

LU-VE S.p.A.

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REA no. VA-191975

Fiscal code no. 01570130128



HALF-YEARLY FINANCIAL REPORT AS AT 30 JUNE 2025

SUMMARY

1. Interim Report on Operations
2. Condensed consolidated interim Financial Statements of the LU-VE Group S.p.A. as at 30 June 2025
3. Certification of the CEO and the Manager in charge of financial reporting
4. Report of the Auditing Firm on the condensed consolidated interim Financial Statements



**INTERIM DIRECTORS' REPORT
AS AT 30 JUNE 2025**

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INTERIM DIRECTORS' REPORT AS AT 30 JUNE 2025

Subsidiaries and percentage of equity owned by the Group

Company name	Registered office	% equity investment	Currency	Share capital
Direct subsidiaries:				
SEST-LUVE-Polska SP.z.o.o.	Gliwice (Poland)	95.00%	PLN	16,000,000
«ООО» SEST LU-VE	Lipetsk (Russia)	95.00%	RUB	136,000,000
Thermo Glass Door S.p.A.	Travacò Siccomario (PV)	100.00%	EUR	100,000
Heat Transfer Systems s.r.o. (HTS)	Novosedly (Czech Republic)	100.00%	CZK	133,300,000
LU-VE Sweden AB	Asarum (Sweden)	100.00%	SEK	50,000
LU-VE France S.a.r.l.	Lyon (France)	100.00%	EUR	84,150
LU-VE Pacific Pty Ltd (*)	Thomastown (Australia)	75.50%	AUD	200,000
LU-VE Deutschland GmbH	Stuttgart (Germany)	100.00%	EUR	230,000
LU-VE Iberica S.L.	Madrid (Spain)	85.00%	EUR	180,063
LU-VE HEAT EXCHANGERS (Tianmen) Co, Ltd	Tianmen (China)	100.00%	CNY	61,025,411
LU-VE Asia Pacific Limited (*)	Wan Chai (Hong Kong)	100.00%	HKD	10,000
LuveDigital S.r.l.	Uboldo (VA)	50.00%	EUR	10,000
MANIFOLD S.r.l.	Uboldo (VA)	99.00%	EUR	10,000
SPIROTECH Heat Exchangers Pvt. Ltd	Ghaziabad, Uttar Pradesh (India)	100.00%	INR	25,729,600
LU-VE AUSTRIA GmbH	Vienna (Austria)	100.00%	EUR	17,500
LU-VE US Inc.	Jacksonville (USA, Texas)	100.00%	USD	10,001,000
Fincoil LU-VE OY	Vantaa (Finland)	100.00%	EUR	1,190,000
LU-VE Netherlands B.V.	Breda (Netherlands)	100.00%	EUR	10,000
«ООО» LU-VE Moscow	Moscow (Russia)	100.00%	RUB	100,000
LU VE MIDDLE EAST DMCC	Dubai (UAE)	100.00%	AED	50,000
LU-VE SOUTH KOREA LLC	Seoul (South Korea)	100.00%	KRW	100,000,000
Refrion S.r.l.	Flumignano di Talmassons (UD)	100.00%	EUR	1,000,000
LU-VE UK Ltd	London (United Kingdom)	100.00%	GBP	10,000
Indirect subsidiaries:				
RMS S.r.l. (100% owned by Refrion S.r.l.)	Flumignano di Talmassons (UD)	100.00%	EUR	40,000
Refrion Deutschland GmbH (100% owned by Refrion S.r.l.)	Frankfurt am Main (Germany)	100.00%	EUR	150,000

(*) Liquidation procedures are in progress.

9 September 2025

Dear Shareholders,

The first half of 2025, marked by the start of the term of office of the new US President, proved to be the most turbulent and uncertain in decades, both geopolitically and economically.

On a geopolitical basis, we saw an escalation of both the Russia-Ukraine conflict and the conflict between Israelis and Palestinians in the Gaza Strip. In addition, there was a direct armed conflict between Israel and Iran with the intervention of the US Air Force on Iranian territory. The stated aim of the joint action by Israel and the United States is to prevent the acquisition of atomic technology by the so-called Ayatollah regime. Probably and ultimately, the aim is also to weaken the Iranian government given that the now long-term sanctions have not led to any changes on a political level. What emerges is a risky and, in some ways, “balkanised” geopolitical picture, with Russia and China in a non-neutral position, with the latter at present refraining from any intervention.

On an economic level, the US President's intention, in view of the enormous US trade deficit, to review first unilaterally, and then through a process of negotiation, established international trade policies by introducing duties and tariffs, has greatly increased the uncertainty of economic operators. The declared aim of the new US administration is clear and that is to reduce US “dependence” on foreign countries by favouring local production. The approach is somewhat unprecedented and is having the effect of replanning business investments.

This has led to a gradual reduction in growth expectations for the global economy and, in any case, an increase in the volatility surrounding it. The IMF forecasts global growth of 3.0% for the current year, down from 3.3% in 2024. The forecast for the US is a limited 1.9% while for the Eurozone and the UK at around 1%. 4.8% growth is forecast for China and 6.4% for India. Italy, after last year's 0.7%, is expected to grow by 0.5%, the same as France and better than Germany which, after two years of recession, still forecasts a 2025 without growth (+0.1%).

Economic uncertainties have also led to a change in the policies of the Central Banks, with a misalignment between the FED and the ECB. The US bank stopped lowering interest rates because of fears regarding inflationary dynamics that could be triggered by the tariff war. The ECB continued its trend of lowering interest rates, albeit at a slower pace than in the previous year. Interest rates, at least in Europe, are unlikely to fall much further from their current levels, and a balance must be found between slowing economic growth and monetary policy in the presence of supply rather than demand driven inflation. And this in order to avoid the spectre of stagflation.

The discontinuity imposed by the US on international relations and trade agreements and Moody's unprecedented downgrade of US debt from Aaa to Aa1 led to a heavy weakening of the dollar. The US currency was worth 1.18 against the Euro at the end of the first half, compared to an exchange rate just above one at the beginning of the year. The question regarding the redesign of supply chains and the distribution of production units as a result of these monetary and currency dynamics is clear for many operators.

On the raw material level, the uncertainty of the scenario and in particular geopolitical tensions led to concerns about supply and trade and thus a rise in prices, particularly for those of interest to LU-VE. In the past six months, the price of copper (in dollars) rose by 12% and the price of silver by around 9%. By contrast, aluminium prices (in dollars) rose by just over 2% over the six-month period, while oil recorded an astonishing 11% drop from the start of the year, albeit in a highly volatile

context. These two raw materials are likely to be affected by the ongoing transformations in the automotive sector and the push towards electric power, as well as the US administration's desire to contain fuel prices. The simultaneous depreciation of the dollar, however, allowed for the absorption of raw material increases.

The described scenario is severely testing the resilience of industrial companies, already grappling on the one hand with the stop-and-go of so-called green policies, and on the other hand with the changes brought about by the spread of new technologies: from the new wave of automation associated with the spread of robots and humanoids to the increasingly widespread applications of artificial intelligence. In this context, LU-VE Group is characterised by first-rate technology levels and a well-diversified set-up capable, however, of capturing the benefits of new opportunities: on the green transition side, for instance, the recovery of heat pumps, on the business side, the exponential growth of much-needed data centres thanks to artificial intelligence applications. And also with regard to the positioning of production, a direct presence in the US reduces the impact of possible duties and tariffs.

Thanks to a second quarter that recovered significantly compared to 2024 (+3.7%), the first half of 2025 closed with a very slight decrease (-0.7%) in product revenues, which amounted to EUR 290.6 million, and with profitability substantially in line both in absolute terms (EBITDA of EUR 42.2 million) and as a percentage of revenues (14.3%) compared to the first half of 2024.

At the end of June, the order backlog set a new record in the Group's history with a value of EUR 225 million, up 31.7% compared to the first half of 2024 and 6.9% compared to the first quarter of 2025, with very significant growth in orders relating to the "Cooling Systems" SBU, with most of the projects placed in the second half of the year and some already scheduled in 2026, particularly in the field of large power products for "power gen".

As mentioned, EBITDA at the end of the 1st half of 2025 reached EUR 42.2 million (14.3% of revenues), essentially in line (-1.8%) with the 1st half of 2024 (EUR 43.0 million, 14.5% of revenues). Adjusted EBITDA at the end of H1 2025 is equal to EUR 43.1 million (+ EUR 0.1 million compared to H1 2024). The net result was EUR 17.0 million (EUR 20.1 million in the 1st half of 2024), with a decrease of 15.3%.

The first half once again saw a significantly different performance of the two Business Units, with the "Components" SBU growing by 4.8% with revenues of EUR 150.9 million, while the "Cooling Systems" SBU recorded revenues of EUR 139.7 million, down by 6.1%, but recovering from the lag at the end of the first quarter.

The growth in the "Components" SBU was mainly originated by heat exchangers for commercial refrigeration, tumble dryers and the higher-than-expected recovery in demand for heat pumps, which suggests the possibility of exceeding the sales forecasts.

The negative turnover figure for the "Cooling Systems" SBU, on the other hand, affected almost all applications, mainly due to the postponement of some very important projects, but the extremely positive figure of the order backlog placed in the second half of the year, especially in the sphere of "industrial cooling" and "data centres" (against persistent stagnation in more traditional air-conditioning applications) should allow the expected sales to be essentially achieved at the end of the year.

The breakdown of turnover by SBU is as follows:

Revenues by SBU (in thousands of Euro)	H1-2025	%	H1-2024	%	Change	% change
COOLING SYSTEMS SBU	139,717	48.1%	148,828	50.8%	-9,111	-6.1%
COMPONENTS SBU	150,910	51.9%	143,941	49.2%	6,969	4.8%
TOTAL PRODUCT TURNOVER	290,627	100.0%	292,769	100.0%	-2,142	-0.7%

1.1 REFERENCE MARKETS

In line with that already illustrated with regard to the Group's consolidated financial statements as at 31 December 2024, this report shows the breakdown into the three main **categories of products** in which the Group operates, which have distinct technical and production characteristics:

- i) air cooled heat exchangers;
- ii) air cooled equipment;
- iii) special glass doors for refrigerated counters and display cabinets.

AIR COOLED HEAT EXCHANGERS

"Finned tube" heat exchangers are fundamental components of refrigeration circuits and are constructed by mechanically coupling special tubes (usually in copper), which represent what is known as the primary exchange surface, with stamped "specialised fins" (usually in aluminium), which represent what is known as the secondary exchange surface.

In brief, the function performed by a heat exchanger entails subtracting or transferring heat from a certain environment and its functioning is based on the change of state of special cooling mixtures or fluids which flow inside the tubes, combined with the passage of hot or cold air which passes through the fins.

In the majority of cases, heat exchangers represent a component of a complete unit or machine, designed and constructed by an "Other Equipment Manufacturer" (OEM) (in the case of the LU-VE Group, these are mainly manufacturers of refrigerated counters and cabinets, chillers, heat pumps, clothes dryers, compressed air machines, special electrical cabinets, etc.).

Revenues from sales of heat exchangers, up 6.6% over the same period last year, accounted for 49.1% of the Group's consolidated revenues.

AIR COOLED EQUIPMENT

Air cooled equipment (unit coolers, condensers, gas coolers and liquid coolers) are finished products consisting of heat exchangers of various styles and sizes (up to over 12 metres long and 3 metres high), coupled with: (i) housings, appropriately designed and shaped to maximise the performance of the heat exchangers contained in them and to facilitate their transfer and installation on site; (ii) electronic or electrical fans, specifically designed and sized to optimise heat exchange, reduce electric energy consumption and the noise level generated; (iii) a range of other electric, electronic and mechanical accessories (designed, for example, to increase the output power in the event of extreme

environmental conditions; to further reduce the level of noise pollution; to modulate both electric energy consumption and silence depending on whether it is to be used during the day or night; or to enable several functioning parameters to be remotely managed).

The specific function performed by this equipment, in the presence of specific parameters and working conditions, is to guarantee the supply of cooling power (expressed mainly in kW), within given constraints in terms of electric energy absorbed, noise pollution generated and footprint spaces.

Air cooled equipment is divided into 2 macro-categories: a) "indoor" equipment that is installed in cold rooms at positive or negative temperatures; b) "outdoor" equipment installed outdoors (typically on roofs or special support structures) near refrigerated and/or air-conditioned rooms or industrial process or energy generation plants.

Revenues from sales of air-cooled equipment accounted for 47.4% of the Group's consolidated revenues in the first half of the year, with a decrease of 6.1% compared to the first half of 2024.

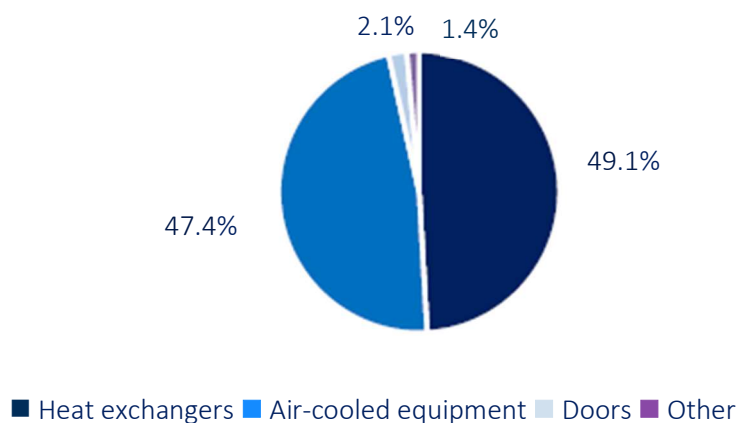
SPECIAL GLASS DOORS FOR REFRIGERATED COUNTERS AND DISPLAY CABINETS

These glass doors for refrigerated counters are manufactured by coupling and isolating up to three different sheets of special glass, inside which an insulating gas is injected.

The specific function of this type of doors, installed on refrigerated cabinets and counters, at positive and negative temperatures, is to guarantee, even if subject to numerous or continuous cycles of opening and closing: (i) the maintenance of the temperature inside the refrigerated counters and cabinets so significantly reducing energy consumption by preventing dispersions of cold air, (ii) the maximum visibility of the goods displayed/contained in any condition (avoiding the door misting up also by means of applying special nanotechnological film), (iii) the illumination of the inside and (iv) in certain cases, also the illumination of advertising logos on the glass surface.

Revenues from sales of glass doors, down 23.3% compared to the same period of the previous year, accounted for about 2% of the Group's total revenues.

The chart below shows the breakdown of turnover by product type as at 30 June 2025:



The following table shows the turnover trend by product type in the first half-year of 2025 and 2024 on a comparative basis:

PRODUCTS (in thousands of Euro)	H1-2025	%	H1-2024	%	% delta
Heat exchangers	144,575	49.1%	135,678	45.8%	6.6%
Air Cooled Equipment	139,717	47.4%	148,828	50.2%	-6.1%
Doors	6,335	2.1%	8,263	2.8%	-23.3%
TOTAL PRODUCTS	290,627	98.6%	292,769	98.8%	-0.7%
Other	4,081	1.4%	3,613	1.2%	13.0%
TOTAL	294,708	100%	296,382	100%	-0.6%

In terms of product application, the Group's operations relate primarily to four different **market sectors**:

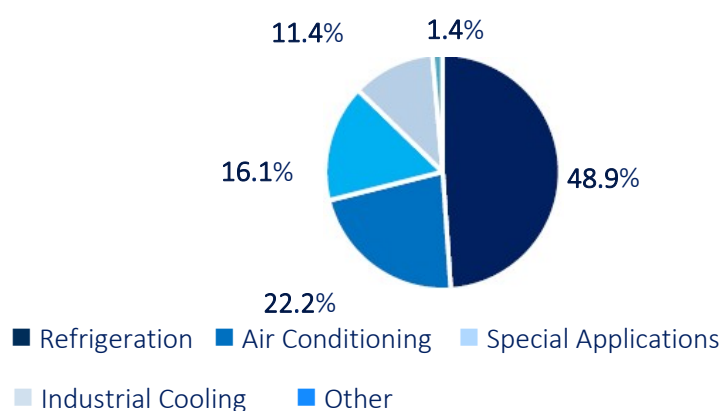
(i) the refrigeration sector, which includes activities relating to the production chain for food products (the "**Refrigeration Sector**");

(ii) the air conditioning sector, which regards the treatment of the air in domestic areas, public and "technological" spaces (the "**Air Conditioning Sector**");

(iii) the "special applications" sector, which primarily includes specific heat exchangers used in various fields of activity ranging from high energy-efficient clothes dryers to "mobile" applications (refrigerated transport, air conditioning for railways and large scale vehicles) to compressed air machines and other industrial applications (the "**Special Applications Sector**");

(iv) the "industrial cooling" sector, which includes mainly high powered air cooled products used for the refrigeration of engines for the generation of power and general industrial processes (the "**Industrial Cooling Sector**").

The following chart shows the breakdown of total turnover by segment in the first half of 2025:



The following table shows the turnover trend by application type in the first half-year of 2025 and 2024 on a comparative basis:

APPLICATIONS (in thousands of Euro)	H1-2025	%	H1-2024	%	% delta
Refrigeration	144,000	48.9%	142,825	48.2%	0.8%
Air Conditioning	65,376	22.2%	72,269	24.4%	-9.5%
Special Applications	47,570	16.1%	43,345	14.6%	9.7%
Industrial Cooling	33,681	11.4%	34,330	11.6%	-1.9%
TOTAL APPLICATIONS	290,627	98.6%	292,769	98.8%	-0.7%
Other	4,081	1.4%	3,613	1.2%	13.0%
TOTAL	294,708	100%	296,382	100%	-0.6%

With a growth of 0.8%, refrigeration remains the Group's most important application, although the trend differs between the two SBUs due to a positive result in exchangers for refrigerated counters and display cabinets as well as for the “*horeca*” segment and in general within the sphere of large-scale retail projects, in the presence of less brilliant demand than in recent years in industrial refrigeration and projects dedicated to large logistics centres in Europe.

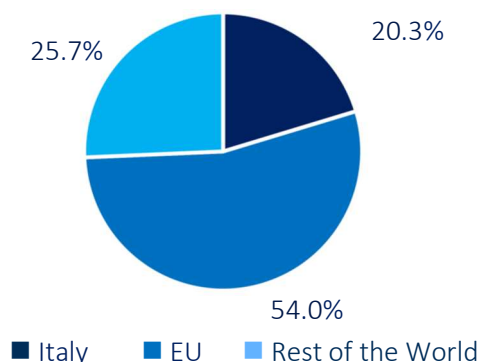
The sharp decline in air conditioning, net of the aforementioned recovery in sales of heat pump exchangers, is, on the other hand, partly attributable to a particularly unfavourable comparison with the first half of 2024 in the data centre segment and partly to the continuing stagnant demand in Europe in the market for large building air conditioning projects.

“Special Applications” owe their growth to the very positive performance of exchangers for clothes dryers, while “mobile” applications were off to a slow start especially in exchangers for the railway sector.

The “Industrial Cooling” sector, recovering strongly compared to Q1 2025, is still suffering from the postponement of some projects of significant value due to construction site delays, but has two noteworthy positive aspects: an order backlog that almost doubled compared to the first half of 2024, with some projects already placed in 2026, and the receipt of the first orders for pilot projects acquired in China thanks to the new production capacity available locally.

Despite the satisfactory recovery in some markets such as Italy, Germany, the Czech Republic and Finland, the first half of 2025 saw a slight drop in sales in the European Union with a 74.3% share of total revenues, and discrete progress in non-European countries with the exception of the American continent, which, however, has a very interesting order backlog positioned on the second half of this year. The export value amounts to EUR 231.5 million and accounts for almost 80% of the Group's total sales.

The following chart shows the geographic breakdown of turnover in the period:



As at 30 June 2025, sales revenues relating to the top 10 customers accounted for a total of 28.7% of turnover (down from the first half of 2024) with the largest customer accounting for only 3.9% of the total, confirming the Group's non-dependence to a significant extent on individual commercial or industrial contracts.

1.2 SIGNIFICANT EVENTS IN THE FIRST HALF OF THE YEAR

In the first few months of the year, the production of high-power outdoor machines started in China, and the first orders and pilot projects were acquired in new applications for which the extension of the existing plant for the domestic market and Asia-Pacific countries is intended.

In the United States, work continued on the expansion of the Jacksonville production site. Construction is scheduled to be completed by the end of the year, with production starting in the first quarter of 2026. In light of the new “war on tariffs” initiated by the new US administration, the start-up of the new plant takes on even greater strategic importance, and as a result, the Group is fast-tracking the creation of the local team through strong support activities throughout the organisation.

The following changes occurred in the first half of 2025 in respect of the line “Loans” (all of which taken out by the Parent Company LU-VE S.p.A.):

- In February, an unsecured loan for EUR 25,000 thousand was subscribed with Intesa Sanpaolo S.p.A., fully proceeded as at the date of execution, with a maturity of 72 months (of which 12 months of grace period), with capital repayments on a quarterly basis. Aimed at supporting and expanding the Group's operating volumes, the loan requires compliance with financial covenants.
- In March an unsecured loan for EUR 35,000 thousand was subscribed with Banco BPM S.p.A., fully proceeded as at the date of execution, with a maturity of 60 months (of which 6 months of grace period), with capital repayments on a quarterly basis. This loan, aimed exclusively at covering the company's financial needs, requires compliance with financial covenants.
- In May, an unsecured loan for EUR 25,000 thousand was subscribed with Intesa Sanpaolo S.p.A., fully proceeded as at the date of execution, with a maturity of 72 months (of which 12 months of grace period), with capital repayments on a quarterly basis. This loan requires compliance with financial covenants and improved conditions for the Group, upon the achievement of an increase in the incidence of revenues from products using natural and/or high energy-efficient refrigerants (SLOAN GREEN).

In February 2025, the Parent Company LU-VE S.p.A. subscribed with BNP Paribas Cardif Vita Compagnia di Assicurazione e Riassicurazione S.p.A., the CARDIF CAPITALPLUS class I policy, issued by the insurance company for a nominal amount of EUR 5,000 thousand.

After the successful completion of the merger of the three main Italian companies at the end of 2024, the reorganisation and simplification plan of the Group's organisational structures continued in April 2025 with the finalisation of the purchase, performed by the Parent Company LU-VE S.p.A. of the business unit previously held by the subsidiary Manifold S.r.l. for a consideration of EUR 0.9 million. It should be reminded that as at the date of the transaction, Manifold S.r.l. was 99% directly controlled by the Parent Company LU-VE S.p.A., and therefore the aforementioned transaction had no impact on the LU-VE Group consolidated financial statements, being a transaction falling within the accounting treatment of "business combinations under common control".

At the same time, the consolidation of the new global organisational structure based on regional divisions continued. This structure, through the definition of a matrix model and the redefinition of roles and operational powers, aims to improve overall efficiency and productivity, as well as streamline the Group's business processes to better meet stakeholders' needs, ensuring a consistent level of service. The new structure was achieved with the crucial contribution of each Cluster and Department, representing an extraordinary and passionate example of teamwork.

In the first half of 2025, the LU-VE Group continued its activities in line with the 2023-2025 Sustainability Plan, approved in February 2023 by the Board of Directors of the Parent Company LU-VE S.p.A.

The Sustainability Plan identifies a series of actions – aligned with LU-VE Group's strategic priorities and sustainability vision – on four main macro-objectives: climate neutrality, state-of-the-art products, high employee engagement and sustainability integrated into the business plan. All targets planned for 2024 were achieved and the targets expected for 2025 were confirmed.

In the first half-year, LU-VE Group initiated a number of new analyses and projects with the aim of defining new objectives to be incorporated into the 2026-2029 Business Plan. Specifically, the calculation of Scope 3 emissions made it possible to identify the most important areas for the Group, on which analyses will be continued in the coming months with the aim of identifying reduction measures.

With regard to climate targets, the Group is committed to reducing emissions by at least 19% by the end of 2025 (on 2022 baseline). In this regard, new structured analysis activities continued to reduce Scope 1 and Scope 2 emissions from the Group's most emission-intensive plants, and new commercial and technological formulas to reduce emissions without direct investments are being evaluated.

With regard to sustainability governance, with the definition of the Remuneration Policy, within the framework of the proposed MBOs and 2023-2025 LTI Plan, a parameter linked to the reduction of emissions (*Scope 1* and *Scope 2*) was confirmed for the third consecutive year, in addition to the already existing parameters linked to accident indices.

With regard to social impacts, in the first half of 2025, the Group continued the *Sustainability Ambassadors' Journey*, structured in two main modules:

i) the *Climate Fresk Path*, i.e. a programme to raise awareness of climate change and consequent social and environmental impacts through interactive workshops: several employees have already completed their training and the first workshops will be delivered in the following months;

ii) the *Sustainability Lab*: facilitated work groups in which employees can generate ideas and proposals on sustainability to be developed in-house. The process was reviewed and updated in order to integrate the results into the next 2026-2028 Business Plan.

Looking instead at the impact on suppliers' workers, the audits envisaged in the Sustainability Plan continued, integrating the evaluation of environmental and social aspects in a broad sense, in addition to aspects of quality, production and safety at work.

With reference to the impact on customers, it should be noted that in the first few months of the year, a survey was carried out on the customers of the Components Strategic Business Unit, with the aim of delving into the strategic priorities regarding sustainability. The Group's participation in the networks of the *Unione del Caldo e del Freddo Green* and ASERCOM, the European association of refrigeration component manufacturers, also continued.

Finally, activities continued to comply with the legal obligations of the European "Carbon Border Adjustment Mechanism - CBAM" regulation, which requires the reporting of climate-changing emissions for certain carbon-intensive assets.

Lastly, on 18 April 2025, the Shareholders' Meeting of the Parent Company LU-VE S.p.A.:

- reviewed the LU-VE Group's consolidated financial statements and consolidated sustainability statement as at 31 December 2024;
- approved the 2024 financial statements of LU-VE S.p.A., accompanied by the Management Report, as approved by the Board of Directors of LU-VE on 13 March 2025 and already communicated to the Market. It should be noted that the net result for the year 2024, equal to EUR 17.7 million, was allocated as follows: (i) EUR 0.9 million to the "Legal Reserve", (ii) the distribution of an ordinary gross dividend of EUR 0.42 per each share outstanding, and (iii) the remaining profit for the year was allocated to the "Extraordinary reserve".

Subsequently, on 29 May, the Board of Directors of LU-VE S.p.A. resolved to submit to the Extraordinary Shareholders' Meeting called for 1 July 2025 the enhancement of the increased voting system with the provision of recognition – in addition to the benefit of the so-called "ordinary" increased voting rights already existing assigned to the "loyal" shareholders – of an additional vote at the end of each twelve-month period following the expiry of the previous twenty-four-month period, up to a total of 10 votes per share. For more details, please see section 1.9.

With reference to the tax audit relating to the fiscal years 2016, 2017, 2018 and 2019 and to the tax findings report received in November 2023 by the Parent Company LU-VE S.p.A., there was no further activity by the Italian Tax Authority.

The tax audit to which the subsidiary LU-VE Iberica S.l. was subject for the years 2013, 2018, and 2019 ended with the payment of EUR 120 thousand for interest, sanctions and additional taxes.

With regard to the audit by the Central Directorate for Large Taxpayers and International Affairs (*Direzione Centrale Grandi Contribuenti e Internazionale*) in relation to the application submitted on 28 December 2020 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), as provided for by Article 31 ter of Italian Presidential Decree No. 600/73, the Company promptly responded to all requests of documentation received.

With regard to the Polish Tax Authority's audit on the subsidiary Sest-LUVE-Polska Sp.z.o.o. concerning the application submitted on 30 December 2021 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), the subsidiary promptly responded to all requests of documentation received within the prescribed time limit.

On 28 April 2025, the Regional Tax Directorate - Large Taxpayers Office carried out the first access for the 2021 tax period audit on the Parent Company LU-VE S.p.A., for the purposes of direct taxes, IRAP (regional business tax) and VAT: the Company promptly responded to the requests of documentation received.

1.3 CONSIDERATIONS ON THE SHARE'S STOCK MARKET VALUE

During the first half of 2025, LU-VE share value was almost constantly above the FTSE Italia Star index and, at the end of the period, was about 5 percentage points higher than the same index. In the second quarter the average market value of the share recorded an increase of 2% compared to the average value of the first quarter. As at 30 June 2025, the value of the share showed an increase of 9.4% with respect to the beginning of the year.

The main figures and share price trends are shown below:

Price as at 2 January 2025: EUR 27.95

Price as at 30 June 2025: EUR 30.35

Change for the period: +9.4%

Maximum price: EUR 32.15 (14 May 2025)

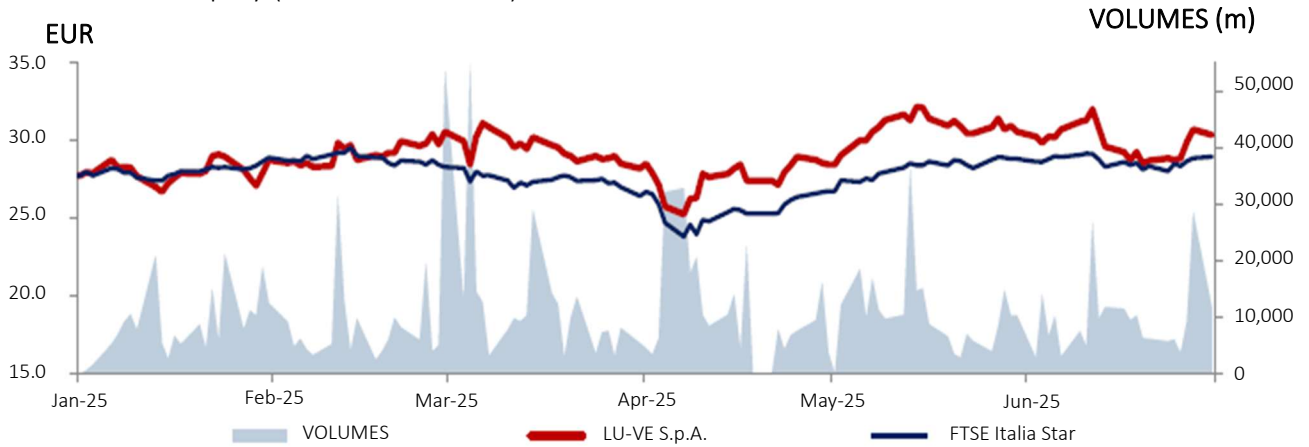
Minimum price: EUR 25.25 (7 April 2025)

Weighted Average Price: EUR 29.20

Volumes traded: 1,346,759

Stock market capitalisation as at 30 June 2025: EUR 674.8 million

As at 8 September 2025 (the close of the last trading date before the approval of the condensed interim consolidated financial statements), the price was EUR 32.80, corresponding to a capitalisation of EUR 729.3 million, in any case higher than the value of the book value of the Group's reported shareholders' equity (EUR 262.8 million).



1.4 ECONOMIC AND FINANCIAL DATA

The reclassified Income Statement and Balance Sheet are provided below:

Reclassified Consolidated Income Statement <i>(in thousands of Euro)</i>	H1 2025	% revenues	H1 2024	% revenues	% change
Revenues and operating income	294,708	100%	296,382	100%	-0.6%
Purchases of materials	(153,623)	52.1%	(150,086)	50.6%	
Changes in inventories	12,450	-4.2%	5,019	-1.7%	
Services	(37,828)	12.8%	(38,148)	12.9%	
Personnel costs	(71,666)	24.3%	(68,430)	23.1%	
Other operating expenses and accruals	(1,852)	0.6%	(1,781)	0.6%	
Total operating costs	(252,519)	85.7%	(253,426)	85.5%	-0.4%
EBITDA	42,189	14.3%	42,956	14.5%	-1.8%
Depreciation and amortisation	(15,342)	5.2%	(15,567)	5.3%	
Gains/(Losses) on Non-current assets	72	0.0%	(20)	0.0%	
Operating profit (EBIT)	26,919	9.1%	27,369	9.2%	-1.6%
Net financial income and expense and net exchange gains/(losses)	(4,266)	1.4%	(1,085)	0.4%	
Pre-tax result (EBT)	22,653	7.7%	26,284	8.9%	-13.8%
Income taxes	(5,627)	1.9%	(6,190)	2.1%	
Net result	17,026	5.8%	20,094	6.8%	-15.3%
Net result attributable to non-controlling interests	748		658		
Net result attributable to the Group	16,278	5.5%	19,436	6.6%	-16.2%

“Revenues and operating income” decreased by EUR 1.7 million (-0.6%) compared to the first half of 2024. At constant exchange rates, the decrease would have been 1%. This decrease is mainly due to the drop in volumes and the change in product mix. For further information, please refer to that which has been extensively reported in the preceding sections.

Total “Operating costs” fell from EUR 253.4 million (85.5% of revenues) in the 1st half of 2024 to EUR 252.5 million (85.7% of revenues) in the 1st half of 2025. The overall decrease of 0.4% (EUR 0.9 million) was essentially due to the following factors:

- consumption of materials decreased by EUR 3.9 million, falling from 48.9% to 47.9% as a percentage of revenues. This change is due for EUR 3.5 million to the increase in the purchase costs of the main raw materials net of the decrease in volumes and the change in product mix (EUR 7.4 million);
- services (12.8% of revenues, down from 12.9% in the same period of 2024) showed a decrease of EUR 0.3 million;

- personnel costs increased by EUR 3.2 million, mainly linked to the usual salary dynamics and the effects of inflation. Personnel costs as a percentage of revenues rose from 23.1% to 24.3%. Personnel costs in the first half of 2025 include approximately EUR 0.9 million for activities related to the expansion of the LU-VE US Inc. production plant in Texas (so-called “start-up costs”), identified as non-operating costs.

“EBITDA” amounted to EUR 42.2 million (14.3% of revenues) compared to EUR 43.0 million (14.5% of revenues) in the first half of 2024. Adjusted EBITDA in the first half of 2025, net of the impact of the non-operating costs described above, would have been EUR 43.1 million (no non-operating costs in the first half of 2024). The change in adjusted EBITDA compared to the first half of 2024 (positive for EUR 0.1 million) is generated for EUR 0.4 million by the increase in the costs of the main raw materials and other production costs and for EUR 1.4 million mainly linked to the volume effect, net of a EUR 1.9 million increase in sales prices.

“Depreciation and amortisation” decreased by EUR 0.2 million (5.2% of revenues).

“Operating profit (EBIT)” amounted to EUR 26.9 million (9.1% of revenues) compared to EUR 27.4 million (9.2% of revenues) in the first half of 2024. Net of non-operating costs (“adjusted” EBIT) for the first half of 2025 (as more fully described below), it would have amounted to EUR 27.8 million, 9.4% of revenues.

The balance of “Net financial income and expense and net exchange gains/(losses)” was negative for EUR 4.3 million (negative for EUR 1.1 million in the first half of 2024). The negative difference of EUR 3.2 million is due to: i) the negative impact of the amortised cost for EUR 2.0 million, ii) for EUR 1.3 million from the negative change in the fair value of derivative financial instruments used to hedge loans, iii) for EUR 3.2 million with regard to the negative change in exchange rate deltas, iv) for EUR 1.7 million from the positive change in the return on invested liquidity and, v) for EUR 1.6 million from the decrease in financial expense. In addition, the negative change in fair value of the put and call option related to the acquisition of the remaining 25% of the investment in the subsidiary Refrion S.r.l., equal to EUR 0.9 million, was recognised within this item in the first half of 2024.

“Pre-tax result (EBT)” was equal to EUR 22.7 million (7.7% of revenues) compared to EUR 26.3 million as at 30 June 2024 (8.9% of revenues). The EBT for the first half of 2025 adjusted (“adjusted” EBT) for the net effect of the negative change in the fair value of derivatives and the impact of amortised cost (EUR 1.5 million) and the non-operating costs would have amounted to EUR 25.0 million (8.5% of revenues). The Adjusted EBT for the first half of 2024 for the negative change in fair value of the put and call option (EUR 0.9 million) and for the net effect of the positive change in the fair value of derivatives and the impact of amortised cost (EUR 1.9 million) would have amounted to EUR 25.3 million (8.5% of revenues).

The “Net result” amounted to EUR 17.0 million (5.8% of revenues) compared to EUR 20.1 million in the first half of 2024 (6.8% of revenues). Applying the tax effect to the non-operating costs and revenues described above, the net result for the first half of 2025 (“Adjusted” net profit) would have been EUR 19.0 million, 6.5% of revenues (in the first half of 2024, EUR 19.6 million, 6.6% of revenues).

Reclassified Consolidated Balance Sheet					Change
<i>(in thousands of Euro)</i>	30/06/2025	% of net invested capital	31/12/2024	% of net invested capital	2025 over 2024
Net intangible assets	84,455		88,080		(3,625)
Net property, plant and equipment	215,139		213,621		1,518
Deferred tax assets	13,566		11,227		2,339
Other non-current assets	626		424		202
Non-current assets (A)	313,786	87.4%	313,352	88.8%	434
Inventories	112,648		101,061		11,587
Trade receivables	121,631		102,961		18,670
Other receivables and current assets	14,254		13,631		623
Current assets (B)	248,533		217,653		30,880
Trade payables	131,807		108,291		23,516
Other payables and current liabilities	46,074		44,641		1,433
Current liabilities (C)	177,881		152,932		24,949
Net working capital (D=B-C)	70,652	19.6%	64,721	18.3%	5,931
Provisions for employee benefits	5,361		5,390		(29)
Deferred tax liabilities	13,279		13,698		(419)
Provisions for risks and charges	6,580		6,012		568
Medium/long-term liabilities (E)	25,220	7.0%	25,100	7.1%	120
Net Invested Capital (A+D-E)	359,218	100%	352,973	100%	6,245
Shareholders' equity attributable to the Group	256,195		249,434		6,761
Shareholders' equity attributable to non-controlling interests	6,618		6,003		615
Total Consolidated Shareholders' Equity	262,813	73.2%	255,437	72.4%	7,376
Medium-term Net Financial Position	304,926		279,756		25,170
Short-term Net Financial Position	(208,521)		(182,220)		(26,301)
Total Net Financial Position	96,405	26.8%	97,536	27.6%	(1,131)
Shareholder's equity and net financial debt	359,218	100%	352,973	100%	6,245

Non-current assets as at 30 June 2025 increased by EUR 0.4 million, mainly due to higher depreciation and amortisation compared to the investments made in the period for a total net change of EUR 2.1 million, partially offset by the increase in Deferred tax assets for EUR 2.3 million. Investments for the period amounted to approximately EUR 17.1 million, of which EUR 9.5 million related to the investment at LU-VE US Inc. and EUR 1.8 million related to rights of use.

LU-VE Group's operating working capital (the sum of inventories and trade receivables net of trade payables) as at 30 June 2025 amounted to EUR 102.5 million with an incidence of 17.4% on sales in the last 12 months (it was EUR 105.8 million as at 30 June 2024 with an incidence of 17.8% on sales in the last 12 months). As at 31 December 2024, LU-VE Group's operating working capital amounted to EUR 95.7 million and represented 16.3% of sales.

Consolidated shareholders' equity amounted to EUR 262.8 million compared to EUR 255.4 million as at 31 December 2024. The increase (equal to EUR 7.4 million) was mainly due to the result for the period (EUR 17.0 million), adjusted by the distribution of dividends for EUR 9.8 million.

The net financial position was negative by EUR 96.4 million (EUR 97.5 million as at 31 December 2024), up by EUR 1.1 million, primarily as a result of investments for EUR 16.7 million, the distribution of dividends for EUR 9.8 million, the increase in operating working capital for EUR 6.7 million, net of EUR 3.0 million linked to the change in other receivables and payables, EUR 1.0 million linked to the decrease in other financial liabilities (IFRS 16) and EUR 30.3 million for the positive cash flows from operations. The net financial position as at 30 June 2024 was EUR 118.9 million (up by EUR 22.5 million over the last twelve months). In the period from 1 July 2024 to 30 June 2025, the cash flow from operations adjusted for non-operating items was approximately EUR 53.4 million.

1.5 ALTERNATIVE PERFORMANCE MEASURES

In compliance with ESMA recommendation on alternative performance measures (ESMA/2015/1415), the table below highlights the main alternative performance measures used to monitor the Group's economic and financial performance:

Monetary amounts in thousands of Euro	H1 2025	H1 2024
Average days in inventory (1)	69.0	71.0
Inventory turnover ratio (2)	5.2	5.1
Receivables turnover ratio (3)	4.8	5.2
Average days sales outstanding (4)	74.5	69.8
Payables turnover ratio (5)	2.8	3.0
Average days payables outstanding (6)	128.3	118.5
Net Invested Capital	359,218	363,115
EBITDA	42,189	42,956
Adjusted EBITDA (7)	43,089	42,956
EBITDA/Financial expense	5	7
Adjusted EBIT (8)	27,819	27,369
Adjusted EBT (9)	25,100	25,260
Adjusted net result (10)	19,026	19,560
Basic earnings per share (11)	0.73	0.88
Diluted earnings per share (12)	0.73	0.88
Dividends per share (13)	0.42	0.40
Net financial position	(96,405)	(118,868)
Net financial position/EBITDA	1.18	1.49
Debt ratio (14)	0.37	0.49
Operating working capital (15)	102,472	105,830
Net working capital (16)	70,652	77,446
Cash flow from operations adjusted for non-operating items (17)	53,400	72,200
Goodwill and Other Intangible assets/Total assets	0.09	0.11
Goodwill and Other Intangible assets/Shareholders' equity	0.32	0.37

Note:

The methods for calculating the indicators noted above are:

- (1) Inventories/Revenues and other operating income LTM (Last Twelve Months) * 360; LTM values are determined by the sum of the values of the second half of the previous year (obtained by the difference between the values of the entire year and the values of the first half) and the first half of the current year
- (2) Revenues and other operating income LTM/ Inventories;
- (3) Revenues/Trade receivables;
- (4) Trade receivables/revenues LTM*360;

- (5) Trade-related operating costs/Trade payables. Trade-related operating costs include purchases of materials and changes in inventories, costs for services and other costs and charges. The item does not include personnel costs;
- (6) Trade payables/trade-related operating costs LTM*360;
- (7) EBITDA adjusted by non-operating costs:

Amounts in Euro/millions	H1 2025	H1 2024
EBITDA	42.2	43.0
Start-up costs for LU-VE US	0.9	-
Adjusted EBITDA	43.1	43.0

- (8) Operating profit (EBIT) adjusted by non-operating costs (starting from Adjusted EBITDA, see previous table);
- (9) Pre-tax result (EBT) adjusted by non-operating costs and revenues:

Amounts in Euro/millions	H1 2025	H1 2024
EBT	22.7	26.3
Change in Put and Call strike price - purchase of 25% of Refrion S.r.l.	-	0.9
Net financial income and expense (amortised cost effect and fair value of derivatives)	1.5	(1.9)
Start-up costs for LU-VE US	0.9	-
Adjusted EBT	25.1	25.3

- (10) Net result adjusted by non-operating costs and revenues (starting from Adjusted EBT – see table above – net of the tax effect totalling EUR -6.1 million for 2025 and EUR -5.7 million for 2024);
- (11) Net profit/weighted average number of ordinary shares;
- (12) Net profit/(Weighted average number of ordinary shares + potential number of additional ordinary shares, the latter being zero in both periods);
- (13) Nominal value of the dividend per share resolved in each period;
- (14) Net financial position/Shareholders' equity;
- (15) Total of inventories and trade receivables net of trade payables;
- (16) Current assets net of current liabilities.
- (17) Cash flow from operations adjusted for non-operating items LTM:

Amounts in Euro/millions	LTM - H1 2025	LTM - H1 2024
Change in Net financial position	22.5	41.3
Non-ordinary investments (*)	15.8	17.1
Dividends paid (**)	9.8	9.7
Change in financial payables for leases pursuant to IFRS 16	4.4	2.6
Non-operating costs (***)	0.9	1.5
Cash flow from operations adjusted for non-operating items	53.4	72.2

(*) These are investments with deferred contribution to the cash generation of the LU-VE Group, in particular investment property, also included under Tangible assets under construction.

(**) As per the "Statement of changes in shareholders' equity", paragraph 1.4 of the condensed interim consolidated financial statements.

(***) "Start-up" costs (personnel costs) relating to activities in connection with the expansion of LU-VE US Inc.'s production plant in Texas for the first half of 2025.

OBSERVATIONS ON THE FINANCIAL PROFILE AND ON GOING CONCERN

The condensed interim consolidated financial statements as at 30 June 2025 have been prepared on a going concern basis, as the Directors have verified the absence of indicators of a financial, management or any other nature that might indicate critical issues relating to the ability of the LU-VE Group to meet its commitments in the foreseeable future. Risks and uncertainties relating to the business are described in the next paragraph.

In particular, as at 30 June 2025, LU-VE Group disclosed a solid and balanced financial structure, with a Net Financial Indebtedness/Shareholders' Equity ratio (Debt Ratio) of 0.37 (0.38 as at 31 December 2024) and a positive short-term net financial position of EUR 208.5 million (a positive EUR 182.2 million as at 31 December 2024), thus guaranteeing the repayment of the medium/long-term debt maturing in the next 12 months (totalling EUR 117.9 million).

It should be noted that the 2025 forecast estimates indicate that, as at 31 December 2025 there will be no critical issues with regard to the capital and economic requirements (the so-called covenants) on a consolidated basis, required by the Group's financial debt (which is contractually required only at the time of closure of the annual consolidated financial statements).

Comparing the 2025-2028 Business Plan with the actual economic results achieved in the first half of 2025 and with the forecast data for the entire current year, the economic performances and the main economic/financial indicators are in line with those estimated in the Plan approved on 20 February 2025.

Based on what is laid out above, the condensed interim consolidated financial statements of the Group as at 30 June 2025 were prepared on a going concern basis, pursuant to paragraphs 25 and 26 of IAS 1.

1.6 MAIN RISKS AND UNCERTAINTIES

RISKS RELATED TO RAW MATERIAL PRICE TRENDS

The production costs of the LU-VE Group are influenced by the prices of raw materials, mainly copper and aluminium. Risks are related to fluctuations in the prices of these materials on the reference markets (on which they are quoted in USD) and the fluctuation in the Euro/USD exchange rate (as the Group purchases in Euro, while price listings are in USD), as well as the reliability and the policies of mining and/or transformation companies.

The fluctuation in the availability and price of the above-mentioned materials could be significant, depending on a number of factors, including the economic cycle of the reference markets, supply conditions and other factors that are out of the control of the LU-VE Group and are difficult to predict (such as: problems regarding the extraction or transformation capacity of individual suppliers which could hinder or delay the delivery of the raw materials ordered; operational and/or industrial decisions made by individual suppliers which entail an interruption of the mining or processing of the raw materials and the subsequent greater difficulty in immediately sourcing said raw materials in the reference market; significant delays in the transport and delivery of these raw materials to Group companies, the possible introduction of tariffs and the impacts of climate change on mining activities). With reference to the energy transition, in particular, additional quantities of copper and aluminium will be necessary, which will however require reduced energy intensity mining techniques.

To manage those risks, the LU-VE Group constantly monitors the availability of raw materials in the market as well as the relative price trends (also taking into consideration USD currency fluctuations with respect to the Euro), in order to promptly identify any shortfalls in the availability of raw materials and take suitable actions to guarantee the required production autonomy, and also to keep its production activities competitive with regard to this aspect as well. Analyses are constantly carried out to identify alternatives to strategic suppliers to reduce the relative dependence on them and also geographical diversification activities both with the aim to reduce purchase costs with comparable quality and to avoid excessive geographical dependence on some areas in the world. In particular, with regard to the main purchased raw material – copper – the LU-VE Group has dealt for several years, for the most part of the quantities, with the same suppliers, selected and periodically assessed on the basis of trading reliability criteria and with whom a relationship based on reciprocal trust has been built. Furthermore, when it deems this necessary in relation to expected trends, the Group enters into contracts to hedge the risk of fluctuations in the price of raw materials.

It should be noted that the Group has “pass through” systems in place which allow cost increases to be transferred to end customers (also possibly generated by the fluctuation in currencies), guaranteeing margin protection.

Unlike the problems that arose in previous years, related to the availability of materials, which forced a review of the procurement approach and an increase in inventories of raw materials and components in order to be able to respond to market demands in a timely manner, during the first half of 2025, inventory management continued to be inspired by “just in time” principles (procurement policy in line with 2024), with positive effects on the reduction of stock and responding to the market with delivery times in line with expectations.

Lastly, please note that oil price volatility impacts (aside from raw material prices) investments made at global level in the Power Gen market, making it difficult to predict trends in this market segment, especially in view of the energy transition, which could limit its operations in time.

RISKS RELATED TO NET FINANCIAL INDEBTEDNESS

In relation to the loan agreements in place, LU-VE Group has undertaken to comply with certain financial measures (so-called covenants), mainly: i) Net Financial Indebtedness/EBITDA, ii) Net Financial Indebtedness/Shareholders' Equity. In addition, a significant portion of the Group's loan agreements contain cross default - cross acceleration clauses, negative pledge clauses and *pari passu* clauses. In the future, if the above-mentioned financial covenants or other commitments laid out in existing loan agreements are not respected, the Group could be required to repay the related debt in advance.

Lastly, a significant portion of LU-VE Group's loan agreements establish disclosure obligations on various occasions, the obligation to request prior consent in the event of new loans or special extraordinary transactions, as well as the obligation not to establish new mortgages.

To mitigate this risk, the LU-VE Group carefully monitors compliance with financial covenants, all clauses laid out in the loan agreements and the disclosure obligations through formalised procedures involving the legal and financial department. In addition, it also maintains a significant quantity of available financial liquidity or financial resources that can be liquidated within a short period of time and short-term credit lines to deal with any, even remote, obligations for the early repayment of medium- and long-term loans.

The financial instruments in which the LU-VE Group invests its available liquidity are mainly represented by Time Deposits, which can be freely divested, term deposits for a specific short period of time and remunerated at a pre-established rate. The main risk of these financial instruments is the capital strength and the rating of the banks with which the LU-VE Group subscribes them.

The LU-VE Group selects its investments by privileging low risk ones and makes them with leading banking institutions. In addition, a careful liquidity management policy and the existence of short-term credit lines mitigate the risk of having to proceed with the sudden and unforeseen freeing up of liquidity.

RISKS RELATED TO EXCHANGE RATE FLUCTUATIONS

The Group is exposed to the risk of fluctuations in the exchange rates of currencies arising from different circumstances.

(i) Firstly, the LU-VE Group is exposed to "translational" exchange rate risk.

In fact, the Group prepares its consolidated financial statements in Euro, while it holds controlling investments in companies that prepare their financial statements in currencies other than Euro (Russian rouble, Polish zloty, US dollar, Indian rupee, Czech koruna, Swedish krona, Chinese yuan renminbi, UAE dirham, Australian dollar, British pound, South Korean won and Hong Kong dollar). The Group is therefore exposed to the risk that fluctuations in the exchange rates used to translate the values in subsidiaries' financial statements originally expressed in foreign currency may significantly influence the Group's results as well as the consolidated net financial indebtedness and consolidated

shareholders' equity. The main exposures are monitored, but it is not part of the Group's current policies to hedge such "translational" exchange rate risks.

(iii) In the second place, the LU-VE Group is exposed to "transaction" exchange rate risk for purchases of goods and materials from suppliers as well as for sales to customers.

With regard to purchases, the LU-VE Group's main currency of exposure is the US dollar (USD, the currency to which the cost of the main raw materials is linked): in fact, raw materials on the reference markets are quoted in USD and the cost is converted into Euro by applying the USD/Euro exchange rate of the day to the dollar listing, thus transferring the exchange rate risk to the buyer (net of the "pass through" effect already mentioned). In addition, Group companies located in countries where the reference currency is other than the Euro (which also purchase raw materials with contracts that envisage the Euro as the currency for payment and, therefore, are exposed to the USD/Euro exchange rate risk highlighted), are also exposed to the risk of fluctuations in the Euro exchange rate with respect to local currencies.

In terms of sales, these are mainly made in Euro. Moreover, the companies Sest-LUVE Polska Sp.z.o.o., HTS, Spirotech and LU-VE Sweden, although they are located in countries that do not have the Euro as their reference currency, carry out a significant amount of their sales in Euro and, therefore, are exposed to the risk of fluctuations in the Euro exchange rate with respect to local currencies.

With an activity carried out at centralised level, in order to protect the income statement and balance sheet items from such fluctuations and reduce the risk arising from changes in exchange rates, the Group considers the subscription of derivative financial instruments with the intent of hedging the underlying risks: in particular, during the first half of 2025, financial instruments were entered into to hedge the EUR/USD exchange rate, such as swaps, TARFS and forwards. However, from a purely accounting perspective, although such instruments substantially hedge the risks mentioned, they do not meet all the requirements as laid out under IFRS 9 and cannot be defined as hedge accounting; therefore, the Group has decided to consider these instruments as for trading and not hedges and as a result such instruments were measured at fair value with changes reported on the income statement. For further details, please refer to Appendix A of the Explanatory notes to the Consolidated Financial Statements as at 30 June 2025.

On some currencies (Chinese yuan, Swedish krona, Indian rupee, Russian rouble and US dollar) in which revenues and operating costs are expressed there is also "natural" hedging (revenues expressed in a given currency are naturally hedged by operating costs expressed in the same currency).

RISKS RELATED TO THE CONCENTRATION OF SALES

Although there is no customer of the Group that alone represents more than 5% of consolidated turnover, and the top 10 customers represent a total percentage of consolidated turnover of around 25%, the "food retail-manufacturers of refrigerated counters" segment (in which the Group is the supplier of all the most important European players, and which represented 15.5% of total turnover in the first half of 2025), the "heat pumps" segment (which this year represents 5.3 of the product turnover), the "home appliances" segment (in which the Group supplies all the most important European brands with a sharp increase in turnover during the period and an incidence up to 6.6% of

the total) and the “industrial cooling” sector (11.6% of revenues) are characterised by the strong commercial leadership exercised by several large customers.

As a result, if the supply to one of the Group’s customers in the above-mentioned segments is discontinued, the Group companies that operate in that segment could have difficulty recovering the lost turnover with other customers, with a negative impact in terms of their profit or loss and/or the equity and/or financial situation.

The Group regularly takes measures to diversify the risk linked to the concentration of sales, by regularly conducting business surveys aimed at always seeking out new customers and new application fields both in Italy and abroad.

RISKS ARISING FROM POTENTIAL BUSINESS INTERRUPTIONS

The Group operates with a production process associated with fixed costs connected with the operations of its facilities. Therefore, the Group is exposed to the risk arising from the interruption of production activities in one or more of its facilities, following events such as, by way of example, accidents, breakdowns of machinery, malfunctioning of IT systems, the revocation of or objection to permits or licences by the competent public authorities, strikes or shortage of workforce, natural disasters, pandemics (as in the case of local lockdown provisions related to the COVID-19 emergency), significant interruptions in the supply of raw materials or energy, or lastly disasters caused by humans such as accidents, fires and terrorism. More specifically, an interruption in production activities could entail a partial lack of absorption of fixed production costs and/or render the Group temporarily unable to promptly meet the consumer demand.

All of the Group’s facilities are independent from each other, and in the very recent past investments were made to ensure back-up production lines located in other facilities and in different countries. For these reasons, both production flexibility and the level of service to customers are constantly increasing.

Although the Group companies have taken out loss of profit and all risk insurance policies against damages from fire and natural disasters (but not against indirect damages caused by force majeure), the limits and insurance excesses of which are deemed consistent in consideration of the possible damages that could take place, any significant interruption in activities at its industrial facilities, due to the events mentioned above and other events outside the Group’s control and not included in insurance policies, could have negative effects on the activities and on the economic, equity and/or financial situation, on the economic results and outlook.

RISKS RELATED TO INTEREST RATE TRENDS

The Group uses short-term as well as, mainly, medium/long-term bank debt in accordance with adequate procedures and technical forms in relation to the structure of its investments.

Exposure to interest rate risk derives from the holding by the Group of assets and liabilities sensitive to fluctuations in interest rates which are needed for the management of liquidity and financial requirements.

More specifically, the Group’s main source of exposure to interest rate risk derives from its financial indebtedness, which is almost entirely at floating rates. This risk is managed by entering derivative contracts (primarily Interest Rate Swaps) to hedge this risk based on its own needs. This hedging

policy allows the Group to reduce its exposure to the risk of interest rate fluctuations. Interest rates fell in the first half of 2025 compared to 2024. Changes in interest rate policies may lead to a change, even a significant one, in the fair value of these instruments. As at 30 June 2025, the proportion of outstanding loans for which such risks were hedged represented 84.8% of the total.

However, from a purely accounting perspective, although such instruments substantially hedge the risks mentioned, they do not meet all the requirements as laid out under IFRS 9 and cannot be defined as hedge accounting; therefore, the Group has decided to consider these instruments as for trading and not hedges and as a result such instruments were measured at fair value with changes reported on the income statement. For further details, please refer to Appendix A of the Explanatory notes to the interim consolidated financial statements.

CREDIT-RELATED RISKS

The Group is exposed to credit risk deriving from commercial dealings with exposure to potential losses arising from the failure of commercial counterparties to meet their obligations. Trade credit risk is monitored on the basis of formalised procedures for the selection and assessment of the customer portfolio, for the definition of credit limits by individual customer, for the monitoring of expected cash inflows and for any debt collection actions. In certain cases, customers are asked for further guarantees, primarily in the form of guaranteed payment forms or sureties.

Any extensions of payment times by customers may also make it necessary for the Group to finance the connected working capital requirement.

The historically low levels of losses on receivables recognised are proof of the good results achieved also in the presence of the impact of the pandemic and the current macro-economic context.

SOCIO-POLITICAL RISKS RELATED TO THE GROUP'S OPERATIONS AT GLOBAL LEVEL, INCLUDING IN EMERGING COUNTRIES

The Group operates on a global level, with a strong presence in a range of geographic markets.

More specifically, the Group:

(i) is heavily export-oriented, with turnover realised earned predominantly outside the Italian market (in the periods as at 30 June 2025, 2024 and 2023, Group revenues from sales made abroad represented 79.7%, 80.6% and 78.8% of total sales, respectively);

(ii) is present abroad not only through its commercial branches, but also with industrial companies and production facilities located in different geographic areas (Poland, Russia, China, Sweden, Finland, the Czech Republic, India, USA).

This geographical diversity exposes the Group to risks deriving from its operations in multiple international markets, including the risk that changes in the political and socio-economic conditions of a geographical area may impact production and distribution by the Group in that area.

In addition, the Group also conducts its business in countries with economic and political systems characterised by different factors of potential instability, including: (i) political and economic instability; (ii) boycotts and embargoes which could be imposed by the international community; (iii) unfavourable changes in governmental policies, in particular with respect to foreign investments; (iv)

significant fluctuations in interest and exchange rates; (v) expropriation or repossession of assets; (vi) bureaucratic requirements that are difficult to meet; (vii) the impossibility of protecting certain legal and contractual rights in certain jurisdictions; (viii) the imposition of taxes, duties or other unforeseen payments; and (ix) currency controls which could limit the remittance of funds or currency conversion; (x) widespread corruption.

In addition, operations in emerging markets could be influenced by the typical difficulties of developing countries' economies such as, for example, transport difficulties, lack of infrastructure or greater difficulties in finding a qualified workforce.

In addition, the primary or secondary regulations of emerging countries or their interpretation could be subject to expected or unforeseeable changes, or there could be a limited number of precedents linked to the interpretation, implementation and application of those regulations.

Definitively, although the spread at global level and operations in emerging countries evidently represent significant opportunities for the Group to take advantage of the potential to develop the various geographic areas concerned, it cannot be excluded that the occurrence of one or more of the risks noted above may have negative consequences on the activities and on the economic, equity and financial position, results and outlook of the Group. Therefore, the Group carefully monitors the situation in the various countries with a view to promptly intervening in the case of significant negative changes in the reference scenarios.

LU-VE Group continues to carefully monitor the evolution of the conflict between Russia and Ukraine which is having significant repercussions on the world economy, also as a result of the sanctions that have been imposed or may be imposed further on Russia. The extreme geographic diversification of sales means that the Group's exposure in this area in terms of turnover in the first half of 2025 is 8.0%.

LU-VE Group has engaged in monitoring activities in relation to the restrictions that have been imposed by the European Union and the United States on Russia and the individual parties sanctioned, to ensure their full compliance. The Group has adopted guidelines aimed at regulating relations with its Russian subsidiaries and commercial activities in Russia, also with the support of external consultants. It has also established verification procedures regarding the possibility of exporting its own products and components to Russia and, if necessary with the support of external consultants, verifies the correct interpretation of the applicable legislation with the competent authorities. It has also established procedures for verifying, also through the appropriate software programmes developed by specialised companies, the Ultimate Beneficial Owners of its customers and suppliers in sensitive areas, to check that they are not subject to sanctions. It also obtained advice to ensure that its European associates who work in Russia and China cannot be subject to sanctions in Europe and the United States based on said activity. It has also planned, with the support of external consultants, large-scale annual checks on its entire range of suppliers and customers, in order to ensure that none of them, regardless of location, is subject to sanctions or part of a sanctioned entity.

With reference to the possible introduction of imports duties in the United States, the Group believes that the possible impact will be not material.

CYBER RISKS

The Group is exposed to the risk of a cyber-attack causing a significant interruption to operations, the loss, the theft or unlawful appropriation of sensitive information, the breach or forgery of company emails and/or the breach of current regulations relating to privacy issues, with consequent negative effects both in terms of economic and reputational impact.

The Group IT infrastructure is kept constantly up to date on the basis of the needs arising from the rapid technological evolution. Therefore, considering that good IT performance is a key issue for business continuity, the Group started a progressive process on the various company systems, to assess threats and the degree of resistance of current protection systems against cyber-attacks, also through the execution of vulnerability assessments. The infrastructures and platforms used by the Group are largely managed by external companies that carry out the vulnerability assessments, confirming the results obtained and taking steps to mitigate the potential shortcomings identified.

The “continuous improvement” security model adopted by the infrastructure group allows constant updating of threats and proactivity in taking strategic measures. The Microsoft Zero-Trust model, aided by the Office365 platform, was distributed across the group. New security features for external networks are being considered in order to further improve protection from external and even internal attacks.

New organisational models are being considered that would assign resources with direct responsibility for the group, including network operations, defining dedicated security perimeters.

Specifically, assessment activities are being planned to meet the criteria required by the NIS2 security protocol already adopted by Italy and other EU countries. A subsequent Remediation Plan will emerge, the scope and duration of which is yet to be defined, which will further improve security on both the IT and OT operations side.

The NIS2 plan will implement security models and training with a greater impact on the IT side, but with the involvement of the business; the measure is aimed at increasing the awareness of all levels of the company to further improve current security levels.

New business continuity, data and information segregation criteria will be introduced to structure business systems for the future adoption of AI models and agents.

Even though the Group has adopted rigid protocols for the protection of the data acquired in the course of its operations and in relation to the protection of information and privacy, it cannot be excluded that one or more of the risks highlighted above may cause significant negative consequences on the Group’s operations and its profit and loss, equity and financial position, on its economic results and its future prospects. As at the date of this interim Financial Report, no breaches of the Group’s IT systems by third parties have been recorded.

The conflict that arose in 2022 between Russia and Ukraine further highlighted that the internet and information systems of the authorities involved were used as a battlefield and as strategic targets in the evolution of the conflict. With the prolongation of the conflict and the geopolitical tensions that are being generated between the United States and China, the risk of cyber-attacks has increased. Therefore, the LU-VE Group activated additional risk mitigation procedures, eliminating the possibility of accessing the intranet from the Russian facility and enabling Russian users to access the necessary services only via cloud through authentication and profiling. In order to mitigate the

economic impact of possible cyber-attacks, the Group decided to take out a cyber risk insurance policy effective 1 July 2024, for a period of 18 months.

RISKS RELATED TO CLIMATE CHANGE

The Directors, having as a reference the best practices of the sector to which they belong as well as the most authoritative literature on the subject (including the TCFD guidelines), have carried out specific assessments in order to identify in detail the risk factors relating to climate change, both physical and transitional, most relevant to the Group's activities (having in this regard, for the aspects deemed to be of interest, also the supply chain, as recommended by the European Union guidelines relating to the reporting of climate-related information).

LU-VE Group has carried out an analysis of the relevant physical and transition risks whose potential impacts on the economic performance and expected financial position of the Group have been included in the 2025-2028 Business Plan approved by the Board of Directors of LU-VE S.p.A. on 20 February 2025.

1.7 DEVELOPMENT AND INNOVATION ACTIVITIES

The Group has carried out, as usual, intense development activities to offer the market increasingly advanced products with a lower environmental impact (a key distinctive element of its competitive strategy), broken down over several different projects, some of which are carried out in partnership with prestigious European Universities.

The main projects involved the continuous development of new solutions dedicated to the application of heat pumps to different areas, as part of the decarbonisation project furthered by the European Union. Significant efforts were dedicated, with reference to ventilated products, to the rationalisation of the range based on platform concepts and the new digital configurator for guided product selection and the subsequent automatic processing of production orders.

In this context, research activities have covered various application areas, ranging from residential heat pump solutions to heat pump technologies for district heating networks, and finally also covering the brand new technology of heat pumps dedicated to producing heat for use within industrial processes.

In addition, another area of research concerns new technologies for Datacentres, particularly related to Immersion and Chip cooling systems, as well as the study of the applications of Artificial intelligence to product development processes.

In this area, the Parent Company continued to work on the TESSERE project, supported by an outright grant related to the “Bando a cascata” (Cascade funding) pursuant to Article 5 of MUR Notice No. 341 of 15/03/2022, for the financing of research activities carried out by Micro, Small, and Medium Enterprises (MSMEs) and Large Enterprises (LEs) within the PE NEST “Network 4 Energy Sustainable Transition” (D.D. - management decree - Rep. No. 1865/2024, Prot. No. 33106/2024 of 13/02/2024 as amended).

During the first half of 2025, these development activities resulted in total investments of approximately EUR 0.2 million, which were recorded under intangible assets under development.

1.8 EXEMPTION FROM THE OBLIGATIONS TO PUBLISH DISCLOSURE DOCUMENTS IN THE CASE OF SIGNIFICANT TRANSACTIONS (“Opt-out”)

On 13 March 2017, the Board of Directors of the Parent Company decided to apply, pursuant to Article 3 of CONSOB Resolution No. 18079 of 20 January 2012, the opt-out regime established by Articles 70.8 and 71, paragraph 1-bis, of CONSOB Regulation No. 11971/99 as amended, therefore taking advantage of the right to exemption from the obligations to publish the disclosure documents required in the case of significant merger, spin-off, share capital increase through the contribution of assets in kind, acquisition and disposal transactions.

1.9 EVENTS SUBSEQUENT TO 30 JUNE 2025: significant events and business outlook

On 1 July 2025, the extraordinary shareholders' meeting of the Company was held, which approved the proposed amendments to the Articles of Association aimed, among other things, at introducing the increased voting rights already in force.

As a result of this introduction, the so-called "ordinary increased voting rights" already envisaged – granting 2 votes for each LU-VE share held by the same person for a continuous period of 24 months from the date of their registration in the special list for the increased voting rights, established and kept by the Company pursuant to the applicable laws and regulations (the "Special List") – will be joined for the same LU-VE share held by the same person who shall continue to be registered in the Special List even after the double vote has accrued, by the assignment of a third vote upon the expiry of a further period of 12 months from the date of accrual of the ordinary increased vote, and a further vote upon the expiry of each further period of 12 months, up to a total maximum of 10 voting rights per share.

Shareholders who did not take part in the adoption of the article of association amendment, recorded in the Varese Companies' Register on 3 July 2025, were entitled to exercise their right of withdrawal, pursuant to Article 2437 of the Italian Civil Code as referred to by Article 127-quinquies, paragraph 8 of Italian Legislative Decree No. 58/1998, within 15 days of its recording in the Companies' Register.

The effectiveness of the article of association amendment was expressly conditional on:

- (i) the amount in cash, if any, to be paid by LU-VE to the withdrawing shareholders (the "Withdrawal Amount"), exceeding in aggregate the amount of EUR 25,000,000.00 (twenty five million); and/or
- (ii) the positive difference, if any, between (x) the unit liquidation price to be paid to the withdrawing shareholders (equal to EUR 28.82 (twenty-eight/82) and (y) the closing price of LU-VE's shares on the last day of the option offer period, multiplied by the number of LU-VE's shares subject to withdrawal that were to be purchased by LU-VE, exceeding in aggregate the amount of EUR 5,000,000.00 (five million).

Since the company did not receive, during the period for the exercise of the right of withdrawal, running between 3 July 2025 and 18 July 2025 (inclusive), any request for withdrawal from the entitled shareholders and therefore neither of the two termination conditions occurred, the shareholders' resolution to amend the articles of association adopted on 1 July became definitively effective and the enhancement of the increased voting rights approved by the shareholders' meeting is therefore fully implemented in the articles of association, effective as from 3 July 2025.

In July 2025, the Parent Company took out with Banca Aletti &C. S.p.A. (Banco BPM S.p.A. group), the CNP class I policy issued by the insurer CNP VITA ASSICURA S.p.A., for a nominal amount of EUR 20,000 thousand.

Sales are expected to grow especially in the second half of 2025, thanks to a robust order backlog, improved demand in some market segments, the impact of recent strategic investments and a potential easing of global instability, factors that could foster a more favourable environment for growth.

Nevertheless, short-term visibility remains limited due to continuing uncertainties. The current macroeconomic panorama and ongoing tariff disputes are contributing to volatility, with particular repercussions for large data centre and power generation projects, where customer decisions may be delayed.

In this context, LUVÉ continues to approach the market with caution and agility, remaining focused on its strategic priorities.

Looking forward, the company will focus on operational efficiency and selective growth initiatives to promote long-term sustainable expansion, while preserving a solid financial position.

With reference to the tax audit carried out by the Italian Tax Authority on the Parent Company LUVÉ S.p.A. relating to the fiscal years 2016, 2017, 2018 and 2019 and to the report on findings received in November 2023, no further activity has been advanced by the Italian Tax Authority.

With regard to the audit by the Central Directorate for Large Taxpayers and International Affairs (*Direzione Centrale Grandi Contribuenti e Internazionale*) in relation to the application submitted on 28 December 2020 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), as provided for by Article 31 ter of Italian Presidential Decree No. 600/73, the Company promptly responded to all requests of documentation received.

With regard to the Polish Tax Authority's audit on the subsidiary Sest-LUVÉ-Polska Sp.z.o.o. concerning the application submitted on 30 December 2021 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), the subsidiary promptly responded to all requests of documentation received within the prescribed time limit.

With regard to the audit by the Regional Tax Directorate - Large Taxpayers Office relating to the 2021 tax period audit on the Parent Company LUVÉ S.p.A., for the purposes of direct taxes, IRAP (regional business tax) and VAT, the Company promptly responded to the requests of documentation received.

1.10 MANAGEMENT AND COORDINATION ACTIVITIES

The parent company LU-VE S.p.A. is not subject to management and coordination by Finami S.p.A. or any other entity, pursuant to Articles 2497 et seq. of the Italian Civil Code.

The parent company LU-VE S.p.A. exercises management and coordination activities over all its subsidiaries pursuant to Articles 2497 et seq. of the Italian Civil Code.

1.11 RELATED PARTY TRANSACTIONS

For information on related party transactions, please refer to the detailed tables provided in the Explanatory notes to the condensed interim consolidated financial statements of the LU-VE Group. All transactions with related parties are carried out on an arm's length basis.

1.12 TREASURY SHARES

Pursuant to law, please note that as at 30 June 2025, the Group holds 28,027 treasury shares (unchanged compared to 31 December 2024), equal to 0.1261% of share capital, acquired at an average price of EUR 10.2827 based on the authorisation resolution approved by the Shareholders' Meeting on 29 April 2019. In accordance with the international accounting standards, these instruments are recognised as a deduction from the shareholders' equity attributable to the Group.

1.13 DECLARATION PURSUANT TO ART. 15 OF CONSOB REGULATION 20249/2017

Pursuant to Article 2.6.2, paragraph 8 of the Regulation of the Markets organised and managed by Borsa Italiana S.p.A., LU-VE S.p.A. declares that the requirements referred to in Article 15 of CONSOB Regulation no. 20249/2017 letters a), b) and c) in relation to the subsidiaries established and governed by the law of states not belonging to the European Union have been met.

1.14 ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 231/2001

With reference to LU-VE's Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001, it should be noted that it is currently being revised to take into account both the organisational changes and the new corporate structure resulting from the absorption of the subsidiaries Sest S.p.A. and Air Hex Alonte S.r.l., following the merger that took effect on 31 December 2024.

1.15 DECLARATION OF THE FINANCIAL REPORTING MANAGER

The Financial Reporting Manager, Mr Eligio Macchi, declares, pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the accounting disclosure contained in this Interim Management Report as at 30 June 2025 corresponds to the results of the accounting documents, books and entries.

1.16 SECONDARY OFFICES

The parent company LU-VE S.p.A. carries out its operating activities at its registered offices in Uboldo (VA), at Via Caduti della Liberazione 53 and, following the merger by incorporation of Sest S.p.A. and Air Hex Alonte S.r.l., at its premises in Borgo Valbelluna (BL), at Via Vasco Salvatelli 4, in Limana (BL), at Via Baorche 39 and in Alonte (VI), at Via delle Albere 5.

It also opened the following secondary offices, used as warehouses:

- Origgio (VA), at Via Achille Grandi 5;
- Uboldo (VA), at Via Papa Giovanni XXIII 135;
- Lainate (MI), at Via Juan Manuel Fangio 11 care of Lainate Business Park;
- Alonte (VI), at Via Enrico Fermi 4, Alonte.

The operational secondary branch in Borgo Valbelluna (BL), in Via Vasco Salvatelli, is also used as a warehouse.

Uboldo, 9 September 2025

The Chairman and Chief Executive Officer
Matteo Liberali



1.17 CORPORATE BODIES AND COMPANY INFORMATION

BOARD OF DIRECTORS ¹

Chairman	Matteo Liberali
Vice Chairman	Pierluigi Faggioli
Directors	Michele Faggioli
	Stefano Paleari (*)
	Anna Gervasoni (*)
	Fabio Liberali
	Laura Oliva
	Roberta Pierantoni
	Raffaella Cagliano (*)
	Carlo Paris (*)

* Meeting the independence requirements pursuant to Italian Legislative Decree No. 58/1998 (TUF) and the Corporate Governance Code.

BOARD OF STATUTORY AUDITORS ¹

Chairwoman	Mara Palacino
Standing auditors	Paola Mignani
	Domenico Angelo Magno Fava

Alternate auditors Michaela Rita Marcarini
 Alessia Fulgeri

1) The corporate bodies were appointed by the Shareholders' Meeting held on 28 April 2023 and are in office until the approval of the 2025 financial statements. For all detailed information on the corporate bodies, please refer to the Report on Corporate Governance and Ownership Structures prepared pursuant to Article 123 bis of Italian Legislative Decree No. 58/1998, available on the Company's website.

1.18 INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

1.19 REGISTERED OFFICES AND COMPANY DATA

LU-VE S.p.A.

Via Vittorio Veneto 11, Varese

I - 21100 Varese (VA) Italy

Tel.: +39 02 96716270

Share capital EUR 62,704,488.80 fully paid-up

Tax code and VAT number: 01570130128



**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
AS AT 30 JUNE 2025**

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1 FINANCIAL STATEMENTS

1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position (in thousands of Euro)	Notes	30/06/2025	31/12/2024
ASSETS			
Goodwill	3.1	63,096	64,526
Other intangible assets	3.1	21,359	23,554
Property, plant and equipment	3.2	163,258	167,151
Right-of-use assets	3.2	21,295	22,705
Other tangible assets	3.2	30,586	23,765
Deferred tax assets	3.19	13,566	11,227
Investments	3.3	346	141
Other non-current assets	3.4	280	283
Non-current assets		313,786	313,352
Inventories	3.5	112,648	101,061
Trade receivables	3.6	121,631	102,961
Current tax assets	3.7	8,339	10,391
Current financial assets	3.8	77,485	44,941
Other current assets	3.9	5,915	3,240
Cash and cash equivalents	3.10	253,880	271,191
Current assets		579,898	533,785
Assets held for sale		-	-
Assets held for sale		-	-
TOTAL ASSETS		893,684	847,137

Consolidated Statement of Financial Position (in thousands of Euro)	Notes	30/06/2025	31/12/2024
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	3.11	62,704	62,704
Reserves and retained earnings (losses)	3.11	177,213	152,233
Net result for the period	3.11	16,278	34,497
Shareholders' equity attributable to the Group		256,195	249,434
Shareholder's equity attributable to non-controlling interests		6,618	6,003
TOTAL SHAREHOLDERS' EQUITY		262,813	255,437
Loans	3.12	289,741	263,258
Provisions	3.13	6,580	6,012
Employee benefits obligations	3.14	5,361	5,390
Deferred tax liabilities	3.19	13,279	13,698
Other financial liabilities	3.2 - 3.15	15,185	16,498
Non-current liabilities		330,146	304,856
Trade payables	3.16	131,807	108,291
Loans	3.12	116,948	129,252
Tax liabilities	3.17	8,510	6,361
Other financial liabilities	3.2 - 3.15 - 3.8	5,896	4,660
Other current liabilities	3.18	37,564	38,280
Current liabilities		300,725	286,844
Liabilities held for sale		-	-
Liabilities held for sale		-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		893,684	847,137

1.2 CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement <i>(in thousands of Euro)</i>	Notes	H1 2025	H1 2024
REVENUES AND OPERATING INCOME			
Revenues		293,750	295,270
Other operating income	4.1	958	1,112
Total revenues and other operating income		294,708	296,382
OPERATING EXPENSES			
Purchases of materials	4.2	(153,623)	(150,086)
Changes in inventories	3.5	12,450	5,019
Costs for services	4.3	(37,828)	(38,148)
Personnel costs	4.4	(71,666)	(68,430)
Net reversal/(write-down) of financial assets	4.5	394	(33)
Other operating expenses	4.6	(2,246)	(1,748)
Total operating expenses		(252,519)	(253,426)
Depreciation and amortisation	3.1 - 3.2	(15,342)	(15,567)
Gains/(Losses) on the sale of non-current assets	3.1 - 3.2	75	120
Write-downs of non-current assets	3.1 - 3.2	(3)	(140)
OPERATING RESULT		26,919	27,369
Financial income	3.8 - 3.15 - 4.7	6,439	4,735
Financial expense	4.8	(8,313)	(6,601)
Exchange gains (losses)	4.9	(2,392)	781
Gains/(Losses) from investments	4.10	-	-
PRE-TAX RESULT		22,653	26,284
Income taxes	4.11	(5,627)	(6,190)
NET RESULT		17,026	20,094
Net result attributable to non-controlling interests	3.11	748	658
NET RESULT ATTRIBUTABLE TO THE GROUP		16,278	19,436

1.3 EARNINGS PER SHARE AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Earnings per share

EARNINGS PER SHARE (In Euro)	H1 2025	H1 2024
Basic earnings per share	0.73	0.88
Diluted earnings per share	0.73	0.88

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (in thousands of Euro)	Notes	H1 2025	H1 2024
NET RESULT		17,026	20,094
<i>Components that will not subsequently be reclassified to the Income Statement:</i>			
Actuarial gains/(losses) from employee benefits obligations	3.14	145	192
Tax effect		(37)	(46)
		108	146
<i>Components that will subsequently be reclassified to the Income Statement:</i>			
Exchange differences from translation of Financial Statements in foreign currency	1.4	(298)	4,308
TOTAL COMPREHENSIVE INCOME (LOSS)		16,836	24,548
Comprehensive income attributable to non-controlling interests	3.11	748	658
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO THE GROUP		16,088	23,890

1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in shareholders' equity (in thousands of Euro)	Share capital	Share premium reserve	Legal reserve	Treasury shares	Translation reserve	Actuarial gains/(losses) from employee benefits obligation	Other reserves	Net result for the period	Shareholders' equity attributable to the Group	Shareholder s' equity attributable to non-controlling interests	Total shareholders' equity
BALANCE AS AT 01/01/2024	62,704	24,762	4,557	(288)	(17,938)	(91)	120,226	29,745	223,677	5,554	229,231
Allocation of 2023 profit (loss)											
<i>Dividends paid</i>	-	-	-	-	-	-	(8,883)	-	(8,883)	(812)	(*) (9,695)
<i>Retained</i>	-	-	304	-	-	-	29,441	(29,745)	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	163	(**) 163
Comprehensive income as at 30/06/2024	-	-	-	-	4,308	146	-	19,436	23,890	658	24,548
BALANCE AS AT 30/06/2024	62,704	24,762	4,861	(288)	(13,630)	55	140,784	19,436	238,684	5,563	244,247
BALANCE AS AT 31/12/2024	62,704	24,762	4,861	(288)	(17,817)	(69)	140,784	34,497	249,434	6,003	255,437
Allocation of 2024 profit (loss)											
<i>Dividends paid</i>								(9,327)	(9,327)	(465)	(***) (9,792)
<i>Retained</i>			886				33,611	(34,497)	-		-
Purchase of treasury shares									-		-
Other									-	332	(**) 332
Comprehensive income as at 30/06/2025					(298)	108		16,278	16,088	748	16,836
BALANCE AS AT 30/06/2025	62,704	24,762	5,747	(288)	(18,115)	39	165,068	16,278	256,195	6,618	262,813

(*) The total amount of EUR 812 thousand is attributable to: i) EUR 750 thousand for dividends resolved and fully paid by the Group company SEST-LUVE-Polska Sp.z.o.o.; ii) EUR 62 thousand for dividends resolved by «OOO» SEST LU-VE Russia, of which EUR 37 thousand not yet paid as at 30 June 2024.

(**) The line "Other" shows the change in the translation reserve relating to minority interests.

(***) The total amount of EUR 465 thousand (EUR 812 thousand as at 30 June 2024) is attributable to: i) EUR 400 thousand for dividends resolved by the Group company SEST-LUVE-Polska Sp.z.o.o. not yet paid as at 30 June 2025; ii) EUR 65 thousand for dividends resolved by «OOO» SEST LU-VE Russia, of which EUR 44 thousand not yet paid as at 30 June 2025. For further information, see Note 4.12 – "Dividends".

1.5 CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows (in thousands of Euro)		H1 2025	H1 2024
A. Cash and cash equivalents at the beginning of the period		271,191	212,059
Profit (loss) for the period		17,026	20,094
Adjustments for:			
- Depreciation and amortisation	3.1 - 3.2	15,342	15,568
- (Gains)/losses, write-downs of non-current assets		(72)	(120)
- (Gains)/losses from the sale of investments	4.10	-	-
- Net financial expense	4.7 - 4.8	447	1,556
- Income taxes	4.11	5,627	6,190
- Changes in fair value	4.7 - 4.8	1,811	706
Changes in post-employment benefits	3.14	47	157
Changes in provisions	3.13	568	75
Changes in trade receivables	3.6	(18,670)	(27,176)
Changes in inventories	3.5	(12,450)	(5,019)
Changes in trade payables	3.16	23,516	30,549
Changes in net working capital		(7,604)	(1,646)
Changes in other receivables and payables, deferred tax liabilities		(403)	616
Taxes paid	4.11	(5,611)	(6,244)
Net paid financial expense	4.7 - 4.8	(899)	(2,413)
B. Cash flows from (used in) operating activities		26,279	34,539
Investments in non-current assets:			
- intangible assets	3.1	(722)	(1,223)
- property, plant and equipment	3.2	(15,958)	(11,171)
- financial assets		-	-
Net investments in current financial assets	3.8	(33,905)	4,159
C. Cash flows from (used in) investing activities		(50,585)	(8,235)
Repayment of loans	3.12	(75,843)	(61,765)
Loans taken out	3.12	90,472	75,000
Contingent consideration subsequent to a business combination		-	-
Changes in other financial liabilities (*)		(2,263)	(3,413)
Sale/(Purchase) of treasury shares		-	-
Contributions/repayments of share capital		-	-
Dividends paid	3.11	(9,348)	(9,695)
Other changes		-	-
D. Cash flows from (used in) financing activities		3,018	127
Exchange rate differences	3.11	34	4,471
Other non-monetary changes (**)		3,943	(3,041)
E. Other changes		3,977	1,430
F. Net cash flow for the period (B+C+D+E)		(17,311)	27,861
Cash and cash equivalents at the end of the period (A+F)		253,880	239,920
Current financial indebtedness		45,359	100,739
Non-current financial indebtedness		304,926	258,049
Net financial indebtedness		96,405	118,868

(*) The amount refers mainly to royalty payments on rights of use recognised in accordance with IFRS 16 net of dividends payables to third parties not yet paid.

(**) The amount mainly comprises the effect for the period of net exchange rate gains/losses of intangible assets and property, plant and equipment (negative EUR 3,080 thousand) and inventories (negative EUR 863 thousand). As at 30 June 2024, the amount mainly comprised the effect of the net exchange rate gains/losses of intangible assets (positive EUR 382 thousand), property, plant and equipment (positive EUR 1,415 thousand) and inventories (positive EUR 1,222 thousand).

2 EXPLANATORY NOTES

2.1 ACCOUNTING STANDARDS

Declaration of compliance and accounting policies

The Parent Company LU-VE S.p.A. is a company with legal personality organised in accordance with the laws of the Italian Republic. The Company is active in the production and sale of heat exchangers and air-cooled equipment. The Company's registered office is in Varese (Italy), Via Vittorio Veneto 11. The majority shareholder is Finami S.p.A.

The condensed consolidated interim financial statements as at 30 June 2025 of LU-VE Group have been prepared in accordance with the accounting standards issued by the International Accounting Standard Board and adopted by the European Union applicable at that date, and particularly in compliance with IAS 34 "Interim Financial Reporting". They do not include all the information required by the IFRS in the preparation of the annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2024.

The label "IFRS Accounting Standards" includes also the International Accounting Standards ("IAS®") still applicable, and all interpretations issued by the IFRS Interpretation Committee, previously named International Financial Reporting Interpretation Committee ("IFRIC®"), and before Standing Interpretation Committee (SIC®).

The condensed consolidated interim financial statements have been prepared in Euro, which is the functional currency of the Parent Company LU-VE S.p.A. and the subsidiaries in which the Group primarily carries out its business, with amounts rounded to thousands, and are compared with the consolidated financial statements as at 31 December 2024 and the condensed consolidated interim financial statements for the period ended 30 June 2024, prepared in line with the same criteria. The financial figures included in the Explanatory Notes are shown in thousands of Euro. The financial statements consist of the (i) consolidated statement of financial position, (ii) consolidated income statement, (iii) consolidated statement of comprehensive income, (iv) consolidated statement of changes in equity, (v) consolidated statement of cash flows and these explanatory notes.

The condensed consolidated interim financial statements have been prepared on the basis of the historical cost principle, except for the fair value measurement of some financial instruments, pursuant to IFRS 9 and IFRS 13, of the activities covered by the exercise of the *Purchase Price Allocation* in previous years, pursuant to IFRS 3, as described below. Furthermore, the condensed consolidated interim financial statements have been prepared on a going concern basis, as the Directors have verified the non-existence of indicators of a financial, management or any other nature that might indicate critical issues relating to the ability of the Group to fulfil its commitments in the foreseeable future. The risks and uncertainties related to the business are described in the dedicated sections of the Interim Director's Report.

In particular, with reference to this last assumption, as at 30 June 2025, the Group has a solid and balanced financial structure with a Net financial indebtedness/Shareholders' equity ratio (Debt ratio) equal to 0.37 (0.38 as at 31 December 2024) and a positive short-term net financial position of EUR 208.5 million (positive for EUR 182.2 as at 31 December 2024). Therefore, the repayment of

the medium-/long-term debt due in the next twelve months (totalling EUR 117.9 million) is guaranteed by the total liquidity as determined in the statement of the Net Financial Position in Note 3.20 (totalling EUR 331.4 million). In addition, there are no substantial restrictions on the disposal of invested liquidity, amounting to EUR 77.5 million, consisting of (i) *Time deposits* of EUR 61.5 million (ii) capitalisation policies of EUR 15.7 million, and (iii) other securities of EUR 0.3 million (Note 3.8), which can therefore be used to meet any payment obligations (Note 3.20), if needed.

Significant uncertainty persists with reference to geopolitical tensions, in consideration of the fact that the Group is exposed to this as it has subsidiaries in Russia (8.0% of consolidated revenues for the first half of 2025). This part of the business may be subject to restrictions due to potential sanctions enforceable by other government authorities. The Directors, given the limited impact of the Russian business on the consolidated financial statements, together with the above considerations, believe that the Group is in any event able to operate as a going concern.

Comparing the 2025-2028 Business Plan with the income statement results achieved in the first half of 2025 and with the forecast data for the entire current year, the economic *performance* and the main economic/financial indicators are in line with those estimated in the plan approved on 20 February 2025. Finally, on the basis of these results, it is believed that no critical issues are expected as at 31 December 2025 with regard to compliance with the economic and capital requirements ("*covenants*") on a consolidated basis required by the loans stipulated by the Group (which, moreover, are only verified at the time of closure of the annual consolidated financial statements, as required by the loan agreements).

Based on what is laid out above, the condensed consolidated interim financial statements of the Group as at 30 June 2025 were prepared on a going concern basis, pursuant to paragraphs 25 and 26 of IAS 1.

The condensed consolidated interim financial statements as at 30 June 2025 were approved by the Board of Directors of the Parent Company LU-VE S.p.A. on 9 September 2025.

Financial Statements

LU-VE Group has adopted the following financial statements:

- a consolidated statement of financial position, which shows current and non-current assets and liabilities separately;
- a consolidated income statement in which costs are classified by nature;
- a consolidated statement of comprehensive income, which shows revenue and cost items that are not recognised in the period result as required by IFRS;
- a consolidated statement of changes in shareholders' equity;
- a consolidated statement of cash flows that presents cash flows from operations using the indirect method.

The use of these statements provides the most meaningful view of LU-VE Group's profit and loss, equity and financial situation.

Consolidation area

The condensed consolidated interim financial statements of LU-VE Group include the half-yearly figures of LU-VE S.p.A. and its direct and indirect subsidiaries, resulting from the interim income statements and balance sheets approved by the Directors of the individual subsidiaries, duly adjusted, where necessary, to bring them into line with the IAS/IFRS adopted by the LU-VE Group ("Interim Reporting Package") in the preparation of its consolidated financial statements:

Company name	Registered office	% equity investment	Currency	Share capital
Direct subsidiaries:				
SEST-LUVE-Polska SP.z.o.o.	Gliwice (Poland)	95.00%	PLN	16,000,000
«ООО» SEST LU-VE	Lipetsk (Russia)	95.00%	RUB	136,000,000
Thermo Glass Door S.p.A.	Travacò Siccomario (PV)	100.00%	EUR	100,000
Heat Transfer Systems s.r.o. (HTS)	Novosedly (Czech Republic)	100.00%	CZK	133,300,000
LU-VE Sweden AB	Asarum (Sweden)	100.00%	SEK	50,000
LU-VE France S.a.r.l.	Lyon (France)	100.00%	EUR	84,150
LU-VE Pacific Pty Ltd (*)	Thomastown (Australia)	75.50%	AUD	200,000
LU-VE Deutschland GmbH	Stuttgart (Germany)	100.00%	EUR	230,000
LU-VE Iberica S.L.	Madrid (Spain)	85.00%	EUR	180,063
LU-VE HEAT EXCHANGERS (Tianmen) Co, Ltd	Tianmen (China)	100.00%	CNY	61,025,411
LU-VE Asia Pacific Limited (*)	Wan Chai (Hong Kong)	100.00%	HKD	10,000
LuveDigital S.r.l.	Uboldo (VA)	50.00%	EUR	10,000
MANIFOLD S.r.l.	Uboldo (VA)	99.00%	EUR	10,000
SPIROTECH Heat Exchangers Pvt. Ltd	Ghaziabad, Uttar Pradesh (India)	100.00%	INR	25,729,600
LU-VE AUSTRIA GmbH	Vienna (Austria)	100.00%	EUR	17,500
LU-VE US Inc.	Jacksonville (USA, Texas)	100.00%	USD	10,001,000
Fincoil LU-VE OY	Vantaa (Finland)	100.00%	EUR	1,190,000
LU-VE Netherlands B.V.	Breda (Netherlands)	100.00%	EUR	10,000
«ООО» LU-VE Moscow	Moscow (Russia)	100.00%	RUB	100,000
LU VE MIDDLE EAST DMCC	Dubai (UAE)	100.00%	AED	50,000
LU-VE SOUTH KOREA LLC	Seoul (South Korea)	100.00%	KRW	100,000,000
Refrion S.r.l.	Flumignano di Talmassons (UD)	100.00%	EUR	1,000,000
LU-VE UK Ltd	London (United Kingdom)	100.00%	GBP	10,000
Indirect subsidiaries:				
RMS S.r.l. (100% owned by Refrion S.r.l.)	Flumignano di Talmassons (UD)	100.00%	EUR	40,000
Refrion Deutschland GmbH (100% owned by Refrion S.r.l.)	Frankfurt am Main (Germany)	100.00%	EUR	150,000

(*) Liquidation procedures are in progress.

Pursuant to IFRS 10, companies for which LU-VE S.p.A. simultaneously has the following three elements are considered subsidiaries: (a) power over the investee; (b) exposure, or rights, to variable returns deriving from its involvement with the investee; (c) the ability to use its power to affect its returns. The companies are consolidated from when control begins until the date on which it ends.

During the first half of 2025, there were no changes in the scope of consolidation compared to the previous year.

Profit or loss and all the components of the statement of comprehensive income are attributable to the Group and to non-controlling interests. The net results of subsidiaries is allocated to the Group and to non-controlling interests, even if this leads to a negative balance for non-controlling interests.

In the case of the initial recognition of a financial liability deriving from *put options/forwards* granted to subsidiaries' minority interests, the Group has defined an accounting *policy* to reduce shareholders' equity of non-controlling interests and only as an alternative, for the excess amount, the shareholders' equity attributable to the Group. Subsequent changes in the aforementioned financial liability are recognised in the income statement.

Consolidation criteria

The data used for consolidation is taken from the *Interim Reporting Packages* prepared and approved by the Directors of the individual subsidiaries. These data have been appropriately adjusted and reclassified when necessary to bring them into line with international accounting standards and the uniform classification criteria used within the LU-VE Group.

The following criteria have been adopted for the consolidation:

- a) Assets and liabilities, income and expenses of the Interim Reporting Packages subject to line-by-line consolidation are included in the Group's condensed consolidated interim financial statements, irrespective of the portion of the investment. The carrying amount of equity investments has also been eliminated against the shareholders' equity attributable to the investees;
- b) Payable/receivable and cost/revenue intercompany items and profit/loss arisen from intra-group transactions are eliminated. Likewise, dividends and write-downs on investments recognised in the *Interim Reporting Packages* are eliminated;
- c) If there are non-controlling interests, the portion of shareholders' equity and the net profit (loss) of the period attributable to them are highlighted in separate items of the consolidated statement of financial position and income statement;
- d) Final inventories, for products acquired from Group companies, are adjusted by the intra-group margins they contain, as they have not yet been realised with respect to third parties;
- f) The gains realised from intra-group sales related to property, plant and equipment and intangible assets are eliminated net of depreciation and amortisation calculated on the gains themselves.

Translation into Euro of interim Reporting Packages prepared in foreign currency

The Interim Reporting Packages of each company belonging to the Group are prepared in the currency of the primary economic environment in which it operates (functional currency). For the purposes of the condensed consolidated interim financial statements, the Interim Reporting Package of each foreign entity is expressed in Euro, which is the functional currency of LU-VE S.p.A. and the presentation currency of the condensed interim consolidated financial statements.

The translation of items in the statement of financial position of the Interim *Reporting Packages* expressed in currencies other than the Euro is carried out by applying exchange rates at the end of the reporting period. Income statement items are translated using the average exchange rates for the reporting period.

Translation exchange differences resulting from the comparison between the opening shareholders' equity translated at current exchange rates at the opening date and the same converted using the exchange rates at the end of the reporting period, as well as the difference between the net result expressed at average exchange rates and the same expressed at exchange rates at the end of the reporting period, are recognised in the shareholders' equity item "Translation reserve".

The exchange rates used for the translation into Euro of the Interim Reporting Packages of the foreign subsidiaries, prepared in local currency, are shown in the table below:

Currency	Exchange rate as at 30/06/2025	Average exchange rate 1st half 2025	Exchange rate as at 31/12/2024	Average exchange rate 1st half 2024
AUD	1.7948	1.7229	1.6772	1.6422
PLN	4.2423	4.2313	4.2750	4.3169
CZK	24.7460	25.0016	25.1850	25.0149
RUB (*)	92.2785	94.5010	106.1028	97.9779
SEK	11.1465	11.0961	11.4590	11.3914
HKD	9.2001	8.5168	8.0686	8.4540
CNY	8.3970	7.9238	7.5833	7.8011
INR	100.5605	94.0693	88.9335	89.9862
USD	1.1720	1.0927	1.0389	1.0813
AED	4.3042	4.0131	3.8154	3.9709
GBP	0.8555	0.8423	0.8292	0.8546
KRW	1,588.21	1,556.50	1,532.15	1,460.32

(*) For the Russian companies, the exchange rates of the Russian Central Bank were used.

Measurement criteria

The material accounting policies' information and measurement criteria adopted for the preparation of the condensed interim consolidated financial statements as at 30 June 2025 are unchanged from the previous year and comparative period.

USE OF ESTIMATES

The preparation of the condensed consolidated interim financial statements and the related explanatory notes in application of the IFRS Accounting Standards requires Management to make use of estimates and assumptions that impact, even significantly, the values of the assets and liabilities in the financial statements and the disclosure relating to contingent assets and liabilities as at the reporting date. These estimates and assumptions are based on historical experience and on other external and internal factors deemed relevant by Management. Actual results may differ from those estimates.

The underlying estimates and assumptions are reviewed periodically by Management (at least annually). Any changes in the estimate are recognised prospectively starting from the period in which this estimate is revised.

In the preparation of the condensed consolidated interim financial statements, no *significant judgements* were adopted during the application of the Group accounting standards, with the exception of those relating to estimates that have a significant impact on amounts recognised in the financial statements. The main assumptions relating to the future and the main causes for uncertainty in the estimates as at the year-end which represent a major risk of giving rise to significant adjustments in the accounting values of the assets and liabilities in the following year are reported below.

Recoverability of the value of goodwill, other intangible assets and tangible assets

It should be noted that when preparing the consolidated financial statements for the year ended 31 December 2024, to which reference should be made for the *impairment* test, the Parent Company's Directors had approved the 2025-2028 Business Plan on 20 February 2025.

Comparing the 2025-2028 Business Plan with the economic results achieved by the Group in the first half of 2025 and with the *forecast* data for the entire current year, the economic *performance* and the main economic/financial indicators are in line with those estimated in the plan approved on 20 February 2025.

Therefore, during the first half of the year and on the basis of expected future results, there were no particular indicators of impairment that made it necessary to re-prepare or update the impairment tests as at the date of the condensed consolidated interim financial statements, compared to the *impairment* tests carried out for the purpose of preparing the consolidated financial statements as at 31 December 2024, essentially confirming the related results. However, the future dynamics of various factors, including the evolution of the global macro-economic and financial context, also in light of the continuation of the Russian-Ukrainian conflict and the conflict between Israel and Hamas, requires that the circumstances and events that could lead to a write-down of goodwill recorded by the Group be constantly monitored by the Group's management.

In particular, given the persistent situation of uncertainty in the Russian socio-economic system due to the sanctions resulting from the continuation of the conflict between Russia and Ukraine, and the direct exposure of the Group to the areas affected by the conflict, LU-VE Group Management carried out an *impairment test* in order to determine that the amount of the Net Invested Capital (“NIC”) of the Group’s Russian production company, «ООО» SEST LUVE, is recognised in the financial statements as at 30 June 2025 at a value no higher than its recoverable amount. In particular, the NIC pertaining to the Russian company recognised in the condensed interim consolidated financial statements as at 30 June 2025 totalled EUR 15.0 million (RUB 1,380 million), of which EUR 8.8 million (RUB 813 million) related to related to property, plant and equipment and intangible assets and the remaining amount essentially related to operating working capital.

For more information, see the specific paragraph in the following Note 3.2 – “Tangible assets”.

Bad debt provision for trade receivables

Receivables are adjusted by the relative bad debt provision to take into account their recoverable amount. To determine the amount of write-downs, the Directors have always been required to make subjective assessments based on available documentation and information regarding customer solvency, as well as historical and *forward-looking* collection experience and trends.

It should be noted that only for the receivables of the Russian production subsidiary "ООО" SEST LUVE, a specific customer-by-customer analysis was carried out, given the particular situation of uncertainty of the Russian macroeconomic context due to the sanctions resulting from the ongoing conflict.

Income taxes and deferred tax assets

LU-VE Group is subject to various income tax legislation. To determine the Group’s income tax liabilities, Management is required to make assessments with respect to transactions that have uncertain tax implications at the period-end date. The estimate of the tax liability, in accordance with IAS 34, is made using the option of a spot calculation of the liability as at 30 June 2025. Furthermore, the valuation of deferred tax assets is made on the basis of the income expectations of the individual Group companies in future years.

In this regard, it should be recalled once again that the economic performance and taxable income recorded in the first half of 2025, as well as the forecasts for the entire current year, are in line with those estimated at the time the 2025-2028 Business Plan was prepared: therefore, during the half-year and based on the above considerations, there were no particular signs that made it necessary to verify the recoverability of the deferred tax assets recognised in these condensed consolidated interim financial statements.

However, the future trend of various factors, including the evolution of the global macro-economic and financial context, also in light of the continuation of the Russian-Ukraine conflict, requires that circumstances and events that could lead to the non-recoverability of deferred tax assets recognised by the Group are constantly monitored by Group management.

Impacts of the Russian-Ukrainian conflict

LU-VE Group continues to closely monitor the evolution of the conflict between Russia and Ukraine. The extreme geographical diversification of sales means that Group's exposure, in terms of revenues, in this area is 8.0% and 4.1% of net invested capital (EUR 15.0 million). Net invested capital includes approximately EUR 5.6 million of net working capital, of which EUR 13.8 million of inventories. As at 30 June 2025, the exposure in terms of order backlog was 7.0%.

As at 30 June 2025, the financial position of the Russian-based subsidiaries consisted mainly of:

- Non-current assets (which in addition to tangible assets and intangible assets include deferred tax assets) equal to EUR 9.3 million (EUR 6.6 million as at 31 December 2024);
- Net working capital of EUR 5.6 million;
- Cash and cash equivalents and current financial assets (*Time Deposits*) of EUR 38.6 million (EUR 31.2 million as at 31 December 2024). The increase includes about EUR 4.7 million of the impact of the EUR/RUB exchange rate;
- Mainly *intercompany* financial payables of EUR 1.3 million (EUR 1.4 million as at 31 December 2024).

In the worst case scenario of loss of control of the two Russian companies (OOO SEST LU-VE and OOO LU-VE Moscow) due to events beyond LU-VE Group's control, in addition to the already quantified effects on sales, on net invested capital and on cash and cash equivalents, LU-VE Group would be obliged to record in the income statement the negative translation reserve relating to the two companies with Russian roubles as their functional currency, equal to EUR 5.6 million as at 30 June 2025. The intercompany receivables of other LU-VE Group companies from the two Russian subsidiaries are equal to EUR 1.3 million as at 30 June 2025 (EUR 1.4 million at 31 December 2024). As at 30 June 2025, no LU-VE Group company had guaranteed the payables of the two Russian companies in relation to third parties.

With specific reference to the operations of the Russian companies, it is confirmed that, considering that production in Russia is targeted exclusively at the domestic market and refers to products for civil use linked to the primary needs of customers, LU-VE Group has decided to keep the Lipetsk plant operational.

Intra-group supply activities to the Russian facility remain substantially suspended and replaced with direct supplies from third-party suppliers. The Russian companies of LU-VE Group have also ensured the necessary diversification of logistics services in order to ensure continuity of supply. These companies only work on an active basis and therefore no financial intervention was necessary.

LU-VE Group has also engaged in monitoring activity in relation to the restrictions that have been imposed by the European Union and the United States on Russia and the individuals sanctioned, to ensure their full compliance. The Group has maintained guidelines aimed at regulating relations with its Russian subsidiaries and business activities in Russia.

The Group has also established testing procedures regarding the possibility of exporting its products and components to Russia and maintained procedures in order to verify the name of the *Ultimate*

Beneficial Owners of its customers and suppliers in sensitive areas, and to verify that the same are not among those subject to sanctions.

Finally, the Group also been received from UAMA (Unità per le Autorizzazioni dei Materiali di Armamento - Unit for Authorisation of Armament Materials): (i) the authorisation to continue, in favour of its Russian subsidiaries, the software licencing activity, as well as (ii) the authorisation for the General Manager of the two Russian companies, an Italian citizen, to continue to provide his management services to them.

2.2 NEW ACCOUNTING STANDARDS

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS AT 1 JANUARY 2025

The following IFRS accounting standards, amendments and interpretations have been applied by the Group for the first time as at 1 January 2025:

- On 15 August 2023, the IASB published an amendment called “*Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*”. The document requires an entity to identify a methodology to be applied consistently, aimed at verifying whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosure to be provided in the explanatory notes. The adoption of this amendment had no effects on the Group’s condensed consolidated interim financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, FOR WHICH APPLICATION IS NOT YET REQUIRED AND NOT ADOPTED EARLY BY THE GROUP AS AT 30 JUNE 2025

At the date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and standards described below.

- On 30 May 2024, the IASB published the document “*Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7*”. This document clarifies certain problematic aspects that emerged from the *post-implementation review* of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG goals (i.e. green bonds). Specifically, the amendments aim to:
 - Clarify the classification of financial assets with variable returns linked to environmental, social, and corporate governance (ESG) goals and the criteria to be used for the SPPI test assessment;
 - Determine that the settlement date of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy that allows for the derecognition of a financial liability before delivering cash on the settlement date, provided certain specific conditions are met.

With these amendments, the IASB has also introduced additional disclosure requirements, particularly regarding investments in equity instruments designated at FVOCI.

The amendments will apply to financial statements for years beginning on or after 1 January 2026. The directors do not expect the adoption of this amendment to have a significant effect on the Group’s consolidated financial statements.

- On 18 December 2024, the IASB published an amendment entitled “*Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7*”. This document aims to support entities in reporting the financial effects of renewable electric energy purchase agreements (often structured as Power Purchase Agreements). On the basis of these contracts, the amount of electric energy generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
 - a clarification regarding the application of the “*own use*” requirements to this type of agreements;
 - the criteria for allowing such agreements to be recognised as hedging instruments; and
 - new disclosure requirements to enable users of financial statements to understand the effect of these agreements on an entity's financial performance and cash flows.

The amendment shall apply as of 1 January 2026, but early application is permitted. The directors do not expect the adoption of this amendment to have a significant effect on the Group's consolidated financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION AS AT 30 JUNE 2025

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

The amendments shall apply as of 1 January 2026, but early application is permitted. The directors are currently assessing the possible effects of the introduction of this new amendments on the Group's consolidated financial statements.

- On 9 April 2024, the IASB published a new standard, IFRS 18 *“Presentation and Disclosure in Financial Statements”*, which will replace IAS 1, *“Presentation of Financial Statements”*. The new standard aims to improve the presentation of financial statements, with particular reference to the format of the income statement. In particular, the new standard requires:
 - the classification of revenues and costs into three new categories (operating section, investing section, and financing section), in addition to the existing categories of taxes and discontinued operations in the income statement;
 - the presentation of two new sub-totals, the operating profit and the profit before interest and taxes (i.e. EBIT).

The new standard also:

- requires more information on management-defined *performance* indicators;
- introduces new criteria for the aggregation and disaggregation of information;
- introduces a number of changes to the format of the statement of cash flows, including the requirement to use the EBIT as the starting point for the statement of cash flows prepared using the indirect method and the elimination of certain classification options currently available (such as interest paid, interest collected, dividends paid, and dividends collected).

The new standard will come into effect as of 1 January 2027, although early adoption is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the Group’s consolidated financial statements.

3 COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

3.1 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets (in thousands of Euro)	Goodwill	Development costs and Other intangible assets	Total
Historical			
As at 31 December 2023	76,876	96,224	173,100
Increases	-	1,617	1,617
Decreases	-	(287)	(287)
Reclassifications	-	-	-
Exchange differences	565	(41)	524
As at 31 December 2024	77,441	97,513	174,954
Increases	-	722	722
Decreases	-	(257)	(257)
Reclassifications	-	-	-
Exchange differences	(1,430)	92	(1,338)
As at 30 June 2025	76,011	98,070	174,081
Accumulated amortisation			
As at 31 December 2023	12,915	67,322	80,237
Increases	-	6,681	6,681
Decreases	-	(9)	(9)
Reclassifications	-	-	-
Exchange differences	-	(35)	(35)
As at 31 December 2024	12,915	73,959	86,874
Increases	-	2,937	2,937
Decreases	-	(257)	(257)
Reclassifications	-	-	-
Exchange differences	-	72	72
As at 30 June 2025	12,915	76,711	89,626
Net carrying amount			
As at 31 December 2024	64,526	23,554	88,080
As at 30 June 2025	63,096	21,359	84,455

Goodwill

The decrease in the item “Goodwill” of EUR 1,430 thousand is attributable to the translation at exchange rates as at 30 June 2025 of goodwill generated in previous years from the acquisitions of the Indian company SPIROTECH Heat Exchangers Pvt. Ltd and the US company LU-VE US Inc.

Pursuant to IAS 36, goodwill is not subject to amortisation, but rather is subject to impairment test on at least yearly basis, or more frequently, if specific circumstances take place that could require an immediate valuation of possible impairment losses (*impairment test*).

It is disclosed that the Group has tested the carrying amount of Net Invested Capital (NIC) as at 31 December 2024 for recoverability, thus including the value of goodwill and other intangible assets with a finite useful life. For the purpose of *impairment testing*, the value of goodwill was allocated to the two cash-generating units (CGUs) identified (“*Components*” and “*Cooling Systems*”) in line with the operating segments identified in accordance with IFRS 8. Management has not identified other lower level of cash generating units with largely independent cash flows to be considered in the allocation of the goodwill.

In determining the recoverable amount of these CGUs, identified as the value in use equal to the sum of the discounted cash flows expected to be generated in the future and continuously by the NIC (*Discounted Cash Flow Unlevered method*), Management referred to the Group's 2025-2028 Business Plan approved by the Parent Company's Board of Directors on 20 February 2025.

For further information, please refer to that matters extensively reported in the Explanatory Notes to the Consolidated Financial Statements as at 31 December 2024.

It should also be noted that, based on the final data recorded in the first half of 2025 and the estimates on the forecast for the entire current financial year, there were no particular impairment indicators that made it necessary to re-prepare or update the impairment tests as at the date of the condensed interim consolidated financial statements as at 30 June 2025, essentially confirming the results of the impairment tests of 31 December 2024. Regarding the possible impact of the introduction of customs duties entering the United States, please refer to the section “Socio-political risks related to the group's global operations, including in emerging countries” in the Interim Directors’ Report.

However, the future dynamics of various factors, including the evolution of the global macro-economic and financial context, also in light of the continuation of the Russian-Ukrainian conflict and the conflict between Israel and Hamas, requires that the circumstances and events that could lead to a write-down of goodwill recorded by the Group be constantly monitored by the Group's management.

Other intangible assets

The following table illustrates in more detail information relating to other intangible assets:

Detail of other intangible assets (in thousands of Euro)	Customer list	Trademarks	Software	Development costs and Other intangible assets	Total
Historical					
As at 31 December 2023	20,579	26,904	27,874	20,867	96,224
Increases	-	-	1,171	446	1,617
Decreases	-	-	(9)	(278)	(287)
Reclassifications	-	-	369	(369)	-
Exchange differences	-	(7)	(17)	(17)	(41)
As at 31 December 2024	20,579	26,897	29,388	20,649	97,513
Increases	-	-	478	244	722
Decreases	-	-	-	(257)	(257)
Reclassifications	-	-	15	(15)	-
Exchange differences	-	5	62	25	92
As at 30 June 2025	20,579	26,902	29,943	20,646	98,070
Accumulated amortization					
As at 31 December 2023	7,905	17,592	25,334	13	67,322
Increases	1,678	1,591	2,090	3	6,681
Decreases	-	-	(9)	-	(9)
Reclassifications	-	-	-	-	-
Exchange differences	-	(4)	(19)	-	(35)
As at 31 December 2024	9,583	19,179	27,396	17,801	73,959
Increases	907	791	779	460	2,937
Decreases	-	-	-	(257)	(257)
Reclassifications	-	-	-	-	-
Exchange differences	-	4	52	16	72
As at 30 June 2025	10,490	19,974	28,227	18,020	76,711
Net carrying amount					
As at 31 December 2024	10,996	7,718	1,992	2,848	23,554
As at 30 June 2025	10,089	6,928	1,716	2,626	21,359

Customer list

The change in the six-month period relating to the Customer list refers to the amortisation for the period.

Trademarks

The change in this item refers mainly to amortisation for the period.

Software

The increases recognised under the line item "Software" in the first half of 2025 amounted to EUR 478 thousand. The main projects developed in the period related to the implementation and enhancement of new evolutions in SAP, product management *software* and other management *software* for improved Group-wide operations. These increases were entirely offset by amortisation for the period of EUR 779 thousand.

Other intangible assets

Other intangible assets increased by EUR 244 thousand compared to the previous year and refer to development costs for EUR 174 thousand and licences and software for EUR 70 thousand, both of which are currently not yet available for use.

Cash outflows in the period referring to investments in intangible assets amounted to EUR 722 thousand.

Intangible assets were included in the comments on the *impairment* test described above as they were allocated to the two CGUs identified by Management.

3.2 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property, plant and equipment and right-of-use assets (in thousands of Euro)	Land and Buildings	Plant and equipment	Right-of-use assets	Other tangible assets	Tangible assets under construction	Total
Historical						
As at 31 December 2023	146,140	185,386	30,945	47,990	14,147	424,608
Increases	2,272	5,541	16,187	2,842	7,172	34,014
Decreases	(831)	(1,102)	(10,660)	(551)	(679)	(13,823)
Reclassifications	1,569	7,128	-	1,694	(10,391)	-
Exchange differences	853	888	102	174	50	2,067
As at 31 December 2024	150,003	197,841	36,574	52,149	10,299	446,866
Increases	364	1,087	1,755	756	12,386	16,348
Decreases	(431)	(3,026)	(7,401)	(342)	(181)	(11,381)
Reclassifications	661	3,016	-	410	(4,087)	-
Exchange differences	(664)	(1,432)	(338)	(198)	(51)	(2,683)
As at 30 June 2025	149,933	197,486	30,590	52,775	18,366	449,150
Accumulated depreciation						
As at 31 December 2023	35,705	131,353	17,469	34,669	-	219,196
Increases	3,690	11,537	5,543	4,368	-	25,138
Decreases	(831)	(1,009)	(9,196)	(479)	-	(11,515)
Reclassifications	-	-	-	-	-	-
Exchange difference	(45)	293	52	127	-	427
As at 31 December 2024	38,519	142,174	13,868	38,685	-	233,246
Increases	1,835	5,619	2,703	2,249	-	12,406
Decreases	(431)	(2,932)	(7,175)	(327)	-	(10,865)
Reclassifications	-	(140)	-	140	-	-
Exchange difference	128	(610)	(101)	(193)	-	(776)
As at 30 June 2025	40,051	144,111	9,295	40,554	-	234,011
Net carrying amount						
As at 31 December 2024	111,484	55,667	22,706	13,464	10,299	213,620
As at 30 June 2025	109,882	53,375	21,295	12,221	18,366	215,139

As at 30 June 2025, increases in property, plant and equipment totalled EUR 16,348 thousand, mainly attributable as follows:

- EUR 364 thousand refers to the increase in investments in land and buildings mainly linked to the new land acquired by Refrion S.r.l. and the facilities owned by the Parent Company LU-VE S.p.A. in Limana and Borgo Valbelluna.
- EUR 1,087 thousand refers to the expansion of existing production capacity through the purchase of new plant and equipment within the Group;
- EUR 1,755 thousand relates to the recognition of the effects of IFRS 16, of which EUR 900 thousand related to the increase in leased property in certain group companies, EUR 460 thousand related to the increase in leases for the use of leased motor vehicles, and EUR 395 thousand related to the increase in leases for the use of forklifts and other machinery;
- EUR 13,142 thousand relates to the technological investment programme in Italy and abroad, mainly for the expansion and rationalisation of the production sites of the Group companies and in particular LU-VE US Inc.

In the first half of 2025, capital expenditure in property, plant and equipment generated a cash outflow of EUR 15,958 thousand (equal to total increases of EUR 16,348 thousand, net of increases related to IFRS 16 for EUR 1,755 thousand and the net effect with respect to 31 December 2024 of unpaid capital expenditure of EUR 1,365 thousand, classified within the item “Other current liabilities”, Note 3.18).

These property, plant and equipment were included in the comments on the *impairment* test described above as they were allocated to the two CGUs identified by Management.

In this regard it is indicated that, given the persistent situation of uncertainty in the Russian socio-economic system due to the sanctions resulting from the continuation of the conflict between Russia and Ukraine, and the direct exposure of the Group to the areas affected by the conflict, LU-VE Group Management carried out an *impairment test* in order to determine that the amount of the Net Invested Capital (“NIC”) of the Group’s Russian production company, «ООО» SEST LUVÉ, is recognised in the financial statements as at 30 June 2025 at a value not higher than its recoverable amount. In particular, the NIC pertaining to the Russian company recognised in the condensed interim consolidated financial statements as at 30 June 2025 totalled EUR 15.0 million (RUB 1,380 million), of which EUR 8.8 million (RUB 813 million) related to tangible assets and intangible assets and the remaining amount essentially related to operating working capital.

In particular, in determining the recoverable amount, identified as the value in use made of the discounted cash flows (*Discounted Cash Flow Unlevered method*), Management referred to the Business Plan of «ООО» SEST LUVÉ, (approved by the Board of Directors of the Parent Company of LU-VE S.p.A. on 20 February 2025), developed over a finite time horizon (2025-2028), consistent with the explicit period of the Group’s Business Plan, as it did not include the *terminal value* in the recoverable amount. The plan reflects the assumption that «ООО» SEST LUVÉ carries out its business exclusively for Russian customers, without the direct involvement of LUVÉ Group companies in the procurement chain.

For the purposes of determining the recoverable amount of the Net Invested Capital, given the situation of extreme uncertainty, the discounting of the cash flows was carried out using a discount rate ($WACC = K_e$, as a *full equity* financial structure was envisaged) that takes into account the specific risks of the activity and the reference geo-political context, determined with the *unconditional adjustment* method starting from the free risk rate of the United States and adding the *Equity Risk Premium* of Russia (Source: Damodaran).

Based on the impairment test carried out, approved by the Parent Company’s Board of Directors on 9 September 2025, no impairment losses emerged.

3.3 INVESTMENTS

The details of this item are shown below:

Investments <i>(in thousands of Euro)</i>	30/06/2025	31/12/2024	Change
Other investments	346	141	205
Total	346	141	205

The other investments refer primarily to (non-controlling) interests held by the subsidiary Refrion S.r.l., including the companies STDCoil D.o.o. (previously Refrion D.o.o.) with registered office in Serbia and Refrion Schweiz with registered office in Switzerland.

3.4 OTHER NON-CURRENT ASSETS

The details of this item are shown below:

Other non-current assets <i>(in thousands of Euro)</i>	30/06/2025	31/12/2024	Change
Other non-current assets	280	283	(3)
Total	280	283	(3)

The item “Other non-current assets” refers for EUR 280 thousand (EUR 283 thousand as at 31 December 2024) to security deposits paid to service providers.

3.5 INVENTORIES

The details of this item are shown below:

Inventories <i>(in thousands of Euro)</i>	30/06/2025	31/12/2024	Change
Raw, ancillary and consumable materials	85,603	78,645	6,958
Work in progress and semi-finished products	12,075	10,309	1,766
Finished products and goods for resale	25,552	22,637	2,915
Provision for inventory losses	(10,582)	(10,530)	(52)
Total	112,648	101,061	11,587

The increase in inventories amounting to EUR 11,587 thousand was due to:

- EUR 12,450 thousand (net cash absorption) related to the need to meet the Group's order backlog;
- EUR 863 thousand for negative exchange rate delta effect during the period.

The inventories of subsidiaries, for the products acquired from LU-VE Group companies, are adjusted by intra-group margins and the related tax effect has been calculated.

The increase in the provision for inventory losses for EUR 52 thousand is broken down as follows:

- net increase of EUR 160 thousand due to higher provisions recognised in the income statement under the item “Changes in inventories”;
- decrease due to the exchange difference effect for EUR 108 thousand.

3.6 TRADE RECEIVABLES

The details of this item are shown below:

Trade Receivables (in thousands of Euro)	30/06/2025	31/12/2024	Change
Trade receivables	131,625	113,424	18,201
Bad debt provision - trade receivables	(9,994)	(10,463)	469
Total	121,631	102,961	18,670

The increase in trade receivables of EUR 18,670 thousand was mainly due to the decrease in receivables transferred to factoring companies (down EUR 4,607 thousand compared to 31 December 2024, as indicated below), for EUR 8,500 thousand related to the increase in revenues in the second quarter of 2025 compared to the fourth quarter of 2024, and with regard to the remainder portion to a change in average collection days, in relation to which more details can be found in paragraph “1.5 Alternative Performance Measures” in the Interim Directors’ Report.

The above-mentioned changes in trade receivables generated a cash outflow of EUR 18,670 thousand.

The decrease in the bad debt provision for EUR 469 thousand is due to:

- a net decrease of EUR 394 thousand due to greater releases, recognised in the income statement under the item “Net reversal/(write-down) of financial assets”;
- utilisations for EUR 9 thousand to cover non-recoverable receivables which are therefore fully written down;
- a decrease of EUR 66 thousand for exchange deltas.

Please refer to the Interim Directors’ Report for the price and volume effects referring to the turnover.

In addition, the total receivables transferred to factoring companies amounted to EUR 16,474 thousand (EUR 21,081 thousand as at 31 December 2024) of which EUR 15,000 thousand refer to receivables transferred in June 2025 (EUR 18,002 thousand as at 31 December 2024). All these transfers were without recourse. The percentage of receivables transferred compared to revenues in the last 12 months was 2.6% (3.07% as at 31 December 2024).

All trade receivables are due within the following 12 months and derive from ordinary sales transactions.

Trade receivables included contract assets (invoices to be issued for services already rendered by LU-VE Group) for an amount of EUR 91 thousand and a reduction in trade receivables for variable remuneration (mainly referring to credit notes to be issued for bonuses granted to customers) amounting to EUR 1,339 thousand.

The breakdown of trade receivables by geographic area is shown below:

Breakdown of trade receivables by geographic area (in thousands of Euro)	30/06/2025	31/12/2024	Change
Italy	35,537	28,886	6,651
EU countries	68,870	60,007	8,863
Non-EU countries	27,218	24,531	2,687
Bad debt provision	(9,994)	(10,463)	469
Total	121,631	102,961	18,670

The ageing of trade receivables is shown below:

Breakdown of trade receivables by maturity (in thousands of Euro)	30/06/2025	31/12/2024	Change
Current receivables (not past due)	114,993	96,604	18,389
Past due up to 30 days	7,296	8,168	(872)
Past due from 30 to 60 days	2,814	1,900	914
Past due from 60 to 90 days	912	546	366
Past due from more than 90 days	5,610	6,206	(596)
Total	131,625	113,424	18,201

LU-VE Group measures the bad debt provision on trade receivables at an amount equal to the losses expected throughout the lifetime of such receivables. The expected losses on trade receivables are estimated using a provision matrix by clusters of overdue accounts, making reference to its own historical experience in relation to losses on receivables, and an analysis of creditors' financial position, adjusted to include factors specific to the creditor, general economic conditions of the industry in which the creditor operates and an assessment of the current and anticipated evolution of these conditions at the end of the reporting period.

As at 30 June 2025, it shall also be noted that the estimated expected losses prudentially include the potential forward-looking impacts on the possible worsening of customers' credit ratings and those of countries in which they operate, and on their ability to meet their obligations. A specific analysis of the solvency of each individual customer was carried out only for the customers of the Russian production subsidiary "OOO" SEST LUVE, because of the situation of uncertainty due to the economic sanctions resulting from the conflict in progress.

For the average collection terms, please refer to the paragraph "1.5 - Alternative performance measures" in the Interim Directors' Report.

In accordance with IFRS 9, the following table details the risk profile of trade receivables based on the provision matrix defined by the Group as at 30 June 2025. As the Group's historical experience does not indicate significantly different loss profiles on receivables by customer segment, the bad debt provision based on the level of overdue accounts has not been further split on the basis of groupings of customer base.

30/06/2025 <i>(in thousands of Euro)</i>	Not past due	<30	31 – 60	61 – 90	>90	Total
Expected default rate	3.18%	3.71%	8.2%	24.6%	100.0%	7.6%
Estimate of gross carrying amount at the time of default	114,993	7,296	2,814	912	5,610	131,625
Expected losses throughout the life of the receivable	3,659	271	230	224	5,610	9,994

No trade receivables with a residual maturity of more than 5 years were recognised in the Financial Statements.

3.7 CURRENT TAX ASSETS

The details of this item are shown below:

Current tax assets <i>(in thousands of Euro)</i>	30/06/2025	31/12/2024	Change
VAT receivables	3,607	5,343	(1,736)
Receivables from tax authorities	4,539	4,849	(310)
Other	193	199	(6)
Total	8,339	10,391	(2,052)

Tax receivables decreased by EUR 2,052 thousand. This decrease is mainly due to the use of VAT receivables to offset tax payables and the increased use of declarations of intent in relation to suppliers.

Receivables from tax authorities amounting to EUR 4,539 thousand refer to:

- EUR 1,491 thousand for receivables that cannot be directly or immediately offset against direct taxes (EUR 2,990 thousand as at 31 December 2024);
- EUR 2,058 thousand for substitute taxes on time deposit interest (EUR 1,495 thousand as at 31 December 2024);
- advance taxes paid in 2025 for EUR 990 thousand (EUR 325 thousand as at 31 December 2024).

3.8 CURRENT FINANCIAL ASSETS

Current financial assets included in this item belong to the "FVTPL" category required by IFRS 9, with the exception of time deposits, which belong to the "Held to collect" category envisaged by IFRS 9 which are measured at amortised cost. These are financial instruments, whose contractual financial flows are not made solely by payment of capital and interest on the amount of capital to be repaid, and are held by the Group in the context of a pro tempore strategy whose objective, at equal risk, is the optimisation of the net cost of debt. This item was broken down as follows:

Current financial assets (in thousands of Euro)	30/06/2025	31/12/2024	Change
Time deposits	61,501	32,596	28,905
Capitalisation policies	15,680	10,351	5,329
Fair value of derivatives	26	1,722	(1,696)
Other securities	278	272	6
Total	77,485	44,941	32,544

As at 30 June 2025, the time deposit contracts entered into by Group companies amounted to EUR 196,187 thousand (EUR 167,305 thousand as at 31 December 2024), of which EUR 61,501 thousand in the line item “Current financial assets” as they have a maturity of more than three months (EUR 32,596 thousand as at 31 December 2024, divested in the first half of 2025) and EUR 134,686 thousand classified under the line item “Cash and cash equivalents” (EUR 134,709 thousand as at 31 December 2024, also fully divested during the first half of 2025), as they have a maturity of less than three months. For further details, see Note 3.10 – “Cash and cash equivalents” and Note 3.20 – “Net financial position”.

The Group companies with liquidity invested in time deposits with a maturity of more than three months (and in any case having a maturity of less than one year) at the end of the year are: the Parent Company LU-VE S.p.A. for EUR 20,000 thousand, the Russian subsidiary "OOO" SEST LU-VE for EUR 23,722 thousand, and the Indian subsidiary SPIROTECH Heat Exchangers Pvt. Ltd for a total of EUR 17,779 thousand. All Time deposit contracts provide for the remuneration of the invested capital and of interest accrued on expiry of the contractual terms.

As at 30 June 2025, time deposit investments generated financial income of EUR 5,466 thousand recognised in the Income Statement under "Financial income" (Note 4.8 Financial income). Divestments and investments in capitalisation policies and in time deposits with a term of more than three months but less than one year resulted in a net cash outflow of EUR 33,905 thousand.

As at 30 June 2025, the item “Capitalisation policies” included the following financial instruments:

- Class I policies issued by ARCA Vita S.p.A., taken out during 2023, for EUR 5,000 thousand, net of non-material underwriting commission, and measured as at 30 June 2025 at fair value for EUR 5,340 thousand. These policies allow, after the assignment of a single premium, the possible annual revaluation, i.e. on 31 December of each year, of the capital according to the yield obtained from the management of such instruments. ARCA Vita policies are restricted for the first 12 months from their subscription, after which the invested liquidity can be divested without any restriction. The fair value measurement as at 30 June 2025 resulted in the recognition of a positive change of EUR 74 thousand in the income statement (see Note 4.7 – Financial Income);
- Class I and Class III policies issued by the company SOGELIFE SA, taken out during 2023, new underwritings for EUR 5,000 thousand, net of non-material underwriting commission (the latter recognised in the income statement under the item “Financial expense”) and measured as at 30 June 2025 at fair value for EUR 5,237 thousand. These policies make provision for a minimum guaranteed yield and allow, after the assignment of a single premium, the possible annual revaluation of the capital according to the yield obtained from management. SOGELIFE SA policies do not envisaged restrictions linked to any early redemption. The fair value measurement as at 30 June 2025 resulted in the recognition of a positive

change in fair value of EUR 153 thousand in the income statement (see Note 4.7 – Financial Income);

- Class I policies issued by BNP Paribas Cardif Vita Compagnia di Assicurazione e Riassicurazione S.p.A. underwritten in February 2025 for a nominal amount of EUR 5,000 thousand, were measured as at 30 June 2025 at fair value for EUR 5,103 thousand. These policies permit, after the assignment of a single premium, the possible annual revaluation, i.e. on 31 December of each year, of the capital according to the yield obtained from the management of such instruments. These policies are restricted for the first 12 months from its underwriting, after which the invested liquidity can be divested without any restriction. The fair value measurement as at 30 June 2025 resulted in the recognition of a positive change in fair value of EUR 103 thousand in the income statement (see Note 4.7 – Financial Income);

The item “fair value of derivatives” represents the fair value as at 30 June 2025 of derivative contracts entered into by the Group companies.

The following table summarises the derivative financial instruments outstanding as at 30 June 2025, broken down by type:

Derivative financial instruments as at 30/06/2025		30/06/2025		31/12/2024		30/06/2025	31/12/2024
TYPE	ORIGINAL NOTIONAL	NOT. Short	NOT. M/L	NOT. Short	NOT. M/L	FAIR VALUE	FAIR VALUE
IRS on loans	538,000	127,110	218,539	110,353	246,110	(434)	1,200
Currency options	17,100	17,526	-	43,105	-	26	410
Commodities Swap	1,656	1,656	-	2,718	-	(16)	112
Total	556,756	146,292	218,539	156,176	246,110	(424)	1,722
Total Notional		364,831		402,286			

As at 30 June 2025, derivative financial instruments on IRSs entered into by LU-VE Group companies showed a negative fair value of EUR 434 thousand (positive EUR 1,200 thousand as at 31 December 2024), while derivative financial instruments on currencies, held by LU-VE Group, had a positive fair value of EUR 26 thousand (positive EUR 410 thousand as at 31 December 2024). It should be noted that as at 30 June 2025 the Group had commodity derivatives with a negative fair value of EUR 16 thousand (positive EUR 112 thousand as at 31 December 2024). Please refer to Appendix A for details as at 30 June 2025 of the existing derivative financial instruments broken down by type.

The negative change in the fair value of derivatives instruments for EUR 2,146 thousand compared to the previous year is mainly determined as follows:

- negative change in fair value of EUR 1,634 thousand for derivative financial instruments on interest rates (Note 4.9 – Financial expense);
- net negative change in the fair value of derivative financial instruments on foreign currency transactions for EUR 384 thousand (Note 4.10 – Exchange gains and losses);
- net negative change in the fair value of derivative financial instruments on purchases of the main copper and aluminium commodities for EUR 127 thousand.

Other securities refer to investments in insurance certificates, with Unicredit, for a total nominal value of EUR 300 thousand. The fair value measurement as at 30 June 2025 resulted in the recognition of a positive change of EUR 6 thousand (see Note 4.8 – Financial Income).

3.9 OTHER CURRENT ASSETS

The details of this item are shown below:

Other current assets (in thousands of Euro)	30/06/2025	31/12/2024	Change
From employees	178	172	6
Advances and other receivables	5,737	3,068	2,669
Total	5,915	3,240	2,675

The increase of EUR 2,675 thousand was mainly due to advances and sundry receivables in the various Group companies.

3.10 CASH AND CASH EQUIVALENTS

The details of this item are shown below:

Cash and cash equivalents (in thousands of Euro)	30/06/2025	31/12/2024	Change
Cash and bank accounts	119,195	136,482	(17,287)
Cash equivalents	134,685	134,709	(24)
Total	253,880	271,191	(17,311)

For information regarding cash flows dynamics, please refer to paragraph 1.5 – “Consolidated Statement of Cash Flows”.

Cash are mainly concentrated in Italy for an amount of EUR 92,479 thousand. LU-VE Group has no restrictions and/or constraints on the use of these amounts. With reference to cash subject to restrictions in the Russian Federation (EUR 14.9 million in total, of which EUR 12.9 million in Russian roubles), the possibility is envisaged of an instalment-based distribution of dividends for a maximum monthly amount of 10 million roubles (EUR 108 thousand at the exchange rate as at 30 June 2025).

The following table shows the breakdown of cash by geographic area: cash in non-EU countries refer to current account balances in US dollars (EUR 1.7 million), Russian roubles (EUR 6.8 million), Euro (EUR 2.5 million), Chinese yuan (EUR 2.9 million), and Indian rupees (EUR 1.1 million).

Cash and cash equivalents by geographical areas (in thousands of Euro)	30/06/2025	31/12/2024	Change
Italy	92,479	105,955	(13,476)
EU countries	11,747	11,905	(158)
Non-EU countries	14,969	18,622	(3,653)
Total	119,195	136,482	(17,287)

Cash equivalents refer to liquidity invested by Group companies in time deposits with a maturity of less than three months and refer primarily to the Parent Company LU-VE S.p.A. for EUR 125,000 thousand and to other Group companies, for EUR 9,685 thousand (of which EUR 6,127 thousand pertaining to the Russian subsidiary «ООО» SEST LU-VE Russia and EUR 3,558 thousand to the Chinese subsidiary LU-VE HEAT EXCHANGERS (Tianmen) Co. Ltd.). For further details, please refer to Note 3.8 – “Current financial assets”).

3.11 SHAREHOLDERS' EQUITY

The share capital of LU-VE S.p.A. amounted to EUR 62,704 thousand (unchanged from 31 December 2024).

During the first half of 2025, dividends in the amount of EUR 9,327 thousand were distributed to the shareholders of the Parent Company by means of the utilisation of reserves and retained earnings arising from the result for the year ended 31 December 2024 pertaining to LU-VE S.p.A.

As at 30 June 2025, LU-VE S.p.A. held 28,027 treasury shares (0.13% of the share capital), purchased during the previous fiscal years and recognised in the condensed consolidated interim financial statements as an adjustment to shareholders' equity for a total value of EUR 288 thousand (for further details see the Interim Directors' Report). No treasury shares were sold or purchased during the period.

Equity attributable to non-controlling interests amounted to EUR 6,618 thousand (EUR 6,003 thousand as at 31 December 2024). Profit attributable to non-controlling interests for the half-year was EUR 748 thousand (EUR 658 thousand in the same period of 2024). The increase in equity attributable to non-controlling interests is offset by the distribution of dividends for EUR 400 thousand by SEST LU-VE POLSKA Sp.z.o.o. (not yet paid as at 30 June 2025) and by the distribution of EUR 65 thousand by the Group company «ООО» SEST LU- VE Russia (of which EUR 44 thousand yet paid as at 30 June 2025).

It should be noted that, as at 30 June 2025, the translation reserve was negative and reduced shareholders' equity by EUR 18.1 million (EUR 17.8 million as at 31 December 2024) and that this reserve mainly related to the following currencies: EUR 5.6 million for Russian roubles (EUR 11.8 million as at 31 December 2024), EUR 10.6 million for Indian rupees (EUR 4.7 million as at 31 December 2024), EUR 1.9 million for other currencies (EUR 1.3 million as at 31 December 2024).

For the Russian companies, as reported in the paragraph "Translation into Euro of the interim Reporting Packages drafted in foreign currency", the exchange rates indicated by the Russian Central Bank were used.

3.12 LOANS

This item was broken down as follows:

Loans (in thousands of Euro)	30/06/2025		31/12/2024	
	Current	Non-current	Current	Non-current
Loans	116,948	289,741	119,252	263,258
Bank advances on invoices	-	-	10,000	-
Total	116,948	289,741	129,252	263,258

As at 30 June 2025, bank loans amounted to EUR 406,689 thousand (EUR 382,510 thousand as at 31 December 2024).

The breakdown of this item, recognised under the amortised cost, the evolution with respect to the previous year and the characteristics of the bank loans held by the Group are provided in the table of paragraph 9 Appendix "B". It should be reminded that for floating rate loans, the Group calculated the amortised cost as at 30 June 2025 on the basis of the market forward yield curve at the reporting date.

In relation to certain loan agreements, the LU-VE Group is committed to meeting specific financial and economic parameters (so-called covenants), which however, are tested only annually during the preparation of the Consolidated Financial Statements as at 31 December of each year. In accordance with ESMA Guidelines 2021/32-382-1138, the related Appendix shows the loans outstanding as at 30 June 2025, for which compliance with the equity and economic covenants is required on a consolidated basis, as well as the characteristics of the covenants themselves (in thousands of Euro).

It should also be noted that the Directors of LU-VE S.p.A. made an assessment in relation to compliance with the covenants on a consolidated basis as at 31 December 2025 based on the Group's 2025 forecast. The results of this assessment are such that compliance with these parameters at the end of the current year is not in question.

The changes in loans during the period are shown below:

Loans: changes for the period (in thousands of Euro)	Opening balance	New loans	Repayments	Change in amortised cost (*)	Exchange Rate	Closing balance
Loans	382,510	85,000	(60,371)	(450)	-	406,689
Bank advances on invoices	10,000	5,472	(15,472)	-	-	-
Total	392,510	90,472	(75,843)	(450)	-	406,689

(*) Impact generated by the calculation of future cash outflows for interest on the basis of market forward curves for floating rate loans, of which EUR 1,227 thousand related to the impact on the income statement (determined by the effect arising from the update of the rate curves for EUR 167 thousand and the effect of interest accrued in the year but not yet paid of EUR 1,394 thousand, Note 4.9) fully absorbed by EUR 1,677 thousand mainly relating to the repayment of interest which accrued in the year 2024 and was paid in 2025.

The following changes occurred in the first half of 2025 in respect of the item “Loans” (all of which taken out by LU-VE S.p.A.):

- proceeds of EUR 25,000 thousand of the unsecured loan taken out in February 2025 with Intesa Sanpaolo S.p.A. The loan, fully proceeded as at the date of execution, with a maturity of 72 months (of which 12 months of grace period), with capital repayments on a quarterly basis, is aimed at supporting the expansion of the Group's operating volumes, requires compliance with financial covenants and does not foresee better conditions upon the achievement of precise sustainability targets;
- underwriting of an unsecured loan for EUR 35,000 thousand in March 2025 with Banco BPM fully proceeded as at the date of execution, with a maturity of 60 months (of which 6 months of grace period), with capital repayments on a quarterly basis. This loan, aimed exclusively at covering the company's financial needs, requires compliance with financial covenants and does not foresee better conditions upon the achievement of precise sustainability targets;
- underwriting of an unsecured loan for EUR 25,000 thousand in March 2025 with Intesa Sanpaolo S.p.A., fully proceeded as at the date of execution, with a maturity of 72 months (of which 12 months of grace period), with capital repayments on a quarterly basis. This loan requires improved conditions for the Group, upon the achievement of an increase in the incidence of turnover from products using natural and/or high energy-efficient refrigerants (SLOAN GREEN), and compliance with financial covenants.

The new loans were stipulated by taking into account the average cost of the LU-VE Group's debt, in line with market interest rates.

- repayments in the first half of the year of EUR 60,371 thousand entirely attributable to repayments during the period of current instalments of existing loans. No early repayments took place during the first half of 2025.

All bank loans were denominated in Euro, and were mainly floating rate and pegged to the Euribor.

The current portion of financial payables to credit institutions measured under the amortised cost for EUR 116,948 thousand, entails repayments in the following twelve months for a nominal EUR 117,871 thousand (Note “3.20 – Net financial position”).

The item “non-current” financial debt measured at amortised cost for EUR 289,741 thousand includes repayments for a nominal EUR 289,621 thousand.

Note 4.14 below provides the information relating to financial risks.

The total cash flows used in reimbursements amounted to EUR 60,371 thousand (EUR 56,368 thousand in the first half of 2024); the underwritings brought a cash generation of EUR 85,000 thousand.

It should be noted that the following guarantees are in place on the existing loans taken out with Deutsche Bank in 2020 (in relation to which reference is made to Appendix B for details):

- with reference to the loan of EUR 5,500 thousand maturing on 11 November 2026, a 90% guarantee is in place, granted by Fondo Centrale di Garanzia PMI (Italian central guarantee

fund for SMEs) pursuant to Italian Law No. 40 of 5 June 2020, in order to support small and medium companies whose business has been affected by the COVID-19 emergency;

- with reference to the loan of EUR 10,000 thousand maturing on 11 November 2025, a payment guarantee issued by SACE S.p.A. applied, for the benefit of the bank, to cover 50% of the due amount of principal and interest to be paid by LU-VE S.p.A. The SACE guarantee is to be intended as public support for the development of production activities benefiting from the counter-guarantee of the Italian government in the context of the application of Italian Legislative Decree No. 123 of 31 March 1998, "Provisions for the rationalisation of public support measures for enterprises", pursuant to article 4, paragraph 4, letter c) of Italian Law No. 59 of 15 March 1997.

During the first half of 2025, the following changes occurred in the items "Advances from banks" and "Other advances on invoices":

- utilisation of short-term credit lines for EUR 5,472 thousand, of which EUR 5,000 thousand refers to the Parent Company and EUR 472 thousand to the Indian subsidiary Spirotech Heat Exchangers Private Ltd;
- discharges of short-term credit lines amounted to EUR 15,472 thousand, of which EUR 15,000 thousand related to the Parent Company and EUR 472 thousand to the Indian subsidiary Spirotech Heat Exchangers Private Ltd.

3.13 PROVISIONS

The details of this item are shown below:

Change in provisions (In thousands of Euro)	31/12/2024	Provisions/(Releases)	Utilizations	Exchange rate delta	30/06/2025
Provision for agents' leaving indemnities	120	-	-	-	120
Product warranty provision	5,353	597	(13)	(17)	5,920
Other provisions for risks and charges	539	-	-	1	540
Total	6,012	597	(13)	(16)	6,580

The provision for agents' leaving indemnities covers amounts to be paid out to agents in the event of termination of the agency relationship by the Group. The provision did not change during the period.

The product warranty provision covers the risk of returns or charges from customers for non-compliant products already sold. The provision was adjusted during the period on the basis of analyses carried out and past experience. The (net) increase was EUR 580 thousand due to: i) higher (net) provisions for EUR 597 thousand (see Note 4.6 – Other operating costs), fragmented among the Group's various production companies and based on the best estimates made by management, partially offset by ii) utilisations for EUR 13 thousand, iii) a negative exchange rate effect of EUR 17 thousand.

Provisions, which represent the probable estimated future outflows calculated partly based on historical experience, were subject to actuarial valuation as at 30 June 2025. As the effect was deemed negligible, it was not incorporated in the condensed interim consolidated financial statements.

3.14 EMPLOYEE BENEFITS OBLIGATIONS

Employee benefits amounted to EUR 5,361 thousand, with a net decrease of EUR 29 thousand compared to 31 December 2024. The entire amount referred to the provision for employees benefits obligations ("TFR").

The employees benefits obligations refer only to the Group's Italian companies and essentially includes the post-employment benefits accrued by personnel employed as at 30 June, net of advances paid out to employees.

In accordance with what is established by domestic regulations, the amount due to each employee accrues based on services rendered and is disbursed when the employee leaves the company. The amount due upon termination of the employment relationship is calculated on the basis of its duration and the taxable remuneration of each employee. The liability is revalued each year on the basis of the official cost of living index and legal interest.

It is noted that, following the amendments to the "Provision for employees benefits obligations" introduced by Italian Law No. 296 of 27 December 2006, and subsequent Decrees and Regulations issued in the first few months of 2007, for companies with at least 50 employees (LU-VE S.p.A., Thermo Glass Door S.p.A., and Refrion S.r.l.), the amounts accrued from 1 January 2007 are destined, at the choice of employees, either to the INPS Treasury Fund or to forms of supplementary social security, with the nature of "defined contribution plans". Furthermore, these amounts are not subject to actuarial valuation and are no longer allocated to the "Provision for employees benefits obligations". The "Provision for employee benefits obligations" accrued as at 31 December 2006 remains a "defined benefit plan" with the consequent need to carry out the actuarial calculations, which will however no longer take into account the component relating to future salary increases. For companies with fewer than 50 employees (RMS S.r.l.), in accordance with IAS 19 the provision as at 30 June 2025 is recognised entirely as "Defined benefit plan" and is therefore subject to actuarial valuation.

The breakdown and changes in the item as at 30 June 2025 are shown below:

Employee benefits obligations (in thousands of Euro)	30/06/2025	31/12/2024
Liabilities as at 1 January	5,390	5,363
Provisions	295	383
Financial expense	69	132
Payments made	(248)	(459)
Actuarial (gains)/losses	(145)	(29)
Liabilities at the end of the period	5,361	5,390

The adjustment to shareholders' equity for actuarial gains and losses includes a net actuarial gain of EUR 145 thousand, calculated as follows:

- actuarial gain deriving from the change in the main actuarial assumptions used as at 30 June 2025 with respect to the previous valuation of EUR 74 thousand as at 31 December 2024;

- actuarial gain resulting from the effect of the change that the financial assumptions have undergone between one valuation and the next amounting to EUR 71 thousand.

Actuarial gains and losses are recognised in shareholders' equity through the statement of comprehensive income.

The values recognised in the Income Statement are included in "Personnel costs" (Note 4.4).

3.15 OTHER FINANCIAL LIABILITIES

The item "Other financial liabilities" refers to financial payables linked to IFRS 16.

The details of this item for the non-current portion are shown below:

Other non-current financial liabilities (in thousands of Euro)	30/06/2025	31/12/2024	Change
IFRS 16 financial liabilities	15,185	16,498	(1,313)
Total	15,185	16,498	(1,313)

The item "IFRS 16 Financial liabilities" includes all the long-term financial liabilities of contracts falling under the application of IFRS 16.

The details of this item for the current portion are shown below:

Other current financial liabilities (in thousands of Euro)	30/06/2025	31/12/2024	Change
IFRS 16 financial liabilities	4,991	4,656	335
Fair value of derivatives	450	-	450
Other financial liabilities	455	4	451
Total	5,896	4,660	1,236

The item "IFRS 16 financial liabilities" includes all the short-term financial liabilities of contracts falling under the application of IFRS 16.

The item "Other financial liabilities" refers to:

- EUR 455 thousand attributable for EUR 444 thousand to the residual debt for dividends not yet distributed to minority shareholders of the Polish subsidiary SEST-LUVE-Polska SP.z.o.o. and of the Russian Group subsidiary «ООО» SEST LU-VE; the difference refers to other financial payables;
- EUR 450 thousand for the measurement as at 30 June 2025 of the fair value of the Parent Company's derivatives financial instruments, of which EUR 434 thousand related to the negative fair value of derivative financial instruments on loans and EUR 16 thousand to the negative fair value of derivative financial instruments on raw material prices. For further details see Note "3.8. – Current financial assets".

3.16 TRADE PAYABLES

The breakdown of trade payables by geographical area is shown below:

Trade payables (in thousands of Euro)	30/06/2025	31/12/2024	Change
Italy	53,612	43,962	9,650
EU countries	25,426	21,940	3,486
Non-EU countries	52,769	42,389	10,380
Total	131,807	108,291	23,516

The increase of EUR 23,516 thousand is mainly due to greater purchases for EUR 12,500 thousand in the second quarter of 2025 compared to the last quarter of 2024, and the change in average payment terms compared to the previous year (for greater details, please refer to the Interim Directors Report in paragraph 1.5 "Alternative Performance Measures").

The change in "Trade payables" therefore resulted in a cash generation of EUR 23,516 thousand.

For the average payment terms, please refer to the paragraph 1.5 "Alternative performance measures" in the Interim Directors' Report.

No trade payables with a residual maturity of more than 5 years were recognised in the Financial Statements.

The Directors believe that the recognition amount of trade payables is similar to their fair value.

The Group has not entered into any reverse factoring and/or supplier financing transactions with its suppliers.

3.17 TAX LIABILITIES

The details of this item are shown below:

Tax liabilities (in thousands of Euro)	30/06/2025	31/12/2024	Change
Due to the tax authority for income taxes	3,729	1,638	2,091
Withholding taxes	2,478	2,942	(464)
Other tax payables	2,303	1,781	522
Total	8,510	6,361	2,149

The item "Tax liabilities" increased by EUR 2,149 thousand due to:

- the increase for EUR 2,091 thousand related to higher due to tax authority for income taxes as a result of the effect of the high pre-tax results realised in the period in certain geographic areas;

- the increase of EUR 522 thousand related to a higher VAT payable mainly linked to sales performance in the second quarter of 2025;
- the decrease of EUR 464 thousand related to other withholding taxes.

3.18 OTHER CURRENT LIABILITIES

The details of this item are shown below:

Other current liabilities (in thousands of Euro)	30/06/2025	31/12/2024	Change
To employees	20,097	18,082	2,015
To social security institutions	7,017	7,970	(953)
To Directors and Statutory Auditors	2,265	2,538	(273)
Other current payables	8,185	9,690	(1,505)
Total	37,564	38,280	(716)

The decrease of EUR 716 thousand is mainly attributable to:

- the increase in payables to personnel for EUR 2,015 thousand, due to increases in minimum pay, inflation and holiday entitlement provisions and additional monthly salary;
- the decrease in payables to social security institutions for EUR 953 thousand, which, as at 31 December, referred to the ordinary monthly salary and additional monthly salary;
- the decrease in payables to directors and statutory auditors for EUR 273 thousand as variable compensation was paid during the half-year period;
- the decrease in "Other current payables" for EUR 1,505 thousand mainly due to the decrease in payables for investments amounting to EUR 1,364 thousand.

3.19 DEFERRED TAX ASSETS AND LIABILITIES

The details of this item are shown below:

Deferred tax assets and liabilities (in thousands of Euro)	30/06/2025	31/12/2024	Change
Deferred tax assets	13,566	11,227	2,339
Deferred tax liabilities	(13,279)	(13,698)	419
Net position	287	(2,471)	2,758

The nature of the temporary differences that resulted in the recognition of deferred tax liabilities and assets and the relative changes during the half-year and the previous period are analysed below.

Deferred tax liabilities and assets: changes in the year (in thousands of Euro)	TAX LOSSES	DEPRECIATION/ AMORTISATION	MERGERS/ACQUISITIONS GROSS UP	ACTUARIAL VALUATION OF POST- EMPLOYMENT BENEFITS	PROVISIONS AND ADJUSTMENTS	OTHER DIFFERENCES	TOTAL
01/01/2024	(3,597)	1,974	11,011	10	(5,683)	(635)	3,080
In Income Statement	267	(207)	(470)	-	(257)	406	(261)
In shareholders' equity	-	-	-	46	-	-	46
Reclassifications	-	-	-	-	-	-	-
Exchange rate delta	-	17	-	-	(19)	(14)	(16)
30/06/2024	(3,330)	1,784	10,541	56	(5,959)	(243)	2,849
01/01/2025	(3,085)	1,688	10,029	17	(5,925)	(263)	2,461
In Income Statement	(1,321)	(122)	(414)	-	(395)	(433)	(2,685)
In shareholders' equity	-	-	-	37	-	-	37
Reclassifications	-	-	-	-	-	-	-
Exchange rate delta	-	(63)	1	-	(31)	(7)	(100)
30/06/2025	(4,406)	1,503	9,616	54	(6,351)	(703)	(287)

As at 30 June 2025, deferred tax assets referred to:

- tax loss carry-forwards related to certain subsidiaries in previous years and in the current half-year, in particular, the impact on the income statement for the period refers to the Italian companies included in the tax consolidation area;
- the deferred tax impact of the actuarial valuation of the post-employment benefits of Italian companies following the application of IAS 19, recognised under shareholders' equity;
- tax differences on increases in the provisions of Group companies;
- other tax differences, regarding net temporary recoveries such as unpaid remuneration. Temporary differences on the sale of certain assets in Poland in 2020 were reclassified to differences on depreciation and amortisation.

As at 30 June 2025, deferred tax liabilities referred to:

- tax differences on depreciation and amortisation and leases, which mainly relate to the application of IFRS 16, compared to the Italian accounting standards, and accounting/tax differences on assets in some Group companies;
- the allocation of taxes on the 2008 merger deficit allocated to land and the tax effect deriving from the allocation of capital gains with respect to the carrying amounts for the acquisition of SPIROTECH Heat Exchangers Pvt. Ltd (2016), LU-VE US Inc. (2018), AL Air (2019) and the Refrion group (2022);
- the allocation of deferred tax liabilities relating to any future distribution of earnings or reserves by Group's subsidiaries.

As mentioned in Note 2.2 above “Use of estimates”, in verifying the recognition and recoverability of deferred tax assets recognised in the condensed consolidated interim financial statements as at 30 June 2025, the taxable results derived from the 2025-2028 Business Plan of the Parent Company and of the individual companies belonging to the Group for the explicit period were taken into account and, by extrapolating from the latter the expected taxable income for the financial year following the last explicit period. The effects of temporary differences on which deferred tax liabilities are recognised are also considered in the verification of the possible recognition of these amounts.

3.20 NET FINANCIAL POSITION

In compliance with the provisions of the ESMA Guidelines 2021/32-382-1138, it should be noted that

the LU-VE Group's net financial position is as follows:

Net financial position (in thousands of Euro)	30/06/2025	31/12/2024	Change
A. Cash (Note 3.10)	119,195	136,482	(17,287)
B. Cash equivalents (Note 3.8 and 3.10)	134,685	134,709	(24)
C. Other current financial assets (Note 3.8)	77,485	44,941	32,544
D. Total Liquidity (A+B+C)	331,365	316,132	15,233
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt (Note 3.12 and 3.15))	5,896	4,660	1,236
F. Current portion of non-current financial debt (Note 3.12)	116,948	129,252	(12,304)
G. Current financial indebtedness (E+F)	122,844	133,912	(11,068)
H. Net current financial indebtedness (G-D)	(208,521)	(182,220)	(26,301)
I. Non-current financial debt (excluding the current portion and debt instruments) (Note 3.12)	304,926	279,756	25,170
J. Debt instruments	-	-	-
K. Non-current trade payables and other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	304,926	279,756	25,170
M. Net financial indebtedness (H+L)	96,405	97,536	(1,131)

Cash equivalents (under letter B. of the table above) refer to liquidity invested in Time deposits by Group companies with a maturity of less than 3 months (Note 3.10). The amount refers to cash invested for EUR 125,000 thousand by the Parent Company LU-VE S.p.A., for EUR 6,127 thousand by the Russian subsidiary «OOO» SEST LU-VE Russia, and for EUR 3,558 thousand by the Chinese subsidiary LU-VE HEAT EXCHANGERS (Tianmen) Co.Ltd.

The item “Other current financial assets” (under letter C. of the table above) includes EUR 61,501 thousand in investments in time deposits, with a maturity of more than 3 months (Note 3.8), of which EUR 20,000 thousand relating to the Parent Company LU-VE S.p.A., EUR 23,722 thousand relating to the Russian subsidiary «OOO» SEST LU-VE, and EUR 17,779 thousand relating to the Group’s Indian subsidiary SPIROTECH Heat Exchangers Pvt. Ltd. The remainder of the item includes: (i) the fair value of capitalisation policies for EUR 15,680 thousand (Note 3.8), (ii) other securities for EUR 278 thousand (Note 3.8) and the fair value of currency derivatives for EUR 26 thousand.

The item "Current financial debt" (under letter E. in the table above) includes:

- EUR 4,991 thousand relating to liabilities from contracts covered by the application of IFRS 16;
- EUR 455 thousand of which EUR 444 thousand referring to the residual debt for dividends not yet distributed to minority shareholders of the Group's Polish subsidiary SEST-LUVE-Polska SP.z.o.o. and of the Group's Russian subsidiary «ООО» SEST LU-VE Group; the difference refers to other financial payables;
- EUR 450 thousand relating to the fair value measurement as at 30 June 2025 of the Parent Company's hedging financial instruments. For further details, please see notes "3.8 – Current financial assets" and "3.15 – Other financial liabilities".

The item "Current portion of non-current financial debt" (under letter F. in the table above) refers to the current portion of financial payables due to credit institutions measured at amortised cost. In the twelve months following the reporting date, a repayment of EUR 117,871 thousand is envisaged.

The item "Non-current financial debt" (under letter I. in the table above) includes EUR 289,741 thousand of payables for loans measured under the amortised cost (repayment nominal value of EUR 289,621 thousand), and EUR 15,185 thousand related to liabilities from contracts covered by IFRS 16. The year-on-year increase of EUR 25,171 thousand includes a EUR 26,483 thousand increase in the payable for loans measured at amortised cost over the medium- and long-term (Note "3.12 Loans") and the decrease of EUR 1,313 thousand in medium- and long-term IFRS 16 payables.

Paragraph "1.5 – Consolidated statement of cash flows" shows the changes in cash and "cash equivalents" (letters A and B of this statement).

4 COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

4.1 REVENUES AND OTHER OPERATING INCOME

In the first half of 2025, sales revenues and other operating income amounted to EUR 294,708 thousand, a decrease of EUR 1,674 thousand (-0.6%) compared to the same period of the previous year (EUR 296,382 thousand in the first half of 2024).

Revenues by product family:

Revenues by product (in thousands of Euro)	H1 2025	%	H1 2024	%	Change	% change
Heat exchangers	144,575	49.1%	135,677	45.8%	8,898	6.6%
Air Cooled Equipment	139,717	47.4%	148,828	50.2%	(9,111)	(6.1%)
Doors	6,335	2.1%	8,264	2.8%	(1,929)	(23.3%)
Sub-total	290,627	98.6%	292,769	98.8%	(2,142)	(0.7%)
Other	4,081	1.4%	3,613	1.2%	468	13.0%
TOTAL	294,708	100.0%	296,382	100.0%	(1,674)	(0.6%)

Revenues by geographical area:

Revenues by geographic area (in thousands of Euro)	H1 2025	%	H1 2024	%	Change	% change
Italy	59,842	20.3%	56,939	19.2%	2,903	5.1%
Germany	21,604	7.3%	17,129	5.8%	4,475	26.1%
Finland	16,161	5.5%	12,848	4.3%	3,313	25.8%
Czech Republic	22,977	7.8%	18,810	6.3%	4,167	22.2%
France	16,445	5.6%	27,373	9.2%	(10,928)	(39.9%)
Poland	21,304	7.2%	17,496	5.9%	3,808	21.8%
Austria	4,541	1.5%	6,074	2.0%	(1,533)	(25.2%)
USA	9,774	3.3%	13,932	4.7%	(4,158)	(29.8%)
Russia	22,597	7.7%	20,785	7.0%	1,812	8.7%
Sweden	11,020	3.7%	13,455	4.5%	(2,435)	(18.1%)
Spain	10,122	3.4%	8,354	2.8%	1,768	21.2%
China	4,751	1.6%	5,464	1.8%	(713)	(13.0%)
India	3,958	1.3%	2,795	0.9%	1,163	41.6%
Other countries	69,612	23.8%	74,928	25.6%	(5,316)	(7.1%)
TOTAL	294,708	100.0%	296,382	100.0%	(1,674)	(0.6%)

Please refer to Interim Directors' for detailed comments on trends in the reference markets during the first half of 2025.

The value of fees for transactions with unfulfilled performance obligations (or those not fully fulfilled by the Group and therefore not included in the revenues for the half-year) at the end of the period amounted to EUR 4,057 thousand. The Directors estimate that they will be recognised as revenue in the following half-year.

It should be noted that during the first half of 2025, the Group did not recognise material revenues through the implementation of long-term projects (i.e. the supply of cooling systems for the EDG emergency diesel generators of the nuclear island of the Hinkley Point C power station in Somerset - UK), since the production phase of the project is reasonably expected for the end of 2025.

The Group, working mainly on transactions with a single performance obligation, does not have, as reported above, significant values relating to performance obligations not satisfied at the end of the period.

4.2 PURCHASES OF MATERIALS

Purchases of materials (in thousands of Euro)	H1 2025	H1 2024	Change
Raw materials and purchased components	149,075	145,159	3,916
Consumables	4,548	4,927	(379)
Total	153,623	150,086	3,537

Please refer to the Interim Directors' Report for detailed comments in relation to costs and consumption for the period.

4.3 COSTS FOR SERVICES

Costs for services (in thousands of Euro)	H1 2025	H1 2024	Change
Expenses for utilities	5,292	5,353	(61)
General and advisory expenses	9,204	9,021	183
Advertising and promotional expenses	854	1,278	(424)
Transport expenses	6,622	7,045	(423)
Maintenance expenses	4,135	3,718	417
Outsourced production	3,635	3,586	49
Commission	679	859	(180)
Remuneration to the corporate bodies	2,066	2,282	(216)
Other production costs	1,532	1,379	153
Other costs for services	3,809	3,627	182
Total	37,828	38,148	(320)

The decrease of EUR 320 thousand is mainly due to:

- a decrease in general costs for services amounting to EUR 1,061 thousand (mainly attributable to advertising costs, transport costs, commission, emoluments for corporate bodies and other costs for services).

- the increase of EUR 558 thousand in production-related services (expenses for utilities, maintenance, external services, and other production costs);
- the increase in consultancy costs for EUR 183 thousand.

4.4 PERSONNEL COSTS

Personnel costs (in thousands of Euro)	H1 2025	H1 2024	Change
Wages and salaries	55,629	53,093	2,536
Social security costs	14,357	13,673	684
Post-employment benefits	1,680	1,664	16
Total	71,666	68,430	3,236

The average number of Group employees in the first half of 2025 was 3,934 (the average number of Group employees in the first half of 2024 was 3,991). As at 30 June 2025, the number of Group employees was 3,961 (2,902 blue-collar workers, 1,027 white-collar workers and middle managers, 32 executives) compared to 4,013 as at 30 June 2024 (2,954 blue-collar workers, 1,026 white-collar workers and middle managers, 33 executives).

As at 30 June 2025, the number of temporary employees was 860 (1,197 in the first half of 2024).

Personnel costs increased by EUR 3,236 thousand, mainly due to salary dynamics and the effects of inflation. Please refer to the Interim Directors' Report for detailed comments in relation to personnel costs for the period.

4.5 NET REVERSAL/(WRITE-DOWN) OF FINANCIAL ASSETS

Net reversal/(write-down) of financial assets (in thousands of Euro)	H1 2025	H1 2024	Change
Net reversal/(write-down) of financial assets	394	(33)	427
Total	394	(33)	427

The item includes the net releases made during the first half of 2025 in accordance with the application of the IFRS 9 standard, reflecting the best estimate of the potential forward-looking impacts of the global macroeconomic situation on the creditworthiness of the customers and of the countries in which they operate and on their ability to meet their obligations.

For further details, please see Note 3.6 – "Trade receivables".

4.6 OTHER OPERATING EXPENSES

Other operating expenses (in thousands of Euro)	H1 2025	H1 2024	Change
Non-income taxes	781	752	29
Accruals for risks	597	64	533
Other operating costs	868	932	(64)
Total	2,246	1,748	498

Non-income taxes include mainly taxes on owned property and stamp duty on insurance policies and certificates.

With reference to the provision for risks, please see Note 3.13 – “Provisions”.

4.7 FINANCIAL INCOME

Financial income (in thousands of Euro)	H1 2025	H1 2024	Change
Interest income	6,093	4,666	1,427
Other financial income	346	69	277
Total	6,439	4,735	1,704

The breakdown of interest income is as follows:

- EUR 5,466 thousand related to interest accrued on time deposits during the period (for further details see Note 3.8 – “Current financial assets”);
- EUR 627 thousand mainly referring to current account interest income.

Details of “Other financial income” are as follows:

- EUR 335 thousand referring to the fair value of capitalisation policies and insurance certificates (for further details, see Note 3.8 – “Current financial assets”);
- EUR 11 thousand relating to other financial income.

During the period, interest and other financial income of EUR 6,104 thousand was collected, of which EUR 5,466 thousand related to interest on time deposits, and EUR 638 thousand related to interest income on current accounts and other interest, excluding the net change in fair value of capitalisation policies for EUR 335 thousand as they are non-cash items.

4.8 FINANCIAL EXPENSE

Financial expense (in thousands of Euro)	H1 2025	H1 2024	Change
Interest expense to banks	6,159	4,648	1,511
Other financial expenses	2,154	1,953	201
Total	8,313	6,601	1,712

“Interest expense to banks” of EUR 6,159 thousand refer to interest on loans for EUR 7,221 thousand, (of which accrued interest not yet paid amounts to EUR 1,396 thousand), partially offset by the differentials exchanged with counterparties on IRS financial instruments for EUR 893 thousand and by the effect of the amortised cost deriving from the update of the rate curves for EUR 167 thousand.

The monetary change in interest expenses to banks is negative for EUR 6,806 thousand and the difference mainly relates to accrued interest expenses for the period not yet paid as at 30 June 2025 and to the amortised cost.

Details of “Other financial expense” are as follows:

- EUR 1,634 thousand refers to the negative fair value on derivative financial instruments underlying existing loans of the Parent Company LU-VE S.p.A. (please refer to Note 3.8 – “Current financial assets”);
- EUR 520 thousand mainly refers to other interest expense and financial expense, of which EUR 197 thousand paid.

4.9 EXCHANGE GAINS AND LOSSES

During the period, the LU-VE Group posted net foreign exchange losses of EUR 2,392 thousand (net gains of EUR 781 thousand in the first half of 2024) due to the strengthening of the Euro against certain currencies (mainly the US dollar).

The realised exchange rate effect was positive for EUR 2,019 thousand, of which EUR 1,286 thousand referring mainly to exchange rate deltas realised by the Group's Indian subsidiary SPIROTECH Heat Exchangers Pvt. Ltd, and EUR 733 thousand to exchange rate differences realised by the Parent Company.

The net unrealised foreign exchange loss amounted to EUR 4,411 thousand, of which EUR 4,027 thousand related to the net effect of the translation into Euro of mainly US dollar denominated items in the individual financial statements of Group companies, and EUR 384 thousand of negative fair value deltas on hedging instruments for foreign currency exchange risks (Note 3.8 – “Current financial assets”).

4.10 INCOME TAXES

Income taxes (in thousands of Euro)	H1 2025	H1 2024	Change
Current taxes	8,186	6,455	1,731
Deferred tax liabilities	(2,685)	(262)	(2,423)
Adjustment previous period	126	(3)	129
Total	5,627	6,190	(563)

For a detailed analysis of deferred taxes please see the table on changes in deferred tax assets and liabilities reported in Note 3.19 – “Deferred tax assets and liabilities”.

The increase in current taxes is mainly related to the higher pre-tax profit realised by foreign companies in certain geographic areas and the lower use of tax incentives in those areas. It should also be noted that taking into account the temporary deferred effects, the tax burden decreased in line with the overall decrease in the Group's pre-tax result.

The taxes paid in the period amounted to EUR 5,611 thousand.

With reference to the tax audit relating to the years 2016, 2017, 2018 and 2019 and to the report on findings received in November 2023 by the Parent Company LU-VE S.p.A., there was no further activity by the Italian Tax Authority.

The tax audit to which the subsidiary LU-VE Iberica S.l. is subject for the years 2013, 2018, and 2019 ended with the payment of EUR 120 thousand for interest, sanctions and additional taxes.

With regard to the audit by the Central Directorate for Large Taxpayers and International Affairs (*Direzione Centrale Grandi Contribuenti e Internazionale*) in relation to the application submitted on 28 December 2020 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), as provided for by Article 31 ter of Italian Presidential Decree No. 600/73, the Company promptly responded to all requests of documentation received.

With regard to the Polish Tax Authority's audit on the subsidiary Sest-LUVE-Polska Sp.z.o.o. concerning the application submitted on 30 December 2021 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), the subsidiary promptly responded to all requests of documentation received within the prescribed time limit.

On 28 April 2025, the Regional Tax Directorate - Large Taxpayers Office carried out the first access for the 2021 tax period audit on the Parent Company LU-VE S.p.A., for the purposes of direct taxes, IRAP (regional business tax) and VAT: the Company promptly responded to requests of documentation received.

For further details, please see Note 8 – "Subsequent events occurred after 30 June 2025".

4.11 EARNINGS PER SHARE

The basic and diluted earnings per share were calculated based on the following figures:

Calculation of basic and diluted earnings per share	H1 2025	H1 2024
PROFIT (In thousands of Euro)		
Net profit (loss)	16,278	19,436
NUMBER OF SHARES		
Average weighted number of ordinary shares for the calculation of basic earnings per share	22.206.341	22.206.341
Dilution effect deriving from potential ordinary shares		
Average weighted number of ordinary shares for the calculation of diluted earnings per share	22.206.341	22.206.341

EARNINGS PER SHARE (In Euro)	H1 2025	H1 2024
Basic earnings per share	0.73	0.88
Diluted earnings per share	0.73	0.88

4.12 DIVIDENDS

In April 2025, dividends totalling EUR 9,327 thousand were distributed by LU-VE S.p.A., corresponding to the distribution of a gross dividend of EUR 0.42 (zero/42) for each of the 22,206,341 shares outstanding, net of treasury shares.

In addition, EUR 465 thousand was resolved, of which EUR 400 thousand in favour of the non-controlling interests of the Polish subsidiary SEST LUVE POLSKA Sp.z.o.o. unpaid as at 30 June 2025, and EUR 65 thousand in favour of the non-controlling shareholders of the Russian subsidiary «ООО» SEST LU-VE Russia, of which EUR 44 thousand unpaid as at 30 June 2025 (payment is required in the second half of 2025).

4.13 SEGMENT INFORMATION

With regard to segment information, the Group has applied IFRS 8, which focuses attention on the reporting used internally by company management, by requiring the publication of segment disclosure based on the elements used by management when making operating decisions.

The Group's Strategic Business Units (SBUs) pursuant to IFRS 8 are identified as the business segments that generate revenues and costs, whose results are periodically reviewed by the highest decision-making level to assess performance and to make decisions regarding resource allocation. The Group has the following SBUs:

- Cooling Systems SBU which includes air cooled equipment (unit coolers, condensers, gas coolers and liquid coolers);
- Components SBU which includes heat exchangers and special glass doors for refrigerated counters and display cabinets.

Details of turnover by SBU in the two periods in question are provided in the table below:

Revenues by SBU (in thousands of Euro)	H1 2025	%	H1 2024	%	Change	% change
Air Cooled Equipment	139,717	48.1%	148,828	50.8%	(9,111)	(6.1%)
COOLING SYSTEMS SBU	139,717	48.1%	148,828	50.8%	(9,111)	(6.1%)
Heat exchangers	144,575	49.7%	135,677	46.3%	8,898	6.6%
Doors	6,335	2.2%	8,264	2.8%	(1,929)	(23.3%)
COMPONENTS SBU	150,910	51.9%	143,941	49.2%	6,969	4.8%
TOTAL PRODUCT TURNOVER	290,627	100.0%	292,769	100.0%	(2,142)	(0.7%)

The SBUs are therefore identified as components of an enterprise whose financial information is available and measured regularly by the top management to decide how to allocate resources and assess performance.

Information is provided below by SBU as at 30 June 2025 and 30 June 2024:

Segment (in thousands of Euro)	H1 2025				H1 2024			
	Components	Cooling Systems	Unallocated costs	Total	Components	Cooling Systems	Unallocated costs	Total
REVENUES	139,717	150,910	-	290,627	143,941	148,828	-	292,769
EBITDA	18,511	23,678	-	42,189	17,200	25,756	-	42,956

4.14 INFORMATION ON FINANCIAL RISKS

IFRS 7 requires companies to provide supplementary information in their Financial Statements that enable users to evaluate:

- the significance of financial instruments with reference to the financial position and the profit and loss of the companies;
- the nature and extent of risks deriving from financial instruments to which the companies are exposed during the period and at the reporting date, and how they are managed.

The LU-VE Group is exposed to financial risks connected with its operations, particularly:

- credit risk, mainly with reference to ordinary trade relations with customers;
- market risk, in particular i) exchange rate risk (relating to transactions in currencies other than the functional currency), ii) interest rate risk (relating to the Group's financial exposure) and iii) raw material price volatility risk;
- liquidity risk, which may take the form of the inability to obtain the financial resources necessary for Group operations.

The coordination and monitoring of the main financial risks are centralised in the Management. LU-VE Group carefully and specifically monitors each of the above-mentioned financial risks, intervening with the aim of minimising them promptly, including by using derivatives instruments.

One of LU-VE Group's policies is to protect its exposure to fluctuations in prices, exchange rates and interest rates using derivative financial instruments. This hedging may be achieved using forward contracts, options and interest rate swaps.

Please note that all derivative instruments were subscribed for the purposes of hedging, from a management perspective, the underlying risks. However, at the reporting date, not all requirements of IFRS 9 for the application of hedge accounting were satisfied. Therefore, Management deemed it appropriate to treat, from an accounting point of view, those instruments as trading, not hedging, transactions.

Categories of financial instruments

The following tables group information relative to:

- Classes of financial instruments on the basis of their nature and characteristics;
- Carrying amount of financial instruments;
- Fair value of financial instruments (except financial instruments whose book value approximates their fair value); and
- Hierarchy of fair value levels for financial assets and liabilities whose fair value is reported.

Levels from 1 to 3 of the fair value hierarchy are based on the degree of observability of information:

- Level 1 valuations are those derived from listed (unadjusted) prices on active markets for identical assets or liabilities;
- Level 2 valuations are those derived from inputs other than the listed prices referred to at Level 1 which are observable for the assets and liabilities, both directly (e.g. prices) or indirectly (e.g. derived from prices);
- Level 3 valuations are those derived from the application of valuation techniques which include inputs for the assets or liabilities that are not based on observable market data (non-observable inputs).

Financial assets measured at fair value as at 30/06/2025 (in thousands of Euro)	Level 1	Level 2	Level 3	Total
Other financial assets	-	-	-	-
Current financial assets (Note 3.8)	-	(424)	-	(424)
Derivative instruments (Note 3.8)	-	15,958	-	15,958
Total	-	15,534	-	15,534

Some of the other LU-VE Group's financial assets are measured at fair value at the reference date of every set of financial statements. At the end of the period, there were no other financial liabilities measured at fair value.

More specifically, the fair value of option contracts on foreign currencies, interest rate swaps and commodity swaps, is calculated discounting future cash flows on the basis of forward exchange rates, contractual forward rates and forward prices of the commodities, discounted at the date of the financial statements (level 2 fair value).

The fair value of current financial assets (capitalisation policies) derives from the counter-value of investments in listed instruments, adjusted on the basis of the contractual return, and therefore falling under fair value level 2.

The categories of financial instruments are reported below:

Financial instruments by IFRS 9 categories (in thousands of Euro)	30/06/2025	31/12/2024
Financial assets		
<u>Amortised cost</u>		
Cash and cash equivalents (*)	253,880	271,191
Time deposits (**)	61,501	32,596
Trade receivables (Note 3.6)	121,631	102,961
Non-current financial assets (Note 3.4)	-	-
<u>Fair Value</u>		
Trading derivatives (Note 3.8)	26	1,722
Current financial assets (Note 3.8)	15,958	10,623
Financial liabilities		
<u>Amortised cost</u>		
Loans (Note 3.12)	(406,689)	(392,510)
Trade payables (Note 3.16)	(131,807)	(108,291)
IFRS 16 financial payables (Note 3.15)	(20,176)	(21,154)
Trading derivatives (Notes 3.15 and 3.8)	(450)	-
Other current financial payables (***)	(455)	(4)

(*) Cash and cash equivalents include EUR 134,685 thousand of Time deposits with a maturity of less than three months and EUR 119,195 thousand in cash deposited in bank current accounts. Please refer to Note 3.10 – “Cash and cash equivalents”.

(**) Time deposits in the amount of EUR 61,501 thousand fall under amortised cost category pursuant to IFRS 9 and refer to investments of liquidity in time-deposit accounts with a maturity of more than ninety days and in any case less than one year classified as “Current financial assets”. See Note 3.8 – “Current financial assets”.

(***) The item “Other current financial payables” is attributable for EUR 444 thousand to the residual debt to minority shareholders of the Group’s Polish subsidiary SEST-LUVE-Polska SP.z.o.o. and of the Group’s Russian subsidiary «ООО» SEST LU-VE; the difference refers to other financial payables.

Credit risk management

The Group is exposed to credit risk deriving from commercial dealings with exposure to potential losses arising from the failure of commercial counterparties to meet their obligations. Trade credit risk is monitored on the basis of formalised procedures for the selection and assessment of the customer portfolio, for the definition of credit limits by individual customer, for the monitoring of expected cash inflows and for any debt collection actions. In certain cases, customers are asked for further guarantees, primarily in the form of guaranteed payment forms or sureties.

Any extensions of payment times by customers may also make it necessary for the Group to finance the connected working capital requirement.

The historically low levels of losses on receivables recognised are proof of the good results achieved also in the presence of the impact of the pandemic and the current macro-economic context.

Exchange rate risk management

The Group is exposed to the risk of fluctuations in the exchange rates of currencies arising from different circumstances.

(i) Firstly, the LU-VE Group is exposed to “translational” exchange rate risk.

In fact, the Group draws up its consolidated financial statements in Euro, while it holds controlling investments in companies that prepare their financial statements in currencies other than Euro (Russian rouble, Polish zloty, US dollar, Indian rupee, Czech koruna, Swedish krona, Chinese yuan renminbi, UAE dirham, Australian dollar, British pound, South Korean won and Hong Kong dollar). The Group is therefore exposed to the risk that fluctuations in the exchange rates used to translate the values in subsidiaries’ financial statements originally expressed in foreign currency may significantly influence the Group’s results as well as the consolidated net financial indebtedness and consolidated shareholders’ equity. The main exposures are monitored, but it is not part of the Group’s current policies to hedge such “translational” exchange rate risks.

(ii) In the second place, the LU-VE Group is exposed to “transaction” exchange rate risk for purchases of goods and materials from suppliers as well as for sales to customers.

With regard to purchases, the LU-VE Group’s main currency of exposure is the US dollar (USD, the currency to which the cost of the main raw materials is linked): in fact, raw materials on the reference markets are quoted in USD and the cost is converted into Euro by applying the USD/Euro exchange rate of the day to the dollar listing, thus transferring the exchange rate risk to the buyer (net of the “pass through” effect already mentioned). In addition, Group companies located in countries where the reference currency is other than the Euro (which also purchase raw materials with contracts that envisage the Euro as the currency for payment and, therefore, are exposed to the USD/Euro exchange rate risk highlighted), are also exposed to the risk of fluctuations in the Euro exchange rate with respect to local currencies.

In terms of sales, these are mainly made in Euro. Moreover, the companies Sest-LUVE Polska Sp.z.o.o., HTS, Spirotech and LU-VE Sweden, although they are located in countries that do not have the Euro as their reference currency, carry out a significant amount of their sales in Euro and, therefore, are exposed to the risk of fluctuations in the Euro exchange rate with respect to local currencies.

With an activity carried out at centralised level, in order to protect the income statement and balance sheet items from such fluctuations and reduce the risk arising from changes in exchange rates, the Group considers the subscription of derivative financial instruments with the intent of hedging the underlying risks: in particular, during the first half of 2025, financial instruments were entered into to hedge the EUR/USD exchange rate, such as swaps, TARFS and forwards. However, from a purely accounting perspective, although such instruments substantially hedge the risks mentioned, they do not meet all the requirements as laid out under IFRS 9 and cannot be defined as hedge accounting; therefore, the Group has decided to consider these instruments as for trading and not hedges and as a result such instruments were measured at fair value with changes reported on the income statement. For further details, please refer to Appendix A of the Explanatory notes to the consolidated financial statements.

On some currencies (Chinese yuan, Swedish krona, Indian rupee, rouble and US dollar) in which revenues and operating costs are expressed there is also “natural” hedging (revenues expressed in a given currency are naturally hedged by operating costs expressed in the same currency).

Interest rate risk management

The Group uses short-term as well as, mainly, medium/long-term bank debt in accordance with adequate procedures and technical forms in relation to the structure of its investments.

Exposure to interest rate risk derives from the holding by the Group of assets and liabilities sensitive to fluctuations in interest rates which are needed for the management of liquidity and financial requirements.

More specifically, the Group’s main source of exposure to interest rate risk derives from its financial indebtedness, which is almost entirely at floating rates. This risk is managed by entering derivative contracts (primarily Interest Rate Swaps) to hedge this risk based on its own needs. This hedging policy allows the Group to reduce its exposure to the risk of interest rate fluctuations. Interest rates fell in the first half of 2025 compared to 2024. Changes in interest rate policies may lead to a change, even a significant one, in the fair value of these instruments. As at 30 June 2025, the proportion of outstanding loans for which such risks were hedged represented 84.8% of the total.

However, from a purely accounting perspective, although such instruments substantially hedge the risks mentioned, they do not meet all the requirements as laid out under IFRS 9 and cannot be defined as hedge accounting; therefore, the Group has decided to consider these instruments as for trading and not hedges and as a result such instruments were measured at fair value with changes reported on the income statement. For further details, please refer to Appendix A.

Raw material price risk management

The fluctuation in the availability and price of the above-mentioned materials could be significant, depending on a number of factors, including the economic cycle of the reference markets, supply conditions and other factors that are out of the control of the LU-VE Group and are difficult to predict (such as: problems regarding the extraction or transformation capacity of individual suppliers which could hinder or delay the delivery of the raw materials ordered; operational and/or industrial decisions made by individual suppliers which entail an interruption of the mining or processing of the raw materials and the subsequent greater difficulty in immediately sourcing said raw materials in the reference market; significant delays in the transport and delivery of these raw materials to Group companies, the possible introduction of tariffs and the impacts of climate change on mining activities). With reference to the energy transition, in particular, additional quantities of copper and aluminium will be necessary, which will however require reduced energy intensity mining techniques.

To manage those risks, LU-VE Group constantly monitors the availability of raw materials in the market as well as the relative price trends (also taking into consideration USD currency fluctuations with respect to the Euro), in order to promptly identify any shortfalls in the availability of raw materials and take suitable actions to guarantee the required production autonomy, and also to keep its production activities competitive with regard to this aspect as well. Analyses are constantly carried out to identify alternatives to strategic suppliers to reduce the relative dependence on them and also geographical diversification activities both with the aim to reduce purchase costs with comparable quality and to avoid excessive geographical dependence on some areas in the world.

In particular, with regard to the main purchased raw material – copper – the LU-VE Group has dealt for several years, for the most part of the quantities, with the same suppliers, selected and periodically assessed on the basis of trading reliability criteria and with whom a relationship based on reciprocal trust has been built. Furthermore, when it deems this necessary in relation to expected trends, the Group enters into contracts to hedge the risk of fluctuations in the price of raw materials.

It should be noted that the Group has “pass through” systems in place which allow cost increases to be transferred to end customers (also possibly generated by the fluctuation in currencies), guaranteeing margin protection.

Unlike the problems that arose in previous years, related to the availability of materials, which forced a review of the procurement approach and an increase in inventories of raw materials and components in order to be able to respond to market demands in a timely manner, during the first half of 2025, inventory management continued to be inspired by “just in time” principles (procurement policy in line with 2024), with positive effects on the reduction of stock and responding to the market with delivery times in line with expectations.

Lastly, please note that oil price volatility impacts (aside from raw material prices) investments made at global level in the Power Gen market, making it difficult to predict trends in this market segment, especially in view of the energy transition, which could limit its operations in time.

Liquidity risk management

The liquidity risk to which the Group may be exposed consists of the failure to locate the adequate financial resources needed for its operations, as well as for the development of its industrial and commercial activities.

The main factors which determine the Group’s liquidity situation are, on one hand, the resources generated or absorbed by operating and investment activities, and on the other hand, the maturity characteristics of medium- and long-term financial payables. The Group has lines of credit granted by multiple leading Italian and international banking institutions which are adequate to meet its current needs. The guidelines adopted by the Group consist of:

- maintaining adequate medium/long-term loans in light of the level of non-current assets;
- maintaining an adequate level of short-term bank credit facilities (both in cash and for the assignment of domestic receivables and export credit).

Furthermore, as at 30 June 2025, the LU-VE Group had unused short-term credit lines totalling EUR 53.5 million. In addition, to minimise liquidity risk the Administration and Financial Department:

- constantly checks forecast financial requirements to promptly take any corrective actions;
- maintains the proper composition of net financial indebtedness, financing investments with own funds and possibly with medium/long-term payables.

An analysis of financial liabilities by maturity as at 30 June 2025 is provided below:

Analysis of financial liabilities by maturity as at 30/06/2025 (in thousands of Euro)	Book value	Contractual cash flows	Within 1 year	From 1 to 5 years	More than 5 years
Bank loans (Note 3.12)	406,689	407,492	117,871	274,053	15,568
IFRS 16 Financial liabilities* (Note 3.15)	20,176	20,176	4,991	12,890	2,295
Financial liabilities	426,865	427,668	122,862	286,943	17,863
Trade payables	131,721	131,721	131,489	103	129
Total	558,586	559,389	254,351	287,046	17,992

(*) "IFRS 16 Financial payables" include the discounting of principal repayments of lease instalments falling under IFRS 16.

The various maturity ranges are based on the period between the reporting date and the contractual maturity of the obligations. The amounts specified in the table correspond to non-discounted cash flows. The cash flows include principal and interest; for floating rate liabilities, interest is calculated based on the value of the benchmark at the closing date of the period, plus the spread established for each contract.

Capital risk management

The Group manages its own capital in order to ensure that the Group entities are able to guarantee their business continuity, maximising at the same time return for shareholders, through the optimisation of the debt to shareholders' equity ratio.

The Group's capital structure consists of net debt (loans described in Note 3.12 – "Loans", net of related balances of cash and cash equivalents) and the Group's shareholders' equity (which includes the fully paid share capital, reserves, retained earnings and non-controlling interests, as described in Note 3.11 – "Shareholders' equity").

The Group is not subject to any externally imposed requirements in relation to its own capital.

Related party transactions

The Parent Company and the other LU-VE Group's companies carry out a number of trade and financial transactions with Related Parties, settled at market conditions from an economic as well as financial perspective, or at the same conditions that would have been applied to independent counterparties. In this regard, there is however no guarantee that, if such transactions were concluded between, or with, third parties, they would have negotiated and entered into the relative contracts, or carried out such transactions, under the same conditions and with the same methods.

In compliance with the provisions of IAS 24, Related Parties are considered to be: (a) companies which directly, or indirectly through one or more intermediary companies, control, or are controlled by or under joint control with, the company preparing the Financial Statements; (b) associates; (c) the natural persons who directly or indirectly have voting power in the company preparing the Financial Statements, which gives them dominant influence over the company, and their close family members; (d) key management personnel, i.e., that who have the power and responsibility to plan, manage and control the activities of the company preparing the Financial Statements, including directors and officers of the company and their close family members; (e) the businesses in which significant voting power is directly or indirectly held by any natural person described in point c) or d) or in which such natural person is capable of exercising significant influence. The case in point e) includes the businesses held by directors or by the major shareholders of the company

preparing the Financial Statements and the businesses that have a key manager in common with the company preparing the Financial Statements.

The table below shows the economic and financial transactions carried out by the Group Companies with related parties in the first half of 2025:

Related Companies (in thousands of Euro)	Trade receivables	Trade payables	Financial receivables	Financial payables	Trade revenues	Trade costs	Financial revenues	Financial costs
Finami S.r.l.		(23)				(112)		
Marco Aurelio Tanci		(8)				(6)		
ARCA S.a.s		-				(3)		
ISIDE S.n.c.		(7)				(14)		
Mauro Cerana		(14)				(19)		
Total	-	(52)	-	-	-	(154)	-	-

The dealings are regulated by special contracts whose conditions are aligned with those of the market.

The main Related Party transactions carried out by the LU-VE Group are long-term contracts as listed below:

- the subsidiary Thermo Glass Door S.p.A. (TGD) has a sub-lease agreement in place with Finami S.r.l. for the plant and the offices located in Travacò Siccomario (PV), where Finami is in turn the lessee by virtue of two lease agreements with Selmabipiemme Leasing S.p.A.; the contract, which started in 2010, was revised over the years and the last review took place in 2021 with effect from 1 January 2022 for a duration of three years, tacitly renewable for another 3 years.

4.15 SHARE-BASED PAYMENTS

As at 30 June 2025, there were no share-based incentive plans in favour of Group Directors or employees.

4.16 COMMITMENTS AND GUARANTEES

The following table provides details on the commitments and guarantees given by the Group:

Commitments (in thousands of Euro)	30/06/2025	31/12/2024	Change
Sureties	8,756	6,644	2,112
Total	8,756	6,644	2,112

As at 30 June 2025, there were no loans for which mortgages had been granted on real estate owned by the LU-VE Group.

The table below provides a breakdown of the sureties provided by the LU-VE Group

Sureties <i>(in thousands of Euro)</i>	30/06/2025	31/12/2024	Change
Sureties in favour of third parties	2,667	3,667	(1,000)
Sureties to banks with respect to customers of certain Group companies	4,222	308	3,914
Sureties to banks with respect to customers	1,558	2,360	(802)
Insurance sureties	309	309	-
Total	8,756	6,644	2,112

Sureties in favour of third parties refer to the autonomous bank guarantee on first demand issued in favour of Wanbao ACC SRL to guarantee the commitments undertaken at the time of the purchase of the business unit.

Sureties to banks with respect to customers of Group companies refer to guarantees given to customers of Refrion S.r.l. and Fincoil LU-VE OY.

5 CONSOLIDATION AREA AND SIGNIFICANT INVESTMENTS

5.1 COMPANIES CONSOLIDATED LINE-BY-LINE

Company name	Registered office	% held	Currency	Share capital	Shareholders' Equity as at 30/06/2025	Result as at 30/06/2025
Direct subsidiaries:						
SEST-LUVE-Polska SP.z.o.o.	Gliwice (Poland)	95.00	PLN	16,000,000	327,629,710	33,795,247
«ООО» SEST LU-VE	Lipetsk (Russia)	95.00	RUB	136,000,000	4,816,909,841	687,507,506
Thermo Glass Door S.p.A.	Travacò Siccomario (PV)	100.00	EUR	100,000	101,222	(452,768)
Heat Transfer Systems s.r.o. (HTS)	Novosedly (Czech Republic)	100.00	CZK	133,300,000	568,674,447	70,694,463
LU-VE Sweden AB	Asarum (Sweden)	100.00	SEK	50,000	76,738,563	8,889,632
LU-VE France S.a.r.l.	Lyon (France)	100.00	EUR	84,150	1,766,895	154,961
LU-VE Pacific Pty Ltd (*)	Thomastown (Australia)	75.50	AUD	200,000	2,170	-
LU-VE Deutschland GmbH	Stuttgart (Germany)	100.00	EUR	230,000	(1,823,656)	(5,722)
LU-VE Iberica S.L.	Madrid (Spain)	85.00	EUR	180,063	884,267	(120,428)
LU-VE HEAT EXCHANGERS (Tianmen) Co, Ltd	Tianmen (China)	100.00	CNY	61,025,411	75,586,885	3,632,852
LU-VE Asia Pacific Limited (*)	Wan Chai (Hong Kong)	100.00	HKD	10,000	-	-
LuveDigital S.r.l.	Uboldo (VA)	50.00	EUR	10,000	72,392	5,763
MANIFOLD S.r.l.	Uboldo (VA)	99.00	EUR	10,000	403,958	(26,165)
Spirotech Ltd	New Delhi (India)	100.00	INR	25,729,600	4,782,200,622	428,368,190
LU-VE AUSTRIA GmbH	Vienna (Austria)	100.00	EUR	17,500	171,839	(13,555)
LU-VE US Inc.	Jacksonville (USA, Texas)	100.00	USD	10,001,000	(12,415,402)	(3,032,031)
Fincoil LU-VE OY	Vantaa (Finland)	100.00	EUR	1,190,000	10,566,175	2,043,947
LU-VE Netherlands B.V.	Breda (Netherlands)	100.00	EUR	10,000	124,649	(62,276)
«ООО» LU-VE Moscow	Moscow (Russia)	100.00	RUB	100,000	20,045,248	(1,940,137)
LU VE Middle East DMCC	Dubai (UAE)	100.00	AED	50,000	977,744	206,539
LU-VE SOUTH KOREA Llc	Seoul (South Korea)	100.00	KRW	100,000,000	47,041,906	22,133,521
Refrion S.r.l.	Flumignano di Talmassons (UD)	100.00	EUR	1,000,000	9,596,939	802,228
LU-VE UK Ltd	London (United Kingdom)	100.00	GBP	10,000	(74,896)	(132,987)
Indirect subsidiaries:						
RMS S.r.l. (100% owned by Refrion S.r.l.)	Flumignano di Talmassons (UD)	100.00	EUR	40,000	2,810,108	432,402
Refrion Deutschland GmbH (100% owned by Refrion S.r.l.)	Frankfurt am Main (Germany)	100.00	EUR	150,000	6,618	4,651

(*) Liquidation procedures are in progress.

6 SIGNIFICANT NON-RECURRING TRANSACTIONS

During the first half of 2025, no significant non-recurring transactions were carried out.

7 TRANSACTIONS DERIVING FROM ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Pursuant to CONSOB communication of 28 July 2006, please note that during the first half of 2025 Group did not carry out atypical and/or unusual transactions, i.e., transactions which in terms of their significance, the nature of the counterparties, the subject of the transaction, the pricing methods and the timing of occurrence may give rise to doubts with regard to the accuracy of the information in the Financial Statements, conflicts of interests, the safeguarding of the company assets or the protection of non-controlling shareholders.

8 SUBSEQUENT EVENTS OCCURRED AFTER 30 JUNE 2025

On 1 July 2025, the extraordinary shareholders' meeting of the Company was held, which approved the proposed amendments to the Articles of Association aimed, among other things, at introducing the increased voting rights already in force.

As a result of this introduction, the so-called "ordinary increased voting rights" already envisaged – granting 2 votes for each LU-VE share held by the same person for a continuous period of 24 months from the date of their registration in the special list for the increased voting rights, established and kept by the Company pursuant to the applicable laws and regulations (the "Special List") – will be joined for the same LU-VE share held by the same person who shall continue to be registered in the Special List even after the double vote has accrued, by the assignment of a third vote upon the expiry of a further period of 12 months from the date of accrual of the ordinary increased vote, and a further vote upon the expiry of each further period of 12 months, up to a total maximum of 10 voting rights per share.

Shareholders who did not take part in the adoption of the article of association amendment, recorded in the Varese Companies' Register on 3 July 2025, were entitled to exercise their right of withdrawal, pursuant to Article 2437 of the Italian Civil Code as referred to by Article 127-quinquies, paragraph 8 of Italian Legislative Decree No. 58/1998, within 15 days of its recording in the Companies' Register.

The effectiveness of the article of association amendment was expressly conditional on:

- the amount in cash, if any, to be paid by LU-VE to the withdrawing shareholders (the "Withdrawal Amount"), exceeding in aggregate the amount of EUR 25,000,000.00 (twenty five million); and/or
- the positive difference, if any, between (x) the unit liquidation price to be paid to the withdrawing shareholders (equal to EUR 28.82 (twenty-eight/82) and (y) the closing price of LU-VE's shares on the last day of the option offer period, multiplied by the number of LU-VE's shares subject to withdrawal that were to be purchased by LU-VE, exceeding in aggregate the amount of EUR 5,000,000.00 (five million).

Since the company did not receive, during the period for the exercise of the right of withdrawal, running between 3 July 2025 and 18 July 2025 (inclusive), any request for withdrawal from the entitled shareholders and therefore neither of the two termination conditions occurred, the shareholders' resolution to amend the articles of association adopted on 1 July became definitively effective and the enhancement of the increased voting rights approved by the shareholders' meeting is therefore fully implemented in the articles of association, effective as from 3 July 2025.

In July 2025, the Parent Company took out with Banca Aletti &C. S.p.A. (Banco BPM S.p.A. group), the CNP class I policy issued by the insurer CNP VITA ASSICURA S.p.A., for a nominal amount of EUR 20,000 thousand.

Sales are expected to grow especially in the second half of 2025, thanks to a robust order backlog, improved demand in some market segments, the impact of recent strategic investments and a potential easing of global instability, factors that could foster a more favourable environment for growth.

Nevertheless, short-term visibility remains limited due to continuing uncertainties. The current macroeconomic panorama and ongoing tariff disputes are contributing to volatility, with particular repercussions for large data centre and power generation projects, where customer decisions may be delayed.

In this context, LUVE continues to approach the market with caution and agility, remaining focused on its strategic priorities.

Looking forward, the company will focus on operational efficiency and selective growth initiatives to promote long-term sustainable expansion, while preserving a solid financial position.

With reference to the tax audit carried out by the Italian Tax Authority on the Parent Company LU-VE S.p.A. relating to the financial years 2016, 2017, 2018 and 2019 and to the report on findings received in November 2023, no further activity has been advanced by the Italian Tax Authority.

With regard to the audit by the Central Directorate for Large Taxpayers and International Affairs (*Direzione Centrale Grandi Contribuenti e Internazionale*) in relation to the application submitted on 28 December 2020 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), as provided for by Article 31 ter of Italian Presidential Decree No. 600/73, the Company promptly responded to all requests of documentation received.

With regard to the Polish Tax Authority's audit on the subsidiary Sest-LUVE-Polska Sp.z.o.o. concerning the application submitted on 30 December 2021 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), the subsidiary promptly responded to the requests of documentation received within the prescribed time limit.

With regard to the audit by the Regional Tax Directorate - Large Taxpayers Office relating to the 2021 tax period audit on the Parent Company LU-VE S.p.A., for the purposes of direct taxes, IRAP (regional business tax) and VAT, the Company promptly responded to the requests of documentation received.

Uboldo, 9 September 2025

The Chairman and Chief Executive Officer

Matteo Liberali



9 APPENDIX A

IRS on loans (in thousands of Euro)

DEBTOR COMPANY	COUNTERPARTY	TAKEN OUT	MATURITY	ORIGINAL NOTIONAL	30/06/2025		30/06/2025
					NOT. Short	NOT. M/L	FAIR VALUE
LU-VE S.p.A.	Intesa Sanpaolo S.p.A.	20/05/2020	30/09/2025	12,500	694	-	4
LU-VE S.p.A.	Deutsche Bank S.p.A.	30/10/2020	30/10/2026	5,500	1,150	596	32
LU-VE S.p.A.	Deutsche Bank S.p.A.	30/10/2020	30/10/2025	10,000	1,000	-	7
LU-VE S.p.A.	Intesa Sanpaolo S.p.A.	31/03/2021	31/03/2026	30,000	5,625	-	62
LU-VE S.p.A.	Banco BPM S.p.A.	14/06/2021	31/03/2026	12,000	2,118	-	23
LU-VE S.p.A.	Banco BPM S.p.A.	14/06/2021	31/03/2026	18,000	3,176	-	34
LU-VE S.p.A.	Banco BPM S.p.A.	17/12/2021	30/09/2026	40,000	10,667	2,667	188
LU-VE S.p.A.	Intesa Sanpaolo S.p.A.	31/05/2022	31/05/2029	20,000	4,000	12,000	212
LU-VE S.p.A.	Intesa Sanpaolo S.p.A.	31/05/2022	31/05/2029	20,000	4,000	12,000	209
LU-VE S.p.A.	Intesa Sanpaolo S.p.A.	31/05/2022	31/03/2029	15,000	3,000	8,250	95
LU-VE S.p.A.	Banca Nazionale del Lavoro S.p.A.	22/07/2022	22/07/2027	40,000	8,000	12,000	193
LU-VE S.p.A.	BPER Banca S.p.A.	22/07/2022	22/07/2027	25,000	6,250	7,813	17
LU-VE S.p.A.	Intesa Sanpaolo S.p.A.	28/07/2022	28/07/2027	15,000	3,750	4,688	36
LU-VE S.p.A.	Deutsche Bank S.p.A.	25/10/2022	28/10/2028	15,000	3,333	8,333	(99)
LU-VE S.p.A.	Unicredit S.p.A.	24/11/2022	31/12/2026	25,000	6,250	3,125	(49)
LU-VE S.p.A.	Banco BPM S.p.A.	19/01/2023	30/09/2027	25,000	5,882	7,353	(184)
LU-VE S.p.A.	Intesa San Paolo	26/10/2023	26/10/2028	30,000	6,667	16,667	(381)
LU-VE S.p.A.	Unicredit S.p.A.	11/01/2024	31/12/2025	15,000	13,235	-	(66)
LU-VE S.p.A.	Unicredit S.p.A.	16/01/2024	31/12/2028	15,000	3,529	9,706	(24)
LU-VE S.p.A.	BPER Banca S.p.A.	23/01/2024	22/01/2026	15,000	14,063	-	(105)
LU-VE S.p.A.	BPER	23/01/2024	22/01/2029	15,000	3,750	10,313	(86)
LU-VE S.p.A.	Banca Nazionale del Lavoro S.p.A.	17/12/2024	28/11/2030	35,000	6,364	28,636	(135)
LU-VE S.p.A.	Intesa San Paolo	18/12/2024	29/11/2030	25,000	4,545	20,455	(131)
LU-VE S.p.A.	Intesa San Paolo	18/12/2024	29/11/2030	15,000	2,727	12,273	(79)
LU-VE S.p.A.	Intesa San Paolo	19/06/2025	27/02/2031	25,000	-	25,000	(105)
LU-VE S.p.A.	Banco BPM S.p.A.	20/06/2025	29/03/2030	20,000	3,333	16,667	(102)
Total				538,000	127,110	218,539	(434)

Currency options (in thousands of Euro)

DEBTOR COMPANY	COUNTERPARTY	TYPE	HEDGED ELEMENT	TAKEN OUT	MATURITY	ORIG. NOT.	30/06/2025	30/06/2025	FAIR VALUE
							NOT. Short	NOT. M/L	
LU-VE S.P.A.	Intesa Sanpaolo S.p.A.	TARF	EUR /\$ Exchange Rate	11/04/2025	25/02/2026	1,000	1,000	-	(17)
LU-VE S.P.A.	Intesa Sanpaolo S.p.A.	TARF	EUR /\$ Exchange Rate	16/06/2025	29/04/2026	1,000	1,000	-	(20)
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	03/10/2024	03/07/2025	1,000	1,000	-	38
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	03/10/2024	05/08/2025	1,000	1,000	-	38
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	03/10/2024	05/09/2025	1,000	1,000	-	37
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	03/10/2024	03/10/2025	1,000	1,000	-	37
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	14/03/2025	03/03/2026	1,000	1,000	-	(5)
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	14/03/2025	03/02/2026	1,000	1,000	-	(5)
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	14/03/2025	02/01/2026	1,000	1,000	-	(5)
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	04/04/2025	03/04/2026	1,000	1,000	-	5
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	04/04/2025	05/11/2025	1,000	1,000	-	8
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	04/04/2025	05/12/2025	1,000	1,000	-	7
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	03/06/2025	05/05/2026	1,000	1,000	-	10
SEST LUVÉ POLSKA SP. Z O.O.	Bank BNP Paribas S.A.	FX Option	EUR/PLN Exchange Rate	03/06/2025	03/06/2026	1,000	1,000	-	9
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	07/08/2024	31/07/2025	100	111	-	-

SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	12/08/2024	31/07/2025	100	111	-	(6)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	14/08/2024	31/07/2025	100	111	-	(6)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	14/08/2024	31/07/2025	100	112	-	(6)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	22/08/2024	31/07/2025	100	113	-	(5)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	04/03/2025	30/01/2026	100	107	-	(4)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	05/03/2025	30/01/2026	100	108	-	(8)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	05/03/2025	30/01/2026	100	109	-	(7)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	06/03/2025	27/02/2026	100	110	-	(6)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	06/03/2025	27/02/2026	100	110	-	(6)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	10/03/2025	27/02/2026	100	110	-	(6)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	10/03/2025	27/02/2026	100	110	-	(5)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	11/03/2025	27/02/2026	100	111	-	(5)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	11/03/2025	27/02/2026	100	111	-	(4)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	12/03/2025	27/02/2026	100	111	-	(5)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	09/04/2025	30/03/2026	100	113	-	(4)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	11/04/2025	30/03/2026	100	116	-	(4)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	11/04/2025	30/03/2026	100	116	-	(2)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	11/04/2025	30/03/2026	100	116	-	(2)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	11/04/2025	30/03/2026	100	116	-	(2)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	21/05/2025	30/04/2026	100	116	-	(1)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	21/05/2025	30/04/2026	100	116	-	(3)

SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	02/06/2025	29/05/2026	100	117	-	(3)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	12/06/2025	29/05/2026	100	118	-	(3)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	12/06/2025	29/05/2026	100	118	-	(2)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	13/06/2025	29/05/2026	100	118	-	(1)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	13/06/2025	29/05/2026	100	118	-	(1)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	20/06/2025	29/05/2026	100	118	-	(1)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	20/06/2025	29/05/2026	100	118	-	(1)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	23/06/2025	29/05/2026	100	117	-	(1)
SPIROTECH HEAT EXCHANGERS PVT LTD	CITI BANK	FX Option	EUR/INR Exchange Rate	26/06/2025	30/06/2026	100	120	-	(1)
Total						17,100	17,526	-	26

Commodity hedges (in thousands of Euro)

CONTRACTOR	COUNTERPARTY	CONTRACT NO.	RAW MATERIALS	IDENTIFIER NO.	NOTIONAL	TAKEN OUT	MATURITY	QUANTITY	Orig. notional	Short-term notional	M/L- term notional	Fair Value 30/06/2025
LU-VE S.P.A.	Unicredit S.p.A.	549300TRUWO2CD2G5692	Copper	MSO_605428474	635	30/07/2024	31/07/2025	50	108	108	-	2
LU-VE S.P.A.	Unicredit S.p.A.	549300TRUWO2CD2G5692	Aluminium	MSO_605427581	161	30/07/2024	31/07/2025	50	424	424	-	(3)
LU-VE S.P.A.	Unicredit S.p.A.	549300TRUWO2CD2G5692	Aluminium	MSO_606272051	270	03/04/2025	31/07/2025	50	110	110	-	(10)
LU-VE S.P.A.	Unicredit S.p.A.	549300TRUWO2CD2G5692	Copper	MSO_606272401	1,060	03/04/2025	31/07/2025	50	422	422	-	(6)
LU-VE S.P.A.	Unicredit S.p.A.	549300TRUWO2CD2G5692	Aluminium	MSO_626499496	171	07/08/2024	31/07/2026	50	421	421	-	-
LU-VE S.P.A.	Unicredit S.p.A.	549300TRUWO2CD2G5692	Copper	MSO_626499412	421	07/08/2024	31/07/2026	75	171	171	-	1
Total									1,656	1,656	-	(16)

10 APPENDIX B

Bank loans (in thousands of Euro)								AMORTISED COST			
								30/06/2025		31/12/2024	
DEBTOR COMPANY	COUNTERPARTY	LOAN TYPE	TAKEN OUT	MATURITY	RATE APPLIED	FINANCIAL COVENANTS	ORIGINAL AMOUNT	RESIDUAL AMOUNT	OF WHICH CURRENT	RESIDUAL AMOUNT	OF WHICH CURRENT
LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	23/03/2020	23/09/2025	3M 360 days Euribor + Spread	NFP/EBITDA <=3; NFP/SE<=1	25,000	1,390	1,390	4,178	4,178
LU-VE	Banca Nazionale del Lavoro S.p.A.	Unsecured loan	28/05/2020	28/05/2025	6M 360 days Euribor + Spread	NFP/EBITDA <=3; NFP/SE<=1.25	40,000	-	-	5,021	5,021
LU-VE	Deutsche Bank S.p.A.	Unsecured loan	11/11/2020	11/11/2026	3M Euribor 360 basis + spread	NFP/EBITDA <=3.2 NFP/EQUITY <=1.15	5,500	1,747	1,153	2,309	1,129
LU-VE	Deutsche Bank S.p.A.	Unsecured loan	11/11/2020	11/11/2025	3M Euribor 360 basis + spread	NFP/EBITDA <=3.2 NFP/EQUITY <=1.15	10,000	1,001	1,001	2,007	2,007
LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	31/03/2021	31/03/2026	3M Euribor 360 basis + spread	NFP/GOM< 3; NFP/Shareholders' Equity<1	30,000	5,631	5,631	9,409	7,535
LU-VE	Banco BPM S.p.A.	Unsecured loan	14/06/2021	31/03/2026	3M Euribor 360 basis + spread	-	12,000	2,119	2,119	3,541	2,835
LU-VE	Banco BPM S.p.A.	Unsecured loan	14/06/2021	31/03/2026	3M Euribor 360 basis + spread	NFP/EBITDA <=3.0 NFP/EQUITY <=1.25	18,000	3,188	3,188	5,334	4,274
LU-VE	Unicredit S.p.A.	Unsecured loan	30/09/2021	31/03/2025	6M Euribor 360 basis + spread	NFP/EBITDA <=3.0 NFP/SE <=1.0	30,000	-	-	4,302	4,302
LU-VE	Banco BPM S.p.A.	Unsecured loan	17/12/2021	30/09/2026	3M Euribor 360 basis + spread	NFP/EBITDA <=3.0 NFP/EQUITY <=1.25	40,000	13,343	10,676	18,727	10,731
LU-VE	Cassa Depositi e Prestiti	Unsecured loan	28/04/2022	05/05/2029	6M 360 days Euribor + Spread	NFP/EBITDA </=3 NFP/SE </=1.15	40,000	31,997	7,946	36,018	8,053
LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	28/04/2022	29/03/2029	3M 360 days Euribor + Spread	NFP/EBITDA </=3 NFP/SE </=1.0	15,000	11,209	2,973	12,717	3,014
LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	31/05/2022	29/03/2029	3M 360 days Euribor + Spread	NFP/EBITDA </=3 NFP/SE </=1.0	15,000	11,182	2,956	12,701	3,008
LU-VE	Banca Nazionale del Lavoro S.p.A.	Unsecured loan	22/07/2022	22/07/2027	6M 360 days Euribor + Spread	NFP/EBITDA </=3 NFP/SE </=1.0	40,000	20,135	8,008	24,192	8,048
LU-VE	BPER Banca S.p.A.	Unsecured loan	22/07/2022	22/07/2027	3M 360 days Euribor + Spread	NFP/EBITDA </=3 NFP/SE </=1.0	25,000	14,072	6,236	17,214	6,266

LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	28/07/2022	28/07/2027	3M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.0	15,000	8,446	3,746	10,351	3,785
LU-VE	Deutsche Bank S.p.A.	Unsecured loan	25/10/2022	25/10/2028	3M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.15	30,000	23,253	6,598	26,615	6,694
LU-VE	Unicredit S.p.A.	Unsecured loan	24/11/2022	31/12/2026	3M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.0	25,000	9,308	6,193	12,416	6,198
LU-VE	Banco BPM S.p.A.	Unsecured loan	21/12/2022	30/09/2027	3M 360 days Euribor + Spread	NFP/EBITDA < /=3.25 NFP/SE < /=1.25	5,000	13,085	5,781	15,994	5,805
LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	26/10/2023	26/10/2028	3M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.0	30,000	23,210	6,586	26,580	6,704
LU-VE	Unicredit S.p.A.	Unsecured loan	21/12/2023	31/12/2028	3M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.0	30,000	24,435	6,915	27,944	7,000
LU-VE	BPER Banca S.p.A.	Unsecured loan	22/01/2024	22/01/2029	3M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.25	30,000	28,099	7,491	29,933	5,661
LU-VE	Banca Nazionale del Lavoro S.p.A.	Unsecured loan	28/11/2024	28/11/2030	6M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.25	35,000	34,963	6,292	34,992	3,264
LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	29/11/2024	29/11/2030	3M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.00	25,000	24,971	4,495	25,010	2,337
LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	29/11/2024	29/11/2030	6M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.00	15,000	14,983	2,697	15,006	1,403
LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	27/02/2025	27/02/2031	3M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.0	25,000	25,008	1,192	-	-
LU-VE	Banco BPM S.p.A.	Unsecured loan	31/03/2025	29/03/2030	3M 360 days Euribor + Spread	NFP/EBITDA < /=3.00 NFP/SE < /=1.25	35,000	34,896	5,746	-	-
LU-VE	Intesa Sanpaolo S.p.A.	Unsecured loan	28/05/2025	28/05/2031	3M 360 days Euribor + Spread	NFP/EBITDA < /=3 NFP/SE < /=1.0	25,000	25,018	(61)	-	-
							Total	406,689	116,948	382,510	119,252

Notes:

NFP: net financial position

SE: shareholders' equity

DSCR: debt service coverage ratio

LR: leverage ratio (NFP/EBITDA)

GR: gearing ratio (NFP/SE)

U.L.: Unsecured Loan

M.L.: Mortgage Loan

Certification of the condensed interim Financial Statements pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended

The undersigned Matteo Liberali, CEO, and Eligio Macchi, Manager in charge of financial reporting of LU-VE S.p.A., certify, also taking into account what is set forth in art. 154***bis***, paragraphs 3 and 4 of Italian Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the business and
- the effective application

of the administrative and accounting procedures for the formation of the condensed consolidated interim Financial Statements in the course of the first half of 2025.

It is also certified that the condensed consolidated interim Financial Statements as at 30 June 2025:

- have been prepared in compliance with the applicable international accounting standards recognised in the European Community pursuant to regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the results of the accounting books and entries;
- are suitable to provide a true and fair view of the financial position, profit and loss and cash flow situation of the issuer and of the group of consolidated companies.

Lastly, please note that the interim directors' report contains references to important events that took place in the first six months of the year and their impact on the condensed interim Financial Statements, along with a description of the main risks and uncertainties for the remaining six months of the year, as well as information on significant related party transactions.

Uboldo, 9 September 2025

Matteo Liberali
CEO

Eligio Macchi
Manager in charge of financial reporting

REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**To the Shareholders of
LU-VE S.p.A.**

Introduction

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

Scope of Review

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

Conclusion

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

DELOITTE & TOUCHE S.p.A.

Signed by
Giacomo Bellia
Partner

Milan, Italy
September 12, 2025

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