Half-Year Financial Report

at June 30, 2025

Contents

1. CORPORATE BOARDS

Board of Directors

Office held until the approval of the 2026 annual accounts

Chairperson	Daniele Conti
Chief Executive Officer	Massimo Mauri
Directors	Michele Secciani
	Claudio Catania
	Luciano Lomarini
	Kurt Tosja Zywietz
	Valentina Montanari
	Anna Zattoni
	Valentina Beatrice Manfredi
	Paolo Lavatelli

Board of Statutory Auditors

Office held until the approval of the 2026 annual accounts

Statutory Auditors	Cesare Beolchi (Chairperson)
	Pierpaolo Guzzo
	Micaela Badiali
Alternate Auditors	Prospero Accogli
	Edda Delon

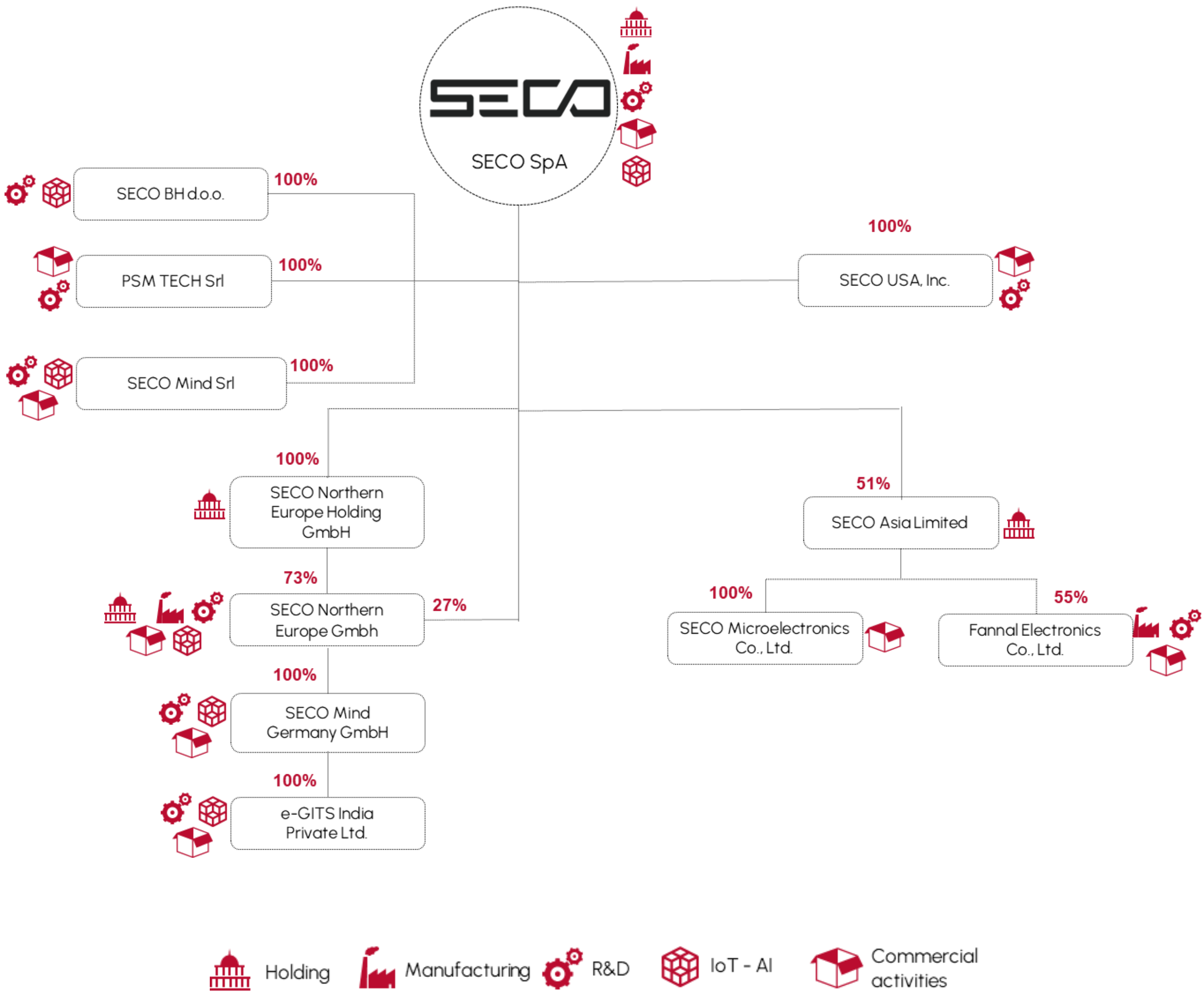
Executive Officer for Financial Reporting Lorenzo Mazzini

Independent Audit Firm Deloitte & Touche S.p.A.

Office held until the approval of the 2029 annual accounts

2. THE GROUP AND ITS OPERATIONS

The SECO Group (hereinafter also referred to as the "Group" or "SECO") consists of the parent company SECO S.p.A., hereinafter also referred to as the "Company" or "Parent Company", and its subsidiaries, as presented below:



The Company's registered office is located in Arezzo (AR), via Achille Grandi 20.

SECO is a high-tech Group that develops and delivers cutting-edge solutions for the digitization of industrial products and processes. SECO's hardware and software offerings enable B2B enterprises to introduce edge computing, Internet of Things, data analytics and artificial intelligence into their businesses. Within a quickly and broadly evolving marketplace, SECO's technologies encompass many fields of application, with innovative and customized solutions provided to its more than 450 customers, in sectors such as the Medical, Industrial Automation, Fitness, Vending and Transportation areas, in addition to many others.

3. DIRECTORS' REPORT

Market overview

Global monetary policy in H1 2025 was more expansionary than in the previous year, with the main central banks cutting rates to stimulate a general economic recovery. Normalizing inflation, particularly in Europe, has enabled Europe's central banks to gradually ease their restrictive monetary policies, spurring a return of investment and particularly benefitting the industrial component.

The global economic environment in the period was in addition impacted by the geopolitical and the global trade tensions, particularly in terms of possible short to medium-term effects. Customs duties in fact may be a critical factor for the current set-up of global supply chains. The highly globalized Edge Computing sector may be particularly affected by restrictive trade policies, due to the geographic spread of the supply chain and its dependence on international procurement, particularly of semi-conductors - whose manufacturing is heavily concentrated in areas such as Taiwan, South Korea, the USA - and of passive components.

The electronic components market is generally stabilizing, with prices declining for passive components such as resistors and capacitors. Certain segments however, such as microcontrollers and components, remain subject to volatility and possible increases. Demand remains high in sectors such as automotive, AI and IoT, while geopolitical tensions and commodity fluctuations are impacting supply. Delivery timings have settled at the improved levels emerging over recent quarters, although are still variable for certain critical components.

Within this environment, the Edge Computing segment may however constitute a key element for technological innovation: the digitalization of devices and processes in fact may significantly contribute to boosting productivity and industrial efficiency, which are essential elements not only for companies' competitiveness, but also their very survival.

Business process digital transformation is enabled by adopting smart solutions that integrate hardware and software components, facilitating the establishment of new business models and the creation of further development opportunities. The increasingly widespread adoption of digital technologies is extending also to traditionally more analogue segments: many companies are investing to improve the user experience and functionality of their products, adapting them to an increasingly interconnected and cutting-edge environment.

Against this backdrop, the main sector growth trends center on factors such as: the development of increasingly innovative technologies for Edge computing and embedded AI, linked to the integration of energy-efficient microcontrollers capable of supporting AI features, the growing interest in hardware and firmware security, against increasing cyber threats, through the development guidelines for embedded cybersecurity technologies, the expansion of IoT technologies, through the spread of real-time operative open source systems and the direct connection of intelligent devices in the industrial area. The integration of IoT-data analytics and artificial intelligence solutions within edge computing devices is also likely to accelerate the launch of new high value-added services and an evolution in the way that businesses deal with the creation, delivery and use of ICT products and services.

In addition, digitization can play a key role within a landscape in which climate change and raw material and energy supply issues make it increasingly necessary to adopt solutions that can accelerate the energy transition. In particular, by enabling the local execution of increasingly complex computational models, tools can be developed through Edge AI that can increasingly monitor and optimize the power consumption of industrial and home-use devices.

Operational overview

In terms of market dynamics, the growth emerging in Q4 2024 of edge computing and IoT solutions among operators within the various verticals in which the Group operates gradually expanded in the period. This reflects gradually normalizing inflation, particularly in Europe, which has enabled the central banks to adopt a moderately expansive monetary policy, benefitting (although not immediately) enterprise investment appetite, the related rebuilding of stocks and therefore the demand for Seco's products.

The development of new Edge computing products and new features of the Clea software suite continued. Clea represents a further development of SECO's strategy to leverage over 40 years of Edge computing know-how, with the goal of increasing value for customers, through the offer of end-to-end, integrated, customizable solutions based on micro-computing, human-machine interfaces and software platforms.

Also through long-term partnerships with the major silicon vendors, SECO has always committed to innovating its hardware proposal (e.g. with the launch of new dedicated Edge AI and Computer vision products), while continuing to work closely with its customers, supporting them through the digital evolution of their devices.

Along this strategic line of action, we are committed at SECO to further strengthening our presence and position in the Edge-IoT market through a number of major agreements to add weight to our commercial offerings and technology. We in particular highlight the partnership launched in January with Nayax Ltd. to offer IoT-integrated payment solutions for OEMs. The goal of the partnership is to integrate Nayax's payment infrastructure into SECO's products, enabling companies to manage payments and automated self-service points of sale through Clea, offering a joint value proposition featuring lower operating costs, advanced telematics and flexible integrated payments for customers in industries such as vending, coffee, and electric vehicle charging equipment.

SECO announces the launch of its "Application Hub", a marketplace that simplifies the development and deployment of artificial intelligence on edge devices. The platform helps companies overcome technical challenges, such as hardware fragmentation and software integration complexity. It offers a comprehensive toolkit compatible with a range of chips (Intel, AMD, NXP, etc.), supporting the quick introduction of AI models. It allows developers and partners to publish and monetize their solutions. All this will be integrated with the Clea framework, strengthening the SECO ecosystem in areas such as industry, medicine, retail and the "smart city".

Research and Development and Technological Innovation

SECO's main objective is to anticipate the needs of its customers, utilizing frontier technologies and supporting them in the digital transition of their business, while adding value to their solutions. SECO continues with its ongoing investment to ensure high levels of innovation, integration and added value in the solutions built according to the specific needs of customers operating in multiple verticals.

The constant push for innovation by all the players in a given sector can quickly render a competitive advantage obsolete. As such, SECO continues to dedicate significant resources to Research and Development, which concerned the development of new products and of off-the-shelf solutions to be sold on the market, in addition to the co-development and co-engineering of customized products, working hand-in-hand with the customer.

The SECO Group R&D departments are responsible for developing and designing technological solutions based on integrated systems, standard and custom solution modules and IoT and AI software solutions for SECO's customers and target markets. Research and development is a key aspect of SECO's business model and is carried out both in-house and through partnerships with world-class technology enterprises and research institutes and university hubs worldwide.

The technological development in which SECO has invested in recent years has positioned the Group as a leading player in the combined provision of both hardware and software. The technological challenge that the Group continues to take on is that of developing high-performance hardware, with a particular emphasis on strengthening edge computing capacity by creating new products able to run inference models locally, taking advantage of edge processing capacity directly and creating an optimal integration of hardware and the CLEA software platform.

Our strong partnerships with the primary technology leaders in the electronics industry enable the Group to implement our technology strategy on hardware products by gaining early access to some of the most cutting-edge technologies being developed.

In terms of software development, strategic alliances with global technology leaders are helping to consolidate the market positioning of the Group's AI edge solutions.

Product research and development, central and strategic to the Group's business model, focuses on making the adoption of advanced technology more accessible, safe and sustainable for all industrial ecosystem players. The Group seeks to integrate its range of hardware and software technology, while also providing answers to the growing needs of cybersecurity, in line with the latest European regulations, such as the Cyber Resilience Act and the Radio Equipment Directive.

H1 Operating performance

The H1 2025 results consolidate the signs of gradual recovery emerging in Q4 2024 in demand for edge computing and IoT solutions among the players operating in the various verticals in which the Group operates. The Group's revenues have benefitted from this recovery thanks mainly to the maintenance of close relationships with customers and its consolidated technology leadership strategy, with varying impacts among the regions in which they operate. Sales revenues are up 3.22% on the same period in the previous year, driven mainly by the USA, APAC and the Rest of the World.

The result for the period benefits from the revenue growth, alongside a focus on operating cost efficiency. Transportation costs, consulting costs and outsourcing costs have reduced on the previous year.

The Group retains its strategic positioning, so as to maintain its sector leadership in terms of both technology and the marketplace, mainly through strengthening the workforce and investing in technological development.

Alternative performance measures

The following tables present the operating and financial measures used by the Group to monitor performance, in addition to the measurement methods.

In order to better understand the Group's operating and financial performance, the Directors have identified a number of alternative performance measures ("APM" or "Alternative Performance Measures").

The following table presents the key alternative performance measures for the operating results and balance sheet:

(In Euro thousands)	2025	2024	Change	Change %
EBITDA	15,934	10,117	5,817	57.50%
Adjusted EBITDA	20,132	15,812	4,320	27.32%
Net financial debt	(59,807)	(52,494)	(7,313)	13.93%
Adjusted net financial debt	(50,251)	(41,309)	(8,941)	21.65%

EBITDA - This measure is used by the Group as a financial target and is useful for assessing operating performance. EBITDA is calculated as profit or loss for the period before income taxes, financial income and charges, and amortization and depreciation.

(In Euro thousands)	30/06/2025	30/06/2024	Change	Change %
Total revenues and operating income	99,722	97,050	2,672	2.75%
Costs for services, goods and other costs	(62,036)	(66,559)	4,523	-6.80%
Personnel costs	(21,752)	(20,374)	(1,378)	6.76%
EBITDA	**15,934**	**10,117**	**5,817**	**57.50%**

(*) Costs for services, goods and other operating costs include the following income statement items: costs of raw, ancillary, consumable materials and goods; changes to inventory; service costs; the doubtful debt provision and provisions for risks and charges; other operating costs; exchange gains and losses.

The increase in this indicator between the two periods (Euro 5,817 thousand, 57.50%) was due to: the increase in revenues and operating income (Euro 2,672 thousand, 2.75%), the decrease in costs for services, goods and other costs (Euro 4,523 thousand, -6.80%) and the increase in personnel costs (Euro 1,378 thousand, 6.76%).

Adjusted EBITDA - Adjusted EBITDA is a measure to assess the Group's operating performance. Adjusted EBITDA is calculated as the profit before income taxes, financial charges and income, amortization and depreciation, exchange gains or losses, extraordinary/non-recurring expenses.

With regards to Adjusted EBITDA, the Group considers that the adjustment (which defines Adjusted EBITDA) was made to represent the Group's operating performance, net of effects of a number of events and transactions.

(In Euro thousands)	30/06/2025	30/06/2024	Change	Change %
EBITDA	**15,934**	**10,117**	**5,817**	**57.50%**
Exchange gains/(losses)	931	(615)	1,546	-251.38%
Income/charges from non-core business activities	3,259	6,310	(3,051)	-48.35%
Non-recurring income/charges from core business activities	8	0	8	0.00%
Adjusted EBITDA	**20,132**	**15,812**	**4,320**	**27.32%**

The Group reports H1 2025 Adjusted EBITDA of Euro 20,132 thousand, increasing 27.32% on H1 2024.

Income/charges from non-core business activities of Euro 3,259 thousand mainly refer:

- To the allocation of stock options to managers and directors for Euro 3,233 thousand (Euro 2,450 thousand in H1 2024).
- To consultancy costs related to possible corporate transactions for Euro 23 thousand;
- To accessory charges incurred for inventory scrapping of Euro 3 thousand.

Net financial debt - This measure indicates the Group's financial debt, net of cash and cash equivalents.

The breakdown of the net financial debt at June 30, 2025 compared with December 31, 2024 is presented on the following page, determined in accordance with "Reminder No. 5/21" dated April 29, 2021 issued by Consob, which refers to ESMA Guideline 32-382-1138 dated March 4, 2021.

At June 30, 2025, the Group net financial debt was Euro 59,807 thousand, compared to Euro 52,494 thousand at December 31, 2024.

(In Euro thousands)	30/06/2025	31/12/2024	Change	Change %
A. Cash	14	14	(0)	-2.13%
B. Cash equivalents	55,858	72,571	(16,713)	-23.03%
C. Other current financial assets	0	0	0	0.00%
D. Cash and cash equivalents (A) + (B) + (C)	**55,872**	**72,586**	**(16,714)**	**-23.03%**
E. Current financial debt	(6,147)	(10,381)	4,234	-40.79%
F. Current portion of the non-current debt	(10,154)	(10,212)	58	-0.57%
G. Current financial debt (E)+(F)	**(16,301)**	**(20,593)**	**4,292**	**-20.84%**
H. Net current financial debt (G) + (D)	**39,571**	**51,992**	**(12,421)**	**-23.89%**
I. Non-current financial debt	(99,378)	(104,486)	5,108	-4.89%
J. Debt instruments	0	0	0	0.00%
K. Trade payables and other non-current payables	0	0	0	0.00%
L. Non-current financial debt (I) + (J) + (K)	**(99,378)**	**(104,486)**	**5,108**	**-4.89%**
M. Total financial debt (H) + (L)	**(59,807)**	**(52,494)**	**(7,313)**	**13.93%**

The net financial debt increased overall by Euro 7,313 thousand compared to December 31, 2024. This increase is mainly attributable to the increase in trade receivables at June 30, 2025 compared to December 31, 2024.

Adjusted Net financial debt – The Adjusted net financial debt indicates the Group's capacity to meet its financial obligations.

The Adjusted net financial debt is obtained by adjusting the Net financial debt calculated according to the "Reminder No. 5/21" dated April 29, 2021 issued by Consob, which refers to ESMA Guideline 32-382-1138 dated March 4, 2021, with the VAT receivable, the current and non-current financial receivables deriving from leases and recognized under IFRS 16 and the effect of the recognition of the MTM of the derivatives where liabilities.

(In Euro thousands)	30/06/2025	31/12/2024	Change	Change %
Net financial debt	**(59,807)**	**(52,494)**	**(7,313)**	**13.93%**
(+) VAT receivables	783	2,075	(1,292)	-62.26%
(-) Current lease liabilities	(2,224)	(2,358)	134	-5.69%
(-) Non-current lease liabilities	(6,550)	(6,752)	202	-2.99%
(-) Derivative financial instruments	0	0	0	0.00%
Adjusted net financial debt	**(50,251)**	**(41,309)**	**(8,941)**	**21.65%**

(*) at June 30, 2025, the Mark to Market of derivatives was a positive Euro 5,456 thousand, compared to a positive Euro 6,914 thousand at December 31, 2024. These active derivatives are classified as non-current financial assets which are not included in the components to be considered when determining net financial debt, as per Consob Communication in accordance with ESMA recommendations 2022/32/382/1138, and they are therefore not included in the calculation of Adjusted net financial debt.

The Adjusted net financial debt was Euro 50,251 thousand at June 30, 2024, compared to Euro 41,309 thousand at December 31, 2025. The increase, in addition to the effects analyzed in the previous paragraph, is mainly related to the lower VAT receivable in the period.

SECO on the stock exchange

SECO S.p.A. shares are traded on the Milan Euronext Star market organized and managed by Borsa Italiana S.p.A. At June 30, 2025, the SECO S.p.A. (IOT:MI) stock price was Euro 2.33, with a capitalization therefore of Euro 309.2 million. This capitalization is higher than the Group equity of Euro 273.7 million.

Outlook

SECO is continuing to acquire new design wins and customers, strengthening the foundation for our future development. Recent partnerships with technology leaders such as NXP, Google Cloud, Qualcomm and Raspberry Pi open up new opportunities, and SECO's strategic positioning will enable it to take full advantage of the multiple growth trajectories offered by digitization.

The gradual normalization of inflation, particularly in Europe, which has enabled central banks here to gradually loosen monetary policy over the second half of 2024 is beginning to have an impact on the investment appetite of businesses. Within this landscape, we are seeing a gradual rebuilding of inventories and a consequent recovery in the demand for hardware. The protectionist trade policies, adopted particularly by the U.S., have created a climate of global economic uncertainty. Sentiment in our target market however points to an increase in Edge Computing solutions demand over FY2024.

The market is at the beginning of a digital revolution, where digitization and the use of Artificial Intelligence algorithms "at the Edge" assume a key role for the future technological development of enterprises. The growing demand for smart solutions increasingly concerns the introduction of Artificial Intelligence, directly on the device locally, to enable the launch of new high value-added services, leveraging field data and introducing new business models. SECO's unique, comprehensive and integrated technology proposition focused on Edge computing and IoT-data analytics, is designed to meet these needs and enable customers to tap into the digitization opportunities emerging across all sectors.

In this volatile general economic environment, SECO will continue to work as always in meeting commitments and targets, maintaining a consistent focus on the efficient management of its financial structure to respond in an agile and prompt manner to the challenges of 2025.

4. CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT JUNE 30, 2025

Consolidated Balance Sheet

(In Euro thousands)	Note	30/06/2025	of which Rel. Parties	31/12/2024	*of which Rel. Parties*
Property, plants and equipment	**1**	16,665	-	17,271	-
Intangible assets	**2**	101,741	-	102,392	-
Right-of-Use	**3**	9,410	-	9,833	-
Goodwill	**4**	157,108	-	157,108	-
Non-current financial assets	**5**	11,225	4,067	10,839	*2,068*
Deferred tax assets	**6**	2,975	-	3,051	-
Other non-current assets	**7**	1,598	-	1,525	-
Total non-current assets		**300,722**	**4,067**	**302,020**	**2,068**
Inventories	**8**	72,578	-	72,647	-
Trade receivables	**9**	44,477	3,016	31,886	*5,103*
Current tax assets	**10**	7,201	-	6,974	-
Other receivables	**11**	5,377	510	4,816	*510*
Cash and cash equivalents	**12**	55,872	-	72,586	-
Total current assets		**185,505**	**3,526**	**188,908**	**5,613**
TOTAL ASSETS		**486,226**	**7,594**	**490,928**	**7,681**
Share capital	**13**	1,296	-	1,296	-
Share premium reserve	**13**	232,036	-	232,036	-
Reserves	**13**	40,024	-	59,609	-
Group Net Profit		339	-	(21,034)	-
Total Group Equity	**13**	**273,695**	**-**	**271,907**	**-**
Minorities Equity and Reserves		18,178	-	16,453	-
Minorities profit for the period		2,120	-	3,371	-
Minorities Equity		**20,298**	**-**	**19,824**	**-**
Total Equity	**13**	**293,993**	**-**	**291,731**	**-**
Employee benefits	**14**	3,534	36	3,728	*471*
Provisions for risks	**15**	1,225	-	1,279	-
Deferred tax liabilities	**16**	22,767	-	23,717	-
Non-current financial liabilities	**17**	92,828	-	97,734	-
Non-current lease liabilities	**18**	6,550	-	6,752	-
Other non-current liabilities	**19**	8	-	8	-
Total non-current liabilities		**126,912**	**36**	**133,218**	**471**
Current financial liabilities	**20**	3,923	-	8,023	-
Current part of N-C financial liabilities	**21**	10,154	-	10,212	-
Current lease liabilities	**22**	2,224	-	2,358	-
Trade payables	**23**	36,178	119	31,713	*399*
Other payables	**24**	10,340	78	10,845	*119*
Current tax liabilities	**25**	2,502	-	2,827	-
Total current liabilities		**65,321**	**197**	**65,978**	**518**
TOTAL EQUITY AND LIABILITIES		**486,225**	**232**	**490,927**	**989**

Consolidated Income Statement

(In Euro thousands)	Note	H1 2025	of which Related Parties	H1 2024	*of which Related Parties*
Net sales	**26**	98,401	1,165	95,330	1,135
Other revenues and income	**27**	1,321	2	1,720	-
Raw materials, ancillaries, consumables and goods	**28**	(46,399)	-	(43,881)	-
Change in inventories		504	-	(1,178)	-
Service costs	**29**	(12,478)	(20)	(15,449)	(112)
Personnel costs	**30**	(21,752)	-	(20,374)	-
Amortization & Depreciation	**31**	(11,131)	-	(10,790)	-
Doubtful debt provision and provisions for risks	**32**	(10)	-	(113)	-
Other operating costs	**33**	(2,722)	(1,894)	(6,553)	(758)
Operating Profit		**5,734**	**(747)**	**(1,288)**	**265**
Financial income		1,801	-	3,513	-
Financial charges	**34**	(3,272)	-	(4,171)	-
Exchange gains/(losses)		(931)	-	615	-
Profit before tax		**3,332**	**(747)**	**(1,330)**	**265**
Income taxes	**35**	(873)	-	(1,678)	-
Net profit for the period		**2,459**	**(747)**	**(3,008)**	**265**
Non-controlling interests profit		2,120	-	2,149	-
Group profit		**339**	**(747)**	**(5,157)**	**265**
Basic earnings per share	**36**	0.00	0.00	0.00	0.00
Diluted earnings per share	**37**	0.00	0.00	0.00	0.00

Consolidated Comprehensive Income Statement

(In Euro thousands)	Note	H1 2025	H1 2024
Net profit for the period		**2,459**	**(3,008)**
Other comprehensive income/(expense) which may be subsequently reclassified to the income statement:		**(3,494)**	**812**
Translation differences		(2,409)	560
Gain/(loss) on Cash Flow Hedge		(1,427)	331
Tax effect profit / (loss) on cash flow hedge		342	(79)
Other comprehensive income/(expense) which may not be subsequently reclassified to the income statement:		**0**	**0**
Discounting employee benefits		0	0
Tax effect discounting employee benefits		0	0
Total comprehensive income	**38**	**(3,494)**	**812**
Non-controlling interests		478	2,413
Parent company shareholders		(1,512)	(4,609)
Total comprehensive income/(loss) for the period		**(1,035)**	**(2,196)**

Consolidated Cash Flow Statement

(In Euro thousands)	30/06/2025	30/06/2024
Net profit for the period	**2,459**	**(3,008)**
Income taxes	873	1,678
Amortization & depreciation	11,131	10,790
Change in employee benefits	(195)	192
Financial income/(charges)	1,471	658
Exchange gains/(losses)	931	(615)
Costs for share-based payments	3,234	2,450
Other non-monetary revenues and income	124	-
Cash flow before working capital changes	**20,028**	**12,144**
Change in trade receivables	(15,538)	(2,034)
Change in inventories	68	1,294
Change in trade payables	5,781	657
Other changes in tax receivables and payables	704	1,092
Other changes in current receivables and payables	(1,066)	(3,748)
Other changes in non-current receivables and payables	(604)	272
Use of provisions for risks, receivables and inventories	(54)	29
Interest collected	1,801	3,513
Interest paid	(3,135)	(4,353)
Exchange gains/(losses) realized	(1,273)	60
Income taxes paid	(2,129)	(2,679)
Cash flow from operating activities (A)	**4,583**	**6,245**
(Investments) /Disposals of property, plant and equipment	(1,106)	(1,845)
(Investments) /Disposals of intangible assets	(6,644)	(9,248)
(Investments) /Disposals of financial assets	160	281
Acquisition of business units net of cash and cash equivalents	-	-
Acquisition of subsidiaries net of cash and cash equivalents	-	-
Cash flow from investing activities (B)	**(7,590)**	**(10,812)**
New loan drawdowns	-	2,000
(Repayment) of bank loans	(4,964)	(7,302)
Change in current financial liabilities	(4,238)	1,326
Repayment lease liabilities	(2,037)	(1,244)
Dividends paid	(61)	-
Paid-in capital increase	-	(1)
Acquisition of treasury shares	-	-
Acquisition of shares from minorities	-	-
Cash flows from financing activities (C)	**(11,299)**	**(5,220)**
Increase (decrease) in cash and cash equivalents (A+B+C)	**(14,305)**	**(9,787)**
Cash & cash equivalents at beginning of period	**72,586**	**74,816**
Conversion differences	(2,409)	522
Cash & cash equivalents at end of period	**55,872**	**65,552**

Consolidated Statement of changes in Equity

(In Euro thousands)	01/01/2025	Share capital increase	Allocation result	Dividends paid	Other movements	Discounting SO plan	Comp. Profit/(Loss)	30/06/2025
Share capital	1,297	0	0	0	0	0	0	1,297
Legal reserve	289	0	0	0	0	0	0	289
Share premium reserve	232,035	0	0	0	0	0	0	232,035
Other reserves	59,119	0	(21,034)	0	66	3,234	(1,085)	40,300
Translation reserve	382	0	0	0	0	0	(767)	(385)
FTA Reserve	(371)	0	0	0	0	0	0	(371)
Discounting employee benefits	189	0	0	0	0	0	0	189
Group Net Profit	(21,034)	0	21,034	0	0	0	339	339
Group Equity	**271,908**	**0**	**0**	**0**	**66**	**3,234**	**(1,513)**	**273,695**
Minorities Equity and Reserves	16,452	0	3,371	0	(3)	0	(1,642)	18,178
Discounting employee benefits	0	0	0	0	0	0	0	0
Non-controlling interests profit	3,372	0	(3,371)	0	0	0	2,120	2,121
Minorities Equity	**19,824**	**0**	**0**	**0**	**(3)**	**0**	**478**	**20,299**
Total Equity	**291,732**	**0**	**0**	**0**	**63**	**3,234**	**(1,035)**	**293,994**

(In Euro thousands)	01/01/2024	Share capital increase	Allocation result	Dividends paid	Other movements	Discounting SO plan	Comp. Profit/(Loss)	30/06/2024
Share capital	1,296	0	0	0	0	0	0	1,296
Legal reserve	289	0	0	0	0	0	0	289
Share premium reserve	232,037	(1)	0	0	0	0	0	232,036
Other reserves	45,613	0	11,864	0	24	2,450	252	60,203
Translation reserve	(215)	0	0	0	0	0	296	81
FTA Reserve	(371)	0	0	0	0	0	0	(371)
Discounting employee benefits	109	0	0	0	0	0	0	109
Group Net Profit	11,864	0	(11,864)	0	0	0	(5,157)	(5,157)
Group Equity	**290,623**	**(1)**	**0**	**0**	**24**	**2,450**	**(4,609)**	**288,486**
Minorities Equity and Reserves	19,108	0	2,766	(2,887)	0	0	264	19,251
Discounting of employee benefits (non-cont. interests)	0	0	0	0	0	0	0	0
Non-controlling interests profit	2,766	0	(2,766)	0	0	0	2,149	2,149
Minorities Equity	**21,874**	**0**	**0**	**(2,887)**	**0**	**0**	**2,413**	**21,401**
Total Equity	**312,497**	**(1)**	**0**	**(2,887)**	**24**	**2,450**	**(2,196)**	**309,887**

5. NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT JUNE 30, 2025

The publication of the Group's consolidated half-year financial statements at June 30, 2025 was approved by the Board of Directors on September 8, 2025.

Accounting standards and basis of preparation

Content and form of the Financial Statements

The consolidated financial statements at June 30, 2025 have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and approved by the European Union, as well as the provisions issued under Article 9 of Legislative Decree No. 38/2005. IFRS refers to all the revised international accounting standards (IAS) and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") - previously known as the Standing Interpretations Committee ("SIC").

The accounting policies and principles applied in the preparation of the H1 2025 consolidated financial statements are in continuity with those of the previous year, since, for the purpose of preparing its consolidated financial statements, the Company has adopted IFRS as of the year ended December 31, 2020, with a transition date of January 1, 2018.

The consolidated financial statements at June 30, 2025 were prepared on the going concern basis. Taking into account the Group's financial strength and operating profitability, the Directors have assessed that there are no significant uncertainties regarding the ability of the companies included in the consolidation to operate as going concerns in the foreseeable future.

The consolidated financial statements at June 30, 2025 consist of the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Comprehensive Income Statement, the Statement of changes in Equity, the Consolidated Cash Flow Statement and these Explanatory Notes.

These Financial Statements have been prepared in thousands of Euro - the Parent Company's functional and "Reporting" currency - in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". This could produce rounding differences when individual line items are added together as the individual line items are calculated in Euro (rather than in thousands of Euro).

The consolidated financial statements at June 30, 2025 were subject to the limited audit of Deloitte & Touche S.p.A. (appointed by the Shareholders' Meeting of March 1, 2021).

Consolidation principles and consolidation scope

The consolidated financial statements include the statutory financial statements of SECO S.p.A. (Parent Company) and the companies in which the parent company directly and/or indirectly holds a controlling interest. The line-by-line consolidation method has been used for these companies.

The following companies are included in the consolidation scope:

- SECO S.p.A., with registered office in Arezzo 52100, Via Achille Grandi No. 20, Tax/VAT No. 00325250512, share capital Euro 1,296,944.48;

- PSM Tech S.r.l., with registered office in Arezzo 52100, Via Achille Grandi No. 18, Tax/VAT No. 02301580516, share capital Euro 30,000.00;
- Seco Mind S.r.l., with registered office in Arezzo 52100, Via Achille Grandi No. 18, share capital Euro 61,200.00.
- SECO Asia, limited, with registered office in Hong Kong, share capital Euro 6,999,957.05;
- Fannal Electronics Co., Ltd, with registered office at 6F, No. 77, Bowang Street, Yuhang District, Hangzhou, Zheijang (People's Republic of China), share capital RMB 7,365,517.00;
- Seco USA Inc., with registered office in Rockville, Maryland (USA), share capital USD 3,291,786.37;
- Seco Microelectronics Co., Ltd., with registered office in Hangzhou (People's Republic of China), share capital RMB 64,763,000.00;
- Seco BH d.o.o, with registered office in Tuzla, Bosnia & Herzegovina, share capital BAM 20,000.00;
- SECO Northern Europe Holding GmbH, with registered office in Hamburg, Federal Republic of Germany, share capital Euro 25,000.00;
- SECO Northern Europe GmbH, with registered office in Hamburg, Federal Republic of Germany, share capital Euro 102,661.00;
- SECO Mind Germany GmbH (Stuttgart), with registered office in Stuttgart, Federal Republic of Germany, share capital Euro 25,000.00;
- E-GITS India Private Ltd. (Chennai, India), with registered office in Chennai, India, share capital INR 640,200.00

Seco Mind USA Llc. and Piri India Inc. were deconsolidated as they were liquidated in the first half of 2025. This deconsolidation resulted in income of Euro 205 thousand, which was recognized under financial income.

Any associated undertakings and minor companies in which the interest held is less than 20% and which constitute non-current financial assets are valued on the basis described in the paragraph entitled "Recognition, classification and valuation criteria".

For the consolidation, the statutory financial statements or reporting packages of the individual companies were used, already approved by the respective Boards for approval, reclassified and adjusted in line with the accounting standards and policies adopted by the Group.

As per IFRS 10, the Group exercises control when it is exposed to or has the right to variable income streams, based on the relationship with the investee, and, at the same time, has the capacity to affect such income streams through the exercise of power over the investee.

Generally, there is presumption that the majority of the voting rights results in control. To support this presumption, when the Group holds less than a majority of the voting rights, the Group, in accordance with IFRS 10 standard, considers all relevant facts and circumstances to determine whether it has control of the entity, including any contractual arrangements with other holders of voting rights.

Consolidation is carried out according to the line-by-line method; the assets and liabilities, charges and income of the consolidated companies are fully included in the consolidated financial statements from the moment control is acquired until the date when it ceases. In accordance with IFRS 3, the subsidiaries acquired by the Group are accounted for using the acquisition method, according to which:

- the amount transferred in a business combination is valued at fair value, calculated as the sum of the fair value of the assets acquired and the liabilities assumed by the Group at the acquisition date and any equity instruments issued in exchange for control of the company acquired; accessory charges to the transaction are expensed to the income statement when incurred;
- Goodwill is initially recognized at cost, represented by the excess of all the consideration paid and the amount recorded for minority interests over the fair value of the net identifiable assets

acquired and liabilities assumed by the Group. This goodwill is not amortized but is subject to impairment testing at least annually, and in any case whenever events occur that suggest a reduction in value, in order to verify its recoverability;

- If the fair value of the net assets acquired exceeds the total consideration paid, the Group again verifies if it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedure utilized to determine the amount to be recorded at the acquisition date. If from the new valuation the fair value of the net assets acquired is still above the consideration, the difference (gain) is recorded in the income statement.

The share of equity and result for the period attributable to non-controlling interests are recorded separately, in the balance sheet, income statement and comprehensive income statement respectively.

The payables and receivables and income and charge relating to transactions between companies in the consolidation scope are eliminated. Profits arising from transactions between these companies and relating to amounts included in equity attributable to the shareholders of the parent company are eliminated. The tax effects of consolidation adjustments are taken to the account "deferred tax liabilities", where liabilities and to the account "deferred tax assets" where assets;

Foreign currency transactions are recorded at the current exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currency are translated to the operative currency at the exchange rate at the reporting date.

The separate financial statements of each company belonging to the Group are prepared in the primary currency where they operate (operational currency). For the purposes of the consolidated financial statements, the financial statements of each foreign entity are expressed in Euro, which is the operational currency of the Group and the presentation currency of the consolidated financial statements. All of the assets and liabilities of foreign subsidiaries in currencies other than the Euro which are included in the consolidation are translated using the exchange rate at the balance sheet date (current foreign exchange rate method). Income and costs are translated at the average exchange rate for the period. The exchange rate differences resulting from the application of this method, as well as the exchange rate differences resulting from the comparison between the opening equity converted at current exchange rates and the same converted at historical exchange rates, pass through the comprehensive income statement and are accumulated in a specific equity reserve until the investment is sold.

In the preparation of the consolidated cash flow statement the average exchange rates for the year are used to convert the cash flows of foreign subsidiaries.

The exchange rates used for the translation to Euro of the financial statements of the companies included in the consolidation are shown in the table below.

Currency	Exchange rate at 30/06/2025	Average January-June 2025	Exchange rate at 31/12/2024	Average January-June 2024
US Dollar (USD)	1.17200	1.09270	1.03890	1.08130
Chinese Renminbi (CNY)	8.39700	7.92380	7.58330	7.80110
Indian Rupee (INR)	-	-	88.93350	89.98620
Convertible mark	1.95583	1.95583	1.95583	1.95583

NEW IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2025

The following IFRS Accounting Standards, amendments and interpretations were applied for the first time by the Group from January 1, 2025:

- On August 15, 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 identify a consistent methodology in order to ascertain 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 disclosure to be made in the notes to the financial statements. The adoption of this amendment does not have effects on the consolidated financial statements of t he Group.

NEW IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORY AND NOT ADOPTED IN ADVANCE BY THE GROUP AT JUNE 30, 2025

At the reporting date, the relevant bodies of the European Union have concluded the process necessary for the implementation of the amendments and standards described below, although these standards are not mandatory and were not adopted in advance by the Group at December 31, 2024:

- On May 30, 2024, the IASB published the document "Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7". This clarifies a number of problematic issues emerging from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon achievement of ESG objectives (i.e., green bonds). Specifically, the changes 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 assessment;
    - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is settled. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognized before transferring liquidity on the settlement date under certain specific conditions.

  With these amendments, the IASB has also introduced additional disclosure requirements with respect to investments in equity instruments designated to FVOCI in particular.
  The amendments will be applicable to financial statements for periods beginning January 1, 2026. The directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.
- On December 18, 2024, the IASB published an amendment entitled "Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7". The document seeks to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). Based on these contracts, the amount of electricity generated and purchased can vary based on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
    - a clarification regarding the application of "own use" requirements to this type of contract;
    - the criteria for allowing such contracts to be accounted for as hedging instruments; and,
    - the new disclosure requirements to enable financial statement users to understand the effect of these contracts on an entity's financial performance and cash flows.

  The amendment will be applicable from January 1, 2026, although advance application is permitted. The directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

NEW IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

At the reporting date, the relevant bodies of the European Union had not yet concluded the process necessary for the implementation of the amendments and standards described below.

- On July 18, 2024, the IASB published a document called **"Annual Improvements Volume 11"**. The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The modified standards are:
    - IFRS 1 First-time Adoption of International Financial Reporting Standards;
    - IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7;
    - IFRS 9 Financial Instruments;
    - IFRS 10 Consolidated Financial Statements; and
    - IAS 7 Statement of Cash Flows.

  The amendments will be applicable from 1 January 2026, although advance application is permitted. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.
- On April 9, 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 seeks to improve the presentation of financial statement formats, with particular regard to the income statement format. Specifically, the new standard requires that:
    - revenues and expenses are classified into three new categories (operating section, investment section, and financial section), in addition to the tax and discontinued operations categories already in the income statement;
    - Two new sub-totals are presented: operating income and earnings 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 aggregation and disaggregation of information; and,
    - introduces a number of changes to the format of the cash flow statement, including a requirement that operating income is used as the starting point for the presentation of the cash flow statement prepared using the indirect method and that certain classification options are eliminated for some existing items (such as interest paid, interest received, dividends paid and dividends received).

  The standard will be effective from January 1, 2027, although advance application is permitted. The Directors are currently assessing the possible effects of introduction of this new standard on the Group's consolidated financial statements.

- On May 9, 2024, the IASB published a new standard - **IFRS 19 Subsidiaries without Public Accountability: Disclosures.** The new standard introduces a number of simplifications with reference to the disclosure required by IFRS Accounting Standards in the financial statements of a subsidiary that meets the following requirements:
    - it has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them;
    - it has its own parent company that prepares consolidated financial statements in accordance with IFRS.

The standard will be effective from January 1, 2027, although advance application is permitted. The directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

- On 30 January 2014, the IASB published **IFRS 14 Regulatory Deferral Accounts** which permits only those adopting IFRS for the first time to continue to recognize amounts concerning Rate Regulation Activities according to the previous accounting standards adopted. As the Company/Group is a first-time adopter, this standard is not applicable.

Financial Statements

The financial statements of the SECO Group are presented as follows:

- the Balance Sheet reports assets and liabilities analyzed by maturity, separating current and non-current accounts as due within and beyond 12 months;
- the Income Statement, in view of the specific activity carried out, is presented with the individual items analyzed by nature;
- the Comprehensive Income Statement shows the components of net income suspended in equity and is presented as a separate statement and is presented in accordance with the revised version of IAS 1. The items presented in Other Comprehensive Income are grouped based on whether or not they can be reclassified to profit or loss subsequently;
- the Statement of Changes in Equity shows changes in capital, reserves and net profit for the period;
- the Consolidated Cash Flow Statement was prepared reporting financial cash flows according to the “indirect method”, as permitted by IAS 7.

The functional and presentation currency of the Group is the Euro. Unless otherwise specified, amounts shown in the Notes to the Financial Statements are expressed in thousands of Euro.

Accounting policies

The main accounting policies adopted in the preparation of the consolidated financial statements at June 30, 2025 are disclosed below.

Property, plant & equipment

The Group applies the provisions of IAS 16 “Property, Plant & Equipment".

Property, plant and equipment is recorded at cost, including directly allocated accessory costs and those necessary for the asset being in the condition for which it was acquired, and increased, in the presence of current obligations, by the current value of the estimated cost for the disposal of the asset. If major components of such tangible fixed assets have different useful lives, such components are accounted for separately. Land, both constructible and relating to civil and industrial buildings, is not depreciated as it has an unlimited useful life.

Property, plant & equipment are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated on a straight-line basis according to the estimated useful life of the asset; useful life is reviewed annually and any changes, where necessary, are made on the basis of the new estimate. The main economic-technical rates used are those derived from the individual useful lives:

Category	Rates
Buildings	3%
Light constructions	10%
General plant	10%
Specific plant	15%
Machinery	25%
Equipment	15%
Furniture & fittings	12%
Motor vehicles	25%
Trade fairs stands	10%
Molds	25%
Other assets	20%

The depreciation criteria as well as useful lives and residual values are reassessed and re-defined at least at the end of each year in order to take any significant changes into account.

A tangible fixed asset is eliminated from the financial statements when the asset is sold or when no expected economic benefits exist from its use or disposal. Gains and losses on disposal are determined by comparing the consideration with the net book value. The amount so determined is recorded in the income statement on an accruals basis.

Borrowing costs that are directly attributable to the acquisition, construction or production of a tangible fixed asset which requires a lengthy period before availability for use shall be capitalized as part of the cost of that asset. All other financial charges are recognized as a charge in the period in which they are incurred. Financial charges consist of interest and other costs that a Group entity incurs in connection with obtaining financing.

Intangible assets

Intangible assets purchased or constructed internally are recorded when it is probable that the use of the asset will generate future economic benefits and when its cost can be reliably calculated. Intangible assets acquired separately are initially recognized at cost, while those acquired through business combinations are recognized at fair value on the acquisition date. After initial recognition, the intangible assets are recorded at cost less accumulated amortization and any loss in value. Intangible assets internally generated, with the exception of development costs, are not capitalized and are expensed to the income statement in the year they are incurred.

An intangible asset purchased or produced internally is recognized, in accordance with IAS 38 – Intangible Assets, only if identifiable, controllable, where future economic benefits are expected and its costs can be reliably calculated.

Development costs are recognized as assets only if all of the following conditions are met: the Group is able to demonstrate:

- the technical feasibility to complete the intangible asset, so as to be available for use or sale;
- the intention to complete the asset and its capacity and intention to utilize or sell the asset;
- the means by which the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the capacity to reliably value the cost attributable to the asset during development.

Capitalized costs include only those costs that are directly attributable to development. The development costs capitalized are amortized on a straight-line basis, commencing from the beginning of the production over the estimated life of the product. During the development period the asset is subject to an annual impairment test.

Costs that are not related to development or that do not meet the requirements identified above are recognized in the income statement when incurred.

The useful life of the intangible assets is measured as finite or indefinite. The finite intangible assets are amortized over the useful life of the asset and verified for any indications of a possible impairment. The amortization period and method applied is reviewed at the end of each year or more frequently if necessary. Changes in the expected useful life or of the manner in which the future economic benefits related to the intangible assets are received by the Group are recorded amending the period and method of amortization, and treated as changes in the accounting estimates. The amortization of finite intangible assets is recorded in the income statement under the category of costs relating to intangible assets.

Category	Rates
Software, licenses and others	20%
Development costs	20%
Other intangible assets	20%

For some specific intangible assets as a result of purchase price allocation process, a lower amortization rate was defined than those shown in the table above. Specifically for the customer list business of SECO Northern Europe, the amortization rate defined in purchase price allocation is 4%, while for the intangible assets subject to the business unit transfer by Camozzi Digital S.r.l. the amortization rates defined in the purchase price allocation are 5.9% (17 years) and 8.3% (12 years).

Intangible assets with indefinite useful lives (Goodwill) are tested annually for impairment at the cash-generating unit level. These assets are not amortized. Gains or losses from the disposal of an intangible asset are measured as the difference between the net disposal consideration and the carrying amount of the intangible asset and are recognized in the income statement when the asset is disposed.

Impairment of non-financial assets

Assets with an indefinite useful life are not subject to amortization but are subject to an impairment test at least once a year, aimed at verifying whether their book value has reduced.

At each reporting date, the Group reviews the carrying value of its tangible, intangible and right-of-use assets to determine if there are indications that these assets have incurred a loss in value (impairment test).

Amortized assets are subjected to an impairment test if there are events or circumstances such that the carrying amount cannot be recovered (trigger event). In both cases, any impairment is recorded at the amount of the book value that exceeds the recoverable value. This latter is the higher between the fair value of the asset less costs to sell and its value in use. If it is not possible to determine the value in use of an asset individually, it is necessary to determine the recoverable value of the CGU (Cash Generating Unit) that includes the asset. The CGU is the smallest group of assets that comprises the asset being tested for impairment and generates cash inflows that are largely independent of the cash inflows from the other assets or groups of assets. The directors have identified three CGU's within the Group.

In the determination of the value in use of each CGU, the estimated future cash flows are discounted by the Group at a post-tax rate that reflects the market assessment of the present value of money and the risks specific to the asset. In the determination of the fair value net of selling costs, account is taken of recent market transactions. Where it is not possible to identify these transactions, an adequate valuation model is utilized. These calculations are made utilizing appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.

The Group bases its impairment test on recent budgets and forecasts, approved by the Board of Directors. These budgets and forecasts generally cover a period of three years. A constant long-term growth rate is calculated to project future cash flows beyond the third year.

The losses in value of operating assets are recorded in the income statement in the category of costs relating to those assets.

The value of an asset previously written down may be restated only if there have been changes in the assumptions used to determine the recoverable value, after the last recording of a loss in value. The recovery of value cannot exceed the carrying amount which would have been calculated, net of depreciation or amortization, where no such loss in value was recorded in previous years. This recovery value is recognized in the income statement.

Right-of-use

Lease agreements entered into as a lessee result in the recognition of an asset representing the right to use the leased asset and the financial liability for the obligation to make payments under the agreement. The assessment as to whether a contract contains a lease is made on the date of inception. In particular, the lease liability is initially recorded at the present value of future payments to be made, adopting a discount rate equal to the implicit interest rate of the contract or, if this cannot be easily determined, using the lessee's incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost using the incremental interest rate and is restated following renegotiation of contracts, changes in rates, changes in the valuation of any contractual options. The Right-of-use is initially recognized at cost and is subsequently adjusted to take account of the amortization recognized, any impairment losses and the effects of any restatement of lease liabilities.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right-of-use reflects the fact that the lessee will reasonably exercise the option to purchase, the lessee shall depreciate the asset consisting of the right-of-use from the commencement date to the end of the useful life of the underlying asset.

The Group determines the lease term as the non-cancellable period of the lease to which the periods covered by the lease extension option should be added, if there is a reasonable certainty of exercising such option.

The Group uses its judgement in assessing whether it is reasonably certain that the option will be renewed. However the Group considers all relevant factors that may result in an economic incentive to exercise renewal options or to terminate the contract. After inception, the Group reassesses the lease term where there is a significant event or significant change of circumstance within its control that may affect its ability to exercise (or not to exercise) the option to renew (for example, investments in leasehold improvements or significant specific changes on the leasehold).

The Group decided to adopt a number of simplifications, as provided for by the standard, excluding from the above treatment contracts with a duration of 12 months or less and that do not contain a purchase option (so-called "short-term", calculated on the residual duration at the time of first-time adoption or, in the event of stipulation after January 1, 2018, on the contractual duration), those with a value of less than Euro 30 thousand (so-called "low-value") and those relating to intangible assets. The Group has its own production facilities even in countries where ownership rights are not allowed. Advance rentals, paid to obtain the availability of the land on which their production facilities are located, are recorded under right-of-use. Rentals related to contracts that do not contain a lease, and those related to short-term leases and low-value assets are recognized as expenses on a straight-line basis over the term of the contract.

Goodwill

Goodwill, in application of IFRS 3, is initially recognized at cost represented by the excess of the total amount paid and the amount recognized for minority interests in respect of the fair value of the net identifiable assets acquired and the liabilities assumed by the Group. It represents an intangible asset with indefinite life. For each business combination, the Group decides whether to measure the minority interest at fair value or in proportion to the amount held in the fair value of the identifiable net assets of the investee. The acquisition costs are expensed in the year and classified under service expenses.

Goodwill is not amortized but subjected annually, or more frequently if certain events or changed circumstances indicate the existence of a permanent loss in value, to impairment tests in accordance with IAS 36. After initial recognition, goodwill is measured at cost net of accumulated impairment. When all or part of a previously acquired company (whose acquisition produced goodwill) is sold, the corresponding residual value of goodwill is considered when calculating the capital gains or loses generated by such sale.

Business combinations

Business combinations are recognized using the acquisition method. The acquisition cost is calculated as the total of the fair value at the date of acquisition and the value of any minority equity holding in the acquisition measured at fair value. For every business combination, the buyer must measure any minority holding, which remains subsequently in the fair value of the business combination, at fair value or in proportion to the amount held in the fair value of the identifiable net assets of the acquisition. The acquisition costs are expensed and classified under administration expenses. When the Group acquires a business, i.e., a business consisting of inputs and substantial processes applied to those inputs that are capable of contributing to the creation of output, it must classify or designate the assets acquired or liabilities assumed in accordance with the contractual terms, economic conditions and other relevant terms in place at the date of acquisition. Every potential payment is recorded by the acquirer at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability will be recorded in accordance with IFRS 9, in the income statement. If the contingent consideration is classified as equity, its value does not need to be recalculated and its settlement will be accounted for against equity.

Business Combinations by the Group

The Group has not undertaken any Business Combinations.

Financial assets

IFRS 9 provides for a single approach for the analysis and classification of all financial assets, including those contained in embedded derivatives. The classification and the relative measurement is made considering both the management model of the financial assets and the contractual characteristics of the cash flows from the asset. Depending on the characteristics of the instrument and the business model adopted for its management, a distinction is made between the following three categories: (i) financial assets valued at amortized cost; (ii) financial assets valued at fair value with recognition of the effects to other comprehensive income (also, OCI); (iii) financial assets valued at fair value with recognition of the effects to the income statement. Financial assets are valued using the amortized cost method when both of the following conditions are met: - the management model of the financial asset consists of holding it for the sole purpose of collecting the related cash flows; and - the financial asset generates, at contractually predetermined dates, cash flows that exclusively represent the return on the financial asset. Using the amortized cost method, the initial carrying amount is subsequently adjusted to take account of capital repayments, any write-downs and the amortization of the difference between the repayment value and the initial carrying amount. Amortization is carried out on the basis of the effective internal interest rate which represents the rate that makes the present value of expected cash flows and the expected initial carrying amount at the time of initial recognition. Receivables and other financial assets measured at amortized cost are shown net of the related doubtful debt provision. Financial assets represented by debt instruments whose business model provides both the possibility of collecting contractual cash flows and the possibility of realizing capital gains on disposal (so-called business model hold to collect and sell), are measured at fair value with the effects recognized to OCI. In this case, changes in the fair value of the instrument are recognized in equity, among other components of comprehensive income. The cumulative amount of changes in fair value, recognized in the equity reserve that includes the other components of comprehensive income, is reversed to the statement of profit and loss when the instrument is derecognized. Interest income calculated using the effective interest rate, exchange rate differences and write-downs are recorded in the income statement. A financial asset representative of a debt instrument which is not valued at amortized cost or at FVTOCI, is valued at fair value with recognition of the effects to the income statement.

Receivables

In accordance with the above criteria, trade and other receivables are financial assets initially recognized at fair value and subsequently measured based on the amortized cost method, net of the doubtful debt provision. IFRS 9 defines an impairment/write-down model of these assets, with the objective to provide useful information to the readers of financial statements in relation to expected losses. According to this model, the Group assesses receivables using an expected loss approach. For trade receivables the Group adopts a simplified approach to valuation which does not require the recording of periodic changes in credit risk, but rather the estimation of an Expected Credit Loss ("ECL") calculated over the entire life of the receivable (so-called lifetime ECL). In particular, the policy implemented by the Group provides for the stratification of trade receivables into categories on the basis of days past due, defining the allocation based on historical experience of losses on receivables, adjusted to take account of specific forecast factors relating to creditors and the economic environment. Trade receivables are fully written down if there is no reasonable expectation of recovery, i.e. in the presence of inactive trade counterparties. The carrying amount of the asset is reduced through the use of an allowance for impairment and the amount of the loss is recognized in the income statement. When collection of the consideration is deferred beyond the normal commercial terms practiced to customers, the receivable is discounted.

In the case of factoring and, in particular, to non-recourse assignments of trade receivables, which provide for the almost total and unconditional transfer to the assignee of the risks and benefits relating to the assigned receivables, the receivables themselves are removed from the financial statements.

In the case of assignments in which risks and benefits are not transferred, the related receivables are retained in the financial statements until the assigned debtor is paid. In this case, any advances collected by the factor are recorded under payables to other lenders.

Inventories

Inventories are recorded at the lower of purchase or production cost, determined by attributing to the products the costs directly incurred plus the portion of indirect costs reasonably attributed to production under conditions of normal use of production capacity, and realizable value at the balance sheet date, represented by the amount that the company expects to obtain from their sale in the normal course of operations. The cost of raw materials and finished goods is determined by applying the weighted average purchase cost per movement, including ancillary purchase charges. The production costs of finished and semi-finished products include the direct cost of the materials and the labor, in addition to general production expenses based on the normal production capacity, but not considering financial charges.

Obsolete, slow-moving inventories and/or those in excess of normal requirements are written down through a specific provision, in relation to their possibility of use or future realization. Write-downs are restored in future years should the reason for the write-down no longer exist.

Public grants

Public grants are recognized when there is reasonable certainty that they will be received and that the conditions will be satisfied for their attainment.

1) Operating grants

Operating grants consist of government grants and subsidies received and intended to supplement revenues. The Group accounts for these contributions on an accruals basis in accordance with IAS 20.

2) Capital grants

In the event that the grant is linked to an investment, the investment and the grant are recorded at their nominal value and the release to the income statement takes place progressively over the expected useful life of the relevant investment on a straight-line basis, reducing the initial deferred income.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank and postal deposits on demand and other uses of treasury with original maturity of no more than three months or otherwise readily liquid without significant costs or losses.

Equity

Share capital

This represents the subscribed and paid-up capital of the Parent Company.

Costs related to the issuance of new shares or options are classified, if any, in equity as a decrease in the amounts arising from the issuance of such instruments.

Reserves

These comprise:

- legal reserve
- specific allocation reserve
- IAS/IFRS transition reserve, net of the tax effect
- share premium reserve
- retained earnings

Treasury shares

As of June 30, 2025, 522,898 treasury shares are held in escrow in connection with SECO MIND's "minority purchase agreement". These shares are recognized as a reduction of equity. The original cost of the treasury shares and the revenues deriving from any subsequent sale are recognized as equity movements.

Employee benefits

The liability relating to the benefits paid to employees and directors on or after termination of employment under defined-benefit plans is determined, separately for each plan, on the basis of actuarial assumptions, estimating the amount of future benefits that employees have accrued at the reference date (the so-called "projected unit credit method"). The liability, recorded on the balance sheet net of any plan assets, is recognized on an accrual basis over the vesting period. The liability is calculated by independent actuaries. The components of defined benefit cost are recognized as follows: - service costs are recognized in the income statement as part of personnel costs; - net finance costs on the defined benefit liability or asset are recognized in the income statement as Financial income/(expense), and are determined by multiplying the value of the net liability/(asset) by the rate used to discount the obligations, taking into account contribution and benefit payments that occurred during the period; - the remeasurement components of the net liability, which include actuarial gains and losses, return on assets (excluding interest income recognized in the income statement) and any change in the asset limit, are recognized immediately in Other comprehensive income (loss). These components should not be reclassified to the Income Statement in a subsequent period.

Termination benefits are recognized on the earliest of the following dates: i) when the Company can no longer withdraw its offer of such benefits, and ii) when the Company recognizes the costs of a restructuring.

Incentive plans

In line with the provisions of IFRS 2, the Group classifies medium/long-term incentive plans as "share-based payments" and requires, for those falling into the "equity-settled" category, which requires the physical delivery of the shares, the determination at the grant date of the fair value of the option rights issued and its recognition as a cost recognized on a straight-line basis over the vesting period, with a counter-entry in a specific equity reserve. This allocation is made on the basis of an estimate of the rights that will actually accrue in favor of the staff entitled to them, taking into account the conditions of use of the same not based on the market value of the rights.

At the end of the fiscal year, the equity reserve is reclassified to available reserves.

Provisions for risks and charges

Where the Group has a legal or implicit obligation as a result of a past event and it is probable that it will incur a loss of economic benefits in order to meet that obligation, a provision is recorded. If the time factor of the expected loss of benefits is significant, the amount of future cash outflows is discounted at a pre-tax interest rate that takes into account market interest rates and the specific risk of the liability to which it relates.

No provision is made for any future operating losses. Provisions are measured at the current value of management's best estimate of expenditures to meet the current obligation as of the reporting date.

In the case of lawsuits, the amount of provisions has been determined on the basis of estimates made by the Group, together with its legal advisors, in order to determine the probability, timing and amounts involved and the probable outflow of resources. The provision made will be adjusted as the case develops. At the conclusion of the dispute, the amount that may differ from the provision set aside in the financial statements will be charged to the income statement.

The risk and charges provisions mainly comprise the Seco Northen Europe Product warranty provision and the Supplementary Agents Indemnity Fund (FISC), which is allocated in relation to the termination of agency contracts at the initiative of the principal for reasons not attributable to the agent or representative. In fact, the agent or representative will be paid a supplementary agents indemnity, to be calculated on the overall amount of the commissions for which the right to payment arose in favor of the agent for the entire duration of the relationship (from the date of stipulation of the contract to the date of termination) even if the same sums have not been paid in full at the time of termination of the relationship.

Deferred tax assets and liabilities

Deferred taxes are calculated using the liability method on temporary differences at the reporting date between the fiscal values of the assets and liabilities and the corresponding values in the financial statements. Deferred tax liabilities are recorded on all temporary assessable differences, with the following exceptions:

- when the deferred tax liabilities derive from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, has no effects on the result in the financial statements or on the fiscal result;
- the reversal of the temporary differences, related to investments in subsidiaries, associates and joint ventures, can be controlled and it is probable that such will not occur in the foreseeable future.

Deferred tax assets are recognized on all temporary deductible differences, credits and unused fiscal losses carried forward, to the extent of the probable existence of adequate future tax profits, that can justify the use of the temporary deductible differences, credits and fiscal loses carried forward, with the following exceptions:

- when the deferred tax assets related to the temporary deductible differences derives from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, has no effects on the result in the financial statements or on the fiscal result;
- in the case of temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred tax assets are only recognized to the probable extent that the temporary differences will reverse in the foreseeable future and there are sufficient assessable amounts to utilize such temporary differences.

The carrying value of deferred tax assets is revised at the end of the year and reduced to the extent that it is no longer likely that there will be sufficient taxable income against which to recover all or part of the assets. Deferred taxes are determined based on the tax rates that are expected to apply in the period in which such deferrals will be realized, considering the rates in effect and those already enacted, or substantially in effect, at the date of the financial statements. Deferred taxes are recognized directly to the income statement, with the exception of those relating to accounts directly recognized to the comprehensive income statement, in which case the deferred taxes are also recognized to the comprehensive income statement.

Financial liabilities

Financial liabilities include borrowings, current financial liabilities and financial liabilities arising from leases. Pursuant to IFRS 9, they also include trade and other payables. Financial liabilities are recorded at fair value net of transaction costs. After initial recognition, loans are recognized on the basis of amortized cost, calculated by applying the effective interest rate. A financial liability is derecognized when the underlying obligation of the liability is settled, cancelled or fulfilled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the income statement. With the introduction of IFRS 9, in the event of renegotiation of a financial liability that does not qualify as an "settlement of the original debt", the difference between i) the carrying amount of the liability prior to modification and ii) the present value of the cash flows of the modified debt, discounted at the original rate (IRR), is recognized in the income statement.

Amortized cost and measurement of fair value

All financial liabilities are recognized according to the amortized cost method.

Under this approach, the nominal amount of the liability is reduced by the amount of the related issue and/or signing costs plus any costs related to the refinancing of existing liabilities. These costs are amortized using the effective interest rate as the discount rate for future interest expense and repayments of principle at the net carrying amount of the financial liability.

IFRS 13 – Fair Value Measurement defines fair value as the price that would be received for the sale of an asset, or that would be paid to transfer a liability in an arm's length transaction at the measurement date. In the absence of an active and properly functioning market, fair value must be measured using valuation techniques. The standard also establishes a fair value hierarchy:

- level 1 - assets or liabilities subject to valuation listed on an active market;
- level 2 - input based on prices listed at the previous point, which are directly observable (prices) or indirectly (derivatives from the prices) on the market;
- level 3 - input which is not based on observable market data.

Derivative instruments and hedge accounting

The derivative instruments entered into by the Group are designed to cover exposure to the interest rate risk associated primarily with loan agreements. On the date the contract is entered into, derivative instruments are initially recognized at fair value and, if the derivative instruments are not formally designated as hedging instruments, changes in fair value recognized subsequent to initial recognition are treated as a financial component of net income for the year. If, on the other hand, the derivatives meet the requirements to be classified as hedging instruments and are formally designated as such, the subsequent changes in fair value are accounted for by following the specific criteria set out in IFRS 9 below. For each derivative financial instrument identified as a hedging instrument, its relationship to the hedged item is documented, including risk management objectives, hedging strategy, and assessment of hedge effectiveness. The effectiveness of each hedge is tested both at the time of inception of each derivative instrument and during its life. Generally, a hedge is considered to be highly "effective" if, both at its inception and during its life, changes in the fair value in the case of a fair value hedge or in the expected future cash flows in the case of a cash flow hedge of the hedged item are substantially offset by changes in the fair value of the hedging instrument. When the hedge concerns changes in the fair value of assets or liabilities recorded in the financial statements (fair value hedge), both the changes in the fair value of the hedging instrument and the changes in the hedged item are recorded in the Income Statement. In the case of a hedge aimed at neutralizing the risk of changes in future cash flows deriving from the future execution of transactions that are expected to be highly probable at the reporting date (cash flow hedge), the changes in the fair value of the derivative instrument posted subsequent to initial recognition are accounted for, limited only to the effective portion, among the components of Comprehensive Income and Loss. When the economic effects arising from the hedged item become apparent, the reserve is reversed to the Income Statement among the operating components. If the hedge is not perfectly effective, the change in fair value of the hedging instrument, referring to the ineffective portion of the hedge, is immediately recorded in the income statement. If, during the life of a derivative instrument, the expected transaction for which the hedge was activated is no longer expected to take place, the part of the "reserves" item relating to this instrument is immediately reversed to the Income Statement for the year. On the other hand, if the derivative instrument is sold or no longer qualifies as an effective hedging instrument, the part of the "reserves" item representing the changes in fair value of the instrument, recorded up to that moment, is maintained as a component of Comprehensive Income and is reversed to the Income Statement in accordance with the classification criterion described above, at the same time as the economic effects of the transaction originally covered by the hedge occur. Financial assets are derecognized from the balance sheet when the right to receive the cash flows from the instrument ceases and the Company has transferred all the risks and rewards relating to the instrument and the relative control.

Revenues from sales and services

On the basis of the five-stage model introduced by IFRS 15, the Group recognizes revenue after identifying the contracts with its customers and the related services to be provided (transfer of goods and/or services), determining the consideration to which it believes it is entitled in exchange for the provision of each of these services, and assessing the way in which these services will be provided (provision at a specific time versus provision over time). In particular, the Group recognizes revenues only if the following requirements are met (so-called identification requirements of the "contract" with the customer):

a) the parties have approved the contract (in writing, orally or in compliance with other normal commercial practices) and have committed to fulfill the respective obligations; an agreement therefore exists between the parties which creates the applicable rights and obligations irrespective of the form with which this agreement takes;
b) the Group may identify the rights of each of the parties with respect to the goods or services to be transferred;
c) the Group can identify the payment conditions for the goods or services to be transferred;
d) the contract has commercial substance;
e) it is likely that the Group will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the client.

If the above requirements are not met, the related revenue is recognized when: (i) the Group has already transferred control of the goods and/or provided services to the customer and all, or almost all, of the consideration promised by the customer has been received and is non-refundable; or (ii) the contract has been terminated and the consideration the Group has received from the customer is non-refundable. If the above requirements are met, the Group applies the recognition rules described below. Revenues from sales are recorded when control of the asset subject to the transaction is transferred to the purchaser, or when the customer acquires full capacity to decide on the use of the asset as well as to derive substantially all the benefits, on the basis of the terms defined with the customer. Revenues from services are recognized when they are rendered with reference to the stage of completion. The Group uses an input-based method to measure the progress of services because there is a direct relationship between labor hours expended and the transfer of services to the customer.

Revenues are represented net of discounts, including, but not limited to, sales incentive programs and customer bonuses, as well as taxes directly related to the sale of goods.

Costs

Costs are recognized net of returns, discounts and allowances in accordance with the accrual basis of accounting.

Costs for the purchase of goods are recorded when all risks and rewards have been transferred, which normally coincides with the shipment of the goods. Costs for services are recorded on an accrual basis based on when the services are received.

Finance income

Financial income is recognized on an accrual basis. This includes interest income on funds invested, foreign currency gains and income deriving from financial instruments, when not offset by hedging operations. Interest income is recorded in the income statement at the moment of maturity, considering the effective yield.

Financial charges

Financial charges are recognized on an accrual basis. They include interest expense on borrowings calculated using the effective interest method, foreign currency losses and losses on derivative financial instruments. The interest expense portion of finance lease payments is charged to the income statement using the effective interest method.

Income taxes

Income taxes are recognized on the basis of the best estimate of the expected tax rates for the entire year.

Earnings per share

1) Basic

Basic earnings per share is calculated by dividing the overall result for the period attributable to holders of ordinary shares of the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

2) Diluted

Diluted earnings per share is calculated by dividing the total earnings per share for the period attributable to holders of the Parent Company's ordinary shares, excluding treasury shares, by the weighted average number of shares outstanding, adjusted to take account of the effects of all dilutive potential ordinary shares. In order to calculate the diluted earnings, the average weighted number of shares outstanding is adjusted in respect of the dilution potential of ordinary shares, while the profit or loss of the company is adjusted to take into account the effects, net of income taxes, of the conversion.

Use of estimates

The preparation of the financial statements and notes in application of IFRS requires the Directors to apply accounting principles and methods that may be based on historical experience and assumptions that depend on the circumstances in which the valuations are made.

Estimates are used to value assets subject to impairment testing, as well as to recognize the doubtful debt provision, the inventory obsolescence provision, provisions for risks and charges and employee benefits. The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognized to the income statement. It should be noted that in the current general economic and geopolitical environment, given its impacts on the global financial situation, the assumptions regarding future performance feature a particular degree of uncertainty. Therefore it cannot be excluded in the next year results differ from those estimated which could require adjustments, even significant, today obviously not foreseeable nor expected.

The principal measurement processes and key assumptions used by the Group in applying IFRS and which may have significant effects on the values recorded in the financial statements or give rise to significant adjustments to the accounting values of assets and liabilities in the year subsequent to the reporting date are summarized below.

<u>Recoverable value of non-current assets</u>

Non-current assets include Property, plant and equipment and intangible assets, Goodwill, Non-current financial assets and Other non-current assets. The Group periodically reviews the carrying value of the non-current assets held and utilized and of assets to be disposed of, when events and circumstances require such. For Goodwill, this analysis is carried out at least annually and wherever required by circumstances. The analysis of the recoverability of the book value of Goodwill is carried out using estimates of the cash flows expected from the use or sale of the assets and adequate discount rates to calculate the present value. The recoverable amount is measured by determining the value in use, which is based on a discounted cash flow model. Cash flows are derived from the 3-year budget and do not include restructuring activities to which the Group has not yet committed or significant future investments that will increase the results of the business included in the cash generating unit being evaluated. More specifically, the impairment testing procedure for goodwill and intangible and tangible assets described under the accounting policies "Impairment of Non-Financial Assets" entails, when estimating value in use, the use of assumptions regarding: i) the expected cash flows of the cash-generating units (CGUs) identified, in reference to the 2024-2026 business plan approved by the Board of Directors on January 25, 2024; ii) the determination of an appropriate discount rate (WACC); and iii) the determination of a long-term growth rate (g).

The Group has also implemented an analysis and assessment of risks and of short, medium and long-term opportunities related to climate change and the reduction of polluting emissions. In this regard, it should be noted that the Group considered the impact on investments, on costs, and on cash flows when conducting these accounting estimates.

The recoverable amount depends significantly on the discount rate used in the discounted cash flow model, in addition to the expected future cash flows and the growth rate used for the extrapolation.

When the carrying amount of a non-current asset is impaired, the Company recognizes a write-down for the excess between the carrying amount of the asset and its recoverable amount through use or sale, with reference to the cash flows from the most recent business plans.

Provisions for risks

The Group accrues a liability against disputes and lawsuits in progress when it considers it probable that there will be a financial payable and when the amount of the losses arising can be reasonably estimated. In the case in which a payment is considered possible, but is not yet determinable, such is reported in the financial statements. Estimates and assumptions were made in determining the value of the provisions for contingencies, due to the uncertainty associated with these valuations, and it is possible that the estimates may need to be revised in subsequent periods.

Employee benefits

Employee benefit provisions and net financial charges are valued according to an actuarial method which requires the use of estimates and assumptions for the calculation of the net value of the obligation. The actuarial method considers parameters of a financial nature such as, for example, the rate of inflation and the growth rates of salaries, and considers the probability of occurrence of potential future events through the use of parameters of a demographic nature, such as, for example, rates relating to mortality and employee resignation or retirement. Due to the complexity of the valuation and its long-term nature, these estimates are extremely sensitive to changes in assumptions. All assumptions are reviewed on an annual basis.

Doubtful debt provision

The allowance for losses reflects management's estimate of expected losses associated with the customer portfolio. The company applies the simplified approach of IFRS 9 and recognizes the expected losses on all trade receivables based on the residual duration, defining the provision based on the historical experience of the losses on receivables, adjusted to take into account specific forecast factors relating to the creditors and the economic environment (Expected Credit Loss – ECL concept). Further details on the valuation of the doubtful debt provision can be found in paragraph (9) Trade receivables. The amount of ECL's is sensitive to changes in circumstances and expected economic conditions. The Group's historical credit loss experience and forecast economic conditions might also fail to be representative of actual defaults by customers in the future.

Inventory obsolescence provision

The provision for inventory obsolescence reflects management's estimate of the Group's expected losses, determined based on past experience. Abnormal trends in market prices could be reflected in future inventory write-downs.

Fair value estimates

IFRS 13 defines a precise hierarchy of fair value organized on three levels, which take into account the degree of observability of the inputs used for the estimate. They determine, in fact, different levels of fair value reliability.

Inputs represent the assumptions that market participants would make in determining the relative price of the asset or liability, including assumptions about risk.

In general terms, IFRS 13 requires that valuation techniques use the highest and most reliable level of information.

Level 1 inputs are listed prices in active markets for identical assets or liabilities that the Group can access at the measurement date. A market is active if transactions take place frequently enough and in sufficient volume to provide continuous, up-to-date price information.

Level 2 inputs consist of listed prices for similar assets or liabilities in active markets, listed prices for identical or similar assets or liabilities in inactive markets, inputs other than observable listed prices for assets or liabilities (e.g., interest rates, spreads, etc...), inputs corroborated by the market through correlation processing or other means.

Level 3 inputs are those that are unobservable, for which market data are not available, and that reflect the assumptions a market participant would make in trying to assign a price to an asset or liability.

Climate change

Within a regulatory context in which the European Union has developed a strategy focused on more sustainable economic models in order to achieve the goal of climate neutrality by 2050, the Group has launched a process to identify and analyze the risks and opportunities arising from climate change, which could affect the application of the relevant accounting standards, as well as estimating potential impacts on financial statement valuations.

Sector disclosure

As required by IFRS8, information on the geographical distribution of revenues is also provided below. Specifically, 4 regions have been identified: EMEA, USA, APAC and ROW. The breakdown of revenues by region are provided below:

Category	30/06/2025	30/06/2024	Change	Change %
EMEA	72,803	81,467	(8,664)	-10.63%
of which Italy	38,899	32,297	6,602	20.44%
USA	15,063	8,403	6,660	79.26%
APAC	8,313	5,443	2,870	52.73%
Rest of the world	2,221	17	2,204	*13258.18%*
Revenues by region	**98,401**	**95,330**	**3,071**	**3.22%**

Sales revenue increased from Euro 95,330 thousand in H1 2024 to Euro 98,401 thousand in H1 2025, up 3.22% on the same period in the previous year.

The sales in the period consolidate the gradual recovery in demand compared to the final two quarters of the previous year.

The movement on the first half of the previous year is due to a differing growth mix in the various regions in which the Group operates. In particular: in the USA revenues increased from Euro 8,403 thousand in H1 2024 to Euro 15,063 thousand in H1 2025, with the increase stemming from higher sales volumes to existing Group customers operating in the Medical and Industrial Automation sectors. In the APAC area, revenues rose from Euro 5,443 thousand in H1 2024 to Euro 8,313 thousand in H1 2025 as a result of better performances, particularly related to Industrial Automation and Transport sector customers. In the Rest of the World, H1 2025 revenues amount to Euro 2,221 thousand, increasing on the previous year as a result in particular of the orders from Latin-American customers. Revenues in EMEA in H1 2025 totaled Euro 72,803 thousand, compared to Euro 81,467 thousand in the same period of the previous year, despite the contraction due to the decrease in volumes to customers, particularly within the Vending Segment. Growth was reported in Italy as a result of increased sales volumes to existing customers within the Fitness and Industrial Automation sectors.

Risk management policies

IFRS 7 requires additional disclosure in the financial statements which permits readers to assess:

- the significance of financial instruments with reference to the Balance Sheet and the Group's earnings;
- the nature and amount of risks deriving from financial instruments to which the Group is exposed during the year and at the reporting date, and the manner in which they are managed.

The requirements of the standard supplement the criteria for the recognition, measurement and presentation of financial assets and liabilities in the financial statements contained in IAS 32 "Financial instruments: presentation and disclosure" and IFRS 9 "Financial instruments: recognition and measurement". The present section therefore provides supplementary disclosures as required by IFRS 7.

Group operations are exposed to a series of financial risks which may impact the balance sheet/financial position, the result and the cash flows, through the relative impact on financial instrument transactions. These risks may be summarized as follows:

a) credit risk;

b) liquidity risk;

c) interest rate risk;

d) exchange rate risk.

Overall responsibility for the creation and supervision of the Group's financial and operating risk management system lies with the Board of Directors. The various organization units functionally responsible for the operational management of each type of risk report to the Board of Directors.

Under guidelines issued by the Board of Director and for each specific risk, these units define the tools and techniques to cover the risks and/or transfer them to third parties (insurance) and evaluate risks neither covered nor insured.

The level of the Group's exposure to the various categories of financial risk identified is commented upon below.

Credit Risk

The Group is exposed to the risk that its customers may be late or not comply with their payment obligations, according to the agreed terms and conditions and that the internal procedures adopted to assess credit standing and the solvency of customers are not sufficient to ensure collection. The occurrence of such risks could have an adverse effect on the Group's financial position, results of operations and cash flows.

The Group considers its exposure to credit risk to be as follows:

Category	30/06/2025	31/12/2024
Trade receivables	44,477	31,886
Current tax assets	7,201	6,974
Other receivables	5,377	4,816
Total	**57,054**	**43,676**

To mitigate this risk, considered contained in relation to trade receivables from third parties, the Group controls the credit quality of the counterparty based on internal or external ratings and sets credit limits that are monitored regularly.

Liquidity risk

The Group is exposed to the risk of not being able to obtain new loans or the renewal of existing ones on terms that are not worse than those already in place, or it may be unable to meet its covenant commitments under existing loan agreements. Moreover, breach of the covenants provided for in certain existing loan agreements could, in certain cases (due to cross-default clauses), lead to forfeiture of the benefit of the term with respect to other loan agreements. The occurrence of such risks could have a material adverse effect on the Group's financial position, results of operations and cash flows.

Cash flows relating to the Group's financial liabilities by maturity are presented below:

Category	30/06/2025	Total	Less than 1 year	Between 1 and 5 years	Beyond 5 years
Non-current financial liabilities	92,828	92,828	0	92,828	0
Non-current financial lease liabilities	6,550	6,550	0	6,550	0
Total non-current financial liabilities	**99,378**	**99,378**	**0**	**99,378**	**0**
Current financial liabilities	3,923	3,923	3,923	0	0
Current part of N-C financial liabilities	10,154	10,154	10,154	0	0

Current financial lease liabilities	2,224	2,224	2,224	0	0
Total current financial liabilities	**16,301**	**16,301**	**16,301**	**0**	**0**
Total financial liabilities	**115,679**	**115,679**	**16,301**	**99,378**	**0**

All the amounts in the table above refer to the nominal amounts not discounted, stated with regards to the residual contractual maturities, both in terms of the capital and interest portions.

In view of the Group's current net debt and its current ability to generate positive cash flows from operating activities, the liquidity risk is assessed as low. The Group has credit facilities granted by the banking system, which are adequate in relation to its operating needs.

The Group's cash flows, financing requirements and liquidity are carefully monitored and managed by:

- maintaining an appropriate level of available liquidity;
- diversifying the methods used to raise financial resources;
- arranging appropriate credit facilities;
- monitoring prospective liquidity conditions, in relation to the business planning process.

Interest rate risk

The Group is subject to interest rate fluctuation risk related to its debt. Any changes in interest rates (EURIBOR) could affect the increase or decrease in financing costs.

In the event of significant fluctuations in interest rates, borrowing costs arising from loan agreements could also increase significantly.

The Group regularly assesses its exposure to the risk of changes in interest rates and manages these risks through the use of derivative financial instruments, which are formally designated as hedging relationships. The use of derivative financial instruments is reserved exclusively for the management of exposure to fluctuations in interest rates connected with monetary cash flows.

Exchange rate risk

The Group also carries out its activities outside the Eurozone. Moreover, the financial statements of foreign subsidiaries outside the EU are drawn up in local currency and converted into Euro. Therefore, the Group is exposed to the risk of significant fluctuations in exchange rates: (i) the so-called economic exchange rate risk, i.e. the risk that revenues and costs denominated in currencies other than the euro take on different values compared to the time at which the price conditions were defined; (ii) the so-called translation exchange rate risk, arising from the fact that SECO - although it prepares its financial statements in euros - holds controlling interests in companies that prepare their financial statements in different currencies and, consequently, carries out translation operations on assets and liabilities expressed in currencies other than the euro.

The Group does not adopt instruments to hedge exchange rate fluctuations. In order to manage exchange rate risk, the Group carries out purchase and sale transactions in the same local currency through current accounts opened in the individual countries.

Risk associated with ICT Systems

With reference to the category under consideration, the main risk factors that could compromise the availability of the Group's ICT systems include cyber attacks, which may result in the possible interruption of production and sales support activities or compromise the confidentiality, integrity and availability of the personal data managed by the Group. In order to mitigate the occurrence of such risks, Seco has introduced a centralized control system to improve the Group's IT security.

Financial assets and liabilities

Financial assets and liabilities by valuation method applied are presented below:

Financial assets at 30/06/2025	Assets at FVPL	Assets at FVTO	Assets at amortized cost	Total
Non-current financial assets	4,095	5,456	1,674	11,225
Trade receivables	0	0	44,477	44,477
Other receivables	0	0	5,377	5,377
Total financial assets as per IFRS 7	**4,095**	**5,456**	**51,528**	**61,079**

Financial assets at 31/12/2024	Assets at FVPL	Assets at FVTO	Assets at amortized cost	Total
Non-current financial assets	2,094	6,914	1,830	10,839
Trade receivables	0	0	31,886	31,886
Other receivables	0	0	4,816	4,816
Total financial assets as per IFRS 7	**2,094**	**6,914**	**38,532**	**47,541**

Financial liabilities at 30/06/2025	Assets at FVPL	Assets at FVTO	Assets at amortized cost	Total
Non-current financial lease liabilities	0	0	6,550	6,550
Non-current financial payables	0	0	92,828	92,828
Total non-current financial liabilities	**0**	**0**	**99,378**	**99,378**
Current financial liabilities	0	0	3,923	3,923
Current financial lease liabilities	0	0	2,224	2,224
Current portion of non-current financial payables	0	0	10,154	10,154
Total current financial liabilities	**0**	**0**	**16,301**	**16,301**
Trade payables	0	0	36,178	36,178
Other non-current payables	0	0	8	8
Other payables	0	0	10,340	10,340
Total financial liabilities as per IFRS 7	**0**	**0**	**162,205**	**162,205**

Financial liabilities at 31/12/2024	Assets at FVPL	Assets at FVTO	Assets at amortized cost	Total
Non-current financial lease liabilities	0	0	6,752	6,752
Non-current financial payables	0	0	97,734	97,734
Total non-current financial liabilities	**0**	**0**	**104,486**	**104,486**
Current financial liabilities	0	0	8,023	8,023
Current financial lease liabilities	0	0	2,358	2,358
Current portion of non-current financial payables	0	0	10,212	10,212
Total current financial liabilities	**0**	**0**	**20,593**	**20,593**
Trade payables	0	0	37,713	37,713
Other non-current payables	0	0	8	8
Other payables	0	0	10,437	10,437
Total financial liabilities as per IFRS 7	**0**	**0**	**167,236**	**167,236**

Guarantees provided and other contractual commitments

At June 30, 2025, the Group has not undertaken guarantees or contractual commitments beyond those reflected in the balance sheet.

Notes to the Balance Sheet

(1) Property, plants & equipment

Category	30/06/2025	31/12/2024	Change
Land & buildings	6,065	6,134	(69)
Plant & machinery	5,097	5,555	(458)
Other tangible assets	4,172	4,429	(257)
Assets in progress	1,330	1,152	178
Total property, plant and equipment	**16,665**	**17,271**	**(606)**

The main investments made by the Group in the period totaled Euro 1,138 thousand and mainly concerned the "Plant and machinery" and "Other tangible assets" categories.

The cost of "Plant and machinery" increased by Euro 400 thousand, following the acquisition of new machinery to support the production growth of SECO SpA. The cost of "Other tangible assets" account increased by Euro 561 thousand as a result of the continual investments made in the equipment necessary for the Operations and R&D functions to support production, the development of new products and for the updating to the latest sector technological standards.

The relative movements in the year are reported below:

	Land & buildings	Plant & machinery	Other tangible assets	Assets in progress	Total
Historical cost 31/12/2024	7,254	15,579	10,439	1,152	34,424
Increases	0	400	561	177	1,138
Decreases	0	(92)	(13)	0	(105)
Historical cost 30/6/2025	***7,254***	***15,887***	***10,986***	***1,330***	***35,457***
Accumulated depreciation 31/12/2024	(1,120)	(10,024)	(6,010)	0	(17,153)
Depreciation	(69)	(828)	(839)	0	(1,736)
Decreases	0	62	34	0	96
Accumulated depreciation 30/06/2025	***(1,189)***	***(10,790)***	***(6,814)***	***0***	***(18,793)***
Net value 31/12/2024	6,134	5,555	4,429	1,152	17,270
Net value 30/06/2025	**6,065**	**5,097**	**4,172**	**1,330**	**16,665**

(2) Intangible assets

Category	30/06/2025	31/12/2024	Change
Development costs	24,934	29,172	(4,238)
Software	31,617	33,890	(2,273)
Customer list	28,050	28,710	(660)
Other intangible assets	9,324	8,976	348
Assets in progress	7,815	1,645	6,170
Total intangible assets	**101,741**	**102,392**	**(652)**

The account increased by Euro 10,792 thousand in the period, mainly related to: i) the recognition of project development costs for "standard products" with long-term utility incurred during the period for Euro 8,508 thousand (development costs and assets in progress). The development costs of "custom products" (developed for a specific customer) are fully expensed in the period; ii) to the installation of new software and the improvement of software already in use to support the parent company's business activities, which are recognized to the item Software and Other intangible assets in progress depending on the timing of the entry into service of the platforms.

Movements during the period are shown below:

Category	Net value 31/12/2024	Increases	Decreases	Amortization	Net value 30/06/2025
Development costs	29,172	4,208	(1,871)	(6,575)	24,934
Software	33,890	162	0	(1,811)	32,240
Customer list	28,710	0	0	(660)	28,050
Other intangible assets	8,976	252	0	(527)	8,701
Assets in progress	1,645	6,170	0	0	7,815
Total intangible assets	**102,392**	**10,792**	**(1,871)**	**(9,573)**	**101,741**

Capitalized costs recognized related to the development activities undertaken by the Group, and refer to development projects during the year. These development costs, which are expected to benefit the Group for several years, are posted to the assets of the balance sheet, as the Group has ascertained that they will be useful in the future, there is an objective correlation between them and the related benefits that the Group will enjoy, and the recoverability of such costs can be reasonably estimated. Development costs for the application of research are related to specific, clearly defined products or processes and are identifiable and measurable. The projects for which research is undertaken, are executable and technically feasible for which the Group has the necessary resources. Finally, these projects are considered recoverable, as the Group expects to earn revenues from them in excess of the costs incurred for the research and other development costs.

Assets in progress includes costs incurred in the period, or in previous years, for development activities in progress. The projects relate to clearly defined products or processes, which will be useful in the future; there is an objective correlation with the related future benefits to be enjoyed by the Group and their recoverability can be estimated with reasonable certainty. These costs relate to development activities (i.e. the application of research results to other knowledge owned or acquired for the production of materials, devices, processes and systems) aimed at a specific standard product.

(3) Right-of-use

Category	30/06/2025	31/12/2024	Change
Land & buildings	7,403	7,372	31
Plant & machinery	1,981	2,472	(491)
Depreciation	25	(12)	37
Right-of-Use	**9,410**	**9,833**	**(422)**

The Right-of-use includes lease contracts for land and buildings, motor rental and machinery.

The increase, net of the effect of depreciation for the period, amounting to Euro 1,178 thousand, is mainly attributable to land and buildings as a result of the signing and adjustment of lease contracts for the facilities of the subsidiary SECO Northern Europe GmbH.

Changes in the right-of-use in the period are presented below:

	Land & buildings	Plant & machinery	Other tangible assets	Total
Historical cost 31/12/2024	12,126	5,901	355	18,383
Increases	1,178	0	0	1,178
Decreases	0	0	0	0
Reclassifications	(192)	(38)	54	(176)
Historical cost 30/6/2025	***13,113***	***5,863***	***409***	***19,385***
Accumulated depreciation 31/12/2023	(4,754)	(3,429)	(367)	(8,550)
Depreciation	(955)	(453)	(17)	(1,425)
Decreases	0	0	0	0
Reclassifications	0	0	0	0
Accumulated depreciation 30/06/2025	***(5,709)***	***(3,882)***	***(383)***	***(9,975)***
Net value 31/12/2024	7,372	2,472	(12)	9,833
Net value 30/06/2025	**7,403**	**1,981**	**25**	**9,410**

(4) Goodwill

Goodwill at June 30, 2025 and December 31, 2024 is shown below.

Category	30/06/2025	31/12/2024	Change
Goodwill	157,108	157,108	0
Total Goodwill	**157,108**	**157,108**	**0**

The balance at June 30, 2025, amounting to Euro 157,108 thousand, is unchanged on the end of the previous year and is attributed to the cash generating units ("CGUs") as follows: i) Seco CGU for Euro 23,600 thousand; ii) Seco Northern Europe CGU for Euro 133,509 thousand.

The Directors, taking into account the H1 2025 results, the expectations for the second half of the year, in addition to the expected market trends for the following years, considered the estimates reflected in the long-term plans of the CGUs for the period 2025-2029 (approved by the Company's Board of Directors on March 17, 2025) to still be valid and, consequently, considering also the information currently observable on the market with reference to discount rates and long-term growth rates, considered the results of the impairment tests carried out when preparing the financial statements at December 31, 2024, to still be valid.

The tests however, in view of the limited cover resulting from the test carried out on December 31, 2024 with reference to the SECO Northern Europe CGU and a limited deviation of its results in the first half of the year compared to budget expectations, highlight that, without changing the discounting and long-term growth rates and maintaining the Terminal Value resulting from the test carried out on December 31, 2024 constant, considering the combined application of the percentage deviation noted on EBITDA in H1 2025 on a constant basis on expectations for H2 2025 and the remaining years of the plan and a 50% reduction in expected cash generation in 2025 as a result of expectations of a reduction in Net Working Capital, would lead to break-even with respect to the value of net invested capital of CGU SECO Northern Europe as of June 30, 2025.

This sensitivity analysis represents exclusively a stress test exercise of the impairment calculated as of December 31, 2024 in order to determine its minimum break-even point, as the Plan estimates are still considered achievable considering the existing order book, ongoing negotiations with customers, and the lowering of the cost of money and the consequent greater propensity to invest.

In light of the analyses performed, the Directors therefore consider that the value of goodwill and other assets recorded in the financial statements as of June 30, 2025 with respect to SECO Northern Europe CGU is recoverable. However, they point out that the recoverable value was determined based on an expectation of a gradual return to the level of EBITDA reported in 2023, which is approximately twice that expected in 2025, and that, therefore, they cannot ensure that there will be no impairment of the goodwill of the Seco Northern Europe CGU in future periods.

Finally, the Directors point out, in support of the conclusions reached, that the stock market value of the Company's shares, although still deemed unrepresentative of the Group's actual value, has returned to a level in excess of the Group's carrying amount at June 30, 2025.

(5) Non-current financial assets

Category	30/06/2025	31/12/2024	Change
Non-current financial assets	5,769	3,925	1,844
Assets for derivative financial instruments	5,456	6,914	(1,457)
Total non-current financial assets	**11,225**	**10,839**	**386**

Total non-current financial assets increased from Euro 10,839 thousand at December 31, 2024 to Euro 11,225 thousand, a net increase of Euro 386 thousand.

The aggregate includes the effect of adjusting the "Mark to Market" value of derivative contracts to hedge interest rate risk on medium/long-term loans entered into by the Group, which amounted to Euro 5,456 thousand at June 30, 2025, a decrease of Euro 1,457 thousand compared to December 31, 2024.

Non-current financial assets include an increase in the investment in Laserwall S.r.l. of Euro 2,000 thousand. This increase in was approved on February 26, 2025 by SECO S.p.A.. As a result of this subscription, SECO S.p.A.'s holding will rise to 17.04% of the share capital of Laserwall S.r.l. For disclosure purposes, we indicate that Laserwall is a customer of the company with innovative solutions in the quickly-expanding smart cities sector that the Board of Directors of this Company has decided to support at both the business and financial levels. As a result of this capital increase, which was also subscribed to by other investors, in addition to the valuation appraisal, the carrying value approximates Fair Value.

(6) Deferred tax assets

Category	30/06/2025	31/12/2024	Change
Deferred tax assets	2,975	3,051	(76)
Total deferred tax assets	**2,975**	**3,051**	**(76)**

Total deferred tax assets decreased from Euro 3,051 thousand at December 31, 2024 to Euro 2,975 thousand at June 30, 2025.

The Group's directors assessed the recoverability of the deferred tax assets carried in the financial statements on the basis of the results in the Business Plan.

(7) Other non-current assets

The total of Euro 1,598 thousand at June 30, 2025 (Euro 1,525 thousand at December 31, 2024) mainly includes the tax receivable due beyond one year for Industry 4.0 capital goods and for research and development.

(8) Inventories

Inventories at June 30, 2025 totaled Euro 72,578 thousand, decreasing Euro 68 thousand on the previous year. The breakdown of this account is shown in the table below:

Category	30/06/2025	31/12/2024	Change
Raw materials	52,489	55,656	(3,167)
Semi-finished products	14,507	16,063	(1,556)
Finished products	9,492	9,352	139
Advances to suppliers	1,102	1,092	10
Inventory obsolescence provision	(5,011)	(9,515)	4,505
Total Inventories	**72,578**	**72,647**	**(68)**

The inventory obsolescence provision is calculated to align the value of inventory with its estimated realizable value, recognizing where necessary its obsolescence and slow turnover. The decrease in the period refers to the use of the inventory scrapping provision for the Biorespira pulmonary respirator.

(9) Trade receivables

Category	30/06/2025	31/12/2024	Change
Trade receivables	45,307	32,538	12,770
Doubtful debt provision	(830)	(652)	(179)
Total trade receivables	**44,477**	**31,886**	**12,591**

Trade receivables at June 30, 2025 amounted to Euro 44,477 thousand, increasing Euro 12,591 thousand compared to the end of the previous year.

The doubtful debt provision increased by Euro 179 thousand compared to the previous year.

One customer's turnover accounts for more than 10% of total revenue.

(10) Tax receivables

Category	30/06/2025	31/12/2024	Change
VAT	1,228	2,514	(1,286)
Income taxes	5,312	3,498	1,814
Others	660	961	(301)
Total tax receivables	**7,201**	**6,974**	**227**

Tax receivables at June 30, 2025 amounted to Euro 7,201 thousand, increasing Euro 227 thousand compared to the end of the previous year. This increase is mainly attributable to the mix of the lower VAT receivable and the recognition of the tax advances of the subsidiary SECO Northern Europe GmH.

(11) Other receivables

Category	30/06/2025	31/12/2024	Change
Advances	589	456	133
Other receivables	3,410	3,036	374
Prepayments and accrued income	1,378	1,323	55
Total other receivables	**5,377**	**4,816**	**562**

Other receivables at June 30, 2025 amounted to Euro 5,377 thousand and increased Euro 562 thousand. This increase is mainly due to the increase in Advances for Euro 133 thousand and of Other receivables, principally due to the increased receivables for contributions to the research and development projects, such as the National Recovery and Resilience Plan (PNRR) funds Tender.

(12) Cash and cash equivalents

This item includes the cash and cash equivalents of the companies included in the consolidation scope.

Category	30/06/2025	31/12/2024	Change
Cash	14	14	(0)
Current accounts	50,858	62,571	(11,713)
Other liquidity	5,000	10,000	(5,000)
Total cash and cash equivalents	**55,872**	**72,586**	**(16,714)**

Other liquidity concerns a time deposit that can be divested rapidly.
Refer to the consolidated cash flow statement for an analysis of changes in financial resources.

For further details, please refer to the "Liquidity Risk" paragraph above.

(13) Equity

Movements in and breakdown of equity are shown in the Statement of Changes in Consolidated Equity, to which reference should be made.

SHARE CAPITAL - At June 30, 2025, the authorized share capital totaled Euro 1,296,944.48 and was divided into 132,976,117 shares. The paid-up share capital at June 30, 2025 amounted to Euro 1,296,944.48.

LEGAL RESERVE - The legal reserve, amounting to Euro 289 thousand at June 30, 2025, is unchanged from December 31, 2024.

SHARE PREMIUM RESERVE - The share premium reserve, amounting to Euro 232,036 thousand at June 30, 2025, remained unchanged on December 31, 2024.

OTHER RESERVES - Other reserves, amounting to Euro 40,300 thousand at June 30, 2025, refer for:

- Euro 27,765 thousand (Euro 48,733 thousand at December 31, 2024) to non-distributable reserves;
- Euro 12,539 thousand (Euro 9,305 thousand at December 31, 2024) to the accounting of the incentive plans granted to employees subject to the retention of the employment relationship at the end of the vesting period.
- negative Euro 4,135 thousand (negative Euro 4,135 thousand at December 31, 2024) to the treasury share purchase plan reserve. The number of treasury shares held by the Company at December 31, 2024 was 522,898 shares, which were tied to the purchase of the shares of the minority shareholders in SECO Mind S.r.l..
- Positive Euro 4,132 thousand (Euro 5216 at December 31, 2024) to the cash flow hedge reserve.

TRANSLATION RESERVE - The translation reserve, a negative Euro 384 thousand at June 30, 2025, includes exchange differences from the translation of financial statements of foreign subsidiaries.

FTA RESERVE - The First-Time Adoption reserve related to the adoption of international accounting standards, which was negative for Euro 371 thousand at June 30, 2025, is unchanged from December 31, 2024.

RESERVE FOR LOSSES RECORDED IN OCI - The reserve, positive for Euro 190 thousand at June 30, 2025, includes the result of discounting employee benefits.

Minorities Equity

Minorities equity amounted to Euro 20,298 thousand at June 30, 2025 and consists of minority interests in:

- SECO Asia Limited, which is 49% owned by third parties;
- SECO Microelectronics, 49% owned by third parties;
- Fannal Electronics Co. Ltd, owned 72% by third parties;

Reconciliation Parent Company and Consolidated equity and result

Category	Share capital and reserves	Net profit	Equity
Equity SECO SpA	**(269,094)**	**2,288**	**(266,806)**
Net result and equity of the consolidated companies	(51,788)	(2,841)	(54,630)
Elimination carrying amount of equity investments	137,377	(2,023)	135,354
PPA Fannal Electronics	(2,971)	0	(2,971)
PPA InHand Electronics	(1,656)	0	(1,656)
PPA SECO Mind	(2,269)	0	(2,269)
PPA Garz&Fricke Group	(101,481)	462	(101,019)
PPA Seco BH DOO	(36)	0	(36)
Elimination effects of inter-company transactions	321	(283)	38
Dividends distributed	61	(61)	0
Reserves and profit on non-controlling interests	18,178	2,120	20,298
Group Equity	**(273,356)**	**(339)**	**(273,696)**
Equity attributable to Non-Controlling Interests	(18,178)	(2,120)	(20,298)
Total Equity	**(291,535)**	**(2,459)**	**(293,994)**

(14) Employee benefits

Category	30/06/2025	31/12/2024	Change
Post-employment benefit provision employees	(3,498)	(3,258)	(241)
Post-employment benefit provision directors	(36)	(471)	435
Total employee benefits	**(3,534)**	**(3,728)**	**195**

The account includes the post-employment benefit payable and the Group's post-employment benefit payable matured by the Directors and the employees of the Italian companies at June 30, 2025. The overseas companies do not recognize employee benefits or other components attributable to long-term benefits.

The director's and employee post-employment benefit payables decreased by Euro 195 thousand on December 31, 2024. This effect is mainly related to the settlement of Directors' post-employment benefits from the previous term of office due to the renewal of positions.

(15) Provisions for risks

Category	30/06/2025	31/12/2024	Change
Agent's supplementary indemnity provision	(42)	(107)	64
Others	(1,182)	(1,172)	(10)
Total other risks	**(1,225)**	**(1,279)**	**54**

The total consists of the provision for supplementary indemnity amounting to Euro 42 thousand and "Other", which is mainly composed of the provision for product warranty relating to SECO Northern Europe.

(16) Deferred tax liabilities

At June 30, 2025, deferred tax liabilities totaled Euro 22,767 thousand. The item mainly includes the deferred tax liabilities arising from the purchase price allocation on the transaction for the transfer of the business unit from Camozzi Digital S.r.l and the Garz&Fricke customer list. Compared to December 31, 2024, the account decreased Euro 950 thousand.

(17) Non-current financial payables

Category	30/06/2025	31/12/2024	Change
Non-current financial payables	(92,828)	(97,734)	4,906
Total non-current financial payables	**(92,828)**	**(97,734)**	**4,906**

This item refers to the medium/long-term portion of outstanding loans.

It should also be noted that: the current and non-current loans payable, contracted by the Company for the acquisition of the Garz & Fricke Group (now renamed SECO Northern Europe), granted by a bank syndicate (Unicredit S.p.A., Intesa San Paolo S.p.A., Banco BPM S.p.A. and Banca Nazionale del

Lavoro S.p.A.) for a total value at June 30, 2025 of Euro 98,208 thousand are counter-guaranteed by the shares of the acquired company; the loan (current and non-current) granted by the bank Monte dei Paschi di Siena S.p.A. for a total value as of June 30, 2025 of Euro 2,064 thousand is secured by a mortgage on the building for production use located in Arezzo.

For the contracts with the credit institutions, the covenants are calculated annually.

(18) Non-current financial lease liabilities

Category	30/06/2025	31/12/2024	Change
Non-current financial lease liabilities	(6,550)	(6,752)	202
Total Non-current financial lease liabilities	**(6,550)**	**(6,752)**	**202**

The account refers to the present value of the medium/long term portion of the financial liabilities assumed by the Group as a result of accounting for lease and rental agreements in accordance with IFRS 16.

The movement, net of the instalments paid, is mainly attributable to land and buildings as a result of the signing and adjustment of lease contracts for the facilities of the subsidiary SECO Northern Europe GmbH.

(19) Other non-current payables

Category	30/06/2025	31/12/2024	Change
Other non-current payables	(8)	(8)	0
Total other non-current payables	**(8)**	**(8)**	**0**

Other non-current payables at June 30, 2025 mainly include security deposits and is unchanged on December 31, 2024.

(20) Current financial liabilities

Category	30/06/2025	31/12/2024	Change
Current financial liabilities	(3,923)	(8,023)	4,100
Total current financial liabilities	**(3,923)**	**(8,023)**	**4,100**

The account includes credit lines, current account overdrafts, credit card payables, payables for advances on invoices and short-term loans falling due within one year for operational purposes existing at June 30, 2025.

(21) Current portion of non-current financial payables

Category	30/06/2025	31/12/2024	Change

Current portion of non-current financial payables	(10,154)	(10,212)	58
Total current portion of non-current financial payables	**(10,154)**	**(10,212)**	**58**

The account includes the instalments on existing loans due in the next 12 months.

(22) Current finance lease liabilities

Category	30/06/2025	31/12/2024	Change
Current financial lease liabilities	(2,224)	(2,358)	134
Total current financial lease liabilities	**(2,224)**	**(2,358)**	**134**

The account includes the present value of installments due within the next 12 months in relation to lease and rental agreements entered in accordance with IFRS 16.

(23) Trade payables

Category	30/06/2025	31/12/2024	Change
Trade payables	(36,178)	(31,713)	(4,465)
Total trade payables	**(36,178)**	**(31,713)**	**(4,465)**

The account includes accounts payable for production supplies, capital expenditures and services received at June 30, 2025. The account slightly increased by Euro 4.465 thousand compared to December 31, 2024.

(24) Other current liabilities

Category	30/06/2025	31/12/2024	Change
Accrued liabilities	(960)	(1,381)	421
Payables to social security institutions and personnel	(5,907)	(5,866)	(41)
Other payables	(1,827)	(939)	(888)
Advances - contract liabilities	(1,646)	(2,659)	1,013
Total other current liabilities	**(10,340)**	**(10,845)**	**505**

The item decreased by Euro 505 thousand compared to December 31, 2024, mainly due to the effect of "Advances - contract liabilities."

(25) Tax payables

Category	30/06/2025	31/12/2024	Change
Income tax payables	(1,206)	(648)	(558)
Amounts due to tax authorities	(1,295)	(2,179)	883
Total Tax payables	**(2,502)**	**(2,827)**	**325**

The account "Income tax payables" includes the tax liabilities recorded in the financial statements of the individual consolidated companies, set aside in relation to the tax charges pertaining to the individual companies on the basis of the applicable national legislation. Amounts due to tax authorities primarily refer to withholding taxes on employee income, severance indemnities and consultants.

Notes to the income statement

(26) Sales revenues

Category	H1 2025	H1 2024	Change	Change %
EMEA	72,803	81,467	(8,664)	-10.63%
of which Italy	38,899	32,297	6,602	20.44%
USA	15,063	8,403	6,660	79.26%
APAC	8,313	5,443	2,870	52.73%
Rest of the world	2,221	17	2,204	13,258.18%
Revenues by region	**98,401**	**95,330**	**3,071**	**3.22%**

Sales revenue increased from Euro 95,330 thousand in H1 2024 to Euro 98,401 thousand in H1 2025, up 3.22% on the same period in the previous year.

The sales in the period consolidate the gradual recovery in demand compared to the final two quarters of the previous year.

The movement on the first half of the previous year is due to a differing growth mix in the various regions in which the Group operates. In particular: in the USA revenues increased from Euro 8,403 thousand in H1 2024 to Euro 15,063 thousand in H1 2025, with the increase stemming from higher sales volumes to existing Group customers operating in the Medical and Industrial Automation sectors. In the APAC area, revenues rose from Euro 5,443 thousand in H1 2024 to Euro 8,313 thousand in H1 2025 as a result of better performances, particularly related to Industrial Automation and Transport sector customers. In the Rest of the World, H1 2025 revenues amount to Euro 2,221 thousand, increasing on the previous year as a result in particular of the orders from Latin-American customers. Revenues in EMEA in H1 2025 totaled Euro 72,803 thousand, compared to Euro 81,467 thousand in the same period of the previous year, despite the contraction due to the decrease in volumes to customers, particularly within the Vending Segment. Growth was reported in Italy as a result of increased sales volumes to existing customers within the Fitness and Industrial Automation sectors.

(27) Other income and revenues

Other revenues and income amounted to Euro 1,321 thousand in H1 2025, compared to Euro 1,720 thousand in the same period of 2024.

Category	H1 2025	H1 2024	Change	Change %
Operating grant tax credit R&D	410	369	41	*11.22%*
Capital grant tax credit Industry 4.0	356	394	(37)	*-9.50%*
Other operating grants	238	682	(444)	*-65.09%*
Other revenues and income	317	275	41	*15.03%*
Total other revenues and income	**1,321**	**1,720**	**(399)**	**-23.18%**

This account mainly includes:

- the operating grant tax credit for research and development amounting to Euro 410 thousand;
- to the portion for the period of the capital grant tax credit for the purchase by SECO S.p.A. of capital goods under "Industry 4.0" amounting to Euro 356 thousand;
- the pro-rata contribution related to the Group's participation in the tenders for the "SAAM SECO AI Apps Market" project for Euro 224 thousand.

(28) Raw materials, ancillary, consumables and goods

Costs of raw materials, ancillary, consumables and goods for resale amounted to Euro 46,399 thousand in H1 2025, compared to Euro 43,881 thousand in the same period of the previous year, an increase of Euro 2,518 thousand. These costs, net of the change in inventories, accounted for 46.0% of revenues in H1 2024 and 47.2% in H1 2025. This increase can be attributed to the higher sales volumes compared to the same period of the previous year. The electronic components market, while prices and lead times have generally stabilized, is subject to possible volatility in certain goods segments.

(29) Service costs

Category	H1 2025	H1 2024	Change
Transport costs	1,843	2,457	(614)
Commission costs	553	550	3
Rentals and operating leases	1,540	1,659	(119)
Maintenance costs	255	224	31
Consultancy costs	3,953	4,340	(387)
Bank charges	52	81	(29)
Administrative and utility costs	1,393	1,565	(173)
Other taxes	234	184	50
Outsourcing costs	1,552	3,151	(1,599)
Marketing costs	793	941	(148)
Insurance costs	310	298	12
Service costs	**12,478**	**15,449**	**(2,971)**

Service costs amounted to Euro 12,478 thousand in H1 2025, compared to Euro 15,449 thousand in H1 2024.

Specifically, the increase in Service costs in the year can be attributed to:

- Transport costs: in H1 2025 totaled Euro 1,843 thousand, decreasing Euro 614 thousand on the same period of the previous year. This decrease is mainly attributable to the North European subsidiary and the parent company;
- Consultancy costs: in H1 2025 totaled Euro 3,953 thousand, a decrease of Euro 387 thousand compared to the same period of the previous year: this decrease is mainly attributable to the transaction to cease operations of Seco Mind USA Llc. which took place between Q4 2024 and Q1 2025.
- Outsourcing costs: in H1 2025 totaled Euro 1,552 thousand, a decrease of Euro 1,599 compared to the same period of the previous year. This decrease is mainly attributable to a reduction in sales volumes of the North European subsidiary and the bringing in-house of a part of production in the parent company.

(30) Personnel costs

Category	H1 2025	H1 2024	Change
Wages and salaries	13,935	13,223	712
Social security expenses	3,678	3,504	174
Post-employment benefit provision	574	556	18
Other personnel costs	3,565	3,090	475
Total personnel costs	**21,752**	**20,374**	**1,378**

Personnel costs in H1 2025 totaled Euro 21,752 thousand, increasing Euro 1,378 thousand on the same period of the previous year. The increase is mainly due to: (i) the costs related to the expanded Group workforce, for the hire of key figures to support the R&D, production and sales development plans; (ii) the recognition of the cost for the stock option plans awarded to the management team and employees of the companies of the group; (iii) the greater use of temporary labor.

(31) Amortization and Depreciation

Amortization and depreciation increased from Euro 10,790 thousand in H1 2024 to Euro 11,131 thousand in H1 2025, an increase of Euro 768 thousand, mainly as a result of the increased amortization of development costs and due to the leased assets as per IFRS 16.

(32) Doubtful debt provision and provisions for risks and charges

The account totaled Euro 10 thousand in H1 2025 (Euro 113 in H1 2024) and include, mainly, the accrual for the period to the doubtful debt provision.

(33) Other operating costs

Category	H1 2025	H1 2024	Change
Directors' fees and related charges	1,891	2,473	(582)
Board of Statutory Auditors' fees	75	60	15
Travel and transfer costs	68	132	(65)
Losses on receivables	18	16	1
Other operating costs	671	3,872	(3,201)
Total other operating costs	**2,722**	**6,553**	**(3,831)**

Other operating costs totaled Euro 6,553 thousand in H1 2024, a decrease of Euro 3,831 thousand on the same period of the previous year. This decrease is mainly attributable to the item "Other operating costs", which in 2024 included the settlement arising under the tax audit by the Tax Agency on the period from 2015 to 2022, which collectively involved direct taxes, indirect taxes and tax receivables.

(34) Financial income and charges

Category	H1 2025	H1 2024	Change
Finance income	**(1,801)**	**(3,513)**	**1,712**

Total financial income of Euro 3,513 thousand in H1 2024 decreased Euro 1,916 thousand on the first half of the previous year, mainly due to the recognition of interest income on hedging derivative contracts, as well as the recognition in 2024 of the portion of dividends paid by the group company Fannal Electronics Co.

As already indicated, Seco Mind USA Llc. and Piri India Inc. were deconsolidated as they were liquidated in the first half of 2025. This deconsolidation resulted in income of Euro 205 thousand, which was recognized under financial income.

Category	H1 2025	H1 2024	Change
Interest charges on loans	2,603	3,691	(1,087)
IFRS 16 interest charges	84	77	7
Other financial charges	585	403	182
Total financial charges	**3,272**	**4,171**	**(898)**

Total financial charges increased from Euro 4,171 thousand in H1 2024 to Euro 3,629 thousand in H1 2025. This decrease was mainly due to interest charges on short-term credit lines and on the medium/long-term bank debt.

(35) Income taxes

Category	H1 2025	H1 2024	Change
IRES	70	210	(140)
IRAP	424	134	290
Foreign taxes	917	895	21
Taxes from previous years	40	(250)	290
Deferred tax income/charges	(578)	688	(1,266)
Other taxes for the period	0	0	0
Total income taxes	**873**	**1,678**	**(805)**

Income taxes in the period were recognized on the basis of the best estimate of the average weighted annual tax rate expected for the full year.

Related party transactions

In accordance with the provisions of IAS 24, the following entities are considered Related Parties: (a) companies that directly or indirectly through one or more intermediate companies, control, or are controlled or are under common control with the reporting entity; (b) associated companies; (c) natural persons who directly or indirectly have voting power in the reporting entity that gives them a dominant influence over the company and their immediate family members; (d) senior executives, i.e. those who have the power and responsibility for planning, directing and controlling the activities of the reporting entity, including directors and officers of the company and the immediate family members of such persons; (e) companies in which any natural person described under (c) or (d) has, directly or indirectly, significant voting power, or over which such person has such power. Case (e) includes undertakings owned by the directors or major shareholders of the reporting entity and undertakings which have a manager with strategic responsibilities in common with the reporting entity.

A list of related parties is provided below, indicating the type of relationship:

Type	List of Related parties	Type and main nature of relationship
Legal person	Consortium Ubiquitous Technologies S.c.a.r.l (CUBIT)	Company 22.5% owned by the Parent Company
Legal person	SECO Northern Europe Holding GMBH	wholly-owned subsidiary of the Parent Company
Legal person	SECO Northern Europe GMBH	Subsidiary held 27% by the Parent Company and remainder 73% indirect shareholding via the subsidiary SECO Northern Europe Holding GMBH
Legal person	SECO Mind Germany GMBH	Subsidiary of the Parent Company with a 100% indirect shareholding via the subsidiary SECO Northern Europe GMBH
Legal person	e-GITS India Private Ltd. (Chennai, India)	Subsidiary of the Parent Company with a 100% indirect shareholding via the subsidiary SECO Mind Germany GMBH
Legal person	SECO USA, Inc.	wholly-owned subsidiary of the Parent Company
Legal person	SECO Asia Limited	51% subsidiary owned by the Parent Company
Legal person	SECO Microelectronics Co., Ltd.	Subsidiary of the Parent Company with a 100% indirect equity investment through the subsidiary SECO ASIA Limited
Legal person	Fannal Electronics Co., Ltd	Subsidiary of the Parent Company with a 55% indirect equity investment through the subsidiary SECO ASIA Limited
Legal person	SECO Mind Srl	wholly-owned subsidiary of the Parent Company
Legal person	PSM Tech S.r.l.	wholly-owned subsidiary of the Parent Company
Legal person	SECO BH d.o.o.	wholly-owned subsidiary of the Parent Company
Legal person	Fondo Italiano d'Investimento SGR S.p.A.	4.47% shareholder of the Parent Company
Legal person	7-Industries	11.34% shareholder of the Parent Company, 100% controlled by Conti Daniele
Legal person	DSA S.r.l.	16.51% shareholder of the Parent Company, 100% controlled by Conti Daniele
Legal person	HSE S.r.l.	16.48% shareholder of the Parent Company, 100% controlled by Secciani Luciano

Legal person	HCS S.r.l.	7.35% shareholder of the Parent Company, 50% controlled by Secciani Luciano and 50% by Conti Daniele
Legal person	Camozzi Group S.p.A.	8.27% shareholder of the Parent Company
Legal person	Olivetti S.p.A.	7.73% shareholder of the Parent Company
Legal person	Laserwall S.r.l.	Company 17.04% owned by Seco S.p.A., 5.54% by HCS S.r.l., 4.26% by HSE S.r.l. and 4.26% by DSA S.r.l.
Legal person	LAE S.r.l.	Sole Director Massimo Mauri, Director and CEO of the Parent company
Legal person	Simest S.p.A.	49% shareholder of Seco Asia Limited
Legal person	Finsystem 2.0 S.r.l.	Company in which a close relative of the Chief Innovation Officer, Gianluca Venere, directly or indirectly holds a stake with voting rights of greater than 20%.
Legal person	Solenica, Inc.	Company in which the independent director Diva Tommei directly or indirectly holds a stake with voting rights of greater than or equal to 20%.
Legal person	Arcdata	Company in which a close relative of the independent director Diva Tommei directly or indirectly holds a stake with voting rights of greater than or equal to 20%.
Legal person	Peter Pan Holding S.r.l.	Company in which the Group’s managing director, Massimo Mauri, directly or indirectly holds a stake with voting rights of greater than or equal to 20%.
Legal person	SPEM S.r.l.	Luca Tufarelli, a partner in the law firm, holds a 100% stake in SPEM S.r.l., which in turn holds a 0.74% interest in the Parent Company.
Legal person	Studio Legale Ristuccia Tufarelli & Partners	Luca Tufarelli, a partner in the law firm, holds a 100% stake in SPEM S.r.l., which in turn holds a 0.34% interest in the Parent Company.
Legal person	Lomarini & Lomarini Consultants S.r.l.	Company controlled by the director Luciano Lomarini
Legal person	EQValue	Company in which the Statutory Auditor, Pierpaolo Guzzo, holds a stake with voting rights of greater than or equal to 20%.
Legal person	Big Partners S.r.l.	Company in which the Statutory Auditor, Pierpaolo Guzzo, holds a stake with voting rights of greater than or equal to 20%.
Legal person	BC S.a.s.	Company in which the Statutory Auditor, Micaela Badiali, holds a stake with voting rights of greater than or equal to 20%.
Legal person	Badiali & Partners Studio Associato	Company in which the Statutory Auditor, Micaela Badiali, holds a stake with voting rights of greater than or equal to 20%.
Legal person	Cantina La Cava Az. Agr.	Company controlled by the director Kurt Tosja Zywietz
Legal person	Primomarzo S.r.l.	Company controlled by the Company's Independent Director Anna Zattoni

Legal person	Jointly il welfare condiviso S.r.l.	Company controlled by the Company's Independent Director Anna Zattoni
Natural person	Daniele Conti	Chairperson of the Board of Directors of the Parent Company, appointed on 29/04/2024
Natural person	Massimo Mauri	Chief Executive Officer of the Parent Company, appointed on 29/04/2024
Natural person	Claudio Catania	Director of the BoD of the Parent Company, appointed on 29/04/2024
Natural person	Luciano Lomarini	Director of the BoD of the Parent Company, appointed on 29/04/2024
Natural person	Michele Secciani	Director of the BoD of the Parent Company, appointed on 29/04/2024
Natural person	Kurt Tosja Zywietz	Director of the BoD of the Parent Company, appointed on 29/04/2024
Natural person	Valentina Montanari	Independent Director of the BoD of the Parent Company, appointed on 29/04/2024
Natural person	Anna Zattoni	Independent Director of the BoD of the Parent Company, appointed on 29/04/2024
Natural person	Valentina Beatrice Manfredi	Independent Director of the BoD of the Parent Company, appointed on 29/04/2024
Natural person	Paolo Lavatelli	Independent Director of the BoD of the Parent Company, appointed on 29/04/2024
Natural person	Lorenzo Mazzini	Legal representative and Executive Officer for Financial Reporting of the Parent Company
Natural person	Davide Catani	Legal representative and Chief Technology Officer of the Parent Company
Natural person	Vincenzo Difronzo	Legal representative and Chief Sales Officer of the Parent Company
Natural person	Gianluca Venere	Legal representative and Chief Innovation Officer of the Parent Company
Natural person	Cesare Beolchi	Chairperson of the Board of Statutory Auditors of the Parent Company, appointed on 29/04/2024
Natural person	Pierpaolo Guzzo	Statutory Auditor of the Parent Company, appointed on 29/04/2024
Natural person	Micaela Badiali	Statutory Auditor of the Parent Company, appointed on 29/04/2024
Natural person	Prospero Accogli	Alternate Auditor of the Parent Company, appointed on 29/04/2024
Natural person	Edda Delon	Alternate Auditor of the Parent Company, appointed on 29/04/2024

Transactions carried out with related parties are part of the ordinary course of business of the companies and have been regulated at market conditions. No atypical or unusual transactions were recorded.

The balance sheet and income statement effects of the transactions have been eliminated in the consolidation process. Details of transactions with related parties are provided on the following page.

Balance Sheet accounts	CUBIT S.c.a.r.l	Board of Directors	Board of Statutory Auditors	SB and Internal Committees	Laserwall	Camozzi	Finsystem 2.0 S.r.l.	Studio Legale Ristuccia Tufarelli & Partners	Total	Total book value	% on total account items
Non-current financial assets	65	0	0	0	4,003	0	0	0	**4,067**	11,225	36.23%
Trade receivables	87	0	0	0	2,927	2	0	0	**3,016**	44,477	6.78%
Other receivables	0	510	0	0	0	0	0	0	**510**	5,377	9.49%
Employee benefits	0	36	0	0	0	0	0	0	**36**	3,534	1.00%
Trade payables	30	0	55	34	0	0	0	0	**119**	36,178	0.33%
Other payables	0	78	0	0	0	0	0	0	**78**	10,340	0.76%

Income Statement accounts	CUBIT S.c.a.r.l	Board of Directors	Board of Statutory Auditors	SB and Internal Committees	Laserwall	Camozzi	Finsystem 2.0 S.r.l.	Studio Legale Ristuccia Tufarelli & Partners	Total	Total book value	% on total account items
Net sales	0	0	0	0	465	700	0	0	**1,165**	98,401	1.18%
Other revenues and income	0	0	0	0	-	2	0	0	**2**	1,321	0.15%
Raw materials, ancillaries, consumables and goods	0	0	0	0	0	0	0	0	**0**	46,399	0.00%
Service costs	20	0	0	0	0	0	0	0	**20**	12,478	0.16%
Other operating costs	0	1,796	64	34	0	0	0	0	**1,894**	2,722	69.59%

Remuneration of Directors, Statutory Auditors and independent audit firm

The fees in H1 2025 of the Board of Directors of the Parent Company totaled Euro 430 thousand (Euro 430 thousand in H1 2024), while those of the Board of Statutory Auditors totaled Euro 55 thousand (Euro 40 thousand in H1 2024). The company also recognized a charge of Euro 3,233 thousand in relation to incentive plans.

Fees paid to the independent audit firm for the limited audit of the consolidated financial statements totaled Euro 31 thousand in H1 2025 (Euro 31 thousand in H1 2024). Additional certification services for Euro 5.5 thousand were carried out.

Subsequent events

It should be noted, in accordance with IAS 10(9), that no events have occurred from June 30, 2025, to the date of approval of this financial report that could have a significant impact on the financial performance or standing as presented herein.

6. DECLARATION OF THE HALF-YEAR FINANCIAL REPORT PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999 AND SUBSEQUENT AMENDMENTS AND SUPPLEMENTS

1. The undersigned Massimo Mauri, Chief Executive Officer, and Lorenzo Mazzini, Executive Officer for Financial Reporting, of SECO S.p.A. declare, also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
   - the adequacy considering the company's characteristics and
   - the effective of the administrative and accounting procedures for the compilation of the condensed consolidated half-year financial statements in 2025.
2. They also declare that the half-year financial report:
   - correspond to the underlying accounting documents and records;
   - were prepared in accordance with international accounting standards, recognized in the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and Council of July 19, 2002;
   - provide a true and fair view of the equity and financial position and of the operating performance of the issuer and of the other companies in the consolidation scope.
3. The Directors' Report includes a reliable analysis on the performance and operating result, in addition to the situation of the Company and of the companies included in the consolidation, together with an outline of the main risks and uncertainties to which they are exposed. It also presents a reliable analysis of the significant transactions with related parties.

Arezzo, September 8, 2025

Chief Executive Officer	Executive Officer for Financial Reporting
Massimo Mauri	Lorenzo Mazzini

Deloitte.

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

To the Shareholders of
Seco S.p.A.

Introduction

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

Scope of Review

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

Conclusion

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

DELOITTE & TOUCHE S.p.A.

Signed by
Neri Bandini
Partner

Florence, Italy
September 8, 2025

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