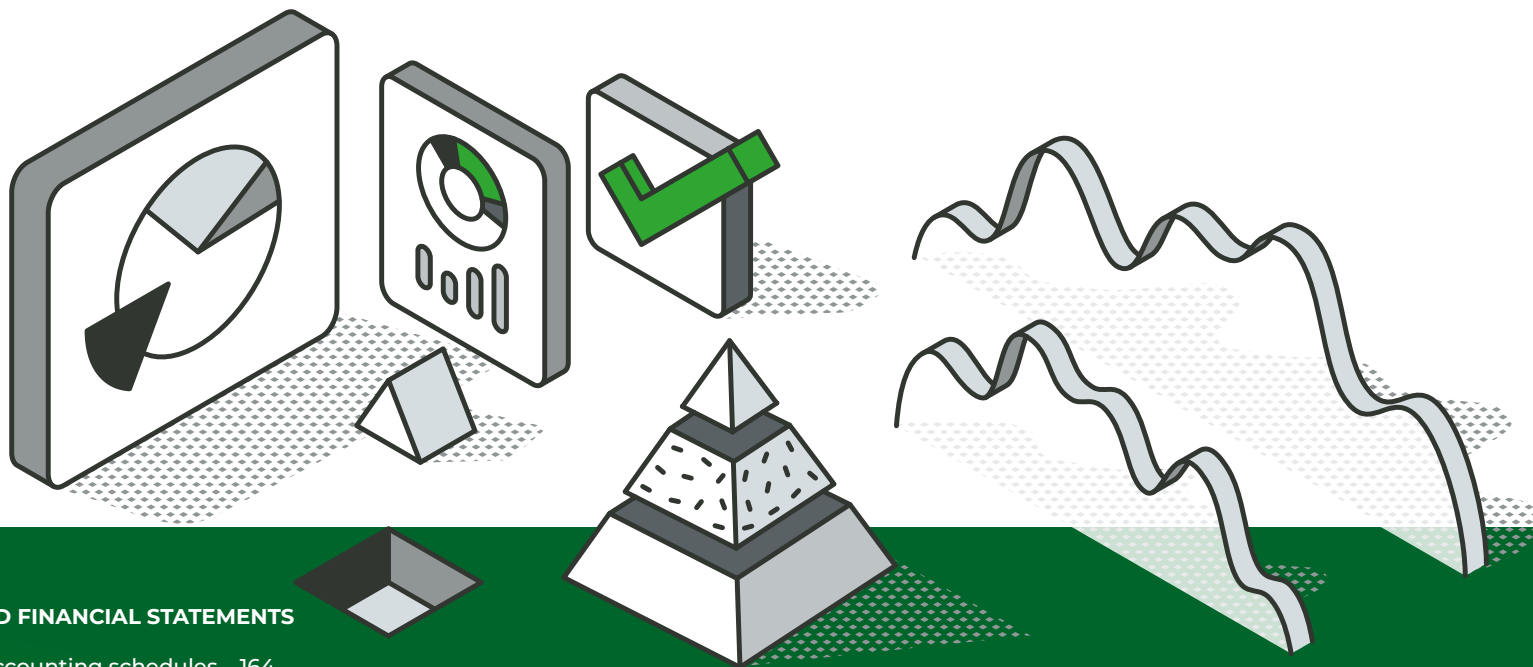




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Consolidated Financial Statements



Prospetti bilancio consolidato

 STATEMENT OF FINANCIAL POSITION - ASSETS

AMOUNTS IN THOUSAND EUROS	NOTES	31.12.2024	31.12.2023
ASSETS			
Non-current Assets			
Property, plant and equipment	8	721,578	562,243
Right-of-use assets	9	16,519	19,841
Intangible assets	10	8,964	11,092
Goodwill	11	8,077	8,077
Investments in associates and joint ventures	12	26,897	24,545
Other investments	13	461	434
Non-current financial assets	14	3,544	6,667
Deferred tax assets	15	31,190	16,763
Other non-current assets	16	3,482	1,362
TOTAL NON-CURRENT ASSETS		820,712	651,024
Current assets			
Inventories	17	375,983	295,196
Trade receivables	18	242,577	326,707
Trade receivables from parent companies and for tax consolidation	19	-	9,069
Trade receivables from associates	20	49,625	30,616
Tax receivables	21	2,626	7,898
Current financial assets	22	5,563	7,560
Other current assets	23	55,698	63,560
Cash and cash equivalents and short-term deposits	24	50,720	173,189
TOTAL CURRENT ASSETS		782,792	913,795
TOTAL ASSETS		1,603,504	1,564,819



STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY

AMOUNTS IN THOUSAND EUROS	NOTES	31.12.2024	31.12.2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	25	50,000	50,000
Other reserves	25	883,061	864,808
Profit/loss for the year	25	(37,798)	12,872
TOTAL GROUP SHAREHOLDERS' EQUITY		895,263	927,680
Minority interest Shareholders' equity	25	331	274
Minority interest profit	25	56	24
TOTAL SHAREHOLDERS' EQUITY		895,650	927,978
Non-current liabilities			
Non-current financial payables	26	84,686	133,445
Non-current lease payables	9	9,985	13,617
Other non-current financial liabilities		-	-
Liabilities for employee benefits	27	5,090	5,272
Provisions for risks and charges	28	3,481	6,614
Deferred tax liabilities	15	1,903	3,078
Other non-current liabilities	29	859	860
TOTAL NON-CURRENT LIABILITIES		106,003	162,886
Current liabilities			
Current financial payables	26	107,820	67,734
Current lease payables	9	3,781	3,949
Trade payables to parent companies and for tax consolidation	30	-	431
Trade payables	31	385,381	279,172
Trade payables to associates	32	52,703	61,602
Tax payables	33	8,480	19,434
Other current liabilities	34	43,685	41,633
TOTAL CURRENT LIABILITIES		601,850	473,955
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,603,504	1,564,819

CONSOLIDATED INCOME STATEMENT

AMOUNTS IN THOUSAND EUROS	NOTES	2024	2023
Revenues from contracts with customers	35	1,652,984	1,724,219
Rental income	36	806	1,043
Other income	37	27,764	22,475
Changes in inventories of finished and semi-finished products		42,678	(86,549)
Raw materials and consumables	38	(1,176,036)	(1,071,218)
Cost of services	39	(382,162)	(380,246)
Personnel costs	40	(138,277)	(126,408)
Other operating costs	41	(6,208)	(12,229)
Increases in fixed assets for in-house work	42	6,227	6,541
Depreciation and amortisation	43	(70,306)	(65,391)
Reversal/(Write-down) of financial assets	44	(132)	(1,177)
Financial income	45	1,199	2,446
Financial expenses	46	(7,676)	(7,886)
Share of profit of associates and joint ventures	47	3,069	3,855
Exchange gains and (losses)	48	(144)	(30)
PROFIT BEFORE TAX FROM OPERATING ACTIVITIES		(46,214)	9,445
INCOME TAXES	49	8,472	3,451
NET RESULT FROM OPERATING ACTIVITIES		(37,742)	12,896
NET RESULT		(37,742)	12,896
Result for the Group		(37,798)	12,872
Minority interest result		56	24

 STATEMENT OF OTHER COMPREHENSIVE INCOME

AMOUNTS IN THOUSAND EUROS	NOTES	2024	2023
NET RESULT		(37,742)	12,896
Other comprehensive income components			
<i>Other comprehensive income components that will be reclassified to profit/loss for the year: (Net of tax)</i>			
Net profit from the hedging of net investments			
Translation differences in foreign financial statements	25	(39)	(133)
Net (loss)/gain from cash flow hedges	25	(2,315)	(7,372)
TOTAL OTHER COMPREHENSIVE INCOME COMPONENTS THAT WILL LATER BE RECLASSIFIED TO PROFIT/(LOSS) FOR THE YEAR NET OF TAX		(2,354)	(7,505)
<i>Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax</i>			
(Loss)/gain from revaluation on defined benefit plans	27	67	(99)
TOTAL OTHER COMPREHENSIVE INCOME COMPONENTS THAT WILL LATER NOT BE RECLASSIFIED TO PROFIT/(LOSS) FOR THE YEAR NET OF TAX		67	(99)
TOTAL OTHER INCOME STATEMENT ITEMS AFTER TAX		(2,287)	(7,604)
TOTAL COMPREHENSIVE PROFIT/(LOSS) AFTER TAX		(40,029)	5,292
Result for the Group		(40,118)	12,872
Minority interest result		89	24

 CASH FLOW STATEMENT

AMOUNTS IN THOUSAND EUROS	NOTES	2024	2023
NET RESULT		(37,742)	12,896
Adjustments to reconcile pre-tax profit with net cash flows:			
Depreciation and impairment of property, plant and equipment	43-8	62,532	57,757
Amortisation and impairment of intangible assets	43-10	3,864	4,096
Amortisation of right of use	43-9	3,783	3,538
Further write-downs of fixed assets		127	-
Capital loss/gain on disposal of assets	41	(564)	2,790
Financial income	45	(1,199)	(2,446)
Financial expenses	46	7,676	7,886
Finance costs on financial lease liabilities		275	232
Income taxes	49	(8,472)	(3,451)
Share of profit for the year of associates and joint ventures	47	(3,069)	(3,855)
Write-down of current assets	44	132	445
Net change in employee severance indemnity and pension funds	27	(115)	(656)
Net change in provisions for risks and charges	28	(3,133)	1,058
Net change in deferred tax assets and liabilities	15	(1,622)	(2,102)
Interest income received		744	-
Interest paid		(6,127)	(5,359)
Income taxes paid		(7,157)	(18,898)
Changes in working capital:			
(Increase)/decrease in inventories	17	(80,787)	104,988
(Increase)/decrease in trade receivables	18	64,991	83,816
(Increase)/decrease in other non-financial assets		7,667	21,534
Increase/(decrease) in trade payables	31	97,310	(53,944)
Increase/(decrease) in tax payables	33	(4,034)	4,254
Increase/(decrease) in other non-financial liabilities		323	(74,561)
Other decreases/(Other increases) in net working capital		9,914	(7,940)
CASH FLOW GENERATED/ABSORBED BY OPERATING ACTIVITIES		143,060	119,184
Investing activities:			
Net investments in tangible fixed assets	8	(222,410)	(164,524)
Net investments in intangible assets	10	(1,511)	(2,206)
Net investments in financial fixed assets	9	(27)	8
Net investments in short-term financial assets		-	-
Acquisition of subsidiaries, net of cash acquired		-	-

AMOUNTS IN THOUSAND EUROS

NOTES

2024

2023

CASH FLOW GENERATED/ABSORBED BY INVESTING ACTIVITIES		(223,948)	(166,722)
Financing activities:			
New loans	26	838	57,942
Repayment of loans	26	(51,341)	(31,418)
(Increase)/decrease in financial receivables (incl. derivative assets)		3,259	1,298
Increase/(decrease) in financial payables (incl. derivative liabilities)		39,491	(2,599)
Principal payments - lease liabilities		(3,746)	(3,068)
Dividends paid to shareholders		-	(15,000)
Capital increase/decrease		7,700	-
Other changes in Shareholders' equity		(39)	
CASH FLOW GENERATED/ABSORBED BY FINANCING ACTIVITIES		(3,839)	7,155
NET CHANGE IN CASH AND CASH EQUIVALENTS		(122,469)	(27,486)
Net cash and cash equivalents at the beginning of the period		173,189	200,675
Net cash and cash equivalents at the end of the period		50,720	173,189

 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 2024

AMOUNTS IN THOUSAND EUROS	SHARE CAPITAL	OTHER RESERVES	FTA RESERVE	RESERVE FOR ACTUARIAL GAINS (LOSSES)	CASH FLOW HEDGE RESERVE	PROFIT/LOSS FOR THE YEAR	TOTAL GROUP SHAREHOLDERS' EQUITY	MINORITY INTEREST SHAREHOLDERS' EQUITY	MINORITY INTEREST RESULT	TOTAL SHAREHOLDERS' EQUITY
Balance as at 31 December 2023	50,000	863,261	(2,130)	(167)	3,844	12,873	927,680	274	24	927,978
Allocation of result for the period 2023		12,873				(12,873)	-	24	(24)	-
Profit/loss for the period						(37,798)	(37,798)	-	56	(37,742)
Other comprehensive income		(72)		67	(2,315)		(2,320)	33	-	(2,287)
TOTAL COMPREHENSIVE INCOME/LOSS	-	(72)	-	67	(2,315)	(37,798)	(40,118)	33	56	(40,029)
Dividends	-	-	-	-	-	-	-	-	-	-
Capital increase	-	7,700					7,700	-	-	7,700
Shareholder payment	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	1	-	-	1
BALANCE AS AT 31 DECEMBER 2024	50,000	883,762	(2,130)	(100)	1,528	(37,798)	895,263	331	56	895,650

 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 2023

AMOUNTS IN THOUSAND EUROS	SHARE CAPITAL	OTHER RESERVES	FTA RESERVE	RESERVE FOR ACTUARIAL GAINS (LOSSES)	CASH FLOW HEDGE RESERVE	PROFIT/LOSS FOR THE YEAR	TOTAL GROUP SHAREHOLDERS' EQUITY	MINORITY INTEREST SHAREHOLDERS' EQUITY	MINORITY INTEREST RESULT	TOTAL SHAREHOLDERS' EQUITY
Balance as at 1 January 2023	50,000	510,134	(2,130)	(68)	11,214	335,159	904,309	246	33	904,588
Allocation of 2022 profit	-	-	-	-	-	(335,159)	-	33	(33)	-
Result for the period	-	12,872	-	-	-	12,872	12,872	-	24	12,896
Other comprehensive income	-	(133)	-	(99)	(7,372)	-	(7,604)	-	-	(7,604)
TOTAL COMPREHENSIVE INCOME/LOSS	-	(133)	-	(99)	(7,372)	12,872	5,268	-	24	5,292
Dividends	-	(15,000)	-	-	-	-	(15,000)	-	-	(15,000)
Operations under common control	-	100	-	-	-	-	100	-	-	100
Shareholder payment	-	33,000	-	-	-	-	33,000	-	-	33,000
Other changes	-	1	-	-	2	-	3	(5)	-	(2)
BALANCE AS AT 31 DECEMBER 2023	50,000	863,261	(2,130)	(167)	3,844	12,872	927,680	274	24	927,978

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Annual Financial Report as at 31 December 2024

1. Corporate information

The publication of the consolidated financial statements of Feralpi Siderurgica S.p.A. and its subsidiaries (together the Group) for the year ended 31 December 2024 was authorised by the Board of Directors on 31 March 2025.

Feralpi Siderurgica S.p.A. is a joint-stock company registered and domiciled in Italy, whose registered office is located in Brescia at Via A. Saffi, no. 15.

The activities of the Company and its subsidiaries are described in Note 4, while Note 5 provides information on the structure of the Group. Information on the Group's relations with other related parties is presented in Note 6.7.

Feralpi Group is one of Europe's leading steel producers specialising in building steels, special steels and renewable energy production. See section 5 for further information.

2. Transactions during the year 2024

During the year 2024, the asymmetrical full demerger of Feralpi Holding S.p.A. in favour of seven beneficiary companies took legal effect. Feralpi Holding S.p.A. demerged its assets, consisting mainly of the equity investment in its subsidiary Feralpi Siderurgica S.p.A. The entire net assets of the demerged company were distributed on 27/11/2024 to the seven

beneficiaries, maintaining civil and fiscal continuity of values, precisely in proportion to the total shares owned by each beneficiary company's shareholders in the demerged company. The shareholders were not allocated shares in the beneficiary in proportion to their original ownership percentages in the share capital of the demerged company, but instead, these were allocated asymmetrically, specifically to alter the shareholding structure. In relation to the demerger, there was no change in the economic value of shareholders' holdings, as the total economic value of the shareholdings in the beneficiaries matched that of the previously held shareholdings (in line with Article 2506-bis, para. 4, second part, of the Italian Civil Code), and therefore no monetary adjustments were necessary. Since this was a full demerger transaction, the demerged Feralpi Holding S.p.A. was extinguished as of 27/11/2024. The share capital of Feralpi Siderurgica S.p.A. is now divided among seven beneficiary companies, each corresponding to a family holding company.

As a result of the demerger, Feralpi Siderurgica S.p.A. assumed the role of parent company of the steel branch. It is important to specify that Feralpi Holding S.p.A. made a capital contribution to its subsidiary, Feralpi Siderurgica S.p.A., of €7,700,000 before the demerger transaction.

Furthermore, during the year, the subsidiary Feralpi Power On Srl established Feralpi Cellere Srl in February 2024 to construct a photovoltaic plant on a non-valuable agricultural area within the Municipality

of Cellere, Viterbo province, in the Lazio Region, a Central-Southern electricity market area.

On 20 December 2024, with an additional addendum dated 31 January 2025, Feralpi Siderurgica S.p.A. agreed to a medium-to-long-term *Sustainability Linked* Loan amounting to €170.0 million, comprising a Capex tranche of €120.0 million and a Refi tranche of EUR 50.0 million. The initial portion of the loan, amounting to €100.0 million, was disbursed on 31 January 2025, effectively paying off the remaining balance of the old loan, which was €54,200 thousand. The loan is aimed at supporting both ordinary and extraordinary industrial investments of Feralpi Siderurgica S.p.A. and its subsidiaries, and it includes a margin trend linked to achieving two ESG Performance Indicators. The first indicator focuses on reducing specific CO₂ emissions and is calculated based on criteria validated by SBTi. The second indicator focuses on enhancing worker safety and measures the percentage of employees in group companies certified under the ISO 45001 standard. Through this transaction, Feralpi Siderurgica increases the average *maturity* of its financing structure. The loan also allows for achieving the aim of having a portion of medium- to long-term financing whose margin is linked to achieving ESG objectives. The loan was secured through a consortium of banking institutions, comprising Banca Nazionale del Lavoro S.p.A., Credit Agricole Italia S.p.A., Intesa Sanpaolo S.p.A., and Unicredit S.p.A., who took on the roles of Lenders, *Global Coordinator*, *Mandated Lead Arranger*, *Bookrunner*, as well as *Sustainability Coordinator*. Banco BPM, BPER, and Cassa di Risparmio di Padova e Rovigo served as *Arrangers*. Banca Nazionale del Lavoro also acted as *Agent* and *SACE Agent*. The CapEx tranche of the loan was backed by the SACE Archimede guarantee.

In July 2024, Feralpi Group obtained approval from the international body SBTi (Science Based Targets Initiative) for its 2030 targets to reduce CO₂ emissions and other climate-altering gases.

3. Company exercising management and coordination

As a result of the complete demerger transaction previously outlined, as of that date, Feralpi Holding S.p.A. was dissolved. Consequently, Feralpi Siderurgica S.p.A. became the Parent Company, assuming responsibility for management and coordination in accordance with Articles 2497 sexies and 2497 septies of the Italian Civil Code.

4. Scope of consolidation

The consolidated financial statements of Feralpi Siderurgica as at 31 December 2024 comprise 25 companies: the parent company Feralpi Siderurgica, its subsidiaries and associates.

The scope of consolidation includes the financial statements of the parent company and the companies in which it directly or indirectly exercises control. Please refer to the tables below for details of the companies consolidated on a line-by-line basis and using the equity method, respectively, as at 31 December 2024.

It should be noted that Feralpi Cellere Srl was established in February 2024 and that with a notarial deed registered in March 2024, the company Co.ge. me. Steel Srl changed its company name to Calvisano Srl and transferred its registered office from Casalmaggiore (Cr) to Lonato del Garda (Bs). For more details, please refer to the section “Significant Events”.

Subsidiaries:

NAME AND LOCATION	ADDRESS OF REGISTERED OFFICE	SHARE CAPITAL	REFERENCE CURRENCY	% OF OWNERSHIP	EQUITY RELATIONSHIP	CONSOLIDATION METHOD
Acciaierie di Calvisano S.p.A.	Calvisano (IT)	3,250	Euro	100.00%	Direct	Line-by-line
Nuova Defim S.p.A.	Brescia (IT)	300	Euro	100.00%	Indirect	Line-by-line
Fer-Par S.r.l.	Lonato del Garda (IT)	20	Euro	100.00%	Indirect	Line-by-line
Presider S.p.A.	Borgaro Torinese (IT)	4,160	Euro	100.00%	Direct	Line-by-line
Presider Armatures S.a.S.	Saint Souplette (IT)	1,022	Euro	100.00%	Indirect	Line-by-line
Caleotto S.p.A.	Lonato del Garda (IT)	2,000	Euro	100.00%	Direct	Line-by-line
Arlenico S.p.A.	Lonato del Garda (IT)	1,000	Euro	100.00%	Direct	Line-by-line
Calvisano S.r.l.	Lonato del Garda (IT)	300	Euro	100.00%	Indirect	Line-by-line
ESF Elbe-Stahlwerke Feralpi GmbH	Riesa (DE)	11,000	Euro	100.00%	Direct	Line-by-line
Feralpi Stahlhandel GmbH	Riesa (DE)	2,100	Euro	100.00%	Direct	Line-by-line
Feralpi Logistik GmbH	Riesa (DE)	1,000	Euro	100.00%	Indirect	Line-by-line
Feralpi Praha Sro	Kralupy (CZ)	95,000	Czech Koruna	100.00%	Indirect	Line-by-line
Feralpi Hungária KFT	Budapest (HU)	4,833	Euro	100.00%	Indirect	Line-by-line
Industria de Expositores y Parrilas S.A.	Barcelona (ES)	163	Euro	100.00%	Indirect	Line-by-line
P.R. Soldadura S.L.	Girona (ES)	3	Euro	100.00%	Indirect	Line-by-line
Immobiliare Feralpi S.r.l.	Lonato del Garda (IT)	1,000	Euro	100.00%	Direct	Line-by-line
Feralpi Algerié S.a.r.l.	Orano (DZ)	55,000	Algerian Dinar	70.00%	Indirect	Line-by-line
Feralpi Power On S.r.l.	Lonato del Garda (IT)	500	Euro	100.00%	Direct	Line-by-line
Feralpi Villazor S.r.l.	Lonato del Garda (IT)	50	Euro	100.00%	Indirect	Line-by-line
Feralpi Cellere S.r.l.	Lonato del Garda (IT)	50	Euro	100.00%	Indirect	Line-by-line
Feralpi Recycling Sro	Kralupy (CZ)	200	Czech Koruna	90.00%	Indirect	Line-by-line

ASSOCIATES AND JOINT VENTURES

NAME AND LOCATION	ADDRESS OF REGISTERED OFFICE	SHARE CAPITAL	REFERENCE CURRENCY	% OF OWNERSHIP	EQUITY RELATIONSHIP	CONSOLIDATION METHOD
Dima S.r.l.	Montichiari (IT)	1,000	Euro	31.00%	Indirect	Shareholders' equity
Media Steel S.r.l.	Massa (IT)	200	Euro	45.00%	Direct	Shareholders' equity
Alpifer S.r.l.	Piacenza (IT)	9,560	Euro	50.00%	Direct	Shareholders' equity

5. Group information

As at 31 December 2024, the Feralpi Siderurgica Group incorporates a group of companies mainly operating in the following sectors:

- ◇ Construction Steel: divided into two business units, one called Construction Italy, the other Construction Germany. In particular, the range of products consists of long hot-rolled and cold-pre-processed products, which include wire rods, drawn coils, spacers, lattice girders, bars, electrowelded wire meshes, recoiled coils, shaped and pre-shaped products, as well as assembled and pre-assembled products, mechanical joints, and billets.
- ◇ Specialties: the area is divided into two business units, one called Specialties focusing on the mechanical and automotive sectors and the other called Diversified Products, which operates in the construction and coatings sectors.
- ◇ Production of energy from renewable sources.

The Group's consolidated financial statements include:

In addition, the Group holds investments in associates and companies accounted for using the equity method, which are listed below:

NAME	MAIN ACTIVITIES	REGISTERED OFFICE	PARTICIPATION %
Acciaierie di Calvisano S.p.A.	Steelworks and trade in related products	Calvisano (IT)	100.00%
Nuova Defim S.p.A.	Wholesale of building materials	Brescia (IT)	100.00%
Fer-Par S.r.l.	Holding, management and assumption of equity investments	Lonato del Garda (IT)	100.00%
Presider S.p.A.	Ironwork and metal carpentry	Borgaro Torinese (IT)	100.00%
Presider Armature S.a.S.	Manufacture of wire products, chains and springs	Saint Souplette (FR)	100.00%
Caleotto S.p.A.	Wholesale of metal ores, ferrous metals and semi-finished products	Lonato del Garda (IT)	100.00%
Arlenico S.p.A.	Production of iron, steel and ferro-alloys	Lonato del Garda (IT)	100.00%
Calvisano S.r.l.	Production of iron, steel and ferro-alloys	Lonato del Garda (IT)	100.00%
ESF Elbe-Stahlwerke Feralpi GmbH	Steelworks and trade in related products	Riesa (DE)	100.00%
Feralpi Stahlhandel GmbH	Sale of metal and plastic for construction	Riesa (DE)	100.00%
Feralpi Logistik GmbH	Road haulage services	Riesa (DE)	100.00%
Feralpi Praha Sro	Manufacture of wire products, chains and springs	Kralupy (CZ)	100.00%
Feralpi Hungária KFT	Manufacture of wire products, chains and springs	Budapest (HU)	100.00%
Industria de Expositores y Parrilas S.A.	Manufacture of products from wire	Barcelona (ES)	100.00%
P.R. Soldadura S.L.	Manufacture of products from wire	Girona (ES)	100.00%
Feralpi Power On S.r.l.	Power generation using photovoltaic solar technology	Lonato del Garda (IT)	100.00%
Feralpi Villasor S.r.l.	Power generation using photovoltaic solar technology	Lonato del Garda (IT)	100.00%
Feralpi Cellere S.r.l.	Power generation using photovoltaic solar technology	Lonato del Garda (IT)	100.00%
Immobiliare Feralpi S.r.l.	Lease of owned real estate	Lonato del Garda (IT)	100.00%
Feralpi Algerié S.a.r.l.	Resale products in stock	Orano (DZ)	70.00%

NAME	MAIN ACTIVITIES	REGISTERED OFFICE	PARTICIPATION %
Dima S.r.l.	Recovery and preparation for recycling of municipal solid waste, industrial waste and biomass	Montichiari (IT)	31.00%
Media Steel S.r.l.	Wholesale of scrap and by-products of industrial metal processing	Massa (IT)	45.00%
Alpifer S.r.l.	Management activities and trade in metal building products	Piacenza (IT)	50.00%

It should be noted that Alpifer S.r.l. owns Unifer S.p.A. and Steelfer S.r.l., companies active in the steel industry.

6. Main accounting standards

6.1. Drafting principles

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, financial assets represented by equities or bonds in the portfolio, and contingent consideration, which are recorded at fair value. The carrying amount of assets and liabilities that are the subject of fair value hedges and would otherwise be carried at amortised cost is adjusted for changes in fair value attributable to the hedged risks.

The consolidated financial statements are presented in Euro and all values are rounded to the nearest thousand, unless otherwise indicated.

The Group has prepared the Financial Statements on the basis of the continued satisfaction of the going concern requirement.

6.2. Content and form of the financial statements

The formats adopted by the Group, in accordance with IAS 1, are composed as follows:

- ◇ *Statement of financial position*: by showing current/non-current assets and liabilities separately, as specified in Section 6.3 "Classification criteria" below.
- ◇ *Consolidated income statement*: shows the items by nature, as it is considered the one that provides the most explanatory information.
- ◇ *Statement of other comprehensive income*: this includes other income and expense items that are allowed to be recognised in equity under IAS/IFRS.

- ◇ *Cash flow statement*: this presents the cash flows from operating, investing and financing activities as required by IAS 7.
- ◇ *Statement of changes in shareholders' equity*: shows the overall result for the year and further movements in the company's and the Group's risk capital.

6.3. Classification criteria

Assets and liabilities in the Group's balance sheet are classified on a current/non-current basis. An asset is current when:

- ◇ it is intended to be realised, or is held for sale or consumption, in the normal course of business;
- ◇ it is held primarily for trading purposes;
- ◇ it is intended to be realised within twelve months after the end of the financial year; or
- ◇ it is cash or cash equivalents unless it may be exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- ◇ it is expected to expire in its normal operating cycle;
- ◇ it is held primarily for trading purposes;
- ◇ it must be extinguished within twelve months after the end of the financial year; or
- ◇ the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

With reference instead to the income statement, it should be noted that it is classified by nature, as it is considered that this representation is the one that best provides a correct representation of the Group's operations.

The Group has decided to present two separate statements, a *consolidated statement of profit/(loss)*

for the year and a statement of other comprehensive income (OCI), rather than a single statement combining the two. The Group presents each OCI item net of the relevant tax impact.

The cash flow statement is presented using the indirect method.

6.4. Principles of consolidation

The consolidated financial statements include the financial statements of Feralpi Siderurgica S.p.A. and its subsidiaries as at 31 December 2024.

Control is achieved when the Group is exposed or entitled to variable returns from its relationship with the investee entity and, at the same time, has the ability to affect those returns by exercising its power over that entity. Specifically, as required by IFRS 10, the Group controls an investee if, and only if, the Group has:

- ◇ power over the investee entity (i.e. holds valid rights that give it the current ability to direct the relevant activities of the investee entity);
- ◇ the exposure or rights to variable returns arising from the relationship with the investee entity;
- ◇ the ability to exert its power over the investee entity to affect the amount of its returns.

Generally, there is a presumption that a majority of voting rights implies control. To support this presumption and when the Group holds less than a majority of the voting rights (or similar rights), the Group considers all relevant facts and circumstances to determine whether it controls the investee entity, including:

- ◇ Contractual agreements with other holders of voting rights;
- ◇ Rights arising from contractual agreements;
- ◇ Voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control over an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control.

Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

The profit (loss) for the year and each of the other components of the statement of comprehensive income are allocated to the shareholders of the parent company and the non-controlling interests, even if this implies that the non-controlling interests have a negative balance. When necessary, appropriate adjustments are made to the financial statements of subsidiaries to ensure compliance with the group's accounting policies. All intercompany assets and liabilities, shareholders' equity, revenues, costs and cash flows related to transactions between group entities are eliminated completely upon consolidation.

Changes in ownership interests in a subsidiary that do not result in a loss of control are accounted for in equity.

If the Group loses control of a subsidiary, it must derecognise the related assets (including goodwill), liabilities, minority interests and other components of shareholders' equity, while any gain or loss is recognised in the income statement. Any retained interest must be recognised at fair value.

Conversion of items in foreign currency

The consolidated financial statements are presented in Euro, the functional and presentation currency adopted by the Parent Company. Each Group company defines its own functional currency, which is used to measure the items included in the individual financial statements.

The Group uses the direct consolidation method; the profit or loss reclassified to the income statement upon the disposal of a foreign subsidiary represents the amount arising from the use of this method.

Below are the exchange rates used to convert the financial statements of companies in foreign currencies into euros:

CURRENCY	2024 - AVERAGE EXCHANGE RATE	31.12.24 - EXACT EXCHANGE RATE	2023 - AVERAGE EXCHANGE RATE	31.12.23 - EXACT EXCHANGE RATE
Algerian Dinar	140.4777	140.8920	146.9354	148.2657
Hungarian Forint	411.986	411.35	381.8527	382.8000
Czech Koruna	25.1361	25.185	24.0043	24.7240

6.5. Summary of the main accounting standards

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the non-controlling interest in the acquiree. For each business combination, the Group determines whether to measure the non-controlling interest in the acquiree at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed in the financial year and classified under administrative expenses.

The Group determines that it has acquired a business when the integrated set of activities and assets includes at least one factor of production and one substantial process that together contribute significantly to the ability to generate an output. The acquired process is considered substantial if it is critical to the ability to continue generating an output and the acquired inputs include an organised labour force that has the necessary skills, knowledge or experience to perform that process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant cost, effort or delay to the ability to continue generating an output. When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed in accordance with the contractual terms,

economic terms and other relevant conditions in place at the acquisition date. This includes testing whether an embedded derivative should be separated from the host contract.

Any contingent consideration to be recognised is recorded by the acquirer at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent payment is recognised in equity. The change in fair value of contingent consideration classified as an asset or liability, such as a financial instrument that is within the scope of IFRS 9 Financial Instruments must be recognised in the income statement in accordance with IFRS 9. Contingent consideration that is not within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognised in the income statement.

Goodwill is initially recognised at cost represented by the excess of the aggregate of the consideration paid and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group reassesses whether it has correctly identified all assets acquired and all liabilities assumed and reviews the procedures used to determine the amounts to be recognised at the acquisition date. If the remeasurement still results in a fair value of the net assets acquired exceeding the consideration, the difference (gain) is recognised in the income statement.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each cash-generating unit of the Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset is included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the discontinued operation is determined on the basis of the relative values of the discontinued operation and the retained portion of the cash-generating unit.

Investments in associates and joint ventures

An associate is a company over which the Group exercises significant influence. Significant influence means the power to participate in determining the financial and operating policies of the investee without having control or joint control over it. A joint venture is a jointly controlled arrangement in which the parties with joint control have rights to the net assets of the arrangement. Joint control means sharing control of an arrangement on a contractual basis, which only exists when decisions on relevant activities require the unanimous consent of all parties sharing control.

The considerations made to determine significant influence or joint control are similar to those required to determine control over subsidiaries. The Group's investments in associates and joint ventures are accounted for using the equity method.

Under the equity method, an investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is increased or decreased to recognise the investor's share of the investee's profits and losses realised after the acquisition date. Goodwill pertaining to the associate or joint venture is included in the carrying amount of the investment and is not subject to a separate impairment test.

The statement of profit/(loss) for the year reflects the Group's share of the profit/(loss) for the year of the associate or joint venture. Any changes in the other components of the statement of comprehensive income relating to these investees are presented as part of the Group's statement of comprehensive income. Furthermore, in the event that an associate or joint venture recognises a change with a direct charge to equity, the Group recognises its share, where applicable, in the statement of changes in shareholders' equity. Unrealised gains and losses arising from transactions between the Group and associates or joint ventures are eliminated in proportion to the interest in the associates or joint ventures.

The Group's aggregate share of the profit/(loss) for the year of associates and joint ventures is recognised in the statement of profit/(loss) for the year after operating profit/(loss) and represents the profit/(loss) after tax and the share of the other shareholders of the associate or joint venture.

The financial statements of associates and joint ventures are prepared on the same date as the Group's financial statements. Where necessary, the financial statements are adjusted to bring them into line with Group accounting standards.

Subsequent to the application of the equity method, the Group assesses whether it is necessary to recognise an impairment loss of its investment in associates or joint ventures. The Group assesses at each reporting date whether there is objective evidence that investments in associates or joint ventures are impaired. In this case, the Group calculates the amount of the loss as the difference between the recoverable amount of the associate or joint venture and the carrying amount of the associate or joint venture in its financial statements, and recognises this difference in the statement of profit/(loss) for the year under the caption "share of profit/(loss) of associates and joint ventures".

Upon the loss of significant influence over an associate or joint control over a joint venture, the Group measures and recognises the residual investment at fair value. The difference between the carrying

amount of the investment at the date of loss of significant influence or joint control and the fair value of the residual investment and consideration received is recognised in the income statement.

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each reporting date. Fair value is the price that would be received for the sale of an asset, or paid for the transfer of a liability, in a regular transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place:

- ◇ in the principal market of the asset or liability; or
- ◇ in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured by adopting the assumptions that market participants would use in pricing the asset or liability, assuming that they would act to satisfy their economic interest in the best way possible.

A fair value measurement of a non-financial asset considers the ability of a market participant to generate economic benefits by deploying the asset to its highest and best use or by selling it to another market participant who would deploy it to its highest and best use.

The Group uses measurement techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised according to the fair value hierarchy, as described below:

- ◇ Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- ◇ Level 2 - inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability;

- ◇ Level 3 - measurement techniques for which the input data are not observable for the asset or liability.

The fair value measurement is classified entirely in the same level of the fair value hierarchy in which the lowest level of the hierarchy input used for the valuation is classified.

For assets and liabilities recognised at fair value on a recurring basis, the Group determines whether transfers between levels of the hierarchy have occurred by reviewing the categorisation (based on the lowest level input, which is significant to the fair value measurement in its entirety) at each reporting date.

The Group Finance Department determines the criteria and procedures for both recurring fair value measurements, such as investments in equity instruments in unlisted companies, and non-recurring measurements, such as discontinued assets held for sale. At each reporting date, the Group Finance Department analyses changes in the values of assets and liabilities for which remeasurement or restatement is required under Group accounting standards.

For the purposes of fair value disclosures, the Group determines classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as illustrated above.

Revenues from contracts with customers

Feralpi Group is a leading manufacturer of construction steels and special steels for the mechanical engineering and automotive industries.

Revenues from contracts with customers is recognised when control of the goods is transferred to the customer, generally upon delivery, in an amount that reflects the consideration the Group expects to receive in exchange for those goods.

The Group considers whether there are other promises in the contract that represent contractual obligations on which part of the transaction consideration is to be allocated (e.g. guarantees). In determining the price of the product sales transaction, the Group considers the possible effects of variable consideration and significant financial components.

If the consideration promised in the contract includes a variable amount, the Group estimates the amount of the variable consideration at the time the contract is entered into. This value is not recognised until it is highly probable that it will be recognised in view of what has been agreed upon.

Government grants

Government grants are recognised when there is reasonable certainty that they will be received and that all the conditions attached to them have been met. Grants related to cost components are recognised as revenues, but are systematically allocated between periods in order to be commensurate with the recognition of the costs they are intended to offset. The grant related to an asset is recognised as revenue on a straight-line basis over the expected useful life of the relevant asset.

Where the Group receives a non-monetary contribution, the asset and the related contribution are recognised at nominal value and released to the income statement on a straight-line basis over the expected useful life of the relevant asset.

Contract assets

The contract asset represents the entity's right to obtain the agreed consideration for the transfer of control of assets to the customer.

If the Group settles the obligation by transferring goods to the customer before the customer pays the consideration or before payment is due, the entity shall recognise an asset arising from the contract, excluding amounts presented as receivables.

Trade receivables

A receivable is recognised if the consideration is unconditionally due from the customer (i.e. it is only necessary for time to run out for payment of the consideration to be obtained). Please refer to the paragraph on standards in the section on Financial instruments - Initial recognition and subsequent measurement.

Contract liabilities

A contract liability is an obligation to transfer to the customer goods or services for which the Group has

already received consideration (or for which a portion of the consideration is due). If the customer pays the consideration before the Group has transferred control of the goods or services to the customer, the contract liability is recognised when payment is made or (if earlier) when it is due. Liabilities arising from contracts are recognised as revenues when the Group fulfils its obligations to do so under the relevant contract.

Income taxes

Current taxes

Current tax assets and liabilities for the year are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are those enacted, or substantially in effect, at the reporting date in the country where the Group operates and generates its taxable income.

Current taxes related to items recognised directly in equity are also recognised in equity and not in profit/(loss) for the year. The *Management* periodically assesses the position taken in the tax return in cases where tax rules are subject to interpretation and, where appropriate, makes provisions.

Deferred taxes

Deferred taxes are calculated by applying the liability method to temporary differences at the reporting date between the tax amounts of assets and liabilities and the corresponding carrying amounts.

Deferred tax liabilities are recognised on all taxable temporary differences, with the following exceptions:

- ◇ deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;
- ◇ the reversal of taxable temporary differences associated with investments in subsidiaries, associates and *joint ventures* can be controlled, and it is probable that it will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits and tax losses carried forward, to the extent that it is probable that sufficient future taxable income will be available to allow the utilisation of deductible temporary differences and tax credits and tax losses carried forward, except where:

- ◇ the deferred tax asset associated with deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;
- ◇ in the case of deductible temporary differences associated with investments in subsidiaries, associates and *joint ventures*, deferred tax assets are recognised only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable income to allow for the recovery of such temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to allow all or part of this credit to be utilised. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent that it becomes probable that taxable income will be sufficient to allow for the recovery of these deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which these assets are realised or these liabilities are settled, taking into account the rates in force and those already enacted, or substantially in force, at the reporting date.

Deferred taxes relating to items recognised outside the income statement are also recognised outside the income statement and, therefore, in equity or in the statement of comprehensive income, consistently with the item to which they relate. Tax benefits acquired as a result of a business

combination, but which do not meet the criteria for separate recognition at the acquisition date, may be recognised at a later date, when new information on changes in facts and circumstances is obtained. The adjustment is recognised as a reduction of goodwill (up to the value of the goodwill), if recognised during the measurement period, or in the income statement, if recognised subsequently.

The Group offsets deferred tax assets and deferred tax liabilities if and only if there is a legal right to offset current tax assets and current tax liabilities, and the deferred tax assets and liabilities refer to income taxes owed to the same tax authority by the same or different taxpayers that intend to settle current tax assets and liabilities on a net basis.

Indirect taxes

Costs, revenues, assets and liabilities are recognised net of indirect taxes, such as value added tax, with the following exceptions:

- ◇ the tax applied to the purchase of goods or services is non-deductible, in which case it is recognised as part of the purchase cost of the asset or part of the cost recognised in the income statement;
- ◇ trade receivables and payables include the applicable indirect tax.

The net amount of indirect taxes to be recovered from or paid to the Treasury is included in the balance sheet either as a receivable or as a payable.

Transactions and balances

Foreign currency transactions, if any, are initially recognised in the functional currency, applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Realised exchange rate differences or those arising from the translation of monetary items are recognised in the income statement. Taxes attributable to exchange rate differences on monetary items are also recognised in the statement of comprehensive income.

Non-monetary items measured at historical cost in foreign currencies are translated at the exchange rates on the date of initial recognition of the transaction. Non-monetary items recorded at *fair value* in a foreign currency are translated at the exchange rate on the date the value was determined. The gain or loss that arises from the translation of non-monetary items is treated consistently with the recognition of gains and losses related to the change in *fair value* of those items (i.e. translation differences on items whose change in *fair value* is recognised in the statement of comprehensive income or the income statement are recognised in the statement of comprehensive income or the income statement, respectively).

Property, plant and equipment

Property, plant and equipment under construction are recognised at historical cost, less any accumulated impairment losses. Property, plant and equipment are recognised at historical cost, less accumulated depreciation and accumulated impairment losses. This cost includes costs for the replacement of part of machinery and plant at the time they are incurred, if they meet the recognition criteria. Where it is necessary to replace significant parts of plant and equipment on a regular basis, the Group depreciates them separately in accordance with their specific useful lives. Similarly, in the case of major overhauls, the cost is included in the carrying amount of the plant or machinery as in the case of replacement, where the criterion for recognition is met. All other repair and maintenance costs are recognised in the income statement when incurred.

Depreciation of tangible assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

CATEGORY	%
Buildings	2.5% to 5%
Lightweight construction - Roofing	10%
Plant and machinery	from 5% to 20%
Industrial and commercial equipment	12,50% - 20% - 25%
Other assets	12% - 20% - 25%

The carrying amount of an item of property, plant and equipment and any significant components initially recognised is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain/loss arising on derecognition of the asset (calculated as the difference between the net carrying amount of the asset and the consideration received) is recognised in the income statement when the item is derecognised.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each year-end and, where appropriate, adjusted prospectively.

Leases

The Group assesses when entering into a contract whether it is, or contains, a lease. In other words, if the contract confers the right to control the use of an identified asset for a period of time in return for a consideration.

Group as lessee

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. The Group recognises liabilities relating to lease payments and the right-of-use asset representing the right to use the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets on the lease commencement date (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, net of accumulated amorti-

sation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date net of any incentives received. Right-of-use assets are amortised on a straight-line basis from the effective date of the contract to the end of the useful life of the asset underlying the right-of-use or the end of the lease term, whichever is earlier.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the lessee will exercise the purchase option, the lessee shall amortise the asset consisting of the right of use from the effective date until the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment. Please refer to section s) Impairment of non-financial assets.

Lease liabilities

At the lease inception date, the Group recognises lease liabilities by measuring them at the present value of unpaid lease payments due at that date. Payments due include fixed payments (including fixed payments in substance) net of any lease incentives to be received, variable lease payments that depend on an index or rate, and amounts expected to be paid as guarantee for the residual value. Lease payments also include the exercise price of a purchase option if it is reasonably certain that such option will be exercised by the Group and lease termination penalty payments if the lease term takes into account the Group's exercise of its lease termination option.

Variable lease payments that do not depend on an index or rate are recognised as expenses in the period (unless incurred in the production of inventories) in which the event or condition that generated the payment occurs.

In calculating the present value of payments due, the Group uses the incremental borrowing rate at the start date if the implied interest rate cannot be easily determined. After the effective date, the amount of the lease liability increases to reflect interest on the lease liability and decreases to reflect payments made. In addition, the carrying amount of lease payables is restated in the event of any changes to the lease or for the revision of the contractual terms for the change in payments; it is also restated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine such payments.

The Group's lease liabilities are recorded under the specific item "Finance lease payables" (current/non-current).

Short-term leases and leases of low-value assets

The Group applies the exemption for the recognition of short-term leases relating to machinery and equipment (i.e., leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). The Group has also applied the low-value asset exemption in respect of leases relating to office equipment whose value is considered low. Lease payments for short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Group as lessor

Lease agreements that essentially leave the Group with all the risks and rewards of ownership of the asset are classified as operating leases. Lease income from operating leases must be recognised on a straight-line basis over the lease term, and is included as revenues in the income statement due to its operating nature.

Initial trading costs are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Unbudgeted rents are recognised as revenues in the period in which they accrue.

Financial expenses

Financial expenses directly attributable to the acquisition, construction or production of an asset that requires a substantial period of time before it is available for use are capitalised on the cost of the asset. All other financial expenses are recognised as an expenses in the year in which they are incurred. Financial expenses consist of interest and other costs that an entity incurs in connection with obtaining financing.

Intangible assets

Le attività immateriali acquisite separatamente sono Intangible assets acquired separately are initially recognised at cost, while those acquired through business combinations are recognised at fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, with the exception of development costs, are not capitalised and are recognised in the income statement of the year in which they are incurred.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with a finite useful life are amortised over their useful life and are tested for impairment whenever there are indications of possible impairment. The amortisation period and amortisation method for an intangible asset with a finite useful life is reviewed at least at each year-end. Changes in the expected useful life or the manner in which the future economic benefits associated with the asset will be realised are recognised through changes in the period or method of amortisation, as appropriate, and are considered changes in accounting estimates.

The amortisation of intangible assets with a finite useful life is recognised in the statement of profit/ (loss) for the year in the cost category consistent with the function of the intangible asset.

Intangible assets with an indefinite useful life are not amortised, but are tested annually for impairment, both at the individual and cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether this allocation continues to be sustainable, otherwise, the change from indefinite to finite useful life is applied on a prospective basis.

An intangible asset is derecognised on disposal (i.e., on the date the acquirer obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Patents and licences

The Group paid advances to acquire patents and licences. The patents were granted for use by the relevant body for a minimum period of 10 years, with an option to renew at the end of that period. Licences for the use of intellectual property were granted for a period of five to ten years, depending on the specific licence. Licences could be renewed at no or minimal cost.

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

INTANGIBLE FIXED ASSETS CATEGORY	%
Development costs	20%
Industrial patent rights	20%
Concessions, licences and trademarks	10% 20%
Customer list	20%

Customer list

The Group accounts for the customer list at fair value, if acquired for consideration in a business combination. The fair value of an intangible asset reflects the expectations of market participants at the acquisition date about the probability that the future economic benefits inherent in the asset will flow to the entity. This fair value is calculated by an appraiser on the basis of an independent valuation.

Financial instruments - Recognition and measurement

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets

Initial recognition and measurement

Upon initial recognition, financial assets are classified, as appropriate, according to subsequent measurement methods, i.e. at amortised cost, at fair value through OCI and at fair value through profit or loss.

The classification of financial assets upon initial recognition depends on the contractual cash flow characteristics of the financial assets and the business model the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

The purchase or sale of a financial asset that requires delivery within a time-frame generally established by regulation or market conventions (a standardised sale or regular way trade) is recognised on the trade date, i.e. the date on which the Group committed to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- ◇ Financial assets at amortised cost (debt instruments);
- ◇ Financial assets at fair value through other comprehensive income with reclassification of cumulative gains and losses (debt instruments);
- ◇ Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses on derecognition (equity instruments);
- ◇ Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.

Investments in equity instruments

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments recognised at fair value through other comprehensive income (OCI) when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined for each individual instrument. Gains and losses realised on such financial assets are never reversed to the income statement.

Dividends are recognised as other revenues in the income statement when the right to payment has been resolved upon, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognised in the statement of comprehensive income.

The Group has chosen to irrevocably classify its unlisted equity investments in this category.

Financial assets at fair value through profit or loss

Financial instruments at fair value through profit or loss are recognised in the statement of financial position at fair value and net changes in fair value are recognised in the statement of profit/(loss) for the year.

This category includes derivative instruments and listed equity investments that the Group has not irrevocably elected to classify at fair value through other comprehensive income. Dividends on listed equity investments are recognised as other income in the statement of profit/(loss) for the year when the right to payment has been established.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised in the first instance (e.g. removed from the Group's statement of financial position) when:

- ◇ the rights to receive cash flows from the asset are extinguished, or
- ◇ the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred substantially all risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of it.

Impairment loss

The Group recognises an expected credit loss ("ECL") for all financial assets represented by debt instruments not held at fair value through profit

or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows will include cash flows from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but fully recognises the expected loss at each reporting date. The Group has established a matrix system based on historical information, revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, as a tool for determining expected losses.

For assets represented by debt instruments measured at fair value through OCI, the Group applies the simplified approach allowed for low credit risk assets. At each reporting date, the Group assesses whether the debt instrument is considered to have low credit risk using all available information that can be obtained without undue cost or effort. In making this assessment, the Group monitors the creditworthiness of the debt instrument. Furthermore, the Group assumes that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, as mortgages and loans, or as derivatives designated as hedging instruments. All financial liabilities are initially recognised at fair value plus, in the case of mortgages, loans and debts, directly attributable transaction costs. The Group's financial liabilities include trade and other payables, mortgages and loans, including overdrafts and derivative financial instruments.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified into two categories:

- ◇ Financial liabilities at fair value through profit or loss
- ◇ Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the most relevant category for the Group. After initial recognition, loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial expenses in the statement of profit/(loss). This category generally includes interest-bearing loans and receivables.

Derecognition

A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled or fulfilled. Where an existing financial liability is exchanged for another financial liability of the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts recognised in the statement of profit/(loss) for the year.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments including forward currency contracts, interest rate swaps and forward commodity contracts to hedge its currency exchange risks, interest rate risks and

commodity price risks, respectively. These derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are accounted for as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

When initiating a hedging transaction, the Group formally designates and documents the hedging relationship to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk and how the Group will assess whether the hedging relationship meets hedge effectiveness requirements (including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it satisfies all of the following hedge effectiveness requirements:

- ◇ there is an economic relationship between the hedged item and the hedging instrument;
- ◇ the effect of credit risk does not prevail over changes in value resulting from the aforementioned economic report;
- ◇ the hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Group actually hedges and the amount of the hedging instrument that the Group actually uses to hedge that amount of the hedged item.

Transactions that meet all the qualifying criteria for hedge accounting are accounted for as follows:

1. Fair value hedges

The change in the fair value of hedging derivatives is recognised in other expenses in the statement of profit/(loss) for the year. The change in the fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying amount of the hedged item and is also recognised in the statement of profit/(loss) for the year in the specific item. When an unrec-

ognised firm commitment is designated as a hedged item, subsequent cumulative changes in its fair value attributable to the hedged risk are recognised as assets or liabilities and corresponding gains or losses recognised in the statement of profit/(loss) for the year.

2. Cash flow hedges

The portion of the gain or loss on the hedged item relating to the effective portion of the hedge is recognised in other comprehensive income in the “cash flow hedge reserve”, while the ineffective portion is recognised directly in the statement of profit/(loss) for the year. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item. The Group uses forward currency contracts to hedge its exposure to exchange rate risk related to both planned transactions and already established commitments; likewise, it uses forward commodity contracts to hedge against the volatility of commodity prices. The ineffective portion of forward currency contracts is recognised in other expenses and the ineffective portion of commodity forward contracts is recognised in other operating income or expenses. The Group only designates the spot component of forward contracts as a hedging instrument. The forward component is cumulatively recognised in the statement of comprehensive income in a separate item.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows impact the income statement.

If cash flow hedge accounting is discontinued, the amount accumulated in the statement of comprehensive income must remain so if the hedged future cash flows are expected to occur. Otherwise, the amount must be immediately reclassified to profit/(loss) for the year as a reclassification adjustment. After suspension, once the hedged cash flow occurs,

any accumulated amount remaining in the statement of comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

Inventories

Inventories are valued at the lower of cost and net realisable value. The valuation criterion adopted is the weighted average cost method.

The costs incurred in bringing each asset to its present location and condition are recognised as follows:

- ◇ Raw materials: purchase cost calculated using the weighted average cost method
- ◇ Finished and semi-finished products: purchase cost calculated using the direct weighted average cost method of materials and labour plus a share of production overheads, defined on the basis of normal production capacity, excluding financial expenses, through a bill of materials.

Net realisable value is the estimated normal selling price in the normal course of business, less estimated completion costs and estimated costs to realise the sale.

Provisions are calculated for obsolete or slow-moving inventories, taking into account their expected future use and realisable value.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there are any indicators of asset impairment. In such cases, or in cases where an annual impairment test is required, the Group makes an estimate of the recoverable amount. The recoverable amount is the higher of the *fair value* of the asset or cash-generating unit, less costs to sell, and its value in use. The recoverable amount is determined for each individual asset, except when that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is greater than its recoverable amount, that asset has suffered an impairment loss and is consequently written down to its recoverable amount.

For assets other than goodwill, at each reporting date, the Group assesses whether there are any indicators of the reversal (or reduction) of previously recognised impairment losses and, if such indicators exist, estimates the recoverable amount of the asset or CGU. The value of an asset previously written down may only be reinstated if there have been changes in the assumptions on which the calculation of the determined recoverable amount was based, subsequent to the recognition of the last impairment loss. The write-back may not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. This reversal is recognised in profit/(loss) for the year unless the fixed asset is recognised at revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment at least once a year or more frequently if circumstances indicate that the carrying amount may be impaired.

Goodwill impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which goodwill has been allocated, an impairment loss is recognised. The impairment of goodwill cannot be reversed in future years.

Cash and cash equivalents and short-term deposits

Cash and cash equivalents include cash balances, unencumbered deposits and other treasury investments with an original scheduled maturity of three months or less. A cash investment is considered to be a cash equivalent when it is readily convertible to cash with no significant risk of change in value and when it is intended to meet short-term cash commitments and is not held for investment.

Provisions for risks and charges

Gli accantonamenti a fondi per rischi e oneri sono Provisions for liabilities and charges are made when the Group has a present obligation (legal or con-

structive) as a result of a past event, an outflow of resources to meet that obligation is probable, and a reliable estimate of the amount can be made. When the Group believes that a provision for risks and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognised separately as an asset if, and only if, it is practically certain. In this case, the cost of the provision, if any, is presented in the statement of profit/(loss) for the year net of the amount recognised for the indemnity.

If the effect of the time value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. When the liability is discounted, the increase in the provision due to the passage of time is recognised as a financial expense.

Liabilities for employee benefits

The cost of expected benefits under the defined benefit plan is determined using the projected unit credit actuarial method.

Revaluations, which include actuarial gains and losses, changes in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position by debiting or crediting retained earnings through other comprehensive income in the period in which they arise.

Revaluations are not reclassified to the income statement in subsequent years.

Past service cost is recognised in the income statement at the earliest of the following dates:

- ◇ the date on which an amendment or curtailment of the plan occurs;
- ◇ the date on which the Group recognises related restructuring costs or employee termination benefits.

Net interest on the defined benefit liability/net asset is to be determined by multiplying the liability/net asset by the discount rate. The Group recognises the following changes in the net defined benefit obligation in the costs to sell, administrative expenses and selling and distribution costs in the income statement (by nature):

- ◊ Labour costs, including current and past labour costs, gains and losses on non-routine reductions and extinguishments;
- ◊ Net interest income or expense.

Discretionary assessments and significant accounting estimates

The preparation of the Group's financial statements requires the directors to make discretionary assessments, estimates and assumptions that affect the amounts of revenues, costs, assets and liabilities and the disclosure of contingent liabilities. The uncertainty surrounding these assumptions and estimates could lead to outcomes that will require a significant adjustment to the carrying amounts of these assets and/or liabilities in the future.

Discretionary assessments

Duration of lease agreements containing an extension option

The Group determines the lease term as the non-cancellable period of the lease to which is added both the periods covered by the lease extension option where there is reasonable certainty of exercising that option and the periods covered by the lease termination option where there is reasonable certainty of not exercising that option.

The Group has the option, for some of its leases, to extend the lease or terminate it early. The Group applies its judgement in assessing whether there is reasonable certainty of exercising the renewal options. That said, the Group considers all factors noted that may result in an economic incentive to exercise the renewal options or to terminate the contract. After the commencement date, the Group revises its estimates of the lease term in the event of a significant event or a significant change in circum-

stances within its control that may affect the ability to exercise (or not exercise) the option to renew or to cancel the lease early (e.g., investment in leasehold improvements or significant specific changes to the leased asset).

Estimates and assumptions

The main assumptions concerning the future and other major causes of valuation uncertainty that, at the reporting date, present a material risk of giving rise to significant adjustments to the carrying amounts of assets and liabilities within the next financial year are illustrated below. The Group has based its estimates and assumptions on parameters available at the time the consolidated financial statements were prepared. However, current circumstances and assumptions about future events may change due to variations in the market or events beyond the Group's control. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

An impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its *fair value* less costs to sell and its value in use. *Fair value* less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The calculation of value in use is based on a discounted cash flow model.

The cash flows are derived from a 5-year business plan and do not include restructuring activities for which the Group has not yet committed or significant future investments that will increase the results of the business included in the cash-generating unit being measured. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model, as well as the expected future cash flows and the growth rate used for extrapolation.

Given the uncertainties involved, it is important for entities to provide detailed information on the assumptions made, the evidence on which they are

based, and the impact of changing key assumptions (sensitivity analysis). Given the level of inherent risk and the variability of judgements and estimates, disclosure of the key assumptions used and the assessments made in estimating recoverable amount plays a key role. Entities will need to assess the key assumptions used to determine the recoverable amount for different CGUs.

The key inputs used in the models with reference to the determination of value in use and fair value less cost to sell will have to be reviewed to determine any impact.

Provision for expected losses on trade receivables and contract assets

The Group uses a matrix to calculate ECLs for trade receivables and contract assets. Provisioning rates are based on days past due for each class of customers grouped into the various segments with similar historical loss trends (e.g. by geographic area, product type, customer type, rating and collateral).

The matrix is initially based on the Group's observed historical default rates. The Group calibrates the matrix to refine the historical data on credit losses with forward-looking elements. For example, if forecast economic conditions (e.g. gross domestic product) are expected to deteriorate in the following year, this may lead to an increase in the number of defaults in the manufacturing sector, and historical default rates are therefore adjusted. At each reporting date, historical default rates are updated and changes in estimates are analysed on forecasting elements.

Assessing the correlation between historical default rates, forecast economic conditions and ECLs is a meaningful estimate.

The amount of ECL is sensitive to changes in circumstances and expected economic conditions.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that there will

be a taxable profit in the future that will allow the losses to be utilised. Significant estimation by management is required to determine the amount of tax assets that may be recognised based on the level of future taxable profits, the timing of their occurrence and the applicable tax planning strategies.

Defined benefit plans (pension funds)

The cost of defined benefit pension plans and other post-employment benefits and the present value of the defined benefit obligation are determined using actuarial valuations. As far as the Group is concerned, it is only applicable for Italian companies and with insignificant impacts. Actuarial valuation requires the development of various assumptions that may differ from actual future developments. These assumptions include the determination of the discount rate, future wage increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, these estimates are extremely sensitive to changes in assumptions. All assumptions are reviewed annually.

The discount rate is the parameter most subject to change. Bonds are subjected to further qualitative analysis and those with a credit spread deemed excessive are excluded from the basket of bonds from which the discount rate is calculated, as they do not represent a high quality bond category.

The mortality rate is based on available country-specific mortality tables. These tables tend to vary only in response to a change in demographic assumptions. Future wage and pension increases are based on expected inflation rates for each country. These plans currently only apply to the Group's Italian companies.

Fair value of financial instruments

When the fair value of a financial asset or financial liability recognised in the statement of financial position cannot be measured by reference to prices in an active market, fair value is determined using various measurement techniques, including the discounted cash flow model. The inputs into this model are taken from observable markets where possible,

but where this is not possible, some degree of estimation is required to define fair value. The estimates include considerations on variables such as liquidity risk, credit risk and volatility. Changes in assumptions about these items could have an impact on the fair value of the financial instrument recognised.

Contingent consideration related to business combinations are measured at fair value at the acquisition date in the business combination as a whole. If the contingent consideration meets the definition of a derivative and is therefore a financial liability, its value is subsequently remeasured at each reporting date. The determination of fair value is based on discounted cash flows. The key assumptions take into account the probability of achieving each contractually agreed performance target and the discount factor.

Lease - Estimating the incremental borrowing rate

The Group cannot easily determine the implicit interest rate of the lease and therefore uses the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the interest rate the lessee would have to pay for a loan, with a similar term and guarantees, required to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the group would have had to pay, and this requires estimation when there is no observable data (as in the case of investees that are not direct counterparts to financial transactions) or when rates need to be adjusted to reflect the terms and conditions of the lease (for example, when the leases are not in the investee's functional currency).

The Group estimates the incremental borrowing rate using observable data (such as market interest rates) if available, and making specific considerations about the conditions of the investee (such as the creditworthiness of the investee alone).

Decommissioning provisions

The Feralpi Siderurgica Group did not set aside any decommissioning provisions for the plants because

it considered their useful life to be more than 50 years. Consequently, it was concluded that although a present obligation exists from past events, the amount of the obligation cannot be measured with sufficient reliability. This conclusion was reached on the basis that liquidation dates are indeterminate and that other estimates, such as discount rates over too long a time horizon, do not represent an observable measure and are therefore not considered reliable. Consequently, there is a decommissioning and restoration obligation that cannot be recognised or quantified and is referred to as a contingent liability.

Goodwill

In accordance with the accounting standards adopted for the preparation of the Financial Statements, goodwill is tested annually for impairment to be recognised in the Income Statement. In particular, this test involves the allocation of goodwill to groups of cash-generating units (CGUs) and the subsequent determination of the related recoverable amount, understood as the higher of fair value and value in use. If the recoverable amount is lower than the carrying amount of the group of cash-generating units to which the goodwill has been allocated, the goodwill allocated to them is written down.

With reference to the impact of the adoption of IFRS 16 - Leases, the carrying amount of cash-generating units includes the value of the rights of use belonging to the CGUs themselves. In determining the present value of future cash flows, flows relating to the repayment of lease obligations are excluded as they represent flows from financing activities. Consequently, the value of lease payables is excluded from the carrying amount of the CGU at the impairment test date.

6.6. Recently enacted standards

The Group has applied certain standards or amendments for the first time, which are effective as of 1 January 2024. The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet in force.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 specify the requirements for a seller-lessor in determining the lease liability resulting from a sale and leaseback transaction, ensuring that the seller-lessor does not recognise a gain or loss related to the right of use retained by them.
The amendment had no impact on the Group's financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying a liability as current or non-current. The amendments clarify:

- ◇ What is meant by the right of subordination at maturity;
- ◇ That the right of subordination must exist at the close of the financial year;
- ◇ The classification is not affected by the likelihood that the entity will exercise its right of subordination;
- ◇ Only if a derivative embedded in a liability is itself a convertible equity instrument does the maturity of the liability have no impact on classification.

Furthermore, a requirement has been introduced to disclose when a liability stemming from a financing agreement is classified as non-current, and the entity's right to subordination is contingent upon complying with covenants within twelve months. The amendments did not entail additional disclosures and had no impact on the classification of the Group's liabilities.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify

the characteristics of supplier finance arrangements and require additional disclosure of these arrangements. The purpose of the introduced disclosure requirements is to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows, and exposure to liquidity risk.
Please refer to Note 31 for additional information presented as a result of these amendments.

International Tax Reform - Pillar Two Model Rules

The amendments to IAS 12 (Income Taxes) were introduced to respond to the BEPS Pillar Two rules of the OECD.

The Pillar Two rules introduce a minimum effective taxation of 15% on a jurisdictional basis for multinational enterprise groups and large domestic groups with annual revenues of at least €750 million in the consolidated financial statements in at least two of the previous four financial years. Many of the countries in which the Group operates have enacted national tax regulations on the Pillar Two rules effective as of 1 January 2024, including Italy, France and Germany.

In preparing the consolidated financial statements as at 31 December 2024, in line with what was done for the consolidated financial statements as at 31 December 2023 and maintaining continuity of policies, the Group applied the temporary exception provided by the amendments to IAS 12 "Income Taxes", allowing a company not to recognise or disclose information concerning deferred tax assets and liabilities related to Pillar Two.

Considering the economic conditions in the steel market where the group operates, which resulted in a net loss in the Italian jurisdiction, no significant impact on current taxes is anticipated.

In this regard, it should be specified that the other Group companies operate in jurisdictions without privileged tax regimes, applying a tax rate higher than the minimum taxation of 15%.

Other endorsed or unendorsed standards, interpretations or amendments that have not yet come into force at the date of this document are summarised in the table below:

DESCRIPTION	ENDORSED	EXPECTED EFFECTIVE DATE
Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability"	YES	1 January 2025
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	NO	1 January 2026
IFRS18 "Financial Statement Presentation and Disclosure"	YES	1 January 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	NO	1 January 2027

The Group has not early adopted new standards, interpretations or amendments that have been issued but not yet in force. The possible impacts on the Group's consolidated financial statements resulting from the application of these new standards/interpretations are currently being assessed; however, they are not expected to be significant.

6.6.1. Standards issued but not yet in force

The standards and interpretations that had already been issued but were not yet in force at the date of preparation of the Group's consolidated financial statements are illustrated below. The Group intends to adopt these standards and interpretations, if applicable, when they come into force.

- ◇ **Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability”**
On 15 August 2023, the IASB issued amendments to IAS 21 specifying how an entity should evaluate if a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency cannot be exchanged into another currency, it provides information that allows users of its financial statements to understand how the non-exchangeable currency affects, or is expected to affect, the entity's economic result, financial condition, and cash flows. The amendments will be effective for financial years beginning on or after 1 January 2025. Early application is permitted and it is necessary to disclose this fact. No significant impact on the Group's consolidated financial statements is expected.
- ◇ **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, provided certain conditions are met. Clarification was provided on the assessment methods for the contractual cash flow characteristics of financial assets that include ESG characteristics and similar ones. 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 potential event (including those linked to ESG factors) and for equity instruments measured at fair value through other comprehensive income. The amendments will take effect for annual reporting periods starting on or after 1 January 2026, and entities may adopt the changes related to the classification of financial assets and related disclosures early. No significant impact on the Group's consolidated financial statements is expected.

- ◇ **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Furthermore, entities must classify all expenses and revenues in the income statement into five categories: operating, investing, financing, income tax, and discontinued operations, noting that the first three categories are newly introduced. The standard further requires that disclosures adhere to the new definition of management-defined performance measures (MPMs), subtotals of costs and revenues, and includes new provisions for the aggregation and disaggregation of financial information based on the identified roles of the Primary Financial Statements (PFS) and notes. Furthermore, amendments were introduced to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows from operations using the indirect method; from profit or

loss to operating profit or loss, and removing the option to classify cash flows from dividends and interest. Furthermore, consequential changes were made to several other accounting standards. IFRS 18, and amendments to other standards, are effective for financial years beginning on or after 1 January 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively. The Group is currently working to identify the impacts the changes will have on its financial statements and notes to the financial statements.

- ◇ **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, permitting eligible entities to reduce their disclosure requirements while still adhering to the recognition, measurement, and presentation stipulations of other IFRS accounting standards. To be eligible at the end of the financial year, an entity must be a subsidiary as defined under IFRS 19, cannot have “public accountability”, and must have a parent company (ultimate or intermediate) that prepares consolidated financial statements available to the public, in accordance with IFRS accounting standards. IFRS 19 will become effective for financial years beginning on or after 1 January 2027, with the possibility of early application. As the Group's shares are not publicly traded, the Group is not eligible for the application of IFRS 19. IAS 8.30 mandates the disclosure of standards that have been issued but are not yet effective; it requires the provision of known or reasonably estimable information to enable users to assess the potential impact of applying these standards on an entity's financial statements. The Group has listed all issued standards and interpretations not yet effective, taking into account the illustrative purpose of these financial statements. An alternative that entities might consider is to list and elaborate only on those expected to impact the Group's financial position, performance, representations, and/or disclosures.

6.7. Information on transactions with related parties

During the year, transactions with related parties of both a commercial and financial nature were carried out at market conditions. Transactions with related parties, when not dictated by specific regulatory conditions, were usually settled at market conditions. Details of the transactions that took place during the year and the previous year are given below:

FINANCIAL RELATIONS - 2024	ASSETS	LIABILITIES	COSTS	REVENUES
	RECEIVABLES	PAYABLES	EXPENSES	
Alpifer S.r.l.	-	-	-	500
Dima S.r.l.	-	-	-	217
Tuxor	-	-	-	5
TOTAL	-	-	-	722

COMMERCIAL RELATIONS 2024	ASSETS	LIABILITIES	COSTS		REVENUES	
	RECEIVABLES	PAYABLES	SERVICES	OTHER	SERVICES	OTHER
Media Steel S.r.l.	-	72,316	-	242,494	-	69
Alpifer S.r.l.	20,753	1,313	-	3,618	-	85,104
Ecoeternit S.r.l.	-	5	15	-	-	6
Dima S.r.l.	-	473	2,672	-	-	-
Agroittica Lombarda S.p.A.	301	48	-	38	-	225
Comeca Tecnologie S.p.A.	7	6,553	16,670	605	-	16
Feralpisalò S.r.l.	-	-	4,538	-	-	-
Far Energia	-	132	122	-	-	-
Tuxor	1,419	-	-	-	-	9,742
TOTAL	22,480	80,840	24,016	246,756	-	95,162

7. 7. Business combinations

During 2024, the Feralpi Siderurgica Group did not make any significant acquisitions.

8. 8. Property, plant and equipment

The net carrying amount of property, plant and equipment as at 31 December 2024 was €721,578 thousand, compared to €562,243 thousand the previous year.

Changes in tangible fixed assets and their respective accumulated depreciation are shown at the bottom of the page.

During the period, the Group made investments totalling €223,111 thousand. Investments mainly relates

to new plants and *revamping* of existing plants at the various production sites. For further details, please refer to the report on operations in section 4. “Feralpi Group’s strategy and state of implementation of strategic investments”.

During the year, there were disposals amounting to €2,939 that generated capital gains of €737 thousand and capital losses of €173 thousand.

9. 9. Right-of-use assets

The Group has lease agreements in place for property, plant, machinery, cars and equipment that are used in operations. Leases relating to buildings generally last between 6 years and 12 years, those relating to equipment between 2 years and 8 years, those for plant and machinery between 3 years and

12 years, and those for cars between 3 and 5 years. The Group’s liabilities under these leases are secured by the lessor’s title to the leased assets. Generally, the Group may not grant the leased assets to third parties and certain contracts require the Group to meet certain liquidity ratios. There are many leasing agreements that include options for renewal and cancellation and variable payments, which are better described below.

The Group also has certain leases for machinery with a duration of 12 months or less and office equipment with a low value. The Group has chosen to apply the exemptions in IFRS 16 regarding short-term or low-value leases for these contracts. See section 39 for further information.

AMOUNTS IN THOUSAND EUROS	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER ASSETS	ASSETS UNDER CONSTRUCTION AND ADVANCES TO SUPPLIERS	TOTAL PROPERTY, PLANT AND EQUIPMENT
Historical cost - 31 December 2023	354,464	904,348	16,951	55,555	177,399	1,508,717
Increases	18,820	35,521	2,010	3,738	163,022	223,111
Decreases	-	(2,016)	(29)	(512)	(382)	(2,939)
Change in the scope of consolidation	-	-	-	-	-	-
Reclassifications	20,627	15,197	-	515	(36,340)	-
Historical cost - 31 December 2024	393,911	953,051	18,931	59,296	303,700	1,728,889
Accumulated amortisation - 31 December 2023	(152,721)	(734,578)	(14,348)	(44,826)	-	(946,474)
Amortisation	(9,812)	(47,202)	(1,118)	(4,400)	-	(62,532)
Decreases	-	1,194	(11)	581	(69)	1,695
Reclassifications	-	-	-	-	-	-
Accumulated amortisation - 31 December 2024	(162,534)	(780,587)	(15,477)	(48,645)	(69)	(1,007,311)
Net carrying amount - 31 December 2023	201,742	169,770	2,603	10,729	177,399	562,243
Net carrying amount - 31 December 2024	231,378	172,464	3,455	10,651	303,631	721,578

The table on the right shows the breakdown of the right of use by nature of the underlying assets as at 31 December 2024 and the previous year:

The decrease of €1,972 thousand refers to the ending of the lease contract within the Spanish subsidiary following the decision to move production to another production site.

	PROPERTIES	EQUIPMENT	PLANT AND MACHINERY	CARS	TOTAL RIGHT OF USE
AMOUNTS IN THOUSAND EUROS					
Right of use as at 31 December 2023	8,542	6,120	17,432	1,462	33,556
Change in the scope of consolidation	-	-	-	-	-
Increases	1,594	148	-	691	2,433
Decreases	(1,972)	-	-	-	(1,972)
Exchange rate effect	-	-	-	-	-
Right of use as at 31 December 2024	8,164	6,268	17,432	2,153	34,017
Accumulated amortisation as at 31 December 2023	3,292	3,192	6,100	1,131	13,715
Change in the scope of consolidation	-	-	-	-	-
Increases	948	977	1,571	287	3,783
Decreases	-	-	-	-	-
Accumulated amortisation as at 31 December 2024	4,240	4,169	7,671	1,418	17,498
Net carrying amount as at 31 December 2023	5,250	2,928	11,332	331	19,841
Net carrying amount as at 31 December 2024	3,924	2,099	9,761	735	16,519

The table on the right shows the details of financial liabilities.

The *IBR (Incremental Borrowing Rate)* was calculated as the sum of the risk free rate (*Swap Standard Rates vs 6-month Euribor*) for each maturity, measured as at 31 December 2024, and a pure risk component reflecting the “*credit risk*” attributable to Feralpi Group. The *Risk free* component takes into account the economic environment in which the Group operates.

	PROPERTIES	EQUIPMENT	PLANT AND MACHINERY	CARS	TOTAL FINANCIAL LEASE LIABILITY
AMOUNTS IN THOUSAND EUROS					
Financial liability for leasing as at 31 December 2023	5,425	2,965	8,843	335	17,567
Short-term financial liability as at 31 December 2023	999	933	1,849	168	3,949
Long-term financial liability as at 31 December 2023	4,426	2,031	6,994	167	13,617
Increases	1,594	148	-	691	2,433
Decreases	(3,099)	(956)	(1,902)	(278)	(6,234)
Exchange rate effect	-	-	-	-	-
Other changes	-	-	-	-	-
Change in the scope of consolidation	-	-	-	-	-
Financial liability for leasing as at 31 December 2024	3,920	2,157	6,941	748	13,766
Short-term financial liability as at 31 December 2024	814	870	1,875	222	3,781
Long-term financial liability as at 31 December 2024	3,106	1,286	5,065	526	9,985

10. Intangible assets

The net carrying amount of intangible assets as at 31 December 2024 was €8,964 thousand, compared to €11,092 thousand as at 31 December 2023. The adjacent table shows the changes in intangible assets and their respective accumulated amortisation.

The increase of €921 thousand in patent rights is mainly attributable to the development and customisation of the Group SAP ERP.

The item other intangible assets includes deferred charges relating to the Metalinterconnector consortium. This consortium aims to make investments in the Metalinterconnector project through the construction of interconnection power lines with foreign countries and has the purpose of granting consortium members the purchase of electricity at lower prices than the market. The value recorded was €2,097 thousand as at 31 December 2024 against €2,621 thousand in the previous year.

AMOUNTS IN THOUSAND EUROS	PATENT RIGHTS	OTHER INTANGIBLE FIXED ASSETS	TOTAL INTANGIBLE FIXED ASSETS
Historical cost - 31 December 2023	12,181	32,548	44,824
Increases	921	615	1,536
Decreases	(35)	-	(35)
Change in the scope of consolidation	-	-	-
Reclassifications	39	186	225
Historical cost - 31 December 2024	13,106	33,348	46,454
Accumulated amortisation - 31 December 2023	(8,350)	(25,286)	(33,636)
Amortisation	(2,940)	(924)	(3,864)
Decreases	10	-	10
Change in the scope of consolidation	-	-	-
Reclassifications	-	-	-
Accumulated amortisation - 31 December 2024	(11,280)	(26,210)	(37,490)
Net carrying amount - 31 December 2023	3,831	7,261	11,092
Net carrying amount - 31 December 2024	1,826	7,137	8,964

11. Goodwill

The total value, unchanged from the previous year, refers to the goodwill arising from the acquisition of the Saexpa Group, which is part of the "Diversified Products CGU". The adjacent table provides a breakdown with the comparative of the previous year.

The value is entirely allocated to the Diversified Products CGU.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Saexpa Group	8,077	8,077
TOTAL	8,077	8,077

11.1. Recoverability of goodwill and intangible assets

According to IAS 36, goodwill is not subject to amortisation and is tested for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). The impairment test must be carried out by verifying that the fair value of the individual CGUs does not exceed the total carrying amount of the goodwill and all net assets independently capable of producing cash flows (CGUs). Goodwill acquired through business combinations is allocated to cash-generating units for impairment testing purposes.

For the year 2024, the Group performed its own impairment test on the excess cost generated in connection with the acquisition of Saexpa, which is part of the Diversified Products CGU. The test was carried out on the basis of a specific procedure drawn up by company management and subject to specific approval by the Board of Directors. The recoverable amount was estimated on the basis of the value in use, which in turn was defined by applying the Discounted Cash Flow (DCF) method in its unlevered version, by discounting the expected cash flows over an analytical and residual forecast period (Terminal Value). Cash flows were determined on the basis of projections from the business plan for a five-year period, approved by the Board of Directors. The Terminal Value was in turn estimated as the yield of a normalised cash flow at full capacity, possibly increasing by a factor g .

If the value of the assets thus obtained, the Enterprise Value (EV), was lower than their carrying amount, an impairment loss, equal to the difference, would arise to align the carrying amount with the recoverable amount.

The business plan used for the DCF was prepared on the basis of 2025 Budget to which an additional

four years were added by applying growth rates for revenues, profitability and cash flow evolution based on knowledge of the business and expected developments in the relevant sectors.

The impairment test was conducted by identifying cash flow projections for the years 2025-2029 obtained through the indirect method. The discounting of the expected cash flows from the aforementioned projections was obtained through an appropriate discount rate expressive of the related business risk, applying the Discounted Cash Flow. The present value of the 2025-2029 explicit cash flows was supplemented by the Terminal Value, i.e. the present value of the perpetual annuity obtainable with a normalised cash flow. Specifically, a WACC (weighted average cost of capital) of 8.7% and a g -rate of 1% were used.

The discount rates reflect the market assessment of the specific risk, taking into account the time value of money and the specific risks of the underlying assets that have not already been included in the cash flow estimate. The calculation of the discount rate is based on the specific circumstances of its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and shareholders' equity. The cost of shareholders' equity is derived from the expected rate of return on investments by investors in comparable companies. The cost of debt is based on the onerous financing it has to cover. Sector-specific risk is incorporated by applying specific beta factors. Beta factors are reviewed annually on the basis of available market data. The discount rates considered are net of the tax effect.

The EBITDA margin used is based on the 2025 budget and has been essentially stable over the plan period in relation to expected improvements in market dynamics and expected volume growth.

In determining the Terminal Value, an average Value of Production of the last three plan years and an EBITDA margin reflecting the average of the same three years were used.

Based on the analyses carried out, the enterprise value of the Diversified CGU was significantly higher than the carrying amount, which matches the net invested capital (Capital Employed).

A sensitivity analysis was carried out to test the change in the Enterprise Value and, therefore, of the cover (EV - Capital Employed - Excess Cost) by alternatively assuming increases in investments, reductions in EBITDA, increases in WACC and reductions in the g -rate compared to the values used for the base case. The sensitivity analysis led to the following results:

- ◇ a linear decrease in EBITDA of 25.8% over all plan years, all other variables being equal, could lead to a cover of zero;
- ◇ an increase in the WACC rate of 2.7 percentage points, all other variables being equal, would result in a cover of zero;
- ◇ a decrease in the g -rate by 100% could lead, all other variables being equal, to a reduction in cover of 32%.

Regarding the other CGUs for which there is no obligation for annual impairment in the absence of allocated goodwill, the Group evaluated the presence of impairment indicators. When reviewing its impairment indicators, the Group considers several factors, including the performance of reference markets, the costs of major commodities, the uncertainty caused by geopolitical events and macroeconomic trends, and the subsequent impacts on margins. Based on forecasts expected in the medium to long term, the Group has not identified indicators of lasting loss of value.

12. Investments in associates and joint ventures

The adjacent table summarizes the investments in associates and joint ventures held by the Group.

The increase is due to the adjustment of the value of investments in associates to shareholders' equity, which resulted in a total income of €3,069 thousand during the year. It is specified that during the period, a dividend of €217 thousand was received by subsidiary Acciaierie di Calvisano S.p.A. from Dima S.r.l. and a dividend of €500 thousand from Alpifer S.r.l. was received by Feralpi Siderurgica S.p.A.

Financial information on the Group's investments in the three companies is given in the appendix.

AMOUNTS IN EURO UNITS	31.12.2024	31.12.2023
Media Steel S.r.l.	3,482	3,163
Dima S.r.l.	2,595	2,370
Alpifer S.r.l.	20,820	19,012
TOTAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	26,897	24,545

13. Other investments

Other investments amounted to €461 thousand as at 31 December 2024 compared to €434 thousand in the previous year.

As in the previous year, the most significant item refers to Webuild and Astaris participatory financial instruments in the amount of €228, unlisted and not negotiable on any regulated market or organised multilateral trading system, issued by the composition with creditors of Astaldi S.p.A., which give the creditor/owner the right to contribute to the net proceeds of the liquidation of the assets included in the earmarked assets, assigned to creditors in the ratio of 1 SFP for each Euro of credit claimed.

14. Non-current financial assets

Non-current financial assets amounted to €3,544 thousand as at 31 December 2024 compared to €6,667 thousand as at 31 December 2023. Details are given below:

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Derivative assets	2,268	5,396
ESF security deposits	1,001	1,001
Financial receivables from others	275	270
TOTAL NON-CURRENT FINANCIAL ASSETS	3,544	6,667

The item derivative instruments receivable refers to the long-term portion of derivatives subscribed by the Group. The decrease from the previous year is mainly due to the termination of energy hedging

derivatives entered into by the ESF Group. Security deposits refer mainly to the ESF Group and were taken out to guarantee the retirement of its employees.

The Group's outstanding derivative contracts are summarised below with their market value as at 31 December 2024.

 INTEREST RATE HEDGING 31 DECEMBER 2024

CONTRACT TYPE	COUNTERPART	POSITION	DATE OF SIGNING	START DATE	EXPIRY DATE	NOTIONAL (EURO)	MARKET VALUE AS AT 31.12.24
Rate Coverage	UNICREDIT	Buy	21/01/2021	31/01/2021	31/01/2026	4,000	3
Rate Coverage	UNICREDIT	Buy	21/01/2021	31/01/2021	31/01/2026	6,000	35
Rate Coverage	INTESA SANPAOLO	Buy	04/03/2021	05/03/2021	04/03/2026	29,500	268
Rate Coverage	INTESA SANPAOLO	Buy	04/03/2021	05/03/2021	04/03/2026	10,500	96
Rate Coverage	BPER	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	116
Rate Coverage	INTESA SANPAOLO	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	221
Rate Coverage	BNL	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	153
Rate Coverage	BPM	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	125
Rate Coverage	Credit Agricole	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	116
Rate Coverage	UNICREDIT	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	154
Rate Coverage	BPER	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	98
Rate Coverage	INTESA SANPAOLO	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	188
Rate Coverage	BNL	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	130
Rate Coverage	BPM	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	106
Rate Coverage	Credit Agricole	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	100
Rate Coverage	UNICREDIT	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	131
Rate Coverage	Cariparma	Buy	06/08/2019	02/01/2020	02/07/2029	6,013	169
Rate Coverage	UNICREDIT	Buy	11/02/2021	28/02/2021	28/02/2026	5,500	46
Rate Coverage	UNICREDIT	Buy	31/03/2021	31/03/2021	31/03/2026	2,000	15
TOTAL							2,268

IRS derivatives designated as hedging

The IRS derivative contracts in place were designated to hedge the exposure to the variability of future interest expense flows generated by a recognised financial liability, whose effects impact the company's income statement at the same time as the related interest expense is recognised in the accounts.

The specific objective that the Group intends to pursue through the hedging interest rate derivatives portfolio is to mitigate its exposure to the risk arising from market rate volatility by fixing the cost of its variable-rate debt.

15. Deferred tax assets and deferred tax liabilities

Deferred tax assets as at 31 December 2024 amounted to €31,190 thousand, compared to €16,763 thousand in the previous year. Deferred tax liabilities as at 31 December 2024 amounted to €1,903 thousand, compared to €3,078 thousand in the previous year.

It should be noted that the offsetting of tax assets and liabilities has been carried out at the level of the individual consolidated company in cases where the prerequisites provided for in this regard by IAS 12 are met. The tax effect related to temporary differences as at 31 December 2024 and 31 December 2023 is determined based on the tax rates in effect in the relevant countries at the assumed realisation date of the temporary differences. Deferred tax liabilities and deferred tax assets are thus analysed according to the nature of the most significant temporary differences.

During the year, deferred tax assets were allocated in the Parent Company and in the subsidiaries Acciaierie di Calvisano S.p.A. and Presider S.p.A. It is also emphasised that deferred tax assets were recognised due to the reasonable certainty, as from prepared financial projections, that in the subsequent years the Group will be able to generate taxable income adequate for the full recovery of the recognised credits.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Deferred tax assets	31,190	16,763
Deferred tax liabilities	1,903	3,078
TOTAL	29,287	13,685

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
DEFERRED TAX ASSETS		
Slag disposal	52	-
Provisions for sundry risks	456	868
Inventory write-down	2,392	4,151
Maintenance	734	828
Amortisation	9,540	8,426
Impairment of fixed assets	69	81
Tax losses	15,601	543
Goodwill	25	-
Write-down of receivables	468	398
Leases	641	560
Elimination of intercompany margins	151	461
Other minor items	1,061	447
TOTAL	31,190	16,763
DEFERRED TAX LIABILITIES		
Derivative instruments	740	1,301
Customer list	16	97
Amortised cost	61	92
Discounting of employee severance indemnity and FISC	165	158
Temporary difference ESF costs	921	783
Other	-	647
TOTAL	1,903	3,078

16. Other non-current assets

Other non-current assets amounted to €3,482 thousand as at 31 December 2024 compared to €1,362 thousand as at 31 December 2023. The adjacent table provides the detailed breakdown.

The significant increase in the item is attributable to Industry 4.0 tax credits that will see their numerical manifestation beyond the financial year.

17. Inventories

Inventories, net of the related finished goods and merchandise write-down provision, amounted to €375,983 thousand as at 31 December 2024, compared to €295,196 thousand in the previous year. The adjacent table provides the detailed breakdown.

Inventories valued at the lower of cost and market value are valued using the weighted average cost method. This method appears more appropriate to normalise price variations of both the raw material and, consequently, of the finished product, allowing the reader a better interpretation of the data.

Inventories are recorded net of an inventory write-down provision totalling €11,504 thousand, of which €8,627 thousand relates to the provision for obsolescence of ancillary inventory and €2,877 thousand to adjust finished products to their estimated realisable value. The increased costs of raw materials and scrap recorded in 2024, linked with the rise in the unit value of goods in stock, also resulted in a price effect.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
4.0 tax credits	3,482	1,343
Receivables from others	-	18
Tax receivables	-	1
TOTAL OTHER NON-CURRENT ASSETS	3,482	1,362

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12. 2023
Raw materials, supplies and consumable	176,794	130,362
Work in progress and semi-finished products	39,924	36,137
Advances	287	1,028
Finished products and goods	169,804	143,539
Contract work in progress	677	478
Inventory write-down provision	(11,504)	(16,348)
TOTAL	375,983	295,196

In 2024, a comprehensive study was completed, with support from external consultants, aimed at assessing the true condition of spare parts and component management in different warehouses. It also sought to redefine a procedure for determining the inventory obsolescence provision, tailored more specifically to the characteristics of the maintenance warehouse components, thereby providing a more accurate representation of inventory asset value. The previous policy was based on flat-rate percentages, prudently chosen in the absence of specific empirical analyses.

As for the increases in raw materials and finished products, these were due to the increase in quantities compared to the previous year. The increase is connected to the very low quantities from the previous financial year, which had delayed productions in the early months of 2024, a circumstance that did not occur by the end of this financial year.

The adjacent table shows the breakdown of inventories by company as at 31 December 2024.

18. Trade receivables

As at 31 December 2024, the value of the Group's trade receivables amounted to a total of €242,577 thousand (as at 31 December 2023, it amounted to €326,707 thousand) net of the related provision for doubtful debts of €4,341 thousand. The adjacent table provides the detailed breakdown.

AMOUNTS IN THOUSAND EUROS	GROSS INVENTORY VALUE	INVENTORY WRITE-DOWN PROVISION	TOTAL INVENTORIES 31.12.2024
Siderurgica S.p.A.	134,663	(3,314)	131,350
ESF Elbe-Stahlwerke Feralpi GmbH	139,343	(4,316)	135,028
Calvisano S.p.A.	40,681	(1,753)	38,927
Caleotto S.p.A.	11,452	(1,591)	9,861
Presider S.p.A.	14,507	(340)	14,167
Nuova Defim S.p.A.	12,098	-	12,098
Arlenico S.p.A.	25,458	-	25,458
Presider Armature	4,448	(190)	4,258
Feralpi Algerié S.a.r.l.	1,861	-	1,861
Industria de Expositores y Parrilas S.A.	2,974	-	2,974
TOTAL INVENTORIES	387,486	(11,504)	375,983

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Trade receivables from third parties	246,918	332,361
Provision for doubtful debts	(4,341)	(5,654)
TOTAL	242,577	326,707

The nominal value of receivables was adjusted to their presumed realisable value by means of a special provision for doubtful debts, which underwent the following changes during the year (refer to the adjacent table):

BALANCE 1 JANUARY 2024	5,654
Provisions	132
Provision uses/releases	(1,445)
BALANCE 31 DECEMBER 2024	4,341

The decrease in trade receivables is partly related to the reduction in turnover compared to the previous year, as there are no significant deferrals in terms of collection.

In addition, during the year, non-recourse assignment transactions were carried out with leading banks concerning trade receivables with a nominal value of €47,177 thousand.

The credit quality of customers is assessed on the basis of an evaluation of their creditworthiness. Individual credit limits are also set for all customers on the basis of this assessment. Outstanding receivables from customers and contract assets are regularly monitored. At each reporting date, an impairment analysis is conducted on receivables, using a matrix to measure expected losses. Impairment percentages are determined on the basis of days past due and by grouping receivables from customers that are characterised by similar causes of impairment (geographic area, type of product, type of customer, rating, presence of guarantees or other insurance). The calculation is based both on the probability of credit recovery and on a historical analysis of credit losses, which, it is noted, have never been of a significant amount. Finally, the valuation takes into account the time factor of money, and information on past events that are available at the reporting date, current conditions and expected market scenarios. This analysis led to a release of the provision for doubtful debts amounting to €1,192 thousand.

The adjacent table provides the breakdown of receivables by past due band and geographical area.

AMOUNTS IN THOUSAND EUROS	TOTAL AS AT 31/12/2024	NOT PAST DUE	PAST DUE 0-30	PAST DUE 30-60	PAST DUE 60-90	PAST DUE 90-180	PAST DUE OVER 180
Italy	180,889	163,580	5,976	1,223	7,462	2,628	19
Europe	46,810	41,667	4,464	230	85	127	237
Extra - Europe	19,220	15,955	3,032	64	126	23	19
GROSS TRADE RECEIVABLES	246,918	221,202	13,472	1,517	7,673	2,779	275
Incidence %	2%	0%	6%	32%	11%	27%	386%
Write-down of receivables	(4,341)	(329)	(847)	(479)	(867)	(1,561)	(257)
NET TRADE RECEIVABLES	242,577	220,873	12,625	1,038	6,806	1,218	18

19. Receivables from parent companies of a commercial nature and for tax consolidation

As at 31 December 2024, the receivables from parent companies were reduced to zero because Feralpi Holding S.p.A. was demerged in November 2024, as further explained in Section 2. Furthermore, again as a result of the demerger, the Group's consolidated tax group that was headed by Feralpi Holding S.p.A. ceased to exist.

20. Trade receivables from associates

As at 31 December 2024, the value of trade receivables from associates amounted to a total of €49,625 thousand compared to €30,616 thousand in the previous year. This item refers mainly to trade receivables for sales of wire rod made to the associate Unifer S.p.A., owned by Alpifer S.r.l., from Feralpi Siderurgica S.p.A, and Caleotto S.p.A.

21. Tax receivables

As at 31 December 2024, the Group's tax receivables amounted to €2,626 thousand, compared to €7,898 thousand in the previous year.

As in the previous year, this item refers entirely to the IRAP receivable claimed by the Group. In addition, the decrease during the year was due to the non-recourse sale by Feralpi Siderurgica S.p.A. for €6,915 thousand.

AMOUNTS IN THOUSAND EUROS

	31.12.2024	31.12.2023
IRES credits	-	9,049
Trade receivables	-	20
IVA credits	-	-
TOTAL CURRENT RECEIVABLES FROM PARENT COMPANIES	-	9,069

22. Current financial assets

As at 31 December 2024, the Group's current financial assets amounted to €5,563 thousand, compared to €7,560 thousand in 2023. Details are provided below:

AMOUNTS IN THOUSAND EUROS

	31.12.2024	31.12.2023
Financial receivables - purchase of equity investments	4,690	4,663
Receivables from Alpicapital	-	2,400
Other receivables	873	497
TOTAL CURRENT FINANCIAL ASSETS	5,563	7,560

Financial receivables for the purchase of equity investments refer to the advance paid by the company Feralpi Villasor S.r.l., for the purchase of shares in a company whose objective is to obtain the necessary authorisations for the construction of a photovoltaic

park. In addition, it should be noted that the receivable claimed by the Company from Alpicapital was assigned to Feralpi Farm Srl. Other receivables, on the other hand, refer to receivables for interest income accrued but not yet collected.

23. Other current assets

As at 31 December 2024, the Group's other receivables amounted to €55,698 thousand, compared to €63,560 thousand in the previous year. The adjacent table provides a detailed breakdown.

This item shows an overall decreases over the previous year as a result of a combination of events, the main ones of which are discussed below:

- ◇ Increase in energy-intensive subsidies of €9,380 thousand. The contributions entered as at 31 December 2024 relate to the company ESF Elbe-Stahlwerke Feralpi GmbH;
- ◇ Decrease in VAT credit for a total of €6,124 thousand mainly due to the ESF Group;
- ◇ Collection of insurance credit for €6,139 thousand referring to damages suffered due to atmospheric events during the previous year.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Energy-intensive subsidies	37,014	27,634
VAT credit	6,434	12,558
Tax credits for R&D and Industry 4.0	5,179	8,242
Insurance receivable		6,139
Sundry receivables	2,559	2,433
Stock sale credit - customers to AFV Beltrame	-	2,418
Energy and mineral oil tax credits	156	1,709
Accrued income and prepaid expenses	3,639	1,198
Other tax receivables	291	1,076
Social security institutions	176	153
Advance payments to suppliers	250	-
TOTAL OTHER CURRENT ASSETS	55,698	63,560

24. Cash and cash equivalents and short-term deposits

As at 31 December 2024, the Group's cash and cash equivalents and short-term deposits amounted to €50,720 thousand, compared to €173,189 thousand in the previous year. The adjacent table provides a detailed breakdown.

The restricted current account as at 31 December 2023 amounting to €44,101 thousand referred to one-month term deposit accounts of the subsidiary ESF Elbe-Stahlwerke Feralpi GmbH.

The balance includes cash in hand and in bank accounts, as well as bank deposits that bear interest at a rate in line with the market rate. For a better understanding of cash outflows and inflows during the year, please refer to the cash flow statement.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Bank and postal deposits	50,716	129,080
Cash and valuables in hand	5	8
Restricted current account	-	44,101
TOTAL CASH AND CASH EQUIVALENTS	50,720	173,189

25. Shareholders' Equity

For an analysis of the changes, please refer to the statement of changes in consolidated shareholders' equity. The following is a breakdown of shareholders' equity.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Share capital	50,000	50,000
Other reserves	883,762	863,261
First Time Adoption reserve	(2,130)	(2,130)
Cash flow hedge reserve	1,528	3,844
Reserve for actuarial gains /(losses)	(99)	(167)
Profit/loss for the year	(37,798)	12,872
TOTAL	895,263	927,680
Minority interest Shareholders' equity	331	274
Minority interest profit	56	24
TOTAL SHAREHOLDERS' EQUITY	895,650	927,978

Share capital

As at 31 December 2024, the Share capital of the Parent Company Feralpi Siderurgica S.p.A. amounted to €50,000 thousand, unchanged from the previous year and fully subscribed and paid-up; it consisted of 5,000,000 ordinary shares with a value of €10 each. There are no shares encumbered by rights, privileges or restrictions on the distribution of dividends.

The item Other reserves is detailed below.

DESCRIPTION AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Share premium reserve	13,600	13,600
Reserves for shareholders' capital contributions	40,700	33,000
Revaluation reserves	27,460	27,460
Legal reserve	9,798	8,259
Foreign exchange difference reserve	548	696
Retained earnings/(accumulated losses)	791,656	780,246
TOTAL OTHER RESERVES	883,762	863,261

Share premium reserve

As at 31 December 2024, the item amounted to €13,600, unchanged from the previous year.

Legal reserve

As at 31 December 2024, this reserve amounted to €9,798 thousand, increased from the previous period by €1,539 thousand.

Revaluation reserve

As at 31 December 2024, it amounted to €27,460, unchanged from the previous year.

Reserves for shareholders' capital contributions

The increase in the Reserves for shareholders' capital contributions of €40,700 thousand, further increased by €7,700 thousand, reflects the increase made by the parent company Feralpi Holding S.p.A. before its demerger, effective from 27 November 2024.

First Time Adoption reserve

The reserve relates to the recognition made on the first-time application of IAS/IFRS.

Reserve for actuarial gains (losses)

The item "Reserve for actuarial gains (losses)" as at 31 December 2024 includes the net effect on actuarial gains (losses) resulting from the application of the amendment to IAS 19 (Employee Benefits), recognised directly in equity.

Cash flow hedge reserve

The reserve as at 31 December 2024 amounted to €1,528 and included the change in fair value of derivatives net of the related tax effect.

Retained earnings/(accumulated losses)

As at 31 December 2024, the item amounted to €791,656 thousand, and the changes that occurred during the year mainly related to the carry-forward of the 2024 profit.

25.1. Other comprehensive income components, net of tax

Details of the changes in other comprehensive income components are shown below:

AMOUNTS IN THOUSAND EUROS	CASH FLOW HEDGE RESERVE	HEDGING COST RESERVE	FV RESERVES FOR FINANCIAL ASSETS MEASURED AT FV THROUGH OTHER COMPREHENSIVE INCOME	RESERVE FOR TRANSLATION DIFFERENCES	ASSET REVALUATION RESERVE	RESERVE FOR EMPLOYEE BENEFITS	TOTAL
Exchange rate differences on translation of foreign currency transactions				(72)		-	(72)
Forward contracts on commodities						-	-
IRS contracts	(2,315)						(2,315)
Actuarial changes on pension plans						67	67
	(2,315)	-	-	(72)	-	67	(2,320)

25.2. Reconciliation statement between Shareholders' equity and net profit of the parent company and consolidated Shareholders' equity and net profit

The reconciliation between Feralpi Siderurgica S.p.A.'s shareholders' equity and net profit for the year and the respective figures in the Consolidated financial statements as at 31 December 2024 is as follows:

AMOUNTS IN THOUSAND EUROS	RESULT FOR THE PERIOD - 2024	CAPITAL AND RESERVES	SHAREHOLDERS' EQUITY 31.12.2024
Feralpi Siderurgica S.p.A.	(26,333)	538,167	511,834
Intra-group margins included in the value of inventories	802	(1,191)	(389)
Subsidiary contribution	(17,321)	732,203	714,882
Elimination of equity investments in subsidiaries		(348,406)	(348,406)
Dividend elimination			-
Consolidation with the equity method	3,069	13,776	16,845
Other minor items		227	227
IFRS effects	2,042	(1,384)	658
CONSOLIDATED PROFIT (LOSS)/CAPITAL	(37,742)	933,392	895,650
MINORITY INTEREST PROFIT (LOSS)/MINORITY INTEREST CAPITAL	56	331	387
GROUP PROFIT (LOSS)/CAPITAL	(37,798)	933,061	895,263

25.3. Profit (Loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to the parent company's ordinary shareholders (after adjustment to account for interest on bonds convertible into preference shares, if any) by the weighted average number of ordinary shares outstanding during the year and those potentially arising from the conversion of all convertible bonds.

The result and share information used in the calculation of basic and diluted earnings per share are shown in the adjacent table.

AMOUNTS IN THOUSAND EUROS	2024	2023
Profit (Loss) attributable to ordinary shareholders of the parent company:		
Operating assets	(37,798)	12,872
Assets held for sale	-	-
PROFIT (LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE PARENT COMPANY FOR BASIC EARNINGS	(37,798)	12,872
Interest on convertible bonds	-	-
NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE PARENT COMPANY ADJUSTED FOR DILUTED EFFECT	(37,798)	12,872
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (EXCLUDING TREASURY SHARES) FOR THE PURPOSE OF BASIC EARNINGS PER SHARE	5,000,000	5,000,000
Effect of dilution:		
Stock options	-	-
Bonds convertible into preference shares	-	-
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ADJUSTED FOR DILUTION EFFECT	5,000,000	5,000,000
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE PARENT COMPANY FOR THE PURPOSE OF CALCULATING BASIC AND DILUTED EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	(7.56)	2.57

26. Financial payables (current and non-current)

Financial payables as at 31 December 2024 amounted to €192,506 thousand (€201,180 thousand as at 31 December 2023). The item is split between non-current and current portions, respectively, amounting to €84,686 thousand and €107,820 thousand. Please refer to the adjacent table for more details.

It should be noted that the item Loans to banks has primarily decreased following the repayment of loans amounting to €51,341 thousand. It should be noted that there was no need to calculate the covenants on the current loan, as it was fully settled in January 2025 for €54,200 thousand, following the disbursement of a new loan, as further detailed in subsequent events. Current and non-current financial payables showed an overall decrease of €8,674 compared to the previous year.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Loans to banks	84,628	133,191
Payables for derivative instruments	58	254
TOTAL NON-CURRENT FINANCIAL PAYABLES	84,686	133,445
Loans to banks	49,763	49,018
Bank overdrafts and invoice advances	57,858	16,018
Convertible bonds	-	-
Payables to other lenders	-	-
Payables for derivative instruments	199	295
Financial payables to parent companies	-	1,283
Deferred price for acquisition of Saexpa Group	-	1,120
TOTAL CURRENT FINANCIAL PAYABLES	107,820	67,734
TOTAL FINANCIAL PAYABLES	192,506	201,180

The bank loans received by Feralpi Group as at 31 December 2024 are summarised below at nominal value.

As mentioned in Note 2, in the first months of 2025 the existing pool loan amounting to €54,200 thousand was fully repaid.

COUNTERPART	ORIGINAL AMOUNT	AMOUNT AS AT 31.12.2024	DISBURSEMENT DATE	EXPIRY	PARAMETER	SPREAD
INTESA SAN PAOLO	10,500	3,150	05/03/2021	04/03/2026	6-month Euribor	0.95
INTESA SAN PAOLO	29,500	8,850	05/03/2021	04/03/2026	6-month Euribor	0.7
UNICREDIT	10,000	487	01/06/2015	30/06/2025	6-month Euribor	0.85
UNICREDIT	6,000	375	21/01/2021	31/01/2025	3-month Euribor	1.3
UNICREDIT	4,000	1,667	21/01/2021	31/01/2026	3-month Euribor	0.75
SIMEST	480	360	04/06/2021	31/12/2027	Fixed rate	0.55
BNL	60,000	34,200	31/01/2022	30/12/2026	6-month Euribor	1.15
BNL	20,000	20,000	31/01/2022	30/12/2026	6-month Euribor	1.4
UNICREDIT	10,000	7,500	02/03/2023	31/12/2027	3-month Euribor	0.9
INTESA SAN PAOLO	10,000	7,500	02/03/2023	31/12/2027	3-month Euribor	0.9
UNICREDIT	282	370	12/06/2023	31/12/2025	6-month Euribor	1.9
UNICREDIT	2,421	1,725	12/06/2023	31/12/2025	Fixed rate	0.8
MPS	3,500	831	11/03/2021	28/02/2026	6-month Euribor	1
Banca Santa Giulia	550	183	14/05/2021	01/10/2025	6-month Euribor	2
MPS	1,500	356	11/03/2021	28/02/2026	6-month Euribor	1
UNICREDIT	2,000	833	31/03/2021	31/03/2026	6-month Euribor	0.75
Banca Santa Giulia	360	270	27/04/2021	31/12/2027	6-month Euribor	0.55
Banca Santa Giulia	550	183	14/05/2021	01/10/2025	6-month Euribor	2
Banca Santa Giulia	950	317	21/09/2021	01/10/2025	6-month Euribor	2.75
UNICREDIT	5,500	2,292	11/02/2021	28/02/2026	6-month Euribor	0.75
KWF1 Club Deal	1,440	20,000	14/04/2022	31/12/2028	Fixed rate	1.5
KWF2 Club Deal	1,470	22,500	29/11/2022	31/12/2028	Fixed rate	1.5
Banco de Santander	700	236	30/04/2020	03/04/2025	Fixed rate	0.98
Banco del Sabadell	900	410	31/03/2021	31/03/2026	Fixed rate	0.85
TOTAL	182,603	134,595				

The Group's outstanding liability derivative contracts are summarised below with their market value as at 31 December 2024.

CONTRACT TYPE	COUNTERPART	POSITION	START DATE	EXPIRY DATE	NOTIONAL (EURO/000)	MARKET VALUE 31.12.24 (EUROS)
Rate Coverage	UNICREDIT	Buy	30/06/2023	31/12/2027	10,000	129
Rate Coverage	INTESA SANPAOLO	Buy	09/05/2023	31/12/2027	10,000	128
TOTAL						257

IRS derivatives designated as hedging
lease refer to the description in note 14.
Non-current financial assets

26.1. Analysis of net financial debt

The net financial debt schedule was prepared on the basis of the latest ESMA guidelines.

In accordance with the ESMA Guidelines dated 4 March 2021, the Net Financial Position mentioned above excludes trade payables owed to strategic suppliers with whom agreements have been made to extend original payment terms through arrangements with a major financial institution. Under these arrangements, the Group pays invoices issued by these suppliers directly to the involved financial institution, while the suppliers have the option, on an invoice-by-invoice basis, to receive payment from the financial institution earlier than the agreed extension. At the reporting date, the payables recorded and subject to these agreements and classified among trade payables amount to €31,915 thousand. Please refer to Note 31 for further details.

The consolidated Net Financial Position reports a net debt value of €155,552 thousand, compared to €45,557 thousand reported as at 31 December 2023. The increase is due to investment activities carried out during the year and the reduction in working capital.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
A - Cash	50,720	173,189
B - Cash equivalents	-	-
C - Other current financial assets	-	-
D - LIQUIDITY (A+B+C)	50,720	173,189
E - Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	4,057	6,352
F - Current part of non-current financial debt	107,545	65,332
G - CURRENT FINANCIAL DEBT (E + F)	111,601	71,684
H - NET CURRENT FINANCIAL DEBT (G - D)	60,881	(101,505)
I - Non-current financial debt (excluding current portion and debt instruments)	94,671	147,062
J - Debt instruments	-	-
K - Trade and other non-current payables	-	-
L - NON-CURRENT FINANCIAL DEBT (I + J + K)	94,671	146,554
M - TOTAL FINANCIAL DEBT (H + L)	155,552	45,557

27. Liabilities for employee benefits

As at 31 December 2024, liabilities for employee benefits amounted to a total of €5,090 thousand, compared to €5,272 thousand in the previous year, and related solely to the Group's Italian companies.

The provision set aside represents the company's actual debt at year-end to employees in force at that date, net of advances paid.

The valuation of the provision for severance indemnity, as required by the international accounting standard IAS 19, follows the method of projecting the present value of the defined benefit obligation with an estimate of the benefits accrued by employees. Following the changes introduced by Law no. 296 of 27 December 2006 ("2007 Budget Law") and subsequent implementing Decrees and Regulations, the severance indemnities accrued up to 31 December 2006 will continue to remain with the company, constituting a defined benefit plan (obligation for accrued benefits subject to actuarial valuation), while the portions accruing from 1 January 2007 as a result of the choices made by employees during the year, will be allocated to supplementary pension schemes or transferred by the company to the treasury fund managed by INPS, representing defined contribution plans (no longer subject to actuarial valuation) from the moment the choice is formalised by the employee.

The determination of the employee severance indemnity is thus the result of the application of an actuarial model that is based on various assumptions, both demographic and economic.

The adjacent table shows the economic technical bases used.

AMOUNTS IN THOUSAND EUROS

BALANCE 31 DECEMBER 2023	5,272
Provisions	2,982
Use of provisions and payment to social security funds	(3,112)
Other changes	-
Discount interest from previous year	-
Actuarial gains and losses	(52)
BALANCE 31 DECEMBER 2024	5,090

SUMMARY OF ECONOMIC ASSUMPTIONS	31.12.2024	31.12.2023
Annual discount rate	3.38%	3.17%
Annual inflation rate	2.00%	2.30%
Annual rate of increase in employee severance indemnity	3.000%	3.000%
Annual rate of salary increase	1.00%	1.00%
SUMMARY OF DEMOGRAPHIC ASSUMPTIONS	31.12.2024	31.12.2023
Turnover rate	3.00%	3.00%
Advance rate	3.00%	3.00%
Probability of death	ISTAT 2022	RG48
Probability of disability	INPS Tables	INPS Tables
Retirement	100% upon fulfilment of AGO requirements	100% upon fulfilment of AGO requirements

SENSITIVITY ANALYSIS OF KEY EVALUATION PARAMETERS (AMOUNTS IN THOUSAND EUROS)	DBO AS AT 31 DECEMBER 2024	DBO AS AT 31 DECEMBER 2023
Turnover rate +1.00%	5,109	5,287
Turnover rate -1.00%	5,069	5,255
Inflation rate +0.25%	5,153	5,335
Inflation rate -0.25%	5,028	5,209
Discount rate +0.25%	4,999	5,179
Discount rate -0.25%	5,184	5,367

The discount rates used for the valuation of the liability are defined, as provided for in para. 83 of IAS 19, based on the yield curves of high-quality fixed-income securities, whereby the amounts and maturities correspond to the amounts and maturities of estimated benefit payments.

28. Provisions for risks and charges

As at 31 December 2024, the item Provisions for risks and charges amounted to a total of €3,481 thousand, compared to €6,614 thousand in the previous year. Below is a breakdown of their movement and composition:

AMOUNTS IN THOUSAND EUROS	SUPPLEMENTARY CUSTOMER ALLOWANCE	SLAG DISPOSAL	OTHER RISK PROVISIONS	TOTAL PROVISIONS FOR RISKS AND CHARGES
BALANCE 31 DECEMBER 2023	1,040	507	5,067	6,614
Provisions	145	187	275	607
Provision discounting	(28)	-	-	(28)
Provision uses and releases	(3)	(507)	(3,203)	(3,712)
BALANCE 31 DECEMBER 2024	1,154	187	2,139	3,481

As shown in the table, the provisions for risks and charges include the supplementary customer allowance, the provision for slag disposal and other risk provisions. The item "Other risk provisions" is equal to €2,139 thousand and relates to provisions made during

the year for €275 thousand. The use amounts to €3,203 thousand, with the most significant elements pertaining to the resolution of the dispute with the tax authorities and the closing of the provision for CO₂ allowances allocated in the preceding year.

Information on pending litigation

The Group has ongoing legal disputes with personnel and for the reclamation of land belonging to Feralpi Siderurgica S.p.A. Adequate risk provisions have been set aside for both types.

29. Other non-current liabilities

Other non-current liabilities amounted to €859 thousand as at 31 December 2024, essentially unchanged from the previous year (refer to the adjacent table).

The item security deposits includes €850 thousand for security deposits received by the German subsidiary ESF Elbe-Stahlwerke Feralpi GmbH as a guarantee for the supply of goods.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Security deposits	858	858
Other non-current liabilities	1	2
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	859	860

30. Trade payables to parent companies and for tax consolidation

Trade payables to parent companies and for tax consolidation as at 31 December 2024 amounted to €0, compared to €431 thousand in the previous year. The adjacent table provides the detailed breakdown.

The strong decrease in the item is attributed to the demerger of Feralpi Holding S.p.A. on 27 November 2024, which resulted in the termination of all creditor and debtor positions with it. For more details on the operation, please refer to note 2.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Payables to parent companies for IRES	-	399
Trade payables to parent companies	-	32
TOTAL CURRENT RECEIVABLES FROM PARENT COMPANIES	-	431

31. Trade payables

Trade payables as at 31 December 2024 amounted to €385,381 thousand, compared to €279,172 thousand last year. The adjacent table provides the detailed breakdown.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Trade payables to suppliers	379,825	272,726
Advances	5,556	6,446
TOTAL	385,381	279,172

Trade payables are stated net of trade discounts. The nominal value of these payables has been adjusted for returns or allowances (billing adjustments) to the extent of the amount defined with the counterpart. As at 31 December 2024, payables to suppliers have increased compared to the previous year, mainly due to investment activity in the group's production sites. The increase in investments is also evident from the table of property, plant, and equipment.

Included in trade payables is €31,915 thousand owed to strategic suppliers, with whom arrangements have been made to extend the original due dates by up to a maximum of 300 days beyond the initially agreed payment terms.

The deferral was carried out through the signing of agreements with a leading financial institution, whereby the Group makes payments of invoices issued by these suppliers directly to the financial institution involved, which pays the suppliers at the natural maturity of the issued invoices.

There are no additional financial charges related to these agreements except for one-off bank fees of a non-significant amount paid at the finalisation of these agreements.

The Group evaluated these agreements to determine if the payables still met the definition of trade payables or if they should be classified as financial liabilities. Taking into account the terms of these agreements and the analysis of their characteristics, the Group concluded that as at 31 December 2024, these payables met the criteria to be included among trade payables.

As at 31 December 2024, payables for advances amounted to €5,556 thousand. The main item relates to the parent company and refers to the advance received for the future sale of an area to the high-speed rail network. The remainder are advances received from customers.

The Group has no significant overdue amounts.

32. Trade payables to associates

Trade payables to associates as at 31 December 2024 amounted to €52,703 thousand compared to €61,602 thousand in the previous year.

Trade payables to associates mainly include payables of the parent company and Acciaierie di Calvisano S.p.A. to the associate Media Steel S.r.l. for scrap supplies.

33. Tax payables

Tax payables as at 31 December 2024 amounted to €8,480 thousand, compared to €19,434 thousand in the previous year. The item includes payables solely for the income taxes of the group companies, both Italian and foreign.

34. Other current liabilities

Other current liabilities amounted to €43,685 thousand as at 31 December 2024, compared to €41,633 thousand the previous year. Details are given below:

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Personnel costs allocated	14,011	17,048
Bonuses to customers	5,300	7,074
Payables to social security institutions	6,471	6,088
Accrued expenses and deferred income	7,934	5,516
Irpef debt	2,940	2,584
Other current liabilities	-	1,860
VAT debt	7,029	1,462
TOTAL OTHER CURRENT LIABILITIES	43,685	41,633

The most significant payable relates to the December salaries of employees and partners, which are, as usual, paid in the following month. The item for accrued expenses and deferred income mainly refers to the deferral of contributions of 4.0 tax credits.

Bonuses to customers, on the other hand, refer to bonuses earned by customers of the subsidiary ESF Elbe-Stahlwerke Feralpi GmbH who are members of the consortium.

35. Revenues from contracts with customers

Revenues from contracts with Group customers as at 31 December 2024 amounted to €1,652,984 thousand, compared to €1,724,219 thousand in the previous year.

The breakdown by geographical area is provided in the adjacent table.

AMOUNTS IN THOUSAND EUROS	2024	2023
Revenues from contracts with customers	1,652,984	1,724,219
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS	1,652,984	1,724,219

AMOUNTS IN THOUSAND EUROS	2024	2023
Italy	626,649	658,282
E.U. countries	868,948	921,628
Non-EU countries	157,387	144,309
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS	1,652,984	1,724,219

36. Rental income

The Group's rental income as at 31 December 2024 amounted to €806 thousand, compared to €1,043 thousand in the previous year.

Rental income refers to recharges of rented space to companies outside the scope of consolidation and to the rental of industrial mobile platforms to third parties. The decrease compared to the previous year mainly refers to the lower revenues earned by Pre-sider S.p.A. for the rental of industrial platforms.

AMOUNTS IN THOUSAND EUROS	2024	2023
Rental income	806	1,043
TOTAL RENTAL INCOME	806	1,043

37. Other income

As at 31 December 2024, other Group income amounted to €27,764 thousand, compared to €22,475 thousand in the previous year. The adjacent table provides a detailed breakdown.

Operating grants amounting to €3,414 thousand mainly refer to subsidies from institutional bodies for research and development or investment projects. The item “Energy revenues/Sale of CO₂ allowances” amounting to €16,007 thousand pertains to the sale of CO₂ allowances by Feralpi Siderurgica S.p.A. and its subsidiary, ESF Elbe-Stahlwerke Feralpi GmbH, accounted for primarily using the free allowances allocated compared to those purchased for a fee.

AMOUNTS IN THOUSAND EUROS	2024	2023
Operating grants	3,414	5,337
Insurance reimbursements	902	6,982
Capital gain on sale of assets	737	2,126
Refund of customs charges	568	1,020
Energy revenues/Sale of CO ₂ allowances	16,007	576
Release of funds	1,439	1,600
Property Sale	-	1,000
Other income	4,697	3,834
TOTAL OTHER INCOME	27,764	22,475

38. Raw materials and consumables

As at 31 December 2024, costs for raw materials and consumables used by the Group amounted to €1,176,036 thousand, compared to €1,071,218 thousand for the year. The adjacent table provides a detailed breakdown.

See note 17 to the statement of financial position for changes in inventories. It should be noted that the cost of scrap accounted for 80% of the total raw material cost.

For more information on the economic performance for the year, please refer to the Report on Operations.

AMOUNTS IN THOUSAND EUROS	2024	2023
Purchase of finished products, raw materials, supplies and consumables	1,215,335	1,052,029
Change in inventories of raw materials, supplies and consumable and goods	39,299	19,189
TOTAL COSTS FOR RAW MATERIALS AND CONSUMABLES	1,176,036	1,071,218

39. Cost of services

As at 31 December 2024, the Group's cost of services amounted to €382,162 thousand compared to €380,246 thousand in the previous year. The adjacent table provides a detailed breakdown.

The item Hires - Rentals of costs of services mainly refers to contracts for which the Group has applied the IFRS 16 exemption.

In the financial year 2024, costs of services are substantially in line with the previous year.

AMOUNTS IN THOUSAND EUROS	2024	2023
Miscellaneous energy and utilities	159,075	165,155
Maintenance and third-party services	37,517	63,592
Internal transport and transfers	66,343	61,183
Production services	57,453	39,202
Consultancy, Insurance, Advertising	22,472	18,429
Commissions	13,624	15,412
Fees for user licences	4,909	3,483
Hires - Rentals	2,141	2,531
Directors' compensation	2,232	2,020
Board of Statutory Auditors' compensation	170	170
Other miscellaneous minor items	16,227	9,071
TOTAL COST OF SERVICES	382,162	380,246

40. Personnel costs

As at 31 December 2024, the Group's personnel costs amounted to €138,277 thousand, compared to €126,408 thousand in 2023. The adjacent table provides a detailed breakdown.

This item includes the entire expense for employees, including merit increases, promotions, automatic cost-of-living increases, the cost of untaken holidays and provisions as provided for by law and collective agreements, bonuses to be paid for the achievement of certain objectives, and costs related to temporary staff if employed.

AMOUNTS IN THOUSAND EUROS	2024	2023
Wages and salaries	101,763	93,393
Social security contributions	27,755	25,895
Employee severance indemnity	2,986	2,739
Other personnel costs	5,773	4,381
TOTAL PERSONNEL COSTS	138,277	126,408

In the year 2024, personnel costs increased by €11,745 thousand. This increase is mainly due to contractual salary increases in Italy and cost-of-living adjustments in the German subsidiaries.

The adjacent table shows the number of Group employees by category and the average number:

EMPLOYEES AT YEAR-END	2024	2023
Executives	38	39
Employees	575	558
Blue-collars	1,373	1,325
TOTAL EMPLOYEES	1,986	1,922

AVERAGE ANNUAL EMPLOYEES	2024	2023
Executives	38	39
Employees	574	522
Blue-collars	1360	1,326
TOTAL EMPLOYEES	1,972	1,887

41. Other operating costs

As at 31 December 2024, other operating costs amounted to €6,208 thousand, compared to €12,229 thousand in 2023. The adjacent table provides a detailed breakdown.

Under “CO₂ allowances - Guarantees of origin”, the purchases of guarantees of origin and CO₂ allowances are accounted for. This item is down compared to the previous year, as in the current year the item is only Guarantees of origin.

Miscellaneous taxes and duties mainly refer to costs for IMU (municipal property tax), regional taxes for land reclamation, TARI (waste tax).

AMOUNTS IN THOUSAND EUROS	2024	2023
Provisions for risks	236	2,050
Loss on sale/disposal of assets	173	3,450
Charity	199	112
Membership fees	617	814
Miscellaneous taxes and duties	1,962	1,968
Deductible credit losses	22	272
CO ₂ allowances - Guarantees of origin	1,345	2,062
Other operating costs	1,655	1,501
TOTAL OTHER OPERATING COSTS	6,208	12,229

42. Increases in fixed assets for in-house work

As at 31 December 2024, increases in fixed assets for in-house work amounted to €6,227 thousand, compared to €6,541 thousand in the previous year.

Increases in fixed assets refer to the participation of internal staff in the extraordinary maintenance and construction on a timework basis of certain parts of investments carried out during the year.

AMOUNTS IN THOUSAND EUROS	2024	2023
Increases in fixed assets for in-house work	6,227	6,541
TOTAL INCREASES IN FIXED ASSETS FOR IN-HOUSE WORK	6,227	6,541

43. Depreciation and amortisation

As at 31 December 2024, the Group's depreciation, amortisation and write-downs amounted to €70,306 thousand, compared to €65,391 thousand in the previous year. The adjacent table provides a detailed breakdown.

As regards depreciation and amortisation, it is specified that it was calculated on the basis of the useful life of the assets and their use in the production phase, taking into account technical and technological obsolescence, as well as physical-technical degradation.

The increase of €4,915 thousand is mainly due to the commissioning of new plants during the year and, to a lesser extent, to the transfer of the above-mentioned business unit, which generated higher amortisation of intangible assets.

44. Reversal/(Write-down) of financial assets

In 2024, the item Reversal/(write-down) of financial assets is positive and equal to €132 thousand, against €(1,177) thousand in the previous year. The adjacent table provides a detailed breakdown.

The item write-down of equity investment for the previous financial year refers to the write-down held in Metal Interconnector following the capital increase carried out during the year by Feralpi Siderurgica S.p.A. and Acciaierie di Calvisano S.p.A., as they did not consider its value recoverable. In 2024, no write-down was made, and the item is zero.

AMOUNTS IN THOUSAND EUROS	2024	2023
Amortisation of intangible fixed assets	3,864	4,096
Depreciation of tangible fixed assets	62,532	57,757
Amortisation of right of use	3,783	3,538
Write-down of tangible fixed assets	127	-
TOTAL DEPRECIATION, AMORTISATION AND WRITE-DOWNS	70,306	65,391

AMOUNTS IN THOUSAND EUROS	2024	2023
Reversal / (Write-down) of receivables included in current asset and cash and cash equivalents	(132)	672
Write-down of Metal Interconnector equity investment	-	(1,849)
TOTAL REVERSAL/(WRITE-DOWN) OF FINANCIAL ASSETS	(132)	(1,177)

45. Financial income

As at 31 December 2024, the Group's financial income amounted to €1,199 thousand, compared to €2,446 thousand in the previous year. The adjacent table provides a detailed breakdown.

The marked decrease compared to the previous year, as demonstrated in the table, is due to the interest accrued on *Time Deposits* closed during 2024, which are no longer present in Immobiliare Feralpi, ESF Elbe-Stahlwerke Feralpi GmbH, and Fer-Par Srl. Only the interest income relating to the Saexpa *Time Deposit* remains.

It should also be noted that the item relating to interest income concerns interest accrued on current account balances.

AMOUNTS IN THOUSAND EUROS	2024	2023
Interest income - Time deposit	183	1,704
Interest income on current accounts	756	429
Other financial income	179	226
Credit discounting and other assets	54	87
Income from derivative instruments	27	-
TOTAL FINANCIAL INCOME	1,199	2,446

46. Financial expenses

As at 31 December 2024, the Group's financial expenses amounted to €7,676 thousand, compared to €7,886 thousand in 2023. The adjacent table provides a detailed breakdown.

As a result of the demerger that occurred during the year, the financial expenses to Feralpi Holding S.p.A. were cancelled, resulting in the closure of the loans. Financial charges on credit lines increased significantly compared to the previous year due to the opening of new lines and also due to the increase in interest rates related to the economic situation.

AMOUNTS IN THOUSAND EUROS	2024	2023
Interest to Feralpi Holding S.p.A.	-	2,611
Bank interest for mortgages	2,217	2,564
Bank interest for credit lines	3,030	1,582
Interest on credit facilities	1,610	479
Finance charges on financial lease liabilities	510	355
Other interest expenses	309	294
Hedging interest	-	-
TOTAL FINANCIAL CHARGES	7,676	7,886

47. Share of profit of associates and joint ventures

In 2024, the share of profit of associates and joint ventures amounted to €3,069 thousand, compared to €3,855 thousand in the previous year. The adjacent table provides a detailed breakdown.

AMOUNTS IN THOUSAND EUROS	2024	2023
Alpifer S.r.l.	2,307	3,236
Dima S.r.l.	442	570
Media Steel S.r.l.	320	49
TOTAL SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES	3,069	3,855

48. Exchange gains and (losses)

The item Exchange gains and (losses) for the year 2024 amounts to a loss of €144 thousand compared to a loss of €30 thousand in the previous year. The change is mainly attributable to the increase in purchases of raw materials from non-European countries compared to the previous year.

49. Income taxes

The tax burden for the year 2024 amounts to a positive balance of €8,472 thousand. As at 31 December 2023, the Group closed with an income tax balance of €3,451 thousand. The adjacent table provides a detailed breakdown.

AMOUNTS IN THOUSAND EUROS	2024	2023
Current taxes and income/expenses	(5,508)	2,631
Deferred tax assets	13,522	499
Deferred taxes	458	321
TOTAL INCOME TAXES	8,472	3,451

The reconciliation between the theoretical tax burden determined by applying the current Italian IRES tax rate of 24% (same value in 2023) and the actual tax burden is shown in the adjacent table.

The change in the tax rate for 2024 is primarily due to the decreased tax deductions on contributions compared to 2023, when we benefited from energy-intensive contributions.

See note 15 for details of deferred tax assets and liabilities.

AMOUNTS IN THOUSAND EUROS		2024		2023	
		TAXABLE	TAX	TAXABLE	TAX
PRE-TAX PROFIT	A	(46,213)		9,445	
Applicable tax rate (IRES)	B	24.00%		24.00%	
THEORETICAL TAXES	C=AxB	(11,091)		2,267	
Deduction of contributions for the period		(1,014)	(243)	(28,088)	(6,741)
Hyper/super amortisation		(3,277)	(786)	(5,467)	(1,312)
Joint venture shares		3,069	737	(3,308)	(794)
Intra-group dividend taxation effect		701	168	(192)	(46)
Non-deductible write-downs		2,868	688	2,375	570
Allocations to non-deductible provisions		37	9	2,563	615
Higher taxation effect of foreign companies		3,554	853	3,550	852
Other increases/decreases		4,763	1,143	3,021	725
TOTAL CHANGES	D	2,568		(6,131)	
IRAP effect	E	51		413	
TAX CHARGE RECORDED IN THE INCOME STATEMENT	F=C+D+E	(8,472)		(3,451)	

50. Information on financial risks

The Group's main financial liabilities, other than derivatives, include bank loans and financing, and trade and other payables. The main purpose of these liabilities is to finance the Group's operating activities. The Group has financial and other receivables, trade and non-trade receivables, cash and cash equivalents and short-term deposits that originate directly from operations. The Group enters into derivative contracts.

As required by IFRS, information on the main financial risks to which the Group is exposed is provided below. In particular, the Group is exposed to the following risks: market, interest rate, foreign exchange,

commodity price, securities, credit and liquidity. The Group's management is responsible for managing these risks.

It receives support in this activity from the Administration, Finance and Control Department, which provides information on financial risks and suggests an appropriate Group-wide risk management practice based on appropriate business practices and procedures so that financial risks are identified, assessed and managed as required by Group policies and procedures. It is the Group's established practice not to enter into derivatives for trading or speculative purposes. The Board of Directors reviews and approves the management policies for each of the risks outlined below.

50.1. Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will change due to changes in the market price. Market price risk comprises three types of risk: interest rate risk, currency risk and other price risks, such as equity risk and commodity price risk. Financial instruments affected by market risk include loans and financing, deposits, debt and equity instruments and derivative financial instruments.

The sensitivity analyses presented below refer to positions as at 31 December 2024 and 2023 and have been prepared under the assumption that the amount of net debt, the ratio of fixed and variable interest rates on debt and derivatives, and the portion of financial instruments in foreign currencies are all constant and aligned with the designation of hedges in place as at 31 December 2024.

The analyses exclude the impact of movements in market variables on the carrying amount of pension plans and other post-employment obligations, provisions and non-financial assets and liabilities of foreign subsidiaries.

The following assumptions were made in the calculation of the sensitivity analyses:

- ◊ the sensitivity analysis of the relevant elements of the statement of profit/(loss) for the year is the effect of changes assumed with respect to market risks. It is based on financial assets and liabilities held as at 31 December 2024 and 2023 including the effect of hedge accounting;
- ◊ the sensitivity analysis on equity is calculated considering the effect of any cash flow hedges and hedges of net investments in foreign operations as at 31 December 2024, associated with the effects of estimated changes in the underlying risk.

50.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will change due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is primarily related to long-term debt with variable interest rates.

The Group manages its interest rate risk through a balanced portfolio of loans and financing at fixed and variable interest rates. The Group's policy is to hold medium- to long-term loans at variable rates, excluding loans related to discontinued operations, against which interest rate swaps (IRS) are entered

into for no less than 50% of the amount of medium- to long-term debt. Through IRSs, the Group agrees to exchange, at defined intervals, the difference in amount between the fixed and variable rate calculated by reference to an agreed amount of notional principal. These swaps are designated to hedge the underlying debt.

The following table illustrates the sensitivity to a reasonably possible change in interest rates on that portion of debts and loans, after the impact of hedge accounting.

With all other variables held constant, the Group's pre-tax profit is affected by the impact on variable-rate loans as follows:

AMOUNTS IN THOUSAND EUROS	INCREASE/DECREASE IN BASIS POINTS	2024	2023
Pre-tax profit	+50	151	141
	-50	(151)	(141)

50.3. Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of an exposure will change as a result of changes in exchange rates. The Group's exposure to the risk of exchange rate changes mainly relates to the Group's operating activities (when revenues or costs are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. It is considered that the exchange rate risk is not significant because the transactions are carried out mainly in euros.

50.4. Commodity price risk

The Group is affected by the volatility of the price of certain commodities such as mainly ferrous scrap, energy and natural gas. The Group is exposed to changes in the price of scrap with regard to planned purchases of this product. The Group's Board of Directors has developed and implemented a risk management strategy, including the increase in sales prices to customers related to rising commodity prices, aimed at mitigating the impact of commodity prices on margins.

In the long run, trends in the price of ferrous scrap and electricity on the one hand and the price of the finished product on the other tend to run on parallel lines; any hedging transactions are assessed in the light of the liquidity of the official markets in which the main trades are conducted.

The adjacent table shows the effect of the change in raw material prices.

AMOUNTS IN THOUSAND EUROS	YEAR-END PRICE CHANGE	EFFECT ON PRE-TAX PROFIT		GROSS EFFECT ON SHAREHOLDERS' EQUITY	
		2024	2023	2024	2023
Iron scrap	10%	96,000	85,876	96,000	85,876
	-10%	(96,000)	(85,876)	(96,000)	(85,876)
Energy	10%	15,106	17,365	15,106	17,365
	-10%	(15,106)	(17,365)	(15,106)	(17,365)
Methane gas	10%	2,991	3,749	2,991	3,749
	-10%	(2,991)	(3,749)	(2,991)	(3,749)

50.5. Equity price risk

The Group's listed and unlisted equities are exposed to market price risk arising from uncertainties in the future values of securities. The Group manages price risk through diversification and by placing single or total limits on equities. Reports on the share portfolio are regularly submitted to the Group's management. The Group's Board of Directors reviews and approves all equity investment decisions.

50.6. Credit risk

Credit risk is the risk that a counterpart will not fulfil its obligations linked to a financial instrument or commercial contract, thus leading to a financial loss. The Group is exposed to credit risk arising from its operating activities (mainly trade receivables and credit notes) and its financing activities, including deposits with banks and financial institutions, foreign currency transactions and other financial instruments.

50.6.1. Trade receivables and contract assets

Trade credit risk is mitigated by the application of Group procedures and guidelines for the selection and assessment of the customer portfolio, for the definition of credit limits, for monitoring expected collection flows and for any recovery actions.

They provide, where possible and appropriate, for the conclusion of insurance policies with leading counterparts as well as, in some cases, requesting additional guarantees from customers. Group Credit Management manages and monitors credit risk in the Group.

The Group considers the concentration risk of trade receivables and contract assets to be low, based on the size of the customer portfolio and the location of customers, which operate in different countries and in partly independent markets. Credit risk is also mitigated by the use of the non-recourse assignment instrument to specialised financial operators.

50.6.2. Financial instruments and bank deposits

Credit risk related to relations with banks and financial institutions is managed by the Group Treasury in accordance with Group practice. The investment of available funds is made only with approved counterparts and within the credit limits allocated to each counterpart. Counterpart credit limits are reviewed annually by the Board of Directors and may be updated throughout the year. Limits are defined to minimise the concentration of risks and, consequently, mitigate the financial loss generated by the potential failure of the counterpart.

50.7. Liquidity risk

The Group monitors the risk of a liquidity shortage using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity in the availability of funds and flexibility in their utilisation through the use of instruments such as bank overdrafts, bank loans and leasing contracts. It is the Group's policy to adjust the maturity of loans to the cash flow generation perspectives; to this end, the Group Treasury prepares financial projections that are derived from the Business Plan, Budget and Forecast.

As at 31 December 2024, 31.6% of the Group's debt was due in less than one year. The Group assessed the risk concentration, with reference to debt refinancing, and concluded that it is low. Access to financing sources is sufficiently available and debts due within 12 months can be extended with existing lenders.

50.7.1. Risk of over-concentration

Concentration arises when a number of counterparts are engaged in a similar business or exercise their activities in the same geographical area or have economic characteristics such that their ability to honour contractual commitments is affected by economic, political or other changes. Concentration indicates the relative sensitivity of the Group's result to changes that may affect a particular sector.

In order to avoid excessive risk concentration, the Group's rules and procedures include specific guidelines for maintaining a diversified portfolio. If situations of credit risk concentration are identified, they are controlled and managed accordingly.

The adjacent table summarises the maturity profile of the Group's financial liabilities on the basis of contractually agreed undiscounted payments.

AS AT 31 DECEMBER 2024 AMOUNTS IN THOUSAND EUROS	AT SIGHT	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL
Loans and borrowings	47,274	8,800	48,837	87,595		192,506
Lease liabilities	-	-	3,781	9,964	21	13,766
Other financial liabilities	-					
Trade payables	385,381	-	-	-	-	385,381
Downstream products	-	-	257	58	-	315
TOTAL	432,655	8,800	52,875	97,617	21	591,968

AS AT 31 DECEMBER 2023 AMOUNTS IN THOUSAND EUROS	AT SIGHT	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL
Loans and borrowings	16,019		49,018	133,191		198,228
Lease liabilities			3,949	10,507	3,110	17,566
Other financial liabilities	-	1,283	1,120	-	-	2,403
Trade payables	279,172	-	-	-	-	279,172
Downstream products	-	-	254	295	-	549
TOTAL	295,191	1,283	54,341	143,993	3,110	497,918

50.7.2 Climate Risk

The Group considers climate-related issues in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts for the Group arising from both physical and transition risks. Even though the Group believes that its business model and products will remain appealing after the transition to a low-emission economy, climate-related issues increase the uncertainty of estimates and assumptions concerning numerous elements or items in the financial statements. For further details, please refer to the specific paragraph in the Unified Document.

50.8. Capital Management

For the purposes of the group's capital management, the definition includes the issued share capital, the share premium reserve and all other capital reserves attributable to the shareholders of the parent company. The main objective of capital management is to maximise shareholder value.

The Group manages the capital structure and makes adjustments according to economic conditions and the requirements of financial covenants. In order to maintain or adjust the capital structure, the Group could take action on dividends paid to shareholders, repay capital to shareholders or issue new shares. The Group monitors assets using mainly three indicators: Gearing Ratio, consisting of the ratio between Net Financial Position and Shareholders' Equity; Debt Coverage Ratio, consisting of the ratio between Net Financial Position and EBITDA; Debt Service Coverage Ratio, consisting of the ratio between Free Operating Cash Flow after taxes and loan instalments to be repaid plus related interest. The group's policy is to maintain this ratio so as to keep safety margins with respect to financial covenants. The Group's Net Financial Position includes interest-bearing loans, borrowings, leases and in general financial liabilities less cash and cash equivalents and short-term deposits and excluding discontinued operations.

AMOUNTS IN THOUSAND EUROS	2024	2023
Interest-bearing loans and borrowings	192,507	201,179
Lease payables	13,766	17,566
Less: cash and cash equivalents and short-term deposits	(50,720)	(173,189)
NET DEBT	155,552	45,556
Group and minority interest Shareholders' equity	895,650	927,978
CAPITAL AND NET DEBT	1,051,202	973,534
GEARING RATIO	14.8%	4.7%

Interest-bearing loans and borrowings also include other non-current financial liabilities.

In order to achieve this, the Group's capital management aims, among other things, to ensure that the covenants, linked to interest-bearing loans and borrowings, which define the capital structure requirements, are met. Violations of covenants would allow

banks to demand immediate repayment of loans and financing. In the current and previous years, there were no breaches of covenants in connection with interest-bearing loans and borrowings.

No changes were made to capital management objectives, policies and procedures during the year ended 31 December 2024.

50.8.1. Fair value measurement

The adjacent table compares, by individual class, the carrying amount and fair value of financial instruments held by the Group, excluding those whose carrying amount reasonably approximates fair value.

AMOUNTS IN THOUSAND EUROS	2024		2023	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
FINANCIAL ASSETS				
Non-current financial assets	3,544	3,544	6,667	6,667
Current financial assets	5,563	5,563	7,560	7,560
Cash and other liquid assets	50,720	50,720	173,189	173,189
TOTAL FINANCIAL ASSETS	59,827	59,827	187,416	187,416
FINANCIAL LIABILITIES				
Non-current financial payables	84,686	83,655	133,445	136,346
Current financial payables	107,820	107,820	67,734	67,734
TOTAL FINANCIAL LIABILITIES	192,506	191,475	201,179	204,080

Management has verified that the carrying amount of cash and cash equivalents and short-term deposits, trade receivables and payables, bank overdrafts and other current liabilities approximates fair value as a result of the short-term maturities of these instruments.

The following methods and assumptions were used to estimate fair value:

- ◇ Long-term loans and receivables, both fixed-rate and variable-rate, are assessed by the Group on the basis of parameters such as interest rates, country-specific risk factors, the individual creditworthiness of each customer and the characteristic risk of the financial project. On the basis of this valuation, allocations for estimated losses on these receivables are recognised in the accounts.
- ◇ The fair value of listed securities and bonds is based on the quoted price at the reporting date. The fair value of unlisted instruments, such as loans from banks or other non-current financial liabilities, is estimated by discounting future cash flows using current rates available for debt with similar terms, such as credit risk and remaining maturities. In addition to being sensitive to reasonably possible changes in expected cash flows or the discount rate, the fair value of equity securities is also sensitive to reasonably

possible changes in growth rates. The evaluation requires management to use unobservable input data. Management regularly defines a range of reasonably possible alternatives for these significant unobservable inputs and determines their impact on total fair value.

- ◇ The fair value of investments in unlisted companies was estimated using the discounted cash flow model. The assessment requires management to make certain assumptions with respect to model inputs, including expected cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably verified and are used in management's estimates of fair value for these investments in unlisted companies.
- ◇ There is an active market for the Group's investments in listed shares and listed debt instruments.
- ◇ The Group enters into derivative financial instruments with various counterparts, mainly financial institutions with an assigned credit rating. Derivatives measured using valuation techniques with observable market data consist mainly of interest rate swaps, currency and commodity forward contracts. The most frequently applied valuation techniques include "forward

pricing" and "swaps" models, which use present value calculations. The models consider various inputs, including the credit quality of the counterpart, foreign currency spot and forward rates, interest rate curves and forward rate curves of the underlying commodities, the yield curves of the respective currencies, and the base spread between the respective currencies. All derivative contracts are fully secured by liquidity, thus eliminating both counterpart risk and the risk of default by the Group. As at 31 December 2024, the mark-to-market value of other derivative assets is shown net of an adjustment related to the recognition of counterpart default risk in the derivative contract. The change in counterpart credit risk did not have a material effect on the assessment of hedge effectiveness for derivatives designated as hedging and for other financial instruments recognised at fair value.

- ◇ The fair value of the Group's loans and borrowings that bear interest is determined using the discounted cash flow method and using a discount rate that reflects the interest rate of the issuer at the end of the financial year. The Group's default risk as at 31 December 2024 was assessed as insignificant.

The following table shows the *fair value* hierarchy for the Group's assets and liabilities as at 31 December 2024 and in the previous year:

	31/12/2024			31/12/2023		
	PRICES QUOTED IN AN ACTIVE MARKET (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	PRICES QUOTED IN AN ACTIVE MARKET (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
AMOUNTS IN THOUSAND EUROS						
FINANCIAL ASSETS						
Non-current financial assets	-	3,544		-	6,667	
Current financial assets	-	5,563		-	7,560	
Cash and other liquid assets	50,720	-		173,189	-	
TOTAL FINANCIAL ASSETS	50,720	9,107		173,189	14,227	
FINANCIAL LIABILITIES						
Other non-current financial liabilities						
Current financial payables		140,117			67,734	
Current lease payables		3,781			3,949	
TOTAL FINANCIAL LIABILITIES	-	206,272		-	221,646	

51. Other information

51.1. Off-balance sheet commitments, guarantees and risks

The adjacent table summarizes the guarantees issued by the Group.

The above guarantees refer to letters of patronage in favour of Group companies for loans and credit facilities granted and for the purchase of certain commodities.

GUARANTEES	31.12.2024	31.12.2023
Guarantees - subsidiaries	238,518	58,953
Guarantees - associates	93,360	94,860
Other guarantees	5,458	36,100
TOTAL	337,336	189,913

51.2. Amount of compensation to directors, statutory auditors and independent auditors

The compensation paid in 2024 to the Directors and the Board of Statutory Auditors (Article 2427, no. 16 of the Italian Civil Code) of the parent company for performing this function also in other companies included in the scope of consolidation is shown in the adjacent table.

Such compensation includes emoluments and any other sum of a remuneration, social security and welfare nature due for the performance of the function of director or auditor that constituted a cost for the Group, even if not subject to personal income tax.

AMOUNTS IN THOUSAND EUROS	2024 COMPENSATION
Directors	2,332
Board of Statutory Auditors	170
TOTAL	2,502

Below are details of the fees due to the independent auditors for the statutory audit and other services rendered during the year:

STATUTORY AUDIT AND OTHER SERVICES AMOUNTS IN THOUSAND EUROS	2024 COMPENSATION
Statutory audit services	223
Other audit services performed	32
Other non-audit services	97
TOTAL	352

51.3. Categories of shares issued and securities issued by the Group

The share capital of €50,000 thousand, fully subscribed and paid-up, is divided into 5,000,000 shares, each with a value of €10.

The Group has not issued any securities or similar instruments.

51.4. National tax consolidation, Group VAT and Tax liability

The individual companies of Feralpi Group operate in compliance with local tax regulations. The Group has not received any notifications from its stakeholders concerning tax matters, and if any were to arise, they would be managed by the appropriate corporate departments. The Group companies provide the competent Authorities with all the necessary information in terms of completeness, correctness, and timeliness in accordance with the principles of the Group's Code of Ethics.

The Administration and Finance Department of the Parent Company Feralpi Siderurgica S.p.A. plays a supervisory, guidance and coordination role with regard to intercompany relations in tax matters, while responsibility for compliance in this respect lies with the Administration and Finance functions of each individual subsidiary.

For the 2024 financial year, the companies revoked the option for adhering to consolidated taxation, pursuant to Article 117 et seq. of the TUIR, following the demerger of Feralpi Holding S.p.A. which took place in November 2024. This modification to the company structure has rendered the regime no longer applicable and consequently led to the autonomous management of taxes by all the individual companies.

As for VAT, Feralpi Siderurgica S.p.A. opted into the Group VAT regime on 18 April 2024, as the "controlling entity or company", in section VK of form 2024 for the year 2023. This optional regime allows a single taxable entity to be considered for VAT purposes, offering certain benefits such as the simplification and reduction of tax obligations, the balancing of credit and debit positions of individual companies, the optimisation of liquidity management, and the reduction of the total financial burden.

The Group companies participating in this tax regime are the following: Acciaierie di Calvisano S.p.A., Nuova Defim S.p.A., Fer-Par S.r.l., Presider S.p.a., Caleotto S.p.a., Arlenico S.p.a. and Feralpi Villasor S.r.l. It should be noted that the German companies Feralpi Stahlhandel GmbH and Feralpi-Logistik GmbH also adhere to the tax consolidation scheme in Germany where the consolidating company is ESF Elbe-Stahlwerke Feralpi GmbH.

51.5. Information pursuant to Article 1, paragraph 125, of Law no. 124 of 4 August 2017

With reference to Article 1 paragraph 125 of Law 124/2017, the company is obliged to disclose public grants received. To this end, the following table shows the main grants and subsidies received during the year.

FERALPI SIDERURGICA S.p.A.

NAME OF GRANTING BODY	AMOUNT	GRANTING DATE	COLLECTION DATE	USE FOR OFFSETTING	REASON
Acquirente Unico S.p.A.	€4,731,426.79	17/12/2024	30/12/2024		Aid for indirect emission costs 2023 D.D. 31/05/2024 Measure Type Aid scheme Measure Law Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs").
Acquirente Unico S.p.A.	€3,915,863.59	29/12/2023	17/01/2024		Aid for indirect emission costs 2022 D.D. 10/08/2023 Measure Title Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs"). Measure Type Aid scheme Measure Law Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. Granting Authority Acquirente Unico S.p.A.
FONDIMPRESA	€9,600.00	31/05/2024	Corporate fund account (ISFOR Lead Company)		ROOTS: the roots of skills Measure Title Regulation for interprofessional funds for continuing training for the granting of State aid exempted under Regulation (EC) no. 651/2014 and under the de minimis regime under Regulation (EC) no. 1407/2013. Measure Type Aid scheme Measure Law Provisions for the drafting of the annual and multi-year State budget (2001 Budget Law).

NAME OF GRANTING BODY	AMOUNT	GRANTING DATE	COLLECTION DATE	USE FOR OFFSETTING	REASON
Tax credit	€1,502,679.42				INDUSTRY 4.0 Interconnections 2024 Law 178/2020: "Assets intended for the benefits referred to in paragraphs 1054 to 1058 of Article 1 of Law 178/2020, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)"; Law 234/2021: "Assets intended for the benefits referred to in paragraphs 1054 to 1058-ter of Article 1 of Law 178/2020, as amended by Law 234/2021, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)". The total amount of €1,502,679.42 is available in 3 equal instalments starting from the year of interconnection (2024).
TAX CREDIT					
EUROPEAN COMMUNITY	€80,131.39		23/02/2024		European RFCS project named ONLY PLASTIC Project share
EUROPEAN COMMUNITY	€74,759.09		05/06/2024		European project H2020 called CORALIS Project share
EUROPEAN COMMUNITY	€106,453.12		07/06/2024		European project CSP - HORIZON called ModHeatTech PRE-FINANCING
EUROPEAN COMMUNITY	€593,977.05		17/10/2024		European CSP - RFCs project called Modiplant PRE-FINANCING
EUROPEAN COMMUNITY	€197,992.35		14/11/2024		European CSP - RFCs project called Modiplant PRE-FINANCING
EUROPEAN COMMUNITY	€59,162.50		06/12/2024		European CSP project called SunShine PRE-FINANCING
Sustainable growth fund	€385,535.53		31/07/2024		Ministerial Project SteelzeroWaste no. F/220019/00/X47
BRESCIA MUSEI FOUNDATION	€9,750.00		Donation of €15,000. 27/02/2024 (Date recorded by the beneficiary body)		ART BONUS 2023 Charitable donation made for the purposes of Article 1. ART-BONUS-Tax credit to promote charitable donations in support of culture (Decree Law no. 83 of 31 May 2014, converted with amendments into Law no. 106 of 29 July 2014, as amended). Tax credit equal to 65% of the donated amount to be divided into 3 annual instalments (€3,250.00 sub. expenditure - 1st instalment 2024 - 2nd instalment 2025 - 3rd instalment 2026).
AIB FOUNDATION	€4,723.54		11/07/2024		CONFINDUSTRIA BRESCIA REIMBURSEMENT FOR MEMBERS For companies that are members of Confindustria Brescia, a reimbursement of 30% of the cost incurred for training carried out with ISFOR is recognised.
Lombardy Region	€12,000.00		27/02/2024		EMPLOYMENT INCENTIVES / SKILL ADJUSTMENT
Lombardy Region	€3,600.00		27/02/2024		EMPLOYMENT INCENTIVES / SKILL ADJUSTMENT
Lombardy Region	€8,400.00		27/02/2024		EMPLOYMENT INCENTIVES / SKILL ADJUSTMENT

ACCIAIERIE DI CALVISANO S.p.A.

NAME OF GRANTING BODY	AMOUNT	GRANTING DATE	COLLECTION DATE	REASON
Acquirente Unico S.p.A.	€1,186,404.95	29/12/2023	17/01/2024	Project Title Aid for indirect emission costs 2022 D.D. 10/08/2023 Aid for indirect emission costs 2022 D.D. 10/08/2023 Measure Title Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs"). Measure Type Aid scheme Measure Law Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. Amount deductible from RNA
Acquirente Unico S.p.A.	€1,519,742.49	17/12/2024	30/12/2024	Project Title Aid for indirect emission costs 2023 D.D. 31/05/2024 Measure Title Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs"). Measure Type Aid scheme Measure Law Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. Amount deductible from the RNA.
Excise, Customs and Monopolies Agency - Italian State	€50,208.89		01/07/2024	Refund of subsidised excise duty
Excise, Customs and Monopolies Agency - Italian State	€20,591.11		30/12/2024	Refund of subsidised excise duty
EUROPEAN COMMUNITY	€91,956.00		18/04/2024	European RFCs project called BIORECAST (01/11/2023 -30/04/2027) PRE-FINANCING
Tax credit	€389,176.56			INDUSTRY 4.0 Interconnections 2024 Law 178/2020: "Assets intended for the benefits referred to in paragraphs 1054 to 1058 of Article 1 of Law 178/2020, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)"; Law 234/2021: "Assets intended for the benefits referred to in paragraphs 1054 to 1058-ter of Article 1 of Law 178/2020, as amended by Law 234/2021, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)". The total amount of €389,176.56 is available in 3 equal instalments starting from the year of interconnection (2024).
Confindustria Brescia	€2,689.80		11/07/2024	CONFINDUSTRIA BRESCIA REIMBURSEMENT FOR MEMBERS For companies that are members of Confindustria Brescia, a reimbursement of 30% of the cost incurred for training carried out with ISFOR is recognised.

ARLENICO S.p.A.

NAME OF GRANTING BODY	AMOUNT	GRANTING DATE	COLLECTION DATE	REASON
Acquirente Unico S.p.A.	€225,899.88	12/17/2024	12/30/2024	Project title Aid for indirect emission costs 2023 D.D. 31/05/2024 Measure title Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs") Measure Type Aid scheme Measure Law Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Regulation (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. Concession Deed Single Buyer Provision no. 76 of 17/12/2024
Acquirente Unico S.p.A.	€183,430.20	29/12/2023	17/01/2024	Project title Aid for indirect emission costs 2022 D.D. 10/08/2023 Measure Title Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs") Measure Type Aid scheme Measure Law Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. Granting Authority Acquirente Unico S.p.A. Granting date 29/12/2023 Granting act Single Buyer Provision no. 63 of 29/12/2023 Project Title Aid for indirect emission costs 2022 D.D. 10/08/2023 Description Aid for indirect emission costs 2022 D.D. 10/08/2023
Tax credit	€2,208,050.56			INDUSTRY 4.0 2024 Law 178/2020: "Assets intended for the benefits referred to in paragraphs 1054 to 1058 of Article 1 of Law 178/2020, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)"; Law 234/2021: "Assets intended for the benefits referred to in paragraphs 1054 to 1058-ter of Article 1 of Law 178/2020, as amended by Law 234/2021, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)". The total amount of €389,176.56 is available in 3 equal instalments starting from the year of interconnection (2024).

PRESIDER S.p.A.

NAME OF GRANTING BODY	AMOUNT COLLECTED	COLLECTION DATE	REASON
GSE	€117,784		Incentives related to the use of the photovoltaic system.

51.6. Significant events occurring after the end of the year

On 20 December 2024, with an additional addendum dated 31 January 2025, Feralpi Siderurgica S.p.A. agreed to a medium-to-long-term *Sustainability Linked Loan* amounting to €170.0 million, comprising a Capex tranche of €120.0 million and a Refi tranche of EUR 50.0 million. The disbursement of the loan took place for a first part, amounting to €100.0 million, on January 2025. The loan is aimed at supporting both ordinary and extraordinary industrial investments of Feralpi Siderurgica S.p.A. and its subsidiaries, and it includes a margin trend linked to achieving two ESG Performance Indicators. The first

indicator focuses on reducing specific CO₂ emissions and is calculated based on criteria validated by SBTi. The second indicator focuses on enhancing worker safety and measures the percentage of employees in group companies certified under the ISO 45001 standard. Through this transaction, Feralpi Siderurgica S.p.A. increases the average *maturity* of its financing structure. The loan also allows for achieving the aim of having a portion of medium- to long-term financing whose margin is linked to achieving ESG objectives. The loan was secured through a consortium of banking institutions, comprising Banca Nazionale del Lavoro S.p.A., Credit Agricole Italia S.p.A., Intesa Sanpaolo S.p.A., and Unicredit S.p.A., who took on the roles of Lenders, *Global Coordinator*,

Mandated Lead Arranger, Bookrunner, as well as *Sustainability Coordinator*, Banco BPM, BPER, and Cassa Depositi e Prestiti served as Arrangers. Banca Nazionale del Lavoro also acted as Agent and SACE Agent. The CapEx tranche of the loan was backed by the SACE Archimede guarantee.

Lonato del Garda, 31 March 2025

For the Board of Directors

The Chairman
Giuseppe Pasini



Appendix

1. Financial information on associates and joint ventures

1.1. Media Steel S.r.l.

The Group holds a 45% stake in Media Steel S.r.l., whose corporate purpose is the purchase and resale to the steel industry of scrap used by the steel industry as raw material.

The adjacent table summarises the financial information of the Group's investment in Media Steel S.r.l.

The associate has no contingent liabilities or commitments as at 31 December 2024.

AMOUNTS IN THOUSAND EUROS	31/12/2024	31/12/2023
Current assets	112,000	80,385
Non-current Assets	541	576
Current liabilities	(104,457)	(73,624)
Non-current liabilities	(346)	(309)
SHAREHOLDERS' EQUITY	7,738	7,028
Group share of shareholders' equity	45%	45%
CARRYING AMOUNT OF THE GROUP'S EQUITY INVESTMENT	3,482	3,163

AMOUNTS IN THOUSAND EUROS	2024	2023
Revenues from contracts with customers	357,071	303,571
Raw materials and consumables	(348,156)	(297,224)
Cost of services and other operating expenses	(2,924)	(2,657)
Financial expenses	(3,950)	(2,772)
PRE-TAX PROFIT	2,041	918
Taxes	(1,330)	(810)
NET PROFIT FOR THE YEAR (FROM CONTINUING OPERATIONS)	710	108
Other comprehensive income components that may be reclassified to profit/(loss) for the year net of tax	-	-
Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax	-	-
TOTAL COMPREHENSIVE INCOME (FROM CONTINUING OPERATIONS)	710	108
GROUP NET PROFIT FOR THE YEAR	320	49

1.2. Dima S.r.l.

The Group holds a 31% stake in Dima S.r.l., which is involved in the treatment and reuse of inert materials.

The Group's investment in Dima S.r.l. is accounted for in the consolidated financial statements using the equity method.

The adjacent table summarises the financial information of the Group's investment in Dima S.r.l.

The associate has no contingent liabilities or commitments as at 31 December 2024.

AMOUNTS IN THOUSAND EUROS	31/12/2024	31/12/2023
Current assets	7,031	10,571
Non-current Assets	9,986	6,974
Current liabilities	(8,330)	(9,622)
Non-current liabilities	(315)	(277)
SHAREHOLDERS' EQUITY	8,372	7,645
Group share of shareholders' equity	31%	31%
CARRYING AMOUNT OF THE GROUP'S EQUITY INVESTMENT	2,595	2,370

AMOUNTS IN THOUSAND EUROS	2024	2023
Revenues from contracts with customers	11,661	13,113
Raw materials and consumables	(1,751)	(2,273)
Cost of services and other operating expenses	(8,296)	(8,110)
Write-down of financial assets	-	-
Financial expenses	(118)	(58)
PRE-TAX PROFIT	1,496	2,672
Taxes	(423)	(834)
NET PROFIT FOR THE YEAR (FROM CONTINUING OPERATIONS)	1,072	1,838
Other comprehensive income components that may be reclassified to profit/(loss) for the year net of tax	-	-
Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax	-	-
TOTAL COMPREHENSIVE INCOME (FROM CONTINUING OPERATIONS)	1,072	1,838
GROUP NET PROFIT FOR THE YEAR	332	570

1.3. Alpifer Group

Feralpi Group holds a 50% stake in Alpifer S.r.l., which in turn controls Unifer S.p.A. Steelfer S.r.l. The Alpifer Group is active in the processing of steel products for the construction industry.

The adjacent table summarises the financial information of the Group's investment in Alpifer S.r.l.

The associate has no contingent liabilities or commitments as at 31 December 2024.

AMOUNTS IN THOUSAND EUROS	31/12/2024	31/12/2023
Non-current Assets	28,200	27,872
Current assets		
Current liabilities	(51,085)	(52,595)
Non-current liabilities	(137)	(129)
SHAREHOLDERS' EQUITY	41,640	38,024
Group share of shareholders' equity	50%	50%
Goodwill	-	-
CARRYING AMOUNT OF THE GROUP'S EQUITY INVESTMENT	20,820	19,012

AMOUNTS IN THOUSAND EUROS	2024	2023
Revenues from contracts with customers	107,782	109,563
Raw materials and consumables	(83,847)	(84,395)
Cost of services and other operating expenses	(17,411)	(15,929)
Financial expenses	(255)	(574)
PRE-TAX PROFIT	6,269	8,665
Taxes	1,640	2,193
NET PROFIT FOR THE YEAR (FROM CONTINUING OPERATIONS)	4,629	6,473
Other comprehensive income components that may be reclassified to profit/(loss) for the year net of tax	-	-
Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax	-	-
TOTAL COMPREHENSIVE INCOME (FROM CONTINUING OPERATIONS)	4,629	6,473
GROUP NET PROFIT FOR THE YEAR	2,314	3,236

