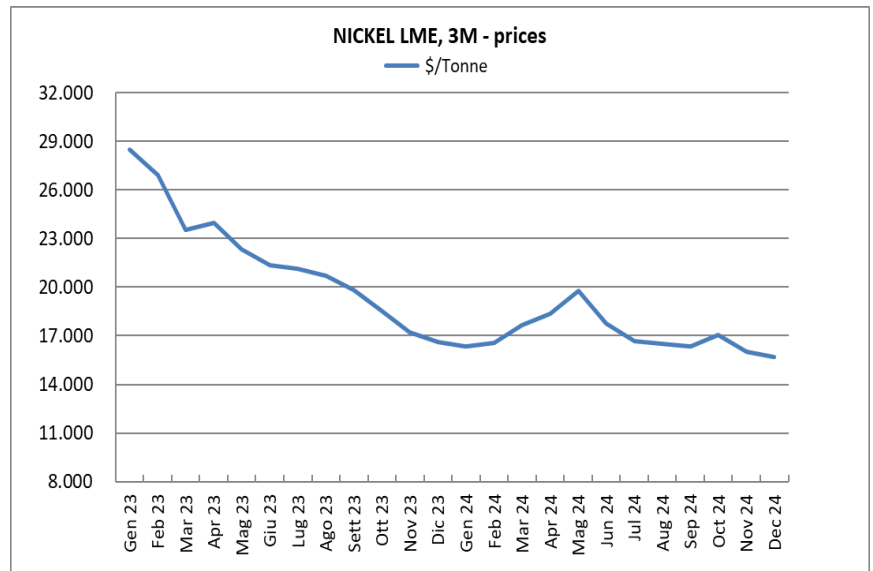
The forecasts for 2025 are heavily influenced by the implementation of the protectionist policies announced by the Trump administration (application of 25% tariffs on imports of steel and steel products, termination of the agreements signed so far with the main countries, including European ones) and by the defensive reactions of the counterparties.

6. The raw materials market

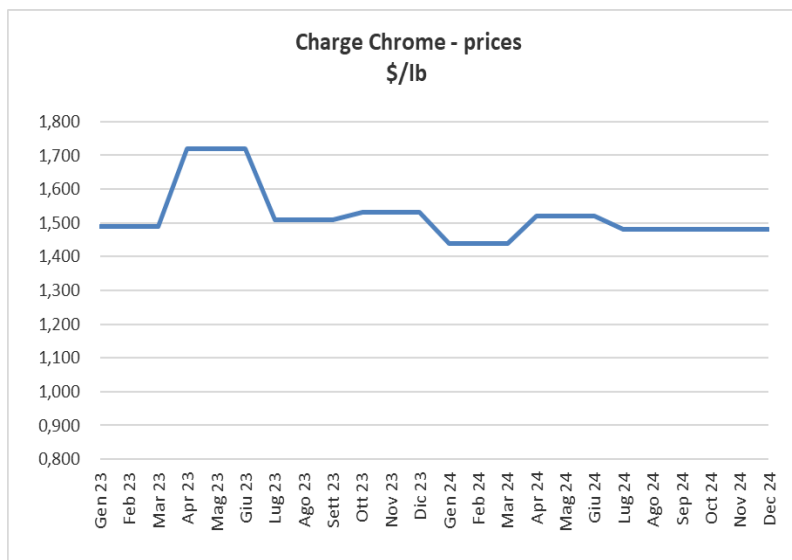
Average monthly prices - Nickel January 2023 - December 2024

Nickel

Starting from early 2024, the production cuts made in Indonesia helped to reduce the oversupply that had characterised the whole of 2023, resulting in a moderate increase in market prices. However, the continued weakness in demand slowed recovery, progressively pushing prices below the \$16,000/tonnes threshold. Overall, in 2024, the average dollar price decreased by 21.5% compared to 2023.



Average monthly prices - Charge Chrome January 2023 – December 2024



Chrome

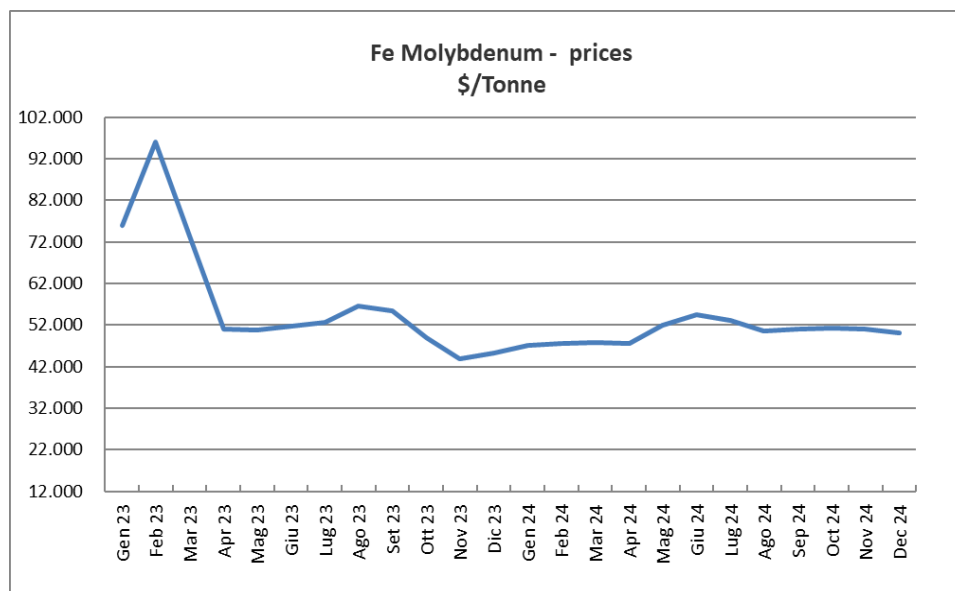
In the second quarter of the year, the European benchmark recovered the decline recorded in the previous quarter, back to end of 2023 levels. The reduction in output forecast for 2024 by some Fe-Cr producers was offset by expectations of a decline in global consumption, helping to maintain price stability in the second half of the year.

The 2024 average dollar value was 5.3% lower than the previous year's average.

Average monthly prices - Iron Molybdenum January 2023 - December 2024

Molybdenum

During the first few months of 2024, prices increased moderately, followed by a stabilisation at around \$50,000/tonnes, due to the balanced control of the output by the main producers, in response to the new levels of demand. In 2024, dollar prices contracted by 14% year-on-year.



7. Significant events of the year

May 2024

On 3 May 2024, the Company completed the acquisition of 65% of Com.Steel Inox, a company active in the recovery and treatment of stainless steel scrap and nickel alloys.

August 2024

The Board of Directors approved a capital increase of €45,000,000, which was fully subscribed and paid up by the shareholders.

October 2024

The acquisition of 100% of Mannesmann Stainless Tubes GmbH from Salzgitter AG was completed on 31 October.

Mannesmann Stainless Tubes, with subsidiaries and operating facilities in Germany, France, Italy and the United States, manufactures and sells seamless stainless steel and nickel alloy tubes and pipes, with a global foothold and a first-class customer base. Upon joining the Group, the company changed its name to DMV.

In order to financially support the acquisition, the Company entered into a loan with Citi Bank worth €130,000,000, due in 2027.

8. Comment on the results

The financial position and results of operations are analysed individually in the following sections, using specific financial and non-financial performance indicators pursuant to article 2428.2 of the Italian Civil Code.

The reclassified figures are illustrated in the following tables.

Reclassified Balance Sheet

(Figures in EUR/000)	31/12/2024	%	31/12/2023	%
Tangible fixed assets	336.684		243.016	
Intangible fixed assets	161.309		140.288	
Financial fixed assets	13.052		13.871	
Total fixed assets	511.046	51%	397.176	58%
Inventory	575.120		317.756	
Trade Receivables	181.019		137.275	
Trade Payables	(208.833)		(172.568)	
Total Working Capital	547.306	55%	282.463	42%
Other Receivables	67.231		39.942	
Other Payables	(47.996)		(28.802)	
Provisions for Risks and Charges	(50.215)		(7.982)	
Employee Severance Indemnity	(29.831)		(3.489)	
Total Net Working Capital	486.496	49%	282.132	42%
Net Invested Capital	997.541	100%	679.307	100%
Total application of funds	997.541	100%	679.307	100%

Fixed Assets increased by €113 million, mainly due to the assets acquired in ComSteel Inox and DMV Group during 2024.

Inventory amounted to €547 million at 31 December 2024, up on the previous year. A detailed comparison with inventory at 31 December 2023 is as follows:

- **Raw materials:** their volume increased 16%, in addition to a 10% increase in unit values, mainly attributable to the different composition of inventory in the two years.
- **Semi-finished products and work-in-progress:** overall increase in volume of 15% accompanied by an increase in unit value of 18%. This increase is entirely attributable to a larger production mix.
- **Finished products:** overall increase in volume of 11% accompanied by an increase in unitary value of 5%. The change is due to the mix effect.

- **Miscellaneous and consumable materials:** during the year, the Company continued to invest internal resources in order to optimise management of miscellaneous and consumable materials, which account for 8% of total inventory. The Company continues to analyse inventories with the aim of reducing the volume of stocks and identifying any obsolete codes in order to verify their actual possibility of use or possible resale. The Company maintains and encourages a policy of transferring the inventories of certain consumables and spare parts to third-party custodians, recording a significant improvement in the management of inventories and generating a positive impact from a financial point of view.

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The increase in **Trade Receivables** mainly reflects the consolidation of the new acquired companies Com.Steen Inox and DMV Group.

The Increase in **Trade Payables** mainly reflects the consolidation of the new acquired companies Com.Steen Inox and DMV Group.

Operating Working Capital composed of inventory, trade receivables and trade payables (including payables to suppliers) increased by approximately €265 million compared to last year. This is mainly due to Com.Steen Inox and DMV Group incorporation.

Net Working Capital increased by approximately €310 million.

The **Net Invested Capital** is up compared to 2023 (+46%).

The details for the **Sources of funds** as at 31 December 2023 are as follows:

(Data in EUR/000)	31/12/2024	31/12/2023
Cash and cash equivalents	75.257	99.651
Financial assets other than fixed assets	1.020	22.657
Payables to banks due within the year	(143.149)	(22.227)
Payables to other short term lenders - factoring	(14.801)	(14.498)
Total current financial payables	(81.673)	85.583
Bonds- short term	(3.003)	(3.005)
Payables to lenders - short term	(43.466)	(43.466)
Financial derivatives liabilities	(2.003)	(1.372)
Payables to lenders - short term	(130.145)	37.740
Bonds medium/long-term portion	(1.483)	(4.456)
Payables to lenders - medium/long term	(249.907)	(151.970)
Other financial liabilities	(7.814)	
Net m/l-term financial position	(259.203)	(156.426)
NET FINANCIAL POSITION -NFP	(389.349)	(118.686)
Net equity	(608.193)	(560.621)
Share capital and reserves	(645.576)	(562.190)
Net Income (loss) for the Year	37.383	1.570
Total Sources of funds	(997.541)	(679.307)

Net financial increases compared to 2023 following the incorporation of the financial debts of Com.steel Inox and the loan signed with Citi Bank, aimed at the acquisition of DMV, for the amount of €130 million.

Reclassified Income Statement

(Data in EUR/000)	31/12/2024	%	31/12/2023	%
Revenues from sales and services	902.233	100%	822.295	100%
Other Revenues and Income	17.502	2%	22.969	3%
Cost of Raw Materials and inventory changes	(615.880)	68%	(617.361)	75%
Service Costs	(105.061)	12%	(78.642)	10%
Costs for use of third party assets	(14.287)	2%	(10.063)	1%
Personnel Costs	(124.992)	14%	(88.860)	11%
Provisions	(10.182)	1%	(280)	0%
Other Operating Costs	(7.183)	1%	(8.042)	1%
EBITDA	42.150	5%	42.016	5%
Depreciation/Amortisation	(62.279)	7%	(33.711)	4%
Net Financial Income and Charges	(17.356)	2%	(14.114)	2%
Value adjustments to financial assets	(5.334)	1%	(2.566)	0%
Income (loss) before taxes	(42.820)	-5%	(8.375)	-1%
Income tax	5.437	1%	6.806	-1%
Net Income (loss) for the Year	(37.383)	-4%	(1.569)	0%
ADJUSTED* EBITDA	52.332	6%	42.296	5%

Revenues of €902 million increase by 10% compared to 2023 due to the volume (+5% tonnes sold) and by the price effect (+5%).

EBITDA (earnings before interest, taxes, depreciation and amortisation), positive at €42,820 thousand is in line with 2023 result.

L'**ADJUSTED EBITDA** is calculated in accordance with the covenants to be complied with defined by the loan agreements, i.e. excludes provisions.

The year ended with a **loss before taxes** of €42,820 thousand.

The year ended with a loss of 37,383 thousand Euros. Income taxes amounted to 5,437 thousand Euros. Their positive balance contributed to the year's income.

9. Analysis of financial ratios

Below is an analysis of the financial ratios chosen from those deemed to be most significant in relation to the Company situation.

Profitability ratios		31/12/2024		31/12/2023	
ROE (Return on Equity) =	Net Income	(37.383)	-6,15%	(1.569)	-0,28%
	Net Equity	608.193		560.621	
ROI (Return on Investment) =	Operating Income	(37.486)	-2,66%	(5.809)	-0,57%
	Total assets	1.410.694		1.014.666	
ROS (Return on Sales) =	Operating Income	(37.486)	-4,15%	(5.809)	-0,71%
	Revenues from sales	902.233		822.295	
ROCE (Return On Capital Employed) =	Operating Income	(37.486)	-3,79%	(5.809)	-0,86%
	Net invested capital	989.727		679.307	
Debt ratio					
Financial debt =	Net financial debt	381.535	62,73%	118.686	21,17%
	Net Equity	608.193		560.621	

10. Financial Covenant Ratios

The Parent Company has outstanding loans that require compliance with contractual financial ratios, which are already present in existing loans, calculated on the items of the consolidated financial statements relating to the net financial position, net equity and EBITDA. The value of the contractual parameters relating to EBITDA and net financial position ("NFP") is shown below:

Net Equity (Eur/000)	31/12/2024
Share Capital	439.208
Share premium reserve	55.792
Legal reserve	4.943
Other reserves, with distinct indication	103.500
Cash flow hedging reserve	778
Retained earnings	36.142
Net profit (loss) for the period	(38.994)
Equity attributable to minority shareholders	6.823
Totale patrimonio netto	608.193

Net Financial Position Eur/000	31/12/2024
D1-Bonds	4.486
D2-Convertible bonds	-
D3-Shareholder loans	21.783
D4-Payables to banks	414.739
D5-Payables to other financial backers	14.801
D10-Financial payables to associated companies	-
CIII-6)- Other securities	(270)
CIV-Cash and cash equivalents	(75.257)
Residual payables in the principal amount deriving from current lease operations (w	-
NFP	380.281

EBITDA Eur\000	31/12/2024
Value of production A) (+)	973.496
Costs of production B) (-)	(993.625)
Costs of production relating to current leasing operation, only for the part referring to lease payments (+)	-
Amortisation, depreciation and write-downs (10a-10b-10c-10d as per letter B)(+)	62.279
Provisions for risks as per number 12 of letter B)(+)	10.182
Other provisions for risks as per number 13 of letter B)(+)	-
Commissions, costs and expenses related to financing	-
Total EBITDA (EUR/000)	52.332

As of 31 December 2024, the PFN\EBITDA parameter (max 3.5) has not been respected. The Company has received, from all banking institutions, the concession of a holiday period for 2024 by the end of the financial year. It should be noted that the budget for the 2025 financial year provides for compliance with the financial covenants described above.

11. Analysis of non-financial ratios

Name	calculation method	2024	2023
Labour cost		(124.992)	(88.860)
Average number of employees		2.119	1.667
pro-capita Labour costs	Labour costs / Average number of employees	(58,99)	(53,31)
pro-capita Productivity	evenues from sale / Average number of employees	426	493

12. Business outlook and going concern assumption

Pursuant to paragraph 3, no. 6), of Article 2428 of the Italian Civil Code, it is pointed out that in terms of sales volumes, in the year the Company recorded quantities in line with those forecast. With respect to the orders taken to date, the Company expects to invoice quantities that will be in line with those forecast for the first six months of 2025.

Average sales prices in the first few months of 2025 were in line with the budget.

In light of the foregoing, and taking into account the continuing efficiency measures and cost containment already implemented in the previous years, the Company believes that it has

sufficient resources to cover its financial requirements for 2025 by continuing to operate as a going concern. This considers the credit facilities granted by major credit institutions. However, this is subject to the unpredictable development of the ongoing military conflict between Russia and Ukraine and the related international sanctions.

In order to increase capital strength, in January 2025, a share capital increase of Euro 55,000,000 was approved which, together with the increase of 15,000,000 already approved during 2022, will be paid by the end of the first half of 2025.

13. Investments

At 31 December 2024, the Company invested €57.213 in fixed assets, gross of disposals, for which we disclose below the detail referred to the parent company.

Description	Recognised amount Euro	Euro Transferred to finished products	Area	Recognised amount Euro	Euro Transferred to finished products
Environment and safety	16,042,632	4,947,984	Steelworks	8,164,932	9370,022
Energy efficiency	208,509	1,843,988	Forged products	7,362,552	5,681,649
Housekeeping	59,820	107,663	Rolled products	9,198,107	9,342,657
ICT	327,343	367,863	Quality	1,117,940	948,162
Productivity	6,404,210	6,347,246	Overall plant	10,818,441	7,016,636
Strategic development	12,731,817	17,856,750	TOTAL	36,661,972	32,359,126
TOTAL	36,661,972	32,359,126			

The residual €28,858 thousand are mainly attributable to the investments made by the subsidiary Special Melted Products for the purchase of remelting ovens useful for increasing their production capacity.

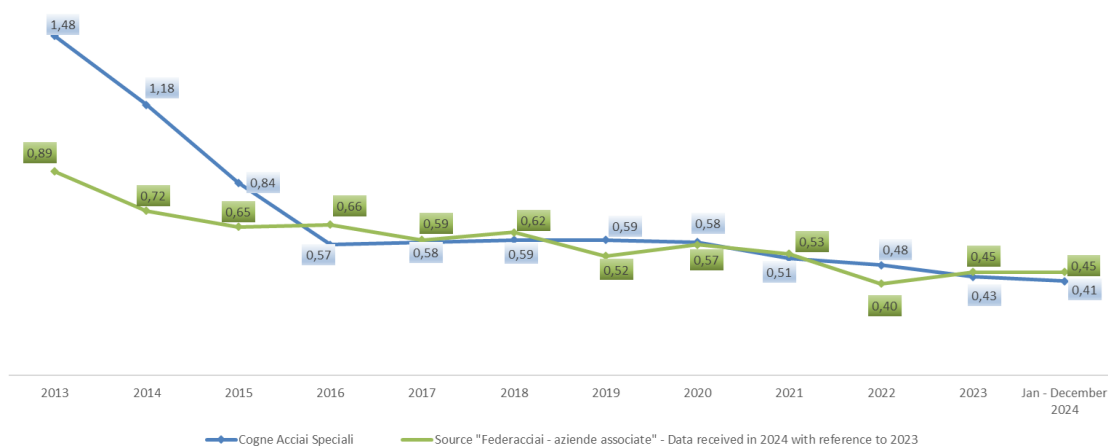
Additionally, the strongly “capital intensive” nature of the Company’s industry requires that strategic plans and investments be evaluated on the basis of a broad long-term outlook, especially considering the fundamental factors guiding the future evolution of demand for steel products.

14. Health and Safety

The production of steel in a safe and reliable manner is one of the Company's guiding principles. The graphs below show the trend of the Severity Index and frequency of accidents up to 31 December 2024. In 2024, the Company recorded a severity index (SI) above the national average and a frequency index (FI) below the national average for steel plants similar to our facility (green line - Source Federacciai).

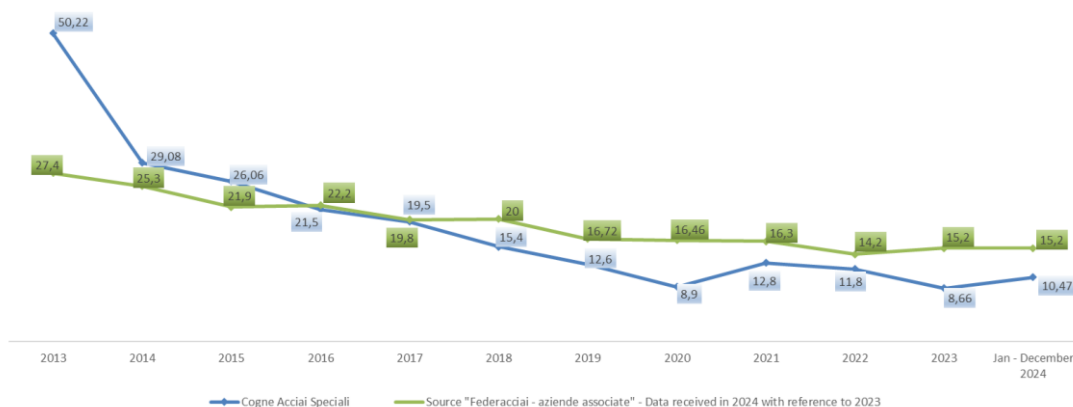
SI - SEVERITY INDEX

$$\text{GRAVITY INDEX (GI)} = \frac{\text{lost working days}}{\text{worked hours}} * 1000$$



FI - FREQUENCY INDEX

$$\text{FREQUENCY INDEX (FI)} = \frac{\text{no. of LTI (lost time injuries)}}{\text{worked hours}} * 1.000.000$$



15. Greenhouse gas emissions

In 2024, CO₂ emissions were assessed according to the methodology used in previous periods. Specifically, for almost all emission streams the methodology was based on mass balance. For the natural gas flow, the calculation was done directly as required by the delegated regulations. This methodology will be applicable to the 4th period (2021-2030) unless there are any changes to the installations. In this case, the Competent National Authority will be promptly notified.

16. Risk analysis

The specific risks that may determine the Company's obligations are subject to assessment when determining associated provisions, and they are mentioned in the notes to the financial statements along with significant contingent liabilities. Below is a list of risk and uncertainty factors related mainly to the economic-regulatory and market context, which may influence the performance of the Company itself.

In the following sections, in accordance with the first paragraph of Article 2428 of the Italian Civil Code, the main risks and uncertainties are individually analysed, starting with financial factors followed by non-financial ones.

16.1 Financial risks

The current economic situation exposes the Company to the following financial risks.

According to the information requested under Article 2428, paragraph 3, no. 6-bis, points a) and b) Italian Civil Code, the following is noted.

The Company carries out collection operations in different financial markets using different techniques, in order to guarantee a suitable level of liquidity, both current and prospective. The strategic objective is to ensure that the Company has sufficient credit to meet the financial obligations of the next twelve months.

- **Market risks**

These are represented by the risk that the value of a financial instrument can change depending on market trends (interest rates, exchange rates...).

- **Risk connected to fluctuations in the price of raw materials**

Cogne Acciai Speciali S.p.A results are considerably influenced by trends in the price of raw materials used to manufacture steel products, and specifically, by the effects these trends can cause to margins (represented by the difference between the steel product prices generated by the manufacturing process and the price of raw materials). Additionally, in order to carry out productive activities, Cogne Acciai Speciali S.p.A is obliged to hold adequate stocks of raw and finished materials; the Company is exposed to fluctuations in the market price of those stocks. The risk of price variation and its related cash flow is closely tied to the nature of the business and is mitigated through the use of appropriate sales policies through which the base price is increased by the alloy surcharge, calculated on the cost of the main raw materials, as well as through the use of commodity hedging derivatives for a part of the purchase volume. The careful and efficient management of supplies is coupled with these policies, to avoid significant fluctuations in the commodities markets having a negative impact on the Company's economic and financial situation.

In order to partially mitigate the volatility risk of nickel present in semi-finished products and wip, the Company has put in place option contracts, called Traded Advanced Price Options (TAPO), which are traded on the basis of daily LME nickel quotations.

- **Exchange rate risk**

The Company's activities are structurally exposed to fluctuations in exchange rates insofar as the guide prices for the purchase of raw materials and for part of the sale of products in USD, GBP, CNY, TRY, ZAR and REAL. With regard to the management of the aforementioned risk, the Company has entered into, during the financial year and those preceding it, purchase and sale currency forward contracts, with the intention to mitigate the structural exposure to said currencies.

- **Interest rate risk**

Floating rate loans expose the Company to risks of variations in performance and cash flows due to the market rates trends. With regard to the management of the aforementioned risk, Cogne Acciai Speciali S.p.A has subscribed an Interest Rate Swap contract during the financial year, with the intention to mitigate the structural exposure to variations in the floating interest rate on medium and long-term loans and lease contracts. All medium-long term floating rate loans entered into by the Company are covered by Interest Rate Swaps.

- **Credit risk**

This is the risk that one of the parties of a financial instrument fails to meet its obligation, causing a financial loss to the other party.

The steel industry is the reference market for the Company and is made up of multinational corporations and small and medium-sized operators in the sector. However, the Company's exposure to credit risk is minimal as most of its customers are covered by an insurance policy and fall within the credit limit, except for rare cases motivated by commercial strategies. Credit risk is monitored through a careful selection and assessment of customers, and constant and thorough management of customers and situations that are deemed to be risky. In addition, the Company has accurately analysed the amount of receivables as at 31 December 2022 and, based on the risk of non-recovery, has accrued a bad debt provision to protect Cogne Acciai Speciali S.p.A against the potential risk of customers' insolvency.

- **Liquidity risk**

This is the risk that a company will have difficulties finding the funds to meet its obligations.

The Company finances its activities both through the cash flow generated by operations and through recourse to external sources of financing. Therefore, it is exposed to the liquidity risk represented by the fact that the financial resources may not be sufficient to meet financial and commercial obligations within the predefined deadlines and expiry dates. The Company's cash flow, the borrowing needs and liquidity are monitored taking into account the due date of the financial assets (trade receivables and other financial assets) and financial flows expected from the related activities. To reduce the liquidity risk, the Company is operating for medium/long-term refinancing.

The Company carries out collection operations in different financial markets using different techniques, in order to guarantee a suitable level of liquidity, both current and prospective. To this end, the Company has implemented several measures to mitigate liquidity risk, including the diversification strategies for the methods of procuring funds (including the advances on trade receivables).

Its strategic objective is to ensure that the Company always has sufficient credit lines to meet its financial obligations.

The Company expects to meet its financial requirements and anticipated investments through the available liquidity and the use of credit lines.

Specifically, the amount of credit lines used, on average, falls in a range between 15% and 20%. In 2020 and 2021, the Company managed to rebalance its debt structure by entering into unsecured loan agreements.

16.2 Non-financial Risks

It is noted that the main non-financial risks that our Company is exposed to are as follows, with an indication for each of the related mitigation and management policies for said risks:

- **Internal Risks**

- Risks relating to an interruption in production**

The Company's business activity depends significantly upon its plant in Valle d'Aosta. This activity is subject to the risks relating to accidents as well as interruptions due to unplanned stoppages. Cogne Acciai Speciali S.p.A believes that the complexity and modularity of its plants make it possible to limit any negative effects caused by unplanned stoppages and that the continually improved safety measures in effect allow any risk of accidents to be reduced to a minimum. The Company, in respect of these risks, also avails itself of substantial insurance cover through an All Risks policy against direct/consequential damage.

- **External risks**

- Environmental Risks**

The Company's business activities are governed by numerous European Union, national, regional and local environmental regulations. The absolute priority of Cogne Acciai Speciali S.p.A is carrying out its business activities in full compliance with the environmental legislation requirements.

However, the risk of environmental responsibility is inherent to the business and there can be no certainty that new future legislation will not lead to additional costs. The Company, in respect of these risks, also avails itself of substantial insurance cover through environmental TPL insurance.

17. Obligations pursuant to Legislative Decree no. 231/01

The internal control system was strengthened, inter alia, by adopting an appropriate organisational, management and control model (the "**Model**") pursuant to Legislative Decree no. 231/2001 of 8 June 2001 ("**Legislative Decree no. 231/2001**"). The Model was initially approved by the Board of Directors on 20 December 2005 and subsequently updated on 17 December 2007, 24 June 2010, 20 December 2011, 14 October 2013, 9 September 2014, 30 March 2016, 26 February 2018, 17 December 2018, 25 March 2019, 12 October 2020, 22 March 2021 and, lastly, 22 November 2022.

The latest update is due to the Company's organisational changes and the new legislation introduced by Legislative Decree no. 231/2001. The Model consists of:

- the General Section, which illustrates the function, rationale and structure of the Model, indicates the Company's general information and organisation, and describes the role and tasks of the Supervisory Body and the disciplinary system. The General Section also consists of the Annexes indicated therein and, in particular: i) organisation chart, ii) documents summarising the regulatory principles and iii) risk assessment and gap analysis.

- the Special Sections, which refer to the specific types of crimes analysed and to the Sensitive Activities, identified therein, for the purpose of preventing the crimes provided for in the Decree. These are:

- A) crimes committed in relations with the Public Administration;
- B) corporate crimes and corruption between private individuals;
- C) crimes committed in breach of workplace health and safety regulations;
- D) IT crimes and illicit data processing;
- E) crimes of receiving stolen goods, money laundering, use of money, goods or assets of illegal origin, and self laundering;
- F) environmental crimes;
- G) employment of illegal aliens;
- H) tax crimes;

l) smuggling.

- The corporate procedures referred to in the individual Special Parts of the Model governing sensitive processes, including the procedure relating to information flows to the Supervisory Body. On 20 December 2005, the Board of Directors of the Company also adopted a code of ethics (the "**Code of Ethics**") last updated on 18 December 2024 in order to extend its application to foreign subsidiaries.

The new Code of Ethics, called the "**Code of Business Conduct**", is independent from the Model. However, it remains an integral part of the organisation, management and control as well as crime prevention system.

The General Part of the Model and the Code of Business Conduct of CAS are published on the official website, www.cogne.com. The complete version of the Organisational Model (General and Special Parts), together with all their Annexes and procedures, are all available for staff members on the company intranet.

As required by Article 6, paragraph 1b) of Legislative Decree no. 231/2001, the Board of Directors appointed the Supervisory Body (the "SB"), with independent powers of initiative and control, in charge of monitoring the effectiveness, suitability, operation and compliance of the Model, and managing its constant updating.

The Supervisory Body of Cogne Acciai Speciali S.p.A. is composed of Paolo Gallarati (Chair), Roberto Fiore and Aldo Valsecchi.

In 2024, the SB carried out several activities aimed at monitoring the operation of and compliance with the Model. To this end, it met on 24 January, 5 March, 17 April, 10 June, 23 July, 12 September, 24 October and 17 December.

In order to further strengthen its internal control environment, during the year, the Company reviewed and updated its internal procedures in order to bring them into line with the updated version of the Model and the current operational and organisational context.

In addition, the Company set up an internal audit function and an anti-corruption compliance function following the implementation of the anti-corruption management system in line with the provisions of UNI ISO 37001:2016.

Therefore, the Supervisory Body's 2025 audit plan will be integrated and will take into account the audit plans scheduled by the aforementioned internal audit and anti-corruption functions.

Finally, at the suggestion of the SB, the Company plans to launch a new risk assessment and gap analysis activity in order to assess the impacts of the most recent organisational and regulatory changes compared to the current Model.

18. Privacy Obligations

In 2024, Cogne Acciai Speciali assisted its DPO in a series of GDPR audit meetings, in-person and remotely, for each area of operation, in order to systematically update all company documentation relating to personal data processing, in compliance with the principle of accountability set out in article 24 of the GDPR.

Privacy training was completed for CAS employees in 2024.

19. Relations with the Holding Company

Pursuant to Articles 2497-bis and 2497-ter of the Italian Civil Code on the subject of publication and accounting information to be supplied with reference to the management and coordination activities, it is noted that the Company is not subject to management and coordination activities exercised by the holding company MEG SA, inasmuch as the Company's Board of Directors enjoys full decision-making autonomy, pursuant to Article 2497 and following of the Civil Code. At December 31, 2024 and for 2024 overall, there were no relationships of a commercial/financial nature with the holding company MEG SA.

20. Relations with Other Related Parties

Transactions with related parties have primarily concerned the supply of finished or semi-finished products. These supplies have taken place according to the market values. A table summarising the equity, economic and financial effects of transactions with related parties is provided below.

Amounts are expressed in thousands of Euros and refer to the period from 01-01-2024 al 31-12-2024				
	Revenues		Costs	
Company Name	Nature	Amount	Nature	Amount
Related parties				
Dongguan Novametal Wire Co., LTD	Other operating revenue	18		
Ferriere di Stabio SA	Sales revenues	22.099	Purchases of goods	583
Novametal do Brasil	Sales revenues	1.084	Purchases of goods	27
Novametal Europe Srl	Sales revenues	159		
Novametal SA	Sales revenues	60.515	Purchases of goods	142
Novametal USA	Other operating revenue	2		
Novametal USA	Service revenues	58		
T.D.V. Trefileries des Voges SA	Sales revenues	4.824		
T.I.M. Mexico	Sales revenues	3.285		
Walsin Group	Sales revenues	354	Purchases of goods	9.724
Wire Products Stainless Steel	Sales revenues	81		
Yantai Walsin	Sales revenues	1.439	Purchases of goods	418
Com.Steel S.p.A.	Revenue from sale of scraps	638	Other non-operating expenses	1.255
Com.Steel S.p.A.			Purchases of goods	14.774
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Other operating revenue	234	Manufacturing expenses	10
Changshu Walsin Specialty Steel Co., Ltd.	Sales revenues	1.082	Purchases of goods	113
Walsin Lihwa Corp.Yenshui Plant			Purchases of goods	501
Yantai Walsin Stainless Steel Co., Ltd.			Purchases of goods	10
Total		95.873		27.556

Amounts are expressed in thousands of Euros and refer to the period from ended 31-12-2024				
	Receivables		Payables	
Company Name	Nature	Amount	Nature	Amount
Related parties				
Ferriere di Stabio SA	Accounts receivable	1.701	Accounts payable	107
Novametal do Brasil	Accounts receivable	392		
Novametal Europe Srl	Accounts receivable	47		
Novametal SA	Accounts receivable	6.944	Accounts payable	41
Novametal USA	Accounts receivable	17		
T.D.V. Trefileries des Voges SA	Accounts receivable	1.020		
T.I.M. Mexico	Accounts receivable	802		
Com.Steel S.p.A.	Accounts receivable	6	Accounts payable	349
Com.Steel S.p.A.			Long-term loan	20.000
Walsin Group			Accounts payable	2.367
Yantai Walsin	Accounts receivable	45		
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Accounts receivable	27	Accounts payable	1
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Other receivables	1		
Changshu Walsin Specialty Steel Co., Ltd.	Accounts receivable	578		
Walsin Lihwa Corp.Yenshui Plant			Accounts payable	234
Total		11.581		23.099

21. Number and nominal value of own shares

Pursuant to paragraph 3, no. 3 of Article 2428 of the Italian Civil Code, it is noted that the Company does not hold any own shares, or shares of the Holding Company, nor has it acquired or sold any during the year.

22. List of Secondary Offices

Pursuant to paragraph 5 of Article 2428 of the Italian Civil Code, it is noted that the Company has no secondary offices, but has five local units, the most important of which are the warehouses in Cornaredo (MI) in Via Pitagora 5 and the warehouse in Mirano (VE) in Via Stazione 80.

On behalf of the Board of Directors
The Chairman
Yu-Lon Chiao



**COGNE ACCIAI SPECIALI
GROUP**

Consolidated financial statements as at December 31, 2024

**Consolidated Balance Sheet
Consolidated Income Statement
Consolidated Statement of Cash Flow
Notes to the Financial Statements**

Assets	31/12/2024	31/12/2023
A) Unpaid capital contribution from shareholders	-	-
B) Fixed assets		
I - Intangible assets		
1) Start-up and expansion costs	13.249	4.257
3) Industrial patent and intellectual property rights	26.093.908	-
4) Concessions, licences, trademarks, and similar rights	15.041.936	16.618.149
5) Goodwill	109.893.284	114.465.816
6) Work in progress and advances	4.489.785	2.028.383
7) Others	5.777.323	7.171.641
Total	161.309.485	140.288.246
II - Tangible assets		
1) Land and buildings	40.699.695	37.747.296
2) Plant and machinery	217.450.816	143.773.056
3) Fixtures, fittings, tools and equipment	13.573.123	9.138.314
4) Others	4.096.502	3.645.834
5) Work in progress and advances	60.863.507	48.711.982
Total	336.683.643	243.016.482
III - Investments		
1) Investments	1.951.028	4.161.731
d-bis) Financial investments from others companies	1.951.027	4.161.731
2) Receivables	1.056.666	305.311
d-bis) Receivables from other companies	1.056.666	305.311
ST receivables from other companies	421.475	305.311
LT receivables from other companies	635.191	-
3) Other securities/ holdings	9.060.485	9.403.981
4) Derivative financial instruments	984.301	-
Total	13.052.480	13.871.023
Total assets (B)	511.045.608	397.175.751
C) Current assets		
I - Inventory		
1) Raw materials, consumable and supplies	142.082.162	63.183.429
2) Work in progress and components products	231.171.424	109.576.585
4) Finished products and goods	197.886.796	141.431.678
5) Advances	3.979.668	3.563.930
Total	575.120.050	317.755.622
II - Receivables		
1) Trade receivables	181.019.323	137.275.352
- less than 12 months	181.019.323	137.275.352
5-bis) Tax receivables	22.659.809	16.123.178
- less than 12 months	19.745.026	15.765.300
- more than 12 months	2.914.783	357.878
5-ter) Deferred tax assets	33.005.484	14.478.330
5-quater) Other receivables	5.893.323	4.118.928
- less than 12 months	5.646.030	4.118.928
- more than 12 months	247.293	-
Total	242.577.938	171.995.788
III - Investments that do not constitute a fixed asset		
5) Derivative financial instruments	749.911	2.635.610
6) Other securities/ holdings	270.107	20.021.385
Total	1.020.018	22.656.994
Cash and cash equivalents		
1) Banks and postal current accounts	74.746.781	98.881.954
2) Bank cheques	471.686	737.656
3) Cash on hand	38.878	31.343
Total	75.257.345	99.650.953
Total current assets (C)	893.975.351	612.059.357
Prepayments and accrued income	5.672.820	5.430.943
1) Accrued incomes	94.580	112.261
2) Deferred charges	5.578.240	5.318.682
Total assets	1.410.693.779	1.014.666.051

Liabilities and Net equity	31/12/2024	31/12/2023
Net equity		
I - Share capital	439.208.027	405.563.167
II - Share premium reserve	55.791.973	44.436.833
IV - Legal reserve	4.942.909	4.861.472
VI - Other reserves, with distinct indication	103.499.937	69.474.698
VII - Cash flow hedging reserve	778.006	1.302.908
VIII - Retained Earnings	36.142.035	34.594.749
IX - Net profit (loss) for the period	(38.993.505)	(1.446.620)
Shareholders' equity of the Group	601.369.382	558.787.207
I - Equity attributable to minority shareholders	5.212.763	1.956.409
II - Profit (loss) for the period attributable to minority shareholders	1.610.359	(122.880)
Minority interest	6.823.122	1.833.529
Total net equity (A)	608.192.504	560.620.736
B) Provisions for risks and other charges		
2) Deferred tax and other tax liabilities fund	31.016.879	7.342.380
3) Reserve for derivative financial instruments	2.003.071	1.372.152
4) Other provisions fund	19.197.777	640.001
Total provisions for risks and other charges (B)	52.217.727	9.354.533
C) Employee severance indemnity	29.830.771	3.488.936
D) Payables		
1) Debenture loans	4.485.617	7.460.743
ST portion debenture loans	3.003.029	3.005.034
LT portion debenture loans	1.482.588	4.455.709
3) Payables due to the shareholders	21.782.655	1.854.556
ST shareholders' payables	20.322.249	370.911
LT shareholders' payables	1.460.406	1.483.645
4) Payables due to banks	414.739.157	215.809.121
- less than 12 months	186.615.097	65.693.206
- more than 12 months	228.124.060	150.115.915
5) Other financial institutions payables	14.801.496	14.497.633
- less than 12 months	4.748.012	2.070.816
- more than 12 months	10.053.484	12.426.817
6) Advances	4.558.616	162.628
ST advances from customers	4.558.616	162.628
7) Payables to suppliers	204.029.239	172.405.460
ST payables to suppliers	204.029.239	172.405.460
11) Payables to parent companies	245.555	-
- less than 12 months	245.555	-
12) Tax payables	10.815.665	9.706.222
- less than 12 months	10.730.450	9.706.222
- more than 12 months	85.215	-
13) Payables to social security institute	10.629.030	5.251.733
- less than 12 months	10.629.030	5.251.734
14) Other payables	24.405.630	9.981.729
- less than 12 months	21.272.350	9.894.479
- more than 12 months	3.133.280	87.250
Total	710.492.660	437.129.825
E) Accruals and Deferred Income	9.960.117	4.072.021
Deferred income	4.608.471	3.501.501
Accrued interests	5.351.646	570.520
Total liabilities	1.410.693.779	1.014.666.051

Profit and Loss	31/12/2024	31/12/2023
A) Production value		
1) Revenues from sales and services	902.233.209	822.294.799
2) Change in work in progress and finished goods	53.760.803	(19.725.941)
4) Internally generated fixed assets	1.994.565	1.993.334
5) Other revenue and income	15.507.211	20.975.341
a) Grants	4.092.575	10.872.201
b) Other revenues	11.414.636	10.103.140
Total production value (A)	973.495.788	825.537.533
B) Cost of production		
6) for raw material and consumables	693.205.081	599.223.975
7) for services	105.060.825	78.641.942
8) for rents and leases	14.286.539	10.062.657
9) Personnel costs	124.991.934	88.859.685
a) Salaries and wages	92.984.282	64.611.145
b) Social security costs	24.468.862	19.168.584
c) Provision for severance indemnity	4.124.886	3.091.154
d) (Retirement) Pension costs	720.264	374.473
e) Other costs	2.693.640	1.614.329
10) Amortization, depreciation and provision	62.279.284	33.711.355
a) Amortization of intangible assets	20.489.193	8.715.351
b) Amortization of tangible fixed assets	39.668.100	24.612.627
c) Other write-offs of fixed assets	-	-
d) Write-offs of net working capital receivables and cash and cash equivalents	2.121.991	383.377
11) Variation in inventory of raw material and consumables	(23.564.331)	(1.588.770)
12) Provision for risks	10.182.407	280.000
14) Other operating losses	7.183.468	8.041.809
Total production costs (B)	993.625.207	817.232.653
Differences production value and cost of production (A-B)	(20.129.419)	8.304.880
C) Financial income and charges		
16) Other financial income	644.261	499.236
c) from other ST titles	3.370	-
d) Other financial income	640.891	499.236
- altri proventi diversi dai precedenti	640.891	499.236
17) Interests expenses and similar charges	19.550.269	15.707.812
Others	19.550.269	15.707.812
17-bis) Profit (loss) on exchange difference	1.549.516	1.094.757
Exchange profits and losses	1.768.863	1.151.951
Unrealised exchange profits and losses	(219.347)	(57.194)
Total financial income and expenses (C)	(17.356.492)	(14.113.819)
D) Financial assets revaluations or write-offs		
18) Revaluations	1.835.292	7.592.634
d) Revaluations of derivative financial instruments	1.835.292	7.592.634
19) Write-offs	7.169.372	10.158.871
a) Write-offs of equity investments	2.210.703	-
b) Write-offs of securities accounted for as fixed assets (other than equity investments)	8.071	-
d) Devaluations of derivative financial instruments	4.950.598	10.158.871
Total financial assets revaluations or write-offs (D)	(5.334.080)	(2.566.237)
Result before taxes (A-B+C+D)	(42.819.991)	(8.375.176)
20) Income taxes	(5.436.845)	(6.805.676)
a) Current taxes	4.758.730	2.720.417
b) Previous years taxes	6.841	(159.048)
c) Deferred/Advanced taxes	(10.202.416)	(9.367.045)
Profit (loss) for the year	(37.383.146)	(1.569.500)
Profit (loss) for the period attributable to minority shareholders	1.610.359	(122.880)
Profit (loss) of the Group	(38.993.505)	(1.446.620)

Cash Flow Statement	31.12.2024	31.12.2023
A) Cash Flow Statement (indirect method)		
Profit/Loss for the year	(37.383.146)	(1.569.500)
Income tax	(5.436.845)	(6.805.676)
Interest expense/(income)	19.550.269	15.707.812
(Dividends)	-	-
(Gains)/Losses on disposal of assets	-	-
1) Profit/Loss for the year before income tax, interest, dividends and capital gain/losses on disposal	(23.269.722)	7.332.636
<i>Adjustments for non-monetary items that did not have a counterpart in net working capital</i>		
Provisions/(proceeds) to funds	16.429.284	263.185
Amortisation of fixed assets	60.157.293	33.327.978
Impairment losses/revaluations	2.635.610	-
Value adjustments to financial assets and liabilities of derivative financial	5.334.080	2.566.237
Other adjustment up/(down) for non monetary items	(22.715.673)	559.755
Total adjustment for non-monetary items that did not have a counterpart in net working capital	61.840.594	36.717.155
2) Cash flow before changes in net working capital	38.570.872	44.049.791
<i>Total net working capital</i>		
Decrease/(Increase) in inventories	(76.555.626)	18.341.740
Decrease/(Increase) in trade receivables	37.677.264	81.514.895
Increase/(Decrease) in trade payables	(38.889.693)	(57.730.156)
Decrease/(Increase) in accrued income	(241.877)	(3.410.324)
Increase/(Decrease) and prepaid expenses	5.888.096	674.473
Other decreases/(Other increases) in net working capital	(23.465.228)	(28.806.282)
Total changes in net working capital	(95.587.064)	10.584.346
3) Cash flow after changes in net working capital	(57.016.192)	54.634.137
<i>Other adjustments</i>		
Interest received/(paid)	(19.550.269)	(15.707.812)
(Income taxes paid)	5.436.845	6.805.676
(Use of provisions)	-	-
Change in other provisions for risks and charges/severance pay	(7.003.010)	(196.956)
Dividends collected	-	-
Other receipts/(payments)	-	-
Total other adjustments	(21.116.434)	(9.099.092)
Cash Flow operating activities (A)	(78.132.626)	45.535.045
B) Cash flow from investing activities		
Tangible fixed assets	-	-
(Flows from investments)	(51.163.139)	(61.810.652)
Flows from disinvestments	-	-
Intangible fixed assets	-	-
(Flows from investments)	(2.642.771)	(5.192.752)
Flows from disinvestments	-	-
Financial fixed assets	-	-
(Flows from investments)	(670.278)	(525.509)
Flows from disinvestments	20.000.000	-
Movable financial assets	-	-
(Flows from investments)	-	-
Acquisizione o cessione di società controllate o di rami d'azienda al netto delle disponibilità liquide	(137.012.831)	(175.948.180)
(Flussi da investimenti)	-	-
Flussi da disinvestimenti	-	-
Changes in other financial assets	-	-
Cash flow from investing activities (B)	(171.489.019)	(243.477.093)
C) Cash flows from financing activities		
<i>Third party means</i>		
Increase/(Decrease) amounts due to banks	32.361.828	(49.190.130)
Increase/(Decrease) other financial payables	20.303.863	1.854.556
Disbursement of loans	195.350.000	94.000.000
(Repayment of loans)	(69.270.105)	(30.750.119)
Shareholders' equity of the Group Increase/(Decrease)	45.000.000	200.000.000
Minority interest Increase/(Decrease)	1.482.451	1.956.409
Increase/(Decrease) in payables for treasury current account	-	-
Dividends	-	-
Cash flow from financing activities (C)	225.228.037	217.870.716
Cash flows from extraordinary transactions (merger/division) (D)	-	-
Increase (decrease) in cash and cash equivalents (A ± B ± C ± D)	(24.393.608)	19.928.668
Cash and cash equivalents as the beginning of the period	99.650.953	79.722.285
Cash and cash equivalents at the end of the period	75.257.345	99.650.953
Increase/(decrease) in cash and cash equivalents	(24.393.608)	19.928.668

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COGNE ACCIAI SPECIALI S.p.A.
Registered office in Aosta - Via Paravera 16
Fully paid up Share Capital €439,208,027
Registered in the Aosta Companies Register
Registration Number and Tax ID Code 02187360967

NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

GROUP ACTIVITIES

The activities of the Group consist mainly in the production and distribution of long products in stainless steel, carbon steel and alloys. The production activities are concentrated in the plant in Aosta, while the distribution is managed by all the Companies in the Group and targets national and international markets.

STRUCTURE AND CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 31 December 2024 were drafted in compliance with the regulations laid down in Legislative Decree no. 127 of 9 April 1991, implementing the Seventh EU Directive, as amended by Legislative Decree no. 6 of 17 January 2003, and Legislative Decree no. 139 of 18 August 2015, interpreted and integrated in accordance with the accounting principles issued and updated by the Italian Accounting Body ("OIC"), the international accounting standards drafted by the International Accounting Standards Board ("IASB") where compatible with Italian law, and the general principles contained in articles 2423 and 2423-bis of the Italian Civil Code.

The consolidated financial statements, like the financial statements for the year, comprise the following documents:

- a. consolidated balance sheet;
- b. consolidated income statement,
- c. consolidated notes to the financial statements;
- d. consolidated cash flow statement.

In addition, these financial statements are accompanied by the Report on Operations.

Pursuant to article 32 of the Legislative Decree 127/1991, without prejudice to the required adjustments, the structure and content of the balance sheet, the income statement and the consolidated cash flow statement are those required for the financial statements of companies included in the consolidation.

Therefore, the financial statement schemes drafted in compliance with OIC principle 12 "Composition and schemes of the financial statements", are adapted also for the purpose of drafting the consolidated financial statements, with the following main adjustments:

- inclusion of the "*Consolidation reserve*" among the net equity items;
- inclusion of the "*Minority interests*" among the net equity items, divided into "*Equity attributable to minority shareholders*" and, "*Profits (losses) attributable to minority interests*", representing respectively the share of net equity and consolidated profits corresponding to minority interests;
- indication, in the consolidated net equity, of the subtotal relating to all entries regarding the group, followed by the entries corresponding to minority interests;

- inclusion in the item AVI “*Other reserves*” of net equity of the item “*Currency exchange differences reserve*” representing the difference deriving from the translation of the financial statements of subsidiaries expressed in foreign currency;
- entry in the income statement, under item 21) “*consolidated profits (losses) for the financial year*”, the items “*Profit (loss) of the group*” and “*Profit (loss) attributable to minority shareholders*” for the purposes of the separate highlighting of the consolidated economic result corresponding to minority interests.

The tables and drafting methods laid down in OIC 10 “Cash Flow Statement” apply to the consolidated cash flow statement, without prejudice to any necessary adjustments.

The area and principles of consolidation, the most significant measurement criteria, and the contents of the individual entries in the balance sheet and the consolidated income statement are described below.

CONSOLIDATION AREA

The consolidation area includes the Italian and foreign companies indicated in **Annex C** in which the parent company Cogne Acciai Speciali S.p.A. directly or indirectly holds a majority stake in the capital.

On January 24, 2024 the subsidiary Cogne Hong Kong finalized the liquidation process started during the previous financial year.

On May 3, 2024 it was completed the purchase of 65% of the share capital of the Com.Steel Inox S.p.a. company for € 26,862 thousand, based in Bergamo, specialized in the recovery, treatment and sale of stainless steel scrap and nickel alloys. In accordance with OIC 17, at the date of first consolidation, the positive difference arising from the total consideration paid to acquire the participation and the corresponding fraction of the subsidiary's net equity, was partially allocated to the customer portfolio (for the evaluation of which the support of an independent expert was used), while the residual difference for € 20,311 thousand was allocated to goodwill with an estimated useful life equal to 10 years. The amount of the customer portfolio valued at the acquisition date is equal to € 8,448 thousand and the registration of the related liabilities for deferred taxes equal to € 2,357 thousand. The consolidated income statement includes the results of the acquired company starting from May 3, 2024. In the months following the acquisition, the new subsidiary recorded a turnover of € 83,650 thousand, generating an operating profit of € 4,939 thousand.

On October 31, 2024 the Company purchased 100% of the share capital of the DMV GMBH company (previously Mannesmann Stainless Tubes GMBH) for € 115,532 thousand, which in turn holds 100% of the share capital of the Companies:

- DMV Deutschland GmbH;
- DMV SOTEP SAS;
- DMV France SAS
- DMV Italia Srl
- DMV USA Inc.

The Group is specialized in the production of seamless stainless steel tubes.

In accordance with OIC 17, at the date of first consolidation, the difference arising from the total consideration paid and the corresponding subsidiary's net equity, equal to approximately Euro 31 million, was preliminarily allocated to a specific consolidated net equity reserve since it is attributable to the completion of a good deal. This preliminary allocation will be revised, if necessary, upon completion of the purchase price allocation process, carried out with the support

of an independent expert and still in progress at the date of approval of the consolidated financial statements. The consolidated income statement includes the results of the acquired company starting from October 31, 2024. In the months following the acquisition, the new subsidiary recorded a turnover of € 44,645 thousand, generating an operating loss of € 14,578 thousand, mainly attributable to the allocation of a specific company restructuring fund for Euro 10,000 thousand.

The consolidated financial statements as at December 31, 2024 does not include companies valued based on the equity method.

CONSOLIDATION PRINCIPLES

For the purposes of consolidation, the financial statements as at December 31, 2024 approved by the company bodies of the individual consolidated companies were used, amended as appropriate to align them to the measurement criteria adopted by the parent company Cogne Acciai Speciali S.p.A..

The reference date of the consolidated financial statements is that of the parent company (December 31, 2024), which coincides with the financial year-end date of all the companies in the consolidation area with the exception of the subsidiary Cogne SG Pte Ltd whose reporting date is June 30, 2025.

The financial statements expressed in foreign currencies are converted into Euro applying the average exchange rate for the year to the individual entries in the income statement.

The items in the balance sheet were on the other hand converted at the exchange rate at the end of the year.

The differences originating from the conversion of the initial net equity and the profit (loss) for the year, at the exchange rates at year-end were entered in the consolidated net equity reserves. The exchange rates used are as follows:

Currency	Exchange rates as at 31/12/2024	2024 Average Exchange rates
USD	1,0389	1,0824
GBP	0,82918	0,8466
TRY	36,7372	35,5734
BRL	6,4253	5,8283
MXN	21,5504	19,8314
CHF	0,9412	0,9526
SGD	1,4164	1,4458
CNY	7,5833	7,7875
SEK	11,459	11,4325
Amount per 1Euro		

All the subsidiaries included in the consolidation area were consolidated line-by-line, there are no cases of companies consolidated with the proportional method.

The following consolidation principles were used:

- entry of the assets, liabilities, costs and revenues of all the companies included in the consolidation area for their whole amounts, whatever the amount of the interests held, allocating to the minority shareholders, in specific entries, the share of the net equity and the profit (loss) for the year for their account;
- the difference emerging at the time of purchase from the elimination of the carrying value of the equity investment in a company included in the consolidation area against the corresponding share of net equity is entered, where possible, in the assets and liabilities of the company. Any residual amounts are managed as follows:

- if positive, they are entered in the item “differences from consolidation” in the “intangible fixed assets” and amortised at constant rates in relation to their expected recoverability (in any case no more than 10 years);
- if negative, they are entered in a net equity item as a “consolidation reserve”, or, when due to the forecast of unfavourable economic results, in an item called “consolidation reserve for future risks and charges”;
- c) elimination of receivables and payables, costs and revenues between consolidated companies, as well as non-realised intragroup profits;
- d) elimination of intragroup dividends, where distributed;
- e) elimination of tax records on individual consolidated companies in compliance with the laws in force. In particular, significant capital assets subject to financial lease are recognised according to the financial method.

Finally, it is noted that taxes on profits not distributed of consolidated companies are not recognised, as it is presumed that no transactions will occur leading to their taxation, and no deferred taxes are allocated to withheld tax reserves, as no transactions are foreseen that lead to their distribution and therefore their taxation.

CHANGE OF ACCOUNTING PRINCIPLES

With the publication of the Legislative Decree no. 139 of 18 August 2015 on the Official Gazette dated 4 September 2015, the procedure for implementation of the Directive 34/2013/EU was completed. This decree updated the rules of the Italian Civil Code in relation to financial statements and, as relevant here, Legislative Decree 127/1991 with regard to consolidated financial statements.

The provisions of the Decree came into force on 1 January 2016 and were applied to financial statements relating to financial years starting on or after that date.

Legislative Decree 139/2015 provides, in general, that the new provisions be applied retrospectively on the basis of the provisions of OIC 29 (*“Changes of accounting principles, of accounting estimates, error corrections, events occurred after the end of the year”*) except in the cases where it is possible to avail of the right of the prospective application, as provided by art. 12, paragraph 2 of Legislative Decree 139/2015.

During 2016 the revision, update and integration process was concluded by the Italian Accounting Body (“OIC”), of the national accounting principles in order to accept the provisions contained in Legislative Decree 139/2015.

The main impacts derive from the following changes:

- Introduction of the cash flow statement as a statutory element of the financial statements.
- Introduction of the amortised cost criterion and discounting for the measurement of some types of receivables, payables and medium-/long-term financial securities. The parent company availed itself of the possibility laid down in Art. 12, paragraph 2 of Legislative Decree 139/2015 of the prospective application, maintaining unchanged the measurement criteria for receivables, payables and securities entered in the financial statements before 1 January 2016.
- Introduction of the accounting principle (OIC 32) dedicated to defining the recognition, classification and measurement criteria of the derivative financial instruments, as well as the fair value measurement techniques and the information to be disclosed in the notes to the financial statements, which have entirely replaced the provisions referred to in OIC 3- *Information on the financial instruments to be included in the notes and in the Report on Operations*.
- Change in the methods to determine the amortisation period of goodwill. The goodwill is amortised based on the useful life, with the maximum limit of twenty years, and in the cases where it is not possible to reliably estimate the useful life, it is amortised in a period not exceeding ten years.

The Parent Company availed itself of the possibility laid down in Art. 12, paragraph 2 of Legislative Decree 139/2015 of the prospective application of such modification, maintaining unchanged the useful life of the goodwill entered in the financial statements before 1 January 2016.

- Eliminating the extraordinary section (items E21/E22) from the income statement, and consequently reallocate in the ordinary section by nature of the items previously classified in the extraordinary costs and income. The statement of the amount and nature of the individual cost or income items of exceptional amount or incidence, if significant, must be entered in the notes to the financial statements in any case.
- The introduction of specific items in the balance sheet and income statement for the classification of balances with the so-called sister companies ("companies controlled by holding companies");
- Elimination of the section, at the bottom of the balance sheet liabilities, relating to the memorandum accounts.

Temporary regulation

For items subject to regulatory change, it is necessary to distinguish between items for which a specific temporary regulation has been introduced from those for which a transition to the new assessment criteria has not been defined in the regulations.

In particular, a temporary provision has been introduced for measurement criteria concerning:

- amortisation of goodwill (Article 2426, paragraph 1 no. 6 of the Italian Civil Code);
- the measurement of securities, receivables and payables based on the amortised cost method (Article 2426, paragraph 1 no. 1 and 8 of the Italian Civil Code).

According to this regulation, the amendments in question may not be applied to the components of items related to transactions that have not yet finished having an effect on the financial statements. As a result, regarding the above cases in question:

- a. transactions already in place as of 1 January 2016 can continue to be accounted for according to existing provisions, until all associated effects have been recorded in the financial statements;
- b. transactions carried out after 1 January 2016 must be accounted for under the new regulations.

As such, it is noted that, in relation to the amortisation of goodwill and/or the measurement of securities, receivables and payables at amortised cost, the aforementioned temporary regulation should be applied, and therefore the new criteria from the two aforementioned cases were applied to transactions from 1 January 2016.

Furthermore, on 19 April 2023, the Management Board of the Italian Accounting Standard Setter (OIC) approved the final version of OIC 34 on revenue recognition. The introduction of this standard, which applies to all financial statements prepared in accordance with the provisions of the Italian Civil Code for the annual periods beginning on or after 1 January 2024, was treated in accordance with OIC 29 ("Changes in accounting principles, changes in accounting estimates, corrections of errors and subsequent events").

ERROR CORRECTION

An error is detected when an incorrect qualitative or quantitative representation of an item in the financial statements or information provided in the notes to the financial statements is found, and information and data is available to make the correction. The correction is made by amending the corresponding net equity item, attributing the correction of the error to the opening balance of the net equity for the year in which the error was made.

When feasible, and only for the purposes of comparison, the company will correct a significant error made in the previous year by comparing amounts again. If an error is made in earlier years, it is corrected by recalculating the opening balance of the prior year. If it is not feasible to determine the cumulative effect of a significant error for all previous years, the company will

recalculate the comparative values to correct the error based on the earliest date on which it is feasible to do so. Minor errors from previous years will be recorded in the income statement for the year in which the mistake is identified.

MEASUREMENT CRITERIA

The consolidated financial statements have been drafted applying the general principles of prudence, accruals basis of accounting and the going concern assumption, considering the economic function of the assets and liabilities under review.

The financial statements were drafted based on the going concern assumption, as specified in the report on operations under the heading “Business Outlook and Going Concern Assumption”. In light of the foregoing, and taking into account the ongoing efficiency and cost containment measures already implemented in the previous years, the Company believes that it has sufficient resources to cover its financial requirements for 2025 and to continue operating as a going concern.

The company expects a partial recovery in volumes accompanied by greater profitability linked mainly to the greater saturation of fixed costs.

The Company expects positive cash flows from operations in 2025.

The Group also deems that it has sufficient resources to cover the estimated financial needs for the coming months, continuing to work as an operating entity.

Considering the above, the consolidated financial statements closed on 31 December 2024 were drafted with a view to continuing as a going concern.

1. Intangible assets

Expenses and charges that will be useful in the future have been recorded under intangible fixed assets.

Intangible fixed assets were recorded at purchase or production cost, including ancillary charges. The cost of intangible fixed assets, whose use is time-limited, is systematically amortised according to their residual potential for utility.

Exceptions are:

- the “costs for improvements on third party assets”, amortised according to the lesser of their useful life and the duration of the lease contract with the owner of the property;
- the “consolidation differences”, equal to the excess between the purchase cost of the equity investment in subsidiaries compared to the purchased net asset value, amortised at constant rates over a period of 10 or 5 years, consistently with the expectations of duration and development of the companies or branches they refer to;
- the “costs for multi-year loans”, amortised at constant rates according to the duration of the loan restructuring agreement (6 years).

The amortisation plan drafted along the aforementioned principles is described in the subsequent explanatory paragraph under “Intangible Fixed Assets”.

Note that following the revaluation of the trademark carried out in the previous year, the Company changed its amortisation rate, defining its useful life as 18 years.

As at the balance sheet date, the company assesses if there are any indications of impairment on the intangible fixed assets (including goodwill).

If there is any such evidence, the book value of the activity is reduced to the relative recoverable value understood as the higher value between the fair value less costs to sell, and its value in use. If it is not possible to estimate the recoverable value of the asset, the company will estimate the recoverable value of the cash-generating unit (CGU) to which the asset belongs. The value in use of an asset is calculated by determining the present value of the expected future cash flows, applying a discount rate that reflects the current market assessments of the time value of

money and the risks specific to the asset. An impairment loss is recognised if the recoverable value is lower than the net accounting value.

Any impairment loss is recovered, if the reasons for impairment no longer apply. The recovery amount cannot exceed the value the asset would have had if there had been no impairment loss. No recovery is carried out on goodwill and on the costs covering multiple years.

2. Tangible assets

They were entered at their purchase cost or internal production cost, including all directly attributable ancillary charges.

Fixed assets are systematically depreciated each year based on the economic-technical rates defined in relation to the possibility of use and justified according to expected replacement and/or modification of the current assets in order to counteract the process of obsolescence and deterioration inherent to fixed assets; the following rates are applied:

<i>Category:</i>	<i>Depreciation rates:</i>
Buildings	5%
General plant	10%-12%
Furnaces and accessories	15%
Specific automated systems	17.50%
Various equipment	10%-25%
Processing systems	20%-25%
Vehicles	20%-25%
Furniture and office machinery	10%-20%
Internal means of transport	20%
Electronic office machinery	20%

Costs incurred after the acquisition of a single asset are charged to the increase of the initial cost only if they constitute a significant and tangible increase in the useful life of the asset. Ordinary maintenance and repair costs, not including incremental expenses, are not capitalised and are recognised in the income statement for the year in which they are incurred.

Certain tangible fixed assets as determined above were revalued in accordance with specific economic revaluation laws in previous years (revaluation law no. 266 of 23 December 2005) and in 2020 (revaluation law no. 126 of 13 October 2020). The revalued amount was determined based on an independent appraisal.

Assets with a low unit value are fully depreciated over the year they are first used, given their short duration and rapid consumption.

The tangible fixed assets, the value of which is lastingly lower than the historical cost, already adjusted by the depreciation allocated, are written down as appropriate. This lower value is not maintained in subsequent financial statements if the reasons for the adjustment cease to exist.

The disposal or transfer of tangible fixed assets is recognised in the financial statements by eliminating the cost and depreciation fund and recording the relative gain or loss in the income statement.

The historical cost of some tangible fixed assets is revalued according to the revaluation law, no. 266 of 23 December 2005. The revalued amount was determined based on an independent appraisal.

Assets held under financial lease agreements through which all risks and benefits related to ownership are substantially transferred to the Group, are recognised as assets of the Group at their fair value or, if lower, the present value of the minimum lease payments. The leasing costs are split between the capital share and the interest share, determined by applying a constant interest rate to the residual debt.

The financial payables to the leasing company are recognised among the short-term liabilities, and among the long-term liabilities for the share to be repaid beyond the financial year. The cost for interests is entered in the income statement for the whole duration of the contract. The asset

subject to financial leasing is recognised among the tangible fixed assets and depreciated according to the estimated useful economic and technical life of the asset.

Leases in which the lessor substantially retains all the risks and benefits associated with ownership of the goods, are classified as operating leases. Costs referring to operating leases are recognised in the income statement for the whole duration of the lease contract.

3. Financial fixed assets

3.a Equity Investments Recorded Under Financial Fixed Assets

Equity investments in subsidiaries not included in the consolidation area and other minority interests in other companies are entered at purchase cost and adjusted in the event of impairment losses.

Equity investments in associated companies are valued using the equity method.

Equity investments in subsidiaries entered in the current assets when intended for sale are measured at the lower of the cost and realisable value.

3.b Receivables Recorded Under Financial Fixed Assets

With reference to the new regulations introduced by the Legislative Decree 139/2015 in relation to the amortised cost measurement and the discounting of receivables, it is hereby reported that the Parent Company availed itself of the right of prospective application provided under Article 12, paragraph 2 of said decree.

However, the financial receivables recognised in the financial statements before the financial year starting from 1 January 2016 are recognised at their nominal value, adjusted for impairment when necessary. If the reasons for impairment no longer apply in subsequent financial years, the value of the asset is reversed up to its original amount.

The financial receivables entered in the financial statements after 1 January 2016 are measured at amortised cost, taking into account the time value of money and the presumed realisable value. The transaction costs, any commission income or expense and every difference between the initial value and the nominal value on maturity are included in the calculation of the amortised cost using the effective interest method over the receivable's expected life.

The amortised cost criterion cannot be applied to receivables when its use has negligible effects for the purposes of providing a true and fair representation of the item.

Time deposits to secure a guarantee issued in favour of SIMEST S.p.A. are entered at nominal value. This value is adjusted in the event of an impairment loss, through allocation to a specific allowance for doubtful receivables. Interest accrued, unpaid at the time of the financial statements, is included under the item "Accrued income and prepayments".

4. Inventories

These are valued at the lower of the purchase cost, determined using the weighted average cost method and the presumed market value on closure of the period.

The purchase cost includes any ancillary costs while the production cost includes all costs directly attributable to the product and the portion of general production costs that can be reasonably attributed.

Regarding obsolete and slow-moving stock, if circumstances require it, the write-down is based on the possibility of use or realisation.

5. Receivables Recorded Under Current Assets

With reference to the new regulations introduced by the Legislative Decree 139/2015 in relation to the amortised cost measurement and the discounting of receivables, it is hereby reported that the Parent Company availed itself of the right of prospective application provided under Article 12, paragraph 2 of said decree.

Therefore, receivables recognised prior to the year opening on 1 January 2016 are recorded at the presumed realisable value, which is the difference between the nominal value of the receivables and the adjustment recorded under the allowance for doubtful receivables, recognised as a direct reduction in the items they refer to.

Receivables recognised starting from 1 January 2016 are instead entered according to the amortised cost criterion, taking account of the time value of money and the presumed realisable value.

The initial value of the receivables is represented by the nominal value net of all premiums, discounts and rebates, and including any costs directly attributable to the transaction which generated the receivable.

The transaction costs, any commission income or expense and every difference between the initial value and the nominal value on maturity are included in the calculation of the amortised cost using the effective interest method over the receivable's expected life.

The amortised cost criterion cannot be applied to receivables when its use has negligible effects for the purposes of providing a true and fair representation of the item.

The allowance for doubtful receivables, recorded as a direct reduction to receivables, includes allocations associated to items for which it is reasonable to expect a risk of non-collection, considering existing insurance policies.

Receivables are classified before and after the year based on the contract expiry.

Receivables originally expressed in foreign currency, entered at the exchange rate in force on the date of their occurrence, have been aligned to current exchange rates at the close of the financial year, as detailed further in the paragraph "Transactions in foreign currencies".

Factoring transactions

As in the previous financial year, the Group used the disposal of trade receivables as a source of financing, by selling them to factoring companies, with and without recourse.

The receivables sold with recourse are entered in the accounts under the entry "Trade accounts receivable", until they are successfully collected. The factor is required to provide financing in the form of advances on sold items. These prepayments are allocated to liabilities under item D.5 "Debts to other financial backers" and the related offset is entered to increase the company's current accounts.

Where contractual clauses aim to fraction the risk of insolvency between the transferor and the transferee, with the forecast of an increase or decrease in the amount received by the transferor in relation to loss of income, by the set expiry dates, from the transferred receivables, the notes to the financial statements must underline any risks in the section on Commitments, guarantees and contingent liabilities.

Receivables sold without recourse are removed from the balance sheet assets and the difference between the corresponding amount and the nominal value of the receivable at the time of the sale is recognised.

6. Transactions in foreign currency

Items expressed in currencies of countries outside the Eurozone are accounted for based on the following criteria.

Profits and losses deriving from the conversion of receivables and payables are respectively credited and debited to the Income Statement under item C.17 bis "Profit (loss) on exchange difference". Any unrealised net profit is allocated to the specific non-distributable reserve until it is realised.

Monetary foreign currency assets and liabilities have been entered at the spot exchange rate on the date of closure of the financial year.

The non-monetary assets and liabilities (fixed assets, inventories, accrued interests and deferred charges, etc.) in foreign currencies are recorded at the spot exchange rate at the purchase date

or if lower at the date of the closing of financial statements, when an impairment loss is recognised.

In the case of currency exchanges, the net positive/negative balance derived from the valuation of available liquid assets at the close of the year is recorded as a realisation gain/loss in the income statement under item C.17-bis.

7. Financial assets other than fixed assets

With reference to the new regulations introduced by the Legislative Decree 139/2015 in relation to the amortised cost measurement and the discounting of receivables, it is hereby reported that the Parent Company availed itself of the right of prospective application provided under Article 12, paragraph 2 of said decree.

However, the financial receivables recognised in the financial statements before the financial year starting from 1 January 2016 are recognised at their nominal value, adjusted for impairment when necessary. If the reasons for impairment no longer apply in subsequent financial years, the value of the asset is reversed up to its original amount.

The financial receivables entered in the financial statements after 1 January 2016 are measured at amortised cost, taking into account the time value of money and the presumed realisable value. The transaction costs, any commission income or expense and every difference between the initial value and the nominal value on maturity are included in the calculation of the amortised cost using the effective interest method over the receivable's expected life.

The amortised cost criterion cannot be applied to receivables when its use has negligible effects for the purposes of providing a true and fair representation of the item.

8. Cash and cash equivalents

They are entered at their nominal value.

9. Provisions for risks and charges

These mainly involve provisions to cover charges of a definite nature and certain or probable existence, for which, however, at the end of the financial year, it was not possible to determine the amount or date of occurrence. The provisions are the result of the most reliable possible estimate on the basis of the commitments undertaken and of elements to hand.

In detail, they consist of:

- a. *"Provision for deferred tax and other tax liabilities"*: includes deferred taxes determined as described in the paragraph on income taxes;
- b. *"Provision for derivative financial instruments"*: for the detail relating to this item please refer to the paragraph on derivative financial liabilities.
- c. *"other provisions"*: essentially cover risks associated with the performance of the contractual commitments undertaken, and risks for legal disputes in progress.

10. Employee severance indemnity

This is determined based on the existing legislation (specifically Italian law no. 297 of 29 May 1982, which provides for its mandatory fixed and variable revaluation) and the collective labour agreement contract.

Starting from 1 January 2007, the Budget Act and the related decrees implemented introduced significant changes in the regulation of the Employee Severance Indemnity for companies with more than 50 employees. This act foresees the employee deciding on the destination for their accrued Employee Severance Indemnity (to supplementary pension funds or to a "Treasury Fund" managed by INPS, the Social Security institute). Therefore, it follows that the obligation to INPS, as well as the contributions to supplementary pension schemes are paid to the respective

institutions, while the shares part of the Employee Severance Indemnity prior to 31 December 2006 are processed as in previous years.

The fund is adjusted to the accrued amount at year end by the staff in service on that date, net of the corresponding prepayments and represents the company's debt towards its employees.

11. Accruals and deferrals

These items include the share of costs and revenues covering two financial years, the extent of which is determined in order to reflect the accruals basis principle.

12. Income tax

Current taxes

Income taxes are determined according to the evaluation of the tax burden for the year in compliance with the provisions of the laws in force, considering the applicable exemptions and any tax credits due. The associated payable amount is shown net of advances, withholdings and tax credits under "tax liabilities"; the net payable position is recorded under "Tax liabilities" of the current assets.

Deferred and prepaid taxes

Assets for prepaid taxes and liabilities for deferred taxes are calculated according to the time differences between the value attributed to an asset or a liability according to the accounting criteria and the value attributed for tax purposes on the basis of the rate foreseen at the time in which the differences occur.

Prepaid taxes are entered in the relative item of the current assets and are entered, in compliance with the principle of prudence, if there is relative certainty of the existence, in the financial years in which the relative time differences occur, of a taxable income equal to or higher than the amount of the differences they will cancel out.

Deferred taxes on reserves and withheld tax amounts are recorded when it is expected that said reserves will be distributed or otherwise used and that said distribution or use will lead to tax liabilities.

In the income statement, deferred and prepaid taxes are indicated separately, under income taxes for the year.

13. Revenues and costs

Revenues from the sale of products are recorded on an accrual basis at the time of the transfer of ownership, which normally coincides with the delivery or shipment of the goods. Revenues associated to services are recorded in the income statement to the extent that the associated services are carried out over the course of the year. Revenues from sales and services are indicated net of client returns, discounts, allowances and premiums, as well as of taxes directly connected with the sale of products or services.

The costs are entered according to the accrual basis principle.

14. Derivatives

Derivative financial instruments are used for economic hedging purposes to reduce exchange rate risk. In compliance with *OIC 32 - Derivative financial instruments*, all derivative financial instruments are valued at fair value.

Derivative financial instruments can be accounted for under the conditions laid down for *hedge accounting* only when there is a formal designation and documentation of the hedging relationship at the outset. It is therefore expected that the hedging will be highly effective, and that said effectiveness can be reliably assessed for all the financial years to which it has been designated. When the derivative financial instruments fulfil the requirements for accounting according to the established hedge accounting method, it is applied as follows: if a derivative financial instrument

is designated to hedge the variability of future cash flows of an asset or liability or of an highly likely anticipated transaction which could influence the income statement, the effective profit or loss on the derivative financial instrument is recorded directly to net equity under item A) VII *Cash flow hedging reserve*. The accumulated profit or losses are accounted for in the income statement in the same period in which the related economic effect of the transaction subject to the hedging and are added as adjustment to the hedged item. Profits and losses associated with a hedge (or part of a hedge) that has become ineffective are immediately entered in the income statement respectively under item D) 18 d) *write-up of derivative financial instruments* and D) 19 d) *write-down of derivative financial instruments*. When a hedging instrument or hedging relationship is terminated, but the transaction subject to the hedging has not yet been carried out, the accumulated profits or losses, until the time they are entered in the appropriate net equity reserves, are recorded in the income statement at the time the related transaction is made in connection with the recognition of the economic effects of the hedged transaction. If the hedged transaction is no longer considered likely, the unrealised accumulated profits or losses recognised under net equity are immediately entered in the income statement under D18 d) or D19 d).

Derivative financial instruments with a positive fair value are classified as current assets (item C.III.5 *Derivative financial assets*) namely in the "Financial fixed assets" (item B.III.4 derivative financial assets). Derivative financial instruments with a negative fair value are classified in the Risk provisions (entry B3 *Provision for derivative financial instruments*).

If hedge accounting cannot be applied, the profits or losses deriving from the valuation of the derivative are immediately recorded in the income statement under items D18 d) or D19 d).

As laid down in Legislative Decree 139/2015, the innovations introduced with respect to financial derivative instruments were applied retrospectively, pursuant to *OIC 29 - Changes in accounting principles, changes in accounting estimates, error corrections, events occurring after year end*.

15. Dividends

The distribution of dividends to shareholders results in a liability being entered at the time the resolution is approved by the general meeting.

16. Commitments, guarantees and contingent liabilities not resulting from the balance sheet

The table annexed to the notes to the financial statements highlights management events that, while not quantitatively affecting the net equity and the result of operations at the time of entry, could however produce effects subsequently. Such elements are entered at their nominal value or at the value of the commitment.

ILLUSTRATION OF ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

ASSETS

A. RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE

€ -

There are no receivables from shareholders for payments still due at the closing date of the financial year.

B. FIXED ASSETS

€ 511,045,608

I. INTANGIBLE FIXED ASSETS

Intangible Assets	31/12/2024	31/12/2023	Variation
Start-up and expansion costs	13.249	4.257	8.992
Industrial patent and intellectual property rights	26.093.908	-	26.093.908
Concessions, licences, trademarks, and similar rights	15.041.936	16.618.149	(1.576.213)
Goodwill	109.893.284	114.465.816	(4.572.532)
Work in progress and advances	4.489.785	2.028.383	2.461.402
Others	5.777.323	7.171.641	(1.394.318)
Total	161.309.485	140.288.246	21.021.239

The table in **Annex A** gives the detail of the Intangible Fixed Assets, and the movements in the financial year.

B.I.1) Start-up and expansion costs.

“Start-up and expansion costs” includes mainly the notary costs incurred by the Parent company for the merger by incorporation of the subsidiary Cogne Distribuzione Italia S.r.l. and the notary costs incurred for the deed relating to the free increase in share capital pursuant to Art. 2442 of the Italian Civil Code, on 16 December 2019. The duration of the amortisation is 5 years. The amortization for the year is equal to €3 thousand.

B.I.2) Development costs.

“Development costs” include investments relating to the implementation of projects relating to the improvement of production activities. The item has been fully amortised and no increases were recorded during the year

B.I.3) Industrial patent and intellectual property rights

“Industrial patent and intellectual property rights” mainly reflects the partial allocation of the purchase price of the Special Melted Products Company, finalized during the 2023 financial year, for an amount of €28,538 thousand.

Investments for the year amount to €942 thousand, while amortization for the year amounts to €2,631 thousand.

B.I.4) Concessions, licences, trademarks and similar rights.

“Concessions, licences, trademarks and similar rights” includes charges relating to capitalised user licences. The investments for the financial year, equal to € 188 thousand and the amortisation for the year is equal to € 1,772 thousand.

The item also changes due to the effect of the new companies included in the consolidation perimeter for € 122 thousand.

The residual value of the assets amortised during the period is listed below (amounts in thousands of Euro):

Category	Law	Amount €/000	Residual value to amortise 31.12.2024 €/000
Concessions, licences and trademark	Italian Law 13/10/2020 N° 126	17.000	13,222
Total		17.000	13,222

B.I.5) Goodwill

This item represents the difference between:

- the value of the investment in the company Cogne Stainless Bars SA (€15 million) and the corresponding net equity of the subsidiary on the date of first consolidation (€12.8 million) which occurred in 2018. It is specified that the entire value of the share transferred was subject to a specific estimation report drafted by an independent expert.
- the value of the investment in the company Edelstahl- & Metallhandelsgesellschaft GmbH (€2.145 thousand) and the corresponding net equity of the subsidiary on the date of first consolidation (€1.696 thousand) which occurred in 2022.
- the purchase value of the total shareholding in the company Special Melted Products Ltd (€169,635 thousand) and the corresponding portion of the subsidiary's net assets at the date of first consolidation includes the valuation carried out through the purchase price allocation process (€96,121 thousand).
- the purchase value of the 65% majority stake in Com.Steel Inox SpA (€27,024 thousand) and the corresponding portion of the new subsidiary's net assets at the date of first consolidation include the valuation carried out through the purchase price allocation process (€6,712 thousand).
- the customer lists recognized during the purchase price allocation of Companies Special Melted Products and Com.Steel Inox SpA amounts to €33,800 thousand and €8,448 thousand, as of the first consolidation date. These customer lists will be amortised over 10 years unless a shorter useful life has been identified.

The consolidation difference arising with reference to the purchased equity investment and relating to the higher price paid compared to the value of the purchased net equity, was deemed representative in its entirety to goodwill recognised at the time of purchase.

The amortisation of the goodwill, determined considering the strong productive synergies generated by the purchases of the equity investment and the expectations of additional future economic benefits, is recorded over 10 years. The amount for the financial year is therefore €12,014 thousand.

B.1.7) Other intangible fixed assets

The breakdown of the item "Other intangible assets" is as follows (values in thousands of Euro):

Others	31/12/2024	31/12/2023	Variation
Other multi-year costs	679.700	735.428	(55.728)
Costs for plants compliance	1.347.443	1.858.063	(510.620)
Concessions, licences, trademarks, and similar rights	3.750.181	4.578.150	(827.969)
Total	5.777.324	7.171.641	(1.394.317)

"Other multi-year costs" mainly includes the costs incurred by the Holding company for activities aimed at supporting production efficiency, improving environmental management processes and preventing major accidents; the increase in the period is equal to €291 thousand with amortization in 5 years. Amortization for the year amounts to €348 thousand.

"Costs for plants compliance" mainly includes the costs incurred by the Holding company in previous years and in the current period; this item increased by €162 thousand following the investments made by the Holding company in the modernization and updating of systems installed in non-owned buildings. The amortization for the year is equal to €673 thousand.

"Costs for improvements on third parties assets" mainly includes restoration charges, extraordinary maintenance interventions and improvements to buildings, roads and other third parties assets leased by the company Structure VDA. During the year, costs of €1,530 thousand were incurred mainly referring to maintenance of an extraordinary nature carried out inside the plant. Depreciation for the period is equal to €2,358 thousand.

II. TANGIBLE FIXED ASSETS

Tangible assets	31/12/2024	31/12/2023	Variation
Land and buildings	40.699.695	37.747.296	2.952.399
Plant and machinery	217.450.816	143.773.056	73.677.760
Fixtures, fittings, tools and equipment	13.573.123	9.138.314	4.434.809
Others	4.096.502	3.645.834	450.668
Work in progress and advances	60.863.507	48.711.982	12.151.525
Total	336.683.643	243.016.482	93.667.161

The table in **Annex B** gives the detail of the Tangible Fixed Assets, and the movements in the financial year. To provide more complete information on the movements of the financial year, the main changes in the amount of the individual categories included in this item are described below. The residual value of the assets amortised during the period is listed below (amounts in thousands of Euro):

Category	Law	Amount € 000	Residual value to amortise as at 31.12.2024 €/000
Plant and machinery	Italian Law no. 126 of 13/10/2020	4,778	2,867
Furnaces and Accessories	Italian Law no. 126 of 13/10/2020	10,955	6,573
Large specific and automatic plants	Italian Law no. 126 of 13/10/2020	50,350	30,210
Buildings	Decree Law no. 185 of 28/11/2008	1,163	232,61
Total		67,246	39,883

B.II.1) Land and buildings

Following the change in the consolidation perimeter which occurred during the financial year, the item Land and buildings increased by €9,727 thousand. The purchase price allocation process described earlier in relation to the acquisition of Special Melted Products has identified a devaluation in the value of the buildings for €5,947 thousand.

Total depreciation for the period amounts to €2,357 thousand and it has been calculated based on the useful life of the assets.

B.II.2) Plants and machinery

Increases in the period amounting to €39,963 thousand mainly related to investments made by the Parent Company during the year for €27,068 thousand and by the subsidiaries for €12,896 thousand. Following the change in the consolidation perimeter which occurred during the financial year, the item Plants and machinery increased by €43,584 thousand and it also includes the step up adjustment (€22,507 thousand) resulting from the purchase price allocation process relating to the acquisition of Special Melted Products described previously.

The effect of the investments made during the year is offset by the depreciation for the period, amounting to €32,634 thousand.

B.II.3) Industrial and commercial equipment

The increase during the financial year 2024 amount to €2,447 thousand and refer mainly to the purchase of miscellaneous equipment by the Parent Company (€2,118 thousand).

The effect of the investments made during the year is offset by the depreciation for the period, amounting to €1,746 thousand.

B.II.4) Other assets

Increases for the year amount to €813 thousand and mainly relate to the purchase of electronic office equipment and EDP machinery, as well as furniture and fittings (€349 thousand), mainly by the Parent Company.

The item also includes the higher value of €1,126 thousand recognized following the purchase price allocation process relating to the acquisition of the company Special Melted Products, as previously described.

The depreciation for the year was equal to €1,384 thousand.

B.II.5) Assets under development and payments on account

The increases refer to investments in the period relating to assets not yet in operation.

Assets under construction at December 31, 2024 amount to €60,863 thousand and refer to investments in the period relating to assets not yet placed into operation made primarily by the Parent Company (€47,033 thousand).

As a result of the change in the scope of consolidation during the year, the item increases by €4,501 thousand.

Financial leases

With regard to leased assets, accounted according to the financial method, it should be noted that these have been reclassified and allocated to specific fixed asset items created during the previous financial year. Fixed assets deriving from financial leasing contracts increased during the financial year by €372 thousand.

III. FINANCIAL FIXED ASSETS

Equity investments

Investments	31/12/2024	31/12/2023	Variation
Financial investments from others companies	1.951.028	4.161.731	(2.210.703)
Total	1.951.028	4.161.731	(2.210.703)

B.III.1) Equity Investments

The list of companies included in the consolidation area is provided in **Annex C**, with information concerning the name, registered office, share capital and interest held.

Other companies

The detail of "Other companies" is as follows:

Investments in other companies	31/12/2024	31/12/2023	Variation
Consorzio Geo Storage	2.000	2.000	-
Consorzio Metal Interconnector	1.949.028	4.159.730	(2.210.702)
Total	1.951.028	4.161.730	(2.210.702)

During the year, the Parent Company has written down the investment in Metal Interconnector by €2.2 million in line with the expected return on the investment.

B.III.2) Receivables

Short term receivables from others are detailed in the following table

Receivables	31/12/2024	31/12/2023	Variation
Security account	421.475	305.311	116.164
LT receivables from other companies	635.191	-	635.191
Total	1.056.666	305.311	751.355

B.III.2) Other securities/ holdings

Other securities/ holdings	31/12/2024	31/12/2023	Variation
Other securities/ holdings	9.060.485	9.403.981	(343.496)
Total	9.060.485	9.403.981	(343.496)

The item includes the net assets related to the defined pension fund of Special Melted Products Ltd for €9,040 thousand.

C. CURRENT ASSETS
€ 892,980,913
I. INVENTORY

Inventory	31/12/2024	31/12/2023	Variation
Raw materials, consumable and supplies	142.082.162	63.183.429	78.898.733
Work in progress and components products	231.171.424	109.576.585	121.594.839
Finished products and goods	197.886.796	141.431.678	56.455.118
Advances	3.979.668	3.563.930	415.738
Total	575.120.050	317.755.622	257.364.428

The total value of inventories reflects an increase of €257 million mainly due to the acquisitions of shareholdings in subsidiary companies, which, as of the first consolidation date of the new companies, resulted in an increase of €180 million. Net of the increase from the newly consolidated companies, inventories therefore show a decrease of €76 million partly due to the increase in quantities (+ 6,800 tons equal to €21 million) and partly due to the change in the production mix which focused on brands with a high content of alloys.

Consumables include stocks of raw materials used in the production process of various consumables, spare parts and equipment.

The value of the inventories on 31 December 2024 was compared with the market value deduced from the sales prices of the last month of the financial year. The codes that cost more than the market value have been devalued in order to make them consistent with the market value.

II. RECEIVABLES

Receivables	31/12/2024	31/12/2023	Variation
II - Receivables			
1) Trade receivables	181.019.322	137.275.352	43.743.970
- less than 12 months	181.019.322	137.275.352	43.743.970
5-bis) Tax receivables	22.659.809	16.123.178	6.536.631
- less than 12 months	19.745.026	15.765.300	3.979.726
- more than 12 months	2.914.783	357.878	2.556.905
5-ter) Deferred tax assets	33.005.484	14.478.330	18.527.154
5-quater) Other receivables	5.893.325	4.118.928	1.774.397
- less than 12 months	5.646.032	4.118.928	1.527.104
- more than 12 months	247.293	-	247.293
Total	242.577.939	171.995.788	70.582.151

C.II.1) Trade receivables

Trade receivables	31/12/2024	31/12/2023	Variation
ST trade receivables	185.150.176	139.490.597	45.659.579
Allowance for doubtful ST receivables	(4.130.853)	(2.215.245)	(1.915.608)
Total	181.019.323	137.275.352	43.743.971

"Trade receivables" includes all short-term trade accounts receivable and reflects an increase of around €44 million, attributable to the contribution of trade receivables from third-party customers resulting from the period acquisitions, amounting to €81 million, net of a decrease of €36 million. Trade receivables from clients are recorded at nominal value, adjusted by the allowance for doubtful receivables of €4,1 million. The uses refer to the coverage of losses incurred during the year on receivables written off that became uncollectable on the basis of sure and precise elements. The accrual for the financial year, equal to €2,122 thousand, mainly attributable to the subsidiary Cogne France, reflects the assessment of the risk of uncollectability of the items existing at the balance sheet date, taking into account the insurance policies in place and the relative credit lines.

The movements in the allowance for doubtful receivables posted with regard to third party clients are as follows (values in thousands of Euro):

Allowance for doubtful receivables	31/12/2023	Change in area/ extraordinary transaction	Accrual	Release	Utilization	Currency translation difference	31/12/2024
Allowance for doubtful ST receivables	2.215.245	451.885	2.121.991	(423.636)	(234.632)	8.629	4.130.853
Total	2.215.245	451.885	2.121.991	(423.636)	(234.632)	8.629	4.130.853

There are no trade receivables that expire beyond 5 years.

C.II.5 bis) Tax receivables

The detail of the "Tax receivables" entry is as follows:

Tax receivables	31/12/2024	31/12/2023	Variation
ST tax receivables for income taxes	10.283.612	7.994.813	2.288.799
ST VAT	6.283.811	6.244.492	39.319
Other ST tax receivables	3.177.603	1.525.995	1.651.608
Other LT tax receivables	2.914.783	357.878	2.556.905
Total	22.659.809	16.123.178	6.536.631

Tax receivables increased overall by €6, 537 thousand, mainly due to the new acquisitions and to the rise in the tax credit for investments in operating assets as part of the Industry 4.0 process, included under Other tax receivables due within and after one year.

C.II.5 ter) Deferred tax assets

Deferred tax assets	31/12/2024	31/12/2023	Variation
ST deferred taxes	33.005.484	14.478.330	18.527.154
Total	33.005.484	14.478.330	18.527.154

Deferred tax assets have been recorded only based on the reasonable certainty of their recoverability, according to forecasts of generating taxable income of sufficient magnitude to recover the deferred taxes when the difference reverse.

In particular, at December 31, 2024 receivables for deferred tax assets amount to €33,005 thousand and relate mainly to the calculation of prepaid taxes by the Parent Company (€11,014 thousand) and the subsidiaries Special Melted Products (€14,142 thousand) and DMV group (€7,474 thousand), in addition to the total tax effect for IRES and IRAP purposes deriving from the consolidation adjustments (€56 thousand).

C.II.5) quater Receivables from others

The detail of "Receivables from others" is as follows:

- less than 12 months	31/12/2024	31/12/2023	Variation
ST receivables from employees	22.240	26.278	(4.038)
ST receivables from social security institutes	45	46	(1)
ST receivables from factoring companies	329.046	1.154.397	(825.351)
ST receivables from insurances	36.772	85.690	(48.918)
ST advances to suppliers	3.289.940	2.214.266	1.075.674
ST receivables from others	1.967.989	638.251	1.329.738
Total	5.646.032	4.118.928	1.527.104

"Receivables from factoring companies" relate to the portion of receivables transferred from the Parent Company to the factoring company without recourse, but not yet liquidated by the factoring company.

"Advances to suppliers" include payments relating to goods for which the relative customs bill registering the tax document, or the payments relating to the advance payment invoices or the works progress and advance payments to suppliers of the main component alloys has not yet been received.

It should be noted that there are no receivables due after more than five years.

III. CURRENT FINANCIAL ASSETS

5. Derivative financial instruments - assets

On 31 December 2024, forward agreements were in place, signed with the aim of mitigating the structural exposure in BRL, GBP, SEK and USD. Said agreements reduce the Company's exposure to the risk of changes in the exchange rate on sales and purchases in currencies other than the Euro.

With regard to the forward purchase and sale transactions involving foreign currencies at 31 December 2024, aimed at hedging exchange rate fluctuations, write-ups of derivative financial instruments were recognised for €171 thousand; these amounts include the effect of the elimination of the exchange gains and losses on the hedged positions.

The following table groups the contracts by currency:

Type	Currency	Outstanding notional value (EUR)	MTM (EUR)
Forward	BRL	2.174.218	56.498
Forward	GBP	2.249.847	21.131
Forward	SEK	7.736.277	60.354
Forward	USD	7.479.064	33.349
Total		19.639.406	171.332

Commodities

The fair value of derivatives entered into to hedge energy price fluctuations amounted to €572 thousand.

C.II.6) Other securities

During the previous year, two investment contracts (so-called Time deposits) worth 10 million each were signed; During the year, they were released at maturity as contractually agreed.

IV. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	31/12/2024	31/12/2023	Variation
Banks and postal current accounts	74.746.781	98.881.954	(24.135.173)
Bank cheques	471.686	737.656	(265.970)
Cash on hand	38.878	31.343	7.535
Total	75.257.345	99.650.953	(24.393.608)

The item includes cash held with banks and other financial institutions.

D. ACCRUED INCOME AND PREPAYMENTS	€5,672,820
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The breakdown of Accrued income and prepayments is as follows:

Prepayments and accrued income	31/12/2024	31/12/2023	Variation
Other accrued incomes	94.580	112.261	(17.681)
Prepaid insurances expenses	147.923	119.404	28.519
Prepaid maintenance expenses	76.617	50.245	26.372
Other deferred charges	5.353.700	5.149.034	204.666
Total	5.672.820	5.430.943	241.877

“Other accrued incomes” refers to expenditure incurred in the provision of services and the use of third party assets which will end in the next financial year.

The portions of prepayments relating to more than 5 years refer to the insurance contracts agreed on subsidiaries’ assets (€141 thousand).

LIABILITIES

A. NET EQUITY	€ 608,192,503
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Net equity	31/12/2024	31/12/2023
Share capital	439.208.027	405.563.167
Share premium reserve	55.791.973	44.436.833
Legal reserve	4.942.909	4.861.472
<i>Extraordinary reserve</i>	<i>2.061.651</i>	<i>2.061.651</i>
<i>Merger reserve</i>	<i>145.622</i>	<i>145.622</i>
<i>Consolidation reserve</i>	<i>64.792.284</i>	<i>33.677.909</i>
<i>Current's year equity conversion reserve</i>	<i>2.363.114</i>	<i>(3.621.821)</i>
<i>Undivided profits</i>	<i>34.137.266</i>	<i>37.211.337</i>
Other reserves, with distinct indication	103.499.937	69.474.698
Cash flow hedging reserve	778.006	1.302.908
Retained Earnings	36.142.035	34.594.749
Net profit (loss) for the period	(38.993.505)	(1.446.620)
Shareholder's equity of the Group	601.369.382	558.787.207
Equity attributable to minority shareholders	5.212.762	1.956.409
Profit (loss) for the period attributable to minority shareholders	1.610.359	(122.880)
Minority Interest	6.823.121	1.833.529
Total Equity	608.192.503	560.620.736

The net equity of the Group at December 31, 2024 amounts to €601,369,382, including the group net income for the year, a loss of €38,993,505. The minority interest amount to €6,823,121 including a loss of €1,610,359.

The total equity amount to €608,192,503, including the fiscal year result, a loss equal to €37,383,146.

A.I) Share capital

The share capital of the Parent Company on 31 December 2024, of €439,208,027, was fully paid up.

On 30 November 2022, 70% of Cogne Acciai Speciali was transferred to the Walsin Lihwa Corporation Group.

On 6 September 2024, the Company approved a capital increase against consideration of €45 million to be carried out by issuing 33,644,860 shares with a nominal value of €1 each and a total share premium of €11,355,140. The capital increase was fully paid-in at the reporting date and was carried out in order to complete the acquisition of the subsidiary DMV GmbH during the year.

The movements in the financial year in each item, with reference to the portion of equity and the results of the Group and of minority interests are summarised in **Annex D**.

A.IV) Legal reserve

The legal reserve amounts to €4,942,909.

A.VII) Other reserves

This item, equal to a positive €103,499,937, is composed as follows:

- € 2,363,114 negative, relating to the currency translation reserve;
- € 145,622, relating to the merger reserve;
- € 64,792,284 relating to the reserve established following the allocation of the negative surplus remaining from the purchase price allocation process related to the acquisition of the companies Degerfors Long Product and DMV GMBH and its subsidiaries. This allocation to the reserve is related to the negative surplus attributable to the completion of a good deal for both transactions;
- €34,137,266 relating to undivided profit of subsidiaries company and the effects of the consolidation adjustments.
- € 2,061,651, relating to the extraordinary reserve for the distributable share of the profits on exchange rates.

A.VIII) Retained earnings (Losses brought forward)

The “retained earnings” amount to €36,142,035.

Reconciliation between net equity and net income for the financial year of Cogne Acciai Speciali S.p.A. and the net equity and net income for the financial year in the Consolidated Financial Statements.

Reconciliation of net equity	Shareholders' equity of the Group	Net profit (loss) for the period	Minority interest	Profit (loss) for the period attributable to minority shareholders
Holding	502.568.845	(36.501.377)		
Other entities	408.448.566	11.996.362		
Aggregate Total	911.017.411	(24.505.015)		
Elimination of the shareholdings	(424.674.156)	(1.610.359)	4.691.269	1.610.359
Elimination of revaluation and devaluation of shareholding	16.193.593	(2.226.117)		
Goodwill	97.736.302	(10.406.406)	2.131.853	
Leasing IAS 17	1.733.230	362.133		
Elimination of capital gains and other intercompany items	(155.239)	26.956		
Tax effect on consolidation adjustments	(458.847)	(108.556)		
Impact of the conversion of the entities' assets		(292.994)		
Other	(22.912)	(233.145)		
Total consolidation adjustments	(309.648.030)	(14.488.489)	6.823.122	1.610.359
CONSOLIDATED FINANCIAL STATEMENTS	601.369.381	(38.993.505)	6.823.122	1.610.359

B. PROVISIONS FOR RISKS AND CHARGES 52,217,727

B.2) Provisions for taxes, including deferred

The detail of the item in question and the movements during the financial year are given below (amounts in thousands of Euro):

Deferred tax and other tax liabilities fund	31/12/2024	31/12/2023	Variation
Deferred tax liabilities fund	30.623.087	4.988.905	25.634.182
Other taxes provision fund	393.792	2.353.475	(1.959.683)
Deferred tax and other tax liabilities fund	31.016.879	7.342.380	23.674.499

This item includes deferred taxes allocated by each consolidated company against the income items subject to deferred taxation.

At 31 December 2024, the provision for deferred taxes amounts to €21,090 thousand and includes the amounts entered by the Parent Company (€297 thousand) and the subsidiaries Cogne Stainless Bars (€140 thousand), Cogne UK (€25 thousand), Cogne Degerfors Long Product (€413 thousand), Special Melted Product (€7,443 thousand) and DMV Group (€1,664 thousand).

The deferred tax liabilities mainly refer to fixed assets subject to revaluation and to the taxation relating to the pension fund of the subsidiary Special Melted Product in addition to the overall tax effect for IRES and IRAP purposes deriving from consolidation adjustments (€518 thousand).

It is highlighted that deferred taxes have been allocated as part of the purchase price allocation process for companies Cogne Degerfors Long Product, Special Melted Products and Com.Steel Inox S.p.a.

As of December 31, 2024, the amount of deferred taxes attributable to the higher value allocated to the assets of the three companies totals €20,150 thousand.

B.3) Derivative financial instruments – liabilities

Exchange rates

At 31 December 2024, forward agreements were in place, signed with the aim of mitigating structural exposure in GBP and SEK. Said agreements reduce the Company's exposure to the risk of changes in the exchange rate on sales and purchases in currencies other than the Euro. With regard to the forward purchase and sale transactions involving foreign currencies at 31 December 2024, aimed at hedging exchange rate fluctuations, write-downs of derivative financial instruments were recognised for €195 thousand; these amounts include the effect of the elimination of the exchange rate gains and losses on the hedged positions.

Type	Currency	Outstanding notional value (EUR)	MTM (EUR)
Forward	GBP	17.728.358,14	(146.922,21)
Forward	SEK	3.455.798,94	(48.161,95)
Total		21.184.157,07	(195.084,16)

Rates

At 31 December 2024, derivative contracts were in place to cover the interest rate risk relating to outstanding loans. Hedging reserves of €590 thousand were recognised net of tax effects for this category of derivative financial instruments.

Commodities

At 31 December 2024, derivative contracts were in place to hedge the risk of fluctuation in the price of energy and raw material (nickel). For this category of derivatives, write-downs of €115 thousand and €278 thousand were recognised, respectively.

B.4) Other provisions

Other provisions fund	31/12/2023	Change in area/ extraordinary transaction	Accrual	Other movements	31/12/2024
Guarantee products provision fund	-	491.200	-	77.600	568.800
Claims provision fund	-	5.547.576	-	(3.940.000)	1.607.576
Other provisions fund	640.001	3.065.254	10.158.182	3.157.964	17.021.401
Other provisions fund	640.001	9.104.030	14.057.972	(704.436)	19.197.777

The increase in the item "Other provisions fund" is primarily attributable to the acquisition of the DMV group and the subsequent allocation by the group of a provision for corporate restructuring amounting to €10 million.

During the year, following the settlement of the assessments received from the tax authorities which were notified in the previous year in connection with the transactions entered into with

Simest, €260 thousand was recognised as income and €20 thousand was used of the provision estimated in 2023 for a total of €280 thousand. This provision related to the IRES effect, penalties and interest for all years (from 2017 to 2020) in which the Company carried out transactions with Simest.

The provision accrued in 2019, 2020 and 2021 in relation to the risk of a possible change in the calculation of the TARI (waste disposal tax) cost for the period 2015 – 2020, estimated at €360 thousand, was released. Indeed, the Company deemed that the requirements underlying this provision no longer existed.

C. EMPLOYEE SEVERANCE INDEMNITY

€ 29,830,771

The provision for staff severance indemnity includes the severance accrued to be paid to all employees upon termination of employment, the collective agreements and the company agreements.

Movements in the item in 2024 are shown below:

Employee severance indemnity	31/12/2023	Change in area/ extraordinary transaction	Accrual	Other movements	31/12/2024
Provision for employee severance indemnity	3.488.936	26.473.970	4.124.886	(4.257.021)	29.830.771
Total	3.488.936	26.473.970	4.124.886	(4.257.021)	29.830.771

The allocations for the financial year refer to the amount of indemnities accrued for €4,124 thousand, while the utilization reflects the share of severance pay (TFR) paid mainly to employees leaving the Parent company and the transfer of part of the portion accrued during the year to supplementary pension funds.

D. PAYABLES
€ 710,492,660
D.1) Bonds

Bonds	31/12/2024	31/12/2023	Variation
ST portion bonds	3.003.029	3.005.034	(2.005)
LT portion bonds	1.482.588	4.455.709	(2.973.121)
Total	4.485.617	7.460.743	(2.975.126)

This item refers to the issuance by the Company in 2019 of the bond loan below par (“Cogne Acciai Speciali S.p.A. – 3.50 2019- 2026”) for a total nominal value of €15,000,000 (€4,482,588 applying the amortised cost at the reporting date). It comprises 150 non-divisible dematerialised bonds with an individual nominal value of 100,000 each. These bonds are subscribed at a price of 99.57% of their nominal value, with an issue discount of €64.5 thousand. Interest is paid in arrears on a six-monthly basis, at a nominal gross fixed annual rate of 3.50%; the loan will be repaid by amortisation at par as of 24 December 2021, with six-monthly instalments. The loan is subject to compliance with the NFP/EBITDA covenant.

The change of the year is due to the redemption of the bond in 2024 (€3 million), partially offset by the effect of the application of the amortised cost.

D.3) Payables due to the shareholders

Payables due to the shareholders	31/12/2024	31/12/2023	Variation
ST shareholders' payables	20.322.249	370.911	19.951.338
LT shareholders' payables	1.460.406	1.483.645	(23.239)
Payables due to the shareholders	21.782.655	1.854.556	19.928.099

This item increased by €20 million following the granting of an interest-bearing loan of the same amount by Com.Steel S.p.a., which holds 35% of the shares of the newly acquired Com.Steel Inox S.p.a.. The loan will be repaid in the course of 2025.

The item also includes the restricted loan granted by SIMEST to the subsidiary Cogne Mexico in 2023, with the related repayment plan set to include in 2029.

D.4) Payables to banks

Payables due to banks	31/12/2024	31/12/2023	Variation
ST collateralised bank loans	260.000	601.863	(341.863)
ST uncollateralised bank loans	59.413.365	43.481.210	15.932.155
Bank accounts	49.615.408	280.653	49.334.755
Advances bank accounts	77.326.324	21.329.480	55.996.844
LT collateralised bank loans	1.135.000	1.395.000	(260.000)
LT uncollateralised bank loans	226.989.060	148.720.915	78.268.145
Total	414.739.157	215.809.121	198.930.036

“Bank accounts” and “Advances bank accounts” include the debt to banks resulting from ordinary current accounts, the debt for advances on invoices and the debts for bank receipts subject to collection. Current financial debt increased overall by €199 million. It should be noted that the liquid assets at December 31, 2024, as shown in the balance sheet under the item Bank and

postal current accounts, amount to €175,257 thousand. As of 31 December 2024, the monetary and signature lines granted to the Parent Company were renewed until revoked.

“Bank loans within the period” include the short-term debt to banks for loans granted. The portion due within one year indicates the amount that will be repaid within 12 months.

During the year, a medium-long term loan agreement was signed with Citibank (the "Mutual Dual Currency Loan Agreement") worth €130 million and remunerated at a variable rate.

In 2024, the Company did not sign any new IRSs for hedging purposes.

All the loan agreements entered into, except for those granted by Invitalia, Simest (capitalisation type), Cassa Centrale Banca, MedioCredito Centrale, Citibank and the mortgage loans granted by Intesa San Paolo, are subject to NFP/EBITDA and NFP/NE covenants.

As a result of the trend of the reference market in 2024, which remained weak, and due to the acquisition of the German-based DMV Group (formerly MST) in the last quarter of the year, the Company was unable to comply with the NFP\EBITDA covenant.

The Company requested a covenant holiday at 31 December 2024 and has already received the related approval from all the bodies involved.

The breakdown of payables to banks for loans based on the repayment timeframe is as follows:

Institute	Share within the year	Share beyond the year
Banca BNL SACE	3.007.227	-
Banco BPM SACE	3.992.773	8.187.438
Citibank	9.809.804	129.917.011
Deutsche Bank Sace	3.000.000	6.161.872
Hyundai Capital	2.450	-
Intesa San Paolo	1.000.106	3.011
Intesa San Paolo SACE	18.860.000	38.312.474
Invitalia	6.002.717	14.930.870
Ipotecario Intesa San Paolo	261.489	1.135.000
Monte dei Paschi di Siena	800.000	2.763.303
Simest	120.000	240.000
Supportitalia SACE Cassa Centrale	2.000.000	6.936.213
Supportitalia SACE Mediocredito Centrale	2.000.000	6.928.255
Supportitalia SACE Cassa Depositi e Prestiti	5.000.000	12.492.557
Unicredit SACE	3.750.000	116.055
Altri istituti	66.799	-
Total	59.673.365	228.124.060

There are no payables for medium-long term loans with a maturity of over 5 years.

The net financial position of the Group at December 31, 2024 is detailed below (amounts in thousands of Euro):

Net Financial Position	31/12/2024	31/12/2023	Variation
Cash and cash equivalents	75.257.346	99.650.953	(24.393.607)
Financial assets other than fixed assets	1.020.019	22.656.994	(21.636.975)
<i>Bonds (within 12 months)</i>	<i>(3.003.029)</i>	<i>(3.005.034)</i>	<i>2.005</i>
<i>Payables to banks (within 12 months)</i>	<i>(126.941.733)</i>	<i>(21.610.133)</i>	<i>(105.331.600)</i>
<i>Payables for loans (within 12 months)</i>	<i>(59.673.365)</i>	<i>(44.083.073)</i>	<i>(15.590.292)</i>
<i>Payables to other financial backers (within 12 months)</i>	<i>(4.748.011)</i>	<i>(2.441.727)</i>	<i>(2.306.284)</i>
<i>Payables due to shareholders (within 12 months)</i>	<i>(20.322.250)</i>	-	<i>(20.322.250)</i>
<i>Other financial payables (within 12 months)</i>	<i>(4.681.331)</i>	<i>(472.971)</i>	<i>(4.208.360)</i>
<i>Financial derivatives liabilities</i>	<i>(2.003.072)</i>	<i>(1.372.152)</i>	<i>(630.920)</i>
Short-term financial payables	(221.372.791)	(72.985.090)	(148.387.701)
° Short-term net financial position	(145.095.426)	49.322.857	(194.418.283)
<i>Bonds (beyond 12 months)</i>	<i>(1.482.588)</i>	<i>(4.455.709)</i>	<i>2.973.121</i>
<i>Payables to banks (beyond 12 months)</i>	<i>(228.124.060)</i>	<i>(150.115.915)</i>	<i>(78.008.145)</i>
<i>Payables to other financial backers (beyond 12 months)</i>	<i>(10.053.484)</i>	<i>(13.910.462)</i>	<i>3.856.978</i>
<i>Other financial payables (beyond 12 months)</i>	<i>(1.460.405)</i>	-	<i>(1.460.405)</i>
Medium/Long-term financial payables	(3.133.037)	(87.250)	(3.045.787)
° M/L-term net financial position	(244.253.574)	(168.569.336)	(75.684.238)
° Net financial position	(389.349.001)	(119.246.479)	(270.102.522)

The changes in net financial debt and cash flows are illustrated and commented in the Report on Operations. For more information refer to the consolidated cash flow statement in the financial statements.

D.6) Payments on account

Advances	31/12/2024	31/12/2023	Variation
- less than 12 months	4.558.616	162.628	4.395.988
Total	4.558.616	162.628	4.395.988

Payments on account amount to €4,559 thousand thousand and refer to the amounts received from customers for advance payments. The period's variation is influenced by the acquisition of the DMV Group, for which this item amounts to €4,391 thousand as of December 31, 2024.

D.7) Trade payables

Payables to suppliers	31/12/2024	31/12/2023	Variation
ST payables to suppliers	204.029.239	172.405.460	31.623.779
Total	204.029.239	172.405.460	31.623.779

Trade payables refer to amounts due to third parties for the purchases of short-term goods and services of a commercial nature and are entered at nominal value.

With regard to the forward purchase and sale transactions involving foreign currencies as at 31 December 2024, the detail of the contacts and impacts is given in paragraph "Financial derivatives".

D.12) Tax payables

The item is composed as follows:

Tax payables	31/12/2024	31/12/2023	Variation
Other ST tax payables	1.068.699	19.312	1.049.387
ST VAT debt	3.148.839	3.306.069	(157.230)
ST payables for income taxes	4.249.697	4.380.149	(130.452)
ST debts payables for withholding tax	2.263.215	2.000.692	262.523
Other LT tax payables	85.215	-	85.215
Total	10.815.665	9.706.222	1.109.443

The item in question includes only the liabilities for certain and calculated taxes; the tax payables are entered net of advances paid.

D.13) Payables to social security institutions and welfare funds

The item is broken down as follows:

Payables to social security institute	31/12/2024	31/12/2023	Variation
ST payables to social security institutes (INPS - only italian c	4.161.366	3.527.285	634.081
ST payables to social security institutes (INAIL - only italian c	329.504	198.592	130.912
ST payables to social security institutes (OTHERS)	6.138.160	1.525.857	4.612.303
Total	10.629.030	5.251.733	5.377.297

As shown in the table, this item also includes payables related to the employee severance indemnity reform under which the portion of the provision accrued from the date the employee exercises the option envisaged by law is paid to INPS or another social security institution.

D.14) Other payables

The item is composed as follows:

a) ST payables

- less than 12 months	31/12/2024	31/12/2023	Variation
ST payables to employees	13.196.398	5.224.881	7.971.517
ST other financial payables	4.681.331	472.971	4.208.360
ST other payables	3.394.621	4.196.627	(802.006)
Total	21.272.350	9.894.479	11.377.871

"Payables to employees" include mainly payables for salaries for December paid in January 2024, payables relating to holidays matured and not taken and payables relating to the assessment of profit-related payment, operating efficiency.

"Other financial payables" include the amount due to Salzgitter AG, which arose following the acquisition of credit and debt positions related to centralized treasury management from the DMV Group, as recorded in their financial statements as of October 31, 2024. The remaining amount relates to payables to suppliers for the purchase of plants/equipment under installment payment terms.

b) LT payables

- more than 12 months	31/12/2024	31/12/2023	Variation
LT other financial payables	3.133.037	87.250	3.045.787
LT other payables	243	-	243
Total	3.133.280	87.250	3.046.030

This item mainly includes the financial liability recorded by the parent company corresponding to the discounted value of the earn-out clause agreed upon with the former holding company of Com.Steel Inox S.p.a..

E. ACCRUALS AND DEFERRALS	€ 9,960,117
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Accrued expenses are detailed as follows:

Accruals and Deferred Income	31/12/2024	31/12/2023	Variation
Accruals for deferred interests	720.807	635.778	85.029
Accruals for insurances	127.712	95.748	31.964
Other accruals	3.759.952	2.769.975	989.977
Total accrued expenses	4.608.471	3.501.501	1.106.970
Accrued interests for capital contribution	2.988.464	357.279	2.631.185
Other accrued interests	2.363.182	213.241	2.149.941
Total deferred income	5.351.646	570.520	4.781.126
Total	9.960.117	4.072.021	5.888.096

Deferred income from grants related to plant of €2,988 thousand refers to the allocation over five years of tax credits on goods subject to the "Industry 4.0" benefit.

Other deferred income, for €1,845 thousand, relates to the application of OIC 34 on the correct recognition of sales revenues.

COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES NOT RESULTING FROM THE BALANCE SHEET

Interim accounts	31/12/2024	31/12/2023	Variation
Other interim account	5.977.703	9.576.038	(3.598.335)
Company assets held by third parties	9.927.344	12.188.148	(2.260.804)
Guarantees	33.819.489	21.229.025	12.590.464
Others	12.515.733	16.428.870	(3.913.137)
Letters of patronage	21.303.756	4.800.155	16.503.601
Commitments undertaken by the company	117.680.000	127.680.000	(10.000.000)
"Notional value "IRS" composed"	117.680.000	127.680.000	(10.000.000)
Others interim account	4.500.000	4.500.000	-
Loans sold with recourse	-	-	-
Real guarantees in favor of third parties on assets of subsidiaries	4.500.000	4.500.000	-
Cash deposited with third parties as collateral	-	-	-
Interim accounts	171.904.536	175.173.211	(3.268.675)

The sureties granted in favour of third parties amounted to €12,516 thousand and included those granted to key suppliers and the Ministry of the Environment as provided for by Ministry of the Environment Decree no. 370 of 3 September 1998.

Guarantees given on behalf of subsidiaries amount to €21,304 thousand and refer to comfort letters.

INCOME STATEMENT

A. VALUE OF PRODUCTION

€ 973,495,788

A.1) *Revenues*

This item includes income from the sale of goods, net of returns, discounts and premiums and the netting of transactions between consolidated companies.

The item is composed as follows:

Revenues from sales and services	31/12/2024	31/12/2023	Variation
Revenue from sales and services	888.408.051	816.123.243	72.284.808
Revenue from sale of other goods	9.327.655	7.120.359	2.207.296
Returns on sales	(1.429.831)	(1.344.907)	(84.924)
Prizes to customers	(50.732)	(62.867)	12.135
Revenues from agent's fees	251.680	200.254	51.426
Revenues from other services	5.726.386	258.717	5.467.669
Total	902.233.209	822.294.799	79.938.410

The breakdown of consolidated revenues by company is as follows (amounts in thousands of Euro):

Revenues from sales and services	31/12/2024	31/12/2023	Variation
Cogne Acciai Speciali Spa	450.795.182	481.382.254	(30.587.072)
Cogne Edelstahl GmbH	63.672.955	79.371.106	(15.698.151)
Cogne France S.A.	16.806.448	21.266.051	(4.459.603)
Cogne Celik Ltd	6.022.162	6.004.623	17.539
Cogne UK Ltd	23.907.774	26.602.082	(2.694.308)
Cogne USA Inc	45.505.375	51.919.594	(6.414.219)
Metalinox Cogne	22.673.796	24.222.045	(1.548.249)
Cogne Mexico	8.444.005	4.051.774	4.392.231
Cogne Stainless Bars S.A.	7.929.777	9.080.233	(1.150.456)
Dongguan Cogne Steel Products Co., Ltd	26.310.312	35.255.865	(8.945.553)
Degerfors Long Product	64.142.203	48.768.865	15.373.338
Special Melted Product	110.674.377	34.040.939	76.633.438
Aosta Servizi Generali Srl	252.510	329.364	(76.854)
Com.Steel Inox S.p.a.	10.853.317	-	10.853.317
DMV Group	44.243.013	-	44.243.013
Group	902.233.207	822.294.797	79.938.411

In comparison with the previous year there is an increase in turnover equal to €80 million.

A.2) *Variation in stocks of work in progress, semi-finished and finished products*

Change in work in progress and finished goods	31/12/2024	31/12/2023	Variation
Work in progress and finished goods - final inventory	387.174.085	246.525.523	140.648.562
Work in progress and finished goods - initial inventory	(333.413.282)	(266.251.464)	(67.161.818)
Total	53.760.803	(19.725.941)	73.486.744

The changes are detailed in the "Inventories" account of the Current Assets.

A.5) Other revenues and income

The detail of the other revenues is as follows:

Other revenue and income	31/12/2024	31/12/2023	Variation
Gov. grants on fixed assets (current portion)	4.092.575	10.872.201	(6.779.626)
Grants	4.092.575	10.872.201	(6.779.626)
Revenue from direct sales of work in progress and finished goods	1.837.274	3.874.640	(2.037.366)
Ordinary gains on sale of tangible assets	172.464	113.391	59.073
Recovered expenses from subsidiaries	-	153.056	(153.056)
Recovered selling expenses	(27.179)	(100.463)	73.284
Refund of insurance expenses	243.292	396.063	(152.771)
Other revenues from transport	345.217	436.910	(91.693)
Release of other risk funds	2.811	59.402	(56.591)
Release of (bad trade) receivables provision fund	433.455	106.565	326.890
Administrative Income	58.204	58.263	(59)
Release of claims provision fund	35.764	-	35.764
Other extraordinary income	10.258	24.378	(14.120)
Tangible assets extraordinary revaluations	1.172.672	-	1.172.672
Extraordinary financial gains	(654.217)	(1.190.693)	536.476
Other revenues and income	7.784.621	6.171.628	1.612.993
Other revenues	11.414.636	10.103.140	1.311.496
Total	15.507.211	20.975.341	(5.468.130)

Grants related to operations decreased as a result of the non-accrual of tax credits with respect to the energy and gas raw materials which had been recognised in the previous year for €5.05 million and €4.4 million, respectively. This decrease was only partially offset, for €2,704 thousand, by the recognition of tax credits from activities falling within the framework of the "Industria 4.0" process.

B. COSTS OF PRODUCTION

€ 993,625,207

B.6) Costs for raw materials, consumables and goods

The purchase cost for raw materials reflects, compared to the previous year, an increase in absolute terms due both to the increase in purchase prices and in production volumes.

The detail of the item is given below:

Raw material and consumables	31/12/2024	31/12/2023	Variation
Raw material	553.495.369	453.596.429	99.898.940
IT materials	300.278	388.368	(88.090)
Supply	14.265.532	29.536.637	(15.271.105)
Fuels	542.966	459.803	83.163
Other material	42.466.987	37.277.162	5.189.825
Utilities (Electricity/Water)	28.981.168	28.861.260	119.908
Gas / Methane	29.013.151	29.920.544	(907.393)
Energy Expenses	8.369.625	2.716.475	5.653.150
Purchase of other production material	7.973.736	10.860.488	(2.886.752)
Purchase of packaging	684.587	560.658	123.929
Additional purchase charges for raw material, components, supplies and c	7.266.308	4.944.789	2.321.519
Adjustments purchases of raw material, components, supplies and consum	(154.626)	101.362	(255.988)
Total	693.205.081	599.223.975	93.981.106

B.7) Costs for services

This item includes direct and indirect industrial costs relating to transport on sales, external processing, maintenance, consulting, insurance, commissions.

Services	31/12/2024	31/12/2023	Variation
External workings	20.106.661	17.188.095	2.918.566
Purchases transport	3.139.500	4.644.978	(1.505.478)
Sales transport	21.052.499	13.790.987	7.261.512
Storage	5.218.198	4.607.029	611.169
Insurances	6.460.978	4.004.288	2.456.690
Fiscal and administrative consultancy services	2.314.131	1.638.903	675.228
IT consultancy service	1.556.293	785.994	770.299
Commercial consultancy service	130.859	258.419	(127.560)
Technical consultancy service	1.281.183	1.165.739	115.444
Legal and notary expenses	869.014	604.653	264.361
Other Consultancies	3.358.669	2.682.807	675.862
Training expenses	900.861	731.263	169.598
Commissions to agents	662.796	619.338	43.458
Advertising expenses	231.954	145.180	86.774
Agent's fees	-	9.408	(9.408)
Surveillance expenses	874.559	800.969	73.590
Travelling expenses	2.565.604	1.827.683	737.921
Temporary workers/collaborations	1.229.386	135.494	1.093.892
Audit expenses	573.820	155.187	418.633
Gas / Methane	36.400	39.521	(3.121)
Hiring Costs	324.439	90.587	233.852
Bank services	227.525	165.757	61.768
Board of Directors' fees	849.532	614.039	235.493
Statutory auditors' fees	296.459	156.621	139.838
Supervisory Body's fees	62.400	54.600	7.800
Cafeteria expenses	747.067	582.323	164.744
Representing expenses	176.767	122.963	53.804
Hosting related services	9.994	1.499	8.495
Telephone expenses	503.545	431.668	71.877
Energy expenses	102.963	271.164	(168.201)
Utility expenses (electric/water)	104.179	296.690	(192.511)
Ecology expenses	10.955.285	9.293.257	1.662.028
Postal expenses	33.002	24.423	8.579
Cleaning related services	2.839.775	1.650.361	1.189.414
Other services costs	6.578.751	4.863.986	1.714.765
Quality plants maintenance costs	8.685.777	4.186.069	4.499.708
Total	105.060.825	78.641.942	26.418.883

B.8) Costs for use of third party assets

The item includes the amounts paid for the hire of plant and machinery, rental of premises and offices and financial lease instalments for which no redemption is foreseen.

The breakdown is as follows:

Rents and leases	31/12/2024	31/12/2023	Variation
Renting costs	5.014.790	3.287.847	1.726.943
Leasing costs	714.013	238.049	475.964
Other renting related costs	4.223.980	2.271.790	1.952.190
Motorvehicles renting costs	1.396.381	1.581.889	(185.508)
Equipment renting costs	2.809.600	2.551.080	258.520
Motorvehicles leasing costs	127.775	132.002	(4.227)
Total	14.286.539	10.062.657	4.223.882

B.9) Personnel costs

Personnel costs	31/12/2024	31/12/2023	Variation
Salaries and wages	92.984.282	64.611.145	28.373.137
Social security costs	24.468.862	19.168.584	5.300.278
Provision for severance indemnity	4.124.886	3.091.154	1.033.732
(Retirement) Pension costs	720.264	374.473	345.791
Other costs	2.693.640	1.614.329	1.079.311
Total	124.991.934	88.859.685	36.132.249

The personnel costs, as detailed above, includes remuneration paid to employees, the mandatory social security contributions, the amount of employee severance indemnities accrued in the period, the contractually paid contributions for staff initiatives.

The following table shows the number of employees by category of all the companies in the Group:

	Executives	Managers staff and Office	Manual workers and Others	Total
Cogne Acciai Speciali Spa	17	361	873	1.251
Cogne Edelstahl GmbH	6	2	35	43
Cogne France S.A.	1	13	16	30
Cogne Celik Ltd	1	-	3	4
Cogne UK Ltd	3	6	27	36
Cogne USA Inc	1	2	1	4
Metalinox Cogne	1	10	54	65
Cogne Mexico	1	6	20	27
Cogne Stainless Bars S.A.	3	8	23	34
Aosta Servizi Generali Srl	-	8	106	114
Cogne SG Pte Ltd	1	-	-	1
Dongguan Cogne Steel Products Co., Ltd	3	22	55	80
Degerfors Long Product	5	11	76	92
Special Melted Product	4	26	213	243
Com.Steel Inox Spa	-	-	9	9
DMV Group	6	240	723	969
Totale	53	715	2.234	3.002

The total employees in the Group at 31 December 2024, amounts to 1,913 units (11,913 at 31 December 2023) and the average number of employees for fiscal year 2024 amounts to 1,667 (1,667 at December 2023).

B.10) Amortisation/depreciation and write-downs

With reference to this entry, reference should be made to the corresponding items under assets.

The amortisation of intangible assets is detailed below:

Amortisation of intangible assets	31/12/2024	31/12/2023	Variation
Amortisation of start-up and expansion costs	3.188	23.651	(20.463)
Amortisation of industrial patent and intellectual property rights	3.320.455	-	3.320.455
Amortisation of concessions, licences, trademarks and similar rights	953.517	947.311	6.206
Amortisation of software	818.719	813.547	5.172
Amortisation of goodwill	56.078	56.078	-
Amortisation of consolidation difference	11.957.479	3.498.828	8.458.651
Amortisation of other costs	348.240	394.687	(46.447)
Amortisation of costs for plants compliance	673.228	698.148	(24.920)
Amortisation of costs for improvements on third parties assets	2.358.289	2.283.101	75.188
Total	20.489.193	8.715.351	11.773.842

The depreciation quotas allocated for tangible assets represent the expenses for the financial year covering use of the assets, the detail is as follows:

Amortisation of tangible fixed assets	31/12/2024	31/12/2023	Variation
Amortisation of buildings	2.416.049	738.434	1.677.615
Amortisation of plant and machinery	12.699.212	2.416.196	10.283.016
Amortisation of generic plants	1.793.332	1.664.740	128.592
Amortisation of internal means of transport	130.159	73.769	56.390
Amortisation of furnaces and appliances	5.024.371	4.515.784	508.587
Amortisation of specific plants	12.510.509	11.490.597	1.019.912
Amortisation of plant and machinery in leasing	1.797.661	1.543.431	254.230
Amortisation of industrial equipments	1.733.306	1.358.062	375.244
Amortisation of industrial and commercial equipments in leasing	13.062	28.000	(14.938)
Amortisation of vehicles	57.231	36.966	20.265
Amortisation of furniture and office equipments	88.022	102.251	(14.229)
Amortisation of EDP machinery	464.271	392.425	71.846
Amortisation of other small equipments	789.688	131.823	657.865
Amortisation of other tangible assets	55.969	53.199	2.770
Amortisation of other tangible assets in leasing	95.258	66.950	28.308
Total	39.668.100	24.612.627	15.055.473

As already highlighted in this document, depreciation was calculated in relation to the residual possibility of using the assets, applying rates (to some categories of goods) that are changed compared to the previous year and considered suitable for aligning the value of the depreciable assets with the effective residual useful life.

Write-offs of net working capital receivables and cash and cash equivalents	31/12/2024	31/12/2023	Variation
Provision for bad trade receivables (LT and ST)	2.121.991	383.377	1.738.614
Total	2.121.991	383.377	1.738.614

The provision for the year reflects the adjustment of the estimated risk of uncollectability on customers not covered by insurance and on insured customers for the uncovered portion to the credit lines as at the balance sheet date.

B.11) Change in inventories of raw materials, consumables and goods

Variation in inventory of raw material and consumables	31/12/2024	31/12/2023	Variation
Raw material and consumables final inventory	(169.413.163)	(70.955.797)	(98.457.366)
Raw material and consumables initial inventory	145.848.832	69.367.027	76.481.805
Total	(23.564.331)	(1.588.770)	(21.975.561)

The changes are detailed in the "Inventories" entry of the Current Assets.

B.12) Provision for risks

Provision for risks	31/12/2024	31/12/2023	Variation
Provision for other risks fund	10.182.407	280.000	9.902.407
Total	10.182.407	280.000	9.902.407

The period's variation is detailed in the "Other provisions - Provisions for risks and charges" entry in the liabilities.

B.14) Other operating costs

The breakdown of this item is as follows:

Other operating losses	31/12/2024	31/12/2023	Variation
Ordinary losses on sale of tangible assets	17.269	27.631	(10.362)
Other taxes (different than income taxes)	1.594.603	958.239	636.364
Losses on trade receivables	49.849	275	49.574
Subscription to newspaper and magazines	202.160	113.067	89.093
Concession rights	61.212	32.523	28.689
Contributions	249.376	226.577	22.799
Other operating costs	3.893.404	4.590.811	(697.407)
Other extraordinary expenses	139.567	661.042	(521.475)
R&D expenses	9.578	80.534	(70.956)
Fairs, exhibitions and travels	920.191	606.438	313.753
Administrative sanctions, fines and surcharges	46.259	744.672	(698.413)
Total	7.183.468	8.041.809	(858.341)

“Other operating costs” mainly includes the costs incurred for the purchase of CO2 quotas. The change in the item “Other operating costs” is mainly attributable to the increased purchase of these quotas.

C. FINANCIAL INCOME AND CHARGES

€ (17,356,492)

C.16. Other financial incomes

Other financial income	31/12/2024	31/12/2023	Variation
Interests in bank and postal accounts	353.833	354.691	(858)
Active interest and trade discounts	192.963	61.335	131.628
Other financial income from other companies	23.253	4.364	18.889
Other financial income	70.842	78.846	(8.004)
Other financial income	640.891	499.236	141.655

The item includes above all interest receivable from banks and other credit institutions.

C.17) Interests and other financial charges

The detail of this entry is summarised below:

Interests expenses and similar charges	31/12/2024	31/12/2023	Variation
LT interests payables to bank	7.033.058	5.864.631	1.168.427
ST interests payables to bank	2.641.111	1.526.848	1.114.263
Leasing interests	248.167	102.079	146.088
Other LT payables interests	668.860	-	668.860
Financial charges from other companies	323.587	100.324	223.263
LT titles sales ordinary losses	276	-	276
Financial discounts to clients	2.177.934	1.632.218	545.716
Financial institutions agent's fees	831.863	847.272	(15.409)
Interest and commission factoring	3.726.432	2.940.647	785.785
Interest late payments	129.292	270.809	(141.517)
Other financial charges	1.769.689	2.422.984	(653.295)
Others	19.550.269	15.707.812	3.842.457

The increase in the item "Interest expenses and similar charges" for Euro 3,842 thousand is mainly attributable to the increase in the net financial position recorded during the year.

C.17 bis) Profits and losses on exchange differences

The detail of this entry is summarised below:

Profit (loss) on exchange difference	31/12/2024	31/12/2023	Variation
Exchange profits	9.139.570	8.768.141	371.429
Exchange losses	(7.370.707)	(7.616.190)	245.483
Exchange profits	1.768.863	1.151.951	616.912
Unrealised exchange profits	1.315.857	2.236.886	(921.029)
Unrealised exchange losses	(1.535.204)	(2.294.080)	758.876
Unrealised exchange profits	(219.347)	(57.194)	(162.153)
Total	1.549.516	1.094.757	454.759

The "Net realised positive (negative) exchange differences" entry refers to exchange gains and losses deriving from the realisation of the foreign currency items whose numerical manifestation (collection and payment) took place during the financial year. The "Net unrealised positive (negative) exchange differences" refers to exchange gains and losses deriving from the valuation of foreign currency items that are not yet settled as of 31 December 2023.

D. VALUE ADJUSTMENTS TO FINANCIAL ASSET

€ (5,334,080)

D.18) Write-ups

D.18.d) Write-ups of derivative financial instruments

Revaluations of derivative financial instruments	31/12/2024	31/12/2023	Variation
Revaluations of derivative financial instruments	1.656.884	7.530.589	(5.873.705)
Revaluations of derivative financial instruments not realized	178.408	62.045	116.363
Total	1.835.292	7.592.634	(5.757.342)

The summary of the contracts and impacts relating to currency purchase and sale forward agreements as of 31 December 2024, are outlined in the paragraph relating to item CIII5 "Derivative financial instruments - assets".

D.19) Write-downs

D.19.d) Write-downs of derivative financial instruments

Devaluations of derivative financial instruments	31/12/2024	31/12/2023	Variation
Write-offs of derivative financial instruments	3.235.282	9.881.716	(6.646.434)
Write-offs of derivative financial instruments not realized	1.715.316	277.155	1.438.161
Total	4.950.598	10.158.871	(5.208.273)

The summary of the agreements and impacts relating to currency purchase and sale forward agreements as at 31 December 2024, are outlined in the paragraph relating to item B.3) "Derivative financial instruments - liabilities".

Current, deferred and prepaid taxes

The breakdown of the item is as follows:

Income taxes	31/12/2023	31/12/2022	Variation
Corporate income tax (only for Italian companies)	310.707	137.548	173.159
Regional tax on productive activities (only for Italian companies)	90.328	1.024.841	(934.513)
Other current income taxes (non-Italian companies)	2.319.382	7.853.332	(5.533.950)
Current taxes	2.720.417	9.015.721	(6.295.304)
Previous years taxes	(159.048)	(23.135)	(135.913)
Previous years taxes	(159.048)	(23.135)	(6.431.217)
Deferred taxes	261.512	1.012.856	(751.344)
Advanced taxes	(9.628.557)	(1.660.956)	(7.967.601)
Deferred/Advanced taxes	(9.367.045)	(648.100)	(15.150.162)
Total	(6.805.676)	8.344.486	(27.876.683)

IRES includes charges for income taxes of €310 thousand.

IRAP refers to the charge for regional production tax of €90 thousand.

Deferred tax assets were recorded only on the basis of the reasonable certainty of their recovery, on the basis of forecasts for making taxable income such as to allow incorporating deferred tax when the differences are reversed. In particular, the assessment of the recoverability of prepaid taxes took into consideration the economic-financial forecasts contained in the 2024-2028 business plan.

For details relating to the recognition of prepaid and deferred taxes for the financial year, please refer to the previous comments relating to the balance sheet items.

Profit (loss) for the year

Net profit (loss) for the period	31/12/2023	31/12/2022	Variation
Net profit (loss) for the period	(1.569.500)	50.847.024	(52.416.524)
Profit (loss) of the Group	(1.446.620)	50.847.024	(52.293.644)
Profit (loss) for the period attributable to minority shareholders	(122.880)	-	(122.880)

Additional Information

1. Direction and coordination

Pursuant to the provisions of the fourth paragraph of Article 2497 bis of the Italian Civil Code introduced as part of the corporate law reform, it should be noted that the Company, although controlled by MEG S.A, is not subject to management and coordination by the holding company.

2. Transactions with related parties

During the financial year, the Company carried out transactions with related parties under market conditions. For more complete information on transactions with related parties, refer to the specific paragraph "Relations with subsidiaries, associates and holding companies" contained in the Report on Operations.

3. Significant events occurring after December 31, 2024

Pursuant to paragraph 3. no. 5 of Article 2428 of the Italian Civil Code, the following information on the significant events occurring after the closure of the financial year are reported.

- **January 2025:** a share capital increase of Euro 55,000,000 was approved which, together with the increase of 15,000,000 already approved during 2022, will be paid by the end of the first half of 2025.

Other information

The remuneration paid to Directors and Statutory Auditors of the Parent Company, including the amounts paid for carrying out said functions, also in the consolidated companies, are as follows:

- Board of Directors: €529,976;
- Board of Statutory Auditors: €145,600;
- Supervisory Body: €62,400.

The amount due to the auditing company EY S.p.A. for auditing the accounts for the year for the Parent Company Cogne Acciai Speciali S.p.A. and the consolidated financial statements of the Group amounts to a total of €339 thousand.

4. Information required by Law no. 124 of 4 August 2017, Art. 1 paragraph 125

Law 124/2017 introduced in Art. 1, paragraphs 125-129, new obligations on disclosure in relation to the transparency of public funds received and granted; in particular, for companies, paragraph 125 requires the publication in the notes to the financial statements of all economic benefits, of an amount equal to or greater than €10,000, received from public resources.

The law is accompanied by a strict sanctions system: for recipient companies, the breach of the obligation to publish leads to the repayment of the amounts to the funding bodies (paragraph 125).

More recently Law No. 12 of 11 February 2019 (which converted the "simplification decree"), created a link between the obligations imposed by Law no. 124/2017 and the regulations of the National Register of State Aid, aiming to simplify the publication requirements laid down for companies receiving aid.

On the basis of some authoritative interpretations published, firstly the circular letter no. 5 of 22 February 2019 by Assonime, it is deemed that the disclosure in the notes to the financial statements is not required in the following cases:

- amounts received as payment for public works, services and supplies
- remunerated appointments falling within the typical exercise of the company activities
- general measures usable by all companies within the general structure of the reference system defined by the State, e.g. ACE
- selective economic benefits, therefore state aid received in application of an aid scheme, i.e. accessible to all companies meeting certain conditions, on the basis of pre-set general criteria (e.g. contributions for research and development projects and tax facilities) or public resources from public institutions in other States (in or outside Europe) and European institutions or Contributions for training received from interprofessional funds (e.g. Fondimpresa and Fondirigenti); these funds are of an associative nature and legal nature of bodies of private law, funded with contributions paid by the companies themselves.

The same interpretative documents state that it is preferable to adopt the “cash accounting” criterion rather than the “accruals basis” criterion.

Full reference is made to the National Register of State Aid, “Transparency” section.

In addition to the above, it is also specified that Cogne Acciai Speciali S.p.A., a company with high electricity consumption, benefits from reductions which are clearly highlighted by the publication of the name of the Company and the relative discount class on the official website of the Cassa per i Servizi Energetici ed Ambientali (C.S.E.A), to which full reference is made.

Annexes

The following Annexes are an integral part of these Notes to the Financial Statements:

- Variations in intangible fixed assets (A);
- Variations in tangible fixed assets (B);
- List of companies in the consolidation area (C);
- Changes in the Consolidated Net Equity (D).

Aosta, 27 March 2025

For the Board of Directors

The Chairman
Yu.Lon Chiao

ANNEX A – DETAIL OF INTANGIBLE FIXED ASSETS

Intangible assets	31/12/2023	Change in area/ extraordinary transaction	Increases	Depreciation	Decreases	Other movements	31/12/2024
Start-up and expansion costs	147.927	5.509	6.671	-	-	-	160.107
Amortization fund start-up and expansion costs	(143.670)	-	-	(3.188)	-	-	(146.858)
Start-up and expansion costs	4.257	5.509	6.671	(3.188)	-	-	13.249
Development costs	620.264	-	-	-	-	-	620.264
Amortization fund development costs	(620.264)	-	-	-	-	-	(620.264)
Development costs	-	-	-	-	-	-	-
Industrial patent and intellectual property rights	-	-	941.900	(3.320.455)	-	28.472.463	26.093.907
Concessions, licences, trademarks, and similar rights	17.153.079	120.673	180.176	-	-	(132.881)	17.321.048
Amortization fund concessions, licences, trademarks, and similar rights	(2.869.453)	-	-	(953.517)	-	277	(3.822.693)
Concessions, licences, trademarks, and similar rights	14.283.626	120.673	180.176	(953.517)	-	(132.604)	13.498.354
Software	9.603.862	2.009	8.195	-	-	14.351	9.628.417
Amortization fund software	(7.269.340)	-	-	(818.719)	-	3.225	(8.084.834)
Software	2.334.522	2.009	8.195	(818.719)	-	17.576	1.543.583
Concessions, licences, trademarks, and similar rights	16.618.148	122.682	188.371	(1.772.236)	-	(115.028)	15.041.937
Goodwill	649.568	-	-	-	-	-	649.568
Amortization fund goodwill	(127.579)	-	-	(56.079)	-	-	(183.658)
Goodwill	521.989	-	-	(56.079)	-	-	465.910
Consolidation difference	118.537.502	24.270.741	-	-	-	(16.829.715)	125.978.528
Amortization fund consolidation difference	(4.593.674)	-	-	(11.957.480)	-	2	(16.551.152)
Consolidation difference	113.943.828	24.270.741	-	(11.957.480)	-	(16.829.714)	109.427.375
Goodwill	114.465.817	24.270.741	-	(12.013.559)	-	(16.829.714)	109.893.286
Work in progress and advances	2.028.383	-	2.461.401	-	-	-	4.489.784
Work in progress and advances	2.028.383	-	2.461.401	-	-	-	4.489.784
Others	2.965.444	-	291.306	-	-	1.421	3.258.171
Amortization fund others	(2.230.016)	-	-	(348.240)	-	(216)	(2.578.472)
Others	735.428	-	291.306	(348.240)	-	1.205	679.699
Costs for plants compliance	4.905.024	-	162.608	-	-	1	5.067.633
Amortization fund costs for plants compliance	(3.046.962)	-	-	(673.228)	-	(0)	(3.720.190)
Costs for plants compliance	1.858.062	-	162.608	(673.228)	-	1	1.347.443
Costs for improvements on third parties assets	17.694.867	-	1.530.321	-	-	(1)	19.225.187
Amortization fund costs for improvements on third parties assets	(13.116.717)	-	-	(2.358.289)	-	(0)	(15.475.006)
Costs for improvements on third parties assets	4.578.150	-	1.530.321	(2.358.289)	-	(1)	3.750.181
Costs for multi-year loans	1.730.023	-	-	-	-	-	1.730.023
Amortization fund costs for multi-year loans	(1.730.023)	-	-	-	-	-	(1.730.023)
Costs for multi-year loans	-	-	-	-	-	-	-
Equipments and plants transfer costs	4.050.606	-	-	-	-	-	4.050.606
Amortization fund equipments and plants transfer costs	(4.050.606)	-	-	-	-	-	(4.050.606)
Equipments and plants transfer costs	-	-	-	-	-	-	-
Others	7.171.640	-	1.984.235	(3.379.757)	-	1.204	5.777.323
Total	140.288.246	24.398.932	5.582.578	(20.489.195)	-	11.528.926	161.309.485

ANNEX B – DETAIL OF TANGIBLE FIXED ASSETS

Tangible assets	31/12/2023	Change in area/ extraordinary transaction	Increases	Depreciation	Decreases	Other movements	31/12/2024
Land	920.664	-	-	-	-	(2.128)	918.536
Buildings	41.153.952	9.727.042	1.231.595	-	(13.087)	(5.210.404)	46.889.098
Amortization fund buildings	(4.327.322)	-	-	(2.416.049)	13.087	(377.655)	(7.107.939)
Buildings	37.747.294	9.727.042	1.231.595	(2.416.049)	-	(5.590.187)	40.699.695
Plant and machinery	44.160.802	43.583.546	12.519.923	-	(614.449)	24.146.873	123.796.695
Amortization fund plant and machinery	(21.322.031)	-	-	(12.699.212)	506.292	14.184	(33.500.767)
Plant and machinery	22.838.771	43.583.546	12.519.923	(12.699.212)	(108.158)	24.161.057	90.295.928
Generic plants	45.510.544	-	4.299.054	-	(147.159)	-	49.662.440
Amortization fund generic plants	(36.494.545)	-	-	(1.793.332)	147.159	(1)	(38.140.719)
Generic plants	9.015.999	-	4.299.054	(1.793.332)	-	(1)	11.521.719
Internal means of transport	1.389.440	-	22.841	-	-	(9.085)	1.403.196
Amortization fund internal means of transport	(868.606)	-	-	(130.159)	-	2.927	(995.837)
Internal means of transport	520.834	-	22.841	(130.159)	-	(6.158)	407.359
Furnaces and appliances	86.658.713	-	6.058.303	-	(3.044)	-	92.713.972
Amortization fund furnaces and appliances	(57.395.779)	-	-	(5.024.371)	3.044	-	(62.417.106)
Furnaces and appliances	29.262.934	-	6.058.303	(5.024.371)	-	-	30.296.867
Specific plants	252.714.770	-	16.709.117	-	(133.561)	-	269.290.326
Amortization fund specific plants	(178.345.964)	-	-	(12.510.509)	133.562	-	(190.722.912)
Specific plants	74.368.806	-	16.709.117	(12.510.509)	1	-	78.567.414
Plant and machinery in leasing	13.710.218	-	354.060	-	-	(1)	14.064.278
Amortization fund plant and machinery in leasing	(5.944.503)	-	-	(1.797.661)	-	39.413	(7.702.751)
Plant and machinery in leasing	7.765.715	-	354.060	(1.797.661)	-	39.412	6.361.527
Plant and machinery	444.144.487	43.583.546	39.963.299	-	(898.213)	24.137.786	550.930.907
Amortization fund plant and machinery	(300.371.428)	-	-	(33.955.244)	790.056	56.523	(333.480.092)
Plant and machinery	143.773.059	43.583.546	39.963.299	(33.955.244)	(108.157)	24.194.309	217.450.815
Fixtures, fittings, tools and equipment	32.124.682	3.760.993	2.476.864	-	(50.153)	72.522	38.384.908
Amortization fund fixtures, fittings, tools and equipment	(22.999.429)	-	-	(1.733.306)	50.153	(129.202)	(24.811.784)
Fixtures, fittings, tools and equipment	9.125.253	3.760.993	2.476.864	(1.733.306)	-	(56.680)	13.573.124
Fixtures, fittings, tools and equipment in leasing	655.635	-	-	-	-	-	655.635
Amortization fund fixtures, fittings, tools and equipment in leasing	(642.573)	-	-	(13.062)	-	-	(655.635)
-Attrezzature industr. e commerc. in leasing	13.062	-	-	(13.062)	-	-	-
Fixtures, fittings, tools and equipment in leasing	9.138.315	3.760.993	2.476.864	(1.746.368)	-	(56.680)	13.573.124
Furniture and office equipments	1.284.309	-	69.571	-	-	19.822	1.373.702
Amortization fund furniture and office equipments	(886.898)	-	-	(88.022)	-	(30.065)	(1.004.985)
Furniture and office equipments	397.411	-	69.571	(88.022)	-	(10.243)	368.717
EDP equipment	3.290.229	-	319.425	-	(10.879)	13.614	3.612.389
Amortization fund EDP equipment	(1.842.434)	-	-	(464.271)	7.078	(17.490)	(2.317.117)
EDP equipment	1.447.795	-	319.425	(464.271)	(3.801)	(3.876)	1.295.272
Vehicles	269.068	40.918	183.907	-	(74.519)	193.582	612.956
Amortization fund vehicles	(170.606)	-	-	(57.231)	64.170	(194.881)	(358.548)
Vehicles	98.462	40.918	183.907	(57.231)	(10.349)	(1.299)	254.408
Office electric machines	1.396.558	4.525	177.210	-	(8.905)	1.173.566	2.742.955
Amortization fund office electric machines	(302.671)	-	-	(789.688)	5.194	12.589	(1.074.576)
Office electric machines	1.093.887	4.525	177.210	(789.688)	(3.711)	1.186.156	1.668.379
Other tangible assets	1.035.694	-	45.331	-	(44.809)	37.707	1.073.923
Amortization fund other tangible assets	(736.167)	-	-	(55.969)	39.522	(43.407)	(796.021)
Other tangible assets	299.527	-	45.331	(55.969)	(5.287)	(5.700)	277.902
Other tangible assets in leasing	481.100	-	18.333	-	-	-	499.433
Amortization fund other tangible assets in leasing	(172.350)	-	-	(95.258)	-	-	(267.608)
-Altri beni in leasing	308.750	-	18.333	(95.258)	-	-	231.825
Other tangible assets	7.756.958	45.443	813.777	-	(139.112)	1.438.292	9.915.358
Amortization fund other tangible assets	(4.111.126)	-	-	(1.550.439)	115.964	(273.254)	(5.818.855)
Other tangible assets	3.645.832	45.443	813.777	(1.550.439)	(23.148)	1.165.038	4.096.504
Work in progress and advances	37.196.983	4.500.685	7.144.409	-	-	841.929	49.684.007
Work in progress and advances (leasing)	11.515.000	-	-	-	(335.500)	-	11.179.500
Work in progress and advances	48.711.983	4.500.685	7.144.409	-	(335.500)	841.929	60.863.507
Total	243.016.483	61.617.710	51.629.944	(39.668.100)	(466.805)	20.554.410	336.683.646

**ANNEX C - COGNE ACCIAI SPECIALI GROUP**

Company Name	Share capital (in currency)	Net equity 31/12/2024 (in currency)	Profit (Loss) for the year (in currency)	% directly owned	Currency	Yer end
Parent Company						
COGNE ACCIAI SPECIALI SPA Via Paravera 16, 11100 Aosta - Italy	439.208.027	502.568.845	(36.501.377)		EUR	31-dic
Foreign subsidiaries						
COGNE FRANCE S.A. Parc d'Activité des Bellevues à Eragny Rue de la Patelle, 16 F-95613 Cergy Pontoise Cedex - France	6.068.446	8.195.759	31.554	100%	EUR	31-dic
COGNE EDELSTAHL GmbH Carl-Schurz-Strasse, 2 41460 Neuss - Germany	3.328.000	14.996.094	809.258	100%	EUR	31-dic
COGNE UK LTD Don Road, Newhall, Sheffield, South Yorkshire, S9 2UD - United Kingdom	3.000.000	8.533.912	553.129	100%	GBP	31-dic
METALINOX AÇOS E METAIS LTDA Av. Presidente Wilson, 4382, 04220-001 São Paulo - Brazil	76.501.989	82.844.715	6.400.809	100%	BRL	31-dic
DONG GUANG COGNE STEEL PRODUCTS LTD Li Wu no 6 - Economic Development Zone -Wusha, Chang An Town Dong Guan City, Guang Dong - China	182.363.897	201.204.961	13.358.984	100%	CNY	31-dic
COGNE SPECIALTY STEEL USA INC. 277 Fairfield Road - STE 315, Fairfield, NJ 07004 - U.S.A.	6.850.000	15.843.882	749.536	100%	USD	31-dic
COGNE ÇELİK SANAYİ VE TİCARET LIMITED Sultan Orhan Mah. Keresteciler Sanayi Sitesi, 2003 Blok No:1 Gebze/Kocaeli - Turkey	23.952.125	101.949.698	22.981.456	100%	LTR	31-dic
COGNE MEXICO Av. Otomies SN Parque Industrial Xicohtencatl II, 90500 - Huamantla, TLAX - Mexico	214.907.302	188.762.583	(7.798.330)	82,54%	MXN	31-dic
COGNE SG PTE. LTD. 160 Robinson Road, #14-04, SBF Centre - Singapore	349.162	147.953	9.175	100%	SGD	30-giu
COGNE STAINLESS BARS SA ^{*1} Via Laveggio 6A - Stabio, Canton Ticino - Switzerland	1.000.000	10.197.102	2.753.755	100%	CHF	31-dic
DEGERFORS LONG PRODUCTS AB Bruksparken 2, SE-693 81 Degerfors - Sweden	25.000	342.925.410	(22.453.173)	100%	SEK	31-dic
SPECIAL MELTED PRODUCTS LTD President Way, Sheffield, S4 7UR - United Kingdom	4.199.157	69.913.691	17.720.689	100%	GBP	31-dic
COM.STEEL INOX SPA Via Parini 33, 23900, Lecco - Italia	2.000.000	9.174.946	4.939.372 ^{*3}	65%	EUR	31-dic
DMV GMBH ^{*2} Wiesenstraße 36, 45473, Mülheim an der Ruhr - Germany	3.000.000	138.383.555	(12.854.988) ^{*4}	100%	EUR	31-dic

^{*1} Holding company of:
Aosta Servizi Generali Srl - Via Nazionale per Carema .40 - Pont Saint Martin (Ao)
Share capital indirectly held: 100%

^{*2} Holding company of:
DMV Deutschland GmbH - Bahnstraße 61 - 42859 Remscheid - Germany
DMV SOTEP SAS - 67 Chemin des Midors - 36100 CHOUDAY - France
DMV France SAS - BP 10 Route de Semur - 21501 Montbard (cedex) - France
DMV Italia S.r.l. - Via Pio², 30 - 24062 Costa Volpino (BG)
DMV USA, Inc - 12050 West Little York - Houston, Texas 77041 - USA
Share capital indirectly held: 100%

^{*3} Net income accrued after the acquisition, occurred on 3rd May 2024

^{*4} DMV Group's net income accrued after the acquisition, occurred on 31st October 2024

ANNEX D – CHANGES IN THE CONSOLIDATED NET EQUITY

Net equity	31/12/2023	Appropriation of net income	Change in area/ extraordinary transaction	Capital increases	Cash flow hedging reserve variation	Exchange rate conversion effect	Other movements	Net profit (loss) for the period	31/12/2024
Share capital	405,563,167	-	-	33,644,860	-	-	-	-	439,208,027
Share premium reserve	44,436,833	-	-	11,355,140	-	-	-	-	55,791,973
Legal reserve	4,861,472	81,437	-	-	-	-	-	-	4,942,909
Extraordinary reserve	2,061,651	-	-	-	-	-	-	-	2,061,651
Merger reserve	145,622	-	-	-	-	-	-	-	145,622
Consolidation reserve	33,677,909	-	-	-	-	(207,423)	(53,537)	-	64,792,284
Current's year equity conversion reserve	(3,621,820)	-	31,375,335	-	-	5,984,934	-	-	2,363,114
Undivided profits	37,211,335	(3,075,343)	-	-	-	-	1,273	-	34,137,266
Other reserves, with distinct indication	69,474,698	(3,075,343)	31,375,335	-	-	5,777,511	(52,264)	-	103,499,937
Cash flow hedging reserve	1,302,908	-	-	-	(524,902)	-	-	-	778,005
Retained Earnings	34,594,749	1,547,286	-	-	-	-	-	-	36,142,035
Net profit (loss) for the period	(1,446,620)	1,446,620	-	-	-	-	-	(38,993,505)	(38,993,505)
Shareholders' equity of the Group	558,787,207	-	31,375,335	45,000,000	(524,902)	5,777,511	(52,264)	(38,993,505)	601,369,382
Equity attributable to minority shareholders	1,956,409	(122,880)	1,482,451	-	-	(235,071)	-	2,131,853	5,212,762
Profit (loss) for the period attributable to minority shareholders	(122,880)	122,880	-	-	-	-	-	1,610,359	1,610,359
Minority interest	1,833,529	-	1,482,451	-	-	(235,071)	-	3,742,212	6,823,121
Total net equity (A)	560,620,736	-	32,857,786	45,000,000	(524,902)	5,542,440	(52,264)	(35,251,293)	608,192,503