



# Half-Year Report

## at 30 June 2023

### Fidia Group

#### Board of Directors

**29 September 2023**

Fidia S.p.A.

Registered office in San Mauro Torinese, Corso Lombardia, 11

Share capital paid up €7,123,000.00

Companies Register - Turin Office

TIN 05787820017

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Date issued: 25/09/2023

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[www.fidia.com](http://www.fidia.com)

## Board of Directors

Chair	Luigi Maniglio (a) (4)
Deputy Chair	Roberto Culicchi (a) (d) (1) (2)
Managing Director	Marco Livelli (b) (c)
Director	Monica Donzelli (b) (1) (2)
Director	Laura Morgagni (b) (1) (2) (3)

(a) Appointed by the Board of Directors on 23 December 2022

(b) Appointed director by the Shareholders' Meeting on 27 April 2023 up to the approval of the 2025 Financial Statements

(c) Appointed Managing Director at the Board of Directors meeting on 12 May 2023(d) Appointed Deputy Chair at the Board of Directors meeting on 12 May 2023

(1) Member of the Internal Control and Risk Committee

(2) Member of the Remuneration Committee.

(3) Lead Independent Director

(4) Appointed director in charge of the internal control system at the Board of Directors meeting on 12 May 2023

## Board of Statutory Auditors (\*)

Statutory Auditors	Massimo Ceraolo - Chairman Paolo Pintossi Marianrosa Schembari
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Alternate Auditors	Mauro Tommasi Silvia Cornaglia Stefano D'Orazio
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(\*) Appointed at the Shareholders' Meeting on 27 April 2023 until the approval of the financial statements for the period 2025.

## Independent Auditors (\*\*)

### Deloitte & Touche S.p.A.

(\*\*) Appointed at the Shareholders' Meeting on 29 April 2020 for the nine-year period 2021-2029.

## **POWERS OF THE CHAIR OF THE BOARD OF DIRECTORS**

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Chairman of the Board of Directors: Mr. Luigi Maniglio

He is the legal representative of the company with regard to third parties and courts of law, with separate signature, to exercise any and all, and the amplest powers of ordinary and extraordinary administration; he is entitled to appoint and revoke special attorneys for specific transactions, with the sole exclusion of the powers and rights expressly reserved to the Board of Directors, under the law or the company By-laws. The Board of the Directors retains the following powers:

- purchase, disposal and conferment of equity investments;
- disposal, conferment and/or lease of the company or any units thereof;
- purchase of companies or units of companies;
- purchase and/or disposal of real estate and/or tangible rights and/or rights of way thereto;
- registration of mortgages on corporate property;
- definition of company strategies relating to the purchase and sale of equity interests, company branches and real estate.

In his position of Chairman, he also vested with the capacity of "employer" as well as person in charge of the plants, emissions and wastes.

## ORGANIZATION OF THE FIDIA GROUP

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FIDIA S.p.A.  
Italy

FIDIA GmbH  
Germany

100% Fidia S.p.A.

Beijing Fidia M. & E. Co.  
China

100% Fidia S.p.A.

FIDIA S.a.r.l.  
France

93.19% Fidia S.p.A.  
6.81% Fidia GmbH

Shenyang Fidia  
NC & M Co. Ltd.  
China

51% Fidia S.p.A.  
49% Shenyang M.T. Co. Ltd.

FIDIA IBERICA S.A.  
Spain

99,993% Fidia S.p.A  
0,007% other

OOO FIDIA  
Russia

100% Fidia S.p.A.

FIDIA Co.  
United States

100% Fidia S.p.A.

FIDIA DO BRASIL Ltda  
Brazil

99.75% Fidia S.p.A.  
0.25% other

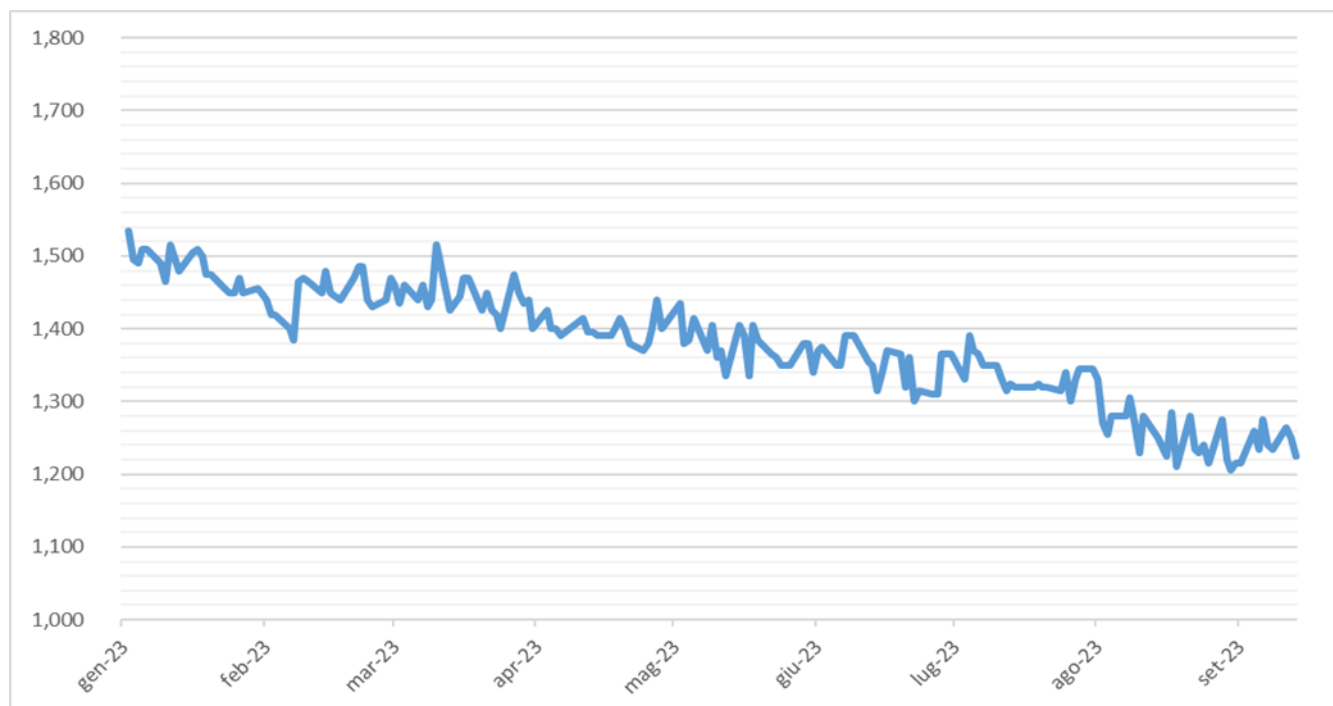
# INTERIM REPORT

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## SHAREHOLDERS AND FIDIA STOCK PERFORMANCE

FIDIA S.p.A. is listed on the Euronext Milan (EXM) segment of the Italian Stock Exchange. The following chart shows share price performance from 1 January 2023 to 13 September 2023.

Fidia SpA (FDA-MIL)



In the first half of 2023 the number of ordinary shares, equal to 6,942,142, was unchanged compared to 31 December 2022.

The holders of ordinary shares at 25 September 2023 amounted to:

Rosa Riccardo	No. 385,000 shares, equal to 5.546%;
Simola Flavio	No. 385,000 shares, equal to 5.546%;
FAI Holding AG	No. 1,119,541 shares, equal to 16.150%
Negma Group Investments	No. 1,694,146 shares, equal to 24.439%
Giuseppe Morfino	No. 895,633 shares, equal to 12.920%;
Market	No. 2,455,822 shares, equal to 35.255%

%;

Treasury shares No. 10,000, equal to 0.14%.

No categories of shares other than ordinary shares were issued. In the first half of 2023, a part of the bond issue resolved by the Shareholders' Meeting on 18 November 2022 was subscribed and paid up. For more details, see section 25 - Bond Debt in the Notes to the Financial Statements.

## ECONOMIC AND FINANCIAL PERFORMANCE OF THE GROUP

The following is the Reclassified Consolidated Income Statement of the Fidia Group as at 30 June 2023 compared with the figures for the previous six months.

The first half of 2023 was characterised by revenues of €8,989 thousand, basically in line with the same half of last year, albeit with a slight decrease of 4.74%.

This value was affected by the dynamics related to the change in trend in new orders that developed in the first part of the year and that, especially for the HSM segment will allow substantial recovery in the second part of the year.

However, there has been a recovery in margins at EBITDA level, which, while still negative, has improved over that of the first half of 2022 by 18.16%.

EBT in the first half of 2022 includes the effects of discharge in bankruptcy resulting from arrangement approved on 22 June 2022 and amounting to €11,100 thousand (comprehensive value net of arrangement costs).

In the first half, sales performance recorded a significant increase over the same period and new orders were substantially greater than the performance recorded in the same period of 2022, totalling €18,475 thousand compared to €5,259 thousand in the first half of 2022 (+251.3%).

More specifically, the reclassified income statement of the first half del 2023 is as follows:

(€thousand)	1st half 2023	%	1st half 2022	%
<b>Net revenue</b>	<b>8,989</b>	<b>74.6%</b>	<b>9,436</b>	<b>84.2%</b>
Change in finished goods and WIP	2,498	20.7%	1,211	10.8%
Other revenue	565	4.7%	553	4.9%
<b>Value of production</b>	<b>12,051</b>	<b>100.0%</b>	<b>11,200</b>	<b>100.0%</b>
Raw materials and consumables	(3,668)	-30.4%	(4,042)	-36.1%
Commissions	(31)	-0.3%	(224)	-2.0%
Contractors	(534)	-4.4%	(259)	-2.3%
Transportation	(264)	-2.2%	(255)	-2.3%
Other services and operating costs	(3,060)	-25.4%	(2,466)	-22.0%
<b>Added value</b>	<b>4,492</b>	<b>37.3%</b>	<b>3,953</b>	<b>35.3%</b>
Personnel costs	(5,590)	-46.4%	(5,294)	-47.3%
<b>EBITDA</b>	<b>(1,097)</b>	<b>-9.1%</b>	<b>(1,341)</b>	<b>-12.0%</b>

Allocations to provisions	(140)	-1.2%	(18)	-0.2%
Depreciation/amortisation/write-downs of fixed assets	(654)	-5.4%	(864)	-7.7%
<b>EBIT</b>	<b>(1,891)</b>	<b>-15.7%</b>	<b>(2,222)</b>	<b>-19.8%</b>
Non-recurring income/(expenses)	-	0.0%	<b>11,100</b>	99.1%
Net finance expenses and revenue	(203)	-1.7%	(174)	-1.6%
Profit (loss) on foreign exchange	48	0.4%	(253)	-2.3%
<b>Earnings before tax (EBT)</b>	<b>(2,046)</b>	<b>-17.0%</b>	<b>8,450</b>	<b>75.4%</b>
Income taxes (current, prepaid and deferred)	(134)	-1.1%	18	0.2%
<b>Profit/(loss) of the period</b>	<b>(2,181)</b>	<b>-18.1%</b>	<b>8,468</b>	<b>75.6%</b>
- (Profit)/Loss of NCIs	(97)	-0.8%	(111)	-1.0%
- Profit/(Loss) of Group	<b>(2,084)</b>	<b>-17.3%</b>	<b>8,579</b>	<b>76.6%</b>

## ANALYSIS OF ECONOMIC TRENDS

### Revenues

The first half of the period reported revenues of €8,989 thousand, down 4.7% YOY.

The trend was due to the mechanics segment (HSM) which recorded revenue of €1,953 thousand compared to €3,888 thousand in the first half of the previous year (-49.8%), to the Service segment, which reported an increase compared to the first half of 2022 with revenue at €6,025 thousand (+27.0% compared to €4,744 thousand at 30 June 2022), and the electronics segment (CNC), which stood at €1,011 thousand (+25.7% compared to €804 thousand at 30 June 2022).

The revenues trend per business line is shown in the table below:

(€thousand)	1st Half 2023	%	1st Half 2022	%	% Chg
Numerical controls, drives and software	1,011	11.2%	804	8.5%	25.7%
High Speed Milling Systems	1,953	21.7%	3,888	41.2%	-49.8%
After-sales service	6,025	67.0%	4,744	50.3%	27.0%
<b>Grand total</b>	<b>8,989</b>	<b>100%</b>	<b>9,436</b>	<b>100%</b>	<b>-4.7%</b>

The revenue by geographical area is illustrated in the following tables:

(€thousand)	TOTAL		TOTAL		% Chg
GEOGRAPHICAL	REVENUES		REVENUES		
AREA	1st Half 2023	%	1st Half 2022	%	



ITALY	736	7.9%	1,623	17.2%
EUROPE	3,002	32.4%	2,314	24.5%
ASIA	3,023	32.6%	3,514	37.2%
NORTH and SOUTH AMERICA	2,505	27.0%	1,985	21.0%
REST OF THE WORLD	9	0.09%	0	0.0%
<b>TOTAL</b>	<b>8,989</b>	<b>100%</b>	<b>9,436</b>	<b>100%</b>

### **Numerical Controls and Software**

The revenues of the electronic segment were up 25.7% compared to the first half of 2022 at €1,011 thousand versus €804 thousand in the same period of the previous year.

### **High-Speed Milling Systems**

The high-speed milling systems revenue (HSM) was down from the previous year, reaching a total value of €1,953 thousand compared to €3,888 thousand in the first half of 2022 (-49.8%).

### **After-sales service**

Revenues of the Service segment, which comprise revenues from the after-sales service, from the sale of spare parts and from scheduled maintenance recorded a noticeable increase (+27.0%) compared to the same period of the previous year, amounting to €6,025 thousand (€4,744 thousand at 30 June 2022).

## **Sales and marketing activity**

Business in the first half was greater than in the same period of the previous year. The value at 1/1/23 discounts the audit and finalization action carried out in the 2022 budget, which resulted in a restatement of the order backlog. The first half of the year was marked by strong increase in new orders especially in the Chinese and North American markets.

The following tables show the trend in the order backlog and in the new orders in the two periods under consideration.

With reference to the Service segment the commercial data (new orders and order backlog) will not be shown because they almost match with the revenues as the time to fulfil the intervention requests is very short.

(€thousand)	TOTAL	TOTAL	Chg. %
	30/6/2023	30/06/2022	
Order backlog at 1/1	4,328	15,947	72.9%
<b>New orders</b>	<b>18,475</b>	<b>5,259</b>	<b>251.3%</b>
Revenues	-2,964	-5,547	-46.6%
<b>Order backlog at 30/6</b>	<b>19,839</b>	<b>15,659</b>	<b>26.7%</b>

## Other revenue

Other revenues and earnings in the first half of 2023 were equal to €565 thousand.

This item mainly includes:

- research grants from the European Union and Italian Ministry of Education, University and Research (MIUR) as part of the funded research activity carried out by the parent company Fidia S.p.A. (€84 thousand at 30 June 2023). Applied and basic research and development activities are a structural component and are carried out on an ongoing basis by Fidia S.p.A.;
- capital gains from transfers (€7 thousand at 30 June 2023);
- the reabsorption of the warranty provision (€48 thousand at 30 June 2023);
- the reabsorption of the provision for bad debts (€99 thousand at 30 June 2023)
- recovery of costs incurred, contingent assets, and others (€327 thousand at 30 June 2023).

## Value of production

In the first half, the value of production (represented by net revenues, change in inventories of finished goods and work in progress, and other revenues and income) amounted to €12,051 thousand and was strongly characterised by the change in inventories of finished goods (€2,498 thousand or 20.7% of the total).

## Added value

Value added at 30 June 2023 amounted to €4,492 thousand or 37.3% of the value of production. These values discount the lack of margins of machines not yet delivered.

## Personnel

The following tables show the workforce average trend and cost of labour.

	1st Half 2023	1st Half 2022	Abs. change	% Chg
Executives	9	8	1	12.5%
Clerks and supervisors	155	161	-6	-3.7%
Workers	30	34	-4	-11.8%
Total number of employees	194	203	-9	-4.4%
Total average number of employees in the first half	194	205	-10.5	-5.1%

	1st Half 2023	1st Half 2022	Abs. change	% Chg
Cost of labour (€thousand)	5,590	5,294	295	5.58%

Personnel costs were substantially in line with the values reported for the first half of 2022, despite the entry of new staff in line with the Group's recovery plan partially offset by staff exits and use of temporary redundancy for the existing workforce.

Personnel costs as a percentage of the value of production at 30 June 2023 amounted to 46.4%, down from the same period last year (47.34%) due to the higher value of production realised.

Commencing 1 January 2023, for both sites, the extraordinary layoff integration for corporate crisis was activated in accordance with Article 21, paragraph 1, letter b) of Italian Legislative Decree No. 148/2015. This measure is in continuation of the previous social safety net and will last for 12 months until 31 December 2022. This aligns with the cost containment actions taken by Management to address the current situation of reduced demand, which is also a consequence of the pandemic.

## **EBITDA**

EBITDA was negative at -€1,097 thousand. This value, although better compared to the previous year, is strongly influenced by delayed machine deliveries. However, there was an improved percentage performance brought about by the increase in the value of production, which resulted in a better absorption of fixed overhead costs in conjunction with the cost containment actions taken by Management and which provided greater flexibility in the cost structure.

## **Operating income/(loss) from ordinary business**

The reporting period recorded an operating loss from ordinary business as at 30 June 2023, amounting to -€1,891 thousand; however, it showed an improvement compared to 30 June 2022, which was a negative €2,222 thousand.

The trend in this magnitude can be attributed to the reasons stated above, plus the impact of depreciation, amortisation and write-downs for the period, which were lower than in the first half of 2022.

However, in terms of incidence on sales, again we see an improvement due to the better absorption of overheads in relation to the increase in business volume in the first half of 2023.

## **Non-recurring income and expenses**

In the first half of 2023, there were no non-recurring income or expenses.

## **EBIT**

EBIT at 30 June 2023 amounted to -€1,891 thousand. The value at 30 June 2022 of +€8,877 thousand incorporated the impact of discharge in bankruptcy (€11,100 thousand); net of this item, at 30 June 2022 this value would have been -€2,222 thousand.

For a commentary on the performance of this item, please refer to what has already been stated for operating income from ordinary business.

## **Finance expenses and revenue - Net exchange rate gains/losses**

Expenses related to finance operations were slightly better than those recorded in 2022 while remaining substantially in line at the half-year level (net expenses of €203 thousand at 30 June 2023 versus net expenses of €174 thousand at 30 June 2022). Net differences in exchange rates, either realised or resulting from measurement in the financial statements, generated net income of €48 thousand versus a net gain of €253 thousand at 30 June 2022.

## **Earnings before tax (EBT)**

EBT resulted in a loss of €2,046 thousand versus a profit of €8,450 thousand at 30 June 2022. The result at 30 June 2022 included the impact of the discharge in bankruptcy in the amount of €11,100 thousand (net of this item, EBT at 30 June 2022 would have been a loss of €2,650 thousand).

## **Profit (loss) of Group**

Group loss for the period after tax of €134 thousand and losses of NCIs (€97 thousand) amounted to €2,084 thousand versus a profit of €8,579 thousand at 30 June 2022.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group reclassified statement of financial position was as follows:

(€thousand)	30/06/2023	31/12/2022
Property, plant and equipment	8,576	9,327
Intangible fixed assets	881	999
Non-current financial assets	16	16
Pre-paid tax assets	889	968
Other financial assets	33	23
<b>Capital assets – (A)</b>	<b>10,395</b>	<b>11,333</b>
Net trade receivables	5,731	5,799
Closing balances	13,273	10,133
Other current assets	1,874	1,580
<b>Short-term (current) assets – (B)</b>	<b>20,878</b>	<b>17,512</b>
Trade payables	(5,458)	(4,116)
Other current liabilities	(12,777)	(8,767)
<b>Short-term (current) liabilities – (C)</b>	<b>(18,235)</b>	<b>(12,883)</b>
<b>Net working capital (D) = (B+C)</b>	<b>2,643</b>	<b>4,629</b>
Termination benefits (E)	(1,399)	(1,961)
Other long-term liabilities (F)	(253)	(240)
<b>Net invested capital (G) = (A+D+E+F)</b>	<b>11,386</b>	<b>13,761</b>
<b>Financial position</b>		
Bank deposits and cash	(8,336)	(4,868)
Current financial liabilities	6,382	1,879
<b>Short-term financial position (receivable)/payable</b>	<b>(1,954)</b>	<b>(2,989)</b>
Long-term loans, net of current portion	6,118	6,384
(Assets)/Liabilities for long-term derivatives	(268)	(290)
Non-current trade and other payables	4,761	4,309
<b>Net financial position (receivable)/payable (H) (*)</b>	<b>8,657</b>	<b>7,413</b>
Share capital	7,123	7,123
Reserves	(2,593)	(7,125)
Group net profit (loss) for the period	(2,084)	5,967
<b>Total shareholders' equity of Group</b>	<b>2,446</b>	<b>5,966</b>
Shareholders' equity attributable to minority interests	283	383
<b>Total shareholders' equity (I)</b>	<b>2,729</b>	<b>6,349</b>
<b>Shareholders' equity and net financial position (L) = (H+I)</b>	<b>11,386</b>	<b>13,761</b>

(\*) This representation transposed the communication issued by ESMA on 04/03/2021 on "Guidance on disclosure requirements under the Prospectus Regulation" (ESMA 32-382-1138) having effective date of application on 5 May 2021.

Compared with 31 December 2022, non-current assets decreased due to depreciation for the period and the termination of some lease contracts accounted for in compliance with IFRS 16.

Net working capital decreased by about €2.0 million mainly due to an increase in orders from customers, which generated an increase in advances of about €3.0 million. The increase in orders was also reflected in the increase in machines in production and thus in the increase in inventory in the amount of approximately €3.1 million, as well as in payables to suppliers in the amount of approximately €1.3 million.

The foregoing, in addition to a loss, resulted in a negative net financial position of €8,657 thousand at 30 June 2023, down from 31 December 2022. Please refer to the following section for a more detailed discussion of Net Financial Position.

## TREND IN NET FINANCIAL POSITION

The trend in net financial position is shown below.

Financial Position (€thousand)		30/06/2023	31/12/2022
A	Cash	8,336	4,869
B	Cash equivalents	-	-
C	Other current financial assets	-	-
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>8,336</b>	<b>4,869</b>
E	Current financial debt	5,378	13
F	Current portion of non-current financial debt	1,004	1,866
<b>G</b>	<b>Current financial indebtedness (E+F)</b>	<b>6,382</b>	<b>1,879</b>
<b>H</b>	<b>Net current financial indebtedness (G-D)</b>	<b>(1,954)</b>	<b>(2,989)</b>
I	Non-current financial debt	5,851	6,094
j	Debt instruments	-	-
K	Non-current trade and other payables	4,761	4,309
<b>L</b>	<b>Non-current financial indebtedness (I+J+K)</b>	<b>10,612</b>	<b>10,403</b>
<b>M</b>	<b>Total financial indebtedness</b>	<b>8,657</b>	<b>7,413</b>

The detail of assets and liabilities inside the net financial position follows in the table below:

Cash on hand, bank deposits (€thousand)	30/06/2023	31/12/2022
Fidia S.p.A.	6,596	1,632
Fidia Co.	430	1,343
Fidia GmbH	708	358
Fidia Iberica S.A.	156	184
Fidia S.a.r.l.	106	492
Beijing Fidias Machinery & Electronics Co., Ltd	194	361
Fidia do Brasil Ltda.	77	34
Shenyang Fidias NC & M Co., Ltd	69	58
<b>Total cash and cash equivalents</b>	<b>8,336</b>	<b>4,462</b>

<b>Financial payables (€thousand)</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Short-term loans and advances		
Fidia S.p.A.	(6,000)	(1,430)
Fidia Co.	(52)	(52)
Fidia GmbH	(100)	(102)
Fidia Iberica S.A.	(51)	(51)
Fidia S.a.r.l.	(69)	(68)
Beijing Fidias Machinery & Electronics Co., Ltd	(98)	(168)
Fidia do Brasil Ltda.	(20)	(8)
<b>Total</b>	<b>(6,382)</b>	<b>(1,879)</b>
Long-term loans, net of current portion		
Fidia S.p.A.	(4,745)	(4,943)
Fidia GmbH	(91)	(141)
Fidia Iberica S.A.	(149)	(174)
Fidia S.a.r.l.	(337)	(371)
Fidia Co.	(712)	(752)
Beijing Fidias Machinery & Electronics Co., Ltd	(84)	
Fidia do Brasil Ltda	(1)	(3)
<b>Total</b>	<b>(6,118)</b>	<b>(6,384)</b>
<b>Assets/(liabilities) for long-term derivatives</b>		
Fidia S.p.A.	268	290
<b>Total</b>	<b>268</b>	<b>290</b>
<b>Total financial payables</b>	<b>(12,235)</b>	<b>(7,974)</b>

At 30 June 2023, the net financial position was essentially in line (-€373 thousand).

The following table contains a condensed statement of cash flows at 30 June 2023 showing the cash flows composing the net financial position.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<b>(€thousand)</b>	<b>1st Half 2023</b>	<b>31 December 2022</b>	<b>1st Half 2022</b>
A) Cash on hand and cash equivalents at beginning of period	4,856	3,168	5,198
B) Cash from/(used in) operating activities	424	793	(1,271)
C) Cash from/(used in) investing activities	428	(231)	(132)
D) Cash from/(used in) financing activities	2,529	747	62



Currency translation differences	(162)	378	361
E) Net change in cash and cash equivalents	3,220	1,687	(980)
F) Cash and cash equivalents at end of period	<b>8,076</b>	<b>4,856</b>	<b>4,218</b>
Breakdown of cash and cash equivalents:			
Cash and cash equivalents	8,336	4,869	4,462
Overdrawn bank accounts and short-term advances	(260)	(13)	(244)
	<b>8,076</b>	<b>4,856</b>	<b>4,218</b>

## ALTERNATIVE PERFORMANCE INDICATORS

In this report, in addition to the conventional IFRS financial indicators, a number of alternative performance indicators have been provided to allow for a better assessment of the economic and financial trends.

Said indicators, which are also found in the Directors' Report of other periodic reports, do not replace in any way whatsoever the mandatory IFRS indicators.

Below are the alternative performance indicators used by the Group accompanied by their explanation reflecting their content and basis of calculation:

- EBITDA ("Earnings before interest, tax, depreciation and amortisation"), which is determined by adding the "EBIT" shown in the financial statements both to the item "Depreciation, amortization and write-downs of fixed assets," the item "Allocation to provisions" and the item "Non-recurring income/expenses."
- EBIT (Earnings before interest and tax), operating income from ordinary business, which is obtained by adding any extraordinary cost items not falling under EBIT,
- EBT (Earnings before tax);
- the Adjusted EBITDA, EBIT and EBT: with reference to the above quantities, as shown in the table below, in the first half of 2023 and in the period 2022 there are no adjustments and therefore these adjusted quantities correspond to the same non-adjusted ones.

€ thousand	30/06/2023	Adjustments	30/06/2023 (adjusted)	30/06/2022	Adjustments	30/06/2022 (adjusted)
<b>EBITDA</b>	<b>(1,097)</b>	-	<b>(1,097)</b>	<b>(1,341)</b>	-	<b>(1,341)</b>
Allocations to provisions	(140)	-	(140)	(18)	-	(18)
Depreciation/amortisation/write-downs of fixed assets	(654)	-	(654)	(864)	-	(864)
Non-recurring income/(expenses)	-	-	-	-	-	-
<b>EBIT</b>	<b>(1,891)</b>	-	<b>(1,891)</b>	<b>(2,222)</b>	-	<b>(2,222)</b>
Net income/(expense)	-	-	-	11,100	-	11,100

s) from discharge in bankruptcy						
Net finance revenue/(expenses)	(203)	-	(203)	(174)	-	(174)
Profit/(Loss) on foreign exchange	48	-	48	(253)	-	(253)
<b>EBT</b>	<b>(2,046)</b>	<b>-</b>	<b>(2,046)</b>	<b>(8,450)</b>	<b>-</b>	<b>(8,450)</b>

Other parameters mentioned:

- "Value of production", which is given by the algebraic addition of the items "Net revenues", "Other revenues and income", and "Changes in inventories of finished goods and work in progress";
- "Value added", which is the result of the algebraic addition of the items "Value of production", "Raw materials and consumables used", "Commissions, shipping and outsourced work" and "Other services and overheads".

For comments on the alternative performance indicators mentioned above, reference should be made to the paragraphs above.

Financial ratios and financial and economic situation are also provided below:

## FINANCIAL RATIOS

### INVESTED CAPITAL MIX RATIOS

RATIOS	30 June 2023		31 December 2022	
1) Weight of fixed assets				
Capital assets	10,663	=	11,333	=
Total assets	39,877		34,005	
		26.74%		33.33%
2) Weight of working capital				
Current assets	29,214	=	22,381	=
Total assets	39,877		34,005	
		73.26%		65.82%

### FINANCING MIX RATIOS

RATIOS	30 June 2023		31 December 2022	
1) Weight of current liabilities				
Current liabilities	29,377	=	19,071	=
Total liabilities (except shareholders' equity)	37,148		27,656	
		79.08%		68.96%
2) Weight of Non-current liabilities				
Non-current liabilities	7,771	=	8,585	=
Total liabilities (except shareholders' equity)	37,148		27,656	
		20.92%		31.04%
3) Weight of own capital				
Own capital	2,729	=	6,349	=
Net invested capital	11,386		13,761	
		23.96%		46.14%

The analysis of the invested capital mix ratios shows a prevalence of short-term net assets in the total assets. This result is basically consistent with that of previous years.

- the financing mix ratio shows a prevalence of short-term loans, which is consistent with the level of investing activities;
- the increase in the coverage of net invested capital by equity due to the achievement of profit in the period 2022.

## FINANCIAL POSITION RATIOS

### LIQUIDITY RATIO

RATIO	30 June 2023	31 December 2022
$\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{29,214}{29,377} = 0.99$	$\frac{22,381}{19,071} = 1.17$

### CAPITAL ASSETS COVERAGE RATIO

RATIO	30 June 2023	31 December 2022
$\frac{\text{Own capital}}{\text{Capital assets}}$	$\frac{2,729}{10,395} = 0.26$	$\frac{6,349}{11,333} = 0.56$

### CASH RATIO

RATIO	30 June 2023	31 December 2022
$\frac{\text{Short-term assets}}{\text{Short-term liabilities for the period}}$	$\frac{20,878}{18,235} = 1.14$	$\frac{17,513}{17,192} = 1.02$

The analysis of the financial ratios reflects a substantial improvement resulting from the recapitalization following the actualization of the discharge in bankruptcy items, breaking with the previous period.

In particular, the liquidity ratio shows substantial improvement between current assets and current liabilities.

The capital assets coverage ratio shows increased coverage of capital assets with own funds from December 2022, the result of incorporating the effects from the arrangement that increased own capital.

Finally, the 'liquidity ratio' shows the prevalence of short-term assets over short-term liabilities.

## ECONOMIC POSITION RATIOS

### ROE - RETURN ON EQUITY

	30-Jun-23		30-Jun-22			
$\frac{\text{Group net income}}{\text{Group shareholders' equity}}$	$\frac{-2,084}{2,446}$	=	- 85.18%	$\frac{8,579}{7,466}$	=	114.90%

### ROI - RETURN ON INVESTMENT

	30-Jun-23		30-Jun-22			
$\frac{\text{Operating income from ordinary business}}{\text{Invested capital}}$	$\frac{-1,891}{31,273}$	=	-6.05%	$\frac{-2,222}{33,218}$	=	-6.69%

### ROS - RETURN ON SALES

	30-Jun-23		30-Jun-22			
$\frac{\text{Operating income from ordinary business}}{\text{Sales}}$	$\frac{-1,891}{8,989}$	=	-21.04%	$\frac{-2,222}{9,436}$	=	-23.55%

ROE, which measures return on equity, shows a negative value, given the operating loss recorded by the Group in the first half of 2023.

ROI, which measures profitability from operations, showed a negative value given the operating loss registered by the Group in the first half of 2023.

ROS, which represents average operating income per unit of revenue; in this case as well, the operating loss negatively affected the value of this ratio, which is negative.

## SEGMENT REPORTING

### Economic performance by business sector

The following table shows earning performance broken down by business segment. The data of the Group are presented with a breakdown into three segments (Numerical Controls - CNC -, High Speed Milling Systems - HSM -, and Service).

The last columns show those items that cannot be classified; these items are mainly general and administrative costs and costs for advertising, promotion and trade fairs incurred for all three business lines.

Cross-sector revenues consist of numerical controls, switchboards and components and electromechanical systems transferred by the electronics sector to the milling systems sector and of the milling heads manufactured by the milling systems sector and transferred to the electronics sector for sale.

### Consolidated income statement by sector

Data at 30 June 2023 (€thousand)	CNC	%	HSM	%	SERVICE	%	N/A	Total
Revenues	1,011	86.4%	1,953	100.0%	6,024	99.7%	-	8,989
Cross-sector revenues	159	13.6%		0.0%	18	0.3%		0
<b>Total reclassified revenues</b>	<b>1,170</b>	<b>100.0%</b>	<b>1,953</b>	<b>100.0%</b>	<b>6,043</b>	<b>100.0%</b>	<b>-</b>	<b>8,989</b>
Change in finished goods and WIP	142	12.1%	2,355	120.6%	1	0.0%	0	2,498
Raw materials and consumables	(409)	-35.0%	(2,612)	-133.8%	615	-10.2%	(32)	(3,668)
Cross-sector expenses	15	1.3%	(228)	-11.7%	40	0.7%	(4)	0
Commissions, transport and contractors	(121)	-10.4%	(544)	-27.8%	165	-2.7%	(0)	(830)
<b>Sales margin</b>	<b>797</b>	<b>68.1%</b>	<b>924</b>	<b>47.3%</b>	<b>5,303</b>	<b>87.8%</b>	<b>(37)</b>	<b>6,988</b>
Other operating revenue	74	6.3%	95	4.9%	102	1.7%	330	601
Other operating costs	(90)	-7.7%	(209)	-10.7%	940	-15.6%	(1,819)	(3,058)
Personnel costs	(575)	-49.1%	(1,992)	-102.0%	2,115	-35.0%	(946)	(5,628)
Depreciation, amortization and write-downs	(137)	-11.7%	(262)	-13.4%	146	-2.4%	(248)	(793)
<b>Operating profit/(loss)</b>	<b>69</b>	<b>5.9%</b>	<b>(1,445)</b>	<b>-74.0%</b>	<b>2,205</b>	<b>36.5%</b>	<b>(2,719)</b>	<b>(1,891)</b>

Data at 30 June 2022 (€thousand)	CNC	%	HSM	%	SERVICE	%	N/A	Total
Revenues	812	92.2%	3,859	100.0%	4,765	99.7%	-	9,436
Cross-sector revenues	69	7.8%	0	0.0%	14	0.3%		0
<b>Total reclassified revenues</b>	<b>881</b>	<b>100.0%</b>	<b>3,859</b>	<b>100.0%</b>	<b>4,779</b>	<b>100.0%</b>	<b>-</b>	<b>9,436</b>
Change in finished goods and WIP	67	7.6%	748	19.4%	396	8.3%	0	1,211
Raw materials and consumables	(306)	-34.7%	(3,274)	-84.8%	637	-13.3%	(24)	(4,240)
Cross-sector expenses	44	5.0%	(127)	-3.3%	1	0.0%	0	0
Commissions, transport and contractors	(74)	-8.4%	(501)	-13.0%	163	-3.4%	(1)	(739)
<b>Sales margin</b>	<b>612</b>	<b>69.4%</b>	<b>706</b>	<b>18.3%</b>	<b>4,375</b>	<b>91.6%</b>	<b>(24)</b>	<b>5,668</b>
Other operating revenue	176	20.0%	1,915	49.6%	107	2.2%	(1,141)	1,058
Other operating costs	(62)	-7.1%	(301)	-7.8%	649	-13.6%	(1,681)	(2,693)
Personnel costs	(508)	-57.7%	(1,690)	-43.8%	2,144	-44.9%	(978)	(5,319)
Depreciation, amortization and write-downs	(124)	-14.1%	(295)	-7.7%	63	-1.3%	(453)	(935)
<b>Operating profit/(loss)</b>	<b>93</b>	<b>10.6%</b>	<b>335</b>	<b>8.7%</b>	<b>1,626</b>	<b>34.0%</b>	<b>(4,276)</b>	<b>(2,222)</b>

## Research & Development

R&D activities have always been one of the strengths of the Group and received substantial investment over the years. A team of 18 people, also supported by specialized consultants, is currently dedicated to R&D activities.

The costs incurred by the Group at 30 June 2023 amounted to about €0.612 million, equal to about 6.81% of revenues (€0.797 million in the first half of 2022 equal to about 4.0% of revenues), and were recorded mainly by the parent Fidia S.p.A.

Since the R&D activities are mainly carried out with internal resources, almost all the costs consist of personnel expenses. There are no costs subject to capitalisation (€95 thousand in the first half of 2022).

Through its R&D activities, the Group pursues the objective of constantly adapting its products to the needs of its customers, of always being at the forefront of technological innovation in the reference product sector and of enhancing its knowledge not only in order to protect market sectors that are considered driving forces and have greater potential, but also with the objective of opening up new areas. Investment in R&D in recent years has enabled the Group to strengthen its presence in the aerospace sector and to receive orders both for machinery for the processing of moulds and equipment for the automotive sector and for machinery for the machining of innovative and non-ferrous materials (e.g., carbon fibre, titanium or clay used for modelling cars). Research covers both business lines of the Group.

In the **numerical controls and drives** sectors, the main R&D activities that characterized activities during 2023 were:

- **HiMonitor** - SW suite for monitoring details of operations performed on machines equipped with FIDIA numerical control. It analyses actual processing times, downtime, and major events that occurred during processing in order to monitor and identify issues and define the maintenance actions needed to achieve maximum efficiency. The MachineMonitor is FIDIA's answer to the demand for a machine monitoring tool that can be interfaced with external tools via OPCUA protocol, and that can manage and control PLC parameters and more carefully and effectively manage maintenance work. The MachineMonitor is part of the solutions in line with Industry 4.0 criteria that equip FIDIA numerical control.
- **nCservice** - The project aims to develop a set of tools and facilities for the maintenance, management and calibration of machine tools. Following the renewal of the graphical user interface, the new service tools are also developed with a modern style capable of making setup and maintenance operations easy.
- **nC20/40** - Work has been carried out to bring a number of improvements to the nC20 and nC40 numerical controls, such as the creation of numerical control configurations, remote I/O peripherals, the development, integration and replacement of I/O devices for the C-series numerical controls, and the development of numerous board configurations, to make FIDIA's numerical control increasingly competitive. The project was successfully completed.
- **CNCV6** - Sixth generation of FIDIA numerical control software. The goal of the project is to respond to market and customer demands by implementing axis control logic that further improves high-speed machining, both in terms of accuracy and machining quality.
- **Xpower series expansion:** The project aims to expand the Xpower drive series with new devices aimed at both increasing performance and expanding product offerings. In particular, a new digital axis control board will be developed that will provide sufficient speed and

computation time to expand low-level control logic and a new encoder protocol interfacing of the current board to ensure compatibility with new products.

In the field of **high-speed milling systems**, the Group has pursued a development strategy centred on the one hand on expanding its machine offerings and on the other on finding technological and architectural solutions to improve its offerings.

The main projects that characterised 2023 were:

- **Automatic Pallet Change and FMS Systems** - The growing demand for increasingly complex and modular FMS cells has led to the creation of a new tool dedicated to the management of machining cells with automatic pallet change. The synchronisation of loading and unloading operations, the start of machining programmes and the complete management of pallets will be centralised in a single tool that will allow a single operator to manage the entire cell from a single location.
- **R45**: This project aims to develop a new RAM configuration of the machines of the DL family that achieves great thermal symmetry in RAM while maintaining the stiffness of these machine series. This development will enable ever greater milling accuracy.

Finally, during the first half of 2023 the Group continued its activities in the research collaboration field. The year 2023 saw the participation of Fidia as a partner in 2 projects co-financed by the European Commission under Horizon 2020.

FIDIA is also continuing the activity of preparing new project proposals with the objective to support and consolidate the level of product and process innovation that distinguishes the Group.

An overview follows below of the areas of action in which there are major financed projects.

- **ZDMP** - Zero Defects Manufacturing Platform, a project launched on 1 January 2019 thanks to an investment of €19 million covered 30% by 30 partners (companies, universities and research centres) and 70% by the European Commission, with the aim of strengthening Europe's position in the production of high quality products. The project covers 48 months, and the mission is to develop and establish a digital platform for the Smart Factory to support new Zero Defect production processes for the smart and connected factories of the future, including SMEs.
- **I4Q** - This project, involving 30 partners from across Europe, aims to develop software tools for collecting and analysing qualitative data from various types of manufacturing processes. Within the project, FIDIA will test these technologies to further improve milling surface quality while keeping production time and cost down.

The results of these projects have significantly contributed to the definition of the Group's main lines of product development in the medium and long term.



## INTRA-GROUP AND RELATED-PARTY TRANSACTIONS

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Relations among the Group's companies are governed at market conditions, considering the nature of the goods and services provided. These relations are basically of a commercial nature.

The Meeting of the Board of Directors on 29 November 2021 drew up and approved the updated specific internal procedures called *Guidelines and rules of conduct on "extremely significant, atypical or unusual" transactions and with "related parties"* ("Guidelines") - originally approved on 11 November 2020. These procedures implement both the criteria of the Self-Discipline Code and the Regulation on related parties adopted by Consob Resolution No. 17221 of 12 March 2010 as amended by the following Consob Resolution No. 21624 of 10 December 2020 (effective 1 July 2021).

These procedures can be found at the company website, [www.fidia.com](http://www.fidia.com), under corporate governance in the Investor Relations section.

The manufacturing of milling systems, mechanical components and electrical systems is carried out entirely by Fidia S.p.A. following the mergers in previous reporting periods.

The foreign subsidiaries of Fidia deal with the sales and service of the Group's products in the relevant markets and for this purpose they purchase these in general directly from the Parent Company. Intra-group sales relations are carried out based on transfer pricing applied in a continuous and uniform manner between companies. Supply relations are carried out based on normal market prices.

With regard to the joint-venture Shenyang Fidia NC & M Co. Ltd., it manufactures and sells numerical controls and milling systems designed by Fidia for the Chinese market. The strategic components are purchased from the parent company Fidia S.p.A. at normal market conditions and the remaining parts from local suppliers.

Information on relations with related parties whose definition was extended according to Accounting Standard IAS 24, as required by Consob Resolution of 28 July 2006, is illustrated in the Note to the Consolidated Financial Statements and the Note to the Financial Statements respectively.

Based on the information received from the Group companies, there were no atypical or unusual transactions as defined by Consob.

Pursuant to article 7.2, letter c) of the aforementioned "Guidelines," during 2023 a 'transaction with related parties that can be defined as having "major relevance" was carried out with Negma Investment Ltd. as reported in the specific section 32 to which reference is made.

In the first half of 2023, Fidia S.p.A. signed no supply contract falling among ordinary contracts and concluded at arm's length exceeding the materiality threshold set out pursuant to Annex 3 of CONSOB Regulation 17221.

## TRENDS IN GROUP COMPANIES

A brief overview of the performance of the Group companies during the first half is provided below. Data refers to the financial statements drawn up according to IAS/IFRS international accounting standards and all companies are consolidated with the line-by-line method.

	Fidia S.p.A.	Fidia GmbH	Fidia Co.	Fidia S.a.r.l.	Fidia Iberica S.A.
Accounting currency	EUR	EUR	USD	EUR	EUR
Period of reference of balance-sheet information	30.06.2023	30.06.2023	30.06.2023	30.06.2023	30.06.2023
<b>ASSETS</b>					
<b>Non-current assets</b>					
- Property, plant and equipment	6,745,755	196,122	1,144,595	285,349	109,171
- Intangible assets	829,399	1	55,621		
- Equity investments	6,646,104	22,867			3,366
- Other non-current financial assets	267,531				
- Trade receivables and other long-term receivables	362,488	27,499	123,100	14,244	
- Pre-paid tax assets	22,811	898	2,349	7,490	
<b>Total non-current assets</b>	<b>14,874,088</b>	<b>247,387</b>	<b>1,325,664</b>	<b>307,082</b>	<b>112,536</b>
<b>Current assets</b>					
- Inventory	9,423,853	233,880	3,497,015	102,705	368,057
- Trade receivables and other receivables	7,927,696	428,126	2,745,611	452,591	362,470
- Cash and cash equivalents	6,596,133	708,373	467,195	105,758	155,730
<b>Total current assets</b>	<b>23,947,682</b>	<b>1,370,379</b>	<b>6,709,821</b>	<b>661,054</b>	<b>886,257</b>
<b>Total assets</b>	<b>38,821,770</b>	<b>1,617,766</b>	<b>8,035,485</b>	<b>968,136</b>	<b>998,794</b>
<b>LIABILITIES</b>					
<b>Shareholders' equity</b>					
- Share capital	7,123,000	520,000	400,000	300,000	180,300
- Other reserves	(1,688,818)	404,035	3,329,830	11,690	(2,297)
- Profit (loss) of the period	(2,234,328)	(127,262)	315,729	(5,929)	(37,991)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,219,883</b>	<b>796,772</b>	<b>4,045,559</b>	<b>305,762</b>	<b>140,012</b>
<b>Non-current liabilities</b>					
- Other non-current payables and liabilities	42,619			52,032	
- Termination benefits	1,398,994				
- Deferred tax liabilities	126,679	21,020			10,204
- Other non-current financial liabilities	0				
- Non-current financial liabilities	4,745,058	91,333	774,117	336,718	147,590
<b>Total non-current liabilities</b>	<b>6,313,350</b>	<b>112,353</b>	<b>774,117</b>	<b>388,750</b>	<b>157,794</b>
<b>Current liabilities</b>					
- Current financial liabilities	7,555,336	99,788	56,571	68,735	51,364
- Trade payables and other current payables	19,907,010	560,641	3,151,243	200,239	634,602

- Short-term provisions	1,826,191	48,213	7,994	4,650	15,021
<b>Total current liabilities</b>	<b>29,288,538</b>	<b>708,641</b>	<b>3,215,808</b>	<b>273,624</b>	<b>700,988</b>
<b>Total liabilities</b>	<b>38,821,770</b>	<b>1,617,766</b>	<b>8,035,485</b>	<b>968,136</b>	<b>998,794</b>

	Fidia S.p.A.	Fidia GmbH	Fidia Co.	Fidia S.a.r.l.	Fidia Iberica S.A.
Accounting currency	EUR	EUR	USD	EUR	EUR
Period of reference of balance-sheet information	30.06.2023	30.06.2023	30.06.2023	30.06.2023	30.06.2023

## INCOME STATEMENT

- Net sales	4,530,560	1,378,260	2,682,238	422,920	1,095,592
- Other revenue	879,985	27,964	26,686	6,786	20,695
<b>Total revenue</b>	<b>5,410,545</b>	<b>1,406,224</b>	<b>2,708,923</b>	<b>429,706</b>	<b>1,116,287</b>
- Changes in inventories of finished goods and work in progress	2,227,533	106,523	(299,803)	20,439	49,399
- Raw materials and consumables	3,235,603	490,230	462,223	152,228	662,065
- Personnel costs	3,090,482	666,142	694,267	137,490	311,404
- Other operating costs	2,945,834	424,506	733,795	136,074	198,451
- Depreciation, amortization and write-downs	408,831	49,083	189,986	25,722	32,034
<b>Operating income/(loss) from ordinary business</b>	<b>(2,042,672)</b>	<b>(117,213)</b>	<b>328,850</b>	<b>(1,369)</b>	<b>(38,267)</b>
- Non-recurring income/(expenses)					
<b>Operating profit/(loss)</b>	<b>(2,042,672)</b>	<b>(117,213)</b>	<b>328,850</b>	<b>(1,369)</b>	<b>(38,267)</b>
- Finance revenue (expenses)	(197,865)	(7,611)	(13,121)	(4,560)	(2,364)
<b>Profit (loss) before taxes</b>	<b>(2,240,537)</b>	<b>(124,824)</b>	<b>315,729</b>	<b>(5,929)</b>	<b>(40,631)</b>
Income tax	6,238	(2,438)	(99,666)		2,640
<b>Net profit (loss) for the period</b>	<b>(2,234,299)</b>	<b>(127,262)</b>	<b>216,063</b>	<b>(5,929)</b>	<b>(37,991)</b>

	Fidia do Brasil Ltda	Beijing Fidia M.&E.Co. Ltd.	Shenyang Fidia NC&M Company Ltd
Accounting currency	REALS	RMB	RMB
Period of reference of balance-sheet information	30.06.2023	30.06.2023	30.06.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
- Property, plant and equipment	164,851	1,436,465	
- Intangible assets	2,825		
- Equity investments			
- Other non-current financial assets			
- Trade receivables and other long-term receivables	935		70,983
- Pre-paid tax assets	189,372	2,421,938	
<b>Total non-current assets</b>	<b>357,989</b>	<b>3,858,403</b>	<b>70,983</b>
<b>Current assets</b>			
- Inventory	1,351,263	5,449,319	4,973,086
- Trade receivables and other receivables	1,267,977	15,234,925	383,061
- Cash and cash equivalents	408,864	1,531,726	542,765
<b>Total current assets</b>	<b>3,028,105</b>	<b>22,215,970</b>	<b>5,898,913</b>
<b>Total assets</b>	<b>3,386,094</b>	<b>26,074,373</b>	<b>5,969,896</b>
<b>LIABILITIES</b>			
<b>Shareholders' equity</b>			
- Share capital	399,843	12,814,480	42,517,648
- Other reserves	(1,933,955)	(2,115,049)	(40,755,793)
- Profit (loss) of the period	41,869	188,305	(1,486,635)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>(1,492,242)</b>	<b>10,887,735</b>	<b>275,220</b>
<b>Non-current liabilities</b>			
- Other non-current payables and liabilities			
- Termination benefits			
- Deferred tax liabilities		7,277	
- Other non-current financial liabilities			
- Non-current financial liabilities	6,210	664,799	
<b>Total non-current liabilities</b>	<b>6,210</b>	<b>672,076</b>	
<b>Current liabilities</b>			
- Current financial liabilities	565,519	773,387	
- Trade payables and other current payables	4,262,571	13,741,174	5,694,676
- Short-term provisions	44,036		
<b>Total current liabilities</b>	<b>4,872,126</b>	<b>14,514,561</b>	<b>5,694,676</b>
<b>Total liabilities</b>	<b>3,386,094</b>	<b>26,074,373</b>	<b>5,969,896</b>

	Fidia do Brasil Ltda	Beijing Fidia M.&E. Co. Ltd.	Shenyang Fidias NC&M Company Ltd
Accounting currency	REALS	RMB	RMB
Period of reference of balance-sheet information	30.06.2023	30.06.2023	30.06.2023

## INCOME STATEMENT

- Net sales	1,045,050	9,937,987	
- Other revenue	99,814		
<b>Total revenue</b>	<b>1,144,863</b>	<b>9,937,987</b>	
- Changes in inventories of finished goods and work in progress	582,302		
- Raw materials and consumables	769,862	1,875,983	688,206
- Personnel costs	399,562	4,397,872	610,437
- Other operating costs	657,366	3,176,618	185,997
- Depreciation, amortization and write-downs	74,113	663,217	
<b>Operating income/(loss) from ordinary business</b>	<b>(173,737)</b>	<b>(175,704)</b>	<b>(1,484,640)</b>
- Non-recurring income/(expenses)			
<b>Operating profit/(loss)</b>	<b>(173,737)</b>	<b>(175,704)</b>	<b>(1,484,640)</b>
- Finance revenue/(expense)	205,358	179,088	2,120
<b>Profit (loss) before taxes</b>	<b>31,621</b>	<b>3,385</b>	<b>(1,482,520)</b>
Income tax	10,249	184,920	4,125
<b>Net profit (loss) for the period</b>	<b>41,869</b>	<b>188,305</b>	<b>(1,486,644)</b>

## SIGNIFICANT EVENTS IN THE FIRST HALF

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On 27 April 2023, the Fidia Shareholders' Meeting was held; in addition to approving the 2022 financial statements, it appointed the new Board of Directors and the new Board of Statutory Auditors who will serve for three years until the approval of the financial statements as at 31 December 2025.

On 4 May 2023, the first two tranches of bonds were issued under the convertible bond reserved for Negma Group investment Ltd. approved by the Extraordinary Shareholders' Meeting on 18 November 2022.

On 23 June 2023, the distribution plan was sent to all creditors.

On 29 June 2023, the third and fourth tranches and part of the fifth tranche of bonds of the convertible bond reserved for Negma Group Investment Ltd. resolved by the Extraordinary Shareholders' Meeting on 18 November- 2022, were issued and subscribed.

## BUSINESS OUTLOOK, GOING CONCERN AND SIGNIFICANT EVENTS AFTER THE REPORTING DATE

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### Business outlook and going concern

The Group ended the six-month period with a net loss of approximately €2.0 million, mainly due to the restart of new order, which did not allow the completion of the planned machines with the resulting margins to be recognised in the financial statements.

It is believed that in the second half of this year there will be an operational recovery related to the deliveries of completed machines and machines under construction. As for the other business areas, the positive performance of the Service and Numerical Control segments continues, both characterised by recovery and consolidation dynamics.

The arrangement process is continuously evolving on the indicated path, and in July 2023, preferential debtors were paid, and the final pre-deductions were finalised.

It is believed that there are no obstacles to the completion of the Arrangement Plan, which will conclude with the satisfaction of unsecured creditors by February 2024, in accordance with the ratification decree.

### Fidia's Arrangement Procedure

In light of the above, the course of the arrangement plan is basically on track. Indeed, all the parties involved have complied with their commitments, in particular:

- on 18 November 2022, the Board of Directors resolved to finalise the agreement governing the issuance of the Bonds and Warrants (the "Agreement") with the Underwriter to which the POC Regulation (the "POC Regulation") and the Warrant Regulation are attached;
- on 23 November 2022, Fai BidCo Uno therefore executed the capital increase resolved by Fidia, thus paying the total sum of €2,000,000;
- the business plan prepared by the Company for the period 2023-2027 provides for a recovery of volumes and profitability with related benefits on cash flows, which is grounded in the orders acquired in the first half of 2023;
- during the current year, the Company has continued its business operations in terms of ordinary management with the overriding goal of preserving its ability to continue as a going concern. In particular, downstream of this period, Fidia represented and

demonstrated that it was achieving operational management (although not without physiological difficulties) with the overall effect of not absorbing, but generating liquidity;

- on 4 May 2023, the first two tranches of bonds were issued under the convertible bond reserved for Negma Group investment Ltd. approved by the Extraordinary Shareholders' Meeting on 18 November 2022;
- on 23 June 2023, the distribution plan was sent to all creditors;
- on 29 June 2023, the third and fourth tranches and part of the fifth tranche of bonds of the convertible bond reserved for Negma Group Investment Ltd. resolved by the Extraordinary Shareholders' Meeting of 18 November 2022 were issued and subscribed thus enabling the Company to liquidate the entire class of preferential creditors in July 2023.

### **Significant events occurring after the first half**

In July, the Company paid all preferential creditors.

On July 4 and 5, an Open Day was held at the Forli plant as the first important signal to mark the Company's recovery. The event was a great success, with local authorities, suppliers, customers and employees' families in attendance.

In September, the Company participated in the EMO fair in Hannover with a stand where it presented the DL 321. The Emo trade fair is the world's most important event in the machine tool industry, and for Fidia it was an opportunity to relaunch itself in the market.

### **Going concern assumption**

At the time of approving this Half-Year Report as at June 30, 2023, the Board of Directors made the necessary assessments (which must cover at least the 12 months following the reporting date) of the company's ability to continue operating as a functioning economic complex, taking into account for this purpose all available information regarding the foreseeable future.

As illustrated above, with reference to the process of the Arrangement Plan, the Directors note that it is at an advanced stage of execution and, in particular, as of the date of preparation of this half-year report, the second phase of the investment transaction, underlying the Arrangement Plan, which envisaged the issuance of the Bond, has begun.

As for the first phase of the investment operation underlying the Arrangement Plan, the directors recall, among the main events:

- On 4 May 2023, the first two tranches of bonds were issued under the convertible bond reserved for Negma Group Investment Ltd. approved by the Extraordinary Shareholders' Meeting on 18 November 2022;
- On 23 June 2023, the distribution plan was sent to all creditors;
- On 29 June 2023, the third and fourth tranches and part of the fifth tranche of bonds of the convertible bond reserved for Negma Group Investment Ltd. resolved by the Extraordinary Shareholders' Meeting on 18 November 2022, were issued and subscribed.

Said actions allowed the Company to have the liquidity necessary for the payment of preferential creditors in the amount of €5.033 million in July 2023.

The Directors also believe, as for the final stage of the Arrangement Plan process, that it can reasonably be completed within the timeframe set by it with the payment of unsecured creditors of the remaining €1.5 million by 24 February 2024.

The Directors believe that the said forecasts can be considered well-founded in light of (i) the forecast of expected future cash flows resulting from the September 2023-September 2024 cash flow-and (ii) Negma Group Investments Ltd's commitment to underwrite the remaining €5.5 million provided for in the investment agreement. In further support of the confidence that Negma Group Investments Ltd. will fulfil its commitments, the Directors point out that the investor, throughout the bankruptcy proceedings, has always met them, as evidenced by the payments made following the shareholders' resolution of 18 November 2022 with respect to the approved capital increase and the first four tranches of the convertible bond, together with 50% of the fifth.

Moreover, with reference to the short-term (next 12 months) cash needs of the Company and the Group, based on the flows processed for the period from September 2023 to September 2024, the Directors are confident that, thanks also to the issue of the said bond loan, there will be no financial shortfall for the Company and the Group.

With reference to operating performance, the Directors take note of the significant upturn in orders noted in the first half of 2023 compared to the same period in 2022, although having to point out, in this regard, that this increase could not be reflected in terms of operating income for the period mainly due to the accounting method for the specific orders.

With this in mind, the directors, have prepared the half-year situation as at 30 June 2023 on the assumption of going concern.

In view of the fact that the share capital of the Parent Company Fidia S.p.A. decreased by more than one third as a result of the overall loss for the period amounting to €2,234 thousand, generated, inter alia, by the negative effect of the valuation of the implicit derivatives relating to the convertible bond loan (€403 thousand) and the related warrant (€813 thousand), as well as other minor items (see Note No. 20) thus manifesting the case provided for in Article 2446 of the Civil Code, the Board of Directors will convene the Shareholders' Meeting to which it will submit its own ~~report~~ report on the Company's financial position accompanied by the observations of the Board of Statutory Auditors for the adoption of the appropriate measures.



**FIDIA GROUP**  
**Condensed consolidated financial statements**  
**at 30 June 2023**

## CONSOLIDATED INCOME STATEMENT (\*)

€thousand		1st half 2023	1st half 2022
Net sales	1	8,989	9,436
Other revenue	2	565	553
<b>Total revenues</b>		<b>9,553</b>	<b>9,989</b>
Change in finished goods and WIP		2,498	1,211
Raw materials and consumables	3	(3,668)	(4,042)
Personnel costs	4	(5,590)	(5,294)
Other operating costs	5	(3,891)	(3,205)
Depreciation, amortization and write-downs	6	(793)	(881)
<b>Profit/(loss) from ordinary business</b>		<b>(1,891)</b>	<b>(2,222)</b>
Non-recurring income/(expenses)		-	-
<b>Operating profit/(loss)</b>		<b>(1,891)</b>	<b>(2,222)</b>
Net income/(expenses) from discharge in bankruptcy	7	-	11,100
- Finance revenue/(expense)	8	(156)	(428)
<b>- Profit/(loss) before tax</b>		<b>(2,046)</b>	<b>8,450</b>
Income tax	9	(134)	18
<b>Profit/(loss) for continuing operations</b>		<b>(2,181)</b>	<b>8,468</b>
Profit/(loss) for discontinued operations		-	-
<b>Profit (loss) for the period</b>		<b>(2,181)</b>	<b>8,468</b>
<b>Profit (loss) for the period pertaining to:</b>			
Shareholders of the parent company		(2,084)	8,579
Non-controlling interests		(97)	(111)
<b>(EUR)</b>		<b>1st half 2023</b>	<b>1st half 2022</b>
Base earnings per ordinary share	10	(0.301)	1,678
Diluted earnings per ordinary share	10	(0.301)	1,678

(\*) According to Consob Resolution No. 15519 of July 27, 2006, the effects of relations with related parties on the Consolidated Income Statement are posted in the relevant Statement of Comprehensive Income Schedule illustrated below and are further defined in Note No. 32.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€thousand	Notes	1st half 2023	1st half 2022
<b>Profit (loss) for the period (A)</b>		<b>(2,181)</b>	<b>8,468</b>
Other Comprehensive Profit/(Loss) that may subsequently be reclassified to profit or loss:			
Profit/(loss) on cash flow hedges (cash flow hedge)	20	(25)	300
Profit/(loss) on translation of financial statements of foreign companies	20	(192)	483
Tax effect pertaining to Other comprehensive profit/(loss) that may subsequently be reclassified in profit or loss	20	6	(72)
<b>Total Other comprehensive profit/(loss) that may subsequently be reclassified in profit or loss, net of tax effect (B1)</b>		<b>(211)</b>	<b>711</b>
Other comprehensive profit/(loss) that may not subsequently be reclassified to profit or loss:			
Net actuarial gains/(losses) on defined benefit plans	20	-	220
Tax effect pertaining to Other comprehensive profit/(loss) that may not subsequently be reclassified to profit or loss	20	-	(53)
<b>Total Other comprehensive profit/(loss) that may not subsequently be reclassified in profit or loss, net of tax effect (B2)</b>		<b>-</b>	<b>167</b>
<b>Total Other comprehensive profit/(loss), net of tax effect (B)=(B1)+(B2)</b>		<b>(211)</b>	<b>878</b>
<b>Total comprehensive profit(loss) for the period (A)+(B)</b>		<b>(2,392)</b>	<b>9,346</b>
<b>Total comprehensive profit/(loss) due to:</b>			
Shareholders of the parent company		<b>(2,292)</b>	<b>9,449</b>
Non-controlling interests		<b>(100)</b>	<b>(103)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (\*)

€thousand	Notes	30 June 2023	31 December 2022
<b>ASSETS</b>			
Property, plant and equipment	11	8,576	9,327
Intangible fixed assets	12	881	999
Equity investments	13	16	16
Other current financial assets	14	268	290
Other non-current receivables and assets	15	34	23
Pre-paid tax assets	9	889	968
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,663</b>	<b>11,624</b>
Inventory	16	13,273	10,133
Trade receivables	17	5,731	5,799
Current taxes receivable	18	421	417
Other current receivables and assets	18	1,454	1,164
Cash and cash equivalents	19	8,336	4,869
<b>TOTAL CURRENT ASSETS</b>		<b>29,214</b>	<b>22,381</b>
<b>TOTAL ASSETS</b>		<b>39,877</b>	<b>34,005</b>
<b>LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital and reserves attributable to shareholders of parent company		2,446	5,966
Non-controlling interests		283	383
<b>TOTAL CONSOLIDATED SHAREHOLDERS' EQUITY</b>	20	<b>2,729</b>	<b>6,349</b>
Other non-current payables and liabilities	21	95	71
Termination benefits	22	1,399	1,961
Deferred tax liabilities	9	159	169
Warrants issued payable	24	871	
Non-current financial liabilities	23	5,247	6,384
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,771</b>	<b>8,585</b>
Current financial liabilities	23	2,028	1,879
Convertible bond debt	24	4,354	-
Trade payables	25	7,639	5,503
Current taxes payable	26	1,534	1,542
Other current payables and liabilities	26	12,129	8,180
Provisions for risks and charges	27	1,693	1,967
<b>TOTAL CURRENT LIABILITIES</b>		<b>29,377</b>	<b>19,071</b>
<b>TOTAL LIABILITIES</b>		<b>39,877</b>	<b>34,005</b>

(\*) According to Consob Resolution No. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated Statement of Financial Position are posted in the relevant schedule of Statement of Financial Position illustrated below and are further defined in Note No. 32.

## CONSOLIDATED STATEMENT OF CASH FLOWS (\*)

€thousand	1st half 2023	1st half 2022
A) Cash on hand and cash equivalents at beginning of period	<b>4,856</b>	<b>5,198</b>
B) Cash from/(used in) operating activities during the period		
Profit (loss) for the period	(2,181)	8,468
Depreciation, amortisation and write-downs of tangible and intangible assets	654	859
Contingent loss from discharge in bankruptcy	-	(11,096)
Net loss (gain) on disposal of tangible assets	(6)	(21)
Net change in provision for termination benefits	(562)	(189)
Net change in provisions for risks and charges	(274)	408
Net change (assets) liabilities for (pre-paid) deferred taxes	69	82
Net change in working capital:		
- receivables	(237)	2,023
- inventory	(3,139)	(1,515)
- payables (**)	6,101	(290)
<b>Total</b>	<b>424</b>	<b>(1,271)</b>
C) Cash from/(used in) investing activities		
- Investments in:		
property, plant and equipment	(50)	(81)
intangible fixed assets	(66)	(95)
- Proceeds from the sale of:		
property, plant and equipment	544	44
<b>Total</b>	<b>428</b>	<b>(132)</b>
D) Cash from/(used in) financing activities		
New loans	4,497	113
Fair value warrant	871	
Loans paid (***)	(1,614)	(495)
Change in capital and reserves	(1,247)	746
Net change in other current and non-current financial assets and liabilities	22	(302)
<b>Total</b>	<b>2,529</b>	<b>62</b>
Currency translation differences	(162)	361
E) Net change in cash and cash equivalents	<b>3,220</b>	<b>(980)</b>
F) Cash and cash equivalents at end of period	<b>8,076</b>	<b>4,218</b>
Breakdown of cash and cash equivalents:		
Cash and cash equivalents	8,336	4,462
Overdrawn bank accounts	(260)	(244)
	<b>8,076</b>	<b>4,218</b>

(\*) According to Consob Resolution No. 15519 of 27 July 2006, the effects of relations with related parties on the Consolidated Cash Flow Statement are posted in the relevant Cash Flow Statement Schedule illustrated below.

(\*\*) of which €0 thousand in taxes paid

(\*\*\*) of which €159 thousand in interest paid

## OVERVIEW OF CHANGES IN EQUITY

€thousand	Share capital	Own shares	Capital reserves	Retained earnings	Cash flow hedge reserve	Translation reserve	Reserve for actuarial profit/loss	Other reserves	Group net profit (loss) for the period	Total Group Shareholders' Equity	Non-controlling interests	Total shareholders' equity
<b>Balance at 31 December 2021</b>	<b>5,123</b>	<b>(45)</b>	<b>1,240</b>	<b>(7,535)</b>	<b>(117)</b>	<b>2,232</b>	<b>(241)</b>	<b>213</b>	<b>(3,202)</b>	<b>(2,333)</b>	<b>596</b>	<b>(1,737)</b>
Allocation of result				(3,202)					3,202			
Comprehensive result for the period					228	475	167		8,579	9,449	(103)	9,346
Other changes				351						351		351
<b>Balance at 30 June 2022</b>	<b>5,123</b>	<b>(45)</b>	<b>1,240</b>	<b>(10,386)</b>	<b>111</b>	<b>2,707</b>	<b>(74)</b>	<b>213</b>	<b>8,579</b>	<b>7,467</b>	<b>494</b>	<b>7,960</b>
<b>Balance at 31 December 2022</b>	<b>7,123</b>	<b>(45)</b>	<b>667</b>	<b>(10,796)</b>	<b>218</b>	<b>2,680</b>	<b>(60)</b>	<b>213</b>	<b>9,169</b>	<b>5,966</b>	<b>383</b>	<b>6,349</b>
Allocation of result				5,967					(5,967)	-		
Comprehensive result for the period					(19)	(189)			(2,084)	(2,292)	(100)	(2,392)
POC Subscription								(403)		(403)		(403)
Warrant issue								(813)		(813)		(813)
Other changes			(10)	(2)						(12)		(12)
<b>Balance at 30 June 2023</b>	<b>7,123</b>	<b>(45)</b>	<b>657</b>	<b>(4,831)</b>	<b>199</b>	<b>2,491</b>	<b>(60)</b>	<b>(1,003)</b>	<b>(2,084)</b>	<b>2,446</b>	<b>283</b>	<b>2,729</b>

# CONSOLIDATED INCOME STATEMENT

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

€thousand		1st half 2023	Of which related parties	1st half 2022	Of which related parties
Net sales	1	8,989		9,436	
Other revenue	2	565		553	
<b>Total revenues</b>		<b>9,553</b>		<b>9,989</b>	
Change in finished goods and WIP		2,498		1,211	
Raw materials and consumables	3	(3,668)		(4,042)	4
Personnel costs	4	(5,590)	366	(5,294)	145
Other operating costs	5	(3,891)	82	(3,205)	65
Depreciation, amortization and write-downs	6	(793)		(881)	
<b>Profit/(loss) from ordinary business</b>		<b>(1,891)</b>		<b>(2,222)</b>	
Non-recurring income/(expenses)		-		-	
<b>Operating profit/(loss)</b>		<b>(1,891)</b>		<b>(2,222)</b>	
Net income/(expenses) from discharge in bankruptcy	7	-		11,100	
- Finance revenue/(expense)	8	(156)	25	(428)	
<b>- Profit/(loss) before tax</b>		<b>(2,046)</b>		<b>8,450</b>	
Income tax	9	(134)		18	
<b>Profit/(loss) for continuing operations</b>		<b>(2,181)</b>		<b>8,468</b>	
Profit/(loss) for discontinued operations		-		-	
<b>Profit (loss) for the period</b>		<b>(2,181)</b>		<b>8,468</b>	
<b>Profit (loss) for the period pertaining to:</b>					
Shareholders of the parent company		(2,084)		8,579	
Non-controlling interests		(97)		(111)	

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

€thousand	Notes	30 June 2023	Of which related parties	31 December 2022	Of which related parties
<b>ASSETS</b>					
Property, plant and equipment	11	8,576		9,327	
Intangible fixed assets	12	881		999	
Equity investments	13	16		16	
Other current financial assets	14	268		290	
Other non-current receivables and assets	15	34		23	
Pre-paid tax assets	9	889		968	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,663</b>		<b>11,624</b>	
Inventory	16	13,273		10,133	
Trade receivables	17	5,731		5,799	
Current taxes receivable	18	421		417	
Other current receivables and assets	18	1,454		1,164	27
Cash and cash equivalents	19	8,336		4,869	
<b>TOTAL CURRENT ASSETS</b>		<b>29,214</b>		<b>22,381</b>	
<b>TOTAL ASSETS</b>		<b>39,877</b>		<b>34,005</b>	
<b>LIABILITIES</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital and reserves attributable to		2,446		5,966	
Non-controlling interests		283		383	
<b>TOTAL CONSOLIDATED SHAREHOLDERS'</b>	20	<b>2,729</b>		<b>6,349</b>	
Other non-current payables and liabilities	21	95		71	
Termination benefits	22	1,399		1,961	
Deferred tax liabilities	9	159		169	
Warrants issued payable	24	871	871		
Non-current financial liabilities	23	5,247		6,384	
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,771</b>		<b>8,585</b>	
Current financial liabilities	23	2,028		1,879	
Convertible bond debt	24	4,354	4354	-	
Trade payables	25	7,639		5,503	2
Current taxes payable	26	1,534		1,542	
Other current payables and liabilities	26	12,129	495	8,180	379
Provisions for risks and charges	27	1,693		1,967	
<b>TOTAL CURRENT LIABILITIES</b>		<b>29,377</b>		<b>19,071</b>	
<b>TOTAL LIABILITIES</b>		<b>39,877</b>		<b>34,005</b>	



# STATEMENT OF CASH FLOWS

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

€thousand	1st half 2023	Of which related parties	1st half 2022	Of which related parties
A) Cash on hand and cash equivalents at beginning of period	4,856		5,198	
B) Cash from/(used in) operating activities during the period				
Profit (loss) for the period	(2,181)		8,468	
Depreciation, amortisation and write-downs of tangible and intangible	654		859	
Contingent loss from discharge in bankruptcy	-		(11,096)	
Net loss (gain) on disposal of tangible assets	(6)		(21)	
Net change in provision for termination benefits	(562)		(189)	
Net change in provisions for risks and charges	(274)		408	
Net change (assets) liabilities for (pre-paid) deferred taxes	69		82	
Net change in working capital:				
- receivables	(237)		2,023	(1)
- inventory	(3,139)		(1,515)	
- payables (*)	6,101	115	(290)	9
<b>Total</b>	<b>424</b>		<b>(1,271)</b>	
C) Cash from/(used in) investing activities				
- Investments in:				
property, plant and equipment	(50)		(81)	
intangible fixed assets	(66)		(95)	
- Proceeds from the sale of:				
property, plant and equipment	544		44	
<b>Total</b>	<b>428</b>		<b>(132)</b>	
D) Cash from/(used in) financing activities				
New loans	4,497	4354	113	
Fair value warrant	871	871		
Loans paid (**)	(1,614)		(495)	
Change in capital and reserves	(434)		746	
Net change in other current and non-current financial assets and	22		(302)	
<b>Total</b>	<b>2,529</b>		<b>62</b>	
Currency translation differences	(162)		361	
E) Net change in cash and cash equivalents	<b>3,220</b>		<b>(980)</b>	
F) Cash and cash equivalents at end of period	<b>8,076</b>		<b>4,218</b>	
Breakdown of cash and cash equivalents:				
Cash and cash equivalents	8,336		4,462	
Overdrawn bank accounts	(260)		(244)	
	<b>8,076</b>		<b>4,218</b>	

(\*) of which €0 thousand in taxes paid

(\*\*) of which €159 thousand in interest paid



## NOTES AT 30 JUNE 2023

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### GENERAL INFORMATION

Fidia S.p.A. and its subsidiaries ("Group") are active in over 20 countries.

The Group is a leader in numerical control technology and integrated systems for calculating, scanning and milling complex shapes, listed on the Euronext Milan market of the Italian Stock Exchange.

The Group headquarters are located in San Mauro Torinese (Turin), Italy.

### FORM, CONTENT AND ACCOUNTING STANDARDS APPLIED

#### Compliance with international accounting standards

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and endorsed by the European Union. "IFRS" also means all revised International Accounting Standards ("IAS"), as well as all interpretative documents issued by the International Financial Reporting Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC). The accounting policies adopted are consistent with the recognition and measurement criteria used in the preparation of the consolidated financial statements as at 31 December 2022, to which reference should be made for further details, except as discussed below.

Specifically, the condensed interim consolidated financial statements at 30 June 2023 have been prepared in accordance with the disclosure requirements of IAS 34 "Interim Financial Reporting."

#### General standards

The consolidated financial statements are prepared on the basis of the historical cost principle, modified as required for the valuation of certain financial instruments, for which, in accordance with IFRS 9, the fair value criterion is adopted.

The financial statements are prepared on a going concern basis. The Group has assessed that although the economic and financial landscape is difficult, there are no significant uncertainties (as defined by paragraph 25, IAS 1) regarding the Group's ability to continue as a going concern (refer to Section "Going concern assumption").

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on Management's best judgment, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. Specifically, in the condensed consolidated financial statements at 30 June 2023, the income taxes for the period of the individual consolidated companies are determined based on the best possible estimate in relation to the available information and on the reasonable expectation of the year's performance until the end of the tax period.

These consolidated financial statements have been prepared in euros by rounding amounts to the nearest thousand and are compared with the consolidated financial statements for the previous period, which were prepared on the basis of uniform criteria.

The following provides information about the financial statement formats adopted with respect to those specified in IAS 1, the most significant accounting standards and related accounting policies adopted in the preparation of these consolidated financial statements.

### **Financial statements and schedules**

These consolidated financial statements consist of the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, and consolidated statement of cash flows, accompanied by these notes.

The Group presents the statement of comprehensive income by nature of expense, which is deemed more representative compared with the so-called presentation by function. The form chosen complies with the internal reporting and business management methods. Within said statement of comprehensive income by nature, under the profit/(loss), a specific distinction has been made between profit/(loss) of ordinary business and those charges and earnings that are the result of non-recurrent transactions in ordinary business management, such as restructuring expenses and any other income/(expense) defined as atypical, as they are similar to the previous ones. It is deemed that this allows for a better measurement of the actual performance of the normal business management, without prejudice to the fact that specific details of the expenses and income recognised in the atypical management are provided.

The definition of atypical adopted by the Group differs from the one set by Consob Notice of 28 July 2006, by which atypical and/or unusual transactions are all those transactions whose significance/relevance, nature of the counterparts, subject-matter of the transaction, transfer pricing method and timing of the event (near year end) can give rise to doubts on: correctness/completeness of information posted, conflict of interests, safeguard of company equity, safeguard of minority interests.

With reference to the statement of financial position, the "non-current and current" format of presentation has been adopted according to the provisions of IAS 1. The cash flow statement was drawn up by applying the indirect method. Finally, please be noted that with reference to Consob Resolution n° 15519 of 27 July 2006 on financial statements, specific information was added to the income statement, statement of financial position and statement of cash flows in order to underscore significant relations with related parties.

### **Other accounting standards, amendments and interpretations at 1 January 2023**

Regarding the application of current accounting standards and for those recently issued, please refer to what is highlighted in the document Report and Financial Statements 2022 published on the company website.

Regarding the Accounting Standards endorsed but not yet applicable or not yet endorsed by the European Union, please refer to what has already been reported in the specific section of the Notes to the Financial Statements in the document Report and Financial Statements at 31 December 2022.

These Half-Year Financial Statements were authorised for publication by the Board of Directors on 25 September 2023.

## **SIGNIFICANT EVENTS IN THE FIRST HALF**

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On 27 April 2023, the Fidia Shareholders' Meeting was held; in addition to approving the 2022 financial statements, it appointed the new Board of Directors and the new Board of Statutory Auditors who will serve for three years until the approval of the financial statements as at 31 December 2025.

On 4 May 2023, the first two tranches of bonds were issued under the convertible bond reserved for Negma Group investment Ltd. approved by the Extraordinary Shareholders' Meeting on 18 November 2022.

On 23 June 2023, the distribution plan was sent to all creditors.

On 29 June 2023, the third and fourth tranches and part of the fifth tranche of bonds of the convertible bond reserved for Negma Group Investment Ltd. resolved by the Extraordinary Shareholders' Meeting on 18 November-2022, were issued and subscribed.

## **BUSINESS OUTLOOK, GOING CONCERN AND SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

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### **Business outlook and going concern**

The Group ended the six-month period with a net loss of approximately €2.0 million, mainly due to the restart of new order, which did not allow the completion of the planned machines with the resulting margins to be recognised in the financial statements.

It is believed that in the second half of this year there will be an operational recovery related to the deliveries of completed machines and machines under construction. As for the other business areas, the positive performance of the Service and Numerical Control segments continues, both characterised by recovery and consolidation dynamics.

The arrangement process is continuously evolving on the indicated path, and in July 2023, preferential debtors were paid, and the final pre-deductions were finalised.

It is believed that there are no obstacles to the completion of the Arrangement Plan, which will conclude with the satisfaction of unsecured creditors by February 2024, in accordance with the ratification decree.

### **Fidia's Arrangement Procedure**

In light of the above, the course of the arrangement plan is basically on track. Indeed, all the parties involved have complied with their commitments, in particular:

- on 18 November 2022, the Board of Directors resolved to finalise the agreement governing the issuance of the Bonds and Warrants (the "Agreement") with the Underwriter to which the POC Regulation (the "POC Regulation") and the Warrant Regulation are attached;
- on 23 November 2022, Fai BidCo Uno therefore executed the capital increase resolved by Fidia, thus paying the total sum of €2,000,000;
- the business plan prepared by the Company for the period 2023-2027 provides for a recovery of volumes and profitability with related benefits on cash flows, which is grounded in the orders acquired in the first half of 2023;
- during the current year, the Company has continued its business operations in terms of ordinary management with the overriding goal of preserving its ability to continue as a going concern. In particular, downstream of this period, Fidia represented and

demonstrated that it was achieving operational management (although not without physiological difficulties) with the overall effect of not absorbing, but generating liquidity;

- on 4 May 2023, the first two tranches of bonds were issued under the convertible bond reserved for Negma Group investment Ltd. approved by the Extraordinary Shareholders' Meeting on 18 November 2022;
- on 23 June 2023, the distribution plan was sent to all creditors;
- on 29 June 2023, the third and fourth tranches and part of the fifth tranche of bonds of the convertible bond reserved for Negma Group Investment Ltd. resolved by the Extraordinary Shareholders' Meeting of 18 November 2022 were issued and subscribed thus enabling the Company to liquidate the entire class of preferential creditors in July 2023.

### **Significant events occurring after the first half**

In July, the Company paid all preferential creditors.

On July 4 and 5, an Open Day was held at the Forli plant as the first important signal to mark the Company's recovery. The event was a great success, with local authorities, suppliers, customers and employees' families in attendance.

In September, the Company participated in the EMO fair in Hannover with a stand where it presented the DL 321. The Emo trade fair is the world's most important event in the machine tool industry, and for Fidia it was an opportunity to relaunch itself in the market.

### **Going concern assumption**

At the time of approving this Half-Year Report as at June 30, 2023, the Board of Directors made the necessary assessments (which must cover at least the 12 months following the reporting date) of the company's ability to continue operating as a functioning economic complex, taking into account for this purpose all available information regarding the foreseeable future.

As illustrated above, with reference to the process of the Arrangement Plan, the Directors note that it is at an advanced stage of execution and, in particular, as of the date of preparation of this half-year report, the second phase of the investment transaction, underlying the Arrangement Plan, which envisaged the issuance of the Bond, has begun.

As for the first phase of the investment operation underlying the Arrangement Plan, the directors recall, among the main events:

- On 4 May 2023, the first two tranches of bonds were issued under the convertible bond reserved for Negma Group Investment Ltd. approved by the Extraordinary Shareholders' Meeting on 18 November 2022;
- On 23 June 2023, the distribution plan was sent to all creditors;
- On 29 June 2023, the third and fourth tranches and part of the fifth tranche of bonds of the convertible bond reserved for Negma Group Investment Ltd. resolved by the Extraordinary Shareholders' Meeting on 18 November 2022, were issued and subscribed.

Said actions allowed the Company to have the liquidity necessary for the payment of preferential creditors in the amount of €5.033 million in July 2023.

The Directors also believe, as for the final stage of the Arrangement Plan process, that it can reasonably be completed within the timeframe set by it with the payment of unsecured creditors of the remaining €1.5 million by 24 February 2024.

The Directors believe that the said forecasts can be considered well-founded in light of (i) the forecast of expected future cash flows resulting from the September 2023-September 2024 cash flow-and (ii) Negma Group Investments Ltd's commitment to underwrite the remaining €5.5 million provided for in the investment agreement. In further support of the confidence that Negma Group Investments Ltd. will fulfil its commitments, the Directors point out that the investor, throughout the bankruptcy proceedings, has always met them, as evidenced by the payments made following the shareholders' resolution of 18 November 2022 with respect to the approved capital increase and the first four tranches of the convertible bond, together with 50% of the fifth.

Moreover, with reference to the short-term (next 12 months) cash needs of the Company and the Group, based on the flows processed for the period from September 2023 to September 2024, the Directors are confident that, thanks also to the issue of the said bond loan, there will be no financial shortfall for the Company and the Group.

With reference to operating performance, the Directors take note of the significant upturn in orders noted in the first half of 2023 compared to the same period in 2022, although having to point out, in this regard, that this increase could not be reflected in terms of operating income for the period mainly due to the accounting method for the specific orders.

With this in mind, the directors, have prepared the half-year situation as at 30 June 2023 on the assumption of going concern.

In view of the fact that the share capital of the Parent Company Fidia S.p.A. decreased by more than one third as a result of the overall loss for the period amounting to €2,234 thousand, generated, inter alia, by the negative effect of the valuation of the implicit derivatives relating to the convertible bond loan (€403 thousand) and the related warrant (€813 thousand), as well as other minor items (see Note No. 20) thus manifesting the case provided for in Article 2446 of the Civil Code, the Board of Directors will convene the Shareholders' Meeting to which it will submit its own ~~report~~ report on the Company's financial position accompanied by the observations of the Board of Statutory Auditors for the adoption of the appropriate measures.



## SCOPE OF CONSOLIDATION

The Group Consolidated Financial Statements at 30 June 2023 include Fidia S.p.A. and 8 consolidated subsidiaries, over which Fidia S.p.A. has control.

The companies comprised in the consolidation area are listed below:

Name / Registered office	Currency	Share capital	Equity ownership at 30/06/2023	Equity ownership at 30/06/2022
Fidia GmbH, Dreieich – Germany	EUR	520,000	100%	100%
Fidia Co, Rochester Hills (USA)	USD	400,000	100%	100%
Fidia Sarl, Emerainville – France	EUR	300,000	100%	100%
Fidia Iberica S.A., Zamudio - Spain	EUR	180,300	99.993%	99.993%
Fidia do Brasil Ltda, Sao Paulo – Brazil	Reals	399,843	99.75%	99.75%
Beijing Fidia M&E Co Ltd., Beijing - China	Rmb	12,814,480	100%	100%
Shenyang Fidia NC & Machine Company Ltd., Shenyang – China	Rmb	42,517,648	51%	51%
OOO Fidia, Mosca – Russian Federation	Rouble	3,599,790	100%	100%

There was no change in the consolidation area compared to the consolidated financial statements at 31 December 2022.

It should also be noted that Fidia Sarl is 100% subsidiary of the parent company Fidia SpA (directly through its 93.19% interest and indirectly through its 6.81% interest held in Fidia GmbH).

# NOTES

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Figures shown in the notes are in thousands of euros.

## CONSOLIDATED INCOME STATEMENT

### 1. NET SALES

Revenue by line of business are illustrated more in detail in the following table:

€thousand	1st half 2023	%	1st half 2022	%
Numerical controls, drives and software	1,011	11.2%	804	6.4%
High Speed Milling Systems	1,953	21.7%	3,888	43.6%
After-sales service	6,025	67.0%	4,744	50.1%
<b>Grand total</b>	<b>8,989</b>	<b>100.0%</b>	<b>9,436</b>	<b>100.0%</b>

### 2. OTHER REVENUE

Other revenues and earnings in the first half of 2023 were equal to €565 thousand.

This item mainly includes:

- research grants from the EU and Italian Ministry of Education, University and Research (MIUR) as part of the funded research activity carried out by the parent company Fidia S.p.A., amounting to €84 thousand. Applied and basic research and development activities are a structural component and are carried out on an ongoing basis by Fidia S.p.A.;
- €284 thousand for contingent assets;
- €48 thousand from the reabsorption of the warranty provision and €99 thousand from the provision for bad debts.

### 3. RAW MATERIALS

These are:

€thousand	1st half 2023	1st half 2022
Production materials	3,454	2,952
Service materials	612	715
Consumables	14	10
Equipment and software	3	1
Packaging	45	9
Other	51	50
Change in inventory raw materials and consumables	(511)	305

<b>Total</b>	<b>3,668</b>	<b>4,042</b>
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#### 4. PERSONNEL COSTS

Personnel costs are composed as follows:

€thousand	1st half 2023	1st half 2022
Wages and salaries	4,218	3,939
Social security charges	1,114	1,054
Termination Benefits	155	179
Other personnel expenses	103	122
<b>Total</b>	<b>5,590</b>	<b>5,294</b>

Changes in the headcount during the first half of 2023, broken down by category, are shown below:

	30/06/2022	31/12/2022	Inbound	Outbound	Change	30/06/2023	Period average
Executives	8	9				9	9
Office workers and middle managers	161	155	6	(6)		155	155
Workers	34	33		(3)		30	31.5
<b>Total</b>	<b>203</b>	<b>197</b>	<b>6</b>	<b>(9)</b>	<b>-</b>	<b>194</b>	<b>195.5</b>

#### 5. OTHER OPERATING COSTS

Other operating costs are detailed as follows:

€thousand	1st half 2023	1st half 2022
Outsourced work	534	259
Travel expenses	540	380
Transportation and customs	264	255
Rent paid for offices and plants (contracts not falling under IFRS16)	213	100
Technical, legal and administrative consulting	841	536
Utilities	178	240
Commissions	32	224
Car rental expenses	79	31
Warranty provisions	21	12
Other provisions	-	54
Auditors' emoluments	41	34
Insurance	149	163
Advertising, trade fairs and other commercial costs	6	1
Non-income taxes	123	73
Maintenance and housekeeping	107	104
Personnel-related expenses	91	75
Bank services	34	28

Motor vehicle management expenses	42	36
Costs related to stock market listing	95	42
Costs for repairs and interventions	346	456
Costs for research projects	45	29
Entertainment expenses	8	6
Contributions and payments	18	17
Contingent liabilities	58	13
Other	26	37
<b>Total</b>	<b>3,891</b>	<b>3,205</b>

## 6. DEPRECIATION, AMORTIZATION AND WRITEDOWNS

€thousand	1st half 2023	1st half 2022
Depreciation of property, plant and equipment	470	695
Amortisation of intangible fixed assets	183	169
Write-down of trade receivables	140	17
<b>Total</b>	<b>793</b>	<b>881</b>

## 7. NET INCOME/(EXPENSE) FROM DISCHARGE IN BANKRUPTCY

In the first half of 2023, there were no net income or expense from discharge in bankruptcy.

## 8. FINANCE REVENUE (EXPENSES)

Finance revenue and expenses consist of:

€thousand	1st half 2023	1st half 2022
Finance revenue	28	6
Finance expenses	(251)	(182)
Net profit (loss) on derivatives	19	1
Profit (loss) from foreign currency transactions	48	(253)
<b>Total</b>	<b>(156)</b>	<b>(428)</b>

Finance expenses consist of:

€thousand	1st half 2023	1st half 2022
Interest paid on loans from banks and leasing companies	174	153
Borrowing costs on termination benefits	31	4
Other finance expenses	46	25
<b>Total</b>	<b>251</b>	<b>182</b>

Income on derivative instruments includes the fair value valuation of an interest rate swap contract entered into by the parent company Fidia S.p.A. to hedge the risk of interest rate fluctuations on a real estate leasing contract in the amount of €77 thousand net of the fair value valuation at 30 June

2023 of the Warrants issued by the parent company on 3 May and 29 June 2023 in the amount of €58 thousand.

Profit (loss) on foreign currency transactions consists of:

€thousand	1st half 2023	1st half 2022
Realised exchange gains	248	98
Unrealised exchange gains	29	12
Realised exchange losses	(26)	(351)
Unrealised exchange losses	(203)	(14)
<b>Total</b>	<b>48</b>	<b>(253)</b>

## 9. INCOME TAX

Income tax for the first six months of 2023 show a negative balance of €134 thousand and are recognised based on the best estimate of the average expected tax rate for the entire period.

At 30 June 2023, the net balance between prepaid taxes and deferred tax liabilities incurred by the individual consolidated companies is made up as follows:

€thousand	30 June 2023	31 December 2022
Pre-paid tax assets	889	968
Deferred tax liabilities	(159)	(169)
<b>Total</b>	<b>730</b>	<b>799</b>

Assets for pre-paid taxes were allocated by every Group company by critically evaluating the subsistence of the prerequisites for future recoverability of said assets based on updated tax plans.

## 10. EARNING PER SHARE

Earning /loss per share is determined on the basis of the following data:

		1st half 2023	1st half 2022
Net earnings pertaining to Group	€thousand	(2,084)	8,357
Profit/(loss) of ordinary shares	€thousand	(2,084)	8,357
Mean number of ordinary shares in circulation in the period	Number	6,932,141	5,113,000
Earning per share	EUR	(0.301)	1.634
Diluted earnings per ordinary share	EUR	(0.301)	1.634

No difference has been recorded between the base earnings per share and diluted result per share as Fidia S.p.A. does not have any equity instruments with dilutive effects.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 11. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in property, plant and equipment during the first half of 2023:

€thousand	Land and buildings	Total plant, machinery and equipment	Other assets	Total
<b>Net carrying amount at 31/12/2022</b>	<b>8,767</b>	<b>109</b>	<b>451</b>	<b>9,327</b>
Increases and acquisitions	232		53	<b>285</b>
Decreases and disposals	(540)	(1)		<b>(541)</b>
Depreciation	(357)	(26)	(87)	<b>(470)</b>
(Write-downs)/Write-backs				
Exchange rate gain/(loss)	(24)		(1)	<b>(25)</b>
<b>Net carrying amount at 30/06/2023</b>	<b>8,078</b>	<b>82</b>	<b>416</b>	<b>8,576</b>
Of which rights of use:				
Net value at 31 December 2022	7,654		176	<b>7,830</b>
Increases	232		3	<b>235</b>
Decreases	(540)			<b>(540)</b>
Depreciation	(266)		(30)	<b>(296)</b>
Exchange rate gain/(loss)	(10)			<b>(10)</b>
<b>Net carrying amount at 30/06/2023</b>	<b>7,070</b>		<b>149</b>	<b>7,219</b>

At 30 June 2023, the Group has no buildings burdened by collateral, but, by virtue of the lease contract entered into for the purchase of the industrial building renovated by Fidia S.p.A., this asset is in the name of the leasing company.

Capital expenditure does not include capitalised finance expenses.

This item was not subject to impairment test at 30 June 2023. At the reporting date, Management has considered possible changes in the assumptions made at the time of the closing of the financial statements at 31 December 2022 without noting significant impacts.

### 12. INTANGIBLE FIXED ASSETS

The table below shows the changes in intangible fixed assets during the first half of 2023:

€thousand	Development costs	Licenses	Software	Assets under development	Total
<b>Net carrying amount at 31/12/2022</b>	<b>786</b>	<b>18</b>	<b>50</b>	<b>145</b>	<b>999</b>
Increases			20	47	<b>67</b>
Reclassifications/transfers					

Depreciation	(173)	(2)	(8)		<b>(183)</b>
Exchange rate gain/(loss)			(2)		<b>(2)</b>
<b>Closing net carrying amount at 30/06/2023</b>	<b>613</b>	<b>16</b>	<b>60</b>	<b>192</b>	<b>881</b>

Increases in intangible assets at 30 June 2023 amounted to €67 thousand and mainly related to development projects that have not yet been amortised (as they have not yet been completed) and therefore have not yet begun to produce the related benefits.

All costs of research (both basic and applied) are instead charged to profit or loss in the year they are incurred.

Intangible fixed assets in progress consist mainly of development projects that at the closing date have not yet been fully completed and whose economic benefits are expected to flow to subsequent years.

This item was not subject to impairment test at 30 June 2023. At the reporting date, Management has considered possible changes in the assumptions made at the time of the closing of the financial statements at 31 December 2022 without noting significant impacts.

### 13. EQUITY INVESTMENTS

This item, amounting to €16 thousand and unchanged compared to 31 December 2022, is made up of investments in associated companies valued at equity and investments in other companies valued at cost.

### 14. OTHER NON-CURRENT FINANCIAL ASSETS

The item includes the fair value of the interest rate swap contract entered into to hedge (cash flow hedge) the risk of variability of interest expense flows of a real estate lease contract entered into by the parent company Fidia S.p.A.

(€thousand)	30 June 2023		31 December 2022	
<i>Cash Flow Hedge</i>	Notional amount	Fair value	Notional amount	Fair value
Interest rate risk - INTESA Interest Rate Swap	2,533	268	2,629	290
<b>Total</b>		<b>268</b>		<b>290</b>

Financial flows relating to cash flow hedges impact on the income statement of the Group consistently with the timing with which the hedged cash flows occur.

### 15. OTHER NON-CURRENT RECEIVABLES AND ASSETS

The other non-current receivables and assets are detailed below:



(€thousand)	Balance 30 June 2023	Balance 31 December 2022
Security deposits	32	12
Receivables for foreign VAT	2	11
<b>Total</b>	<b>34</b>	<b>23</b>

## 16. INVENTORY

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

(€thousand)	Balance 30 June 2023	Balance 31 December 2022
Raw materials	9,386	8,958
Provisions for write-down of raw materials	(3,706)	(3,696)
<b>Net value of raw materials, subsidiary materials and consumables</b>	<b>5,680</b>	<b>5,262</b>
Semi-finished products and work in progress	<b>3,664</b>	<b>1,778</b>
Finished products and goods for resale	4,297	3,799
Finished products depreciation provision	(1,002)	(991)
<b>Net value finished products and goods</b>	<b>3,295</b>	<b>2,808</b>
<b>Advances</b>	<b>633</b>	<b>285</b>
<b>Total inventory</b>	<b>13,273</b>	<b>10,133</b>

Inventory at the end of the first half of the year was approximately €3,140 thousand higher than at 31 December 2022. The increase is mainly attributable to higher inventory of work-in-progress and semi-finished products.

The provisions for depreciation equivalent to €4,708 thousand (€4,687 thousand at 31 December 2022) were reported to hedge the non-utilisation of some components in period under consideration; these phenomena result, in particular, from the need to ensure customers that spare parts are available for servicing even beyond the period of ordinary marketability of the components.

Below follows the detail of the changes in the provisions for raw materials and finished products depreciation in the first half of the year:

(€thousand)	Balance 31 December 2022	Provisions/(release)	Exchange rate effect	Balance 30 June 2023
Provisions for write-down of raw materials	3,696	110	(100)	3,706
Finished products depreciation provision	991	14	(3)	1,002
<b>Total</b>	<b>4,687</b>	<b>124</b>	<b>(103)</b>	<b>4,708</b>

## 17. TRADE RECEIVABLES

At 30 June 2023, the item amounted to €5,731 thousand with a net decrease of €68 thousand compared to 31 December 2022. Trade receivables are detailed as follows:

(€thousand)	Balance 30 June 2023	Balance 31 December 2022
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Trade receivables from customers	7,119	7,155
Provision for bad debts	(1,388)	(1,356)
<b>Total trade receivables</b>	<b>5,731</b>	<b>5,799</b>

Receivables were aligned at the expected realizable value by means of allocations to the provisions for write-down of receivables equal to €140 thousand. In application of IFRS 9, the Group assesses trade receivables using an expected loss approach; the Group has therefore adopted a simplified approach, whereby the provision for bad debts reflects expected losses based on the life of the receivable; in determining the provision, the Group has relied on historical experience, external indicators and prospective information.

It is deemed that the net carrying amount of trade receivables is near their fair value.

The changes in the provision for bad debt illustrated below.

<b>Balance at 31 December 2022</b>	<b>1,356</b>
Accrual	140
Utilizations/write-backs	(100)
Exchange rate gain/(loss)	(8)
<b>Balance at 30 June 2023</b>	<b>1,388</b>

## 18. TAX RECEIVABLES AND OTHER CURRENT RECEIVABLES AND ASSETS

(€thousand)	Balance at 30 June 2023	Balance at 31 December 2022
<b>Current tax receivables:</b>		
Tax receivables for VAT	66	55
Tax receivables for income tax and IRAP	59	114
Other tax receivables	296	248
<b>Total current tax receivables</b>	<b>421</b>	<b>417</b>
<b>Other current receivables:</b>		
Receivables for current EU grants	75	137
Receivables from banking institution for undue compensation	330	330
Receivables from welfare organisations	135	116
Sundry prepayments	315	181
Pre-paid expenses	11	11
Receivables from employees	233	252
Advances from suppliers	344	132
Other current receivables	11	5
<b>Total other current receivables</b>	<b>1,454</b>	<b>1,164</b>

There are no receivables due beyond five years.

It is deemed that the carrying amount of Other current receivables and assets is near the fair value.

## 19. CASH AND CASH EQUIVALENTS

The overall amount of cash of the Group amounted to €8,336 thousand (€4,869 thousand at 31 December 2022) and consisted of temporary cash in bank deposits pending future use. It is deemed that their carrying amount is aligned to the fair value at the reporting date.

The related credit risk is not material too, because the Group operates with primary national and international banks.

## 20. SHAREHOLDERS' EQUITY

Consolidated shareholders' equity amounted to €2,729 thousand and decreased by €3,620 thousand compared to 31 December 2022 due to the loss for the period (€2,181 thousand euros), the change in the fair value of hedging derivatives set aside in the cash flow hedge reserve (€19 thousand, net of the tax effect estimated at approximately €6 thousand), the effect of changes in exchange rates from the translation of financial statements of subsidiaries denominated in currencies other than the euro (€192 thousand), the negative effect related to the valuation at the issue date of the implicit derivative of the convertible bond (€403 thousand), the negative effect of the fair value valuation at the issue date of the warrants issued during the six-month period in conjunction with the convertible bond (€813 thousand), and other minor changes (amounting to €12 thousand).

The provision for the fair value of warrants is the result of a valuation and accounting approach based on IAS 32, IAS 1 and IFRS 9, which qualifies them as derivative liabilities. The initial fair value of warrants is substantially related only to the time value of the warrants. If the Warrants were not exercised during their life, these negative equity impacts would be neutralised by the cancellation of the derivative liability with a positive impact on profit or loss, resulting in an improvement in equity balances of €813 thousand. If, on the other hand, these Warrants were exercised in full, this would entail an increase in share capital equal to their exercise price for the number of warrants converted (€4.4 million) and concomitant cancellation of the derivative liability with a positive effect on profit or loss, offsetting the negative equity reserve recorded at the time of issue.

For more complete disclosure on the Company's share capital, see Note 21 to the consolidated financial statements at 31 December 2022.

Own shares consisted of 10,000 ordinary shares issued by Fidia S.p.A. for a value of €45 thousand (unchanged from 31 December 2022).

## 21. OTHER NON-CURRENT PAYABLES AND LIABILITIES

This item, which amounted to €95 thousand (€71 thousand at 31 December 2022) consists of medium- and long-term payables to personnel of the subsidiary Fidia Sarl in the amount of €52 thousand and deferred income over several years in the amount of €43 thousand.

## 22. TERMINATION BENEFITS

Employee severance indemnities reflects the residual obligation of Fidia S.p.A., the only Italian company in the Group, relating to the indemnity paid to employees and settled upon termination of employment. Under certain conditions, employees may receive a partial advance on those benefits while they are still in the Company's employ. It is an unfunded defined benefit plan.

Changes in the termination benefits are illustrated in the table below (€ thousand):

(€thousand)	
<b>Amount at 1 January 2023</b>	<b>1,961</b>
Amount accrued and allocated in the period	155

Benefits paid out in the period	(595)
Amount transferred to State Fund and complementary pension scheme	(150)
Borrowing costs on termination benefits	31
Accounting of actuarial losses	-
Substitute tax	(3)
<b>Balance at 30 June 2023</b>	<b>1,399</b>

Actuarial gains and losses are recognised outside the income statement and carried directly in changes in equity, at 30 June 2023, the actuarial loss recognised amounted to €43 (see Note No. 20).

Please be noted that the interest on charges relating to the defined benefits plans for employees are comprised under finance costs, hence leading to an increase in finance costs of the reporting period in the amount of €31 thousand.

Employee severance indemnities are calculated based on the following actuarial assumptions:

	At 30 June 2023	At 31 December 2022
Discount rate	EUR Composite AA Curve	EUR Composite AA Curve
Future inflation rate	2.30%	2.30%
Frequency of request for advances	3.0%	3.0%
Relative frequency of resignation/dismissal middle managers, officer workers, workers and apprentices	3.0%	3.0%
Relative frequency of resignations/dismissals managers	5.0%	5.0%

The discount rate used to determine the present value of the obligation was derived, in accordance with paragraph 83 of IAS 19, from the AA rating EUR Composite curve recorded at the measurement date:

### 23. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Financial liabilities amounted to €7,276 thousand as per the schedule.

(€thousand)	Balance at 30 June 2023	Balance at 31 December 2022
Overdrawn bank accounts and advances	260	255
Loan - ISP "3.500" (short-term portion) *	35	35
Loan - BNL "2.500" (short-term portion)	289	289
Loan - ISP "3.000" (short-term portion) *	110	110
Loan - BPM "1.500" (short-term portion) *	65	66
Loan - UNICREDIT (Plafond Supercash Rotativo) *	54	54
Loan - ISP "1.500" (short-term portion) *	64	64
BNL loan (short term) *	56	56
Loan - Société Générale (medium/long-term portion and short-term portion)	60	69
Loan - Banque CIC Est. (medium/long-term portion and short-term portion)	61	70
Loan - Banco Santander (medium/long-term portion and short-term portion)	174	196
Loan - PNC Bank (medium/long-term portion and short-term portion)	765	806
<b>Loans and financial liabilities with credit institutions</b>	<b>1,994</b>	<b>2,070</b>

Mediocredito Italiano (Forli' property lease)	4,360	4,360
Accrued expenses	218	63
San Mauro Torinese property lease (IFRS16)	-	1,021
FIDIA GMBH property lease (IFRS16)	96	125
FIDIA SARL property lease (IFRS16)	264	274
FIDIA BEIJING property lease (IFRS16)	182	168
FIDIA do BRASIL property lease (IFRS16)	15	3
FIDIA SARL motor vehicles lease (IFRS16)	21	24
Lease - Volkswagen Bank	26	32
Lease - Skoda Bank	1	5
Lease - Banco Santander	25	29
Lease - Banco ITAUCARD	6	7
Lease - Commerz Real	68	81
<b>Liabilities for leases</b>	<b>5,282</b>	<b>6,193</b>
<b>Total</b>	<b>7,276</b>	<b>8,263</b>

\* These financial debts, amounting to approximately €385 thousand, are to be repaid by the parent company by the end of February 2024, as stipulated in the arrangement plan.

The allocation of the financial liabilities by due date was as follows:

(€thousand)	By 1 year	By 5 years	Beyond 5 years	Total
Overdrawn bank accounts and short-term advances	260			260
M/L-term bank loans	135	925		1,060
Short-term bank loans	673	0		673
Property lease - Mediocredito Italiano	704	1,658	2,216	4,578
FIDIA GMBH property lease (IFRS16)	60	36		96
FIDIA SARL property lease (IFRS16)	20	110	134	264
FIDIA BEIJING property lease (IFRS16)	98	84		182
FIDIA do BRASIL property lease (IFRS16)	15			15
FIDIA SARL motor vehicles lease (IFRS16)	11	10		21
Lease - Volkswagen Bank	12	14		26
Lease - Skoda Bank	1			1
Lease - Banco Santander	7	18		25
Lease - Banco ITAUCARD	5	1		6
Lease - Commerz Real	27	41		68
<b>Total</b>	<b>2,028</b>	<b>2,897</b>	<b>2,350</b>	<b>7,276</b>

The table below shows the movements in loans during the period.

(€thousand)	Balance at 31/12/2022	Exchange rate gain/(loss)	New loans	Repayments	Balance at 30/06/2023
Loan - ISP "3.500" (short-term portion)	35				35
Loan - BNL "2.500" (short-term portion)	289				289
Loan - ISP "3.000" (short-term portion)	110				110
Loan - BPM "1.500" (short-term portion)	66				66
Loan - UNICREDIT (Plafond Supercash Rotativo)	54				54
Loan - ISP "1.500" (short-term portion)	64				64
BNL loan (short term)	56				56

Loan - Société Générale (medium/long-term portion and short-term portion)	69			(9)	60
Loan - CIC (medium/long-term portion and short-term portion)	70			(9)	61
Loan - Banco Santander (medium/long-term portion and short-term portion)	196			(22)	174
Loan - PNC Bank (medium/long-term portion and short-term portion)	805	(15)		(25)	765
<b>Loans and financial liabilities with credit institutions</b>	<b>1,814</b>	<b>(15)</b>		<b>(65)</b>	<b>1,734</b>
Mediocredito Italiano (Forli' property lease)	4,360				4,360
San Mauro Torinese property lease (IFRS16)	1,021			(1,021)	-
FIDIA GMBH property lease (IFRS16)	125			(29)	96
FIDIA SARL property lease (IFRS16)	274			(10)	264
FIDIA BEIJING property lease (IFRS16)	168	(11)	209	(184)	182
FIDIA do BRASIL property lease (IFRS16)	3		15	(3)	15
FIDIA SARL motor vehicles lease (IFRS16)	24		3	(6)	21
Lease - Volkswagen Bank	32			(6)	26
Lease - Skoda Bank	5			(4)	1
Lease - Banco Santander	29			(4)	25
Lease - Banco ITAUCARD	7			(1)	6
Lease - Commerz Real	81			(13)	68
<b>Liabilities for leases</b>	<b>6,129</b>	<b>(11)</b>	<b>227</b>	<b>(1,281)</b>	<b>5,064</b>
<b>Total</b>	<b>7,943</b>	<b>(26)</b>	<b>227</b>	<b>(1,346)</b>	<b>6,798</b>

It is deemed that the carrying amount of fixed and floating rate financial liabilities at the reporting date is a reasonable estimate of their fair value.

## 24. WARRANTS ISSUED PAYABLE AND CONVERTIBLE BONDS PAYABLE

Warrants payable amounted to €871 thousand at 30 June 2023, and bonds payable amounted to €4,354 thousand.

The shareholders' meeting on 18 November 2022, approved a convertible bond cum warrant in a maximum nominal amount of €10 million reserved for subscription to Negma Group Investments Ltd. The bonds have a term of 12 months from the date of their issuance and do not accrue interest.

The warrants are issued with full entitlement from the date of full subscription of the bonds to which the warrants are attached. Each warrant will have a term of sixty months from its issuance and can be exercised by holders at any time before the expiration date. Warrants entitle the holder to subscribe to Fidia shares in the ratio of 1 new share for every 1 warrant exercised and are not admitted to trading on any regulated market.

On 4 May 2023, 200 bonds convertible into ordinary shares were subscribed for a total value of €2 million and paid for €1.9 million net of commitment fee, at the same time 1,176,470 warrants were issued.

On 29 June 2023, 250 bonds convertible into ordinary shares were subscribed for a total value of €2.5 million and paid for €2.1 million net of commitment fee, at the same time 1,562,500 warrants were issued.

## 25. TRADE PAYABLES

(€thousand)	Balance 30 June 2023	Balance 31 December 2022
Payables to suppliers	7,637	5,501
Payables to associates	2	2
<b>Total trade payables</b>	<b>7,639</b>	<b>5,503</b>

Trade payables, amounting to €7,639 thousand at 30 June 2023, increased by €2,136 thousand compared to 31 December 2022.

## 26. TAX LIABILITIES AND OTHER CURRENT PAYABLES AND LIABILITIES

(€thousand)	Balance at 30 June 2022	Balance at 31 December 2021
<b>Current tax payables:</b>		
withholding tax	1,017	884
Tax payables for income tax and IRAP	103	131
Payables to tax authorities for VAT	294	234
other short-term tax payables	119	292
<b>Total current tax payables</b>	<b>1,534</b>	<b>1,542</b>
<b>Other current payables and liabilities:</b>		
Payables to employees	3,229	2,452
Social security payables	1,153	1,306
Advances from customers	5,801	2,755
Payables for emoluments	485	370
Dividends payable	18	137
Payables to lending institution for undue compensation	34	34
Accrued trade payables	31	46
Sundry accruals and deferrals	421	437
Miscellaneous payables	957	644
<b>Total other current payables and liabilities</b>	<b>12,129</b>	<b>8,180</b>

Payables to personnel refer mainly to accrued holiday pay and deferred payment of wages and salaries; the change compared to 31 December 2022 is due to the accrual during the year of indemnities (typically 13th month's salary) which are paid at the end of the period.

Down payments from customers include advances from customers for orders yet to be processed and for sales of milling systems already delivered but still in course of acceptance, which according to IFRS 15 – *Revenue from Contracts with Customers*, cannot be stated in the revenue.

## 27. PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges were zero in the period under review. The provision for current risks amounted to €1,693 thousand as shown in the relevant table.

(€thousand)	Balance 31 December 2022	Accrual	Use/release	Reclassificati ons	Exchange rate effect	Balance 30 June 2023
Warranty provision	1,152	21	(303)	7		877
Other provisions	816					816
<b>Total other provisions for current risks and expenses</b>	<b>1,968</b>	<b>21</b>	<b>(303)</b>	<b>7</b>		<b>1,693</b>

Other provisions includes the following provisions:

- provision for risks on unsecured debts for €112 thousand, provision for risks on preferential debts for €342 thousand, and provision for legal risks for €10 thousand set aside in order to take into account possible contingent liabilities under the arrangement procedure; these provisions were estimated when defining the arrangement debt and were accounted for as a reduction of the contingent asset from discharge in bankruptcy;
- INAIL risk provision originally recorded in the amount of €162 thousand related to the estimate of the potential impact resulting from the inspection by INAIL - the Italian National Institute for Insurance against Accidents at Work - that took place in 2018 and was closed in March 2022 with a settlement of the audit amounting to €102 thousand;
- provision for pending litigation amounting to €250 thousand.

## 28. GUARANTEES GRANTED AND OTHER CONTINGENT LIABILITIES

### Sureties issued on behalf of others

At 30 June 2023, sureties issued on behalf to third parties totalled €467 thousand (€467 thousand at 31 December 2022).

This item consists almost solely of guarantees for business transactions with foreign customers for down payments received or coverage of obligations undertaken by contract by the Company during the warranty period.

### Contingent liabilities

At 30 June 2023, Fidia Group, though exposed to various risks (product liability, legal and fiscal risks), is not aware of circumstances that might generate foreseeable contingent liabilities or contingent liabilities the amount of which may be estimated and therefore does not deem it necessary to make any further allocations.

If it is probable that an outlay is due to meet obligations and said amount can be reliably estimated, the Group has made specific provisions for risks and expenses.



## 29. OTHER INFORMATION

The following table shows the exchange rates used to translate the values of companies outside of the euro area into euro:

Currency	1st half 2023		At 31 December 2022		1st half 2022	
	Average	At 30 June	Average	At 30 June	Average	At 30 June
Dollar - USA	1.08095	1.0866	1.0934	1.0666	1.0934	1.0387
Real - Brazil	5.46265	5.2788	5.4399	5.6386	5.5565	5.4229
RMB - China	7.51503	7.8983	7.0788	7.3582	7.0827	6.9624
Rouble - Russia	N/A	N/A	N/A	N/A	88.3971	N/A

### 30. SEGMENT REPORTING

Within the Fidia Group, three main areas of business were identified: i) high-speed milling systems (HSM), ii) numerical controls, drives, and software (CNC) and iii) after-sales services.

Below follow the consolidated economic results broken down by sector at 30 June 2023 and 30 June 2022.

Data at 30 June 2023 (€thousand)	CNC	%	HSM	%	SERVICE	%	N/A	Total	
Revenues	1,011	86.4%	1,953	100.0%	6,024	99.7%	-	8,989	
Cross-sector revenues	159	13.6%	0	0.0%	18	0.3%		0	
<b>Total reclassified revenues</b>	<b>1,170</b>	<b>100.0%</b>	<b>1,953</b>	<b>100.0%</b>	<b>6,043</b>	<b>100.0%</b>	<b>-</b>	<b>8,989</b>	
Change in finished goods and WIP	142	12.1%	2,355	120.6%	1	0.0%	0	2,498	
Raw materials and consumables	(409)	-35.0%	(2,612)	-133.8%	-	615	-10.2%	(32)	(3,668)
Cross-sector expenses	15	1.3%	(228)	-11.7%	40	0.7%	(4)	0	
Commissions, transport and contractors	(121)	-10.4%	(544)	-27.8%	-	165	-2.7%	(0)	(830)
<b>Sales margin</b>	<b>797</b>	<b>68.1%</b>	<b>924</b>	<b>47.3%</b>	<b>5,303</b>	<b>87.8%</b>	<b>(37)</b>	<b>6,988</b>	
Other operating revenue	74	6.3%	95	4.9%	102	1.7%	294	565	
Other operating costs	(90)	-7.7%	(209)	-10.7%	-	940	-15.6%	(1,819)	(3,060)
Personnel costs	(575)	-49.1%	(1,992)	-102.0%	-	2,115	-35.0%	(908)	(5,590)
Depreciation, amortization and write-downs	(137)	-11.7%	(262)	-13.4%	-	146	-2.4%	(248)	(793)
<b>Operating profit/(loss)</b>	<b>69</b>	<b>5.9%</b>	<b>(1,445)</b>	<b>-74.0%</b>	<b>2,205</b>	<b>36.5%</b>	<b>(2,718)</b>	<b>(1,891)</b>	

Dati al 30 giugno 2022 (migliaia di euro)	CNC	%	HSM	%	SERVICE	%	Non all.	Totale
Ricavi	812	92,20%	3.859	100,00%	4.765	99,70%	-	9.436
Ricavi Intersettoriali	69	7,80%	0	0,00%	14	0,30%		0
<b>Totale ricavi riclassificati</b>	<b>881</b>	<b>100,00%</b>	<b>3.859</b>	<b>100,00%</b>	<b>4.779</b>	<b>100,00%</b>	<b>-</b>	<b>9.436</b>
Variazione delle rimanenze di prodotti finiti e lavori in corso	67	7,60%	748	19,40%	396	8,30%	0	1.211
Consumi di materie prime e di materiali di consumo	(306)	-34,70%	(3.274)	-84,80%	(637)	-13,30%	(24)	(4.240)
Costi intersettoriali	44	5,00%	(127)	-3,30%	1	0,00%	0	0
Provvigioni, trasporti e lavoraz. Esterne	(74)	-8,40%	(501)	-13,00%	(163)	-3,40%	-1	-739
<b>Margine sulle vendite</b>	<b>612</b>	<b>69,40%</b>	<b>706</b>	<b>18,30%</b>	<b>4.375</b>	<b>91,60%</b>	<b>-24</b>	<b>5.668</b>
Altri ricavi operativi	176	20,00%	1.915	49,60%	107	2,20%	(1.141)	1.058
Altri costi operativi	(62)	-7,10%	(301)	-7,80%	(649)	-13,60%	(1.681)	(2.693)
Costo del personale	(508)	-57,70%	(1.690)	-43,80%	(2.144)	-44,90%	(978)	(5.319)
Svalutazioni e ammortamenti	(124)	-14,10%	(295)	-7,70%	-63	-1,30%	(453)	(935)
<b>Risultato operativo</b>	<b>93</b>	<b>10,60%</b>	<b>335</b>	<b>8,70%</b>	<b>1.626</b>	<b>34,00%</b>	<b>(4.276)</b>	<b>(2.222)</b>

The last columns show those items that cannot be classified; these items are mainly general and administrative costs and costs for advertising, promotion and trade fairs incurred for all three business lines.

Inter-segment revenues consist of numerical controls, electrical control panels, drives and systems transferred from the electronics segment to the milling systems segment and of mechanical components and milling heads provided to the electronics segment for specific applications.

Segment assets consist of operating assets that are used by the segment in the performance of its operations and are directly attributable or reasonably allocable to the segment. These assets do not include income tax assets.

Segment liabilities consist of operating liabilities that arise from the performance of the segment's operations and are directly attributable or reasonably allocable to the segment. These liabilities do not include income tax liabilities.

Below follow the consolidated statements of financial position by segment at 30 June 2023 and 31 December 2022.

30/06/2023	CNC	HSM	SERVICE	Non allocable	Total
Property, plant and equipment	23	6,614	71	1,868	8,576
Intangible fixed assets	609	196	-	76	881
Equity investments	-	-	-	16	16
Other non-current financial assets	-	-	-	268	268
Other non-current receivables and assets	1	3	-	30	34
Pre-paid tax assets	-	-	-	889	889
<b>Total non-current assets</b>	<b>633</b>	<b>6,813</b>	<b>71</b>	<b>3,147</b>	<b>10,663</b>
Inventory	1,805	5,765	5,703	-	13,273
Trade receivables and other receivables	157	1,504	2,655	2,868	7,185
Current taxes receivable	-	-	-	421	421
Other current financial assets	-	-	-	-	-
Cash and cash equivalents	-	-	-	8,336	8,336
<b>Total current assets</b>	<b>1,962</b>	<b>7,269</b>	<b>8,357</b>	<b>11,625</b>	<b>29,214</b>
<b>Total assets</b>	<b>2,596</b>	<b>14,082</b>	<b>8,428</b>	<b>14,772</b>	<b>39,877</b>
Other non-current payables and liabilities	-	43	45	7	95
Termination benefits	242	1,009	165	(18)	1,399
Deferred tax liabilities	-	-	-	159	159
Other non-current financial liabilities	-	-	-	0	0
Non-current financial liabilities	-	-	9	6,109	6,118
<b>Total non-current liabilities</b>	<b>242</b>	<b>1,052</b>	<b>219</b>	<b>6,257</b>	<b>7,771</b>
Current financial liabilities	-	218	11	6,153	6,382
Other current financial liabilities	-	-	-	-	-
Trade payables and other current payables	673	8,749	1,134	9,213	19,768
Current taxes payable	-	-	-	1,534	1,534
Short-term provisions	2	444	429	818	1,693
<b>Total current liabilities</b>	<b>675</b>	<b>9,411</b>	<b>1,575</b>	<b>17,717</b>	<b>29,377</b>
<b>Total liabilities</b>	<b>917</b>	<b>10,462</b>	<b>1,794</b>	<b>23,975</b>	<b>37,148</b>
<b>Shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,729</b>	<b>2,729</b>
<b>Total liabilities</b>	<b>917</b>	<b>10,462</b>	<b>1,794</b>	<b>26,704</b>	<b>39,877</b>

31/12/2022	CNC	HSM	SERVICE	Non allocabili	Totale
Immobili, impianti e macchinari	68	6.591	92	2.576	9.327
Immobilizzazioni immateriali	696	236	-	67	999
Diritto d'uso	-	-	-	-	-
Partecipazioni	-	-	-	16	16
Altre attività finanziarie non correnti	-	-	-	290	290
Altri crediti e attività non correnti	0	3	-	21	23
Attività per imposte anticipate	-	-	-	968	968
<b>Totale attività non correnti</b>	<b>764</b>	<b>6.830</b>	<b>92</b>	<b>3.939</b>	<b>11.624</b>
Rimanenze	1.537	2.964	5.633	-	10.133
Crediti commerciali e altri crediti correnti	150	3.259	2.114	1.439	6.963
Crediti per imposte correnti	-	-	-	417	417
Altre attività finanziarie correnti	-	-	-	-	-
Disponibilità liquide e mezzi equivalenti	-	-	-	4.869	4.869
<b>Totale attività correnti</b>	<b>1.687</b>	<b>6.223</b>	<b>7.747</b>	<b>6.724</b>	<b>22.381</b>
<b>Totale attivo</b>	<b>2.451</b>	<b>13.053</b>	<b>7.839</b>	<b>10.663</b>	<b>34.005</b>
Altri debiti e passività non correnti	7	12	45	7	71
Fondi a lungo termine	-	-	-	-	-
Trattamento di fine rapporto	412	781	211	557	1.961
Passività per imposte differite	-	-	-	169	169
Altre passività finanziarie non correnti	-	-	-	324	324
Passività finanziarie non correnti	-	4.024	14	2.022	6.060
<b>Totale passività non correnti</b>	<b>419</b>	<b>4.816</b>	<b>270</b>	<b>3.080</b>	<b>8.585</b>
Passività finanziarie correnti	-	400	11	1.468	1.879
Altre passività finanziarie correnti	-	-	-	-	-
Debiti commerciali e altri debiti correnti	761	4.727	840	7.355	13.683
Debiti per imposte correnti	-	-	-	1.542	1.542
Fondi a breve termine	2	658	491	816	1.967
<b>Totale passività correnti</b>	<b>764</b>	<b>5.784</b>	<b>1.343</b>	<b>11.181</b>	<b>19.071</b>
<b>Totale passività</b>	<b>1.183</b>	<b>10.601</b>	<b>1.612</b>	<b>14.260</b>	<b>27.656</b>
<b>Patrimonio netto</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.349</b>	<b>6.349</b>
<b>Totale passivo</b>	<b>1.183</b>	<b>10.601</b>	<b>1.612</b>	<b>20.609</b>	<b>34.005</b>

### 31. FAIR VALUE HIERARCHIES

In relation to financial instruments recognized in the Statement of Financial Position at fair value, IFRS 7 requires that these values should be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value.

The levels are as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3 – inputs that are not based on observable market data.

At 30 June 2023, the Group held financial assets measured at fair value represented by derivative financial instruments to hedge interest rate risk, for an amount of €268 thousand, classified within Level 2 of the hierarchical assessment of fair value.

### 32. RELATED-PARTY TRANSACTIONS

According to IAS 24, the Group's related parties are companies and persons who are in a position to exercise control, joint control or significant influence over the Group and its subsidiaries as well as key management personnel and family members of identified persons.

Transactions entered into by group companies with related parties are part of ordinary business operations and are settled at arm's length.

The following are the main economic, balance sheet and financial items of the Fidia Group related to transactions with related parties.

The impact of said transactions on the single items was stated in the relevant schedules of the income statement, statement of financial situation and cash flow statement and detailed in the tables below.

1st half 2023	Raw materials and consumables	Other operating costs	Personnel costs	Finance expenses	Revenues	Other operating revenue	Finance revenue
Compensation Board of Directors		41	253				
Compensation Board of Statutory Auditors		41					
Remuneration Executive Mr. Augusto Mignani			113				
<b>Total other related parties</b>		<b>82</b>	<b>366</b>				

1st half 2022	Raw materials and consumables	Other operating costs	Personnel costs	Finance expenses	Revenues	Other operating revenue	Finance revenue
Other related parties (Giuseppe and Luca Morfino and Carlos Maidagan)	4	31	4				
Compensation Board of Directors			140				
Commitment fees Negma Group Investments LTD.				25			
Compensation Board of Statutory Auditors		34					
<b>Total other related parties</b>	<b>4</b>	<b>65</b>	<b>144</b>				

30 June 2023	Trade receivables	Other current receivables	Others non-current liabilities	Other current liabilities
Other related parties (Payables to BoD)				324
Other related parties (Payables to Board of Statutory Auditors)				161
Other related parties (Payables to Negma Group Investments LTD.)			871	4,354
Other related parties (Payables to Executive Mr. Augusto Mignani)				10

<b>Total other related parties</b>		<b>871</b>	<b>4,849</b>
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<b>31 December 2022</b>		<b>Trade receivables</b>	<b>Other current receivables</b>	<b>Trade payables</b>	<b>Other current payables</b>
<b>Counterpart</b>					
Other related parties (Giuseppe and Luca Morfino)			27		9
Other related parties (Payables to BoD)					135
Other related parties (Payables to Board of Statutory Auditors)					235
<b>Total other related parties</b>			<b>127</b>		<b>379</b>

### 33. NET FINANCIAL POSITION

In accordance with the provisions of the Group Consob Notice of 28 July 2006 and in compliance with the notice issued by ESMA on 4.03.2021 on "Guidance on disclosure requirements under the Prospectus Regulation" (ESMA 32-382-1138) having application effective 5 May 2021, we report that the net financial position of the Fidia Group at 30 June 2023 and 31 December 2022 was as follows:

<b>(€thousand)</b>		<b>30 June 2023</b>	<b>31 December 2022</b>
A	Cash	8,336	4,869
B	Cash equivalents		
C	Other current financial assets		
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>8,336</b>	<b>4,869</b>
E	Current financial debt	5,378	13
F	Current portion of non-current financial debt	1,004	1,866
<b>G</b>	<b>Current financial indebtedness (E + F)</b>	<b>6,382</b>	<b>1,879</b>
<b>H</b>	<b>Net current financial indebtedness (G-D) (credit)/debit (I-E-D)</b>	<b>(1,954)</b>	<b>(2,989)</b>
I	Non-current financial debt	5,851	6,094
J	Debt instruments		
K	Non-current trade and other payables	4,761	4,309
<b>L</b>	<b>Non-current financial indebtedness (I +J+K)</b>	<b>10,612</b>	<b>10,403</b>
<b>M</b>	<b>Total financial indebtedness (H+L)</b>	<b>8,657</b>	<b>7,413</b>

### 34. NON-RECURRING EVENTS AND TRANSACTIONS

In accordance with the CONSOB Communication dated 28 July 2006, it is hereby stated that no atypical and/or unusual transactions were undertaken during the first half of 2023. As defined by said Communication, atypical and/or unusual transactions are those that, due to their significance, the nature of the counterparts, the object of the transaction, the methods of determination of the price of transfer, and timing (proximity to year-end) may give rise to doubts as to the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of an entity's assets or the protection of minority shareholders.

## COMPANIES OF THE FIDIA GROUP AT 30 JUNE 2023

In accordance with Consob Regulation 11971 of 14 May 1999, as subsequently amended, a complete list of Group companies and significant investments is provided below.

The list includes companies broken down by type of control and method of consolidation.

The following are also shown for each company: name, registered office, country and share capital stated in original currency. Additionally, the percentage consolidated and the percentage interest held directly by Fidia S.p.A. is also shown.

<b>ENTITIES CONSOLIDATED ON A LINE-BY-LINE BASIS</b>				
<b>Name / Registered office</b>	<b>Currency</b>	<b>Share capital</b>	<b>Size of consolidated investment 30 June 2023</b>	<b>Percentage held by parent company 30 June 2023</b>
<b>Parent Company:</b>				
Fidia S.p.A., San Mauro Torinese (TO)	EUR	7,123,000		
<b>Foreign subsidiaries:</b>				
Fidia Gmbh, Dreiech, Germany	EUR	520,000	100%	100%
Fidia Co, Rochester Hills, U.S.A.	USD	400,000	100%	100%
Fidia Sarl, Emerainville, France	EUR	300,000	100%	93.19%
Fidia Iberica S.A., Zamudio, Spain	EUR	180,300	99.993%	99.993%
Fidia do Brasil Ltda, Sao Paulo, Brazil	Reals	399,843	99.75%	99.75%
Beijing Fidia M&E Co Ltd., Beijing, China	Rmb	12,814,480	100%	96%
Shenyang Fidia NC & Machine Co Ltd, Shenyang, China	Rmb	42,517,648	51%	51%
OOO Fidia, Moscow, Russian Federation	Rouble	3,599,790	100%	100.00%

<b>ENTITIES CONSOLIDATED WITH THE EQUITY METHOD</b>				
<b>Name / Registered office</b>	<b>Currency</b>	<b>Share capital</b>	<b>Size of investment</b>	
			<b>30/06/2023</b>	<b>30/06/2022</b>
Consorzio Prometec - Bruzolo di Susa (TO)	EUR	10,329	20%	20%

San Mauro Torinese, 29 September 2023

On behalf of the Board of Directors

The Chairman

Mr. Luigi Maniglio