MITTEL S.p.A.

Registered office in Milan – Via Borromei no. 5
Share Capital EUR 87,907,017 fully paid-in
Listed in the Milan Register of Companies at no. 00742640154
www.mittel.it

Consolidated half-yearly financial report

(1 January 2024 – 30 June 2024)

139th company year

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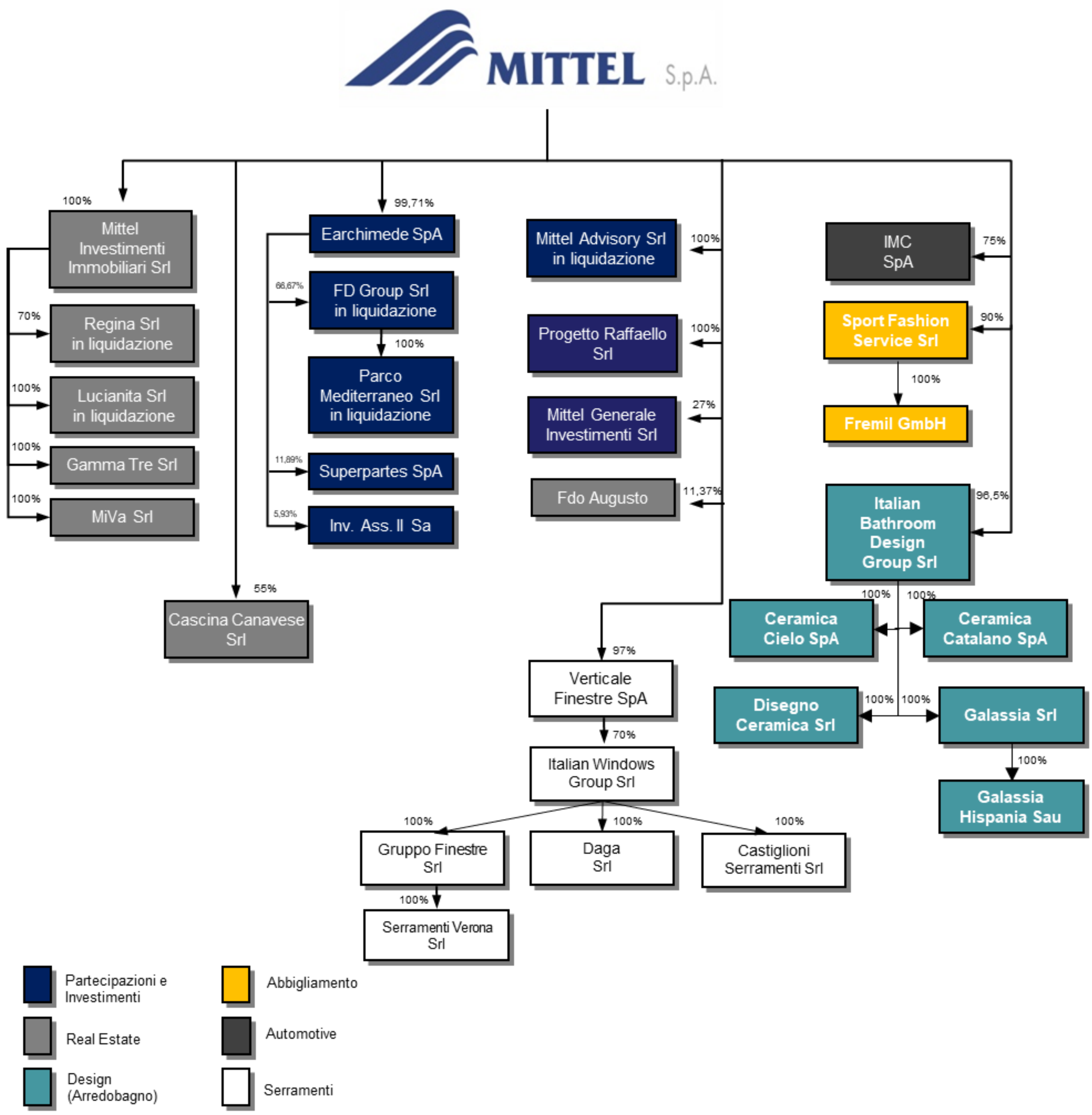
Board of Directors
Chairman – Chairman of the Executive Committee
Marco Giovanni Colacicco (b)
Deputy Chairman
Michele Iori (b)
Directors
Gabriele Albertini (a) (d) (e)
Anna Francesca Cremascoli (b)
Patrizia Galvagni (a) (c) (e)
Riccardo Perotta (a) (c) (d) (e)
Anna Saraceno
Manager in charge of financial reporting
Pietro Santicoli

Board of Statutory Auditors
Standing auditors
Mattia Bock – Chairman
Fabrizio Colombo
Federica Sangalli
Alternate auditors
Giulia Camillo
Lorenzo Bresciani
Independent Auditors
KPMG S.p.A.

(a) Independent Director
(b) Member of the Executive Committee
(c) Member of the Control and Risks Committee
(d) Member of the Remuneration and Appointments Committee
(e) Member of the Related Party Committee

The duration of the Company shall be until 31 December 2100, as stated in art. 4 of the Articles of Association.

Group Structure
as at 27 September 2024



Directors’ Report on Operations

In the first half of 2024, the Group addressed market challenges by staying competitive and strengthening its presence in the sectors where it operates. Despite a global economic environment still marked by uncertainties, including ongoing challenges related to inflation and geopolitical tensions, the Group leveraged its operational and financial strength built in previous years to continue its growth trajectory during the period under review, achieving solid performance.

The balance sheet and profit and loss figures for the first half of 2024 reflect the effectiveness of Mittel's active and direct business management focused on long-term growth. This path was supported by the realisation of previously made investments and the use of related financial resources to expand into new areas of operation. The period under review shows, in fact, the economic results of the historical investment verticals (Design, Automotive, Clothing and Real Estate) and those of the recently invested Window and Door segment, which brings the Group revenues of EUR 21.8 million and a pre-IFRS 16 EBITDA of EUR 3.2 million. The inauguration of the new investment vertical of Windows and Doors was made possible by the receipt of financial resources from the sale of Gruppo Zaffiro, a transaction that, in addition to obtaining resources for the Group's dimensional development, allowed for the strengthening of the Group's capital structure with a high positive impact on the Group's net financial position.

The *Design* sector maintained good margins, even in a context of persistent inflationary trends, recording a total turnover of EUR 34.3 million in the period (down compared to EUR 38.0 million in the comparison period) and a pre-IFRS 16 EBITDA of EUR 5.0 million (EUR 7.4 million in 2023). In this regard, it should be noted that, from the near future, the sector will benefit from the contribution of Ceramica Catalano S.p.A., a company acquired on 19 September at the price of EUR 92 million through the sub-holding Italian Bathroom Design Group S.r.l., further strengthening the production and commercial synergies implemented within the entities in the sector; as a result of this acquisition, the Group will integrate excellence in the Design sector with the industrial excellence and technological innovation of Ceramica Catalano, thereby consolidating its leadership position in the sanitary ware segment, accelerating the process of growth and development of the vertical, and confirming Mittel's exclusively industrial and growth-oriented approach.

In the first half of 2024, the Automotive segment continued the operational recovery initiated in the previous two financial years. The investee IMC S.p.A. achieved a turnover of EUR 22.5 million, in line with the result for 2023, thus confirming the company's ability to seize market opportunities, even in the current delicate context of the automotive sector; this was possible thanks to its high industrial capacity and economic and financial solidity, also favoured by its belonging to Mittel, and IMC's constant commitment to renewing and intensifying its commercial offer, positioning itself as a partner of excellence for customers. EBITDA before IFRS 16 was EUR 3.7 million, a significant improvement compared to EUR 2.6 million in 2023. In the first half of the year, IMC completed a refinancing transaction on the debt deriving from the original acquisition. This transaction is aimed at optimising the company’s deleverage process at more advantageous economic conditions.

The Clothing sector recorded a turnover of EUR 5.5 million as at 30 June 2024 (largely in line with the comparison period) and a negative EBITDA before IFRS 16 of EUR 1.0 million (negative EUR 0.7 million in the comparison period). This performance is mostly attributable to the seasonality that characterises the operations of the subsidiary Sport Fashion Service S.r.l., particularly for the Ciesse Piumini brand. Traditionally, the company achieves a large part of its profit margins and economic results in the second half of the year, due to the higher demand for seasonal products such as winter garments. The Jeckerson brand is in the midst of a major relaunch, focusing on expanding and growing its women's segment. The strategy seeks to preserve the brand's historical identity while incorporating modern elements to meet evolving market demands.

The Windows and Doors sector, an investment vertical dedicated to the production and sale of windows and doors, launched in July 2023, is the Group's latest investment project, undertaken through the sub-holding Italian Windows Group S.r.l. (“IWG”). Mittel is actively pursuing a Buy & Build strategy within IWG, aiming to create a national leader in the sector by capitalising on production and commercial synergies in an industry that is currently highly fragmented. The sector as a whole recorded a turnover of EUR 21.8 million and a pre-IFRS 16 EBITDA of EUR 3.2 million. This investment has enabled Mittel to further expand its portfolio of holdings in diversified sectors, continuing its path of investing in Italian SMEs of excellence, aimed at creating sustainable long-term value. One of the key factors that makes the creation of IWG a strategic investment is its strong commitment to sustainability, aligning with Mittel's strategic goals and addressing the significant challenge of energy efficiency and emission reduction driven by market demands and regulatory frameworks, such as the 'Energy Performance of Buildings Directive'.

As of 30 June 2024, the segment under review consists of one production company, Gruppo Finestre S.r.l., and three distribution companies: Daga S.r.l., Castiglioni Serramenti S.r.l., and Serramenti Verona S.r.l. The acquisition of these companies reflects the Group's strategy to expand its commercial offerings and product distribution network across various sales channels and territories, thereby enhancing its products in the domestic market. In the near future, the acquisition process aimed at strengthening the Group's new investment vertical is ongoing.

The Real Estate segment did not show any significant results during the first half of the year. Revenues from real estate sales, amounting to EUR 0.5 million, pertain to the subsidiary Mittel Investimenti Immobiliari S.r.l., to which most of the value of the inventories recorded in the financial statements is attributable (EUR 20.0 million out of a total of EUR 35.3 million). Within the real estate inventories in the portfolio, valued at EUR 12.3 million, a significant initiative is located in Milan on Via Cavriana, owned by Cascina Canavese S.r.l. This investment, in which Mittel holds a 55% stake, was made in July 2023 and involves a project comprising five buildings with a total commercial area of 12,500 sqm. The residential complex will be built in an area characterised by intensive urban redevelopment, with large green areas and urban gardens.
Currently, the Group is waiting for the building permit to be issued by the Milan City Council, expected by the end of the year, in order to actually start the project.

With reference to the holding system, it should be noted that Mittel paid out ordinary dividends in stock exchange terms last February for a total of EUR 10.0 million for the 81,347,368 ordinary shares outstanding (corresponding to EUR 0.12293 per ordinary share) as resolved by the Shareholders' Meeting of 31 January 2024. These dividends are in addition to those already paid out in February 2023 for the same amount and value (a total of EUR 10.0 million for a value of EUR 0.12293 per ordinary share) and testify to Mittel's ability to generate value for its shareholders and stakeholders.
Mittel's contribution to the Group's economic result, net of intercompany items and with structural costs already rationalised in previous years, shows an improvement, compared to the comparison period, thanks to the positive contribution of financial management and taxes. In particular, financial management benefited from the reduction in financial expenses, following the repayment of the Mittel S.p.A. 2017-2023 bond loan, which took place in July 2023, and from the remuneration of the increased liquidity held. On the tax front, taxes benefited from the increase in positive taxable income achieved by the Group, thanks mainly to the recent acquisitions in the new investment vertical of Windows and Doors. This has enabled the gradual optimisation of the Group's past losses accumulated in the tax consolidation, a process that will accelerate further with the integration of Ceramica Catalano into the Group.

Under Mittel's management, the Group will maintain its focus on industrial strengthening by pursuing a strategy of dimensional growth within its investment sectors. The focus will be on capitalising on the skills acquired in various areas, while maintaining a prudent approach to ensure financial solidity and operational flexibility. This strategy will enable the Group to successfully meet global economic challenges, adapting to changing market conditions and seizing growth opportunities in its key operating sectors.

Andamento del Gruppo

Group Performance

The significant development of the investment verticals continued, particularly in the Automotive segment, which reported a pre-IFRS 16 EBITDA of EUR 3.7 million, despite an uncertain sector context (compared to EUR 2.6 million in the comparison period). The Windows and Doors segment also showed positive performance, achieving a pre-IFRS 16 EBITDA of EUR 3.2 million. In contrast, the Design segment experienced a decline in revenues compared to the previous period, in line with the overall economic situation, but still maintained a good level of profitability, with a pre-IFRS 16 EBITDA of EUR 5.0 million (down from EUR 7.4 million in the comparison period). The Clothing segment reported a negative pre-IFRS 16 EBITDA of EUR 1.0 million (compared to a negative EUR 0.7 million in the first half of 2023), primarily due to the seasonal nature of the Ciesse Piumini division, which is expected to generate profit margins in the second half of the year.

Consolidated revenues amounted to EUR 84.7 million, a significant increase over the corresponding period of the previous year (when they amounted to EUR 67.3 million, already net of the contribution of Gruppo Zaffiro), driven by the Windows and Doors segment, which contributed a turnover of EUR 21.8 million to the Group. With reference to the Design sector, the turnover shows a temporary decrease compared to the comparison period, in line with the reference market (EUR 34.3 million compared to EUR 38.0 million in the comparison period); the other industrial investees are substantially at the same levels as last year: the Automotive sector recorded a turnover of EUR 22.5 million (in line with the first half of 2023), the Clothing sector recorded revenues of EUR 5.5 million (EUR 5.8 million in the comparison period).

The accounting EBITDA amounted to EUR 10.0 million, a clear increase compared to the EUR 8.2 million of the comparison period (amount net of the costs related to the variable remuneration accrued for the sale of Gruppo Zaffiro equal to EUR 3.6 million), taking into account the consistent marginality generated by the Windows and Doors segment (EUR 3.7 million) and the increase recorded by IMC; this value includes the positive impact of the application of IFRS 16 for approximately EUR 2.1 million. Pre-IFRS 16 EBITDA thus amounted to EUR 7.9 million, also up from the same period of the previous year (EUR 6.5 million).

The Group's shareholders' equity as at 30 June 2024 amounted to EUR 253.3 million and decreased by EUR 6.1 million compared to EUR 259.4 million as at 31 December 2023, mainly due to the joint effect of the ordinary dividend in stock market terms distributed by Mittel S.p.A. (“Mittel” or the “Parent Company”) in February 2024, for a total of EUR 10.0 million, partially offset by the positive result for the period of EUR 3.6 million.

The net operating financial position of Mittel and the holding system, excluding the contribution of industrial investees and IFRS 16 financial liabilities and including bridge loans to industrial investees, was positive for EUR 54.3 million (positive for EUR 66.9 million as at 31 December 2023). The deterioration is mainly attributable to the cash absorption related to the dividend distributed at the beginning of the half-year by Mittel, amounting to EUR 10 million, partially offset by the repayments of loans granted to subsidiaries.
The consolidated net financial position, excluding the financial payables recognised in accordance with IFRS 16 related to the rights of use on leasing and rental contracts, which became significantly positive in the 2023 financial year and amounted to EUR 74.4 million, amounted to EUR 64.8 million as at 30 June 2024, a decrease compared to the comparison period mainly due to the dividend distributed by Mittel.

Finally, the accounting consolidated net financial position was positive at EUR 29.5 million, including IFRS16 liabilities of EUR 35.4 million, compared to the positive EUR 42.3 million recorded at 31 December 2023 (including IFRS16 liabilities of EUR 32.1 million), incorporating the effect of the cash absorption of the dividend paid out as well as the increase in IFRS 16 liabilities related to rental and lease agreements.

Financial highlights of the Group

The economic, equity and financial tables below are shown in reclassified form with respect to those contained in subsequent paragraphs, in order to highlight certain intermediate results and the equity and financial aggregates deemed most significant for understanding the Group’s operating performance. These amounts, although not required by IFRS/IAS, are provided in accordance with the indications contained in the Consob Communication of 3 December 2015, which incorporates the ESMA (‘European Securities and Markets Authority’) guidelines of 5 October 2015.

This report contains several financial ratios, deriving from the financial statements, which provide an overview of the Group’s economic, equity and financial performance. Details of economic items not taken directly from the financial statements, and comments and evaluations, help to better qualify the trends in the different values.

In relation to the 2023 data, for greater clarity, it should be noted that:

- the income statement shows in a single item, relating to the result of discontinued operations, the contribution of Gruppo Zaffiro S.r.l. activities sold at the end of the first half of 2023; this item includes both the result for the period up to the date of sale, and the result deriving from deconsolidation;
- the statement of financial position tables show amounts that differ from those originally published due to the conclusion of the acquisition price allocation process (the so-called 'PPA') of the subsidiaries in the windows and doors sector – which took place in the second half of 2023 – with a consequent change in certain previously identified balance sheet values. For this reason, the balance sheet values for 2023 are marked as 'Restated'.

Main economic figures of the Group

(Thousands of Euro)	30.06.2024	30.06.2023
Revenue and other income	86,918	71,147
Increases (decreases) in inventories	3,525	1,949
Net revenue	**90,443**	**73,096**
Purchases, provision of services, sundry costs	(60,094)	(51,580)
Personnel costs	(20,338)	(16,938)
Operating costs	**(80,432)**	**(68,519)**
Operating margin (EBITDA)	**10,011**	**4,578**
Amortisation/depreciation, allocations and adjustments to non-current assets	(5,057)	(4,658)
Inventory value adjustments	-	-
Share of income (loss) of investments	(139)	(474)
Operating result (EBIT)	**4,815**	**(554)**
Profit (loss) from financial management	715	633
Result of management and valuation of financial assets and receivables	(44)	(105)
Profit (loss) before taxes	**5,487**	**(25)**
Taxes	(904)	(424)
Profit (loss) from continuing operations	**4,582**	**(449)**
Profit (loss) from discontinued operations	-	44,409
Net profit (loss) for the year	**4,582**	**43,959**
Profit (loss) pertaining to non-controlling interests	941	(1,397)
Profit (loss) pertaining to the Group	**3,642**	**45,356**

The following table, for greater clarity, restates EBITDA to show the actual margin for the half-year period determined by eliminating the amount of lease payments incorporated in the accounting figures in the financial statements under IFRS 16.

(Thousands of Euro)	30.06.2024	30.06.2023
Accounting operating margin (EBITDA) (post IFRS 16)	**10,011**	**4,578***
IFRS 16 effect (rental/lease payments)	(2,146)	(1,660)
Operating margin (EBITDA) before IFRS 16	**7,866**	**2,918**

(*) For the sake of completeness, it should be noted that the accounting EBITDA (post IFRS 16) as at 30 June 2023 included costs of EUR 3.6 million, of which EUR 2.9 million was attributable to the variable remuneration accrued for the sale of Gruppo Zaffiro by Mittel's management, as envisaged by the company's remuneration policy, and EUR 0.7 million to accessory tax and contribution charges accrued on the aforementioned items; not including these costs, the indicator comes to EUR 8.2 million.

Before moving on to analyse the most significant individual items of the consolidated income statement, it should be noted that in the half-year, in a market environment of prolonged uncertainty, the industrial sectors contributed to generating a significant level of consolidated revenues, equal to EUR 84.7 million (EUR 67.3 million in the comparison period, net of the contribution of Gruppo Zaffiro), and a significant consolidated operating margin of EUR 10.0 million (EUR 8.2 million in the comparison period, an amount not including the variable remuneration costs accrued in connection with the sale of Gruppo Zaffiro amounting to EUR 3.6 million), deriving from the following net sector contributions:

- *Design*: pre-IFRS 16 EBITDA amounted to EUR 5.0 million (EUR 7.4 million in the comparative half-year period), with a good level of margins maintained by the sector's investees (Ceramica Cielo S.p.A., Galassia S.r.l. and Disegno Ceramica S.r.l.) despite a general slowdown that led to a drop in turnover;

- *Automotive*: pre-IFRS 16 EBITDA of EUR 3.7 million (EUR 2.6 million as at 30 June 2023), confirming the operational recovery observed in previous years, after the difficulties faced in 2021 and despite the delicate sector context;

- *Clothing*: pre-IFRS 16 EBITDA negative for EUR 1.0 million (negative for EUR 0.7 million in the comparison period), with the sector producing its profit margins in the second half of the year, given the seasonality that characterises the investee Sport Fashion Service S.r.l. in particular with reference to the Ciesse Piumini brand;

- *Windows and Doors*: positive pre-IFRS 16 EBITDA of EUR 3.2 million, including the results of Gruppo Finestre S.r.l., an entity that manufactures and sells windows and doors, also through the three entities acquired by the Group in the last quarter of 2023 dedicated exclusively to the distribution of finished products;

- *Real Estate*: EBITDA was negative at EUR 0.4 million (the same as at 30 June 2023), reflecting a slow half-year in terms of sales, largely due to the significant reduction of the real estate portfolio ready for sale. This segment includes the real estate inventories of Cascina Canavese, whose project is pending commencement as it awaits the building permit from the Milan Municipality.

- *Equity and investments*: pre-IFRS 16 EBITDA was negative for EUR 2.6 million (negative for EUR 2.3 million in the comparison period, excluding remuneration costs related to the sale of Gruppo Zaffiro). This margin already reflects the benefits of holding cost rationalisation implemented in previous years.

Details on the most significant items are presented below.

- **Revenue and other income**: this reclassified item includes the financial statement items for revenue and other income, which, as at 30 June 2024 had a balance of EUR 86.9 million (EUR 71.1 million in the comparison period). This balance is the result of:
  (i) revenue recognition of EUR 84.7 million (EUR 67.3 million as at 30 June 2023); the following sectors primarily contributed to this total:
    - the Design sector (Ceramica Cielo, Galassia and Disegno Ceramica) for EUR 34.3 million (EUR 38.0 million in the comparison period);
    - the Automotive sector (IMC) for EUR 22.5 million (value in line with the comparison period);
    - the Windows and Doors sector for EUR 21.8 million (not present in the comparison period as it was acquired in the second half year of 2023);
    - the Clothing sector for EUR 5.5 million (EUR 5.8 million in the comparison period);
    - the Real Estate sector for EUR 0.6 million (EUR 1.0 million in the comparison period);
  (ii) the recognition of other income for EUR 2.2 million (EUR 3.8 million in the comparison period), mainly attributable to the Design sector for EUR 1.6 million.

- **Increases (decreases) in inventories:** the positive contribution recorded during the period, amounting to EUR 3.5 million (EUR 1.9 million in the comparison period), is due to the net effect of:
  (i) the net increase in inventories of the Clothing sector for EUR 2.4 million (EUR 2.3 million in the comparison period)
  (ii) the net increase in the Windows and Doors sector for EUR 2 million (not present in the comparison period as it was acquired in the second half year of 2023);
  (iii) the net decrease of the Design sector for EUR 1.2 million (EUR 0.5 million in the comparison period);
  (iv) the net increase of the Automotive sector for EUR 0.6 million (net decrease of EUR 0.1 million in the comparison period):
  (v) the reduction for offloading of selling costs of property inventories for EUR 0.4 million (EUR 0.9 million as at 30 June 2023);
  (vi) the increase in property inventories for costs capitalised and other changes for EUR 0.1 million (EUR 0.1 million as at 30 June 2023).

- **Costs for purchases, provision of services, sundry costs**: this item, totalling EUR 60.1 million (EUR 51.6 million as at 30 June 2023), includes costs for purchases of EUR 39.1 million (EUR 31.4 million in the comparison period), costs for services of EUR 19.6 million (EUR 18.3 million as at 30 June 2023) and sundry costs of EUR 1.3 million (EUR 1.8 million in the comparison period). The main contributors to this item were the following sectors:
  (i) the Design sector for EUR 19.6 million (EUR 23.3 million in the comparison period);
  (ii) the Windows and Doors sector for EUR 15.9 million (not present in the comparison period as it was acquired in the second half year of 2023);
  (iii) the Automotive sector for EUR 15.4 million (EUR 15.9 million in the comparison period);
  (iv) the Clothing sector for EUR 7.1 million (EUR 7.3 million in the comparison period);
  (v) the Parent Company Mittel for EUR 1.6 million (EUR 4.5 million in the comparison period, of which EUR 2.9 million relating to the portion of variable directors' remuneration accrued, as required by the remuneration policy, in connection with the sale of Gruppo Zaffiro);
  (vi) the Real Estate sector for EUR 0.7 million (value in line with the comparison period), of which EUR 0.1 million to be read together with the increase in property inventories for capitalised costs (EUR 0.1 million in the comparison period).

- **Personnel costs:** the item shows a balance of EUR 20.3 million (EUR 16.9 million as at 30 June 2023), of which EUR 9.6 million relates to the Design segment (EUR 10.2 million in the comparison period), EUR 4.5 million attributable to the Windows and Doors segment (not present in the comparison period as it was acquired in the second half of 2023), EUR 3.5 million relating to the Automotive segment (EUR 3.4 million in the comparative period), EUR 1.6 million attributable to the Clothing segment and EUR 1.2 million relating to the Parent Company Mittel (EUR 1.8 million in the comparative period, of which EUR 0.7 million relating to the portion of variable compensation accrued, as provided for in the remuneration policy, in connection with the sale of Gruppo Zaffiro).

- **Amortisation/depreciation, allocations and adjustments to non-current assets**: the item showed a total balance as at 30 June 2024 of EUR 5 million (EUR 4.7 million as at 30 June 2023), due for EUR 1.9 million (EUR 1.5 million in the comparison period) to the amortisation/depreciation for rights of use recognised as a result of the application of IFRS 16; for the remaining portion the amortisation/depreciation refers to property, plant and equipment held by the operating companies (EUR 1.4 million for Automotive sector, EUR 1.3 million for Design sector, EUR 0.3 million for Windows and Doors sector and EUR 0.1 million for Clothing sector).

- **Share of profit (loss) from investments**: this item shows a negative balance of EUR 0.1 million, entirely attributable to the pro-rata consolidation of the negative result accrued in the half-year by the equity-consolidated subsidiary Mittel Generale Investimenti S.r.l.

- **Profit(loss) from financial management**: this item shows an overall positive balance of EUR 0.7 million (EUR 0.6 million in the comparative period), explained by the net effect of: (i) financial income of EUR 1.8 million, mainly due to EUR 1 million relating to the holding company accrued in the half-year on loans and time deposits taken out, EUR 0.4 million in the Design segment (attributable to the remuneration of the liquidity held by the sub-holding company Italian Bathroom Design Group S.r.l. and EUR 0.2 million relating to the Windows and Doors segment; (ii) financial expenses of EUR 1.1 million, of which EUR 0.6 million relating to financial expenses recognised in accordance with IFRS 16.

- **Result of management and valuation of financial assets and receivables**: this item contributed a negative EUR 0.1 million to the consolidated income statement (negative contribution of EUR 0.1 million in the comparison period) and is explained by the net effect of net value adjustments on loans for EUR 0.15 million and reversals of impairment losses on financial assets for EUR 0.05 million (to align with the fair value on the reporting date).

- **Taxes**: this item shows a negative balance of EUR 0.9 million (EUR 0.4 million in the comparison period), primarily due to IRAP related to the half-year (EUR 0.5 million) and the derecognition of deferred tax assets for consolidation entries.

- **Profit (loss) from assets held for sale or discontinued operations**: this item was only measured at 30 June 2023. The balance was EUR 44.4 million and related to the Nursing Home operating segment, sold in June 2023. The item is attributable to the net effect: (i) of the loss (until the date of sale) of EUR 4.1 million (EUR 2.5 million net of minority interests, equal to EUR 1.6 million, shown in the specific financial statement item); (ii) of the result from deconsolidation, equal to EUR 48.5 million.

Therefore, the overall contribution to the Group result for the half-year 2023 from Gruppo Zaffiro is equal to EUR 46.0 million (EUR 45.4 million net of the effect of the intercompany items accrued by Mittel in 2023 on existing loans to the investee, fully repaid with the sale).

- **Profit (loss) pertaining to non-controlling interests:** shows a positive balance of EUR 0.9 million (negative contribution of EUR 1.4 million in the comparison period). The result is mainly explained for a positive EUR 0.6 million for the non-controlling interest in the Windows and Doors segment and a positive EUR 0.3 million for the non-controlling interest in the positive result of the Automotive segment.

Main financial and equity figures of the Group

(Thousands of Euro)	30.06.2024	31.12.2023 Restated
Intangible assets	69,722	69,444
Property, plant and equipment	73,294	70,991
- of which IFRS 16 rights of use	*34,049*	*30,890*
Investments	2,127	2,266
Non-current financial assets	21,843	21,864
Provisions for risks, employee severance indemnity and employee benefits	(8,409)	(8,226)
Other non-current assets (liabilities)	6,282	11,268
Tax assets (liabilities)	11,674	11,847
Net working capital (*)	72,230	61,705
Net invested capital	**248,764**	**241,158**
Equity pertaining to the Group	(253,281)	(259,400)
Non-controlling interests	(24,953)	(24,024)
Total equity	**(278,234)**	**(283,423)**
Net financial position	**29,469**	**42,266**
- of which IFRS 16 financial liabilities	*(35,352)*	*(32,141)*
Net financial position before IFRS 16	**64,821**	**74,407**

(*) Comprised of the sum of Property inventories, Sundry receivables (payables) and other current assets (liabilities)

As outlined below, the breakdown of the aforementioned items, particularly property, plant and equipment and intangible fixed assets, primarily pertains to the operating segments. This also includes the associated goodwill recognised as part of the acquisition price allocation process for the subsidiaries. Conversely, the balance sheet items relating to equity investments, financial receivables and other non-current financial assets pertain to the Parent Company.

Intangible assets amounted to EUR 69.7 million (EUR 69.4 million as at 31 December 2023). This item is almost entirely attributable to goodwill and trademarks.
Goodwill relating to the acquisition of Ceramica Cielo S.p.A. (which took place in June 2017) amounted to EUR 5.6 million, augmented by EUR 4.3 million relating to the company's trademark. Furthermore, as regards the Design sector, goodwill is recognised relating to the acquisitions of: (i) Galassia S.r.l. for an amount of EUR 4.4 million, in addition to EUR 2.0 million relating to the company's trademark; (ii) Disegno Ceramica S.r.l., for an amount of EUR 2.1 million.
In addition, goodwill of EUR 19.3 million was booked for the acquisition of IMC S.p.A. at the end of 2017.
The acquisition of Sport Fashion Service S.r.l. in November 2019 resulted in the recognition, with continuity of values, of goodwill (EUR 18.4 million) and trademarks (EUR 1.8 million) recognised in the package for the initial IFRS consolidation of the company at the acquisition date.
Finally, the purchase value of the Jeckerson brand was recorded during 2021, equal to approximately EUR 3.4 million.
Lastly, following the acquisitions in the second half of 2023, EUR 3.2 million were recognised for the acquisition of Daga S.r.l., EUR 1.6 million for the acquisition of Serramenti Verona S.r.l., EUR 1.5 million for the acquisition of Gruppo Finestre S.r.l. and EUR 0.9 million for the acquisition of Castiglioni Serramenti S.r.l.

Property, plant and equipment amounted to EUR 73.3 million (EUR 71.0 million as at 31 December 2023), of which EUR 34.0 million related to rights of use recognised as a result of IFRS 16 (EUR 30.9 million in the comparison period). The residual portion of this item's balance, equal to EUR 39.3 million (EUR 40.1 million in the comparison period), was heavily influenced by the contribution from the Automotive sector, amounting to EUR 10.6 million (including the partial allocation of goodwill to IMC S.p.A.'s press fleet recognised at the time of acquisition, net of accumulated depreciation) and from the Design sector, which contributed EUR 22.3 million, and the Windows and Doors sector, contributing EUR 4.9 million.

Equity-accounted investees amounted to EUR 2.1 million (EUR 2.3 million as at 31 December 2023) and refer to the equity investment held by the parent company Mittel S.p.A. in Mittel Generale Investimenti S.r.l., the value of which decreased in the half-year under review due to the pro-rata loss accrued in the year on this equity-consolidated investee.

Non-current financial assets amounted to EUR 21.8 million (value in line with the comparison period) and mainly refer: i) for EUR 9.9 million (value in line with the previous year) to the value of non-current financial receivables claimed by the Parent Company; ii) for EUR 10.5 million (value in line with the previous year) to other non-current financial assets, mainly represented by the value of real estate UCITS units held by the Parent Company and investment vehicles held by the subsidiary Earchimede S.p.A.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 8.4 million (EUR 8.2 million as at 31 December 2023). In particular, as at 30 June 2024, this item is composed of *Provisions for personnel* for EUR 6.5 million (EUR 6.4 million in the comparison period) and of *Provisions for risks and charges* for EUR 1.9 million (EUR 1.8 million in the comparison period). *Personnel provisions* include the Design segment (for EUR 2.9 million), the Windows and Doors segment (for EUR 1.9 million), the Parent Company Mittel S.p.A. (for EUR 1.1 million), the Automotive segment (for EUR 0.4 million) and the Clothing segment (EUR 0.3 million). *Provisions for risks and charges*, on the other hand, mainly refer to the Clothing segment (for EUR 0.9 million), the Design segment (EUR 0.6 million) and the Windows and Doors segment (EUR 0.3 million).

Net tax assets (liabilities) amounted to a positive EUR 11.7 million (EUR 11.9 million as at 31 December 2023). The item is composed of the sum of current tax assets of EUR 1.6 million (EUR 1.2 million as at 31 December 2023) and deferred tax assets of EUR 13 million (EUR 13.4 million in the comparison period), offset by deferred tax liabilities for EUR 1.3 million (EUR 1.2 million in the comparison period) and current tax liabilities for EUR 1.7 million (EUR 1.6 million in the comparison period).

Net working capital amounted to EUR 72.2 million (EUR 61.7 million as at 31 December 2023). The item is composed as follows:

(i) EUR 73.9 million in Inventories (EUR 70.4 million in the comparative period), of which EUR 35.2 million is attributable to real estate inventories (EUR 35.6 million in the comparative period), which include EUR 12.3 million (including the 45% minority interest) in the Milan/Via Cavriana development area, EUR 15.4 million to the Design segment (EUR 16.4 million in the comparison period), EUR 8.8 million to the Automotive segment (EUR 8.2 million in the comparison period), EUR 9.2 million to the Clothing segment (EUR 6.7 million in the comparison period) and EUR 5.3 million to the Windows and Doors segment (EUR 3.1 million in the comparison period);

(ii) sundry receivables and other current assets in the amount of EUR 62.4 million (EUR 56.7 million in the comparative period), to which the Design segment contributed EUR 25.8 million (EUR 16.9 million as at 31 December 2023), the Windows and Doors segment EUR 20.8 million (EUR 14.8 million in the comparative period), the Automotive segment EUR 8.9 million (in line with the comparative period) and the Clothing segment EUR 4 million (EUR 11.9 million as at 31 December 2023);

(iii) sundry payables and other current liabilities in the amount of EUR 64 million (EUR 66.5 million in the year-earlier period), to which the Design segment contributed EUR 22.7 million (EUR 20.5 million as at 31 December 2023), the Windows and Doors segment EUR 24.6 million (EUR 22.5 million as at 31 December 2023), the Automotive segment EUR 11.8 million (EUR 11.4 million as at 31 December 2023) and the Clothing segment EUR 5 million (EUR 5.6 million in the previous year).

As a result, **net invested capital** amounted to EUR 248.8 million (EUR 241.2 million as at 31 December 2023), a figure that includes the rights of use recognised pursuant to IFRS 16 for a total of EUR 34.1 million, as previously explained. Invested capital is financed by shareholders' equity in the amount of EUR 278.2 million (EUR 283.4 million in the comparison period), in the presence of a positive net financial position of EUR 29.5 million (positive EUR 42.3 million as at 31 December 2023), which was also influenced by the application of IFRS 16 (financial payables for leases and rentals totalling EUR 35.4 million as of 30 June 2024, EUR 32.1 million in the comparison period).

Equity pertaining to the Group amounted to EUR 253.3 million (EUR 259.4 million as at 31 December 2023), while that pertaining to non-controlling interests amounted to EUR 25.0 million (EUR 24.0 million as at 31 December 2023).

Given the performance of consolidated equity and profit figures described above, the accounting **net financial position** is positive for EUR 29.5 million (positive for EUR 42.3 million as at 31 December 2023). Net of the impact of IFRS 16, the consolidated net financial position was a positive EUR 64.8 million, compared to a positive EUR 74.4 million in the comparison period. The detailed breakdown of the item is provided below.

Statement relating to the net financial position

(Thousands of Euro)	**30.06.2024**	**31.12.2023 Restated**
Cash	97	117
Other cash and cash equivalents	78,092	87,171
Financial instruments	127	1,187
Current liquidity	**78,317**	**88,474**
Current financial receivables	**482**	**270**
Bank loans and borrowings	(12,599)	(13,008)
Other financial payables	(36,730)	(33,470)
Financial debt	**(49,329)**	**(46,478)**
Net financial position	**29,469**	**42,266**
- of which IFRS 16 financial liabilities	*(35,352)*	*(32,141)*
Net financial position before IFRS 16	**64,821**	**74,407**

Informativa per settore di attività

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MITTEL

Information by business segment

In the first half of 2024, the Mittel Group's business activities were divided into the following operating segments:

- **Design:** the Design sector, the parent company of which is the sub-holding company Italian Bathroom Design Group S.r.l. ("IBD" or "IBD Group"), 96.5% owned by Mittel S.p.A. and operating through its subsidiaries Ceramica Cielo S.p.A., Galassia S.r.l. and Disegno Ceramica S.r.l. in the design, production and international marketing of sanitary ware, washbasins, plumbing fixtures and bathroom accessories of high quality and design;

- **Clothing**: through Sport Fashion Service S.r.l. ("SFS"), 90% owned by Mittel S.p.A., the Group is active in the clothing sector; with the iconic brands Ciesse Piumini and Jeckerson, with the aim of creating in Mittel an Italian hub in urban/lifestyle and outdoor clothing;
- **Automotive:** through its 75% majority shareholding in I.M.C. - Industria Metallurgica Carmagnolese S.p.A. ("IMC"), the Group is active in the automotive sector and, specifically, in the construction of moulds and cold sheet metal stamping;
- **Windows and Doors**: through the two sub-holdings Verticale Finestre S.p.A. and Italian Windows Group S.r.l. ("IWG"), the latter held – indirectly by Mittel – 67.9%, and the operating entity acquired in the second half year of 2023 (Gruppo Finestre S.r.l, Daga S.r.l., Serramenti Verona S.r.l, Castiglioni Serramenti S.r.l.), the Group is dedicated to the production and distribution of windows and doors and other related energy-efficient solutions with high technical performance;
- **Real Estate**: in this sector, the Group has historically carried out real estate development transactions, largely of a residential/services nature through Mittel Investimenti Immobiliari S.r.l. ("MII") and the entity controlled by it; in June 2023, Mittel embarked on a new real estate initiative by acquiring 55% of Cascina Canavese S.r.l.; the actual start-up of this project is expected in the next few months depending on obtaining the building permit from the Municipality of Milan, the site where the construction is planned; the Parent Company also holds shares in closed real estate funds (mainly Fondo Augusto). Excluding the recent real estate initiative, it is worth noting that the Group's activities to date have focused on professionally maximising the value of its existing historical investments, recovering substantial liquid resources.
- **Equity and Investments:** this sector pertains to the Parent Company and the remaining portfolio of minority equity stakes (primarily Earchimede S.p.A.). The sector is also being progressively optimised to recover liquid resources, which will be redirected towards the core business of investing in and actively managing industrial subsidiaries.

These sectors represent the growth pillars of the Mittel Group, which is committed to a strategy of sustainable development and maximising the value of its investments.

The sector groupings summarised below are primarily defined by the entities referenced earlier. To facilitate the understanding of the comparative data, it is worth noting that:

- during 2023, until the end of June 2023, the Group also operated in the Nursing Home sector through its majority shareholding in Gruppo Zaffiro S.r.l. (60%) and its subsidiaries, offering long term care services (the Nursing Home sector also included the real estate activities related to Nursing Home facilities). The economic results for the first half of 2023 also included this operating segment, from which the Group realised a substantial capital gain upon disposal;
- the statement of financial position tables show amounts that differ from those originally published due to the conclusion of the acquisition price allocation process (the so-called 'PPA') of the subsidiaries in the windows and doors sector – which took place in the second half of 2023 – with a consequent change in certain previously recorded balance sheet values. For this reason, the balance sheet values for 2023 are marked as 'Restated'.

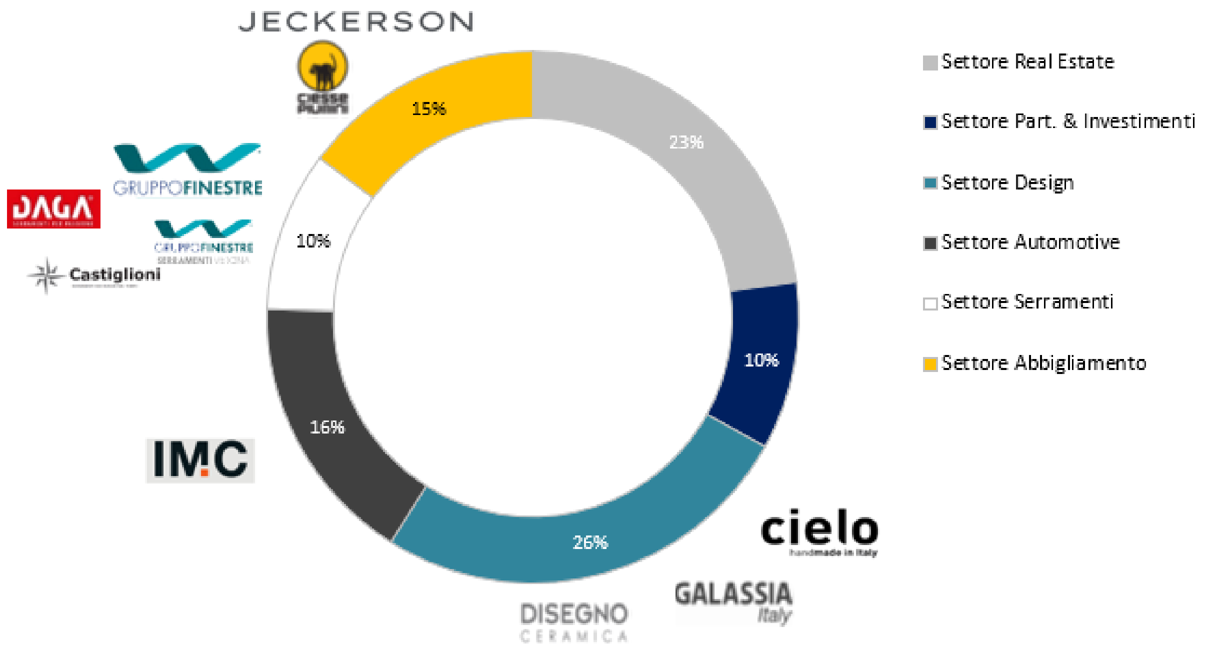
In addition, with reference to the aggregate indicators deriving from the accounting items, it should be noted that, as also represented in the paragraph "Economic and financial summary and performance indicators of the Group":

- pre-IFRS 16 EBITDA indicates the accounting EBITDA without the application of the international accounting standard IFRS 16 (therefore it envisages the inclusion of costs for lease/rental payments);
- pre-IFRS 16 the Net Financial Position ("NFP") indicates the amount of the accounting NFP without the application of IFRS 16 and therefore net of loans payable related to lease/rental contracts;

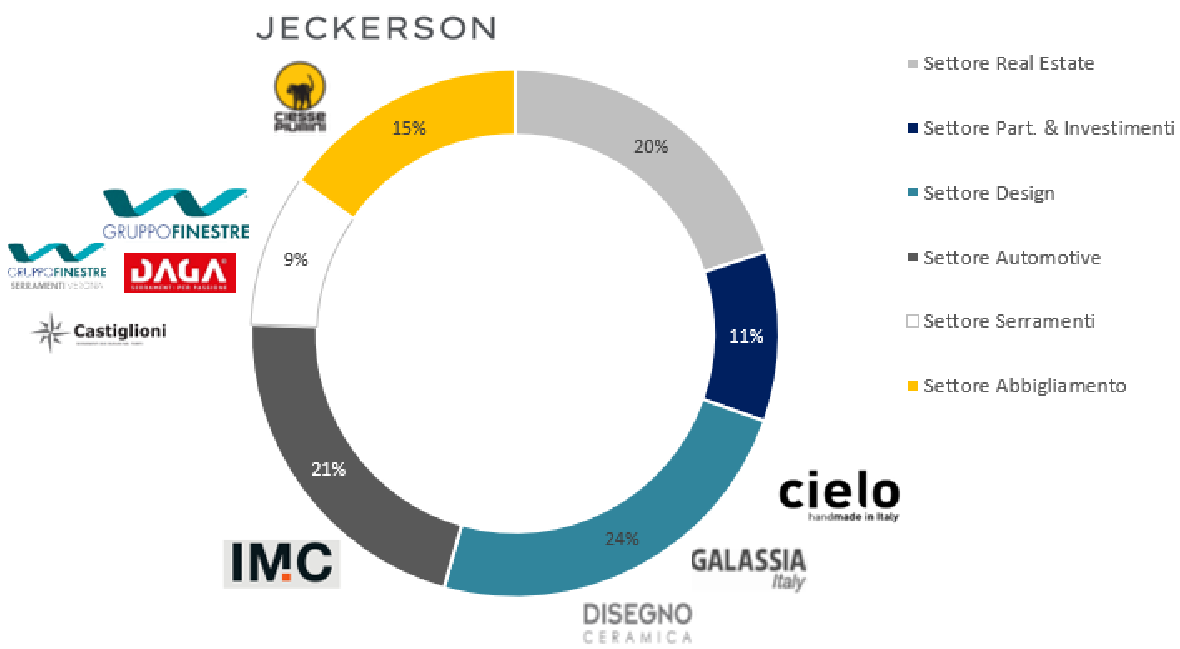
- Invested Capital represents the sum of net working capital, fixed assets and the algebraic sum of other assets and liabilities.

INVESTED CAPITAL BY BUSINESS SEGMENT

Pre-IFRS 16
EUR 217.1 million



Post IFRS 16
EUR 248.8 million



Income statement by business segment and contributions to Group results

Please note that, as regards the breakdown of the income statement by segment, intragroup revenue and costs are re-allocated to the respective sectors in such a way as to measure the generation of the margin relating to each sector as if it were completely autonomous. As regards the breakdown of the statement of financial position by sector, the receivables and payables of each sector include the existing positions with the other sectors, as if each sub-group was autonomous.

30 June 2024

Amounts in million EUR	30/06/2024										
AGGREGATE \ CONSOLIDATED	**Net revenue**	**Operating costs**	**EBITDA**	**Amortization & depreciation**	**Share of income (loss) from investments**	**Profit (loss) from financial management**	**Result from financial assets & receivables**	**Taxes**	**Profit (loss) from discontinued operations**	**Profit (loss) pertaining non-controlling interests**	**Profit (loss) pertaining to the Group**
Equity Investments	0,4	(2,8)	**(2,4)**	(0,2)	(0,1)	1,3	(0,0)	0,8	-	(0,0)	**(0,7)**
Nursing Home (RSA) sector	0,0	0,0	**0,0**	0,0	0,0	0,0	0,0	0,0	-	0,0	**0,0**
Design sector	34,7	(29,2)	**5,5**	(1,8)	-	0,2	(0,0)	(0,9)	-	0,1	**2,9**
Automotive sector	23,2	(18,9)	**4,3**	(1,9)	-	(0,5)	-	(0,5)	-	0,3	**1,0**
Clothing sector	8,0	(8,7)	**(0,6)**	(0,5)	-	(0,2)	(0,0)	0,1	-	(0,1)	**(1,1)**
Real Estate sector	0,2	(0,7)	**(0,4)**	-	-	(0,0)	0,0	0,4	-	(0,0)	**(0,0)**
Windows and Doors sector	24,1	(20,4)	**3,7**	(0,7)	-	(0,0)	(0,0)	(0,8)	-	0,6	**1,4**
IC ELIMINATION	(0,2)	0,2	**0,0**	-	-	(0,0)	-	-	-	-	**0,0**
CONSOLIDATED TOTAL	**90,4**	**(80,4)**	**10,0**	**(5,1)**	**(0,1)**	**0,7**	**(0,0)**	**(0,9)**	**0,0**	**0,9**	**3,6**

30 June 2023[1]

Amounts in million EUR	30/06/2023										
AGGREGATE \ CONSOLIDATED	**Net revenue**	**Operating costs**	**EBITDA**	**Amortization & depreciation**	**Share of income (loss) from investments**	**Profit (loss) from financial management**	**Result from financial assets & receivables**	**Taxes**	**Profit (loss) from non-recurring transactions**	**Profit (loss) pertaining non-controlling interests**	**Profit (loss) pertaining to the Group**
Equity Investments	0,7	(6,4)	**(5,7)**	- 0,2	(0,5)	1,7	(0,2)	0,3	-	0,0	**(4,5)**
Nursing Home (RSA) sector	-	-	-	-	-	-	-	-	43,7	(1,6)	**45,4**
Design sector	41,3	(33,4)	**7,8**	- 1,7	-	0,1	(0,0)	(1,1)	-	0,2	**5,0**
Automotive sector	22,7	(19,3)	**3,4**	- 2,2	-	(0,5)	0,0	(0,2)	-	0,1	**0,4**
Clothing sector	8,5	(8,9)	**(0,4)**	- 0,5	-	(0,1)	(0,0)	0,2	-	(0,1)	**(0,7)**
Real Estate sector	0,3	(0,7)	**(0,4)**	- 0,1	-	(0,0)	0,1	0,3	-	0,0	**(0,1)**
IC ELIMINATION	(0,3)	0,2	**(0,1)**	-	-	(0,6)	0,0	0,0	0,7	0,0	**0,0**
CONSOLIDATED TOTAL	**73,1**	**(68,5)**	**4,6**	**(4,7)**	**(0,5)**	**0,6**	**(0,1)**	**(0,4)**	**44,4**	**(1,4)**	**45,4**

Structure of the consolidated statement of financial position by business segment

30 June 2024

Amounts in million EUR	30/06/2024									
AGGREGATE \ CONSOLIDATED	**Net Working capital**	**Property, plant & equipment and intangible assets**	**Other Assets (liabilities)**	*Invested capital*	**Financed by**	**Net financial position**	*Equity*	**of which**	**Equity pertaining to non-controlling interest**	
Equity Investments	0,6	20,1	9,1	**29,8**		57,2	86,9		0,1	**86,9**
Design sector	18,6	44,5	(3,5)	**59,6**		13,2	72,9		2,6	**70,3**
Automotive sector	6,0	46,7	0,1	**52,8**		(22,9)	29,9		7,5	**22,4**
Clothing sector	8,1	30,4	(0,8)	**37,7**		(9,3)	28,4		2,8	**25,5**
Real Estate sector	37,4	10,2	2,1	**49,7**		(11,4)	38,3		6,9	**31,3**
Windows and Doors sector	1,5	19,0	2,6	**23,1**		(1,2)	21,9		5,1	**16,8**
IC ELIMINATION	0,0	- 3,9	0,0	**(3,9)**		3,9				**-**
CONSOLIDATED TOTAL	**72,2**	**167,0**	**9,5**	**248,8**		**29,5**	**278,2**		**25,0**	**253,3**

31 December 2023 (Restated)

Amounts in million EUR	31/12/2023 Restated									
AGGREGATE \ CONSOLIDATED	**Net Working capital**	**Property, plant & equipment and intangible assets**	**Other Assets (liabilities)**	**Invested capital**	*Financed by*	**Net financial position**	**Equity**	*of which*	**Equity pertaining to non-controlling interest**	**Equity pertaining to the Group**
Equity Investments	0,2	30,5	8,6	**39,3**		68,5	107,8		0,1	107,7
Design sector	12,3	44,3	(2,5)	**54,0**		15,7	69,8		2,4	67,3
Automotive sector	5,0	47,7	0,1	**52,8**		(24,3)	28,5		7,1	21,4
Clothing sector	12,6	27,9	(0,5)	**40,0**		(10,5)	29,5		2,9	26,5
Real Estate sector	36,7	-	2,1	**38,9**		(10,7)	28,1		6,9	21,2
Windows and Doors sector	(5,1)	18,0	7,0	**20,0**		(0,2)	19,8		4,5	15,3
IC ELIMINATION	0,0	- 3,9	0,0	**(3,8)**		3,8				-
CONSOLIDATED TOTAL	**61,7**	**164,6**	**14,9**	**241,2**		**42,3**	**283,4**		**24,0**	**259,4**

[1] Net of the sale of Gruppo Zaffiro, the Group's net profit for the first half of 2023 would amount to EUR 3.6 million. The disposal of Gruppo Zaffiro had a total impact on profit of EUR 41.8 million, deriving from: (i) consolidation of the investee until the date of sale, with a loss pertaining to the Group of EUR 2.5 million; (ii) the profit from deconsolidation of EUR 47.9 million (the net effect of these two direct components is therefore EUR 45.4 million); (iii) the indirect effect due to the accrual of the variable remuneration payable to the management of Mittel, as envisaged by the remuneration policy in force, amounting to EUR 2.9 million; (iv) the additional indirect effect due to the accessory costs, of a tax and social security nature, related to the previous point, amounting to EUR 0.7 million (the combined effect of the latter two indirect components is therefore EUR 3.6 million).

Information is provided below on the main events affecting the investees in the various sectors, with particular attention to the events that took place during the period under review and the related effects in terms of results[2].

Design Sector

Overview

Italian Bathroom Design Group S.r.l. ("IBD") is the Mittel Group's subsidiary through which the acquisitions in the designer bathroom furnishings sector took place: first Ceramica Cielo, then Galassia and Disegno Ceramica, and most recently, on 19 September, Ceramica Catalano, an Italian brand of industrial and technological excellence in the sanitaryware segment of the bathroom furnishings sector.

As at 30 June 2024, IBD controls an asset group of approximately 350 employees, annual sales of approximately EUR 65 million and a pre-IFRS 16 EBITDA of approximately EUR 10 million, with a healthy and solid financial structure that guarantees excellent cash generation.

At the date of approval of this Report, having therefore acquired Ceramica Catalano, the IBD Group is active with approximately 600 employees, aggregate annual revenues of approximately EUR 115 million, aggregate pre-IFRS 16 EBITDA of approximately EUR 23 million, and boasts a significant export share, data supported by the results that the companies have achieved in recent years and the contribution of Ceramica Catalano.

In just seven years since the initial acquisition of Ceramica Cielo, Mittel has managed to increase the size of IBD eightfold. This growth has been driven not only by exogenous factors, such as the acquisitions of Galassia, Disegno Ceramica, and now Catalano, but also, and primarily, by endogenous factors. Through IBD, Mittel has established a hub of exceptional Made in Italy products, entirely located in the Civita Castellana district. Following the acquisition of Catalano, this hub is capable of producing over 1.1 million pieces annually across four factories, covering an area of approximately 200,000 square meters.

For the sake of clarity, it should be noted that Ceramica Catalano, a subsidiary acquired on 19 September 2024, does not contribute to the balance sheet and income statement figures shown below for the first half of 2024.

Investment year

2017

Strategy and Value Creation

The route started in designer bathroom furnishings has been part of Mittel's broader business plan which envisages the acquisition of majority shares in Italian small and medium-sized enterprises with the aim of implementing business strategies to contribute to the creation of value in the long term. The designer bathroom furnishings sector and, more generally, the furnishings sector represents an industry in which Italy holds an important and recognised position of leadership at international level and within which Mittel believes that there is ample space to create an aggregation platform that involves companies operating in neighbouring and complementary sectors.

Mittel's growth path within the sector began in June 2017 with the acquisition of the majority stake in Ceramica Cielo S.p.A. (now 100% owned), a player engaged in the production and marketing of designer ceramic sanitary-ware and accessories for the luxury sector in Italy and abroad. The products, distributed under the "Cielo" brand, are characterised by a stylistically avant-garde design and an innovative use of materials. The company pays particular attention to R&D activities, experimenting with new styles and an innovative ceramic treatment, obtaining recognition for its excellence. Today, the «Cielo» brand is one of the leading brands for the entire sector of high-end bathroom furnishings.

Taking advantage of the acquisition of Ceramica Cielo, Mittel has created an aggregation platform for the companies acquired in the first half of 2019, Galassia S.r.l. and Disegno Ceramica S.r.l., two long-standing businesses in the Civita Castellana ceramics district.

The three companies, which are engaged in the design, production and marketing at international level of ceramic sanitary-ware and designer bathroom accessories, are highly diversified (with a view to covering the entire product chain) in terms of positioning of products and customers.

[2] To accurately represent the actual turnover of the entities ("Revenues") and illustrate the corresponding margin in terms of pre-IFRS 16 EBITDA, the value of "Operating Costs" reported in the segment tables below includes the balance of "other income" and "increases (decreases) in inventories".

The development project undertaken envisages, on the one hand, a strengthening of the operational and commercial collaboration of the three companies acquired and, on the other hand, further development through potential new acquisitions, also in bathroom fittings segments adjacent to sanitary ceramics.

The three acquisitions carried out featured, in the initial phase, a very similar structure of the transaction: management continuity, maintenance by the company's operating guidance of a minority shareholding, definition of suitable shareholders' agreements in order to align interests and incentivise the creation of value, maintenance of corporate and management autonomy with respect to other Group entities.

At the same time, the acquisitions of Galassia and Disegno Ceramica were also based on the potential to trigger important synergies between the companies in the sector under consideration, thanks to their differentiated and complementary positioning.

Since the entry of Galassia and Disegno Ceramica within the Mittel Group, various work sites have been launched - with the direct strategic and industrial involvement of Mittel management – aimed at gradually obtaining important results in these areas and strengthening the positioning and growth opportunities of IBD Group. The main areas of work that have historically been focused on are:

- continuous work on product innovation;
- strengthening of brands and brand recognition (today at levels of excellence in Ceramica Cielo);
- "Archistar project", with the increasing inclusion of Ceramica Cielo in the main residential development projects in Milan;
- targeted strengthening of the management and operating structure of the newly acquired companies, within the most strategic operating areas and in any case always with a view to maintaining a broad management continuity;
- independent commercial strategies, but aimed at presenting the possibility of acting jointly in certain cases and pooling information and contacts with potential customers of the other Group companies; various commercial initiatives are underway, aimed at consolidating the positioning on the Italian market, opening up to new foreign customers and penetrating new commercial channels;
- sharing of lacking or exceeding production capacity, in order to maintain as much production as possible within the group and increase the use of available production capacity, with a consequent improvement in process efficiency;
- sharing of suppliers of products and services, in order to select those deemed best and obtain better supply conditions thanks to the increased requirements at Group level;
- adjustment of quality standards, in products and in company management, to the utmost excellence.

Although it has not contributed to the consolidated book values as at 30 June 2024, the Group's Design sector currently includes Ceramica Catalano S.p.A. ("Ceramica Catalano" or "Catalano"), 100% of whose share capital was acquired by IBD on 19 September. Ceramica Catalano, a leader in the ceramic manufacturing sector, is located in Fabrica di Roma (VT), in the heart of the sanitary ceramics industrial district, and distributes its products in over 60 countries worldwide, with approximately 65% of sales coming from exports. Catalano achieved a turnover of EUR 48.6 million in 2023, realising a pre-IFRS 16 EBITDA of approximately EUR 13 million and a profit of just under EUR 8.5 million.

Catalano's management philosophy has always focused on achieving the highest quality in production, ensuring a standard of excellence that is unmatched. The company's growth is the result of a continuous commitment to technological innovations that meet the demands of increasingly complex and global markets. Catalano's production is carried out using highly digitised systems, the result of investments (most recently 4.0) in robotics that have led the company to astonishing levels of automation and precision.

Catalano embodies an industrial culture inherently focused on sustainability, having adjusted its development strategies in recent years to support a transition towards eco-friendly manufacturing. The company has set clear goals and implemented effective measures to significantly reduce its production's CO_2 impact, earning notable environmental recognitions and certifications. Catalano was the first Italian company in its sector to achieve EPD (Environmental Product Declaration) certification for its ceramic sanitary ware and the first globally to obtain ESG (Environmental, Social, and Corporate Governance) certification.

The acquisition of Catalano reaffirms Mittel's industrial vision, entirely focused on the future and dedicated to safeguarding the regions where it operates, along with the artisanal traditions that are at the heart of those areas.

The recognised excellence of Ceramica Cielo in design and Ceramica Catalano in production and technological innovation within the bathroom furnishings sector positions the group as a symbol of Italian pride. Rooted in the Civita Castellana district, it represents the perfect blend of tradition and innovation, with products distributed worldwide.

Mittel is committed to advancing the growth and value creation of the IBD group, reaffirming its strong industrial focus on business expansion. The company prioritises two core values: sustainability and the protection of local communities, employees and their families.

First half-year 2024 Design Results

Design Sector Amounts in million EUR	Ceramic a Cielo	*Galassia*	*Disegno Ceramica*	*IBD*	*Intercompany*	Sector Total 30/06/2024	%	Sector Total 30/06/2023	%
Revenues	16,8	11,5	6,6	0,0	(0,5)	**34,3**		**38,0**	
Operating Costs	(12,8)	(10,4)	(6,0)	(0,0)	0,5	**(28,7)**		**(30,2)**	
EBITDA	**4,0**	**1,0**	**0,6**	**(0,0)**	**(0,0)**	**5,5**		**7,8**	
IFRS 16 reversal effect	(0,3)	(0,1)	(0,2)			**(0,5)**		**(0,5)**	
EBITDA before IFRS 1	**3,7**	**0,9**	**0,4**	**(0,0)**	**(0,0)**	**5,0**	**15%**	**7,4**	**19%**

In the period under review, the Design segment recorded total sales of EUR 34.3 million (EUR 38.0 million in the comparison period), maintaining a good level of margins (pre-IFRS 16 EBITDA of EUR 5.0 million, compared to EUR 7.4 million in the comparison period) and confirming its cash generation capacity. In the first half year of 2024, companies in the sector experienced a temporary slowdown.

Ceramica Cielo recorded turnover of EUR 16.8 million as at 30 June 2024 (EUR 18.8 million in the comparison period), with a pre-IFRS 16 EBITDA of EUR 3.7 million (EUR 5.0 million in the comparison period) and a positive pre-IFRS 16 NFP of EUR 32.7 million, an improvement over the EUR 29.8 million as at 31 December 2023.

Galassia recorded turnover of EUR 11.5 million (EUR 13.4 million in the comparative period), with a pre-IFRS 16 EBITDA of EUR 0.9 million (EUR 1.9 million in H1 2023) and a positive pre-IFRS 16 NFP of EUR 0.3 million (an improvement from a negative EUR 0.1 million as at 31 December 2023).

Lastly, Disegno Ceramica reported a turnover of EUR 6.6 million (EUR 6.5 million in the comparative period), with a pre-IFRS 16 EBITDA of EUR 0.4 million (EUR 0.6 million in 2023) and a negative pre-IFRS 16 NFP of EUR 7.2 million, substantially unchanged from 31 December 2023, when it amounted to a negative EUR 7.3 million.

In essence, the half-year saw a decline in performance that was also attributable to the performance of the reference market; the lower than expected results recorded, particularly by Galassia, were limited to events that affected productivity in the first half of 2024, which were promptly addressed by management.

In this context, the IBD group is anticipated to benefit in the near future from substantial synergies following the recent acquisition of Ceramica Catalano, a strategic move for this investment sector. These synergies are expected to reduce raw material and consumable costs, while also enhancing the production process. This integration is seen as a key factor in mitigating the downturn experienced by the IBD group in the first half of 2024.
In summary, consistent with the macroeconomic scenario, investment in this sector looks promising due to significant development potential. Mittel plans to make the most of this opportunity through its usual active and direct management, aiming to exploit the potential of the synergies and skills acquired to foster future growth.

<u>Automotive Sector</u>

Overview

Industria Metallurgica Carmagnolese S.p.A. ("IMC") is the Italian leader in the production of automotive components. The company operates with around 110 employees and an annual turnover of around EUR 44 million, operating mainly in foreign markets.
The Automotive components sector is an industry in which Italy holds an important and recognised leading position at international level and within which Mittel has historically considered that there was room for further growth; the Group has therefore consolidated IMC's competitive positioning over time by strengthening relations with its customers and expanding its customer/product portfolio.

Founded in the 1960s, IMC is recognised by the main international OEMs (including, by way of example, Renault, Daimler, Volkswagen, BMW, MAN and Iveco) as an efficient and reliable supplier, able to quickly meet outsourcing requirements for moulding activities, both of a temporary nature (i.e. productive capacity peaks) and those structured as series and end of series co-design projects. This ability to operate as a "supplier of last resort", together with the high quality of the product and service offered, historically allowed IMC to achieve profitability levels well above the industry average.

Investment Year

2017

Strategy and Value Creation

In the period after the investment, Mittel's activities were particularly focused on the following aspects:

- strengthening of the management structure through the introduction, in full agreement with the minority shareholder, of new professionals in the roles of Chief Executive Officer, CFO, Technical Director;
- support to the commercial development of the company by setting up a steering committee focused on the consolidation of relations with existing customers and the development of new customers and new end markets;
- improvement of the reporting and control systems through the upgrade of the information systems, the implementation of a new management system, the introduction of structured procedures (by way of example, protection of privacy, model 231, etc.);
- adjustment of quality standards, in products and in company management, to the standards of excellence required by Mittel.

The company intensified its positioning activities linked to ESG issues in order to monitor the current situation and assess the main specific business impacts. These activities are aimed at defining a sustainability plan in the near future to mitigate the main impacts and outcomes identified by the assessment.

First half-year 2024 Automotive Results

Automotive Sector Amounts in million EUR	**30/06/2024**	**%**	**30/06/2023**	**%**
Revenues	**22,5**		**22,5**	
Operating Costs	**(18,3)**		**(19,1)**	
EBITDA	**4,3**		**3,4**	
IFRS 16 reversal effect	**(0,6)**		**(0,7)**	
EBITDA before IFRS 16	**3,7**	**16%**	**2,6**	**12%**

In the first half of 2024, IMC continued the operational recovery initiated in the previous two financial years; in the period under review it achieved a turnover of EUR 22.5 million (in line with EUR 22.5 million in 2023). The confirmation of the result achieved in the period under comparison testifies to the company's ability to seize market opportunities, even in the current context of the automotive sector; this is thanks to its high industrial capacity and economic and financial solidity, also favoured by its membership of Mittel, and IMC's constant investment in renewing and intensifying its commercial offer in order to present itself to customers as a partner of excellence in the management of complex processes.

Pre-IFRS 16 EBITDA was EUR 3.7 million, compared to EUR 2.6 million in the comparison period; this result was possible due to the consolidation of the top line, the improvement of the gross margin compared to expectations, and the effect of operating leverage.

The pre-IFRS 16 NFP was negative and equal to EUR 5.5 million (negative for EUR 6.6 million as at 31 December 2023); the improvement of the NFP was favoured by the debt refinancing transaction (deriving from the original acquisition), a transaction finalised in the first half of the year, aimed at optimising the company's deleveraging process at more advantageous economic conditions.

As part of the company's and the Group's continuous growth process, IMC embarked on a major rebranding project aimed at repositioning the company and giving it new commercial strength, also thanks to the entry of new key client contacts.

<u>Clothing Sector</u>

Overview

Sport Fashion Service S.r.l. ('SFS') is a 90% subsidiary of Mittel and is currently active in the sale of clothing under the Ciesse Piumini brand (with a focus on outerwear) and the Jeckerson brand, and operates in the casual wear market and in particular in the urban/lifestyle and outdoor segments.

Investment year

2019

Strategy and Value Creation

Ciesse Piumini is the iconic, highly renowned brand, which has extended, over time, the experience built up in technical-sports products, also intended for extreme expeditions, clothes suited to urban fashion, combining manufacturing excellence with comfort and style. The brand has been on the market since the mid-70s, the brand's representative logo being a liger, a rare feline born from the cross between a lion from Kenya, from which it inherits strength and authority, and a Bengal tiger, from which it obtains elegance and insatiable curiosity. The liger perfectly embodies the soul of Ciesse Piumini, inextricably linked to nature, authenticity and freedom.
The strengths of Ciesse Piumini lie in the use of goose down for the creation of highly technical items for skiing and mountaineering, the choice of high quality products and the use of cutting-edge materials. SFS operates mainly on the Italian market through the wholesale channel. Ciesse Piumini is present in a widespread network of multi-brand stores in Italy, with collections for men, women and children. Ciesse Piumini is present in five outlets: Pomezia, Barberino, Ovindoli, Abetone and Casette d'Ete (il Castagno); Jeckerson is present in two outlets: Agira and Casette d'Ete (il Castagno). The development of Ciesse Piumini also envisages the opening of single-brand shops (the Milan store near San Babila was recently opened).

Since the acquisition by Mittel, intense activities were undertaken to reorganise the company, strengthen the structure and completely overhaul the communications model. These initiatives are part of the significant project of brand's growth and development, enhancing the solid business characteristics such as the historical heritage of the brand and the positive economic and financial performance.
The work on these initiatives has been and is carried out within a macroeconomic scenario which was suddenly complicated, starting from 2020, by the health emergency linked to Covid 19, with repercussions on the company's economic and financial performance and the slowdown of the value enhancement process.
The industrial development and growth work carried out with a strong direct contribution from Mittel management concerned: (i) the renewal of the first managerial line with the inclusion of leading figures in key company roles; (ii) strengthening of brands and brand recognition, with renewal of communication via social media; (iii) review of the commercial network, in line with the image and growth plans of the company.
The investment in Jeckerson was made in Mittel's usual spirit of creating and developing investment verticals, with an industrial approach that has proved particularly successful in other operating sectors.

First half-year 2024 Clothing Results

Clothing Sector *Amounts in million EUR*	**30/06/2024**	**%**	**30/06/2023**	**%**
Revenues	**5,5**		**5,8**	
Operating Costs	**(6,2)**		**(6,2)**	
EBITDA	**(0,6)**		**(0,4)**	
IFRS 16 reversal effect	**(0,3)**		**(0,3)**	
EBITDA before IFRS 1	**(1,0)**	n.s.	**(0,7)**	n.s.

The company showed a restrained performance in the first half of the year, with negative EBITDA of EUR 1 million (compared to negative EBITDA of EUR 0.7 million in the comparison period); this negative margin is attributable to the strong seasonality to which the company is subject, which typically shows a seasonal growth in revenues in the second half of the year.

The pre-IFRS 16 NFP was negative EUR 3.5 million, an improvement over the negative EUR 7.1 million in 2023.

Windows and Doors Sector

Overview

Italian Windows Group S.r.l ("IWG") is the sector sub-holding through which Mittel, to date, has completed the aggregation of companies active in the production and distribution of windows and doors and other related solutions for energy efficiency with high technical performance.

IWG controls an active group with around 200 employees, an annual turnover of approximately EUR 53 million, annual EBITDA of EUR 9.8 million and a sound financial structure.

The business combination process started immediately after the acquisition of the Finestre Group in July 2023 and is a fundamental element of the value creation strategy defined by Mittel already at the time of entry into the sector. This strategy aims to create value through the acquisition of both production and distribution companies. Mittel has capitalised on the main success factors of the Finestre Group, including its extensive experience in direct sales, its sound pre/post sales service organisation and its significant production capacity, to create an aggregation platform. Currently, in addition to Gruppo Finestre S.r.l. ("Finestre Group") which remains the main player in terms of production, the Group also includes Daga S.r.l., Castiglioni Serramenti S.r.l. and Serramenti Verona S.r.l., all important distribution companies in their respective areas.

The Finestre Group was founded in 2005 thanks to the acquisition by Stefano Zanasi (current Chief Executive Officer of IWG) of the Italian window production division of the multinational Alphacan and the consequent combination with the historic Trentino brand Fersina. The company specialises in the production of PVC windows and doors (approximately 80% of revenues), aluminium shutters (approximately 12%) and armoured doors/interior doors (approximately 8%). The commercial offer includes standard products and high added-value customised solutions, which allow (i) integration with home automation systems, (ii) the combination of PVC with other materials (i.e. wood and aluminium) and (iii) the realisation of structural glass sash windows or other stylistic solutions. Thanks to production flexibility, the Finestre Group has developed its own business model on production to order ("*Made to Order*").

Investment Year

2023

Strategy and Value Creation

In the period after the investment, Mittel's activities were particularly focused on the following aspects:

- support for buy & build activities;
- support in defining corporate governance in line with the new size target (i.e. strengthening of the managerial structure);
- increase in the efficiency of the Group's financial structure;
- international development in order to increase foreign turnover share;
- improvement of the reporting and control systems through the upgrade of the information systems, the implementation of a new management system, the introduction of structured procedures (by way of example, protection of privacy, model 231, etc.).

The sector in question is inevitably promoted by the development of solutions compatible with sustainability objectives as it is active in the production and installation of windows and doors; where possible, the entities also manage the collection and disposal of replaced fixtures as well as maximise recycling at the end of their life. A further determining factor is the product durability and quality, which makes it possible to limit post-installation replacement rate as much as possible. The companies in the sector are evaluating the direct and indirect impacts of their emissions, with the aim of initiating concrete projects to reduce them (e.g., a photovoltaic park) and optimise the recycling of plastic production waste.

First half-year 2024 Windows and Doors Results

Windows and Doors sector *Amounts in million EUR*	**Verticale Finestre**	**IWG**	**Gruppo Finestre**	**Daga**	**Serramenti Verona**	**Castiglioni Serramenti**	***Intercompany***	**Sector Total 30/06/2024**	**%**
Revenues	-	0,0	14,7	3,5	2,4	3,3	(2,2)	**21,8**	
Operating Costs	(0,0)	(0,1)	(13,4)	(3,4)	(1,6)	(1,8)	2,2	**(18,1)**	
EBITDA	**(0,0)**	**(0,1)**	**1,4**	**0,1**	**0,9**	**1,5**	**0,0**	**3,7**	
IFRS 16 reversal effect	-	-	(0,3)	(0,1)	(0,1)	(0,0)		**(0,5)**	
EBITDA before IFRS 1	**(0,0)**	**(0,1)**	**1,1**	**(0,0)**	**0,8**	**1,4**	**0,0**	**3,2**	**15%**

In the half-year under review, the segment contributed EUR 21.8 million in turnover and EUR 3.2 million in pre-IFRS 16 EBITDA to the Group's economic results. The pre-IFRS 16 NFP was positive and amounted to EUR 3.8 million (positive EUR 3.7 million as at 31 December 2023).

Overall, pro-forma for the full year 2023, the segment generated an aggregate turnover of EUR 53.0 million and an aggregate EBITDA net of IFRS 16 of EUR 9.8 million.

The sector's positive results are further driven by tax incentives linked to construction and energy efficiency improvements. These concessions, currently without the possibility of an "invoice discount", accelerated the achievement of the business plan drawn up at the time of the Finestre Group acquisition.

Net of the positive, one-off regulatory effect, the reference market remains highly attractive and shows growth in the long term promoted by sustainability macro trends and by the constant confirmation of the efficiency objectives in the real estate sector promoted by the European Union.

It is relevant to highlight the production and commercial synergies that the companies have already started to implement. Their impact will continue to grow in the near future and the process undertaken makes it possible to configure the sector investees into an integrated group able to offer diversified and complementary products with a widespread territorial presence.

These aspects, together with the level of industrial, economic and financial solidity, offer strong prospects for value creation in this investment vertical of the Group.

Performance of the Real Estate sector

As at 30 June 2024, the Group's real estate portfolio amounted to EUR 35.2 million and includes the historic initiatives carried out by Mittel Investimenti Immobiliari S.r.l. ("MII") and its subsidiaries and the recent real estate initiative headed by Cascina Canavese S.r.l. ("Cascina Canavese"), for a value of EUR 12.3 million, which is pending a concrete start upon receiving the building permit.

Among the assets contributing to the sector is the value of the shares invested by the Parent Company in the Augusto Fund (real estate fund held at EUR 10.2 million).

The sector in question did not show significant results in the half-year: sales for the period amounted to EUR 0.5 million and refer to MII's real estate units.

Equity and Investments sector performance

The Equity and Investments sector includes the parent company Mittel S.p.A. ("Mittel" or "Parent Company") and the residual portfolio of non-controlling equity investments, which mainly includes Earchimede S.p.A.

Mittel remains committed to maximising its financial resources by leveraging the historical assets in its portfolio, with the aim of redirecting these funds towards investments in outstanding Italian SMEs that excel in global markets.

This initiative is part of the now well-known strategic vision to create long-term sustainable value, benefiting not only shareholders, but also all other stakeholder categories. Indeed, Mittel's strategy focuses on driving sustainable, long-term growth by investing in companies that excel in innovation, competitiveness and strong local and international presence.

Fatti di rilievo intervenuti nell'esercizio

Significant events in the first half of the year

Governance and corporate events

The Shareholders' Meeting of Mittel S.p.A. - which met on 19 June 2024 - expressed its opinion on the matters dealt with as follows:

Directors' Report on Operations, Report of the Board of Statutory Auditors, financial statements as at 31 December 2023

The Shareholders' Meeting unanimously resolved to approve the financial statements for the financial year from 1 January 2023 to 31 December 2023, as well as the proposal to carry forward the profit for the year of EUR 19,749,765.

Report on the Remuneration Policy and on Compensation Paid pursuant to art. 123 ter of the Consolidated Law on Finance (TUF).

Taking into account the favourable binding vote cast on 12 September 2023 on the "Remuneration Policy", as supplemented with respect to the 2022-2024 Policy approved on 15 December 2021, the Shareholders' Meeting resolved in an advisory manner to vote in favour of the "Remuneration paid in the financial year 2023" indicated in Section II of the "Report on the Remuneration Policy and remuneration paid".

Appointment of a statutory auditor for the period from 1 January 2025 to 31 December 2033 and determination of the relevant fee and possible adjustment criteria.

The Shareholders' Meeting, taking into account (i) the content of the Recommendation formulated by the Board of Statutory Auditors, in its capacity as "Internal Control and Audit Committee", (ii) and that, with the approval of the financial statements for the year ending 31 December 2024, as well as the consolidated financial statements, the engagement of KPMG S.p.A. for the legal audit of the accounts will expire, has unanimously resolved to appoint Deloitte & Touche S.p.A. as the legal auditor for the nine-year period 2025-2033, the monetary terms of which are summarised in the aforementioned Recommendation.

Additional significant events

The Shareholders' Meeting of Mittel S.p.A. – which met on 31 January 2024 – resolved to approve the distribution, as an ordinary dividend in stock exchange terms, of part of the Retained Earnings Reserve for a total of EUR 10,000,031.95 for the 81,347,368 ordinary shares with no nominal value in issue, corresponding to EUR 0.12293 for each eligible ordinary share.
The dividend was settled at the intermediaries participating in the centralised share management system (Monte Titoli) on 7 February 2024, with ex-dividend date of 5 February 2024 and record date of 6 February 2024.

This dividend is in addition to the dividend previously paid, for the same amount and unitary value, in February 2023 in connection with the resolution passed by the Shareholders' Meeting of Mittel S.p.A. on 10 February 2023 (a total of EUR 10,000,031.95 for the 81,347,368 ordinary shares with no nominal value in issue, corresponding to EUR 0.12293 for each eligible ordinary share).

Significant events after 30 June 2024

In relation to the provisions of IAS 10, after 30 June 2024, the reference date of the Half-yearly financial report, and until 27 September 2024, the date on which the Report was approved by the Board of Directors, no events took place which involved an adjustment of the data presented.

Design Sector: acquisition of 100% of Ceramica Catalano S.p.A.

On 19 September 2024, Mittel S.p.A., through its subsidiary Italian Bathroom Design Group S.r.l., finalised the acquisition of 100% of the share capital of Ceramica Catalano S.p.A. ("Ceramica Catalano"), an Italian brand of industrial and technological excellence in the sanitary ceramics segment of the Design sector (bathroom furnishings).

Ceramica Catalano is headquartered in Fabrica di Roma (VT), in the heart of the sanitary ceramics industrial district, and distributes its products in more than 60 countries around the world with an export component in turnover of around 65%. The company, which in 2023 recorded revenues of EUR 48.6 million, EBITDA of approximately EUR 13 million and a positive Net Financial Position of EUR 27.5 million, was acquired by Italian Bathroom Design Group S.r.l. for a total consideration of EUR 92 million paid through the use of the Mittel Group's cash and cash equivalents for EUR 37 million and a loan granted by UniCredit S.p.A. for a total of EUR 55 million, of which EUR 40 million represented by short-term credit lines (3 months) and the remaining EUR 15 million by a 36-month loan.

With the acquisition of Ceramica Catalano, the Mittel Group has established, through Italian Bathroom Design Group S.r.l., a hub of exceptional Made in Italy craftsmanship, entirely located in the Civita Castellana district. This pole, supported by Ceramica Cielo S.p.A., Disegno Ceramica S.r.l., and Galassia S.r.l., is capable of producing over 1.1 million pieces annually across four factories, spanning approximately 200,000 square metres. Mittel remains firmly committed to driving the growth and value creation of Italian Bathroom Design Group S.r.l., reinforcing its dedication to an exclusively industrial focus.

The consolidation of Ceramica Catalano drives the growth of the Design sector entities to an aggregate turnover of just under EUR 120 million, based on final 2023 figures (a year of economic slowdown), and a pre-IFRS 16 aggregate EBITDA exceeding EUR 25 million. There are also strong prospects for both organic and external growth.

Business outlook

The Group's outlook for the coming months is necessarily influenced by the global macroeconomic environment and the implications of the international geopolitical crisis.
The economic slowdown that affected all sectors seems to be starting to show signs of recovery; although the difficulties are not completely over, some sectors are gradually catching up, thanks to greater economic stability, targeted stimulus policies and the adaptation of companies to the new market conditions; however, the recovery is still fragile and closely linked to the evolution of global factors such as geopolitical tensions and inflation trends.

Against this backdrop of uncertainty, the global economy nevertheless continues to show signs of recovery; in Italy, after a first half of the year characterised by moderate growth sustained by the services and tourism sectors, a continuation of this trend is expected in the second half of the year, albeit with slower growth. The unstable cost of energy and raw materials, coupled with still weak domestic demand, pose significant challenges for economic growth and improved business operating conditions. In addition, the automotive market in recent months has experienced a significant crisis characterised by a drop in production and a decline in sales, especially in Europe and Italy; the sector is experiencing a phase of profound transformation and uncertainty due to complex and global external factors that have put pressure on the entire production chain and car manufacturers.
The European Central Bank recently cut interest rates by 0.25 percentage points and also lowered its growth outlook slightly, keeping its overall inflation guidance unchanged and raising its core inflation forecast for this year and next.
Finally, there remains little visibility on the effects of tax breaks in the energy efficiency and building renovation sector that support demand by bringing possible further growth opportunities to the Italian market.

The combination of the aforementioned factors in the still unstable overall economic environment in which risks remain, particularly due to ongoing conflicts, reminds us that, while remaining optimistic about a gradual recovery, prudent financial and operational management is required to successfully meet the challenges posed by the current context, with a focus on cost management and raw material procurement, while also developing energy diversification and sustainability strategies in line with market needs.

In the context of the unstable context described above, the improved outlook for the world economy and the albeit limited growth projections for the Italian economy formulated by the authorities, in the next few months the Group is expected to further consolidate its results and growth, both in terms of turnover and profitability, against the backdrop of expansion in its operating sectors as well as the possibility of expanding synergies within the Group itself; more specifically:

- the prospects for the *Design* sector (bathroom furnishings) are supported by the recent acquisition of Ceramica Catalano, which will gradually enable the Group to express its potential in both the domestic and international markets, increasing its focus on sustainability and innovation, and making production costs more efficient; the synergy between Ceramica Catalano's and the Group's competencies will enable faster and more significant results over time, strengthening the competitiveness of the entire company portfolio.

- the Automotive segment's results are expected to continue to benefit from the results of the intensification of commercial activities and price increases negotiated with major OEM customers; as for the subsidiary IMC, its solidity, built on strong foundations, positions it to cope with the economic and structural factors that are weighing on the industry as a whole. Thanks to prudent management and solid relations with its main partners, IMC is able to effectively face global challenges, mitigating the impact of negative factors that are affecting the automotive industry.
- the Clothing sector, although influenced by a combination of economic, consumer and fashion trend factors, is expected to record the usual growth in turnover compared to the first half-year, in proportion to the orders already taken. However, these challenges necessarily remain and may affect future performance, requiring more agile strategies to remain competitive in a changing market.
- with reference to the Windows and Doors sector, scouting and buy & build activities continue with the goal of increasing revenue levels. This strategy aims at identifying and acquiring new companies and stores that express a strong entrepreneurial spirit and integrating them into the existing portfolio. The approach is based on combining the entrepreneurship of the newly acquired companies with the Group's strategic and financial contribution, aimed at creating operational synergies and improving the overall growth of the business. This method not only aims to consolidate the Group's market presence, but also to generate value through expansion, efficiency and innovation, ensuring a progressive increase in turnover.

Overall, the Group stands to benefit from significant new production and commercial synergies arising from the acquisition of Ceramica Catalano S.p.A., which the companies in the Design sector will implement. Additionally, early-stage synergies in the developing Windows and Doors sector could further contribute to future growth.
Amid the significant uncertainty outlined above and within the context of the Group's prudent management approach, it is anticipated that the Group's results in the coming months will reflect Mittel's industrial focus on creating long-term value and sustaining the growth trajectory established in previous years. This is further supported by the recent acquisition of Ceramica Catalano, a sector leader that embodies the Italian entrepreneurial excellence that the Group strives for.

In particular, the Group's ability to adapt to market challenges and its constant focus on market demand place it in a solid position to meet the opportunities and challenges of today's market. In addition, the Group's financial strength, combined with prudent liquidity management, will continue to be a strong point for maintaining a positive cash flow to finance further investments without significantly increasing debt.

Main ongoing legal proceedings and disputes

So.Fi.Mar International S.A. and Mr Alfio Marchini

Dispute history

With regard to the known credit for approximately EUR 12.8 million held by Mittel S.p.A. in relation to So.Fi.Mar International S.A. (“Sofimar”) and Mr Alfio Marchini (“Mr Marchini”) by virtue of the purchase by Sofimar of bare ownership of the 222,315 shares of Finaster S.p.A. (today in liquidation, hereinafter for brevity “Finaster”), which took place in the year ended 30 September 2005, Mittel obtained the arbitration award on 15 March 2016, with which the Board of Arbitrators ordered Sofimar to pay Mittel the entire amount due to the latter for a total amount of EUR 12,782,298 as principal, plus interest up to the actual date of payment. However, the Court of Arbitration declared that Mr Marchini, the controlling entity of Sofimar at the time of the events, did not have standing to be sued.

On 26 May 2016, following filing of the award by Mittel, the Court of Milan issued the enforcement order for the arbitration award. In order to lay claim to the Sofimar assets in Luxembourg, on 15 July 2016 Mittel obtained an exequatur order from the Luxembourg court. After the confirmation of the exequatur order from the arbitration award, the enforcement proceedings were resumed and then closed following the declaration of bankruptcy of Sofimar in Luxembourg. And in fact, on 2 August 2019, the Judge in Luxembourg declared the bankruptcy of Sofimar. Mittel has filed its petition to be included in the liabilities for the bankruptcy for the total amount of its credit. The petition was accepted. On 22 May 2023, Mittel collected EUR 0.6 million from the bankruptcy of Sofimar.

In March 2017, a writ of summons was served to Mr Marchini in the interest of Mittel to ascertain his non-contractual liability and his sentence for damages (quantified at EUR 13,098,895.72, in addition to default interest since 31 July 2013, plus interest and monetary revaluation) incurred by Mittel as a result of the nonpayment by Sofimar of the amount due to Mittel, awarded in arbitration. Mr Marchini appeared before the court, challenging Mittel's claims.

With ruling no. 2737 of 11 May 2020, the Court of Milan, accepting the demand of Mittel, having confirmed the liability of Mr Marchini, ordered him to pay Mittel the amount of EUR 13,098,895.72 plus default interest as at 31 July 2013 until full payment of the balance, plus the reimbursement of procedural expenses.

By appeal served on 14 December 2020, Mr Marchini challenged the aforementioned ruling of the Court of Milan, requesting the rejection of all the claims submitted by Mittel.

Mittel filed its entry of appearance in the above-mentioned appeal proceedings on 1 April 2021, requesting that the opposing party's appeal be rejected and proposing a conditional cross-appeal for the case in which one or more of the opposing party's grounds for appeal were accepted.

In a ruling published on 28 January 2022, the Court of Appeal of Milan upheld the fourth ground of appeal filed by Alfio Marchini and rejected "all the claims brought by Mittel against the latter and, as a result", declared "that nothing is owed by Alfio Marchini as compensation for damages"; the Court considered not proven that the damage suffered by Mittel was a "direct" consequence of the actions of Mr Marchini.

Most recent updates

In July 2022, Mittel filed its appeal with the Court of Cassation against the aforementioned ruling issued by the Court of Appeal of Milan. The hearing in the Council Chamber was held on 17 May 2024; on 22 July 2024, the order of the Court of Cassation was published, whereby the latter rejected the appeal filed by Mittel, thus confirming the decision of the Court of Appeal of Milan.

Main risks and uncertainties to which Mittel S.p.A. and the investees are exposed

The main risks and uncertainties that can have a significant impact on the activities of the Mittel Group are outlined below. Additional risks and uncertain events, that are unforeseeable at present or that are deemed unlikely at the moment, could likewise impact the Mittel Group's activities, economic and financial conditions and prospects.

The Mittel Group's results are affected by global and Italian economic trends, systemic risk, business sector risk, and industrial risk.

<u>Risks associated with the current economic situation</u>

Although the outlook for the world economy has improved compared to the past, risks related to the general economic situation remain. In particular, the main downside risk to global growth is the possible escalation of ongoing conflicts. Monetary policies remained broadly restrictive and financial market conditions remained stable overall, but in the euro area they were affected by political uncertainty in France. In the Eurozone, economic activity grew moderately; in Italy, growth remains subdued with employment and wage dynamics deemed robust by the authorities. Disinflation eased, mainly due to the still sustained dynamics of service prices. Although the ECB recently cut key interest rates by 25 basis points, the cost of credit is holding back demand for loans, which is also affected by weak investment, but also restrictive supply criteria due to widespread risk perception.

All of the Group's areas of operation are exposed to these uncertainties; however, in this context, the Group has a solid financial structure that allows it to operate with continuity even in the event of a worsening of geopolitical conflict situations. Such conflicts could in fact affect the level of interest rates, market demand, commodity prices and the availability of supply channels, as will be shown later in the Report with reference to the impact on operating sectors.

With regard to the value of assets, in particular intangible assets with an indefinite useful life, the Group regularly performs impairment tests by conducting sensitivity analyses that simulate worsening conditions in terms of growth and rate levels within reasonable ranges. Within the current context of ongoing uncertainty, these analyses did not identify any concerns regarding impairment testing in the consolidated financial statements. However, since the recoverable amount is calculated on the basis of estimates, the Group cannot guarantee that there will be no future impairment of goodwill recognised in the financial statements. The unstable market environment and global geopolitical uncertainties could lead to a revision of the factors underlying the estimates if global economic conditions worsen.

With reference to possible fluctuations in the exact value of the fair value, in view of the composition of the Group's assets measured at fair value, the risks can be qualified as limited on the whole.

Against a backdrop of geopolitical uncertainty and economic fluctuations, the Group will continue to conduct its usual periodic monitoring of the performance of its operating segments to mitigate the risks arising from these external factors. This approach of continuous vigilance enables us to address the current situation with greater readiness and resilience.

Risks associated to performance in the Group’s operating sectors

The Group, reflecting the industrial focus of the Parent Company, assumes risks associated with the performance of the sectors in which it operates, which may be diverse and stem from economic, geopolitical, technological and market factors.

- Market cyclicality: the sectors in which the Group operates may be subject to economic cycles that influence supply and demand. Periods of recession or economic slowdown can reduce the spending power of customers, resulting in a drop in sales or profit margins. This risk is particularly evident in sectors such as Design, Automotive and Clothing, where demand is sensitive to the general economic situation.
- Geopolitical situation: escalating international tensions and political instabilities may cause supply chains to be disrupted and the availability of raw materials to be reduced. In addition, fluctuations in commodity prices, resulting from geopolitical events, can increase operating costs, reducing profit margins. There are therefore, particularly in the production sectors, risks related to procurement planning that are closely linked to the supply chain (control of the supply chain, supplier relations and supplier reliability, dependence on strategic suppliers), logistics and sales channels.
- Innovation: the capacity to adapt and stay abreast of technological advancements is essential. Failure to develop new products or adopt advanced technologies may make the Group (particularly the Design, Automotive and Windows and Doors sectors, albeit at a low level) less competitive with its competitors. Moreover, innovation is vital for standing out in the market and addressing the evolving needs of consumers.
- Production: risks emerge in the productive sectors connected with production capacity and efficiency, processes and product quality, business disruption, process engineering and investments, environment.
  Any unexpected slowdowns or interruptions in production, caused, by way of example, by system faults, difficulties or delays in sourcing raw materials, prolonged rationing in the supply of electricity, as well as by fires or natural disasters, etc. could have repercussions on the entire supply chain, with subsequent adverse impacts on the entity’s operating capacity, economic-financial position and reputation.
  In particular, if the slowdown or interruption in production cycles should last a long time, there could be delays or shortages in production, which could involve a breach of contractual obligations and, subsequently in extreme cases, additional costs deriving from the obligations to pay penalties or compensation requested by customers.

  In order to deal with the risk, business continuity plans are in place at the production sites, which make provision for prevention actions targeted at eliminating/reducing the main causes of interruption of operations, in addition to the monitoring of these, aimed at allowing prompt implementation of controls to mitigate the resulting impacts.

  Where the production entities fail to maintain an efficient distribution and production network, or if there is a major interruption to activities with catastrophic or unforeseeable losses linked to events not covered by insurance policies at the principal production facilities, the business, operating results and financial conditions could be impacted.
- Consumer demand: there is also a risk related to consumer demand as changes in consumer behaviour, such as increased price sensitivity or demand for more sustainable and innovative products, may affect the Group's sales. A misinterpretation of market trends or a failure to respond to new customer expectations can reduce the Group's competitiveness and its ability to grow.

  Where the entities are unable to predict future economic conditions and changes in consumer preferences, product sales and profitability could be affected. In particular, the trend in the Clothing sector and in consumer products in which the Group operates is cyclical. The recession and uncertainty surrounding future economic prospects, impacting consumers’ disposable income, have historically had a negative impact on spending habits, making growth in sales and product profitability difficult. The success in the sectors of operations, and in particular in the Clothing and Design sectors, therefore also depends on the ability to anticipate and quickly react to changes in fashion trends. Any failure to identify these trends could have a significant negative effect on the business and operating results.

- Competitiveness (product portfolio and pricing): the presence of global and local competitors operating in similar sectors may limit the Group's growth or reduce profit margins. Furthermore, the entry of new players or alternative products into the market may reduce the Group's market share. Consequently, the need to differentiate through innovation, quality, and a diverse product range becomes a critical factor. In addition, competitive pressure, together with the consumer demand dynamics depicted above, can influence the pricing policy of entities and, if not properly managed, undermine profit margins.
- Financial risks: the operating segments are also exposed to financial risks that may include fluctuations in interest rates, exchange rates and access to credit. Rising interest rates, for example, can increase the cost of debt for Group companies, while currency volatility can adversely affect operating results if Group entities are exposed to international transactions. Also in view of the above, difficulties may arise in the raising of financial means by the Group; however, this risk is considered limited at present.
- Finally, any future divestment processes for sectors with high-risk profiles may take longer than anticipated and could be executed in a manner that is not entirely satisfactory or on terms that are not beneficial for the Group.

These risks, if not properly managed, can have a significant impact on the Group's performance and its ability to create value for shareholders and stakeholders.

In this context, the Group adopts its own mitigation strategies through:

- ongoing innovation and a focus on market trends to sustain competitiveness;
- constant monitoring of the geopolitical context and global economic conditions to promptly adapt to any changes;
- revision of price lists with the aim of preserving margins;
- constant monitoring of sales and dynamic definition of product price lists according to market and consumption trends;
- intensification of commercial activities and synergies in the Group;
- careful and active monitoring of energy and raw material prices;
- implementation of all suitable measures to guarantee the procurement of raw materials;
- improvement in purchasing planning and increase in the supplier network.

The aforementioned actions should prove suitable to contain the effects of any worsening of the macroeconomic environment in which the Group operates.

As far as the Real Estate sector is concerned, the risks arising from the market crisis related to rising interest rates and the possible credit crunch seem to be fading at the moment. The property market, both domestically and internationally, has a cyclical trend and is linked - amongst other things - to the general state of the economy, to changes in interest rates, inflation trends, tax regimes, available liquidity on the market and the presence of alternative and more remunerative investments.

As a result of the reduction of the Group’s historical real estate portfolio occurred in past years, it is estimated that the forecast medium/long-term effects of the possible risk of a decline in demand, a downturn in prices and the extension of sale and lease timing will have a limited impact, given the residual historical assets still held.

Risks associated with implementation of the strategy of the Group and its repositioning

In recent years, the strategic guidelines have mainly been aimed at:

(i) executing a rationalisation process of the Mittel Group's corporate structure;
(ii) optimising non-strategic assets (to generate resources for new investments);
(iii) developing investment activities with a view to permanent capital.

On the basis of this strategy, the Parent Company is still pursuing an important path focusing on controlling investments in Italian small and medium enterprises characterised by high cash generation.

The management, which in previous years has radically accelerated this strategy, has followed up on this strategy in a practical manner by creating a new industrial vertical (Windows and Doors).

The process of reducing structural and financial costs can also be considered achieved (with repayment of the residual amount of the bond loan fully repaid in July 2023).

Among the potential risk profiles of the above strategy, it should be noted that this depends on events and circumstances, including in the future, that are difficult to predict, e.g. global economic conditions, the impact of competition, or developments of an economic and geopolitical nature (also in light of the most recent international events). Therefore, Mittel S.p.A. cannot with any degree of certainty confirm that the strategic goals will be actually and completely achieved within the expected timeframe.

Any failure to dispose of significant portions of non-core assets could impede access to further financial resources for future investments. However, the substantial liquidity held currently makes the risks that the failure to make the planned investments could have a negative impact on the economic and financial sustainability of the Group's indebtedness not significant for the Group (significantly positive consolidated financial position).

Should the aforementioned actions related to the Group’s operating model not be fully completed, impacting the Company’s competitive positioning, it cannot be ruled out that there could be negative impacts on the Group’s economic, equity and/or financial situation.

Lastly, considering the Company’s investment holdings, its economic performance is linked, inter alia, to circumstances that are not periodic and/or recurring in nature, such as the distribution of dividends by investees and the formation and realisation of capital gains on disposals of investments held.
Thus, it cannot be excluded that the trend in results for Mittel S.p.A. in different years may not be linear and/or meaningfully comparable. Moreover, the investees of Mittel S.p.A. may be in a position to distribute dividends even if profit for the year is recorded.

Risks related to Group debt

Considering the Group's level of indebtedness, there are no significant risks; it should be noted that as of 30 June 2024, the Group had a positive consolidated net financial position (thus including IFRS 16 financial liabilities) of EUR 29.5 million.

Contractual clauses, commitments and covenants are applied to a number of the Group’s funding sources. Failure to comply with these may be considered a breach of contract, resulting in lenders requesting their immediate collection and causing problems in obtaining alternative financial resources.

During the half-year period under review, IMC completed a refinancing transaction of the debt arising from the original acquisition; this transaction, aimed at optimising the company's deleverage process at more advantageous economic conditions, is subject to financial covenants (net financial debt/EBITDA and equity level) to be verified annually, with reference to the economic-financial parameters referable to the subsidiary, starting from the financial statements as at 31 December 2024.

For the sake of completeness, it should also be noted that the bank loan of EUR 15.0 million (maturing at the end of September 2027) that IBD recently signed in September to partially finance the purchase of 100% of Ceramica Catalano, is also subject to financial covenants (net financial debt/EBITDA); the audit is scheduled to take place annually, starting with the financial statements as at 31 December 2024, with reference to the Group's economic-financial parameters.

Risks related to interest rate fluctuations

The Mittel Group potentially uses various forms of financing to support its investments (mainly at variable rates). Therefore, significant changes in interest rates could potentially involve in theory major increases/decreases in the cost of financing.

In any case, the current level of indebtedness (strongly positive consolidated net financial position) allows the mitigation of this risk.

Liquidity risk

Obtaining financial resources represents a factor of criticality for maintaining the investment growth strategy.

Consequently, any worsening in the economic terms and conditions of new loans and any future reduction in the banking system’s credit capacity could have negative effects on the Group’s economic and financial situation and/or limit its growth capacity.

The Group's ability to cover scheduled payments, including interest payments on the debt, depends on its capacity to generate sufficient liquidity, also through disposals and/or divestments, and/or by refinancing its debt. This process described is inevitably influenced by the economic, financial and market situation, laws and regulations applicable at each time, competition with other operators and other factors, many of which are outside of the Mittel Group's control.

Therefore, also in consideration of the potential misalignment between the duration of the Group's invested assets, mainly medium and long term, and the maturities on the relative sources of funding, there is a risk that the Group may find it difficult to meet its payment commitments at the set due dates as a result of difficulties in liquidating assets on the market without penalties (asset liquidity risk) or in raising funds (funding liquidity risk) at arm's length, with a resulting negative impact on the economic result if the Group is forced to incur additional costs to meet its commitments.

It should be noted, however, that the aforementioned risk is now greatly reduced thanks to the success of the strategy pursued by management, which involved obtaining significant financial resources (i.e. the sale of Gruppo Zaffiro).

Credit risk

Financial transactions realised by the Group expose it to credit risk, understood as the possibility that an unexpected change in the counterpart's creditworthiness could impact the credit position, resulting in insolvency (default risk) or in terms of the market value of the position (spread risk). In addition, recent industrial acquisitions have created credit risk of a commercial nature, increasing the potential risk of delays in payment timing.

The Mittel Group is exposed to potential losses resulting from the non-fulfilment of the obligations assumed by the counterparties (both financial and commercial transactions), with specific reference to the following phenomena:

- on previous financial receivables related to vendor loans granted at the time of the divestment of some investments, maintaining a strong involvement in the entrepreneurial risk of the divested interests; however, the significant contraction in the volume of financial receivables of this type in recent years should be noted;
- concentration of credit on certain significant counterparties;
- increase in the average collection times of trade receivables, in particular on newly acquired industrial investees, with a subsequent deterioration in the financial position with respect to the forecasts.

Risks connected with the market value of property inventories

Substantial sales in recent years have considerably lowered the Group's invested capital in real estate and reduced its exposure to the associated risks of market value fluctuations. There are still certain historical real estate initiatives that the Group has yet to optimise; as a result, there remains a potential risk of obsolescence and capital losses.
These potential risks also concern the possible freezing of financial resources on real estate assets, which would slow down the management's consolidated plan to concentrate financial resources mainly on investments in industrial operations capable of continuing the considerable profitability recovery pursued by the Group.

It should be noted that the Group recognises its property inventories at cost, net of any write-downs based on the net realisable value; in support of these values, when drafting the financial statements as at 31 December of each year, the Group asks external professionals with the necessary skills and qualifications for a valuation of the main property assets at market values based on the measurement criteria normally used in practice, then adjusting the values based on these analyses. Though in the Company's opinion the appraisals take into consideration all factors significant to assessing the fairness of the book value of property inventories, the assessment of additional non-recurring elements not known as at the appraisal dates, compared to those used, could result in the determination of different values.

Furthermore, although the Group assesses and, if necessary, writes down its real estate assets in cases where appraisals of major real estate assets have shown net realisable values that are lower than the carrying values of the same assets, it cannot be ruled out that a possible worsening of the reference market could entail the need for potential further value adjustments in the future, with consequent negative effects on the Group's statement of financial position and income statement.

As at the date of this report, note that no covenants were directly associated with changes in the value of property assets or with the economic or equity results of companies operating in the Real Estate sector.

Risks related to ongoing disputes

In the normal course of its business, the Group is a party in some civil, tax and administrative proceedings, whose progress is periodically monitored by the corporate bodies of the subsidiaries and Parent Company.

In its consolidated financial statements, the Group has a specific provision for risks and charges to cover, inter alia, the liabilities that could result from the legal proceedings and other pending disputes, taking into consideration estimates for fees to be paid for advisory services used by the Group as part of the proceedings, including for disputes whose risk of a negative outcome is low.
The total amount of this provision for risks and charges and the amount of annual allocations to the provision are determined based on the probability that the proceedings will have a negative outcome for the Group or that there are payments for legal fees, even in the event of a positive outcome. Certain proceedings which the Group is a party to and which are predicted to have a possible, remote or unquantifiable negative outcome are not included in the provision for legal risks and charges, in accordance with IAS 37. Therefore, it is not possible to rule out the possibility that in the future the Group may be required to fulfil payment obligations that are not covered by the provision for risks and charges, or that the allocations made to the provision for risks and charges may be insufficient to cover liabilities deriving from an outcome more negative than expected.

Moreover, in general, irrespective of the legitimate grounds of the claims made, any initiation of legal or arbitration proceedings against Mittel S.p.A. and/or other Group companies, including any disputes concerning the Group's past operations as a shareholder of transferred companies, could result in possibly significant damage to the Group's image and reputation in its sector, with possible negative effects on the business and economic, equity and financial situations of Mittel S.p.A. and the Group.

In any case, to be noted is the significant simplification of the situation of disputes in previous years and the consequent sharp reduction in the associated risks.

Risks associated with dependence on key management figures

The Group's success depends heavily on a limited number of key management figures within the Executive Committee, who engineered a radical about-turn in the Group's strategy, and in management who provide and, in the Issuer's opinion, could further contribute to the development of the Group's activities.

Albeit the heavy managerial and corporate involvement, also represented by the investments made, of some key figures of the Executive Committee, is proof of their significant commitment, any loss of key figures or an inability to attract and retain additional qualified personnel could result in the decreased competitive capacity of the Group and jeopardise the forecast growth targets, with negative effects on the business activities and the economic and financial situation of the Company and Group. Furthermore, if one or more of the aforementioned key figures terminate their employment with the Group and it was not possible to replace them in an appropriate and timely manner with individuals of equal experience and skills, the competitive positioning of the Company and the Group could be diminished, with possible negative effects on assets and the replicability over time of results achieved.

In this regard, it should be noted that the variable remuneration plan envisaged in Mittel's remuneration policy, which was further strengthened (in terms of alignment with shareholder interests) in September 2023, through the provision of a co-investment on new investments made as of June 2023, contributes to mitigating the risks associated with dependence on key figures of the Parent Company.

These risks also potentially exist for the key figures in the sectors of investees, who possess the expertise in operational areas that are potentially crucial for achieving the Group's strategy objectives. However, Mittel management's strong industrial oversight of the investees it holds contributes to mitigating these risks.

Risks related to dividend policy

On 29 December 2023, the Board of Directors approved the proposed policy of equity reserves distribution as dividends for 2024 and 2025.

For 2024, the Board of Directors resolved to propose to the Shareholders the distribution of part of the Retained Earnings Reserve, through the payment of a dividend per share to be considered ordinary in stock exchange terms. Therefore, gross of any applicable substitute tax, the payment of the dividend will be equal to EUR

0.12293 for each of the 81,347,368 ordinary shares with no nominal value currently in circulation, and thus for a total of EUR 10,000,031.95, in line with the amount already distributed in February 2023. The date of detachment of current coupon no. 55 will be on 5 February 2024, with right to payment on 6 February 2024 (record date) and payment of the dividend on 7 February 2024. This dividend was approved by the Shareholders' Meeting of 31 January 2024.

For 2025, the same dividend distribution transaction, for the same amount and with a similar payment timetable (i.e. January/February 2025) was proposed - unless there are unforeseen changes in the Group's economic, equity and financial position. Given the Company's high financial and equity strength, which makes these distribution proposals sustainable, the aforementioned distribution proposals represent a form of remuneration of the shareholders' investment in the Company and do not compromise the equity, financial and economic balance of the same.

Any future dividend distributions and their totals will also depend on future profit of the Company which, in particular, will be associated with dividends distributed by the investees and with capital gains achieved from the investment disposal transactions, as well as on the continued realisation of the remaining non-core assets, circumstances which are naturally not periodic and/or recurring.

Risks associated with laws and regulations applying to the Group

The activities of the Mittel Group are subject to Italian and EU regulations and legislation, including tax regulations.
Moreover, each sector is subject to specific regulation, and changes in national or international regulations may entail additional costs to comply or even restrict access to certain markets. Sectors could be affected by environmental regulations, occupational safety or production standards.

It cannot be ruled out that changes in existing laws and regulations, even at the level of interpretation, will occur in the future, which could generate a slowdown in the utilisation of tax credits in the portfolio (Windows and Doors Sector), an increase in costs, charges or levels of responsibility of the Group and adversely affect the Group's activities with possible detrimental effects on the Group's business and/or economic, asset and/or financial situation.

With the implementation of the Corporate Sustainability Reporting Directive (CSRD) for the financial year 2024, which introduces new elements and a shift in financial and sustainability reporting, the Group is undergoing a transformative period that will affect its processes and reporting systems. After completing the analysis of impacts, risks, and opportunities (known as IRO), the Group will initiate new processes and strategies. The strategic direction taken will be outlined in the upcoming integrated annual report prepared in accordance with the new regulations.

Risks associated with extraordinary transactions

The acquisitions of the last few years led to the recognition of substantial goodwill, resulting from the business combination to acquire control and the subsequent consolidation of the acquired companies. In the context of these acquisitions, the selling parties issued declarations and guarantees to the buyer that are normally expected in this type of transaction. Should these guarantees need to be enforced, there would be a legal-contractual risk, in addition to a possible credit risk connected with the effective ability to collect the amounts covered by the guarantee.

Furthermore, an acquisition generally involves the assumption not only of the assets of a company, but also the related liabilities. Though the Mittel Group carries out due diligence before completing an acquisition and seeks suitable declarations and guarantees, as well as indemnity obligations from the seller, there is no certainty that the Group can identify and obtain adequate protection with respect to all the current and potential liabilities relating to a given business. The acceptance of unexpected liabilities for which no suitable contractual protection has been obtained or the seller providing the contractual protection becomes insolvent could give rise to negative effects on the business activities and profitability of the Company and Group.

Mittel Group’s entry into a new business sector also involves the exposure to risks typical of that operating sector.

It is worth mentioning that the exit from Gruppo Zaffiro (June 2023) took place without the issue of any guarantee to the acquiring party and entailed the elimination of the risks associated with the sector of operations, the realisation of a significant capital gain on the book values (including the significant goodwill recognised) and the elimination of the significant financial debt of the investee.

Lastly, note that the acquisitions carried out require, by their nature, the performance of activities that are typical for integrating companies into a group that already exists. Therefore, it cannot be excluded that the implementation of this integration process will involve costs, especially in the initial stages, incurred by the Company or Group, or that the complete and effective integration of the companies might require longer than expected or achievement of the forecast results fails or proves more complex than expected.

Risks associated with climate change

In light of the evolving regulatory framework (CSRD), the Group is increasingly committed to addressing climate change risks. Currently, the analysis of these risks is being updated to align with the requirements of the new CSRD regulatory framework.
Recognising the increasing significance of medium-term risks associated with climate change, the Group must integrate the analysis of these potential impacts into its risk management models. This includes assessing how these factors may affect its assets, business activities and value chain, while also considering both international and local policies and regulations aimed at combating climate change (e.g., in the Clothing sector). The results of these assessments will be increasingly integrated into the business plans of the subsidiaries to ensure resilient and sustainable management in the medium and long term.

Altre informazioni

Other information

Research and development activities

Within the Group, specific research and development activities are carried out by the companies in the Design and Clothing sectors, in particular, which incurred costs for research and development activities in the income statement for various research programmes.

Atypical and/or unusual transactions

Pursuant to Consob communication of 28 July 2006, it should be noted that the Company and the Group did not carry out atypical and/or unusual transactions during the year that have not already been disclosed to the market, pursuant to the Issuers' Regulations.

Significant non-recurring events and transactions

Pursuant to the aforementioned Consob communication, no significant non-recurring transactions were performed by the Company or the Group during the year.

Information on the environmental impact

For details regarding the Group's environmental impact, please consult the latest Consolidated Non-Financial Statement (NFS) for the year 2023. This report provides insights into the Group's non-financial information, with a particular emphasis on the operations of its subsidiaries in the Automotive, Design, Clothing and Windows and Doors sectors, which have progressively defined the Group as an industrial holding company.

Regarding the year 2024, the update on environmental impacts will be included in the upcoming integrated annual report.

Human resources

Personnel are suited to meeting the needs of companies belonging to the sectors in which the Group operates. Training activities are focused on updating staff on the changes in the legislation and regulations that apply to the Group and on training courses regarding IT tools for supporting the organisation of work.

Transactions with related parties of the Group

Mittel S.p.A. has adopted special regulations on transactions with related parties, available at *http://www.mittel.it/en/procedures*.

In terms of transactions with related counterparties identified on the basis of art. 2359 of the Italian Civil Code and IAS 24, it should be noted that, during 2024, transactions were entered into with said counterparties as part of ordinary Group operations and that no atypical and unusual transactions were carried out. All transactions were performed on an arm's length basis and generally refer to:

- the supply of general and administrative services between the Group companies;
- intercompany loan relationships and surety obligations;
- the intercompany transfer of IRES (corporate income tax)/VAT receivables;
- the issuing of guarantees from Group companies to investees.

Transactions with related parties other than Group companies

Other transactions with related parties other than Group companies refer to:

- salaries and other fees due to directors and key Group managers;
- billing of administrative and consultancy services, falling under ordinary operations to individuals and companies falling within the wider definition of related parties.

All transactions with related parties were conducted on an arm's length basis and, therefore, there are no atypical and unusual transactions to report.

Treasury shares

The Company did not hold any treasury shares during the half-year under review and does not hold any at the date of this report.

Share-based payment arrangements

The Company has no share-based payment arrangements. Please refer to what has been extensively reported in the previous financial reports in relation to the adoption, following a review process of the incentive systems, with the favourable vote of the Shareholders' Meeting of Mittel S.p.A. of 15 December 2021, of a medium/long-term only variable incentive system with a three-year duration (2022-2024) and to what is stated below with regard to its amendment in September 2023.

On 12 September 2023, the Shareholders' Meeting of Mittel S.p.A. approved the Remuneration Policy, as integrated with the 2022-2024 Policy, contained in Section I of the document "Report on the Remuneration Policy and remuneration paid", and the related adoption and implementation procedures. In particular, the integration of the M/L Incentive (which will continue to apply, with some changes, to the investments held in the Design, Automotive and Clothing sectors) with a new mechanism which, exclusively for the new Mittel shareholdings acquired and to be acquired from the beginning of June 2023, provides for a co-investment capable of generating in the Beneficiaries themselves an exposure to the risk of loss of invested capital. The Policy, as a result of the changes that have been better outlined in it, is functional to further aligning the interests of all shareholders and stakeholders with those of the Company's management, through the described share of the latter in the risk capital of the SPVs that the Company controls and will control in the course of the investment process in the various industrial targets.

Financial Statements in single electronic reporting format - ESEF

It should be noted that, based on Directive 2004/109/EC (the 'Transparency Directive') and Delegated Regulation (EU) 2019/815, the preparation of financial reports in the XHTML format involving the tagging of IFRS consolidated financial statements using XBRL tagging (based on the European Single Electronic Format (ESEF)) is only envisaged for annual reports.

Statement of reconciliation of equity and profit (loss) for the period

The reconciliation between equity and profit (loss) for the period of the Parent Company, as shown in the financial statements as at 30 June 2024, and the Group's equity and profit (loss) for the year, as reported in the consolidated financial statements as at the same date, is as follows:

Amounts in thousands of EUR	30 June 2024		31 December 2023 Restated (*)	
	Equity	Profit (loss) for the period	Equity	Profit (loss) for the year
Equity and profit (loss) of the Parent Company	**210,172**	**12,320**	**207,820**	**19,750**
Elimination of book value of consolidated investments:				
Value of investments in consolidated companies	(170,419)		(170,744)	
Goodwill arising on consolidation	56,949		56,949	
Pro-rata amount of equity of consolidated companies	156,579		165,374	
Results achieved by fully consolidated companies		5,107		30,743
Cancellation of write-downs of investments		174		7
Elimination of intragroup dividends:				
Dividends distributed by fully consolidated companies		(13,959)		
Equity and profit (loss) for the period pertaining to the Group	**253,281**	**3,642**	**259,399**	**50,500**
Non-controlling interests	24,953	940	24,024	(575)
Consolidated equity and profit (loss)	**278,234**	**4,582**	**283,423**	**49,925**

(**) The comparative balance sheet figures are marked with "Restated" as some data are different from those originally published as they changed according to the completion of the process of allocation of the acquisition price of the entity of the Windows and Doors sector (acquired in the second half year of 2023). This allocation only entailed the reclassification under assets, as it had no effect on the breakdown and value of the Group's equity and liabilities as at 31 December 2023.

Consolidated Statement of Financial Position (*)

Amounts in thousands of EUR

	Notes	30.06.2024	31.12.2023 Restated (**)
Non-current assets			
Intangible assets	4	69,722	69,444
Property, plant and equipment	5	73,294	70,991
- of which IFRS 16 rights of use		*34,049*	*30,890*
Investments accounted for using the equity method	6	2,127	2,266
Financial receivables	7	11,077	11,075
Other financial assets	8	10,765	10,789
Sundry receivables and other assets	9	6,865	11,313
Deferred tax assets	10	13,050	13,453
Total non-current assets		**186,901**	**189,330**
Current assets			
Inventories	11	73,888	70,363
Financial receivables	12	482	270
Other financial assets	13	127	1,187
Current tax assets	14	1,607	1,240
Sundry receivables and other assets	15	62,431	57,892
Cash and cash equivalents	16	78,190	87,287
Total current assets		**216,725**	**218,237**
Assets held for sale		-	-
Total assets		**403,626**	**407,567**
Equity			
Share capital		87,907	87,907
Share premium		53,716	53,716
Treasury shares		-	-
Reserves		108,016	67,276
Profit (loss) for the period		3,642	50,500
Equity pertaining to the Group	17	**253,281**	**259,400**
Non-controlling interests	18	24,953	24,024
Total equity		**278,234**	**283,423**
Non-current liabilities			
Financial payables	19	*38,718*	*31,225*
- of which *IFRS 16 financial liabilities*		31,782	29,226
Other financial liabilities	20	1,300	1,316
Provisions for personnel	21	6,483	6,403
Deferred tax liabilities	22	1,270	1,200
Provisions for risks and charges	23	1,926	1,823
Sundry payables and other liabilities	24	582	45
Total non-current liabilities		**50,280**	**42,012**
Current liabilities			
Financial payables	25	9,311	13,925
- of which *IFRS 16 financial liabilities*		3,570	2,915
Other financial liabilities	26	-	12
Current tax liabilities	27	1,713	1,645
Sundry payables and other liabilities	28	64,089	66,549
Total current liabilities		**75,113**	**82,131**
Liabilities held for sale		-	-
Total equity and liabilities		**403,626**	**407,567**

(*) Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated statement of financial position of the Mittel Group are outlined in the appropriate statement of financial position table shown in the following pages and are described not only in the comments on the individual financial statement items but in explanatory note no. 49 to these financial statements.

(**) The comparative balance sheet figures are marked with "Restated" as some data are different from those originally published as they changed according to the completion of the process of allocation of the acquisition price of the entity of the Windows and Doors sector (acquired in the second half year of 2023). This allocation only entailed the reclassification under assets, as it had no effect on the breakdown and value of the Group's equity and liabilities as at 31 December 2023.

Consolidated Income Statement (*)

Amounts in thousands of EUR

		01.01.2024 30.06.2024	01.01.2023 30.06.2023
Revenue	29	84,703	67,298
Other income	30	2,214	3,849
Changes in inventories	31	3,525	1,949
Costs for purchases	32	(39,120)	(31,438)
Costs for services	33	(19,649)	(18,348)
Personnel costs	34	(20,338)	(16,938)
Other costs	35	(1,325)	(1,795)
Amortisation, depreciation and value adjustments on property, plant and equipment and intangible assets	36	(5,037)	(4,482)
Allocations to the provision for risks	37	(20)	(177)
Share of income (loss) of investments accounted for using the equity method	38	(139)	(474)
Operating result (EBIT)		**4,814**	**(556)**
Financial income	39	1,774	1,839
Financial expenses	40	(1,058)	(1,205)
Profit (loss) from management of financial assets and investments	41	18	-
Value adjustments to financial assets, loans and receivables	42	(62)	(105)
Profit (loss) before taxes		**5,486**	**(27)**
Income taxes	43	(904)	(424)
Income (loss) from continuing operations		**4,582**	**(451)**
Profit (loss) from discontinued operations	44	-	44,409
Profit (loss) for the year		**4,582**	**43,959**
Attributable to:			
Profit (loss) pertaining to non-controlling interests	45	941	(1,397)
Profit (loss) pertaining to the Group		**3,642**	**45,356**
Profit (loss) per share (in EUR)	46		
From ordinary, ongoing activities:			
- Basic		0.045	0.558
- Diluted		0.045	0.558

(*) Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated income statement of the Mittel Group are outlined in the appropriate Income statement table shown in the pages below and are described not only in the comments on the individual financial statement items but also in explanatory note no. 49 to these financial statements, to which reference should be made.

Consolidated Statement of Comprehensive Income

Amounts in thousands of EUR	Notes	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Profit/(loss) for the year (A)		**4,582**	**43,959**
Other comprehensive profits/(losses) which will be not subsequently reclassified to profit/(loss) for the period:			
Profits/(losses) from remeasurement of defined benefit plans		183	(158)
Tax effect relating to other profits/(losses) which will be not subsequently reclassified to profit/(loss) for the period		(36)	32
Total other profits/(losses) which will be not subsequently reclassified to profit/(loss) for the period, net of taxes (B.1)		**147**	**(126)**
Other comprehensive profits/(losses) which will be subsequently reclassified to profit/(loss) for the period:			
Effective part of the profits/(losses) on cash flow hedges	17	159	(105)
Tax effect relating to other profits/(losses) which will be subsequently reclassified to profit/(loss) for the period		(38)	-
Total other profits/(losses) which will be subsequently reclassified to profit/(loss) for the period, net of taxes (B.2)		**121**	**(105)**
Total other profits/(losses), net of taxes (B) = (B.1) + (B.2)		**268**	**(231)**
Total comprehensive profit/(loss) A + B		**4,850**	**43,728**
Total comprehensive profit/(loss) attributable to:			
Non-controlling interests		*969*	*(1,482)*
Profit (loss) pertaining to the Group		*3,881*	*45,210*

Statement of changes in consolidated equity for the half year ended 30 June 2024

Amounts in thousands of EUR	Share capital	Treasury shares	Capital reserves	Profit reserves	Reserve from remeasurement of defined benefit plans	Cash flow hedge reserve	Non-controlling interests	Total
Balance as at 1 January 2023	**87,907**	**-**	**53,716**	**78,215**	**(282)**	**63**	**10,355**	**229,975**
Changes in the consolidation scope				(454)	9		10,857	**10,412**
Dividends distributed				(10,000)			(612)	**(10,612)**
Total comprehensive profit/(loss)				45,356	(83)	(63)	(1,482)	**43,728**
Balance as at 30 June 2023	**87,907**	**-**	**53,716**	**113,117**	**(356)**	**-**	**19,118**	**273,502**
Balance as at 31 December 2023 Restated (*)	**87,907**	**-**	**53,716**	**118,258**	**(460)**	**(22)**	**24,024**	**283,423**
Balance as at 1 January 2024	**87,907**	**-**	**53,716**	**118,258**	**(460)**	**(22)**	**24,024**	**283,423**
Other changes				1				**1**
Dividends distributed				(10,000)			(40)	**(10,040)**
								-
Total comprehensive profit/(loss)				3,641	131	109	969	**4,850**
Balance as at 30 June 2024	**87,907**	**-**	**53,716**	**111,900**	**(329)**	**87**	**24,953**	**278,234**

(**) The comparative balance sheet figures are marked with "Restated" as some data are different from those originally published as they changed according to the completion of the process of allocation of the acquisition price of the entity of the Windows and Doors sector (acquired in the second half year of 2023). This allocation only entailed the reclassification under assets, as it had no effect on the breakdown and value of the Group's equity and liabilities as at 31 December 2023.

Consolidated Cash Flow Statement

Amounts in thousands of EUR	30.06.2024	30.06.2023
OPERATING ACTIVITIES		
Net profit (loss) for the year pertaining to the Parent Company and non-controlling interests	**4,582**	**43,959**
Adjustments to reconcile net profit (loss) with cash flows generated (absorbed) by operating activities:		
Current taxes	514	387
Deferred taxes	390	37
Depreciation of property, plant and equipment	4,940	4,285
Amortisation of intangible assets and write-downs	97	197
Financial income	(1,762)	(1,818)
Financial expenses	1,040	1,163
Gains/(losses) on exchange	7	22
Allocations to provisions for risks and charges	20	177
Provisions for employee severance indemnity	819	553
Profits/(losses) of investments measured using the equity method	139	474
Write-downs (reversals of impairment losses) on receivables	91	194
Capital (gains)/losses from transfer of investments and financial assets	(18)	(47,838)
Write-downs (reversals of impairment losses) on financial assets	(29)	(89)
Cash flows from operating activities before changes in working capital	**10,830**	**1,701**
(Increase)/decrease in inventories	(3,525)	(1,949)
(Increase)/decrease in other current assets	(180)	6,436
Increase/(decrease) in trade payables and other current liabilities	(1,921)	637
Cash and cash equivalents generated (absorbed) by operating activities	**5,204**	**6,825**
Usage of provisions for risks and charges	82	(322)
Payments of employee severance indemnity	(555)	(526)
Change in tax payables/receivables	(814)	(472)
(A) CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES	**3,917**	**5,505**
INVESTING ACTIVITIES		
Investments in:		
Property, plant and equipment	(7,421)	(1,756)
Intangible assets	(375)	(77)
Cash flow connected to business combinations:		
Cascina Canavese S.r.l.	-	(5,262)
Sport Fashion Service S.r.l. deferred price	-	(2,000)
Earchimede S.p.A. Earn out	(12)	
Realisation from disposal of:		
Other financial assets	1,258	9
Net cash flow associated with discontinued operations	-	68,105
Property, plant and equipment	177	1,320
(Increase)/decrease in financial receivables	-	(4)
Interest collected	1,544	1,044
(B) NET CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	**(4,830)**	**61,380**
FINANCING ACTIVITIES		
Increase (decrease) in loans and borrowings from banks and other lenders (including IFRS 16 liabilities)	2,879	(7,899)
Interest paid	(1,024)	(1,164)
Payment of dividends to non-controlling interests	(10,041)	(10,612)
(C) NET CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	**(8,185)**	**(19,675)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D = A+B+C)	**(9,098)**	**47,209**
OPENING CASH AND CASH EQUIVALENTS (E)	**87,287**	**61,716**
CLOSING CASH AND CASH EQUIVALENTS (F = D+E)	**78,190**	**108,925**

Consolidated Statement of Financial Position pursuant to Consob Resolution no. 15519 of 27 July 2006

Amounts in thousands of EUR

	Notes	30.06.2024	*of which related parties*	*% incidence*	31.12.2023 Restated (*)	*of which related parties*	*% incidence*
Non-current assets							
Intangible assets	4	69,722			69,444		
Property, plant and equipment	5	73,294			70,991		
- of which IFRS 16 rights of use		*34,049*			*30,890*		
Investments accounted for using the equity method	6	2,127			2,266		
Financial receivables	7	11,077			11,075		
Other financial assets	8	10,765			10,789		
Sundry receivables and other assets	9	6,865			11,313		
Deferred tax assets	10	13,050			13,453		
Total non-current assets		186,901	-		189,330	-	
Current assets							
Inventories	11	73,888			70,363		
Financial receivables	12	482			270		
Other financial assets	13	127			1,187		
Current tax assets	14	1,607			1,240		
Sundry receivables and other assets	15	62,431	25	0.0%	57,892		
Cash and cash equivalents	16	78,190			87,287		
Total current assets		216,725	25	0.0%	218,237	-	
Assets held for sale		-			-		
Total assets		403,626	25	0.0%	407,567	-	
Equity							
Share capital		87,907			87,907		
Share premium		53,716			53,716		
Treasury shares		-			-		
Reserves		108,016			67,276		
Profit (loss) for the year		3,642			50,500		
Equity pertaining to the Group	17	253,281			259,400		
Non-controlling interests	18	24,953			24,024		
Total equity		278,234	-		283,423	-	
Non-current liabilities							
Financial payables	19	38,718			31,225		
- of which IFRS 16 financial liabilities		*31,782*			*29,226*		
Other financial liabilities	20	1,300			1,316		
Provisions for personnel	21	6,483			6,403		
Deferred tax liabilities	22	1,270			1,200		
Provisions for risks and charges	23	1,926			1,823		
Sundry payables and other liabilities	24	582			45		
Total non-current liabilities		50,280	-		42,012	-	
Current liabilities							
Financial payables	25	9,311			13,925		
- of which IFRS 16 financial liabilities		*3,570*			*2,915*		
Other financial liabilities	26	-			12		
Current tax liabilities	27	1,713			1,645		
Sundry payables and other liabilities	28	64,089	398	0.6%	66,549	661	1.0%
Total current liabilities		75,113	398	0.5%	82,131	661	0.8%
Liabilities held for sale		-			-	-	
Total equity and liabilities		403,626	398	0.1%	407,567	661	0.2%

(**) The comparative balance sheet figures are marked with “Restated” as some data are different from those originally published as they changed according to the completion of the process of allocation of the acquisition price of the entity of the Windows and Doors sector (acquired in the second half year of 2023). This allocation only entailed the reclassification under assets, as it had no effect on the breakdown and value of the Group’s equity and liabilities as at 31 December 2023.

Consolidated Income Statement pursuant to Consob Resolution no. 15519 of 27 July 2006

Amounts in thousands of EUR

	Notes	30.06.2024	*of which related parties*	*% incidence*	30.06.2023	*of which related parties*	*% incidence*
Revenue	29	84,703	25	0.0%	67,298	25	0.0%
Other income	30	2,214	25	1.1%	3,849	25	0.6%
Changes in inventories	31	3,525			1,949		
Costs for purchases	32	(39,120)			(31,438)		
Costs for services	33	(19,649)	(398)	2.0%	(18,348)	(2,758)	15.0%
Personnel costs	34	(20,338)	(168)	0.8%	(16,938)	(297)	1.8%
Other costs	35	(1,325)			(1,795)		
Amortisation, depreciation and value adjustments on property, plant and equipment and intangible assets	36	(5,037)			(4,482)		
Allocations to the provision for risks	37	(20)			(177)		
Share of income (loss) of investments accounted for using the equity method	38	(139)			(474)		
Operating result (EBIT)		**4,814**			**(556)**		
Financial income	39	1,774			1,839		
Financial expenses	40	(1,058)			(1,205)		
Profit (loss) from management of financial assets and investments	41	18			-		
Value adjustments to financial assets, loans and receivables	42	(62)			(105)		
Profit (loss) before taxes		**5,486**			**(27)**		
Income taxes	43	(904)			(424)		
Income (loss) from continuing operations		**4,582**			**(451)**		
Profit (loss) from discontinued operations	44	-			44,409		
Profit (loss) for the year		**4,582**			**43,959**		
Attributable to:							
Profit (loss) pertaining to non-controlling interests	45	941			(1,397)		
Profit (loss) pertaining to the Group		**3,642**			**45,356**		

Explanatory Notes

1. Form and content of the financial statements

The consolidated financial statements are composed of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity, accompanied by the explanatory and supplementary notes. The Income Statement was drafted in line with the minimum contents of IAS 1 - Presentation of Financial Statements - with classification of costs by nature; the Statement of Financial Position was prepared according to the layout which highlights the breakdown of 'current/non-current' assets and liabilities. The cash flow statement was drafted using the indirect method.

2. Significant accounting standards and basis of preparation

2.1 General principles

The condensed half-yearly consolidated financial statements as at 30 June 2024 were drafted in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union and mandatorily applicable for the financial year, and the provisions issued in implementation of article 9 of Legislative Decree no. 38/2005. IFRS also mean all revised international accounting standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

These condensed half-yearly consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The condensed half-yearly consolidated financial statements were prepared on the basis of the general historical cost principle, amended as required for the fair value valuation of certain financial instruments.

This section illustrates the general principles adopted in drafting the condensed half-yearly consolidated financial statements as at 30 June 2024, as required by IAS 1.

a) Going concern
Assets, liabilities and "off-statement of financial position" transactions are valued according to operating values, given that they are set to last over time.

The Directors have assessed that, despite the unstable economic and financial environment, there are no material uncertainties, as defined in paragraph 25 of IAS 1, about the Group's ability to continue as a going concern; taking into account the balance sheet, income statement and liquidity indicators, it is believed that the Group has sufficient liquidity to operate and meet its commitments over a minimum time horizon of twelve months. In light of the above, the Directors confirm the reasonable expectation that the Group will continue to operate in the foreseeable future and that, consequently, the condensed half-yearly consolidated financial statements as at 30 June 2024 were prepared on basis of the going concern assumption.

b) Accrual basis accounting
Costs and revenue are recorded, regardless of the moment of their monetary settlement, on an accrual basis and according to the matching criterion.

c) Consistency of presentation
The presentation and classification of items are maintained constant over time in order to ensure the comparability of information, except where their change is required by an International Accounting Standard or interpretation, or it makes the presentation of values more appropriate, in terms of significance and reliability. If a presentation or classification criterion is changed, the new one applies, where possible, retroactively; in this case, the nature and the reason for the change are also indicated, as well as the affected items.

d) Materiality and aggregation

Each material class of similar items is shown separately in the financial statements. Items with a dissimilar nature or function are presented separately.

e) Prohibition of offsetting
Assets and liabilities, costs and revenue are not offset against one another, except where required or permitted by an International Accounting Standard.

f) Comparative information
Comparative information for the previous year is shown for all figures contained in the financial statements, unless prescribed or permitted otherwise by an International Accounting Standard or interpretation. Descriptive information is also included, when useful for understanding the data.

In these financial statements, the comparative balance sheet figures are marked with “Restated” as some data are different from those originally published as they changed according to the completion of the process of allocation of the acquisition price of the entity of the Windows and Doors sector (acquired in the second half year of 2023). This allocation only entailed the reclassification under assets, as it had no effect on the breakdown and value of the Group’s equity and liabilities as at 31 December 2023.

For further information, please refer to paragraph “*3.4 Disclosure on business combinations*”.

2.2 Financial statements and tables

The condensed half-yearly consolidated financial statements are composed of the Income Statement, Statement of comprehensive income, Statement of Financial Position, Cash flow statement and Statement of changes in equity, accompanied by the explanatory notes. They were drafted in line with the minimum contents of IAS 1 – Presentation of Financial Statements.

The table “Other comprehensive income” includes the components of income suspended in equity such as:
- profits and losses from the redetermination of financial assets measured at fair value, as a balancing entry to the valuation reserve;
- the effective part of the profits and losses on cash flow hedging instruments.

Other profits (losses) that will or will not be subsequently reclassified to profit (loss) for the year are also shown.

The variations generated by transactions with non-owners must be shown in a single separate table that shows the performance in the year (statement of comprehensive income and losses recorded) or in two separate statements: a table that shows the components of profit (loss) for the year (income statement) and a second table that starts from profit (loss) for the year and shows the items of the table of the other comprehensive income statement (Statement of comprehensive income).

These changes generated by transactions with non-owners must also be shown separately in the Statement of changes in equity with respect to variations generated by transactions with owners.

The Group chose to show all changes generated by transactions with non-owners in two tables which measure the performance in the year, entitled “Income Statement” and “Statement of comprehensive income”.

The income statement is drafted according to the layout with the classification of costs by nature, showing the interim results relating to the gross operating margin, operating result and the pre-tax result. The operating result is determined as the difference between net revenue and operating costs (the latter including non-monetary costs relating to amortisation/depreciation and write-downs of current and non-current assets, net of any write-backs) and including capital gains and losses generated by the disposal of non-current assets. In order to permit a better measurement of the trend in ordinary operations, cost and revenue components deriving from events or transactions that are considered non-recurring due to their nature or the materiality of their amount, are indicated separately, where significant.

The Statement of Financial Position is prepared according to the layout that shows a breakdown of assets and liabilities between current and non-current. Assets and liabilities are classified as current when they meet the following criteria:
- current assets are represented by cash or cash equivalents, by assets that are expected to be realised, sold or consumed during the normal execution of the company’s operating cycle, available-for-sale assets,

assets held for trading, or those that are expected to be realised within twelve months from the closing date of the reporting period;
- current liabilities are those that are expected to be extinguished during the normal operating cycle of the Group or within twelve months from the reporting date, liabilities held for trading or those that do not have an unconditional right to deferment of their extinguishment after twelve months. All other liabilities must be classified as non-current liabilities.

The Statement of Changes in Equity illustrates the changes that took place in items of equity relating to:
- allocation of the Group's profit (loss) for the year to non-controlling shareholders;
- amounts relating to transactions with shareholders;
- each item of profit and loss net of taxes, which is booked directly to equity or has a contra-item in an equity reserve;
- change in the valuation reserve of financial assets and in the cash flow hedge reserve;
- effect of any changes in accounting standards.

The Cash flow statement was drafted by applying the indirect method, through which the net income is adjusted by the effects of non-monetary transactions, any deferment or provision of previous or future operating collections or payments and by elements of revenue or costs connected to the cash flows deriving from investing or financing activities. Income and expenses relating to medium/long-term financing transactions and to the associated hedging instruments, as well as the dividends paid, are included in financing activities.

The same accounting standards, recognition and measurement criteria and consolidation principles were applied in the preparation of these consolidated half-yearly financial statements as those adopted in the preparation of the consolidated financial statements for the year ended 31 December 2023, with the exception of the new accounting standards effective as of 1 January 2024, for which reference should be made to section "*2.5 Changes in Accounting Standards, Amendments and Interpretations of IFRS "Principles of Consolidation"*".

Lastly, it should be noted that, in order to comply with the indications in Consob Resolution no. 15519 of 27 July 2006 "Provisions governing financial statement layouts", in addition to the mandatory tables, the appropriate Income Statement and Statement of Financial Position tables were prepared, with evidence of the significant amounts of positions or transactions with related parties indicated separately from the respective reference items.

Where no other unit of measure is indicated, the values of items in the condensed consolidated half-yearly financial statements are expressed in thousands of Euro.

Purchase Price Allocation on 2023 balances

With reference to the business combinations relating to the Windows and Doors sector that characterised the second half of 2023, management completed the purchase price allocation ("PPA") processes that led to the valuation of the assets and liabilities acquired at fair value. To this end, the balance sheet balances as at 31 December 2023, presented for comparative purposes, have been adjusted to reflect their effects.

For further information, please refer to the section "*3.4 Disclosure on business combinations*".

Events after the reporting period (IAS 10)

These condensed half-yearly consolidated financial statements were authorised for publication, in accordance with IAS 10, by the Board of Directors on 27 September 2024. Reference should be made to the information in the Directors' Report on Operations for a description of the significant events after 30 June 2024.

2.3 Accounting standards adopted by the Mittel Group

Intangible assets (IAS 38)

Intangible assets are identifiable non-monetary assets without physical substance, held to be used in a multi-year or indefinite period. These are recorded at cost, adjusted for additional expenses only if it is probable that the future economic benefits that are attributable to the asset will be realised and if the cost of the asset can be measured reliably. In the opposite case, the cost of the intangible asset is booked to the income statement in the year in which it was incurred.

The cost of intangible assets with a finite useful life is amortised using the straight-line method on the basis of the relative useful life.
If the useful life is indefinite, no amortisation is carried out, but solely the periodic verification of the adequacy of the book value of the fixed assets. Intangible assets originating from software developed internally and acquired from third parties are amortised on a straight-line basis, effective from the completion and entry into operation of the applications based on the relative useful life. At each reporting date, in the presence of evidence of impairment, the recoverable value of the asset is estimated.

The amount of the loss, booked in the income statement, is equal to the difference between the asset's book value and its recoverable value.
An intangible asset is derecognised from the statement of financial position on disposal or when no future economic benefits are expected from its use.

Goodwill can be recorded if representative of future income-generating capacities of the investee. A test is conducted at the close of each financial year to check the value of goodwill. Any impairment loss is determined on the basis of the difference between the book value of goodwill and its realisable value, equal to the higher of the fair value of the cash generating unit, less any costs to sell, and the associated value in use.

Development costs refer to new product innovation projects and are recorded under assets in compliance with the considerations of IAS 38, i.e.:
- demonstrability of the technical feasibility of the products;
- intention of the Group to complete the development project;
- reliable determination of the costs incurred for the project;
- recoverability of the values recorded through the future expected benefits from completion of the development project.

It should be noted that said item includes any intangible assets under development to be amortised starting from the year their useful life starts.

Intangible assets with an indefinite useful life

An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net inflows for the Group.
Intangible assets with an indefinite useful life are not amortised but are subject to an impairment test, to verify the recoverability of their carrying amount; this test pertains to the value of the individual asset and is carried out when impairment has been identified and, in any case, at least on an annual basis.

Property, plant and equipment (IAS 16)

Property, plant and equipment are initially measured at cost which includes not only the purchase price, but all additional expenses directly attributable to the purchase and to bringing the asset to working condition for its intended use.
Extraordinary maintenance costs which involve an increase in future economic benefits are booked to increase the value of the assets, while other ordinary maintenance costs are recognised in the income statement.
Property, plant and equipment include operating premises, plants, furniture, fittings and equipment of any type.
Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.
Property, plant and equipment are valued at cost, less any accumulated depreciation and impairment.
Property, plant and equipment are systematically depreciated over their useful life, by adopting the straight-line method.

The depreciation rates used by Group companies are as follows:
- Buildings: a range between 3.0% and 6.0%
- Vehicles: a range between 20% and 25%
- Furniture and fittings: 12%
- Office machines: a range between 20% and 33%
- Equipment: a range between 15% and 40%;

- Generic systems: 10%;
- Specific systems: a range between 12.5% and 17.5%;
- Robotic work centres: 22%.

Land is not depreciated as it has an indefinite useful life.
Capitalisable costs for improvements to leased third-party assets are attributed to the asset classes to which they refer and amortised at the lower of the residual term of the rental agreement and the residual useful life of the asset to which the improvement relates.
At each reporting date, testing must be performed for any signs of impairment, or indications that show that an asset may have been impaired.
If there are signs of impairment, a comparison is made between the book value of the asset and its recoverable value, equal to the higher of the fair value, less any costs to sell, and the associated value in use of the asset, understood as the present value of future cash flows originating from the asset. Any adjustments are booked to the income statement. If the reasons for the recognition of the loss no longer exist, the value is revised, which cannot exceed the value that the asset would have had, net of depreciation calculated in the absence of previous impairment.
Property, plant and equipment are derecognised from the statement of financial position on disposal.
Profits and losses deriving from transfers or disposals of assets are determined as the difference between the sales revenue and the net book value of the assets and are recognised in the income statement in the period.

Leasehold improvements are classified under property, plant and equipment, consistent with the nature of the cost incurred. The depreciation period corresponds to the shorter of the residual useful life of the property, plant and equipment and the residual duration of the lease.

Leases (IFRS 16)

The Group has various contracts in place for the use of facilities and buildings, offices, vehicles, machinery and other minor assets owned by third parties. The lease terms are negotiated individually and contain a wide range of differing terms and conditions.
From 1 January 2019, following the first-time adoption of IFRS 16, the Group recognises for all lease contracts, with the exception of short-term leases (i.e., leases with a duration of less than or equal to 12 months and which do not contain a purchase option) and those for low-value assets (i.e., with a unit value of less than EUR 5 thousand), a right of use on the lease's start date, which corresponds to the date on which the underlying asset is available for use. Lease payments relating to short-term and low-value contracts are recognised as costs in the income statement on a straight-line basis over the lease term.

Rights of use are valued at cost, net of accumulated amortisation and impairment losses, and adjusted each time the lease liabilities are re-measured. The value assigned to rights of use corresponds to the amount of the lease liabilities recognised, plus initial direct costs incurred, the lease payments settled on the contract start date or previously, and restoration costs, net of any lease incentives received. Restoration costs, which can be recognised only in rare cases, are normally related to offices, for which the return to their original state at the end of the lease agreement may be envisaged in the contract. The Group estimates the fair value of the restoration obligation based on the agreement with the lessor or appraisal valuations obtained from third parties. The discounted value of the liability determined in this way increases the right of use of the underlying asset, with recognition of a dedicated provision as contra-item. Unless the Group is reasonably certain of obtaining ownership of the leased asset at the end of the lease term, rights of use are amortised on a straight-line basis in accordance with the estimated useful life or contract's duration, whichever is lower.

The financial liability for leases is recognised on the start date of the agreement for a total value equal to the present value of the lease payments to be paid during the contract's duration, discounted using incremental borrowing rates (IBR), when the interest rate implicit in the lease contract cannot be easily determined. Variable lease payments continue to be charged to the income statement as a cost for the period.
After the start date, the amount of lease liabilities increases to reflect the accrual of interest and decreases to reflect payments made. Each lease payment is divided between repayment of the liability's principal and the financial expense. The financial expense is charged to the income statement over the contract's duration, to reflect a constant interest rate on the liability's residual debt, for each period.
In the case of sub-lease agreements and amendment of the lease agreement, the rules envisaged in IFRS 16 "Leases" apply.
IFRS 16 requires entities to make estimates and assumptions that may affect the measurement of the right of use and the financial liability for leasing, including the determination of:

- contracts in the scope of application of the new rules for measuring assets/liabilities with the financial method;

- lease term;
- interest rate used to discount future lease payments.

The contracts are included or excluded from the application of the standard based on detailed analyses carried out on each individual agreement and in line with the rules established by IFRS.
The lease term is calculated considering the non-cancellable period of the lease, together with the periods covered by an option to extend the agreement if it is reasonably certain that it will be exercised, or any period covered by a termination option for the lease contract, if it is reasonably certain not to be exercised. The Group assesses whether it is reasonably certain whether or not to exercise the extension and termination options, taking into account all relevant factors that create an economic incentive relating to these decisions. The initial assessment is reviewed if there is a significant event or a change in the characteristics that affect the assessment itself and are under the control of the Group.
The marginal interest rates defined by the Group are reviewed on a recurring basis and applied to all contracts with similar characteristics, which were considered as a single portfolio of contracts. The rates are determined starting from the market rate that takes into account the time value of money as well as a spread depending on the type of asset leased and the entity of the Group that subscribes it.
Lease incentives received by and not later than the contact's start date are charged as a direct reduction of the value of the right of use; the corresponding value reflects the consideration already received net of the receivable to be collected. Lease incentives agreed during the term of the contract are considered amendments to the original contract, measured at the date of the change, with a consequent impact of equal value on the value of both the right of use and the lease liability.

Initial measurement:

On the start date, the lessee must measure the cost of the asset, consisting of the right of use, which includes:
- the amount of the initial measurement of the lease liability, as described below;
- lease payments due that are made on or before the start date, net of lease incentives received;
- direct initial costs incurred by the lessee; and
- the estimate of costs that the lessee must incur to decommission and remove the asset and restore the site or asset to the conditions provided for by the lease, unless these costs are incurred to produce inventories. The obligation relating to the aforementioned costs arises for the lessee on the start date or as a result of the use of the underlying asset during a specific period and is recognised as a provision for expenses as per IAS 37.

Initial measurement of the lease liability:

At the start date, the lessee must measure the lease liability at the present value of payments due and not paid at that date. Payments due must be discounted using the implicit interest rate of the lease, if it can be easily determined. If this is not possible, the lessee must use its incremental borrowing rate.
On the start date, the payments due include:
- fixed payments, net of any lease incentives to be received;
- payments based on an index or rate, initially estimated with an index or rate on the start date;
- the amount that the lessee expects to pay as guarantee of the residual value;
- exercise price of the purchase option, if the lessee is reasonably certain that the option will be exercised; and
- lease termination penalties, if the lease term takes into account that the lessee will exercise the lease termination option.

Subsequent assessments of rights of use:

After the start date, the lessee must measure the asset consisting of the right of use by applying the cost model. Based on the cost model, the lessee must amortise the right of use, as envisaged in IAS 16 (and, where applicable, recognise write-downs pursuant to IAS 36), adjusted to take into account any restatements of the lease liability.
Amortisation is calculated based on the asset's useful life, assuming the asset is purchased; otherwise, if earlier, at the end of the lease term.

Subsequent measurements of the lease liability:

After the start date, the lessee must measure the lease liability:
- by increasing the book value of the liability to include interest on the lease liability calculated using the discount rate;
- by decreasing the book value of the liability to include due payments made;

- by restating the book value to consider new measurements or lease amendments.

Restatement of the lease liability

After the start date, the lease liability is restated to take into account changes made to lease payments due, in the event of amendments to:

a. lease term;
b. valuation of a purchase option on the asset;
c. amounts that are expected to be paid as part of a guarantee on the residual value;
d. future payments due as a result of changes in indices or rates used as parameters.

In all cases, the amount is recognised as an adjustment to the asset consisting of the right of use. However, if the book value of the asset consisting of the right of use is reduced to zero and there is an additional reduction in the valuation of the lease liability, the lessee must recognise in the income statement any residual amount of the restatement.
Nonetheless, in cases a) and b), the lessee restates the discount rate based on the new cash flow profile for the remaining lease term, if this rate can be easily determined or the lessee's incremental borrowing rate at the restatement date.
In cases c) and d), the lessee restates the payments due for the remaining lease term using the same discount rate applied initially, unless the change in payments due results from a change in variable rates. In this case, the lessee must use a revised discount rate that takes into account changes in the interest rate.

Investments in associates and joint ventures (IAS 28)

Associates are companies over which the Group exercises significant influence. Significant influence is the power to participate in the determination of the investee's financial and operating policies without having control or joint control of it. Significant influence is presumed to exist in the event in which the Group holds a percentage of voting rights of between 20% and 50% (excluding cases in which there is joint control).

Joint ventures (jointly-controlled companies) mean companies in which the Group holds joint control and has rights over their net assets. Joint control means the sharing of control of an arrangement, which exists solely when decisions about the relevant activities require the unanimous consent of all the parties sharing control.

Investments in associates and joint ventures are measured according to the equity method, determined on the basis of the international accounting standards. According to said method, these investments are recognised in the statement of financial position at cost, adjusted for changes following the acquisition in the net assets of the associates, net of any impairment of the individual investments. The excess of the acquisition cost over the Group's percentage of the present value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture at the acquisition date is recognised as implicit goodwill.
If the acquisition cost is lower than the Group's percentage of the fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture at the acquisition date, the value is credited to the income statement in the year of the acquisition. With reference to transactions which take place between a Group company and an associate or joint venture, unrealised profits and losses are eliminated to the extent of the Group's percentage interest in the associate, with the exception of the cases in which unrealised losses constitute evidence of impairment of the transferred asset.
If there is evidence that the value of an investment has been impaired, the recoverable value of said investment is estimated, taking into account the present value of future flows that the investment may generate, including the final disposal value of the investment.
If the recoverable value is lower than the book value, the relative difference is booked to the income statement.
If the reasons for the impairment no longer exist following an event that occurred after the recognition of the impairment, reversals of the impairment losses are booked to the income statement.

Financial assets (IAS 32 and IFRS 9)

On initial recognition, a financial asset can be classified as:

(i) assets measured at amortised cost (*"Hold to Collect"* business model and passing the SPPI test);
(ii) assets measured at fair value through equity ("Hold to Collect & Sell" business model and passing the SPPI test); and
(iii) assets measured at fair value through profit or loss ("Trading/Other" business model or failure to pass the SPPI test).

The Group's classification is based on the entity's business model for managing financial assets and on the characteristics of contractual cash flows of financial assets.

With reference to the business model, this is determined by the Company for accounting purposes, in order to reflect the way in which financial assets are effectively managed to pursue company objectives.

The characteristics of contractual cash flows are verified through the SPPI test ("Solely Payments of Principal and Interest on the principal amount outstanding"), introduced by the accounting standard IFRS 9 in order to verify whether a financial asset can be considered a "basic credit agreement" and therefore the contractual cash flows consist exclusively of payments of principal and interest accrued on the amount of principal to be repaid.

Receivables (assets measured at amortised cost)

A receivable shall be measured at amortised cost if both of the following conditions are met and it is not designated at FVTPL (Fair Value Through Profit & Loss):

- the financial asset is held within the framework of a business model whose objective is the possession of financial assets aimed at collecting the relative contractual cash flows; and
- the contractual terms of the financial asset provide for cash flows on specific dates, represented solely by payments of principal and interest on the amount of principal to be repaid.

Loans and receivables are initially recognised when the right to receive the payment of the contractually agreed sums is acquired and, therefore, at the time of the disbursement. The initial book value coincides with the fair value of the asset, normally equal to the amount disbursed, including costs/income directly attributable to the individual instrument and determinable from the origin of the transaction, even if settled at a later date. Trade receivables without a significant loan component are initially measured at transaction price, as an exception to the general principle of initial recognition at fair value.

Following initial recognition, receivables are valued at amortised cost, equal to the initial recognition value, net of principal repayments, increased or decreased by impairment losses or reversal of impairment losses and amortisation calculated using the effective interest rate method.
The effective interest rate is the rate that matches the present value of the future cash flows of the receivable, for principal and interest, to the amount disbursed, including costs/income attributable directly to the receivable.

The amortised cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment losses are recognised in the profit/(loss) for the period as are any gains or losses on derecognition.

Loans and receivables are derecognised from assets only if (i) the contractual rights to the cash flows deriving from the financial assets expire or (ii) the Group transfers all risks and rewards related to the financial assets. If it is not possible to ascertain the substantial transfer of the risks and rewards, the receivables are derecognised in the event no type of control is retained over said loans and receivables. In the opposite case, the maintenance of control, including partial, involves the retention of the loans and receivables in the financial statements to the extent of the Group's continuing involvement. The value of the continuing involvement in the transferred receivables corresponds to the extent to which the Group is exposed to a change in the value of said receivables.
Depending on their nature and expiry, loans and receivables are classified into the following items:

- financial receivables;
- sundry receivables and other assets.

Where, at the time of the recognition, the collectability of the loans and receivables is contractually established as after one year, these are classified under "non-current" assets. Loans and receivables falling due within one year are classified under "current" assets.

Other financial assets - assets measured at FVOCI

A financial asset shall be measured at FVOCI if both of the following conditions are met and it is not designated at FVTPL:

- the financial asset is held within the framework of a business model whose objective is achieved both by the collection of contractual cash flows and by the sale of financial assets; and

- the contractual terms of the financial asset provide for cash flows on specific dates, represented solely by payments of principal and interest on the amount of principal to be repaid.

On initial recognition of an equity instrument not held for trading purposes, the Group may make an irrevocable decision to present subsequent changes in fair value in other components of the statement of comprehensive income. This decision is made for each investment.

Financial assets are initially recognised at the settlement date. The initial measurement is at fair value, to which are added the transaction costs directly attributable to the acquisition of the financial asset.

This category of financial assets is subsequently measured at fair value:

- for debt securities, interest income calculated under the effective interest method, exchange gains and losses and impairment losses are recognised in the profit/(loss) for the period. Other net profits and losses are recognised in other components of the statement of comprehensive income. On derecognition, gains and losses accumulated in other components of the statement of comprehensive income are reclassified to profit/(loss) for the period;
- for equities, dividends are recognised in profit/(loss) for the period unless they clearly represent a recovery of part of the investment cost. Other net profits and losses are recognised in other components of the statement of comprehensive income and are never reclassified to profit/(loss) for the period.

For the determination of the fair value, a three-level hierarchy is envisaged:

1) Listing on an active market, not adjusted. An active market is one where prices, which reflect normal market transactions, are quickly and regularly available via Stock Markets, Brokers, Intermediaries, Sector companies, Listing services or authorised entities and express the price of actual, adequate, continuous and regular market transactions that occur within a normal reference period.
2) Recognition of the fair value through components observable directly or indirectly on a listed market. In the event that the components used contain elements not observable directly on the market and/or adjusted, the significance of the same is established with respect to the fair value to define whether said fair value can be considered second or third level.
3) The use of estimate methods and evaluation models commonly adopted by the international financial community which take account of the specific characteristics of the instrument to be evaluated, with particular focus on the different types of risk associated with it and simultaneously use values not taken from the market and involve estimates and assumptions.

Based on the time frame for sale (within or beyond twelve months from the reporting date), financial assets belonging to this category are classified under “Other financial assets” in current or non-current assets.

Financial assets are derecognised when the contractual rights to the cash flows derived from said assets expire or when the financial asset is sold, transferring substantially all related risks and rewards.

Other financial assets – assets measured at FVTPL

All financial assets not classified as measured at amortised cost or at FVOCI, as indicated above, are measured at FVTPL.

On initial recognition, the Group may irrevocably designate the financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise result from measuring the financial asset at amortised cost or at FVOCI.

Financial assets are initially recognised at the settlement date. Initial measurement is at fair value.

Subsequent measurement is at fair value. Net profits and losses, including dividends or interest received, are recognised in profit/(loss) for the period.

For a distinction between the levels of the fair value hierarchy, reference should be made to the information provided above in relation to assets measured at FVOCI.

Financial assets are derecognised when the contractual rights to the cash flows derived from said assets expire or when the financial asset is sold, transferring substantially all related risks and rewards.

Cash and cash equivalents (IAS 7, IAS 32 and IFRS 9)

Cash and cash equivalents include bank and postal deposits, cash in hand and other forms of short-term investment, originally expiring in three months or earlier. Bank overdrafts are classified under financial payables in current liabilities. Elements included under cash and cash equivalents are measured at fair value and the associated changes are booked to the income statement.

Inventories (IAS 2)

Property inventories

Property inventories are composed of land, properties under construction-renovation and properties completed for sale.
The initial recognition of inventories of completed properties held for sale occurs at the moment costs are incurred which are directly attributable to the order under construction. At the time of initial recognition, property inventories are measured at cost, increased by incremental expenses and the capitalisable financial expenses incurred.
The release of property inventories to the income statement takes place proportionally and at the same time as the transfer of the properties or parts of them.
During the initial phases of the order, given no sales have been verified, revenue is recognised under changes in inventories up to the limits of the costs incurred which is expected to be recovered. At the time of the transfer of the properties or parts of them, the actual order costs are recorded (incurred and estimated) by thousandths transferred, with the release of the property inventories to the income statement, under variations in inventories. It is only at this moment that the order profit or loss can be determined, in proportion to the part transferred.

Following initial recognition, property inventories held for sale continue to be measured at the lower of the cost (increased by incremental expenses and the financial expenses, to the extent that they can be capitalised) and the market value based on transactions involving similar properties in terms of area and type, and adequately adjusted to represent the prospects and timing of actual disinvestment.
Properties under construction and/or undergoing renovation are measured at the lower of the cost, increased by incremental expenses, of capitalisable financial expenses and the corresponding estimated realisable value.

Inventories of raw materials, goods, semi-finished and finished products

Inventories of raw materials, goods, semi-finished and finished products are measured at the lower of cost and net realisable value. The measurement of inventories at cost includes the direct costs of materials and labour and indirect costs (variable and fixed). The cost of inventories of replaceable goods is allocated using the FIFO (first in, first out) method or the weighted average cost method. Simplified costing techniques for inventories, such as the standard cost method, may be used for convenience if the results approximate the cost. The Group uses the same cost determination method for all inventories with a similar nature and use. For inventories with a different nature or use, different methods for measuring cost may be justified. Provisions for write-downs are calculated for all inventories considered obsolete or slow-moving, taking into account their expected future use and realisable value. The realisable value represents the estimated selling price in the ordinary course of business, net of all the estimated costs for the completion of the good and the selling and distribution costs that will be incurred.

Payables and Bonds (IAS 32 and IFRS 9)

These financial liabilities are initially recognised at the time the contract is signed, which coincides with the moment the sums collected are received.
Liabilities are initially recognised on the basis of the fair value, normally equal to the amount collected or the issue price, increased or decreased by additional costs/income directly attributable to the individual funding transaction and not repaid to the creditor. Internal administrative costs are excluded.
After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

Depending on their nature and expiry, liabilities are classified into the following items:
- bonds;
- financial payables;
- sundry payables and other liabilities.

Where, at the time of the initial recognition, the collectability of the payable is contractually established as after one year, these are classified under “non-current” liabilities. Payables falling due within one year or indeterminate are classified under “current” liabilities.

Other financial liabilities (IAS 32 and IFRS 9)

Financial liabilities are initially recognised at the settlement date both for debt securities and for derivative contracts.
Upon initial recognition, financial liabilities held for trading are recorded at their fair value which normally corresponds to the consideration collected without taking into account the transaction costs or income directly attributable to said instrument which are, instead, booked directly in the income statement.
Debt securities and the negative value of derivative contracts (with the exception of those designated as hedging instruments) are classified in this category.
After initial recognition, financial liabilities held for trading are measured at fair value, with the recognition of changes through profit or loss.
For the determination of the fair value of financial instruments listed in an active market, market prices are used. In the absence of an active market, estimates and generally accepted valuation models are used, and which are based on observable market data, such as: methods based on the valuation of listed instruments with similar characteristics, discounting of future cash flows, models for the determination of option prices and values recorded in recent comparable transactions.
Financial liabilities are derecognised when they expire or are extinguished also against purchases of the same securities. The difference between the book value of the liability and the amount paid to acquire it is recorded in the income statement.

Hedging derivatives (IAS 32 and 39)

The company’s decision to maintain the hedge accounting requirements of IAS 39 pending final approval (not yet completed) of the IFRS 9 pillar that regulates this issue is noted at the outset.

The types of hedging transactions are as follows:

- fair value hedge, aimed at neutralising the exposure to changes in the fair value of a financial statement item;
- cash flow hedge, targeted at neutralising the exposure to changes in the future cash flows attributable to particular types of risks associated with financial statement items.

Hedging derivatives are measured at fair value and recognised in the items “other financial assets” and “other financial liabilities”; in particular:

- for fair value hedging instruments, the rules established by IAS 39 in relation to the provisions for “Fair Value Hedges” are followed. These relate to hedging instruments whose objective is to hedge the exposure to fair value changes of certain financial assets, deriving, in particular, from risks associated with variability in their value. Profit or loss resulting from remeasurement of the hedging instrument at fair value is recorded in the income statement for a hedging derivative. Profit or loss on the hedged element attributable to the hedged risk adjusts the book value of the hedged element, recorded immediately in the income statement, even if the hedged element is otherwise valued at cost.
- in the case of cash flow hedges, fair value changes are booked to equity for the effective portion of the hedge and to the income statement solely where, with reference to the hedged item, a change occurs in the cash flows to be offset.

Provisions for personnel (IAS 19)

The employee severance indemnity (TFR) is considered a defined benefit plan. Benefits guaranteed to employees are recognised
monthly on an accrual basis and disbursed at the time of termination of employment.
The severance indemnity is accrued on the basis of the seniority reached at the end of the year by each individual employee in compliance with the laws and labour agreements in force at the reporting date. The accrual reflects the actual amount due to employees, based on the seniority accrued and salaries paid, recalculated on the basis of its actuarial value. The actuarial evaluations adopted are the best estimates regarding the variables that determine the final cost of the services after the termination of employment.

For discounting purposes, the Company uses the projected unit credit method which projects future disbursements on the basis of historical statistical analysis and the demographic curve and the financial discounting of these flows on the basis of a market interest rate. Actuarial gains and losses are recognised in the valuation reserve following the adoption of IAS 19 (revised).

Share-based payment arrangements (IFRS 2)

As part of the medium/long-term incentive plans, payment arrangements are envisaged for the management with share-based payments on shares representing capital, consisting of the assignment of rights which, subject to the predefined conditions being met and at the end of the last year of the vesting period, offer beneficiaries the right to obtain the cash equivalent or, at the discretion of the Board of Directors, the equivalent in the form of Company's shares.
In particular, the long-term variable incentive plan is based on the assignment of Stock Appreciation Rights (SARs), the value of which depends on the Mittel S.p.A. share performance. This plan envisages that, subject to predefined conditions being met, the beneficiaries can receive the equivalent in cash or in shares of the increase in value of the Company's ordinary share.
The fair value of transactions involving share-based payments settled in the form of equity instruments is recognised as a cost in the income statement under personnel costs or service costs as a balancing entry to the related item in equity, proportionally according to the period in which the service is provided and in consideration of the conditions established in the Incentive Plan regulations that offer the Company the option of choosing between cash settlement or the issue of equity instruments.

Business combinations and Goodwill

A business combination consists of an amalgamation of businesses or separate company activities into a single entity responsible for preparing the financial statements. The business combination may give rise to a shareholding relationship between the parent company (acquirer) and the subsidiary (acquiree) or may also involve the acquisition of the net assets of another entity, including goodwill.

Business combinations are accounted for using the acquisition method provided by IFRS 3 – Business Combinations. The cost of a business combination identified as the fair value, on the date control is acquired, of the assets transferred, liabilities assumed and equity instruments issued for the purposes of performing the combination, including directly attributable costs, is therefore allocated by recording, at the acquisition date, the fair value of the identifiable assets, liabilities and contingent liabilities in the acquisition that meet the conditions for recognition set out in IFRS 3.

Additional costs in business combination transactions are booked in the income statement in the period in which they are incurred.

Conditional considerations are considered part of the transfer price of the net assets acquired and measured at fair value on the acquisition date. Similarly, if the business combination contract makes provision for the right to the return of certain price components when specified conditions are met, this right is classified by the acquirer as an asset. Any subsequent changes in fair value shall be recognised to adjust the original accounting treatment only if they are caused by additional or better information about this fair value and if they take place within 12 months from the acquisition date; all other changes shall be recognised in the income statement.

The goodwill resulting from the acquisition is to be allocated to cash generating units (CGUs) into which business combination activities are separated, as the goodwill is not able to generate cash flows autonomously. International accounting standard IAS 36 states that any CGU or group of CGUs to which goodwill can be allocated must represent the lower level at which the company controls the goodwill for management purposes and may not, in any case, be higher than a segment for which the company presents information disaggregated in accordance with IFRS 8 'Operating Segments'.

Any positive difference between the cost of the acquisition and the Group's share of the fair value of the acquired identifiable assets, liabilities or contingent liabilities is recorded as goodwill. If the difference is negative, it is booked directly in the Income Statement.

Non-controlling interests in the acquiree are initially measured to the extent of their share of the present values of the assets, liabilities and contingent liabilities recorded.

If a business combination is realised in several phases with subsequent purchases of shares, each phase is measured separately using the cost and information relating to the fair value of the assets, liabilities and contingent liabilities at the date of each transaction to determine the amount of any difference.

The opening allocation to the assets and liabilities referred to above (*"Purchase Price Allocation", "PPA"*), making use of the option referred to in IFRS 3, can be provisionally determined; this allocation must be definitively completed within 12 months from the date of acquisition of control. Following initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill always relates to the profit-generating activities identified, whose income and cash-flow generating capacity is constantly monitored for the purposes of impairment testing.

In the case of an acquisition of a subsidiary in phases, the non-controlling interest held previously, up until that moment accounted for in accordance with IFRS 9 (for non-qualified interests) or according to IAS 28 (for investments in associates and joint ventures), is treated as if it had been sold and re-acquired on the date on which control was acquired. This investment is therefore measured at its fair value at the "transfer" date and the profits and losses resulting from the measurement are recorded in the income statement. In addition, each value previously recorded in equity as Other comprehensive profits and losses, booked in the income statement following the transfer of the asset to which it refers, is reclassified in the income statement. Goodwill or income (in the case of badwill) deriving from business concluded with subsequent acquisition is determined as the sum of the price paid to obtain control, the value of non-controlling interests (measured according to one of the methods permitted by the standard), the fair value of the non-controlling interest held previously, net of the fair value of the net identifiable assets acquired.

Accounting of the acquisition of additional investments in companies already controlled is considered as transactions with the shareholders and, therefore, the differences between the acquisition costs and the book value of the non-controlling shares acquired are booked to equity pertaining to the Group. Similarly, sales of non-controlling shares without the loss of control do not generate profits/losses in the income statement, but changes in equity pertaining to the Group.

Income taxes (IAS 12)

The effects relating to current and deferred taxes calculated in compliance with national tax legislation based on the accruals principle are recognised, consistently with the methods of recognition in the financial statements of the costs and revenue that generated them, by applying the applicable tax rates.

Income taxes are recorded in the income statement, with the exception of those relating to items debited from or credited directly to equity.

The provision for income taxes is determined on the basis of a prudential forecast of current and deferred tax assets and liabilities.

In particular, current taxes include the net balance of current liabilities in the year and current tax assets represented by payments on account and other tax credits for withholding tax.

Deferred tax assets and liabilities are determined on the basis of temporary differences - with no time limits - between the carrying amount of an asset or a liability and their tax base.

Deferred tax assets are recognised in the financial statements to the extent they are likely to be recovered, measured on the basis of the capacity of the relevant company or group of companies, due to exercise of the “tax consolidation” option, to generate taxable profit on an ongoing basis.

Deferred tax assets and liabilities are accounted for at equity level by carrying out offsets at said tax level and for each year by taking into account the time profile of expected repayment.

In years in which the deductible temporary differences are higher than the taxable temporary differences, the associated deferred tax assets are recorded under assets in the statement of financial position, in the item deferred tax assets. By contrast, in years in which the taxable temporary differences are higher than the deductible temporary differences, the associated deferred tax liabilities are recorded under liabilities in the statement of financial position, in the item deferred tax liabilities.

Deferred tax assets and liabilities are systematically measured to take account of any changes to the regulations or the tax rates and any different subjective situations of Group companies. In addition to the allocation of current and deferred taxes, the Group monitors, in line with IFRIC 23, any impacts that may result from tax assessments already announced and still not settled or whose income is uncertain, as well as any uncertainties connected with the tax treatments adopted by the Group, which may not be accepted by the tax authorities.

Provisions for risks and charges (IAS 37)

Accruals to the provision for risks and charges are made exclusively when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required in order to fulfil the obligation;
- the amount of the obligation can be reliably estimated.

Where the time factor is significant, the provisions are discounted. The allocation to the provision is recorded in the income statement. Interest expense accrued on provisions that have been discounted is also recorded in the income statement.

“Other provisions” include any allocations to cover presumed losses on legal proceedings in which the company is the defendant and any claw-back claims; estimated disbursements for customer complaints relating to activities; other estimated disbursements in respect of existing legal or constructive obligations at the reporting date.

Revenue recognition (IFRS 15)

Sales of products and services

Revenue from the sale of products or services is recognised when the commitments laid down in the relative contracts are met. In particular, the following fundamental steps are required for the recognition of revenue:

- identification of the contract with the customer;
- identification of the contract’s performance obligations;
- pricing;
- allocation of the price to the contract’s performance obligations;
- revenue recognition when the entity satisfies every performance obligation.

A contract is an agreement between two or more parties that creates enforceable rights and obligations. The enforceability of rights and obligations in the contract shall be governed by the law. The contract may be written, oral or implied from the entity's usual commercial practices.

At the initiation of the contract, the goods or services promised in the contract agreed with the customer are valued and a performance obligation is promised to transfer to the customer:

- a distinct good or service (or combination of goods and services), or
- a set of distinct goods or services which are substantially similar and follow the same pattern of transfer to the customer.

In determining the transaction price, account shall be taken of the terms of the contract and its usual commercial practices. The transaction price is the amount of consideration the entity believes it is entitled to in exchange for the transfer of the promised goods or services to the customer, excluding amounts collected on behalf of others (e.g., sales taxes). The consideration promised in the contract with the customer may include fixed amounts, variable amounts or both. To estimate the amount of the variable consideration, the Group assesses the use of one of the following two methods, from time to time choosing the method that makes it possible to better predict the amount of consideration to which it will be entitled:

- the expected value, which is the sum of the amounts weighted by probability within a range of possible consideration amounts;
- the most probable amount, being the most probable amount within a range of possible consideration amounts (i.e. the most probable outcome of the contract).

The transaction price includes all or part of the variable consideration only to the extent that it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved, there will be no significant downward adjustment to the amount of the accumulated revenue recognised.

In determining the transaction price, the entity shall adjust the promised amount of the consideration to take account of the effects of the time value of money if the payment terms agreed by the parties to the contract (explicitly or implicitly) offer the customer or entity a significant benefit in terms of financing the transfer of the goods or services to the customer. In this case, the contract contains a significant financing component.

For the purposes of allocating the transaction price, each performance obligation (or each separate good or service) is attributed an amount that reflects the consideration amount to which the entity expects to be entitled, in return for the transfer of the promised goods or services to the customer. In order to achieve the objective of the allocation, the transaction price is allocated, if necessary, between each of the performance obligations identified in the contract on the basis of the related stand-alone selling price.

Revenue is recognised when (or as) the performance obligation is met by transferring the promised good or service (i.e. the asset) to the customer. The asset is transferred when (or as) the customer acquires control of it. Control of the good or service is transferred over time, and therefore fulfils the performance obligation and revenue is recognised over time, if one of the following criteria is met:

- the customer simultaneously receives and uses the benefits deriving from the Group's services as they are provided;
- the Group's performance creates or improves the asset (for example, work in progress) that the customer controls as the asset is created or improved; or
- the Group's performance does not create an asset that presents an alternative use for the Group.

For every performance obligation fulfilled over time, the Group recognises revenue over time, evaluating progress towards complete fulfilment of the performance obligation.

Interest

Interest is recognised on a pro-rata temporis basis, based on the contractual interest rate or the effective interest rate in the case of application of the amortised cost method.

Dividends

Dividends to be collected are recorded at the time the right to collection arises, which corresponds to the shareholders' meeting resolution on the distribution of dividends. Dividend to be distributed are recognised as liabilities only when they are resolved by the Shareholders' Meeting.

Earnings per share (IAS 33)

Basic earnings per share are determined on the basis of the ratio of net profit for the period attributable to Shareholders of the Parent Company's ordinary shares to the weighted average number of ordinary shares outstanding in the period.
Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to take account of all potential ordinary shares, deriving, for example, from the possibility of exercising stock options assigned, which may have a dilutive effect.

2.4 Significant accounting standards adopted by the Mittel Group

Use of estimates

Preparation of the financial statements and the notes using IFRS requires management to use estimates and assumptions that affect the carrying amount of recognised assets and liabilities and information relating to the contingent assets and liabilities.
The estimates and assumptions used are based on experience and other factors considered relevant. The actual results may, therefore, differ from said estimates. The estimates and assumptions are reviewed periodically and the effects of each change made to them are reflected in the income statement in the period in which the estimate revision takes place if said revision only has an impact on said period, or also in subsequent periods if the revision has an effect on both the current period and future periods.
The main items in the financial statements affected by this estimate process are goodwill, deferred taxes, the fair value of financial instruments and the provision for risks and charges.
Please refer to the specific areas for more details.

Main sources of uncertainty in making financial statement estimates

The critical valuation processes and key assumptions used by the Group in the IAS/IFRS application process are summarised below.

Discretional choices in the accounting standard application process

Impairment losses - receivables and other financial assets

In application of IFRS 9, the Group applies the forecast 'expected credit loss' (ECL) model.
The impairment loss model applies to financial assets measured at amortised cost or at FVOCI, with the exception of equities and assets arising from contracts with customers. Financial assets measured at amortised cost include financial and trade receivables, cash and cash equivalents and debt securities.

Specifically, the accounting standard establishes that, for financial assets not measured at fair value through profit or loss, value adjustments are determined on the basis of the expected loss at 12 months and, if a significant increase in credit risk is observed with respect to the date of initial recognition, on the basis of the expected loss determined over the entire residual life of the financial instrument. On the basis of these elements, financial assets are divided into three stages:

- stage 1 includes performing financial instruments for which there has been no significant increase in credit risk since the date of initial recognition. A 12-month ECL is then calculated, namely the ECL that results from a possible default over a 12-month period from the end of the reporting period;
- stage 2 includes performing financial instruments for which there has been a significant increase in credit risk since the date of initial recognition. In this case, so-called "lifetime" ECLs will be applied, i.e. ECLs resulting from all possible defaults over the expected life of a financial instrument;
- stage 3 includes non-performing financial instruments. The measurement will be determined analytically on the basis of the loss calculated on the residual life of the instrument.

Recoverable value of non-current assets (including goodwill)

Non-current assets include property, plant and equipment and intangible assets (including goodwill), equity investments and other financial assets. These assets are subject to an impairment test to verify the recoverability of their carrying amount; this test pertains to the value of the individual asset and is carried out when impairment has been identified and, in any case, at least on an annual basis. Management periodically reviews the book value of the non-current assets held and used and the assets which must be disposed of, when facts and circumstances require said revision. This activity is performed by using estimates of expected future cash flows from the use or sale of the asset and adequate discount rates for the calculation of the present value. When the book value of a non-current asset has undergone impairment, the Group records a write-down for the value of the excess of the book value of the asset over its recoverable value through use or sale of the same, determined with reference to the Group's more recent plans.

Realisability of deferred tax assets

The Group records the deferred tax assets up to the value for which it deems their recovery likely, also taking into account a further worsening in the assumptions envisaged over a medium-term period and the fact that the net deferred tax assets allocated refer to temporary differences/tax losses which can be recovered.
The forecasts are based on taxable income that can be generated with reasonable certainty in light of budget results and the forecasts for subsequent years which consider the reasonable expectation of implementation of the planned transactions.
For further details, please refer to note no. 10 of the condensed consolidated financial statements.

Receivables

For loans and receivables and other assets evaluations are regularly performed in order to verify the existence of objective evidence that these have been impaired. In particular, in measuring receivables, account is taken of creditor solvency and of the characteristics of credit risk which is indicative of the individual debtor's payment capacity. Any impairment is recorded as cost in the income statement for the year.
Non-current loans and receivables, trade receivables and other receivables originated by the Group fall into this category. The estimate of the allowance for impairment is based on expected losses by the Group, determined on the basis of past experience with similar receivables, losses and collections.

Contingent liabilities

The Group is involved in legal disputes in relation to which, considering the inherent uncertainties, it is difficult to predict with any certainty the disbursement involved with these disputes. Legal proceedings and disputes derive from complex legal problems, which are subject to a different degree of uncertainty, including facts and circumstances concerning each case. The Group identifies a liability in respect of these disputes when it believes that the dispute will result in a cash outlay and when the amount of the resulting losses can be reasonably estimated. In the event in which a financial outlay becomes possible but the amount cannot be determined, this is reported in the explanatory notes.

The main factors of uncertainty that could affect future scenarios in which the Group will be operating include the possible developments of the global and Italian economy linked directly and indirectly with the current geopolitical tensions, whose impacts are being continuously assessed by the Group; please refer to what is indicated in the paragraph "Significant events in the year" and in the "Business outlook".
It should be noted that the sensitivity analyses carried out do not highlight significant issues in terms of impairment testing in the Group's consolidated financial statements. The Group will continue to perform periodic monitoring in order to mitigate the risks deriving from the contingent situation; please refer to the section of the Report on Operations relating to risks.

Changes in accounting estimates

Pursuant to IAS 8, changes in accounting estimates are booked prospectively in the income statement starting from the year in which they are adopted. It should be noted that the period 1 January 2024 – 30 June 2024 was not characterised by changes to the estimation criteria that was already applied to draft the financial statements as at 31 December 2023.

2.5 Changes in IFRS standards, amendments and interpretations

Standards, amendments and interpretations effective from 1 January 2024

The following IFRS standards, amendments and interpretations were applied for the first time by the Group from 1 January 2024:

- On 23 January 2020, the IASB published an amendment called "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 31 October 2022 published an amendment called "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". These amendments aim to clarify how to classify payables and other liabilities as current or non-current. In addition, the amendments also improve the information that an entity must provide when its right to defer the settlement of a liabilities for at least 12 months is subject to compliance with certain metrics (i.e. covenants).
- On 22 September 2022, the IASB published an amendment entitled "*Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback".* The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise income or loss that relates to the retained right of use.
- On 25 May 2023, the IASB published an amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". The document requires an entity to provide additional information on reverse factoring agreement to allow readers of the financial statements to assess how financial agreements with suppliers may affect the liabilities and cash flows of the entity and to understand the effects of such agreements on the entity's exposure to liquidity risk.

The adoption of these amendments had no effect on the Group's consolidated financial statements.

Standards, amendments and interpretations endorsed by the European Union, but not yet compulsorily applicable and not adopted early by the Group as at 30 June 2024

There are no standards, amendments and interpretations endorsed by the European Union to report that are not yet compulsorily applicable and not adopted early by the Group as at 30 June 2024.

IFRS and IFRIC standards, amendments and interpretations not yet endorsed by the European Union

As at the reporting date of this document, the competent bodies of the European Union have still not completed the endorsement process necessary for the adoption of the standards and amendments described below.

- On 30 May 2024, the IASB published the document *"Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7"*. The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:
  - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering liquidity on the settlement date under certain specified conditions.

  With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.
  The amendments will apply as of the financial statements for financial years beginning on or after 1 January 2026.

  The Group will adopt this amendment, based on the planned date of application, and will assess its potential impacts on the consolidated financial statements, when these are endorsed by the European Union.

- On 9 May 2024, the IASB published a new standard *IFRS 19 Subsidiaries without Public Accountability: Disclosures.* The new standard introduces some simplifications with respect to the disclosures required by other IAS-IFRS standards. This standard can be applied by an entity that meets the following main criteria:
  - It is a subsidiary;
  - It has not issued equity or debt instruments listed on a market and is not in the process of issuing them;
  - It has its own parent company that prepares consolidated financial statements in compliance with IFRS.

  The new standard will enter into force on 1 January 2027, but earlier application is permitted.

  The directors do not expect the adoption of this amendment to have a significant effect on the Group's consolidated financial statements.

- On 9 April 2024, the IASB published a new standard *IFRS 18 Presentation and Disclosure in Financial Statements* which will replace IAS 1 *Presentation of Financial Statements*. The new standard aims to improve the presentation of the main financial statements and introduces important changes with reference to the income statement. In particular, the new standard requires that:
  - Revenues and expenses be classified into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
  - Two new sub-totals be presented: the operating result and the result before interest and taxes (i.e. EBIT).

  The new standard also:

  - Requires more information on the performance indicators defined by management;
  - Introduces new criteria for the aggregation and disaggregation of information; and,
  - introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

  The new standard will enter into force on 1 January 2027, but earlier application is permitted. The Group will adopt this amendment, based on the planned date of application, and will assess its potential impacts on the consolidated financial statements, when these are endorsed by the European Union.

- On 15 August 2023, the IASB published an amendment entitled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a consistent methodology in order to verify whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the information to be provided in the explanatory notes. The amendment will apply from 1 January 2025 but early application is permitted.

  The Group will adopt this amendment, based on the planned date of application, and will assess its potential impacts on the consolidated financial statements, when these are endorsed by the European Union.

- On 30 January 2014, the IASB published the standard IFRS 14 - "Regulatory Deferral Accounts", which allows only first-time adopters of IFRS to continue recognising amounts related to rate regulation activities in accordance with previously adopted accounting standards.

  As the Group is not a first-time adopter, this standard does not apply.

3. Consolidation scope

The Consolidated Financial Statements include Mittel S.p.A. and its direct and indirect subsidiaries, including in the consolidation scope - as specifically provided for by the IAS/IFRS - also companies operating in business sectors dissimilar to those to which the Parent Company belongs.

The following are considered subsidiaries: companies in which Mittel is exposed to variable returns, or holds rights over said returns, deriving from its relationship with the same and at the same time has the capacity to affect the returns by exercising its power over said entities.

Control only exists when the following elements are simultaneously present:

- power to direct the relevant activities of the investee;
- exposure or the rights to variable returns deriving from the relationship with the investee;
- the ability to use its power over the investee to affect the amount of the investee’s returns.

The consolidation scope does not include structured entities for which the requirements of effective control may be met, including regardless of the existence of an equity interest.

Entities in which, on a contractual basis, control is shared between the Parent Company, directly or indirectly, and one or more other entities, or when decisions about the relevant activities require the unanimous consent of the parties sharing control, are considered jointly controlled.

Companies in which Mittel, directly or indirectly, holds at least 20% of voting rights (including therein “potential” voting rights) or in which - despite with a lower share of voting rights - has the power to participate in the determination of the financial and management policies by virtue of particular legal links, such as participation in shareholders’ agreements, are considered associates, i.e. subject to a significant influence.

Any interests exceeding 20% are excluded from the consolidation scope and classified under HTC&S financial assets, for which Mittel directly or indirectly, exclusively holds equity rights over a portion of the profits from the investments, has no access to the management policies and can exercise governance rights limited to the protection of its own equity interests.

Lastly, the consolidation scope excludes any non-investee companies for which pledged shares have been received with voting rights exceeding 20%, in consideration of the purpose of said instrument which is the protection of the credit granted and not the exercising of control and management of the financial and economic policies, in order to enjoy the economic benefits deriving from them.

The table below indicates the investments included in the consolidation scope of the consolidated financial statements as at 30 June 2024:

	Company name	Office / Country	Type of relationship (a)	Consolidation method	Investment relationship			
					Participating company	Direct interest %	Direct availability of votes % (b)	Total interest %
Parent Company								
	Mittel S.p.A.							
A. Companies fully consolidated								
Direct subsidiaries:								
1	IBD Group S.r.l.	Milan	(1)	Full	Mittel S.p.A.	96.50%	96.50%	96.50%
2	IMC S.p.A.	Carmagnola (TO)	(1)	Full	Mittel S.p.A.	75.00%	75.00%	75.00%
3	Mittel Investimenti Immobiliari S.r.l.	Milan	(1)	Full	Mittel S.p.A.	100.00%	100.00%	100.00%
4	Earchimede S.p.A.	Milan	(1)	Full	Mittel S.p.A.	99.71%	99.71%	99.71%
5	Mittel Advisory S.r.l. in liquidation	Milan	(1)	Full	Mittel S.p.A.	100.00%	100.00%	100.00%
6	Sport Fashion Service S.r.l.	Milan	(1)	Full	Mittel S.p.A.	90.00%	90.00%	90.00%
7	Progetto Raffaello S.r.l.	Milan	(1)	Full	Mittel S.p.A.	100.00%	100.00%	100.00%
8	Cascina Canavese S.r.l.	Milan	(1)	Full	Mittel S.p.A.	55.00%	55.00%	55.00%
9	Verticale Finestre S.p.A.	Milan	(1)	Full	Mittel S.p.A.	97.00%	97.00%	97.00%
Indirect subsidiaries:								
10	Ceramica Cielo S.p.A.	Fabrica di Roma (VT)	(1)	Full	IBD Group S.r.l.	100.00%	100.00%	96.50%
11	Disegno Ceramica S.r.l.	Gallese (VT)	(1)	Full	IBD Group S.r.l.	100.00%	100.00%	96.50%
12	Galassia S.r.l.	Corchiano (VT)	(1)	Full	IBD Group S.r.l.	100.00%	100.00%	96.50%
13	Galassia Hispania S.a.u.	Spain	(1)	Full	Galassia S.r.l.	100.00%	100.00%	96.50%
14	Fremil GmbH	Germany	(1)	Full	Sport Fashion Service S.r.l.	100.00%	100.00%	90.00%
15	Gamma Tre S.r.l.	Milan	(1)	Full	Mittel Investimenti Immobiliari S.r.l.	100.00%	100.00%	100.00%
16	Lucianita S.r.l. in liquidation	Milan	(1)	Full	Mittel Investimenti Immobiliari S.r.l.	100.00%	100.00%	100.00%
17	MiVa S.r.l.	Milan	(1)	Full	Mittel Investimenti Immobiliari S.r.l.	100.00%	100.00%	100.00%
18	Regina S.r.l. in liquidation	Milan	(1)	Full	Mittel Investimenti Immobiliari S.r.l.	70.00%	70.00%	70.00%
19	Fashion District Group S.r.l. in liquidation	Milan	(1)	Full	Earchimede S.p.A.	66.66%	66.66%	66.47%
20	Parco Mediterraneo S.r.l. in liquidation	Milan	(1)	Full	Fashion District Group S.r.l. in liquidation	100.00%	100.00%	66.47%
21	Italian Windows Group S.r.l.	Milan	(1)	Full	Verticale Finestre S.r.l.	70.00%	70.00%	67.90%
22	Gruppo Finestre S.r.l.	Trento	(1)	Full	Italian Windows Group S.r.l.	100.00%	100.00%	67.90%
23	Daga S.r.l.	Modena	(1)	Full	Italian Windows Group S.r.l.	100.00%	100.00%	67.90%
24	Castiglioni Serramenti S.r.l.	Verbania	(1)	Full	Italian Windows Group S.r.l.	100.00%	100.00%	67.90%
25	Serramenti Verona S.r.l.	Verona	(1)	Full	Gruppo Finestre S.r.l.	100.00%	100.00%	67.90%
B. Companies consolidated using the equity method								
Direct associates:								
1	Mittel Generale Investimenti S.r.l.	Milan	(6)	Equity method	Mittel S.p.A.	27.00%	27.00%	27.00%

(a) Type of relationship:
1 - majority of voting rights at ordinary shareholders’ meeting;
2 - dominant influence at ordinary shareholders’ meeting;
3 - agreements with other shareholders;
4 - joint control;
5 - other forms of control which, pursuant to IFRS 10, simultaneously attribute availability of the power of governance over the relevant activities and exposure to the variability of the resultant returns;
6 - company subject to significant influence;
(b) Availability of votes at ordinary shareholders’ meeting, distinguishing between actual and potential.

The Mittel Group operates mainly in Italy, with the exception of the companies Fremil Gmbh and Galassia Hispania S.a.u. which operate in Germany and Spain, respectively.

3.1 Significant valuations and assumptions for determining the consolidation scope

As stated previously, the following are considered subsidiaries: companies in which Mittel S.p.A. is exposed to variable returns, or holds rights over said returns, deriving from its relationship with the same and, at the same time, has the capacity to affect the returns by exercising its power over said entities. Control only exists when the following elements are simultaneously present:

- power to direct the relevant activities of the investee;
- exposure or the rights to variable returns deriving from the relationship with the investee;
- the ability to use its power over the investee to affect the amount of the investee's returns.

More specifically, the Group considers the following factors when assessing the existence of control:

- the purpose and the structure of the investee, in order to identify the entity's objectives, its relevant activities or those that significantly affect returns, and how these activities are governed;
- the power, in order to understand whether the Group has contractual rights that attribute the ability to direct the relevant activities;
- the exposure to the variability of the returns of the investee, in order to evaluate whether the return received by the Group may potentially vary based on the results achieved by the investee.

Furthermore, in order to assess the existence of control, the potential principal-agent relations are taken into consideration; to assess whether the Group operates as a principal or an agent, it takes into consideration the following factors:

- decision-making power over the relevant activities of the investee;
- the rights held by other entities;
- the remuneration the Group is entitled to;
- the Group's exposure to the variability of the returns deriving from any investment held in the investee.

IFRS 10 identifies only activities that significantly affect the returns of the investee as "relevant activities". In general terms, when the relevant activities are managed through voting rights, the following factors provide evidence of control:

- ownership, directly or indirectly through its subsidiaries, of more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control;
- ownership of half, or less than half, of voting rights that can be exercised at shareholders' meetings and the practical ability to unilaterally govern the relevant activities through: power over more than half of the voting rights by virtue of an agreement with other investors; or the power to determine the financial and operating policies of the entity under a statute or an agreement; or the power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or the power to cast the majority of votes at meetings of the board of directors or equivalent governing body.

In order to exercise this power, the Group's rights over the investee must be substantive; to be substantive, these rights must be practically exercisable when the decisions about relevant activities must be taken.

The existence and effect of potential voting rights, where substantive, are taken into consideration when assessing whether the power to direct the financial and management policies of another entity exists or not. No situations are recognised in which the Group is in a condition to exercise "de facto control" over an entity which, despite the absence of the majority of voting rights, demonstrates the ownership of rights, even of a non-participatory nature, such as to allow the unidirectional management of the investee's relevant activities.

Under subsidiaries, no "structured entities" are identified in which the voting rights do not represent key elements for the evaluation of control, including therein vehicle companies (SPE/SPV) and investment funds.

As at 30 June 2024, it should be noted that the Group owns the majority of the voting rights in all operating entities subject to line-by-line consolidation.

It should also be pointed out that there are no cases in which:

- control derives from the ownership of potential voting rights and/or other substantive rights;
- the Group holds the majority of voting rights and is not exposed to the variability of returns and is able to influence them.

The investment funds managed by third party companies are considered controlled if the Group is significantly exposed to the variability of returns and at the same time holds a unilateral right to remove the management company.

In this regard, it is presumed, unless there is evidence to the contrary, that the exposure to the variability of returns is significant if the Group has subscribed at least 30% of the fund's units.

3.2 Significant valuations and assumptions for establishing whether joint control or a significant influence exists

Entities for which, on a contractual basis, control is shared between the Group and one or more other entities, or when decisions about the relevant activities require the unanimous consent of all the parties sharing control, are considered joint ventures.

An associate is an entity in which the investor exercises a significant influence and which is neither a wholly-owned subsidiary nor a joint venture.

Entities in which the Group holds at least 20% of voting rights (including therein "potential" voting rights) or in which - despite with a lower share of voting rights - has the power to participate in the determination of the financial and management policies by virtue of particular legal links, such as participation in shareholders' agreements, are considered to be companies subject to a significant influence (associates).

Significant influence is presumed to exist when the investor owns, directly or indirectly, at least 20% of the capital of another company, or is able, also through shareholder agreements, to exercise a significant influence through:

- representation in the company's governing body;
- participation in the policy definition process, including therein participation in decisions relating to dividends or other distributions;
- the existence of significant transactions;
- the exchange of managerial personnel;
- the supply of essential technical information.

Any interests exceeding 20% in which the Group exclusively holds equity rights over a portion of the profits from the investments, has no access to the management policies and can exercise governance rights limited to the protection of its own equity interests, are not considered subject to significant influence.

3.3 Changes in the consolidation scope

On 27 June 2024, the liquidation process of the subsidiary Markfactor S.r.l. in liquidation, a wholly-owned subsidiary of the Parent Company, was completed; the completion of the liquidation process did not entail any economic effects at the consolidated level.

3.4 Disclosure on business combinations

With reference to the business combinations relating to the Windows and Doors sector that characterised the second half of 2023, the purchase price allocation processes that led to the valuation of the assets and liabilities acquired at fair value were completed.

Acquisition of Gruppo Finestre S.r.l. by Italian Windows Group S.r.l.

On 26 July 2023, Mittel S.p.A. continued the diversification of investments in Italian companies of excellence, entering the sector of production and distribution of PVC windows and doors with high quality technical performance through the acquisition of a shareholding in the company Gruppo Finestre S.r.l., which was established in 2005 thanks to Stefano Zanasi's acquisition of the Italian window production division of a multinational company and the consequent merger with the Fersina brand.

The company specialises in the production of PVC windows and doors (80% of revenues), aluminium shutters (12%) and armoured doors/interior doors (8%). The acquisition involved the purchase, through equity, of 100% of Gruppo Finestre S.r.l. for a price of EUR 13.2 million by the vehicle Italian Windows Group S.r.l. (IWG) established by the Mittel Group as the holding company of the new Windows and Doors investment sector; Stefano Zanasi invested in 30% of the capital of IWG (the remaining 70% of which is therefore held by Mittel), sealing a strategic partnership with the entrepreneur aimed at the growth of the company and the Group's operating segment.

In order to provide adequate information, details of the net assets acquired as at the reference date are provided below.

Equity and financial position of Gruppo Finestre s.r.l. as at 31 July 2023

Amounts in EUR '000	IFRS
Intangible assets	19
Property, plant and equipment	6,262
Other financial assets	30
Sundry receivables and other assets	8
Deferred tax assets	74
Total non-current assets	**6,393**
Inventories	3,672
Current tax assets	263
Sundry receivables and other assets	17,429
Cash and cash equivalents	4,865
Total current assets	**26,229**
Financial payables	(3,790)
Provisions for personnel	(1,360)
Deferred tax liabilities	(312)
Total non-current liabilities	**(5,462)**
Financial payables	(216)
Current tax liabilities	(1,280)
Sundry payables and other liabilities	(13,963)
Total current liabilities	**(15,459)**
Net assets	**11,701**
Share of Net assets (100%)	**11,701**
Spot settled purchase price	13,200
Fair value of the cost of the business combination at acquisition date	**13,200**
Goodwill of business combination	**1,499**
Liquidity connected with the business combination:	
Purchase price - spot settled share	(13,200)
Cash acquired	4,865
Net liquidity used for the acquisition	**(8,335)**

Acquisition of Daga S.r.l. by Italian Windows Group S.r.l.

On 18 October 2023, as the holding company in the Windows and Doors investment sector, Italian Windows Group S.r.l. acquired, through its own means, the entire share capital of Daga S.r.l., a company that markets windows and doors inclusive of installation. The purchase price paid when the contract was signed was EUR 3.6 million. Contractually, a deferred price of EUR 0.6 million is envisaged upon the occurrence of certain conditions.

In order to provide adequate information, details of the net assets acquired as at the reference date are provided below.

Equity and financial position of Data S.r.l. as at 31 October 2023

Amounts in EUR ‘000	IFRS
Intangible assets	600
Property, plant and equipment	1,344
Other financial assets	84
Sundry receivables and other assets	3,075
Deferred tax assets	313
Total non-current assets	**5,415**
Inventories	63
Other financial assets	299
Sundry receivables and other assets	989
Cash and cash equivalents	481
Total current assets	**1,832**
Financial payables	(2,121)
Provisions for personnel	(213)
Total non-current liabilities	**(2,334)**
Financial payables	(519)
Current tax liabilities	(44)
Sundry payables and other liabilities	(3,454)
Total current liabilities	**(4,017)**
Net assets	**896**
Share of Net assets (100%)	**896**
Spot settled purchase price	3,571
Potential purchase price with deferred settlement	523
Fair value of the cost of the business combination at acquisition date	**4,094**
Goodwill of business combination	**3,197**
Liquidity connected with the business combination:	
Purchase price - spot settled share	(3,571)
Cash acquired	481
Net liquidity used for the acquisition	**(3,090)**

Acquisition of Serramenti Verona S.r.l. by Gruppo Finestre S.r.l.

On 23 November 2023, Gruppo Finestre S.r.l. acquired the entire share capital of Serramenti Verona S.r.l., a company that markets windows and doors inclusive of installation.
The purchase price paid when the contract was signed was EUR 1.9 million. Contractually, a deferred price of EUR 0.3 is envisaged upon the occurrence of certain conditions.

In order to provide adequate information, details of the net assets acquired as at the reference date are provided below.

Equity and financial position of Serramenti Verona S.r.l. as at 30 November 2023

Amounts in EUR '000	IFRS
Intangible assets	10
Property, plant and equipment	788
Sundry receivables and other assets	693
Deferred tax assets	69
Total non-current assets	**1,559**
Inventories	102
Current tax assets	84
Sundry receivables and other assets	671
Cash and cash equivalents	1,096
Total current assets	**1,952**
Financial payables	(565)
Provisions for personnel	(129)
Total non-current liabilities	**(694)**
Financial payables	(97)
Current tax liabilities	(383)
Sundry payables and other liabilities	(1,708)
Total current liabilities	**(2,188)**
Net assets	**632**
Share of Net assets (100%)	**632**
Spot settled purchase price	1,935
Potential purchase price with deferred settlement	300
Fair value of the cost of the business combination at acquisition date	**2,235**
Goodwill of business combination	**1,606**

Liquidity connected with the business combination:	
Purchase price - spot settled share	(1,935)
Cash acquired	1,096
Net liquidity used for the acquisition	**(839)**

Acquisition of Castiglioni Serramenti S.r.l. by Italian Windows Group S.r.l.

On 19 December 2023, Italian Windows Group S.r.l. acquired the entire share capital of Castiglioni Serramenti S.r.l., a company that markets windows and doors inclusive of installation.
The purchase price paid when the contract was signed was EUR 1.6 million. Contractually, an earn-out of EUR 0.3 million is envisaged if certain conditions are met.

In order to provide adequate information, details of the net assets acquired as at the reference date are provided below.

Equity and financial position of Castiglioni Serramenti s.r.l. as at 31 December 2023

Amounts in EUR '000	IFRS
Property, plant and equipment	514
Other financial assets	118
Sundry receivables and other assets	228
Deferred tax assets	96
Total non-current assets	**956**
Inventories	383
Current tax assets	53
Other financial assets	867
Sundry receivables and other assets	2,191
Cash and cash equivalents	1,014
Total current assets	**4,508**
Financial payables	(537)
Provisions for personnel	(48)
Total non-current liabilities	**(585)**
Financial payables	(150)
Current tax liabilities	(285)
Sundry payables and other liabilities	(3,329)
Total current liabilities	**(3,764)**
Net assets	**1,115**
Share of Net assets (100%)	**1,115**
Spot settled purchase price	1,600
Potential purchase price with deferred settlement	458
Fair value of the cost of the business combination at acquisition date	**2,058**
Goodwill of business combination	**943**
Liquidity connected with the business combination:	
Purchase price - spot settled share	(1,600)
Cash acquired	1,014
Net liquidity used for the acquisition	**(586)**

3.5 Additional information on the subsidiaries with significant non-controlling interests

With reference to the information required by IFRS 12, for each of the subsidiaries with significant non-controlling interests a summary is provided below of the economic and financial data of the subsidiary as at 30 June 2024 and the information relating to the share of the interests held by non-controlling shareholders and the percentage of voting rights.
The aforementioned economic and equity data derive from the accounting situations as at 30 June 2024 of the subsidiaries with significant non-controlling interests, appropriately reclassified and adjusted to take account of the period and consolidation entries and, where necessary, to bring them into line with the Group accounting standards for the purpose of the consolidated financial statements as at 30 June 2024.

Investments with significant non-controlling interests: accounting information

Subsidiaries:	Cascina Canavese S.r.l.	IMC S.p.A.	Ceramica Cielo S.p.A.	Disegno Ceramica S.r.l.	Earchimede S.p.A.	Fashion District Group S.r.l. in liquidation	Parco Mediterraneo S.r.l. in liquidation	Regina S.r.l. in liquidation	Galassia S.r.l. and Galassia Hispania S.a.u.	Sport Fashion Service S.r.l and Fremil GmbH
Gross operating margin (EBITDA)	**(23)**	**4,259**	**3,987**	**542**	**(51)**	**(41)**	**(17)**	**(11)**	**1,022**	**(648)**
of which:										
Revenue	*0*	*22,634*	*17,649*	*6,720*	*0*	*8*	*0*	*0*	*12,260*	*5,593*
Changes in inventories	*67*	*554*	*(479)*	*(531)*	*0*	*0*	*0*	*0*	*(143)*	*2,440*
Costs for purchases	*(47)*	*(13,046)*	*(5,287)*	*(1,812)*	*0*	*0*	*0*	*0*	*(4,321)*	*(5,386)*
Costs for services	*(4)*	*(2,282)*	*(4,117)*	*(1,527)*	*(45)*	*(44)*	*(16)*	*(9)*	*(2,881)*	*(1,652)*
Personnel costs	*0*	*(3,502)*	*(3,615)*	*(2,266)*	*0*	*0*	*0*	*0*	*(3,731)*	*(1,586)*
Operating result (EBIT)	**(23)**	**2,382**	**3,276**	**82**	**(51)**	**(41)**	**(17)**	**(11)**	**424**	**(1,151)**
of which:										
Amortisation	*0*	*(1,857)*	*(710)*	*(459)*	*0*	*0*	*0*	*0*	*(599)*	*(502)*
Allocations	*0*	*(20)*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Financial income	*0*	*0*	*403*	*0*	*83*	*0*	*0*	*1*	*3*	*16*
Financial expenses	*(20)*	*(493)*	*(80)*	*(142)*	*0*	*0*	*0*	*0*	*(48)*	*(189)*
(Adjustments to)/reversals of impairment losses on financial assets	*0*	*0*	*(5)*	*(15)*	*0*	*0*	*0*	*0*		
Profit (loss) before taxes	**(43)**	**1,890**	**3,594**	**(74)**	**32**	**(41)**	**(17)**	**(10)**	**369**	**(1,342)**
Income taxes	*0*	*(508)*	*(1,097)*	*148*	*1*	*15*	*46*	*6*	*25*	*111*
Profit (loss) for the year	**(43)**	**1,381**	**2,497**	**74**	**34**	**(26)**	**29**	**(4)**	**393**	**(1,231)**
of which: Profit (loss) pertaining to non-controlling interests	*19*	*(345)*	*(87)*	*(3)*	*(0)*	*9*	*(10)*	*1*	*(14)*	*123*
Non-current assets	**82**	**47,345**	**13,533**	**6,486**	**374**	**8**	**2,019**	**0**	**13,686**	**31,335**
of which:										
Financial receivables	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other financial assets	*0*	*0*	*0*	*1*	*300*	*0*	*0*	*0*	*81*	*0*
Current assets	**14,745**	**19,774**	**48,544**	**7,485**	**220**	**211**	**97**	**74**	**13,966**	**15,085**
of which:										
Inventories	*12,310*	*8,788*	*5,988*	*3,791*	*0*	*0*	*0*	*0*	*5,665*	*9,149*
Financial receivables	*0*	*0*	*31,943*	*0*	*0*	*0*	*0*	*0*	*566*	*0*
Cash and cash equivalents	*65*	*2,040*	*763*	*40*	*196*	*66*	*20*	*59*	*562*	*1,788*
Total assets	**14,827**	**67,120**	**62,078**	**13,971**	**594**	**219**	**2,116**	**74**	**27,652**	**46,420**
Non-current liabilities	**1,000**	**23,164**	**3,547**	**2,010**	**0**	**0**	**(0)**	**0**	**1,512**	**7,042**
of which:										
Financial payables	*1,000*	*22,705*	*1,072*	*576*	*0*	*0*	*0*	*0*	*786*	*5,298*
Current liabilities	***42***	***14,075***	***11,933***	***11,787***	***131***	***65***	***0***	***4***	***8,496***	***11,024***
of which:										
Financial payables	*0*	*2,207*	*413*	*7,469*	*0*	*0*	*0*	*0*	*886*	*5,967*
Equity	**13,786**	**29,881**	**46,597**	**174**	**14,422**	**154**	**2,116**	**70**	**16,124**	**28,354**
of which attributable to non-controlling interests	***6,204***	***7,470***	***1,631***	***6***	***1***	***52***	***709***	***21***	***564***	***2,835***

Subsidiaries:	IBD Group S.r.l.	Verticale Finestre S.r.l.	Italian Windows Group S.r.l.	Gruppo Finestre S.r.l.	Daga S.r.l.	Serramenti Verona S.r.l.	Castiglioni Serramenti S.r.l.
Gross operating margin (EBITDA)	**(30)**	**(11)**	**(83)**	**1,364**	**95**	**888**	**1,470**
of which:							
Revenue	*25*	*0*	*0*	*15,040*	*3,523*	*2,488*	*3,283*
Changes in inventories	*0*	*0*	*0*	*1,444*	*366*	*110*	*114*
Costs for purchases	*0*	*0*	*0*	*(8,074)*	*(1,879)*	*(974)*	*(1,179)*
Costs for services	*(54)*	*(9)*	*(82)*	*(3,744)*	*(1,131)*	*(371)*	*(544)*
Personnel costs	*0*	*0*	*0*	*(3,264)*	*(687)*	*(357)*	*(178)*
Operating result (EBIT)	**(30)**	**(12)**	**(84)**	**866**	**(48)**	**833**	**1,431**
of which:							
Amortisation	*0*	*(1)*	*(0)*	*(498)*	*(143)*	*(55)*	*(39)*
Allocations	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Financial income	*502*	*139*	*24*	*180*	*19*	*8*	*3*
Financial expenses	*(449)*	*0*	*(167)*	*(128)*	*(74)*	*(23)*	*(29)*
(Adjustments to)/reversals of impairment losses on financial assets	*0*	*0*	*0*	*(39)*	*0*	*0*	*0*
Profit (loss) before taxes	**23**	**127**	**(227)**	**879**	**(104)**	**817**	**1,423**
Income taxes	*46*	*(9)*	*39*	*(247)*	*10*	*(232)*	*(400)*
Profit (loss) for the year	**69**	**118**	**(188)**	**632**	**(94)**	**585**	**1,023**
of which: Profit (loss) pertaining to non-controlling interests	*(2)*	*(4)*	*60*	*(203)*	*30*	*(188)*	*(328)*
Non-current assets	**12,045**	**6,472**	**3**	**8,823**	**9,711**	**4,416**	**1,031**
of which:							
Financial receivables	*0*	*6,466*	*0*	*0*	*0*	*0*	*0*
Other financial assets	*0*	*0*	*0*	*30*	*95*	*0*	*57*
Current assets	**36,937**	**189**	**4,726**	**27,311**	**2,636**	**1,737**	**5,285**
of which:							
Inventories	*0*	*0*	*0*	*4,102*	*473*	*189*	*497*
Financial receivables	*6,556*	*0*	*1,157*	*3,625*	*0*	*1,196*	*1,891*
Cash and cash equivalents	*24,399*	*188*	*3,104*	*2,202*	*101*	*13*	*729*
Total assets	**48,982**	**6,661**	**4,728**	**36,133**	**12,347**	**6,153**	**6,316**
Non-current liabilities	**0**	**0**	**996**	**4,490**	**1,264**	**768**	**534**
of which:							
Financial payables	*0*	*0*	*0*	*2,414*	*1,046*	*623*	*488*
Current liabilities	***40,538***	***44***	***11,505***	***18,554***	***7,175***	***2,392***	***2,700***
of which:							
Financial payables	*40,437*	*0*	*11,461*	*898*	*2,177*	*110*	*153*
Equity	**9,964**	**6,616**	**(7,772)**	**13,089**	**3,909**	**2,993**	**3,082**

of which attributable to non-controlling interests	*349*	*198*	*(2,495)*	*4,201*	*1,255*	*961*	*989*

Non-controlling interests, availability of votes of non-controlling interests and dividends distributed to non-controlling interests

	Interests in capital of non-controlling interests %	**Availability of votes of non-controlling interests % (1)**	**Profit (loss) pertaining to non-controlling interests**	**Equity pertaining to non-controlling interests**	**Dividends distributed to non-controlling interests**
IBD Group S.r.l.	3.50%	3.50%	2	349	
Disegno Ceramica S.r.l.	3.50%	3.50%	3	6	
Galassia S.r.l.	3.50%	3.50%	12	531	
Galassia Hispania S.a.u.	3.50%	3.50%	1	33	
Ceramica Cielo S.p.A.	3.50%	3.50%	87	1,631	
Earchimede S.p.A.	0.29%	0.29%	-	1	41
Fashion District Group S.r.l. in liquidation	33.53%	33.34%	(9)	52	-
Parco Mediterraneo S.r.l. In liquidation	33.53%	33.53%	10	710	
IMC S.p.A.	25.00%	25.00%	345	7,470	
Regina S.r.l. in liquidation	30.00%	30.00%	(1)	21	-
Sport Fashion Service S.r.l.	10.00%	10.00%	(123)	2,834	
Fremil GmbH	10.00%	10.00%	-	1	
Cascina Canavese S.r.l.	45.00%	45.00%	(19)	6,204	
Verticale Finestre S.p.A.	3.00%	3.00%	4	198	
Italian Windows Group S.r.l.	32.10%	32.10%	(60)	(2,494)	
Gruppo Finestre S.r.l.	32.10%	32.10%	203	4,201	
Daga S.r.l.	32.10%	32.10%	(30)	1,255	
Castiglioni Serramenti S.r.l.	32.10%	32.10%	328	989	
Serramenti Verona S.r.l.	32.10%	32.10%	188	961	
			941	24,953	41

(1): Availability of voting rights at ordinary shareholders' meetings

Information on the Consolidated Statement of Financial Position

Consolidated statement of financial position - Assets

Non-current assets

4. Intangible assets

Intangible assets amounted to EUR 69.7 million, compared to EUR 69.4 million in the previous year.

During the half-year, the item saw the following changes:

	Goodwill	Trademarks	Plant	Concessions and licences	Other	Total
Values as at 01.01.2024	**56,949**	**12,085**	**10**	**222**	**178**	**69,444**
Changes in the year:						
- acquisitions	-	9	-	21	345	**375**
- increase due to business combinations		-	-	-	-	-
- disposals	-	-	-	-	-	**-**
- reclassifications	-	-	-	-	-	**-**
- amortisation	-	-	(2)	(73)	(22)	**(97)**
- other changes	-	-	-	-	-	**-**
Total changes	**-**	**9**	**(2)**	**(53)**	**323**	**278**
Values as at 30.06.2024	**56,949**	**12,094**	**9**	**169**	**501**	**69,722**

Goodwill as at 30 June 2024, amounting to EUR 56.9 million, is attributable to:

- for EUR 19.3 million to IMC;
- for EUR 18.4 million to Sport Fashion Service (Ciesse Piumini CGU);
- for EUR 5.6 million to Ceramica Cielo;
- for EUR 4.4 million to Galassia;
- for EUR 2.1 million to Disegno Ceramica;
- for EUR 7.2 million to Windows and Doors: EUR 1.5 million for Gruppo Finestre, EUR 3.2 million for Daga, EUR 1.6 million for Serramenti Verona and for EUR 0.9 million for Castiglioni Serramenti.

The “Trademarks” item, amounting to EUR 11.5 million, is detailed as follows:

- for EUR 4.3 million for Ceramica Cielo;
- for EUR 2.0 million for Galassia;
- for EUR 5.2 million for Sport Fashion Service (“Ciesse Piumini” and “Jeckerson” brands).
- for EUR 0.6 million for Daga;

Impairment test

IAS 36 par. 10 requires that an intangible asset with an indefinite useful life and goodwill be tested for impairment at least annually. Except when the requirements of paragraph 10 apply, the concept of materiality applies to identify whether the recoverable amount of an asset needs to be estimated. For example, if previous calculations show that the recoverable amount of an asset is significantly greater than its carrying amount, the entity does not need to reestimate the recoverable amount of the asset if no event has occurred that has eliminated that difference. Similarly, previous analyses may show that the recoverable amount of an asset is not affected by one (or more than one) of the indications listed in paragraph 12 (i.e. internal and external triggers).

It should be noted that IAS 36 states that any CGU or group of CGUs to which goodwill may be allocated must represent the lower level at which the company controls goodwill for management purposes. This minimum level coincides, in most cases, with the legal entities being acquired, as assets or groups of assets generating cash inflows that are largely independent from cash inflows from other assets or groups of assets cannot be identified within the legal entities.

As at 31 December 2023, as part of the annual impairment procedures required by IAS 36 for the related goodwill recognised in the consolidated financial statements, CGUs related to the Clothing and Automotive operating segments were tested for impairment.

For these CGUs, the analyses at 30 June 2024, which included, among other things, verifying the amount of the differences between the carrying amounts and recoverable amounts of the CGUs recognised in the last impairment test at 31 December 2023 and the presence of market conditions that would result in a significant change in the discount rate used to calculate the asset's value in use, significantly reducing the asset's recoverable amount, did not reveal the presence of trigger events that would require the impairment test to be performed from scratch:

- Automotive (IMC): in the first half of 2024, the company recorded an improvement over the comparison period and outperformed the budget, both in terms of revenues and margins; no evidence emerged during the half-year period of developments that would compromise the overall ability to comply with the financial plans included in the impairment test (and sensitivity) carried out for the financial statements as at 31 December 2023;
- Clothing (Sport Fashion Service): for Ciesse Piumini, the analysis of sales trends against the budget for the half-year—which is typically not very indicative due to the brand's seasonal nature—shows no significant differences at this time. Similarly, there are no noteworthy changes for Jeckerson. In any case, for both CGUs even the simulations carried out on the WACC – in the current interest rate environment – do not result in the break-even WACCs being exceeded with respect to the carrying value determined in the impairment test as at 31 December 2023.

Given the above, in conclusion, it is possible to confirm that there are no triggers of an internal and/or external nature such as to require an impairment test to be performed as of 30 June 2024, which for these CGUs will therefore be performed when the annual financial statements for the year ending 31 December 2024 are prepared, based on the relevant business plans updated to take into account further developments that will occur in the second half of the current financial year.

Design Sector CGU

For the purposes of these financial statements, the CGUs of the Design segment (Ceramica Cielo, Galassia, Disegno Ceramica) were subjected to impairment. For these CGUs, the last impairment test was carried out, in compliance with the normal annual frequency required by IAS 36, at the time of the half-year report as of 30 June 2023; the impairment tests and their results are illustrated below.

For the above companies, the plans used for the impairment test were carefully reviewed and approved by management and prudently reflect the cash flow impacts of the macroeconomic environment as well. The purpose of the impairment test on the aforementioned goodwill figures was to assess whether the carrying amounts as at 30 June 2024 were accurate and whether its economically recoverable value, based on the enterprise value (EV), of the identified CGUs was higher than the book value of the goodwill and net assets of the CGUs.

The value in use of the CGUs subject to impairment testing ("Value in use of the CGU") is determined by means of a "financial method" (the so-called Discounted Cash Flow method), which estimates the present value of future cash flows that the CGU is expected to generate. According to this financial method, the fundamental value of the business activity is estimated on the basis of an asset side approach, which starts from the estimate of the value of the operating asset (the so-called Core Enterprise Value or Core EV), obtained as the present value of expected future (net of taxes) unlevered free cash flows (UFCF).

In particular, according to this method, from an asset side perspective, the operating value of a company’s business is represented by the value of its typical or operating assets, given by the sum of the present value of the cash flows generated by operations in an explicit forecast period and the present value of the company’s operating assets at the end of that period (Terminal Value).

Since value in use is determined using estimates and assumptions that may present elements of uncertainty, sensitivity analyses were carried out, as required by IAS/IFRS, to verify the sensitivity of the results obtained to changes in certain parameters and underlying assumptions.

Below, the parameters and data used to calculate the Value in Use and the results of the impairment tests carried out are shown separately for the Ceramica Cielo, Galassia and Disegno Ceramica CGUs. These results show the full recoverability of the book values, in the presence of a recoverable amount higher than the book value of each CGU.

Discount rate for cash flows for the Design CGU

In determining the value in use, cash flows were discounted to present value at a rate that reflects current market assessments, the time value of money and the specific risks of the asset, appropriately taking into account the long-term nature of the cash flows used in estimating the value in use of the CGU.

The cost of capital is determined net of taxes, in order to be consistent with the discounted cash flows.

In order to discount the operating cash flows, a rate representing the cost of all financial resources used by the company, represented by the Weighted Average Cost of Capital (WACC), was used.

The parameters considered in the WACC estimate are set out below.

- Cost of equity – K*e*: overall, the identified *cost of risk capital* (K*e*) was **11.0%** (11.5% as at 30 June 2023), based on using the following parameters:
    - The risk-free rate was estimated on the basis of the average effective gross yield of medium- to long-term Italian government bonds (10-year BTPs) and was **4.0%** (4.1% as of 30 June 2023).
    - The *unlevered beta – β*: also known as the "asset beta", indicates the factor of interrelationship between the actual return of a share and the total return of the reference market; it measures the volatility of an equity with respect to the market.

      The Beta coefficient is a measure of the correlation between the company's operating cash flows and those expected from the market under the assumption that the company is free of financial risk and is calculated as an average of the unlevered betas of comparable companies. The unlevered beta was **0.60** (0.71 as at 30 June 2023).

      This coefficient was recalculated by assuming a financial structure typical of the sector in which the Company operates, for which a gearing (ratio between debt capital (D) and the sum of equity capital (E) and debt capital (D+E)) of 13% was calculated (20% as at 30 June 2023) and it was deemed reasonable to assume a relevered Beta of 0.67 (0.85 as at 30 June 2023), which was taken into account for the determination of the cost of capital Ke;
    - An estimated market risk premium was used equal to **5.2%** (5.0% as at 30 June 2023);
    - From a prudential point of view, an overall specific risk premium/discount of **3.5%** (3.1% as at 30 June 2023) has been set, which basically qualifies as an additional premium on the equity cost ("Small cap size premium" or "Lack of Marketability discount"), in order to reflect the size differences and non-listing with respect to the panel of comparables used to estimate the Beta.
- Cost of debt – K*d*: an analysis of the cost of non-current debt was carried out and a cost of debt sustainable over the long-term of **6.0**% (6.1% as at 30 June 2023) was recognised.

  Tax rate – *t*: a tax rate on business income (IRES) of 24.00% was applied.

  By applying a tax rate of 24.00%, the cost of the debt, net of the fiscal consequences, is equal to around 4.59%.
- Leverage ratio – *D/(E+D):* as regards leverage (i.e. the ratio between net financial debt - D - and total sources of financing - D+E - Equity), on the basis of the financial structure at the reference valuation date, a target average leverage level in line with the reference market was assumed.

  For the purposes of estimating a medium/long-term sustainable leverage ratio (D/E), it is considered reasonable to assume a value of 15% (252% as at 30 June 2023), corresponding to a financial structure coefficient D/(D+E) of **13%** (20% as at 30 June 2023)**.**

The *WACC* discount rate used for the assessment in question is therefore **10.17%** (10.10% as at 30 June 2023)**,** largely unchanged from the rate used in the previous impairment test.

Ceramica Cielo

Operating cash flows for the explicit forecast period (2024-2027)

The cash flows identified in this method are those of an operating nature, destined for remuneration and possible repayment of all risk and debt capital providers.

The estimate of expected cash flows is determined on the basis of projections formalised in the Business and Financial Plan approved by Ceramica Cielo S.p.A.'s Board of Directors, prepared with appropriate prudence taking into account the general macroeconomic context present at the date of valuation.

For the purposes of the value in use calculation model adopted, the period 2024-2027 was assumed as the explicit time horizon for determining the flows for the CGU, specifically the economic-financial projections reported in the 2024 Revised Budget, net of the final balances of the first half of 2024, and in the 2025-2027 Business Plan (collectively, the 'Plan').

The business plan for the period 2025-2027 was drawn up by the subsidiary's management taking into consideration:

- the company's economic and financial results for the year 2023 and the first half year of 2024;
- management information (turnover and net financial position);
- the 2024 budget revised on the basis of updated turnover figures as at August 2024.

The main assumptions for the 2025-2027 business plan are as follows:

- ordinary investments over the plan period totalling EUR 2.9 million;
- very conservative revenue growth at an average annual rate of 2.5%;
- variable costs estimated on the basis of the incidence on turnover of the average of the final results for the financial year 2023 and the first half of 2024;
- fixed costs estimated on the basis of actual costs (based on contracts with major suppliers);
- personnel costs: year 2025 up by about 2% compared to the 2024 budget; for the years 2026 and 2027, growth of 2.5% and 3%, respectively, is estimated;
- advertising and promotion costs: estimated in line with the final costs in 2023, increased for the years 2025 and 2027 according to participation in industry exhibitions;
- the effect of the elements summarised above leads to an average margin for the three-year period 25-27, at pre-IFRS 16 EBITDA level, of 26.5%.

Terminal Value or residual value ("TV")

The value at the end of the analytical forecasting period of the flows (the so-called "Terminal Value") was determined, from a prudential perspective, by incorporating the EBITDA calculated on the basis of the average margins of the last three years of the Plan applied to the average turnover of the last three years of the Plan; the face value growth factor "g" applied to the cash flow thus determined is 1.7% (corresponding to the expected long-term inflation rate).

Results of the impairment test of the Ceramica Cielo CGU

The result of the impairment test, carried out with reference to the Enterprise Value of the CGU compared to the corresponding value of the operating invested capital of the CGU, has demonstrated the full recoverability of the book values, with a recoverable value that is much higher than the book value of the CGU including goodwill relating to the CGU.

The discount rate required to reduce the CGU's headroom of EUR 47.7 million to zero would be approximately 31%. This value would remain essentially unchanged even if the growth rate of 1.7%, used as the base assumption, were adjusted at the same time.

Sensitivity analysis

In particular, the impact on the value in use of an increasing change of up to 100 basis points in the discount rate and the reducing to zero of the growth rate "g" for the purpose of estimating the Terminal Value was verified. In the scenario analysed for sensitivity purposes, applying additional stress to the TV calculated on the basis of the most conservative flow would result in a large positive differential between the recoverable value and the carrying value of the CGU.

(Valori in Euro '000)	Carrying Amount 30.06.2024	Impairment test 30.06.24		Sensitivity (worst)	
Impairment test Ceramica Cielo	**Capitale investito = Valore contabile CGU (A)**	**Valore recuperabile (EV) (B)**	**Plusvalore (+) / Impairment loss (-) B-A**	**Valore recuperabile - scenario worst (EV) (C)**	**Plusvalore (+) / Minusvalore (-) C-A**
Capitale Investito (netto IFRS 16)	***13.677***				
Avviamento	5.551				
Capitale investito di Gruppo + Avviamento	***19.228***	***66.960***	***47.732***	***51.778***	***32.550***

Galassia

Operating cash flows for the explicit forecast period (2024-2027)

The cash flows identified in this method are those of an operating nature, destined for remuneration and possible repayment of all risk and debt capital providers.

The estimate of expected cash flows is determined on the basis of projections formalised in the Business and Financial Plan approved by Galassia's Board of Directors, prepared with appropriate prudence taking into account the general macroeconomic context present at the date of valuation.

For the purposes of the value in use calculation model adopted, the period 2024-2027 was assumed as the explicit time horizon for determining the flows for the CGU, specifically the economic-financial projections reported in the 2024 Revised Budget, net of the final balances of the first half of 2024, and in the 2025-2027 Business Plan (collectively, the 'Plan').

The business plan for the period 2025-2027 was drawn up by the subsidiary's management taking into consideration:

- the company's economic and financial results for the year 2023 and the first half year of 2024;
- management information (turnover and net financial position);
- the 2024 budget revised on the basis of updated data.

The main assumptions for the 2025-2027 business plan are as follows:

- investments over the plan period totalling EUR 1.5 million;
- substantial revenue growth in 2025 (in percentage terms depending on the level of revenue in 2024 affected by events in the first half of 2024 that led to a drop in turnover) and 7% per annum in the following two years;
- operating costs increasing by 3% (CAGR) based on the average ratio (of financial year 2023, H1 2024 and Budget 2024) to turnover, also including costs for participation in industry exhibitions;
- personnel costs with salary increases agreed with the signing of the new national contract.
- the effect of the elements summarised above leads to an average margin for the three-year period 25-27, at pre-IFRS 16 EBITDA level, of 18.2%.

Terminal Value or residual value ("TV")

The value at the end of the analytical forecasting period of the flows (the so-called "Terminal Value") was determined, from a prudential perspective, by incorporating the EBITDA calculated on the basis of the average margins of the Plan applied to the average turnover of the last three years of the Plan; the face value growth factor "g" applied to the cash flow thus determined is 1.7% (corresponding to the expected long-term inflation rate).

Results of the impairment test of the Galassia CGU

The result of the impairment test, carried out with reference to the Enterprise Value of the CGU compared to the corresponding value of the operating invested capital of the CGU, has demonstrated the full recoverability of the book values, with a recoverable value that is much higher than the book value of the CGU including goodwill relating to the CGU.

The discount rate needed to eliminate the CGU's headroom of EUR 9.7 million would be:

- approximately 14.0%, assuming a growth rate of 1.7% used in the base case;

- at around 12.9%, setting the above-mentioned growth rate to zero.

Sensitivity analysis

In particular, the impact on the value in use of an increasing change of up to 100 basis points in the discount rate and the reducing to zero of the growth rate "g" for the purpose of estimating the Terminal Value was verified. In the scenario analysed for sensitivity purposes, a positive spread would be obtained between the recoverable value and the carrying amount of the CGU.

(Valori in Euro '000)	Carrying Amount 30.06.2024	Impairment test 30.06.24		Sensitivity (worst)	
Impairment test Galassia	**Capitale investito = Valore contabile CGU (A)**	**Valore recuperabile (EV) (B)**	**Plusvalore (+) / Impairment loss (-) B-A**	**Valore recuperabile - scenario worst (EV) (C)**	**Plusvalore (+) / Minusvalore (-) C-A**
Capitale Investito (netto IFRS 16)	***17.187***				
Avviamento	4.423				
Capitale investito di Gruppo + Avviamento	***21.610***	***31.328***	***9.718***	***24.942***	***3.332***

Disegno Ceramica

Operating cash flows for the explicit forecast period (2024-2027)

The cash flows identified in this method are those of an operating nature, destined for remuneration and possible repayment of all risk and debt capital providers.

The estimate of expected cash flows is determined on the basis of projections formalised in the Business and Financial Plan approved by Disegno Ceramica's Board of Directors, prepared with appropriate prudence taking into account the general macroeconomic context present at the date of valuation.

For the purposes of the value in use calculation model adopted, the period 2024-2027 was assumed as the explicit time horizon for determining the flows for the CGU, specifically the economic-financial projections reported in the 2024 Revised Budget, net of the final balances of the first half of 2024, and in the 2025-2027 Business Plan (collectively, the 'Plan').

The business plan for the period 2025-2027 was drawn up by the subsidiary's management taking into consideration:

- the company's economic and financial results for the year 2023 and the first half year of 2024;
- management information (turnover and net financial position);
- the 2024 budget revised on the basis of updated data.

The main assumptions for the 2025-2027 business plan are as follows:

- investments over the plan period totalling EUR 0.9 million;
- average annual revenue growth of 8.2%, an amount calculated on the basis of the expected closing figures for the financial year 2024, plus the growth potential estimated on the basis of the strategic guidelines identified by management, which amounts to EUR 1.8 million for 2025 and a further EUR 0.7 million for 2026. The amount of revenue included in the business plan relates exclusively to the company's production and was estimated on the basis of the factory's current production capacity;
- operating costs increasing by 3% (CAGR) based on the average ratio (of financial year 2023, H1 2024 and Budget 2024) to turnover, also including costs for participation in industry exhibitions;
- personnel costs increasing by +3.1% overall over the plan, supporting the parallel increase in sales and production and costs related to the renewal of the national collective labour agreement;
- service costs increasing by an average of 4.0% over the plan period due to exhibition fair activities and increased maintenance costs as a result of the factory's increased production effort;
- the effect of the elements summarised above leads to an average margin for the three-year period 25-27, at pre-IFRS 16 EBITDA level, of 18.4%.

Terminal Value or residual value ("TV")

The value at the end of the analytical forecasting period of the flows (the so-called "Terminal Value") was determined, from a prudential perspective, by incorporating the EBITDA calculated on the basis of the average margins of the last three years of the Plan applied to the average turnover of the last three years of the Plan; the face value growth factor "g" applied to the cash flow thus determined is 1.7% (corresponding to the expected long-term inflation rate).

<u>Results of the impairment test of the Disegno Ceramica CGU</u>

The result of the impairment test, carried out with reference to the Enterprise Value of the CGU compared to the corresponding value of the operating invested capital of the CGU, has demonstrated the full recoverability of the book values, with a recoverable value that is much higher than the book value of the CGU including goodwill relating to the CGU.

The discount rate needed to eliminate the CGU's headroom of EUR 7.2 million would be:

- approximately 16.3%, assuming a growth rate of 1.7% used in the base case;
- at around 15.3%, setting the above-mentioned growth rate to zero.

Sensitivity analysis

In particular, the impact on the value in use of an increasing change of up to 100 basis points in the discount rate and the reducing to zero of the growth rate "g" for the purpose of estimating the Terminal Value was verified. In the scenario analysed for sensitivity purposes, applying additional stress to the TV calculated on the basis of the most conservative flow would result in a positive differential between the recoverable value and the carrying value of the CGU.

(Valori in Euro '000)	**Carrying Amount**	**Impairment test 30.06.24**		**Sensitivity (worst)**	
Impairment test Disegno Ceramica	**Valore contabile CGU (A)**	**Valore recuperabile (EV) (B)**	**Plusvalore (+) / Impairment loss (-) B-A**	**Valore recuperabile - scenario worst (EV) (C)**	**Plusvalore (+) / Minusvalore (-) C-A**
Capitale Investito (netto IFRS 16)	***7.404***				
Avviamento	2.071				
Capitale investito di Gruppo + Avviamento	***9.475***	***16.689***	***7.214***	***11.259***	***1.784***

5. Property, plant and equipment

This amounted to EUR 73.3 million, compared to EUR 71.0 million in the previous year. More specifically, the item includes rights of use recognised in application of IFRS 16 and changes as follows:

	Land and buildings	**Investment property**	**Plant and machinery**	**Office machines and equipment**	**Rights of use**	**Other assets**	**Total**
Values as at 01.01.2024	**19,521**	**-**	**18,442**	**1,220**	**30,890**	**918**	**70,991**
Changes in the year:							
- increases	335	-	1,465	84	5,156	380	**7,421**
- increase due to business combinations		-	-	-	-	-	-
- disposals	-	-	-	(25)	(88)	(65)	**(177)**
- reclassifications	-	-	-	-	-	-	**-**
- depreciation	(531)	-	(2,183)	(152)	(1,910)	(165)	**(4,940)**
- other changes	-	-	(13)	-	-	13	**-**
Total changes	**(195)**	**-**	**(731)**	**(93)**	**3,159**	**163**	**2,304**
Values as at 30.06.2024	**19,325**	**-**	**17,711**	**1,127**	**34,049**	**1,082**	**73,294**

6. Investments accounted for using the equity method

These amounted to EUR 2.1 million, a decrease of EUR 0.2 million compared to the comparison period due to the negative pro-rata result for the period under review.

(Thousands of Euro)	30.06.2024	31.12.2023 Restated
Mittel Generale Investimenti S.r.l.	2,127	2,266
	2,127	2,266

The change in the item is as follows:

Name/company name	% interest	Values as at 1.01.2024	Purchases	Transfers	Profit/(loss), pro-rata	Adjustments to valuation reserve	Other changes	Dividends distributed	Values as at 30.06.2024
Associates									
Direct									
Mittel Generale Investimenti S.r.l.	27.00%	2,266	-	-	(139)	-	-	-	2,127
		2,266	**-**	**-**	**(139)**	**-**	**-**	**-**	**2,127**

Information on companies subject to joint control and associates

The reconciliation between the summary of the economic-financial data presented and the book value of the investments in jointly controlled companies and associates is detailed below:

(Thousands of Euro)	Total equity	Pro-rata equity	Goodwill	Other changes	Consolidated book value
Companies subject to significant influence:					
Mittel Generale Investimenti S.r.l.	7,878	2,127	-	-	**2,127**
	-	**-**	**-**	**-**	**2,127**

Associates

The key figures of the investee measured at equity are shown below, referring to the accounting situation as at 30 June 2024:

Companies subject to significant influence	**Mittel Generale Investimenti S.r.l.**
(thousands of Euro)	
Non-current assets	**3,367**
Financial receivables	2,199
Other financial assets	-
Current assets	**4,848**
Financial receivables	2,872
Cash and cash equivalents	942
Total assets	**8,214**
Equity	**7,878**
Non-current liabilities	**106**
Non-current financial payables	-
Current liabilities	**231**
Current financial payables	-
Total equity and liabilities	**8,214**
Gross operating margin (EBITDA)	**(162)**
Costs for services	(125)
Operating result (EBIT)	**(1,869)**
Value adjustments to financial assets	(1,707)
Financial income	*1,355*
Profit (loss) before taxes	**(514)**
Income taxes	-
Profit (loss) for the year (1)	**(514)**
Other profits/(losses) components net of taxes (2)	-
Comprehensive profit (loss) (3) = (1) + (2)	**(514)**

There are no significant restrictions on the capacities of investees subject to significant influence to transfer funds to the investor and particularly significant commitments relating to companies subject to significant influence.

It should be noted that, at present there are no commitments deriving from contractual arrangements, particular events or circumstances that could subject the parent company Mittel S.p.A. and its subsidiaries to providing financial support to associates or non-consolidated structured entities which could determine future cash outflows and obligations from unconditional purchase commitments or unrecognised commitments to grant loans or guarantee any other type of financial support, including the intention to assist investees in obtaining financial assistance.

7. Financial receivables

These totalled EUR 11.1 million, essentially unchanged compared to the prior period.

	30.06.2024	31.12.2023 Restated
Loans	11,077	11,075
	11,077	**11,075**

The item "Loans" mainly consists of loans granted by the parent company Mittel S.p.A. for EUR 9.9 million.

The item is subject to the application of IFRS 9 and, therefore, to the calculation of expected credit losses (ECL), based on the significant increase in credit risk ("SICR") and the use of forward-looking information updated at the reporting date.

8. Other financial assets

Other non-current financial assets amounted to EUR 10.8 million, substantially unchanged from the previous period.

	30.06.2024	31.12.2023 Restated
Equities and fund units	10,765	10,789
	10,765	**10,789**

This item, which includes funds and equity instruments of companies measured at fair value, is composed of and changed as follows:

Name/company name	Values as at 01/01/2024	Purchases and subscriptions	Change in scope	Other changes	Transfers	Fair value adjustments	Values as at 30/06/2024
Equities and fund units:							
Fondo Augusto	10,122	-	-	-	-	42	10,165
Fondo Cosimo I	49	-	-	-	-	(13)	36
Investitori Associati II S.A.	-	-	-	-	-	-	-
Other	617	8	-	-	(61)	-	564
	10,789	**8**	**-**	**-**	**(61)**	**29**	**10,765**

9. Sundry receivables and other assets

The non-current item "Sundry receivables and other assets" totalled EUR 6.9 million (EUR 11.3 million as at 31 December 2023) and is composed as follows:

	30.06.2024	31.12.2023 Restated
Tax receivables	4,195	9,025
Other receivables	2,366	2,011
Other assets	304	276
	6,865	**11,313**

Tax credits amounting to EUR 3.5 million relate to tax credits for companies in the Windows and Doors sector and related to tax bonus regulations.

10. Deferred tax assets

These totalled EUR 13.1 million, down by EUR 0.4 million.

	30.06.2024	31.12.2023 Restated
Tax assets recognised through profit or loss	12,924	13,291
Tax assets recognised in equity	126	162
	13,050	**13,453**

The changes in each item are shown below:

	30.06.2024	31.12.2023 Restated
Opening balance	**13,291**	**20,622**
Increases	**948**	**3,989**
Relating to previous years	-	-
Increases in tax rates	-	-
Other increases	948	3,989
Decreases	**(1,315)**	**(11,320)**
Relating to previous years	-	-
Decreases in tax rates	-	-
Other decreases	(1,315)	(11,320)
Tax assets recognised through profit or loss	**12,924**	**13,291**

	30.06.2024	31.12.2023 Restated
Opening balance	**162**	**115**
Increases	**-**	**52**
Relating to previous years	-	-
Increases in tax rates	-	-
Other increases	-	52
Decreases	**(36)**	**(6)**
Relating to previous years	-	-
Decreases in tax rates	-	-
Other decreases	(36)	(6)
Tax assets recognised in equity	**126**	**162**

With regard to deferred tax assets recognised as at 30 June 2024, it was considered probable that a positive taxable income would be realised such as to allow its use (the value is estimated to be amply sufficient to absorb the advance payments recorded in the balance sheet); the value is recognised on the basis of the value that management deems recoverable, also taking into account a further worsening in the assumptions envisaged over a medium-term period and the fact that the net deferred tax assets allocated refer to temporary differences/tax losses which can be recovered within a time period implicit in the Group’s planning.

Deferred tax assets are allocated due to the significant tax losses and other latent tax benefits accrued in the context of the tax consolidation, as well as based on the significant changes in the Group's structure in recent financial years, which brought companies with considerable taxable income into the tax consolidation scope, leading to a major shift in the outlook for recovering existing latent tax benefits.

As at 30 June 2024, the remaining usable loss carry-forwards pertaining to the tax consolidation amounted to approximately EUR 111.6 million, for a total tax value (at a tax rate of 24%) of approximately EUR 27.2 million. In addition to the tax consolidation losses, Mittel S.p.A. recorded, following the positive response received last year to the query submitted, tax losses of EUR 60.0 million relating to the merged companies Hopa S.p.A. and Tethys S.p.A. Deferred tax assets are not recognised for these losses, as they cannot be utilised within the tax consolidation due to the lack of significant taxable income for Mittel S.p.A.

For the upcoming years, we expect that recently made acquisitions (most recently that of Ceramica Catalano, whose taxable income will be included in the tax consolidation from the 2025 tax year) or future acquisitions of highly profitable operating businesses with consistent outlook taxable income will make it possible, through the inclusion of the new companies acquired within the Mittel S.p.A. tax consolidation, to value additional latent tax benefits present at Group level, at the moment not yet valued at accounting level.

Current assets

11. Inventories

The item amounted to EUR 73.9 million, an increase of EUR 3.5 million compared to the previous year. In particular, the item is composed as follows:

	30.06.2024	31.12.2023 Restated
Property inventories	35,247	35,597
Inventories of goods and products	29,547	27,149
Inventories of raw materials	9,094	7,617
	73,888	**70,363**

Property inventories

Property inventories are attributable to the initiatives of the following subsidiaries, whose changes for the period are shown below:

	30.06.2024	31.12.2023 Restated
Cascina Canavese S.r.l.	12,310	12,243
Gamma Tre S.r.l.	1,679	1,679
Mittel Investimenti Immobiliari S.r.l.	20,001	20,430
MiVa S.r.l.	1,257	1,245
Total	**35,247**	**35,597**

	31.12.2023 Restated	Change in scope	Increase for capitalisation of costs	Decrease for sales	Write-downs	Changes in advances	30.06.2024
Gamma Tre S.r.l.	1,679	-	-	-	-	-	1,679
Mittel Investimenti Immobiliari S.r.l.	20,430	-	-	(429)	-	-	20,001
MiVa S.r.l.	1,245	-	12	-	-	-	1,257
Regina S.r.l.	-	-	-	-	-	-	-
Cascina Canavese S.r.l.	12,243	-	67				12,310
Total	**35,597**	**-**	**79**	**(429)**	**-**	**-**	**35,247**

In order to allow a better analysis of the Group's property portfolio, in support of the financial statement disclosures, reference is made to the recognition criteria used and to the market values applied.

The property portfolio includes buildable areas, properties under construction and properties held for sale. The properties and buildable areas which fall under the property development projects are valued at the lower of the acquisition cost and the corresponding presumed net realisable value. The cost is increased by the incremental expenses and capitalisable financial expenses. Any write-down to net realisable value is made on the basis of valuations performed on individual properties, possibly with the support of external appraisers, on an annual basis. When preliminary sales contracts have already been signed with the counterparties, the real estate units typically do not undergo valuation by an external consultant. This is because the price established in the preliminary sales contract is regarded as indicative of the market value needed to assess the recoverability of the corresponding book value.

No factors occurred during the half-year period that affected the recoverability of the carrying value of the inventories in the portfolio; therefore, there was no need to update the appraisals obtained for the financial statements as at 31 December 2023, the values of which were therefore considered current, net of the divestments made, for this half-year report.

The market value of the property portfolio

Market value means the value determined by appraisals of individual properties, carried out by external experts on an annual basis; the appraisal is made at the close of the annual accounts.

Appraisals by external appraisers are carried out using different methodologies, based on the characteristics of the property under analysis:

- More specifically, for "property development" projects, the criteria adopted by the external experts involve the use of the Transformation Method which is based on the discounting, at the estimate date, of the cash flows generated by the property transaction over the period of time corresponding to its duration, by using the appropriate discount rates, the financial components and business risk of the transaction. Given that the cash flows are the result of the difference between revenue and costs, more concisely, the value of the initiative determined using this method may be defined as the difference between the value of the transformed property and the costs incurred for its transformation.

- For properties that are available to be appraised in their de facto and de iure situation without significant structural interventions or changes in use, the Discounted Cash Flow (“DCF”) analysis method is used. The method is based on the assumption that no rational buyer is willing to pay a price to acquire a property that is higher than the present value of the economic benefits that the asset is able to produce over the course of its useful life. With regards, in particular, to properties subject to valuation, the economic benefits are represented by the cash flows originating from the property’s “income generation” and by its subsequent disposal, and therefore by the lease payments (actual and/or potential) of the property, net of management costs and the terminal value of the property.
- Finally, the Comparative (or Market) Method is used for the completed properties being sold, which is based on the assumption that no rational buyer is willing to pay a price to acquire a property that is higher than the cost of similar assets that have the same degree of utility. This expression refers to the economic principles of substitution (according to which the value of an asset is determined by the price that must be paid to purchase a perfectly identical asset with the same characteristics of utility and desirability) and of balance between demand and supply (according to which the price of an asset is directly determined by the exchange market and represents the definitive synthesis of the negotiation process in which buyers and sellers participate).

The appraisals make use of information that mainly regards: the time span and the characteristics of the property transaction (area quantification and usage breakdown), amount of expenses and commitments borne by the owners. All available information is used for the valuation, taking into consideration factors such as: period for development or income generation, location, age, quality and condition of the buildings (accessibility, surface area, construction type, state of repair, functionality) and payment methods.

Inventories of raw materials, goods and products

Industrial Group companies contribute to this category of inventories. In particular, the item is broken down as follows:

- for EUR 15.4 million from companies in the Design sector;
- for EUR 9.1 million from the Clothing sector;
- for EUR 8.8 million from the Automotive sector;
- for EUR 5.3 million from the Windows and Doors sector.

In addition, the industrial warehouse is carefully measured when the reporting is closed, identifying any phenomena of obsolescence or slow- or no-moving goods. During the half year, no significant incremental write-downs were necessary other than those made at the end of the previous year.

12. Financial receivables

The item amounted to EUR 0.5 thousand, and increased by EUR 0.2 thousand.

	30.06.2024	31.12.2023 Restated
Other receivables	482	270
	482	**270**

13. Other financial assets

The item amounted to EUR 0.1 thousand, a decrease of EUR 1.1 million.

	30.06.2024	31.12.2023 Restated
Equity instruments	-	1,187
Derivative financial instruments	127	-
	127	**1,187**

The item "Derivative financial instruments" relates to hedging derivatives for exchange rate risk for transactions in foreign currency.

14. Current tax assets

The item amounted to EUR 1.6 million, an increase of EUR 0.4 million.

	30.06.2024	31.12.2023 Restated
IRES (corporate income tax)	1,540	892
IRAP (regional business tax)	67	347
Other taxes	-	1
	1,607	**1,240**

Current IRES tax assets refer to the tax consolidation receivable (IRES) of EUR 1.5 million.

The item showed the following changes:

	30.06.2024	31.12.2023 Restated
Opening balance	**1,240**	**956**
Increases	**652**	**721**
Relating to previous years	-	-
Other increases	652	721
Decreases	**(284)**	**(437)**
Reimbursements	-	-
Other decreases	(284)	(437)
	1,607	**1,240**

15. Sundry receivables and other assets

The item amounted to EUR 62.4 million, an increase of EUR 4.5 million, and was composed as follows:

	30.06.2024	31.12.2023 Restated
Trade receivables	39,433	45,950
Other tax receivables	13,757	7,956
Other receivables	7,620	2,748
Accrued income and prepaid expenses	1,621	1,238
	62,431	**57,892**

The “Trade receivables” item is mainly comprised of receivables due from customers deriving from ordinary operations of Group companies.
“*Other Tax credits*” refer mainly to VAT receivables, for EUR 3.1 million, for EUR 9.3 million to tax credit accrued by the companies in the Windows and Doors sector relating to regulations on tax bonuses and for EUR 1.1 million to receivables for withholdings incurred by companies in the Windows and Doors sector.

The increase in Other receivables of EUR 5.6 million is mainly attributable to the payment of the advance price paid for the acquisition of Ceramica Catalano S.p.A., which took place on 19 September 2024 and is better described in the Report on Operations in the section “Significant events occurring after 30 June 2024”.

16. Cash and cash equivalents

Cash and cash equivalents, amounting to EUR 78.2 million (EUR 87.3 million as at 31 December 2023), include cash held by Group companies and investments in bank deposits. The item is composed as follows:

	30.06.2024	31.12.2023 Restated
Cash	97	117
Bank and postal deposits	78,092	87,171
	78,190	**87,287**

As regards changes in the item, please refer to the consolidated cash flow statement.

Statement of financial position - Liabilities

Equity

17. Equity pertaining to the Group

Equity pertaining to the Group stood at EUR 253.3 million, a decrease of EUR 6.1 million from 31 December 2023.
The breakdown of Equity pertaining to the Group is shown in the following table:

	30.06.2024	**31.12.2023 Restated**
Share capital	87,907	87,907
Legal reserve	17,581	17,581
Treasury shares	-	-
Share/holding premium reserve	53,716	53,716
Valuation reserves	(242)	(482)
Other reserves	19,010	19,012
Profit (loss) of previous years	71,667	31,166
Profit (loss) for the year	3,642	50,500
Equity	**253,281**	**259,400**

Changes in equity during the half year are shown in the relative schedule to which reference should be made.

Share capital

As at 30 June 2024, the fully paid-up share capital of the Parent Company Mittel S.p.A. of EUR 87,907,017 was broken down into 81,347,368 shares with no nominal value.

Treasury shares

During the half-year, the Parent Company did not hold any treasury shares.

Valuation reserve

The breakdown and changes in the valuation reserve in the year are shown below:

Amounts in thousands of EUR

VALUATION RESERVE AT FAIR VALUE	**Valuation reserve pertaining to the Group as at 01.01.2024**	**Effects of the first-time adoption of IFRS 9**	Fair value changes		Release of reserve to the income statement for transfers of financial assets	Release of reserve to the income statement for fair value impairment	Valuation reserve pertaining to the Group as at 30.06.2024	**Share pertaining to non-controlling interests as at 30.06.2024**	**Total valuation reserve as at 30.06.2024**
			Increases	Decreases					
Cash flow hedge reserve									
Hedging derivatives	(22)	-	109	-	-	-	87	10	97
Total	**(22)**	**-**	**109**	**-**	**-**	**-**	**87**	**10**	**97**
Employee defined benefit plans (IAS 19 revised):									
Actuarial gains and losses reserve	(460)		131	-	-	-	(329)	(30)	(359)
	(460)		**131**	**-**	**-**	**-**	**(329)**	**(30)**	**(359)**
	(482)	**-**	**240**	**-**	**-**	**-**	**(242)**	**(20)**	**(262)**

Profit reserves: dividends distributed during the year

On 29 December 2023, the Board of Directors of Mittel S.p.A. approved the proposed policy of equity reserves distribution as dividends for 2024 and 2025.

For 2024, the Board of Directors resolved to propose to the Shareholders the distribution of part of the Retained Earnings Reserve, through the payment of a dividend per share to be considered ordinary in stock exchange terms. Therefore, gross of any applicable substitute tax, the payment of the dividend is equal to EUR 0.12293 for each of the 81,347,368 ordinary shares with no nominal value currently in circulation, and thus for a total of EUR 10,000,031.95, in line with the amount already distributed in February 2023.

The date of detachment of coupon no. 55 was 5 February 2024, with right to payment on 6 February 2024 (record date) and payment of the dividend on 7 February 2024.

On 31 January 2024, the Mittel's Shareholders' Meeting resolved to approve the aforementioned distribution.

This dividend is in addition to the dividend previously paid, for the same amount and unitary value, in February 2023 in connection with the resolution passed by the Shareholders' Meeting of Mittel S.p.A. on 10 February 2023 (a total of EUR 10,000,031.95 for the 81,347,368 ordinary shares with no nominal value in issue, corresponding to EUR 0.12293 for each eligible ordinary share).

Other comprehensive profits/(losses)

The value of “Other comprehensive profits/(losses)” is composed as follows:

Amounts in thousands of EUR			Non-controlling interests		Profit (loss) pertaining to the Group	
	01.01.2024 30.06.2024	**01.01.2023 30.06.2023**	**01.01.2024 30.06.2024**	**01.01.2023 30.06.2023**	**01.01.2024 30.06.2024**	**01.01.2023 30.06.2023**
Profit/(loss) for the period (A)	**4,582**	**43,959**	**941**	**(1,397)**	**3,641**	**45,356**
Effective part of the cash flow hedges	159	(105)	16	(42)	143	(63)
Profits/(losses) from the redetermination of available-for-sale financial assets	-	-	-	-	-	-
Profits/(losses) from the transfer of available-for-sale financial assets	-	-	-	-	-	-
Release to the income statement of losses for fair value impairment on available-for-sale financial assets	-	-	-	-	-	-
Profits/(losses) of companies measured using the equity method	-	-	-	-	-	-
Profits/(losses) from remeasurement of defined benefit plans	183	(158)	21	(56)	162	(102)
Tax effect relating to other profits/(losses)	(74)	32	(9)	13	(65)	19
Total other profits/(losses), net of taxes (B)	**268**	**(231)**	**28**	**(85)**	**240**	**(146)**
Total comprehensive profit/(loss) (A) + (B)	**4,850**	**43,728**	**969**	**(1,482)**	**3,881**	**45,210**

The tax effect relating to Other consolidated profits/(losses) is composed as follows:

	01.01.2024 30.06.2024			01.01.2023 30.06.2023		
	Gross value	**Tax expense/benefit**	**Net value**	**Gross value**	**Tax expense/benefit**	**Net value**
Effective part of the cash flow hedges	159	(38)	121	(105)	-	(105)
Profits/(losses) from the redetermination of financial assets	-	-	-	-	-	-
Profits/(losses) from the sale of financial assets	-	-	-	-	-	-
Release to the income statement of losses for fair value impairment on financial assets	-	-	-	-	-	-
Profits/(losses) of companies measured using the equity method	-	-	-	-	-	-
Profits/(losses) from remeasurement of defined benefit plans	183	(36)	147	(158)	32	(126)
Other components of the statement of comprehensive income reclassified to the income statement	-	-	-	-	-	-
Total Other profits/(losses)	**342**	**(74)**	**268**	**(263)**	**32**	**(231)**

18. Non-controlling interests

The breakdown of equity pertaining to non-controlling interests is shown in the following table:

	30.06.2024	**31.12.2023 Restated**
Share capital pertaining to non-controlling interests	1,806	1,820
Treasury shares pertaining to non-controlling interests	-	-
Other reserves pertaining to non-controlling interests	22,226	22,827
Non-controlling interests - Valuation reserve of financial assets	-	-
Non-controlling interests - Cash flow hedge reserve	10	(2)
Non-controlling interests - Valuation reserve IAS 19	(30)	(46)
Profit (loss) of non-controlling interests	941	(575)
Equity pertaining to non-controlling interests	**24,953**	**24,024**

Non-current liabilities

19. Financial payables

As at 30 June 2024, the item amounted to EUR 38.7 million, an increase of EUR 7.5 million over the previous year.

The item is composed as follows:

	30.06.2024	31.12.2023 Restated
Bank loans	6,921	1,999
Other loans	16	-
Liabilities for rights of use	31,782	29,226
	38,718	**31,225**

The increase in bank loans is attributable to the subsidiary IMC S.p.A., which signed two loan agreements in April 2024, specifically:

- a loan agreement for EUR 4.5 million with Unicredit S.p.A., 3-month Euribor rate + 1.9% spread, maturity date 30 April 2028, long-term portion equal to EUR 3.7 million;
- a loan agreement for EUR 3 million with Banco Desio e della Brianza S.p.A., 3-month Euribor rate + 1.9% spread, maturity date 10 August 2028, long-term portion equal to EUR 2.5 million.

Both loans are subject to annual verification of covenants to be calculated on the basis of financial statements indicators of the subsidiary. The first verification is expected on the financial statements as at 31 December 2024.

Liabilities for rights of use derive from the application of IFRS 16 to lease contracts. These liabilities represent the present value of future lease payments during the lease term and are shown in the statement of financial position as follows:

	30.06.2024	31.12.2023 Restated
Liabilities for short-term leases	3,570	2,915
Liabilities for medium/long-term leases	31,782	29,226
Total lease liabilities	**35,352**	**32,141**

The interest expense accrued in the half year on the financial liabilities booked pursuant to IFRS 16 amounted to a total of EUR 579 thousand. This interest results from the application of the contract-specific IBD to financial liabilities, based on the type of asset leased/rented, the time the contract was signed and the subsidiary company to which the contract relates.

20. Other financial liabilities

	30.06.2024	31.12.2023 Restated
Derivative financial instruments	-	32
Other liabilities	1,300	1,284
	1,300	**1,316**

The item other non-current financial liabilities as at 30 June 2024 relates to:

- for EUR 0.532 million to the non-current payable relating to the deferred price to be paid by Italian Windows Group S.r.l. to the former shareholders of Daga S.r.l. upon the occurrence of certain conditions;
- for EUR 0.464 million to the non-current payable relating to the Earn Out attributed to the former shareholders of Castiglioni Serramenti S.r.l. upon the occurrence of certain conditions and to be paid by Italian Windows Group S.r.l.;
- for EUR 0.3 million to the non-current payable relating to the deferred price to be paid by Gruppo Finestre S.r.l. to the former shareholders of Serramenti Verona S.r.l. upon the occurrence of certain conditions.

The change from the previous year is due to the recognition of financial expenses recognised on these liabilities.

21. Provisions for personnel

The item amounted to EUR 6.5 million, an increase of EUR 0.1 million, and was composed as follows:

	30.06.2024	31.12.2023 Restated
Employee severance indemnity	6,483	6,403
Other allowances	-	-

	6,483	**6,403**

Changes in employee severance indemnity in the year were as follows:

	30.06.2024	31.12.2023 Restated
Opening balances	**6,403**	**7,496**
Increases:		
- Allocation for the period	805	1,278
- Increase due to business combinations	-	1,799
- Other increases	20	260
Decreases:		
- Utilisations	(206)	(807)
- Other decreases	(539)	(3,624)
	6,483	**6,403**

The valuation was performed on the basis of IAS 19, given that Employee Severance Indemnity is similar to a "post-employment benefit" of the "defined benefit plan" type, whose amount already accrued must be projected to the future to estimate the amount to be paid when the employment relationship ends and must then be discounted, using the "Projected unit credit method", to take account of the time that will elapse before the actual payment.

The actuarial assumptions adopted refer to:

a) assumptions regarding the causes of exit from the Group: death, total and permanent disability, staff turnover, such as resignations, dismissals and retirement due to seniority and old age;

b) economic and financial assumptions: rate of discounting of future services; salary growth curve, which determines the trend in remuneration; annual inflation and the rate of return recognised annually on accrued employee severance indemnity;

c) additional assumptions were formulated on the frequency of advances on employee severance indemnity, on tax withholdings and, on the whole, on the legislation in force.

All assumptions used in the valuations were based on market experiences, and reflect the current corporate, legislative and existing market conditions at the valuation date, on a going-concern basis.

It should be noted that AA-rated Ibox Composite rates were used for discounting.

As regards the quantification of employee severance indemnity, governed by art. 2120 of the Italian Civil Code, a portion of 7.41% of the amount of projected remuneration was calculated for each year of service, valid for employee severance indemnity purposes and due for the same year. From the amount thus obtained, 0.5% was subtracted for the financing of the employee severance indemnity (TFR) guarantee fund established at INPS (National Social Security Institute).

The amount of projected salary in future years has been estimated, for each employee, annually increasing the salary of the year to which the valuation refers, valid for employee severance indemnity purposes, based on the projected inflation rate and other contractual increases. The projections also take account of any employee severance indemnity additions, communicated by the Parent Company.

For revaluation purposes, with the exclusion of the portion accrued in the year, employee severance indemnity is increased each year through the application of a rate with a fixed component of 1.50% and a variable component of 75% of the projected inflation rate. Substitute income tax of 17% is applied on annual returns (this rate was raised from 11% to 17% due to the legislative amendment pursuant to art. 1, paragraph 623 of Law no. 190 of 23 December 2014 – 'Stability Law').

As at 30 June 2024, the Group had 745 employees.

22. Deferred tax liabilities

These amounted to EUR 1.3 million and include deferred taxes calculated on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

This item, which breaks down as follows, is attributable to property, plant and equipment/intangible assets, other assets/liabilities:

	30.06.2024	31.12.2023 Restated
Tax liabilities recognised through profit or loss	1,270	1,200
Tax liabilities recognised in equity	-	-
	1,270	**1,200**

Changes in the item “Tax liabilities recognised through profit or loss” are as follows:

	30.06.2024	31.12.2023 Restated
Opening balance	**1,200**	**1,758**
Increases	**109**	**150**
Relating to previous years	-	-
Increases in tax rates	-	-
Other increases	109	150
Decreases	**(40)**	**(707)**
Relating to previous years	-	-
Decreases in tax rates	-	-
Other decreases	(40)	(707)
	1,270	**1,200**

Changes in the item “Tax liabilities recognised in equity” are as follows:

	30.06.2024	31.12.2023 Restated
Opening balance	**-**	**63**
Increases	**-**	**-**
Relating to previous years	-	-
Increases in tax rates	-	-
Other increases	-	-
Decreases	**-**	**(63)**
Relating to previous years	-	-
Decreases in tax rates	-	-
Other decreases	-	(63)
	-	**-**

23. Provisions for risks and charges

The item amounted to EUR 1.9 million, an increase of EUR 0.1 million, and was composed as follows:

	30.06.2024	31.12.2023 Restated
Provision for risks:		
Legal disputes	755	735
Disputes with personnel	-	-
Contractual disputes	-	-
Other disputes	4	4
Other provisions:		
Expenses for personnel	-	-
Other expenses	1,168	1,085
	1,926	**1,823**

As at 30 June 2024, provisions for risks mainly refer to disputes with suppliers and estimates for returns and discounts.

The balance of provisions for “Other charges” mainly consists of the Supplementary Customer Indemnity Fund, which has a balance of EUR 1.1 million. This amount is estimated on the basis of the regulations governing agency relationships, and is deemed adequate to meet any liabilities that may arise in the future.

The item saw the following changes:

	30.06.2024	31.12.2023 Restated
Opening balance	**1,823**	**1,575**
Increases:		
Allocation for the period	113	386

Other increases	5	417
Decreases:		
Utilisations in the period	(7)	(163)
Other decreases	(9)	(392)
	1,926	**1,823**

24. Sundry payables and other non-current liabilities

These amounted to EUR 0.6 million (EUR 0.045 million as at 31 December 2023).

	30.06.2024	31.12.2023 Restated
Other non-current liabilities	582	45
	582	**45**

Current liabilities

25. Financial payables

These amounted to EUR 9.3 million and decreased by EUR 4.6 million. The item is composed as follows:

	30.06.2024	31.12.2023 Restated
Bank loans	3,585	1,092
Current portion of medium/long-term bank loans	2,093	9,917
Other loans	63	-
Liabilities for rights of use	3,570	2,915
	9,311	**13,925**

Bank loans consist of loans or other short-term credit lines granted by leading banks regulated at rates indexed to the one- to three-month Euribor with short-term maturity, of which EUR 3.56 million pertains to the companies in the Design segment and EUR 0.02 million to the Windows and Doors segment.

The item "*Current portion of medium-/long-term bank loans*" is mainly contributed by the Automotive sector in the amount of EUR 1.3 million and the companies of the Windows and Doors sector in the amount of EUR 0.3 million. The change from the previous year relates to the subsidiary IMC S.p.A., which in March 2024 repaid the loan outstanding with Banco BPM S.p.A. in the amount of EUR 8.9 million (of which EUR 8.8 million related to principal).

The item "Liabilities for rights of use" is due to the effect of the application of IFRS 16. Please refer to the discussion in the comment to the corresponding item in non-current liabilities.

26. Other current financial liabilities

The breakdown of the item is shown in the following table:

	30.06.2024	31.12.2023 Restated
Derivative financial instruments	-	-
Other liabilities	-	12
	-	**12**

As at 31 December 2023, the balance included the Earn out payable paid in April 2024 by the parent company Mittel S.p.A. to the former shareholders of Earchimede S.p.A. upon the occurrence of certain conditions.

27. Current tax liabilities

This item totalled EUR 1.7 million, up by EUR 0.1 million compared to the previous year, and is composed of tax liabilities broken down as follows:

	30.06.2024	31.12.2023 Restated
IRES (corporate income tax)	1,193	1,349
IRAP (regional business tax)	520	296
	1,713	**1,645**

	30.06.2024	31.12.2023 Restated
Opening balance	**1,645**	**476**
Increases	**215**	**1,632**
Relating to previous years	-	-
Other increases	215	1,632
Decreases	**(146)**	**(463)**
Reimbursements	-	-
Other decreases	(146)	(463)
	1,713	**1,645**

The item "IRES tax liabilities" mainly includes the contribution for EUR 1.2 million of the companies in the Windows and Doors sector acquired during the 2023 financial year, which do not fall within the scope of the Mittel tax consolidation for the 2023 tax year.

28. Sundry payables and other liabilities

This item amounted to EUR 64.1 million, down by EUR 2.4 million compared to the previous year. The item is composed as follows:

	30.06.2024	**31.12.2023 Restated**
Trade payables	37,042	37,170
Tax payables	1,132	1,773
Payables relating to employees	5,410	4,221
Payables due to directors and statutory auditors	603	949
Payables due to social security institutions	1,535	3,026
Other payables	14,310	15,890
Accrued expenses and deferred income	4,057	3,520
	64,089	**66,549**

The item “Trade payables” is mainly composed of EUR 13.9 million by the Design sector, EUR 8.7 million by the Automotive sector, EUR 8.3 million by the companies of the Windows and Doors sector, EUR 4.4 million by the Clothing sector, EUR 1.1 million by the Parent Company, and EUR 0.6 million by the companies of the Real Estate sector.

This item includes EUR 13.5 million for advances received from customers for work not yet completed.

Information on the Consolidated Income Statement

29. Revenue

The breakdown of revenue is shown below, with the main types highlighted:

	30.06.2024	**30.06.2023**
Revenue from sales	84,111	66,231
Revenue from property sales	465	942
Revenue from rent	102	101
Revenue from provision of services	25	25
Revenue from fund management commission	-	-
	84,703	**67,299**

As required by IFRS 15, the following table provides a breakdown of revenue from contracts with customers, using in particular the reference geographic market as the driver of the disaggregation. Moreover, a reconciliation is provided of disaggregated revenue with the Group’s operating sectors for reporting purposes.

As at 30 June 2024

Geographic market	Operating sector						
	Automotive	**Design**	**Clothing**	**Windows and Doors**	**Real Estate**	**Investments**	**Total**
Italy	4,908	22,518	5,434	21,770	547	25	55,202
Abroad	17,608	11,768	106	19	-	-	29,501
	22,516	**34,286**	**5,540**	**21,789**	**547**	**25**	**84,703**

30. Other income

The breakdown of the item is shown in the following table:

	30.06.2024	**30.06.2023**
Recoveries of various expenses	331	374
Extraordinary contingent assets	186	397
Income from elimination of assets	39	50
Other revenue and income	1,658	3,028
	2,214	**3,849**

The item "Other revenues and income" is mainly composed of the contribution of the Design sector for EUR 1.2 million and includes reimbursements and contributions.

31. Changes in inventories

The breakdown of this item is shown below, with the main types highlighted:

	30.06.2024	**30.06.2023**
Increases in property inventories	79	93
Decreases in property inventories	(429)	(868)
Impairment losses in property inventories	-	-
Change in inventories of goods and products	3,865	2,724
Change in inventories of raw materials	10	1
Impairment losses in inventories	-	-
	3,525	**1,949**

As regards the changes in items relating to property inventories, see the information set forth in the tables and comments in the corresponding item in the statement of financial position (note 11).

32. Costs for purchases

The breakdown of the item is shown in the following table:

	30.06.2024	30.06.2023
Purchases and property increases	(37,444)	(30,068)
Provision of services and consultancy	(574)	(495)
Maintenance	(111)	(159)
Other	(991)	(717)
	(39,120)	**(31,438)**

The contribution to the item is mainly attributable to:

- the Automotive sector for EUR 13 million (EUR 13.5 million as at 30 June 2023);
- the Design sector for EUR 10.7 million (EUR 12.4 million as at 30 June 2023);
- the Windows and Doors sector for EUR 9.9 million (not present in the comparison period as it was acquired in the second half year of 2023);
- the Clothing sector for EUR 5.4 million (EUR 5.5 million as at 30 June 2023);
- companies in the Real Estate sector for EUR 0.1 million (EUR 0.1 million as at 30 June 2023).

33. Costs for services

The breakdown of the item is shown in the following table:

	30.06.2024	30.06.2023
Legal consultancy	(368)	(227)
Notary consultancy	(13)	(10)
Other consultancy	(1,616)	(1,511)
Third-party processing and services	(2,099)	-
General services and maintenance	(3,867)	(3,105)
Administrative and organisational services	(82)	(49)
Cost of temporary workers	(22)	-
Directors’ fees	(1,543)	(3,185)
Board of Statutory Auditors’ fees	(187)	(181)
Supervisory Body’s fees	(45)	(48)
Fees for prosecutors and Manager in charge	(8)	(8)
Leases and rentals	(473)	(377)
Insurance	(411)	(322)
Utilities	(2,926)	(4,425)
Advertising	(1,629)	(1,503)
Other services	(4,358)	(3,398)
	(19,649)	**(18,348)**

The item “third-party processing and services” relates to the Windows and Doors sector and includes product installation activities performed by third parties.

Costs for general services and maintenance mainly include EUR 1.5 million for maintenance expenses and EUR 0.8 million for transport and shipping costs.

Directors' remuneration amounted to EUR 1.5 million (EUR 3.1 million as at 30 June 2023, the balance includes EUR 2.3 million relating to the portion of variable remuneration accrued, as provided for in the remuneration policy, in connection with the sale of Gruppo Zaffiro).

Costs for other services include costs for commercial services of EUR 4.2 million.

34. Personnel costs

The breakdown of the item is shown in the following table:

	30.06.2024	30.06.2023
Wages and salaries	(14,140)	(11,999)
Social security costs	(4,144)	(3,396)
Allocation to employee severance indemnity	(805)	(549)
Allocation to retirement fund and similar obligations	-	-
Payments to external supplementary pension funds	(14)	(5)
Other personnel costs	(1,235)	(991)
	(20,338)	**(16,938)**

The increase in the item "Wages and salaries" and "Social Security Charges" is mainly attributable to the increase in the average number of employees of the Group compared to the same period of the previous year, as a result of the acquisitions in the Windows and Doors sector in the second half of 2023.

For details of the item "Provision for employee severance indemnity", please refer to note 21 "Provisions for personnel" to these consolidated financial statements.

The item "Other personnel costs" mainly includes costs for temporary work.

Average number of Group employees broken down by category:

	Exact number as at 30 June 2024	Half-year average 2024	Average in the year 2023
Managers	11	11	11
Officials	37	34	31
Employees	209	207	149
Blue-collar staff	488	490	434
Total	**745**	**742**	**625**

35. Other costs

The breakdown of the item is shown in the following table:

	30.06.2024	30.06.2023
Taxes and duties	(679)	(1,031)
Losses on receivables	(3)	(2)
Capital losses from transfer of property, plant and equipment	-	(132)
Extraordinary contingent liabilities	(130)	(117)
Other sundry operating expenses	(513)	(512)
	(1,325)	**(1,795)**

The item "taxes and duties" is mainly composed of indirect taxes (mainly non-deductible VAT) pertaining to the parent company Mittel S.p.A. for EUR 0.4 million.

Other operating expenses are mainly linked to the Parent Company (EUR 0.1 million), the Design sector (EUR 0.2 million), the Clothing sector (EUR 0.1 million) and the Windows and Doors sector (EUR 0.1 million).

36. Amortisation, depreciation and value adjustments on property, plant and equipment and intangible assets

The breakdown of the item is shown in the following table; for further details, please refer to note 4 "Intangible assets" and 5 "Property, plant and equipment":

	30.06.2024	30.06.2023
Intangible assets		
Amortisation	(97)	(197)
Property, plant and equipment		
Depreciation of other assets owned	(3,031)	(2,818)
Depreciation of rights of use	(1,910)	(1,466)
	(5,037)	**(4,482)**

37. Allocations to the provision for risks

The breakdown of the item is shown in the following table:

	30.06.2024	30.06.2023
Allocations to the provision for risks	(20)	(177)
	(20)	**(177)**

For more details on the changes in provisions for risks and charges, please refer to the analyses reported in note 23 "Provisions for risks and charges" to these consolidated financial statements.

38. Share of income (loss) of investments accounted for using the equity method

The item may include:
- the pro-rata profit/(loss) of the net result of companies valued using the equity method, including any impairment;
- write-downs/(writebacks) of investments measured using the equity method;
- capital gains/(losses) on the disposal of investments measured using the equity method;
- capital gains/(losses) corresponding to the net economic result of the period of investments no longer fully consolidated, due to the disposal of the controlling interest in the same;
- any impairment losses of investees exceeding the respective book value to the extent corresponding to the actual obligations for the coverage of losses and with a contra-item in the form of an allocation to the provision for risks.

The detailed table is provided below:

	30.06.2024	30.06.2023
Pro-rata losses		
Mittel Generale Investimenti S.r.l.	(139)	(474)
	(139)	**(474)**

39. Financial income

The item is composed as follows:

	30.06.2024	30.06.2023
Bank interest income	1,065	434
Interest income on financial receivables	374	1,118
Other interest income	148	56
Other financial income	176	209
Fair value hedging derivatives	-	1
Exchange rate gains	11	20
	1,774	**1,839**

The item “Bank interest income”, equal to EUR 1.1 million, increased due to the investment activities relating to cash and cash equivalents available to the Parent Company and the Group.

“Interest income on financial receivables” is mainly attributable for EUR 0.4 million (EUR 1.1 million as of 30 June 2023) to the contribution of the parent company Mittel S.p.A. for outstanding loans with third parties (a shareholder loan of EUR 10.0 million to Fondo Augusto).

40. Financial expenses

The item is composed as follows:

	30.06.2024	30.06.2023
Interest expense on bonds	-	(285)
Interest expense on bank current accounts	(6)	(31)
Interest expense on bank loans	(51)	(89)
Interest expense on other loans	(204)	(308)
Other interest expenses	(693)	(394)
Other financial expenses	(86)	(56)
Exchange rate losses	(18)	(42)
	(1,058)	**(1,205)**

“Interest expense on bank loans” is mainly contributed by the Windows and Doors sector for EUR 47 thousand.

The main contributor to the item “Interest expense on other loans” was the Automotive sector, for EUR 0.2 million.

The item "Other interest expenses" mainly consists of financial charges related to lease contracts recognised in accordance with IFRS 16 (EUR 577 thousand as at 30 June 2024 compared to EUR 325 thousand as at 30 June 2023).

41. Profit (loss) from management of financial assets and investments

The item as at 30 June 2024 amounted to EUR 18 thousand and includes capital gains on financial assets; in the comparison period, the item was equal to zero.

42. Value adjustments to financial assets, loans and receivables

The breakdown of the item is shown in the following table:

	30.06.2024	30.06.2023
Write-downs on financial receivables	(3)	(170)
Write-downs on other receivables	(88)	(24)
Write-downs on financial assets	(13)	-
Reversals of impairment losses on financial assets	42	89
	(62)	**(105)**

43. Income taxes

	30.06.2024	30.06.2023
IRES (corporate income tax)	(5)	(27)
IRAP (regional business tax)	(506)	(359)
Taxes of previous years	(3)	-
Total current taxes	**(514)**	**(387)**
Deferred tax liabilities	(39)	(12)
Deferred tax assets	(351)	(25)
Total deferred taxes	**(390)**	**(37)**
Other taxes	-	-
Total income taxes	**(904)**	**(424)**

44. Profit (loss) from discontinued operations

	30.06.2024	30.06.2023
Transfer of Gruppo Zaffiro	-	44,409
	-	**44,409**

45. Profit (loss) pertaining to non-controlling interests

	30.06.2024	30.06.2023
Profit (loss) of non-controlling interests	941	(1,397)
	941	**(1,397)**

46. Basic and diluted earnings (loss) per share

As set forth in IAS 33, the Mittel Group shows basic earnings per share calculated as net profit or loss for the year attributable to the Parent Company divided by the weighted average number of shares outstanding in the year; diluted earnings are calculated by adjusting net profit or loss attributable to holders of ordinary equity instruments of the Parent Company Mittel S.p.A. to take account of the effects of all potential ordinary shares with a dilutive effect.
In particular, basic and diluted earnings per share are calculated as follows:

- *Basic earnings or loss per share:*
  Basic earnings or loss per share are determined by dividing the profit or loss attributable to holders of ordinary equity instruments of the Parent Company Mittel S.p.A. by the weighted average of ordinary shares outstanding during the year.

- *Diluted earnings or loss per share:*
  As required by IAS 33, diluted earnings or loss per share should take account of the effects of all potential ordinary shares with a dilutive effect.

Basic earnings or loss per share

During the half-year under review, and the comparison period, the number of outstanding shares did not change (number of shares 81,347,368). The following table shows the earnings (loss) per share compared to the half-year of the previous year:

Basic earnings/(loss) per share	**30.06.2024**	**30.06.2023**
Average weighted number of shares outstanding at the end of the period	**81,347,368**	**81,347,368**
Profit (loss) pertaining to the Group from the income statement *(EUR thousand)*	**3,642**	**45,356**
Basic earnings/(loss) per share *(EUR units)*	0.045	0.558
Profit (loss) pertaining to the Group from the comprehensive income statement *(EUR thousand)*	**3,881**	**45,210**
Basic Earnings/(Loss) per share *(EUR units)*	0.048	0.556
Profit/(loss) for the year from continuing operations *(EUR thousand)*	**4,582**	**(451)**
Basic earnings/(loss) per share from continuing operations *(EUR units)*	0.056	(0.006)
Net profit/(loss) from discontinued operations *(EUR thousand)*	**-**	**44,409**
Basic earnings/(loss) per share from discontinued operations *(EUR units)*	0.000	0.546
Comprehensive net profit/(loss) from discontinued operations *(EUR thousand)*	**-**	**44,189**
Basic comprehensive earnings/(loss) per share from discontinued operations *(EUR units)*	0.000	0.543

Diluted earnings or loss per share

In the first half of 2024, there were no factors that resulted in a potential dilution of earnings per share and total return per share. For this reason, the relevant tables are not shown and reference should be made to the above.

47. Consolidated net financial position

According to the provisions of Consob Communication of 28 July 2006 and in compliance with "ESMA Guidelines on disclosure requirements under the prospectus regulation", it should be noted that the net financial position of the Mittel Group as at 30 June 2024 was positive for EUR 29.5 million (positive for EUR 42.3 million as at 31 December 2023), as shown in the table below:

(Thousands of Euro)	**30.06.2024**	**31.12.2023 *Restated***
Cash	97	117
Cash equivalents	78,220	87,171
Other current financial assets (*)	482	1,456
Liquidity	**78,799**	**88,743**
Current bank loans and borrowings	(7,218)	(4,008)
Current portion of non-current bank loans and borrowings	(2,093)	(9,917)
Current financial debt	**(9,311)**	**(13,925)**
Net current financial debt	**69,488**	**74,819**
Non-current bank loans and borrowings	(38,718)	(31,225)
Debt instruments	-	-
Trade payables and other non-current payables	(1,300)	(1,328)
Non-current financial debt	**(40,018)**	**(32,553)**
Total financial debt	**29,469**	**42,266**

(*) The item refers to current financial receivables.

The consolidated net financial position is not affected by transactions or positions with related parties; for completeness, please refer to the financial statement schedules prepared in accordance with Consob Resolution No. 15519 of 27 July 2006 for the amounts of positions or transactions with related parties.

48. Commitments and guarantees

As at 30 June 2024, the following guarantees were in place:

	30.06.2024	**31.12.2023 Restated**
Guarantees:		
financial	-	-
commercial	4,448	4,448
assets pledged as collateral	-	-
Commitments:		
disbursement of funds	728	728
other irrevocable commitments	-	-
	5,176	**5,176**

Commercial guarantees refer to (i) EUR 0.8 million to Mittel S.p.A., in relation to sureties in favour of the Italian Revenue Agency for VAT on which a refund was requested and/or offset, (ii) EUR 3.7 million to the contribution from the Real Estate sector, consisting of sureties for primary urbanisation works requested by the Municipality of Milan (EUR 0.7 million) and the Municipality of Como (EUR 3.0 million) and EUR 25 thousand to the contribution of Disegno Ceramica S.r.l.

Fund disbursement commitments refer to commitments for payments to be made into investment vehicles and as at 30 June 2024 are attributable to Earchimede S.p.A. in the amount of EUR 0.7 million.

49. Intercompany transactions and transactions with related parties

In terms of transactions with related counterparties identified on the basis of art. 2359 of the Italian Civil Code and IAS 24, it should be noted that, during the half year ended 30 June 2024, transactions were entered into with said counterparties as part of ordinary Group activities and that no atypical and unusual transactions were carried out.

All transactions were performed at arm's length and refer to:

	Directors, Statutory auditors and internal committees	Associates	Other related parties	Total
Current assets				
Sundry receivables and other assets	-	25	-	**25**
Current liabilities				
Sundry payables and other liabilities	398	-	-	**398**
Income statement				
Revenue	-	25	-	**25**
Other income	-	25	-	**25**
Costs for services	(398)	-	-	**(398)**
Personnel costs	(156)	(12)	-	**(168)**

- "Sundry receivables and other current assets" refer to receivables for administrative services rendered to third parties as related parties.

- The "Sundry payables and other current liabilities" item refers to the amount due to directors (EUR 326 thousand) and statutory auditors (EUR 72 thousand) for fees accrued but still to be paid.

- The "Revenue" and "Other income" items refer to the chargeback of administrative services and direct debit services provided to third parties that are considered related parties (associates).

- The item "Costs for services due to directors, statutory auditors and internal committees" refers to EUR 326 thousand in Directors' fees and EUR 72 thousand in fees to the Board of Statutory Auditors. For further details, please refer to the "Report on Remuneration" for financial year 2023 available on the company's website www.mittel.it, "*Investor Relations*" section.

- The item "Personnel costs" refers to the remuneration of the Group's key managers. For further details, please refer to the "Report on Remuneration" for financial year 2023 available on the company's website www.mittel.it, "*Investor Relations*" section. "Personnel costs" item in relation to associates refers to employees that Mittel Generale Investimenti S.r.l. has seconded to Mittel S.p.A.

Additional disclosures on financial instruments and risk management policies

With reference to supplementary disclosures regarding financial instruments and the inherent risks required by IFRS 7 and IFRS 13, aimed at outlining the impact of financial instruments with respect to the size of the associated risk exposures and the fair value measurement of financial instruments, details on the measures and mechanisms the Group has implemented to manage the exposure to financial risks are shown below.

50. Fair value measurement

IFRS 13 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. Where transactions are directly observable on a market, it may be relatively simple to determine the fair value. Otherwise, valuation techniques are used such as the “market” approach, which uses prices and other relevant information generated by other transactions involving similar assets and liabilities, the “income approach”, which consists of the discounting of future cash inflows and outflows, and, lastly, the “cost approach”, which requires that the entity determines a value that reflects the amount that would be required currently to replace the service capacity of an asset.

IFRS 13 establishes a fair value hierarchy that classifies the input of the valuation techniques used to measure fair value into three levels. The fair value hierarchy assigns the maximum priority to listed prices (not adjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the minimum priority to inputs that are not observable (Level 3 inputs).

The levels used in the hierarchy are as follows:

- **Level 1** inputs: listed prices (not adjusted) in active markets for identical assets or liabilities which the entity may access at the valuation date. A market is defined as active when prices reflect transactions that occur with a frequency and at sufficient volumes to provide useful information for determining the price on an ongoing basis.
- **Level 2** inputs: variables other than listed prices included in Level 1 that are directly or indirectly observable for assets or for liabilities. These valuation techniques are used if the instrument to be valued is not listed in an active market. The valuation of the financial instrument is based on market prices taken from market listings of identical or similar assets or through valuation techniques for which all significant values are taken from parameters observable or corroborated on the market.
- **Level 3** inputs: variables that are not observable for assets or for liabilities. These techniques consist of the calculation of the listed price of the instrument by using significant parameters which are not observable but must reflect the assumptions that market participants would use in calculating the price of the asset or liability, including the assumptions regarding risk.

For the financial instruments outstanding as at 30 June 2024, and for comparative purposes as at 31 December 2023, the table below illustrates the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis (level 3 includes the book values of unlisted financial assets recognised at cost in the absence of an available fair value):

Situation as at 30 June 2024

	30 June 2024			31 December 2023 Restated		
(thousands of Euro)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
Financial assets measured at fair value with balancing entry in equity **	-	127	-	-	-	-
Financial assets measured at fair value through profit or loss *	-	10,328	564	-	11,358	617
Financial receivables measured at fair value:						
Financial receivables that did not pass the SPPI test	-	-	-	-	-	-
Financial instruments | Assets	**-**	**10,365**	**564**	**-**	**11,358**	**617**
Other financial liabilities:						
Financial liabilities measured at fair value with balancing entry in equity **	-	-		-	32	
Financial liabilities measured at fair value through profit or loss	-		1,300	-		1,284
Financial instruments | Liabilities	**-**	**-**	**1,300**	**-**	**32**	**1,284**

(*) these are equity securities (**) these are derivative instruments

Completing the analyses required by IFRS 13, the types of financial instruments contained in the financial statement items as at 30 June 2024 are shown and, for comparative purposes, as at 31 December 2023, indicating the valuation criteria applied and, for financial instruments at fair value, the exposure (income statement or equity), specifically assigning the fair value category. The last column of the table shows, where applicable, the fair value of the financial instrument at the end of the year.

Position as at 30 June 2024 | Criteria applied in the measurement of the financial instruments in the financial statements

Financial statement item	Financial instruments at fair value: with change in fair value with contra-item recognised in: *Income statement*	*Equity in Other comprehensive income*	Total Fair Value (A)	*Fair Value Hierarchy*: *Level 1*	*Level 2*	*Level 3*	Financial instruments at amortised cost (B)	Not regulated by IFRS 7 (C)	Financial statements total as at 30.06.2024 (A+B+C)	Fair value as at 30.06.2024
ASSETS										
Non-current financial receivables	-	-	**-**	-	-	-	**11,077**	**-**	**11,077**	**11,077**
Other non-current financial assets	10,765	-	**10,765**	-	10,201	564	**-**	**-**	**10,765**	**10,765**
Sundry receivables and other current assets (*)	-	-	**-**	-	-	-	**2,670**	**4,195**	**6,865**	**2,670**
Current financial receivables	-	-	**-**	-	-	-	**482**	**-**	**482**	**482**
Other current financial assets	-	127	**127**	-	127	-	**-**	**-**	**127**	**127**
Sundry receivables and other current assets (*)	-	-	**-**	-	-	-	**48,115**	**14,316**	**62,431**	**48,115**
Cash and cash equivalents (*)	-	-	**-**	-	-	-	**78,190**	**-**	**78,190**	**78,190**
	10,765	**127**	**10,892**	**-**	**10,328**	**564**	**140,534**	**18,511**	**169,937**	**151,426**
LIABILITIES										
Non-current financial payables (*)	-	-	**-**	-	-	-	**38,718**	**-**	**38,718**	**38,718**
Other non-current financial liabilities	-	1,300	**1,300**	-	-	-	**-**	**-**	**1,300**	**1,300**
Sundry payables and other non-current liabilities (*)	-	-	**-**	-	-	-	**582**	**-**	**582**	**582**
Current financial payables (*)	-	-	**-**	-	-	-	**9,311**	**-**	**9,311**	**9,311**
Other current financial liabilities	-	-	**-**	-	-	-	**-**	**-**	**-**	**-**
Sundry payables and other current liabilities (*)	-	-	**-**	-	-	-	**57,365**	**6,724**	**64,089**	**57,365**
	-	**1,300**	**1,300**	**-**	**-**	**-**	**105,976**	**6,724**	**114,139**	**107,415**

(*) Receivables and payables for which the fair value was not calculated as the corresponding book value substantially approximates the fair value.

Position as at 31 December 2023 | Criteria applied in the measurement of the financial instruments in the financial statements

Financial statement item	Financial instruments at fair value: with change in fair value with contra-item recognised in: *Income statement*	*Equity in Other comprehensive income*	Total Fair Value (A)	*Fair Value Hierarchy*: *Level 1*	*Level 2*	*Level 3*	Financial instruments at amortised cost (B)	Not regulated by IFRS 7 (C)	Financial statements total as at 31.12.2023 Restated (A+B+C)	Fair value as at 31.12.2023
ASSETS										
Non-current financial receivables	-	-	**-**	-	-	-	**11,075**	**-**	**11,075**	**11,075**
Other non-current financial assets	10,789	-	**10,789**	-	10,172	617	**-**	**-**	**10,789**	**10,789**
Sundry receivables and other current assets (*)	-	-	**-**	-	-	-	**2,287**	**9,025**	**11,312**	**2,287**
Current financial receivables	-	-	**-**	-	-	-	**270**	**-**	**270**	**270**
Other current financial assets	1,187	-	**1,187**	-	1,187	-	**-**	**-**	**1,187**	**1,187**
Sundry receivables and other current assets (*)	-	-	**-**	-	-	-	**50,269**	**7,622**	**57,892**	**50,269**
Cash and cash equivalents (*)	-	-	**-**	-	-	-	**87,287**	**-**	**87,287**	**87,287**
	11,976	**-**	**11,976**	**-**	**11,359**	**617**	**151,188**	**16,647**	**179,812**	**163,164**
LIABILITIES										
Non-current financial payables (*)	-	-	**-**	-	-	-	**38,718**	**-**	**38,718**	**38,718**
Other non-current financial liabilities	-	1,316	**1,316**	-	32	1,285	**-**	**-**	**1,316**	**1,316**
Sundry payables and other non-current liabilities (*)	-	-	**-**	-	-	-	**45**	**-**	**45**	**45**
Current financial payables (*)	-	-	**-**	-	-	-	**13,925**	**-**	**13,925**	**13,925**
Other current financial liabilities	-	-	**-**	-	-	-	**12**	**-**	**12**	**12**
Sundry payables and other current liabilities (*)	-	-	**-**	-	-	-	**58,230**	**8,319**	**66,549**	**58,230**
	-	**1,316**	**1,316**	**-**	**32**	**1,285**	**103,437**	**8,319**	**113,072**	**104,753**

(*) Receivables and payables for which the fair value was not calculated as the corresponding book value substantially approximates the fair value.

Fair value valuation techniques:

The fair value measurement method defined for a financial instrument is adopted on a continuing basis over time and is only modified as a result of significant changes in the market or subjective conditions of the issuer of the financial instrument.

Completing the analyses required by IFRS 13, the additional disclosures concerning the valuation techniques and inputs used to measure fair value on a recurring basis are shown below.

Units of private equity funds and foreign investment vehicles are measured using the last NAV (net asset value) available on a sufficiently active market (level 2).

For units of funds managed by third-party counterparties, the valuation provided by the manager (level 2) is used.

For derivatives, the market to market valuation is based on the value indicated by the counterparty (level 2).

In the absence of observable inputs on the market or from third-party counterparties, the valuation of the instrument is carried out through the use of material metrics that are not observable but reflect the value of the item to be measured. Furthermore, where a market is not functioning normally, i.e. when the market does not have a sufficient and continuous number of transactions and volatility is not adequately contained, the fair value of these financial instruments is calculated predominantly by using valuation techniques whose objective is to establish the price of a hypothetical transaction that considers assumptions regarding risk that market participants would use in calculating the price of the asset or liability and that also includes the risks inherent in a specific valuation technique used and the risk inherent in the inputs of the valuation technique.

Variations to financial assets measured at fair value level 3 in the year

During the half year as at 30 June 2024, no transfers of financial assets and liabilities at fair value on a recurring basis from level 3 to other levels and vice-versa were made, deriving from changes to significant input variables of observable valuation techniques.
With reference to financial instruments measured at fair value on a recurring basis, classified in level 3 of the fair value hierarchy, details of changes in the period, including profits/(losses) booked to the income statement, are shown below:

(thousands of Euro)	Financial assets
As at 31 December 2023	**617**
(Profits)/losses recognised in the income statement	-
Profits/(losses) recognised in other comprehensive income	-
Purchases/Issues/Disposals/Extinguishments	(53)
As at 30 June 2024	**564**

51. Risk management policies

51.1 Credit risks

Credit risk represents the exposure of the Mittel Group to potential losses resulting from the non-fulfilment of the obligations assumed by both financial and commercial counterparties. This risk mainly originates from economic-financial factors, or the possibility of counterparty default, or from more strictly technical-commercial factors.

The Mittel Group's maximum theoretical exposure to credit risk is represented by the book value of the financial assets and receivables recorded in the financial statements.

Allocations to allowance for impairment are made specifically on credit positions that present specific risk elements; on the credit positions that do not have these characteristics, provisions are instead made on the basis of the average collectability estimated on the basis of statistical indicators.

Qualitative information

Credit risk represents the risk of counterparty default with a partial or total loss of capital and of the interest on the credit position.
The analysis of credit risk is a key factor, for the purposes of preparation of the financial statements, in the evaluation of the receivables in the portfolio and as regards their impairment testing required by the accounting standards.

Management and the Control and Risks Committee constantly monitor risk positions at collective and, where necessary, at individual level.
The risk control department measures the market risks of the Parent Company and those of the individual Group companies, in order to ensure that the overall exposure is monitored.

Quantitative information

Credit exposures: gross and net values

The following table shows the total gross and net amounts of the Group financial receivables for the six months ended as at 30 June 2024 and as at 31 December 2023.

Amounts in thousands of Euro

Type of exposures/amounts	Gross exposure	Specific value adjustments	Net exposure
Total as at 30 June 2024	**51,134**	**(39,575)**	**11,559**
Total as at 31 December 2023	**60,919**	**(49,574)**	**11,345**

The table below shows the details of trade receivables as at 30 June 2024, by trade receivables not past due ("Falling due" line) and past due receivables, with an indication of the expired period (lines "0-180 days", and "180-360 days" and "more than 360 days"):

Amounts in thousands of EUR

30.06.2024

	Nominal value	Write-downs	Net value
Falling due	35,487	(481)	35,006
0-180 days	3,935	(188)	3,746
180-360 days	405	(104)	301
More than 360 days	3,792	(3,412)	380
	43,619	**(4,185)**	**39,433**

The figures relating to the financial statements closed as at 31 December 2023 are provided below.

Amounts in thousands of EUR	**31.12.2023 Restated**		
	Nominal value	Write-downs	Net value
Falling due	33,044	(57)	32,988
0-180 days	12,594	(81)	12,513
180-360 days	968	(663)	306
More than 360 days	4,170	(4,026)	143
	50,777	**(4,827)**	**45,950**

Positions for which there is an objective condition of partial or total non-collectability are impaired individually. The amount of the impairment loss takes account of the estimate of recoverable flows, the relative collection date and the fair value of any guarantees.
With reference to the accounting policies for loans and receivables, please refer to the section on the adoption of IFRS 9, which leads to the incorporation of expected losses arising from future events.

Cash

Cash and cash equivalents of the Group totalled EUR 78,190 thousand (EUR 87,287 thousand as at 31 December 2023) and are composed of bank deposits and cash on hand.
As regards the choice of counterparties for the management of temporary surpluses of cash and the stipulation of financial hedging contracts (derivative instruments), the Group only uses contacts with a high credit standing.
In this regard, it should be noted that, as at 30 June 2024, no significant exposures to risks connected to a further deterioration in the overall financial context were highlighted.

Guarantees given

The carrying amounts as at 30 June 2024 and 31 December 2023 relating to the guarantees issued in favour of third parties and to commitments to disburse funds are reported in note 48 "Commitments and guarantees" to these consolidated financial statements.

51.2 Market risks

Interest rate risk

Interest rate risk generally refers to the effects of changes in market interest rates on the income statement and on the statement of financial position.

<u>Breakdown of the financial structure between fixed and variable rates</u>

In relation to the breakdown of the financial structure between the fixed rate and variable rate components, both for financial assets and liabilities, the following tables are considered.
In the preparation of these tables, account was taken of the book value and, as regards financial assets, of the intrinsic nature (financial characteristics and duration) of the transactions considered, rather than solely the contractually defined conditions.

Liabilities

Amounts in thousands of EUR	**30 June 2024**		
	Fixed rate	Variable rate	Total
Bank loans	35	12,599	**12,634**
Other financial liabilities		79	**79**
Total	**35**	**12,678**	**12,713**

Amounts in thousands of EUR	31 December 2023 Restated		
	Fixed rate	Variable rate	Total
Bank loans	-	13,008	13,008
Total financial liabilities	**-**	**13,008**	**13,008**

The aforementioned tables do not include the financial liabilities recognised pursuant to IFRS 16 (fixed rate).

Assets

Amounts in thousands of EUR	30 June 2024		
	Fixed rate	Variable rate	Total
Financial receivables		11,560	**11,560**
Other financial assets			**-**
Total	**-**	**11,560**	**11,560**

Amounts in thousands of EUR	31 December 2023 Restated		
	Fixed rate	Variable rate	Total
Financial receivables		11,345	**11,345**
Total	**-**	**11,345**	**11,345**

Effective interest rate

The effective interest rate, for categories for which it can be determined, is the one relating to the original transaction net of the effect of any derivative hedging instruments.
The information, given provided by categories of financial assets and liabilities, has been prepared by using, as a weight for weighting purposes, the adjusted book value of accruals, deferrals and fair value adjustments; therefore, this refers to the amortised cost, net of any accruals and fair value adjustments due to hedge accounting.

Amounts in thousands of EUR	30 June 2024		31 December 2023 Restated	
	Adjusted book value	Effective interest rate (%)	Adjusted book value	Effective interest rate (%)
Deposits and cash	78,190	2.94%	87,287	2.57%
Other financial receivables	11,560	6.49%	11,345	6.85%
Total	**89,750**	**3.37%**	**98,632**	**3.00%**

Amounts in thousands of EUR	30 June 2024		31 December 2023 Restated	
	Adjusted book value	Effective interest rate (%)	Adjusted book value	Effective interest rate (%)
Bank loans	12,633	4.06%	13,008	4.32%
Other financial liabilities	79	0.00%		0.00%
Total	**12,712**	**4.05%**	**13,008**	**4.32%**

Sensitivity analysis

The variation in interest rates on the variable component of payables and liquidity may involve higher or lower financial expenses/income. In particular, in relation to the variation in interest rates: if, as at 30 June 2024, the interest rates were 100 basis points higher/lower than the rates actually registered, at income statement level, higher/lower financial expenses would be recorded, before the associated taxes, amounting to approximately EUR 0.1 million.

Currency risk

Currency risk may be generally defined as the effects of cross variations in the exchange rate of non-Euro currencies on the performance of the Group in terms of economic results of operations and cash flows.

The Group has no significant overall exposures in foreign currency. Where deemed necessary, the individual Group entities enter into derivatives to hedge specific commercial transactions. As at 30 June 2024 (and as at 31 December 2023), no active and passive financial instruments were denominated in currencies different from the financial statement currency of the individual companies and, therefore, currency risk is not subject to sensitivity analysis.

51.3 Liquidity risk

Liquidity risk is the risk of the Group finding it difficult to fulfil future obligations associated with the financial liabilities given that available financial resources are not sufficient to cover the obligations according to the pre-established terms and due dates. In order to measure and monitor the risk profile in question, reports are periodically produced to ensure timely monitoring of the available funds (and any indebtedness). The Group's financial situation is positive.

Quantitative information

The table below identifies the carrying amount of financial assets and liabilities (not including IFRS 16 financial liabilities) by residual maturity date:

Accounting Item/residual duration	Up to 6 months	From after 6 months to 1 year	From after 1 year to 3 years	From after 3 years to 5 years	After 5 years	Undetermined term	Total as at 30.06.2024
Assets							
Debt securities	-	-	-	-	-	-	-
Medium/long-term financial receivables	-	-	9,872	-	1,206	-	11,078
Current financial receivables	482		-	-	-	-	482
Financial assets at fair value	-	-	-	-	-	-	-
	482	**-**	**9,872**	**-**	**1,206**	**-**	**11,560**
Liabilities							
Non-current bank loans	-	-	(648)	(6,272)	-	-	(6,920)
Current bank loans	-	(5,678)	-		-	-	(5,678)
Other non-current financial payables	-	-	(16)	-	-	-	(16)
Other current financial payables	-	(63)	-	-	-	-	(63)
Bonds	-	-	-	-	-	-	-
	-	**(5,741)**	**(664)**	**(6,272)**	**-**	**-**	**(12,677)**
Financial derivatives							
Hedging derivatives	127	-	-	-	-	-	127
Trading derivatives	-	-	-	-	-	-	-
	127	**-**	**-**	**-**	**-**	**-**	**127**
	609	**(5,741)**	**9,208**	**(6,272)**	**1,206**	**-**	**(990)**

The figures relating to the financial statements as at 31 December 2023 are provided below:

Accounting Item/residual duration	Up to 6 months	From after 6 months to 1 year	From after 1 year to 3 years	From after 3 years to 5 years	After 5 years	Undetermined term	Total as at 31.12.2023 Restated
Assets							
Debt securities	-	-	-	-	-	-	-
Medium/long-term financial receivables	-	-	9,872	-	-	1,203	11,075
Current financial receivables	270		-	-	-	-	270
Financial assets at fair value	-	-	-	-	-	-	-
	270	**-**	**9,872**	**-**	**-**	**1,203**	**11,345**
Liabilities							
Non-current bank loans	-	-	(1,732)	-	-	-	(1,732)
Current bank loans	-	(11,009)	(267)				(11,276)
Other non-current financial payables	-	-	-	-	-	-	-
Other current financial payables	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-
	-	**(11,009)**	**(1,999)**	**-**	**-**	**-**	**(13,008)**
Financial derivatives							
Hedging derivatives	-	-	(32)	-	-	-	(32)
Trading derivatives	-	-	-	-	-	-	-
	-	**-**	**(32)**	**-**	**-**	**-**	**(32)**
	270	**(11,009)**	**7,841**	**-**	**-**	**1,203**	**(1,695)**

For further information on the Mittel Group's risks, reference should be made to the Report on Operations.

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Milan, 27 September 2024

for the Board of Directors

The Chairman

(Marco Giovanni Colacicco)

Statement on the consolidated financial statements pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned Anna Francesca Cremascoli, the Director in charge of the risk management and internal control system, and Pietro Santicoli, the Manager in charge of financial reporting of Mittel S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, state that the administrative and accounting procedures are adequate given the Group's characteristics and were effectively applied to prepare the condensed half-yearly consolidated financial statements as at 30 June 2024.

It is also certified that the condensed half-yearly consolidated financial statements for the period ended as at 30 June 2024:

a) were drafted in compliance with the IFRS endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and the Council of 19 July 2002;

b) are consistent with the accounting records and books;

c) provide a true and fair view of the financial position and performance of the issuer and of the group of consolidated companies.

The interim report on operations includes a reliable analysis of the references to significant events which occurred in the first six months of the year and to their incidence on the condensed half-yearly consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of the information on significant transactions with related parties.

Milan, 27 September 2024

Director in charge of the risk management and internal control system	Manager in charge of financial reporting
Anna Francesca Cremascoli	Pietro Santicoli

Independent Auditors' Report

please refer to the Italian version