



COGNE ACCIAI SPECIALI SPA

Financial statements at 31 December 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:

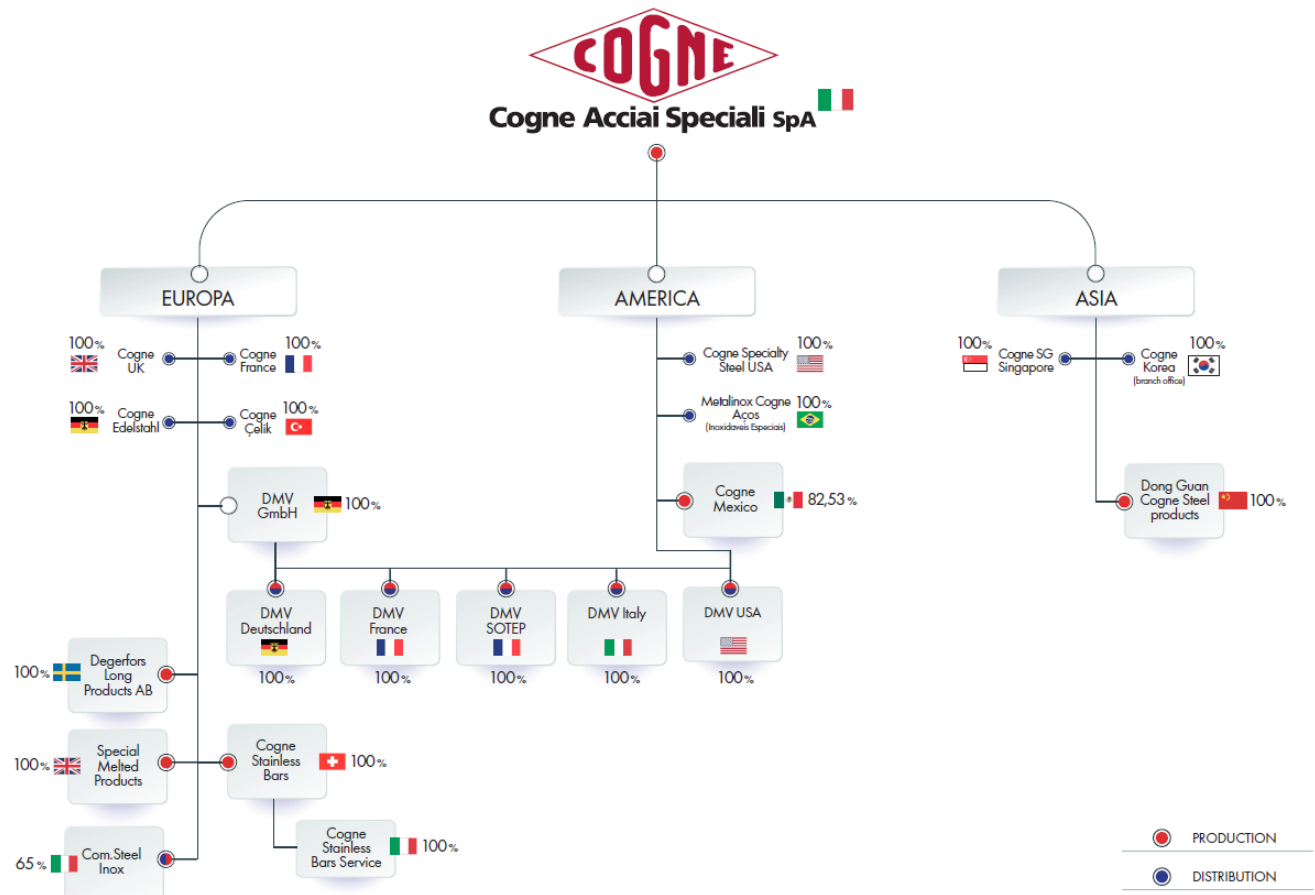
- a long-standing one linked closely to Valle d'Aosta, which stood out after the war for its production of special and stainless steels;

- 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 Inoxidveis 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 SpA 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 a 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.

The Company wholly owns Degerfors Long Products AB based in Sweden, which owns the Degerfors and Storfors plants and specialises in the production of large bars.

The Company wholly owns Special Melted Products, based in Sheffield, which manufactures products mainly for the Aerospace and Oil and Gas sectors.

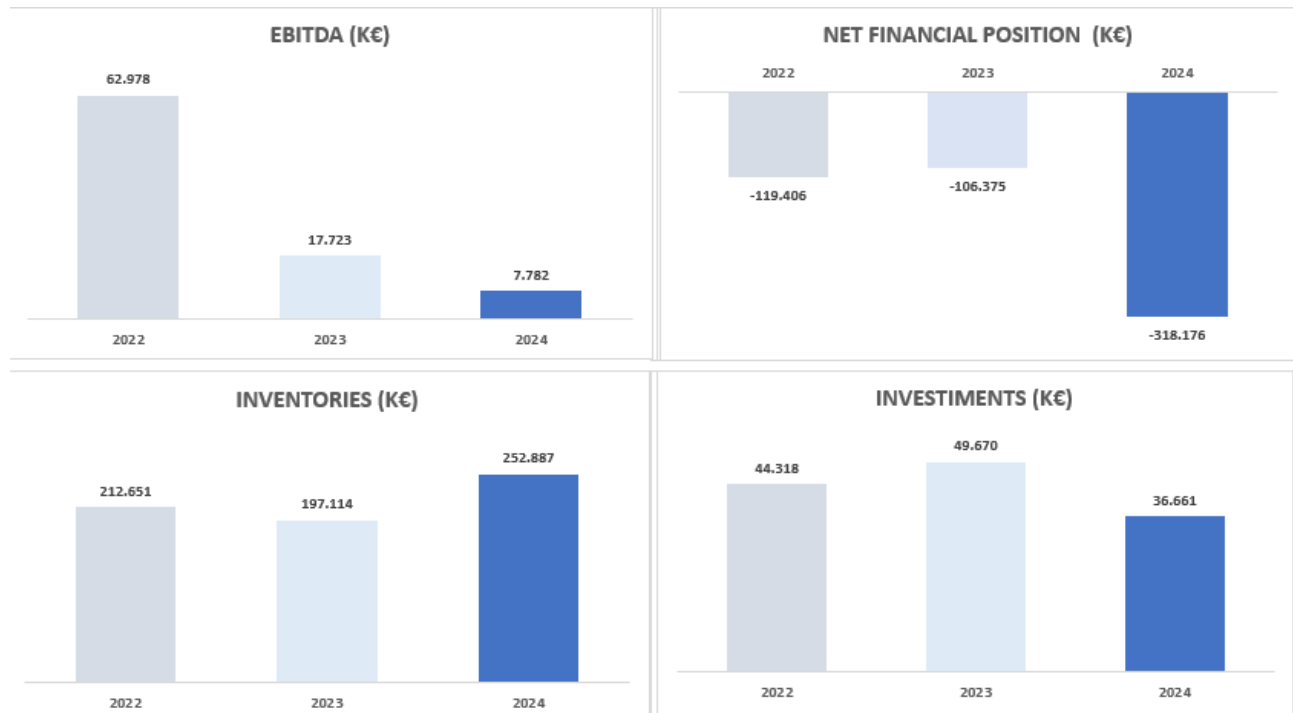
On 3 May 2024, the Company acquired 65% of Com.Steel Inox based in Italy. This company operates in the recovery and treatment of stainless steel scrap and nickel alloys which it subsequently distributes both within the group and to third-party customers.

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



K€	31/12/2024	31/12/2023	31/12/2022
REVENUES	645.049	673.957	885.441
EBITDA	7.782	17.723	62.978
% of sales	1%	3%	7%
NET INCOME	-36.501	1.629	29.239
NET FINANCIAL POSITION	-318.176	-106.375	-119.406
INVESTMENTS IN FIXED ASSETS	36.661	49.670	44.318
INVENTORIES	252.887	197.114	212.651
TOTAL SALES (Tons)	143.023	133.415	172.173

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.

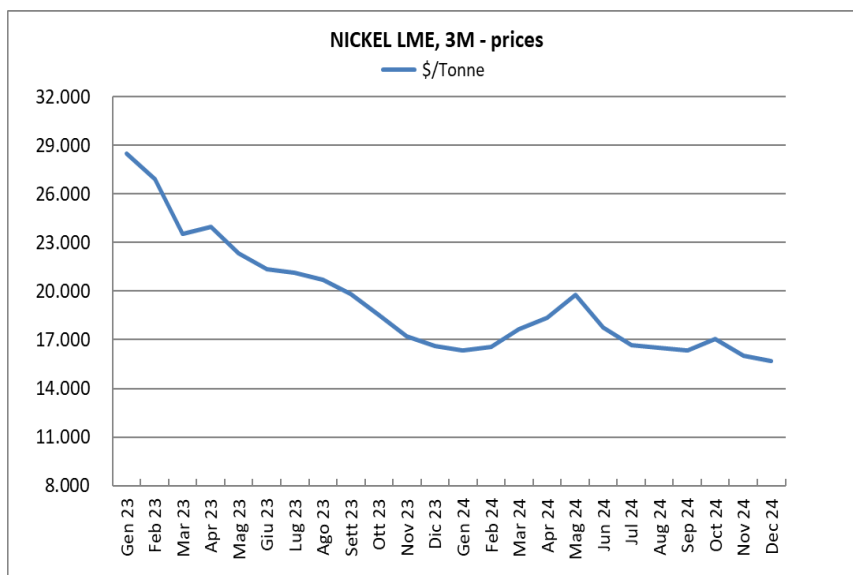
6. The raw materials market

Average monthly prices - Nickel

January 2023 - December 2024

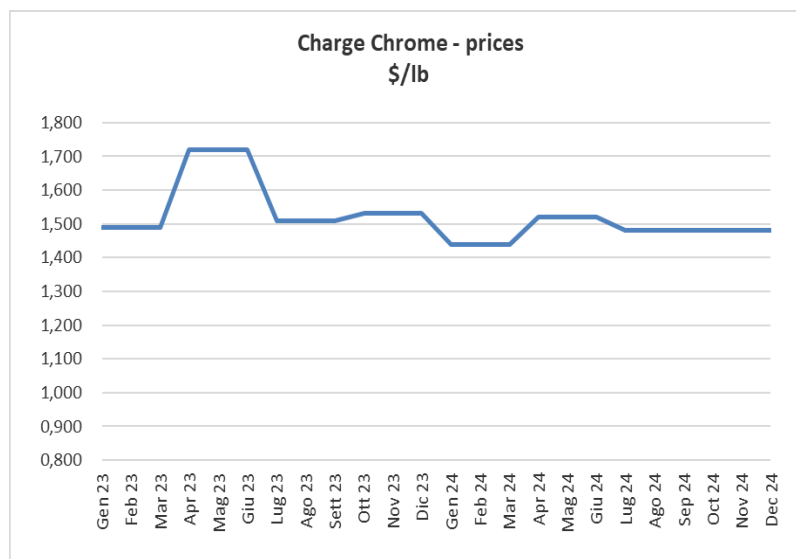
Nickel

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

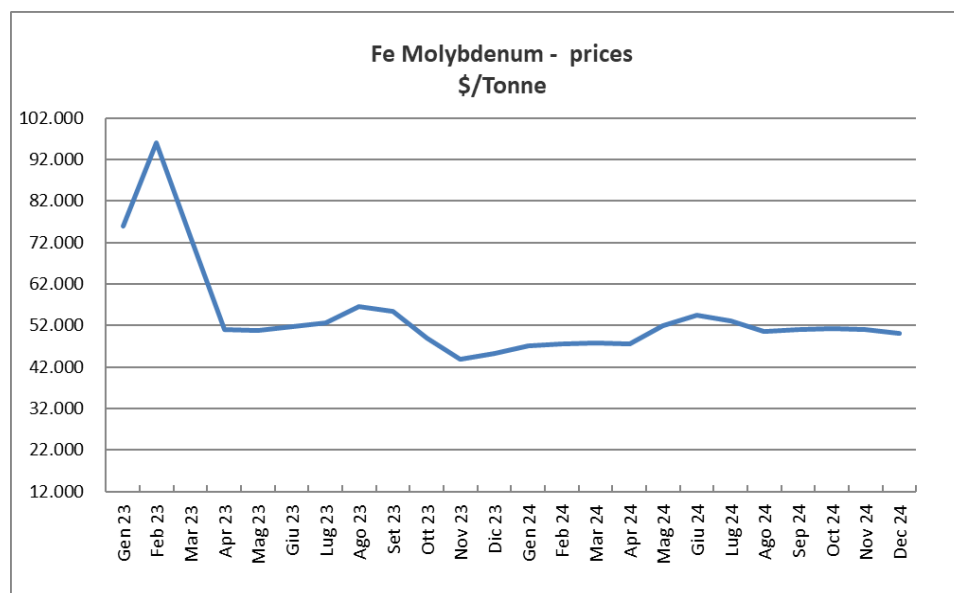
In the second quarter of the year, the European benchmark recovered the decline recorded in the previous quarter, back to end of 2023 levels. The reduction in output forecast for 2024 by some Fe-Cr producers was offset by expectations of a decline in global consumption, helping to maintain price stability 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 2028.

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	170.418		160.628	
Intangible fixed assets	25.335		25.217	
Financial fixed assets	405.656		259.580	
Total fixed assets	601.408	73%	445.425	74%
Inventory	252.887		197.114	
Trade Receivables	107.203		94.315	
Trade Payables	(150.932)		(149.630)	
Total Working Capital	209.158	25%	141.798	24%
Other Receivables	30.562		30.237	
Other Payables	(17.820)		(12.815)	
Provisions for Risks and Charges	(462)		(1.352)	
Employee Severance Indemnity	(2.102)		(2.322)	
Total Net Working Capital	219.337	27%	155.546	26%
Net Invested Capital	820.745	100%	600.971	100%
Total application of funds	820.745	100%	600.971	100%

Fixed assets increased by €157 million, mainly due to the acquisition of Com.steel Inox e the DMV Group in 2024.

Inventory amounted to €253 million at 31 December 2024, up on the previous year end. A detailed comparison with inventory at 31 December 2024 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.

The increase in **Trade Receivables** reflects the reduced use of without-recourse factoring in 2024. The Company has continued to intensively monitor past due payments, recording a general invariance in past due levels.

Trade payables are in line with the 2023 balance.

Operating Working Capital composed of inventory, trade receivables (including receivables from subsidiaries) and trade payables (including payables to suppliers and to subsidiaries) increased by approximately € 90 million compared to last year. This is mainly due to the rise in inventory and trade receivables.

Net Working Capital decreased by approximately €48 million.

The **Net Invested Capital** is up compared to 2023 (+32%).

The details for the **Sources of funds** as at 31 December 2024 are as follows:

(Figures in EUR/000)	31/12/2024	31/12/2023
Cash and cash equivalents	49.461	66.505
Financial assets other than fixed assets	743	22.636
Cash-pooling account	-	-
Payables to banks due within the period	(88.138)	(280)
Other short-term financial payables	(14.362)	-
Total current financial payables	(52.295)	88.861
Bonds - short term	(3.003)	(3.000)
Payables for short-term loans	(59.606)	(43.466)
Short-term financial receivables from subsidiaries	29.559	7.173
Financial derivatives assets/(liabilities)	(92)	(1.372)
Payables for short-term loans	(85.437)	48.196
Medium/long-term bonds	(1.483)	(4.456)
Payables for medium/long-term loans	(228.124)	(150.116)
Securities	-	-
Other long-term financial payables	(3.133)	-
Net m/l-term financial position	(232.740)	(154.572)
NET FINANCIAL POSITION - NFP	(318.176)	(106.375)
Net equity	(502.569)	(494.595)
Share capital and reserves	(539.070)	(492.966)
Net Income (loss) for the Period	36.501	(1.629)
Total Sources of funds	(820.745)	(600.971)

Net financial debt increased compared to the previous year end.

This increase is due to the rise in working capital and the €130,000,000 loan taken out in 2024 in order to complete the acquisition of the DMV Group.

Reclassified Income Statement

(Figures in EUR/000)	31/12/2024	%	31/12/2023	%
Revenues from sales and services	645.049	100%	673.957	100%
Other Revenues and Income	10.961	2%	16.605	2%
Cost of Raw Materials and inventory changes	(485.991)	75%	(530.307)	79%
Service Costs	(76.608)	12%	(66.423)	10%
Costs for use of third party assets	(8.358)	1%	(6.474)	1%
Personnel Costs	(70.891)	11%	(62.545)	9%
Provisions	-	0%	(280)	0%
Other Operating Costs	(3.796)	1%	(4.922)	-1%
EBITDAR	10.365	2%	19.612	3%
Leases	(2.583)	0%	(1.889)	0%
EBITDA	7.782	1%	17.723	3%
Depreciation/Amortisation	(28.110)	4%	(25.066)	4%
Net Financial Income and Charges	(14.896)	2%	4.500	1%
Value adjustments to financial assets	(1.896)	0%	(1.667)	0%
Income (loss) before taxes	(37.120)	-6%	(4.510)	-1%
Income tax	619	0%	6.139	-1%
Net Income (loss) for the Period	(36.501)	-6%	1.629	0%

Revenues of €645 million were down 4% compared to 2023. The decrease in turnover is due to the price trend of the main raw materials and energy, for which unit price fell compared to 2023.

EBITDA (earnings before interest, taxes, depreciation and amortisation), positive at €7,782 thousand, decreased sharply compared to 2023 mainly due to the effect of the rise in personnel costs.

The year ended with a **loss before taxes** of €37,120 thousand.

The year ended with a net loss of €36,501 thousand.

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	(36.501)	-7,26%	1.629	0,33%
	Net Equity	502.569		494.595	
ROI (Return on Investments) =	Operating Income	(35.224)	-3,27%	(2.844)	-0,33%
	Total assets	1.077.041		863.419	
ROS (Return on Sales) =	Operating Income	(35.224)	-5,46%	(2.844)	-0,42%
	Revenues from sales	645.049		673.957	
ROCE (Return On Capital Employed) =	Operating Income	(35.224)	-4,29%	(2.844)	-0,47%
	Net invested capital	820.745		600.971	
Debt ratio					
Financial debt =	Net financial debt	318.176	63,31%	106.375	21,51%
	Net Equity	502.569		494.595	

10. Analysis of non-financial ratios

		31/12/2024		31/12/2023	
Labour costs		70.891		62.545	
Average number of employees		1.203		1.167	
Per-capita labour costs	Labour costs	70.891	59	62.545	54
	Average number of employees	1.203		1.167	
Per-capita productivity	Ricavi delle vendite	645.049	536	673.957	578
	Average number of employees	1.203		1.167	

11. 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, a share capital increase of €70,000,000 was approved in January 2025, which will be paid, , together with the €15 million increase approved in the 2022, by the end of the first semester of 2025.

12. Investments

At 31 December 2024, the Company invested €36,662 thousand in fixed assets, gross of divestments.

Description	Recognised amount Euro	Euro Transferred to finished products
Environment and safety	16,042,632	4,947,984
Energy efficiency	208,509	1,843,988
Housekeeping	59,820	107,663
ICT	327,343	367,863
Productivity	6,404,218	6,347,246
Strategic development	12,731,817	17,856,750
Capitalizations	887,632	887,632
TOTAL	36,661,972	32,359,126

Area	Recognised amount Euro	Euro Transferred to finished products
Steelworks	8,164,932	9,370,022
Forged products	7,362,552	5,681,649
Laminates	9,198,107	9,342,657
Quality	1,117,940	948,162
Overall plant	10,818,441	7,016,636
TOTAL	36,661,972	32,359,126

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.

13. Human Resources

The following tables analyse the workforce of Cogne Acciai Speciali SpA for 2024. Broken down by a) position; b) age group; c) type of contract; d) education obtained by CAS employees and a specific reference to the same data considering the employees hired in 2024.

The AWU (annual working units) index, shown in a specific table and used by ISTAT, was created in order to standardise and interpret the number of working hours and days used in a specific activity. The calculation of AWUs considers all employees with a fixed-term or open-ended employment contract, except for employees possibly under temporary lay-off schemes. For the purposes of this calculation, part-time employees are considered as a fraction of AWU based on the ratio of the hours worked under the part-time contract to those set by the relevant collective agreement. For example, if the relevant contract provides for 36 hours per week and the part-time contract for 18, the employee is counted as 0.5 AWU for the period of work. Employees in maternity or parental leave under Legislative decree no. 151/2001, as subsequently amended by Legislative decree no. 80/2015, are not taken into account. Consequently, the number of employees is equal to the number of annual working units, i.e., the average monthly number of full-time employees in a year, while part-time and seasonal employees account for fractions of AWUs.



Position	Employees' AWU 31/12/2024
Executive	16
Apprentice - white collar	9
Apprentice - blue collar	-
White collar	335
Blue collar	843
Total	1.203
Trainees	-

Age group	No. of employees 31/12/2024	Employee %
Under 30	179	14%
between 31 and 49	730	59%
between 50 and 55	210	17%
between 56 and 59	83	7%
over 60	39	3%
Total	1.241	100%

Workforce and AWU	n°
12/2024 AWU	1.203
Workforce balance at 31/12/2024	1.241

Contract	Employees AWU 31/12/2024
Fixed-term contract	104
Open-ended contract	1.099
Total	1.203

Employees hired at 31/12/2024 - Qualification	n°	%
University degree	27	23%
High-school leaving certificate	41	36%
Position	8	7%
Middle-school leaving certificate	39	34%
Total	115	100%

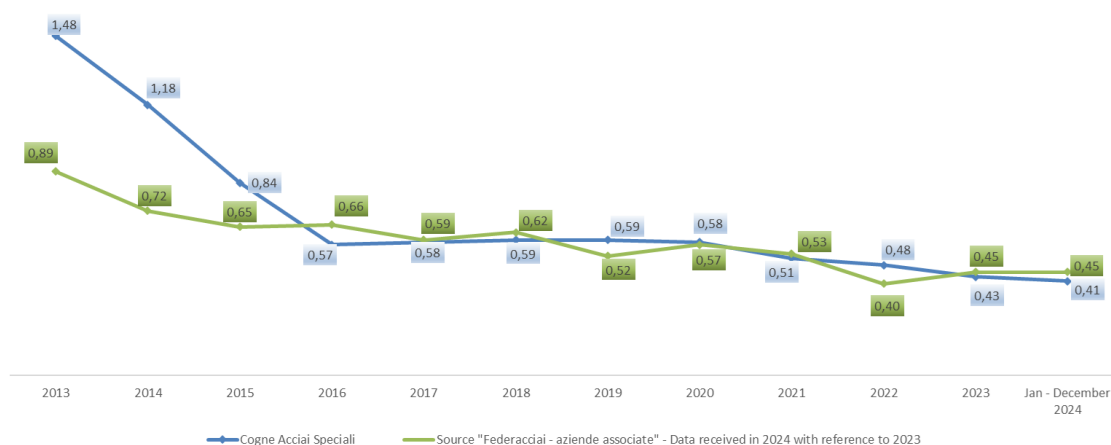
Education	Workforce 31/12/2024	%
University degree	181	15%
High-school leaving certificate	501	40%
Position	124	10%
Middle-school leaving certificate	435	35%
Total	1.241	100%

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 (SI) and a frequency index (FI) below the national average for steel plants similar to its facilities (green line - Source Federacciai).

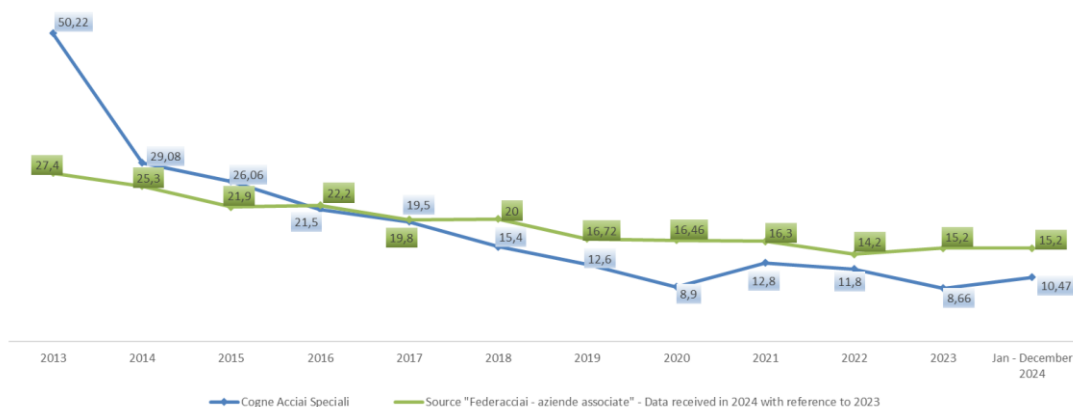
SI - SEVERITY INDEX

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



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 SpA 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. must hold adequate stocks of raw materials and finished products; the Company is exposed to fluctuations in the market price of these 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 SpA 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 SpA 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 SpA 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 place 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 SpA 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;
 - I) 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. Research and Development: Innovation for improvement

Pursuant to paragraph 3, no. 1) of Article 2428 of the Italian Civil Code, it is noted that Cogne Acciai Speciali S.p.A. did not carry out research and development activities in 2024.

20. Relations with subsidiaries, associates and holding companies

Pursuant to paragraph 3, no. 2 of Article 2428 of the Italian Civil Code, it is noted that the Company holds equity investments in subsidiaries, as detailed in the notes to the financial statements, to which reference should be made for further details.

20.1 Relations with Subsidiaries and Associates

Intragroup transactions take place according to market conditions. The economic-financial performance of Subsidiaries, considerations relating to the value assessment of the same, and the write-downs observed during the financial year are illustrated in detail in the notes to the financial statements.

€/000	Revenues		Costs	
Company Name	Nature	Amount	Nature	Amount
Metalinox Cogne Aços inoxidáveis especiais Lt	Revenues from sales	8.356	Purchase of material	-
	Provision of services	-	Purchase of services	29
	Financial income	-	Financial expenses	-
Dong Guang Cogne Steel Products Ltd.	Revenues from sales	22.558	Purchase of material	3.833
	Provision of services	-	Purchase of services	50
	Financial income	-	Financial expenses	-
Cogne France S.A.	Revenues from sales	11.600	Purchase of material	208
	Provision of services	13	Purchase of services	210
	Financial income	-	Financial expenses	-
Cogne UK Ltd	Revenues from sales	18.022	Purchase of material	8
	Provision of services	4	Purchase of services	-
	Financial income	-	Financial expenses	-
Cogne Edelsthal Gmbh	Revenues from sales	31.751	Purchase of material	117
	Provision of services	127	Purchase of services	502
	Financial income	-	Financial expenses	51
Cogne Celik Sanayi Ve Ticaret Limited	Revenues from sales	2.813	Purchase of material	-
	Provision of services	125	Purchase of services	61
	Financial income	-	Financial expenses	-
Cogne USA Inc.	Revenues from sales	33.426	Purchase of material	-
	Provision of services	16	Purchase of services	106
	Financial income	-	Financial expenses	-
Cogne Stainless Bars SA	Revenues from sales	31.557	Purchase of material	12.116
	Provision of services	33	Purchase of services	-
	Financial income	-	Financial expenses	307
Cogne Mexico	Revenues from sales	9.925	Purchase of material	-
	Provision of services	-	Purchase of services	-
	Financial income	-	Financial expenses	-
Cogne Singapore	Revenues from sales	-	Purchase of material	-
	Provision of services	-	Purchase of services	227
	Financial income	-	Financial expenses	-
Degerfors long products AB	Revenues from sales	20.772	Purchase of material	8.025
	Provision of services	-	Purchase of services	19
	Financial income	-	Financial expenses	-

Special Melted Products LTD	Revenues from sales	385	Purchase of material	9.238
	Provision of services	30	Purchase of services	21
	Financial income	224	Other Expenses	-
Com.Steel Inox S.p.A.	Ricavi da vendita rottami	2.981	Acquisto materiale	72.796
	Prestazioni di servizio	6	Acquisto servizi	-
	Proventi finanziari	-	Oneri finanziari	-
DMV Group	Ricavi delle vendite	3.267	Acquisto materiale	9
	Prestazioni di servizio	2	Acquisto servizi	-
	Proventi finanziari	202	Oneri finanziari	-
Other companies	Revenues from sales	-	Increase in assets	1.995
	Provision of services	54	Purchase of services	9.353
	Financial income	-	Financial expenses	-
Total		198.248		119.281

Company Name	Nature	Amount	Nature	Amount
Metalinox Aços e Metais Ltda	Trade receivables	3.476	Trade payables	-
Dong Guang Cogne Steel Products Ltd.	Trade receivables	1.638	Trade payables	1.492
Dong Guang Cogne Steel Products Ltd.	Prepayments	-	Prepayments	4.220
Cogne France S.A.	Trade receivables	2.870	Trade payables	58
Cogne UK Ltd	Trade receivables	3.260	Trade payables	-
Cogne Edlsthah GmbH	Trade receivables	2.511	Trade payables	555
Cogne Celik Sanayi Ve Ticaret Limited	Trade receivables	641	Trade payables	19
Cogne USA Inc.	Trade receivables	6.176	Trade payables	64
Stainless Bars SA	Trade receivables	1.621	Trade payables	1.061
Cogne Mexico SA	Trade receivables	3.323	Trade payables	15
Cogne SG Pte Ltd	Trade receivables	0	Trade payables	63
Degerfors long products AB	Trade receivables	11.281	Trade payables	4.304
Special Melted Products LTD	Trade receivables	9.198	Trade payables	612
Com.Steel Inox S.p.A.	Trade receivables	1.436	Trade payables	29.136
DMV Group	Financial receivables	29.559	Financial payables	-
DMV Group	Trade receivables	5.463	Trade payables	9
Other companies	Trade receivables	113	Trade payables	5.080
Total		82.566		46.687

Revenues from subsidiaries account for 30% of total revenues from sales and services.

20.2 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 31 December 2024 and for 2024 overall, there were no relationships of a commercial/financial nature with the holding company MEG SA.

20.3 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				
Ferriere di Stabio SA	Sales revenues	22.099	Purchases of goods	313
Novametal do Brasil	Sales revenues	1.084		
Novametal SA	Sales revenues	60.515	Purchases of goods	93
T.D.V. Trefileries des Voges SA	Sales revenues	4.824		
T.I.M. Mexico	Sales revenues	3.256		
Walsin Group	Sales revenues	354	Purchases of goods	4.034
Wire Products Stainless Steel	Sales revenues	81		
Yantai Walsin	Sales revenues	1.439		
Total		93.652		4.440

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	83
Novametal do Brasil	Accounts receivable	392		
Novametal SA	Accounts receivable	6.944	Accounts payable	41
T.D.V. Trefileries des Voges SA	Accounts receivable	1.020		
T.I.M. Mexico	Accounts receivable	802		
Yantai Walsin	Accounts receivable	45		
Walsin Group			Accounts payable	1.032
Total		10.904		1.155



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 SPA

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

BALANCE SHEET **INCOME STATEMENT** **CASH FLOW STATEMENT**

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	8.530	4.257
3) Industrial patent and intellectual property rights	753.520	-
4) Concessions, licences, trademarks, and similar rights	14.455.362	16.055.605
6) Work in progress and advances	4.489.784	2.028.383
7) Others	5.627.567	7.128.299
Total	25.334.763	25.216.544
II - Tangible assets		
1) Land and buildings	5.271.399	5.654.957
2) Plant and machinery	120.750.754	113.124.488
3) Fixtures, fittings, tools and equipment	9.433.957	8.529.215
4) Others	1.569.342	1.768.607
5) Work in progress and advances	33.392.211	31.550.767
Total	170.417.663	160.628.034
III - Investments		
1) Investments	405.489.952	259.420.891
a) Financial investments from subsidiary companies	403.538.925	255.259.161
d-bis) Financial investments from others companies	1.951.027	4.161.730
2) Receivables	165.934	159.108
d-bis) Receivables from other companies	165.934	159.108
ST receivables from other companies	165.934	159.108
4) Derivative financial instruments	984.301	-
Total	406.640.187	259.579.999
Total assets (B)	602.392.613	445.424.577
C) Current assets		
I - Inventory		
1) Raw materials, consumable and supplies	43.985.296	35.060.276
2) Work in progress and components products	125.624.092	92.375.664
4) Finished products and goods	83.277.329	69.677.877
Total	252.886.717	197.113.817
II - Receivables		
1) Trade receivables	58.429.325	53.048.886
- less than 12 months	58.429.325	53.048.886
2) Receivables from subsidiaries companies	82.565.655	48.438.651
- less than 12 months	82.565.655	48.438.651
5-bis) Tax receivables	10.489.358	8.882.665
- less than 12 months	7.574.575	8.524.787
- more than 12 months	2.914.783	357.878
5-ter) Deferred tax assets	11.013.772	10.902.629
5-quater) Other receivables	2.832.828	3.082.445
- less than 12 months	2.832.828	3.082.445
Total	165.330.938	124.355.276
III - Investments that do not constitute a fixed asset		
5) Derivative financial instruments	742.852	2.635.610
6) Other securities/ holdings	-	20.000.000
Total	742.852	22.635.610
Cash and cash equivalents		
1) Banks and postal current accounts	49.461.431	66.505.391
Total	49.461.431	66.505.391
Total current assets (C)	468.421.938	410.610.094
Prepayments and accrued income	6.226.497	7.384.170
1) Accrued incomes	70.118	97.429
2) Deferred charges	6.156.379	7.286.741
Total assets	1.077.041.048	863.418.841



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	2.207.273	2.207.273
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	(36.501.377)	1.628.723
Total net equity (A)	502.568.846	494.595.125
B) Provisions for risks and other charges		
2) Deferred tax and other tax liabilities fund	296.755	547.398
3) Reserve for derivative financial instruments	1.076.028	1.372.152
4) Other provisions fund	165.000	805.000
Total provisions for risks and other charges (B)	1.537.783	2.724.550
C) Employee severance indemnity	2.101.711	2.321.842
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
4) Payables due to banks	375.867.829	193.856.501
- less than 12 months	147.743.769	43.740.586
- more than 12 months	228.124.060	150.115.915
6) Advances	4.232.799	-
ST advances from customers	4.232.799	-
7) Payables to suppliers	108.219.735	144.613.230
ST payables to suppliers	108.219.735	144.613.230
9) Payables to subsidiaries companies	42.466.712	5.017.193
- less than 12 months	42.466.712	5.017.193
11) Payables to parent companies	245.556	-
- less than 12 months	245.556	-
12) Tax payables	1.923.684	1.630.951
- less than 12 months	1.923.684	1.630.951
13) Payables to social security institute	5.160.059	4.269.113
- less than 12 months	5.160.059	4.269.113
14) Other payables	22.556.892	5.837.644
- less than 12 months	19.423.855	5.750.394
- more than 12 months	3.133.037	87.250
Total	565.158.883	362.685.375
E) Accruals and Deferred Income	5.673.825	1.091.949
Deferred income	840.522	734.670
Accrued interests	4.833.303	357.279
Total liabilities	1.077.041.048	863.418.841

Profit and Loss	31/12/2024	31/12/2023
A) Production value		
1) Revenues from sales and services	645.048.828	673.957.439
2) Change in work in progress and finished goods	46.847.880	(3.832.490)
5) Other revenue and income	10.960.784	16.605.025
a) Grants	3.941.790	10.781.552
b) Other revenues	7.018.994	5.823.473
Total production value (A)	702.857.492	686.729.974
B) Cost of production		
6) for raw material and consumables	541.764.215	514.769.078
7) for services	76.607.655	66.423.015
8) for rents and leases	10.940.769	8.363.268
9) Personnel costs	70.891.434	62.544.851
a) Salaries and wages	49.509.998	44.134.361
b) Social security costs	17.181.516	15.074.519
c) Provision for severance indemnity	3.182.822	2.835.066
e) Other costs	1.017.098	500.905
10) Amortization, depreciation and provision	28.110.314	25.066.157
a) Amortization of intangible assets	5.147.113	5.112.870
b) Amortization of tangible fixed assets	21.590.590	19.834.736
d) Write-offs of net working capital receivables and cash and cash equivalents	1.372.611	118.551
11) Variation in inventory of raw material and consumables	(8.925.020)	11.705.126
12) Provision for risks	-	280.000
14) Other operating losses	3.796.033	4.921.988
Total production costs (B)	723.185.400	694.073.483
Differences production value and cost of production (A-B)	(20.327.908)	(7.343.509)
C) Financial income and charges		
15) Income from equity investments	-	15.592.227
a) Income from equity investments in subsidiary companies	-	15.592.227
16) Other financial income	701.022	584.281
a) from receivables from fixed assets	-	261.951
- verso imprese controllate	-	261.951
d) Other financial income	701.022	322.330
- da imprese controllate	426.394	-
- altri proventi diversi dai precedenti	274.628	322.330
17) Interests expenses and similar charges	14.906.702	12.203.269
Interest and other financial charges from subsidiary companies	357.909	143.411
Others	14.548.793	12.059.858
17-bis) Profit (loss) on exchange difference	(690.510)	526.532
Exchange profits and losses	(118.768)	261.445
Unrealised exchange profits and losses	(571.742)	265.087
Total financial income and expenses (C)	(14.896.190)	4.499.771
D) Financial assets revaluations or write-offs		
18) Revaluations	5.435.671	9.592.634
a) Revaluations of equity investments	3.661.556	2.000.000
d) Revaluations of derivative financial instruments	1.774.115	7.592.634
19) Write-offs	7.331.555	11.259.164
a) Write-offs of equity investments	3.646.142	1.100.293
d) Devaluations of derivative financial instruments	3.685.413	10.158.871
Total financial assets revaluations or write-offs (D)	(1.895.884)	(1.666.530)
Result before taxes (A-B+/-C+/-D)	(37.119.982)	(4.510.268)
20) Income taxes	(618.605)	(6.138.991)
a) Current taxes	(400.525)	-
b) Previous years taxes	6.855	5.170
c) Deferred/Advanced taxes	(224.935)	(6.144.161)
Profit (loss) for the year	(36.501.377)	1.628.723

Cash Flow Statement	31/12/2024	31/12/2023
A) Fcash Flow Statement (indirect method)		
Profit/Loss for the year	(36.501.377)	1.628.723
Income tax	(224.934)	(6.144.161)
Interest expense/(income)	14.205.681	11.618.988
(Dividends)	-	(10.284.970)
(Gains)/Losses on disposal of assets	-	(5.307.257)
1) Profit/Loss for the year before income tax, interes, dividends and capital gain/losses on disposal	(22.520.630)	(8.488.677)
<i>Adjustments for non-monetary items that did not have a counterpart in net working capital</i>		
Provisions/(proceeds) to funds	3.928.091	3.232.873
Amortisation of fixed assets	26.737.703	24.947.606
Impairment losses/revalutaions	(130.488)	(899.707)
Value adjustments to financial assets and liabilities of derivative financial	3.683.639	2.566.237
Othe adjustment up/(down) for non monetary items	(3.994.666)	(2.669.572)
Total adjustment for non-monetary items that disi not have a counterpart in net working capital	30.224.279	27.177.437
2) Cash flow before changes in net working capital	7.703.649	18.688.760
<i>Total net working capital</i>		
Decrease/(Increase) in inventories	(55.772.900)	15.537.616
Decrease/(Increase) in trade receivables	(11.070.833)	48.641.806
Increase/(Decrease) in trade payables	5.534.379	(52.076.822)
Decrease/(Increase) in accrued income	1.157.673	(4.368.745)
Increase/(Decrease) and prepaid expenses	4.581.876	200.210
Other decreases/(Other increases) in net working capital	(1.000.640)	11.521.851
Total changes in net working capital	(56.570.445)	19.455.916
3) Cash flow after changes in net working capital	(48.866.796)	38.144.676
<i>Other adjustments</i>		
Interest received/(paid)	(14.205.681)	(11.618.988)
(Income taxes paid)	-	(986.702)
(Use of provisions)	(262.820)	(312.427)
Change in other provisions for risks and charges/severance pay	(3.402.952)	(3.830.601)
Dividends collected	-	10.284.970
Other receipts/(payments)	-	-
Total other adjustments	(17.871.453)	(6.463.748)
Cash Flow operating activities (A)	(66.738.249)	31.680.928
B) Cash flow from investing activities		
Tangible fixed assets		
(Flows from investments)	(31.389.935)	(44.540.659)
Flows from disinvestmnents	9.716	53.245
Intangible fixed assets		
(Flows from investments)	(5.265.332)	(5.121.353)
Flows from disinvestmnents	-	-
Financial fixed assets		
(Flows from investments)	(176.488.760)	(181.061.726)
Flows from disinvestments	-	3.529.844
Movable financial assets		
(Flows from investments)	-	-
Flows from disinvestmnents	20.000.000	-
Changes in other financial assets		
Cash flow from investing activities (B)	(193.134.311)	(227.140.649)
C) Cash flows from financing activities		
Third party means		
Increase/(Decrease) amounts due to banks	87.858.383	(41.050.062)
Increase/(Decrease) other financial payables	17.021.589	243.071
Disbursement of loans	169.000.000	94.000.000
(Repayment of loans)	(76.051.372)	(31.195.137)
Increase/(Decrease) in payables for treasury current account		
Increase/(Decrease) in share capital	45.000.000	-
Cash flow from financing activities (C)	242.828.600	21.997.872
Cash flows from extraordinary transactionse (merger/division) (D)	-	-
Increase (decrease) in cash and cash equivalents (A ± B ± C ± D)	(17.043.960)	6.538.151
Cash and cash equivalents as the beginning of the period	66.505.391	59.967.240
Cash and cash equivalents and the end of the period	49.461.431	66.505.391
Increase/(decrease) in cash and cash equivalents	(17.043.960)	6.538.151



COGNE ACCIAI SPECIALI SPA

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Fully paid up Share Capital €439,208,027

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Registration Number and Tax ID Code 02187360967

NOTES TO THE FINANCIAL STATEMENTS



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NOTES TO THE FINANCIAL STATEMENTS
01.01.2024 – 31.12.2024

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INTRODUCTION

These financial statements, consisting of the balance sheet, the income statement, the cash flow statement and the notes to the financial statements, have been prepared in accordance with the provisions of Legislative Decree no. 127 of 9 April 1991, as supplemented by the amendments introduced by Legislative Decree no. 6 of 17 January 2003 and Legislative Decree no. 139 of 18 August 2015, and give a true and fair view of the Company's financial position, results of operations and cash flows for the year. In addition, these financial statements are accompanied by the report on operations.

The financial statements are prepared in accordance with Articles 2423 ter, 2424, 2424 bis, 2425, 2425 bis, 2425 ter of the Italian Civil Code. Figures are presented in euro units. Items with a nil balance in both the current and previous years have been omitted.

The notes to the financial statements contain the information required by Articles 2427 and 2427 bis of the Italian Civil Code. Unless otherwise specified in the notes to the respective item, figures are shown in euros. Any differences in the tables included in the notes are due to rounding.

CHANGE IN ACCOUNTING POLICIES

With the publication of 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 Legislative Decree no. 127/1991 with regard to consolidated financial statements.

The provisions of the Decree came into force on 1 January 2016. Legislative Decree 139/2015 provides, in general, that the new provisions be applied retrospectively on the basis of the provisions of OIC 29 ("Changes in accounting principles, changes in accounting estimates, corrections of errors and subsequent events") except in the cases where it is possible to avail of the right of the prospective application, as provided by Article 12, paragraph 2 of Legislative Decree 139/2015.

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").

CORRECTION OF ERRORS

An error is detected when an incorrect qualitative or quantitative presentation of an item in the financial statements or information provided in the notes thereto 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 period by comparing amounts again. If an error is made in earlier periods, it is corrected by recalculating the opening balance of the prior period. If it is not feasible to determine the cumulative effect of a significant error for all previous periods, 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 periods will be recorded in the income statement for the period in which the error is identified.

PART ONE: BASIS OF PRESENTATION

These financial statements have been clearly prepared and give a true and fair view of the Company's financial position, results of operations and cash flows for the year (Article 2423, paragraph 2 of the Italian Civil Code). The disclosure required by the specific legal provisions governing the preparation of financial statements was deemed sufficient to give a true and fair view. However, additional information considered appropriate for more complete and detailed disclosure has been provided. Specifically:

- net financial position;
- reclassified balance sheet and income statement (included in the report on operations);
- further significant information based on the characteristics and size of the company (Article 2423, paragraph 3 of the Italian Civil Code).

The measurement criteria are those envisaged in Article 2426 of the Italian Civil Code, there were no exceptional cases that made it necessary to resort to exceptions, and therefore the provisions of Article 2423 bis et seq. of the Italian Civil Code were applied, which are considered compatible with true and fair view (Article 2423, paragraph 4 of the Italian Civil Code).

PART TWO: BASIS OF PREPARATION

The financial statements at 31 December 2024 were prepared in accordance with the regulations of the Italian Civil Code, interpreted and supplemented by the accounting standards drawn up and revised by the Italian Accounting Standard-Setter (OIC), and, where absent and not in conflict, by those issued by the International Accounting Standards Board (IASB). As envisaged in Articles 2423 and 2423 bis of the Italian Civil Code, they comply with the general principles of prudence, accrual and relevance, taking into account the prevalence of the substance of the transaction or contract. They have also been prepared on a going concern basis, 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 application of the principle of prudence entailed the individual valuation of the components of the individual items of assets or liabilities, in order to avoid offsets between realised losses that had to be recognised and profits that were not to be recognised because they were unrealised. Specifically, the Company recognises profits only if realised before the reporting date (Article 2423 bis, paragraph 1, no. 2 of the Italian Civil Code).

In accordance with accruals-based accounting, the Company recognises the effects of transactions in the year to which the transaction relates rather than that in which the associated collections and payments occur (Article 2423 bis, paragraph 1, no. 3 of the Italian Civil Code). In accordance with the matching principle, the costs associated with the profits for the year are recognised on an accruals basis.

The Company considers risks and losses on an accruals basis, even when they become known after the reporting date (Article 2423 bis, paragraph 1, no. 4 of the Italian Civil Code).

The heterogeneous elements included in the individual items were measured separately (Article 2423 bis, paragraph 1, no. 5 of the Italian Civil Code).

The measurement criteria were not changed with respect to the previous period (Article 2423 bis, paragraph 1, no. 6 of the Italian Civil Code).

The following criteria were followed in preparing the balance sheet and income statement:

- a) In the balance sheet and income statement, the items provided for in Articles 2424 and 2425 of the Italian Civil Code (Article 2423 ter, paragraph 1 of the Italian Civil Code) were recognised separately, and in the order indicated.
- b) Items preceded by Arabic numerals or lower case letters have not been further broken down. For the sake of clarity, however, it was deemed appropriate to indicate the value adjustments of items recorded under assets in the balance sheet separately.
- c) No other items have been added, since their content is included in those envisaged in Articles 2424 and 2425 of the Italian Civil Code (Article 2423 ter, paragraph 3 of the Italian Civil Code).
- d) Items preceded by Arabic numerals have not been adjusted, as the nature of the activity performed does not require it (Article 2423 ter, paragraph 4 of the Italian Civil Code).
- e) The figures at 31 December 2024 are accompanied by the corresponding figures at 31 December 2023. Where made, reclassifications are described in the notes to the financial statements (Article 2423 ter, paragraph 4 of the Italian Civil Code).
- f) No offsets were made (Article 2423 ter, paragraph 6 of the Italian Civil Code).
- g) No assets and liabilities fall under more than one item of the financial statements (Article 2424, paragraph 2 of the Italian Civil Code).

PART THREE: ACCOUNTING POLICIES

The accounting policies used to prepare the financial statements are described below. It is noted that there were no repurchase transactions.

1. Intangible fixed 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.

Those with a finite useful life are systematically amortised over the assets' residual income generating potential.

The amortisation pattern is described in the subsequent note to "Intangible Fixed Assets".

The amortisation criteria and rates applied in the previous period have not been modified (Article 2426, paragraph 1, no. 2 of the Italian Civil Code).

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 asset is reduced to its recoverable value, being 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 book value.

Impairment losses are reversed if the reasons therefor impairment no longer apply. The reversal cannot exceed the value the asset would have had if there had been no impairment. Impairment losses on goodwill and deferred costs are not reversed.

2. Tangible fixed assets

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

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 original production capacity or useful economic life of the asset. Ordinary maintenance and repair costs, other than incremental expenses, are not capitalised and are recognised in the income statement when incurred.

The value of certain tangible fixed assets as determined above was revalued according to specific economic revaluation laws in previous periods (Revaluation Law no. 266 of 23 December 2005). The revalued amount was determined based on an independent appraisal.

Assets with a finite useful life are systematically depreciated every year based on rates which reflect their residual useful life, justified by the expected replacement and/or modification of the existing assets due to wear and tear. Such rates are halved in the first year in which the asset is available for use, in order to reflect the shorter period in which the asset is used.

The depreciation plan based on the aforementioned principles is described in the note to "Tangible Fixed Assets".

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

The depreciation criteria and rates applied in the previous period have not been modified (Article 2426, paragraph 1, no. 2 of the Italian Civil Code).

At the balance sheet date, the Company assesses if there are any indications of impairment on tangible fixed assets.

If there is any such evidence, the book value of the asset is reduced to its recoverable value, being 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 book value.

Impairment losses are reversed if the reasons therefor impairment no longer apply. The reversal cannot exceed the value the asset would have had if there had been no impairment.

The disposal or sale of tangible fixed assets is recognised by eliminating the cost and accumulated depreciation from the balance sheet and taking the related gain or loss in the income statement.

Finance leases

Assets under finance lease are recognised in accordance with the accounting policy already adopted in the past, applying the liability method in line with the current legislative interpretation. Therefore, lease payments are recognised as costs on an accruals basis.

In the following section on “Tangible Fixed Assets”, the notes illustrate the accounting effects of applying the financial method pursuant to IAS 17.

3. Financial fixed assets

3.a Equity Investments Recorded Under Financial Fixed Assets

If equity investments are deemed to be long-term investments, they are recorded under financial fixed assets. If they were acquired for subsequent disposal, then they are recognised under current financial assets.

Investments in subsidiaries and other companies are measured at acquisition cost, including ancillary charges, or subscription cost or, in the case of company contributions, on the basis of the amounts established in the relevant deeds and corresponding to those resulting from appraisals, possibly written down as a result of impairment losses, or up to the share of the investees' losses for the year for which there is an obligation or intention to cover them. Impairment losses exceeding the corresponding book value of equity investments are recognised under “provisions for risks and charges on investees”.

Write-downs of equity investments included in financial fixed assets are not maintained in subsequent periods if the assumptions they were based on no longer apply.

The cost of investments in foreign operations is translated into euros at the historical acquisition or subscription exchange rates, or at the lower closing rate if the reduction is permanent.

3.b Receivables recognised Under Financial Fixed Assets

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

However, the financial receivables recognised before the 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 years, the value of the asset is reversed up to its original amount.

The financial receivables recognised after 1 January 2016 are measured at amortised cost, taking into account the time value of money and the estimated 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 giving a true and fair view.

4. Inventory

As shown below, the book value of replaceable assets does not differ considerably from the current costs at the reporting date.

Raw materials, consumables and supplies

Raw materials, consumables and supplies were recognised at purchase cost, including ancillary charges. This cost was calculated using the weighted average method. However, it is not higher than the value estimated based on market trends, taking into account the utility/functionality of the goods within the production process.

Work in progress, semi-finished and finished products

Work in progress, semi-finished and finished products were recognised at production cost, including all directly attributable costs. Distribution costs were not included in the production cost. The production cost of work in progress and finished products was determined by taking into account direct variable costs (raw materials, direct labour and consumables), direct fixed costs, and the accrued portion of industrial depreciation. This cost was determined using the weighted average method.

However, it is not higher than the value estimated based on market trends, taking into account the utility/functionality of the goods within the production process.

With respect to obsolete and slow-moving items, if circumstances require it, the write-down is based on the possibility of use or realisation.

5. Receivables Recognised Under Current Assets

With reference to the new regulations introduced by Legislative Decree 139/2015 in relation to the amortised cost measurement and the discounting of receivables, it is hereby reported that the 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 recognised at amortised cost, taking account of the time value of money and the estimated realisable value.

They are initially recognised at their 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 giving a true and fair view.

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

Receivables are classified as due within and after one year, based on the contract expiry.

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

Factoring transactions

The Company sells trade receivables as a source of financing, mainly through assignment without risk of recourse to factoring companies.

The receivables assigned with recourse to factoring companies are maintained under balance sheet assets and recognised under "Trade receivables" until they are collected. The Company asks the factor to provide

financing in the form of advances on sold items. These advances are recognised under liabilities, specifically under item D.5 “Debts to other financial backers” with a balancing entry that increases the Company’s current accounts.

Receivables sold without recourse to factoring companies are derecognised and the difference between the amount received and the nominal value of the receivable is recognised at the time of the sale.

The charges accrued up to the reporting date and not yet paid at this date are recognised under accrued expenses.

6. Current Financial Assets

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

However, the financial receivables recognised before the 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 years, the value of the asset is reversed up to its original amount.

The financial receivables recognised after 1 January 2016 are measured at amortised cost, taking into account the time value of money and the estimated 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 giving a true and fair view.

7. Cash and cash equivalents

This item includes bank and postal accounts.

These assets are recognised at nominal value.

8. Prepayments and accrued income and accruals and deferred income

They are calculated on an accruals basis.

9. Provisions for risks and other charges

These mainly involve provisions to cover charges of a definite nature and certain or probable existence, for which, however, at the reporting date, 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 liabilities”*: it includes deferred taxes determined as described in the note to income taxes;
- b. *“provision for derivative financial instruments”*: for information about to this item, refer to the paragraph on derivative financial instruments;
- c. *“other provisions”*: it essentially covers risks associated with the performance of the contractual commitments undertaken, risks for legal disputes in progress and provisions made to cover losses exceeding the net equity of the subsidiaries.

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 provision is adjusted to the accrued amount at year end by the staff in service on that date, net of the corresponding advances and represents the Company’s debt towards its employees.

11. Payables

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

Accordingly, payables arising prior to the year beginning on or after 1 January 2016 are recognised at their nominal value.

Payables recognised starting from 1 January 2016 are instead recognised at amortised cost, taking account of the time value of money.

The initial value of the payables 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 payable.

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 payable’s expected life.

The amortised cost criterion cannot be applied to payables when its use has negligible effects for the purposes of giving a true and fair view.

Payables are classified as due within and after one year, based on the contract expiry.

Payables originally expressed in foreign currency, initially recognised at the exchange rate in force on the date of their occurrence, have been aligned to current exchange rates at the reporting date, as detailed further in the paragraph “*Transactions in foreign currencies*”.

12. 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*. Accumulated profit or loss are taken to profit or loss in the same year in which the related economic effect of the hedged transaction is recognised. They are recognised as an adjustment to the hedged item. Profits and losses associated with a hedge (or part of a hedge) that has become ineffective are immediately taken to profit or loss under item D) 18 d) *write-ups of derivative financial instruments* and D) 19 d) *write-downs 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 taken immediately to profit or loss 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 if the fair value is negative (item 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 taken to profit or loss 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, corrections of errors and subsequent events*.

13. Off-balance sheet commitments, guarantees and contingent liabilities

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

14. Revenues and costs

The enactment of *OIC 34* on revenues introduced a structured model for the calculation, measurement and recognition of revenues. Under this standard, revenues are recognised separately for each contract and the latter is broken down into “individual performance obligations”, unless these contracts are negotiated as a package with the same customer and with a single commercial objective or contract prices are interdependent.

The standard provides for a four-step model:

- *Determining the contract price*: the contract price can be inferred from the terms of the contract and must also take into account any variable components (discounts, rebates, premiums, according to the principle of prudence), financial components, non-monetary fees and amounts due to the customer;
- *Identifying performance obligations*: these are the individual goods or services that are transferred to the customer as part of the contract;
- *Allocating the transaction price to multiple performance obligations*: when there are multiple performance obligations, the contract price must be allocated based on the proportion of the sales price of each performance obligation to the sum of the sales prices of all performance obligations included in the contract. The price of the individual performance obligations is that provided for in the contract. When this is not available, the Company must make the best possible estimate based on the nature of the relevant goods or services;
- *Revenue recognition*: revenues from the sale of goods and products must be recognised on an accruals basis, upon the substantial transfer of the risks and benefits associated with the sale. Revenues from services are recognised in the income statement based on the performance of the related service during the year.

Costs, net of returns, discounts, rebates and premiums, are recognised on an accruals basis.

15. Dividends

Dividends paid by investee companies are recognised in profit or loss when received.

The distribution of dividends to the shareholders of the Company entails the recognition of a payable at the time of the approval of the shareholders' resolution.

16. Items in foreign currencies

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

Gains and losses deriving from the translation of receivables and payables are taken to profit or loss under item C.17 bis "Profit (loss) on exchange difference". Any unrealised net gain is allocated to the specific non-distributable reserve until it is realised.

Monetary foreign currency assets and liabilities are recognised at the spot exchange rate at the reporting date. The non-monetary assets and liabilities (fixed assets, inventories, accrued interest and deferred expense, etc.) in foreign currencies are recognised at the spot exchange rate at the purchase date or, if lower, at the reporting date when an impairment loss exists.

In the case of foreign currency accounts, the net positive/negative balance derived from the measurement of cash and cash equivalents at the reporting date is recognised as realised exchange gains/losses in profit or loss under item C.17-bis.

17. Income taxes

The taxes due on income are a reasonable estimate of the taxes payable, calculated by applying the tax provisions based on the determination of the taxable income and taking into account applicable exemptions and tax credits.

The associated payable amount is shown net of advances, withholdings and tax credits under "tax payables", while the net payable position is recorded under item C.II.5. "Tax receivables" of the current assets.

Pursuant to the provisions of OIC 25, the table "Reconciliation between the Theoretical Tax Rate and the Effective Tax Rate" is provided in Part Four below, in the section "Income Taxes".

18. Deferred taxes

The Company recognised deferred taxes with respect to temporary taxable differences that arose during the year. Specifically, deductible temporary differences, which occur in the presence of negative income components whose deduction is partially or totally postponed to subsequent periods, generate prepaid taxes to be recorded under item C.II.5 ter of assets. Temporary taxable income differences, which arise in the presence of positive income components taxable in a period subsequent to that in which they are relevant for statutory purposes or negative income components deducted in a period prior to that in which they are recognised in the income statement, generate deferred tax liabilities to be recorded under item B.2 of liabilities. Deferred taxes are determined on the basis of the tax rate currently in force and taking into account the expected tax rates for future periods.

The balance under "Income taxes" is the result of the algebraic sum of current and deferred taxes which reflect the effective tax charge for the year.

Deferred tax assets for which there is no reasonable certainty of their future recovery have not been recognised. 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.

The description of the temporary differences that led to the recognition of deferred and prepaid taxes, the relative rate and change compared to the previous period, the amounts taken to profit or loss and net equity, the details of the temporary differences excluded as well as the prepaid taxes recognised in relation to the losses incurred are reported in the notes to item 20 of the Income Statement "*Current, deferred and prepaid income taxes*" (Article 2427, paragraph 1, no. 14 of the Italian Civil Code).

Tax consolidation

The Company joined the national tax consolidation scheme together with its Italian subsidiary Aosta Servizi Generali S.r.l.. This scheme was introduced by the tax reform (Legislative decree no. 344 of 12 December 2003 and Ministerial Decree dated 1 March 2018) which enables groups of companies resident in Italy to optimise their “domestic” taxation.

The purpose of tax consolidation is to produce positive effects both for the individual companies belonging to the group and for the group as a whole.

The option for national tax consolidation scheme, exercised jointly by the Company and its subsidiary, was renewed for the three-year period 2024-2026.

Consequently, a single total income is calculated, being the algebraic sum of the taxable income of the parent company and its subsidiary, regardless of the participation percentage pertaining to the parent company.

Under the agreements, the parent company is also responsible for the carry-forward of any loss resulting from the algebraic sum of the taxable amounts, the assessment and payment of group tax and the settlement of any refundable or carry-forward group tax surplus. In this case, the parties signed a consolidation agreement to regulate the financial transactions resulting from the transfer to the parent of the taxable income, tax losses, tax credits of the subsidiaries as well as the charges for higher taxes and any penalties and interest that may arise in connection with the subsidiaries.

Therefore, the allocation of the taxable income and tax losses of the subsidiary to Cogne Acciai Speciali S.p.A. gave rise to a series of offsetting income items for both the subsidiary and the parent. These offsetting items are not relevant for tax purposes, given the provisions of Article 118, paragraph 4 of the Consolidated Income Tax Act, which expressly excludes from taxable income “the amounts received or paid between the participating companies in exchange for tax benefits received or granted”.

PART FOUR: DESCRIPTION OF THE ITEMS OF THE FINANCIAL STATEMENTS

BALANCE SHEET ASSETS

A. RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE

B. FIXED ASSETS

I. INTANGIBLE FIXED ASSETS

The table below provides a breakdown of intangible fixed assets, with the changes that occurred during the year (Article 2427, paragraph 1, no. 2 of the Italian Civil Code).

Intangible assets	31/12/2023	Increases	Depreciation	Decreases	Other movements	31/12/2024
Start-up and expansion costs	147.927	6.671	-	-	1	154.599
Amortisation fund start-up and expansion costs	(143.670)	-	(2.398)	-	(1)	(146.069)
Start-up and expansion costs	4.257	6.671	(2.398)	-	-	8.530
Development costs	620.264	-	-	-	-	620.264
Amortisation fund development costs	(620.264)	-	-	-	-	(620.264)
Development costs	-	-	-	-	-	-
Industrial patent and intellectual property rights	-	941.900	-	-	-	941.900
Amortisation fund industrial patent and intellectual property rights	-	-	(188.380)	-	-	(188.380)
Industrial patent and intellectual property rights	-	941.900	(188.380)	-	-	753.520
Industrial patent and intellectual property rights	-	941.900	(188.380)	-	-	753.520
Concessions, licences, trademarks, and similar rights	17.023.644	-	-	-	-	17.023.644
Amortisation fund concessions, licences, trademarks, and similar rights	(2.840.884)	-	(945.521)	-	1	(3.786.404)
Concessions, licences, trademarks, and similar rights	14.182.760	-	(945.521)	-	1	13.237.240
Software	9.007.713	-	-	-	-	9.007.713
Amortisation fund software	(7.134.868)	-	(654.724)	-	1	(7.789.591)
Software	1.872.845	-	(654.724)	-	1	1.218.122
Concessions, licences, trademarks, and similar rights	16.055.605	-	(1.600.245)	-	2	14.455.362
Work in progress and advances	2.028.383	4.541.440	-	(2.080.039)	-	4.489.784
Work in progress and advances in leasing	-	-	-	-	-	-
Work in progress and advances	2.028.383	4.541.440	-	(2.080.039)	-	4.489.784
Others	2.929.137	237.999	-	-	1	3.167.137
Amortisation fund others	(2.223.755)	-	(333.276)	-	(1)	(2.557.032)
Others	705.382	237.999	(333.276)	-	-	610.105
Costs for plants compliance	4.905.025	162.608	-	-	-	5.067.633
Amortisation fund costs for plants compliance	(3.046.962)	-	(673.228)	-	-	(3.720.190)
Costs for plants compliance	1.858.063	162.608	(673.228)	-	-	1.347.443
Costs for improvements on third parties assets	17.675.318	1.454.751	-	-	-	19.130.069
Amortisation fund costs for improvements on third parties	(13.110.464)	-	(2.349.586)	-	-	(15.460.050)
Costs for improvements on third parties assets	4.564.854	1.454.751	(2.349.586)	-	-	3.670.019
Costs for multi-year loans	1.730.023	-	-	-	-	1.730.023
Amortisation 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
Amortisation fund equipments and plants transfer costs	(4.050.606)	-	-	-	-	(4.050.606)
Equipments and plants transfer costs	-	-	-	-	-	-
Others	7.128.299	1.855.358	(3.356.090)	-	-	5.627.567
Total	25.216.544	7.345.369	(5.147.113)	(2.080.039)	2	25.334.763

More specifically, intangible fixed assets include the following items:

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

Start-up and expansion costs include the costs incurred for the merger of the subsidiary Cogne Distribuzione Italia S.r.l. and the notary costs incurred for the deed relating to the bonus issue pursuant to Article 2442 of the Italian Civil Code, which took place on 6 September 2024. They are amortised over 5 years. The amortisation for the period is €2.4 thousand.

Description	31/12/2023	Increases at 31 12 2024	Amortisation 31 12 2024	Decreases at 31 12 2024	31/12/2024
Start-up and expansion costs	147.927	6.671	-	-	154.599
Amortisation fund start-up and expansion costs	(143.670)	-	(2.398)	-	(146.069)
Start-up and expansion costs	4.257	6.671	(2.398)	-	8.530

B.1.2) Research, development and advertising costs.

No further research and development costs with long-term utility were recognised during the year. These costs, which were previously recognised with the consent of the Board of Statutory Auditors, are amortised on a straight-line basis over not more than 5 years.

Description	31/12/2023	Increases at 31 12 2024	Amortisation 31 12 2024	Decreases at 31 12 2024	31/12/2024
Development costs	620.264	-	-	-	620.264
Amortisation fund development costs	(620.264)	-	-	-	(620.264)
Development costs	-	-	-	-	-

B.1.3) Patents and intellectual property rights

The investments of the year in "Patents and intellectual property rights" amounted to €942 thousand. The amortisation for the period is €188 thousand.

Description	31/12/2023	Increases at 31 12 2024	Amortisation 31 12 2024	Decreases at 31 12 2024	31/12/2024
Patents and intellectual property rights	-	941.900	-	-	941.900
Amortisation fund patents and intellectual property rights	-	-	(188.380)	-	(188.380)
Patents and intellectual property rights	-	941.900	(188.380)	-	753.520

B.1.4) Concessions, licences, trademarks and similar rights.

This item is analysed below. The amortisation for the period is € 1.600 thousand.

Description	31/12/2023	Increases at 31 12 2024	Amortisation 31 12 2024	Decreases at 31 12 2024	31/12/2024
Concessions, licences, trademarks	17.023.644	-	-	-	17.023.644
Amortisation fund concessions, licences, trademarks	(2.840.884)	-	(945.521)	-	(3.786.404)
Concessions, licences, trademarks, and similar rights	14.182.760	-	(945.521)	-	13.237.240
Software	9.007.713	-	-	-	9.007.713
Amortisation fund software	(7.134.868)	-	(654.724)	-	(7.789.591)
Software	1.872.845	-	(654.724)	-	1.218.122
Concessions, licences, trademarks, and similar rights	26.031.357	-	-	-	26.031.357
Amortisation fund concessions, licences, trademarks, and similar rights	(9.975.752)	-	(1.600.244)	-	(11.575.995)
Concessions, licences, trademarks, and similar rights	16.055.605	-	(1.600.245)	-	14.455.362

Pursuant to Article 2427, paragraph 2 of the Italian Civil Code, below is the residual value of revalued assets at the reporting date (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°	17.000	13.222
Total		17.000	13.222

B.1.6) Assets under development and payments on account

Assets under development refer to the investments for the year relating to assets that have not yet entered into operation. The decreases relate to the assets entered into operation during the year and reclassified to the relevant tax categories.

B.I.7) Other intangible fixed assets

The following table shows the contents of this item:

Description	31/12/2023	Increases at 31 12 2024	Amortisation 31 12 2024	Decreases at 31 12 2024	31/12/2024
Other multi-year costs	2.929.137	237.999	-	-	3.167.137
Amortisation fund other multi-year costs	(2.223.755)	-	(333.276)	-	(2.557.032)
Other multi-year costs	705.382	237.999	(333.276)	-	610.105
Costs for plants compliance	4.905.025	162.608	-	-	5.067.633
Amortisation fund costs for plants compliance	(3.046.962)	-	(673.228)	-	(3.720.190)
Costs for plants compliance	1.858.063	162.608	(673.228)	-	1.347.443
Costs for improvements on third parties assets	17.675.318	1.454.751	-	-	19.130.069
Amortisation fund costs for improvements on third parties assets	(13.110.464)	-	(2.349.586)	-	(15.460.050)
Costs for improvements on third parties assets	4.564.854	1.454.751	(2.349.586)	-	3.670.019
Costs for multi-year loans	1.730.023	-	-	-	1.730.023
Amortisation 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
Amortisation fund equipments and plants transfer costs	(4.050.606)	-	-	-	(4.050.606)
Equipments and plants transfer costs	-	-	-	-	-
Others	31.290.109	1.855.358	-	-	33.145.468
Amortisation fund others	(24.161.810)	-	(3.356.090)	-	(27.517.901)
Others	7.128.299	1.855.358	(3.356.090)	-	5.627.567

The amortisation for the period amounted to €3,356 thousand. Specifically, leasehold improvements are amortised using a 5% rate, consistent with their economic-technical life.

“Costs for multi-year loans” include the ancillary charges incurred by the Company in connection with the signing of the debt restructuring agreement. The amortisation charge is based on the term of the agreement (five years).

“Other multi-year costs” include the costs incurred by the Company in connection with activities to support production efficiency and improve environmental management processes and major accident prevention. The increase of the year amounts to € 238 thousand and amortisation is 5 years.

II. TANGIBLE FIXED ASSETS

Changes in tangible fixed assets are shown in the table below (Article 2427, paragraph 1, no. 2 of the Italian Civil Code). Balance are shown net of depreciation:

Tangible assets	31/12/2023	Increases	Depreciation	Decreases	Other movements	31/12/2024
Land	853.500	-	-	-	-	853.500
Buildings	8.769.814	11.630	-	-	-	8.781.444
Amortisation fund buildings	(3.968.357)	-	(395.188)	-	-	(4.363.545)
Buildings	4.801.457	11.630	(395.188)	-	-	4.417.899
Generic plants	45.510.544	4.299.054	-	(151.290)	4.132	49.662.440
Amortisation fund generic plants	(36.494.545)	-	(1.793.332)	145.375	1.784	(38.140.718)
Generic plants	9.015.999	4.299.054	(1.793.332)	(5.915)	5.916	11.521.722
Internal means of transport	1.333.277	1.320	-	-	-	1.334.597
Amortisation fund internal means of transport	(856.529)	-	(113.316)	-	-	(969.845)
Internal means of transport	476.748	1.320	(113.316)	-	-	364.752
Furnaces and appliances	86.658.713	6.058.303	-	(3.044)	-	92.713.972
Amortisation 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)	-	-	30.296.866
Specific plants	252.714.770	16.709.117	-	(135.345)	1.784	269.290.326
Amortisation fund specific plants	(178.345.963)	-	(12.510.509)	135.345	(1.784)	(190.722.912)
Specific plants	74.368.807	16.709.117	(12.510.509)	-	-	78.567.414
Plant and machinery	386.217.304	27.067.794	-	(289.679)	5.916	413.001.335
Amortisation fund plant and machinery	(273.092.816)	-	(19.441.528)	283.764	(1)	(292.250.581)
Plant and machinery	113.124.488	27.067.794	(19.441.528)	(5.915)	5.915	120.750.754
Fixtures, fittings, tools and equipment	30.458.885	2.120.738	-	(20.467)	-	32.559.156
Amortisation fund fixtures, fittings, tools and equipment	(21.929.670)	-	(1.214.201)	18.672	-	(23.125.199)
Fixtures, fittings, tools and equipment	8.529.215	2.118.943	(1.214.201)	-	-	9.433.957
Fixtures, fittings, tools and equipment	8.529.215	2.118.943	(1.214.201)	-	-	9.433.957
Furniture and office equipments	747.446	35.203	-	-	(10.123)	772.526
Amortisation fund furniture and office equipments	(393.528)	-	(82.381)	-	6.516	(469.393)
Furniture and office equipments	353.918	35.203	(82.381)	-	(3.607)	303.133
EDP equipment	3.078.352	313.915	-	(10.879)	(1)	3.381.387
Amortisation fund EDP equipment	(1.684.544)	-	(448.984)	7.078	-	(2.126.450)
EDP equipment	1.393.808	313.915	(448.984)	(3.801)	(1)	1.254.937
Vehicles	163.093	1	-	-	(3.734)	159.360
Amortisation fund vehicles	(142.212)	-	(8.308)	-	2.432	(148.088)
Vehicles	20.881	1	(8.308)	-	(1.302)	11.272
Office electric machines	61.815	-	-	-	-	61.815
Amortisation fund office electric machines	(61.815)	-	-	-	-	(61.815)
Office electric machines	-	-	-	-	-	-
Other tangible assets	4.050.706	349.119	-	(10.879)	(13.858)	4.375.088
Amortisation fund other tangible assets	(2.282.099)	-	(539.673)	7.078	8.948	(2.805.746)
Other tangible assets	1.768.607	349.119	(539.673)	(3.801)	(4.910)	1.569.342
Work in progress and advances	31.550.767	8.287.067	-	(6.445.623)	-	33.392.211
Total	160.628.034	37.834.553	(21.590.590)	(6.455.339)	1.005	170.417.663

The depreciation pattern, based on the principles described in Part Three above, is as follows:

Category	Useful life	Rate
Buildings	20 years	5%
Generic plants	10 years	10%
Internal means of transport	5 years	20%
Furnaces and appliances	10 years	10%
Specific plants	10 years	10%
Various equipment	10 years	10%
Processing systems	5 years	20%
Vehicles	4 years	25%
Office furniture	8 years	12%
Office electric machines	5 years	20%

Work on generic plants, furnaces and accessories and specific automated systems subject to revaluation pursuant to Italian Law no. 126 of 13/10/2020, as well as those subject to appraisal of their useful life together with increases in 2024 have an assumed useful life of 10 years and a depreciation rate of 10%.

B.II.1) Land and buildings

The buildings owned and the building hosting the Quality function in Aosta stand on land owned by third parties with a land lease. The headquarters in Aosta stands on its own land. Overall depreciation for the period totalled €395 thousand and was calculated on the basis of the useful life of the assets rather than according to the allowed tax rate.

Descrizione	31/12/2023	Increases at 31 12 2024	Amortisation 31 12 2024	Decreases at 31 12 2024	Other movement	31/12/2024
Land	853.500	-	-	-	-	853.500
Buildings	8.769.814	11.630	-	-	-	8.781.444
Amortisation fund buildings	(3.968.357)	-	(395.188)	-	-	(4.363.545)
Buildings	4.801.457	11.630	(395.188)	-	-	4.417.899

B.II.2) Plant and machinery

The breakdown of the item is as follows:

Plant and machinery	31/12/2024	31/12/2023	Variation
Generic plants	11.521.722	9.015.999	2.505.723
Internal means of transport	364.752	476.748	(111.996)
Furnaces and appliances	30.296.866	29.262.934	1.033.932
Specific plants	78.567.414	74.368.807	4.198.607
Total	120.750.754	113.124.488	7.626.266

The increases of the year in “Plant and machinery”, net of disposals and scrapping, amounted to €27,068 thousand and the total depreciation for the year was €19,442 thousand.

Descrizione	31/12/2023	Increases at 31 12 2024	Amortisation 31 12 2024	Decreases at 31 12 2024	Other movement	31/12/2024
Generic plants	45.510.544	4.299.054	-	(151.290)	4.132	49.662.440
Amortisation fund generic plants	(36.494.545)	-	(1.793.332)	145.375	1.784	(38.140.718)
Generic plants	9.015.999	4.299.054	(1.793.332)	(5.915)	5.916	11.521.722
Internal means of transport	1.333.277	1.320	-	-	-	1.334.597
Amortisation fund internal means of transport	(856.529)	-	(113.316)	-	-	(969.845)
Internal means of transport	476.748	1.320	(113.316)	-	-	364.752
Furnaces and appliances	86.658.713	6.058.303	-	(3.044)	-	92.713.972
Amortisation 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)	-	-	30.296.866
Specific plants	252.714.770	16.709.117	-	(135.345)	1.784	269.290.326
Amortisation fund specific plants	(178.345.964)	-	(12.510.509)	135.345	(1.784)	(190.722.912)
Specific plants	74.368.806	16.709.117	(12.510.509)	-	-	78.567.414
Plant and machinery	386.217.304	27.067.794	-	(289.679)	5.916	413.001.335
Amortisation fund plant and machinery	(273.092.817)	-	(19.441.528)	283.763	-	(292.250.581)
Plant and machinery	113.124.488	27.067.794	(19.441.528)	(5.916)	5.916	120.750.754

B.II.3) Industrial and commercial equipment

The increases of the year in “Miscellaneous equipment”, net of disposals and scrapping, amounted to €2,118 thousand and the total depreciation for the year was €1,214 thousand.

Descrizione	31/12/2023	Increases at 31 12 2024	Amortisation 31 12 2024	Decreases at 31 12 2024	Other movement	31/12/2024
Fixtures, fittings, tools and equipment	30.458.885	2.120.738	-	(20.467)	-	32.559.156
Amortisation fund fixtures, fittings, tools and equipment	(21.929.670)	-	(1.214.201)	18.672	-	(23.125.199)
Fixtures, fittings, tools and equipment	8.529.215	2.120.738	(1.214.201)	(1.796)	-	9.433.957

B.II.4) Other assets

“Other tangible fixed assets” are broken down as follows:

Others	31/12/2024	31/12/2023	Variation
Furniture and office equipments	303.133	353.918	(50.785)
EDP equipment	1.254.937	1.393.808	(138.871)
Vehicles	11.272	20.881	(9.609)
Total	1.569.342	1.768.607	(199.265)

Increases for the period in “Other tangible fixed assets” net of disposals and scrapping amounted to €345 thousand and the total depreciation for the period was €540 thousand.

Descrizione	31/12/2023	Increases at 31 12 2024	Amortisation 31 12 2024	Decreases at 31 12 2024	Other movement	31/12/2024
Furniture and office equipments	747.446	35.203	-	-	(10.123)	772.526
Amortisation fund furniture and office equipments	(393.528)	-	(82.381)	-	6.516	(469.393)
Furniture and office equipments	353.918	35.203	(82.381)	-	(3.607)	303.133
EDP equipment	3.078.352	313.915	-	(10.879)	-	3.381.387
Amortisation fund EDP equipment	(1.684.544)	-	(448.984)	7.078	-	(2.126.450)
EDP equipment	1.393.808	313.915	(448.984)	(3.801)	-	1.254.937
Vehicles	163.093	1	-	-	(3.734)	159.360
Amortisation fund vehicles	(142.212)	-	(8.308)	-	2.432	(148.088)
Vehicles	20.881	1	(8.308)	-	(1.302)	11.272
Office electric machines	61.815	-	-	-	-	61.815
Amortisation fund office electric machines	(61.815)	-	-	-	-	(61.815)
Office electric machines	-	-	-	-	-	-
Other tangible assets	4.050.704	349.119	-	(10.879)	(13.856)	4.375.088
Amortisation fund other tangible assets	(2.282.099)	-	(539.673)	7.078	8.949	(2.805.746)
Other tangible assets	1.768.607	349.119	(539.673)	(3.801)	(4.907)	1.569.342

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

Assets under development refer to investments for the period relating to assets that have not yet entered into operation. The decreases are related to the assets entered into operation in the period and reclassified under the pertinent tax categories.

Finance leases

With regard to leased assets, which are accounted for using the liability method with the recognition of lease payments in profit or loss, if the financial method had been adopted, net equity and the net profit for the period would have been respectively higher by €1.270 thousand and €379 thousand, gross of the related tax effects. Additional indirect effects are reported for the purpose of providing more complete information on the treatment of leases under the financial method (amounts in thousands of Euro), pursuant to Article 2427, paragraph 1, no. 22 of the Italian Civil Code:

Finance leases - effects on the net income for the period

Thousands of Euro	Amount
a.1) Reversal of fees on finance leases	2,352
a.2) Recognition of financial charges on finance leases	(212)
a.3) Recognition of depreciation on existing contracts	(1,761)
a.4) Adjustments/recoveries on assets under finance lease	
a) Effect on income before tax (lower/increased costs)	379
b) Recognition of the tax effect	(106)
c) Net effect on the net income (loss) for the period of the recognition of leases using the financial method versus the liability method adopted (a-b)	273

Finance leases – effect on net equity

Thousands of Euro	Amount
Assets	
a) Existing contracts	
a.1) Assets under finance lease at the end of the previous period*	
a.1) Assets under finance lease at the end of the previous period	51,900
Related accumulated depreciation	(33,000)
a.2) Assets acquired under finance leases during the period	
a.3) Assets under finance lease repurchased during the period	(61)
a.4) Accumulated depreciation for the period	(1,761)
a.5) Adjustments/recoveries on assets under finance lease	
a.6) Assets under finance lease at the end of the period	
a.6) Assets under finance lease at the end of the period	51,840
Related accumulated depreciation	(34,761)
b) Assets repurchased	
b.1) Higher/lower total value of assets repurchased, determined according to the financial method, compared to their book value at the end of the period	
Total (a.6+b.1)	17,079
Liabilities	
c) Implicit liabilities	
c.1) Implicit liabilities for financial leases at the end of the previous period	
c.1) Implicit liabilities for financial leases at the end of the previous period	(17,522)
of which due within one year	
of which due after one year and 5 years	
of which due after 5 years	
c.2) Implicit liabilities arising during the period	0
c.3) Repayment of principal and repurchases during the period	2,205
c.4) Implicit liabilities for finance leases at the end of the period	
c.4) Implicit liabilities for finance leases at the end of the period	(15,318)
of which due within one year	
of which due after one year and 5 years	
of which due after 5 years	
d) Total gross effect at the end of the period (a.6+b.1-c.4)	1,761
e) Tax effect	(491)
f) Effect on net equity at the end of the period (d-e)	1,270

During the year, new investments were made through finance leases.



Pursuant to Article 2427, paragraph 2 of the Italian Civil Code, below is the residual value of revalued assets at the reporting date (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

II. FINANCIAL FIXED ASSETS

Changes in financial fixed assets are shown in the table below (Article 2427, paragraph. 1, no. 2 of the Italian Civil Code).

Investments	31/12/2023	Increases	Decreases	Devaluations	Other movements	31/12/2024
Investments						
Financial investments from subsidiary companies	255.259.161	145.938.573	-	(1.435.439)	3.776.630	403.538.925
Financial investments from others companies	4.161.730	-	-	(2.210.703)	-	1.951.027
Total	259.420.891	145.938.573	-	(3.646.142)	3.776.630	405.489.952
Receivables						
Security account	159.108	6.826	-	-	-	165.934
Total	159.108	6.826	-	-	-	165.934
Derivative financial instruments						
Derivative financial instruments	-	984.301	-	-	-	984.301
Total	-	984.301	-	-	-	984.301
Total	259.579.999	146.929.700	-	(3.646.142)	3.776.630	406.640.187

Investments in subsidiaries increased by €147 milion and related to the acquisition of Com.Steel Inox S.p.A. and DMV GmbH during the year, in addition to the increases due to the partial reversal of the impairment losses on the equity investments in Cogne France S.A. and Cogne Edelstahl GmbH, for €1.5 million and €2.16 million, respectively. At the reporting date, the book value of the equity investment in Cogne Mexico S.A. was also adjusted to the corresponding portion of net equity by recognising a €1.4 million write-down. For further details, reference should be made to paragraph *B.III.1) Equity Investments*.

Derivative financial instruments recognised under financial fixed assets at the reporting date related to IRSs agreed to hedge the interest rate risk on outstanding loans amounting to €984 thousand.

Finally, during the year, the equity investment in Metal Interconnector was written down by €2.2 million in line with the expected return on the investment.

B.III.1) Equity Investments

The details of equity investments, whether held directly or through other parties, are set out below (Article 2427, paragraph 1, no. 5 of the Italian Civil Code).

The following table includes a comparison between the equity investments in subsidiaries held by Cogne Acciai Speciali S.p.A. at 31 December 2024 and the proportional net equity as per the most recently approved financial statements, adjusted in order to comply with the Group's accounting policies.

Equity investments	Net book value at 31/12/2024 (A)	S.E. in currency 31/12/2024	Currency	Exchange rate currency/Euro 31/12/2024	S.E. in Euro 31/12/2024	% interest	S.E. in Euro CAS (B)	Delta (B-A)
Cogne UK	4.094.296	8.533.912	GBP	0,8292	10.291.990	100,00%	10.291.990	6.197.694
Cogne France	7.697.865	8.195.759	EUR	1,0000	8.195.759	100,00%	8.195.759	497.894
Cogne Edelstahl	4.546.557	14.996.094	EUR	1,0000	14.996.094	100,00%	14.996.094	10.449.537
Metalinox	10.239.120	82.844.715	BRL	6,4253	12.893.517	100,00%	12.893.517	2.654.397
Cogne Special Steel USA	6.162.235	15.843.882	USD	1,0389	15.250.632	100,00%	15.250.632	9.088.397
Cogne Celik (*)	2.394.970	101.949.698	TRY	36,7372	2.775.108	100,00%	2.775.108	380.138
Cogne Mexico	7.229.341	188.762.583	MXN	21,5504	8.759.122	82,54%	7.229.341	-
Stainless Bars	15.000.000	10.197.102	CHF	0,9412	10.834.150	100,00%	10.834.150	(4.165.850)
Cogne Singapore	246.032	147.953	SGD	1,4164	104.457	100,00%	104.457	(141.575)
Dongguan Cogne Steel Product	23.926.681	201.204.961	CNY	7,5833	26.532.639	100,00%	26.532.639	2.605.958
Degerfors Long Products	6.428.558	342.925.410	SEK	11,4590	29.926.295	100,00%	29.926.295	23.497.737
Special Melted Products	169.634.696	69.913.691	GBP	0,8292	84.316.663	100,00%	84.316.663	(85.318.033)
Com.Steel Inox	27.023.864	9.174.946	EUR	1,0000	9.174.946	65,00%	5.963.715	(21.060.149)
DMV Group	118.914.709	138.383.555	EUR	1,0000	138.383.555	100,00%	138.383.555	19.468.846
Totale	403.538.925							

(*) a provision for impairment of investments of € 165 thousands has been establishes.

Subsidiaries**COGNE UK LTD, Don Road-Newhall – Sheffield – South Yorkshire S9 2UD – ENGLAND****Share Capital GBP 3,000,000**

The book value of the investment at the reporting date, accounting for 100% of the share capital, was €4,094 thousand.

The Company's net equity at the reporting date (expressed by adjusting net equity as per the local GAAP to the Italian accounting principles) amounted to €10,292 thousand (GBP8,534 thousand), including the net income for the year of €653 thousand (GBP553 thousand).

At the reporting date, the book value of the investment was lower than net equity by € 6,198 thousand.

COGNE FRANCE S.A., ZA des Bellevues à Eragny, 16 Rue de la Patelle, 95613 CERGY PONTOISE – FRANCE**Share Capital EUR 6,068,446**

The book value of the investment at the reporting date, accounting for 100% of the share capital, was €7,698 thousand.

At 31 December 2024, the subsidiary's net equity amounted to € 8,196 thousand, including the profit for the year of € 32 thousand.

The book value of the investment at the reporting date was lower than net equity by €498 thousand following the partial reversal of the impairment loss on the investment (€1.5 million).

COGNE EDELSTAHL GMBH, Carl-Schurz-Strasse, 2 – 41460 Neuss – GERMANY**Share Capital €3,328,000**

The book value of the investment at the reporting date, accounting for 100% of the share capital, was €4,547 thousand.

At 31 December 2024, the subsidiary's net equity amounted to € 14,996 thousand, including the profit for the year of € 809 thousand.

At the reporting date, the book value of the investment was lower than net equity by €10,450 thousand following the partial reversal of the impairment loss on the investment (€2 million).

The Company merged Edelstahl & Metallhandelsgesellschaft mbH (EMB), with accounting effect from 1 January 2023, after acquiring it in 2022.

METALINOX COGNE AÇOS INOXIDAVEIS ESPECIAIS METAIS LTDA, Av. Presidente Wilson, 4.382 IPIRANGA – CEP 04220-001 São Paulo -BRAZIL.**Share Capital BRL 76,501,989**

The book value of the investment, accounting for 100% of the share capital, was €10,239 thousand.

At 31 December 2024, the subsidiary's net equity was € 12,894 thousand (BRL 82,845 thousand), including the profit for the year of € 1,098 thousand (BRL 6,401 thousand).

At 31 December, the book value of the investment was lower than net equity by €2,654 thousand.

COGNE SPECIALITY STEEL USA, INC – 277 FAIRFIELD ROAD- STE 315 – 07004 – FAIRFIELD, New Jersey**Share Capital USD 6,850,000**

The book value of the investment, accounting for 100% of the share capital, was €6,162 thousand.

At 31 December 2024, the subsidiary's net equity amounted to €15,251 thousand (USD15,844 thousand), including the net income for the year of €689 thousand (USD750 thousand).

At the reporting date, the book value of the investment was lower than net equity by €9,088 thousand.

COGNE ÇELİK SANAYİ VE TİCARET LIMITED – Blok No: 1 Industrial Area, 2003 – 41400 – Gebze/Kocaeli
Share Capital TRY 23,952,125

The book value of the equity investment, accounting for 99.99% of the capital, was €2,395 thousand. A provision for risks of €165 thousand has been recognised on this investment since 2016.

At 31 December 2024, the subsidiary's net equity amounted to €2,775 thousand (TRY101,950 thousand), including the net income for the year of €646 thousand (TRY22,981 thousand).

At the reporting date, the book value of the investment was lower than net equity by € 380 thousand (€545 thousand considering the existing provision for risks).

COGNE MEXICO, S.A. DE C.V. Av. - Otomies SN Parque Industrial -Xicohtencatl II - 90500 – Huamantla, TLAX -Mexico

Share Capital MXN 214,907,302

The book value of the investment at the reporting date was €7,229 thousand; it rose in the previous year following a capital increase of €1,888 thousand (USD2,000 thousand) and a second capital increase for a total increase of USD6,640 thousand; this increase was subscribed by the Parent Company for an amount equal to the countervalue in Euro of USD4.44 million (€4,048 thousand) and by Simest S.p.A. for the remaining USD2.2 million.

Following the aforementioned transaction, the investment in Cogne Mexico accounts for 82.54% of the share capital. Under the agreements entered into with SIMEST S.p.A., Cogne Acciai Speciali S.p.A. undertakes to repurchase the investment of Cogne Mexico Limited owned by SIMEST at the dates and conditions agreed with the latter.

At 31 December 2024, the subsidiary's net equity amounted to €7,229 thousand (MXN155,795 thousand), including the net loss for the year of €982 thousand (MXN7,798 thousand).

At the reporting date, the book value of the investment was adjusted to net equity by recognising a write-down of €1.4 million.

COGNE STAINLESS BARS S.A. – Via Laveggio n. 6/A – STABIO – 6855 CANTON TICINO – SWITZERLAND
Share Capital CHF 1,000,000

The book value of the equity investment, accounting for 100% of the capital, is €15 million.

At 31 December 2024, the subsidiary's net equity amounted to €10,834 thousand (CHF10,197 thousand), including the net income for the year of €3,019 thousand (CHF2,875 thousand). At the reporting date, the book value of the investment exceeded net equity by €4,166 thousand; this difference does not configure an impairment loss as it is entirely due to the dividends paid by the subsidiary to the parent company during the previous year, amounting to €10,285.

COGNE SGE PTE. LTD. – 160 ROBINSON ROAD #14-04 - SINGAPORE
Share Capital SGD 349,162

Cogne Singapore was incorporated in 2022. Its book value, which represents the entire capital, was €246 thousand.

At 31 December, the subsidiary's net equity amounted to €104 thousand (SGD 148 thousand), including the loss for the year of €6 thousand (SGD 9 thousand). At the reporting date, the book value of the investment exceeds net equity by €142 thousand. This difference does not configure an impairment loss as it refers to the initial start-up phase.

COGNE HONG KONG Limited, 183 QUEEN'S ROAD EAST, HONG KONG
Share Capital USD 0

On 23 May 2023, the subsidiary, which was struck off the company register during the previous year, completed the transfer of the entire investment in Dong Guang Cogne Steel Product to Cogne Acciai Speciali S.p.A..



Furthermore, in 2023, it transferred all the liquidity to the parent company in order to proceed with its winding up.

DONG GUANG COGNE STEEL PRODUCT CO LTD. - No. 27, WeiJian Road, industrial park of ChaShan, ChaShan town, DongGuan city, GuangDong province, China

Share capital CNY 182,363,897

On 23 May 2023, ownership of the company was transferred to the direct control of Cogne Acciai Speciali SpA (see the section covering Cogne Hong Kong).

The opening book value of the investment, which accounts for the entire capital, reflects the adjustment to the book value of Cogne DCSP's net equity at 31 May 2023. At the reporting date of the previous year, a write-down of €1,014 thousand was recognised, bringing the book value of the investment to €23,927 thousand at 31 December 2024.

On the same date, the subsidiary's net equity amounted to €26,533 thousand (CNY201,205 thousand), including the net income for the year of €1,715 thousand (CNY13,359 thousand).

At the end of the period, the book value of the equity investment was lower than the net equity by €2.606 thousand.

DEGERFORS LONG PRODUCTS AB. - No. 2, Bruksparken, 69381 Degerfors, Sweden

Share Capital SEK 25,000

The acquisition of 100% of Degerfors Long Product, which owns the Degerfors and Storfors plants and specialises in the production of large bars, was finalised on 1 August 2023.

The book value of the investment, accounting for 100% of the share capital, was €6,429 thousand.

At 31 December 2024, the subsidiary's net equity amounted to €29,926 thousand (SEK342,925 thousand), including the net loss for the year of €1,964 thousand (SEK22,453 thousand).

At the reporting date, the book value of the investment was lower than net equity by €23,498 thousand.

SPECIAL MELTED PRODUCTS LTD. - President Way, S4 7UR, Sheffield, United Kingdom

Share capital GBP 4,199,157

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

The book value of the investment, accounting for 100% of the share capital, was €169,635 thousand.

At 31 December 2024, the subsidiary's net equity amounted to €84,317 thousand (GBP69,914 thousand), including the net income for the year of €20,932 thousand (GBP17,721 thousand).

At the reporting date, the book value of the investment exceeded net equity by €85,318 thousand. This difference is not attributable to an impairment loss; in fact, it is entirely due to the goodwill recognised upon acquisition.

COM.STEEL INOX S.p.A. - Via Parini 33, 23900 Lecco, Italy

Share Capital €2,000

On 3 May 2024, the Company acquired 65% of Com.Steel Inox S.p.A. based in Bergamo and specialising in the recovery and treatment of stainless steel scrap and nickel alloys. The consideration paid amounted to €24.1 million, including ancillary charges of €119 thousand. The acquisition was financed via a shareholder loan of €30 million. As part of this extraordinary transaction, put and call options were signed with minority shareholders exercisable from the ninth to the tenth year and from the tenth to the twelfth year from the acquisition date, which the Company decided to measure in accordance with the exemption provided for by OIC 32.

Furthermore, the acquisition contract includes an earn-out option that provides for the disbursement of a further €4 million upon achievement of certain objectives.

The book value of the investment, accounting for 65% of the share capital, was €27,024 thousand.

At 31 December 2024, the subsidiary's net equity amounted to €5,964 thousand, including the net income for the year of €7,159 thousand, of which €4,939 following the acquisition.

At the reporting date, the book value of the investment exceeded net equity by €21,060 thousand. This difference is not attributable to an impairment loss; in fact, it is due to the goodwill recognised upon acquisition, which includes the discounted value of the earn-out (€2.8 million).

DMV GMBH - Wiesenstraße 36 • 45473 Mülheim an der Ruhr, Germany

Share Capital €3,000

On 31 October 2024, the Company acquired 100% of DMV GmbH (formerly Mannesmann Stainless Tubes GMBH), which in turn owns 100% of DMV Deutschland GmbH (Bahnstraße 61, 42859 Remscheid, Germany, share capital €2,548,516), DMV SOTEP SAS (67 Chemin des Midors, 36100 CHOUDAY, France, share capital €6,250,000), DMV France SAS (BP 10 Route de Semur, 21501 Montbard (cedex), France, share capital €15,127,250), DMV Italia S.r.l. (Via Pio', 30, 24062 Costa Volpino (BG), Italy, quota capital €1,200,000) and DMV USA Inc (12050 West Little York, Houston, Texas 77041, USA, share capital €15,654,057).

The group specialises in the production of seamless stainless steel tubes and pipes.

The book value of the investment, accounting for 100% of the share capital, was €118,914 thousand.

At 31 December 2024, the DMV Group's net equity amounted to €138,384 thousand, including a net loss for the year of €16,153 thousand. Of this amount, €12,855 thousand refers to the acquisition and includes the accrual to the restructuring provision (€10 million).

At the reporting date, the book value of the investment was lower than net equity by €19,469 thousand.

Other companies

The breakdown of the item is as follows:

Investments in other companies	31/12/2024	31/12/2023	Variation
Conorzion Geo Storage	2.000	2.000	-
Consorzio Metal Interconnector	1.949.027	4.159.730	(2.210.703)
Total	1.951.027	4.161.730	(2.210.703)

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

B.III.2) Receivables

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

Receivables from other	31/12/2024	31/12/2023	Variation
Security account	165.934	159.108	6.826
Total	165.934	159.108	6.826

There are no receivables with a residual maturity of more than five years (Article 2427, paragraph 1, no. 6 of the Italian Civil Code).

The breakdown of receivables by geographical area is as follows:

Geographic area	Italy	EU	Extra EU	Total
Receivables from other companies	165.934	-	-	165.934
Fixed receivables	165.934	-	-	165.934

C. CURRENT ASSETS

I. INVENTORY

The changes that occurred in the inventories included in current assets are detailed in the following table (Article 2427, paragraph 1, no. 4 of the Italian Civil Code).

Inventory	31/12/2024	31/12/2023	Variation
Raw materials, consumable and supplies	43.985.296	35.060.276	8.925.020
Work in progress and components products	125.624.092	92.375.664	33.248.428
Finished products and goods	83.277.329	69.677.877	13.599.452
Total	252.886.717	197.113.817	55.772.900

Total closing inventory, net of write-downs, increased by €55.7 million on the previous year end. The increase is partly due to the increase in quantities (+ 6,800 tons equal to €21 million) partly due to the change in the production mix which focused on brands with a high content of alloys (for €26 million).

Consumables include raw materials used in the production process (€30.3 million) and sundry consumables, spare parts and equipment (€13.7 million). Raw materials used in the production process increased by 19%. Sundry materials grew by €2.1 million. Overall, raw materials, consumables and supplies increased by €8.9 million.

Finished or semi-finished products, net of changes in the inventory of the Korean branch and goods in transit, increased by approximately €46.8 million. The increase is due to the rise in quantities (5,571 tons) and to the change in mix.

The inventory balance at 31 December 2024 was compared with the market value based on sales prices in the last month of the year. The codes with a higher cost than the market value were written down to make them consistent with the market value.

II. RECEIVABLES

The changes that occurred in receivables included in current assets are detailed in the following table (Article 2427, paragraph 1, no. 4 of the Italian Civil Code).

There are no receivables with a residual maturity of more than five years (Article 2427, paragraph 1, no. 6 of the Italian Civil Code).

Receivables included in current assets	31/12/2024	31/12/2023	Variation
1) Trade receivables	58.429.325	53.048.886	5.380.439
- less than 12 months	58.429.325	53.048.886	5.380.439
2) Receivables from subsidiaries companies	82.565.655	48.438.651	34.127.004
- less than 12 months	82.565.655	48.438.651	34.127.004
5-bis) Tax receivables	10.489.358	8.882.665	1.606.693
- less than 12 months	7.574.575	8.524.787	(950.212)
- more than 12 months	2.914.783	357.878	2.556.905
5-ter) Deferred tax assets	11.013.772	10.902.629	111.143
- less than 12 months	11.013.772	10.902.629	111.143
5-quater) Other receivables	2.832.828	3.082.445	(249.617)
- less than 12 months	2.832.828	3.082.445	(249.617)
Total	165.330.938	124.355.276	40.975.662

C.II.1) Trade receivables

The item "Trade receivables" (nominal value €60,076 thousand net of the allowance for doubtful receivables of €1.647 thousand) includes all short-term trade receivables from third parties.

The movements in the allowance for doubtful receivables relating to third party customers are as follows:

Allowance for doubtful receivables	31/12/2023	Accrual	Release	Other movements	31/12/2024
Allowance for doubtful ST receivables	524.125	1.372.611	(6.899)	(243.262)	1.646.575
Total	524.125	1.372.611	(6.899)	(243.262)	1.646.575

The risk of uncollectability of the items outstanding at the reporting date was assessed considering the existing insurance policies and the related credit facilities, as discussed in Part three above. Furthermore, based on the analysis of receivables, the relevant provision is deemed adequate.

C.II.2) From Subsidiaries

Receivables from subsidiaries (due within and after one year) are broken down as follows:

Details of receivables from subsidiaries companies	31/12/2024	31/12/2023	Variation
Cogne Edelstahl GmbH	2.510.852	422.867	2.087.985
Cogne France S.A.	2.869.568	3.463.584	(594.016)
Cogne Celik Ltd	640.730	134.266	506.464
Cogne UK Ltd	3.260.217	5.348.232	(2.088.015)
Cogne USA Inc	6.175.908	7.585.420	(1.409.512)
Metalinox Cogne	3.476.011	3.591.005	(114.994)
Cogne Mexico	3.322.945	3.376.405	(53.460)
Cogne Stainless Bars S.A.	1.621.408	1.062.346	559.062
Dongguan Cogne Steel Products Co., Ltd	1.637.953	2.043.565	(405.612)
Degerfors Long Product	11.281.118	9.052.639	2.228.479
Special Melted Product	9.197.910	12.328.317	(3.130.407)
Com.Steel Inox SpA	1.436.337	-	1.436.337
DMV Group	35.021.709	-	35.021.709
Other entities	112.988.370	30.005	82.983
Total	82.565.655	48.438.651	34.127.004

The €35 million receivable from the DMV Group includes a financial component of €29,559 thousand which arose from the acquisition by the Company of the credit positions previously held by Salzgitter AG, as part of the acquisition of the DMV Group.

Receivables originally expressed in foreign currency, recognised at the exchange rate in force on the date they arose, were adjusted to closing rates. This generated an exchange loss on foreign currency receivables of €323 thousand at 31 December 2024. Of this amount, €236 thousand related to receivables from subsidiaries and €126 thousand to receivables from third parties.

The breakdown of receivables by geographical area is shown in the table below, separately for each item (Article 2427, paragraph 1, no. 6 of the Italian Civil Code):

Geographic area	Italy	EU	Extra EU	Total
Trade receivables	31.378.842	8.420.572	18.629.911	58.429.325
Receivables from subsidiaries companies	1.549.325	51.683.248	29.333.082	82.565.655
Tax receivables	10.489.358	-	-	10.489.358
Deferred tax assets	11.013.772	-	-	11.013.772
Other receivables	2.832.828	-	-	2.832.828
Receivables	57.264.125	60.103.820	47.962.993	165.330.938

C.II.4 bis) Tax receivables

The breakdown of the item is as follows:

Tax receivables	31/12/2024	31/12/2023	Variazione
ST tax receivables for income taxes	4.449.008	3.991.524	457.484
ST VAT	1.387.358	4.229.642	(2.842.284)
Other ST tax receivables	1.738.209	303.621	1.434.588
Other LT tax receivables	2.914.783	357.878	2.556.905
Total	10.489.358	8.882.665	1.606.693

Tax receivables increased by a total of €1.6 thousand, mainly due to the rise in the tax credit for investments in operating assets as part of the Industry 4.0 process, included under Other receivables due within and after one year, partly offset by the decrease in the credit position for VAT purposes.

C.II.4 ter) Deferred tax assets

This specific item amounted to €11,014 thousand. Deferred tax assets of €341 thousand were recognised during the year and used for €230 thousand. Of this amount, €30 thousand related to the reversal of the tax on IRSs that were not recognised in profit or loss. They are shown in the appropriate table in the comment paragraph under item 20) "Income Taxes" in the Income Statement, to which reference should be made.

C.II.5) Receivables from others

The breakdown is as follows:

a) due within one year:

- less than 12 months	31/12/2024	31/12/2023	Variation
ST receivables from employees	2.059	4.632	(2.573)
ST receivables from social security institutes	46	47	(1)
ST receivables from factoring companies	329.046	1.154.397	(825.351)
ST receivables from insurances	35.749	81.903	(46.154)
ST advances to suppliers	2.072.347	1.790.319	282.028
ST receivables from others	393.581	51.147	342.434
Total	2.832.828	3.082.445	(249.617)

III. FINANCIAL ASSETS OTHER THAN FIXED ASSETS

C.III.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)
Forw ard	BRL	2.174.218	56.498
Forw ard	GBP	2.249.847	21.131
Forw ard	SEK	7.736.277	60.354
Forw ard	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.III.6) Other securities

During the previous year, two investment contracts (time deposits) worth €10 million each were signed. Time deposits are temporary investments, with better returns than ordinary deposits. 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	49.461.431	66.505.391	(17.043.960)
Total	49.461.431	66.505.391	(17.043.960)

This item includes short-term cash balances with banks.

D. ACCRUED INCOME AND PREPAYMENTS

Prepayments and accrued income	31/12/2024	31/12/2023	Variation
Other accrued incomes	70.118	97.429	(27.311)
Leasing deferred charges	3.986.703	4.213.540	(226.837)
Other deferred charges	2.169.676	3.073.201	(903.525)
Total	6.226.497	7.384.170	(1.157.673)

Prepayments for leases amounting to €3,987 thousand relate to maxi-fees of leases taken out over the past five years.

Other prepayments decreased by €904 thousand mainly due to the M&A costs incurred in 2023 in connection with the acquisitions carried out during the year.

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

BALANCE SHEET LIABILITIES

A. NET EQUITY

The changes in the items that make up net equity are shown in the following table (Article 2427, paragraph 1, no. 4 of the Italian Civil Code).

Net equity	31/12/2023	Increases	Decreases	Appropriation of net income	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
<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>
Other reserves, with distinct indication	2.207.273	-	-	-	2.207.273
Cash flow hedging reserve	1.302.908	-	(524.902)	-	778.006
Retained Earnings	34.594.749	-	-	1.547.286	36.142.035
Net profit (loss) for the period	1.628.723	(36.501.377)	-	(1.628.723)	(36.501.377)
Net equity	494.595.125	8.498.623	(524.902)	-	502.568.846

At 31 December 2024, net equity amounted to €502,569 thousand, including the net loss for the year of €36,501 thousand.

A.1) *Share capital*

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 changes in net equity items as well as the related possibility of use and distribution, are shown in the following table (Article 2427, paragraph 1, nos. 4, 7 and 7 bis of the Italian Civil Code). As suggested by OIC document no. 28, the availability of reserves is coded on the basis of the first letters of the alphabet, as follows:

- A) For share capital increase;
- B) To cover losses;
- C) For dividends;
- D) For other regulatory constraints.

Use of Shareholder's Equity	Closing balance	Origin/Kind	Possibility of use	Available portion	Summary of usage in the last three years
Share capital	439.208.027,00				
Share premium reserve	55.791.973,00	Capital reserve	A,B		
Legal reserve	4.942.909,00	Profits reserve	B		
Other reserves, with distinct indication					
<i>Extraordinary reserve</i>	<i>2.061.651,00</i>	<i>Profits reserve</i>	<i>A,B,C</i>		
<i>Merger reserve</i>	<i>145.621,99</i>	<i>Capital Reserve</i>	<i>B</i>		
Cash flow hedging reserve	778.005,49				
Retained Earnings	36.142.034,69				
Net equity	539.070.222			-	-

B. PROVISIONS FOR RISKS AND CHARGES

The changes in the items that make up the provisions for risks and charges are shown in the table below (Article 2427, paragraph 1, nos. 4 and 7 of the Italian Civil Code):

Provisions for risks and other charges	31/12/2023	Accrual	Release	Use	31/12/2024
Deferred tax liabilities fund	547.398	-	(84.101)	(166.542)	296.755
Deferred tax and other tax liabilities fund	547.398	-	(84.101)	(166.542)	296.755
Reserve for derivative financial instruments	1.372.152	-	-	(296.124)	1.076.028
Reserve for derivative financial instruments	1.372.152	-	-	(296.124)	1.076.028
Investments provision fund	165.000	-	-	-	165.000
Other provisions fund	640.000	-	(620.442)	(19.558)	-
Other provisions fund	805.000	-	(620.442)	(19.558)	165.000
Total	2.724.550	-	(704.543)	(482.224)	1.537.783

B.2) Provisions for taxes, including deferred

Deferred taxes amount to €297 thousand and are shown in the relevant table in the note to item 20) "Income taxes" in the income statement, to which reference should be made.

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)
Forw ard	GBP	17.728.358,14	(146.922,21)
Forw ard	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

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

The changes in the balance of this item are shown in the following table (Article 2427, paragraph 1, no. 4 of the Italian Civil Code):

Employee severance indemnity	31/12/2023	Accrual	Release	Use	31/12/2024
Provision for employee severance indemnity	2.321.842	3.182.822	-	(3.402.952)	2.101.711
Total	2.321.842	3.182.822	-	(3.402.952)	2.101.711

This item includes the portion of severance (Italian TFR) accrued at 31 December 2024 to be paid to all employees upon termination of employment pursuant to Article 2120 of the Italian Civil Code, collective and company agreements.

Uses in the period reflect the share of employee severance pay paid to employees leaving the Company.

D. PAYABLES

D.1) Bonds

Debenture loans	31/12/2024	31/12/2023	Variation
ST portion debenture loans	3.003.029	3.005.034	(2.005)
LT portion debenture loans	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.4) Payables to banks

Payables due to banks	31/12/2024	31/12/2023	Variation
ST collateralised bank loans	260.000	260.000	-
ST uncollateralised bank loans	59.346.566	43.201.767	16.144.799
Bank accounts	49.612.813	278.819	49.333.994
Advances bank accounts	38.524.390	-	38.524.390
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	375.867.829	193.856.501	182.011.328

"Bank accounts" and "Advances bank accounts" include the payables due to banks resulting from ordinary current accounts, the debt for advances on invoices, for import financing and payables for bank receipts subject to collection. Current financial debt increased by a total of €182 million. At 31 December 2024, cash and cash equivalents amounted to € 49,461 thousand, as shown in Assets under Bank and Postal Accounts. At 31 December 2024, the monetary and unsecured lines granted to the 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
Total	59.606.566	228.124.060

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

Details of the net financial position at 31 December 2024 are as follows:

Net Financial Position	31/12/2024	31/12/2023	Variation
Bank deposits	49.461.431	66.505.391	(17.043.960)
Cash equivalents and treasury shares	49.461.431	66.505.391	(17.043.960)
Financial assets other than fixed assets	742.852	22.635.610	(21.892.758)
Bonds (within 12 months)	(3.003.029)	(3.005.034)	2.005
Payables to bank (within 12 months)	(88.137.203)	(278.819)	(87.858.384)
Payables for loans (within 12 months)	(59.606.566)	(43.461.767)	(16.144.799)
Other payables (within 12 months)	(14.361.524)	(472.971)	(13.888.553)
Derivative financial instruments liabilities	(1.076.028)	(1.372.152)	296.124
Short-term financial payables	(166.184.350)	(48.590.743)	(117.593.607)
Short-term financial receivables	30.543.361	7.173.297	23.370.064
° Net financial position - short term	(85.436.706)	47.723.555	(133.160.261)
Bonds (beyond 12 months)	(1.482.588)	(4.455.709)	2.973.121
Payables to bank (beyond 12 months)	(228.124.060)	(150.115.915)	(78.008.145)
Other payables (beyond 12 months)	(3.133.037)	(87.250)	(3.045.787)
Long-term financial payables	(232.739.685)	(154.658.874)	(78.080.811)
Short-term financial payables	-	-	-
° Net financial position - medium/long term	(232.739.685)	(154.658.874)	(78.080.811)
° Net financial position	(318.176.391)	(106.935.319)	(211.241.072)

The changes in net financial debt and cash flows are described and commented in the Report on Operations. For further details, see the Cash Flow Statement in the financial statements.

D.6) Payments on account

The balance of €4,233 thousand is mainly due to the advance payment made by the subsidiary Dongguan Cogne Steel Product Co Ltd. to purchase goods for €4,220 thousand (CNY32,000 thousand).

D.7) Trade payables

Trade payables amounting to €108,220 thousand refer to payables to third parties for the purchase of goods and services.

D.9) Payables to subsidiaries

The table below shows total payables to subsidiaries. The advance referred to in paragraph D.6) Payments on account is also shown for the sake of complete disclosure.

Details of payables to subsidiaries companies	31/12/2024	31/12/2023	Variation
Cogne Edelstahl GmbH	554.567	67.043	487.524
Cogne France S.A.	57.515	59.353	(1.838)
Cogne Celik Ltd	18.569	4.259	14.310
Cogne UK Ltd	-	-	-
Cogne USA Inc	64.012	23.494	40.518
Metalinox Cogne	-	10.006	(10.006)
Cogne Mexico	15.286	-	15.286
Cogne Stainless Bars S.A.	1.060.757	92.959	967.798
Cogne SG Pte Ltd	62.817	892	61.925
Dongguan Cogne Steel Products Co., Ltd	5.711.570	1.167.079	4.544.491
Degerfors Long Product	4.304.041	100.137	4.203.904
Special Melted Product	612.303	425.563	186.740
Com.Steel Inox SpA	24.916.580	-	24.916.580
DMV Group	9.146	-	9.146
Altre società	5.079.548	3.066.408	2.013.140
Total payables to subsidiaries companies	42.466.712	5.017.193	37.449.519
Dongguan Cogne Steel Products Co., Ltd	4.219.910	-	4.219.910
Total prepayments by subsidiaries companies	4.219.910	-	4.219.910

A breakdown by geographical area is as follows:

Geographic area	Italy	EU	Extra EU	Total
Debtenture loans	4.485.617	-	-	4.485.617
Payables due to banks	375.865.379	-	2.450	375.867.829
Advances	12.889	-	4.219.910	4.232.799
Payables to suppliers	73.811.746	9.099.549	25.308.440	108.219.735
Payables to subsidiaries companies	34.216.020	4.925.170	3.325.522	42.466.712
Payables to parent companies	245.556	-	-	245.556
Tax payables	1.923.684	-	-	1.923.684
Payables to social security institute	5.160.059	-	-	5.160.059
Other payables	8.195.368	14.361.524	-	22.556.892
Payables	503.670.762	28.386.243	33.101.878	565.158.883

Payables originally expressed in foreign currency, recognised at the exchange rate in force on the date they arose, were adjusted to closing rates. This resulted in a loss on the translation of foreign currency payables totalling €687 thousand attributable to third party suppliers (€633 thousand) and to intragroup suppliers (€54 thousand).

D.9) Payables to parent companies

This item includes the amount due to the parent company Walsin Lihwa Europe S.À R.L. in connection with the service agreement entered into on 23 October 2024 for €246 thousand.

This agreement provides for assistance by the parent company in the search for potential banks in order to obtain financing, as well as in the communication and negotiations with said banks. The amounts due to the parent company are calculated to the extent of 1% of the amount of the loans obtained, increased by any amount paid by the parent company to third parties as part of the performance of the activities envisaged by the agreement and recharged to the Company.

D.12) Tax payables

The breakdown of the item is as follows:

Tax payables	31/12/2024	31/12/2023	Variation
Other ST tax payables	40.782	3.908	36.874
ST debts payables for withholding tax	1.882.902	1.627.043	255.859
Total	1.923.684	1.630.951	292.733

D.13) Payables to social security institutions

This item includes the payables to the following social security institutions:

Payables to social security institute	31/12/2024	31/12/2023	Variation
ST payables to social security institutes (INPS)	3.917.398	3.315.984	601.414
ST payables to social security institutes (INAIL)	325.263	142.929	182.334
ST payables to social security institutes (OTHERS)	917.398	810.200	107.198
Total	5.160.059	4.269.113	890.946

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

a) Due within one year:

- less than 12 months	31/12/2024	31/12/2023	Variation
ST payables to employees	3.871.273	3.816.972	54.301
ST other financial payables	14.361.524	472.971	13.888.553
ST other payables	1.191.058	1.460.451	(269.393)
Total	19.423.855	5.750.394	13.673.461

"Other financial payables" include €14 million due to Salzgitter AG as a result of the acquisition by the Company of the credit and debt positions with the DMV Group previously held by Salzgitter, as part of the acquisition of DMV GmbH.

This payable will be repaid in 2025.

Payables to employees are broken down as follows:

- accrued holiday not taken (€2,780 thousand);
- payables related to the assessment of the seniority bonus (€1.072 thousand);

Breakdown of "other payables":

- remuneration paid to the Board of Statutory Auditors (€83 thousand);
- remuneration paid to the Supervisory Body (€8 thousand);
- Internal Assistance Fund (€117 thousand);
- exemption contribution for disabled people (€218 thousand);
- variable costs pertaining to December 2024 and deferred to the following month's remuneration (€681 thousand).
- other sundry payables (€84 thousand).

b) Due after one year:

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

The change of the year is due to the recognition of the earn out provided for by the contract governing the acquisition of the 35% investment held by Com.Steel S.p.A. in Com.Steel Inox S.p.A.. This transaction led to the recognition of a financial payable of €3 million equal to the discounted value of the earn out that the Company will be required to pay to Com.Steel S.p.A. upon the occurrence of certain conditions in 2027.

E. ACCRUED EXPENSES AND DEFERRED INCOME

The breakdown of accrued expenses and deferred income is as follows:

Accruals and Deferred Income	31/12/2024	31/12/2023	Variazione
Accruals for deferred interests	712.407	635.778	76.629
Accruals for insurances	127.712	95.748	31.964
Other accruals	403	3.144	(2.741)
Total accrued expenses	840.522	734.670	105.852
Accrued interests for capital contribution	2.988.464	357.279	2.631.185
Other accrued interests	1.844.839	-	1.844.839
Total deferred income	4.833.303	357.279	4.476.024
Total	5.673.825	1.091.949	4.581.876

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.

OFF-BALANCE SHEET COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

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	132.997.617	140.988.620	(7.991.003)
Financial leases	15.317.617	13.308.620	2.008.997
"Notional value ""IRS"" composed"	117.680.000	127.680.000	(10.000.000)
Others interim account	4.500.000	4.500.000	-
Real guarantees in favor of third parties on assets of subsidiaries	4.500.000	4.500.000	-
Interim accounts	187.222.153	188.481.831	(1.259.678)

Sureties granted to third parties amounted to €12,516 thousand and included sureties given to strategic 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 letters of patronage.

INCOME STATEMENT

Revenues, income, costs and expenses have been shown net of returns, discounts, allowances and premiums, as well as taxes directly related to the sale of products and provision of services.

A. PRODUCTION REVENUES

A.1) Revenues

This item essentially includes income from the sale of goods, net of returns, discounts and premiums. The table below shows the breakdown of revenues by geographic area:

Revenues from sales of characteristic products	
Italy	167.855.522
EU	205.856.129
Extra EU	24.682.842
Asia	58.419.678
Africa	163.822
North America	38.737.685
Central & South America	23.855.484
Switzerland	125.477.666
Total	645.048.828
% Country	26%
% Abroad	74%

Revenues from other group companies are described in the report on operations.

A.5) Other revenues and income

“Other revenues and income” are broken down as follows:

Other revenue and income	31/12/2024	31/12/2023	Variation
Other revenues	3.941.790	10.781.552	(6.839.762)
Grants	3.941.790	10.781.552	(6.839.762)
Revenue from direct sales of work in progress and finished goods	4.103.142	3.679.837	423.305
Ordinary gains on sale of tangible assets	119.693	31.663	88.030
Recovered expenses from subsidiaries	44.927	153.056	(108.129)
Recovered selling expenses	(26.124)	(99.251)	73.127
Refund of insurance expenses	236.400	396.063	(159.663)
Other revenues from transport	414.084	543.535	(129.451)
Extraordinary financial gains	(515.202)	(989.779)	474.577
Other revenues and income	2.642.074	2.108.349	533.725
Other revenues	7.018.994	5.823.473	1.195.521
Total	10.960.784	16.605.025	(5.644.241)

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.

Details of other revenues and income from subsidiaries, holding companies and other Cogne Group companies are provided in the report on operations.

B. PRODUCTION COST

B.6) Raw materials, consumables and goods

The detail of the item is given below:

Raw material and consumables	31/12/2024	31/12/2023	Variation
Raw material	414.479.590	402.987.933	11.491.657
Supply	31.216.905	15.722.224	15.494.681
Fuels	409.864	409.938	(74)
Other material	39.827.165	35.301.052	4.526.113
Utilities (Electricity/Water)	26.930.406	27.648.908	(718.502)
Gas / Methane	24.513.016	28.305.774	(3.792.758)
Purchase of other production material	515.431	1.113.502	(598.071)
Purchase of packaging	297.261	326.124	(28.863)
Additional purchase charges for raw material, components, supplies and c	3.574.267	2.890.217	684.050
Adjustments purchases of raw material, components, supplies and consur	310	63.406	(63.096)
Total	541.764.215	514.769.078	26.995.137

B.7) Services

This item breaks down as follows:

Services	31/12/2024	31/12/2023	Variation
External workings	20.655.899	16.260.420	4.395.479
Purchases transport	496.298	245.512	250.786
Sales transport	11.640.792	10.629.851	1.010.941
Storage	4.673.701	4.108.418	565.283
Insurances	3.218.017	3.265.746	(47.729)
Fiscal and administrative consultancy services	1.384.843	770.395	614.448
IT consultancy service	333.759	213.772	119.987
Commercial consultancy service	130.859	441.769	(310.910)
Technical consultancy service	977.362	941.906	35.456
Legal and notary expenses	502.177	525.571	(23.394)
Other Consultancies	1.103.741	925.417	178.324
Training expenses	571.800	507.727	64.073
Commissions to agents	1.296.995	1.253.130	43.865
Advertising expenses	40.758	47.832	(7.074)
Surveillance expenses	662.722	659.079	3.643
Travelling expenses	1.453.569	1.084.796	368.773
Bank services	82.595	117.379	(34.784)
Board of Directors' fees	529.976	527.826	2.150
Statutory auditors' fees	145.600	145.600	-
Supervisory Body's fees	62.400	54.600	7.800
Cafeteria expenses	662.876	513.825	149.051
Representing expenses	68.337	65.613	2.724
Telephone expenses	277.004	266.578	10.426
Ecology expenses	10.351.183	9.139.810	1.211.373
Postal expenses	1.483	1.408	75
Cleaning related services	5.181.248	4.427.522	753.726
Other services costs	1.947.333	1.712.901	234.432
Quality plants maintenance costs	8.154.328	7.568.612	585.716
Total	76.607.655	66.423.015	10.184.640

B.8) Costs for use of third party assets

This item mainly includes fees paid for rentals of office machinery, industrial vehicles, plant and machinery, tanks and software, rents and finance leases, as summarised below:

Costs for rents and leases	31/12/2024	31/12/2023	Variation
Renting costs	1.101.907	850.564	251.343
Leasing costs	2.583.103	1.889.635	693.468
Other renting related costs	2.988.993	1.812.071	1.176.922
Motorvehicles renting costs	1.687.366	1.477.603	209.763
Equipment renting costs	2.579.400	2.333.395	246.005
Total	10.940.769	8.363.268	2.577.501

B.9) Personnel costs

Labour costs totalled €79,891 thousand, as detailed below:

Personnel costs	31/12/2024	31/12/2023	Variation
Salaries and wages	49.509.998	44.134.361	5.375.637
Social security costs	17.181.516	15.074.519	2.106.997
Provision for severance indemnity	3.182.822	2.835.066	347.756
Other costs	1.017.098	500.905	516.193
Total	70.891.434	62.544.851	8.346.583

The following table shows the changes in the Company's workforce during the period, broken down by category:

Number of employees	31/12/2023	Increases	Decreases	Carreer upgrade	31/12/2024
Directors	15			1	16
Executive staff	28	1		-	29
Office workers	290	28	(11)	15	322
Office workers in training	19	5	(3)	(14)	7
Manual workers	821	179	(131)	(2)	867
Total	1.173	213	(145)	-	1.241

B.10) Amortisation/depreciation and write-downs

With reference to this item, reference should be made to the corresponding notes under assets.

The amortisation of intangible fixed assets is detailed below:

Amortisation of intangible assets	31/12/2024	31/12/2023	Variation
Amortisation of start-up and expansion costs	2.398	23.651	(21.253)
Amortisation of industrial patent and intellectual property rights	188.380	-	188.380
Amortisation of concessions, licences, trademarks and similar rights	945.521	945.521	-
Amortisation of software	654.724	778.026	(123.302)
Amortisation of other costs	333.276	390.676	(57.400)
Amortisation of costs for plants compliance	673.228	698.148	(24.920)
Amortisation of costs for improvements on third parties assets	2.349.586	2.276.848	72.738
Total	5.147.113	5.112.870	34.243

The depreciation charges allocated for tangible fixed assets represent the expenses for the period covering use of the assets, as shown below:

Amortisation of tangible fixed assets	31/12/2024	31/12/2023	Variation
Amortisation of buildings	395.188	387.060	8.128
Amortisation of generic plants	1.793.332	1.664.740	128.592
Amortisation of internal means of transport	113.316	67.304	46.012
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 industrial equipments	1.214.201	1.218.034	(3.833)
Amortisation of vehicles	8.308	8.852	(544)
Amortisation of furniture and office equipments	82.381	100.600	(18.219)
Amortisation of EDP machinery	448.984	379.497	69.487
Total	21.590.590	19.834.736	1.755.854

As already discussed herein, depreciation was calculated in relation to the residual useful life of the assets, applying rates that are unchanged compared to the previous year and are deemed suitable for aligning the book value of depreciable assets with the effective residual useful life of said assets.

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

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

B.12) Provision for risks

The change is detailed in the "Other provisions - Provisions for risks and charges" entry in the liabilities.

B.14) Other operating costs

This item includes the following charges:

Other operating losses	31/12/2024	31/12/2023	Variation
Ordinary losses on sale of tangible assets	4.301	24.266	(19.965)
Other taxes (different than income taxes)	384.283	440.705	(56.422)
Losses on trade receivables	18.853	275	18.578
Subscription to newspaper and magazines	76.100	62.484	13.616
Contributions	196.331	188.618	7.713
Other operating costs	2.144.038	3.554.777	(1.410.739)
Other extraordinary expenses	57.607	37.614	19.993
Fairs, exhibitions and travels	906.218	609.854	296.364
Administrative sanctions, fines and surcharges	8.302	3.395	4.907
Total	3.796.033	4.921.988	(1.125.955)

"Other operating costs" mainly include the costs incurred to purchase CO2 shares. The change in "Other operating costs" is mainly due to the greater purchase of the aforementioned shares.

C. FINANCIAL INCOME AND CHARGES

C.16.d Other financial income other than the above

The breakdown is as follows:

Other financial income	31/12/2024	31/12/2023	Variation
Other financial income	426.394	-	426.394
Interests in bank and postal accounts	251.375	300.879	(49.504)
Other financial income from other companies	23.253	4.364	18.889
Other financial income	-	17.087	(17.087)
Other financial income	701.022	322.330	378.692

Financial income from subsidiaries includes the accrual of interest on loans disbursed to the subsidiaries Special Melted Products Ltd and DMV Group.

C.17a) Interest and other financial charges from subsidiaries

This item is composed as follows:

Interests expenses and similar charges	31/12/2024	31/12/2023	Variation
Financial charges from subsidiary companies	357.909	143.411	214.498
Interest and other financial charges from subsidiary companies	357.909	143.411	214.498

C.17b) Interest and other financial charges from others

This item is composed as follows:

Interests expenses and similar charges	31/12/2024	31/12/2023	Variation
LT interests payables to bank	6.983.412	5.792.777	1.190.635
ST interests payables to bank	2.033.362	1.508.651	524.711
Financial charges from other companies	323.587	100.324	223.263
Financial discounts to clients	1.771.712	980.876	790.836
Financial institutions agent's fees	820.910	835.386	(14.476)
Interest and commission factoring	2.447.672	2.581.152	(133.480)
Interest late payments	121.477	260.692	(139.215)
Other financial charges	46.661	-	46.661
Interest and other financial charges from others	14.548.793	12.059.858	2.488.935

The increase in the item "Interest expenses and similar charges" for €2,489 thousand is mainly attributable to the increase in the net financial position recorded during the year.

C.17 bis) Exchange rate gains and losses

This item is composed as follows:

Profit (loss) on exchange difference	31/12/2024	31/12/2023	Variation
Exchange profits	4.707.466	6.505.907	(1.798.441)
Exchange losses	(4.826.234)	(6.244.462)	1.418.228
Exchange profits	(118.768)	261.445	(380.213)
Unrealised exchange profits	686.465	1.804.716	(1.118.251)
Unrealised exchange losses	(1.258.207)	(1.539.629)	281.422
Unrealised exchange profits	(571.742)	265.087	(836.829)
Total	(690.510)	526.532	(1.217.042)

D. VALUE ADJUSTMENTS TO FINANCIAL ASSETS

D.18.a) Write-ups of equity investments

Revaluations of equity investments	31/12/2024	31/12/2023	Variation
Revaluations of equity investments in subsidiary companies	3.661.556	2.000.000	1.661.556
Total	3.661.556	2.000.000	1.661.556

During the year, given the positive results achieved by the subsidiaries Cogne Edelstahl and Cogne France, the related investments were written up for €2.16 million and €1.5 million, respectively.

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

The breakdown of the item is as follows:

Revaluations of derivative financial instruments	31/12/2024	31/12/2023	Variation
Revaluations of derivative financial instruments	1.602.783	7.530.589	(5.927.806)
Revaluations of derivative financial instruments not realized	171.332	62.045	109.287
Total	1.774.115	7.592.634	(5.818.519)

D.19.a) Write-downs of equity investments

Write-offs of equity investments	31/12/2024	31/12/2023	Variation
Write-offs of equity investments in subsidiary companies	1.435.439	1.100.293	335.146
Write-offs of equity investments in other companies	2.210.703	-	2.210.703
Total	3.646.142	1.100.293	2.545.849

During the year, in order to adjust the book value of the investment to the net equity of the subsidiary Cogne Celik, the related investment was written down by €1.4 million.

Furthermore, the investment in Metal Interconnector was written down by €2.2 million in line with the expected return on the investment.

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

The breakdown is as follows:

Devaluations of derivative financial instruments	31/12/2024	31/12/2023	Variation
Write-offs of derivative financial instruments	3.211.912	9.881.716	(6.669.804)
Write-offs of derivative financial instruments not realized	473.501	277.155	196.346
Total	3.685.413	10.158.871	(6.473.458)

20. INCOME TAXES

At 31 December 2024, the Company had a negative tax base for IRES purposes of €41,928 thousand.

The impact of deferred tax assets and liabilities on the income statement reflects the recognition of deferred tax assets and the reversal of deferred tax liabilities of €141 thousand and €84 thousand, respectively.

Income taxes	31/12/2024	31/12/2023	Variation
Corporate income tax (only for italian companies)	(410.938)	-	(410.938)
Other current income taxes (non-italian companies)	10.413	-	10.413
Current taxes	(400.525)	-	(400.525)
Previous years taxes	6.855	5.170	1.685
Previous years taxes	6.855	5.170	(398.840)
Deferred taxes	(84.101)	60.344	(144.445)
Advanced taxes	(140.834)	(6.204.505)	6.063.671
Deffered/Advanced taxes	(224.935)	(6.144.161)	5.520.386
Total	(618.605)	(6.138.991)	4.721.021

The reconciliation between the effective and the theoretical tax rate is set out below (in thousands of Euro):

	Tax Base	Tax	Tax rate (on Result Before Tax)
Result Before Tax at 31.12.2024	(37.119.982)		
Theoretical tax burden		8.908.796	24,00%
Differences of a permanent nature			
Non-deductible contingent liabilities	57.917	(13.900)	-0,04%
Car and telephone expenses	222.935	(53.504)	-0,14%
Trademark difference not recognized	605.043	(145.210)	-0,39%
Other non-deductible provisions	10.275	(2.466)	-0,01%
Write-downs of equity investments	3.646.142	(875.074)	-2,36%
Other non-deductible costs	2.389.191	(573.406)	-1,54%
Super-iper amortisation	(2.334.697)	560.327	1,51%
Revaluations of equity investments	(3.661.556)	878.773	2,37%
Non-taxable tax credits	(3.989.657)	957.518	2,58%
Other non-taxable income	(1.898.260)	455.582	1,23%
Differences of a temporary nature			
Exchange differences	357.766	(85.864)	-0,23%
Inventory depreciation	461.085	(110.660)	-0,30%
Write-downs of derivative financial instruments	473.501	(113.640)	-0,31%
Revaluations of derivative financial instruments not realized (2023 carryforward)	62.045	(14.891)	-0,04%
Provision for doubtful accounts	1.017.932	(244.304)	-0,66%
Write-offs of derivative financial instruments not realized (2023 carryforward)	(277.155)	66.517	0,18%
Revaluations of derivative financial instruments	(171.332)	41.120	0,11%
Provisions for risks utilisation	(640.000)	153.600	0,41%
Bad debt provisions utilisation	(131.611)	31.587	0,09%
Other temporary differences	(7.346)	1.763	0,00%
IRES after permanent and temporary differences	(40.927.766)	9.822.664	26,46%
Unrecognized loss carryforwards/deductible temporary differences/investment credits		(9.822.664)	-26,46%
Current taxes from participation in tax consolidation		410.938	1,11%
Korea branch current taxes		(10.413)	-0,03%
Deferred tax assets/liabilities		224.935	0,61%
Prior year taxes		(6.855)	-0,02%
Total tax at 31.12.2024		618.605	1,67%

	IRES	IRAP	Total
Current taxes from participation in tax consolidation	410.938	-	410.938
Other current taxes (Korea Branch)	(10.413)	-	(10.413)
Deferred tax assets	122.852	17.982	140.834
Deferred tax liabilities	84.101		84.101
Total current and deferred taxes	607.477	17.982	625.460
Prior year taxes	(6.855)	-	(6.855)
Total tax at 31.12.2024	600.622	17.982	618.605

Deferred taxes

The items that generated prepaid taxes are shown below, together with the changes of the year (Article 2427, paragraph I, no. 14, of the Italian Civil Code):

Description of DTA	31/12/2023		Movements 2024		31/12/2024	
	Temporary Diff.	Tax	Temporary Diff.	Tax	Temporary Diff.	Tax
Taxed provision for doubtful debts	272.951	65.508	886.833	212.840	1.159.784	278.348
Taxed provision for doubtful debts (CDI)	394.839	94.762	-	-	394.839	94.762
Provision for other risks	640.000	153.600	(640.000)	(153.600)	-	-
Warehouse devaluation	2.167.730	604.797	461.085	128.643	2.628.815	733.439
Derivatives	-	29.690	-	(29.690)	-	-
Other fiscal variation	(73)	(17)	73	17	-	-
Total prepaid taxes on temporary differences	3.475.447	948.340	707.991	158.210	4.183.438	1.104.549
Losses carried forward for tax purposes	12.199.328	2.927.839	(196.108)	(47.066)	12.003.220	2.880.773
Fiscal loss 2023	29.276.877	7.026.450	-	-	29.276.877	7.026.450
Total prepaid tax credits	44.951.652	10.902.629	511.883	111.144	45.463.535	11.013.772

Receivables for prepaid taxes were entered 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 prepaid taxes when the differences are reversed. In particular, the assessment of the recoverability of prepaid taxes took into consideration the economic-financial forecasts included in the 2024-2028 business plan.

The items that generated deferred taxes in 2024 are shown below, together with the changes of the year (Article 2427, paragraph I, no. 14, of the Italian Civil Code):

Description of DTL	31/12/2023		Movements 2024		31/12/2024	
	Temporary Diff.	Tax	Temporary Diff.	Tax	Temporary Diff.	Tax
Unrealised exchange rates net gains	(357.766)	(85.864)	357.766	85.864	-	-
Derivatives taxation not recognized in P&L (CFH reserve)	-	(435.639)	-	166.542	-	(269.098)
Derivatives	(71.632)	(17.192)	-	-	(71.632)	(17.193)
Default interest not paid/collected	(36.249)	(8.700)	(7.346)	(7.346)	(43.595)	(10.464)
Total prepaid taxes on temporary differences	(465.647)	(547.397)	350.419	250.643	(115.227)	(296.755)

PART FIVE: OTHER INFORMATION

1. MANAGEMENT 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 is noted that the Company, although controlled by MEG S.A, is not managed or coordinated by the holding company.

2. TRANSACTIONS WITH RELATED PARTIES

During the 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" included in the report on operations.

3. EVENTS AFTER THE REPORTING DATE

Pursuant to paragraph 3. no. 5 of Article 2428 of the Italian Civil Code, the following information on the events that took place after the reporting date is provided below:

- **January 2025:** in order to increase capital strength, a share capital increase of €55 million was approved which will be paid, together with the €15 million increase approved in the 2022, by the end of the first semester of 2025.

4. INFORMATION REQUIRED BY LAW NO. 124 OF 4 AUGUST 2017, ARTICLE 1, PARAGRAPH 125

Law no. 124/2017 introduced in Article 1, paragraphs 125-129, new disclosure requirements in relation to the transparency of public grants received and disbursed. 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 disclosure requirement leads to the repayment of the amounts to the granting bodies (paragraph 125).

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

On the basis of some authoritative interpretations published, firstly 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 operation of the company activities
- general measures usable by all companies within the general structure of the reference system defined by the Government, 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 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 noted that Cogne Acciai Speciali S.p.A., an energy-intensive company, benefits from reductions which are accurately highlighted by the publication of the company name and its 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.



5. PROPOSED ALLOCATION OF THE NET RESULT FOR THE YEAR

Dear Shareholders,

The financial statements at December 31, 2024 show a net loss of €36,501,377 (thirty-six million five hundred and one thousand three hundred and seventy-seven).

Should you agree with the basis of preparation used to draw up these financial statements and the accounting policies and methods used, we recommend that you allocate the net loss for the year as follows:

- €36,501,377 to "Retained earnings/(losses carried forward)".

Aosta, March 27, 2025

On behalf of the Board of Directors
The Chairman
YU-LON CHIAO