



HALF-YEARLY REPORT
AT 30 JUNE 2026

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GROUP STRUCTURE AND CORPORATE BODIES

Group structure

Parent company

SABAF S.p.A.

Registered and administrative office: Via dei Carpini 1 - 25035 Ospitaletto (Brescia)
 REA.: Brescia 347512
 Tax Code: 03244470179
 Share capital at 30 June 2026: €12,686,795 fully paid in
 Web site: www.sabafgroup.com

Subsidiaries and equity interest attributable to the Group

Companies consolidated on a line-by-line basis

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

Corporate bodies

Board of Directors

Chairman	Claudio Bulgarelli
Chief Executive Officer	Gianluca Beschi
Director	Alessandro Potestà
Director	Christian Richard Prinoth
Director	Cinzia Saleri
Director (*)	Laura Ciambellotti
Director (*)	Francesca Michela Maurelli
Director (*)	Federica Menichetti
Director (*)	Daniela Toscani
(*) independent directors	

Board of Statutory Auditors

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

Independent auditors

EY S.p.A.

INTERIM REPORT ON OPERATIONS

INTERIM REPORT ON OPERATIONS

Introduction

This Half-Yearly Financial Report for the six months ended 30 June 2026 has been prepared pursuant to Article 154-ter of Legislative Decree no. 58/1998 and in accordance with the applicable international financial reporting standards endorsed by the EU, specifically, IAS 34 Interim Financial Reporting. The half-year figures at 30 June 2026 and 30 June 2025 and for the six-month period then ended were reviewed by EY S.p.A., the financial figures at 31 December 2025, shown for comparative purposes, were audited by EY S.p.A.

The business

The Sabaf Group is active in the production of components for household appliances and is one of the world's leading manufacturers of components for gas cooking appliances. Its reference market therefore consists of manufacturers of household appliances.

Sabaf's product range focuses on the following main lines:

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

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

Economic performance

The economic results for the first half of 2026 and the second quarter of 2026 are presented and commented on below on a normalised basis, i.e. adjusted for the effects of the application of IAS 29 - the hyperinflation accounting standard - with reference to the financial statements of the subsidiary Sabaf Turkey. This representation allows a better understanding of the Group's performance and a more accurate comparison with previous periods.

First half of 2026

Half-year results <i>Data in thousands of €</i>	H1 2026	H1 2025	2026-2025 change	% change	12 MONTHS 2025
Sales revenue	144,666	143,000	1,666	+1.2%	278,201
Hyperinflation – Turkey	(1,050)	2,738			1,035
Normalised revenue	143,616	145,738	(2,122)	-1.5%	279,236
EBITDA	20,851	20,237	614	+3.0%	40,780
EBITDA %	14.4	14.2			14.7
Hyperinflation – Turkey	(641)	1,090			570
Normalised EBITDA	20,210	21,327	(1,117)	-5.2%	41,350
Normalised EBITDA %	14.1	14.6			14.8
EBIT	7,955	7,832	123	+1.6%	16,163
EBIT %	5.5	5.5			5.8
Hyperinflation – Turkey	2,060	3,233			4,986
Normalised EBIT	10,015	11,065	(1,050)	-9.5%	21,149
Normalised EBIT %	7.0	7.6			7.6
Profit/(loss) for the period	(937)	5,239	(6,176)	-117.9%	5,180
Profit/(loss) %	-0.6	3.7			1.9
Hyperinflation – Turkey	4,417	1,459			7,696
Normalised result of the Group	3,480	6,698	(3,218)	-48.0%	12,876
Normalised result %	2.4	4.6			4.6

In the first half of 2026, the Sabaf Group achieved normalised sales revenue of €143.6 million, down 1.5% compared to €145.7 million in the first half of 2025 (up 0.4% at constant exchange rates).

Sales in Europe and South America performed well compared with the first half of 2025, growing by 5.6% and 6.8%, respectively. Sales in Asia and Oceania also rose (+7.7%); although the volumes involved were modest, this reflects the benefits of the Group's operations in the Indian market, which offers significant potential for growth and where the Group has a production plant of its own. By contrast, sales fell in Turkey (-10.4%), affected by the difficulties faced by some local customers and the weakness of the domestic market, and in the Africa and Middle East region (-18.2%), which is more exposed to geopolitical tensions. In North America, revenue fell by 4.3% at current exchange rates, whilst it showed moderate growth at constant exchange rates (+1.7%) thanks to higher production volumes at the Mexican plant.

With respect to product division, revenue from gas components was essentially stable compared with the first half of 2025 (+0.1%). Hinges recorded a slight fall in sales at current exchange rates (-1.9%), but showed moderate growth at constant exchange rates (+1.3%). The decline in the electronic components segment was more pronounced (-10.4%). Against this backdrop, the Group continues to pursue its product diversification strategy, gradually phasing out less competitive items while developing new solutions for both the household appliance sector and other areas of application.

Normalised EBITDA for the first half of 2026 amounted to €20.2 million (14.1% of sales), down 5.2% compared with €21.3 million (14.6%) in the first half of 2025 due to the adverse impact of exchange rates (in particular the weakening of the US dollar). The decline was partly offset by improved operational efficiency. Against a backdrop of broadly stable selling prices, the impact of rising raw material and energy costs was mitigated by the hedging measures put in place.

Normalised EBIT was €10 million (7%), down 9.5% compared to €11.1 million (7.6%) in the first half of 2025.

Given the positive performance of MEC - the US company in which the Group acquired a 51% stake in 2023 - the value of the put option granted to the minority shareholders for a 49% stake was adjusted at 30 June 2026. The related price is pegged to MEC's results for the two years preceding the exercise of the option. The related financial liability (now €19.1 million) increased by €4.1 million, with financial expenses of €3.6 million and foreign exchange losses of €0.5 million being recognised in the income statement.

Normalised net profit for the period was €3.5 million (€6.7 million in the first half of 2025).

Second quarter of 2026

Quarterly results <i>Data in thousands of €</i>	Q2 2026 (*)	Q1 2026	% change	Q2 2026 (*)	Q2 2025 (*)	% change
Sales revenue	74,280	70,386	+5.5%	74,280	69,353	+7.1%
Hyperinflation – Turkey	(647)	(403)		(647)	1,790	
Normalised revenue	73,633	69,983	+5.2%	73,633	71,143	+3.5%
EBITDA	11,129	9,722	+14.5%	11,129	9,987	+11.4%
EBITDA %	15.0	13.8		15.0	14.4	
Hyperinflation – Turkey	(436)	(205)		(436)	918	
Normalised EBITDA	10,693	9,517	+12.4%	10,693	10,905	-1.9%
Normalised EBITDA %	14.5	13.6		14.5	15.3	
EBIT	4,642	3,313	+40.1%	4,642	3,970	+16.9%
EBIT %	6.2	4.7		6.2	5.7	
Hyperinflation – Turkey	903	1,157		903	1,850	
Normalised EBIT	5,545	4,470	+24.0%	5,545	5,820	-4.7%
Normalised EBIT %	7.5	6.4		7.5	8.2	
Group profit/(loss)	(2,003)	1,066	-287.9%	(2,003)	1,449	-238.2%
Profit/(loss) %	-2.7	1.5		-2.7	2.1	
Hyperinflation – Turkey	2,876	1,541		2,876	1,739	
Normalised result of the Group	873	2,607	-66.5%	873	3,188	-72.6%
Normalised result %	1.2	3.7		1.2	4.5	

(*) unaudited figures

In the second quarter of 2026, the Group recorded a positive trend, characterised by a gradual improvement in performance and the favourable development of key operating indicators.

Normalised sales stood at €73.6 million, up by 5.2% compared to €70 million in the first quarter of 2026 and by 3.5% compared to €71.1 million in the second quarter of 2025 (up 4.4% at constant exchange rates).

Europe, North and South America and Asia all recorded an increase in sales, driven by the strategic measures taken by management to consolidate the business and develop further commercial opportunities. The Africa and Middle East region also showed signs of recovery during the second quarter, thus partially offsetting the decline in sales recorded in the first quarter of the year due to geopolitical instability.

Normalised EBITDA for the second quarter was €10.7 million (14.5% of turnover), up by 12.4% compared to the figure of €9.5 million (13.6%) in the first quarter of 2026, having benefited from increased operations in the period. Compared with the second quarter of 2025 (€10.9 million, 15.3%), there was a 1.9% decrease due to unfavourable exchange rate fluctuations.

Normalised EBIT was €5.5 million (7.5%), up 24% compared to €4.5 million in the first quarter of 2026 (6.4%) and down 4.7% compared to €5.8 million in the second quarter of 2025 (8.2%).

Normalised net profit for the period was €0.9 million (€2.6 million in the first quarter of 2026 and €3.2 million in the second quarter of 2025).

Financial position, cash flows and financial debt at 30 June 2026

<i>Data in thousands of €</i>	30/06/2026	31/12/2025	30/06/2025
<i>Non-current assets</i>	168,350	163,809	168,764
<i>Current assets¹</i>	164,509	142,631	150,001
<i>Current liabilities²</i>	(80,670)	(62,849)	(74,658)
<i>Net working capital³</i>	83,839	79,782	75,343
<i>Provisions for risks and charges, post-employment benefits, deferred taxes, other non-current payables</i>	(11,338)	(8,593)	(8,558)
Net invested capital	240,851	234,998	235,549
<i>Short-term net financial position</i>	(4,644)	(1,498)	(3,958)
<i>Medium/long-term net financial position</i>	(80,512)	(73,712)	(75,459)
Net financial debt	(85,156)	(75,210)	(79,417)
Shareholders' equity	155,695	159,788	156,132

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

<i>Data in thousands of €</i>	30/06/2026	31/12/2025	30/06/2025
Opening liquidity	34,536	30,641	30,641
<i>Operating cash flow</i>	15,425	35,088	19,687
<i>Cash flow from investments</i>	(9,152)	(17,955)	(12,130)
<i>Free cash flow</i>	6,273	17,133	7,557
<i>Cash flow from financing activities</i>	9,810	781	6,751
<i>Payment of dividends</i>	(8,004)	(7,949)	(7,534)
<i>Treasury share transactions</i>	(1,179)	(1,879)	(1,262)
<i>Foreign exchange differences</i>	(1,352)	(4,191)	(2,483)
Cash flow for the period	5,548	3,895	3,029
Closing liquidity	40,084	34,536	33,670

In the first half of 2026, operations generated cash flows of €6.3 million. At 30 June 2026, the impact of the net working capital³ on revenue was 29% compared to 26.3% at 30 June 2025 and 28.7% at the end of 2025.

Net investments for the period came to €9.2 million (€12.1 million in the first half of 2025 and €18 million for 2025). For 2026, the Group plans to invest approximately €16 million.

At 30 June 2026, net financial debt was €85.2 million (€75.2 million at 31 December 2025 and €79.4 million at 30 June 2025), against consolidated equity of €155.7 million. The net financial debt at 30 June 2026 includes the financial liability of €19.1 million related to the recognition of the put option granted to the non-controlling investors of MEC and the lease liabilities of €6 million recognised in accordance with IFRS 16 (€5.8 million related to operating leases and €0.2 million related to finance leases).

¹ Sum of Inventories, Trade receivables, Tax receivables and Other current receivables

² Sum of Trade payables, Tax payables and Other liabilities

³ Difference between current assets and current liabilities

Intra-group and related party transactions

Intragroup transactions are part of the normal course of business for the group companies and are conducted on an arm's length basis.

During the period, no related party transactions were carried out other than said intra-group transactions.

Risk factors related to the segment in which the Group operates and main risks and uncertainties for the remainder of 2026

Risks related to international geopolitical situation

The ongoing complexity of the geopolitical landscape is causing high economic uncertainty and fuelling significant market volatility. This situation is affecting market confidence, with the risk of a prolonged period of weak macroeconomic conditions. In particular, escalating conflicts and tensions in the Middle East could fuel instability and give rise to further geopolitical complexities.

While the Group and its primary customers have limited exposure to the affected areas, management constantly monitors potential operational impacts, particularly regarding energy and supply chain costs. These efforts also factor in the Group's proven track record of passing on material cost increases to selling prices.

Tariff barriers

The Group's manufacturing footprint, with plants located in all major markets, including the US, significantly mitigates the potential impacts from the introduction of trade tariffs or export restrictions by national or supranational bodies. Any tariff or customs barriers could affect international economic growth.

Climate change and energy transition

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

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

The second risk is the management of CO₂ emissions along the entire production chain, an increasingly important factor in meeting market demands. Emissions management facilitates the monitoring of environmental performance and enables comprehensive communication, in line with customer and investor expectations.

The third risk concerns the adaptation of companies to changing environmental regulations, such as Carbon Free, RoHS and CBAM regulations. The evolving regulatory

framework requires constant updating and rapid adaptation, both to ensure compliance, and to seize opportunities for operational efficiency and consolidate market presence.

In order to address stakeholder requirements and new climate and sustainability reporting regulations, in 2023 the Group launched a carbon management and climate change mitigation pathway that includes the identification of specific drivers of decarbonisation. In particular, the Sabaf Group has developed a transition plan for climate change mitigation - approved by the Board of Directors of Sabaf S.p.A. on 18 December 2025 - aimed at supporting the gradual reduction of Scope 1 and Scope 2 greenhouse gas emissions and consistent with the integration of climate objectives into the Group's strategy.

For additional information, reference should be made to the Consolidated Sustainability Statement included in the 2025 Report on Operations, with respect to which no significant changes occurred.

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

Risks of external context

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

Strategic risks

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

Operational risks

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

ESG risks

Risks associated with environmental, social and governance (ESG) issues, including climate change and energy transition.

Legal and compliance risks

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

The Report on Operations at 31 December 2025 and the 2025 Consolidated Sustainability Statement, to which reference should be made, describe in detail these risks and the related risk management actions currently in progress.

Significant events after the end of the half-year

No significant events occurred after 30 June 2026.

Outlook for the current year

The current order backlog points to moderate sales growth for the current year, supported by the steady progress of organic growth initiatives in the second half of the year.

In order to maintain operational profitability in the face of the expected higher costs of key raw materials and energy, the Group has adjusted its price lists and has also launched further initiatives aimed at improving operational efficiency.

For the Board of Directors
The Chairman
Claudio Bulgarelli

Ospitaletto, 08 September 2026

Annexes to the Interim Report on Operations

Normalised revenue by geographical area (€/000)

Normalised half-year revenue	H1 2026	%	H1 2025	%	% change	2025 FY	%
Europe (excluding Turkey)	44,810	31.3%	42,446	29.1%	+5.6%	81,384	29.1%
Turkey	32,450	22.6%	36,229	24.9%	-10.4%	66,615	23.9%
North America	31,766	22.1%	33,187	22.8%	-4.3%	64,876	23.2%
South America	19,600	13.6%	18,350	12.6%	+6.8%	37,998	13.6%
Africa and Middle East	5,466	3.8%	6,686	4.6%	-18.2%	11,469	4.1%
Asia and Oceania	9,524	6.6%	8,840	6.1%	+7.7%	16,894	6.1%
Total	143,616	100%	145,738	100%	-1.5%	279,236	100%

Normalised quarterly revenue	Q2 2026*	%	Q2 2025*	%	% change	2025 FY	%
Europe (excluding Turkey)	21,958	29.8%	21,296	29.9%	+3.1%	81,384	29.1%
Turkey	16,400	22.3%	17,001	23.9%	-3.5%	66,615	23.9%
North America	16,498	22.4%	16,657	23.4%	-1.0%	64,876	23.2%
South America	10,001	13.6%	8,988	12.6%	+11.3%	37,998	13.6%
Africa and Middle East	3,397	4.6%	2,608	3.7%	+30.3%	11,469	4.1%
Asia and Oceania	5,379	7.3%	4,593	6.5%	+17.1%	16,894	6.1%
Total	73,633	100%	71,143	100%	+3.5%	279,236	100%

Normalised turnover by product line

Normalised half-year revenue	H1 2026	%	H1 2025	%	% change	2025 FY	%
Gas parts	86,353	60.1%	86,300	59.2%	+0.1%	165,695	59.3%
Hinges	46,061	32.1%	46,930	32.2%	-1.9%	90,164	32.3%
Electronic components	11,202	7.8%	12,508	8.6%	-10.4%	23,377	8.4%
Total	143,616	100%	145,738	100%	-1.5%	279,236	100%

Normalised quarterly revenue	Q2 2026*	%	Q2 2025*	%	% change	2025 FY	%
Gas parts	45,155	61.3%	41,956	59.0%	+7.6%	165,695	59.3%
Hinges	23,050	31.3%	22,807	32.1%	+1.1%	90,164	32.3%
Electronic components	5,428	7.4%	6,380	9.0%	-14.9%	23,377	8.4%
Total	73,633	100%	71,143	100%	+3.5%	279,236	100%

(*) unaudited figures

Reconciliation of the consolidated income statement at 30 June 2026

(€/000)	H1 2026	IAS29 effect	H1 2026 Normalised
INCOME STATEMENT COMPONENTS			
OPERATING REVENUE AND INCOME			
Revenue	144,666	(1,050)	143,616
Other income	6,091	(32)	6,059
Total operating revenue and income	150,757	(1,082)	149,675
		-	
OPERATING COSTS			
Materials	(75,624)	261	(75,363)
Change in inventories	8,604	(125)	8,479
Services	(25,955)	86	(25,869)
Personnel costs	(37,358)	218	(37,140)
Other operating costs	(922)	1	(921)
Costs for capitalised in-house work	1,349	-	1,349
Total operating costs	(129,906)	441	(129,465)
		-	
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND IMPAIRMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES OF NON-CURRENT ASSETS	20,851	(641)	20,210
Amortisation/depreciation	(12,891)	2,701	(10,190)
Capital gains on disposals of non-current assets	(5)	-	(5)
Impairment losses on non-current assets	-	-	-
EBIT	7,955	2,060	10,015
Financial income	536	(6)	530
Financial expenses	(5,467)	3	(5,464)
Net income/(charges) from hyperinflation	340	(340)	-
Exchange rate gains and losses	1,554	(41)	1,513
PROFIT BEFORE TAXES	4,918	1,676	6,594
Income taxes	(4,946)	2,741	(2,205)
PROFIT/(LOSS) FOR THE PERIOD	(28)	4,417	4,389
of which:			
Minority interests	909	-	909
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	(937)	4,417	3,480

Reconciliation of the consolidated income statement at 30 June 2025

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

Reconciliation of the Consolidated Income Statement for the Second Quarter 2026*

(€/000)	Q2 2026	IAS29 effect	Q2 2026 Normalised
INCOME STATEMENT COMPONENTS			
OPERATING REVENUE AND INCOME			
Revenue	74,280	(647)	73,633
Other income	3,390	(20)	3,370
Total operating revenue and income	77,670	(667)	77,003
		-	
OPERATING COSTS			
Materials	(38,537)	114	(38,423)
Change in inventories	3,520	(67)	3,453
Services	(13,096)	47	(13,049)
Personnel costs	(18,392)	136	(18,256)
Other operating costs	(810)	1	(809)
Costs for capitalised in-house work	774	-	774
Total operating costs	(66,541)	231	(66,310)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND IMPAIRMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES OF NON-CURRENT ASSETS	11,129	(436)	10,693
Amortisation/depreciation	(6,449)	1,339	(5,110)
Capital gains on disposals of non-current assets	(38)	-	(38)
Impairment losses on non-current assets	-	-	-
EBIT	4,642	903	5,545
Financial income	268	(4)	264
Financial expenses	(4,396)	2	(4,394)
Net income/(charges) from hyperinflation	1,176	(1,176)	-
Exchange rate gains and losses	969	(16)	953
PROFIT BEFORE TAXES	2,659	(291)	2,368
Income taxes	(4,148)	3,167	(981)
PROFIT/(LOSS) FOR THE PERIOD	(1,489)	2,876	1,387
of which:			
Minority interests	514	-	514
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	(2,003)	2,876	873

(*) unaudited figures

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

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

(*) unaudited figures

Consolidated statement of financial position

(€/000)	30/06/202 6	31/03/202 6	31/12/202 5	30/06/202 5
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	106,006	104,744	102,185	104,004
Investment property	521	541	408	493
Intangible assets	54,846	55,292	54,443	56,457
Equity investments	86	86	86	86
Non-current receivables	446	1,064	984	989
Deferred tax assets	6,445	6,518	5,703	6,735
Total non-current assets	168,350	168,245	163,809	168,764
CURRENT ASSETS				
Inventories	70,824	67,462	61,791	65,336
Trade receivables	73,939	69,175	63,524	69,631
Tax receivables	14,183	13,272	14,023	11,438
Other current receivables	5,563	4,936	3,293	3,596
Current financial assets	4,496	3,424	3,994	1,656
Cash and cash equivalents	40,084	43,979	34,536	33,670
Total current assets	209,089	202,248	181,161	185,327
ASSETS HELD FOR SALE	-	-	-	-
TOTAL ASSETS	377,439	370,493	344,970	354,091
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	12,687	12,687	12,687	12,687
Retained earnings, Other reserves	76,191	85,672	73,042	77,853
IAS 29 reserve	59,551	58,477	60,993	52,818
Net profit for the period	(937)	1,066	5,180	5,239
<i>Total equity interest pertaining to the Parent Company</i>	<i>147,492</i>	<i>157,902</i>	<i>151,902</i>	<i>148,597</i>
<i>Minority interests</i>	<i>8,203</i>	<i>7,609</i>	<i>7,886</i>	<i>7,535</i>
Total shareholders' equity	155,695	165,511	159,788	156,132
NON-CURRENT LIABILITIES				
Loans	80,512	85,676	73,712	75,459
Post-employment benefits and retirement provisions	4,147	4,069	3,855	4,005
Provisions for risks and charges	757	763	848	327
Deferred tax liabilities	6,434	3,968	3,890	4,117
Other non-current payables	-	-	-	109
Total non-current liabilities	91,850	94,476	82,305	84,017
CURRENT LIABILITIES				
Loans	30,098	25,518	25,042	26,260
Other financial liabilities	19,126	15,476	14,986	13,024
Trade payables	52,539	44,935	39,585	51,212
Tax payables	7,724	5,914	5,295	4,296
Other payables	20,407	18,663	17,969	19,150
Total current liabilities	129,894	110,506	102,877	113,942
LIABILITIES HELD FOR SALE	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	377,439	370,493	344,970	354,091

Consolidated Income Statement

(€/000)	Q2 2026 (*)	Q2 2025 (*)	H1 2026	H1 2025
OPERATING REVENUE AND INCOME				
Revenue	74,280	69,353	144,666	143,000
Other income	3,390	2,372	6,091	5,435
Total operating revenue and income	77,670	71,725	150,757	148,435
OPERATING COSTS				
Materials	(38,537)	(34,838)	(75,624)	(71,876)
Change in inventories	3,520	4,530	8,604	6,737
Services	(13,096)	(13,359)	(25,955)	(26,310)
Personnel costs	(18,392)	(18,194)	(37,358)	(37,103)
Other operating costs	(810)	(290)	(922)	(718)
Costs for capitalised in-house work	774	413	1,349	1,072
Total operating costs	(66,541)	(61,738)	(129,906)	(128,198)
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES AND IMPAIRMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES ON NON-CURRENT ASSETS (EBITDA)	11,129	9,987	20,851	20,237
Amortisation/depreciation	(6,449)	(6,031)	(12,891)	(12,309)
Capital gains/(losses) on disposals of non-current assets	(38)	11	(5)	13
Impairment losses/reversals of impairment losses on non-current assets	-	3	-	(109)
OPERATING PROFIT (EBIT)	4,642	3,970	7,955	7,832
Financial income	268	141	536	341
Financial expenses	(4,396)	(3,542)	(5,467)	(4,732)
Net income/(charges) from hyperinflation	1,176	689	340	2,535
Exchange rate gains and losses	969	792	1,554	1,351
PROFIT BEFORE TAXES	2,659	2,050	4,918	7,327
Income taxes	(4,148)	(166)	(4,946)	(1,219)
PROFIT/(LOSS) FOR THE PERIOD	(1,489)	1,884	(28)	6,108
of which				
Minority interests	514	435	909	869
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	(2,003)	1,449	(937)	5,239

(*) unaudited figures

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2026

Consolidated statement of financial position

(€/000)	Notes	30/06/2026	31/12/2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1	106,006	102,185
Investment property	2	521	408
Intangible assets	3	54,846	54,443
Equity investments	4	86	86
Non-current receivables	5	446	984
Deferred tax assets	22	6,445	5,703
Total non-current assets		168,350	163,809
CURRENT ASSETS			
Inventories	6	70,824	61,791
Trade receivables	7	73,939	63,524
Tax receivables	8	14,183	14,023
Other current receivables	9	5,563	3,293
Current financial assets	10	4,496	3,994
Cash and cash equivalents	11	40,084	34,536
Total current assets		209,089	181,161
ASSETS HELD FOR SALE		-	-
TOTAL ASSETS		377,439	344,970
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	12	12,687	12,687
Retained earnings, Other reserves	13	76,191	73,042
Reserve IAS29		59,551	60,993
Net profit for the period		(937)	5,180
<i>Total equity interest pertaining to the Parent Company</i>		<i>147,492</i>	<i>151,902</i>
<i>Minority interests</i>		<i>8,203</i>	<i>7,886</i>
Total shareholders' equity		155,695	159,788
NON-CURRENT LIABILITIES			
Loans	14	80,512	73,712
Post-employment benefits and retirement provisions	16	4,147	3,855
Provisions for risks and charges	17	757	848
Deferred tax liabilities	22	6,434	3,890
Total non-current liabilities		91,850	82,305
CURRENT LIABILITIES			
Loans	14	30,098	25,042
Other financial liabilities	15	19,126	14,986
Trade payables	18	52,539	39,585
Tax payables	19	7,724	5,295
Other payables	20	20,407	17,969
Total current liabilities		129,894	102,877
LIABILITIES HELD FOR SALE		-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		377,439	344,970

Consolidated income statement

(€/000)	Notes	H1 2026	H1 2025
OPERATING REVENUE AND INCOME			
Revenue	23	144,666	143,000
Other income	24	6,091	5,435
Total operating revenue and income		150,757	148,435
OPERATING COSTS			
Materials	25	(75,624)	(71,876)
Change in inventories		8,604	6,737
Services	26	(25,955)	(26,310)
Personnel costs	27	(37,358)	(37,103)
Other operating costs	28	(922)	(718)
Costs for capitalised in-house work		1,349	1,072
Total operating costs		(129,906)	(128,198)
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES AND IMPAIRMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES ON NON-CURRENT ASSETS (EBITDA)		20,851	20,237
Amortisation/depreciation		(12,891)	(12,309)
Capital gains/(losses) on disposals of non-current assets		(5)	13
Impairment losses/reversals of impairment losses on non-current assets		-	(109)
OPERATING PROFIT (EBIT)		7,955	7,832
Financial income	29	536	341
Financial expenses	30	(5,467)	(4,732)
Net income/(charges) from hyperinflation	31	340	2,535
Exchange rate gains and losses	32	1,554	1,351
PROFIT BEFORE TAXES		4,918	7,327
Income taxes	33	(4,946)	(1,219)
PROFIT/(LOSS) FOR THE PERIOD		(28)	6,108
of which			
Minority interests		909	869
PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP		(937)	5,239
(in €)			
Basic earnings per share	34	(0.076)	0.420
Diluted earnings per share	34	(0.076)	0.420

Consolidated statement of comprehensive income

<i>(€/000)</i>	H1 2026	H1 2025
PROFIT/(LOSS) FOR THE PERIOD	(28)	6,108
<i>Total profits/losses that will be subsequently reclassified under profit (loss) for the period:</i>		
Forex differences due to translation of financial statements in foreign currencies	(1,187)	(19,597)
Hedge accounting effect of derivative financial instruments	166	103
Tax effect		
Total other profits/(losses) net of taxes for the period	(1,021)	(19,494)
COMPREHENSIVE INCOME/(EXPENSE)	(1,049)	(13,386)
of which		
Profit for the period attributable to minority interests	909	869
Foreign exchange difference from translation of financial statements of minority interests	268	(960)
MINORITY INTERESTS	1,177	(91)
COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO THE GROUP	(2,226)	(13,295)

Consolidated statement of cash flows

<i>(€/000)</i>	H1 2026	H1 2025
<i>Cash and cash equivalents at beginning of period</i>	34,536	30,641
Profit/(loss) for the period	(28)	6,108
Adjustments for:		
- Depreciation and amortisation for the period	12,891	12,309
- Realised gains/losses	5	(13)
- Profits and losses from equity investments	-	-
- Impairment losses/Reversals of impairment losses on non-current assets	-	109
- Revaluation IAS 29	4,417	1,459
- Financial income and expenses	(508)	1,758
- IFRS 2 measurement stock grant plan	(115)	389
- Income tax	4,946	1,219
- Non-monetary foreign exchange differences	553	(1,942)
Change in post-employment benefits	292	(44)
Change in risk provisions	(91)	7
<i>Change in trade receivables</i>	<i>(9,701)</i>	<i>(6,230)</i>
<i>Change in inventories</i>	<i>(8,433)</i>	<i>(6,099)</i>
<i>Change in trade payables</i>	<i>12,797</i>	<i>9,972</i>
Change in net working capital	(5,337)	(2,357)
Change in other receivables and payables, deferred taxes	422	2,997
Payment of taxes	(676)	(1,146)
Payment of financial expenses	(1,873)	(1,484)
Collection of financial income	527	318
Cash flows from operations	15,425	19,687
Investments in non-current assets		
- intangible	(645)	(1,423)
- tangible	(8,565)	(10,876)
- financial	-	-
Disposal of non-current assets	58	169
Cash flows from investment activities	(9,152)	(12,130)
Free cash flow	6,273	7,557
Repayment of loans	(15,293)	(26,054)
New loans	25,379	31,454
Change in financial assets	(276)	1,351
Purchase of treasury shares	(1,179)	(1,262)
Payment of dividends	(8,004)	(7,534)
Cash flows from financing activities	627	(2,045)
Foreign exchange differences	(1,352)	(2,483)
Net cash flows for the period	5,548	3,029
<i>Cash and cash equivalents at end of period</i>	40,084	33,670

Statement of changes in consolidated shareholders' equity

	Share capital	Share premium reserve	Legal reserve	Treasury shares	Translation reserve	IAS 29 reserve	Post-employment benefit reserve	Other reserves	Profit for the period	Group shareholders' equity	Minority interests	Shareholders' equity
<i>(€/000)</i>												
Balance at 31 December 2024	12,687	26,160	2,482	(2,320)	(93,143)	57,661	(364)	155,713	6,928	165,804	7,940	173,744
Allocation of 2024 profit												
- carried forward			55						(55)	-		-
- dividends								(347)	(6,873)	(7,220)	(729)	(7,949)
IFRS 2 measurement Stock Grant								595		595		595
Treasury share transactions				(1,879)						(1,879)		(1,879)
Hyperinflation (IAS 29)						3,332		9,022		12,354		12,354
<i>Change in translation reserve</i>					(23,141)					(23,141)	(984)	(24,125)
<i>Other components of the total result</i>							77	132	5,180	5,389	1,659	7,048
Total profit at 31 December 2025					(23,141)		77	132	5,180	(17,752)	675	(17,077)
Balance at 31 December 2025	12,687	26,160	2,537	(4,199)	(116,284)	60,993	(287)	165,115	5,180	151,902	7,886	159,788
Allocation of 2025 profit												
- carried forward									-	-		-
- dividends								(1,964)	(5,180)	(7,144)	(860)	(8,004)
IFRS 2 measurement Stock Grant								(115)		(115)		(115)
Treasury share transactions				(1,179)						(1,179)		(1,179)
Hyperinflation (IAS 29)						(1,442)		7,696		6,254		6,254
<i>Change in translation reserve</i>					(1,455)					(1,455)	268	(1,187)
<i>Other components of the total result</i>								166	(937)	(771)	909	138
Total profit at 30 June 2026					(1,455)			166	(937)	(2,226)	1,177	(1,049)
Balance at 30 June 2026	12,687	26,160	2,537	(5,378)	(117,739)	59,551	(287)	170,898	(937)	147,492	8,203	155,695

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Basis of presentation and accounting policies used

The condensed consolidated interim financial statements at 30 June 2026 were prepared in accordance with IAS 34 on interim reports. These condensed half-year consolidated financial statements do not include all the information required for the annual financial report and must be read together with the financial statements for the year ended 31 December 2025. Reference to IFRS also includes all current International Accounting Standards (IAS). They have been prepared in euro, rounding amounts to the nearest thousand, and are compared with the interim and annual consolidated financial statements of the previous year, prepared according to the same standards. They consist of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flows and these notes.

The condensed consolidated interim financial statements have been prepared on a going concern basis with reference to which the Group assessed that it is a going concern in accordance with paragraphs 25 and 26 of IAS 1 and Art. 2423 bis of the Italian Civil Code, also due to the strong competitive position, positive profitability and solidity of the financial structure.

The consolidation policies, the criteria for translating foreign currency items, the accounting policies and the measurement criteria are the same as those used for preparing the financial statements at 31 December 2025, to which reference should be made for additional information.

The adoption of the new standards and amendments effective from 1 January 2026 described below had no significant impact. The Group has not early adopted any new standards, interpretations or amendments issued but not yet in force.

New standards

Amendments to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments'

On 30 May 2024, the IASB issued amendments to the classification and measurement of financial instruments. It clarifies when a financial liability is derecognised on the 'settlement date' and introduces an accounting policy option to derecognise financial liabilities settled through an electronic payment system before the settlement date if certain conditions are met. Clarification was provided on how to measure the contractual cash flow characteristics of financial assets that include ESG and similar characteristics. In addition, the amendments clarify the treatment of non-recourse financial assets and contractually-bound instruments. The amendment to IFRS 7 requires additional disclosure for financial assets and liabilities with contractual terms that refer to a contingent event (including those that are linked to ESG factors) and for equity instruments classified at fair value and recognised in other components of the comprehensive income statement. The amendments will become effective for annual periods beginning on or after 1 January 2026, and entities may adopt the changes in the

classification of financial assets and related disclosures early. No significant impact is expected on the Group's condensed consolidated interim financial statements,

Annual cycle of improvements to IFRS accounting standards – Volume 11

In July 2024, the IASB issued nine amendments of limited scope as part of the regular maintenance of IFRS. The amendments include clarifications, simplifications, corrections or changes aimed at improving consistency in the standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The amendments will take effect for financial years beginning on or after 1 January 2026. Early adoption is permitted, provided that adequate information is provided.

These changes are not expected to have a material impact on the Group's condensed consolidated interim financial statements.

Amendments to IFRS 9 and IFRS 7 “Contracts referencing nature-dependent electricity”

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 relating to contracts for the purchase of electricity generated from natural sources. These amendments clarify the application of the requirements relating to the ‘own use’ exemption for contracts falling within its scope; they also amend the requirements for designating the hedged item in cash flow hedge accounting in relation to such contracts and introduce specific disclosure requirements.

The amendments will take effect for financial years beginning on or after 1 January 2026; early adoption is permitted, but appropriate disclosure must be provided. The amendments relating to the own-use exemption must be applied retrospectively, whilst those relating to hedge accounting must be applied prospectively to new designated hedging relationships from the date of initial application. The amendments to the disclosure requirements under IFRS 7 must be applied in conjunction with the amendments to IFRS 9.

Based on the analyses carried out, no significant impact is expected on the Group's condensed consolidated interim financial statements.

Financial statements

The Group has adopted the following formats:

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

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

In the statement of financial position as at 30 June 2026, tax incentive receivables relating to investments in property, plant and equipment in Turkey (€2,288 thousand) were recognised under "Tax receivables" rather than under "Deferred tax assets", where they had previously been recognised, in order to ensure a more accurate presentation of the tax nature of these amounts. Accordingly, the receivables at 31 December 2025 (€2,982 thousand) have been reclassified under "Tax receivables" in the statement of financial position for comparative purposes.

Scope of consolidation

The scope of consolidation at 30 June 2026 comprises the parent company Sabaf S.p.A. and the following companies controlled by Sabaf S.p.A., consolidated on a line-by-line basis:

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

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

Compared with 30 June 2025 and 31 December 2025, the scope of consolidation is unchanged.

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

Consolidation criteria

The criteria applied for consolidation are as follows:

- Assets and liabilities, income and costs in financial statements consolidated on a line-by-line basis are incorporated into the Group financial statements, regardless of the entity of the equity interest concerned. In addition, the carrying value of equity interests is eliminated against the shareholders' equity relating to investee companies.
- Positive differences arising from elimination of equity investments against the carrying value of shareholders' equity at the date of first-time consolidation are attributed to the higher values of assets and liabilities when possible and, for the remainder, to goodwill.
- Payable/receivable and cost/revenue items between consolidated companies and profits/losses arising from intercompany transactions are eliminated.
- If minority shareholders exist, the portion of shareholders' equity and profit/loss for the period pertaining to them is posted in specific items of the consolidated statement of financial position and income statement.

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

Separate financial statements of each company belonging to the Group are prepared in the currency of the country in which that company operates (functional currency). For the purposes of the consolidated financial statements, the financial statement of each foreign entity is expressed in euro, which is the Group's functional currency and the reporting currency for the consolidated financial statements.

The balance sheet items in accounts expressed in currencies other than euro are converted by applying current end-of-year exchange rates. Income statement items are translated at the average exchange rates for the period, with the exception of the financial statements of the Turkish subsidiary which operates in an hyperinflationary economy. The latter's income statement has been translated using the closing rate as required by IAS 21.42.b.

Foreign exchange differences arising from the comparison between opening shareholders' equity translated at current exchange rates and at historical exchange rates, together with the difference between the profit/(loss) expressed at average and current exchange rates, are allocated to "Other Reserves" in shareholders' equity.

The exchange rates used for conversion into euro of the statements of financial position of the foreign subsidiaries, prepared in local currency, are shown in the following table:

Description of currency	Spot exchange rate at 30/06/2026	Average exchange rate 01/01/2026 - 30/06/2026	Spot exchange rate 31/12/2025	Exchange rate in effect at 30/06/2025	Average exchange rate 01/01/2025 - 30/06/2025
Brazilian real	5.90030	6.01268	6.43640	6.4384	6.2913
Turkish lira	53.16420	52.06569	50.48380	46.5682	41.0912
Chinese renminbi	7.73140	8.00731	8.22620	8.3970	7.9238
Indian Rupee	107.85650	108.59444	105.59650	100.5605	94.0693
Mexican peso	19.90300	20.37544	21.11800	22.0899	21.8035
US Dollar	1.13940	1.16660	1.17500	1.1720	1.0928

Segment reporting

The Group's operating segments in accordance with IFRS 8 - Operating Segments are the business segments that generate revenue and costs, whose results are periodically assessed by top management in order to assess performance and decisions regarding resource allocation. The Group operating segments are the following:

- gas parts (household and professional);
- hinges;
- electronic components.

Effective from these condensed consolidated interim financial statements, the "induction cooking components" operating segment, previously reported separately in 2025, has been consolidated into the "Electronic components" operating segment. This change reflects the operational and organisational integration between the two segments.

Use of estimates

The preparation of the interim financial statements and the notes thereto in accordance with the IFRS requires the Directors to make estimates and assumptions that affect the carrying amount of revenue, costs, assets and liabilities of the interim financial statements and the disclosures on contingent assets and liabilities at 30 June 2026. In the event that in future these estimates and assumptions, which are based on the Directors' best assessments, should deviate from actual circumstances, they will be amended appropriately at the time the circumstances change. Estimates and assumptions are regularly reviewed and the effects of each change immediately reflected in the income statement.

In these consolidated interim financial statements, the calculation of the income taxes generated in Turkey is estimated in accordance with current tax legislation, which may be subject to further changes during the year.

Furthermore, certain measurement processes, particularly the more complex ones such as the identification of any impairment losses on non-current assets, are generally carried out in full only as part of the preparation of the annual financial statements, when all information that could be necessary is available, except when there are impairment indicators that require an immediate impairment test.

Hyperinflation - Turkey: application of IAS 29

In the condensed consolidated interim financial statements at 30 June 2026, IAS 29 was applied with reference to the subsidiary Sabaf Turkey. The effect related to the re-measurement of non-monetary assets and liabilities, equity items and income statement items in the first half of 2026 was recognised in a separate item in the income statement under financial income and expenses. The related tax effect was recognised in taxes for the period.

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

Consumer price index	Value at 31/12/2025	Value at 30/06/2026	Change
TURKSTAT	3,513.87	4,137.92	+17.76%
Consumer price index	Value at 31/12/2024	Value at 31/12/2025	Change
TURKSTAT	2,684.55	3,513.87	+30.89%
Consumer price index	Value at 31/12/2023	Value at 31/12/2024	Change
TURKSTAT	1,859.38	2,684.55	+44.38%

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

<i>(€/000)</i>	30/06/2026	Hyperinflation effect	30/06/2026 with Hyperinflation effect
Total non-current assets	133,353	34,997	168,350
Total current assets	207,932	1,157	209,089
Total assets	341,285	36,154	377,439
Total shareholders' equity	122,367	33,328	155,695
Total non-current liabilities	89,024	2,826	91,850
Total current liabilities	129,894	-	129,894
Total liabilities and shareholders' equity	341,285	36,154	377,439

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

<i>(€/000)</i>	6M 2026	Hyperinflation effect	6 months 2026 with Hyperinflation effect
Operating revenue and income	149,675	1,082	150,757
Operating costs	(129,465)	(441)	(129,906)
EBITDA	20,210	641	20,851
EBIT	10,015	(2,060)	7,955
Profit before taxes	6,594	(1,676)	4,918
Income taxes	(2,205)	(2,741)	(4,946)
Minority interests	909	-	909
Profit/(loss) for the period	3,480	(4,417)	(937)

Comments on the main items of the statement of financial position

1. PROPERTY, PLANT AND EQUIPMENT

	Property	Plant and equipment	Other assets	Assets under construction	Total
Cost					
At 31 December 2025	80,314	281,183	78,594	6,421	446,512
Increases	1,366	2,422	1,615	4,858	10,261
Reclassifications	13	4,431	(195)	(4,339)	(90)
Disposals	-	(1,448)	(199)	-	(1,647)
Monetary revaluation (IAS 29)	1,514	4,902	1,776	-	8,192
Forex differences	218	457	96	(7)	764
At 30 June 2026	83,425	291,947	81,687	6,933	463,992
Accumulated amortisation					
At 31 December 2025	39,254	235,622	69,451	-	344,327
Increases	1,690	5,963	2,144	-	9,797
Disposals	-	(1,341)	(95)	-	(1,436)
Monetary revaluation (IAS 29)	660	3,009	1,440	-	5,109
Forex differences	(31)	134	86	-	189
At 30 June 2026	41,573	243,387	73,026	-	357,986
Carrying amount					
At 31 December 2025	41,060	45,561	9,143	6,421	102,185
At 30 June 2026	41,852	48,560	8,661	6,933	106,006

The investments during the period were aimed at the Group's organic growth in terms of internationalisation and product innovation, as well as optimising the efficiency and automation of production processes. Key investments include automated assembly machinery for dishwasher hinges, moulds and equipment for new product industrialisation, and machinery designed to enhance production process flexibility.

Decreases mainly relate to the disposal of machinery no longer in use.

Assets under construction include machinery under construction and advance payments to suppliers of capital equipment.

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

	30/06/2026	31/12/2025	Change
Land	9,469	9,313	156
Industrial buildings	32,383	31,747	636
Total	41,852	41,060	792

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

	Property	Plant and equipment	Other assets	Total
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At 31 December 2025	4,120	-	1,389	5,509
Increases	1,215	-	347	1,562
Monetary revaluation (IAS 29)	408	-	-	408
Decreases	-	-	(82)	(82)
Reclassifications	-	-	-	-
Amortisation/depreciation	(721)	-	(187)	(908)
Foreign exchange differences	(147)	-	-	(147)
At 30 June 2026	4,875	-	1,467	6,342

At 30 June 2026, the Group found no endogenous or exogenous indicators of impairment of its property, plant and equipment. Consequently, no impairment test was carried out.

2. INVESTMENT PROPERTY

Cost	
At 31 December 2025	1,468
Increases	154
Disposals	-
At 30 June 2026	1,622
Accumulated depreciation and impairment losses	
At 31 December 2025	1,060
Depreciations for the period	41
Derecognition due to disposal	-
At 30 June 2026	1,101
Carrying amount	
At 31 December 2025	408
At 30 June 2026	521

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

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

	Investment property
At 31 December 2025	-
Increases	154
Decreases	-
Amortisation/depreciation	(19)
At 30 June 2026	135

At 30 June 2026, the Group found no internal or external indicators of impairment of its investment property. Consequently, no impairment test was carried out.

3. INTANGIBLE ASSETS

	Goodwill	Patents, software and know-how	Development costs	Other intangible assets	Total
Cost					
At 31 December 2025	37,304	12,974	15,337	33,320	98,935
Increases	-	233	356	56	645
Decreases	-	-	-	(3)	(3)
Reclassifications	-	37	(66)	70	41
Monetary revaluation (IAS 29)	2,939	171	-	2,002	5,112
Forex differences	(856)	(27)	-	(522)	(1,405)
At 30 June 2026	39,387	13,388	15,627	34,923	103,325
Accumulated amortisation					
At 31 December 2025	7,461	11,403	8,690	16,938	44,492
Increases	-	316	883	1,855	3,054
Decreases	-	-	-	(1)	(1)
Reclassifications	-	14	(14)	-	-
Monetary revaluation (IAS 29)	-	146	-	1,163	1,309
Forex differences	-	(22)	-	(353)	(375)
At 30 June 2026	7,461	11,857	9,559	19,602	48,479
Carrying amount					
At 31 December 2025	29,843	1,571	6,647	16,382	54,443
At 30 June 2026	31,926	1,531	6,068	15,321	54,846

Goodwill

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

CGU	31/12/2025	Revaluation IAS 29	Forex differences	30/06/2026
Professional burners	1,770	-	-	1,770
Electronic components	17,428	2,939	(878)	19,489
PGA electronic components	1,804	-	-	1,804
Hinges	4,414	-	-	4,414
C.M.I. hinges	3,680	-	-	3,680
MEC hinges	747	-	22	769
Total	29,843	2,939	(856)	31,926

The Group tests goodwill for impairment at least once a year or more frequently if there are indications of impairment. Recoverable amount is determined through value of use, by discounting expected cash flows.

At 31 December 2025, the Group had performed an impairment test on the goodwill recognised in the period 2026-2028, using a plan for each CGU. For further information, reference should be made to the consolidated financial statements at 31 December 2025.

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

- an analysis of the Group's operating environment, with a particular focus on evolving market trends and the Group's strategic outlook;
- comparison of the actual financial performance for the first half of 2026 with the budget and that for the first half of 2025;
- review of the expected results for future years, as per the 2026-2028 plans drawn up by management during the impairment test at 31 December 2025;
- analysis of changes in the carrying amounts of assets allocated to individual CGUs at 30 June 2026, compared to 31 December 2025;
- analysis of the trend, in the first half of 2026, of the parameters underlying the discount rate used to perform the impairment test at 31 December 2025 (WACC);
- review of the sensitivity analyses performed as part of the impairment tests at 31 December 2025.

The Group also assessed the relationship between the market capitalisation at 30 June 2026 (€158.8 million) and the carrying amount of the Group's shareholders' equity (€147.5 million), which shows a positive difference.

The above analyses confirmed that there were no elements indicating a possible reduction in the recoverable amount of the company's assets and therefore there was no need to prepare an impairment test at 30 June 2026, except for the "Electronic components" CGU. Indeed, the financial performance of this CGU in the first half of the year fell short of budget forecasts, mainly due to the deferral of certain complex projects initially scheduled for the first half of 2026 to subsequent years (2027 and 2028), and the weakness characterising the Turkish market. Furthermore, net invested capital increased as a result of the application of IAS 29 on hyperinflation. Consequently, the recoverability of the "Electronic Components" CGU was tested for impairment based on the most recent data available. The recoverable amount was calculated based on a discount rate (WACC) of 11.39% (11.24% in the impairment test carried out at 31 December 2025) and a growth rate (g) of 2.5%, unchanged from the 2025 impairment test. The following activities were carried out to complete the analysis:

- a sensitivity analysis to test the recoverability of goodwill against changes in the basic assumptions used to determine the discounted flows. Specifically, the WACC, the g-rate and the EBITDA reduction that would lead to an impairment loss - while keeping all other underlying assumptions unchanged - are equal to 11.90%, 1.90% and -4.6%, respectively;
- checking the recoverability of goodwill against possible increases and decreases of 50 bps in the WACC and 25 bps in the g-rate;
- checking the recoverability of goodwill against possible decreases of 10% and 20% in EBITDA.

The sensitivity analyses show a difference between recoverable amount and net invested capital ranging from +9.2 million to -€5.7 million. The analysis, approved by the Board of Directors on 8 September 2026, showed that the recoverable amount exceeded the carrying amount. Consequently, no goodwill impairment was required.

Development costs

Development costs mainly refer to the development of new products to extend the range and features offered within the induction cooking sector (carrying amount at 30 June 2026: €4,281 thousand). To this end, a specific project team was set up to develop the project know-how in-house, with patents, proprietary software and hardware.

Other intangible assets

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

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

	30/06/2026	31/12/2025	Change
Customer relationship	10,781	11,526	(745)
Brand	3,001	3,118	(117)
Know-how	239	289	(50)
Patents	978	1,244	(266)
Other	322	205	117
Total	15,321	16,382	(1,061)

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

4. EQUITY INVESTMENTS

	30/06/2026	31/12/2025	Change
Other equity investments	86	86	-
Total	86	86	-

5. NON-CURRENT RECEIVABLES

	30/06/2026	31/12/2025	Change
Tax receivables	224	117	107
Guarantee deposits	222	196	26
Receivables from former P.G.A. shareholders	-	671	(671)
Total	446	984	(538)

Tax receivables relate to indirect taxes expected to be recovered after 30 June 2027.

Receivables from former P.G.A. shareholders have been reclassified as current receivables as, at the reporting date, they were due within one year.

6. INVENTORIES

	30/06/2026	31/12/2025	Change
Raw Materials	33,257	27,174	6,083
Semi-processed goods	17,681	16,601	1,080
Finished products	25,098	23,729	1,369
Provision for inventory write-downs	(5,212)	(5,713)	501
Total	70,824	61,791	9,033

The increase in inventories compared with 31 December is mainly attributable to the rise in raw materials, which was intended to ensure the continuity of supplies. The carrying amount of inventories at the reporting date also reflects the normal seasonality of the business.

At 30 June 2026, their carrying amount was adjusted based on an improved estimate of the idle capacity and obsolescence risk, measured by analysing slow and non-moving inventory.

7. TRADE RECEIVABLES

	30/06/2026	31/12/2025	Change
Total trade receivables	75,801	65,557	10,244
Bad debt provision	(1,862)	(2,033)	171
Net total	73,939	63,524	10,415

The increase in trade receivables at 30 June 2026 compared to 31 December 2025 is due to seasonality. There were no significant changes in the payment terms agreed with customers.

Trade receivables include insured receivables worth approximately €25 million (€22.3 million at 31 December 2025).

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

	30/06/2026	31/12/2025	Change
Current receivables (not past due)	59,646	47,802	11,844
Outstanding up to 30 days	8,520	8,455	65
Outstanding from 30 to 60 days	3,301	5,206	(1,905)
Outstanding from 60 to 90 days	1,046	2,368	(1,322)
Outstanding for more than 90 days	3,288	1,726	1,562
Total	75,801	65,557	10,244

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

31/12/2025	2,033
Provisions	174
Uses/Releases	(296)
Forex differences	(49)
30/06/2026	1,862

8. TAX RECEIVABLES

	30/06/2026	31/12/2025	Change
For income tax	4,925	5,667	(742)
For VAT and other sales taxes	8,941	8,219	722
Other tax credits	317	137	180
Total	14,183	14,023	160

At 30 June 2026, income tax receivables mainly include:

- €2,847 thousand relating to tax credits for investments in capital goods;
- €214 thousand relating to the tax credit for research and development;
- €635 thousand relating to the Patent Box tax credit for 2020 and 2021;
- advance payments on Italian income taxes: IRES for €482 thousand and IRAP for €104 thousand.

9. OTHER CURRENT RECEIVABLES

	30/06/2026	31/12/2025	Change
Advances to suppliers	1,840	1,382	458
Accrued income and prepaid expenses	2,213	1,030	1,183
Receivables from former P.G.A. shareholders	685	-	685
Receivables from insurance companies	384	7	377
Credits to be received from suppliers	93	748	(655)
Other	348	126	222
Total	5,563	3,293	2,270

The amounts to be received from suppliers mainly refer to bonuses paid to the Group for the attainment of purchasing objectives.

The increase in accrued income and prepaid expenses at 30 June 2026 compared to 31 December 2025 is due to the recognition of costs or revenues whose collection or payment occurs annually at the beginning or end of year, such as insurance premiums.

Receivables from former P.G.A. shareholders, already agreed upon between the parties and discounted, refer to compensation obligations envisaged upon the occurrence of certain events (liabilities incurred by P.G.A.) regulated by the acquisition agreement. Compared with 31 December 2025, these receivables have been reclassified from non-current receivables as they are due within one year at the reporting date.

10. CURRENT FINANCIAL ASSETS

	30/06/2026	31/12/2025	Change
Time deposits and other financial assets	4,041	3,738	303
Derivative instruments on interest rates	455	256	199
Total	4,496	3,994	502

Time deposits mainly refer to certain foreign subsidiaries; these are temporary investments of liquidity in excess of normal operations at better yields than ordinary deposits.

Derivatives refer to:

- an interest rate swap (IRS) not designated as a cash flow hedge and therefore recognised at fair value through profit or loss, with "Financial income" as a balancing entry. This IRS has the same amount and maturity as an unsecured loan currently being repaid, the outstanding balance of which was €5,235 at 30 June 2026;
- six interest rate swaps (IRS) to which the Group applies hedge accounting, checking their compliance with the requirements of IFRS 9. These contracts have amounts and maturities that correspond to unsecured loans, the outstanding balance of which stood at €53,084 at 30 June 2026.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, which amounted to €40,084 thousand at 30 June 2026 (€34,536 thousand at 31 December 2025), consist of cash and bank current account balances of which €32,286 thousand related to the Italian group companies. Changes in cash and cash equivalents are analysed in the statement cash flows.

12. SHARE CAPITAL

Sabaf S.p.A.'s share capital at 30 June 2026 consists of 12,686,795 shares with a par value of €1.00 each and has not changed compared with 31 December 2025.

13. TREASURY SHARES AND OTHER RESERVES

Treasury shares

During the first half of the year, no treasury shares were sold. Pursuant to the shareholders' meeting resolution of 29 April 2025 and under the share buyback program, the Company repurchased 86,732 treasury shares at an average price of €13.58 per share.

At 30 June 2026, Sabaf S.p.A. held 370,252 treasury shares (2.918% of the share capital), recognised as an adjustment to shareholders' equity at a weighted average unit value of €14.52 (the closing stock market price of the Share at 30 June 2026 was €12.52). There were 12,316,543 outstanding shares at 30 June 2026.

Stock grant reserve

"Retained earnings, other reserves" of €76,191 thousand (31 December 2025: €73,042 thousand) include the stock grant reserve of €875 thousand, which includes the 30 June 2026 measurement of the fair value of the rights assigned to receive shares of the Parent Company relating to the 2024 – 2026 Stock Grant Plan, medium- and long-term incentive plan for directors and employees of the Sabaf Group. For additional information, reference should be made to note 38.

Cash Flow Hedge reserve

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

Value at 31 December 2025	67
Change during the period	167
Value at 30 June 2026	234

14. LOANS

	30/06/2026			31/12/2025		
	Current	Non-current	Total	Current	Non-current	Total
Bond issue	-	29,808	29,808	-	29,790	29,790
Unsecured loans	28,234	46,450	74,684	21,181	40,254	61,435
Short-term bank loans	-	-	-	2,000	-	2,000
Advances on bank receipts or invoices	17	-	17	82	-	82
Leases	1,722	4,254	5,976	1,600	3,668	5,268
Interest payable	92	-	92	179	-	179
Total	30,065	80,512	110,577	25,042	73,712	98,754

Changes in loans over the half-year are shown in the statement of cash flows.

In 2021, Sabaf S.p.A. issued a €30 million bond fully subscribed by PRICOA with a maturity of 10 years, an average life of 8 years and a fixed coupon of 1.85% per year. The loan has some covenants, defined with reference to the consolidated financial statements at the reporting date and at 30 June each year, all complied with at 30 June 2026 and for which, according to the Group's business plan, compliance is also expected in subsequent years.

During the period, the Group took out new unsecured loans totalling €25 million in order to finance the investments made, support the growth strategy set out in the business plan and extend the average maturity of its debt, thereby optimising the maturity profile. All loan agreements have an original maturity of 5 years and are repayable in instalments.

Some unsecured loans include financial covenants which, at 30 June 2026, had been fully complied with and for which compliance is also expected at 31 December 2026.

To manage the interest rate risk, the bond issue and some unsecured loans were either fixed-rate or hedged by IRS, with a total residual value of €62,038 thousand at 30 June 2026. The residual value of the unsecured loans taken out at a variable rate and not covered by IRS was €12,645 thousand.

The following table shows the changes in lease liabilities during the first half of 2026:

Lease liabilities at 31 December 2025	5,268
New agreements signed during the first half of 2026	896
Repayments during the first half of 2026	(168)
Forex differences	(20)
Lease liabilities at 30 June 2026	5,976

Lease liabilities at 30 June 2026 include operating leases of €5,763 thousand and finance leases of €213 thousand, all recognised in accordance with IFRS 16.

15. OTHER FINANCIAL LIABILITIES

	30/06/2026		31/12/2025	
	Current	Non-current	Current	Non-current
Option on MEC minorities	19,126	-	14,982	-
Derivative instruments on interest rates	18	-	4	-
Currency derivatives	15	-	-	-
Total	19,159	-	14,986	-

As part of the acquisition of MEC, a call option in favour of Sabaf for the remaining 49% of the share capital, exercisable from 2028, and a put option in favour of the minority shareholders, exercisable from 2025 to 2028, were subscribed. The valuation of the residual share will be based on an Enterprise Value equal to 8 times MEC's average EBITDA of the two financial statements preceding the date of exercise of the relevant option, adjusted for the net financial position at that date. The assignment of an option to sell in the terms described above (put option) required the recording of a liability corresponding to the estimated redemption value, expected at the time of any exercise of the option. To this end, a financial liability of €14,982 thousand was recognised in the consolidated financial statements at 31 December 2025. As required by IFRS 9 and based on MEC's most recent results, the Group revised its estimated outlay to €19,126 thousand. This led to a €4,144 thousand increase in the liability, with the

recognition of a balancing entry of €3,591 thousand in financial expenses and exchange rate losses of €553 thousand.

Derivative instruments refer to an interest rate swap (IRS) entered into during the period with an amount and maturity coinciding with those of an unsecured loan, whose residual balance at 30 June 2026 was €5,000 thousand. "Currency derivatives" include the fair value of forward contracts designated as hedges of forecast cash flows arising from sales in US dollars. These derivatives were designated as cash flow hedges and therefore recognised in accordance with the hedge accounting method (note 13).

16. POST-EMPLOYMENT BENEFITS AND RETIREMENT PROVISIONS

	30/06/2026	31/12/2025	Change
Post-employment benefits	4,147	3,855	292
Total	4,147	3,855	292

17. PROVISIONS FOR RISKS AND CHARGES

	31/12/2025	Provisions .	Uses / Releases	Exchange rate differences	30/06/2026
Provision for agents' indemnities	181	-	(29)	-	152
Product guarantee fund	60	-	(15)	-	45
Provision for legal risks	607	-	(67)	20	560
Total	848	-	(111)	20	757

The provision for agents' indemnities covers amounts payable to agents if the Group terminates the agency relationship.

The product guarantee fund covers the risk of returns or charges by customers for products already sold.

The provision for legal risks includes accruals made in respect of disputes which arose in the ordinary course of business; these reflect the best estimate of the related contingent liabilities based on the information currently available. During the period, the provision was used by €22 thousand in order to settle minor disputes. It was released by €45 thousand as the conditions that had led to the accrual no longer applied.

The accruals to the provisions for risks are an estimate of future outlays, calculated in part on the basis of historical data.

During the first half of 2026, the Italian tax authorities (Bologna Provincial Directorate) conducted a tax audit at CMI, subsequently issuing transfer pricing findings for IRES and IRAP purposes regarding transactions between CMI and Sabaf Turkey. CMI has submitted technical defence briefs outlining why it considers the allegations unfounded, and has initiated an administrative settlement procedure. Depending on how the proceedings unfold, the Company reserves the right to determine the best defence strategies, including potential litigation. Based on currently available information, the Group believes CMI's position is supported by sound arguments demonstrating that the allegations are groundless. Consequently, no provision has been recognised in these consolidated interim financial statements.

18. TRADE PAYABLES

	30/06/2026	31/12/2025	Change
Total	52,539	39,585	12,954

At 30 June 2026, there were no overdue payables of a significant amount and the Group did not receive any injunctions for overdue payables. The increase in trade payables compared with 31 December 2025 is in line with the rise in the purchases of the period.

19. TAX PAYABLES

	30/06/2026	31/12/2025	Change
Income tax payables	2,640	384	2,256
Withholding taxes	647	1,392	(745)
Other tax payables	4,546	3,519	1,027
Total	7,833	5,295	2,538

20. OTHER CURRENT PAYABLES

	30/06/2026	31/12/2025	Change
To employees	9,163	7,132	2,031
To social security institutions	3,393	3,572	(179)
To agents	312	283	29
Advances from customers	1,400	639	761
Other current payables	6,139	6,343	(204)
Total	20,407	17,969	2,438

At 30 June 2026, payables due to employees included amounts for the thirteenth month's pay and for holidays accrued but not taken. Other current payables include accrued liabilities and deferred income totalling €5,619 thousand.

21. TOTAL FINANCIAL DEBT

	30/06/2026	31/12/2025	Change
A. Cash	40,084	34,536	5,548
B. Cash equivalents	-	-	-
C. Other current financial assets	4,496	3,994	502
D. Liquidity (A+B+C)	44,580	38,530	6,050
E. Current financial payable	20,990	18,847	2,143
F. Current portion of non-current financial debt	28,234	21,181	7,053
G. Current financial debt (E+F)	49,224	40,028	9,196
H. Net current financial debt (G-D)	4,644	1,498	3,146
I. Non-current financial payable	50,704	43,922	6,782
J. Debt instruments	29,808	29,790	18
K. Trade payables and other non-current payables	-	-	-
L. Non-current financial debt (I+J+K)	80,512	73,712	6,800
M. Total financial debt (H+L)	85,156	75,210	9,946

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

22. DEFERRED TAX ASSETS AND LIABILITIES

	30/06/2026	31/12/2025	Change
Deferred tax assets	6,445	5,704	741
Deferred tax liabilities	(6,433)	(3,891)	(2,542)
Net position	12	1,813	(1,801)

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

	Non-current tangible and intangible assets	Provisions, value adjustments	Fair value of derivative instruments	Goodwill	Tax incentives	Tax losses	Actuarial evaluation of post-employment benefits	effect	Other temporary differences	Total
31/12/2025	(1,279)	2,245	(73)	355	-	188	118	76	183	1,813
Through profit or loss	475	(196)	-	(90)	-	753	-	(2,683)	90	(1,651)
In shareholders' equity	-	-	(51)	-	-	-	-	-	-	(51)
Forex differences	(54)	(3)	-	-	-	-	-	(59)	17	(99)
30/06/2026	(858)	2,046	(124)	265	-	941	118	(2,666)	290	12

Deferred taxes related to “non-current property, plant and equipment and intangible assets” arise from the difference between the related carrying amount and the amount calculated for tax purposes (purchase price allocation, tax revaluations made in previous years on Sabaf Turkey's assets, other differences).

Deferred tax assets relating to goodwill refer to the step-up in the tax basis of the investment in Faringosi Hinges S.r.l. made in 2011 pursuant to Decree Law 98/2011, deductible in ten instalments starting in 2018.

The tax effects of the application of IAS 29 and hyperinflation according to the rules in place in Turkey are cumulatively shown in the column "Hyperinflation". The impact on deferred taxes of the Turkish tax reform - effective in 2027 - was recognised at 30 June 2026 (note 33).

Comments on key income statement items

23. REVENUE

In the first half of 2026, revenue from sales totalled €144.666 million, up by 1.2% compared to €143.000 million in the same period of the previous year. Please refer to the Interim Report on Operations for comments on the change in revenue.

Revenue by geographical area

Revenue	H1 2026	%	H1 2025	%	% change
Europe (excluding Turkey)	44,992	31.0%	42,291	29.5%	+6.4%
Turkey	33,231	23.0%	33,698	23.6%	-1.4%
North America	31,838	22.0%	33,145	23.2%	-3.9%
South America	19,614	13.6%	18,418	12.9%	+6.5%
Africa and Middle East	5,449	3.8%	6,615	4.6%	-17.6%
Asia and Oceania	9,542	6.6%	8,833	6.2%	+8.0%
Total	144,666	100%	143,000	100%	+1.2%

Revenue by product family

Revenue	H1 2026	%	H1 2025	%	% change
Gas parts	86,989	60.1%	84,584	59.2%	+2.8%
Hinges	46,290	32.0%	46,521	32.5%	-0.5%
Electronic components	11,387	7.9%	11,895	8.3%	-4.3%
Total	144,666	100%	143,000	100%	+1.2%

24. OTHER INCOME

	H1 2026	H1 2025	Change
Sale of trimmings and raw materials	3,348	2,674	674
Contingent income	309	385	(76)
Rental income	30	30	-
Release of risk provisions	285	26	259
Other income	2,119	2,320	(201)
Total	6,091	5,435	656

Other income includes insurance compensation (€642 thousand), tax benefits for investments in capital goods and research and development (€529 thousand), Turkish government grants (€478 thousand) for the hiring of personnel, revenue from the sale of energy produced by photovoltaic plants (€49 thousand) and revenue from the sale of moulds and equipment (€26 thousand).

25. MATERIALS

	H1 2026	H1 2025	Change
Commodities and outsourced components	70,387	66,657	3,730
Consumables	5,237	5,219	18
Total	75,624	71,876	3,748

In the first half of 2026, costs for raw materials, components and consumables rose by 5% on the same period of the previously year, driven primarily by higher procurement volumes to ensure continuity of supply. The ratio of cost of sales (purchases net of inventory changes) to turnover remained broadly stable at 46.3% in the first half of 2026, compared to 45.6% in the same period of 2025.

During the first half of 2026, the Group successfully mitigated the impact of inflation on the cost of materials, thanks to its procurement strategy and fixed-price purchase contracts.

26. COSTS FOR SERVICES

	H1 2026	H1 2025	Change
Outsourced processing	5,725	6,133	(408)
Natural gas and electricity	4,590	4,795	(205)
Maintenance	4,426	3,986	440
Transport and export expenses	2,974	3,000	(26)
Advisory services	1,116	1,151	(35)
Insurance	739	695	44
Canteen	691	608	83
Directors' fees	635	587	48
Commissions	504	848	(344)
Travel expenses and allowances	392	466	(74)
Waste disposal	343	372	(29)
Use of temporary agency workers	70	159	(89)
Other costs	3,750	3,510	240
Total	25,955	26,310	(355)

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

27. PERSONNEL COSTS

	H1 2026	H1 2025	Change
Salaries and wages	26,556	25,152	1,404
Social Security costs	7,609	7,067	542
Post-employment benefits and supplementary pension	1,640	1,470	170
Temporary agency workers	1,303	2,691	(1,388)
Stock grant plan	(115)	389	(504)
Other costs	365	334	31
Total	37,358	37,103	255

The Group headcount at 30 June 2026 was 1,814 employees compared to 1,782 at 30 June 2025. The increase in personnel costs compared to the same period of the previous year is mainly due to the inflation trends of the period.

"Stock grant plan" of €115 thousand includes the fair value of the rights assigned to receive shares of the Parent Company relating to the 2024 – 2026 Stock grant plan for the period, decreasing personnel costs. For additional information, reference should be made to notes 13 and 38.

28. OTHER OPERATING COSTS

	H1 2026	H1 2025	Change
Non-income related taxes and duties	319	329	(10)
Contingent liabilities	210	171	39
Bad debt provision	174	11	163
Other operating costs	135	118	17
Membership fees	84	55	29
Accruals to provisions for risks and charges	-	34	(34)
Total	922	718	204

Non-income taxes chiefly relate to property tax.

29. FINANCIAL INCOME

	H1 2026	H1 2025	Change
Interest from bank current accounts	349	208	141
Interest from time deposit	146	100	46
Interest rate derivatives	17	3	14
Other financial income	24	30	(6)
Total	536	341	195

Interest from time deposits of €146 thousand related to interest accrued on time deposit accounts opened by certain foreign subsidiaries; these are temporary investments of liquidity in excess of normal operations.

30. INCOME/EXPENSES FROM HYPERINFLATION

	H1 2026	H1 2025	Change
Income from hyperinflation	340	2,535	(2,195)
Total	340	2,535	(2,195)

Since 2022, the effect of inflation accounting on the Turkish subsidiary has been recognised in the financial statements. During the period, this resulted in the recognition of income of €340 thousand. For an appropriate and detailed analysis, please refer to the specific paragraph in the Notes to these Financial Statements. The effects of applying IAS 29 to each item in the consolidated income statement are also shown in the annex to the Report on Operations.

31. FINANCIAL EXPENSES

	H1 2026	H1 2025	Change
MEC option valuation adjustment (note 15)	3,591	2,942	649
Interest paid to banks	1,355	1,291	64
Interest paid on leases and rents	154	156	(2)
Banking expenses	119	129	(10)
Other financial expense	248	214	34
Financial expenses	5,467	4,732	735

Other financial expense mainly includes interest expense related to the early transfer of trade receivables to factors.

32. EXCHANGE RATE GAINS AND LOSSES

In the first half of 2026, the Group recognised net exchange rate gains of €1,554 thousand (net gains of €1,351 thousand in the same period of 2025).

33. INCOME TAXES

	H1 2026	H1 2025	Change
Current taxes	3,296	1,199	2,097
Deferred tax liabilities	1,651	20	1,631
Total	4,947	1,219	3,728

The variation in income taxes is primarily attributable to the Turkish tax reform (introduced by Law no. 7582 and enacted on 4 June 2026), which introduces measures to boost the competitiveness of the country's manufacturing sector. Specifically, starting from 2027, the reform establishes a 12.5% corporate income tax rate - down from the ordinary rate of 25% - for companies engaged exclusively in manufacturing activities.

Consequently, the Group has remeasured its deferred taxes, recognising the effects of the new legislation in profit or loss, based on the information available at the reporting date.

34. EARNINGS PER SHARE

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

<i>Profit</i>	H1 2026	H1 2025
	<i>(€/000)</i>	<i>(€/000)</i>
Profit/(loss) for the period	(937)	5,239

<i>Number of shares</i>	H1 2026	H1 2025
Weighted average number of ordinary shares for determining basic earnings per share	12,338,740	12,471,329
Dilutive effect from potential ordinary shares	0	0
Weighted average number of ordinary shares for determining diluted earnings per share	12,338,740	12,471,329

	H1 2026	H1 2025
	<i>Euro</i>	<i>Euro</i>
Basic earnings/(losses) per share	(0.076)	0.420
Diluted earnings/(losses) per share	(0.076)	0.420

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

35. DIVIDENDS

On 27 May 2026, a dividend of €0.58 per share was paid to shareholders (total dividends of €7,144 thousand), implementing the resolution to allocate the 2025 profit approved by Sabaf S.p.A. shareholders in their meeting on 29 April 2026.

During the first half of the year, dividends totalling €860 thousand were paid to the non-controlling investors of the US subsidiary, resulting in a corresponding decrease in equity attributable to non-controlling interests.

36. INFORMATION BY BUSINESS SEGMENT

Below is the information by business segment for the first half of 2026 and 2025.

First half of 2026

	Gas parts (household and professional)	Hinges	Electronic components	Unallocated revenues and costs	Total
Sales	86,353	46,061	11,202	1,050	144,666
Operating profit	7,369	5,912	(1,205)	(4,121)	7,955

First half of 2025

	Gas parts (household and professional)	Hinges	Electronic components	Unallocated revenues and costs	Total
Sales	86,300	46,930	12,508	(2,738)	143,000
Operating profit	8,356	5,937	(474)	(5,987)	7,832

37. RELATED PARTY TRANSACTIONS

Transactions between Sabaf S.p.A. and its consolidated subsidiaries have been eliminated from the consolidated financial statements and are not addressed in these notes. During the first half of 2026, as in the same period last year, no transactions were carried out with other related parties.

38. SHARE-BASED PAYMENTS

2024 – 2026 Stock Grant Plan

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

Aim

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

Purpose

The purpose of the Plan is the free allocation to the Beneficiaries of a maximum of 270,000 Options, each of which entitles them to receive free of charge, under the terms and conditions

provided for by the Regulations of the relevant Plan, 1 Sabaf S.p.A. share.

The free allocation of Sabaf S.p.A. shares is conditional on the achievement, in whole or in part, with progressiveness, of the business targets related to the ROI and EBITDA and the social and environmental targets.

Beneficiaries

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

Deadline

The 2024 - 2026 Plan expires in 2027.

Accounting impacts and Fair Value measurement methods

In connection with this Plan, lower personnel costs of €115 thousand (note 27) were recognised during the period, with a corresponding decrease in the balance of the related equity reserve (note 13).

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

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

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

Based on the exercise right at the different dates established by the Plan Regulations and on the estimate of the expected probability of achieving the objectives for each reference period, the unitary fair value at 30 June 2026 was determined as follows:

Rights relating to objectives measured on ROI	Total value on ROI	-	Fair Value	-
	Rights on ROI	35%		
Rights relating to objectives measured on EBITDA	Total value on EBITDA	6.33	Fair Value	2.85
	Rights on EBITDA	45%		
Rights relating to ESG objectives measured on personnel training	Total value on "Personnel training"	14.02	Fair Value	0.70
	Rights on "Personnel training".	5%		
Rights relating to ESG objectives measured on safety indicator	Total value on "Safety indicator"	10.17	Fair Value	0.51
	Rights on "Safety indicator"	5%		

Rights relating to ESG objectives measured on reduction of emissions.	Total value on "Reduction of emissions"	13.73	Fair Value	1.37
	Rights on "Reduction of emissions"	10%		
Fair value per share				5.43

39. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Pursuant to Consob communication of 28 July 2006, the Group declares that no significant non-recurring transactions as defined by the Consob communication itself were carried out during the first half of 2026.

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

There were no important events after the end of the first-half of 2026.

41. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Pursuant to Consob communication of 28 July 2006, the Group declares that no atypical and/or unusual transactions as defined by the Consob communication itself were carried out during the first half of 2026.

42. COMMITMENTS

Guarantees issued

The Sabaf Group has issued sureties to guarantee consumer and mortgage loans granted by banks to group employees for a total of €1,787 thousand.

SCOPE OF CONSOLIDATION AT 30 June 2026

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

Company name	Registered offices	Share capital	Shareholders	% ownership
Faringosi Hinges S.r.l.	Ospitaletto (BS)	EUR 90,000	Sabaf S.p.A.	100%
Sabaf do Brasil Ltda	Jundiaí - São Paulo (Brazil)	BRL 53,348,061	Sabaf S.p.A.	100%
Sabaf Beyaz Esya Parcalari Sanayi Ve Ticaret Limited Sirketi (Sabaf Turkey)	Manisa (Turkey)	TRY 1,306,029,421	Sabaf S.p.A.	100%
Sabaf Appliance Components Ltd.	Kunshan (China)	CNY 78,062,950	Sabaf S.p.A.	100%
Sabaf India Private Limited	Bangalore (India)	INR 311,666,338	Sabaf S.p.A.	100%
A.R.C. S.r.l.	Campodarsego (PD)	EUR 45,000	Sabaf S.p.A.	100%
Sabaf Mexico Appliance Components	San Louis Potosì (Mexico)	MXN 141,003,832	Sabaf S.p.A.	100%
C.M.I. Cerniere Meccaniche Industriali s.r.l.	Valsamoggia (BO)	EUR 1,000,000	Sabaf S.p.A.	100%
C.G.D. S.r.l.	Valsamoggia (BO)	EUR 26,000	C.M.I. s.r.l.	100%
P.G.A S.r.l.	Fabriano (AN)	EUR 100,000	Sabaf S.p.A.	100%
Sabaf America Inc.	Delaware (USA)	USD 4,000,000	Sabaf S.p.A.	100%
Mansfield Engineered Components LLC (MEC)	Mansfield (USA)	USD 2,823,248	Sabaf America	51%

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

The undersigned Gianluca Beschi as Chief Executive Officer and Financial Reporting Officer of Sabaf S.p.A., have taken into account the requirements of Article 154-bis, paragraph 3 and 4, of Legislative Decree 58 of 24 February 1998 and can certify:

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

of the administrative and accounting procedures to draft the condensed consolidated interim financial statements in the first half of 2026.

They also certify that:

- the condensed consolidated interim financial statements:
 - have been prepared in accordance with the international financial reporting standards endorsed by the EU in accordance with EC regulation 1606/2002 of the European Parliament and Council, of 19 July 2002;
 - are consistent with accounting books and records;
 - provide a true and fair view of the operating results, financial position and cash flows of the issuer and of the companies included in the consolidation;
- the interim report on operations includes a reliable analysis of the important events that occurred in the first six months of the year and their impact on the condensed consolidated interim financial statements, along with a description of the main risks and uncertainties for the six remaining months of the year. The interim report on operations also contains a reliable analysis of the information on significant transactions with related parties.

Ospitaletto, 08 September 2026

**CEO and Financial Reporting
Officer**
Gianluca Beschi

Sabaf S.p.A.

Half-yearly condensed consolidated financial statements
as of 30 June 2026

Review report on the half-yearly condensed consolidated
financial statements

(Translation from the original Italian text)

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

To the Shareholders of
Sabaf S.p.A.

Introduction

We have reviewed the half-yearly condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated statement of cash flows and the related explanatory notes of Sabaf S.p.A. and its subsidiaries (the "Sabaf Group") as of 30 June 2026. The Directors of Sabaf S.p.A. are responsible for the preparation of the half-yearly condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by Consob for the review of the half-yearly financial statements under Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half-yearly condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-yearly condensed consolidated financial statements of Sabaf Group as of 30 June 2026 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Brescia, 10 September 2026

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

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