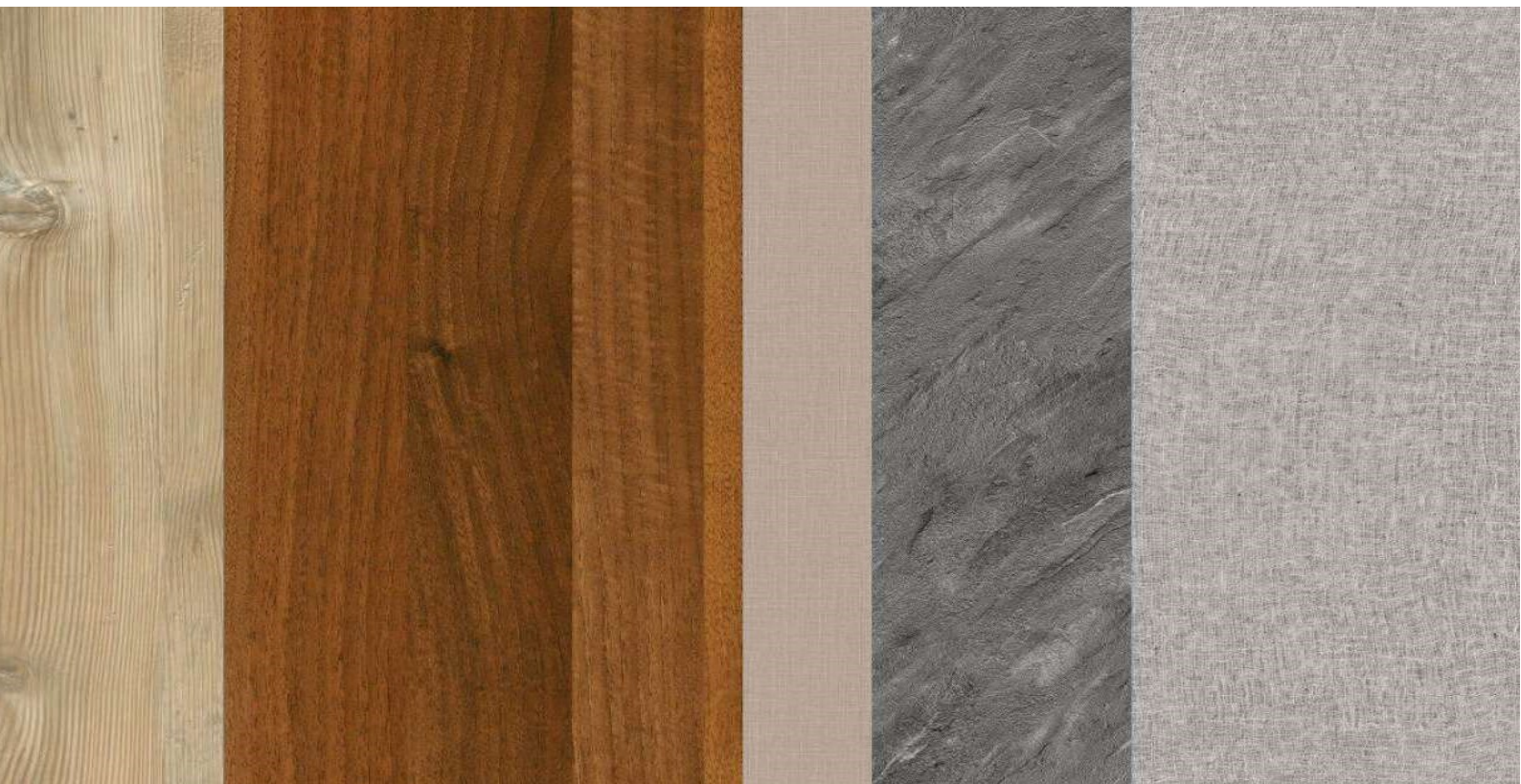




Consolidated Half-Year Report at 30 June 2024

Financial Statements prepared in accordance with IAS/IFRS

Amounts in Euro





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Share Capital
€ 18,804,209.37 fully paid up
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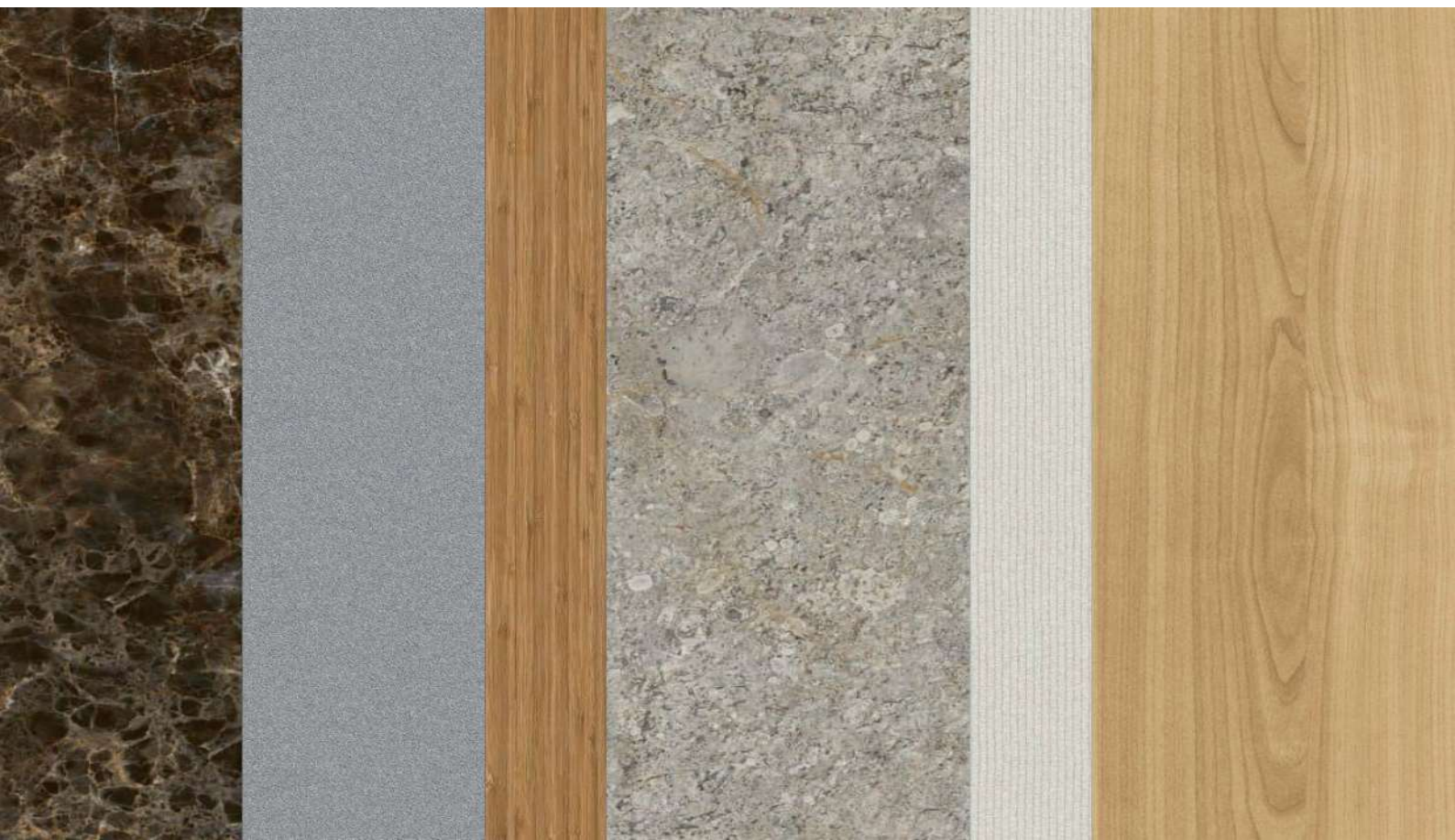
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The Neodecortech Group



Corporate bodies

Board of Directors ⁽¹⁾

Chairman	Luca Peli
Director, Chief Executive Officer	Luigi Cologni
Executive Director	Massimo Giorgilli
Non-Executive Director	Gianluca Valentini
Non-Executive Director	Vittoria Giustiniani
Independent Non-Executive Director	Adriano Bianchi*
Independent Non-Executive Director	Sara Bertolini*
Independent Non-Executive Director	Ida Altimare*
Independent Non-Executive Director	Cinzia Morelli*

() Independent Director pursuant to Article 148 of the TUF and Article 2 of the Corporate Governance Code adopted by the Corporate Governance Committee of Borsa Italiana S.p.A. to which the Company adheres.*

Board of Statutory Auditors ⁽²⁾

Chair	Edda Delon
Standing Auditor	Stefano Santucci
Standing Auditor	Federica Menichetti
Alternate Auditor	Pier Paolo Gori
Alternate Auditor	Riccardo Losi

Financial Reporting Manager ⁽³⁾

Marina Fumagalli

Committees ⁽⁴⁾

Remuneration and Appointments Committee	Ida Altimare (Chair) Vittoria Giustiniani Cinzia Morelli
Control, Risk and Sustainability Committee	Adriano Bianchi (Chairman) Luca Peli Ida Altimare

Related Party Committee

Sara Bertolini (Chair)
Cinzia Morelli
Adriano Bianchi

Supervisory Board ⁽⁵⁾

Ettore Raspadori (Chairman)
Federica Menichetti ⁽⁶⁾
Laura Bellezza

Independent Auditors ⁽⁷⁾

BDO Italia S.p.A.

⁽¹⁾ The Board of Directors of Neodecortech S.p.A. in office was appointed on 27 April 2022 and will remain in office for three financial years until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2024.

⁽²⁾ The Company's Board of Statutory Auditors was appointed on 27 April 2023 and will remain in office until the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2025.

⁽³⁾ Marina Fumagalli was appointed by the Board of Directors on 07 February 2023 as the Financial Reporting Manager pursuant to Article 154-bis of the TUF.

⁽⁴⁾ The Board of Directors of Neodecortech S.p.A. resolved on 28 April 2022 to establish (i) a Remuneration and Appointments Committee; (ii) a Control, Risk and Sustainability Committee; (iii) a Related Party Committee.

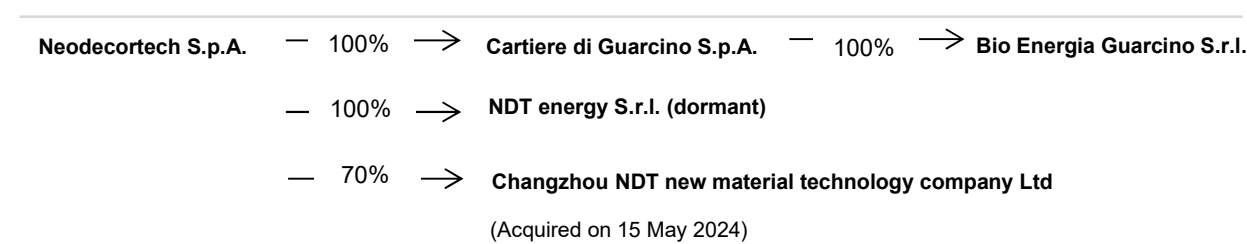
⁽⁵⁾ The Board of Directors of Neodecortech S.p.A. passed a resolution on 5 May 2023 appointing Mr. Raspadori and Ms. Menichetti as members of the Supervisory Board of the Company for three financial years, therefore, until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2025. On 05 May 2023, the Board of Directors appointed Laura Bellezza as a member of the SB of the Company.

⁽⁶⁾ Ms. Menichetti also holds the position of standing auditor of Neodecortech S.p.A.

⁽⁷⁾ The nine-year statutory audit assignment pursuant to Article 17 of Legislative Decree 39/2010 of the Italian Civil Code for the financial years 2020-2028 was granted by the Ordinary Shareholders' Meeting on 9 December 2019.

Group structure

The Group structure at 30 June 2024 is shown below



At 30 June 2024, the **Group companies** are:

NDT

Neodecortech S.p.A. ("NDT" or "Parent Company")

registered and operating offices in Filago (BG) and other operating offices in Casoli d'Atri (TE), heads up the core business of the Group and is active in the printing and impregnation of paper, in the printing and finishing of thermoplastic film, and in "laminates" produced mainly at the Casoli headquarters. Neodecortech's goal is to act as a highly proactive decoration partner for its customers in the interior design and flooring industry, through constant monitoring and interpretation of new stylistic trends.

The Parent Company performs the following functions for its subsidiaries:

- (i) legal and corporate affairs,
- (ii) administration and investments,
- (iii) strategic planning and business development,
- (iv) Internal Audit, Compliance & Risk Management.

CDG

Cartiere di Guarcino S.p.A. (CDG)

registered office in Guarcino (FR), specializes in the production of decorative papers that subsequently undergo other stages of processing: printing or directly impregnation with thermosetting resins and hot pressing. The company operates on the national and international markets through a network of agents.

BEG

Bio Energia Guarcino S.r.l. (BEG)

registered office in Guarcino (FR), owns the cogeneration plant in operation since May 2010 for the self-production of electrical and thermal energy powered by renewable sources that satisfies a large part of the energy needs of CDG.

NDTe

NDT energy S.r.l. (NDTe)

established on 19 October 2022, registered office in Filago (BG) and operating offices in Casoli di Atri (TE), currently dormant and awaiting authorization to operate a WtE plant, capable of reusing process waste and meeting a large part of the energy needs of the adjacent NDT "laminates" division.

NDTchina

Changzhou NDT new material technology company Ltd (NDT china)

established in 2023, registered office in Changzhou - China and acquired 70% on 15 May 2024. It markets printed decorative paper sold on the local and Far East markets.

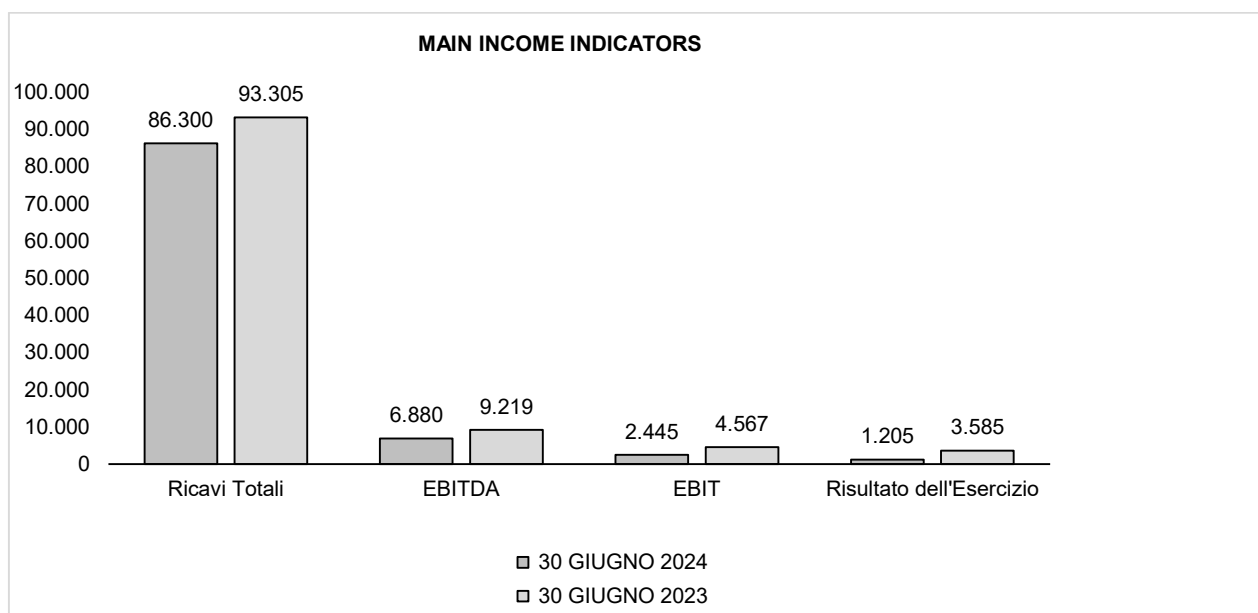
Financial highlights of the Neodecortech Group

Income statement

The table below shows the main **consolidated income statement** figures:

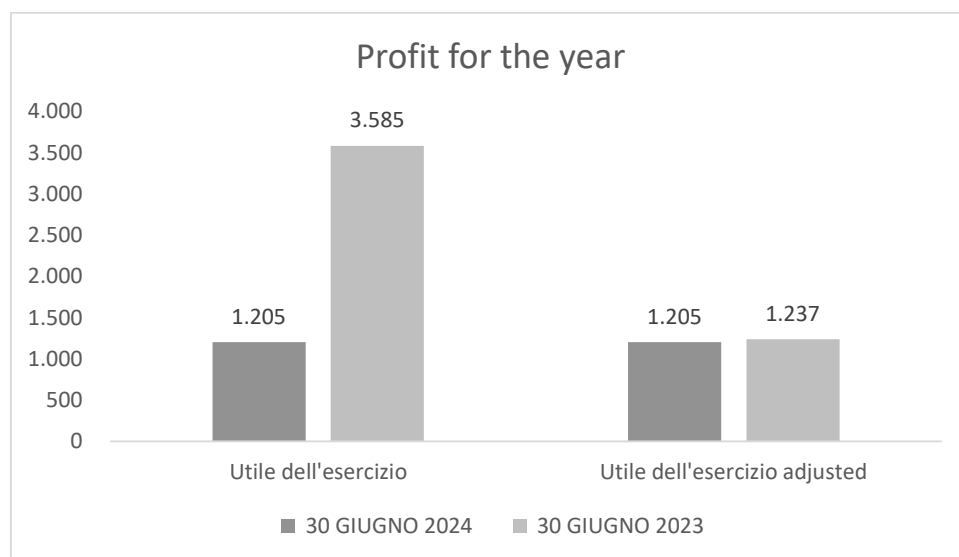
<i>(Euro thousands)</i>	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Revenue from sales and services	85,285	100.0%	86,422	100.0%	(1,137)	(1.3%)
Other revenue	1,015	1.2%	6,883	8.0%	(5,868)	(85.3%)
Total revenue	86,300	101.2%	93,305	108.0%	(7,005)	(7.5%)
EBITDA	6,880	8.1%	9,219	10.7%	(2,339)	(25.4%)
Amortization and depreciation	4,399	5.2%	4,529	5.2%	(130)	(2.9%)
Allocations	36	0.0%	123	0.1%	(87)	70.7%
EBIT	2,445	2.9%	4,567	5.3%	(2,122)	(46.5%)
Profit for the year	1,205	1.4%	3,585	4.1%	(2,380)	(66.4%)

For comments on changes, see the paragraph "CONSOLIDATED INCOME STATEMENT" in the Directors' Report on Operations.



The table below also shows the consolidated operating results with the adjusted profit for the year, as a result of the 2022 maximization, as detailed in the paragraph "Consolidated Income Statement".

(Euro thousands)	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Revenue from sales and services	85,285	100.0%	86,422	100.0%	(1,137)	(1.3%)
Other revenue	1,015	1.2%	6,883	8.0%	(5,868)	(85.3%)
Revenue from reinstatement of BEG maximization for the period Sept-Dec 2022	0	0.0%	(2,625)	(3.0%)	2,625	(100.0%)
Adjusted Total Revenue	86,300	101.2%	90,680	104.9%	(4,380)	(4.8%)
Adjusted EBITDA	6,880	8.1%	6,594	7.6%	286	4.3%
Amortization and depreciation	4,399	5.2%	4,529	5.2%	(130)	(2.9%)
Allocations	36	0.0%	123	0.1%	(87)	(70.7%)
Adjusted EBIT	2,445	2.9%	1,942	2.2%	503	25.9%
Tax effect revenue reinstatement	0	0.0%	276	0.3%		
Adjusted Profit for the Year	1,205	1.4%	1,237	1.4%	(32)	(2.6%)
Reconciliation of Profit for the Year and Adjusted Profit for the Year:						
Adjusted Profit for the Year	1,205	1.4%	1,237	1.4%	(32)	(2.6%)
Revenue from reinstatement of BEG maximization for the period Sept-Dec 2022	0	0.0%	2,625	3.0%		
Tax effect revenue reinstatement	0	0.0%	(276)	(0.3%)		
Profit for the year	1,205	1.4%	3,585	4.1%	(2,380)	(66.4%)

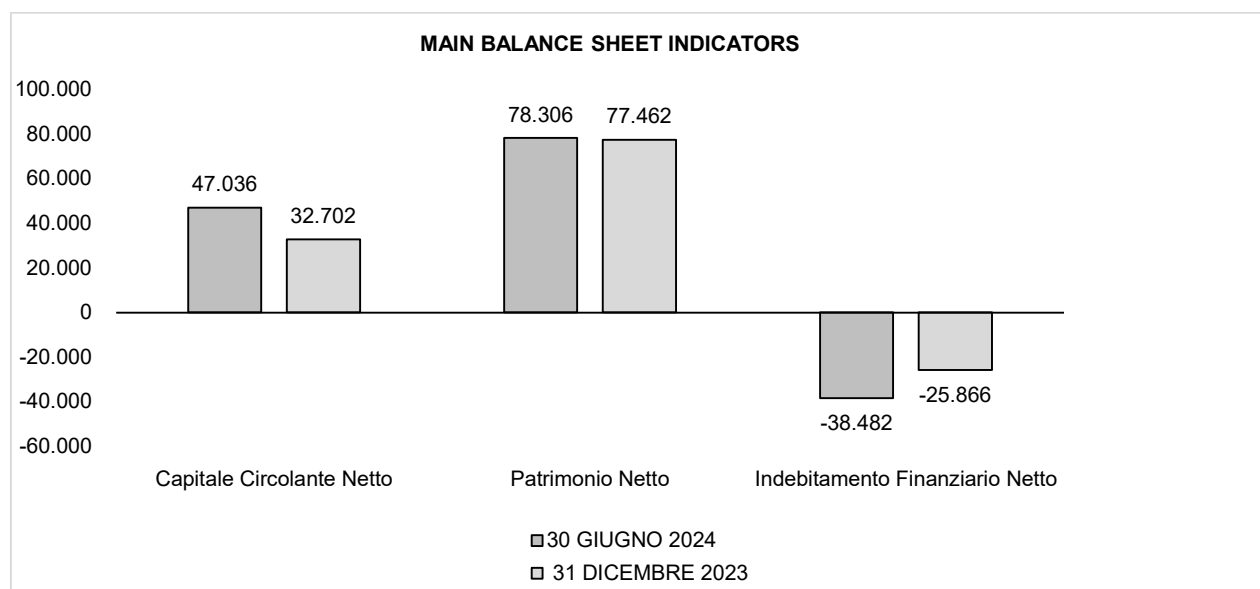


Financial results

The table below shows the main **consolidated financial indicators**:

<i>(Euro thousands)</i>	30 JUNE 2024	31 DECEMBER 2023	Chg.	% chg.
Net Working Capital	47,036	32,702	14,334	43.8%
Equity	78,306	77,462	844	1.1%
Net Financial Debt	(38,482)	(25,866)	12,616	(48.8%)

For comments on changes, see the paragraph "RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION" in this Directors' Report on Operations.



Below are the balance sheet figures at 30 June 2024 versus 30 June 2023.

(Euro thousands)	30 JUNE 2024	30 JUNE 2023	Chg.	% chg.
Net Working Capital	47,036	38,942	8,094	20.8%
Equity	78,306	78,732	(426)	(0.5%)
Net Financial Debt	(38,482)	(32,091)	6,391	(19.9%)

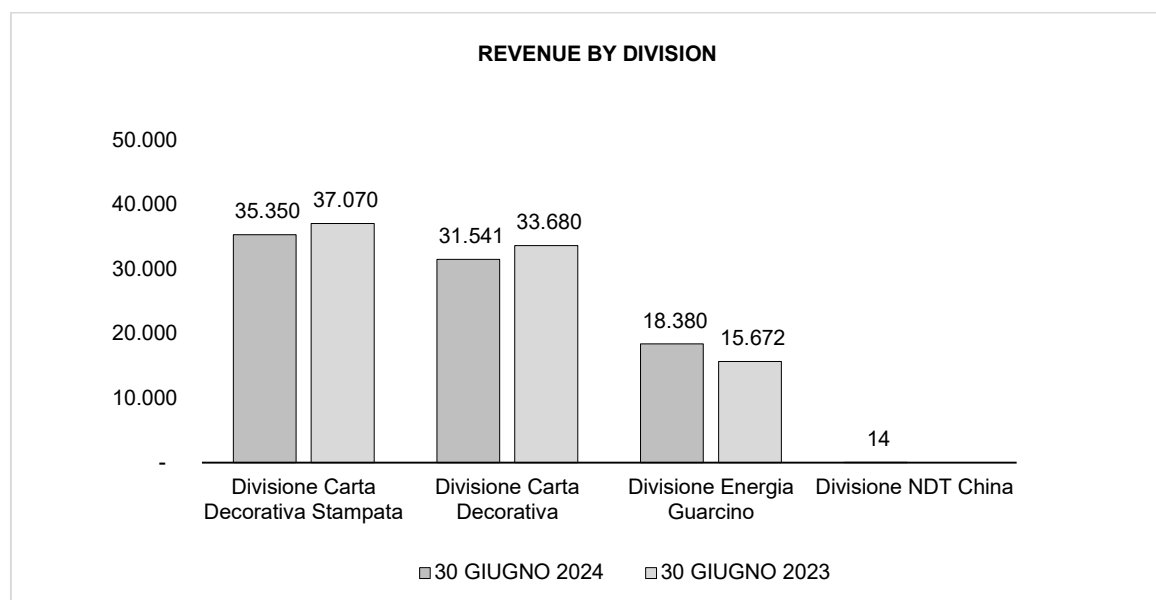
Net financial debt temporarily increased versus 30 June 2023 from € 32.1 million to € 38.5 million: € +6.4 million. This situation is notably impacted by the non-receipt of revenue reinstatement by the subsidiary Bio Energia Guarcino, for maximization receivables and GMP amounting at 30 June 2024 to € 19.0 million. At 30 June 2023, they amounted to € 8.5 million. In July 2024, € 7.6 million was collected from the Recognized Variable Costs of maximization.

Therefore, **the adjusted net debt** of these items is:

(Euro thousands)	30 JUNE 2024 ADJ	30 JUNE 2023	Chg.	% chg.
Adj Net Financial Debt Maxim.	(30,831)	(32,091)	(1,260)	3.9%

The table below shows **consolidated revenue by operating segment**.

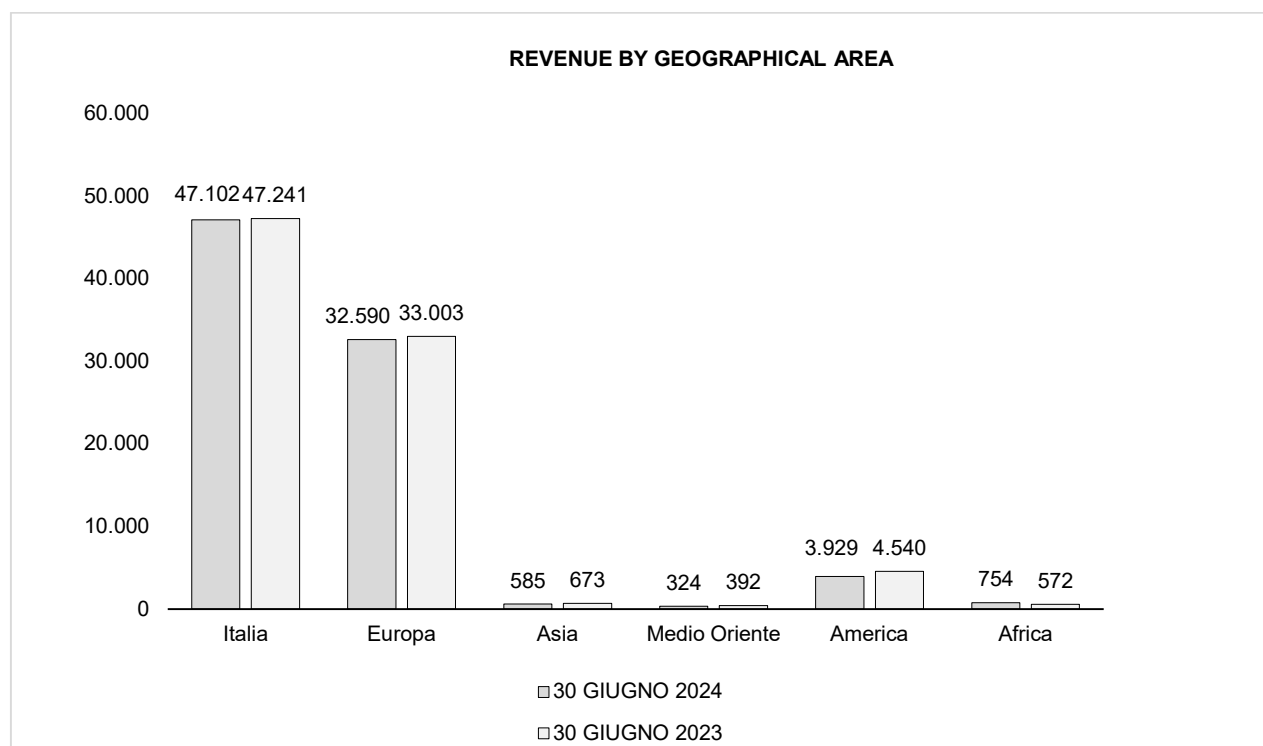
(Euro thousands)	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Printed Decorative Paper Division	35,350	41%	37,070	43%	(1,720)	(4.6%)
Decorative Paper Division	31,541	37%	33,680	39%	(2,139)	(6.4%)
Guarcino Energy Division	18,380	22%	15,672	18%	2,708	17.3%
NDT China Division	14	0%	0	0%	14	0.0%
Total	85,285	100%	86,422	100%	(1,137)	(1.3%)



For comments on the performance of each division, see the section "KEY RESULTS BY OPERATING SEGMENT" in the Directors' Report on Operations.

The table below shows **consolidated revenue by geographical area**:

(Euro thousands)	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Italy	28,722	33.7%	31,569	36.5%	(2,847)	(9.0%)
Europe	32,590	38.2%	33,003	38.2%	(413)	(1.2%)
Asia	585	0.7%	673	0.8%	(88)	(13.1%)
Middle East	324	0.4%	392	0.5%	(68)	(17.3%)
America	3,929	4.6%	4,540	5.3%	(611)	(13.5%)
Africa	754	0.9%	572	0.7%	182	31.8%
Energy Division	18,380	21.6%	15,672	18.1%	2,708	17.3%
Total	85,285	100.0%	86,422	100.0%	(1,137)	(1.3%)



In general, the table and graph show a slight decrease in sales even in what can be considered the Group's home market, namely Italy and Europe, attributable mainly to a decrease in unit selling prices, offset only approximately one-third by the increase in volumes.

The decrease in America can be attributed to the general decline in demand in the flooring industry, which affected a major North American customer.



Directors' Report on Operations



Shareholders,

Submitted to your attention are the Consolidated Half-Year Financial Statements at 30 June 2024 of the Neodecortech Group (hereinafter also "the Group"), prepared in accordance with the IAS/IFRS international accounting standards and accompanied by this Report, outlining the Group's performance in first half 2024 as well as the future outlook.

The period under review closes with a consolidated profit of € 1,205 thousand (€ 3,585 thousand at 30 June 2023), after amortization, depreciation and provisions of € 4,435 thousand (€ 4,652 thousand at 30 June 2023), and income tax of € 167 thousand (€ 52 thousand at 30 June 2023).

This Report, drawn up with amounts expressed in Euro thousands, is presented together with the consolidated half-year financial statements in order to provide income, financial and operating information of the Group.

Below are the trends, uncertainties, demands, commitments or known facts that could be reasonably expected to affect the Group's outlook, including the conflict in Ukraine.

Impacts from the conflict in Ukraine

With regard to the CONSOB notices of 7 March 2022 and of 19 May 2022, aimed at compliance with the restrictive measures adopted by the EU in response to the Russian military aggression in Ukraine and its potential effects on the company's business, it should be noted that the Company is complying with all the measures introduced by the European Union. The Group has implemented and reinforced specific business continuity plans from an IT standpoint. Over two years after the onset of this conflict, there are still lasting effects on the prices of energy sources and titanium dioxide, another critical raw material, which can now be deemed structural for the Group.

All Group Companies are fully operational.

In early June 2024, Cartiere di Guarcino received positive notice of the outcome of the resolution of a SIMEST loan with a non-repayable portion to support Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus totaling € 2.5 million, of which € 1 million is non-repayable.

The international economic environment

The ECB paper dated June 2024 on macroeconomic projections shows the following.

The euro area economy recovered at the start of 2024 by more than expected in ECB staff projections of last March, with a boost from net trade and rising household spending. Incoming information suggests continued growth in the short run, at a higher pace than previously foreseen. Real disposable income should continue to increase amid robust wage growth, gradually increasing confidence and improving terms of trade, giving rise to a consumption-driven recovery in the course of 2024. The boost from net trade at the start of the year partly reflects volatility following a temporary decline at the end of 2023. However, foreign demand is expected to continue to expand, supporting euro area export growth. Over the medium term, the negative impact of the past monetary policy tightening is seen to gradually fade, with activity supported by an assumed easing of financing conditions in line with market expectations for the future path of interest rates. Growth will also benefit from a resilient labour market, with the unemployment rate declining to historically low levels later on in the projection horizon. As some of the cyclical factors that have lowered productivity growth in the recent past unwind, productivity is expected to pick up over the projection horizon.

Overall, annual average real GDP growth is expected to be 0.9% in 2024, and to strengthen to 1.4% in 2025 and 1.6% in 2026. Compared with the March projections, the outlook for GDP growth has been revised up for 2024 owing to the positive surprise at the start of the year and improved incoming information. The GDP growth outlook has been revised down marginally for 2025 and remains unchanged for 2026.

Headline inflation is projected to moderate further to levels close to target in the course of 2025. This reflects an easing of cost pressures, including from the labour side, and the lagged impact of past monetary policy tightening gradually feeding through to consumer prices. Headline inflation as measured by the Harmonised Index of Consumer Prices (HICP) is expected to show some volatility over the remainder of 2024 owing to base effects and higher energy commodity prices. Over the medium term, energy inflation should settle at low positive rates, given market expectations for the future paths of oil and gas prices and planned climate change-related fiscal measures. Recent quarters have seen food price inflation decline strongly, as pipeline pressures have eased with lower energy and food commodity prices. Looking ahead, food price inflation is expected to fluctuate around its current levels before moderating further from the end of 2025. HICP inflation excluding energy and food (HICPX) should remain above headline inflation for most of the projection horizon but is expected to continue its disinflationary path, although at a slow pace and mainly in 2025 and 2026. A central element in the June projections is the expected gradual easing of nominal wage growth from initially still elevated levels as upward impacts from inflation compensation pressures in a tight labour market fade. The expected recovery in productivity growth should support the moderation in labour cost pressures. Moreover, profit growth is set to weaken and partially buffer the pass-through of labour costs to prices, especially in 2024.

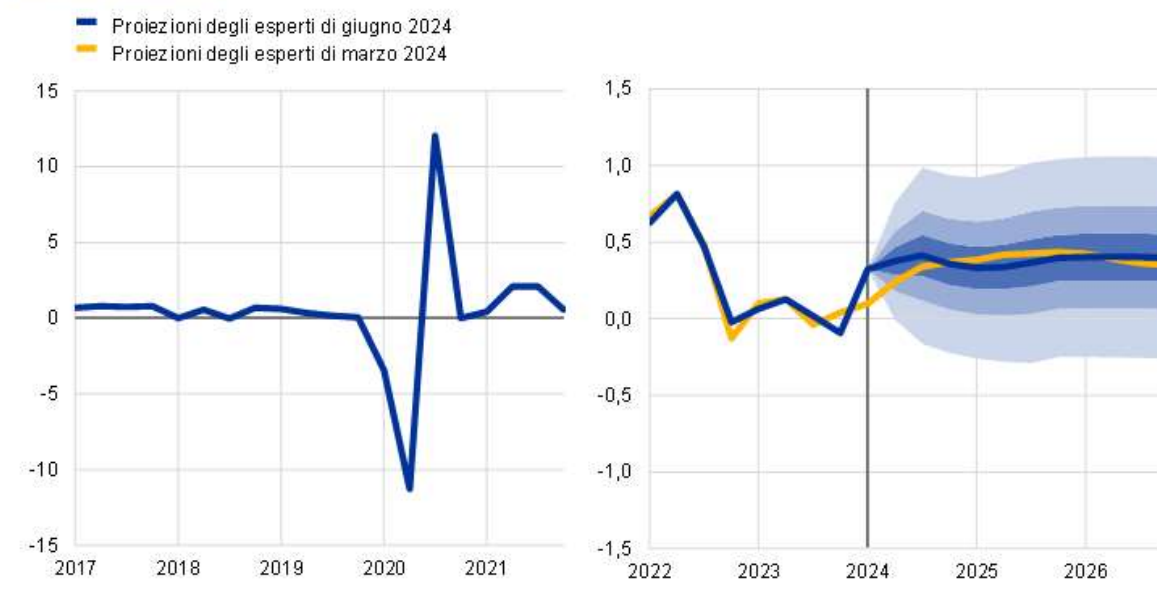
Overall, annual average headline HICP inflation is expected to decline from 5.4% in 2023 to 2.5% in 2024, 2.2% in 2025 and 1.9% in 2026. Compared with last March projections, HICP inflation has been revised up by 0.2 percentage points

in 2024 and 2025. This is mainly due to higher energy commodity prices and slightly higher than expected incoming data for HICPX inflation. In addition, labour cost pressures are expected to be somewhat stronger on account of higher wage growth coupled with a slightly more cautious outlook for productivity growth. The outlook for both headline inflation and HICPX inflation for 2026 is unrevised.

Grafico 1

Crescita del PIL in termini reali dell'area dell'euro

(variazioni percentuali sul trimestre precedente, dati trimestrali destagionalizzati e corretti per il numero di giornate lavorative)



Note: Historical data may differ from Eurostat's latest publications. The vertical line indicates the start of the current projection horizon. The ranges shown around the central projections provide a measure of the degree of uncertainty and are symmetric by construction. They are based on past projection errors, after adjustment for outliers. The bands, from darkest to lightest, depict the 30%, 60% and 90% probabilities that the outcome of real GDP growth will fall within the respective intervals.

Real GDP is expected to strengthen further during 2024, supported by increasing household incomes, foreign demand and some recovery in business investment. [...] Business investment is projected to broadly stagnate in average annual terms in 2024, with some recovery being observed during the year, mostly reflecting the waning but still present drag from past monetary policy tightening. At the same time, it will be supported by the recovery in domestic and foreign demand, with foreign demand also lifting export growth. The normalisation of the inventory cycle is also projected to yield a neutral contribution to growth in the second half of 2024, after a significant negative contribution at the turn of the year.

[...] Over the medium term, real GDP growth will be supported by rising real incomes, strengthening foreign demand and the waning impact of monetary policy tightening.

[...] Financing conditions, especially high levels of interest rates, are expected to continue to have a strong negative impact on growth, but this will fade over the projection horizon.

[...] Compared with last March's projections, real GDP growth has been revised up 0.3 percentage points for 2024, down by 0.1 percentage points for 2025 and remained unrevised for 2026.

[...] Turning to the components of real GDP, real private consumption is expected to be the main driver of economic growth, supported by robust growth in real incomes on the back of rising wages and falling inflation, despite a relatively high saving ratio.

[...] Business investment is projected to recover in the coming quarters, amid improving demand, the fading drag from adverse financing conditions, crowding-in effects from the Next Generation EU (NGEU) programme funds and increasing green and digital investment.

[...] After a period of negative growth, euro area trade is expected to improve as exports grow with foreign demand.

[...] Global activity shows signs of improvement, although headwinds to growth remain.

[...] Global trade (excluding the euro area) is projected to recover this year and to grow more in line with global activity thereafter.

(Source: [Macroeconomic projections for the Euro area made by Eurosystem experts, June 2024 \(europa.eu\)](https://www.europa.eu/press-room/media/30684))

Relevant segment and comments on operations

Due to the factors previously mentioned concerning both the international and national economic landscape, the decorative surfaces supply chain linked to the furniture and furnishings market, in terms of furniture and flooring, experienced a substantial horizontal movement of incoming orders in first half 2024. This trend confirms the forecasts envisaged in the budget preparation for both Neodecortech and Cartiere di Guarcino.

In first half 2024, the prices of some of the Group's strategic materials (animal fat, plastic films) remained basically steady versus second half 2023. Conversely, a different trend was reported for pulp, which began its price recovery in September 2023 and continued throughout first half 2024. Stability is expected to return only in the second half of the year. After initial increases in first half 2024, the price of titanium dioxide is expected to rise further in the second half of the year, due to the introduction of tariffs on imports of this product from China. This scenario continues to witness some margin restraint, as the reduction in the average level of raw material costs remains too small compared to the levels prior to the strong inflationary push in 2022.

Regarding energy carrier costs in particular, after a slight decrease in first quarter 2024, they have started a modest increase, returning to late 2023 levels.

With regard in particular to Cartiere di Guarcino, the Group's most energy-intensive company, it continued to operate according to the scheduled production plan that calls for maintenance-related stoppages during the year, and was always fully operational. This thanks also to the supply of electricity by the subsidiary Bio Energia Guarcino, which operates an internal network with respect to Cartiere and was able to mitigate the effects of the energy crisis and ensure full uninterrupted production.

As for Bio Energia Guarcino (BEG), following the publication in the State Gazette on 9 December 2023 of the Energy Legislative Decree enacted by the Italian Council of Ministers on 27 November 2023 (<https://www.governo.it/it/articolo/comunicato-stampa-del-consiglio-dei-ministri-n-60/24427>), and the introduction of the temporary Guaranteed Minimum Prices (GMP) scheme, the power plant fully resumed operations on 11 December 2023. Therefore, since 11 December 2023, the Company has been operating under the Guaranteed Minimum Prices (GMP) scheme, pursuant to Law Decree 181/2023 "Energy Security", converted into Law no. 11/2024 on 2 February 2024, which introduced the following new features for bioliquid power plants even after the end of the incentive period: (i) introduction of the Guaranteed Minimum Prices scheme from December 2023 to no later than 31 December 2025

(pending the ARERA implementing resolution); (ii) continuation, from 2026, with a scheme based on the negotiation of the electrical capacity of bioliquid plants, with special regard to plants connected to production sites.

Under this framework, the Power Plant has been operating at full capacity alongside Cartiere di Guarcino, benefiting from the Guaranteed Minimum Prices (GMP) scheme and supporting Cartiere on both the power and steam supply side.

This context resulted in a temporary rise in financial debt versus 31 December 2023 and 30 June 2023, significantly affected by delays in the monetization of maximization receivables and GMP, which amounted to € 19,045 thousand at 30 June 2024 (€ 10,710 thousand at 31 December 2023 and € 8,530 thousand at 30 June 2023). Out of this total amount, € 9,290 refer to the so-called maximization scheme. These receivables totaling € 7,651 thousand were collected in July.

Key balance sheet, financial and income figures



Consolidated results of the Neodecortech Group

Reclassified consolidated income statement

(Euro thousands)	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Revenue from sales and services	85,285	100.0%	86,422	100.0%	(1,137)	(1.3%)
Changes in work in progress, semi-finished and finished products	734	0.9%	4,537	5.2%	(3,803)	(83.8%)
Other revenue	1,015	1.2%	6,883	8.0%	(5,868)	(85.3%)
Value of Production	87,034	102.1%	97,842	113.2%	(10,808)	(11.0%)
Raw and ancillary materials and consum.	(55,610)	(65.2%)	(61,502)	(71.2%)	5,892	(9.6%)
Other operating expense	(13,399)	(15.7%)	(16,289)	(18.8%)	2,890	(17.7%)
Value Added	18,025	21.1%	20,051	23.2%	(2,026)	(10.1%)
Personnel expense	(11,145)	(13.1%)	(10,832)	(12.5%)	(313)	2.9%
EBITDA	6,880	8.1%	9,219	10.7%	(2,339)	(25.4%)
Amortization and depreciation	(4,399)	(5.2%)	(4,529)	(5.2%)	130	(2.9%)
Allocations	(36)	(0.0%)	(123)	(0.1%)	87	(70.7%)
EBIT	2,445	2.9%	4,567	5.3%	(2,122)	(46.5%)
Financial expense	(1,339)	(1.6%)	(1,132)	(1.3%)	(207)	18.3%
Financial income	266	0.3%	202	0.2%	64	31.7%
Profit/(loss) before tax	1,372	1.6%	3,637	4.2%	(2,265)	(62.3%)
Income tax	(167)	(0.2%)	(52)	(0.1%)	(115)	221.2%
Profit/(loss) for the year	1,205	1.4%	3,585	4.1%	(2,380)	(66.4%)
Of which Group profit/(loss) for the year	1,216	1.4%				
Of which Profit/(loss) for the year of non-controlling interests	(11)	(0.0%)				

Revenue from sales and services at 30 June 2024 fell by € 1,137 thousand (-1.3%) versus first half 2023. In first half 2024, though in line with expectations, demand in the furnishing segment declined, accompanied by a reduction in unit prices versus the same period of the prior year. At the consolidated level, for the product lines related to Neodecortech and Cartiere di Guarcino S.p.A. ("CDG"), the slight reduction in revenue is correlated with the decreasing price effect. Conversely, Bio Energia Guarcino S.r.l. ("BEG") made a positive contribution to revenue performance versus the same period of the prior year, since 2023 had been affected by the plant stoppage from 1 April to 15 May 2023.

The decrease of € -3,803 thousand in the *Change in finished products* is attributed to reduced sales volumes, lower costs, and more efficient inventory management.

At 30 June 2024, other revenue decreased by € 5,868 thousand. This decrease is due to the 2023 figures including € 2,625 thousand in maximization revenue related to 2022 and € 2,944 thousand in revenue from tax receivables to energy- and gas-intensive companies in accordance with the law, which are not present in the current period. In fact, if we exclude the revenue from the 2022 maximization, the effects on Value Added, EBITDA, and Profit for the Period would not be slight, making the comparison between 1H 2024 and 1H 2023 figures consistent when adjusted.

The reduction in *consumption of raw and ancillary materials* (-9.6%) is more than proportional to the same decrease in sales (-1.3%), leading to a decline in the percentage of sales and service revenue from 71.2% in 2023 to 65.2% in 2024, due primarily to falling raw material prices.

Other operating expense decreased sharply (-17.7% or € 2,890 thousand) versus first half 2023, due mainly to a reduction in energy, gas and other utility costs (€ -2,685 thousand).

Personnel expense, amounting to € 11,145 thousand, was up moderately (+2.9%) in absolute terms versus 30 June 2023 (€ 10,832 thousand), while its percentage increased slightly.

Versus first half 2023, the *EBITDA margin* stood at 8.1% (€ 6,880 thousand) of net sales, down from 30 June 2023 (€ 9,219 thousand). However, it should be noted that the EBITDA margin in 1H 2023 included in *other revenue* the revenue maximization item pertaining to 2022. Therefore, excluding this effect (€ 2,625 thousand), the 1H 2023 EBITDA margin as a percentage of sales decreases from 10.7% to 7.6%. See table "Financial highlights of Neodecortech Group" *adjusted*.

The amount of *amortization and depreciation* is in line with the six months of the prior year. Expenditure made by the Group amounted to € 3,130 thousand versus € 3,399 thousand at 30 June 2023.

Provisions refers to the allocation to the provision for supplementary agents' indemnity.

EBIT was down by € 2,122 thousand versus 30 June 2023, accounting for 2.9%. Similarly, adjusting the EBIT amount of 1H 2023, it would amount to € 1,942 thousand (2.2% of sales), essentially the same as the result in 1H 2024.

With regard to *financial items*, € -143 thousand versus 30 June 2023, the item accounts for 1.3% of revenue versus 1.1% in the prior year. Indeed, interest rates did not decrease significantly and remain high compared to prior years, which continues to have a notable impact on the net result for the year.

Income tax for the period amounted to € 167 thousand, with the Group's theoretical tax rate at approximately 12.2%, benefiting from the effects of tax consolidation with Finanziaria Valentini.

Net Profit amounted to € 1,205 thousand, with a revenue margin of 1.4% (€ 3,585 thousand at 30 June 2023, with a 4.1% margin), as 2023 included the effect of the item of other revenue related to part of the 2022 maximization. For a comparison of operating trends net of this non-recurring item, see the comments in the introduction to this Report. The above profit includes a loss attributable to non-controlling interests totaling € 11 thousand regarding the 30% stake in the Chinese company acquired in 2024 and owned by a third-party shareholder.

Reclassified consolidated statement of financial position

<i>(Euro thousands)</i>	30 JUNE 2024	31 DECEMBER 2023	Chg.	% chg.
Trade receivables	25,329	16,276	9,053	55.6%
Inventory	43,969	42,598	1,371	3.2%
Trade payables	(34,185)	(33,793)	(392)	1.2%
Operating NWC	35,113	25,081	10,032	40.0%
Other current receivables	18,257	12,211	6,046	49.5%
Receivables from tax consolidation	696	438	258	58.9%
Tax receivables	1,379	1,652	(273)	(16.5%)
Other current payables	(7,436)	(5,777)	(1,659)	28.7%
Tax payables	(690)	(786)	96	(12.2%)
Payables from tax consolidation	(283)	(117)	(166)	141.9%
Net Working Capital	47,036	32,702	14,334	43.8%
Tangible fixed assets	74,035	75,969	(1,934)	(2.5%)
Intangible fixed assets	1,453	777	676	87.0%
Non-current financial assets	604	617	(13)	(2.1%)
Other non-current assets	345	228	117	51.3%
Fixed assets	76,437	77,591	(1,154)	(1.5%)
Post-employment benefits	(2,007)	(2,080)	73	(3.5%)
Provisions for risks and charges	(808)	(825)	17	(2.1%)
Deferred tax assets and liabilities	(3,870)	(4,060)	190	(4.7%)
Net Capital Employed	116,788	103,328	13,460	13.0%
Equity	78,306	77,462	844	1.1%
Cash funds	(6,322)	(12,157)	5,835	(48.0%)
Other current financial receivables	(6)	-	(6)	0.0%
Current financial liabilities	21,584	15,844	5,740	36.2%
Non-current financial liabilities	23,226	22,179	1,047	4.7%
Net Financial Debt	38,482	25,866	12,616	48.8%
Equity and Net Financial Debt	116,788	103,328	13,460	13.0%

Consolidated net working capital at 30 June 2024 amounted to € 47,036 thousand, while at 31 December 2023 it amounted to € 32,702 thousand (€ +14,334 thousand, of which € +10,032 thousand in operating NWC). The main combined effects contributing to the increase in NWC are: (i) the increase in *other current receivables* of € 6,046 thousand, related to the recognition of revenue for GMP until 30 June 2024 and not yet collected; and (ii) the increase in *trade receivables* due to reduced use of factoring by Group companies.

The change in *tangible fixed assets* is explained by the new capital expenditure made as per budget. Capital expenditure in tangible fixed assets refers mostly to (i) new machinery and the upgrading of existing machinery in the parent company Neodecortech; (ii) actions to increase the efficiency of paper machines and to optimize plants in Cartiere di Guarmino; and (iii) maintenance expenditure in Bio Energia Guarmino.

The change in *intangible fixed assets* is related to the ERP system project change currently underway within the Group.

Equity was affected mainly by allocation of profit for the period. The third-party share refers to 30% of the Chinese company acquired in 2024 and owned by a third-party shareholder.

Consolidated net financial debt at 30 June 2024 versus 31 December 2023 and 30 June 2023 is shown below:

(Euro thousands)	30 JUNE 2024	31 DECEMBER 2023	Chg.	30 JUNE 2023	Chg.
A. Cash funds	(6,322)	(12,157)	5,835	(7,732)	1,410
B. Cash and cash equivalents	0	0	0	0	0
C. Other current financial assets	(6)	0	(6)	0	(6)
D. Cash (A) + (B) + (C)	(6,328)	(12,157)	5,829	(7,732)	1,404
E. Current financial debt	12,700	9,578	3,122	8,625	4,075
F. Current portion of non-current debt	8,884	6,266	2,618	5,615	3,270
G. Current financial debt (E)+(F)	21,584	15,844	5,740	14,240	7,345
H. Net current financial debt (G)-(D)	15,256	3,687	11,569	6,508	8,749
I. Non-current financial debt	23,226	22,179	1,047	25,583	(2,358)
J. Debt instruments	0	0	0	0	0
K. Trade payables and other non-current payables	0	0	0	0	0
L. Non-current financial debt (I)+(J)+(K)	23,226	22,179	1,047	25,583	(2,358)
M. Total financial debt (H)+(L)	38,482	25,866	12,616	32,091	6,391

Consolidated *net financial debt* at 30 June 2024 amounted to € 38,482 thousand (€ 25,866 thousand at 31 December 2023). The increase of € 12,616 thousand is due mainly to the increased use of the Group's short-term lines to support BEG's operations. As at 30 June 2024, it was awaiting the resolutions, issued later in July 2024, by ARERA, which unlocked BEG's collection of receivables related to expected revenue from the "maximization scheme", and the resolutions regulating the "guaranteed minimum prices" scheme. Indeed, BEG's temporary financial needs were supported through short-term lines. Total receivables due from the tax authorities and not yet collected amounted to approximately € 16.8 million at 30 June 2024 (€ 10.7 million at 31 December 2023). At the date of this report, € 14.2 million have been collected.

Therefore, adjusting the net financial debt at 30 June 2024 by including the collected amount related to the maximization period, which totals € 7,651 thousand, it would have been more favourable compared to the amount at 30 June 2023. Given the above, there are currently no elements suggesting a breach of the single covenant set forth in the loan of the subsidiary CDG.

Key results by operating segment

In order to provide adequate disclosure of the nature and characteristics of revenue, revenue as required by IFRS 8 is broken down below.

The table below shows the change between 30 June 2024 and 30 June 2023 in the major income statement indicators and the change between 30 June 2024 and 31 December 2023 in the main balance sheet indicators, both broken down by operating segment, gross of intercompany items (see the segment reporting in the Notes to the Financial Statements for net intercompany items).

Income Statement

(Euro thousands)	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Printed Decorative Paper Division						
Revenue from sales and services	35,350	100.0%	37,071	100.0%	(1,721)	(4.6%)
EBITDA	3,262	9.2%	3,437	9.3%	(175)	(5.1%)
EBIT	1,677	4.7%	1,725	4.7%	(48)	(2.8%)
Profit (loss) for the year	1,216	3.4%	3,585	9.7%	(2,369)	(66.1%)
Decorative Paper Division						
Revenue from sales and services	40,848	100.0%	45,093	100.0%	(4,245)	(9.4%)
EBITDA	2,105	5.2%	3,369	7.5%	(1,264)	(37.5%)
EBIT	756	1.9%	1,960	4.3%	(1,204)	(61.4%)
Profit (loss) for the year	(4)	0.0%	2,017	4.5%	(2,021)	(100.2%)
BEG Energy Division						
Revenue from sales and services	20,540	100.0%	19,325	100.0%	1,215	6.3%
EBITDA	1,567	7.6%	2,434	12.6%	(867)	(35.6%)
EBIT	182	0.9%	1,016	5.3%	(834)	(82.1%)
Profit (loss) for the year	(75)	(0.4%)	652	3.4%	(727)	(111.5%)
NDTe Energy Division						
Revenue from sales and services	0	0.0%	0	0.0%	0	0.0%
EBITDA	(17)	0.0%	(7)	0.0%	(10)	142.9%
EBIT	(17)	0.0%	(7)	0.0%	(10)	142.9%
Profit (loss) for the year	(17)	0.0%	(10)	0.0%	(7)	70.0%
NDT China Division						
Revenue from sales and services	14	100.0%	0	0.0%	14	0.0%
EBITDA	(33)	(0.0%)	0	0.0%	(33)	0.0%
EBIT	(36)	(0.0%)	0	0.0%	(36)	0.0%
Profit (loss) for the year	(36)	(0.0%)	0	0.0%	(36)	0.0%

Statement of financial position

(Euro thousands)	30 JUNE 2024	31 DECEMBER 2023	Chg.	% chg.	30 JUNE 2023
Printed Decorative Paper Division					
Operating NWC	15,226	10,619	4,607	43.4%	14,292
Net Working Capital	10,263	7,026	3,237	46.1%	10,503
Equity	78,298	77,462	836	1.1%	78,732
Net Financial Debt	(4,758)	(2,854)	(1,904)	66.7%	(7,609)
Decorative Paper Division					
Operating NWC	20,546	14,968	5,578	37.3%	17,498
Net Working Capital	19,199	14,571	4,628	31.8%	16,640
Equity	42,858	42,825	33	0.1%	39,159
Net Financial Debt	(21,500)	(17,149)	(4,351)	25.4%	(22,970)

BEG Energy Division					
Operating NWC	(459)	(323)	(136)	42.1%	1,788
Net Working Capital	17,846	11,280	6,566	58.2%	11,949
Equity	11,175	11,248	(73)	(0.6%)	11,679
Net Financial Debt	(12,528)	(6,911)	(5,617)	81.3%	(8,256)
NDTe Energy Division					
Operating NWC	(27)	(26)	(1)	3.8%	(1)
Net Working Capital	(18)	(18)	0	0.0%	4
Equity	130	147	(17)	(11.6%)	85
Net Financial Debt	123	140	(17)	(12.1%)	57
NDT China Division					
Operating NWC	(11)	0	(11)	0.0%	0
Net Working Capital	(94)	0	(94)	0.0%	0
Equity	27	0	27	0.0%	0
Net Financial Debt	53	0	53	0.0%	0

Decorative Paper Division - Neodecortech

The decline in furniture demand continues to impact the Company, resulting in a reduced order backlog and an anticipated recovery not expected until early 2025. Virtually all product lines have been affected by the same trend: those that have felt the first brunt of the market slowdown (laminates and impregnated) and those that are affected with a minimum delay (printing on paper and printing on pvc). As a result, sales dropped by -4.6% versus first half 2023, with a decrease of € -1,721 thousand, related to a reduction in quantities sold, partly offset by a better mix.

Versus first half 2023, the decrease in raw material and utility prices helped maintain margins at the prior year's levels, with the EBITDA margin at 9.2% versus 9.3% in June 2023, despite the reduction in revenue. Personnel expense and other operating costs were steady versus the prior six months.

Net Profit at 30 June 2024 amounted to € 1,216 thousand, with a revenue margin of 3.4% versus € 3,585 thousand at 30 June 2023, reflecting a revenue margin of 9.7%. The figure was notably affected by a € 1,997 thousand positive impact from the equity measurement of the investment in the subsidiary CDG, which itself benefited from the equity measurement of the subsidiary BEG. As mentioned earlier, this measurement in 2023 was affected by the reinstatement of maximization revenue related to 2022. Net of this effect, 1H 2024 net profit is broadly in line with adjusted 1H 2023.

The increase in NWC versus 31 December 2023 of € +3,237 thousand is attributable mainly to the combined effect of the increase in trade receivables of € 1,822 thousand (+18%), due to a reduced utilization of factoring versus 31 December 2023, the increase in inventory of € 2,162 thousand (+23%) due to certain postponed shipments on July, and other current payables, which increased by € 1,302 thousand. Versus 30 June 2023, the NWC was basically steady.

Equity was affected by the increase from allocation of profit for the period.

The increase in *net financial debt* versus 31 December 2023 of € 1,904 thousand stems mainly from the conclusion of a three-year loan with BPER of € 2,000 thousand for an investment in NDTe.

Paper Division - Cartiere di Guarcino

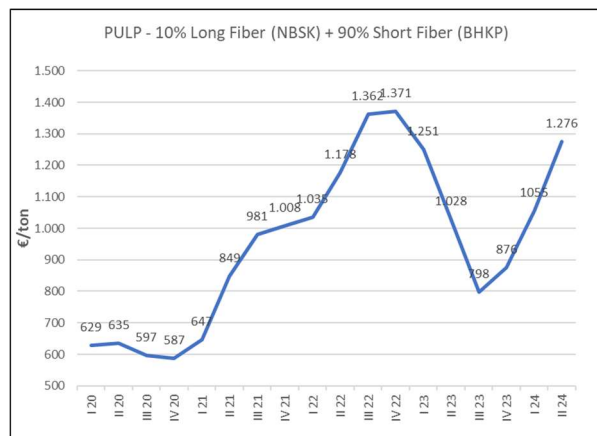
Cartiere di Guarcino reported the same trend in revenue as Neodecortech. Revenue decreased by -9.4% or € -4,245 thousand versus first half 2023, due primarily to the effects of reduced prices and mix, despite a € +3,901 thousand increase in volumes.

Other revenue includes tax receivables to energy- and gas-intensive companies for the first six months of 2023 amounting to € 2,290 thousand, which partly offset the increase in energy and gas costs for the period.

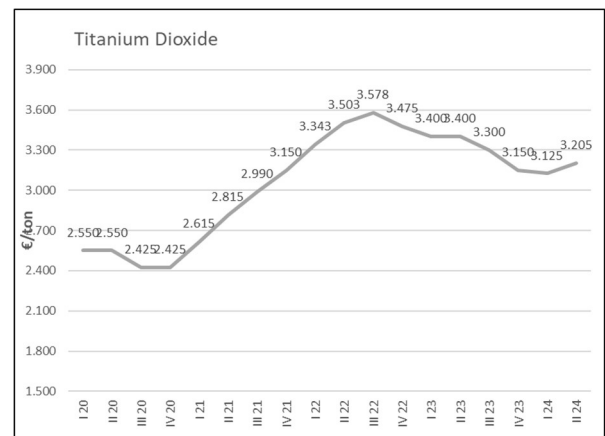
In first half 2024, the pulp market continued its growth trend that began in late 2023. Specifically, short fibre rose by 380 USD or approximately 36%. Long fibre increased by approximately 23%.

The price of titanium dioxide on the European market in the first six months increased by an average of approximately € 55/tonne (2%) versus fourth quarter 2023. The six-month change reflects a slight decrease of € 25/tonne in the first quarter, followed by an increase of € 80/tonne in the second quarter. A new upward adjustment is seen in the third quarter, ranging between € 100 and € 150/tonne, due to the European Commission's imposition of provisional duties on products imported from China.

Below are the gross price trends of the combination of Short Fibre pulp and Long Fibre pulp (FOEX readings) typical of printing base paper and Titanium Dioxide (Source ICS).



Source FOEX



Source ICS

Given the weak demand in the target market, the Company could only partly transfer the increase in raw material costs to end customers. This led to a contraction in EBITDA, which stood at 5.2% of net sales (7.5% at 30 June 2023), and a decrease of € -1,264 thousand versus first half 2023.

Net Profit at 30 June 2024 amounted to € -4 thousand versus € 2,017 thousand at 30 June 2023, with a margin of 4.5%, impacted in 2023 by € 571 thousand from the positive effect of the equity measurement of the investment in the subsidiary CDG, while in 2024 the write-down of the investment in BEG impacted by € -155 thousand.

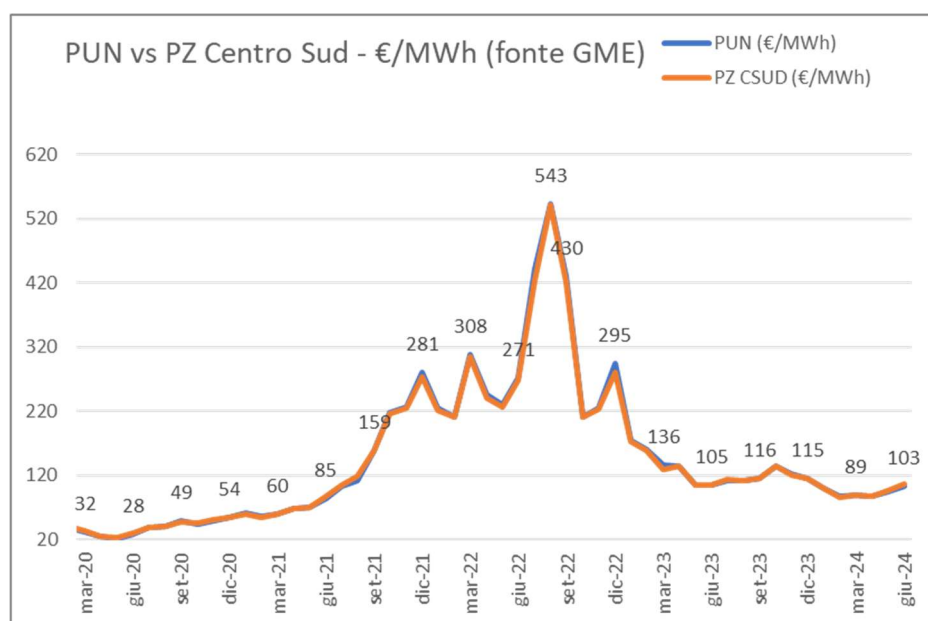
Net financial debt deteriorated by € 4,351 thousand versus 31 December 2023. This rise is due primarily to the signing of a medium/long-term loan with Banca Popolare di Sondrio for € 4,500 thousand to finance the investments outlined in the 2024-2026 business plan.

In early June 2024, Cartiere di Guarcino received positive notice of the outcome of the resolution of a SIMEST loan with a non-repayable portion to support Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus totaling € 2.5 million, of which € 1 million is non-repayable.

Bio Energia Guarcino Division

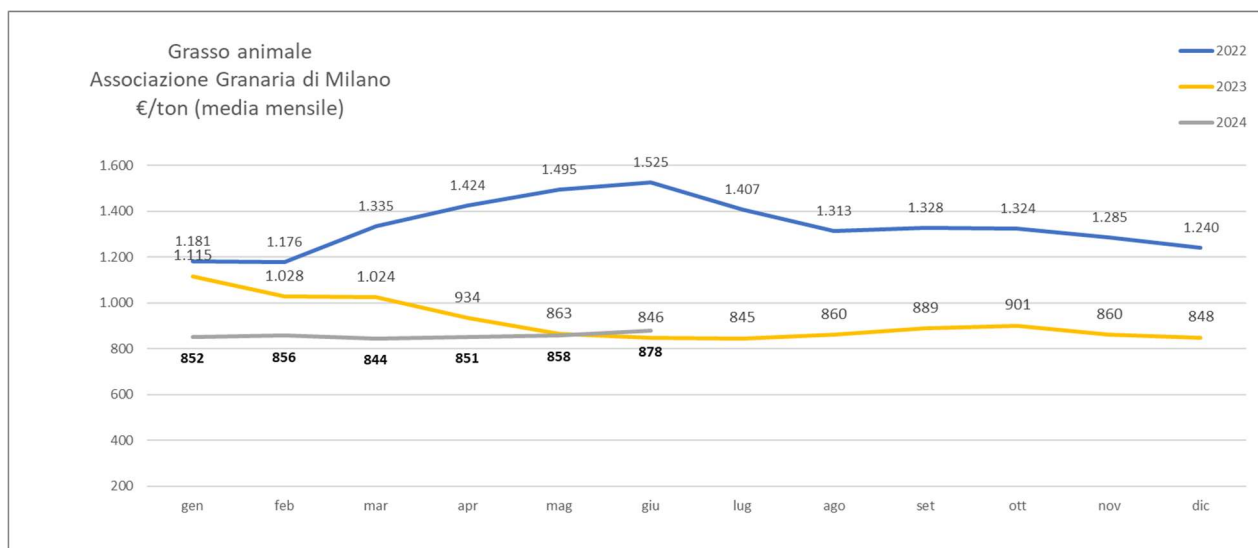
In 2024, the ordinary GRIN incentive is € 54.80/MWh, up from zero in 2023. In 2024, the temporary guaranteed minimum prices scheme is in effect, with the resolution issued by ARERA on 23 July.

In the first part of the year, the energy market showed a downward trend compared to 2023, stabilizing below € 100/MWh. In second quarter 2024, this price increased slightly, as seen in the graph below:



In this context, Bio Energia Guarcino operated at full capacity with Cartiere di Guarcino, providing the maximum steam contribution and at reduced speed during periods of plant downtime at Cartiere di Guarcino. This pending ARERA's resolution on the GMP, which addresses both the reinstatement of revenue and the payment procedures. The ARERA resolution was issued on 23 July 2024.

Overall, bioliquid markets were steady in the first half of the year, experiencing some fluctuations during the period. Specifically, animal fats saw a slight increase of approximately 4%, equating to an average rise of approximately € 30/tonne.



EBITDA at 30 June 2024 came to € 1,567 thousand, down from € 2,434 thousand at 30 June 2023. The best 1H 2023 figure, despite the production stoppage from 1 April to 15 May 2023, benefited from the contingent asset from the 2022 maximization (revenue netted of the tax effect of € 2,348 thousand) and from a number of short hedges on the energy market and long hedges on bioliquids for first quarter 2023.

At 30 June 2024, there was a loss of € -75 thousand versus a profit of € +652 thousand at 30 June 2023.

Net financial debt at 30 June 2024 stood at € 12,528 thousand and increased by € +5,617 thousand versus 31 December 2023, due mainly to the delayed collection of maximization (accrued from 19 September 2022 to 30 September 2023) and GMP (scheme in force since 11 December 2023), totaling € 19,045 thousand (of which € 9,290 thousand related to maximization, collected in July for € 7,651 thousand). A contribution to support the cash needs of operations was provided by the Group.

Main Alternative Performance Measures (APMs)

The European Securities and Market Authority (ESMA) has published guidelines on Alternative Performance Measures ("APMs") for listed issuers.

The APMs constitute information used by Management and investors to analyze the trends and performance of the Group, which are directly derived from the financial statements, even though not required by IAS/IFRS. These measures, used by the Group continuously and consistently for several years now, are relevant to assist Management and investors in analyzing the Group's performance. Investors should not consider these APMs as substitutes, but rather as additional information to the figures included in the financial statements. It should be noted that the APMs as defined may not be comparable to APMs of a similar name used by other listed groups.

The definition of the main APMs used in this Directors' Report on Operations is given below:

- **EBITDA and EBIT:** alternative performance measures not defined by IAS/IFRS but used by Group Management to monitor and measure its performance, as they are not affected by volatility, due to the effects of the range of criteria for determining taxable income, the amount and characteristics of the capital employed and - for EBITDA - the amortization/depreciation policies. These measures are also commonly used by analysts and investors to assess company performance;

- **ADJUSTED EBITDA and EBIT:** a measure used by Management to strip EBITDA and EBIT of the effect of non-recurring cost and revenue components;
- **ADJUSTED NET PROFIT:** a measure used by Management to strip net profit of the effect of non-recurring cost and revenue components;
- **OPERATING WORKING CAPITAL, NET WORKING CAPITAL, FIXED ASSETS and NET INVESTED CAPITAL** Allow a better assessment of both the ability to meet short-term trade commitments through current trade assets and the consistency of the structure of loans and sources of financing in terms of time;
- **NET FINANCIAL DEBT** The sum of current and non-current financial debt net of cash, determined in accordance with ESMA Guideline 32-382-1138 dated 4 March 2021 and CONSOB's "Warning Notice no. 5/21" dated 29 April 2021.

Main risks and uncertainties to which Neodecortech S.p.A. and the Group are exposed

The Group's risk management is based on the principle of accountability that the risk is managed by the person in charge of the business process directly involved.

The main risks are reported and discussed at the top management level of the Group companies in order to create the conditions for their management, coverage, insurance and assessment of the residual risk.

Financial risks are managed within the framework of specific directives of an organizational nature that govern their management and the oversight of all transactions that are strictly relevant to the composition of assets and liabilities of a financial and trade nature. Risks are also monitored by means of a structured system (ERM) for all Group companies, with specific reporting to the relevant Board of Directors and, in aggregate form, to the Board of Directors of the Parent Company.

Below is an analysis of risks and the resulting uncertainties.

Non-financial risks

Risks associated with the general economic situation

As the Group operates in a global competitive scenario, its financial position, results and cash flows are affected by the general conditions and performance of the world economy, as well as by the continued Russian-Ukrainian conflict. Any negative economic cycle or political instability in one or more relevant geographical markets may influence the Company's performance and strategies and affect its future prospects in both the short and medium/long term. In order to alleviate risk, the Group operates both

nationally and internationally, in order to diversify the source of its sales. This is to avoid both the concentration of sales from a single country and to adopt business strategies that allow it not to depend on customers located in high-risk countries. Specifically, in light of the Russian-Ukrainian conflict that broke out at end February 2022, the Group can attest that it has not carried out any development activities or invested in these countries, and purchases and sales in both Russia and Ukraine are negligible. Except for sales of

Cartiere goods that are not embargoed. Still, the ongoing conflict has undeniably dampened the consumption propensity of furniture and flooring buyers, impacting indirectly on the Group's results.

The prevailing macroeconomic uncertainty has been further compounded by the Israeli-Palestinian conflict that broke out on 7 October 2023.

Risks associated with the level of competitiveness and cyclicality in the segment

Demand trends are cyclical and vary according to the general economic conditions and the consumption propensity of end customers. An adverse trend in demand, or if the Group is not able to adapt effectively to the external market context, could have a significant negative impact on the Group's business prospects, as well as on its performance and financial situation. Most of the Group's revenue is generated in the decorative papers and industrial paper sectors. The Group

competes primarily in Europe with other major international groups. These markets are all highly competitive in terms of product quality, innovation and price. The Group has launched new product lines in order to seize new market segments that are more lucrative than traditional business; these new lines will not only allow it to acquire new customers, but also to expand sales and further strengthen its relationships with existing customers.

Risks associated with sales on international markets

Part of the Group's sales takes place outside the European Union. The Group is therefore exposed to the risks related to exposure to local economic and political conditions and to the possible implementation of restrictive import and/or export policies. The Group

constantly monitors the development of political and financial risks associated with countries whose general economic and political situation could prove unstable in the future, in order to take possible mitigation actions.

Risks associated with fluctuations in the price of raw materials and of components

The Group's exposure (in particular the Paper and Energy Division) to the risk of an increase in prices of raw materials for production is definitely real. In order to manage this risk, the Group constantly monitors the market prices of the raw materials it procures for its activities in order to promptly anticipate any significant price increases, always keeping at least two suppliers that are able to supply the same quantity and quality of raw materials. In this context however, the Group does

not carry out specific hedges against these risks but rather tends to implement targeted purchasing policies to ensure stability for periods normally of no less than a quarter. The technical methods of setting prices on the raw materials market, as well as the fierce level of competition in the Group's area of operation, do not always allow it to transfer all of the sudden and/or significant increases in procurement costs to sales prices.

Risks associated with the ability to propose innovative products

The success of the Group's activities depends on its ability to maintain or increase its share in its markets of operation and/or to expand into new markets through innovative, high-quality products that ensure adequate levels of profitability. Specifically, should the Group be unable to develop and offer innovative and competitive products compared to those of its main competitors in terms of price and quality, the Group's market shares could shrink, impacting negatively on its business prospects, results and/or financial situation. The Group

invests constantly in technological innovation in order to mitigate this risk. Investments in recent years have been channeled mainly into the new lacquering line for EOS products, the expansion of an embossing line for plastic films, the purchase of a new lamination line and a new impregnation line, and the purchase and engraving of cylinders, as well as work to maintain/upgrade existing process technologies which, at Cartiere, have escalated to an extraordinary scale.

Risks associated with the concentration of sales on a small number of customers and with production on order

Part of the Group's revenue is concentrated on a small number of customers. Production on order is strictly affected by relations with the Group's main customers, which can have a significant impact on revenue generation. Group revenue relates mainly to business on order, where prices are based on the production batch. The Group therefore bears the risk that the work required to complete individual job orders is higher than budgeted and that, consequently, expectations in terms of profit margins may be significantly lower. Additionally, production on order is subject to possible

fluctuations in revenue in the short term. Consequently, the increase or decrease in revenue in a given period may not be indicative of revenue trends over the long term. In order to mitigate the resulting risk, the Group Companies have developed long-term relationships with their main customers based on trust and great focus on quality. The products developed become "niche" products, not just commodities. Decorations are developed, in some cases, ad hoc at the customer's request; the Group, therefore, adopts a loyalty system with this practice.

Risks associated with the compliance with environmental, health and safety regulations in the workplace

The Group is an industrial entity and, as such, is subject to laws and regulations governing the environment, health and safety in the workplace. Violations of the regulations applicable to these areas could result in restrictions on the Group's activities, the application of sanctions and/or claims for damages. In performing its activities, the Group is subject to strict environmental and health and worker protection legislation, applicable within the plants where production activities are carried out. In this regard, Neodecortech S.p.A. and its subsidiaries have obtained ISO 14001 environmental certification and ISO 45001 on health and safety in the workplace. As far as environmental protection is concerned, in accordance with applicable legislation, the Group has the burden of requesting and obtaining permits and authorizations to carry out its activities. Specifically, the Parent Company and the subsidiary Cartiere di Guarcino S.p.A. completed the initial steps for the

renewal of the Integrated Environmental Authorization (AIA), with the last session of the services conference held on 27/02/2024. They are now awaiting the issuance of the authorization by the Latium region. Additionally, production activities imply a controlled use of hazardous chemical materials that require a special system for their management and disposal. With regard to health and safety in the workplace, the Group is required to comply with laws and regulations (for instance, Legislative Decree no. 81 of 2008) aimed at mapping and managing risks, also with a view to preventing accidents. To this end, the Group has adopted policies and procedures to comply with regulatory provisions; the presence of requirements regarding safety, health and hygiene in the workplace is secured thanks to the constant updating and implementation of the legally prescribed controls.

Risks associated with Management

The success of the Group depends to a large extent on the ability of its Executive Directors and other members of management to effectively manage the Group and its individual business areas.

The current governance structure of Neodecortech S.p.A. - with the presence of two Executive Directors who have longstanding experience in the specific line of business - allows management of operating discontinuities in the short term resulting, for instance,

from a replacement of Managing Directors before the ordinary expiry of their office or resignation, thus ensuring continuity and stability in the management of the Company and the Group. Additionally, the Group has fitted itself with an effective organizational setup, which provides, for each department within the Companies, a manager with adequate powers to exercise the role.

Cyber Security Risk

With regard to cyber security, the Group is implementing all necessary actions to align its structure with the main national and international industry standards. Technological and organizational measures were recently put in place with the aim of: managing the threats to which the organization's network infrastructure and information systems are exposed, in

order to ensure a level of security appropriate to the existing risk; preventing incidents and minimizing their impact on the security of the network and information systems used for production and business, in order to ensure their continuity.

A business continuity/disaster recovery procedure is in place to deal with any unforeseen events.

Climate Change Risk

With regard to the risks related to climate change, the Neodecortech Group has embarked on a structured process of analysis of its environmental impacts and mitigation activities. In addition to the internal analysis of its risks and opportunities, the Group has decided to undergo the CDP - Carbon Disclosure Project assessment as from 2021, with a view to increasing awareness, and has launched a sustainability process

aimed at increasingly reducing its negative impacts in this area. On 13 December 2022, CDP confirmed its "B" rating related to 2021. The assessment and rating for 2022 was concluded in February 2024 with the confirmation of the B rating.

Financial risks

Risks associated with financial requirements

Liquidity risk is normally defined as the risk that a company will be unable to meet its payment obligations due to the difficulty of raising funds (funding liquidity risk) or liquidating assets on the market (asset liquidity risk).

The Group efficiently manages its financial resources through a loan agreement between the Parent Company and its Subsidiaries in order to make surplus liquidity available, if necessary, to cover its requirements. Short-term bank credit lines are in line with commitments undertaken and planned, while medium-term loans guarantee adequate coverage for investments in fixed assets, keeping cash flows and the resulting liquidity generated in balance.

Thanks to the provision of low-interest loans obtained through emergency law decrees in 2020 and to a loan obtained in 2022 through a SupportItalia guarantee, in addition to a loan from SIMEST with a non-repayable portion to *support Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus* obtained in 2023, the Company was able to upgrade its debt by lengthening its duration. Reference should be made for further details to the Directors' Report on Operations and to Note 25 "Non-current financial liabilities" and "Current financial liabilities".

Credit risk

The current assets of Group companies, with the exception of inventory, are primarily trade receivables. The Group presents different credit risk concentrations in its different relevant markets. While the Group has longstanding relationships with its main clients, changes in these relationships or in the business

strategies of some of these clients could have negative effects on the results and

financial position of the Group itself. The Group takes measures to carefully manage trade receivables in order to minimize collection time and credit risk, also adopting a policy of advance payments and guarantees, including the insurance of most

receivables. To date, the Group has not encountered significant issues in the collection of trade receivables

and does not expect to have a significant negative impact from this situation in the future.

Currency risk

The Group is obviously exposed to market risks associated with fluctuations in exchange rates and interest rates. Exposure to exchange rate risks is related mainly to the procurement of certain raw materials (pulp and titanium dioxide) and, to a lesser extent, to the sale of products, which leads to cash

flows denominated in currencies other than those of the production area (mainly US dollars). This exposes the Group to the risk of fluctuations in the Euro against the US dollar, against which specific exchange rate hedging policies are adopted, but not accounted for in hedge accounting.

Interest rate risk

The Group companies have in place - inter alia - financial liabilities (loans) at floating rates. In order to alleviate the negative effects of a possible increase in interest rates, a hedging derivative (IRS - Interest Rate Swaps) is in place, accounted for using the fair value hedge accounting method. Specifically, at 30 June

2024, the Parent Company had an IRS in place relating to the mortgage loan agreement with BPM, with a notional value of € 4,250 thousand and a positive fair value of € +159 thousand (a positive € 172 thousand at 31 December 2023).

Corporate Governance

The Company has aligned its corporate governance system to the relevant provisions set out in Legislative Decree no. 58/1998 ("TUF"), and has adopted the Corporate Governance Code approved by the Corporate Governance Committee, published on 31 January 2020, applicable as from 1 January 2021 (the "Corporate Governance Code") and adopted by the Company on the same date.

Following the provision of Borsa Italiana for admission to the STAR segment dated 5 March 2021, trading of the Company's ordinary shares began on 15 March 2021 on the STAR segment of Euronext Milan organized and managed by Borsa Italiana.

The Company has a traditional management and control model in place, which envisages the presence of the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors and the Independent Auditors (for further information, reference should be made to the chapter "CORPORATE BODIES" at the beginning of this Report).

At the meeting held on 18 March 2024, the Chairman of the Board of Directors of the Company submitted to the review of the other members of the Board the recommendations contained in the communication of the Chairman of the Corporate Governance Committee of Borsa Italiana of 14 December 2023 referring to (i) sustainable success and the promotion of dialogue with stakeholders, (ii) the classification of the Company with regard to the categories defined by the Corporate Governance Code with a view to proportionality and the adoption of the simplification options put forward by the Corporate Governance Code, (iii) the management of pre-Board disclosure, (iv) the appointment and succession of directors, (v) compliance with gender equality and equal opportunities, and (vi) remuneration policies (the "Recommendations"); the Board of Directors discussed then took account of all the Recommendations and ascertained that the Company's governance is already aligned with most of them; the considerations made and any further initiatives will be formalized and reflected in the Report on Corporate Governance and Ownership Structure pursuant to Article 123 bis of the TUF.

The Shareholders' Meeting of 19 April 2024 of the Parent Company Neodecortech, pursuant to Article 123-ter, paragraph 3-ter, of Legislative Decree no. 58/1998, approved Section One of the Report on the Remuneration Policy and on

Compensation Paid and, pursuant to Article 123-ter, paragraph 6, of the TUF, approved Section Two of the Report on the Remuneration Policy and on Compensation Paid.

For further information on the Company's corporate governance, reference should be made to the specific section on the Company website www.neodecortech.it, Investors, Corporate Governance section.

Related party transactions

Following the transposition into Italian law of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (Shareholders Right Directive II), through Legislative Decree no. 49/2019, and in light of the CONSOB amendments with resolution no. 21624 of 10 December 2020 to the regulation containing provisions on related party transactions adopted by CONSOB with resolution no. 17221 of 12 March 2010, on 30 March 2023, the Board of Directors of the Company approved the update to the Related Party Transactions Procedure (the "RPT Procedure"), adopted by the Company on 25 June 2020 and amended on 10 December 2020 and on 28 June 2021.

The procedure aims to ensure full transparency and correctness of transactions carried out with Related Parties. The updated text of the Procedure for Transactions with Related Parties of Neodecortech is available on the Company website (www.neodecortech.it).

Reference should be made to the Explanatory Notes to the Consolidated Financial Statements, which provide a detailed comment on transactions with related parties; it should be noted that during the year under review, no atypical or unusual transactions were carried out with such parties and that business transactions with related parties, including those outside Group companies, were carried out at conditions corresponding to normal market value.

Capital expenditure

Capital expenditure in tangible and intangible fixed assets in first half 2024 amounted to € 3,130 thousand. € 1,654 thousand of this expenditure refers to the Parent Company and relates to new plant and machinery and the improvement and efficiency of existing ones, in particular the new impregnation line and the new resin kitchen, and, with regard to intangible fixed assets, for the change of the ERP system.

As for the subsidiaries, capital expenditure in tangible fixed assets amounted to € 984 thousand for Cartiere di Guarcino S.p.A., regarding actions to increase output and optimize plants, and € 253 thousand for Bio Energia Guarcino S.r.l. regarding leasehold improvements.

All Group plants are continuing their 4.0 and 5.0 process revision actions to further strengthen the production process, with active control of critical variables and plant upgrading.

Expenditure in intangible fixed assets for the new ERP system continued for all Group companies in first half 2024.

Research & Development

Innovation has long been the driving force at Neodecortech, shaping ideas, projects, products, and development processes. Fueled by research, this commitment to innovation fosters the development and sharing of knowledge, benefiting various market sectors.

In first half 2024, with regard to the Parent Company, research and innovation activities continued, as well as the improvement of the processes of both historical and new production lines. In recent years, the Group has embarked on a path of product and market diversification, offering environmentally-sustainable solutions, also in consideration of recent European regulations, such as the SUP directive that establishes a ban on the sale of all single-use plastic products. In response to this law, Neodecortech is working on research projects to experiment lines of decorative papers for new applications and alternative uses, oriented towards environmental protection and produced using cutting-edge

and highly efficient technologies, capable of generating productivity increases, lower pollution and lower production of waste, ensuring a sustainable product, from production to disposal.

Creative development is overseen by the Neodecortech Lab, which collaborates closely with the sample department. Equipped with digital printers and laboratory rotogravure machines, the sample department ensures meticulous sampling and matching to the sample, offering customers the highest reproduction quality plus fast work time.

In 2022, the subsidiary Cartiere di Guarcino S.p.A. launched the European project PUSH2HEAT backed by the Horizon program, continued in 2024, which involves the formation of consortia of companies to promote new technologies within Member Countries. The primary objective of PUSH2HEAT is to develop, install, and monitor systems that can utilize waste heat (in the form of hot flue gas or hot water) generated by industrial processes and convert it into steam, i.e., higher enthalpy heat, by utilizing heat pumps. Cartiere di Guarcino takes part in the project as one of the chosen demonstration sites, where two heat pumps will be installed to extract steam through heat contained in the cooling water of the Bio Energia Guarcino S.r.l. cogeneration plant. The project involves partial coverage of the costs of personnel involved and the activities required in the implementation of the machinery, up to the amount of € 734 thousand; the project is developed on a 4-year time horizon, starting from 01/10/2022. In 2022, € 170 thousand of non-repayable co-financing was granted from the Horizon Project.

Cartiere di Guarcino S.p.A. continues the project on an innovative paper for food use, having filed the Provisional Patent application, submitting on 10/12/2020 an aid application under the "Circular Economy" call pursuant to Ministerial Decree 05/08/2020 and DD 11/06/2020 20/06/2013, regarding the project on the "Study and development of an innovative paper for food use". On 07/02/2022, the MISE issued the Act of Admission providing for an allowable cost of up to € 2,000 thousand. However, the Granting Decree has yet to be finalized.

Information on the environment, safety and health and, more generally, on ESG topics

Environment

Environmental impact is a crucial issue for the Neodecortech Group. As proof of this, the Parent Company, since 2007, has acquired a series of system certifications that offer its stakeholders tangible evidence of its commitment and of the transparency and correctness of its business activities.

This approach has also been gradually adopted by the subsidiaries Cartiere di Guarcino S.p.A. and Bio Energia Guarcino S.r.l.. Below is a list of the certifications obtained by each Group company. With regard to environmental targets and policies, in 2023 the Group continued with the implementation of the ESG 2021-2023 Plan adopted at the Board meeting in May and November 2021, and at the Board meeting in February 2024 approved the 2024-2026 ESG Plan.

Moreover, given the product sector in which the Group companies operate and their activities, there are no reports of specific activities and/or accidents with repercussions on the environment. During the year, the Group caused no environmental damage for which it was found guilty, nor was it imposed fines or penalties for environmental offences or damage.

Neodecortech

UNI EN ISO 9001 (since 2009) - Quality System Certification

UNI EN ISO 14001 (since 2007) - Environmental Certification - for the improvement of environmental performance

BS HOSAS 18001 (2011 to 2019) - Certification related to occupational health and safety management

UNI EN ISO 45001 (since 2020) - Certification related to occupational health and safety management

UNI EN ISO 50001 (since 2017) - Certification related to energy use efficiency and gradual improvement of energy performance

FSC® CHAIN CUSTODY (since 2010) - Certification related to the sustainability of the forests where the pulp used in the paper we employ is obtained from

MADE IN ITALY 100% (since 2015) - Supply Chain Certification

SUSTAINABILITY REPORT from 2016 to 2020

NON-FINANCIAL STATEMENT (since 2021) with limited assurance.

CDP rating: B

Cartiere di Guarcino

UNI EN ISO 9001 (since 2017) - Quality System Certification

UNI EN ISO 14001 (since 2012) - Environmental Certification - for the improvement of environmental performance

BS HOSAS 18001 (2012 to 2018) - Certification related to occupational health and safety management

UNI ISO 45001 (since 2019) - Certification related to occupational health and safety management

UNI EN ISO 50001 (since 2018) - Certification related to energy use efficiency and gradual improvement of energy performance

FSC® CHAIN CUSTODY (since 2010) - Certification related to the sustainability of the forests where the pulp used in the paper we employ is obtained from

PEFC (since 2015) - Programme for Endorsement of Forest Certification

Bio Energia Guarcino

UNI EN ISO 9001 (since 2017) - Quality System Certification

UNI EN ISO 14001 (since 2012) - Environmental Certification - for the improvement of environmental performance

BS HOSAS 18001 (2016 to 2018) - Certification related to occupational health and safety management

UNI ISO 45001 (since 2019) - Certification related to occupational health and safety management

UNI EN ISO 50001 (since 2018) - Certification related to energy use efficiency and gradual improvement of energy performance

Safety and Health

The Group adopts all workplace health and safety measures and, in particular, has adopted all the safety protocols provided for, as explained in detail in the relevant paragraph on risks.

No particular critical issues and/or incidents were reported in this area. During the year, the Group caused no damage for which it was found guilty, nor was it imposed fines or penalties for offences or damage on health and safety.

ESG

More generally, with regard to ESG topics, the Group adopted, through two resolutions of the Board of Directors in May and November 2021, an ESG 2021-2023 Action Plan covering the entire scope of the Group. Similarly, in February 2024, the new 2024-2026 ESG Action Plan was approved, again for the same corporate scope. The 2021-2023 Action Plan adopted:

- the "diversity and inclusion policy" applicable within the Group;
- the supplier code of conduct, aimed at the adoption of policies, principles and standards relating to the respect of human rights;
- the biodiversity policy;
- the remuneration policy, which includes incentive plans tied to sustainability objectives not only for top and middle managers, but also for all other employees as an additional parameter among those considered for the purposes of accruing the annual performance bonus;
- medium to long-term projects in support of local communities, to be implemented in the municipalities where the Group's production plants are located, through donations or gifts aimed at promoting cultural and/or charitable activities;
- extension of GHG emissions reporting to scope 1 and 2, setting the Group's carbon footprint, in order to undertake carbon offsetting and neutralization of CO₂ equivalent emissions for all the Group's production facilities in the three-year period 2021-2023. In 2023, the entire Group achieved *carbon neutrality* for Scopes 1 and 2 for all its member companies.

The ESG Action Plan 2024-2026 will focus particularly on combating climate change, improving water use, reducing and managing waste, and applying the principles of the circular economy. The Plan also includes substantial support to the local communities where the Group's plants are situated, with a particular focus on ethical and responsible supply chain analysis and management.

For the third consecutive year, the Neodecortech Group received a "B" score from CDP (Carbon Disclosure Project) based on the 2022 data provided in the questionnaire, recognizing the Group Companies' commitment to combating climate change. This score places Neodecortech in the European average (score "B"), but above the average of both its industry Wood & Paper materials and the Global average, with scores of "B-" and "C" respectively.

Since 2016, based on 2015 figures, the Neodecortech Group has prepared the GRI-compliant Sustainability Report.

Starting from 2021, in a continued effort to increase its transparency also on data and events of a non-income, equity or financial nature, Neodecortech has chosen to implement its sustainability reporting, with the publication of the first consolidated non-financial statement (NFS) pursuant to Legislative Decree 254/2016, on a voluntary basis certified by a limited assurance, according to the criteria indicated by ISAE 3000 Revised. On 12 March 2024, the Board of Directors approved, for the second year on a voluntary basis, the 2023 Consolidated Non-Financial Statement, to which explicit reference is made for further discussion of all these topics (<https://www.neodecortech.it/sostenibilita/sostenibilita-i-nostri-risultati/dichiarazione-non-finanziaria/>).

Human resources and organization

There is no significant information relating to human resources that requires disclosure.

PERSONNEL IN SERVICE	Printed Decorative Paper Division	Decorative Paper Division	Energy Division	NDT China Division	30.06.2024 GROUP	31 12 2023 GROUP
Executives	5	5	0	0	10	10
Managers/White collars	60	51	2	4	117	109
Blue collars	153	117	2	0	272	271
Total	218	173	4	4	399	390

The average number of Group employees recorded in first half 2024 was 395, standing at 399 at 30 June 2024. Additionally, 5 resources from Cartiere di Guarcino work on secondment at the subsidiary Bio Energia Guarcino.

Atypical and/or unusual transactions during the year

In first half 2024, the Group did not carry out any significant transactions qualifying as non-recurring, atypical and/or unusual.

Significant events after 30 June 2024

In July 2024, the subsidiary BEG collected € 7,651 thousand from maximization receivables.

The Board of ARERA approved on 23 July 2024 Resolution 306/2024/R/eel on GMP for bioliquid plants, implementing Article 5, paragraph 2, of LD Energy Security (No. 181/2023); as a result, it is expected that the receivables accumulated under this item, totaling € 9.8 million at 30 June 2024, will be collected by the end of the current year.

Compliance with the simplified system under Articles 70 and 71 of the Issuer Regulation

It should be noted that Neodecortech, pursuant to articles 70, paragraph 8 and 71, paragraph 1-bis, of the Regulation adopted by CONSOB through resolution no. 11971/1999, as supplemented and amended (the "Issuer Regulation"), complies with the opt-out system provided for by the above articles, availing itself of the right to depart from the obligations to publish the information documents envisaged in Annex 3B of the Issuer Regulation on the occasion of significant transactions relating to mergers, spin-offs and capital increases through contribution of assets in kind, acquisitions and transfers.

Treasury shares and shares of the Parent Company

Pursuant to Articles 2435-bis and 2428 of the Italian Civil Code, it should be noted that Neodecortech held no. 436,295 treasury shares at 30 June 2024 for a value of € 1,417,769.

The Shareholders' Meeting held on 19 April 2024 approved the additional purchase of ordinary shares of the Company, up to a maximum of 10% of the Company's share capital, equal to a maximum of no. 1,421,802 ordinary shares. The purchase of treasury shares may be made, in one or more tranches, within eighteen months.

In July 2024, Neodecortech continued with the purchase of additional treasury shares based on and within the limits of the above resolution.

At 30 June 2024 and during the six-month period, the Company did not hold and did not purchase shares in the parent company Finanziaria Valentini S.p.A..

Other information

Pursuant to paragraph 5 of Article 2497-bis of the Italian Civil Code, we certify that the Company is not subject to the direction and coordination of others.

The Shareholders' Meeting held on 19 April 2024 of the Parent Company Neodecortech S.p.A. approved the Financial Statements at 31 December 2023, allocating profit for the year of € 2,848,012.95 as follows:

- € 142,400.65 to the legal reserve;
- € 650,884.24 to the non-distributable revaluation reserve for investments recorded pursuant to Legislative Decree no. 38/05 Article 6, paragraph 1;
- € 2,054,728.06 to the extraordinary reserve.

Business and market outlook

At the time of writing this document, the entire production chain involving Neodecortech and CDG is experiencing a general slowdown in demand, which is impacting the target market. This has led to a slight reduction in the order backlog, both relating to historical trends and expectations for 2024. This condition is expected to persist evenly across all sales areas where the companies primarily operate (90% Europe) until the end of the current year.

Regarding the trend of strategic raw materials, the following information is provided for each business unit: (i) Neodecortech expects prices of certain strategic raw materials (resins, plastics) to remain steady in second half 2024 while other raw materials such as paper will increase further; (ii) Cartiere di Guarcino, after the growth in pulp and titanium dioxide prices seen in the first half of the year, expects pulp prices to remain steady, but sees further rises for titanium dioxide; (iii) for Bio Energia Guarcino, the fuel mix used in first half 2024 was 45% palm oil and 54% animal by-product. Both recorded a steady/slightly declining trend in first half 2024. For second half 2024, the forecast suggests that this trend may continue, though it will be significantly affected by any early signs of economic recovery and by trends in other relevant sectors, and the state of crop production and storage.

Energy carriers have instead witnessed a stabilization. Both Neodecortech and Cartiere di Guarcino continue to devote the necessary attention to the potential risks of rationing and partial availability of electricity and gas. Anticipated energy costs for second half 2024 do not project any significant changes.

With regard to the CONSOB notices of 7 March 2022, and subsequently of 19 May 2022, aimed at compliance with the restrictive measures adopted by the EU in response to the Russian military aggression in Ukraine, it should be noted that the Group is continuing to comply with all the measures introduced by the European Union. Additionally, from an IT point of view, the Group has adopted stringent business continuity plans, guaranteeing the full operation of back-ups, including offline solutions, to protect company systems and data from possible cyber-attacks, which could intensify as the Russian-Ukrainian conflict continues.

The Group continues to pursue its policy of sustainability, by implementing a number of ongoing projects, especially in the area of emission reduction, as well as on the circular economy and social fronts.

Each Division is analyzed more specifically below.

Decorative Paper Division - Neodecortech

As noted earlier, economic expansion halted in mid-2022, and since then, activity has remained largely stagnant amid a decline in household purchasing power and a slump in domestic and external demand. Despite a partial reduction in the prices of certain raw materials and energy, immediate pressure to lower sales prices prevented the anticipated margin recovery.

According to macroeconomic forecasts, this market situation is expected to remain largely unchanged for the rest of the year. To cope with this situation, the Company is focusing its resources on the development of higher-margin products, particularly laminates and plastic film products, which are expected to experience growing volumes. For "historical" products, only stability is anticipated.

Paper Division - Cartiere di Guarcino

The customer order backlog of Cartiere, consistent with the figures at 31 December 2023, declined versus first half 2023, which had already seen a drop following fourth quarter 2022, reflecting general market trends. This was taken into account in the preparation of the 2024 Budget. However, considering the aforementioned domestic and international economic scenario, the future outlook should be approached with caution. Margins are particularly affected by tension in the prices of strategic raw materials, which, amid weak demand, complicate the ability to transfer these costs to end customers. A recovery is anticipated at the start of 2025.

Energy Division - Bio Energia Guarcino

The BEG bioliquid power plant is included in the support framework for renewable energy production that will end in May 2025. This incentive system resumed operation in January 2024, unlike in 2023, as the average price of 2023 energy was lower than the cap of € 180 MWh used to determine the unit incentive paid to renewable energy production plants.

In February 2024, the Government converted the "Energy Security" Law Decree into law, introducing the following new features for bioliquid power plants even after the end of the incentive period: (i) introduction of the Guaranteed Minimum Prices scheme from December 2023 to no later than 31 December 2025 (ARERA Implementing Resolution issued on 23 July 2024); (ii) continuation, from 2026, with a scheme based on the negotiation of the electrical capacity of bioliquid plants, with special regard to plants connected to production sites.

As a result of the above, the Company has not identified the presence of impairment indicators regarding the recoverability of the carrying amount of tangible fixed assets and has therefore not conducted an impairment test in accordance with IAS36.

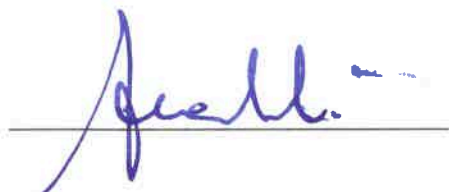
The GMP scheme is expected to ensure the cost-effective operation of the power plant, due to the correlation of part of the reinstatement to the bioliquid market. the Milan grain association market or the Rotterdam market, depending on the type of bioliquid used. Regarding the bioliquid market, palm oil in particular, stricter environmental sustainability regulations are anticipated to be implemented starting in 2025. These regulations will include palm oil among those products subject to the EUDR and Low ILUC requirements. This could result in increased supply costs for this type of bioliquid. BEG, for its part, is authorized to use and has been utilizing for several years now bioliquids derived from animal and/or plant wastes, which are not directly impacted by these new regulations.

Filago (BG), 02 August 2024

For the Board of Directors

The Chairman

(Luca Peli)





Condensed consolidated half-year financial statements at 30 June 2024



Consolidated income statement at 30 June 2024

<i>(Euro thousands)</i>	Notes	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Revenue from sales and services	1	85,285	100.0%	86,422	100.0%	(1,137)	(1.3%)
Changes in work in progress, semi-finished and finished products	2	734	0.9%	4,537	5.2%	(3,803)	(83.8%)
Other revenue	3	1,015	1.2%	6,883	8.0%	(5,868)	(85.3%)
Value of Production		87,034	102.1%	97,842	113.2%	(10,808)	(11.0%)
Raw and ancillary materials and consum.	4	(55,610)	(65.2%)	(61,502)	(71.2%)	5,892	(9.6%)
Other operating expense	5	(13,399)	(15.7%)	(16,289)	(18.8%)	2,890	(17.7%)
Value Added		18,025	21.1%	20,051	23.2%	(2,026)	(10.1%)
Personnel expense	6	(11,145)	(13.1%)	(10,832)	(12.5%)	(313)	2.9%
EBITDA		6,880	8.1%	9,219	10.7%	(2,339)	(25.4%)
Amortization and depreciation	7	(4,399)	(5.2%)	(4,529)	(5.2%)	130	(2.9%)
Allocations	8	(36)	(0.0%)	(123)	(0.1%)	87	(70.7%)
EBIT		2,445	2.9%	4,567	5.3%	(2,122)	(46.5%)
Financial expense	9	(1,339)	(1.6%)	(1,132)	(1.3%)	(207)	18.3%
Financial income	10	266	0.3%	202	0.2%	64	31.7%
Profit/(loss) before tax		1,372	1.6%	3,637	4.2%	(2,265)	(62.3%)
Income tax	11	(167)	(0.2%)	(52)	(0.1%)	(115)	221.2%
Profit/(loss) for the year		1,205	1.4%	3,585	4.1%	(2,380)	(66.4%)
Of which Group profit/(loss) for the year		1,216				1,216	-
Of which Profit/(loss) for the year of non-controlling interests		(11)				(11)	-

Consolidated statement of comprehensive income at 30 June 2024

<i>(Euro thousands)</i>	30 JUNE 2024	30 JUNE 2023
Profit/(loss) for the year	1,205	3,585
Other items of the comprehensive income statement		
Actuarial gains (losses) net of tax effect	53	8
Total items that will not be reclassified in the income statement for the year	53	8
Gains/(losses) on cash flow hedging instruments	(9)	(23)
Total items that will or may be reclassified in the income statement for the year	(9)	(23)
Total other items of the comprehensive income statement	44	(15)
Comprehensive income (loss) for the year	1,249	3,569
Profit for the year attributable to:		
Shareholders of the Parent	1,260	3,569
Non-controlling interests	(11)	
Earnings per share (in Euro):		
Basic	0.09	0.25
Diluted	0.09	0.25

Consolidated statement of financial position at 30 June 2024

Assets	Notes	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
<i>(Euro thousands)</i>							
Intangible assets	12	1,453	0.8%	777	0.5%	676	87.0%
Tangible assets	13	74,035	42.5%	75,969	46.1%	(1,934)	(2.5%)
Investments		0	0.0%	0	0.0%	0	0.0%
Other non-current assets	14	504	0.3%	400	0.2%	104	26.0%
Non-current financial receivables	15	445	0.3%	445	0.3%	0	0.0%
Deferred tax assets	16	1,884	1.1%	1,881	1.1%	3	0.2%
Non-current assets		78,321	44.9%	79,472	48.2%	(1,151)	(1.4%)
Inventory	17	43,969	25.2%	42,598	25.8%	1,371	3.2%
Trade receivables	18	25,329	14.5%	16,276	9.9%	9,053	55.6%
Receivables from tax consolidation	19	696	0.4%	438	0.3%	258	58.9%
Tax receivables	20	1,379	0.8%	1,652	1.0%	(273)	(16.5%)
Current financial receivables	15	6	0.0%	0	0.0%	6	0.0%
Other current receivables	21	18,257	10.5%	12,211	7.4%	6,046	49.5%
Cash funds	22	6,322	3.6%	12,157	7.4%	(5,835)	(48.0%)
Current assets		95,958	55.1%	85,332	51.8%	10,626	12.5%
Total assets		174,279	100.0%	164,804	100.0%	9,475	5.7%

Equity and liabilities		30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
<i>(Euro thousands)</i>							
Share capital		18,804	10.8%	18,804	11.4%	0	0.0%
Share premium reserve		18,864	10.8%	18,864	11.4%	0	0.0%
Other reserves		30,653	17.6%	28,185	17.1%	2,468	8.8%
Prior years' profit (loss)		8,761	5.0%	8,761	5.3%	0	0.0%
Profit (loss) for the year		1,216	0.7%	2,848	1.7%	(1,632)	(57.3%)
Group equity		78,298	44.9%	77,462	47.0%	836	1.1%
Equity attributable to non-controlling interests		19	0.0%	0	0.0%	19	0.0%
Profit (loss) for the year attributable to non-controlling interests		(11)	0.0%	0	0.0%	(11)	0.0%
Total equity attributable to non-controlling interests		8	0.0%	0	0.0%	8	0.0%
Total equity	30	78,306	44.9%	77,462	47.0%	844	1.1%
Provisions for risks and charges	23	808	0.5%	825	0.5%	(17)	(2.1%)
Deferred tax	16	5,754	3.3%	5,941	3.6%	(187)	(3.1%)
Post-employment benefits	24	2,007	1.2%	2,080	1.3%	(73)	(3.5%)
Non-current financial liabilities	25	23,226	13.3%	22,179	13.5%	1,047	4.7%
Non-current liabilities		31,795	18.2%	31,025	18.8%	770	2.5%
Trade payables	26	34,184	19.6%	33,792	20.5%	392	1.2%
Payables from tax consolidation	27	283	0.2%	117	0.1%	166	141.9%
Tax payables	28	690	0.4%	786	0.5%	(96)	(12.2%)
Current financial liabilities	25	21,584	12.4%	15,844	9.6%	5,740	36.2%
Other current payables	29	7,437	4.3%	5,778	3.5%	1,659	28.7%
Current liabilities		64,178	36.8%	56,317	34.2%	7,861	14.0%
Total equity and liabilities		174,279	100.0%	164,804	100.0%	9,475	5.7%

Consolidated statement of changes in equity at 30 June 2024

CONSOLIDATED FIGURES EURO THOUSANDS	NOTE S	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT								TOTAL EQUITY
		SHARE CAPITA L	HEDGING AND TRANSLATIO N RESERVES	EQUITY RESERVE S	OTHER RESERVE S	TREASUR Y SHARES	PROFIT (LOSS) FOR THE YEAR	EQUITY	EQUITY NON- CONTROLLIN G INTERESTS	
Balance at 01/01/2023	28	18,804	264	18,864	31,373	(468)	8,437	77,274	0	77,274
Other items of the comprehensive income statement		0	(133)	0	(32)	0	0	(165)	0	(165)
Profit for the year		0	0	0	0	0	2,848	2,848	0	2,848
Total comprehensive income/loss for the year		0	(133)	0	(32)	0	2,848	2,683	0	2,683
Dividend distribution		0	0	0	(1,973)	0	0	(1,973)	0	(1,973)
Allocation of prior year's profit (loss)		0	0	0	8,437	0	(8,437)	0	0	0
Other changes		0	0	0	(4)	(518)	0	(522)	0	(522)
Balance at 31/12/2023	28	18,804	131	18,864	37,801	(986)	2,848	77,462	0	77,462
Balance at 01/01/2024	28	18,804	131	18,864	37,801	(986)	2,848	77,462	0	77,462
Other items of the comprehensive income statement		0	(10)	0	53	0	0	43	0	43
Profit for the year		0	0	0	0	0	1,216	1,216	0	1,216
Total comprehensive income/loss for the year		0	(10)	0	53	0	1,216	1,259	0	1,259
Dividend distribution					0			0	0	0
Allocation of prior year's profit (loss)					2,848		(2,848)	0	0	0
Other changes		0	0	0	0	(423)		(423)	8	(415)
Balance at 30/06/2024	28	18,804	121	18,864	40,702	(1,409)	1,216	78,298	8	78,306

Consolidated statement of cash flows at 30 June 2024

<i>(Euro thousands)</i>	30 JUNE 2024	30 JUNE 2023
Profit (loss) for the year	1,205	3,585
Income tax	357	128
Deferred/(prepaid) tax	(190)	(76)
Interest expense/(interest income)	1,278	929
(Dividends received)	0	0
(Gains)/losses from disposal of assets	5	15
1 Profit (loss) for the year before income tax, interest, dividends and gains/losses from disposals	2,655	4,581
Adjustments for non-monetary items that had no balancing entry in net working capital:		
Allocation to post-employment benefits	21	25
Allocations to other provisions	91	223
Amortization and depreciation of fixed assets	4,399	4,529
Write-downs for impairment losses	0	0
Other adjustments for non-monetary items	(236)	(55)
2 Cash flow before changes in NWC	6,930	9,303
Changes in net working capital:		
Decrease/(increase) in receivables from customers	(9,045)	973
Decrease/(increase) in inventory	(1,407)	487
Increase/(decrease) in payables to suppliers	373	(1,428)
Decrease/(increase) in other receivables	(6,032)	(5,880)
Increase/(decrease) in other payables	1,516	1,644
Other changes in net working capital	0	0
3 Cash flow after changes in NWC	(7,665)	5,099
Other adjustments:		
Interest received/(paid)	(1,196)	(789)
(Income tax paid)	(100)	(89)
(Gains)/losses from disposal of assets	0	0
Dividends received	0	0
(Utilization of provisions)	(9)	10
(Utilization of provisions for post-employment benefits)	(39)	(136)
4 Cash flow after other adjustments	(9,009)	4,095
A Cash flow from operations	(9,009)	4,095
<i>Tangible fixed assets</i>	<i>(2,339)</i>	<i>(3,289)</i>
(Purchase)	(2,359)	(3,289)
Disposal	20	0
<i>Intangible fixed assets</i>	<i>(770)</i>	<i>(110)</i>
(Purchase)	(770)	(110)
Disposal	0	0
<i>Financial fixed assets</i>	<i>(47)</i>	<i>0</i>
(Purchase)	(59)	0
Disposal	13	0
<i>Current financial assets</i>	<i>0</i>	<i>0</i>
(Purchase)	0	0
Disposal	0	0
<i>Proceeds from disposal of assets</i>	<i>(5)</i>	<i>(14)</i>
B Cash flow from investing activities	(3,161)	(3,413)
Liabilities	6,758	(2,886)
Increase (decrease) in short-term bank payables	3,219	(4,380)
New loans	6,500	5,000

Repayment of loan	(2,961)	(3,202)
Financial liabilities to other lenders	0	(304)
Change in financial receivables from other lenders	0	0
Equity	(423)	(2,106)
Share capital increase	0	0
Sale (purchase) of treasury shares	(423)	(134)
Other changes in equity	0	(1,972)
C Cash flow from financing activities	6,335	(4,992)
Increase (decrease) in cash funds (A ± B ± C)	(5,835)	(4,310)
Cash funds at 1 January	12,157	12,042
Cash funds at 30 June	6,322	7,732



Explanatory Notes to the Consolidated Financial Statements of the Group



Entity preparing the consolidated financial statements

Neodecortech S.p.A. (hereinafter also the "Company", the "Parent Company" or the "Controlling Company") is a company incorporated under Italian law, with registered office in Filago (BG), Strada Provinciale 2, at the head of the Neodecortech Group (hereinafter also the "Group"). The Company website is: www.neodecortech.it.

The Group is active in the production and marketing of decorative papers for the industrial sectors of wood and furnishing accessories.

On 5 March 2021, Borsa Italiana, under provision no. 8746, assigned the ordinary shares and warrants of Neodecortech S.p.A. the STAR qualification as per the Company's application dated 4 March 2021. The first trading day on the STAR segment was 15 March 2021.

The publication of these condensed consolidated half-year financial statements was approved by the Directors on 2 August 2024.

BDO Italia S.p.A. is in charge of the statutory audit.

General criteria for the preparation of the consolidated financial statements

Statement of compliance with IAS-IFRS

These condensed consolidated half-year financial statements were prepared in compliance with the IAS-IFRS international accounting standards in force at 31 December 2023, as adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005, and in particular in accordance with IAS 34 regarding interim financial statements. The IAS-IFRS also include all the revised international accounting standards (IAS) and all the interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), previously known as SIC. The rules of national legislation implementing EU Directive 2013/34 also apply, provided they are consistent, to companies that prepare their financial statements in accordance with IAS-IFRS. Therefore, the financial statements implement the relevant provisions of the articles of the Italian Civil Code and the corresponding provisions of the TUF for listed companies concerning the Directors' Report on Operations, the Independent Auditors' Report and the publication of the financial statements. The consolidated financial statements and the notes thereto also include the details and additional information required by the articles of the Italian Civil Code concerning financial statements, insofar as they do not conflict with the provisions of IAS-IFRS, as well as the other CONSOB regulations and instructions concerning financial statements.

The financial statements were prepared on a going concern basis. The Group has, in fact, assessed that, despite the volatility of the general economic and financial environment marked by the conflict in Ukraine, there are no significant uncertainties surrounding its ability to continue operations, due also to its financial structure and the forecasts contained in the 2024 Budget, as explained in the "Report on Operations".

Preparation criteria and functional currency

The consolidated accounts are prepared in accordance with the cost principle, with the exception of derivative financial instruments and financial assets, which are measured at fair value.

The presentation currency used in the consolidated financial statements is the Euro, which is the functional currency of the Parent Company, Neodecortech S.p.A., and its other subsidiaries. All the amounts contained in the financial statements and the notes are rounded to the nearest Euro unit, unless otherwise indicated.

Financial statements and presentation criteria

The condensed consolidated half-year financial statements comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows, as well as the explanatory notes for the six months ended 30 June 2024.

Regarding the presentation of the financial statements, the Group opted for the following approach:

- current and non-current assets and current and non-current liabilities are shown separately in the statement of financial position. Current assets, which include cash and cash equivalents, are those intended to be realized, sold or consumed in the Group's normal operating cycle; current liabilities are those expected to be settled in the Group's normal operating cycle or in the twelve months following the end of the period;
- for the income statement, the analysis of costs is carried out based on the nature of the costs;
- for the statement of comprehensive income, the Group has chosen to present two statements: the first shows the traditional income statement components with the result for the period, while the second, starting from this result, shows in detail the other components, i.e. (i) changes in fair value of derivative financial instruments designated as hedge accounting, and (ii) the effects of the re-measurement of defined benefit plans;
- the statement of cash flows was prepared using the indirect method.

The accounting standards adopted in the preparation of the condensed consolidated half-year financial statements are the same as those used for the consolidated financial statements at 31 December 2023, with the exception of the adoption of the new standards and amendments effective as of 1 January 2024. The Group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

Various amendments apply for the first time in 2024, but had no impact on the Group's condensed consolidated half-year financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Supplementary Information, to clarify the characteristics of reverse factoring arrangements and request to give further disclosure of such arrangements. The disclosure requirements included in the amendments are intended to assist financial statement users in understanding the effects on an entity's liabilities, cash flows, and exposure to liquidity risk of reverse factoring arrangements.

The transition requirements clarify that an entity does not need to provide disclosures in interim financial statements for the first year of application of the amendments. Consequently, the amendments had no impact on the Group's condensed consolidated half-year financial statements.

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

In September 2022, the IASB issued an amendment to IFRS 16 to specify the requirements that a selling lessor uses in measuring the lease liability arising from a sale & leaseback transaction, to ensure that the selling lessor does not recognize gain or loss by reference to the right of use retained by the lessor.

The amendments had no impact on the Group's condensed consolidated half-year financial statements.

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

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or noncurrent. The changes clarify:

- What is meant by right of subordination of the due date
- That the right of subordination must exist at year end
- Classification is not impacted by the probability that the entity may exercise its right of subordination
- Only if a derivative embedded in a convertible liability is itself an equity instrument would the due date of the liability not impact its classification

Additionally, a requirement was introduced to give disclosures when a liability arising from a loan agreement is classified as noncurrent and the entity's right of subordination is subject to compliance with covenants within twelve months.

The amendments had no impact on the Group's condensed consolidated half-year financial statements.

Consolidation methods

The consolidated financial statements were prepared on the basis of the financial statements at 30 June 2024 prepared by the Parent Company Neodecortech S.p.A. and the consolidated companies, in accordance with the accounting standards adopted by the Group.

The administrative period and the closing date for the preparation of the Consolidated Financial Statements correspond to those of the financial statements of the Parent Company and all consolidated companies.

Subsidiaries

Subsidiaries are those entities in which the Group is exposed to variable returns, or holds rights to those returns, arising from its relationship with those entities and at the same time has the ability to affect those returns by exercising its power.

The Group assesses entity control through the presence of three elements:

- power: current ability of the Group, deriving from substantive rights, to direct the relevant activities of the businesses that significantly affect the entity's returns;
- the Group's exposure to variability in the returns of the investee;
- correlation between power and returns, the Group has the ability to exercise its power to affect the returns from such relationship.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is assumed until the date on which such control ceases.

Consolidation scope

The list of companies over which Neodecortech S.p.A. exercises control, and are therefore included in these consolidated financial statements, is shown in the table below:

Company name	Registered office	Share Capital	Consolidation method	% held
Cartiere di Guarcino S.p.A.	Guarcino (IT)	10,000,000 €	Full	100%
Bio Energia Guarcino S.r.l.*	Guarcino (IT)	1,100,000 €	Full	100%

NDT energy S.r.l.	Casoli di Atri (TE)	100,000 €	Full	100%
Changzhou NDT new material technology company Ltd	Changzhou (China)	1,000,000 CNY	Full	70%

* Controlled indirectly through Cartiere di Guarcino S.p.A.

Mention should be made as a change from the prior year of the inclusion of the Chinese-registered subsidiary Changzhou NDT new material technology company Ltd. in the consolidation scope.

On 15 May 2024, Neodecortech SpA acquired 70% of the share capital of Changzhou NDT new material technology company Ltd, a company under Chinese law with the purpose of developing the Chinese and Far East markets. The acquisition of the shares, for a total consideration of approximately € 53 thousand, was accounted for under IFRS 3 against which no goodwill was recorded.

The table below shows the reconciliation of Parent Company equity and profit for the period with the corresponding consolidated figures.

CONSOLIDATED FIGURES IN EURO THOUSANDS	EQUITY 30 JUNE 2024	PROFIT (LOSS) FOR THE YEAR 30 JUNE 2024	EQUITY 31 DECEMBER 2023	PROFIT (LOSS) FOR THE YEAR 31 DECEMBER 2023
Equity and profit for the period attributable to the parent company	78,298	1,216	77,462	2,848
Elimination of the carrying amount of consolidated investments:				
Difference between carrying amount and pro-rata amount of equity	-		-	
Currency translation difference	-		-	
Pro-rata results of investees		(121)		888
Cancellation of write-downs/write-backs of investments		205		(714)
Amortization of fair value of fixed assets (allocation of BEG goodwill)		(81)		(162)
Elimination of the effects of transactions between consolidated companies:				
Intercompany profits included in the value of closing inventory	-	(3)	-	(12)
Intercompany profits on disposal of fixed assets	-	-	-	-
Equity and profit for the year attributable to the shareholders of the parent	78,298	1,216	77,462	2,848
Non-controlling interests	8	(11)	-	-
Total equity	78,306	1,205	77,462	2,848

Subjective evaluations and use of estimates

The preparation of the financial statements and the notes thereto, in application of the IAS-IFRS, requires Management to make estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosures on contingent assets and liabilities as of the reporting date, as well as the amount of revenue and costs in the reporting period presented. Estimates and assumptions used are based on experience and on other factors considered significant. Actual results may differ from these estimates. Estimates and assumptions are reviewed regularly and the effects of each variation therein are recognized in profit and loss in the period in which the estimate was revised. The effects of such revisions are reflected in the periods on which they have effect, i.e. both in the current period, and in future periods, if relevant.

To provide a better understanding of the Condensed Consolidated Half-Year Financial Statements, the following are the most significant estimates adopted in the process of their preparation, as they involve a high level of subjective judgments, assumptions and estimates relating to issues that are by their nature uncertain, especially in the current context of the conflict in Ukraine. Changes in the conditions underlying the judgments and assumptions made could have a material impact on subsequent results.

- **Measurement of receivables:** receivables from clients are adjusted by the related allowance for doubtful accounts to take account of their recoverable value. The determination of the amount of the write-downs

requires the directors to perform subjective evaluations based on past experience for similar receivables or current and historical past dues, closing rates, losses and collections, and to carefully monitor credit quality, especially in the current context of the COVID-19 pandemic and the Russian-Ukrainian conflict;

- *Measurement of inventory:* obsolescent inventory is periodically measured and written down if the net realizable value is lower than the carrying amount. Write-downs are calculated on the basis of Management's assumptions and estimates, based on their experience and sales forecasts;
- *Measurement of deferred tax assets:* deferred tax assets - whose recovery in future years is considered highly probable - are measured on the basis of the expected taxable income in future years. The measurement of such expected taxable income depends on factors that may vary over time and have significant effects on the measurement of deferred tax assets;
- *Income tax:* the calculation of the Group's tax liability requires Management to measure transactions whose tax implications are not certain at the balance sheet date;
- *Impairment of intangible and tangible assets with finite useful life:* these assets undergo an impairment test to ascertain whether there has been an impairment, which must be recognized by means of a write-down, when there are indications of a difficulty in recovering the related net book value through use. Ascertainment of the existence of the above indicators requires the Directors to make subjective assessments based on information available within the Group and from the market, as well as statistics. Additionally, if it is determined that a potential impairment may have occurred, the Group determines it using appropriate measurement techniques. The proper identification of the elements pointing to the existence of a potential impairment, as well as the estimates used to determine them, depend on factors that may change over time and that are subject to uncertainties and the use of estimates (growth rates, rates of return on assets, and financial projections affected by external, non-controllable variables) that affect the valuations and estimates made by the Directors;
- *Measurement of intangible and tangible assets with finite useful life:* tangible and intangible assets with finite useful life are depreciated/amortized over the estimated useful life of the related assets. The useful life of the assets is determined by the Directors at the time the asset is acquired; it is based on historical experience for similar fixed assets, market conditions and anticipations of future events that could have an impact on the useful life. Therefore, the actual useful life may differ from the estimated useful life. The Group regularly assesses technological and industry changes to update the remaining useful life. This regular update could lead to a change in the amortization/depreciation period and therefore also in the amortization/depreciation charge for future years.
 - With regard to the Russian-Ukrainian conflict, in addition to the internal and external impairment indicators generally monitored, Management assessed, based on information available at 31 December 2023, the effects on the recoverable value of assets. Based on the final results at 31 December 2023, the forecasts made in the 2024-2026 Business Plan and the 2024 Budget, and the assumptions on the impact of the pandemic and of the Russian-Ukrainian conflict for the years subsequent to 31 December 2023, Management does not deem them to represent an indicator of impairment for the Group and, therefore, did not consider it necessary to carry out an impairment test on the value of the recognized assets;
- *Pension plans:* the present value of the liability for pension benefits depends on a number of factors that are determined by actuarial methods using certain assumptions. The assumptions regard the discount rate, the expected return on the assets servicing the plan, the rates of future salary increases, and the mortality and resignation rates. Any change in the above assumptions could have significant effects on the liability for pension benefits;
- *Valuation of risk provisions:* the Group is subject to legal and tax lawsuits that may arise from complex and difficult issues, which are subject to a varying degree of uncertainty, including facts and circumstances underlying each case, jurisdiction and different applicable laws. Given the uncertainties underlying these issues,

it is difficult to accurately predict the outlay that could arise from such disputes. Accordingly, after hearing the opinion of their legal and tax advisors and experts, the Directors recognize a liability from such disputes when they consider it probable that a financial outlay will occur and when the amount of the resulting losses can be reasonably estimated. This estimate implies the adoption of assumptions that depend on factors that may change over time and which could therefore have significant effects over the current estimates made by the Directors in preparing the Group's consolidated financial statements;

- *Determination of fair value:* the fair value of certain financial assets that are not listed on active markets is determined using measurement techniques. The Group uses measurement techniques that use inputs that are directly or indirectly observable in the market at year end, related to the assets being measured. While the estimates of the abovementioned fair values are deemed reasonable, possible changes in the estimation factors on which the calculation of these values is based may produce different valuations.

Additionally, in the preparation of these consolidated half-year financial statements, the subjective assessments in the application of Group accounting standards and the main sources of estimation uncertainty were the same as those applied in the preparation of the consolidated financial statements for the year ended 31 December 2023.

Segment reporting

The Group's areas of operation, which constitute the segment reporting under IFRS 8, are as follows and correspond to the activities carried out by the Parent Company and its subsidiaries, Cartiere di Guarcino S.p.A. and Bio Energia Guarcino S.r.l., respectively:

- Printed Decorative Paper Division - Neodecortech S.p.A.
- Decorative Paper Division - Cartiere di Guarcino S.p.A.
- Energy Division - Bio Energia Guarcino S.r.l.
- China Division - Changzhou NDT new material technology company Ltd

The Group's management and organizational structure reflects the segment reporting by business activity as described above. Operating segments are identified on the basis of the elements that the Group's highest decision-making level uses to make its decisions regarding the allocation of resources and the assessment of results.

The table below shows the segment figures relating to revenue and income and results at 30 June 2024 and, below, at 30 June 2023:

30 June 2024

(Euro thousands)	Printed Decorative Paper Division	% on Revenue	Decorative Paper Division	% on Revenue	BEG Energy Division	% on Revenue	NDTe Energy Division	% on Revenue	NDT China Division	% on Revenue	Aggregate	Eliminations and consolidation entries	Consolidated	% on Revenue
Revenue from sales and services	35,350	100.0%	40,847	100.0%	20,540	100.0%	0	0.0%	14	100.0%	96,751	11,466	85,285	100.0%
Changes in work in progress, semi-finished and finished products	1,269	3.6%	(535)	(1.3%)	0	0.0%	0	0.0%	0	0.0%	734	0	734	0.9%
Other revenue	740	2.1%	497	1.2%	213	1.0%	0	0.0%	0	0.0%	1,449	434	1,015	1.2%
Value of Production	37,359	105.7%	40,809	99.9%	20,753	101.0%	0	0.0%	14	100.0%	98,934	11,900	87,034	102.1%
Raw and ancillary materials and consumables	(22,180)	(62.7%)	(25,446)	(62.3%)	(16,733)	(81.5%)	0	0.0%	(21)	(150.0%)	(64,380)	(8,770)	(55,610)	(65.2%)
Other operating expense	(5,828)	(16.5%)	(8,305)	(20.3%)	(2,221)	(10.8%)	(17)	(0.0%)	(12)	(85.7%)	(16,382)	(2,983)	(13,399)	(15.7%)
Value Added	9,351	26.5%	7,058	17.3%	1,799	8.8%	(17)	(0.0%)	(19)	(135.7%)	18,172	147	18,025	21.1%
Personnel expense	(6,089)	(17.2%)	(4,952)	(12.1%)	(232)	(1.1%)	0	0.0%	(14)	(100.0%)	(11,287)	(142)	(11,145)	(13.1%)
EBITDA	3,262	9.2%	2,106	5.2%	1,567	7.6%	(17)	(0.0%)	(33)	(235.7%)	6,885	5	6,880	8.1%
Amortization and depreciation	(1,549)	(4.4%)	(1,350)	(3.3%)	(1,385)	(6.7%)	0	0.0%	(3)	(21.4%)	(4,286)	113	(4,399)	(5.2%)
Allocations	(36)	(0.1%)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	(36)	0	(36)	(0.0%)
EBIT	1,677	4.7%	756	1.9%	182	0.9%	(17)	(0.0%)	(36)	(257.1%)	2,563	118	2,445	2.9%
Financial expense	(479)	(1.4%)	(925)	(2.3%)	(373)	(1.8%)	0	0.0%	0	0.0%	(1,777)	(438)	(1,339)	(1.6%)
Financial income	261	0.7%	232	0.6%	6	0.0%	0	0.0%	0	0.0%	499	233	266	0.3%
Profit/(loss) before tax	1,459	4.1%	63	0.2%	(185)	(0.9%)	(17)	(0.0%)	(36)	(257.1%)	1,285	(87)	1,372	1.6%
Income tax	(243)	(0.7%)	(68)	(0.2%)	110	0.5%	0	0.0%	0	0.0%	(201)	(34)	(167)	(0.2%)
Profit/(loss) for the year	1,216	3.4%	(4)	(0.0%)	(75)	(0.4%)	(17)	(0.0%)	(36)	(257.1%)	1,084	(121)	1,205	1.4%

30 June 2023

(Euro thousands)	Printed Decorative Paper Division	% on Revenue	Decorative Paper Division	% on Revenue	Energy Division	% on Revenue	NDTe Energy Division	% on Revenue	NDT China Division	% on Revenue	Aggregate	Eliminations and consolidation entries	Consolidated	% on Revenue
Revenue from sales and services	37,071	100.0%	45,093	100.0%	19,325	100%	0	0.0%	0	0.0%	101,489	15,067	86,422	100.0%
Changes in work in progress, semi-finished and finished products	2,496	6.7%	2,041	4.5%	0	0.0%	0	0.0%	0	0.0%	4,537	0	4,537	5.2%
Other revenue	1,198	3.2%	2,984	6.6%	2,844	14.7%	0	0.0%	0	0.0%	7,026	144	6,882	8.0%
Value of Production	40,765	110.0%	50,118	111.1%	22,169	114.7%	0	0.0%	0	0.0%	113,052	15,210	97,842	113.2%
Raw and ancillary materials and consumables	(25,081)	(67.7%)	(30,013)	(66.6%)	(17,499)	(90.6%)	0	0.0%	0	0.0%	(72,593)	(11,091)	(61,502)	(71.2%)
Other operating expense	(6,488)	(17.5%)	(11,735)	(26.0%)	(2,033)	(10.5%)	(7)	0.0%	0	0.0%	(20,263)	(3,974)	(16,289)	(18.8%)
Value Added	9,196	24.8%	8,370	18.6%	2,637	13.6%	(7)	0.0%	0	0.0%	20,196	145	20,051	23.2%
Personnel expense	(5,760)	(15.5%)	(5,001)	(11.1%)	(203)	(1.1%)	0	0.0%	0	0.0%	(10,964)	(132)	(10,832)	(12.5%)
EBITDA	3,436	9.3%	3,369	7.5%	2,434	12.6%	(7)	0.0%	0	0.0%	9,232	13	9,219	10.7%
Amortization and depreciation	(1,652)	(4.5%)	(1,345)	(3.0%)	(1,418)	(7.3%)	0	0.0%	0	0.0%	(4,415)	114	(4,529)	(5.2%)
Allocations	(59)	(0.2%)	(64)	(0.1%)	0	0.0%	0	0.0%	0	0.0%	(123)	0	(123)	(0.1%)
EBIT	1,725	4.7%	1,960	4.3%	1,016	5.3%	(7)	0.0%	0	0.0%	4,694	127	4,567	5.3%
Financial expense	(278)	(0.7%)	(824)	(1.8%)	(198)	(1.0%)	(3)	0.0%	0	0.0%	(1,303)	(171)	(1,132)	(1.3%)
Financial income	2,228	6.0%	713	1.6%	0	0.0%	0	0.0%	0	0.0%	2,941	2,739	202	0.2%
Profit/(loss) before tax	3,675	9.9%	1,849	4.1%	818	4.2%	(10)	0.0%	0	0.0%	6,332	2,695	3,637	4.2%

Income tax	(90)	(0.2%)	168	0.4%	(166)	(0.9%)	0	0.0%	0	0.0%	(88)	(36)	(52)	(0.1%)
Profit/(loss) for the year	3,585	9.7%	2,017	4.5%	652	3.4%	(10)	0.0%	0	0.0%	6,244	2,659	3,585	4.1%

At 30 June 2024, the table below shows revenue broken down by type of business.

<i>(Euro thousands)</i>	Printed Decorative Paper Division	Decorative Paper Division	Energia Guarcino Division	NDT China Division	Aggregate
Revenue from the sale of goods	31,484	39,528	-	14	71,026
Revenue from services	3,866	1,319	-	-	5,185
Revenue from the sale of electricity and steam	-	-	7,291	-	7,291
Revenue from ordinary incentives	-	-	4,914	-	4,914
Guaranteed Minimum Prices	-	-	8,335	-	8,335
Total by segment	35,350	40,847	20,540	14	96,751

The table below shows segment balance sheet and financial position figures at 30 June 2024 and, below, at 31 December 2023:

30 June 2024

<i>(Euro thousands)</i>	Printed Decorative Paper Division	Decorative Paper Division	BEG Energy Division	NDTe Energy Division	Division NDT China	Aggregate	Eliminations and consolidation entries	Consolidated
Intangible assets	950	457	46	0	0	1,453	0	1,453
Tangible assets	31,089	37,532	4,983	24	66	73,694	341	74,035
Investments	42,891	11,417	0	0	0	54,308	(54,308)	0
Other non-current assets/financial receivables	619	457	0	0	0	1,076	(127)	949
Deferred tax assets	472	219	1,148	0	0	1,839	45	1,884
Non-current assets	76,021	50,082	6,177	24	66	132,370	(54,049)	78,321
Inventory	11,398	28,717	4,013	0	3	44,131	(162)	43,969
Trade receivables	11,867	9,743	4,478	0	14	26,102	(773)	25,329
Receivables from tax consolidation	0	67	629	0	0	696	0	696
Tax receivables	506	86	772	10	5	1,379	0	1,379
Current financial receivables	6,921	6,950	0	0	36	13,907	(13,901)	6
Other receivables	586	749	16,929	1	0	18,265	(8)	18,257
Cash funds	2,034	2,546	1,601	123	18	6,322	0	6,322
Current assets	33,312	48,858	28,422	134	76	110,802	(14,844)	95,958
Assets	109,333	98,940	34,599	158	142	243,174	(68,895)	174,279
Equity	78,298	42,858	11,175	130	27	132,488	(54,182)	78,306
Provisions for risks and charges	246	542	20	0	0	808	0	808
Deferred tax	2,376	3,015	265	0	0	5,656	98	5,754
Post-employment benefits	606	1,365	36	0	0	2,007	0	2,007
Non-current financial liabilities	9,476	13,624	252	0	0	23,352	(126)	23,226
Non-current liabilities	12,704	18,546	573	0	0	31,823	(28)	31,795
Trade payables	8,039	17,914	8,950	27	27	34,957	(773)	34,184
Payables from tax consolidation	281	2	0	0	0	283	0	283
Tax payables	393	289	7	1	0	690	0	690

Current financial liabilities	4,238	17,372	13,876	0	0	35,486	(13,902)	21,584
Other current payables	5,380	1,959	18	0	88	7,445	(8)	7,437
Current liabilities	18,331	37,536	22,851	28	115	78,861	(14,683)	64,178
Equity and liabilities	109,333	98,940	34,599	158	142	243,174	(68,895)	174,279

31 December 2023

(Euro thousands)	Printed Decorative Paper Division	Decorative Paper Division	BEG Energy Division	NDTe Energy Division	NDT China Division	Aggregate	Eliminations and consolidation entries	Consolidated
Intangible assets	482	277	18	0	0	777	0	777
Tangible assets	31,456	37,905	6,129	25	0	75,515	454	75,969
Investments	42,859	11,572	0	0	0	54,431	(54,431)	0
Other non-current assets/financial receivables	1,288	463	0	0	0	1,751	(907)	844
Deferred tax assets	456	223	1,158	0	0	1,837	44	1,881
Non-current assets	76,541	50,440	7,305	25	0	134,311	(54,840)	79,471
Inventory	9,237	29,334	4,184	0	0	42,755	(157)	42,598
Trade receivables	10,045	5,088	1,582	0	0	16,715	(439)	16,276
Receivables from tax consolidation	0	76	362	0	0	438	0	438
Tax receivables	545	639	461	8	0	1,653	(1)	1,652
Current financial receivables	4,120	2,241	0	0	0	6,361	(6,361)	0
Other receivables	518	891	10,812	1	0	12,222	(11)	12,211
Cash funds	6,224	3,624	2,169	140	0	12,157	0	12,157
Current assets	30,689	41,893	19,570	149	0	92,301	(6,969)	85,332
Assets	107,230	92,333	26,875	174	0	226,612	(61,808)	164,804
Equity	77,462	42,826	11,248	147	0	131,683	(54,221)	77,462
Provisions for risks and charges	210	595	20	0	0	825	0	825
Deferred tax	2,386	3,049	375	0	0	5,810	131	5,941
Post-employment benefits	655	1,392	33	0	0	2,080	0	2,080
Non-current financial liabilities	10,009	12,571	505	0	0	23,085	(906)	22,179
Non-current liabilities	13,260	17,607	933	0	0	31,800	(775)	31,025
Trade payables	8,661	19,455	6,089	26	0	34,231	(439)	33,792
Payables from tax consolidation	117	0	0	0	0	117	0	117
Tax payables	462	318	5	1	0	786	0	786
Current financial liabilities	3,190	10,442	8,574	0	0	22,206	(6,362)	15,844
Other current payables	4,078	1,685	26	0	0	5,789	(11)	5,778
Current liabilities	16,508	31,900	14,694	27	0	63,129	(6,812)	56,317
Equity and liabilities	107,230	92,333	26,875	174	0	226,612	(61,808)	164,804

Management of financial risks

The Board of Directors of Neodecortech S.p.A. adopts a consistent policy with a view to reducing the financial risks the Neodecortech Group is exposed to in the course of business.

As the Group's activities are essentially industrial, the use of instruments is limited to transactions to hedge the risks connected with its operations, thus excluding speculative policies or policies that pursue purely financial profit objectives.

The financial instruments applicable to the sector are only those that allow for the funding and use of the financial means required to carry out operations. Therefore, the amounts, terms and maturities of the financial instruments must be appropriate to the operations they are linked to.

Liquidity risk

In connection to its debt position, the Group is exposed to liquidity risk, namely the risk of being unable to raise the funds required to service and repay existing loans.

In order to minimize this risk, the Treasury and Credit area puts these activities in place:

- ongoing assessment of forecast financial requirements in order to put in place the necessary actions in a timely manner;
- negotiation of appropriate credit facilities;
- the correct composition of net financial debt, i.e. to finance capital expenditure using medium/long-term debt (in addition to equity), while covering net working capital requirements using short-term lines of credit;
- inclusion of Group companies in loan agreements in order to optimize any excess liquidity among companies.

Reference should be made to the Directors' Report on Operations and to Note 25 "Non-current financial liabilities" and "Current financial liabilities" for further details of the loans taken out.

At 30 June 2024, the Group has an outstanding loan agreement containing covenants tied to compliance with financial or capital ratios.

Credit risk

The Group is subject to credit risk relating to the sales of products in its core markets. The policies set out the criteria for establishing customer creditworthiness, credit facilities and related risk containment measures. The policies also envisage the assignment of responsibilities for approving any breaches of such limits and for preparing management reports.

The review of overdue receivables provides the following analysis by due date:

Trade receivables	Overall total	Total falling due	Total past due	Past due 0 - 30	Past due 31 - 60	Past due 61 - 90	Past due 91 - 120	Past due over 120
30 JUNE 2024	25,893	19,239	6,654	5,662	213	19	10	750

Trade receivables	Overall total	Total falling due	Total past due	Past due 0 - 30	Past due 31 - 60	Past due 61 - 90	Past due 91 - 120	Past due over 120
31 DECEMBER 2023	16,848	13,012	3,836	2,867	191	(6)	(64)	848

As the Group's exposure to customers is represented mainly by receivables from companies in the furniture and flooring sector, it is reasonable to estimate that there are no noteworthy solvency risks. Special cases are systematically reviewed and, where deemed necessary, a specific provision for impairment is made.

Also included in past dues between 0-30 days are mainly collection of cash orders paid on 30 June 2024, but credited by the bank on the first business day of the following month.

The general risk associated with overall exposure to customers is assessed on a statistical basis, by reviewing the historical series of insolvencies and realized losses per year, to which average percentages of probable uncollectability are associated, in connection to the age of the receivable.

Changes in the provision for doubtful accounts at 30 June 2024 are shown below:

Provision for doubtful accounts					
(Euro thousands)					
	31 DECEMBER 2023	Allocations	Utilization	Release	30 JUNE 2024
Changes in Provision for Doubtful Accounts	572	0	(8)	0	564
Total provision for doubtful accounts	572	0	(8)	0	564

Actions aimed at limiting risk include the continued controls made in the year to assess and analyze the higher risk situations on a monthly basis, and the implementation of credit insurance policies at Neodecortech S.p.A. and Cartiere di Guarcino S.p.A. in the manner deemed appropriate.

Exchange rate risk

By focusing its sales on the Italian and European markets of the Euro zone, the Group is exposed to the risk of fluctuations in exchange rates to a limited extent and primarily in relation to the purchase of certain raw materials (pulp and titanium dioxide), whose transactions are partly denominated in currencies other than the Euro, primarily in US dollars.

In this regard, at 30 June 2024, the subsidiary Cartiere di Guarcino S.p.A. had forward purchases in US dollars for a notional value of € 957 thousand, with a positive fair value of € 6 thousand (€ 52 thousand at 31 December 2023).

Interest rate risk

The risk is represented by the likelihood that the value or future cash-flows of a financial instrument - in particular, current account overdrafts, bank advances and loans - may vary parallel to changes in interest rates. Total medium/long-term loans at 30 June 2024 amounted to € 31,571 thousand, of which approximately 76% are at floating rate not hedged by derivative contracts.

To mitigate the above risk, the Parent Company entered into an Interest Rate Swap contract relating to the outstanding mortgage loan with BPM, with a notional value of € 4,250 thousand and a positive fair value of € 159 thousand at 30 June 2024 (positive € 172 thousand at 31 December 2023).

Fair value hierarchy and classes of financial instruments

In order to determine and document the fair value of financial instruments, use was made of the following hierarchy based on different valuation techniques:

- Level 1: the data used in the measurements are represented by quoted prices on markets where assets and liabilities identical to those being measured are traded;
- Level 2: the data used in the measurements, other than the quoted prices referred to in Level 1, are observable for the financial asset or liability, either directly (prices) or indirectly (derived from prices);
- Level 3: non-observable data; if observable data are unavailable and, therefore, there is a modest or non-existent market activity for the assets and liabilities being measured.

It should be noted that in choosing the measurement techniques to use, the Group has followed the following hierarchy:

- use of prices recorded in markets (even if not active) of identical (Recent Transactions) or similar instruments (Comparable Approach);
- measurement techniques based primarily on observable market inputs;
- measurement techniques based primarily on unobservable inputs corroborated by market data.

At 30 June 2024, the Group measured the fair value of derivative financial instruments using inputs that resulted in the financial instruments being categorized in Level 2 of the fair value hierarchy. No changes were reported during the period in the different levels of fair value.

With regard to the classes of financial instruments, at 31 December 2023 - as at 31 December 2022 - the derivatives indicated above represent the only category of financial instruments measured at fair value. Other financial assets and liabilities are measured using the amortized cost method.

Information on the fair value of derivative financial instruments

The following information is provided on the fair value of derivative financial instruments in place at 30 June 2024:

- Currency Rate - Hedging contract against the fluctuation risk of the US dollar entered into by Cartiere di Guarcino S.p.A. - Notional value at 30 June 2024 USD 957 thousand - Fair value at 30 June 2024 € +5,951 (€ -51,800 at 31 December 2023);
- Interest Rate Swap - Contract hedging the risk of interest rate fluctuations entered into by Neodecortech S.p.A. - Notional value at 30 June 2024 € 4,249,548 - Fair value at 30 June 2024 € +159,404 (€ +172,140 at 31 December 2023);

In 2020, five loan agreements were also concluded for a total of € 10,000 thousand, underlying which there are embedded derivatives (floor at zero on Euribor rate). For four of these agreements, for a total of € 8,000 thousand, the embedded derivatives are active at 30 June 2024, and have therefore been separated and measured and, at the same date, have a negative fair value of € 0.3 thousand (negative fair value of € 1 thousand at 31 December 2023).

Consolidated income statement

1. REVENUE FROM SALES AND SERVICES

The table below provides a breakdown of this item for first half 2024 versus first half 2023:

Revenue from sales and services						
(Euro thousands)						
	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Revenue from sales	80,632	94.5	79,458	91.9	1,174	1.5
Services	4,653	5.5	6,964	8.1	(2,311)	(33.2)
Total revenue from sales and services	85,285	100.0	86,422	100.0	(1,137)	(1.3)

In order to provide adequate disclosure of the nature and characteristics of revenue, see the comments appearing in the Directors' Report on Operations.

It should be noted that services consist mainly of the item "Impregnation under contract work" of the Parent Company for the amount of approximately € 3,907 thousand at 30 June 2024 (€ 6,387 thousand at 30 June 2023).

2. CHANGES IN SEMI-FINISHED AND FINISHED PRODUCTS

Inventory closes with a positive € 734 thousand at 30 June 2024 versus a positive change of € 4,537 thousand at 30 June 2023; in 2023, it was related mainly to the growth in selling prices.

3. OTHER REVENUE AND INCOME

Other revenue and income						
(Euro thousands)						
	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Contingent assets	100	9.9	2,784	40.4	(2,684)	(96.4)
Sale of raw materials and packaging	13	1.3	13	0.2	0	0.0
Exchange rate gains	48	4.7	298	4.3	(250)	(83.9)
Gains	0	0.0	6	0.1	(6)	(100.0)
Insurance reimbursements	7	0.7	5	0.1	2	40.0
Other revenue	847	83.4	3,777	54.9	(2,930)	(77.6)
Total other revenue and income	1,015	100.0	6,883	100.0	(5,868)	(85.3)

At 30 June 2023, the item included € 2,625 thousand related to the share of maximization of Bio Energia Guarcino for 2022 and € 3,776 thousand for other revenue related mainly to tax receivables to energy- and gas-intensive companies. Other revenue at 30 June 2024 includes the reversal of plant grants of € 116 thousand of the parent company, € 156 thousand in statutory grants of the subsidiary CDG, and € 210 thousand in extraordinary maintenance done internally and capitalized.

4. RAW AND ANCILLARY MATERIALS AND CONSUMABLES

Raw and ancillary materials and consumables						
<i>(Euro thousands)</i>						
	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Raw and ancillary materials and consumables	54,621	98.2	60,445	98.3	(5,824)	(9.6)
Packaging materials	989	1.8	1,057	1.7	(68)	(6.4)
Total raw materials	55,610	100.0	61,502	100.0	(5,892)	(9.6)

The reduction in the consumption of raw and ancillary materials is more than proportional to the reduction in sales (-9.6%). Indeed, the effect of the retracement of strategic raw material costs that began offset part of the hikes. See the Directors' Report on Operations for a breakdown of raw material costs.

5. OTHER OPERATING EXPENSE

Other operating expense						
<i>(Euro thousands)</i>						
	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
External processing	8	0.1	21	0.1	(13)	(61.9)
Consultancy	893	6.7	991	6.1	(98)	(9.9)
Advertising and marketing	279	2.1	429	2.6	(150)	(35.0)
Bonuses and commissions	576	4.3	629	3.9	(53)	(8.4)
Transport	2,122	15.8	2,186	13.4	(64)	(2.9)
Utilities	3,644	27.2	6,329	38.9	(2,685)	(42.4)
Fees to Directors and Board of Statutory Auditors	565	4.2	439	2.7	126	28.7
Insurance	657	4.9	697	4.3	(40)	(5.7)
Bank commissions	165	1.2	199	1.2	(34)	(17.1)
Reimbursements to employees	14	0.1	16	0.1	(2)	(12.5)
Travel expense	95	0.7	100	0.6	(5)	(5.0)
Sundry industrial services	2,385	17.8	2,731	16.8	(346)	(12.7)
Other services	1,134	8.5	701	4.3	433	61.8
Rental expense	4	0.0	1	0.0	3	300.0
Rentals and other	137	1.0	127	0.8	10	7.9
Tax and duties	390	2.9	282	1.7	108	38.3
Gifts	0	0.0	3	0.0	(3)	(100.0)
Contingent liabilities	271	2.0	193	1.2	78	40.4
Exchange rate losses	17	0.1	115	0.7	(98)	(85.2)
Capital losses	5	0.0	20	0.1	(15)	(75.0)
Other operating expense	38	0.3	80	0.5	(42)	(52.5)
Total Other Operating Expense	13,399	100.0	16,289	100.0	(2,890)	(17.7)

Other operating expense was impacted mainly by the reduction in utility costs (€ -2,685 thousand), especially energy carriers (€ -1,638 thousand).

6. PERSONNEL EXPENSE

Personnel expense						
(Euro thousands)						
	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Wages and salaries	8,030	72.1	7,813	72.1	217	2.8
Social security charges	2,467	22.1	2,379	22.0	88	3.7
Post-employment benefits	521	4.7	517	4.8	4	0.8
Other personnel expense	127	1.1	123	1.1	4	3.3
Total personnel expense	11,145	100.0	10,832	100.0	313	2.9

Personnel expense was basically steady although slightly up by € 313 thousand versus 30 June 2023. Current staffing levels are considered adequate for corporate needs. In first half 2024, the Group resorted to CIGO to counter the reduction in orders (CDG 17,195 hours and NDT 1,181 hours).

7. AMORTIZATION AND DEPRECIATION

Amortization and depreciation						
(Euro thousands)						
	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Other intangible assets	95	2.2	228	5.0	(133)	(58.3)
Buildings	347	7.9	345	7.6	2	0.6
Leasehold improvements	690	15.7	0	0.0	690	0.0
Plant and equipment	2,699	61.4	3,278	72.4	(579)	(17.7)
Equipment	352	8.0	451	10.0	(99)	(22.0)
Other	216	4.9	227	5.0	(11)	(4.8)
Total amortization and depreciation	4,399	100.0	4,529	100.0	(130)	(2.9)

Amortization and depreciation decreased at 30 June 2024 by € 130 thousand versus 30 June 2023, owing to the full amortization of certain earlier expenditure. New expenditure was made according to the budgeted plan.

8. ALLOCATIONS

Allocations						
(Euro thousands)						
	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.
Provision for supplementary agents' indemnity	36	100.0	34	27.6	2	5.9
Provision for doubtful accounts	0	0.0	89	72.4	(89)	(100.0)
Total Allocations	36	100.0	123	100.0	(87)	(70.7)

9. FINANCIAL EXPENSE

Financial expense							
(Euro thousands)							
	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.	
Interest payable on C/A	327	24.4	223	19.7	104	46.6	
Interest M/L Term Loans	703	52.5	561	49.6	142	25.3	
Interest short-term loans	0	0.0	6	0.5	(6)	(100)	
Interest from factoring	107	8.0	12	1.1	95	791.7	
Interest from application of IAS/IFRS	39	2.9	44	3.9	(5)	(11.4)	
Other interest expense	5	0.4	3	0.3	2	66.7	
Other expense	50	3.7	0	0.0	50	0.0	
Total interest expense	1,231	91.9	848	74.9	383	45.2	
Lease interest	0	0.0	15	1.3	(15)	(100.0)	
Currency losses	108	8.1	269	23.8	(161)	(59.9)	
Total financial expense	1,339	100.0	1,132	100.0	207	18.3	

At 30 June 2024, the item increased by € 207 thousand, as a result of the increase in new loans concluded and the use of lines to support BEG's operations pending monetization of the maximization, which then took place in part in July 2024, and the GMP. The Group has made efforts to control these costs with financial institutions, but due to high rates and the acquisition of new loans, interest expense has increased.

10. FINANCIAL INCOME

Financial income							
(Euro thousands)							
	30 JUNE 2024	%	30 JUNE 2023	%	Chg.	% chg.	
Interest income	42	15.8	0	0.0	42	0.0	
Other income	109	41.0	88	43.6	21	23.9	
Currency gains	115	43.2	114	56.4	1	0.9	
Total financial income	266	100.0	202	100.0	64	31.7	

11. INCOME TAX

Income tax			
(Euro thousands)			
	30 JUNE 2024	30 JUNE 2023	%
Profit (loss) before tax	1,372	3,637	
IRES for the year	365	176	4.8%
Income from tax consolidation	(213)	(188)	(5.2%)
IRES net of income from tax consolidation	152	(12)	(0.3%)
IRAP for the year	206	141	
Deferred tax assets	(3)	118	

Deferred tax	(194)	(199)
Income tax relating to prior years and benefits	6	4
Income tax	167	52

Income tax for the period under review is accounted for in accordance with current tax laws on the basis of the best estimate of the effective tax rate expected for the entire year, applied to income before tax for the first half.

The Neodecortech Group companies participate in the national tax consolidation scheme (Article 117 et seq. of the TUIR), headed by the parent company Finanziaria Valentini S.p.A.; income from tax consolidation was estimated for the period under review.

IRES and IRAP tax came to 12.2%, with the effects of the above tax consolidation, versus 1.5% at 30 June 2023. It should be noted that the 2023 taxation benefited from non-taxable grants to energy- and gas-intensive companies; net of this effect, the impact would be approximately 7%. The change in deferred taxation is associated with temporary changes in the tax burden attributable to asset valuation reserves and Directors' fees.

Assets

12. INTANGIBLE ASSETS

Intangible fixed assets							
(Euro thousands)							
	Balance at 31.12.2023	Acquisitions	Disposals	Amortization	Write- back/Write- downs	Other changes	Balance at 30.06.2024
Other intangible fixed assets	603	38	0	(95)	0	15	562
Fixed assets under construction and advances	174	732	0	0	0	(15)	891
Total intangible fixed assets	777	770	0	(95)	0	0	1,453

Increases in intangible assets include capitalization deriving from the change in the management system currently in use for group companies currently in progress.

13. TANGIBLE ASSETS

Tangible assets at 30 June 2024 amounted to € 74,035 thousand versus € 75,969 thousand at 31 December 2023. The breakdown and changes versus the prior year are shown below.

Mention should be made that the table also shows the rights of use arising from existing lease contracts under IFRS 16.

Tangible fixed assets						
(Euro thousands)						
	Historical cost 31.12.2023*	Depreciation provision 31.12.2023	NBV at 31.12.2023	Historical cost 30.06.2024	Depreciation provision 30.06.2024	NBV at 30.06.2024
Land	12,487	0	12,487	12,487	0	12,487
Buildings	27,845	(8,933)	18,912	27,896	(9,280)	18,616
Leasehold improvements	11,390	(8,643)	2,747	11,529	(9,247)	2,282
Plant and equipment	127,559	(88,801)	38,758	129,125	(91,506)	37,619
Equipment	16,232	(14,440)	1,792	16,354	(14,733)	1,621
Other	6,134	(4,863)	1,271	6,488	(5,078)	1,410
Total tangible fixed assets	201,647	(125,679)	75,969	203,879	(129,844)	74,035

(*) amount including write-back of € 20,018 thousand

Below is a breakdown of assets under construction by category.

Tangible fixed assets under construction and advances				
(Euro thousands)	Amount at 30.06.2024	Amount at 31.12.2023	Chg.	% chg.
Buildings	89	93	(4)	(4.3)
Plant and equipment	1,135	3,226	(2,091)	(64.8)
Equipment	0	0	0	0.0
Other	0	0	0	0.0
Total tangible fixed assets under construction and advances	1,224	3,319	(2,095)	(63.1)

Changes in assets and the related provision are shown below, including both assets under construction allocated to the pertaining categories and rights of use.

Tangible fixed assets								
(Euro thousands)								
	Historical cost 31.12.2023	Write- back/Write- down (prior years)	Acquisition NDT CHANGZHOU	Acquisitions	Disposals	Divestments	Other changes	Historical cost 30.06.2024
Land	2,251	10,236	0	0	0	0	0	12,487
Buildings	18,094	9,751	0	50	0	0	0	27,895
Leasehold improvements	11,390	0	0	225	0	(86)	0	11,529
Plant and equipment	127,528	31	0	1,582	0	0	(16)	129,125
Equipment	16,232	0	65	127	0	(71)	0	16,353
Other	6,133	1	0	375	(20)	0	1	6,490
Total historical cost	181,628	20,019	65	2,359	(20)	(157)	(15)	203,879

(Euro thousands)	Depreciation provision 31.12.2023	Write-back/Write-down (prior years)	Acquisition NDT CHANGZHOU	Depreciation	Disposals	Divestments	Other changes	Depreciation provision 30.06.2024
Land	0	0	0	0	0	0	0	0
Buildings	(8,933)	0	0	(347)	0	0	0	(9,280)
Leasehold improvements	(8,643)	0	0	(690)	0	86	0	(9,247)
Plant and equipment	(88,801)	0	0	(2,699)	0	0	(6)	(91,506)
Equipment	(14,440)	0	(7)	(352)	0	66	0	(14,733)
Other	(4,863)	0	0	(216)	0	0	1	(5,078)
Total accumulated depreciation	(125,680)	0	(7)	(4,304)	0	152	(5)	(129,844)

Total acquisitions, amounting to € 2,359 thousand, refer for € 1,112 thousand to the Parent Company and relate to new machinery and the improvement and efficiency of existing ones.

As for the subsidiaries, capital expenditure in tangible fixed assets amounted to € 984 thousand for Cartiere di Guarcino regarding actions to increase output and optimize plants, and € 253 thousand for Bio Energia Guarcino regarding leasehold improvements.

The Chinese-registered company's equipment refers to printing cylinders.

All of the Group plants are continuing their 4.0 process management actions to further strengthen the production process, with active control of critical variables and plant upgrading.

Below are details of the allocation of the rights of use within the classes of tangible fixed assets.

Rights of Use			
(Euro thousands)	Historical cost 30.06.2024	Depreciation provision 30.06.2024	NBV at 30.06.2024
Buildings	247	(154)	93
Other	760	(319)	441
Total Rights of Use	1,007	(473)	534

The changes are shown below.

Rights of Use						
(Euro thousands)	Historical cost 31.12.2023	Write-back/Write-down (prior years)	Acquisitions	Disposals	Other changes	Historical cost 30.06.2024
Buildings	247	0	0	0	0	247
Other	524	0	236	0	0	760
Total Rights of Use	771	0	236	0	0	1,007

	Depreciation provision 31.12.2023	Write- back/Write- down (prior years)	Depreciation	Disposals	Other changes	Depreciation provision 30.06.2024
<i>(Euro thousands)</i>						
Buildings	(128)	0	(26)	0	0	(154)
Other	(260)	0	(52)	0	(7)	(319)
Total provision for depreciation of rights of use	(388)	0	(78)	0	(7)	(473)

The rights of use at 30 June 2024 refer to buildings used by employees or for guesthouse use and long-term rental cars.

Below are details of the properties and tangible assets on which mortgages are held:

- with regard to Neodecortech:

- in favour of Banco BPM S.p.A., a mortgage of € 24,000 thousand on the loan taken out on 26 May 2017; a mortgage on the industrial property complex owned by the Issuer located in Filago (BG), Via Provinciale 2;

- with regard to Cartiere di Guarcino:

- in favour of Monte dei Paschi di Siena S.p.A., a mortgage of € 12,000 thousand on a loan taken out on 30 June 2010; a mortgage encumbering on the industrial property complex owned by the company located in Guarcino (FR), in Via Madonna di Loreto 2.

14. OTHER NON-CURRENT ASSETS

At 30 June 2024, other non-current assets amounted to € 504 thousand versus € 400 thousand at 31 December 2023 and consisted mainly of: (i) OES offsettable 4.0 tax receivables for € 318 thousand; (ii) security deposits paid by Group companies for a total of € 26 thousand, for various purposes with regard to utilities and lease contracts on buildings where Group companies are headquartered; (iii) fair value asset of the IRS derivative on the Neodecortech loan for € 159 thousand.

15. CURRENT AND NON-CURRENT FINANCIAL RECEIVABLES

Current and non-current financial receivables						
<i>(Euro thousands)</i>						
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
From the related party ISFRE	445	98.7	445	100.0	0	0.0
Total non-current financial receivables	445	98.7	445	100.0	0	0.0
NDT China	6	1.3	0	0.0	6	0.0
Total current financial receivables	6	1.3	0	0.0	6	0.0
Total current and non-current financial receivables	451	100.0	445	100.0	6.0	1.3

"Non-current financial receivables" at 30 June 2024, amounting to € 445 thousand, includes the receivable claimed by the subsidiary Cartiere di Guarcino from the related party ISFRE in liquidation, which remained unchanged and for which

a specific risk provision was already set aside owing to collection difficulties (see the section on provisions for risks and charges in the Explanatory Notes).

16. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities						
(Euro thousands)						
	30 JUNE 2024	Change recognized in Income Statement	Change recognized in Statement of Comprehensive Income	31 DECEMBER 2023	Chg.	% chg.
Directors' fees approved and not paid	64	11	0	53	11	20.8%
Allocations to provisions for write-downs and risks	53	0	0	53	0	0.0%
Allocation to the provision for inventory obsolescence	122	13	0	109	13	11.9%
Taxation on profit in stock	45	1		44	1	2.8%
Tax recovery on adjustment of start-up and expansion costs	0	0	0	0	0	0.0%
Tax recovery on adjustment of plant and machinery depreciation	197	(4)	0	201	(4)	(2.0%)
Deferred tax on derivative contracts	0	0	0	0	0	0.0%
Deferred tax on employee benefits	0	0	(2)	2	(2)	(100.0%)
Tax recovery on adjustment of research expense	193	0	8	185	8	4.3%
Prior-year tax losses (BEG)	1,083	0	0	1,083	0	0.0%
Other	127	(24)	0	151	(24)	(15.9%)
Deferred tax assets	1,884	(3)	6	1,881	3	0.2%
Deferred tax on statutory revaluations	5,231	(19)	0	5,250	(19)	(0.4%)
Deferred tax on assets (BEG)	98	(33)	0	131	(33)	(25.2%)
Valuation exchange gains	8	(13)	0	21	(13)	(61.9%)
Finance lease assets	344	(129)	0	473	(129)	(27.3%)
Deferred tax on employee benefits	36	(3)	14	25	11	44.0%
Other	37	1	(5)	41	(4)	(9.8%)
Deferred tax liabilities	5,754	(196)	9	5,941	(187)	(3.1%)

Management has recognized deferred tax assets up to the value which it considers their recovery likely for. In determining the items, budget results and forecasts for subsequent years were taken into account. Deferred-tax assets of € 1,884 thousand include € 1,083 thousand for prior-years' tax losses of the subsidiary Bio Energia Guarcino S.r.l., and the residual portion attributable mainly to temporary differences between the amounts assigned for financial statement and tax purposes. At 30 June 2024, deferred tax amounted to € 5,754 thousand. Deferred tax refers mainly to the temporary differences between the statutory value and the fiscal value emerging from the statutory revaluations made at the time on the properties owned.

17. INVENTORY FOR RAW MATERIALS AND FINISHED PRODUCTS

Inventory						
(Euro thousands)						
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Raw and ancillary materials and consumables	22,121	50.3	21,496	50.5	625	2.9
Work in progress	642	1.5	202	0.5	440	217.8
Finished products	21,793	49.6	21,432	50.3	361	1.7

Advances	0	0.0	0	0.0	-	-
Provision for inventory obsolescence	(587)	(1.3)	(532)	(1.2)	(55)	0.0
Total inventory	43,969	100.0	42,598	100.0	1,371	3.2

Inventory for raw materials refers mainly to inks, paper and impregnation material for Neodecortech, pulp and Titanium Dioxide for Cartiere di Guarcino and animal by-products for Bio Energia Guarcino. It should be noted that the level of raw material stock at 30 June 2024 was in line with the level at 31 December 2023, due to the policy that aims to optimize the stock of inventory in order not to commit financial resources, and to the reduction in purchasing costs that affected the value of the stock.

Finished goods inventory, on the other hand, was also in line with 31 December 2023.

Changes in the provision for inventory obsolescence for first half 2024, which was set aside to alleviate the risk associated with the slow turnover of certain specific products, are shown below.

Provision for inventory obsolescence					
<i>(Euro thousands)</i>					
	31 DECEMBER 2023	Allocations	Utilization	Release	30 JUNE 2024
Changes in provision for inventory obsolescence	532	55	0	0	587
Total provision for inventory obsolescence	532	55	0	0	587

18. TRADE RECEIVABLES

Trade receivables						
<i>(Euro thousands)</i>						
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Trade receivables	25,893	102.2	16,848	103.5	9,045	53.7
Provision for doubtful accounts	(564)	(2.2)	(572)	(3.5)	8	(1.4)
Total trade receivables	25,329	100.0	16,276	100.0	9,053	55.6

Changes in the provision for doubtful accounts are shown below:

Provision for doubtful accounts					
<i>(Euro thousands)</i>					
	31 DECEMBER 2023	Allocations	Utilization	Release	30 JUNE 2024
Changes in Provision for Doubtful Accounts	572	0	(8)	0	564
Total provision for doubtful accounts	572	0	(8)	0	564

With regard to trade receivables, use was made of the assignment without recourse to a factoring company, made for a number of customers by the Group companies.

The provision for doubtful accounts was determined in accordance with IFRS 9.

19. RECEIVABLES FROM TAX CONSOLIDATION

This item amounted to € 696 thousand and its change refers to the receivable held by the subsidiary Bio Energia Guarcino S.r.l. and by Cartiere di Guarcino S.p.A. from the tax consolidation. See the Income Tax section of the Income Statement in these Notes.

20. TAX RECEIVABLES

Tax receivables						
(Euro thousands)						
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
VAT	770	55.8	780	47.2	(10)	(1.3)
IRES	0	0.0	0	0.0	0	0.0
IRAP	16	1.2	34	2.1	(18)	(52.9)
Withholdings a/c	0	0.0	1	0.1	(1)	(100.0)
Other tax receivables	593	43.0	837	50.7	(244)	(29.2)
Total tax receivables	1,379	100.0	1,652	100.0	(273)	(16.5)

The largest amount of the balance refers to the VAT receivable of the subsidiary Bio Energia Guarcino, which is generally in a credit position, and which is requested for reimbursement on a quarterly basis and assigned without recourse to a factoring company.

Other tax receivables refer to tax credits ("Art bonus", 4.0 investment) that may be used for offsetting within the next year.

21. OTHER CURRENT RECEIVABLES

Other current receivables						
(Euro thousands)						
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Advances to suppliers	39	0.2	78	0.6	(39)	(50.0)
Accrued income and deferred expense	627	3.4	754	6.2	(127)	(16.8)
Other	17,591	96.4	11,379	93.2	6,212	54.6
Total current receivables	18,257	100.0	12,211	100.0	6,046	49.5

Accrued income and deferred expense refers mainly to accruals for insurance premiums and maintenance fees;

"Other" includes Bio Energia Guarcino receivables of € 16,836 thousand for maximization grants and GMP (Guaranteed Minimum Prices) in addition to withholdings from GSE not yet accrued.

The item also includes receivables from INPS and INAIL for Neodecortech (€ 145 thousand).

22. CASH FUNDS

Cash funds						
<i>(Euro thousands)</i>						
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Bank and post office deposits	6,312	99.8	12,143	99.9	(5,831)	(48.0)
Cash and valuables on hand	10	0.2	14	0.1	(4)	(28.6)
Total cash funds	6,322	100.0	12,157	100.0	(5,835)	(48.0)

This item consists of cash and bank current account deposits. There are no restraints or restrictions on cash funds. Current accounts and postal deposits are classified as current assets, highly liquid and convertible into cash, with an exchange rate risk that is considered not material.

See the Statement of Cash Flows for an analysis of changes in cash funds.

Liabilities

23. PROVISIONS FOR RISKS AND CHARGES

Provision for risks and charges							
(Euro thousands)							
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.	
Provision for supplementary agents' indemnity	343	42.5	307	37.2	36	11.8	
IRS derivative on loan	0	0.0	0	0.0	0	0.0	
Embedded derivatives	1	0.1	2	0.2	(1)	(46.2)	
ISFRE	444	55.0	445	53.9	(1)	(0.2)	
Currency derivative	0	0.0	51	6.2	(51)	(100.0)	
Provision for tax risks	20	2.5	20	2.4	0	0.2	
Total provisions for risks and charges	808	100.0	825	100.0	(17)	(2.0)	

Changes in the provision for supplementary agents' indemnity and the provision for risks and charges are shown below:

Provision for risks and charges					
(Euro thousands)					
	31 DECEMBER 2023	Utilization	Release	30 JUNE 2024	
		Allocations			
Movement of provision for supplementary agents' indemnity	307	36	0	0	343
Movement of provisions for risks and charges	20		0	0	20
Total provision for risks and charges	327	36	0	0	363

The provision for supplementary agents' indemnity for Italian and EU agents is set aside to cover specific risks from potential interruptions to agency contracts.

Additionally, the provisions for risks and charges include:

- € 444 thousand referring to a provision for risks set aside to write down the financial receivable due from ISFRE in liquidation owned by Cartiere di Guarcino;
- € 20 thousand referring to the subsidiary Bio Energia Guarcino for tax liabilities with the Revenue Agency.

24. POST-EMPLOYMENT BENEFITS

Post-employment benefits					
(Euro thousands)					
	31 DECEMBER 2023	Allocations	Utilization	Discounting	30 JUNE 2024
Provision for post-employment benefits	2,176	21	(39)	0	2,158
Actuarial valuation of post-employment benefits (IAS 19)	(95)	0	0	(56)	(151)

Total post-employment benefits	2,080	21	(39)	(56)	2,007
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The balance refers to the severance indemnity of Neodecortech, Cartiere di Guarcino and Bio Energia di Guarcino. These liabilities qualify as defined benefit plans under IAS 19 and were therefore subject to actuarial calculation by an independent expert.

The defined benefit plans were updated to reflect their market value at 30 June 2024.

With regard to the discounting back of the Employee Severance Indemnity, the relevant actuarial model is based on various demographic and economic assumptions. For some of the assumptions used, where possible, explicit reference has been made to the direct experience of the Company and the Group, for others best practice has been taken into account. The technical and economic bases used are shown below.

Below are the technical economic bases.

	30.06.2024
Annual discount rate	3.47%
Annual inflation rate	2.00%
Annual rate of increase in severance termination	3.00%
Annual rate of salary increase	1.00%

The table below shows the technical demographic basis.

Death	ISTAT 2022
Disability	INPS tables by age and gender
Retirement	100% upon meeting AGO requirements

Lastly, the annual turnover frequencies and severance indemnity advances.

	30.06.2024
Advances Frequency	3.00%
Turnover Frequency	1.00%

25. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Current and non-current financial liabilities						
(Euro thousands)						
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Unsecured loans	19,128	42.7	17,279	45.4	1,849	10.7
Mortgage loans	3,101	6.9	4,035	10.6	(934)	(23.1)
Payables to other lenders	600	1.3	600	1.6	0.0	0.0
Non-current lease payables	397	0.9	265	0.7	132	90.8
Total non-current financial liabilities	23,226	51.8	22,179	58.3	1,047	4.7

Payables to banks C/A	12,533	28.0	9,312	24.5	3,221	34.6
Current portion of unsecured loans	6,885	15.4	4,299	11.3	2,586	60.2
Current portion of mortgage loans	1,858	4.1	1,836	4.8	22	1.2
Accrued interest expense	166	0.4	266	0.7	(100)	(37.6)
Current lease payables	142	0.3	131	0.3	11	8.4
Total current financial liabilities	21,584	48.2	15,844	41.7	5,740	36.2
Total financial liabilities	44,810	100.0	38,023	100.0	6,787	17.8

The increase in payables to banks C/A of € +3,221 thousand is due to a greater use of the Group's short-term lines to support BEG's operations pending the monetization of maximization receivables whose last two resolutions were issued in June, and the resolution recently issued at end July by ARERA regulating the "guaranteed minimum prices" scheme. Indeed, BEG's temporary financial needs were supported through the use of internal resources.

Current and non-current lease obligations include:

- Financial liabilities relating to the rights of use of Neodecortech S.p.A. and Cartiere di Guarcino S.p.A. shown in the table below.

<i>(Euro thousands)</i>	Balance at 01.01.2024	Payments	Other changes	Balance at 30.06.2024
Buildings	119	15	(41)	93
Other	264	43	134	441
TOTAL	383	58	93	534

With regard to unsecured and mortgage loans, the change is directly attributable to the repayment of installments and the granting of new loans and the signing of two new loans as follows:

- On 21 February 2024, the Parent Company signed a 36-month fixed-rate unsecured loan with BPER BANCA for € 2 million to finance industrial investments.
- On 17 April 2024, the subsidiary CDG signed an unsecured loan with Banca Popolare di Sondrio for a total of € 4.5 million with a 60-month term.

Below are the details of the Group's loans:

Neodecortech

- Original BPM mortgage loan of € 12,000 thousand, residual balance of € 4,241 thousand at 30 June 2024 divided into current and non-current portions;
- BPM S.p.A. € 2,500 thousand, for 72 months (quarterly instalments) and a residual balance at 30 June 2024 of € 954 thousand divided into current and non-current portions - 80% FGPMI guarantee;
- BPM S.p.A. € 2,500 thousand, for 72 months (quarterly instalments) and a residual balance at 30 June 2024 of € 959 thousand divided into current and non-current portions - 90% FGPMI guarantee;
- BANCA POPOLARE DI SONDRIO € 5,000 thousand, for 60 months (monthly instalments) and a residual balance at 30 June 2024 of € 4,708 thousand divided into current and non-current portions;
- SIMEST - facility measure "Support for Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus" of € 1,000 thousand, for 72 months (half-year installments), with a residual balance of € 600 thousand at 30 June 2024 (portion classified as low-interest loan).

- BPER € 2,000 thousand, for 36 months (monthly instalments) and a residual balance at 30 June 2024 of € 1,842 thousand divided into current and non-current portions.

Cartiere di Guarcino

- Original MPS mortgage loan of € 6,000 thousand, with a residual balance of € 718 thousand at 30 June 2024 divided into current and non-current portions;
- Original BAC unsecured loan of € 3,500 thousand, residual balance of € 145 thousand at 30 June 2024 divided into current and non-current portions;
- Medio Credito Centrale unsecured loan of € 1,128 thousand, residual balance of € 360 thousand at 30 June 2024 divided into current and non-current portions;
- Medio Credito Centrale unsecured loan of € 182 thousand, residual balance of € 62 thousand at 30 June 2024 divided into current and non-current portions;
- Banca POPSO unsecured loan of € 2,000 thousand - 12-month grace period - FGPMI 90% guarantee - residual balance at 30 June 2024 of € 936 thousand divided into current and non-current portions;
- Banco DESIO e Brianza unsecured loan of € 1,000 thousand - 12-month grace period - MCC 90% guarantee - residual balance at 30 June 2024 of € 480 thousand divided into current and non-current portions;
- Medio Credito Centrale unsecured loan of € 146 thousand, residual balance of € 61 thousand at 30 June 2024 divided into current and non-current portions;
- Unsecured loan approved in 2021 by Simest as part of the Capitalization Call to improve and safeguard the financial solidity of exporting companies, amounting to € 360 thousand, with a grace period of 24 months and a residual balance at 30 June 2024 of € 315 thousand;
- Banca MPS Capital Services unsecured loan of € 10,000 thousand - 12-month grace period - Sace guarantee under the Supportitalia measure, residual balance at 30 June 2024 of € 10,000 thousand divided into current and non-current portions.
- Banca POPSO unsecured loan of € 4,500 thousand, residual balance of € 4,434 thousand at 30 June 2024 divided into current and non-current portions.

Bio Energia Guarcino

- BPER unsecured loan of € 2,000 thousand - 12-month grace period - MCC 90% guarantee - residual balance at 30 June 2024 of € 756 thousand divided into current and non-current portions;

With regard to unsecured and mortgage loans, the table below shows the maturity bands:

	30 JUNE 2024	%	31 DECEMBER 2023	%
<i>(Euro thousands)</i>				
Due within 1 year	8,743	28.2	6,135	22.4
Due within 5 years	22,229	71.8	21,314	77.6
Due beyond 5 years		0.0	0	0.0
Total	30,972	100.0	27,449	100.0

Neodecortech S.p.A. hedged the interest rate risk on the BPM loan by subscribing an interest rate swap (IRS). The fair value of this instrument, reclassified under "Non-current financial receivables" at 30 June 2024 came to a positive € 159 thousand (positive € 172 thousand at 31 December 2023).

The loan agreements shown above do not contain financial covenants, with the exception of the m/l term loan granted in December 2022 to Cartiere di Guarcino S.p.A. by MPS Capital Services S.p.A. of € 10 million - with Sace guarantee under the SupportItalia measure - which has a covenant on financial debt (debt/EBITDA \leq 4.0) at 31 December 2023 that has been met.

From 1 January 2024 to 30 June 2024, interest rate movements had no material impact on the fair value of the Group's loans.

26. TRADE PAYABLES

Trade payables at 30 June 2024 amounted to € 34,184 thousand (€ 33,792 thousand at 31 December 2023), remaining basically steady.

There are no trade payables due beyond 12 months. The Directors believe that the book value of trade payables approximates their fair value.

27. PAYABLE FROM TAX CONSOLIDATION

The payable recorded at 30 June 2024 of € 283 thousand refers to Neodecortech S.p.A.. See the paragraph "Income tax" in the Notes.

28. TAX PAYABLES

Tax payables						
(Euro thousands)						
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
VAT	244	35.4	0	0.0	244	0.0
IRAP	53	7.7	53	6.7	0	0.0
Withholdings a/c	393	57.0	733	93.3	(340)	(46.4)
Other tax payables	0	0.0	0	0.0	0	0.0
Total tax payables	690	100.0	786	100.0	(96.0)	(12.2)

"VAT" is attributable to Neodecortech S.p.A. and Cartiere di Guarcino S.p.A.

29. OTHER CURRENT PAYABLES

Other current payables						
(Euro thousands)						
	30 JUNE 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Payables to social security institutions	1,341	18.0	1,617	28.0	(276)	(17.1)
Payables to employees	2,889	38.8	1,866	32.3	1,023	54.8
Advances received from customers	608	8.2	647	11.2	(39)	(6.0)
Accrued expense and deferred income	2,180	29.3	1,331	23.0	849	63.8
Other	419	5.6	317	5.5	102	32.2
Total other current payables	7,437	100.0	5,778	100.0	1,659	28.7

"Payables to employees" increased by € 1,023 thousand, while "Payables to Social Security Institutions" decreased by € 276 thousand, due to the effect of the allocation of the thirteenth-month salary and bonuses to employees.

The change in accruals and deferrals of € 849 thousand is related mainly to the deferral of the share of plant 4.0 grant that will be reversed consistently with the depreciation of the plant itself.

"Other" refers mainly to the fixed and variable fees to directors.

30. EQUITY

Capital increases

There were no share capital increases in first half 2024.

Share Capital

At 30 June 2024, the share capital of Neodecortech S.p.A. amounted to € 18,804,209.37 and is divided into no. 14,218,021 ordinary shares with no par value.

Dividend payout

The Shareholders' Meeting held on 19 April 2024 of the Parent Company Neodecortech S.p.A. approved the Financial Statements at 31 December 2023, allocating profit for the year of € 2,848,012.95 as follows: i) € 142,400.65 to the legal reserve; ii) € 650,884.24 to the non-distributable revaluation reserve for investments recorded in accordance with Legislative Decree no. 38/05 Article 6 paragraph 1; iii) € 2,054,728.06 to the extraordinary reserve.

Details of other reserves

(Euro thousands)	30 JUNE 2024	31 DECEMBER 2023
Share	18,804	18,804
Share premium reserve	18,864	18,864
Treasury shares	(1,409)	(986)

Translation reserve	0	0
Other reserves and accumulated profit (loss), including profit (loss) for the year:	42,039	40,780
<i>Legal reserve</i>	2,785	2,643
<i>Reserve for fair value adjustments of hedging derivatives</i>	121	131
<i>Revaluation reserves (including investments measured at equity)</i>	22,489	21,859
<i>Reserve for re-measurement of defined benefit plans for employees (IAS 19)</i>	32	(38)
<i>Miscellaneous reserves and accumulated profit (loss), including profit (loss) for the year</i>	16,612	16,185
Total own EQ	78,298	77,462
Share capital and reserves, including non-controlling interests' profit (loss) for the period:	8	0
Total EQ	78,306	77,462

Treasury shares

At 30 June 2024, the Company held no. 436,295 treasury shares for the equivalent of € 1,417,769.

The Shareholders' Meeting held on 19 April 2024 approved the additional purchase of ordinary shares of the Company, up to a maximum of 10% of the Company's share capital, equal to a maximum of no. 1,421,802 ordinary shares. The purchase of treasury shares may be made, in one or more tranches, within eighteen months.

Earnings (losses) per share

Basic earnings per share are calculated by dividing the consolidated profit or loss for the period by the weighted average number of ordinary shares outstanding during the first half. Therefore, treasury shares held by the Group are excluded from the denominator.

Earnings (losses) per share	30 JUNE 2024	30 JUNE 2023
Net profit attributable to the shareholders (Euro thousands)	1,216	3,585
Weighted average number of shares outstanding (n./000)	13,934	14,073
Basic earnings per share	0.09	0.25
Diluted earnings per share	30 JUNE 2024	30 JUNE 2023
Net profit attributable to the shareholders (Euro thousands)	1,216	3,584
Weighted average number of shares outstanding (n./000)	13,934	14,073
Weighted average number of shares outstanding adjusted for dilution effect (n./000)	13,934	14,073
Diluted earnings per share (*)	0.09	0.25

* The Company has no potentially dilutive financial instruments and therefore the two indicators match.

31. COMMENTS ON THE MAIN ITEMS OF THE STATEMENT OF CASH FLOWS

The decrease in cash generated in the six months amounted to € 5,835 thousand, resulting in cash funds of € 6,322 thousand at 30 June 2024.

Starting from a profit before tax, interest, dividends, amortization and depreciation, provisions, gains/losses on disposals and other non-cash changes of € 2,655 thousand, the change in cash flow is related mainly to the events below.

The situation is related to the strong increase in other receivables (€ +6,032 thousand), due largely to the un-monetized maximization and GMP of Bio Energia di Guarcino, in addition to the increase in receivables and inventory, which resulted

in an overall negative cash flow after changes in NWC and other adjustments of € 9,009 thousand, compared to 2023 that had seen a marked increase in receivables and inventory due to market dynamics.

Capital expenditure, net of disposals, made during the year generated cash flow from investing activities of € 3,161 thousand.

Repayments of loans and leases reached € 2,961 thousand. Along with an increased reliance on short-term bank debt, as highlighted in the Directors' Report on Operations, and the acquisition of two new loans, this resulted in a positive cash flow from borrowed funds of € 6,758 thousand.

Monetary changes in equity include the purchase of treasury shares, which generated a negative cash flow of € 423 thousand.

32. CONTINGENT LIABILITIES

Under the provisions of IAS 34:15B, the Group's contingent liabilities are shown below: there are no further contingent liabilities, except for those that generated allocations to "provisions for risks", described above.

33. RELATED PARTY TRANSACTIONS

Following the transposition into Italian law of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (Shareholders Right Directive II), through Legislative Decree no. 49/2019, and in light of the CONSOB amendments with resolution no. 21624 of 10 December 2020 to the regulation containing provisions on related party transactions adopted by CONSOB with resolution no. 17221 of 12 March 2010, on 30 March 2023, the Board of Directors of the Company approved the update to the Related Party Transactions Procedure (the "RPT Procedure"), adopted by the Company on 25 June 2020 and amended on 10 December 2020 and on 28 June 2021.

The RPT Procedure, as last updated, is available on the website www.neodecortech.it *Investors / Corporate governance / Documenti e assemblee / Procedure* section.

Transactions carried out by Neodecortech S.p.A. and other Group companies with related parties, as identified by IAS 24, including transactions with subsidiaries, are neither atypical nor unusual and fall within the ordinary course of business of the Company. These transactions were carried out on market terms. It should be noted that transactions with subsidiaries are not shown as they are derecognized at the consolidation level, while transactions with related parties at 30 June 2024 are shown.

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

With regard to the provisions of point 2) of the third paragraph of Article 2428 of the Italian Civil Code, it should be noted that the Company is controlled, through a 58.60% stake, by Finanziaria Valentini S.p.A.. Accordingly, the Company is part of a group of entities whose parent is "Finanziaria Valentini S.p.A." and whose sister companies are "Industrie Valentini S.p.A." and "Valinvest S.r.l.". Related parties also include "Valfina S.r.l." as it is directly or indirectly controlled by the Valentini Family.

The tables below summarize the existing transactions with these related parties at 30 June 2024:

<i>(Euro thousands)</i>				
	Trade receivables 30 June 2024	Financial receivables 30 June 2024	Trade payables 30 June 2024	Financial payables 30 June 2024
Finanziaria Valentini	0	696	0	283
ISRFE Srl in liquid.	0	444	0	0
Loma Srl	791	0	23	0
Bonelli Erede	0	0	70	0
Total	791	1,140	93	283

<i>(Euro thousands)</i>		
	Revenue and income 30 June 2024	Costs and expense 30 June 2024
Finanziaria Valentini	212	0
Loma Srl	1,393	(67)
Bonelli Erede	0	(70)
Total	1,605	(137)

"Financial receivables", amounting to € 1,399 thousand, refers to a tax consolidation receivable of € 629 thousand regarding the subsidiary Bio Energia Guarcino S.r.l., € 67 thousand regarding Cartiere di Guarcino S.p.A., and € 444 thousand for a receivable regarding the subsidiary Cartiere di Guarcino S.p.A. from the related party ISFRE in liquidation, which remained unchanged and for which a provision for risks of an equal amount was set up owing to collection difficulties.

"Financial payables", amounting to € 281 thousand, relates to the payable for tax consolidation of the Parent Company.

Trade receivables include receivables for € 791 thousand from the business agreement between Neodecortech S.p.A. and Loma S.r.l., for the distribution of products of the parent company. Loma S.r.l. became a related party following appointment of one of the Parent Company's executives as "key management personnel".

Trade payables include € 23 thousand to Loma S.r.l. for the agreement to provide strategic and commercial marketing consultancy services to Neodecortech S.p.A..

Revenue and income, costs and expense relate to the agreements with Loma S.r.l. as mentioned above, and income from tax consolidation with Finanziaria Valentini.

The following table shows the fees to the Group's directors and key management personnel for first half 2024:

(Euro thousands)	
Subjects	Fees 30 June 2024
Luigi Cologni	311
Massimo Giorgilli	237
Luca Peli	52
Gianluca Valentini	22
Adriano Carlo Bianchi	17
Sara Bertolini	15
Ida Altimare	17
Cinzia Morelli	16
Vittoria Giustiniani	14
Pietro Zanini	11
Stefano Santucci	18
Federica Menichetti	13
Edda Delon	13
Turchi Marco	6
Pannone Francesco	3
Fallacara Francesco	3
Bellucci Giancarlo	3
Riunuo Liu	8
Key management personnel	411
Total	1,189

(Euro thousands)	
Subjects	Payable for fees 30 June 2024
Luigi Cologni	134
Massimo Giorgilli	112
Luca Peli	26
Gianluca Valentini	5
Adriano Carlo Bianchi	8
Sara Bertolini	0
Ida Altimare	0
Cinzia Morelli	0
Vittoria Giustiniani	0
Pietro Zanini	6
Stefano Santucci	8
Federica Menichetti	14
Edda Delon	14
Turchi Marco	6
Pannone Francesco	1
Fallacara Francesco	3
Bellucci Giancarlo	0
Riunuo Liu	62
Key management personnel	106
Total	504

34. SEASONALITY

The Group's industrial sectors are not significantly affected by seasonality.

Other supplementary information

35. GUARANTEES GIVEN

Guarantees given by Neodecortech

The Parent Company issued guarantees in favour of the subsidiaries Cartiere di Guarcino S.p.A. and Bio Energia Guarcino S.r.l., and are up to a maximum of € 22,600,000 for short-term lines of credit for mixed use and export finance, granted to the latter by BPM, BPER, Monte dei Paschi di Siena and Credit Agricole, via "umbrella" credit facilities.

On 19 January 2021, Banco Popolare BPM S.p.A. issued a first-demand bank guarantee, in favour of Sonae Industria de Revestimentos SA, for € 250 thousand, expiring on 30 April 2026, to guarantee the balance relating to the purchase of the new laminating machine for the production plant in Casoli d'Atri (TE), to be paid within 5 years, based on the business agreements. The guarantee at 30 June 2024 amounted to € 139,848.

On 07 November 2022, Neodecortech S.p.A. issued a letter of Patronage to Golden Agri-Resources Europe B.V. in favour of its subsidiary Bio Energia Guarcino S.r.l. to guarantee the supply of palm oil, up to a maximum of USD 16,000,000. At 30 June 2024, Bio Energia Guarcino S.r.l.'s exposure to the supplier, for contracts to be performed, was € 1,474 thousand.

On 07 December 2022, Neodecortech S.p.A. issued a letter of Patronage to Axpo Italia S.p.A. in favour of its subsidiary Cartiere di Guarcino S.p.A. to guarantee the supply of natural gas, up to a maximum of € 2,000,000.

On 28 April 2023, Neodecortech S.p.A. issued a letter of Patronage to Banco di Desio e Brianza S.p.A. in favour of the subsidiary Cartiere di Guarcino to guarantee various lines of credit up to a maximum of € 2,650,000 granted by the bank to the subsidiary.

On 16 June 2023, Neodecortech S.p.A. issued a letter of Patronage to ITALPREFABBRICATI S.p.A. - Industria Italiana di Prefabbricati in favour of the subsidiary NDT energy S.r.l., to guarantee the payment of sums due from the contract for the supply of prefabricated structure on site (€ 154,000).

Guarantees given by Cartiere di Guarcino

On 03/04/2023, Banca Popolare di Sondrio gave a first-demand bank guarantee of € 43 thousand in favour of MSC MEDITERRANEAN SHIPPING COMPANY SA for shipments with a term until 01/07/2024.

Guarantees given by Bio Energia Guarcino

On 11 October 2018, BPER issued a guarantee in the interest of Bio Energia Guarcino S.r.l. in favour of Gatti up to a principal amount of € 400 thousand, renewed in October 2022 until 28 February 2025.

On 17 October 2022, Compagnie Française d'Assurance pour le Commerce Extérieur S.A., issued, in the interest of Bio Energia Guarcino S.r.l., a guarantee of € 3,107 thousand in favour of the Customs and Monopolies Agency - FROSINONE Office, expiring on 17/10/2024, with the object of: creation of an all-inclusive guarantee under Article 89, paragraph 5 of the Union Customs Code (UCC) to cover customs obligations related to multiple operations (import of palm oil), declarations or customs procedures put in place by Bio Energia Guarcino S.r.l..

36. EVENTS AFTER THE REPORTING PERIOD

Reference should be made to the Directors' Report on Operations.

37. INFORMATION ON AGREEMENTS NOT RESULTING FROM THE STATEMENT OF FINANCIAL POSITION

Pursuant to Article 2427, point 22-ter, mention should be made that there are no agreements not shown in the statement of financial position that have significant risks or benefits and that are necessary to assess the Group's financial position, results of operations and cash flows.

38. INFORMATION ON ASSETS AND LOANS FOR A SPECIFIC TRANSACTION

With regard to the requirements of Articles 2447-bis to 2447-decies of the Italian Civil Code, it should be noted that during the period the Group did not allocate any assets or loans to any activity.

39. INFORMATION ON THE FEES TO THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS

In accordance with the law, the table below shows the total fees to the Directors and the Board of Statutory Auditors.

Qualification	30 JUNE 2024	30 JUNE 2023
Directors	493,865	341,318
Board of Statutory Auditors	56,909	50,746

40. INFORMATION ON THE FEES TO THE INDEPENDENT AUDITORS

Details are provided below of the fees paid in first half 2024 by the Neodecortech Group to the independent auditors, BDO Italia S.p.A. and the companies belonging to its network, as required by CONSOB Resolution no. 11971 of 14 May 1999, Article 149-duodecies, paragraph 1:

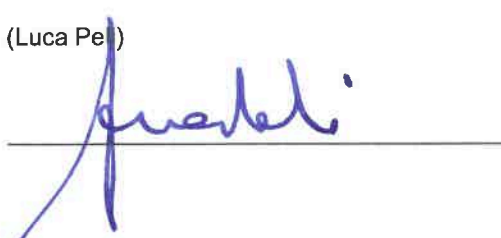
	30 JUNE 2024	30 JUNE 2023
Auditing services	68,939	47,101
Provision of other activities with issuance of certification	0	0
Provision of other non-auditing services	0	0

Filago (BG), 02 August 2024

For the Board of Directors

The Chairman

(Luca Pel)



Certification of the Consolidated Half-Year Financial Statements at 30 June 2024 pursuant to Article 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented

1. The undersigned Luigi Cologni, Chief Executive Officer, and Marina Fumagalli, Financial Reporting Manager, of Neodecortech S.p.A., also in compliance with the provisions set out in Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the Company's characteristics; and
- the actual application of the administrative and accounting procedures for the preparation of the consolidated half-year financial statements for the period 1 January 2024-30 June 2024.

2. No major issues arose in this respect.

3. We also certify that:

3.1 the consolidated half-year financial statements at 30 June 2024:

a) have been prepared in accordance with the applicable IFRS endorsed by the European Union pursuant to (EC) Ruling no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) correspond to the accounting books and entries;

c) give a true and fair view of the financial position, results of operations and cash flows of the Issuer and of the companies included in the consolidation scope as a whole.

3.2 The Interim Report on Operations contains a reliable analysis of all the significant events that took place in the first half of the year and their effect on the half-year financial statements, together with a description of the main risks and uncertainties for the second half of the year. The Report also includes a reliable analysis of the significant transactions with related parties.

Date: 2 August 2024

Signed Chief Executive Officer



Signed Financial Reporting Manager



**Decors and surfaces
for sustainable living.**

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Neodecortech S.p.A.

Review report on interim condensed consolidated financial statements as of June 30, 2024

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

Review report on interim condensed consolidated financial statements

To the shareholders of
Neodecortech S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated balance sheet as of June 30, 2024, and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and related explanatory notes of Neodecortech S.p.A. and its subsidiaries (Neodecortech Group). Management is responsible for the preparation of this interim condensed consolidated financial statements in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim condensed consolidated financial reporting based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Neodecortech Group as of June 30, 2024, are not prepared, in all material respects, in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, August 5, 2024

BDO Italia S.p.A.
Signed by

Lelio Bigogno
Partner