CONSOLIDATED HALF-YEAR FINANCIAL REPORT

vimi fasteners

fastening your success

30 JUNE 2022

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CORPORATE BODIES

BOARD OF DIRECTORS

FIRST AND LAST NAME	POSITION
Storchi Fabio	Chairman of the Board of Directors
Sargenti Marco	Chief Executive Officer
Storchi Fabrizio	Director
Accorsi Ivano	Independent Director
Storchi Alessandro	Director

OTHER POSITIONS

FIRST AND LAST NAME	POSITION
Storchi Aimone	Honorary Chairman

BOARD OF STATUTORY AUDITORS

FIRST AND LAST NAME	POSITION
Signoriello Gaetano	Chairman of the Board of Statutory Auditors
Tanturli Gianni	Standing auditor
Corradini Michele	Standing auditor
Esposito Paolo	Alternate auditor
Davoli Claudio	Alternate auditor

INDEPENDENT AUDITORS

Deloitte & Touche SpA

THE GROUP'S STRUCTURE

Report on operations for the Consolidated Financial Statements at 30 June 2022

CONSOLIDATED INCOME STATEMENT, BALANCE SHEET AND CASH FLOW HIGHLIGHTS AT 30 JUNE 2022

REVENUES

Consolidated revenues amounted to Euro 26.33 million, showing an increase of 15.68% compared to the first half of the previous year, driven by the market recovery in 2021 and the record order backlog at the end of last year.

The first half of 2022 also witnessed the Group strengthen its footprint in the "Industrial" sector, in line with the strategy it has implemented during the recent years. In support of the positive growth trend, the Group's order backlog at 30 June 2022, for the current financial period, was confirmed at Euro 24 million (net of sales achieved in the first half of the year), compared to a backlog of Euro 22 million recorded at 30 June 2021.

EBITDA

As at 30 June 2022 the Group's EBITDA came to Euro 2.41 million compared to Euro 3.02 million at 30 June 2021. The first half of 2022 was marked by a significant increase in the prices of raw materials and all commodities in general, as well as by difficulties in procuring materials, which generated a decline in profit margins for all the Vimi Group companies despite the directors' careful management policy of purchasing and passing on the higher costs incurred to customers through selling prices. Furthermore, the sales structure was strengthened during the period for more extensive and sustainable future growth for all Group companies.

Finally, in the early months of the period, there was a temporary increase in costs at subsidiary MF Inox S.r.l. due to a change in management of the company, with the departure of the former directors. However, these higher costs, which contributed to a decline in profit margins in the short term, should be considered preparatory to greater industrial and commercial synergies within the Group, aimed at greater efficiency and profit margins.

NET PROFIT

The Group closed the half-year with a profit of Euro 535 thousand compared to a profit of Euro 650 thousand reported at 30 June 2021. As in previous financial periods, the result included a significant amount of amortisation and depreciation (equal to about Euro 1.9 million at 30 June 2022), arising from the plan of substantial investments implemented in recent years.

NET FINANCIAL POSITION

As at 30 June 2022 the Net Financial Position was in line with the values achieved at 31 December 2021, thus confirming a considerable improvement compared to the values of the first half of 2021 (Euro 16.24 million compared to Euro 16.27 million recognised at 31 December 2021 and Euro 19.73 million at 30 June 2021), demonstrating the Group's ability to finance its working capital.

The Group's indebtedness showed a decrease of approximately Euro 2.80 million in the medium/long-term portion. Likewise, there was an increase of about Euro 1.62 million in the current portion, partly due to a short-term loan taken out to provide the subsidiary MF Inox S.r.l. with better liquidity management after the payment of the last tranche of Earn-Out amount to the previous owners, which took place in June 2022.

INTRODUCTION

Dear Shareholders,
We submit for your attention the Vimi Fasteners Group's consolidated financial statements at 30 June 2022.

Therefore, these figures commented on below in this report are related to the Vimi Fasteners Group composed as follows:

- Vimi Fasteners S.p.A., the parent company with registered office in Novellara (Reggio Emilia);
- MF Inox S.r.l., a wholly-owned subsidiary with registered office in Albese con Cassano (Como);
- Vimi Fasteners GmbH, a wholly-owned subsidiary with registered office in Rommerskirchen (Germany);
- Vimi Fasteners Inc., a wholly-owned subsidiary with registered office in Charlotte, NC (USA).

SIGNIFICANT EVENTS DURING THE PERIOD

The first half of 2022 was marked by an extremely changing and diverse global scenario that put a strain on the Group's ability to conduct its business.

The 2022 financial year opened with a generally positive macroeconomic environment, driven by a strong market recovery recorded in the second half of last year. At the same time, there was a significant increase in inflation, which offset the positive effects of the recovery.

In addition, the resurgence of the Covid-19 pandemic, for the third year in a row, had an impact on business life, leading to a high number of employee absences in the winter months, resulting in reduced production capacity.

Finally, the escalation of the Russian-Ukrainian conflict, with the invasion of Ukrainian territory on the part of the Russian militias at the end of February, contributed to the further upsurge in the prices of raw materials and difficulties in supplying many materials on the market. The price of electricity and gas rose to levels that are very difficult to sustain and reconcile with production needs and the economic and financial balance of many companies.

In this context, which will be described more fully hereinbelow, the Vimi Group is showing stability in gaining orders and a good order backlog for the coming months. A general reduction in demand from the German market, which is facing a sharp slowdown, is offset by a good demand for products from Italy and the United Kingdom. Following the process, which had already begun in the second half of 2021 when the effects of the first increases in the price of raw materials were beginning to be seen, the renegotiation of selling prices to customers continues at a rapid pace in order to compensate as much as possible for the staggering rises experienced by materials, energy and transport in recent months.

The Group's management will continue to monitor the evolution of the scenario on an ongoing basis in order to promptly assess whether additional measures are to be put in place to safeguard the health and well-being of its employees, collaborators and customers, as well as well as of any other stakeholder, with the aim of also ensuring the proper achievement of the strategic objectives planned in the medium term.

In general, on the basis of the results that have been achieved and the available financial, operational and performance indicators, the Group's Directors consider that, despite the uncertain global economic and financial scene, no uncertainties are noted with regard to the ability to continue as a going concern, nor are any critical issues regarding the Group's ability to meet its obligations over the next 12 months.

Evidence of this ability is the fact that the Vimi Group has never stopped the process of industrial modernization and continuous improvement of its organization: in fact, the first months of 2022 saw the recruitment of new professionals into the company to strengthen the sales and manufacturing departments. In addition, it was decided to make a significant investment in the production of electricity from renewable sources, with the expansion of the PV plant, which will enter in operation by the end of 2022.

This spirit of improvement affected all Group companies, with the sales structure of the US subsidiary Vimi Inc. also being strengthened in order to support sales development in this high-potential market. Furthermore, there was the completion of the change in management of subsidiary MF Inox S.r.l., which saw the end of the transition period between previous and current owners with the approval of the 2021 financial statements. This transition resulted in an increase in costs incurred in the first half of 2022, but there is confidence that the process that has been started will lead to greater synergies within the Group, with consequent recovery in profit margins already in the short term.

Finally, again within this perspective of growth and creation of value for all stakeholders, it should be noted that in February 2022 the Group changed its Euronext Growth Advisor, while, as from April, it also changed its Specialist Operator, entrusting the task to Integrae Sim, one of the main experts in managing relations with the Italian Stock Exchange and investors.

MACROECONOMIC SCENARIO

GENERAL OVERVIEW

Since the first quarter of 2022, there has been a general weakening in economic growth in all major advanced countries, due to both the continuing Covid-19 pandemic and the consequences of Russia's invasion of Ukraine at a later time.

The world composite Purchasing Managers' Index (PMI) on output for advanced economies excluding the Eurozone, showed a decrease in the period between April and June, thus reflecting, in particular, the weak values recorded in the United States and the United Kingdom. While some of the uncertainty surrounding the war in Ukraine is slowly fading, inflation is in fact weighing on real disposable income and aggregate demand.

In May, 12-month headline inflation as measured on the basis of the consumer price index (CPI) in OECD countries rose from 9.2% in April to 9.6%, due to the energy and food components and, to a lesser extent, core inflation.

Oil prices were supported by the gradual reboot of the Chinese economy and enduring constraints on the supply side, which was partly offset by weaker growth prospects. Gas prices rose sharply (+119%) as a result of shortages on the supply side. Most recently, the reduction in gas supplies from Russia to Germany led to a new price spike, after a period of decline in Europe due to a sharp increase in inventories.

Despite these signs, the Eurozone economy expanded at a rate of 0.5% in the first quarter of 2022, driven by contributions provided by net trade and inventories, while the growth in real GDP in the Eurozone was driven by the reopening of economy in the second quarter. At the same time, persistent unfavourable factors such as the continuing Russian-Ukrainian war, high inflation, disruptions along supply chains and the more stringent financing conditions continued to weigh on growth.

In Italy, after growing only slightly in the first quarter, GDP accelerated in the spring, showing overall resilience in the face of high uncertainty about developments in the Ukraine invasion, persistent difficulties in procurement and sharp rises in energy and food prices. However, GDP was supported by increased consumption and, although slowing compared to the previous three months, by investment and exports.

Developments in the Q3 of 2022 - Projections

In the forecast of July 2022, the International Monetary Fund (IMF) expects a growth rate of +3.2% in the world economy in 2022 compared to the previous year. It is a generalised growth in economy that concerns all countries all over the world, excluding Russia, although with differences. The growth forecast for the countries in the Eurozone as a whole is +2.6%, while for Italy in particular, the IMF shows growth of +3.0% in 2022 and 0.7% in 2023.

In general, the Eurozone will be characterized by high uncertainty, due to pressures on the prices of raw materials, the possible further reduction in gas supplies (with consequent rationing in the winter months) and restrictions on financing conditions, which are expected to curb consumption and investment spending. However, these adverse effects should be offset by a resilient labor market, high levels of accumulated savings, and additional and targeted measures put in place by the world of politics, such as budget policies and interventions outlined in the NRRP.

Monetary and financial conditions also assume a rise in interest rates, especially in the two-year period 2022-23, in line with market expectations that are affected by a normalization of monetary policy to counter recent inflationary pressures (with an average inflation level estimated at around 7.8% in 2022).

Therefore, as from the 2023 financial year, a slight increase in household consumption is expected, as is a significant increase in investments, services (particularly related to the recovery in tourist flows) and exports.

Expected growth is subject to substantial downward risks. The main element of uncertainty is the evolution of the conflict in Ukraine, which could affect the availability and prices of raw materials, as well as lead to a sharper slowdown in world trade and a more pronounced deterioration in confidence. In the short term, an additional risk is the resurgence of the pandemic, which - if spread globally - could also have an impact on international supply chains. These same factors pose upward risks to the inflation, which could also be affected by a more pronounced transmission of energy price increases to wages and salaries and the less volatile components of consumer prices than historically observed.

THE FASTENERS SECTOR

The marked recovery in economy on a global scale, which arose as early as the second half of 2021, has also boosted demand for fasteners. The sectors of industrial, agricultural and marine vehicles, and operating machinery, as well as of energy and infrastructure, have significantly driven the growth in orders placed with fastener manufacturers, sometimes with very challenging delivery requirements. On the other hand, demand for fasteners remains more limited in the automotive sector, for which, however, a major recovery is expected in the coming months.

In addition, the trends that had already been observed last year continued in 2022 too: the increase in the prices of industrial metals such as copper, zinc, aluminium and, more specifically, scrap iron, has urged fastener manufacturers to renegotiate selling prices with their customers, in order to offset the higher costs they have incurred.

Furthermore, imported fasteners, coming from Far-East countries and India, have shown the same strongly inflationary trend in prices, which, combined with difficulties in meeting delivery requirements, even due to the resurgence of the Covid-19 pandemic, has pushed manufacturers to make greater use of European suppliers; it is a trend that is getting stronger to mitigate the country risk associated with the critical issues that emerged from the pandemic in supply chains.

ALTERNATIVE KPIs

This report provides some performance indicators in order to allow for a better assessment of the Group's results of operations, financial position and cash flows.

On 3 December 2015 CONSOB (the Italian Securities and Exchange Commission) issued Communication no. 92543/15, which implemented the Guidelines that had been issued by the European Securities and Markets Authority (ESMA) on 5 October 2015, regarding the disclosure of the aforesaid indicators in regulated information disseminated or in prospectuses published as from 3 July 2016. These Guidelines, which update the previously applicable CESR (Committee of European Securities Regulators) Recommendation (CESR/05-178b), are aimed at promoting the proper use and transparency of alternative performance indicators included in regulated information or prospectuses falling within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and clarity. In line with the communications mentioned above, the criteria used for the formulation of these indicators are provided below.

The income statement reclassified by destination must be prepared according to the following criteria:

- Cost of goods sold: this consists of costs directly attributable to products intended for sale. It includes, but is not limited to, costs of materials, labour, third-party processing, consumables and maintenance relating to production departments;
- Commercial costs: these include, by destination, costs incurred by sales networks, such as personnel, transport of goods sold, fees and commissions due to agents, and promotional/advertising costs;
- Administrative costs: these include any and all costs linked to general functions and departments, such as, for example, personnel not directly engaged in production, consultancy advice and corporate expenses.

  They also include any and all costs linked to the R&D work on new products, including costs for staff members from the various company areas involved in the projects, as well as for materials and equipment used for experimentation, third-party advice from research institutions and Universities that collaborate with the Group companies;
- Other operating costs: these include any and all production-related costs that are not reclassified to cost of goods sold, such as, for example, leases and rentals and non-production utilities.

The main items of the reclassified income statement that are equivalent to the corresponding items of the income statement reported in the section on "Financial statements" are: Revenues, Amortisation, depreciation and other impairment, Operating profit (loss), Financial income, Financial costs, Profit (loss) before tax, Taxes, Profit (loss) for the period.

The following alternative performance indicators are used in this report on operations:
- Gross profit: this value is obtained by subtracting the cost of goods sold – as expressed above - from Revenues for the period, as resulting from the financial statements;
- EBITDA: this is obtained by adding "amortization, depreciation and other impairment" recognised during the period to EBIT;
- Net Financial Position: this is calculated in accordance with the criteria set out in CONSOB Communication of 28 July 2006 and subsequent CONSOB warning notice no. 5/21 of 29 April 2021, which implements the ESMA Guidance published on 4 March 2021.

The reclassified balance sheet must be prepared according to the following criteria:

- Net working capital: this is determined by the algebraic sum of current assets and liabilities functional to the company's operations;
- Fixed assets: these consist of the set of long-term assets, i.e. non-current assets and receivables;
- Net Invested Capital: this indicator consists of the total of current and non-current assets, excluding financial assets, net of current and non-current liabilities, excluding financial liabilities;
- NFP (Net Financial Position) or Net Financial Indebtedness: this indicator is calculated in accordance with CONSOB Communication no. 15519 of 28 July 2006, also including "Other financial assets" consisting of temporary cash investments. Furthermore, this indicator is reported in compliance with the provisions of

CONSOB warning notice no. 5/21 of 29 April 2021, on the basis of the requirements of the ESMA Guidance published on 4 March 2021.

The capital and financial structure reflects assets and liabilities classified according to the schedule of net invested capital. The main items of the statement of financial position equivalent to the corresponding items of the statement of financial position reported in the section on "Financial statements" are: inventories, property, plant and equipment, intangible assets, Employee Severance Pay (TFR) and shareholders' equity.

Finally, for the purposes of preparing the statement of financial indebtedness, we have applied the provisions of CONSOB Communication DEM/6064293 of 28 July 2006 and of the subsequent CONSOB warning notice no. 5/21 of 29 April 2021, as already stated above.

THE GROUP'S PERFORMANCE

INCOME STATEMENT

The first half of 2022 ended with a profit of Euro 535 thousand, showing significant growth in revenues, which exceeded Euro 26 million, up by 15.6% compared to the first half of the previous year, due to the effect of drivers such as the recovery of the markets that took place throughout 2021 and the record order backlog reported by the Parent Company at the end of the previous year.

However, the months under review in this report were marked by considerable increases in the price of raw materials and commodities in general, as well as by difficulties in the procurement of certain materials, which resulted in longer delivery times for materials and a reduction in profit margins compared to the same period in the previous year.

For more details, reference should be made to the highlights of the reclassified income statement, compared to those of the previous period, as shown in the table reported below.

€/th.	06.2022	%	06.2021	%
Revenues	**26,329**	**100.00%**	**22,761**	**100.0%**
Cost of goods sold	(17,182)	-65.26%	(13,395)	-58.8%
Gross margin	**9,147**	**34.74%**	**9,366**	**41.2%**
Administrative costs	(3,582)	-13.60%	(3,420)	-15.4%
Commercial costs	(1,278)	-4.85%	(1,060)	-4.7%
Other operating costs	(1,874)	-7.12%	(1,867)	-7.8%
Gross operating margin (EBITDA)	**2,413**	**9.17%**	**3,018**	**13.3%**
Amortisation, depreciation and other impairment	(1,930)	-7.33%	(2,065)	-9.1%
Operating profit - (EBIT)	**483**	**1.83%**	**954**	**4.3%**
Financial income	191	0.73%	36	0.1%
Financial costs	(170)	-0.65%	(286)	-1.3%
Profit (loss) before tax	**504**	**1.91%**	**704**	**3.1%**
Taxes for the period	31	0.12%	(54)	-0.2%
Profit (loss) for the period	**535**	**2.03%**	**650**	**2.9%**

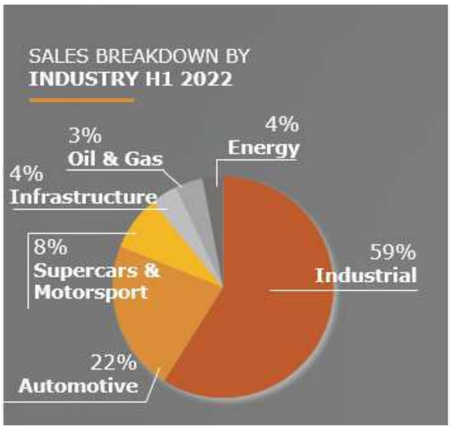
The reader of this document is reminded that gross margin and EBITDA are not identified as accounting measures within the scope of IFRS and should not, therefore, be regarded as indicators for assessing the Group's performance of operations.

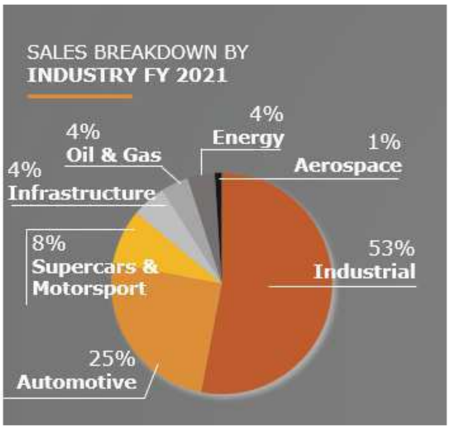
It should also be noted that the criterion used by the Group to calculate the parameters mentioned above may not be the same as that adopted by other companies in the sector, and, therefore, these values may not be comparable.

However, these values are reported and commented on in this document, since they are normally the object of analysis on the part of stakeholders.

REVENUES AND ORDERS

The 2021 financial year, which was a record year for the Group, had shown significant growth in terms of sales and profit margins, due to the strong recovery of the markets after the Covid-19 pandemic that had characterized the previous months. The effects of this strong recovery also spilled over into the first half of 2022, which saw an order backlog on record highs for the Group at the beginning of the year. Therefore, it should be noted that the Vimi Group achieved total revenues of Euro 26.3 million as at 30 June 2022, compared to an amount of Euro 22.8 million in the first half of 2021, showing an overall increase of 15.7%.





The increase in revenues, which was recorded during the half-year in line with the trend that had already been reported in previous years, was driven by the industrial sector, which achieved a share of 59% of total sales at 30 June 2022 (compared to 53% recorded at 31 December 2021 and 51% at 30 June 2021). In percentage terms, reduction continued in the share of sales in the automotive sector, which, although important to Vimi Fasteners, is reporting a decline to the benefit of the industrial sector, in line with the Group's diversification strategy.

As at 30 June 2022 the Vimi Group's order backlog expiring in the 2022 financial year came to Euro 24 million, showing an increase compared to the value posted in June 2021, equal to approximately Euro 22 million, thus confirming stable growth in market demand.

GROSS MARGIN

Gross margin for the first half of 2022 showed a value of Euro 9.15 million compared to Euro 9.37 million in the first half of 2021, showing a reduction of about 2% compared to the same period in the previous year and an impact on revenues that came to 34.74% compared to 41.2% at 30 June 2021.

As described above, the significant increase in costs of raw materials and energy during the first months of the year had a tangible impact on the cost of sales, and consequently the gross profit. In spite of management's careful and ongoing attention to these issues, the Group companies were, in fact, unable to fully pass on the higher costs incurred to the selling prices of products, mainly due to the related rapid and continuous increases. In this regard, it is deemed appropriate to emphasize that the management of this issue is a primary objective for the company directors, so as to be able to protect profit margins as much as possible, even in a situation of global tension such as the present one.

ADMINISTRATIVE, COMMERCIAL AND OPERATING COSTS

Administrative costs for the period amounted to Euro 3.58 million, slightly higher compared to Euro 3.42 million in the first half of 2021, with a declining impact on revenues compared to 30 June 2021.

This item also includes the reclassification of research and development costs. The Parent Company is, in fact, continuing its investments in R&D projects, with a total expenditure, during the first half of 2022, equal to Euro 690 thousand, of which an amount of Euro 308 thousand was capitalised.

The activities concerned the study and design of new high-performance fastening systems with light alloy materials; in particular, work continued on the project funded by the Ministry of Economic Development (MISE) regarding the: "*Development of design methods and production techniques for highly performing fastening systems for aerospace, motorsport, high-end automotive/supercar applications and new mild and full electric engines.*"

Commercial costs for the period amounted to Euro 1.28 million compared to Euro 1.06 million in the first half of 2021, with an impact on revenues almost in line with the same period of the previous year. However, the increase in the period was mainly due to the structure being strengthened (particularly in the sales area) in the period under consideration in order to support the development and growth of the Group.

Other operating costs amounted to Euro 1.87 million, in absolute value in line with the first half of 2021, and with an impact on revenues that was slightly lower than in the previous year.

GROSS OPERATING MARGIN (EBITDA)

EBITDA in the first half of 2022 came to Euro 2.4 million, compared to Euro 3.0 million recorded at 30 June 2021 (-20% compared to the first half of the previous year). As already described above, the first months of the current year were characterised by substantial increases in the prices of raw materials and commodities in general, as well as by difficulties in the procurement of certain materials, which had the effect of reducing profit margins compared to the previous year.

At the same time, it is also noted that there was a temporary increase in costs at subsidiary MF Inox S.r.l. in the first six months of 2022, due to a change in management of the company, with the departure of the previous owners. However, these higher costs, which contributed to a further decline in profit margins in the short term, should be considered preparatory to greater industrial and commercial synergies, with a significant recovery in future profit margins.

AMORTISATION, DEPRECIATION AND OTHER IMPAIRMENT

Amortisation and depreciation, which amounted to about Euro 2 million at 30 June 2022, showed a slight reduction compared to 30 June 2021. This item includes costs of Euro 436 thousand for rental and lease agreements, as required by IFRS 16.

OPERATING RESULT (EBIT)

As at 30 June 2022, EBIT came to Euro 483 thousand, equal to 1.84% of revenues, compared to a result of Euro 954 thousand at 30 June 2021, with an impact of 4.3% on revenues.

PROFIT (LOSS) FOR THE PERIOD

The result before tax posted a profit of about Euro 504 thousand at 30 June 2022, against a profit of Euro 704 thousand recorded in the first half of 2021.

After the recognition of taxes for the period, the Vimi Group's consolidated financial statements at 30 June 2022 showed a profit of Euro 535 thousand, equal to 2.03% of revenues stated in the accounts, against a result of Euro 650 thousand (2.9% of revenues) recognised at 30 June 2021.

CAPITAL AND FINANCIAL STRUCTURE

The Group's capital and financial structure at 30 June 2022, which is summarised in the table below, shows the following amounts:

€/th.	06.2022	%	12.2021	%
Trade receivables and advances to suppliers	11,186	25%	10,458	24%
Inventories	12,990	29%	11,197	25%
Trade payables and advances from customers	(9,825)	-22%	(9,507)	-21%
Other net receivables and payables	(3,002)	-7%	(2,396)	-5%
Net working capital	**11,348**	**25%**	**9,751**	**22%**
Property, plant and equipment	13,832	31%	14,925	34%
Intangible assets	16,681	37%	16,448	37%
Non-current financial assets	1	0%	1	0%
Receivables from others and deferred tax assets	5,477	12%	5,638	13%
Fixed assets	**35,992**	**80%**	**37,011**	**83%**
Provision for Employee Severance Pay and other long-term payables	(2,236)	-5%	(2,292)	-5%
Net invested capital	**45,104**	**100%**	**44,471**	**100%**
Net financial position (A)	**16,236**	**36%**	**16,272**	**37%**
Shareholders' equity (B)	**28,869**	**64%**	**28,199**	**63%**
Total sources of Financing (A) + (B)	**45,104**	**100%**	**44,471**	**100%**

Net invested capital at 30 June 2022 amounted to Euro 45.1 million, showing a slight increase compared to Euro 44.5 million at 31 December 2021.

Specifically:

- net working capital rose from Euro 9.75 million at 31 December 2021 to Euro 11.35 million at 30 June 2022, resulting in a change in the impact on net invested capital from 22% at 31 December 2021 to 25% at 30 June 2022.

  Inventory stock increased from Euro 11.20 million at 31 December 2021 to Euro 12.99 million at 30 June 2022. This increase appears to be due to a twofold effect: on the one hand it is affected by a rise, which is also significant, in the prices of materials, while on the other hand there is an increase in certain quantities of materials, as a result of supply planning policies, which take account of the difficulties in procuring raw materials.

  Trade receivables rose from Euro 10.46 million at 31 December 2021 to Euro 11.19 million at 30 June 2022, as a direct consequence of higher sales volumes compared to the previous period. However, no deterioration was reported in collection days, nor in the quality of the receivables themselves.

  Trade payables remained substantially stable, increasing from Euro 9.51 million at 31 December 2021 to Euro 9.83 million at 30 June 2022.

- Fixed assets (consisting of the sum of the value of property, plant and equipment, intangible assets, non-current financial assets, rights of use arising from IFRS 16 measurement and non-current receivables) showed a reduction of Euro 1.02 million compared to the values recorded at 31 December 2021, mainly due to the recognition of amortisation and depreciation for the period, as detailed below:

- a reduction of about Euro 1.09 million in "property, plant and equipment" due to the recognition of depreciation for the period, net of new capitalisations and disposals for about Euro 578 thousand;
- an increase of about Euro 233 thousand in "intangible assets" due to the recognition of amortisation for the period, net of new capitalisations for Euro 347 thousand.

Net Financial Position

As at 30 June 2022 the net financial position reported a negative value (debt) of Euro 16.2 million, in line with the values posted at 31 December 2021 (Euro 16.3 million) and showing a significant decline compared to the values recognised at 30 June 2021 (Euro 19.7 million), demonstrating the Group's ability to finance working capital.

Furthermore, it should be noted that the overall value of the Net Financial Position for the period under consideration includes discounted borrowings relating to the payment of future leases and rentals, as required by IFRS 16, totalling Euro 2.98 million, of which an amount of Euro 813 thousand due within 12 months, while at 31 December 2021 they amounted to Euro 3.36 million, of which an amount of Euro 848 thousand due within 12 months.

The table below provides a breakdown of Net Financial Position at 30 June 2022, compared to the same data at 31 December 2021.

€/th.	06.2022	12.2021
A. Cash	770	1,911
B. Cash equivalents	–	–
C. Other current financial assets	–	–
D. Liquidity (A) + (B) + (C)	**770**	**1,911**
E. Current financial debt	(4,813)	(848)
E1. of which lease liabilities	(813)	*(848)*
F. Current portion of non-current financial debt	(4,958)	(4,958)
G. Financial debt for acquisition of MF Inox (Earn-Out)	–	(2,342)
H. Current financial debt (E) + (F) + (G)	**(9,771)**	**(8,148)**
I. Net Current Financial Debt (Financial Position) (H) + (D)	**(9,001)**	**(6,237)**
J. Non-current financial debt	(7,234)	(10,035)
J1. of which lease liabilities	(2,168)	*(2,516)*
K. Debt instruments	–	–
I. Trade payables and other non-current payables	–	–
L. Financial debt for acquisition of MF Inox (Earn-Out)	–	–
M. Non-current Financial Debt (J) + (K) + (I) + (L)	**(7,234)**	**(10,035)**
N. Total Net (Financial Debt) /Financial Position (M) + (I)	**(16,235)**	**(16,272)**

INVESTMENTS

The investments made during the first half of 2022 totalled about Euro 1 million.

Of this amount, Euro 0.7 million related to property, plant and equipment, including Euro 672 thousand invested in tangible assets, mainly for the purchase of equipment and improvements to existing assets, and Euro 49 thousand relating to lease agreements accounted for as required by IFRS 16.

As resulting from the figures reported above, these investments, relating to property, plant and equipment only, were more limited compared to the previous financial years, since the Group completed the investments for the construction of the new plant during the 2021 financial year in order to start taking advantage of the resulting benefits in terms of productivity.

Investments in intangible assets amounted to Euro 347 thousand, of which an amount of Euro 308 thousand was due to the capitalisation of development costs relating to the MISE project under the responsibility of the Parent Company, which totalled about Euro 2.2 million.

FINANCIAL PERFORMANCE INDICATORS

Certain performance indicators achieved by the Vimi Group at 30 June 2022 are reported below in addition to comparative data at 30 June 2021:

PROFITABILITY RATIOS

		30/06/2022	30/06/2021
Return on sales (ROS)	Operating profit / Revenues	0.02	0.04
Return on investment (ROI)	Operating profit / Invested capital	0.01	0.02
Return on equity (ROE)	Profit for the period / Equity	0.02	0.02
EBITDA		2,413	3,018
EBIT		483	954
Personnel performance	Revenues / Personnel costs	3.56	3.18

As already described above, the significant increase in procurement, transport and energy costs led to a consequent decline in profit margins, which can be observed in the schedule of the main profitability ratios, as shown in the table above. As at 30 June, all indicators nevertheless remained positive, although they were strongly impacted by the contingent situation.

FINANCIAL RATIOS

		30/06/2022	31/12/2021
Current ratio	Current assets / Current liabilities	1.10	1.15
Quick ratio	Current assets – inventories / Current liabilities	0.56	0.64
Leverage	Total investments / Net worth	1.56	1.58
Fixed assets coverage	Equity / Fixed assets	0.95	0.90

The values recorded through the calculation of the financial ratios at 30 June show, as a whole, the Company's ability to finance working capital and keep its financial position in balance despite the aforementioned difficulties related to the current macroeconomic scenario.

All indicators achieved, in fact, values almost in line with those posted at 31 December 2021.

Accordingly, the Group is able to maintain its historical propensity to being able to finance working capital. Moreover, the debt to equity ratio, as measured by the Leverage ratio, remained in line with the value posted at 31 December 2021, highlighting a proper balance of sources of financing.

OPERATIONAL RATIOS

		30/06/2022	31/12/2021
DOI	Inventories / Cost of goods sold x 365 (*)	138	139
DSO	Trade receivables / Revenues x 365 (*)	78	80
DPO	Trade payables / Costs of materials and services x 365 (*)	108	95

**The ratios at 30 June 2022 were determined by calculating a turnover over 180 days*

Finally, as reported above, at 30 June 2022 a substantial balance was noted, even with regard to the timing of inventory turnover and collection from customers or payment to suppliers. In particular, there was an average reduction of around 2 days in the time taken to collect payments from customers and a slight lengthening of about 13 days in the average time taken to pay payables to suppliers.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

In carrying out its activities, the Vimi Group is exposed to various types of business risk that might have an impact on its results of operations and financial position:

- market risk is essentially linked to trends in demand and prices of products. In relation to future trends in the target sectors, which at present can only be partially predicted, there will be related repercussions in terms of demand in the specific markets in which the Group operates;
- process risk: the Group relies on an accounting organisation based on the division of tasks and a management application system based on the division of functions with dedicated profiles and authorisations that are reviewed periodically. For the purpose of preparing the financial statements, the Board of Statutory Auditors and the Independent Auditors carry out periodical audits of the internal control system, which are followed by adjustments to processes, where necessary;
- risk of non-compliance with regulations: there is no particular risk of incurring penalties or being disqualified from carrying out activities due to the failure to comply with the relevant regulations, especially those governing environmental risks and occupational safety;
- Covid-19 risk: in addition to the issues linked to the economic and financial effects of the pandemic, the Group put in place, from the earliest signs of the seriousness of the emergency, a set of precautionary measures to protect the health of its staff members and promptly updated its Risk Assessment Document, including references to biological risk in accordance with Legislative Decree no. 81 of 2008.

  Since the biological risk arising from the Coronavirus epidemic is not an occupational risk, i.e. directly correlated with the Group's production activities, the Risk Assessment Document was prepared by mainly focusing attention on information and prevention measures to be adopted in various application scenarios.

  On the basis of the Risk Assessment Document and of the subsequent "Shared protocol for regulating measures to counter and contain the spread of COVID-19 in the workplace" prepared by the Government and the Social Partners, the Group provided basic information to all of its employees and collaborators, including through the display of information totems at the main transit points. Specific PPE and hand hygiene equipment were also distributed. At present, it is not possible to predict how the emergency is likely to evolve in the future, which in any case continues to constitute a critical issues, not only for public health, but for the world economy as a whole.
- Country risk: in past years the Group did not consider the factor related to country risk to be a critical issue for its activities. However, in light of the present uncertain international situation, it is deemed appropriate to carry out this assessment. As of today's date, the Vimi Fasteners Group does not include, among its customers and direct suppliers, any companies based in Ukraine or Russia, which are the countries that are currently involved in the war in progress. However, possible repercussions at global level cannot be fully ruled out in the coming months, even in the sectors in which the Group operates. For this reason, this issue will therefore continue to be monitored by management in the near future.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The information below is provided with regard to the disclosure required by Article 2428, paragraph 2.6-*bis*, of the Italian Civil Code, in the matter of financial statements, regarding financial risk management objectives and policy.

The Group is exposed to financial risks associated with its business, specifically relating to the following cases:

- Credit risk. It is the risk that a counterparty fails to meet its obligations linked to a financial instrument or a commercial contract, thus giving rise to a financial loss. The Group is exposed to credit risk arising from its operating activities (especially trade receivables and credit notes) and from its financing activities, including deposits with banks and financial institutions and transactions in foreign currency.

  In particular, with regard to the risk associated with commercial contracts, which is deemed to be the most significant, it should be noted that the Vimi Group does not hold significant amounts of receivables. It is in fact the Group companies' policy to make sales to customers after assessing their creditworthiness and then monitoring past due amounts (if any) on a monthly basis. Historically, the Group has not incurred significant credit losses.
- Liquidity risk. A prudent liquidity risk policy entails maintaining adequate cash and cash equivalents and sufficient lines of credit on which to draw for any requirement. It is the Group's policy to rely on lines of credit that can be used for cash requirements and for disposals of portfolio assets, which are immediately available within the limits of the facilities granted.

  The breakdown of financial liabilities classified as non-current is reported below.

Amounts in €/th.	**within 1 year**	**from 2 to 3 years**	**beyond 3 years**	**Total**
Credem loan	264	133	-	397
Credem loan	1,005	-	-	1,005
Simest loan	-	5	16	21
BPER loan	592	1,202	611	2,405
Banco BPM loan	1,249	1,248	-	2,497
UNICREDIT loan	1,848	1,851	-	3,699
Total Loans	**4,958**	**4,439**	**627**	**10,024**

- Market risk: the market risk to which the Group is subject is detailed as follows:

a) Exchange risk, relating to transactions in foreign currency areas other than those of denomination;

b) Interest rate risk, relating to the Group's exposure to financial instruments that generate interest. This is the risk that the fair value or future cash flows of a financial instrument will change due to fluctuations in market interest rates. The Group's exposure to the risk of changes in market interest rates is linked in the first instance to long-term debt with variable interest rates.

Amounts in €/th.	Interest rate	30.06.2022	31.12.2021
Credem loan	EU3 M+0.75%	397	526
Credem loan	EU3 M+0.95%	1,005	1,505
Simest loan	0.051% FIXED	21	-
BPER loan	0.90% FIXED	2,405	2,699
Banco BPM loan	EU6 M+1.20%	2,497	3,121
UNICREDIT loan	EU3 M+0.5%	3,699	4,626

The Group assesses its exposure to the risk of fluctuations in interest rates on an ongoing basis and manages this risk by also using derivative financial instruments. The effects of a theoretical, instantaneous upward fluctuation of 50 basis points in interest rates would entail higher financial costs for the Group in 2022, totalling Euro 19 thousand on an annual basis (in the assessment carried out at 31 December 2021 this higher amount was estimated at approximately Euro 26 thousand over 12 months). The sensitivity analyses have not considered any loans for which hedging transactions have been put in place or which have been taken out at a fixed rate, as well as cash investments at a fixed rate. Moreover, it is deemed reasonable that a change in interest rates could have an opposite economic effect on the derivative entered into to hedge the Unicredit loan, thereby reducing the overall change potentially caused by a fluctuation in the reference interest rates.

c) Commodity and utilities price risk, due to changes in the prices of commodities and utilities in general.

The Group companies are affected by the volatility of the price of certain commodities and utilities, since operating activities require the purchase and processing of steel on an ongoing basis and, consequently, a continuous supply of steel.

In order to hedge this risk, which is particularly significant in this historical moment due to significant increases in the prices of raw materials and energy , some contracts of sale have been entered into, which provide for price adjustments in any case of changes in the price of raw materials, as well as for the production of electricity from renewable sources, including the expansion of its PV plant.

OTHER INFORMATION

HUMAN RESOURCES, TRAINING AND INDUSTRIAL RELATIONS

The Group pays great attention to the proper management of its human resources, as well as to their professional growth and involvement, through a reward system based on the measurement and assessment of their performance and of the specific skills they acquire.

As at 30 June 2022, the Group directly employed 235 people (up compared to 227 at 30 June 2021), about 32% of whom are office workers or managerial staff members, as reported below.

	30.06.2022	31.12.2021	30.06.2021
Executives	8	7	7
Office workers	68	65	66
Manual workers	159	164	155
Total	**235**	**236**	**227**

Temporary workers must also be taken into account in addition to the human resources mentioned above. As shown in the table below, the headcount at 30 June 2022 was 21, showing a significant increase compared to the value posted at 31 December of the previous year.

	30.06.2022	31.12.2021	30.06.2021
Temporary manual workers	21	8	8
Total	**21**	**8**	**8**

Personnel costs amounted to Euro 7.4 million, up from Euro 7.1 million recorded at 30 June 2021. The impact of these costs on revenues was equal to 28.12% against 31.45% during the first half of 2021.

The increase in personnel costs recorded in the first half of 2022 compared to 30 June 2021, as it can be inferred from the data reported above, appears to be directly linked to the increase in the workforce involving office workers or managerial staff members recorded at Group companies, specifically to strengthen operations the sales area, in support of production growth.

In terms of industrial relations, the Group still continued its constructive relationship with the Trade Union Organizations and Representatives, allowing for a substantial absence of conflict.

HEALTH, SAFETY AND ENVIRONMENT

Vimi Fasteners, which has always been sensitive to safeguarding the health and safety of its workers, maintained in place its Safety Management System, obtaining the renewal of the Occupational Health and Safety Certification in March 2022, according to the requirements of the UNI ISO 45001:2018 standard specification.
During the first half of 2022, there were no fatal accidents or accidents that may have led to serious and/or very serious injuries and the accident rates recorded values that are within the average of the last 10 years.
The Group companies have complied with the obligations provided for by regulations on health surveillance.
Costs of approximately Euro 140 thousand were incurred in connection with personnel and safety issues during the period.
In order to cope with the COVID-19 emergency, the Group has adopted a protocol shared with the parties concerned, which is still in force and according to which any and all necessary measures have been put in place to prevent outbreaks inside the plant. Among the measures adopted are the measurement of body temperature before entering the plant using a thermal scanner; the use of a surgical mask if the safety distance between the parties cannot be respected; the availability of alcohol-based gel at various points of the plant; rules for visitors and third-party drivers; smart working for office workers.
During the first half of 2022, training programs were reorganised, which had been slowed due to the pandemic, and work was resumed on scheduling meetings.
819 hours of training were delivered on environmental and safety issues.
As regards environmental protection, it should be noted that in the first half of 2022 the Parent Company Vimi Fasteners S.p.A. obtained the renewal of the certification of its Environmental Management System according to UNI EN ISO 14001:2015 standard.
During the first half of 2022 there were no changes in manufacturing processes, which are essentially related to cold and hot stamping, thread rolling, mechanical processing and heat treatment of steel; the raw material consists of special steels, and accessory materials in use mainly consist of packaging, lubricants, hardening oils and detergents for aqueous washing solutions.

The plants operate in compliance with the European, national and local environmental regulations; furthermore, the Group companies pay ongoing attention to environmental protection, setting themselves objectives aimed at continuous improvement.
The Group is also engaged in activities aimed at increasing the efficiency of its processes with a view to maximising energy savings, taking actions such as the installation of a PV system on the roof at the new plant in Novellara, as well as of new low-consumption LED lighting systems and two electric car charging stations, for use free of charge on the part of its employees. The use of recycled cardboard packaging has also been ensured to replace the wooden crates used in previous years.
During the first half of 2022 Vimi Fasteners S.p.A. committed to implementing non-financial reporting through a process that led to the publication of its first Sustainability Report in July 2022.
At present, no environmental damage has been caused and no complaints have been received from third-party stakeholders.

POSITIONS OR OPERATIONS ARISING FROM ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In compliance with the requirements of CONSOB Communication DEM/6064293 of 28 July 2006, it should be noted that the first half of 2022 was not affected by any atypical and/or unusual transaction, as defined in the explanatory notes to the Consolidated Financial Statements.

RELATED-PARTY TRANSACTIONS

Credit and debit and financial transactions with related parties are analysed in detail in the explanatory notes to which reference should be made. It should also be noted that sales and purchases between the parties do not qualify as atypical or unusual, since they are carried out by the Group companies at arm’s length during the normal course of their business.

Finally, it should be noted that the Board of Directors has adopted a specific procedure for related-party transactions, which is available on the Group's website, to which reference should be made.

TREASURY SHARES

In compliance with the provisions of Article 2428 of the Italian Civil Code, it is hereby informed that the Parent Company did not trade any treasury share or shares of controlling companies during the first half of 2022. At present, the Parent Company Vimi Fasteners S.p.A. holds 138,000 treasury shares, corresponding to 1.01% of the share capital, for a carrying amount of Euro 304,286.

MAIN SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There was a general increase in geopolitical tensions, both in Europe and Asia, in the early months of the third quarter of 2022. Therefore, the general climate remains complex and uncertain, as noted for the first half of the year. As already disclosed in the financial statements for the financial year ended 31 December 2021, the Group maintains ongoing monitoring of its target sectors: although considering that Ukrainian or Russian companies are not among its customers and direct suppliers, great attention is paid to any possible indirect impact on the supply chain and on supplies to OEMs.

Partly as a result of these macroeconomic disruptions, the markets continue to show strong volatility, and the increase in the prices of electricity and gas has now reached such high levels that it has a heavy impact on the entire supply chain. Within this framework, the Group has continued, and will continue, to enhance its renegotiation efforts with end customers to adjust selling prices, so as to try to limit the erosion of its profit margins as much as possible.

Despite the global critical issues described above, the Group is actively pursuing its strategic objectives, as already described in the introduction reported above.
With this in mind, it should be noted that in July 2022 the Vimi Group published its first Sustainability Report, for the first time in its history and on a voluntary basis. This publication, which is not a regulatory obligation for Vimi, was strongly desired by its management to give a signal of transparency and concrete and tangible commitment to its stakeholders. Our commitments will include the construction of the new PV plant at the Parent Company's production factory, which will be completed by the end of the financial year.

In terms of investments and renewal of production assets, we also note the installation of a new machinery for rolling operations at the Parent Company's plant, which will enable a tangible improvement in its productivity.

Work also continued on strengthening the corporate structure to support future growth, with the hiring of two new staff members who will join the Parent Company's workforce during the second half of the year, filling the positions of HR Manager and Lean Leader, respectively.

With regard to MF Inox S.r.l., for which there was a decline in profit margins during the first half-year, which was due partly to contingent market situations, and partly to the higher costs incurred during the first months of the year to ensure an adequate transition between the previous and the new management, it should be noted that the second half of 2022 witnessed a recovery of the target markets, driven by investments in energy and infrastructure, with a consequent increase in profit margins.

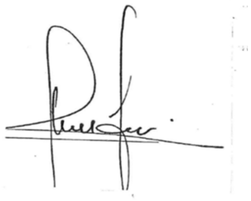
Finally, it is noted that in July 2022 an agreement was reached with the trade unions to renew the company supplementary agreement, which will remain in force for the next four years.

OUTLOOK

The task of making predictions about the future appears particularly complex at this time.
The current global scenario is uncertain, characterized as it is by the impact of a war conflict whose end is not in sight, with effects, both direct and indirect, which are increasingly tangible. It is reasonably expected that any unconditional increase in the prices of electricity and gas will adversely affect the market on both demand and supply sides, thus causing both a reduction in consumer purchasing power and a decline in the supply of goods on the part of manufacturers. In this context, action is expected from national and European authorities to curb uncontrolled growth in costs of energy supply.
At present, the Group is continuing to renegotiate selling prices to customers in order to offset, albeit partially, any staggering rise in procurement costs, while waiting for the new monetary policies of central banks to interrupt the ongoing inflationary process and bring the inflation rate of the world economy back to normal levels.
However, at present, the Vimi Group reports stable orders, with an order backlog of about Euro 24 million expiring in 2022 (compared to Euro 22 million at 30 June 2021), together with positive signs of growth coming from the industrial and energy sector, in

which the Group is increasing its footprint. In light of this, expectations therefore remain positive for the coming years.

Novellara (RE), 28 September 2022
The Chairman of the Board of Directors
(Fabio Storchi)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

(Values in €/th.)

ASSETS	Notes	30.06.2022	31.12.2021
Property, plant and equipment	1	10,929	11,635
Right of use - IFRS 16	2	2,903	3,290
Intangible assets	3	16,681	16,448
Equity investments	4	1	1
Tax receivables	8	105	152
Other non-current assets	9	0	0
Deferred tax assets	5	5,372	5,485
TOTAL NON-CURRENT ASSETS		**35,991**	**37,011**
Inventories	6	12,990	11,197
Trade receivables	7	11,186	10,458
Tax receivables	8	996	1,283
Other receivables	9	576	244
Cash and cash equivalents	10	770	1,911
TOTAL CURRENT ASSETS		**26,518**	**25,092**
TOTAL ASSETS		**62,509**	**62,104**

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30.06.2022	31.12.2021
Share capital	11	9,646	9,646
Share premium reserve	11	8,955	8,955
Other reserves	11	2,547	1,956
Profit (loss) carried forward	11	7,186	5,554
Profit (loss) for the period	11	535	2,088
TOTAL SHAREHOLDERS' EQUITY		**28,869**	**28,199**
Employee benefit liabilities	12	1,106	1,225
Provisions for risks and charges	13	112	112
Non-current loans	14	5,066	7,519
Non-current lease liabilities	14	2,168	2,516
Other non-current liabilities	15	1,000	947
Deferred tax liabilities	5	18	7
TOTAL NON-CURRENT LIABILITIES		**9,470**	**12,326**
Current loans	14	8,958	4,958
Current lease liabilities	14	813	848
Trade payables	16	9,681	9,507
Tax payables	17	457	412
Other payables	18	4,261	5,853
TOTAL CURRENT LIABILITIES		**24,170**	**21,579**
TOTAL LIABILITIES		**33,640**	**33,905**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**62,509**	**62,104**

CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2022

(Values in €/th.)

	Notes	30.06.2022	30.06.2021
Revenues	19	25,726	22,075
Other income	20	603	686
TOTAL REVENUES		**26,329**	**22,761**
Cost for materials, goods for resale and change in inventories	21	9,433	6,484
Costs for services and leases and rentals	22	6,918	5,948
Personnel costs	23	7,400	7,158
Amortisation, depreciation and impairment	24	1,924	2,059
Accrual to provision for risks and charges	25	6	6
Other operating costs	26	164	153
TOTAL OPERATING COSTS		**25,846**	**21,807**
OPERATING PROFIT		**483**	**954**
Financial income	27	191	45
Financial costs	28	(170)	(295)
TOTAL FINANCIAL INCOME AND COSTS		**21**	**(250)**
PROFIT BEFORE TAX		**504**	**704**
Current income taxes	29	126	83
Deferred income taxes	29	(95)	(137)
TOTAL TAXES		**31**	**(54)**
PROFIT FOR THE PERIOD		**535**	**650**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 30 JUNE 2022

(Values in €/th.)

	30.06.2022	30.06.2021
Profit (loss) for the period	**535**	**650**
Other comprehensive income that will not be reclassified to profit or loss	-	-
Profits (losses) from translation of financial statements of foreign entities	89	106
Actuarial gains (losses) on defined-benefit plans		-
Tax effect	-	-
Profits (losses) on derivatives for the period	60	71
Tax effect	(14)	(20)
Total other comprehensive income that will not be subsequently reclassified to profit or loss, net of taxes	**135**	**157**
Total comprehensive income(loss)	**670**	**807**

CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2022

(Values in €/th.)

	30.06.2022	31.12.2021
OPERATING ACTIVITIES		
Profit for the period	**535**	**2,088**
Adjustments for:		
- Depreciation of property, plant and equipment and amortisation of intangible assets	1,488	3,221
- Capital (gains) losses on disposal of fixed assets	42	(10)
- Change in provisions for risks and charges and employee benefit liabilities	(119)	14
-Other non-monetary changes	536	(152)
-Taxes	(31)	188
Sub-Total	**1,916**	**3,261**
(Increase) decrease in trade receivables and other receivables	(613)	(1,663)
(Increase) decrease in inventories	(1,793)	(1,774)
Increase (decrease) in trade payables and other payables	(1,338)	1,628
Taxes paid	28	
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES (A)	**(1,265)**	**3,540**
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(672)	(1,254)
Investments in intangible assets	(347)	(771)
Equity investments	-	-
Sale of fixed assets	(42)	-
CASH FLOWS USED IN INVESTING ACTIVITIES (B)	**(1,061)**	**(2,025)**
FINANCING ACTIVITIES		
Repayment of loans	(2,474)	(7,300)
Other changes in financial assets/liabilities	3,638	3,000
funds collected from listing on AIM	-	-
share buy-back	-	-
Dividends paid	-	-
Interest and dividends collected (paid)	21	(341)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	**1,185**	**(4,641)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	**(1,141)**	**(3,126)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	**1,911**	**5,037**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (L=H+I)	**770**	**1,911**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium Reserve	Legal Reserve	Reserve for profits (losses) carried forward	FTA Reserve	Cash flow hedge reserve	Costs for listing	Other reserves	Profit (loss) for the period	Group equity
Balance at 1 January 2020	9,322	9,820	607	1,551	1,143	(44)	(968)	3,861	1,121	26,413
Profit (loss) for the previous period				1,121				(1)	(1,121)	(1)
Other comprehensive income (loss)				(12)		(25)		(96)		(133)
Dividends								-		-
Other changes				1,233				(1,261)		(28)
Profit (loss) for the current period								-	(255)	(255)
Balance at 31 December 2020	9,322	9,820	607	3,893	1,143	(69)	(968)	2,503	(255)	25,996
Profit (loss) for the previous period				1,085				(1,340)	255	-
Other comprehensive income (loss)				43		56		108		207
Dividends								-		-
Other changes	324	(865)		536				(87)		(92)
Profit (loss) for the current period								-	2,088	2,088
Balance at 31 December 2021	9,646	8,955	607	5,557	1,143	(13)	(968)	1,184	2,088	28,199
Profit (loss) for the previous period			20	1,629				439	(2,088)	-
Other comprehensive income (loss)				-		46		89		135
Dividends								-		-
Other changes								-		-
Profit (loss) for the current period								-	535	535
Balance at 30 June 2022	9,646	8,955	627	7,186	1,143	33	(968)	1,712	535	28,869