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ANNUAL FINANCIAL STATEMENTS

2025

CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF THE BOARD OF DIRECTORS

JOINT-STOCK COMPANY - SHARE CAPITAL EURO 62,461,355.84
COMPANY REGISTER OF MILAN MONZA-BRIANZA LODI AND TAX CODE 00607460201
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.
REGISTERED OFFICE: 20121 MILAN (ITALY), VIA CIOVASSINO, 1 - PHONE 02.467501
OFFICES: 78280 GUYANCOURT (FRANCE), IMMEUBLE DE RENAISSANCE, AVENUE CLAUDE MONET 1
TEL. 0033 01 61374300
WEBSITE: WWW.SOGEFIGROUP.COM

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CORPORATE BODIES

Honorary Chair CARLO DE BENEDETTI

BOARD OF DIRECTORS

Executive Chairwoman MONICA MONDARDINI

Directors
PATRIZIA ARIENTI (2) - (3)
MAHA DAOUDI (2)
RODOLFO DE BENEDETTI
MAURO MELIS (1) - (2) - (3) - (4)
RAFFAELLA PALLAVICINI
MASSIMILIANO PICARDI (1) - (3)
CHRISTIAN STREIFF (1)
MARCO DE BENEDETTI

Secretary to the Board NICCOLÒ MORESCHINI

BOARD OF AUDITORS

Chairwoman DANIELA DELFRATE

Acting Auditors
GAETANO REBECCHINI
RITA ROLLI

Alternate Auditors
FRANCO ALDO ABBATE
ANNA MARIA ALLIEVI
LUIGI BORRÈ

INDEPENDENT AUDITORS

KPMG S.p.A.

(1) Members of the Appointment and Remuneration Committee.
(2) Members of the Control, Risk and Sustainability Committee.
(3) Members of the Committee on Related Party Transactions.
(4) Lead independent director

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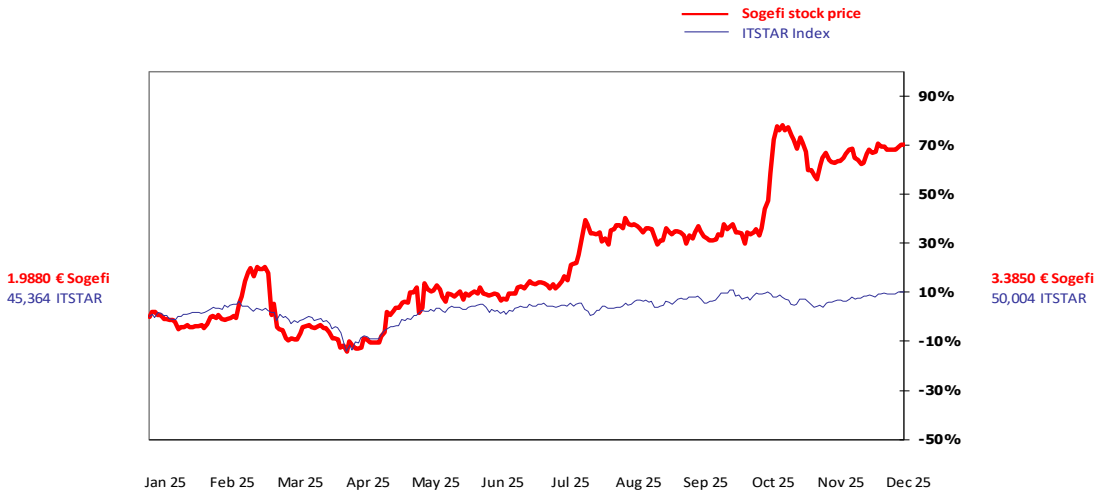
OVERVIEW OF GROUP RESULTS

(in millions of Euro)	2022		2023 (**)		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Sales revenues	1,543.4	100.0%	1,039.7	100.0%	1,022.3	100.0%	984.8	100.0%
EBITDA	195.1	12.6%	107.8	10.4%	125.3	12.3%	111.4	11.3%
Ebit	70.5	4.6%	25.6	2.5%	45.7	4.5%	34.5	3.5%
Net income (loss) from discontinued operations, net of tax effects	(1.4)	-0.1%	54.6	5.2%	125.9	12.3%	(0.5)	0.0%
Net result	29.6	1.9%	57.8	5.6%	141.3	13.8%	10.3	1.0%
Self-financing	137.4		97.6		102.0		103.0	
Free cash flow	29.3		(7.2)		30.4		21.1	
Net financial position	(294.9)		(266.1)		(55.0)		(56.3)	
Total shareholders' equity	247.5		287.4		307.3		287.0	
GEARING	1.19		0.93		0.18		0.20	
ROI	13.1%		7.0%		12.6%		9.8%	
ROE	14.1%		22.9%		49.8%		3.6%	
Number of employees at December 31	5,321		3,338		3,330		3,290	
Dividends per share (Euro)	-		1.12		0.15		-	(*)
EPS (Euro)	0.250		0.488		1.189		0.086	
Average annual price per share	0.9119		1.3142		1.9557		2.4420	

(*) As proposed by the Board of Directors to the Shareholders' Meeting.
(**) The values for the 2023 financial year, relating to "Assets held for sale", have been reclassified following the application of IFRS 5 "Non-current assets held for sale and discontinued operations" to the line "Net income (loss) from discontinued operations, net of tax effects".

STOCK PERFORMANCE

The graph below shows the performance of Sogefi stock and of the ITSTAR index in 2025.



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REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

THE AUTOMOTIVE MARKET IN 2025

In 2025, world car production grew by 3.7%, driven by China, up 10.4%, and India, up 7.2%. In Japan and Mercosur, production also showed a positive development (+1.3% and +1.8% respectively), while in Europe and the USMCA it fell by about 1%.

Looking at the evolution from the pre-pandemic phase to the present, i.e. from 2019 to 2025, global car production has increased by 4.5%: it has significantly decreased in Europe (-19%), Japan (-13%), South America (-8%), and the USMCA (-6%), while it has increased by 35% in China and 45% in India.

Regarding the production powertrain mix, in 2025, globally the production of electric cars continued to grow, with projections indicating around 15 million BEVs produced, representing a share of around 16% of global production. The market is strongly driven by China, which dominates EV production and demand, accounting for two-thirds of world production. In Europe, BEVs are estimated to account for 16% of total production, growing by about 3 percentage points by 2025, while in the USMCA, BEVs account for only 8% of production, with volumes virtually stagnating.

Global Heavy Duty production in 2025 grew by 4.1%, with sustained growth in Asian markets, China in particular (+24.1%), but also India, Korea and Japan. In Europe, after the sharp drop in 2024, production stabilised on weak volumes in 2025, while in the USMCA the decline continued, with a distinctly negative trend (-27.6%).

Turning to expectations for 2026, S&P Global forecasts a slight decline in global car production (-0.4%), with Europe and NAFTA declining by 1.5% and 2.2% respectively. China, after the strong growth in 2025, is also expected to decline slightly by -1.4%. On the other hand, expectations for India and Mercosur are positive (+ 7.8% and 5.8% respectively).

Finally, the Heavy Duty sector is also expected to record a slight decline in 2026 (-1.1%), particularly in China and the USMCA, while Europe is expected to recover slightly from the very weak volumes of 2025.

KEY MANAGEMENT INFORMATION

In 2025 Sogefi reported stable revenue at constant exchange rates (-0.1%) compared to 2024. While revenue was down 3.7% at current exchange rates, due to the strengthening of the EUR against all major currencies. Sogefi also reported an increased recurring operating result compared to 2024 excluding non-recurring expenses:

- the Adjusted EBITDA[1] amounted to Euro 136.0 million compared to Euro 134.9 million in 2024, accounting for 13.8% of revenues compared to 13.2% in 2024;

[1] EBITDA is calculated by adding the item "Depreciation and amortization" to the item "EBIT" and the amount of writedowns of tangible and intangible fixed assets (amounting to Euro 1.9 million as at 31 December 2025 and Euro 1.5 million in 2024) included in the item "Other non-operating expenses (income)" in the "Consolidated Income Statement".
Adjusted EBITDA is calculated by adding "Restructuring costs" and the items "Losses (gains) on disposal", "Exchange (gains) losses" and "Other non-operating expenses (income)" (with the exception of the amount of writedowns of tangible and intangible assets included in this item as it has already been added to EBITDA) of the

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- the Adjusted EBIT[2] amounted to Euro 59.1 million (+6.9% from Euro 55.3 million in 2024), with an EBIT margin of 6.0% on revenue, compared to 5.4% in 2024;
- non-recurring expenses amounted to Euro 24.6 million compared to Euro 9.6 million in 2025, including restructuring costs for work already performed in 2024 or ongoing at year-end, exchange rate differences and other expenses;
- EBITDA was Euro 111.4 million compared to Euro 125.3 million in 2024;
- EBIT was Euro 34.5 million compared to Euro 45.7 million in 2024;
- Net result of continued operating activities amounted to Euro 13.8 million, compared to Euro 18.0 million in 2024 due to higher non-recurring expenses;
- free cash flow (FCF) from continuing operations was Euro 21.1 million, compared to Euro 30.4 million in 2024, which included positive flows from the deconsolidation of the Filtration business unit;
- the net indebtedness as at 31 December 2025, after the payment of dividends of Euro 17.9 million to the shareholders of Sogefi S.p.A., amounted to Euro 56.3 million (Euro 55.0 million as at 31 December 2024); without considering debt for rights of use (according to IFRS16), the net indebtedness amounted to Euro 19.2 million, compared to Euro 9.5 million at the close of 2024.

2025 RESULTS

Sales revenues

Revenues in 2025 amounted to Euro 984.8 million, -3.7% compared to the same period in 2024. At constant exchange rates and net of Argentina's inflation, revenues in 2025 were in line with those in 2024 (-0.1%): growth in North and South America and China, at constant exchange rates, offset the drop in revenues in Europe.

Sales revenues by geographic area

(in millions of Euro)	2025 *Amount*	2024 *Amount*	reported change 2025 vs 2024 %	constant exchange rates 2025 vs 2024 %	reference market production %
Europe	528.1	556.5	(5.1)	(4.9)	(1.2)
North America	216.6	214.1	1.2	6.9	(1.0)
South America	110.3	121.0	(8.8)	5.7	1.8
China	116.5	115.7	0.7	4.9	10.4
Other	13.3	15.0	-	-	-
TOTAL	984.8	1,022.3	(3.7)	(0.1)	3.7

In Europe, the group's largest market (54% of total revenue in 2025), revenue fell by 4.9%, mainly due to the unfavourable trend in the Passenger Cars market and the decrease in revenue in the Heavy Duty segment, whose business in early 2024 was still very strong.

"Consolidated Income Statement" (these items are summarised under "Other expenses (income)" in the "Overview of consolidated income statement indicators" table of the Directors' Report). Adjusted EBITDA therefore represents gross operating income before all non-recurring results.

[2] Adjusted EBIT is calculated by adding "Restructuring costs" and the items "Losses (gains) on disposal", "Exchange (gains) losses" and "Other non-operating expenses (income)" (with the exception of the amount of writedowns of tangible and intangible assets included in this item) of the "Consolidated Income Statement" (summarised under "Other expenses (income)" in the "Overview of consolidated income statement indicators" table of the Directors' Report).

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In the USMCA region (22% of total revenues), revenues at constant exchange rates increased by 6.9% (+1.2% at current exchange rates), in a market that declined by 1%; performance was also positive in China, +4.9% at constant exchange rates (+0.7% at current exchange rates), and in South America, +5.7% at constant exchange rates and net of inflation in Argentina (-8.8% at current exchange rates).

Sales revenues by business sector

(in millions of Euro)	2025 *Amount*	2024 *Amount*	reported change 2025 vs 2024 %	constant exchange rates 2025 vs 2024 %
Suspensions	539.1	564.6	(4.5)	(0.8)
Air&Cooling	446.0	457.4	(2.5)	0.9
Intercompany eliminations	(0.3)	0.3	-	-
TOTAL	984.8	1,022.3	(3.7)	(0.1)

The Suspensions business recorded a drop in revenue of 4.5% and 0.8% at constant exchange rates. In Europe, accounting for 67% of the business, revenues fell by 3.7%, mainly due to the Heavy Duty segment (-10.2%), which, as already mentioned, still had strong volumes in the first part of 2024, before the market slump during the year. While in South America and China revenues increased by 5.7% and 4.2% at constant exchange rates, respectively.

Revenues in the Air & Cooling segment declined by 2.5% year-on-year but increased by 0.9% at constant exchange rates. The USMCA area – which accounts for 49% of total revenues – recorded growth of 6.9% at constant exchange rates. This performance, together with growth in China (+5.8%), more than offset the decline recorded in Europe (-7.6%).

Sales revenues by customer

Sogefi has a balanced customer portfolio, no single customer accounts for more than 20% of the Group's revenue. The main customers of Sogefi are Stellantis, GM, Daimler, Ford, Renault and BMW, which together account for approximately 70% of revenues. The composition did not undergo any significant changes during 2025. However, it should be noted that over the past few years, Sogefi's Chinese operations, both for the Air and Cooling and for the Suspension business units, have started new supplies for several local manufacturers.

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Overview of consolidated income statement indicators

The main indicators of the consolidated income statement are shown below.

(in millions of Euro)	Note(*)	2025		2024		Changes	
		Amount	%	Amount	%	Amount	%
Sales revenues		984.8	100.0	1,022.3	100.0	(37.5)	(3.7)
Variable cost of sales		690.8	70.1	724.9	70.9	(34.1)	(4.7)
CONTRIBUTION MARGIN		294.0	29.9	297.4	29.1	(3.4)	(1.1)
Fixed costs	(a)	158.0	16.1	162.5	15.9	(4.5)	(2.8)
Restructuring costs		20.5	2.1	7.0	0.7	13.5	193.7
Other expenses (income)	(b)	4.1	0.4	2.6	0.2	1.5	59.4
EBITDA	(c)	111.4	11.3	125.3	12.3	(13.9)	(11.1)
Depreciation and amortization	(d)	76.9	7.8	79.6	7.8	(2.7)	(3.4)
EBIT		34.5	3.5	45.7	4.5	(11.2)	(24.3)
NET INCOME (LOSS) OF OPERATING ACTIVITIES		13.8	1.4	18.0	1.8	(4.2)	(23.2)
Net income (loss) from discontinued operations, net of tax effects		(0.5)	-	125.9	12.3	(126.4)	(100.4)
Loss (income) attributable to non-controlling interests		(3.0)	(0.4)	(2.6)	(0.3)	(0.4)	(19.4)
GROUP NET RESULT		10.3	1.0	141.3	13.8	(130.9)	(92.7)

(*) The notes in the table are explained in detail in the annex at the end of this report.

Adjusted EBITDA amounted to Euro 136.0 million, in line with Euro 134.9 million in 2024, despite revenue drop. EBITDA margin increased from 13.2% in 2024 to 13.8% in 2025.

Industrial margin rose from 29.1% in 2024 to 29.9%, reflecting disciplined pricing and procurement management.

Fixed operating expenses fell by 2.7%, while their ratio to revenues increased slightly from 15.9% in 2024 to 16.1%, due to the decline in revenues.

EBITDA amounted to Euro 111.4 million, compared with Euro 125.3 million in 2024, after non-recurring expenses of Euro 24.6 million (Euro 9.6 million in 2024), of which Euro 20.5 million related to restructuring costs for measures adopted and implemented during 2025 or still in progress at year end, and Euro 4.1 million mainly related to foreign exchange differences. The restructuring measures are focused on the Suspensions business in Europe and primarily involve reducing the fixed costs of the industrial structure in order to preserve competitiveness in response to declining volumes over time in Passenger Cars and Heavy Duty, reflecting the performance of their respective markets.

Adjusted EBIT amounted to Euro 59.1 million, compared with Euro 55.3 million in 2024, and the EBIT margin increased from 5.4% in 2024 to 6.0% in 2025, driven by the increase in the EBITDA margin.

EBIT, including non-recurring expenses, was positive for Euro 34.5 million compared to Euro 45.7 million in 2024.

Financial expenses amounted to Euro 10.2 million, down from 2024 (Euro 14.7 million) due to reduced indebtedness.

Tax expenses amounted to Euro 10.5 million, compared with Euro 13.0 million in 2024.

Operations posted a **net profit** of Euro 13.8 million compared to Euro 18.0 million in the previous year, a decrease entirely attributable to higher non-recurring expenses.

The **comprehensive net income**, taking into account the result attributable to minority interests and the net result of discontinued operations, amounted to Euro 10.3 million (Euro 141.3 million in 2024, including the net profit of *Filtration* in the first five

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months of the year and the significant capital gain realised on the sale, net of transaction costs).

Consolidated operating cash flow

The consolidated operating cash flow is shown below.

(in millions of Euro)	Note(*)	2025	2024
SELF-FINANCING	(e)	103.0	102.0
Change in net working capital		1.3	5.1
Other medium/long-term assets/liabilities	(f)	(1.6)	7.3
CASH FLOW GENERATED BY OPERATIONS		**102.7**	**114.4**
Net decrease from sale of fixed assets	(g)	0.4	1.0
TOTAL SOURCES		103.1	115.4
TOTAL APPLICATION OF FUNDS		80.3	79.3
Exchange differences on assets/liabilities and equity	(h)	(1.7)	(5.7)
Free cash flow from operating activities		**21.1**	**30.4**
Free cash flow from discontinued operations	(j)	**(1.4)**	**317.9**
TOTAL FREE CASH FLOW		**19.8**	**348.3**
Dividends paid by subsidiaries to non-controlling interests		(21.1)	(136.7)
Change in fair value derivative instruments		-	(0.5)
CHANGES IN SHAREHOLDERS' EQUITY		(21.1)	(137.2)
Change in net financial position	(i)	**(1.3)**	**211.1**
Opening net financial position	(i)	**(55.0)**	**(266.1)**
CLOSING NET FINANCIAL POSITION	(i)	**(56.3)**	**(55.0)**

(*) The notes in the table are explained in detail in the annex at the end of this report.

Free Cash Flow from continuing operations amounted to Euro 21.1 million compared with Euro 30.4 million in 2024.
Self-financing amounted to Euro 103 million, in line with the previous year, while the cash flow generated by operations, Euro 102.7 million in 2025 compared with Euro 114.4 million in 2024, decreased by Euro 11.7 million, mainly due to positive cash flows recorded in 2024 from the settlement of intercompany payables related to the deconsolidation of Filtration, amounting to approximately Euro 13 million (mostly recorded under “Other medium/long-term assets/liabilities”).
The **net indebtedness** at the end of December 2025, after the payment of dividends in the amount of Euro 17.9 million, was at Euro 56.3 million, compared with a net indebtedness of Euro 55.0 million at the end of December 2024.

The net indebtedness excluding liabilities for user rights as at 31 December 2025 was Euro 19.2 million, compared to Euro 9.5 million at 31 December 2024.

(in millions of Euro)	12.31.2025	12.31.2024
Cash, banks, financial receivables and securities held for trading	62.0	64.2
Medium/long-term financial receivables	0.7	4.4
Short-term financial debts (*)	(55.1)	(23.5)
Medium/long-term financial debts	(63.9)	(100.1)
NET FINANCIAL POSITION	(56.3)	(55.0)

(*) Including current portions of medium and long-term financial debts.

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As at 31 December 2025, the Group had committed credit lines in excess of requirements of Euro 176 million.

Consolidated net invested capital

Net invested capital and shareholders' equity are shown below

(in millions of Euro)	Note(*)	12.31.2025		12.31.2024	
		Amount	*%*	*Amount*	*%*
Short-term operating assets	(l)	191.1		221.1	
Short-term operating liabilities	(m)	(211.0)		(228.9)	
Net working capital		(19.9)	(5.8)	(7.8)	(2.2)
Equity investments	(n)	-	-	-	-
Intangible, tangible fixed assets and other medium and long-term assets	(o)	453.0	131.9	461.9	127.6
CAPITAL INVESTED		433.1	126.1	454.1	125.4
Deferred Taxes/Pension Funds/Provision for risks	(p)	(56.0)	(16.3)	(52.1)	(14.4)
Other medium and long-term liabilities	(q)	(33.8)	(9.8)	(39.7)	(11.0)
NET CAPITAL INVESTED		343.3	100.0	362.3	100.0
Net financial indebtedness	(r)	56.3	16.4	55.0	15.2
Non-controlling interests		12.4	3.6	12.7	3.5
Consolidated equity of the Group		274.6	80.0	294.6	81.3
TOTAL		343.3	100.0	362.3	100.0

(*) The notes in the table are explained in detail in the annex at the end of this report.

As at 31 December 2025, **consolidated shareholders' equity**, excluding non-controlling interests, amounted to Euro 274.6 million, compared to Euro 294.6 million as at 31 December 2024. The development reflects the increase in the profit for the period and the decrease due to the distribution of dividends, as well as the impact of exchange rate movements on assets.

As at 31 December 2025, the Sogefi Group's **workforce** was 3,290, down by 1.2% compared with 3,330 as at 31 December 2024.

	12.31.2025		12.31.2024	
	Number	*%*	*Number*	*%*
Suspensions	1,967	59.8	1,997	60
Air&Cooling	1,272	38.7	1,282	38
Other	51	1.5	51	1.5
TOTAL	3,290	100.0	3,330	100.0

Breakdown by category is provided below.

	12.31.2025		12.31.2024	
	Number	*%*	*Number*	*%*
Managers	32	1.0	33	1.0
Clerical staff	812	24.7	814	24.4
Blue collar workers	2,446	74.3	2,483	74.6
TOTAL	3,290	100.0	3,330	100.0

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INVESTMENTS AND RESEARCH & DEVELOPMENT ACTIVITIES

In 2025, the Group invested Euro 80.3 million, compared to Euro 79.3 million in 2024; Euro 20.5 million was invested in the purchase of tooling, an amount in line with the previous year. Euro 46.0 million related to property, plant and equipment, and this is an amount that increased by Euro 4.9 million compared to 2024, as a result of the Air and Cooling division's investments in the acquisition of production capacity for new products for electric vehicles, specifically cooling plates and cooling stripes, components for battery cooling.

(in millions of Euro)	12.31.2025	12.31.2024
Increase in intangible assets	12.1	11.1
Purchase of tangible assets	46.0	41.1
Purchase of Tooling	20.5	20.6
Increase in tangible assets for right of use	1.7	6.5
TOTAL INVESTMENTS	80.3	79.3

RECONCILIATION BETWEEN THE PARENT COMPANY'S STATUTORY FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

The following is a reconciliation of the Group's net result and equity at the end of the year with the equivalent figures for the Parent Company.

(in millions of Euro)	2025	2024
Net result per Sogefi S.p.A. financial statements	28.1	210.7
Group share of results of subsidiary companies included in the consolidated financial statements	17.8	29.9
Elimination dividends	(34.5)	(74.0)
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related tax effect	(1.1)	(25.3)
NET RESULT PER CONSOLIDATED FINANCIAL STATEMENTS	10.3	141.3

(in millions of Euro)	2025	2024
Shareholders' equity per Sogefi S.p.A. financial statements	314.8	303.8
Group share of higher/lower equity value of investments in consolidated companies over carrying value in Sogefi S.p.A. financial statements	(42.3)	(12.4)
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related tax effect	2.1	3.2
SHAREHOLDERS' EQUITY PER CONSOLIDATED FINANCIAL STATEMENTS	274.6	294.6

PERFORMANCE OF THE PARENT COMPANY SOGEFI S.p.A.

In 2025, Sogefi S.p.A. reported a **net profit** of Euro 28.1 million compared to the net profit of Euro 210.7 million reported in 2024, which included a capital gain of Euro 145.9 million from the sale of the Filtration business unit.

In detail, compared to 2024, the Parent Company's income statement shows the

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following changes:

- **income, financial expenses and dividends** decreased from Euro 223 million to Euro 31.2 million, taking into account that in 2024 they included Euro 145.9 million from the above-mentioned capital gain. The remaining difference (Euro -45.9 million) is due to a reduction in the **dividend inflow from subsidiaries** (amounting to Euro 34.5 million in 2025 compared with Euro 74.0 million in the previous year), higher **net financial expenses** of Euro 2,5 million (in 2024, a non-ordinary income had been recognised from the closing of derivative contracts in the amount of Euro 2.3 million) and **exchange rate differences**, which were negative in the amount of Euro 0.9 million compared with the positive contribution of Euro 3.0 million in the previous year;
- **operating costs** amounted to Euro 9.8 million, a decrease compared to 2024 (Euro 13.6 million) mainly due to lower amortisation and writedowns, and reduction in personnel costs;
- **other operating income**, mainly management fees, decreased by Euro 2.8 million, reflecting the reduction in the Parent Company's management costs;
- finally, with reference to **other non-operating costs**, they decreased by Euro 2.9 million due to the non-recurring costs recorded in 2024 for the realisation of the Filtration transaction.

(in millions of Euro)	Note(*)	2025	2024
Financial income/expenses and dividends		31.2	223.0
Other operating revenues		6.9	9.7
Operating costs		(9.8)	(13.6)
Other non-operating income (expenses)	(s)	(0.5)	(3.4)
RESULT BEFORE TAXES		27.8	215.7
Income taxes		0.3	(5.0)
NET RESULT		28.1	210.7

As regards the **statement of financial position**, the table below shows the main items as at 31 December 2025, compared to the figures recorded at the end of the previous year.

(in millions of Euro)	Note(*)	12.31.2025	12.31.2024
Short-term assets	(t)	7.1	10.0
Short-term liabilities	(u)	(4.5)	(3.2)
Net working capital		2.6	6.8
Equity investments	(v)	353.1	312.6
Other fixed assets	(w)	14.8	15.3
CAPITAL INVESTED		370.5	334.7
Other medium and long-term liabilities	(x)	(0.2)	(0.2)
NET CAPITAL INVESTED		370.3	334.5
Net financial indebtedness		55.5	30.7
Shareholders' equity		314.8	303.8
TOTAL		370.3	334.5

(*) The notes in the table are explained in detail in the annex at the end of this report.

Shareholders' equity as at 31 December 2025 amounted to Euro 314.8 million, reported a net increase of Euro 11.0 million compared with Euro 303.8 million at 31

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December 2024. This change was mainly driven by the positive result for the year of Euro 28.1 million, partly offset by dividends distributed, totalling Euro 17.9 million.

Net **financial indebtedness** as at 31 December 2025 amounted to Euro 55.5 million - up from Euro 30.7 million as at 31 December 2024 - due to the capital increases of certain investees within the frame of a more efficient redistribution of resources within the Group.

(in millions of Euro)	2025	2024
Short-term cash investments	12.5	18.8
Short/medium-term financial receivables to third and subsidiaries	46.6	104.5
Short-term financial debts (*)	(84.7)	(90.0)
Medium/long-term financial debts	(29.9)	(64.0)
NET FINANCIAL POSITION	(55.5)	(30.7)

(*) Including current portions of medium and long-term financial debts.

The table below illustrates the **cash flow statement** of Sogefi S.p.A.

(in millions of Euro)	Note(*)	2025	2024
SELF-FINANCING	(y)	28.9	216.7
Change in net working capital	(z)	4.3	(2.9)
Other medium/long term assets/liabilities	(aa)	0.5	(1.7)
CASH FLOW GENERATED BY OPERATIONS		**33.7**	**212.1**
Sale of equity investments		-	181.7
Net decrease from sale of intangible assets		0.1	0.2
TOTAL SOURCES		33.8	394.0
Increase in intangible assets		-	0.1
Increase in tangible assets		0.1	0.3
Increase in equity investments		40.6	147.1
TOTAL APPLICATION OF FUNDS		40.7	147.5
FREE CASH FLOW		**(6.9)**	**246.5**
Change in fair value derivative instruments		-	(0.5)
Dividends paid		(17.9)	(133.3)
CHANGES IN SHAREHOLDERS' EQUITY		(17.9)	(133.8)
Change in net financial position	(bb)	**(24.8)**	**112.6**
Opening net financial position	(bb)	**(30.7)**	**(143.3)**
CLOSING NET FINANCIAL POSITION	(bb)	**(55.5)**	**(30.7)**

(*) The notes in the table are explained in detail in the annex at the end of this report.

The **Change in Net Financial Position** was negative and amounted to Euro 24.8 million; the Company:

- recorded net inflows of Euro 33.8 million mainly from dividends received from subsidiaries;
- used Euro 40.6 million for capital increases of Group companies with high indebtedness levels;
- distributed dividends amounting to Euro 17.9 million to shareholders.

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PERFORMANCE BY BUSINESS DIVISION

"Suspension" business unit

Key indicators

(in millions of Euro)	2022	2023	2024	2025	Change '25 vs '24
Sales revenues	548.0	574.5	564.6	539.1	-4.5%
EBIT	(9.4)	5.0	16.5	7.6	-54.1%
% on sales revenues	-1.7%	0.9%	2.9%	1.4%	
Number of employees	2,091	2,033	1,997	1,967	-1.5%

In 2025, Suspensions achieved revenues of Euro 539.1 million, down by 4.5% from the same period of 2024 (0.8% at constant exchange rates and net of Argentina's inflation).

The drop was due to the performance in Europe, where revenues fell by 3.7%, mainly because of the decline in the Heavy Duty segment (-10.2%), which was mainly attributable to the negative market performance during 2024; the Passenger Cars segment declined by 1.6%, in line with the market performance.

Instead, revenue trends were positive in China, +4.2% at constant exchange rates, thanks to the ramp up of new products also supplied to local players and in South America (+5.7% at constant exchange rates).

EBITDA amounted to Euro 43.3 million compared to Euro 50.4 million in 2024. These results include non-recurring expenses and, in particular, restructuring costs implemented in 2025 on the European companies, as well as those related to ongoing operations. Excluding non-recurring expenses, Adjusted EBITDA was Euro 62.6 million compared with Euro 56.6 million in 2024, with the Adjusted EBITDA margin improving from 10.0% in 2024 to 11.6% in 2025 thanks to the favourable trend of the contribution margin, at 30.7% of revenue compared with 28.8% in 2024, and the reduction of fixed costs in absolute terms.

EBIT amounted to Euro 7.6 million, compared to Euro 16.5 million in 2024; excluding the above-mentioned non-recurring expenses, Adjusted EBIT amounted to Euro 26.8 million, 5.0% of revenues, compared to Euro 22.7 million in 2024 (4.0% of revenues).

The operating result of China, Mercosur and Europe Passenger Cars business improved, while the operating result of Heavy Duty business declined sharply, affected by low volumes, restructuring and extraordinary maintenance costs, in order to improve the industrial performance of the Heavy Duty factories.

Employees at 31 December 2025 were 1,967 (1,997 at 31 December 2024).

In 2025, the Suspension sector won several new orders in Europe, in the Passenger Car, Light Commercial Vehicles and Heavy Duty segments, with new orders also in non-automotive sectors (Defence and Railway applications).

52% of the value of new contracts entered into in 2025 concerns parts for hybrid or electric platforms. This percentage rises to 66% if the Heavy Duty segment is excluded.

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"Air & Cooling" business unit

Key indicators

(in millions of Euro)	2022	2023	2024	2025	Change '25 vs '24
Sales revenues	436.3	465.4	457.4	446.0	-2.5%
EBIT	34.5	37.3	33.4	33.1	-0.9%
% on sales revenues	7.9%	8.0%	7.3%	7.4%	
Number of employees	1,220	1,253	1,282	1,272	-0.8%

It should be noted that the 2022-2023 values exclude the Air and Cooling business activities of the subsidiary Sogefi U.S.A. Inc. sold in May 2024.

In 2025, the Air and Cooling sector reported revenues of Euro 446.0 million, down by 2.5% compared to 2024 at current exchange rates and by +0.9% at constant exchange rates. In Europe, revenues decreased by 7.6% at constant exchange rates, partly due to the market trend and partly to the existing contract portfolio, which was offset by growth at constant exchange rates of 5.8% in China - thanks to the ramp up of new products - and 6.9% in NAFTA.

EBITDA amounted to Euro 71.7 million, slightly down from 2024 (Euro 76.1 million), with an EBITDA margin of 16.1% (16.6% in 2024); the slight decrease is due to the contribution margin performance, which declined slightly due to the development of the mix of production.

EBIT amounted to Euro 33.1 million, in line with the previous year (Euro 33.4 million), and accounts for 7.4% of revenues (7.3% in 2024).

Employees at 31 December 2025 were 1,272 (1,282 at 31 December 2024).

During 2025, Air and Cooling entered into several new business agreements, including supplies of cooling plates for electric vehicles to a leading North American manufacturer and to Chinese customers, and supplies of battery cooling stripes to a leading Chinese battery manufacturer. In Europe, Air and Cooling also won new contracts with a North American leader in global energy solutions for cooling plates, and also new contracts for the supply of conventional components for internal combustion engines.

67% of the value of new contracts entered into in 2025 concerns parts for hybrid or electric platforms.

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RESULTS FOR THE FOURTH QUARTER OF 2025

The following table provides an overview of the comparative figures of the income statement for the fourth quarter compared with the corresponding quarter of the previous year.

(in millions of Euro)	Note(*)	Q4 2025		Q4 2024		Changes	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Sales revenues		239.8	100.0	255.6	100.0	(15.8)	(6.2)
Variable cost of sales		169.5	70.7	183.0	71.6	(13.5)	(7.3)
CONTRIBUTION MARGIN		70.3	29.3	72.6	28.4	(2.3)	(3.2)
Fixed costs	(a)	41.7	17.4	42.0	16.4	(0.3)	(0.6)
Restructuring costs		18.4	7.7	2.7	1.1	15.7	-
Other expenses (income)	(b)	1.9	0.8	(0.6)	(0.3)	2.5	(424.2)
EBITDA	(c)	8.3	3.4	28.5	11.2	(20.3)	(71.1)
Depreciation and amortization	(d)	22.3	9.2	20.9	8.2	1.3	6.4
EBIT		(14.0)	(5.8)	7.6	3.0	(21.6)	(282.9)
NET INCOME (LOSS) OF OPERATING ACTIVITIES		(16.1)	(6.7)	2.8	1.1	(18.9)	-
Net income (loss) from discontinued operations, net of tax effects		(1.0)	(0.4)	(10.5)	(4.1)	9.5	90.4
Loss (income) attributable to non-controlling interests		(0.7)	(0.3)	(0.5)	(0.2)	(0.2)	24.8
GROUP NET RESULT		(17.8)	(7.4)	(8.2)	(3.2)	(9.6)	(117.2)

(*) The notes in the table are explained in detail in the annex at the end of this report.

In the fourth quarter of 2025, the impact of exchange rates was particularly significant; indeed, while revenues were stable at constant exchange rates, at current exchange rates revenues amounted to Euro 239.8 million, a decrease of 6.2%, with trends by geographic area almost in line with those recorded in the previous nine months.

Adjusted EBIT, excluding non-recurring expenses (related to restructuring costs but also to significant foreign exchange differences), was Euro 6.3 million, compared with Euro 9.7 million in the fourth quarter 2024. The Adjusted EBIT margin was 2.6% compared with 3.8% in 2024. This reduction, despite an increase in the contribution margin in line with that recorded in the first nine months of the year, was due to the impact of fixed costs, which was higher in the Suspensions segment, due to costs for extraordinary maintenance activities incurred particularly in the Heavy Duty segment.

The **Net income (loss) of operating activities**, including significant non-recurring expenses, was thus a negative Euro -16.1 million, compared with a net profit of Euro 2.8 million in the fourth quarter of 2024.

IMPACTS OF THE MACROECONOMIC ENVIRONMENT, THE CONFLICTS IN UKRAINE AND THE MIDDLE EAST, AND THE CLIMATE CHANGE ON OPERATIONS

Impact of the macroeconomic environment on operations

With reference to the macroeconomic environment, global car production is expected to slightly decrease in 2026 (-0.4%), after the positive trend in 2024 (+3.7%) driven by China. By geography, production would slightly decrease in Europe, NAFTA and China, and grow by 7.8% in India and 5.8% in South America.

The automotive sector is being affected by the weak economic performance, particularly in Europe, uncertainties arising from ongoing conflicts and tariffs imposed by the US administration, and difficulties related to the transition to e-mobility (and in particular the Green Deal regulation in Europe), which are leading to high investments despite the

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market performance of electric vehicles falling short of expectations in Europe, as evidenced by the results of car manufacturers, which are recording significant negative impacts due to write-downs of projects and investments in the e-mobility sector.

With reference to tariffs, it is currently difficult to predict: i) whether the current tariff scheme is final, in a constantly changing framework; ii) the effects on the US automotive market, both in terms of domestic demand and in terms of the competitive landscape, as well as those on the export of cars to the US; iii) the impacts on the availability and costs of raw materials in the US, given the complexity of the supply chain and the tariffs adopted against China and on some materials in particular.

Specifically, for the automotive sector, including components, the US administration, after having foreseen - from April/May 2025 - an additional duty of 25% on cars imported from countries other than China, Mexico and Canada (approx. 25% of the cars sold each year in the US), entered into bi-lateral agreements, including one at the end of July with the EU27, which reduced the duty from an additional 25% to an all-inclusive 15%, effective as of August 2025.

As far as production in Mexico and Canada is concerned, imports into the US are subject to the 25% duty, but with an exemption if the imported products are USMCA compliant, i.e., their content originates predominantly in the USMCA area.

In addition, there are further non-specific tariffs that may have a particularly significant impact on the North American automotive sector, namely those on steel and aluminium (50%).

It is likely that the automotive duties applied by the US administration, if maintained, will cause an increase in the sales prices of cars in the US, either i) imported, due to the tariffs, or ii) manufactured locally, due to the increase in production costs caused by the duties on imported components and materials.

The price increase could lead to a decline in new car sales, given the significant price elasticity of demand, also recently demonstrated by the US market.

Declining demand from the North American market would have a negative impact on production within the USMCA area (US, Mexico, Canada) and imports into the US.

With regard to the possible impacts mentioned above, it is still too early to assess the real consequences of the measures taken.

With regard to the direct impact on the Group, the Air & Cooling sector achieved a revenue of Euro 217 million in 2025 in the USMCA area, selling components manufactured in Canada and Mexico mainly to General Motor, Ford and Stellantis, of which 50% were for customers' production plants in Canada and Mexico and 50% imported by customers in the United States. It is estimated that about 70% of the revenues from components exported to the US are related to USMCA-compliant products and thus, based on current forecasts, not subject to tariffs.

Since Sogefi does not directly export to the United States - as its customers do - and does not manufacture in the United States, it is not subject to the import duties currently in force on materials and components. As a result, no significant direct impact from the new tariffs is currently recorded or expected. Regarding procurement, following the introduction of retaliatory tariffs on steel products by Canada, Sogefi's manufacturing operations in Canada are experiencing increased costs for steel components purchased

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from U.S. suppliers, although the impact is not currently significant. Therefore, tariff direct impacts on Sogefi are currently not significant.

In the medium term, if tariffs are maintained, Sogefi may be exposed to:

- a risk of loss of competitiveness vis-à-vis competitors producing in the US due to the tariffs that North American customers may have to pay on products purchased from Sogefi in Canada and Mexico; this risk could be mitigated, if not offset, by increases in production costs that competitors in the US could incur due to tariffs on imported raw materials and components.
- the risk of lower volumes in NAFTA and Europe (export) and increased pressure on production costs in the months ahead.

Impacts of the conflicts in Ukraine and the Middle East on operations

The direct impact of the Russia-Ukraine conflict on operations was not significant. In fact, Sogefi had a marginal business activity in Russia that was discontinued as of March 2022 and the Russian subsidiary was liquidated in 2023.

Sogefi, like the entire automotive sector, suffered the indirect impacts of the war, and in particular the increase in energy and raw material prices. The trend reversed during 2023 and the downward price trend continued for the main commodities consumed in 2024 and 2025, subject to persistent volatility in energy costs.

The conflict in the Middle East is not expected to have a direct impact on the Group's business as Sogefi has no operations in the affected areas. With regard to indirect impacts, the increase in energy costs over May-June 2025 should be noted, as well as the risk on the supply chain, particularly related to late delivery of materials transiting the Suez Canal and the Strait of Hormuz. Sogefi closely monitors this risk by taking appropriate mitigation measures (creation of safety stocks, evaluation of alternative suppliers). At present, it is not possible to identify any further indirect impacts.

Climate change: physical and transition risks

Please refer to the Annual Financial Statements as at 31 December 2025 for an analysis of impacts related to climate change and transition risks.

MAJOR EVENTS OCCURRED AFTER YEAR-END

No significant events occurred after 31 December 2025 that could have had an impact on the income statement, balance sheet and financial data presented.

OUTLOOK FOR OPERATIONS

The visibility on the performance of the automotive market in the coming months is heavily penalised by the uncertainties that characterise the geo-political, economic and international trade environment (also in light of the recent developments regarding duties adopted by the US administration).

S&P Global's latest estimate expects that, after growth in 2025 (+3.7%), global car production will decline slightly in 2026 (-0.4%), with a significant drop in the first quarter (-4%) and a later recovery. By geography, there would be a further decline of around 2% in production in Europe and NAFTA, but also, after the significant growth in 2025, a 1.4% drop in China. On the other hand, expected growth is 7.8% in India and 5.8% in South America.

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With regard to commodity and energy prices, after trending favourably in 2024 and continuing during 2025 (with the exception of energy), there is a risk of increased volatility depending on the impact of US tariffs on the supply chain.

Sogefi, given the weight of Europe and North America in its business portfolio and current exchange rates, for 2026 expects a low/mid-single digit decline in its revenues and an Adjusted EBIT margin substantially in line with that reported in FY 2025, excluding any non-recurring expenses and new events/circumstances negatively impacting the automotive market. In particular, these forecasts are made in a context of significant uncertainty about the evolution of the global economy and car production, as it cannot be ruled out that volumes will fall in the coming months by more than currently expected.

MANAGEMENT OF THE MAIN BUSINESS RISKS

In a context characterised by market instability and a rapid evolution of business dynamics and regulations, careful and effective risk identification and management is essential to i) support an informed decision-making process consistent with strategic goals and ii) ensure corporate sustainability and value creation in the medium-to-long term.

In this regard, as required by the Corporate Governance Code for listed companies of Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, adopted by the Company as well as by national and international best practices acknowledged in the market, as part of its Internal Control and Risk Management System ("SCIGR"), Sogefi adopted and implemented a structured and formalised ERM (Enterprise Risk Management) process. The purpose of this ERM process is to identify, assess, manage and systematically monitor the main risks that could hinder the achievement of the Group's strategic and business goals, as well as define appropriate information flows to ensure transparency and dissemination of information within the organisation.

The ERM framework is periodically updated, taking into account changes in the business and regulatory environment in which the Group operates, in continuity with past activities and according to the "Guidelines of the internal control and risk management system" approved by the Board of Directors, which outline the governance model of the risk management system, identifying the persons concerned and assigning roles and responsibilities to them, and define the operating model including the analysis and reporting activities to be performed periodically as well as the tools and methods to support them.

In particular, the Board of Directors has identified the following persons/bodies concerned:

a) the Board of Directors, which, with the support of the Control, Risk and Sustainability Committee, plays a policy-making role, by drafting of the Guidelines of the Internal Control and Risk Management System, and assesses the adequacy of the internal control and risk management system, based on the results of the activities carried out by the control functions;

b) the Director in charge of the internal control and risk management system, identified as the Group Executive Chairman who, with the support of the Managing Directors of the Business Units and, where appropriate, of the central functions, is responsible for monitoring the adequacy, functionality and effectiveness of the internal control

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and risk management system, ensuring that it is appropriate to the nature and size of the business of the Company;

c) the Control, Risk and Sustainability Committee, set up within the Board of Directors, with the task, among others, of supporting the Board's assessments and decisions relating to the Internal control and risk management system;
d) the Managing Directors of the Business Units, who, with the support of the risk owners and the management, are responsible for ensuring the adequacy, functionality and effectiveness of the internal control and risk management system within their own Business Unit, implementing the same in the context of their own organisation;
e) the "risk owners" and the members of the management, in their role of persons responsible, each within their own sphere of competence and within the terms laid down by the corporate organisation, for identifying, managing and monitoring the risks inherent in the area of corporate operations they supervise;
f) the Risk Management function, in charge of managing the risk management process, with the task to coordinate the identification, assessment and management of relevant risks and their mitigation measures;
g) the manager responsible for preparing the Company's financial reports, who performs the duties provided for by the Company's Articles of Association (article 24) and by the applicable legislation (*ex multis,* Article 154-*bis*, Italian Legislative Decree no. 58 of 24 February 1998, the Consolidated Law on Finance or "**TUF**") and is - in short - responsible for the control system on financial reporting and Sustainability Statement;
h) the Head of the Internal Audit department, responsible for verifying that the internal control and risk management system is efficient, adequate and consistent with the guidelines defined by the Board of Directors;
i) the Supervisory Body pursuant to Article 6, par. 1, letter b) of Italian Legislative Decree no. 231/2001, which is organised in relation to the size, sector, complexity and risk profile of the company;
j) the Board of Statutory Auditors, supervising the effectiveness of the internal control and risk management system.

Risk identification and assessment provide the Board of Directors with a better understanding of the scenarios that could hinder the achievement of set goals and enable it to determine which actions should be taken to prevent, mitigate or manage the main exposures and their order of priority, taking in account the risk appetite.

For more details on the characteristics and operation of the internal control and risk management system, please read the Annual Report on Corporate Governance available on the Company's website.

The ERM framework aims to analyse and evaluate a wide set of risks, which vary in nature and type, including any risks associated with sustainability issues.

The risks potentially applicable to the Group's business model are represented in the so-called Risk Model and grouped in four main risk categories:

- **Strategic Risks**, relating to the external and business environment or governance strategies and decisions that can significantly affect the Group's performance and/or the achievement of the defined strategic objectives.
- **Operational Risks,** which can affect the effectiveness/efficiency of business processes, jeopardising the creation of value.

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- **Financial Risks**, mainly related to exchange rates, interest rates, access to credit, liquidity, which may affect the results and sustainability of the Group's plans.
- **Legal and Compliance Risks**, relating to non-compliance with applicable laws and regulations, and/or internal Codes, Policies and Procedures that may lead to legal disputes, financial losses and potential adverse effects on the Group's reputation.

Further areas of main risk events to which the Group could potentially be exposed are identified within these risk categories.

The model requires that risk assessment activities be carried out on an annual basis by identifying, analysing and assessing priority risks for the Group. Priority risks are managed by defining *ad hoc* action plans aimed at mitigating the risks, and their evolution is periodically monitored.

With regard to the method for assessing and documenting risks, Sogefi carries out an assessment based on two main variables: the likelihood of the risk event occurring and the potential impact (financial/ reputational/operational) in the event of occurrence. The assumptions used for the risk assessment and the mitigating actions taken by Sogefi in response to the identified risks are detailed in the risk assessment.

The results are also used by the Internal Audit department to prepare its annual Audit Plan, in a risk-based approach that is in line with best practices, so that resources and activities can be allotted to those areas that are considered to be most critical and/or risky.
In the light of the assessments made during 2025, the most significant risks were identified and are summarised below.

1. STRATEGIC RISKS

1.a. Risks related to the external context

With reference to the risks related to the external environment, these were described in the previous section "Management of the main business risks" ("Impacts of the macroeconomic environment, the conflicts in Ukraine and the Middle East, and the climate change on operations"); the possible impacts on the Group's operations are summarised below.

Risks related to a potential drop in demand in the automotive sector

Taking into account the current geopolitical environment, technological transition and uncertainties over global tariff policies, a more pronounced market decline than currently forecast for 2026 and a consequent contraction of Sogefi's sales volumes cannot be ruled out.

Sogefi monitors risk through: i) constant monitoring of the backlog by geographic area/market/product line; ii) a close relationship with customers to identify and anticipate any risks.

In light of the above, the risk is considered probable and significant and for that reason it is closely monitored.

Risks related to the pressure on sales prices

The automotive sector at global level is characterised by a competitive trend that is particularly focused on selling prices; the major OEMs are transferring strong price pressure across the entire value chain, thus posing a potential risk to the margins of products sold by Sogefi.

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In this context, Sogefi pays the utmost attention to preserving its profitability through i) appropriate sourcing strategies and ii) careful management of relations and agreements with its customers.
This risk is considered probable but with moderate impact given the stability of raw material prices and mitigating actions in place.

1.b. Transition risks[3]

The regulatory framework, albeit in a changing context, is giving a boost to decarbonisation and the reduction of emissions, especially in Europe, with impacts on industrial processes and the entire value chain.

The Group implements various actions to reduce emissions, as described in the Sustainability Statement, to which we refer for more details (*see section ESRS E1 - Climate Change*).

Sogefi closely monitors regulatory developments in the geographical areas in which it operates; the risk that it may not be able to comply with regulatory constraints in terms of decarbonisation is a risk whose potential impact would be significant, but it is considered unlikely.

1.c. Risks related to the company's technological innovation[4]

In the current context of technological transition, Sogefi could i) lose market shares due to the lack of development of innovative technologies and solutions required by the market or as a result of the introduction of distinctive new products by competitors, and/or ii) incur extra costs for developing new products.

In order to reduce the risks associated with ineffective adaptation of the business model to market, regulatory and technological changes, Sogefi invests in Research and Development and implements monitoring and market benchmarking actions, in a constant dialogue with its customers and suppliers.

In particular, the activity subject to the greatest impact on the demand for its products in the context of transition is Air & Cooling, whose product portfolio mainly includes components for ICE and hybrid engines. This division is engaged in a programme of investment in R&D and acquisition of production capacity to expand its offer, including components for battery cooling, for which it has already acquired a portfolio of contracts with leading car and battery manufacturers.

These risks, although considered unlikely, could have significant impacts on the long-term sustainability of the business and are, therefore, closely monitored by the relevant corporate functions.

2. OPERATIONAL RISKS

2.a. Risks related to human resources management[5]

In a multicultural and constantly changing environment, corporate competitiveness also depends on the ability to identify and manage risks related to human resources, which is

[3] Risk related to ESG topics; please refer to Consolidated Sustainability Statement for further details.
[4] Risk related to ESG topics; please refer to Consolidated Sustainability Statement for further details.
[5] Risk related to ESG topics; please refer to Consolidated Sustainability Statement for further details.

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a topic to which Sogefi has always been committed. The main risks identified in this area are set out below.

Talent attraction, retention and professional development

The labour market is characterised by a shortage of personnel with skills in specialised and technological fields in particular.

In this context, there is a risk that Sogefi's ability to meet the technological and managerial challenges associated with market evolution will be limited by the actual availability of resources.

In order to reduce the risk of shortage of qualified personnel, Sogefi has adopted the following management policies: i) identifying and enhancing talents and critical skills, through the Group's annual performance review process, with consequent development of special retention plans; ii) collecting and analysing employee feedback on well-being through internal surveys; iii) organising training activities to develop and enhance managerial and technical skills.

This risk is considered likely but with moderate impact given the mitigation actions in place.

Labour cost increase

The evolution of the labour market, as described above, may cause i) a risk of increase in personnel costs that would negatively affect the Group's competitiveness; ii) a risk of high social conflict; iii) a risk of increase in personnel turnover.

In the face of such risks, Sogefi adopts mitigation policies that include: i) constructive social dialogue to seek sustainable agreements; ii) careful management of personnel remuneration policy and talent enhancement; iii) implementation of variable remuneration measures, linked to the achievement of specific targets.

At present, the risk is considered moderate and unlikely in view of market forecasts and falling inflation in the main countries where the Group operates.

Health and safety at work: fire risk in plants

Employee health and safety is a top priority: prevention and protection plans are continuously monitored and updated to effectively protect employees.

In particular, the factories of the Suspensions Business Unit are exposed to the risk of the occurrence of fires that could cause i) health and safety problems; ii) loss or damage to corporate assets; iii) business disruptions, with logistical, commercial, reputational and financial impacts.

In order to minimise these risks, the Group is constantly enhancing prevention measures by strengthening its internal protocols and procedures, drill activities, and engineering and thermographic surveys of potential risk areas.

This risk is considered significant but unlikely in light of the prevention and protection measures in place.

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2.b. Risks related to product reliability (i.e., quality and safety) [6]

For Sogefi, managing the risk associated with the possible production and marketing of products that do not comply with industry quality and safety standards, as well as with customer expectations, is a priority.

Any non-compliance - also related to the large-scale manufacturing of innovative products - could actually result in recall campaigns which would have a negative effect on the relations with our customers and on Group's reputation, although financially mitigated by specific international insurance programmes.

Various risk prevention and mitigation measures are implemented as part of the Group's Quality Management System: i) application of the main national and international technical standards; ii) identification and monitoring of specific KPIs relating to overall quality performance and customer satisfaction; iii) certifications based on international reference standards.

In view of the above, the risk as a whole is considered to be significant and, as such, carefully controlled.

2.c. Risks of supply chain disruption and commercial pressure on material purchase prices [7]

In the current context of global instability and geopolitical tensions, also linked to the application of customs duties for certain product categories/geographical areas, partial or temporary disruptions in the supply chain could have consequences on the continuity of the production process and lead to delays in the delivery of orders, with financial, operating and reputational impacts.

While no significant direct impacts related to the imposition of duties were identified, Sogefi adopts procurement strategies that are attentive to managing these risks: i) avoiding, as far as possible, excessive concentration of the supplier portfolio (and in any case avoiding cases of one supplier only for any specific item); ii) carefully monitoring the operational and financial soundness of suppliers; iii) diversifying geographically.

This risk in the current context of geopolitical tensions on a global scale is considered probable and relevant, and therefore it is carefully monitored and managed.

2.d. Risks related to the modification or cancellation of projects

In view of the technological transition, Sogefi could be faced with the cancellation or unilateral modification of projects/programmes by customers, with unfavourable economic impacts for Sogefi.

To mitigate the aforementioned risks, Sogefi has adopted the following main measures: i) in the case of new customers, careful assessment of the counterparty's soundness and projects; ii) development of partnership relations with new high-potential customers line with those established over time with traditional customers; iii) increased contractual protections; iv) careful monitoring in projects.

In view of the above, the risk is considered of moderate significance.

2.e. Cyber risks

Sogefi's business operations depend, continuously and increasingly, on the reliability and security of its computer and information systems.

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[6] Risk related to ESG topics; please refer to Consolidated Sustainability Statement for further details.

[7] Risk related to ESG topics; please refer to Consolidated Sustainability Statement for further details.

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These risks could have negative impacts such as: i) financial impacts, related to penalties or increased insurance premiums; ii) operational impacts, related to the temporary suspension of the Group's activities; and iii) reputational impacts.

Cyber Security Risks[8]

These are the risks associated with unauthorised access by third parties to the company's information systems, resulting in the loss and/or violation of sensitive and confidential data.

In order to mitigate these risks, Sogefi has adopted a global cyber security organisation, with the aim of taking measures against the risks of cyber attacks and constantly adapting its defence measures, which include: i) periodic IT risk assessment activities, aimed at identifying and strengthening the security of the Group's Information Systems and directing appropriate prevention and protection actions; ii) training activities and awareness campaigns on cyber security launched regularly at Group level; iii) periodic audits on cyber security carried out by external companies.

In view of the above, the risk is considered significant, but controlled and monitored.

Risk of failure or disruption of information systems (not related to Cyber Security)

The failure or temporary interruption of company information systems could lead to the loss of data and jeopardise the continuity of the operations of the Group and its business partners.

In order to ensure continuity, integrity and availability of data, Sogefi constantly monitors its systems. Moreover, in order to promptly respond to critical emergency situations, specific Disaster Recovery and Business Continuity Plans are implemented at both central and local level, and periodically tested internally through different types of crisis scenarios and externally through IATF and Tisax audits.

The risk is considered significant but unlikely in view of the mitigating actions in place.

2.f. Physical risks related to climate change[9]

The intensification of phenomena related to climate change and its impacts on the value chain are some of the main challenges that companies will have to face.

Sogefi periodically updates the Physical Climate Risk Assessment to assess the impact of climate change on its local production sites, considering a short-term (2030) and a long-term (2050) time horizon, in line with the regulatory requirements of the Taxonomy.

From the analysis of the results of the Physical Climate Risk Assessment and considering that the no Group's plant recorded significant impacts due to climatic events, the need for structural interventions by the Company was not highlighted and therefore the risk is considered probable but moderately significant.

(Please refer to par. 2.2.1.3 *Significant impacts, risks and opportunities and their interaction with the strategy and business model* of the Consolidated Sustainability Statement).

2.g. Risks related to the alignment between production planning and capacity

Production planning is based on medium-term sales volume forecasts provided by customers, which may not reflect reality in the current general context and specifically

[8] Risk related to ESG topics; please refer to Consolidated Sustainability Statement for further details.

[9] Risk related to ESG topics.

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in the automotive sector. In fact, the current industry context is characterised by a high variability of actual demand with respect to customer commitment at the quotation stage (particularly for e-mobility-related products), coupled with a high flexibility of the volumes required under contractual agreements; this context entails possible impacts on production planning in the Group's plants.

To mitigate the risk, Sogefi has put in place specific action plans, which include: i) periodic reviews of investment and production capacity planning, jointly with the Sales, Operations and Projects Functions; ii) constant monitoring of volumes and production capacity at individual plant level by the central Functions.

In view of the above, the risk is considered unlikely and of moderate significance.

2.h. Risks related to the occurrence of potential crisis events

In view of the instability of the current global context, Sogefi has put in place a management system aimed at promptly addressing potential crisis events and safeguarding business continuity, based on international reference standards.

In particular, the Group adopts the following mitigation actions: i) preparation of operational guidelines for the management of potential crisis events (e.g., accidents in production plants, natural disasters, pandemics); ii) information flows with production plants; iii) risk assessment and periodic reporting on specific risks.
The risk is considered to be significant but unlikely.

3. FINANCIAL RISKS

3.a. Risks associated with fluctuations in commodity prices (raw materials and energy)

The creation of the Group's product portfolio requires the procurement of raw materials such as steel, plastic materials and aluminium - as well as components and semi-finished products containing them - whose costs are a significant portion of the production cost. The price of the raw materials may be subject to – sometimes significant – fluctuations, which depend on a wide variety of factors, largely beyond Sogefi's control and hardly predictable, such as, for example, changes in demand levels, the introduction of new laws or regulations, fluctuating exchange rates.

Energy and raw material prices, after strong increases in 2022 and 2023, declined in 2024 and the trend for materials continued in 2025 (unlike energy). Against this backdrop, the Group closely monitors production costs and maintains a constant dialogue with suppliers and customers to safeguard its margins.

The risk is considered to be not significant and duly monitored.

3.b. Foreign exchange risk

The Sogefi Group, operating internationally through foreign subsidiaries in various markets where the reference currency is different from the Euro, is exposed to the risk of potential significant fluctuations in exchange rates.

The risks associated with changes in exchange rates (in particular of the Euro to the US and Canadian dollar, to South American and emerging market currencies) include:

- the translation exchange risk arising from the fact that Sogefi prepares its financial statements in Euro, yet holds controlling interests in companies that use functional currencies other than the Euro – as a result, any fluctuations in the exchange rates at which the financial statements of subsidiaries originally expressed in foreign

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currencies are converted could significantly affect both the Group's economic result and its consolidated shareholders' equity;
- the transaction exchange risk arising from the fact that the Group companies carry out (direct/indirect) purchase and sale transactions in currencies other than the functional currency, and therefore exchange rate fluctuations could affect the actual cost/revenue ratio of the Company, for the portion that is not offset between purchases and sales.

To mitigate the exchange rate risk, Sogefi: i) monitors its exposure, trying to offset same-currency sales and purchases as much as possible and, for the remainder, ii) it uses financial instruments available on the market to hedge its exposure whenever possible.

In view of the actions taken, the risk is considered not significant, and at any rate it is closely monitored by the relevant Company departments.

4. LEGAL AND COMPLIANCE RISKS

4.a. Risks related to the violation of ethical principles[10]

The Group's Code of Ethics defines the values that the Group believes in as the basis on which to achieve its objectives. It lays down rules of conduct which are binding on directors, employees and others who have ongoing relations with the Group.

The Company also adopted an "Organization, Management and Control Model as per Italian Legislative Decree no. 231 of 8 June 2001" following the guidelines of the decree, with a view to ensuring fairness and transparency in business activities.
Finally, the Company has formulated a set of policies and procedures aimed at a wise and informed management, and subject to continuous updating, and promotes dedicated training programs.

Thanks to the well-established internal control system in place, the risks related to the violation of ethical principles are considered not significant and well controlled.

[10] Risk related to ESG topics, but not significant.

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CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 125/2024

1. GENERAL DISCLOSURES

1.1 ESRS 2 - DISCLOSURE REQUIREMENT

1.1.1 BASIS FOR PREPARATION

1.1.1.1 BP-1 General criteria for sustainability statement

This document represents the consolidated sustainability statement (hereinafter, the "Sustainability Statement") and illustrates the impact of Sogefi SpA (hereinafter also "Sogefi" or the "Sogefi Group" or the "Group") on sustainability issues, as well as how these influence the Group's strategies and performance.

Reporting principles and regulatory references

The Sustainability Statement is prepared in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 ('CSRD'), transposed into Italian law through Legislative Decree No. 125 of 6 September 2024 ('Decree'), subsequently amended by Decree-Law No. 95 of 30 June 2025 ('Omnibus Decree'), converted into law (Law No. 118 of 8 August 2025), which implemented Directive (EU) 2025/794 ('First Omnibus Directive' or 'Stop the Clock Directive') without producing any impact on the Sustainability Statement of the Sogefi Group. The Sustainability Satatement is prepared in accordance with the drafting principles established by Directive (EU) 2013/34/EU (European Sustainability Reporting Standards – ESRS). On 10 November 2025, Delegated Regulation (EU) 2025/1416 ('Quick Fix') was published in the Official Journal of the European Union, amending Annex I of Delegated Regulation (EU) 2023/2772 on ESRS principles. This delegated act amends Appendix C, 'List of phased-in disclosure requirements,' of ESRS 1 and extends by a further two years (2025 and 2026) the option of omitting certain specific information: in relation to this Regulation, the Group has made use of the phase-in provisions in accordance with Annex C of ESRS 1 for Disclosure Requirements S1-11, S1-12, S1-15 and for expected financial effects (ESRS E1-9, E5-6).

The document also includes the information required under Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). On 8 January 2026, Delegated Regulation (EU) 2026/73 was published in the Official Journal of the European Union, amending Delegated Regulation (EU) 2021/2178 with regard to the simplification of the content and presentation of disclosures relating to environmentally sustainable activities, and Delegated Regulations (EU) 2021/2139 and 2023/2486 with regard to the simplification of certain technical screening criteria used to determine whether economic activities do not significantly harm environmental objectives. Delegated Regulation (EU) 2026/73 entered into force on the twentieth day following its publication in the Official Journal of the European Union, i.e., on 28 January 2026, and applies to financial years starting on or after 1 January 2026. However, considering that companies were allowed to continue applying the rules already used for the 2024 financial year, the Sogefi Group

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decided to proceed in continuity; therefore, no significant impacts are noted with reference to the new EU Taxonomy regulatory framework.
The 2025 Sustainability Statement is subject to limited assurance by the audit firm KPMG S.p.A., which is also responsible for the statutory audit of the financial statements, and expresses its conclusions regarding compliance with Legislative Decree No. 125/2024 and with the disclosure obligations set out in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

The Sustainability Statement is included within the management report pursuant to Article 2428 of the Italian Civil Code, forming a specific section clearly identified as such, and is prepared in accordance with the drafting criteria mentioned above and approved by the competent administrative body. Furthermore, the Sustainability Statement must be prepared in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815, including the tagging of sustainability information and the information required by Article 8 of the Taxonomy Regulation. The tagging rules for the Sustainability Statement will be introduced into the European regulatory framework through an amendment to the ESEF Regulation. Pending these regulatory changes, the Sustainability Statement does not need to be prepared in accordance with such tagging obligations, and therefore the responsibility of the directors does not extend to this aspect.

Consolidation scope

The Sustainability Statement is annual and covers the time period from 1 January 2025 to 31 December 2025 and the same scope as the Group's consolidated financial statements.
The environmental, social, governance and economic-financial data contained in the Sustainability Statement refers to all the companies belonging to the Sogefi Group as of 31 December 2025, consolidated on a line-by-line basis (see the section *Sogefi group structure: consolidated companies* in the Group's Consolidated Financial Statements as of 31 December 2025).
Sogefi has no operational control over third-party sites, assets or companies, and there are no companies consolidated using the equity method.
There are no subsidiary undertakings included in the consolidation perimeter that are excluded from the Consolidated Sustainability Statement.

Scope of reported activities

This Sustainability Statement provides, where possible, information regarding the Group's value chain, in addition to information on its own operations. This includes information on impacts, risks, and opportunities along the value chain, both upstream and downstream, and on the policies and actions adopted to manage these impacts, as well as metrics that also cover the stakeholders in the value chain.

Other information

Moreover, no specific information corresponding to intellectual property, know-how or results of innovation was omitted.

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No exemption as per Directive 2013/34/EU, article 29 bis, section 3, regarding disclosure of impending developments or matters under negotiation was exercised.

1.1.1.2 BP-2 Disclosures in relation to specific circumstances

Time horizons

Sogefi considered applicable time horizons in accordance with the Company's planning processes and industry-specific considerations, departing from the medium- or long-term time horizons defined in ESRS 1. In particular, the definition of time horizons is based on the Company's planning processes and is as follows:
- short-term time horizon - one year from the reporting period of this report (2026);
- medium-term time horizon - time span from the first to the fourth year after the reporting year (from 2026 to 2029);
- long-term time horizon - time span up to 2050, in line with the long-term objectives and strategy of the European Green Deal.

Use of estimates

Regarding upstream and downstream value chain data (specifically Scope 3 emissions for categories deemed relevant) estimates have been used, such as sector-average data or other proxies.
Sogefi applies methodologies aligned with the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard, which allow an adequate level of accuracy to be achieved. In particular, the methodologies applied are the following: average data method, expenditure-based method, distance-based method, waste type-based method.
Sustainability reporting includes numerous forward-looking disclosures in accordance with the ESRS. This information has been prepared on the basis of estimates and assumptions, and is, by its nature, subject to a high degree of uncertainty connected with future events, the extent and timing of which is unknown. For this reason, deviations between actual values and forward-looking information could be significant.
When quantitative metrics and monetary amounts presented are the result of estimates, disclosure is provided in the specific sections.
Furthermore, it should be noted that for reasons of rounding in some tables and graphs, the totals of the percentages may differ from 100%.

Previous periods

Data relating to the previous financial year are presented for comparative purposes in order to facilitate the assessment of the Group's performance over time.
In 2025, the presentation of the data disclosed under indicator E1–5 was reviewed, providing a more detailed breakdown of the underlying data items. Specifically, energy from renewable sources not covered by Guarantees of Origin (GOs) and nuclear energy were also reported, using the residual mix of the relevant countries. As a result, the comparative data for 2024 were also revised accordingly to ensure consistency and comparability.
In addition, steel data 2024 reported under E5-4 have been revised using punctual data and, consequently, also Category 1 of Scope 3 have been revised accordingly.

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Finally, 2024 emissions data have been restated following the redefinition of Category 8 of Scope 3. In particular, leased assets, previously reported in Scope 3, have been reclassified to Scope 1 and Scope 2 to ensure better methodological alignment and greater consistency in emissions reporting across the value chain.

Errors in reporting in previous periods

This document does not report any changes resulting from material reporting errors identified in previous reporting periods.

List of ESRS disclosure requirements and data incorporated by reference to other sections of the document

Within this Report, the ESRS disclosure requirements or data provided that refer to other sections (incorporation by reference) are as follows:

- The consolidation scope of the Sustainability Statement coincides with that set out in the section *"Structure of the Sogefi Group: consolidated companies"* of the Consolidated Financial Statements;
- Description of products, description of significant markets and groups of customers served: see sections "*Information on major customers"* and *"Information on Geographical Areas"* of the Explanatory and Supplementary Notes to the Consolidated Financial Statements.
- Information on revenues: see section *"Consolidated income statement schedule*" of the Consolidated Financial Statements;
- Composition of the Group, Business Units and geographical areas in which the Group Operates: see sections "*Group Composition*" and *"Information on Geographical Areas"* of the Explanatory and Supplementary Notes to the Consolidated Financial Statements.

1.1.2 SUSTAINABILITY GOVERNANCE

1.1.2.1 GOV-1 - The role of the administrative, management and supervisory bodies

The corporate governance model of Sogefi S.p.A. is "traditional" as it includes a Shareholders' Meeting, a Board of Directors (hereinafter, the "BoD") and a control body (hereinafter, the "Board of Statutory Auditors"). The Board of Directors is granted the broadest powers of management of the Company.
The Company adheres to the Corporate Governance Code and has adopted its own Corporate Governance Code that reflects its principles and recommendations.

Composition, diversity and competences of the Board of Directors

The Board of Directors, appointed by the Shareholders' Meeting on 24 April 2025 and in office until the approval of the financial statements as of 31 December 2027, is composed of 9 members, one of whom is an executive member.
The executive director is the Chairman of the Board of Directors of the Company.

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The number of non-executive directors, eight out of nine, and their authority, as can be deduced from their CVs, are such as to ensure that their judgement has a significant weight in taking board decisions and monitoring the Company's effective management; they bring their specific expertise to board discussions, contributing to the taking of decisions in line with the Company's interests.

Furthermore, of the nine directors, six are independent.

The following table summarizes information on the composition of the Board of Directors, between executive and non-executive directors, independent and non-independent directors, as well as its composition by gender.

Composition of the Board of Directors	2025					
	No.			%		
	Men	Women	Total	Men	Women	Total
Directors	5	4	9	56%	44%	100%
Of which Executive Directors	0	1	1	0%	11%	11%
Of which Non-Executive Directors	5	3	8	56%	33%	89%
Of which Independent Directors	3	3	6	33%	33%	67%

The composition of the Board of Directors reflects a diversity of gender, age, education and experience, while ensuring the appropriate skills and professionalism of its members.

The gender balance is respected (equal representation of men and women), in accordance with applicable legal provisions.

In terms of professional background, Sogefi's Board of Directors is made up of authoritative profiles, endowed with diverse managerial and professional skills and experience. Half of them are long-serving managers with international experience in various industries and knowledge of the automotive sector; one director has extensive international experience in the commodities sector; one director has played a leading role in the auditing and business consulting sector; two directors have legal expertise and experience, with a focus on M&A and governance.

Board of Directors has established the following internal committees: the Control, Risk and Sustainability Committee, the Appointment and Remuneration Committee, and the Committee on Related Party Transactions. The committees have support duties in relation to specific matters defined in their respective regulations and, more generally, in relation to matters requiring further investigation, in order to facilitate informed and effective debate within the Board of Directors.

In particular, the Control, Risk and Sustainability Committee supports the Board of Directors in assessing and making decisions regarding sustainability issues related to the operation of business activities, corporate social responsibility, and the analysis of issues relevant to long-term value generation.

In the table below are provided details of Board of Directors and internal committees composition:

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Board of Directors								
Position	**Name**	**Year of birth**	**Gender**	**Executive**	**Independent**	**Control, Risk and Sustainability Committee**	**Appointment and Remuneration Committee**	**Committee on Related Party Transactions**
Presidente	Mondardini Monica	1960	F	✓				
Amministratore	De Benedetti Rodolfo	1961	M					
Amministratore	De Benedetti Marco	1962	M					
Amministratore	Arienti Patrizia	1960	F		✓	President		President
Amministratore	Daoudi Maha	1975	F		✓	✓		
Amministratore	Pallavicini Raffaella	1969	F		✓			✓
Amministratore	Melis Mauro	1955	M		✓	✓	President	
Amministratore	Picardi Massimiliano	1971	M		✓		✓	✓
Amministratore	Streiff Christian	1954	M		✓		✓	

Composition, diversity and competences of the Board of Statutory Auditors

The Board of Statutory Auditors, consisting of three acting auditors and three alternate auditors, carries out supervisory activities according to the applicable legislation.
The Board of Statutory Auditors has extensive experience in both listed and private Companies, and its members' diverse expertise ensures authoritative guidance on corporate governance, corporate law, taxation, and sustainability issues.
The Acting Auditors are involved in update meetings that provide them with an adequate understanding of the Sogefi business and of the market in which the Group operates.
Below are the details of the composition of the Board of Statutory Auditors, composed by 50% female and 50% male members.

Position	Name	Year of birth
President	Delfrate Daniela	1965
Acting Auditor	Rebecchini Gaetano	1987
Acting Auditor	Rolli Rita	1969
Alternate Auditor	Borré Luigi	1965
Alternate Auditor	Allievi Anna Maria	1965
Alternate Auditor	Abbate Franco Aldo	1973

No members of Sogefi's administrative, management and supervisory bodies represent Sogefi employees or other categories of workers in the Group.

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Roles and responsibilities in terms of sustainability

The Group's governance structure ensures that its strategic orientation is aligned with long-term sustainability goals, and that any critical issues in this area are addressed and integrated as needed into the Company's decision-making process.

Below are described the organizations/functions involved in the Company's sustainability process and their respective roles:

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Role	Responsibility
Board of Directors	- approves the ESG plans integrated into the Company's strategic and financial plans, thus ensuring that the plans are aligned with the mission of creating long-term sustainable value; periodically monitors their implementation; - approves the Double Materiality Analysis, which includes the material IROs; - with the support of the Control, Risk and Sustainability Committee, plays a guiding role, through the formulation of the Guidelines for the Internal Control and Risk Management System, and in assessing the adequacy of the internal control and risk management system, including risks related to climate change and in general those associated with the achievement of sustainability objectives; - approves the Sustainability Statement, ensuring that it is prepared and published in compliance with applicable regulations; - integrates sustainability targets into its management remuneration policy
Control, Risk and Sustainability Committee	- examines the Double Materiality and may request further clarification and/or additions; - reviews ESG plans (objectives, metrics, and targets); - periodically monitors the achievement of ESG targets; - supports Board of Directors in assessing the adequacy and effectiveness of the internal control system with regard to the preparation of the SustainabilityStatement; - reviews the content of the Sustainability Statement, with regard to the correct application of reporting principles, after consulting with the relevant corporate functions, the external auditor, and the supervisory bodies; - provides an opinion on all of the above issues to the Board of Directors to support its resolutions.
Manager in charge[11]	- Defines the sustainability statement structure and scope, in accordance with the financial reporting scope and the ESRS provisions (particularly ensuring consistency with the Management Report, of which it is an integral part, and the Financial Statements); - - ensures the updating, maintenance, and monitoring of the internal control system over Financial and Sustainability Statement; - - monitors the certification process by Plant Managers and coordinates the implementation of action plans in case of non-compliance -
Business Unit CEOs ,"risk owners" and management	- Ensure, within their own remit and within the terms established by the company organization, the adequacy, functionality, and effectiveness of the internal control and risk management system, implementing it within their organization
Sustainability and Risk Manager	- Identifies Data Owners for data collection and the preparation, approval, and publication of the Sustainability Statement; - Coordinates the Double Materiality analysis, supporting management in identifying the most relevant sustainability topics for the Group and its stakeholders; - Coordinates the assessment and management of corporate risks and related mitigation measures, including ESG risks and opportunities. - Verifies the need, based on the Double Materiality, to update or adjust the metrics and targets defined in the Sustainability Plans; - Presents the results of the Double Materiality Analysis to the Control, Risk, and Sustainability Committee. - Prepares the draft Sustainability Statement and presents it to the Control, Risk, and Sustainability Committee.
Plant Managers	- Sign Attestation Letters addressed to the Manager in charge - Oversee the information reported by local departments within the Sustainability Statement
Internal Audit	- verifies internal control and risk management system adequacy and consistency with the guidelines defined by the Board of Directors, also covering sustainability topics
Board of Statutory Auditors	- as supervisory body, monitors the effectiveness of the control and risk management system, compliance with legal provisions, as well as the adequacy of the organizational, administrative, reporting and control system established by the Group, interacting with the Control, Risk and Sustainability Committee and with the Head of Internal Audit through periodic information flow.

The Company is supported by a consulting firm for sustainability issues, supporting the internal Sustainability Function and the Control, Risk and Sustainability Committee on specific issues and regulatory updates.

In this regard, when the need arises, update sessions on sustainability aspects are organized with the support of an external consultant and are also addressed to the relevant sustainability bodies.

[11] Manager in charge is a key figure introduced for Italian listed companies by article 154-bis of the Consolidated Law on Finance (TUF), responsible for preparing and ensuring the adequacy of administrative and accounting procedures for the correct preparation of financial statements and financial communications, certifying their correspondence with the accounting records.

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1.1.2.2 GOV-2 - Information provided to Sogefi's administrative, management and supervisory bodies and sustainability issues addressed

The Board of Directors and Internal Committees regularly receive an articulated and updated flow of information on ESG issues. This information includes: the results of the Double Materiality analysis, ESG plans, evaluation of ESG targets achievement based on annually reviewed ESG plans.
The Group's Management and Board of Directors take sustainability impacts, risks and opportunities into account when defining their business plans, integrating therein the policies and actions identified in the sustainability plans.
The Board of Directors is informed about ESG impacts, risks and opportunities at least twice a year, when the Double Materiality analysis is updated and when the Sustainability Statement is presented.
The Control, Risk and Sustainability Committee pays special attention to sustainability issues, regularly reporting to the Board of Directors on the results of its assessments. During 2025, the Committee held four meetings where sustainability-related topics were discussed (including Double Materiality) in view of the preparation of the Sustainability Statement. During the meetings the Committee reviewed the progress of ESG targets achievement in accordance with ESG Plan and, more broadly, the effectiveness of the policies and actions implemented in relation to material topics.

1.1.2.3 GOV-3 - Integration of sustainability-related performance in incentive schemes

The remuneration arrangements of the management are illustrated in the Remuneration Policy for the year 2025, drawn up in accordance with the provisions of art. 84-quarter of Consob Regulation no. 11971/99 (the "Issuers' Regulation") and approved, upon proposal of the Nomination and Remuneration Committee, by the Board of Directors of Sogefi S.p.A. on February 28, 2025 and subsequently by the Shareholders' Meeting on April 24, 2025. This document is published on the Company's website.
In order to ensure transparency and adequate control over the remuneration and incentive system, the Company has adopted a governance model that envisages the involvement of a plurality of individuals and corporate bodies in accordance with the provisions of the Articles of Association, the Corporate Governance Code, the internal regulations implementing said Code (mainly Sogefi's Corporate Governance Code, the Board of Directors regulations, and the Appointment and Remuneration Committee regulations) and, more generally, the applicable regulations.
In detail, the Remuneration Policy is annually defined by the Board of Directors, based on a proposal from the Appointment and Remuneration Committee and the Board of Statutory Auditors, and is submitted by the Board of Directors to a binding vote by a Shareholders' Meeting.
The Remuneration Policy is aimed at:

- ensuring the Company is competitive on the labour market, enabling it to attract, motivate and retain people with the professional qualifications capable of contributing to the creation of value and the sustainable success of the Company and the Group, over the medium and long term;

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- aligning the interests of top management with those of the Company and the Group, its shareholders and all stakeholders, in a short- medium- and long-term perspective;
- incentivising the pursuit of sustainable success and thus of the objectives defined in the business and ESG plans approved by the Board of Directors;
- rewarding performance based on merit.

The Remuneration Policy provides that Top Management's annual remuneration consists of the following components: fixed remuneration; annual variable remuneration (MBO); medium to long-term variable component (LTI).

As regards medium to long-term incentives (LTI) specifically, this is implemented through stock grant plans. These plans contemplate benefit accrual criteria linked to both economic-financial parameters (such as EBIT and Free Cash Flow) and non-economic-financial parameters, including specific sustainability targets, as integrated into the Company's business plans and detailed in the Sustainability Statement (for the year 2025: percentage of R&D spending on e-mobility products out of the total annual expenditure on this activity, energy intensity and waste valorization).
The remuneration of members of the Board of Directors and Board Statutory Auditors, is not dependent on the achievement of ESG targets.
Additional details on ESG targets are provided in section *1.1.3.1 SBM-1 - Strategy, Business Model and Value Chain.*

1.1.2.4 GOV-4 - Due Diligence Statement

Sogefi has structured a due diligence process in the social, environmental and governance areas, which is described in detail in the Report. This process is integrated into the corporate strategy, with active stakeholder involvement, impact, risk and opportunities assessment and definition of corrective actions. Activities are monitored and communicated through indicators and actions tracked in all chapters of the report.

Below is an overview of the information contained in the Sustainability Statement relating to due diligence processes in the environmental, social and government areas.

Basic Elements of Due Diligence	Sustainability Statement Sections
a) Embedding due diligence in governance, strategy and the business model	1.1.2.4 GOV-4 - Due Diligence Statement (GOV-4 Section 30 and 32); 1.1.2.2 GOV-2 - Information provided to Sogefi's administrative, management and supervisory bodies and sustainability matters addressed (GOV-2 Section 26); 1.1.2.3 GOV-3 - Integration of sustainability-related performance in incentive schemes (GOV-3 Par. 29); 1.1.3.3 SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3 Section 48.a/b/c).
b) Involve stakeholders in all key due diligence stages	1.1.3.2 SBM-2 - Stakeholders interests and opinions (SBM-2 Section 45); 2.2.2.2 E1-2 Policies related to climate change mitigation and adaptation (E1-2 Section 24 and 25); 2.6.1.2 E5-1 Policies related to resource use and circular economy (E5-1 Section 14 and 15.a/b); 3.1.2.1 S1-1 - Policies related to own workforce (S1-1 Section 19 and 20.a/b/c); 3.2.2.1 S2-1 - Policies related to value chain workers (S2-1 Section 16 and 17.a/b); 4.1.2.1 G1-1 - Business conduct policies and corporate culture (G1-1 Section 7).
c) Identifying and assessing adverse	1.1.4.1 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities (IRO-1 Section 53);

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Basic Elements of Due Diligence	Sustainability Statement Sections
impacts	1.1.3.3 SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3 Section 48).
d) Taking actions to address those adverse impacts	2.2.2.3 E1-3 Actions and resources in relation to climate change policies (E1-3 Section 28); 2.6.1.3 E5-2 Actions and resources related to resource use and circular economy (E5-2 Section 19); 3.1.2.4 S1-4 - Action plans for the mitigation of material impacts and risks, as well as for the pursuit of material opportunities in relation to own workforce, and the effectiveness of such actions (S1-4 Section 37, 38a/b/c/d, 39 and 40a/b); 3.2.2.3 S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4 Section 32.a/b/c/d); 4.1.3.4 G1-4 - Proven cases of corruption or bribery (G1-4 Section 24.a); 4.1.3.1 Managing innovation and the transition to sustainable mobility solutions; 4.1.3.2 Customer satisfaction, including quality and warranty issues.
e) Tracking and reporting on the effectiveness of efforts	2.2.3.1 E1-4 Targets related to climate change mitigation and adaptation (E1-4 Section 32); 2.6.2.1 E5-3 Targets related to resource use and circular economy (E5-3 Section 23); 3.1.3.1 S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5 Section 46); 3.1.3.5 S1-9 - Diversity metrics (S1-9 Section 66.a/b); 3.1.3.7 S1-13 - Training and skills development metrics (S1-13 Section 83.a/b); 3.1.3.8 S1-14 - Health and safety metrics (S1-14 Section 88.a/b/c/d/e); 3.1.3.9 S1-16 - Remuneration metrics (pay gap and total remuneration) (S1-16 Section 97.a/b/c); 3.2.3.1 S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5 Section 41); 4.1.3.1 Managing innovation and the transition to sustainable mobility solutions; 4.1.3.2 Customer satisfaction, including quality and warranty issues.

1.1.2.5 GOV-5 - Risk management and internal controls over Sustainability Statement

The Internal Control and Risk Management System

The Company has long since adopted its own internal control and risk management system, including the Enterprise Risk Management (ERM) process, which is set out based on Board of Directors guidelines, supported by the Control, Risk and Sustainability Committee.
Sogefi internal control and risk management system ("SCIGR") that identifies a set of rules aimed at contributing to:

- compliance with current legislation, the Articles of Association and internal regulations (e.g. policies, procedures and operational practices) in force;
- the reliability, trustworthiness and accuracy of financial and non-financial information;
- corporate management based on conscious decision-making that is sound, fair, prudent and consistent with the Company's objectives;
- reducing the possibility of misstatements;
- the effective and efficient implementation of business processes;
- the achievement of the Company's sustainable success in the medium-long term;

These objectives are pursued through i) a structured process of identification, assessment and management of the main risks, ii) the monitoring of mitigation measures

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and corrective actions, iii) the definition of information flows and coordination between all the functions and subjects involved in the control system.
The SCIGR is inspired by and aligned with national and international best practices. In particular, the Company has defined the SCIGR in line with and according to the recommendations of the Corporate Governance Code as implemented by the Company with its own Corporate Governance Code and in accordance with the COSO Framework, which serves as the internationally recognized reference model for understanding, analyzing, and assessing the overall effectiveness of the system.

The SCIGR is based on three levels of control, consistent with the "Three Lines" model and its underlying principles, which support the identification of the structures and processes best able to contribute to the achievement of objectives and to ensure sound governance and effective risk management. Within the "Three Lines" model, the Board of Directors, supported by the Control, Risk and Sustainability Committee, defines the strategic guidelines, allocates the necessary resources, ensures appropriate organizational delegation, and exercises subsequent oversight.
In line with best practice, the SCIGR' three levels of control include:

- I Level of Control: the business process owners and members of Management in general, who identify, monitor and manage the risks for which they are responsible;
- II Level of Control: the Group risk and controls Functions, i.e. the Risk Management Department and the Manager in charge of Financial Reporting;
- III Level of Control: the Internal Audit Department, which performs independent assurance activities in relation to the internal control and risk management system.

A key role in ERM is played by the Risk Management function, whose responsibilities include identifying, assessing, and reporting risks related to potentially material topics for the Group. This function aims to provide the respective Boards of Directors with an overview of scenarios that could hinder the achievement of established objectives and to propose action plans to prevent, mitigate, or manage key risk exposures. This activity includes mapping and assessing relevant ESG risks, aligned with the Dual Materiality analysis, and is updated annually to reflect any changes in the external or internal context.

Internal control over Sustainability Statement

To ensure the accuracy, reliability, and transparency of Sustainability Statement, the internal control and risk management system also integrates the assessment of ESG-related risks and the monitoring of reporting activities.

Regarding the procedures and internal controls related to Sustainability Statement, Sogefi integrates the ESG Internal Control System into its existing risk and internal control framework, which defines roles and responsibilities to ensure the accuracy, reliability, and transparency of Sustainability Statement.
Key components of the ESG Internal Control System include data collection and validation processes to ensure data consistency and comparability.

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In this regards, Sogefi has developed the Risk and Control Matrices, which define the structure of operational controls, roles and responsibilities, as well as the set of tools that must be adopted to mitigate the risk of incorrect reporting of relevant indicators, in accordance with the CSRD provisions and the ESRS.

In 2025, additional risk and control matrices were defined to further integrate and strengthen the existing framework and the robustness of ESG data collection and verification processes.
Furthermore, to ensure ever greater integration between Sustainability Statement and financial information, the Group has included the certification of sustainability information among the responsibilities of the Manager in Charge, who is already responsible for overseeing the financial reporting processes.

The Manager in Charge certifies the accuracy and completeness of the information provided and the adequacy of the management models and control systems that led to its formulation.

The Sustainability Statement approval process

The Board of Directors approves the Sustainability Statement, subject to the opinion of the Control, Risk and Sustainability Committee, at the same time as the draft annual and consolidated financial statements.

The Board of Statutory Auditors receives the draft Sustainability Statement approved by the Board of Directors for due review. Any amendments requested by the Board of Statutory Auditors are implemented prior to publication of the Report.
The Sustainability Statement is finally made available to the Shareholders' Meeting and the public following the same procedures and deadlines as the publication and filing of the Consolidated Financial Statements.

1.1.3 STRATEGY

1.1.3.1 SBM-1 - Strategy, business model and value chain

The Business Model

The Sogefi Group is a leading supplier of original parts for the automotive industry, with 40 years of experience in the field. Sogefi designs, develops, and produces suspension components (Suspensions Business Unit) as well as air management and engine cooling systems (Air & Cooling Business Unit).
The Suspensions Business Unit produces a complete range of products including stabilizer bars, coil springs, leaf springs, and torsion bars which are engineered in close collaboration with the main Automotive manufacturers. The products supply passenger cars, light and heavy commercial vehicles, earth-moving equipment and railways. The Business Unit operates in 3 main segments: Passenger Cars, Heavy Duty Vehicles, and Precision Springs.

The Air & Cooling traditional product line is designed and manufactured by leveraging strong competences on engine cooling, flow distribution and welding. The E-Mobility portfolio includes, among others, battery cooling plates and cooling modules.

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Sogefi is a partner to the world's leading manufacturers of cars, commercial vehicles and earth-moving equipment. Today, it has a presence in 14 Countries with 24 manufacturing sites.

ESG Strategy

Sogefi embraces the values and goals of the United Nations 2030 Agenda and, in conducting its business activities, aims to contribute to their achievement by creating value in an ethical and responsible manner. It is committed to promoting and adopting a model of sustainable and inclusive development while at the same time ensuring the creation of long-lasting shared for with its stakeholders.
The Sogefi ESG Plan refers to the United Nations Sustainable Development Goals (SDGs) framework, which defines the sustainable development goals, breaking them down into specific targets that individuals, communities and businesses should inspire their conduct to ensure responsible and ethical action, preserve the ecosystem and achieve social progress.

ESG targets are defined at the Group level and form an integral part of the strategic and industrial plans: the Sogefi sustainability targets, defined in 2021, have been implemented according to four pillars: Environmental, Social, Governance, Entity-Specific. The targets included in the plan are defined as year-on-year. The annual update of the plans also takes into account the results achieved, in order to ensure the definition of challenging, but realistically achievable objectives.

In this context, it is possible to distinguish two types of targets:

- absolute targets, expressed as values to be achieved within the reporting period and which do not require a reference base year;
- relative targets (based on a comparison with the previous year's performance), for which performance is assessed against the year immediately preceding the present Report, which is therefore taken as the baseline.

In 2025, the ESG targets were updated with the involvement of corporate departments, Business Unit CEOs, and the Group CFO, action plans were defined specifying implementation timelines and monitoring frequency.

The targets were shared with the Control, Risk and Sustainability Committee and subsequently approved by the Board of Directors, which periodically monitors performance. The targets do not apply to specific products, customer categories, geographic areas or stakeholders, and are set at the Group level as follows.

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ESG TARGETS FOR THE PERIOD 2026 - 2029					
ESRS Standards		**KPIs**	**Target 2025**	**Results 2025**	**ESG PLAN**
ENVIRONMENT	**ESRS E1 Climate Change**	Energy mix *Ratio between the renewable energy (used and purchased) and total energy (used and purchased)*	25%	26%	2026: 30% 2027: 35% 2028: 36% 2029: 36%
		Energy intensity *Ratio between total energy consumed and total turnover (net of price and foreign exchange effect)*	-2% vs 2024	-1.8% vs 2024	2026: -1.8% vs 2025 2027: -2% vs 2026 2028: -2% vs 2027 2029: -2% vs 2028
		GHG emission intensity (Scope 1+2 market based) *Ratio between CO_2 emissions (Scope 1 + Scope 2 market based) and total turnover (net of price and foreign exchange effect)*	-2.5% vs 2024	-24% vs 2024	2026 : -5% vs 2025 2027: -6% vs 2026 2028: -6% vs 2027 2029: -6% vs 2028
	ESRS E5 Circular Economy	Waste Valorization *Ratio between valorized waste and total waste*	+0.8 BP vs 2024	+2.2 BP vs 2024	2026: +0.5 BP vs 2025 2027: +0.4 BP vs 2026 2028: +0.4 BP vs 2027 2029: +0.4 BP vs 2028
		Percentage of recycled raw material on purchases *Ratio between recycled material purchased and total material purchased (Plastic resin for A&C; Steel for Suspensions)*	Suspension: 30%;	Suspension: 30.3%	2026: Suspensions: 34%; 2027: Suspensions: 38%; A&C: 5% 2028: Suspensions: 41%; A&C: 10% 2029: Suspensions: 42%; A&C: 12%
SOCIAL	**ESRS S1 Own workforce**	People satisfaction *Results of annual opinion survey on employee*	+0.5 vs 2024 (71.1/100)	+5.4 vs 2024 (76/100)	2026: 71.6/100 2027: 72/100 2028: 72/100 2029: 72/100

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ESG TARGETS FOR THE PERIOD 2026 - 2029					
ESRS Standards		**KPIs**	**Target 2025**	**Results 2025**	**ESG PLAN**
		satisfaction			
		Accident frequency rate *Number of accidents involving employees and supervised workers with lost time divided by million hours worked*	<1.3	1.9	2026: <1.3 2027: <1.3 2028: <1.3 2029: <1.2
		Number of training hours per employee per year	>25h	24.6 h	2026: >25 h 2027: >25 h 2028: >26 h 2029: >26 h
		Gender Equality Index *Pay equality index by gender, expressed in score out of 100*	65/100	67/100	2026: 67/100 2027: 68/100 2028: 69/100 2029: 70/100
		Number of Group Companies audited on compliance with the Human Rights Policy	3	5	2026: 5 2027: 5 2028: 5 2029: 5
		Percentage of SOGEFI sites TISAX certified *IT Security certification*	91%	100%	2026: 100% 2027: 100% 2028: 100% 2029: 100%
GOVERNANCE	**ESRS G1 Business Conduct**	Anti-corruption policy implementation and testing	Anti-corruption policy implementation	Policy released and approved	2026: 3 tested companies 2027: 4 tested companies 2028: 4 tested companies 2029: 4 tested companies
SPECIFIC FOR THE ORGANIZATION	**N/A**	Percentage of sites with certified Environmental, Quality and Health & Safety systems, certified according to	QL: 100% EV: 100% HS: 9 sites	QL: 100% EV: 100% HS: 9 sites	2026: QL: 100% | EV: 100% | HS: 10 sites 2027: QL: 100% | EV: 100% | HS: 11 sites 2028: QL: 100% | EV: 100% | HS: 12 sites 2029: QL: 100% | EV: 100% | HS: 13 sites

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ESG TARGETS FOR THE PERIOD 2026 - 2029					
ESRS Standards		**KPIs**	**Target 2025**	**Results 2025**	**ESG PLAN**
		international standards (IATF16949, ISO14001, ISO45001)			
		Percentage of R&D spending on e-mobility products *Ratio between R&D spending on e-mobility products (i.e. electric / hybrid / fuel cell) and total R&D spending*	59%	58%	2026: 55% 2027: 55% 2028: 55% 2029: 55%

The interaction between the business model and Sogefi's material impacts, risks, and opportunities is embedded in the Group's strategic planning.
The development of e-mobility products, the reliance on strategically critical raw materials (steel, aluminium, plastic resins), and the energy-intensive nature of manufacturing processes influence several material sustainability topics identified through the Double Materiality and therefore translated into the ESG Plan mentioned above.
The business model relies on key resources such as technological know-how, skilled employees, long-term partnerships with global OEMs and strategic suppliers, all of which contribute to value creation and the management of sustainability-related impacts.

The Value Chain

Sogefi's value chain includes: upstream, product development and the procurement of materials and components; the operational process consists of production; downstream, the process includes product sales and waste management.

i) Product development

The first phase of Sogefi's operating model, involves product development in close collaboration with Car makers. To maintain its competitiveness, Sogefi must have adequate resources dedicated to research and development, provide products that meet the highest performance standards, and ensure innovation capacity, particularly innovation that reduces environmental impact and promotes e-mobility

ii) Supply chain

supply chain includes suppliers of goods and services primarily in Europe, the Americas, China, and India; the primary purchasing categories are steel, aluminum, metal components, plastic resins, and rubber bushings. Sogefi promotes reduced consumption and the use of recycled materials, and is attentive to supply chain sustainability, selecting suppliers based on rigorous quality standards and ISO certifications, and requiring the respect of its Code of Ethics principles.

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iii) Manufacturing

Sogefi has production facilities in Europe, Canada, Central and South America, China and India.

Production efficiency and product quality are key competitive factors for Sogefi. In this regard, Sogefi: carefully monitors operations to ensure they are conducted in full compliance with applicable local laws and group policies; adheres to ISO 14001:2015 standards, which include policies for waste minimization, greenhouse gas emissions reduction, and energy efficiency optimization; subjects products to rigorous testing to meet the highest quality standards; and pays attention to the impact of logistics processes by optimizing inbound and outbound flows, using more sustainable transportation, and using reusable and environmentally friendly packaging. Implement action plans to reduce water consumption, increase its reuse and recycling, through the use of highly efficient treatment technologies, to prevent any contamination in production processes and preserve the high quality of the water resource, particularly in stressed areas where it is a limited resource

iv) Product sales

Sogefi maintains long-term relations with its customers, developing products in partnership with them, and providing after-sales support through a dedicated customer portal.

v) Waste management

Sogefi promotes the reduction of waste impact by i) minimizing the use of potentially hazardous substances and ii) implementing recycling and reuse processes at production plants and throughout the supply chain.

It should be noted that the Group does not target end-users directly: the Group stands between the supply of raw materials and components and the downstream production processes of OEMs.

1.1.3.2 SBM-2 - Stakeholder interests and opinions

Sogefi promotes the dialogue with its stakeholders to identify emerging trends and meet their needs and expectations, as well as to better understand its external impacts.

The main stakeholder categories are employees, customers, suppliers, financial community, schools and universities, local communities.

Employees are constantly updated on Company initiatives via the Group intranet, that is regularly updated with organizational updates, financial results, new customers/new business awards and other relevant information of interest.

In addition, social climate is monitored through the annual performance evaluation and objectives definition process, through regular discussions with Trade Unions and annually through dedicated survey.

Customers, with whom the interaction is daily, are engaged through periodic meetings with Sogefi management and participation in automotive shows and participation in customer sustainability questionnaires.

Suppliers annually participate to sustainability surveys through supplier portal.

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The **financial community** is engaged through meetings aimed at analysts, banks, and investors. The Company's website is regularly updated with relevant information.

With **schools and universities**, Sogefi has in place talent attraction and work-study programs, as well as academic partnerships.

Sogefi participates in events organized by local organizations (e.g. local Chamber of Commerce) to stay up-to-date on market trends and best practices and promotes initiatives to support **local communities** (e.g. solidarity, educational and environmental protection local projects).

1.1.4 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

1.1.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1) and their interaction with the strategy and business model (SBM-3) and related disclosure requirements included in the Sustainability Statement (IRO-2)

For the purpose of representing the sustainability topics relevant to the Group, the Double Materiality analysis conducted for the first time in 2024 was confirmed for 2025, in accordance with the requirements of the ESRS and based on:

- the "inside-out" perspective, which assesses actual or potential, positive or negative impacts related to the company's own operations and value chain on people or the environment, over the short, medium, or long term;
- the "outside-in" perspective, which evaluates current or potential financial risks and opportunities connected to environmental, social, and governance matters that may affect the company's development or its economic, equity, or financial position over the short, medium, and long term.

The assessment is updated annually and revised in case relevant changes occur in the business model, regulatory environment, risk profile, or stakeholder expectations.

Identification and evaluation of Impacts, Risks and Opportunities ("IRO")

The identification of potentially applicable IROs was carried out based on the guidance provided by ESRS 1 (AR 16), which includes a list of possible ESG topics and sub-topics, as well as a preliminary analysis conducted on publicly available information relating to the sectors relevant to the Group. In particular, internationally recognized data sources were consulted, including, for example, SASB, the S&P Sustainability Yearbook, the WEF Risk Report, and the COSO Framework.

IROs deemed applicable, but not directly included among the topics and sub-topics specified by the ESRS, were nevertheless considered as "Entity-specific" and subjected to the evaluation process described below.

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Evaluation of the IROs

- *Impact Materiality*

Impacts considered include those connected with Sogefi's own operations and with upstream and downstream value chain, through its business relations.
A sustainability issue is material when it affects Sogefi's actual/potential, positive/negative impacts on people or the environment.
Impacts considered include those connected with Sogefi's own operations and with upstream and downstream value chain, through its business relations. For impacts, the assessment was conducted considering the following two parameters:

- magnitude, i.e. the parameter that considers the extent of the impact - positive or negative - that takes into consideration the extent of the potentially impacted area (considered exclusively for negative impacts); the evaluation scale adopted is 1-4 (from irrelevant to very significant)
- likelihood of the impact occurring; the adopted rating scale ranges from 1 to 4 (from remote to very likely).

Impacts scoring above 2 on both parameters were considered material.

The impacts were assessed through the engagement of internal and external stakeholders: specifically, an online survey was first administered to a sample of stakeholders (employees, customers, suppliers, the financial community, etc.) to obtain their assessment of the impacts generated by Sogefi on their respective categories. Results have been considered in final management evaluation.

- *Financial Materiality*

For Risks and Opportunities, the assessment was integrated into the Enterprise Risk Management (ERM) process, analysing how such risks may impact the business model and value creation. Opportunities are included in the financial strategic planning , with the aim of strengthening the strategic positioning and value creation.

Risks and opportunities were assessed based on the following parameters:

- Magnitude of the potential financial effects net of mitigation measures already implemented, expressed as a percentage of EBITDA/Cash Flow; the adopted rating scale ranges from 1 to 4;

- Likelihood of the risk or opportunity occurring; the adopted rating scale ranges from 1 to 4 (from unlikely to very likely).

Risks and opportunities with a score greater than or equal to 4 were considered material.

Double Materiality

A sustainability topic is considered material when the assessment associated with its related impact, risk, or opportunity exceeds the defined thresholds for impact materiality, financial materiality, or both as mentioned above.

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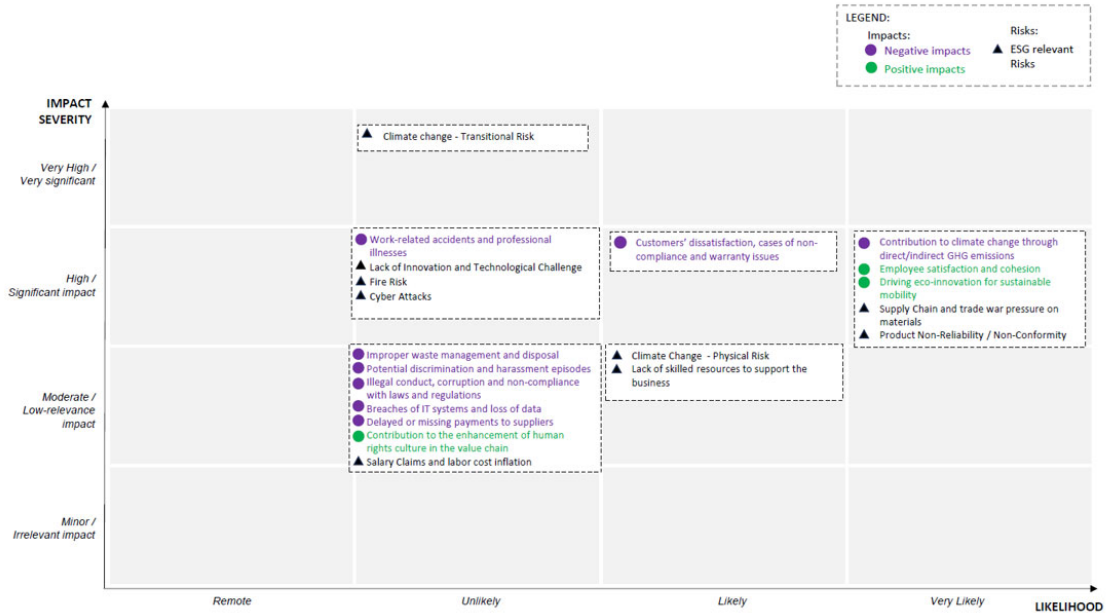
Double Materiality results are shared with the Control, Risk and Sustainability Committee, and proposed to the Board of Directors for approval.

Below is a graphic representation of the Double Materiality results:



Material impacts, risks, and opportunities (IROs)

The table below shows the positive and negative impacts, and the risks deemed material in connection with each ESRS Standard and with entity-specific aspects.[12]

No material opportunities were identified.

ESRS Standard	Impact/risk	IRO	Impact on Value Chain		
			Upstream	Own operations	Downstream
ESRS E1 Climate Change	Impact on climate change through GHG emissions resulting from non-renewable energy consumption based on fossil fuels (primarily, gas) in own operations and on stakeholders.	Actual negative impact	✓	✓	✓
	Physical Risk: Climate Change driven risks that are associated to the worsening of weather patterns on business continuity	Medium-term risk	✓	✓	✓
	Transitional risks: Transitional risks related to Climate Change in terms of regulatory and technological changes aimed at the low-carbon economy.	Medium-term risk	✓	✓	✓
ESRS E5 Resource Use and Circular Economy	Impact on the environment due to potentially improper waste management and disposal (hazardous and non-hazardous waste)	Actual negative impact	✓	✓	✓

[12] "Entity-specific" aspects reflect ESG impacts and risks linked to the Group's specific strategy and operations that are not addressed in sufficient detail by the ESRS Standards.

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ESRS Standard	Impact/risk	IRO	Impact on Value Chain		
			Upstream	Own operations	Downstream
	Risk related to potential supply chain disruption and restrictions (imbalance between supply and demand, sourcing issues, geopolitical disturbances) and raw material prices	Medium-term risk	✓	✓	
ESRS S1 Own Workforce	Contributing to employee satisfaction and cohesion through ensuring adequate working conditions (working time, wages, work-life balance, as well as right to freedom of association, collective bargaining, and social dialogue) and equal opportunities (gender equality, diversity, training and development)	Actual positive impact		✓	
	Work-related accidents, long-term work-related illnesses and workers' human right violation to safe working conditions	Actual negative impact		✓	
	Failure to ensure dignity, equality, and fairness principles, leading to discrimination and employee dissatisfaction	Potential negative impact		✓	
	Non-compliance with privacy and data security procedures and regulations causes computer system breaches and data loss, also putting the privacy of employees and external stakeholders at risk	Potential negative impact		✓	
	Risks related to Sogefi's ability to attract, retain talents, and develop skills	Medium-term risk		✓	
	Risks of salary claims and labor cost inflation	Medium-term risk		✓	
	Risks related to the theft or disclosure of sensitive data and information leading to reputational damages and employee legal proceedings	Medium-term risk		✓	
	Risk of fires incidents	Medium-term risk		✓	✓
ESRS S2 Workers in the value chain	Sharing a culture of human rights protection throughout the supply chain and improving social performance of customers and suppliers	Actual positive impact	✓		✓
ESRS G1 Business conduct	Possible unethical/ illegal conduct, cases of corruption and violations of applicable laws and regulations, as well as non-compliance with internal procedures and codes leading to the spread of an unethical culture	Potential negative impact	✓	✓	✓
	Supplier dissatisfaction caused by late or missed payments	Potential negative impact	✓	✓	✓
Entity-specific	Non-satisfaction of customers' expectations on quality standards and delivery times	Potential negative impact	✓		✓
	Reducing environmental impacts through new technologies and investment in research and development towards low-carbon mobility solutions	Actual positive impact	✓		✓

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ESRS Standard	Impact/risk	IRO	Impact on Value Chain		
			Upstream	Own operations	Downstream
	Risk related to the non-satisfaction of customers' expectations regarding product reliability, specifications, compliance with regulations, quality standards	Medium-term risk		risk	risk
	Lack of innovation and business acquisition on new technologies.	Medium-term risk	risk		risk

impact
risk

Compared to 2024 assessment, the following impacts were assessed as not material impacts in 2025 Double Materiality:

- "Inadequate employee development plans", the impact was considered not significant in light of the strengthening of initiatives to involve people, including structured training programs, skills development, career paths and performance management processes. These initiatives contribute significantly to the positive impact of employee satisfaction and cohesion, reducing the likelihood of negative impacts related to insufficient development practices;
- "Irregular work and violation of human rights within the workforce", the non-materiality was confirmed on the basis of the absence of accidents in previous years and the analysis of geographical and operational risks. Sogefi's activities are located in countries where the systemic risk of forced labour, child labour or other serious human rights violations is low; moreover, internal controls, HR procedures and the compliance system have not highlighted cases or indicators of potential.

List of Disclosure requirements reported in this document and list of indicators not disclosed since determined to be not material in Double Materiality are reported in *ANNEX 1 – IRO-2- ESRS Disclosure Requirements addressed by the Company's Sustainability Statement.*

Interaction between IROs, strategy, and the business model

As mentioned in the Management Report in the section "Climate change impacts" Sogefi has considered the resilience of the two business areas (Suspensions and Air & Cooling) to the transition to electric mobility also in the medium-long term (i.e. for the period after 2028).
The Air & Cooling business unit, in consideration of its specific technical and manufacturing expertise, is well placed to meet the current and future needs of the electric mobility market. The strategic plan envisions a progressive increase in e-mobility sales, with varying trends across the various geographic areas of operation (Europe, NAFTA, China).
For the Suspensions business unit, whose market is independent of the evolution of the propulsion platform, the risk of technological innovation is not expected to have a significant impact on the business model in the medium to long term.
With reference to the time horizons considered, see section *1.1.1.2 BP-2 Disclosures in relation to specific circumstances*
The current financial effects are detailed in the reference chapters of each impacted topical Standard.

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1.1.5 DISCLOSURES ON NON-MATERIAL ENVIRONMENTAL TOPICS - ESRS E2, E3, E4

As part of the Double Materiality analysis, Sogefi assessed the topics of pollution, water resources, and biodiversity.[13]

ESRS E2 Pollution

All Sogefi sites have obtained ISO 14001:2015 certification, which also requires the implementation of an Environmental Management System (EMS) that includes the management of air, water, and soil pollution risks. In addition to this framework, Sogefi adopts several specific measures aimed at preventing pollution and mitigating potential environmental impacts, including:

- training activities for personnel on emergency management;
- installation of containment systems to prevent accidental spills;
- installation of nets in stormwater drainage systems;
- periodic analyses of emissions and discharges, both into the atmosphere and wastewater, in order to monitor compliance with applicable limits and identify potential areas for improvement;
- periodic audits of chemical storage areas to verify compliance with internal procedures and regulatory requirements.

Sogefi examined the use of polluting substances (as per Regulation (EC) No. 166/2006 – Annex II), substances of concern (as per Regulation (EC) No. 1272/2008), and substances of very high concern (as per Regulation (EC) No. 1907/2006 – Annex XIV) within its production sites and business activities, in order to identify actual and potential impacts, risks, and opportunities. However, these topics were assessed as not material for both the Group's own operations and its value chain.

ESRS E3 Water and Marine resources

Given that all sites have obtained ISO 14001:2015 certification, which also requires the implementation of an Environmental Management System (EMS) including the management of risks related to water pollution and marine resources, the analyses conducted concluded that the Group's production processes are not particularly water-intensive. Therefore, this topic has been assessed as non-material.

ESRS E4 Biodiversity and Ecosystems

Given that all sites have obtained ISO 14001:2015 certification, which also requires the implementation of an Environmental Management System (EMS) that includes the management of impacts on natural resources and ecosystems, the analyses carried out have led to assessing this topic as not material.

[13] According to the ESRS Standards, a topic is considered "non-material" when potentially applicable connected IROs are identified, but these are assessed as non-material within the Double Materiality assessment. A topic is considered "not applicable" when no connected IROs are identified, not even potentially applicable (e.g., due to the type of business/activities).

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2. ENVIRONMENTAL INFORMATION

2.1 POLICIES

Sogefi, on April 23rd 2021, adopted its own Environmental Policy, communicated to all personnel through the intranet website, which:

- Defines the principles and guidelines to be applied across all sites, with the aim of preventing and reducing environmental impacts and risks, and managing material environmental topics—namely energy and emissions, materials management (resource inflows), and waste management (resource outflows);
- promotes the continuous improvement of plants, processes, and production technologies, with particular focus on energy efficiency and the reduction of greenhouse gas emissions through the containment of energy consumption and the promotion of renewable energy sources.
- defines responsibilities at the various corporate levels, identifying the Chief Executive Officers of the two operating divisions as those responsible for promoting and implementing the Policy, and the Health, Safety and Environment Manager as the person responsible for monitoring compliance with the principles set out in the Policy and for periodically reviewing environmental indicators.

2.2 ESRS E1 - CLIMATE CHANGE

2.2.1 STRATEGY

2.2.1.1 E1-1 Transition plan for climate change mitigation

As of today, the Group has not yet established greenhouse gas (GHG) reduction targets aligned with limiting global warming to 1.5 °C under the Paris Agreement or achieving climate neutrality by 2050. The Group will prepare a structured GHG emissions reduction roadmap (transition plan) to address climate change effectively, as outlined in section 2.2.3.1 E1-4 *Targets related to climate change mitigation and adaptation.*
By the end of 2025, strategies to lessen the ecological footprint of operations will centre on energy efficiency and lowering GHG emissions by cutting energy consumption and advancing the use of renewable energy sources.

2.2.1.2 Integration of sustainability-related environmental performance in incentive schemes

As described in section 1.1.2.3 GOV-3 - *Integration of sustainability-related performance in incentive schemes*, management performance is evaluated against specific environmental, social and governance goals set out in the ESG plan approved by the Board of Directors. This plan also includes climate-related objectives[14], which are therefore reflected in the variable remuneration.

[14] see section 1.1.3.1 SBM-1 *Strategy, business model and value chain*

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2.2.1.3 Material impacts, risks and opportunities and their interaction with the strategy and business model

The Group's activities may have a significant impact on climate change, primarily associated with energy consumption resulting from its own operations as well as from the value chain, both upstream and downstream.
Climate risk is also a potential source of significant risks for the business, including both physical and transitional risks.

ESRS Standard	Impact/risk	IRO	Impact on Value Chain		
			Upstream	Own operations	Downstream
ESRS E1 Climate Change	Impact on climate change through GHG emissions resulting from non-renewable energy consumption based on fossil fuels (primarily, gas) in own operations and on stakeholders.	Actual negative impact	●	●	●
	Physical Risk: Climate Change driven risks that are associated to the worsening of weather patterns on business continuity	Medium-term risk	●	●	●
	Transitional risks: Transitional risks related to Climate Change in terms of regulatory and technological changes aimed at the low-carbon economy.	Medium-term risk	●	●	●

● impact
● risk

Physical risks related to climate change

Sogefi carries out a physical risks assessment every two years (last update was in 2024) with the support of an external consultant to assess the impact of climate change on the Group's sites.
The analyses of physical risks related to climate were performed in line with the requirements of the European Taxonomy and ESRS 2 IRO-1 section 20(b).

Below are the applicable climatic phenomena against which the risks to each of the Group sites were assessed.

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Type of risk	Phenomenon category	Climatic phenomenon	Indicator (U.o.M.)
Chronic	Temperature	Changing temperature (air, marine water, fresh water)	Changing temperature (°C)
	Temperature	Heat stress	Heat index (HI) T>35°C
	Wind	Changing wind patterns	Wind speed (km/h)
	Water	Rise in sea level	Portion below the sea
	Water	Water stress	Water stress (%)
Acute	Temperature	Heat wave	Tropical nights with T>20°C (#nights)
	Temperature	Cold wave/frost	Number of days <0°C
	Temperature	Wildfires	Land fraction annually exposed to wildfires
	Water	Drought	Standard precipitation index 6 months (%)
	Water	Heavy precipitation	Maximum 1 day-precipitation (mm)
	Water	Flood (coastal, fluvial, pluvial, ground water)	Estimate of flood occurrence
	Solid mass	Subsidence	Global subsidence hazard
	Solid mass	Landslide	Landslide risk

The risk assessment for each climate phenomenon was carried out for the following scenarios:

- IPCC RCP 4.5 optimistic scenario of effective mitigation of climate change with a significant reduction in greenhouse gas emissions to the atmosphere;
- IPCC RCP 8.5, which assumes no mitigation and an increase in emissions at current rates.

The risks were classified as “Low”, “Medium” or “High”. The thresholds were updated based on the following sources:

- Scientific literature: *IPCC Intergovernmental Panel on Climate Change*.
- Climate models: *IPCC WGI Interactive Atlas; Aqueduct tool map; Climate Change Knowledge Portal; WESR: RISK; Climate Impact Explorer; WWF Water Risk; Climate Central; LASI UNESCO Subsidence*.

Assessments were made on the basis of two time horizons: in the short-to-medium term (projection to 2030) and in the long term (scenario to 2050).
For each medium-high risk, possible mitigation solutions were explored, also taking into account long-term impacts, as required by the Taxonomy Regulation.

Following the resilience assessment of the sites to physical risks associated with weather-related events conducted in 2024, and the evaluation of the interaction with the business model, no effects emerged on the carrying amounts of assets and liabilities reported in the financial statements of the Group companies, nor on future projections.

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Transitional risks related to climate change

Sogefi considers transition risks related to climate change to be significant, as regulatory developments aimed at a low-greenhouse-gas economy may influence market, products, technologies, industrial processes, and the value chain.

Such developments may in fact affect the business model and expose the company to risks of non-compliance and/or loss of competitiveness and/or inability to serve its customers.

To mitigate these transition risks, Sogefi monitors the regulatory landscape in each of the geographic areas in which it operates to ensure the compliance of its activities, and has launched a product development plan aimed at e-mobility.

2.2.2 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

2.2.2.1 E1-3 Actions and resources in relation to climate change policies

To reduce the negative impact of its activities on the climate, and considering that this impact derives mainly from energy consumption, Sogefi pursues two main objectives: i) lowering overall energy consumption and ii) increasing the share of renewables in its energy mix.

Sogefi's primary energy sources are natural gas and electricity. To reduce energy consumption, Sogefi: i) has outlined guidelines in its Environmental Policy and carries out awareness-raising activities on energy-saving practices; ii) plans and executes its production programs also based on energy-efficiency considerations; iii) implements targeted projects. In particular, in 2025 analyses were carried out to replace the gas furnaces used in suspension production with induction furnaces, with the objective of reducing gas consumption and related emissions. This initiative led to the launch of a plan that resulted in the installation of two new furnaces at plants in France and Italy, with a third installation planned shortly in Germany. Such investments amount to 2.8 million euros in 2025.

Moreover, Sogefi adopts measures to increase the share of green energy in its total consumption and, in particular, in 2025: (i) it generated solar energy at four plants, one in China and three in Europe; (ii) it ensured the supply of electricity entirely sourced from renewables in Canada, Germany and Romania; and (iii) it purchased green certificates for a total amount of €0.03 million.

Finally, following the physical risk assessment mentioned in the previous paragraph, in 2025 Sogefi incurred costs of €0.3 million and made investments of €0.4 million in actions to mitigate these risks.

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2.2.3 METRICS AND TARGETS

2.2.3.1 E1-4 Targets related to climate change mitigation and adaptation

The objectives to reduce the impact of the Group's activities on climate change are set out below.[15]

ESRS Standards	Key Performance Indicators	Target 2025	2025	ESG Plan 2026 - 2029
	Energy mix	25%	26%	2026: 30% 2027: 35% 2028: 36% 2029: 36%
ESRS E1 Climate Change	Energy intensity	-2% vs 2024	-1.8% vs 2024	2026: -1.8% vs 2025 2027: -2% vs 2026 2028: -2% vs 2027 2029: -2% vs 2028
	GHG emission intensity (*Scope 1+ Scope 2 market based*)	-2.5% vs 2024	-24% vs 2024	2026 : -5% vs 2025 2027: -6% vs 2026 2028: -6% vs 2027 2029: -6% vs 2028

Regarding the energy mix, the target is to increase the share of renewable energy (deriving from own production, green certified supply and covered by GOs) over total energy consumption to 36% in 2029).

Moreover, Sogefi aims at reducing the energy intensity (the ratio between total energy consumed, in GJ, and total revenue, adjusted for changes in selling prices and exchange rates) by approximately 2% per year.

Regarding greenhouse gas emissions intensity, Sogefi measures the ratio between CO_2 emissions (Scope 1 + Scope 2 market-based, calculated in tons of CO_2) and total revenue (calculated in million euro and adjusted for the effect of changes in selling prices and exchange rates). Sogefi aims at decrease the GHG emissions intensity and in 2025 reached a reduction of 24%, above the target, thanks to an increased share of renewable energy. In particular, the result is linked to the decrease of scope 2 market based emissions compared to 2024, and it is mainly associated with German and Romanian companies that in 2025 purchased certified 100% green electricity (therefore without CO2 emissions).

The plan forsees a year-on-year reduction by 5/6% until 2029.

2.2.3.2 E1-5 Reporting on energy consumption and energy mix

Total energy consumption accounts for 425.609 MWh in 2025, and it is mainly due to the industrial process of Suspensions BU (88% of total consumption).
In 2025, fossil sources amount for 275.577 MWh and account for 65% of the Group's total energy consumption. The consumption of these sources decreased by -11% compared to 2024, mainly due also to a higher consumption of renewable sources (which in 2025 account for 113.269 MWh compared to 83.046 MWh), among which, primarily electricity.

[15] Also see section *1.1.3.1 SBM-1 Strategy, Business Model and value chain*.

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Moreover, natural gas consumption, primarily used by Suspensions BU, decreased by 5% compared to 2024, accounting for 253.058 MWh.

ENERGY CONSUMPTION				
Energy consumption	**U.o.M.**	**2025**	**2024**	**Variation**
Sources	**MWh**	**275,577**	**308,683**	**-11%**
From coal and coal products	MWh	-	-	-
From crude oil and petroleum products	MWh	1,726	820	111%
From natural gas	MWh	253,058	265,144	-5%
From other fossil sources	MWh	-	-	-
From electricity, heat, steam, or cooling *(from national residual mix)*	MWh	20,793	42,719	-51%
From renewable sources[16]	**MWh**	**113,269**	**83,046**	**36%**
From electricity, heat, steam, and cooling	MWh	110,434	79,689	39%
Of which covered by GO certificates, PPA and equivalent mechanisms	*Mwh*	*106,377*	*66,847*	*59%*
Of which not covered by GO certificates, PPA and equivalent mechanisms (from national residual mix)	*Mwh*	*4,056*	*12,841*	*-68%*
From self-generated non-fuel renewable energy	Mwh	2,836	3,357	-16%
From renewable sources including biomass	MWh	-	-	-
Energy consumption from nuclear sources *(from national residual mix)*	**MWh**	**36,763**	**40,294**	**-9%**
Total energy consumption	**MWh**	**425,609**	**432,023**	**-2%**

Energy consumption data is presented using the UK Government GHG Conversion Factors (DEFRA) 2025 as source of the conversion factors.
To calculate the share of electricity from nuclear sources, renewable sources (excluding those already covered by GO certificates), and fossil sources, national residual energy mixes were used as a reference. In particular, the following sources were considered:

- AIB Residual Mix: for European countries.
- US Environmental Protection Agency eGRID: for United States.
- Ministry of Mines and Energy of Brazil - BEN Summary Report: for Brazil.

For the remaining countries, for which no official and reliable databases are available, a conservative assumption of a 100% fossil-based national residual energy mix has been applied.

[16] These data, calculated according to the ESRS metric, differ from those presented in paragraph *2.2.3.1 E1-4 Targets related to climate change mitigation and adaptation*, as the 'Energy Mix' KPI of Sogefi's ESG Plan does not include, in the numerator, renewable energy derived from the national residual mix.

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As previously described in paragraph 1.1.1.2 BP-2 *Disclosures in relation to specific circumstances*, in 2025 the presentation of the data on consumption disclosed under indicator E1–5 was reviewed, providing a more detailed breakdown of the underlying data items. Specifically, energy from renewable sources not covered by Guarantees of Origin (GOs) and nuclear energy were also reported, using the residual mix of the relevant countries. As a result, the comparative data for 2024 were also presented accordingly to ensure consistency and comparability.

Sogefi produces energy through photovoltaic plants, as detailed below.

ENERGY PRODUCTION				
Energy production	**U.o.M.**	**2025**	**2024**	**Variation**
Energy production from non-renewable sources	MWh	-	-	-
Energy production from renewable sources	MWh	2,836	3,357	-16%
Total energy production	**MWh**	**2,836**	**3,357**	**-16%**

Sogefi is required to disclose its energy intensity in climate-intensive sectors, as defined in Commission Delegated Regulation (EU) 2022/1288.
Total energy consumption and total revenues (also see *Overview of consolidated income statement* of Consolidated Financial Statements) are climate-intensive sector related.
Energy intensity in climate-intensive sectors in 2025 is equal to 432 MWh per /million euros of turnover, increasing compared to 2024, due to the evolution of Sogefi's consolidated turnover that is affected by the significantly negative impact of exchange rates; energy intensity calculated by neutralizing the effect of exchange rates on turnover decreases, as reported in the previous section 2.2.3.1 *E1-4 Targets related to climate change mitigation and adaptation*.

Energy intensity indicators required by the ESRS Standard are reported below.

ENERGY INTENSITY IN CLIMATE-INTENSIVE SECTORS				
Energy intensity	**U.o.M.**	**2025**	**2024**	**Variation**
Total energy consumption from activities in sectors with a high climate impact	MWh	425,609	432,023	-2%
Net revenues from activities in high-impact sectors	€ million	985	1,022	-4%
Energy intensity in high-impact sectors	MWh/€ million	432	423	2%
Net revenues without Price Effect and Foreign Exchange Effect	€ million	1.027	1,022	1%
Energy intensity without Price Effect and Foreign Exchange Effect	MWh/€ million	414	423	-2%

Net revenues from activities in high impact segments coincide with Sogefi's net revenues (€985 million; see "Consolidated Income Statement Schedule" in the Consolidated Financial Statements for more details).

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2.2.3.3 E1-6 Gross Scope 1, 2 and 3 emissions and total GHG emissions

GHG emissions are categorized as follow:

1. ***Direct (Scope 1) GHG emissions*** originate from sources (such as physical units or processes) owned or controlled by the organization. These emissions include, but are not limited to, CO_2 emissions from fuel consumption.
2. ***Indirect (Scope 2) GHG emissions*** arise from purchased or acquired electricity, heating, cooling, and steam consumed by the organization. They are reported using two different approaches:
    - Location-based: this approach considers the energy conversion factor based on the Country where it was purchased. It uses the national average emission factor related to the specific energy mix for electricity production.
    - Market-based: this approach relies on emission factors defined through contractual agreements with electricity suppliers (including Green certificates) and/or the national applicable emission factors.

3. ***Other Indirect (Scope 3) emissions*** are a consequence of an organization's activities, deriving from sources not owned or controlled by the organization. Other indirect (Scope 3) GHG emissions include both upstream and downstream emissions (e.g. end use of products and services and upstream transportation and distribution, decomposing of the organization's waste).

The following factors are used to calculate CO2 emissions:

- Scope 1 natural gas emissions: "GHG Conversion Factors for Company Reporting" (UK Government GHGs Conversion Factors for Company Reporting - DEFRA).
- Scope 2 location-based emissions: "IEA 2025 - International Energy Agency";
- Scope 2 market-based emissions: for European countries AIB *(*Association of Issuing Bodies) "Residual Mix" emission factors are applied. For the other countries, as "Residual Mix" factors are not available, location-based emission factors described above are used.
- Scope 3 emissions are calculated using the methodologies indicated in the "Scope 3" section of this paragraph, based on the different applicable categories.

In 2025, the emission factors were updated according to the latest data released by the relevant organizations, thus ensuring regulatory compliance and accurate calculations.

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Scope 1

Scope 1 is calculated considering emissions from natural gas consumption and, residually, from gasoline, diesel, and LPG, and the emission factors indicated.

GROSS SCOPE 1 GHG EMISSIONS				
	U.o.M.	2025	2024	Variation
Air & Cooling BU	tCO_{2e}	891	671	33%
Suspensions BU	tCO_{2e}	45,799	48,004	-5%
Gross Scope 1 GHG emissions	**tCO_{2e}**	**46,690**	**48,675**	**-4%**

Scope 1 GHG emissions mainly refer to the Suspensions Business Unit, which contributes the most to natural gas consumption.
At the end of 2025, Scope 1 GHG emissions amounted to 46,690 tCO2e, calculated based on the current emission factor (DEFRA), showing a decrease of 4% compared to 2024.

Scope 2

Scope 2 emissions are calculated in relation to emissions related to electricity consumption.
Below are the emissions per Business Unit according to the location-based and market-based approaches.

SCOPE 2 GHG EMISSIONS				
	U.o.M.	2025	2024	Variation
Air & Cooling BU - Gross Scope 2 GHG emissions (location-based)	tCO_{2e}	12,455	12,820	0%
Suspensions BU - Gross Scope 2 GHG emissions (location-based)	tCO_{2e}	28,730	34,198	-16%
Corporate offices - Gross Scope 2 GHG emissions (location-based)*	tCO_{2e}	18	17	5%
Gross Scope 2 GHG emissions (location-based)	**tCO_{2e}**	**41,203**	**47,034**	**-12%**
Air & Cooling BU - Gross Scope 2 GHG emissions (market-based)	tCO_{2e}	3,143	2,977	6%
Suspensions BU - Gross Scope 2 GHG emissions (market-based)	tCO_{2e}	7,080	23,155	-69%
Corporate offices - Gross Scope 2 GHG emissions (market-based)*	tCO_{2e}	26	21	23%
Gross Scope 2 GHG emissions (market-based)	**tCO_{2e}**	**10,250**	**26,153**	**-61%**

**Note. Leased assets, reported in Scope 3 in 2024, have been reclassified to Scope 2 to ensure better methodological alignment and greater consistency in emissions reporting across the value chain.*

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Location-based emissions, which reflect the average GHG emission intensity of the energy grids where consumption occurs, amounted to 41,203 tCO_2e in 2025, compared to 47,034 tCO_2e in 2024, for a reduction of 12% compared to 2024.

Market-based emissions are based on electricity consumption and amount to 10,250 tCO2e in 2025 and 26,153 tCO2e in 2024. These are lower than location-based emissions as they also take into account the purchase of green certificates in 2025.

The reduction of Scope 2 GHG emission market-based also benefits from the new energy supply agreement with new suppliers providing 100% renewable energy.

Scope 3

Scope 3 emissions are calculated according to the methodologies outlined in the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard, including all fifteen emission categories recognized by the international framework, as shown in the table below.

The table below shows the applicability for Sogefi of the identified categories and the method used to estimate emissions is the result of the review and mapping of upstream and downstream processes.

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GHG emissions	Applicability	Methodology applied
Category 1 Purchased goods and services	Applicable	Average data method and spend-based method
Category 2 Capital goods	Applicable	Spend-based method
Category 3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	Applicable	Average data method
Category 4 Upstream transportation and distribution	Applicable	Distance-based method and spend-based method
Category 5 Waste generated in operations	Applicable	Specific method for waste type
Category 6 Business travels	Applicable	Provider primary data and distance-based method
Category 7 Employee commuting	Applicable	Distance-based method
Category 8 Upstream leased assets	Not applicable	-
Category 9 Downstream transportation	Applicable	Distance-based method
Category 10 Processing of sold products	Applicable but not significant	-
Category 11 Use of sold products	Applicable	-
Category 12 End-of-life treatment of sold products	Applicable	Specific method for waste type
Category 13 Downstream leased assets	Not applicable	-
Category 14 Franchising	Not applicable	-
Category 15 Investments	Not applicable	-

Notes to the table

It should be noted that Category 10 "Processing of sold products" was considered as not significant as it does not meet any of the relevant criteria set out in the GHG Protocol (size, influence, risk, shareholders, outsourcing, industry leadership)[17].

In fact, the next production process Sogefi products undergo is assembly, for which consumption is not significant compared to the process of assembling the entire vehicle. In addition, this assessment also considers the low incidence in terms of weight of these components with respect to the total weight of the vehicle, including elements such as chassis, tires, engine and transmission.

Category 11 is equal to zero as the products manufactured by Sogefi are not a direct source of CO_2 emissions.

Sogefi does not use biomass therefore it has no biogenic emissions of CO_2 from the combustion or biodegradation of biomass.

[17] Source: *Corporate Value Chain (Scope 3) Standard*.

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Furthermore, after reviewing and mapping Sogefi's upstream and downstream processes, the following emission categories were deemed not applicable:

- Category 8 - For the reporting year 2025, emissions related to Scope 3 Category 8 have been accounted for under Scope 2 emissions, therefore the category is not applicable.
- Category 13 - Downstream leased assets: not applicable as Sogefi has no downstream leased asset.
- Category 14 - Franchising: not applicable to Sogefi's business.
- Category 15 - Investments: not applicable as the Group has no financial investments (e.g. equity interests).

The table below shows the Group Scope 3 emissions.

SCOPE 3 GHG EMISSIONS				
Emissions by category	**U.o.M.**	**2025**	**2024**	**Variation**
Category 1 Purchased goods and services*	tCO_{2e}	1,665,714	1,565,896	6%
Category 2 Capital goods	tCO_{2e}	33,796	34,044	-1%
Category 3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO_{2e}	14,056	15,614	-10%
Category 4 Upstream transportation and distribution	tCO_{2e}	40,526	44,913	-10%
Category 5 Waste generated in operations	tCO_{2e}	50	63	-21%
Category 6 Business travels	tCO_{2e}	520	925	-44%
Category 7 Employee commuting	tCO_{2e}	5,756	5,264	9%
Category 8 Upstream leased assets*	tCO_{2e}	N/A	N/A	N/A
Category 9 Downstream transportation	tCO_{2e}	9,748	28,987	-66%
Category 10 Processing of sold products	tCO_{2e}	N/A	N/A	N/A
Category 11 Use of sold products	tCO_{2e}	N/A	N/A	N/A
Category 12 End-of-life treatment of sold products	tCO_{2e}	5,065	5,352	129%
Category 13 Downstream leased assets	tCO_{2e}	N/A	N/A	N/A
Category 14 Franchising	tCO_{2e}	N/A	N/A	N/A
Category 15 Investments	tCO_{2e}	N/A	N/A	N/A
Gross Scope 3 GHG emissions	**tCO_{2e}**	**1,775,231**	**1,701,060**	**4%**

**Note. i) Leased assets reported in Scope 3 in 2024 have been reclassified to Scope 2 to ensure better methodological alignment and greater consistency in emissions reporting across the value chain; ii) Scope 3 Category 1 has been reclassified using more punctual data compared to the estimate used in 2024 regarding steel purchase*

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As shown in the table, in 2025, Scope 3 emissions show a 4% increase compared to 2024, and they mainly refer to Category 1.

The calculation methods used for each category are presented below:

- *Category 1*: This category includes emissions from the purchase of raw materials, auxiliary materials and services. The calculation for raw materials is based on the average data method: weight quantities are multiplied by emission factors from the Ecoinvent 3.12 database; for auxiliary materials and services, the method applied is spend-based, where expenses are classified by type per business/site, multiplied by the CEDA 2025 emission factors per Country;
- *Category 2*: The calculation for the purchase of capital goods is based on expenditure, classified by type of expenditure per Business Unit/site, multiplied by the CEDA 2025 emission factors per Country;
- *Category 3*: The calculation is based on the quantities of fuels and energy carriers purchased and consumed not included in scope 1 and 2, multiplied by average factors representative of the upstream phase. The input data is the quantity of the energy carrier consumed, i.e. electricity (expressed in kWh) and natural gas (expressed in cubic meters). IEA 2025 factors were used for transmission and distribution and electricity life cycle emissions, while DEFRA 2025 factors were used for WTT ("well to tank") fuel emissions;
- *Category 4*: This category includes emissions from transportation process where the cost is borne by Sogefi and is calculated using 4 components:
  i) Transport of auxiliary materials and transport of raw materials for which no precise data on routes (kilometers) and transported weight is available: in this case, the calculation is based on the income statement costs used for the Category 1 calculation, with 5% allocated to transport, applying the CEDA 2025 factors. To allocate emissions from road transport, the percentage of local suppliers was used, with the remaining share assigned to the average emission factors for road, air and sea transport. The sites for which detailed information on the weight and distance (kilometers) of raw materials transported is available are excluded from the calculation performed according to this methodology, as they are instead included in case (iv) described below;
  ii) warehousing and storage activities: emissions are calculated based on expenditure, applying CEDA 2025 factors;
  iii) Transport of capital goods: the calculation is based on CapEx investments used in Category 2, with 5% allocated to transport and applying CEDA 2025 factors. To allocate emissions from road transport, the percentage of local suppliers was used, with the remaining share assigned to the average emission factors for road, air and sea transport;
  iv) Transport of finished products borne by Sogefi and inbound transport of raw materials for plants where data on distances (kilometers) and transported weight are available: in this case, emissions are calculated using the distance-based method, applying DEFRA 2025 emission factors;
- *Category 5*: This category includes emissions related to the disposal of waste generated by the organization. The proportion of waste generated by type and by site is calculated based on management estimates, as detailed data is not available. Nevertheless, the estimates made are not expected to differ materially from actual data. The calculation is based on the quantity of waste produced

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during the year, multiplied by the DEFRA 2025 factors selected according to waste type and disposal method. Emissions associated with recycling activities are considered to be zero, assuming that the related quantification is performed at the stage of purchasing the recycled product;

- *Category 6*: Emissions from business travel are calculated using either primary emission data or distance data provided by travel agencies. Where such data is unavailable, emissions are calculated based on travel distances, applying DEFRA 2025 factors. For certain business trips carried out using rental cars, where detailed data is not available, an estimate is made based on the number of rental days and an assumed daily distance of 50 km.
- *Category 7*: this category includes emissions related to the distance traveled by Group employees between home and work. The calculation is based on type of transportation, the average number of days worked per week at the office, and the distances traveled by employees in kilometers, multiplied by the corresponding DEFRA 2025 emission factors. The data was obtained from an internal questionnaire answered by 50% of employees (1,662 out of a total of 3,290 as of December 31, 2025). For employees who did not respond, the data was estimated based on the responses received.
- *Category 9*: This category includes emissions from downstream transport (transport paid by customers for the products sold), calculated using the distance-based method and applying DEFRA 2025 emission factors. Emissions are based on the weight of the products sold and estimated considering upstream transport processed in Category 4;
- *Category 12*: This category comprises emissions related to the end-of-life disposal of products sold and their packaging. The percentages of waste treatment (recycling, incineration and landfill) for the categories “plastics, metals, paper and total waste” at the European level is sourced from the Eurostat database. For products sold outside the EU, it is conservatively assumed that all material is sent to landfill, except for metal, for which the European average disposal mix is applied. Based on the weight, destination Country, and average composition of sold products, statistical data on waste treatment by Country is matched with the corresponding DEFRA 2025 factor to calculate emissions.

It should be noted that, in 2025, part of the calculation for Category 6 “Business travel” and Category 7 “Employee commuting” was based on primary data, i.e. data provided directly by the actors within the value chain. For Categories 6 and 7, this was provided respectively by travel agencies and through the internal survey. Primary data accounts for 96% in Category 6 and 50% in Category 7, respectively.
Overall, primary data (thus referring to Categories 6 and 7 as described) represents 0.2% of total Scope 3 emissions.

Following the same criteria used for energy intensity, emission intensity is calculated by dividing emissions (Scope 1, Scope 2 and Scope 3) by turnover.
Emission intensity indicators are provided below.

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GREENHOUSE GAS EMISSION INTENSITY OF THE GROUP				
	U.o.M.	**2025**	**2024**	**Variation**
Scope 1	tCO_{2e}	46,690	48,731	-4%
Scope 2 location-based	tCO_{2e}	41,203	47,034	-12%
Scope 2 market-based	tCO_{2e}	10,250	26,153	-61%
Scope 3	tCO_{2e}	1.775.231	1,701,060	4%
Total GHG emissions (scope 1+ Scope 2 Location-based + scope 3)	tCO_{2e}	1,863,123	1,796,826	4%
Total GHG emissions (scope 1+ Scope 2 Market-based + scope 3)	tCO_{2e}	1,832,170	1,775,944	3%
Revenues[18]	€ million	985	1,022	-4%
GHG emission intensity (Scope 1+ Scope 2 location-based + Scope 3)	tCO_{2e}/€ million	1,891	1,758	8%
GHG emission intensity (Scope1 + Scope 2 market-based + Scope 3)	tCO_{2e}/€ million	1,860	1,737	7%

Indicators above presented differ from GHG Emission Intensity KPI described in paragraph 2.2.3.1 E1-4 targets related to climate change mitigation since that KPI considers emissions Scope 1+ Scope 2 market based.

2.3 ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY

2.3.1 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

2.3.1.1 ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

In consideration of its industrial process, resource use and circular economy are relevant to Sogefi. The process to identify and assess the impacts, risks and opportunities arising from the use of resources and the circular economy revealed a negative impact from waste generation with regard to resource use and the circular economy and one material risk was also identified, linked to potential supply chain disruptions as outlined below[19].

[18] For further information regarding revenues please see "*Overview of consolidated income statement*" in the Consolidated Financial Statements.

[19] As described in the ESRS Chapter 2 General Disclosure of this document, impact materiality includes the perspective of both top management and stakeholders involved through the annual survey (see also section *1.1.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1), their interaction with the strategy and business model (SBM-3) and the related disclosure requirements included in this Sustainability Statement (IRO-2)*).

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ESRS Standard	Impact/risk	IRO	Impact on Value Chain		
			Upstream	Own operations	Downstream
ESRS E5 Circular Economy	Impact on the environment due to potentially improper waste management and disposal (hazardous and non-hazardous waste)	Actual negative impact	●	●	●
	Risk related to potential supply chain disruptions and restrictions (imbalance between supply and demand, sourcing issues, geopolitical disturbances) and raw material prices	Medium-term risk	●	●	

● impact
● risk

Indeed, Sogefi's industrial operations make extensive use of purchased materials, are highly dependent on a complex supply chain, and naturally generate waste downstream from its production.
Therefore, this could have an adverse impact on the environment due to the use of resources and improper disposal of waste, which primarily consists of metal components, plastic, paper, general waste, and, to a lesser extent, hazardous waste.
Furthermore, Sogefi is exposed to risks associated with its dependence on the supply chain, particularly the risks of scarcity of the materials required for its production process and/or price volatility.

Sogefi's strategy therefore includes a gradual improvement in waste management, with particular focus on recycling, as well as an increase in the purchase of recycled materials.

2.3.1.2 E5-2 Actions and resources related to resource use and circular economy

Regarding resource use, Sogefi promotes, wherever possible, the reduction of consumption and the purchase of recycled materials:

- it carefully monitors waste and seeks technical solutions to reduce raw material consumption while maintaining same output (in particular, the Suspensions Business Unit develops "light design" solutions aimed at reducing the use of raw materials);

- it promotes the use of recycled materials, with the aim of gradually increasing their share (partially recycled steel, recycled aluminum, and, for some new projects, the use of recycled plastics is under consideration).

With regard to waste management, Sogefi adopts guidelines regarding: prevention; preparation for reuse; recycling; other recovery (for example, incineration with energy recovery); disposal.[20]

Specifically, Sogefi has an ongoing action plan that includes: i) the external recycling of hazardous wastewater generated by production processes, ii) the external reuse of shot peening dust, and iii) the incineration of general waste with energy recovery.

The actions implemented in 2025 are part of an ongoing commitment to improving waste management. Over the course of the year, the plants strengthened their waste

[20] See section *2.3.2.3 E5-5 Reporting on resource outflows* for further details.

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traceability and sorting system and selected contractors that are more efficient in waste management, contributing to an increase in the recovery rate.

2.3.2 METRICS AND TARGETS

2.3.2.1 E5-3 Targets related to resource use and circular economy

Regarding resources use and circular economy, Sogefi has defined within ESG plan specific targets related to purchase of recycled raw materials and to increase waste valorization year on year[21].

KPIs	PREVIOUS ESG PLAN	Results 2025	ESG PLAN 2026 - 2029
Waste Valorization	+0.8 BP vs 2024	+2.2 BP vs 2024	2026: +0.5 BP vs 2025 2027: +0.4 BP vs 2026 2028: +0.4 BP vs 2027 2029: +0.4 BP vs 2028
Percentage of recycled raw material on purchases	Suspensions: 30%	Suspensions: 30%	2026: Suspensions: 34%; 2027: Suspensions: 38%; A&C: 5% 2028: Suspensions: 41%; A&C: 10% 2029: Suspensions: 42%; A&C: 12%

Regarding the purchase of recycled raw materials, targets have been set for increasing the use of recycled materials starting in 2024: for Suspension business Unit, target 2025 was to purchase steel with a 30% recycled content by 2025, and then to increase to 42% by 2029. For the Air and Cooling Business Unit, the use of recycled plastic materials is currently being studied, with a target starting in 2027.

This KPI was introduced in 2024 to promote recycled raw materials among purchases (steel and plastic resins, main raw materials categories for Suspensions and A&C respectively). In 2025, the objective was achieved (30% for Suspensions, N/A for A&C, that will introduce it in 2027); the ESG Plan forsees to reach 42% for Suspensions and 12% for A&C.
Waste valorization includes the following processes, aimed at reducing the amount of waste sent to landfill and maximizing the use of available resources through recycling, material reuse, and incineration with energy recovery.

Waste valorization is measured by the percentage of valorized waste (i.e., recycled, reused, and incinerated with energy recovery, expressed in tons) out of the total waste generated (in tons). The target is to increase this percentage; in 2025, it reached 91.6%, exceeding the target, and the Plan plans to increase it to 93.3% in 2029.

2.3.2.2 E5-4 Reporting on resource inflows

Approximately 84% of Sogefi's purchases relate to raw materials: mainly steel, aluminium, natural rubber, plastic resins, elastomers, mechatronics, metal and aluminium components, and packaging materials (e.g. cardboard). All materials used are technical materials; Sogefi does not use any biological materials.

[21] See section *1.1.3.1 SBM-1 - Strategy, Business Model and value chain* for more information on ESG targets for the period 2026 - 2029.

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The following table shows the resource inflows by weight for 2025 and 2024, broken down by Business Unit.

Resource inflow								
		2025			2024			Variation
Materials	**U.o.M.**	**A&C**	**Suspensions**	**Group**	**A&C**	**Suspensions**	**Group**	**Group**
Metallic components*	t	3,791	17,031	20,822	3,596	16,494	20,090	4%
Aluminium	t	4,803	6	4,809	4,738	4	4,742	1%
Paper and cardboard*	t	4,514	4,058	8,572	3,709	3,798	7,507	14%
Rubber Parts*	t	1,461	2,537	3,998	1,369	2,635	4,004	0%
Plastic Parts	t	3,552	340	3,893	3,260	279	3,539	10%
Media	t	107	0	107	97	8	105	2%
Foam*	t	35	0	35	18	0	18	94%
Plastic Resins	t	17,933	123	18,056	17,180	146	17,326	4%
Steel**	t	0	134,443	134,443	0	131,545	131,545	2%
Mechatronics*	t	1,319	0	1,319	1,191	0	1,191	11%
Total	**t**	**37,515**	**158,538**	**196,053**	**35,159**	**154,909**	**190,067**	**3%**

**Materials whose quanties have been coverted into tons using an average product weight*
***Steel data 2024 were estimated and have been reclassified using more punctual data*

As shown in the table, steel is the main material purchased in 2025, in line with previous year.

2.3.2.3 E5-5 Reporting on resource outflows

Waste generated is classified in the following tables in:

- Waste generated - diverted from disposal include recycling and reuse;
- Waste direct to disposal, which includes waste disposed of in landfills, destined for incineration or other waste treatment.

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TOTAL WASTE GENERATED[22]				
	U.d.M.	2025	2024	Variation
Waste diverted from disposal	t	15,844	15,326	3%
of which recycling	*t*	*14,923*	*14,451*	*3%*
of which prepared for reuse	*t*	*921*	*875*	*5%*
Waste directed to disposal	t	2,641	3,024	-13%
of which incineration with energy recovery	*t*	*1,089*	*1,079*	*1%*
of which incineration without energy recovery	*t*	*74*	*116*	*-36%*
landfill	*t*	*812*	*995*	*-18%*
Other disposal operations	*t*	*666*	*834*	*-20%*
Total waste generated	**t**	**18,485**	**18,350**	**1%**

Total waste generated accounts for 18,485 ton, in line with previous year, also considering the unchanged nature of the manufacturing and waste management processes.

Waste diverted from disposal, which includes recycled and reused waste, increased by 3% compared to 2024, while waste directed to disposal decreased by 13% compared to 2024.

Non-recycled waste (calculated as difference between recycled waste and total waste generated) amounted to 3,562 tons in 2025, decreasing by 9% compared to 2024 (3.899 tons)[23].

In the table below is presented the detail of hazardous and non hazardous waste, classified in accordance with local Regulations, presented as diverted from disposal and directed to disposal.

[22] Waste diverted from disposal reported in the table according to ESRS differ from waste valorization KPI, which considers recycled, reused and incinerated with energy recovery among valorized waste

[23] Non recycled waste include all waste management types, including reuse and incineration with and without energy recovery, therefore it differs from the KPI waste valorization and from data presented in the previous tables

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WASTE GENERATED – DIVERTED FROM DISPOSAL				
	U.o.M.	2025	2024	Variation
Preparation for reuse	t	47	23	106%
Recycling	t	928	605	53%
Other recovery operations	t	-	-	-
Hazardous waste	**t**	**975**	**628**	**55%**
Preparation for reuse	t	874	852	3%
Recycling	t	13,995	13,846	1%
Other recovery operations	t	-	-	-
Non-hazardous waste	**t**	**14,869**	**14,698**	**1%**
Total	**t**	**15,844**	**15,326**	**3%**

WASTE GENERATED - DIRECTED TO DISPOSAL				
	U.o.M.	2025	2024	Variation
Incineration	t	438	388	13%
Landfill	t	90	189	-52%
Other disposal operations	t	615	770	-20%
Hazardous waste	**t**	**1,143**	**1,347**	**-15%**
Incineration	t	725	807	-10%
Landfill	t	722	806	-10%
Other disposal operations	t	51	64	-20%
Non-hazardous waste	**t**	**1,498**	**1,677**	**-11%**
Total	**t**	**2,641**	**3,024**	**-13%**

Sogefi does not produce radioactive waste as defined in Directive 2011/70/Euratom, Art. 3(7).

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2.4 DISCLOSURE PURSUANT TO ARTICLE 8 OF REGULATION 2020/852 (EU TAXONOMY REGULATION)

The European Taxonomy, governed by Regulation (EU) 2020/852, is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy and represents an important step towards the EU's environmental goals and the green transition, as it is a classification system for environmentally sustainable economic activities.

This regulation includes a list of activities that the regulator considers capable of contributing to one or more of the following objectives:

- Climate change mitigation;
- Adaptation to climate change;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

In 2025, in accordance with Delegated Regulation (EU) 2021/2139, the Company assessed the eligibility and alignment of its activities with all the six environmental objectives listed above.

Following the analyses, described in greater detail in the sections below, the activity considered for 2025 is eligible for the objective of climate change mitigation. In particular, the following activity was identified: 3.18 - Manufacturing of automotive and mobility components.
Compared to 2024, activity 7.6 *Installation, maintenance and repair of renewable energy technologies* is no longer considered within the analysis, as no new relevant investments were made in this area during the reporting period.

Activity 3.18: Manufacturing of automotive components for mobility applications

Based on the description of Activity 3.18, which concerns the manufacture of essential components for improving the environmental performance of vehicles, the following two product categories were assessed as eligible:

- A&C thermal management systems, limited to those produced exclusively for 100% electric vehicles;
- Suspensions products.

With regard to the first point, the preliminary analysis of the substantial contribution criteria, together with the review of the types of motor vehicles on which Sogefi's products are installed, led to the identification of product categories corresponding to points 1.a, 1.b, 1.c and 1.d of the technical screening criteria set out in the Taxonomy Delegated Act (which define the different categories of vehicles for which the components are intended).

Regarding the second point, the Taxonomy refers only to "best-in-class suspension systems that lead to energy efficiency improvements" and since, as of now, there are no clear and precise criteria that make it possible to categorize a suspension as "best-in-

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class", Sogefi takes a cautious approach and considers that none of its product fall within the category identified by the Delegated Act.

In consideration of Sogefi's business, in addition to the aforementioned Activity 3.18, and through benchmarking analyses, Activity 3.4-"Manufacture of batteries" was also identified as potentially eligible. However, due to certain areas of overlap with Activity 3.18 and in order to avoid double counting, it was determined that Sogefi's activities are more appropriately aligned with Activity 3.18.

The CapEx and OpEx related to Activity 3.18 were classified as "type a" (Delegated Act on Disclosure, Regulation (EU) 2021/2178, Annex 1, sections 1.1.2.2 and 1.1.3.2), i.e. "*related to assets or processes associated with economic activities aligned under the Taxonomy […]*".

Based on the above, the analysis led to the following results:

- With regard to the Group's core business, only Activity 3.18 "Manufacture of automotive and mobility components" was considered, encompassing all products related to A&C thermal management systems intended for 100% electric vehicles. This approach ensures the avoidance of any double counting between multiple Taxonomy activities or product categories.
- No additional eligible activities were identified in relation to the other five environmental objectives.

DNSH ("Do No Significant Harm") Requirements

With respect to the DNSH ("Do No Significant Harm") requirements, which ensure that an activity eligible under one environmental objective does not cause significant harm to any of the other five objectives — the following analyses were performed:

- Regarding the DNSH requirements for the climate change adaptation objective, a physical climate risk assessment was updated in 2024 for all Sogefi production sites, in line with the provisions of Annex 1, Appendix A of the Climate Delegated Regulation (EU) 2021/2139. Based on the results, the requirement is considered to be met.
- As for the DNSH requirements related to the other four environmental objectives, specific questionnaires were distributed to the production sites manufacturing the products deemed eligible, namely Orbey, Châteauroux (France), Montréal (Canada), Ţiţeşti (Romania) and Wujiang (China). The outcome of this assessment confirmed that the following plants comply with the DNSH requirements: Orbey, Montréal and Wujiang.

Minimum safeguards

The minimum safeguards refer to the procedures implemented by a company carrying out an economic activity to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization Declaration on Fundamental Principles and Rights at Work, as well as in the International Bill of Human Rights.

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To assess compliance with these minimum safeguards, Sogefi conducted an internal analysis covering four areas[24]: anti-corruption, taxation, fair competition, and human rights. Within these areas, the Group evaluated the controls and policies in place, which were deemed adequate to ensure compliance with the requirement.
Furthermore, it should be noted that in 2025 no violations were identified within the Group related to the four areas mentioned above.
Accordingly, Sogefi is considered to be in compliance with the minimum safeguards.

Methodology for the Calculation of Taxonomy KPIs

Based on the methodology described in the previous section, for each of the two identified activities, net turnover, capital expenditures (CapEx), and operating expenditures (OpEx) were analyzed for the purpose of calculating the KPIs required by the EU Taxonomy, in line with the current interpretation of the applicable requirements.

Net turnover:

- The denominator corresponds to consolidated net turnover in accordance with IAS/IFRS principles.
- The numerator includes:
    - For eligibility, the net turnover generated from the sale of thermal management system (A&C) products intended exclusively for 100% electric vehicles;
    - For alignment, the portion of the above turnover generated by plants meeting all relevant requirements (as previously described).

CapEx:

- The denominator includes the additions to tangible and intangible assets during the reporting year, before depreciation, amortization, impairment and revaluation adjustments, including those arising from re-measurements and value reductions, and excluding fair value changes. The applicable accounting standards for Sogefi are: IAS 16 (Property, Plant and Equipment), IAS 38 (Intangible assets), IFRS 16 (Leases).
- The numerator includes:
    - For eligibility, CapEx related to the production of thermal management system (A&C) products intended exclusively for 100% electric vehicles (Activity 3.18);
    - For alignment, the above CapEx generated by sites compliant with all requirements (as previously described). As noted above, Activity 7.6 has no CapEx component.

OpEx:

- The denominator includes direct non-capitalized costs related to research and development, building renovation measures, short-term leases, maintenance and

[24] Source: *Platform on Sustainable Finance*

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repair, and any other direct expenses connected with the day-to-day upkeep of property, plant and equipment.

- The numerator includes:
  - For eligibility, OpEx generated from the production of thermal management system (A&C) products intended for 100% electric vehicles (Activity 3.18);
  - For alignment, the above OpEx from plants meeting all requirements (as described in the methodology presented earlier).

Based on the analysis performed, the eligible share of turnover under the EU Taxonomy for the objective of Climate Change Mitigation amounts to 0.7% of the Group's total turnover, of which 0.7% is also aligned under the Taxonomy. No significant changes were recorded compared to 2024 (0.5% in 2024).

The table below presents a detailed breakdown of the turnover KPI for eligibility and alignment.

The analyses described above are based on the Sogefi Group Management's interpretation and understanding of the requirements of the applicable Taxonomy regulation (i.e. Regulation (EU) 852/2020 and related Delegated Acts), including the official Q&As published by the European Commission as of the approval date of this document.
The evaluation of the activities and investments in line under the taxonomy regulation has been made with the support of an external advisor specialized in sustainability aspects.

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SHARE OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED UNDER THE TAXONOMY - DISCLOSURE COVERING YEAR 2025																			
	Financial year 2025			Substantial contribution criteria						DNSH criteria ("*Does Not Significantly Harm*")									
Economic activities	**Code(s) (a)**	**Turnover**	**Share of turnover 2025**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular Economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources**	**Circular Economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards (17)**	**Share of turnover aligned (A.1.) or eligible (A.2.) under the Taxonomy, year 2024**	**Category - enabling activity**	**Category - transitional activity**
		M€	%	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
Manufacturing of automotive and mobility components	CCM 3.18	6.5	0.7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5%	E	
Turnover of environmentally sustainable activities (aligned under the Taxonomy) (A.1)		**6.5**	**0.7%**							Y	Y	Y	Y	Y	Y	Y	**0.5%**		
Of which enabling		**6.5**	**0.7%**							Y	Y	Y	Y	Y	Y	Y	**0.5%**	**E**	
Of which transitional		**0**	**0%**														**0%**		**T**
A.2. Activities that are eligible under the Taxonomy but not environmentally sustainable (not aligned under the Taxonomy)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacturing of automotive and mobility components	CCM 3.18	0	**0.0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Turnover of activities that are eligible under the Taxonomy but not environmentally sustainable (not aligned under the Taxonomy) (A.2)		0	**0.0%**														0.1%		
A. Turnover of activities eligible under the Taxonomy (A.1+A.2)		6.5	**0.7%**														0.6%		
B. NON-ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
Turnover of activities not eligible under the Taxonomy		978.3	**99.3%**																
TOTAL		984.8	**100%**																

Notes to the table:

(a) The Code is an abbreviation of the relevant objective to which the economic activity is likely to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering that objective, i.e.:

- Climate change mitigation: CCM
- Climate change adaptation: CCA
- Water and marine resources: WTR
- Circular economy: CE
- Pollution prevention and control: PPC
- Biodiversity and ecosystems: BIO.

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(b) Y-Yes, the activity is eligible and aligned under the Taxonomy for the relevant environmental objective;
N - No, the activity is eligible under the Taxonomy but is not aligned for the relevant environmental objective;
N/EL - Not eligible; the activity is not eligible under the Taxonomy for the relevant objective.

(c)

SHARE OF TURNOVER/TOTAL TURNOVER		
	Aligned under the Taxonomy for the objective	Eligible under the Taxonomy for the objective
CCM	**0.7%**	**0.7%**
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

(f) EL - Activity eligible under the Taxonomy for the relevant objective;
N/EL - Activity not eligible under the Taxonomy for the relevant objective.

In relation to capital expenditure (CapEx), the share of CapEx eligible and aligned under the Taxonomy for the Climate Change Mitigation objective was 0.9% of the Group CapEx, compared to 7% in 2024.

The table below presents a detailed breakdown of the CapEx KPI for eligibility and alignment.

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SHARE OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED UNDER THE TAXONOMY - DISCLOSURE COVERING YEAR 2025																			
	Financial year 2025			Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')								
Economic activities	Code(s)	CapEx	Share of CapEx, year 2025	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Share of CapEx aligned (A.1.) or eligible (A.2.) under the Taxonomy, year 2024	Category - enabling activity	Category - transitional activity
		M€	%	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Manufacturing of automotive and mobility components	CCM 3.18	0.7	0.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	7%	E	
CapEx of environmentally sustainable activities (aligned under the Taxonomy) (A.1)		**0.7**	**0.9%**	**100 %**						Y	Y	Y	Y	Y	Y	Y	**7%**		
Of which enabling		**0.7**	**0.9%**	**100 %**						Y	Y	Y	Y	Y	Y	Y	**7%**	**E**	
Of which transitional		**0**	**0%**	**0%**						Y	Y	Y	Y	Y	Y	Y	**0%**		**T**
A.2. Activities that are eligible under the Taxonomy but not environmentally sustainable (not aligned under the Taxonomy)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacturing of automotive and mobility components	CCM 3.18	0	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of activities eligible under the Taxonomy but not environmentally sustainable (not aligned under the Taxonomy) (A.2)		0	**0%**	100%													0%		
CapEx of activities eligible under the Taxonomy (A.1+A.2)		0.7	**0.9%**	100%													7%		
B. NON-ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
CapEx of activities not eligible under the Taxonomy		81.5	**99.1%**																
TOTAL[25]		**82.3**	**100%**																

Notes to the table:

(a) The Code is an abbreviation of the relevant objective to which the economic activity is likely to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering that objective, i.e.:

- Climate change mitigation: CCM
- Climate change adaptation: CCA

[25] Capex is calculated considering all expenditure for intangible and tangible assets including IFRS 16.

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- Water and marine resources: WTR
- Circular economy: CE
- Pollution prevention and control: PPC
- Biodiversity and ecosystems: BIO.

(b) Y-Yes, the activity is eligible and aligned under the Taxonomy for the relevant environmental objective;
N - No, the activity is eligible under the Taxonomy but is not aligned for the relevant environmental objective;
N/EL - Not eligible; the activity is not eligible under the Taxonomy for the relevant objective.

(c)

Share of CapEx / Total CapEx		
	Aligned under the Taxonomy for the objective	**Eligible under the Taxonomy for the objective**
CCM	**0.9%**	**0.9%**
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

(f) EL - Activity eligible under the Taxonomy for the relevant objective;
N/EL - Activity not eligible under the Taxonomy for the relevant objective.

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In relation to OpEx, the share eligible or aligned under the Taxonomy is 0%. There is no significant change compared to 2024.

The table below presents a detailed breakdown of the OpEx KPI.

SHARE OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED UNDER THE TAXONOMY - DISCLOSURE COVERING YEAR 2025																				
	Financial year 2025			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities	Code(s)	OpEx	Share of OpEx, year 2025	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Share of OpEx aligned (A.1.) or eligible (A.2.) under the Taxonomy, year 2024	Category - enabling activity	Category - transitional activity
		M€	%	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Manufacturing of automotive and mobility components	CCM 3.18	0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
OpEx of environmentally sustainable activities (aligned under the Taxonomy) (A.1)		**0**	**0%**	**100%**						Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling		**0**	**0%**	**100%**						Y	Y	Y	Y	Y	Y	Y	0%	**E**	
Of which transitional		**0**	**0%**							Y	Y	Y	Y	Y	Y	Y	**0%**		**T**
A.2. Activities that are eligible under the Taxonomy but not environmentally sustainable (not aligned under the Taxonomy)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacturing of automotive and mobility components	CCM 3.18	0	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of activities that are eligible under the Taxonomy but not environmentally sustainable (not aligned under the Taxonomy) (A.2)		0	**0%**	100%													0%		
OpEx of activities eligible under the Taxonomy (A.1+A.2)		0	**0%**	100%													0%		
B. NON-ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
OpEx of activities not eligible under the Taxonomy		34.7	**100%**																
TOTAL[26]		**34.7**	**100%**																

[26]Opex is calculated considering uncapitalized direct costs that refer to research and development, maintenance, rental.

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Notes to the table:

(a) The Code is an abbreviation of the relevant objective to which the economic activity is likely to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering that objective, i.e.:
- Climate change mitigation: CCM
- Climate change adaptation: CCA
- Water and marine resources: WTR
- Circular economy: CE
- Pollution prevention and control: PPC
- Biodiversity and ecosystems: BIO.

(b) Y-Yes, the activity is eligible and aligned under the Taxonomy for the relevant environmental objective;
N - No, the activity is eligible under the Taxonomy but is not aligned for the relevant environmental objective;
N/EL - Not eligible; the activity is not eligible under the Taxonomy for the relevant objective.

(c)

SHARE OF OPEX / TOTAL OPEX		
	Aligned under the Taxonomy for the objective	Eligible under the Taxonomy for the objective
CCM	**0%**	**0%**
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

(f) EL - Activity eligible under the Taxonomy for the relevant objective;
N/EL - Activity not eligible under the Taxonomy for the relevant objective.

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Finally, in accordance with Regulation 2021/2178 and in the light of the Commission's clarifications, Template 1 of Annex XII to Delegated Regulation 2021/2178 concerning the Group's activities is reproduced below.

TEMPLATE 1, ANNEX XII, DELEGATED REGULATION (EU) 2021/2178		
Activities related to nuclear energy		
1.	The Company carries out, finances, or has exposures to the research, development, demonstration, and deployment of innovative power generation plants that produce electricity from nuclear processes with a minimal amount of fuel-cycle waste.	NO
2.	The Company carries out, finances, or has exposures to the construction and safe operation of new nuclear plants generating electricity or process heat, including district heating or industrial processes such as hydrogen production, as well as safety improvements, using the best available technologies.	NO
3.	The Company carries out, finances, or has exposures to the safe operation of existing nuclear plants generating electricity or process heat, including district heating or industrial processes such as hydrogen production from nuclear energy, and safety improvements.	NO
Activities related to fossil gases		
4.	The Company carries out, finances, or has exposures to the construction or operation of power plants using fossil gaseous fuels.	NO
5.	The Company carries out, finances, or has exposures to the construction, refurbishment, or operation of combined heat/cooling and power plants using fossil gaseous fuels.	NO
6.	The Company carries out, finances, or has exposures to the construction, refurbishment, or operation of heat generation plants producing heat/cooling using fossil gaseous fuels.	NO

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3. SOCIAL INFORMATION

3.1 POLICIES

Sogefi adopts policies and procedures applicable to all Group companies to define and clearly and transparently communicate the values that should guide the organization in carrying out its activities and achieving corporate objectives. In particular, workforce management must adhere to the principles outlined in the Group Code of Ethics, which highlights the significance of appropriate behaviour and social responsibility[27].

Human Rights Policies

Concerning human rights, the Group has implemented a dedicated Human Rights Policy (ratified by the Group CEO on 23 April 2021), aligned with international frameworks such as the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Sogefi's Human Rights Policy mandates that, across the entire value chain, working conditions and principles must uphold human dignity and forbid any behaviour or actions that offend moral or personal beliefs. Consistent with this policy, Sogefi rejects all forms of forced or compulsory labour, as well as any discrimination or harassment in the workplace. The Company advocates for fair working and employment conditions and ensures the right to freedom of association and collective bargaining.

Health and Safety Policies

In 2021, Sogefi issued its "Health and Safety Policy", which is published on the Company website and intranet. The Company closely monitors health and safety issues and, in the event of workplace accidents, conducts thorough investigations in this regard. This proactive approach enables risk prevention and the development of proper action plans.
All Group plants have designated specific functions responsible for the implementation of Health and Safety Policies under the supervision of the plant manager.
In detail, all plants have designated specific functions responsible for the implementation of the Health and Safety Policies under the supervision of the plant manager and in coordination with the central Health& Safety Function.
Specific safety training sessions are held at every plant to increase employee safety knowledge and minimize risks at each production stage[28].

Diversity Policies

The Group does not currently have a specific Diversity policy in place; however, the principles of non-discrimination and equal opportunities are embedded within Sogefi's Human Rights Policy. While a dedicated Diversity policy is not yet established, these matters are addressed through the Group's ESG plan, which includes specific KPIs such as the *gender equality index* to monitor progress.

[27] For further details refer to section *4.1 POLICIES.*
[28] For further details, see section 3.2.3.7 *S1-13 - Training and skills development metrics* and 3.22.3.1 *S1-5 "Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities".*

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3.2 ESRS S1-OWN WORKFORCE

3.2.1 STRATEGY

The Sogefi Group's workforce consists of managers and of white-collar and blue-collar workers.[29]
As of 31 December 2025, the Sogefi Group employed 3,290 people in 14 countries.

3.2.1.1 Material impacts, risks and opportunities and their interaction with the strategy and business model

The impact assessment revealed four material impacts and four risks in relation to the own workforce, listed below.

ESRS Standard	Impact/risk	IRO	Impact on Value Chain		
			Upstream	Own operations	Downstream
ESRS S1 Own Workforce	Contributing to employee satisfaction and cohesion through ensuring adequate working conditions (working time, wages, work-life balance, as well as right to freedom of association, collective bargaining, and social dialogue) and equal opportunities (gender equality, diversity, training and development)	Actual positive impact		●	
	Work-related accidents, long-term work-related illnesses and workers' human right violation to safe working conditions	Actual negative impact		●	
	Failure to ensure dignity, equality, and fairness principles, leading to discrimination and employee dissatisfaction	Potential negative impact		●	
	Non-compliance with privacy and data security procedures and regulations causes computer system breaches and data loss, also putting the privacy of employees and external stakeholders at risk	Potential negative impact		●	
	Risks related to Sogefi's ability to attract, retain talents, and develop skills	Medium-term risk		●	
	Risks of salary claims and labor cost inflation	Medium-term risk		●	
	Risks related to the theft or disclosure of sensitive data and information leading to reputational damages and employee legal proceedings	Medium-term risk		●	
	Risk of fire incidents	Medium-term risk		●	●

● impact
● risk

No significant risks of forced, compulsory or child labour have been identified. In particular, based on historical data, Sogefi does not consider its operations throughout the geographies where it operates as being at significant risk of incidents of this nature;

[29] All workforce and non-employees data in the S1 chapter tables is presented as headcount. The data related to the remuneration is calculated as full-time equivalent.

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in 2025, in line with previous year, no incident linked to forced, compulsory or child labour was reported[30].

3.2.2 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

3.2.2.1 S1-2 - Processes for engaging with own workforce and workers' representatives about impacts

Sogefi involves its employees in matters related to resource management through dialogue with workers' representatives; in addition, it conducts an annual employee well-being survey and carries out periodic one-to-one discussions as part of the performance evaluation process.

See also section *1.1.3.2 SBM-2 - Stakeholder interests and opinions* for further details.

3.2.2.2 S1-3 - Processes to remedy negative impacts and channels for own workers to report them

Sogefi Group conducts its operations in accordance with the ethical principles of honesty, integrity, and transparency, as well as complying with all relevant national and international laws and best practices applicable to its activities across all jurisdictions in which it operates, as outlined in Section *4.1 G1-1 "Business Conduct"* of this document.

The Group has implemented channels and mechanisms that allow both internal and external individuals to report any illegal or irregular conduct they become aware of. Specifically, the whistleblowing policy in place is designed to: i) encourage the reporting of concerns, ii) clarify the protections afforded by the Company to both whistleblowers and those reported, and iii) outline the procedures for submitting and handling reports.

Internal investigations into the reports received are conducted by the Internal Audit Department. Appropriate actions are determined based on the nature of the report and the seriousness of the incident, involving the Group Head of HR, with support from the Internal Audit and Legal Departments as necessary. Sogefi protects whistleblowers against retaliation, ensuring that no employee is penalised, dismissed, or subjected to any discriminatory treatment for having reported in good faith or for cooperating in accordance with the Group Whistleblowing Procedure.

3.2.2.3 S1-4 - Action plans for the mitigation of material impacts and risks, as well as for the pursuit of material opportunities in relation to own workforce, and the effectiveness of such actions

Sogefi implements structured action plans to manage impacts, mitigate risks and seize opportunities deemed material concerning its workforce:

[30] see section *3.2.3.10 S1-17 - Incidents, complaints and severe human rights impacts.*

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Health and Safety

Sogefi adopts a continuous improvement approach, under the guidance of the central manager, with the objective of standardizing operating procedures and promoting initiatives aimed at prevention and safety, as well as at the periodic training and upskilling of personnel. Through this commitment, the Group aims to achieve a unified safety culture, ensuring that safe behaviors are embedded at all levels of the organization.
Individual workplace incidents are analyzed, and the Group HSE and HR Directors regularly monitor the injury frequency rate. Best practices and lessons learned are periodically shared and translated into actions to reduce the risk of incidents.

Employee development and retention

Sogefi carries out a structured annual process aimed at identifying talents and critical competencies, with employee performance evaluations supporting career development and talent management. At the central level, a performance assessment system is used for managers, white-collar employees, and blue-collar workers not directly involved in production; performance evaluations for production-line workers are conducted locally.
The evaluation process includes: (i) self-assessment by the employee; (ii) a one-to-one meeting between the employee and their manager to review the annual performance and set expectations for the following year; and (iii) the manager's overall assessment, which is then shared with the employee and submitted to the Human Resources Department.
The evaluations take into account Sogefi's three core values: integrity, results orientation, and teamwork.
Objectives for the following year are defined by managers in collaboration with their team members, including training plans and any dedicated development programs.
The Human Resources Department centrally manages and monitors employees' key competencies through a dedicated platform, where employees are encouraged to regularly update their profiles; the competitiveness of working conditions is also monitored.

Training

Annual training plans are defined and consistently monitored by HR Function to ensure that employee have adequate competences and up-to-date skills.

Discrimination and harassment

Ethics training courses are periodically carried out to ensure that employees are familiar with the conduct principles set out in the company policies.

Irregular work and human rights violations

Human Rights Policy compliance is monitored through periodic audit on Group Legal Entities.

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IT system breaches and data loss

Sogefi carries out regular monitoring and risk analysis to assess existing and emerging threats, as well as preventive/protective actions, also in line with GDPR requirements. Sogefi uses different tools to protect and prevent cyberattacks; trainings and awareness campaigns are regularly launched covering Group employees.
Sogefi sites are TISAX certified, complying with the information security standards of automotive industry.[31]

3.2.3 METRICS AND TARGETS

3.2.3.1 S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Sogefi established specific targets for the 2026–2029 period, in line with ESRS 2 MDR-T requirements, to measure actions and performance aimed at mitigating negative impacts and material risks, and at enhancing positive impacts and material opportunities with respect to its own workforce.

The Company's workforce or their representatives are not directly involved in the identification of Sogefi's objectives, although some topics are periodically discussed with workers' representatives (in particular, the Accident Frequency Rate targets are presented to workers' representatives during regular meetings with local teams).
These KPIs and targets are presented below.

[31] See section 1.1.3.1 SBM-1 - Strategy, business model and value chain for further details on metrics and targets.

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	Key Performance Indicators	Target 2025	2025	ESG Plan 2026 - 2029
ESRS S1 Own workforce	People satisfaction	+0.5 vs 2024 (71.1/100)	+5.4 vs 2024 (76/100)	2026: 71.6/100 2027: 72/100 2028: 72/100 2029: 72/100
	Accident frequency rate	<1.3	1.9	2026: <1.3 2027: <1.3 2028: <1.3 2029: <1.2
	Number of training hours per employee per year	>25h	24.6 h	2026: >25 h 2027: >25 h 2028: >26 h 2029: >26 h
	Gender Equality Index	65/100	67/100	2026: 67/100 2027: 68/100 2028: 69/100 2029: 70/100
	Number of Group Companies audited on compliance with the Human Rights Policy	3	5	2026: 5 2027: 5 2028: 5 2029: 5
	Percentage of SOGEFI sites TISAX certified	91%	100%	2026: 100% 2027: 100% 2028: 100% 2029: 100%

Employee satisfaction is monitored annually through a survey conducted across all staff, which makes it possible to measure progress and helps identify specific improvement actions. The survey measures the percentage of employees who state they 'agree' or 'strongly agree' with the following topics: innovation and strategic orientation; respect for values; safety; employee experience; trust and commitment; managerial effectiveness; performance improvement. The participation rate in 2025 was 74%; among the employees who took part, 76% provided a positive evaluation, exceeding the target set for 2025. For the coming years, the goal is not to fall below 72%.

With regard to occupational health and safety, workplace accidents are monitored and an accident frequency rate is periodically assessed, calculated as the number of injuries involving employees and contractors that result in absence from work per one million hours worked. The objective of the Plan is to achieve an index equal to or below 1.3; this target was not met in 2025, as a higher index was recorded. The competent functions are engaged in analyzing the causes and defining additional corrective measures.

With respect to training, Sogefi is committed to promoting employee development through comprehensive and continuous training programs, maintaining the objective of providing at least 25–26 hours of training per employee per year.

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With regard to gender equality, Sogefi measures the gender pay gap through the Gender Equality Index. This indicator is expressed on a scale from 1 to 100 and is calculated based on scores across five metrics: (i) average pay; (ii) individual annual salary increases; (iii) internal promotions; (iv) salary increases granted to women after maternity leave; and (v) the number of women among the company's top ten earners in the reference year.
Over the duration of the ESG Plan, Sogefi aims to increase the Index result by one point per year. In 2025, the Index stood at 67/100, in line with the target, and over the timeframe of the Plan, Sogefi aims to reach a score of 70.

To ensure the respect of human rights and to prevent, insofar as possible, any circumstances of discrimination or situations not aligned with company policy, Sogefi has set the objective of carrying out at least five specific audits each year, a target that was achieved in 2025.

Finally, in order to mitigate the risk of sensitive data breaches, Sogefi set the objective of obtaining TISAX certification for all its sites in 2026 and maintaining it in the following years. This objective was already achieved in 2025.

3.2.3.2 S1-6 - Characteristics of the Company's employees

Sogefi has 3,290 employees distributed across four continents: 54% is based in Europe, 17% in Asia, 17% in North America, and 12% in South America.

In line with ESRS requirements, employees are defined as payroll staff of Sogefi, including long-term absentees. Employees are composed by management, white collars (office staff) and blue collars (including direct workers, whose roles or tasks are expressly involved with the production lines, and indirect workers, not directly involved in manufacturing but contributing to production through supervision, maintenance, technical support, etc.)
The number of employees by Country and gender is shown below.
Note that the following tables present punctual data, no estimates are used. All workforce data in the tables is presented in full-time equivalent.

TOTAL NUMBER OF EMPLOYEES (HEADCOUNT) BY COUNTRY							
COUNTRY	As of 31 December 2025			as of 31 December 2024			Variation
	Male	Female	Total	Male	Female	Total	
France	590	194	**784**	620	204	**824**	-5%
Italy	188	19	**207**	189	20	**209**	-1%
Netherlands	25	1	**26**	25	1	**26**	0%
Spain	171	30	**201**	174	30	**204**	-1%
Germany	239	11	**250**	246	9	**255**	-2%
UK	30	8	**38**	31	9	**40**	-5%
Romania	173	118	**291**	202	116	**318**	-8%

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Total Europe	**1.416**	**381**	**1.797**	**1.487**	**389**	**1.876**	**-4%**
Canada	202	71	**273**	205	70	**275**	-1%
USA	26	3	**29**	27	2	**29**	0%
Total North America	**228**	**74**	**302**	**232**	**72**	**304**	**-1%**
Mexico	130	112	**242**	135	118	**253**	-4%
Total Central America	**130**	**112**	**242**	**135**	**118**	**253**	**-4%**
Argentina	233	6	**239**	224	6	**230**	4%
Brazil	138	29	**167**	127	24	**151**	11%
Total South America	**371**	**35**	**406**	**351**	**30**	**381**	**6%**
India	55	3	**58**	53	1	**54**	7%
China	365	120	**485**	347	115	**462**	5%
Total Asia	**420**	**123**	**543**	**400**	**116**	**516**	**5%**
Total	**2,565**	**725**	**3,290**	**2,605**	**725**	**3,330**	-1%

The tables shows a slight reduction in the workforce in most of the Countries where the Group operates, with the exception of Brazil, India, China and Argentina, where new direct hires exceeded the previous year's trend.

In 2025, 0.5% of the Group's employees had fixed-term contract and there were no employees with non-guaranteed hours (the number of employees by gender and contract duration is presented below).

TOTAL NUMBER OF EMPLOYEES (HEADCOUNT) BY CONTRACT TYPE AND GENDER							
CATEGORY	As of 31 December 2025			as of 31 December 2024			Variation
	Male	Female	Total	Male	Female	Total	
Permanent employees	2,549	723	**3,272**	2,603	721	3,324	-2%
Fixed-term employees	16	2	**18**	2	4	6	200%
Employees with non-guaranteed hours	-	-	**-**	-	-	-	-
Total	**2,565**	**725**	**3,290**	**2,605**	**725**	**3,330**	-1%

99% of the Group's workforce has a full-time contract, in line with 2024. The number of employees by gender and contract type (full-time/part-time) is presented below.

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TOTAL NUMBER OF EMPLOYEES (HEADCOUNT) BY CONTRACT TYPE AND GENDER							
CONTRACT TYPE	As of 31 December 2025			as of 31 December 2024			Variation
	Male	Female	Total	Male	Female	Total	
Full time	2,549	704	**3,253**	2,586	708	**3,294**	-1%
Part time	16	21	**37**	19	17	**36**	8%
Total	**2,565**	**725**	**3,290**	**2,605**	**725**	**3,330**	-1%

NUMBER AND RATE OF EMPLOYEE TURNOVER[32]						
GENDER	As of 31 December 2025			as of 31 December 2024		
	Total n. of employees	Exiting employees	Turnover rate	Total n. of employees	Exiting employees	Turnover rate
Male	2,565	512	20%	2,605	430	17%
Female	725	363	50%	725	269	37%
Total	**3,290**	**875**	**27%**	**3,330**	**699**	**21%**

With regard to employee turnover, the overall exit rate (ratio of the number of employees who left the Group during 2025 to the total number of employees as of December 31, 2025) totalize 27% in 2025, and it is mainly linked to blue collars direct workers (721 out of 875 departures).

3.2.3.3 S1-7 Characteristics of non-employees in the Company's own workforce

Below are details of non-employee workers.
This category includes personnel from external agencies working at Group sites, where Sogefi supervises the working hours.

NUMBER OF NON-EMPLOYEES							
	As of 31 December 2025			as of 31 December 2024			Variation
	Male	Female	Total	Male	Female	Total	
Non-employee workers	431	87	**518**	382	37	**419**	24%

As of December 31st 2025, there were 518 non-employees (compared to 419 in 2024) and they were mainly workers located in India and China hired by temporary agencies to manage customer demand fluctuations as described in the previous sections.

[32] Turnover rate is calculated as percentage of male and female employee departure from the organization over the corresponding number of employees of each category. Departure include both voluntary and non-voluntary terminations.

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3.2.3.4 S1-8 Collective bargaining coverage and social dialogue

As of 31 December 2025, 78% of the Group's employees (2,575 employees out of 3,290) are covered by collective bargaining agreements, in accordance with the labour laws in force in the Countries where the Group operates,, as specified in the table below.

PERCENTAGE OF EMPLOYEES UNDER COLLECTIVE AGREEMENTS				
		As of 31 December 2025	As of 31 December 2024	Variation
European Economic Area	France	100%	100%	-
	Italy	100%	100%	-
	Netherlands	100%	100%	-
	Spain	100%	100%	-
	Germany	91%	89%	+2%
	Romania	100%	100%	-
Extra EEA	UK	0%	0%	-
	China	0%	0%	-
	Canada	81%	82%	-1%
	India	28%	30%	-2%
	USA	0%	0%	-
	Argentina	100%	100%	-
	Brazil	100%	100%	-
	Mexico	81%	85%	-4%
Total		**78%**	**79%**	-1%

PERCENTAGE OF EMPLOYEES COVERED BY WORKERS' REPRESENTATIVES				
		As of 31 December 2025	As of 31 December 2024	Variation
European Economic Area	France	100%	100%	-
	Italy	35%	38%	-3%
	Netherlands	100%	100%	-
	Spain	100%	100%	-
	Germany	100%	100%	-
	Romania	100%	100%	-
Extra EEA	UK	0%	0%	-

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	China	0%	0%	-
	Canada	0%	0%	-
	India	28%	30%	-2%
	United States	0%	0%	-
	Argentina	72%	88%	-16%
	Brazil	100%	100%	-
	Mexico	81%	85%	-4%
Total		**66%**	**69%**	-3%

As of 31 December 2025, 66% of the Group's employees are covered by workers' representatives, with higher rates in European countries. The coverage results are stable versus previous year for all the Countries, except for Argentina, where the 16% coverage decrease is linked to the indirect workers category withdrawing from agreements with workers' representatives.
Sogefi does not have Group Works Councils in place in accordance with Directive 2009/38/EC.
Countries presenting 0% coverage refer to legal systems where collective bargaining is not widespread (USA, UK, China), or to countries where employment relationships are primarily governed by individual contracts.

3.2.3.5 S1-9 - Diversity metrics

Below is a breakdown of the Group's employees by category and gender.

TOTAL NUMBER OF EMPLOYEES BY CATEGORY AND GENDER						
	As of 31 December 2025		**Total**	As of 31 December 2024		**Total**
	Male	Female		Male	Female	
Management	30	2	32	30	3	**33**
White collars	579	233	812	583	233	**816**
Blue collars	1,956	490	2,446	1,992	489	**2,481**
Total	**2,565**	**725**	**3,290**	**2,605**	**725**	**3,330**
Percentage of management	*1%*	*0%*	***1%***	*1%*	*0%*	***1%***
Percentage of white collars	*18%*	*7%*	***25%***	*18%*	*7%*	***25%***
Percentage of blue collars	*60%*	*15%*	***74%***	*60%*	*15%*	***75%***

Regarding the employee distribution by gender, in 2025 men represented 78% (2,565 employees) and women 22% (725 employees) of the total workforce. The distribution, in line with 2024, reflects the nature of the automotive sector, characterized by a historically male-skewed workforce. The Group continues to monitor female representation, particularly in managerial and technical roles.

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Female management and office staff positions are equal to 6% and 29% respectively of the corresponding categories.
The gender distribution remains substantially stable compared to 2024 (725 women out of a total of 3,290 employees for 22%, the same percentage of 2024) and reflects the typical characteristics of the automotive sector.

Overall, in 2025, 60% of employees were aged between 30 and 50, 30% were over 50 and 9% were under 30.

TOTAL NUMBER OF EMPLOYEES BY CATEGORY AND AGE GROUP - 2025				
	<30	30-50	> 50	**Total**
Management	-	18	14	**32**
White collars	62	518	232	**812**
Blue collars	241	1,451	754	**2,446**
Total	**303**	**1,987**	**1,000**	**3,290**
% Total	**10%**	**60%**	**30%**	**100%**
Percentage of management	*0%*	*1%*	*0%*	***1%***
Percentage of white collars	*2%*	*16%*	*7%*	***25%***
Percentage of blue collars	*7%*	*44%*	*23%*	***74%***

TOTAL NUMBER OF EMPLOYEES BY CATEGORY AND AGE GROUP - 2024				
	<30	30-50	> 50	**Total**
Management	-	19	14	**33**
White collars	78	504	234	**816**
Blue collars	281	1,458	742	**2,481**
Total	**359**	**1,981**	**990**	**3,330**
% Total	**11%**	**59%**	**30%**	**100%**
Percentage of management	*0%*	*1%*	*0%*	***1%***
Percentage of white collars	*2%*	*15%*	*7%*	***25%***
Percentage of blue collars	*8%*	*44%*	*22%*	***75%***

3.2.3.6 S1-10 - Adequate wages

Group's employees receive adequate remuneration, defined as salary that is never below the legal minimum wage, where applicable, or below the applicable collective labour agreements, where they exist.

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EMPLOYEES NOT RECEIVING ADEQUATE WAGES - 31 DECEMBER 2025				
Area	Country	Number of employees	Number of employees not receiving adequate wages	% Employees not receiving adequate wages
European Economic Area	France	784	-	0%
	Italy	207	-	0%
	Netherlands	26	-	0%
	Spain	201	-	0%
	Germany	250	-	0%
	Romania	291	-	0%
Extra EEA	UK	38	-	0%
	China	485	-	0%
	Canada	273	-	0%
	India	58	-	0%
	USA	29	-	0%
	Argentina	239	-	0%
	Brazil	167	-	0%
	Mexico	242	-	0%
Total		**3,290**	**-**	**0%**

EMPLOYEES NOT RECEIVING ADEQUATE WAGES - 31 DECEMBER 2024				
Area	Country	Number of employees	Number of employees not receiving adequate wages	% Employees not receiving adequate wages
European Economic Area	France	824	-	0%
	Italy	209	-	0%
	Netherlands	26	-	0%
	Spain	204	-	0%
	Germany	255	-	0%
	Romania	318	-	0%
Extra EEA	UK	40	-	0%
	China	462	-	0%
	Canada	275	-	0%
	India	54	-	0%
	United States	29	-	0%
	Argentina	230	-	0%
	Brazil	151	-	0%
	Mexico	253	-	0%
Total		**3,330**	**-**	**0%**

3.2.3.7 S1-13 - Training and skills development metrics

In Sogefi, career performance reviews take place annually in the month of February, considering the performance of the previous year and the objectives for the new year.

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Details of participation in performance and career development reviews by gender and employee categories, calculated on the basis of employees in force in 2024 and still in the Company at the end of 2025, are shown below.

NUMBER OF EMPLOYEES WHO PARTICIPATED IN PERFORMANCE AND CAREER DEVELOPMENT REVIEWS - 31 DECEMBER 2025						
	Men		Women		Total	
	N.	%	N.	%	N.	%
Management	27	90%	2	100%	**29**	**91%**
White collars	504	87%	214	92%	**718**	**88%**
Blue collars	1,443	74%	321	66%	**1.764**	**72%**
Total	**1.974**	**77%**	**537**	**74%**	**2.511**	**76%**

NUMBER OF EMPLOYEES WHO PARTICIPATED IN PERFORMANCE AND CAREER DEVELOPMENT REVIEWS - 31 DECEMBER 2024						
	Men		Women		Total	
	N.	%	N.	%	N.	%
Management	24	80%	3	100%	**27**	**82%**
White collars	546	94%	231	99%	**777**	**95%**
Blue collars	1,398	70%	339	69%	**1,737**	**70%**
Total	**1,968**	**76%**	**573**	**79%**	**2,541**	**76%**

As of 31 December 2025, 91% of Management and 88% of White-Collars took part in the performance review and career development process[33].

Regarding Blue Collars, the performance review is managed locally in accordance with legal requirements and Country-specific indications. In 2025, 72% of blue-collar workers participated in the evaluation process.

Training and development guidelines are defined and shared by the Group HR Department with local teams, which then plan training and development actions accordingly, incorporating their specific needs.
The 2025 average number of hours of training per employee, by gender and employee category, is shown in the table below.

Average number of training hours per employee							
	As of 31 December 2025			As of 31 December 2024			Variation
	Men	Women	Total	Men	Women	Total	
Management	17	6	**16**	28	17	**27**	-38%
White collars	30	28	**30**	28	26	**28**	8%
Blue collars	21	29	**23**	23	33	**25**	-9%
Total	**23**	**29**	**25**	**24**	**31**	**26**	-5%

[33] The number of employees who participated in the performance and career development reviews includes all individuals involved in the process, including those who were no longer employed at year-end, as the 2025 reviews assessed performance for the year 2024.

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The Company regularly monitors the progress of training hours by employee, with a target of 25 hours per employee per year. In 2025 the KPI target was not achieved, as detailed in the paragraph 3.2.3.1 S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

3.2.3.8 S1-14 - Health and safety metrics

The Group's workforce is 100% covered by health and safety management systems, based on applicable local legal requirements, as detailed below:

WORKFORCE COVERED BY HEALTH AND SAFETY MANAGEMENT SYSTEMS						
	As of 31 December 2025			As of 31 December 2024		
	Employees	Non-employee workers	**Total**	Employees	Non-employee workers	**Total**
Workers covered by health and safety management systems	3,290	518	**3,808**	3,330	419	**3,749**
Percentage of the total	100%	100%	**100%**	100%	100%	**100%**

By the end of 2025, nine Group plants were ISO 45001:2018 certified, in line with the Group target.

The metrics on occupational accidents and diseases are shown below.

Work – related injuries and illnesses							
	As of 31 December 2025			As of 31 December 2024			Variation
	Employees	Non-employee workers	Total	Employees	Non-employee workers	Total	
Number of fatalities as a result of work-related injuries	-	-		-	-	-	
Number of fatalities as a result of occupational diseases	-	-		-	-	-	
Number of recordable work-related accidents	13	2	**15**	5	3	**8**	88%
Number of hours worked	5,866,964	1,832,318	7,699,282	5,852,892	1,695,280	**7,548,172**	2%
Recordable work-related injury rate	**2.2**	**1.1**	**1.9**	**0.8**	**1.8**	**1.1**	84%
Number of	20	0	**20**	15	-	**15**	33%

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recordable cases of occupational diseases							
Number of days lost due to work-related injuries	306	11	**317**	210	343	**553**	-43%
Number of days lost due to occupational diseases	3235	0	**3,235**	1,950	0	**1,950**	66%

The number of accidents and occupational diseases relates to both Business Units, and involves both employees and non-employees (supervised by Sogefi).

It is reported that on August 18, 2025, a case of death of a worker was recorded at the Cordoba plant (Argentina). The investigation is ongoing and the circumstances remain unclear. However, no significant deficiencies have been identified in the plant's safety management system.
However, further safety enhancement measures have been implemented at the plant.

3.2.3.9 S1-16 - Remuneration metrics (pay gap and total remuneration)

Sogefi is committed to promoting gender equality within the organization. In particular, the Company calculates the gender equality index required under French law and voluntarily extends its application to all Group companies, in order to evaluate all sites and promote continuous improvement in professional equality between women and men within the Group.

For this purpose, the Gender Equality Index is used, expressed on a scale of 100 and calculated on the basis of five criteria:

i) Average pay between women and men;
ii) Individual annual salary increases between women and men;
iii) Internal promotions between women and men;
iv) Salary increases for women after maternity leave, and
v) Number of women among the Company's ten highest-paid employees in the reference year.

In 2025, the Group Gender Equality Index scored 67/100 (versus 64.3/100 in 2024).
The index is part of the ESG KPIs and targets related to the Social area and is regularly monitored and reported.

Below is the gender pay gap, represented as the ratio between the difference in average pay of male employees and that of female employees, compared to the average pay of male employees.
The gender pay gap is affected by structural characteristics of the automotive sector, which have historically contributed to a negative impact on the wage balance between men and women.

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GENDER PAY GAP		
	2025	2024
Gender pay gap	13%	9%

In 2025, the total annual remuneration ratio is 18.8, compared to 19.7 of previous year. The ratio is calculated by comparing the highest paid person within the Group and the median annual total remuneration of all Group employees (excluding the highest paid person).

3.2.3.10 S1-17 - Incidents, complaints and severe human rights impacts

In June 2025, one incident related to discrimination was reported, followed by an internal investigation carried out in accordance with the Whistleblowing Procedure34. The case was closed with a local awareness-raising activity on the importance of complying with the Human Rights Policy.
No fines, sanctions, or compensation resulted from the reported incident.

In 2025, no serious human rights incidents were reported.

3.3 ESRS S2 - WORKERS IN THE VALUE CHAIN

3.3.1 STRATEGY

3.3.1.1 Stakeholder interests and opinions

Sogefi conducts an annual survey involving stakeholders, including its customers and suppliers, in order to integrate their opinions into the Group's strategy and business model.
Workers in the value chain are represented by the workforce of Sogefi's customers and suppliers; their interests are integrated in the Double Materiality analysis, where impacts, risks and opportunities are assessed as described in ESRS Chapter *1.1 ESRS 2 - DISCLOSURE REQUIREMENT* section *1.1.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1), their interaction with the strategy and business model (SBM-3) and the related disclosure requirements included in this Sustainability Statement (IRO-2)*.

3.3.1.2 Material impacts, risks and opportunities and their interaction with the strategy and business model

Impacts, risks and opportunities related to the workers in the value chain (intended as the workforce of customers and suppliers) have been assessed as part of the Double Materiality analysis, as described in *ESRS* Chapter *1.1 ESRS 2 - DISCLOSURE*

[34] See Chapter *G1 - Business Conduct*, section *4.2.2 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES* for more details on the Whistleblowing Procedure and Section *3.2.2.3 S1-4 - Action plans for the mitigation of material impacts and risks, as well as for the pursuit of material opportunities in relation to own workforce, and the effectiveness of such actions.*

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REQUIREMENT section *1.1.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1), their interaction with the strategy and business model (SBM-3) and the related disclosure requirements included in this Sustainability Statement (IRO-2).*

The table below shows one impact identified as material:

ESRS Topic	Impact/Risk	IRO	Impact on Value Chain		
			Upstream	Own operations	Downstream
ESRS S2 Workers in the Value Chain	Sharing a culture of human rights protection throughout the supply chain and improving social performance of customers and suppliers	Actual positive impact	●		●

● impact

● risk

Sogefi takes seriously any potential incident or individual event involving the protection of human rights within the value chain. In this regard, the Human Rights Policy, as well as the Group's Code of Ethics, are shared with business partners, who are required to adhere to the principles contained therein.
In 2025, no incidents were reported to Sogefi regarding violations of human rights concerning workers in the value chain. Likewise, no value chain workers operating in particularly high-risk contexts were identified.

3.3.2 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

3.3.2.1 S2-3- Processes to remedy negative impacts and channels for value chain workers to report them

Sogefi's Whistleblowing Procedure defines the operational procedures for any individual (Group employees or workers in the value chain) to report a violation or suspected violation of the principles of the Code of Ethics and the Code of Business Conduct. The procedure is available on Sogefi's website and the dedicated whistleblowing channel can be accessed by third parties through the platform on the website[35].

3.3.2.2 S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Before being accredited, the suppliers must validate the Group's Code of Business Conduct.
Sogefi takes seriously into consideration any potential individual incident or event involving human rights protection within the value chain. In fact, the Group's Human Rights Policy is shared with business partners who are required to adhere to the principles contained therein.
Additionally, Sogefi recommends the ISO 45001 certification to its suppliers.

[35] For further details see section *4.1 POLICIES*.

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Whistleblowing reports received, including those from external parties, are independently investigated by the Internal Auditing Department and by external experts, where necessary.
The Control, Risk and Sustainability Committee and the Board of Directors are regularly updated on any whistleblowing reports by the Supervisory Body, as described in section *4.1 POLICIES*.

Sogefi is committed to working responsibly, through a business model that identifies respect for fundamental human rights as a key element of all its business practices.
Considering that, historically, there have been no reports of violations of the rights of workers in the value chain (e.g. child or forced labour), Sogefi is not currently planning further actions to address this risk.
As far as risks of cyber-attacks are concerned, defence measures are constantly monitored and adapted by the Group's IT Department to prevent breaches of value chain data in Sogefi's possession[36].

3.3.3 METRICS AND TARGETS

3.3.3.1 S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Sogefi periodically assesses and monitors the risks related to workers in the value chain, in consideration of the potential legal and reputational consequences of the associated risks.

Sogefi has not set specific targets regarding risks related to human rights violations or cybersecurity threats along the value chain, in light of the actions already in place to promote respect for human rights among its workforce and business partners, as well as the established measures for monitoring IT and cybersecurity risks.

[36] For further details on new cyber security KPI was introduced in 2024 with the aim of maintaining the current level of certifications within the Group see section *1.1.3.1 SBM-1 - Strategy, Business Model and value chain*

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4. GOVERNANCE INFORMATION

4.1 POLICIES

Sogefi's corporate culture is built on commitment to ethical behavior, compliance with laws, and high standards of integrity.
The Company aims to integrate these values into every aspect of its operations and encourages its business partners to do the same.
Sogefi's policy for managing material impacts, risks and opportunities related to business conduct and corporate culture include:

- the Code of Ethics, approved by the Board of Directors on 26 February 2018, whose guiding principles and values include: i) compliance with the law; ii) honesty and fairness; iii) impartiality and equal opportunities; iv) transparency and completeness of information; v) protection of data confidentiality vi) prevention of conflicts of interest. The Sogefi Group monitors the effective application of the Code through the Internal Auditing Department and the Supervisory Body. The Code is available on the Company website;
- the Code of Conduct, approved by the Group CEO on 23 April 2021, whose key areas include: i) business ethics (including the fight against active and passive bribery, fair competition, and transparency); ii) working conditions (including safe working conditions, prohibition of forced and child labour, promotion of non-discrimination and freedom of association). The Code is available on the Company's website;
- the *Group* Whistleblowing Procedure, approved by the Board of Directors and last updated on 15 December 2023, which allows the anonymous reporting of violations of the Code of Ethics, Code of Conduct or other applicable laws and internal policies;
- the Anti-corruption Policy, approved by the Board of Directors on July 25, 2025, which consists of general policy and specific protocols relating to processes potentially most exposed to cases of corruption.

Guiding principles and provisions of the Code of Ethics and Code of Business Conduct are binding on all directors, employees and partners who work with the Group under contractual agreement, including temporary staff.
Sogefi recognizes as an essential principle the observance of laws and compliance with applicable regulations in all the Countries in which it operates. It does not therefore tolerate any form of corruption by its employees or by any third parties having business relations with the Group, including fraudulent payments to or from third-party officials.

Policy promotion and monitoring arrangements

Sogefi encourages its business partners to promote and disseminate the principles set out in the Code of Conduct throughout their own supply chains and requires them to acknowledge and share Sogefi's commitment to these principles
Sogefi has adopted a corporate Anti-corruption Policy in line with the UN Convention against Corruption.
Additionally, Sogefi adopts a Whistleblowing Procedure that defines operating procedures so that any individual (whether a Sogefi employee or an external

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stakeholder) can report a breach or suspected breach of the principles of the Code of Ethics, Code of Conduct, and of the Anti-corruption Policy.
This procedure, updated in 2023 following the entry into force of Italian Legislative Decree no. 24 of 2023, implementing European Directive 1937/2019 and approved by the Board of Directors, is published on the Company's website and on the Group's intranet.
Any violation or suspected violation of applicable laws, the principles of the Code of Ethics, of the Anti-corruption Policy, or any other internal rules and procedures within the Group is encouraged to be reported through the dedicated whistleblowing channel, which guarantees anonymity and is available on the Company's website.
Reports received, including incidents of corporate conduct and incidents of active and passive bribery, are independently investigated by the Internal Audit Department and by external experts, when needed.
The Control, Risk and Sustainability Committee and the Board of Directors are regularly updated on whistleblowing reports.
Sogefi is committed to protecting whistleblowers from retaliation, ensuring none shall be punished, dismissed or subjected to any discriminatory measure because they testified in good faith or because they reported actions in accordance with the Group Whistleblowing Procedure.
Regular training on Sogefi policies is implemented on a regular basis. Specifically, in 2025, a training on the Anti-corruption Policy was completed by the Group's employees, including those in roles most exposed to the risk of active and passive bribery (for example, employees who interact with third parties and public authorities). The course, available via e-learning in the main languages, was developed to provide an understanding of anti-corruption regulations, as well as the internal policies and procedures that the Sogefi Group has implemented to ensure compliance.

4.2 ESRS G1-BUSINESS CONDUCT

4.2.1 STRATEGY

4.2.1.1 ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

The assessment of IROs in the context of business conduct revealed two material impacts for the Group, summarized in the table below.

ESRS Topic	Impact/Risk	IRO	Impact on Value Chain		
			Upstream	Own operations	Downstream
ESRS G1 Business conduct	Possible unethical/ illegal conduct, cases of corruption and violations of applicable laws and regulations, as well as non-compliance with internal procedures and codes leading to the spread of an unethical culture	Potential negative impact	●	●	●
	Supplier dissatisfaction caused by late or missed payments	Potential negative impact	●	●	●

● impact
● risk

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4.2.1.2 ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies

Sogefi's Board of Directors is responsible for defining the internal control and risk management system, in accordance with applicable laws, regulations and best practices.

Almost all members of the Board of Directors have international experience and significant governance expertise, having served or currently serving as members and/or chairpersons of boards of directors in listed companies. The Sogefi Group recognizes the importance of ethical behavior and social responsibility in the conduct of its corporate and business activities and undertakes to respect the legitimate interests of its stakeholders and of the community in which it operates.

The Board of Directors promotes the principles of fair business practices, compliance with applicable laws and regulations, honesty and fairness, impartiality and equal opportunities, respect for integrity, transparency and good faith through the Code of Ethics and the Anti-corruption Policy.

The Code of Ethics applies to all Sogefi Group Companies, and its principles and provisions are binding on all Directors, employees and business partners that have business relations with the Group, even under temporary contracts.

Members of the Board of Directors are required to comply with the principles of the Code of Ethics when taking any kind of decision or action concerning the activities managed by Group Companies.

4.2.2 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

4.2.2.1 G1-2 - Managing relations with suppliers

Sogefi partners with suppliers that uphold high quality standards, comply with current environmental and safety regulations, and adhere to ethical, social and governance principles, in line with the Group's policies.

Supplier selection and the subsequent definition of procurement terms are governed by Procurement Procedures (that include Procurement Sustainability Policy), adopted by each Business Unit and formalised in the Supplier Manual. These procedures rely on an objective assessment of quality, price, economic performance, contractual terms and sustainability. Notably, Sogefi has deployed a digitised supplier evaluation process to assess ESG performance and to maintain a "sustainable" supplier base capable of evolving with market dynamics, regulatory changes and product developments. The evaluation now explicitly considers:

i) use of recycled materials (recycling resin, regrinding materials, recycling scraps, use of 100% recycled packaging, etc.);
ii) reduction of greenhouse gas impacts (e.g., use of renewable energy, proximity to Sogefi plants, optimised truck loading, ISO 50001 Energy Management certification, etc.);
iii) reduction of environmental impacts (e.g., water consumption reduction initiatives, ISO 14001 certification);
iv) respect of the principles of the main Group policies (e.g., acceptance of Sogefi's Code of Business Conduct, Human Rights Group policy, etc.).

Regarding supply chain risks, particularly in light of recent geopolitical tensions, Sogefi has reinforced supplier selection and monitoring to identify, where feasible, alternative

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sources for critical raw materials and components, thereby mitigating the risk of dependence on a limited number of suppliers. The Group places particular emphasis on assessing the financial robustness and compliance with appropriate quality standards across its supplier base.
Consistently with the Double Materiality analysis, the material impact "*Delayed or missing payments to suppliers*" has been considered, and the Group verifies conformity in its supplier payment practices[37].

4.2.2.2 G1-3 - Prevention and detection of active and passive bribery

Sogefi is committed in preventing any form of passive or active bribery. In this regards, Group Anti-corruption Policy has been released in 2025. The document outlines the fundamental principles and values to which the Sogefi Group is committed and the approach adopted to prevent corruption in all its forms, in line with the principles defined in Sogefi's Code of Ethics and Code of Business Conduct.
To ensure policy implementation, compliance and monitoring, Sogefi has designated a *Group Anti-corruption Manager* who is responsible for the anti-corruption Group structure design, guidelines implementation and promotion within the Group, with the support of the competent Functions where applicable (e.g. Group HR, Legal, Group Chief Financial Officer, etc.) and in coordination with the local anti-corruption managers, responsible for ensuring compliance with local regulatory requirements and adherence with Group Anti-corruption Policy, with the support of the competent local Functions where applicable (e.g. local HR, Purchasing Dept., etc.).

In accordance with the disclosure requirements and MDR-T provisions of the ESRS, specific targets have been introduced with respect to ESRS G1 – Business Conduct as detailed below.

	Key Performance Indicators	Target 2025	2025	ESG Plan 2026 - 2029
ESRS G1 Business Conduct	Anti-corruption policy implementation and testing	Anti-corruption policy implementation	Policy released and approved	2026: 3 tested companies 2027: 4 tested companies 2028: 4 tested companies 2029: 4 tested companies

4.2.2.3 G1-4 - Proven cases of corruption or bribery

In 2025, no incidents of corruption have been reported, nor has the Company been involved in litigation in relation to corruption.
There have also been no investigations by public authorities that have resulted in any material exposure for the Group.

[37] See also section 4.2.2.4 G1-6 - *Payment practices*

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4.2.2.4 G1-6 - Payment practices

The Group's procurement process is based on standard payment practices: payments to suppliers must be made in accordance with agreed contractual terms, which may vary by market, by Country, and from supplier to supplier.
The following table shows the average number of days taken by the Group to pay invoices, starting from the date on which the contractual or legal payment deadline begins to be calculated (i.e. the date on which the invoice is issued), considering the issue and payment dates of all invoices paid during the year by Sogefi's legal entities.

PAYMENT PRACTICES			
	Unit of Measurement	**2025**	**2024**
Average payment time	Number of days	52	52

The number of days indicated is calculated considering the issue and payment dates of all invoices paid during the year by the Group's legal entities.

PAYMENT PRACTICES		
	2025	**2024**
Percentage of payments aligned to standard terms	55%	54%

In 2025, payments made on time accounted for 55% of the total, compared to 54% in 2024.
The percentage includes payments for direct and indirect purchases by the Group. Payment terms do not depend on the category of supplier and no differentiation is made for small and medium-sized enterprises.
In 2025, Sogefi was not involved in any legal proceedings concerning late payments, in line with the previous year.

4.2.3 ADDITIONAL ENTITY-SPECIFIC INFORMATION

The Double Materiality Analysis carried out by Sogefi revealed certain impacts and risks that are not addressed in sufficient detail within the topical ESRS standards (so-called "*Entity Specific"*).

ESRS Standard	**Impact/risk**	**IRO**	**Impact on Value Chain**		
			Upstream	**Own operations**	**Downstream**
Entity-specific	Non-satisfaction of customers' expectations on quality standards and delivery times	Potential negative impact	✓		✓
	Reducing environmental impacts through new technologies and investment in research and development towards low-carbon mobility solutions	Actual positive impact	✓		✓
	Risk related to the non-satisfaction of customers' expectations regarding product reliability, specifications, compliance with regulations, quality	Medium-term risk		✓	✓

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ESRS Standard	Impact/risk	IRO	Impact on Value Chain		
			Upstream	Own operations	Downstream
	standards				
	Lack of innovation and business acquisition on new technologies.	Medium-term risk	●		●

● impact
● risk

With reference to these issues, see the Policies, Actions and Objectives below.

4.2.3.1 Driving innovation also towards sustainable mobility and solutions

Regarding the entity-specific issue for Sogefi of driving innovation towards mobility and sustainable solutions, the Company identified one material risk and one impact:

- A current positive impact, associated with "*Reducing environmental impacts through new technologies and investment in research and development towards low-carbon mobility solutions*"
- A risk linked to "*Lack of innovation and business acquisition on new technologies*".

In relation to the identified risk, within the current landscape of technological transition, should Sogefi fail to successfully adjust its business model to evolving market, regulatory, and technological shifts, it may encounter the risk of:

i) losing market share as a result of an inability to develop innovative technologies and solutions demanded by the market or in response to competitors launching unique new products, and/or
ii) incurring increased expenses associated with the development of new products.

To address these risks and simultaneously strengthen its positive impact Sogefi invests in research and development, conducts market monitoring and benchmarking activities, and sustains ongoing communication with its customers and suppliers.

Below are the General Disclosures concerning the topic "Driving eco-innovation also towards mobility and sustainable solutions", including references to the sections of the Sustainability Statement where the related information has already been disclosed.

ESRS 2 - GENERAL DISCLOSURES	
ESRS 2 - GOV-1 Roles and responsibilities and access to expertise and skills with regard to entity-specific sustainability issues	The Board of Directors does not exercise direct management of innovation processes and opportunities, however the topic is typically managed by the Business Unit CEOs with BU R&D functions.
ESRS 2 - GOV-2 Entity-specific information on sustainability issues provided and addressed by the Company's administrative, management and control bodies	Sogefi has implemented an internal control and risk management system that involves specific roles and responsibilities, in accordance with the Corporate Governance Code, and that defines periodic communications to the Board of Directors. See sections *1.1.2.5 GOV-5 - Risk management and internal controls over sustainability Statement* and 1.1.2.1 *GOV-1 - The role of the administrative, management and supervisory bodies*

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ESRS 2 - GOV-3 Integration of entity-specific sustainability issues into incentive systems	See section *1.1.2.3 GOV-3 Integration of sustainability-related performance in incentive schemes*
ESRS 2 - GOV-4 Entity-specific due diligence processes	See section *1.1.2.4 GOV-4 Due Diligence Statement*
ESRS 2 - GOV-5 Risk management and internal controls over the sustainability process, including entity-specific sustainability issues	See section *1.1.2.5 GOV-5 - Risk management and internal controls over Sustainability Statement.*
ESRS 2 - SBM-1 Strategy relating to entity-specific sustainability issues	The introduction of innovative solutions represents a strategic lever to strengthen the Company's competitiveness, positioning it as a leading player in the sustainable technologies market. For more information, see section *1.1.3.1 SBM-1 - Strategy, Business Model and value chain*
ESRS 2 - SBM-2 Stakeholder interests and opinions on entity-specific sustainability issues	Sogefi attaches great importance to dialogue with its stakeholders and monitors closely their opinions and expectations. Regarding innovation, customers are the main stakeholders. For more information on stakeholder engagement and the integration of their interests and opinions, see section *1.1.3.2 SBM-2 - Stakeholder interests and opinions.*
ESRS 2 - SBM-3 Description and interaction with the strategy and business model and other information required by section 48 of ESRS 2 on the material impacts, risks and opportunities connected with entity-specific issues	Regarding the entity-specific issue of "Managing innovation and the transition to sustainable mobility solutions", Sogefi identified an applicable risk and impact: - Impact: reducing environmental impacts through strategic partnerships, new technologies and investment in research and development towards low-emission mobility solutions. - Risk: risks related to the lack of innovation and new technology acquisitions. Technological innovation that is ineffective or isn't in line with market demand (e.g. E-Mobility) and customer needs. For more information, see section *1.1.2.5 GOV-5 - Risk management and internal controls over sustainability statememet*.
ESRS 2 - IRO-1 Description of the process to identify and assess entity-specific material impacts, risk and opportunities	See section *1.1.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1), their interaction with the strategy and business model (SBM-3) and the related disclosure requirements included in this Sustainability Statement (IRO-2).*

Regarding this matter, Sogefi has not established a specific Policy; however, its Strategic Plan, approved by the Board of Directors, outlines a roadmap of actions focused on the gradual development of innovative solutions and products for electric mobility, but also, reflecting the evolving customer demand, growing focus on hybrid technologies.

To mitigate risks, the Group is strengthening its ability to respond to rapid market changes by streamlining internal processes and increasing agility and flexibility, in order to adapt more effectively to evolving customer needs and shorter development timelines.

Research and Development efforts are tailored and specific to each business line, incorporating competitor benchmarking and aligning internal technologies with shifting market trends. Within the Air & Cooling Business Unit, the objective remains to position the Company as a benchmark for battery cooling components, a field where it has introduced innovative technology and secured significant orders from key

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customers. Additionally, initiatives continue to enhance integration capabilities between plastic and aluminium and to develop efficient, high-quality production processes, such as laser welding technology. To mitigate risks during product development, the Group maintains a proactive stance by anticipating and adapting to changing customer needs through ongoing innovation.
Regarding the Suspensions Business Unit, the current technical roadmap centres on developing innovative design solutions aimed at reducing noise and vibration, while also anticipating forthcoming sustainability regulations, such as CMR-free paints, solvent-free adhesives, and surface treatment chemicals.

In this regard, following a testing phase last year, and from 2025 one plant of the Group started a process to completely transition towards CMR-free painting in order also to meet evolving customer expectations.

Regarding the entity-specific topic "Driving innovation also towards sustainable mobility and solutions", a target has been set on the KPI "Percentage of R&D spending on e-mobility products", calculated on the total R&D expenditure.

Below are the KPI results for 2025 and the related targets for the period 2026 - 2029:

ESRS Standards	KPIs	Target 2025	2025	ESG Plan 2026 - 2029
Entity Specific	Percentage of R&D spending on e-mobility products	59%	58%	2026: 55% 2027: 55% 2028: 55% 2029: 55%

More information on the target setting process can be found in section *1.1.3.1 SBM-1 - Strategy, Business Model and value chain.*

4.2.3.2 Customer satisfaction, including quality and warranty issues

Sogefi also identified a material impact and risk with regard to customer satisfaction, quality and warranty issues:

- A potentially negative material impact relating to the possible "Non-satisfaction of customers' expectations on quality standards and delivery times";
- A risk related to "Risk related to the non-satisfaction of customers' expectations regarding product reliability, specifications, compliance with regulations, quality standards".

Sogefi is committed to the adoption of the highest national and international technical standards and is consistently adapting its processes to best practices, so to ensure that products are aligned with customer expectations.
Any product defect and/or non-compliance with standards could lead to recall campaigns which, although financially mitigated by the specific international insurance programs in place, would have a negative impact on reputation and customer relations.

Below are entity-specific General Disclosures regarding "Customer satisfaction including quality and warranty issues", including references to the Sustainability Statement sections where this information has already been provided.

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ESRS 2 - GENERAL DISCLOSURES	
ESRS 2 - GOV-1	The Board of Directors of CIR does not exercise direct control over Sogefi's customer satisfaction issues, nor over quality and warranty issues. The Quality Managers of Sogefi's business lines are in charge of monitoring satisfaction through specific KPIs, as well as ongoing training and benchmarking activities, to ensure compliance with quality standards and respond to any complaints. For more information on roles and responsibilities and access to expertise regarding entity-specific sustainability issues, see ESRS 2 - GOV-1 (1.1.2.1 GOV-1 - The role of the administrative, management and supervisory bodies)
ESRS 2 - GOV-2	The administrative, management and control bodies of CIR are informed about the most material quality and warranty issues at Sogefi, mainly through the information flows established within the Risk Management system and/or during periodic progress reviews of business performance and ESG plans. Sogefi has implemented an internal control and risk management system that defines specific roles and responsibilities, including those relating to quality-related risks. For more details on information related to entity-specific sustainability issues provided to and addressed by the Company's administrative, management and control bodies, see ESRS2 - GOV-2 (1.1.2.2 GOV-2 - Information provided to Sogefi's administrative, management and supervisory bodies and sustainability issues addressed).
ESRS 2 - GOV-3	For Integration of sustainability-related performance in incentive schemes, see ESRS 2 - GOV-3 (*1.1.2.3 GOV- 3 Integration of sustainability-related performance in incentive schemes*)
ESRS 2 - GOV-4	For the Due Diligence Statement, see ESRS Section 2 - GOV-4 (*1.1.2.4 GOV-4 - Due Diligence Statement*)
ESRS 2 - GOV-5	For Risk management and internal controls over sustainability reporting, see ESRS 2 - GOV-5 (*1.1.2.5 GOV-5 Risk management and internal controls over Sustainability Statement*)
ESRS 2 - SBM-1	For Strategy, Business Model and value chain, see ESRS 2 - SBM-1 (*1.1.3.1 SBM-1 - Strategy, Business Model and value chain*)
ESRS 2 - SBM-2	For Stakeholders' interests and opinions, see ESRS 2 - SBM-2 (*1.1.3.2 SBM-2 Stakeholder interests and opinions*)
ESRS 2 - SBM-3	For Material impacts, risks and opportunities and their interaction with the strategy and business model, see ESRS 2 - SBM-3 (*1.1.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1), their interaction with the strategy and business model (SBM-3) and the related disclosure requirements included in this Sustainability Statement (IRO-2))*
ESRS 2 - IRO-1	For a Description of the process to identify and assess material impacts, risks and opportunities, see ESRS 2 - IRO-1 (*1.1.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1), their interaction with the strategy and business model (SBM-3) and the related disclosure requirements included in this Sustainability Statement (IRO-2))*

Quality Policies

In 2025, Sogefi updated its Quality Policy, with the publication of two dedicated documents for the Business Units. The policies enable the Group to achieve several key objectives, including:

- Establishing a clear direction towards quality objectives and aligning Sogefi's operations with its mission, vision, and goals;
- Demonstrating commitment to customers and meeting customer expectations;
- Ensuring compliance with applicable regulations and assessing potential risks and related and appropriate control systems;
- Fostering continuous improvement, encouraging ongoing evaluation and enhancement of processes, products, and services, and meeting IATF and ISO 9001 Standards.

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These Policies are established and shared by the Group's top management and apply globally.

Actions

As part of the actions implemented to manage quality risk, Sogefi carries out a comprehensive risk assessment in accordance with the industry standard Failure Mode and Effects Analysis (FMEA). This assessment identifies and evaluates potential risks related to design and processes, as well as the impact of projects on product quality, production, the environment, health and safety. The analysis covers the entire production life cycle.

The Group monitors overall quality performance and customer satisfaction through specific indicators. When necessary, an escalation process is activated to address any problems identified.
Each year, targets are set for each KPI at the plant level. These KPIs are collected and reviewed monthly, and the results are discussed during meetings between plant teams and the central team.

See the Explanatory and Supplementary Notes to the Consolidated Financial Statements-section "CURRENT PROVISIONS, NON-CURRENT PROVISIONS AND OTHER LIABILITIES" for details regarding the Product Warranty Provision as of 31/12/2025.

Targets

Regarding the entity-specific issue of "Customer satisfaction including quality and warranty issues", a target was set concerning the percentage of Sogefi sites certified in environmental, quality, and health and safety management systems, in accordance with international standards (IATF 16949, ISO 14001, ISO 45001).

ESRS Standards	KPIs	Target 2025	2025	ESG Plan 2026 - 2029
Entity Specific	Percentage of Sogefi sites with certified Environmental **(EV)**, Quality **(QL)** and Health & Safety **(HS)** systems that comply with international standards (IATF16949, ISO14001, ISO45001)	QL: 100% EV: 100% HS: 9 sites	QL: 100% EV: 100% HS: 9 sites	2026: QL: 100% EV: 100% HS: 10 sites 2027: QL: 100% EV: 100% HS: 11 sites 2028: QL: 100% EV: 100% HS: 12 sites 2029: QL: 100% EV: 100% HS: 13 sites

For more information, see section *1.1.3.1 SBM-1 - Strategy, Business Model and value chain.*

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ANNEX 1 - IRO-2 - ESRS Disclosure Requirements addressed by the Company's Sustainability Statement

Based on the material ESG topics identified through the Double Materiality analysis, applicable disclosure requirements and the related data points have been identified, taking into account the guidelines set out in the EFRAG Q&A ID 177 "Mapping of sustainability matters to topical disclosures." This document makes it possible to identify the correlation between material impacts, risks and opportunities and the related disclosure requirements.

Disclosure Requirements		Section
ESRS 2 GENERAL DISCLOSURE		
BP-1	General Criteria for Sustainability Statement	1.1.1.1 BP-1 General Criteria for Sustainability Statement
BP-2	Disclosures in relation to specific circumstances	1.1.1.2 BP-2 Disclosures in relation to specific circumstances
GOV-1	The role of the administrative, management and supervisory bodies	1.1.2.1 GOV-1 - The role of the administrative, management and supervisory bodies
GOV-2	Information provided to the Company's administrative, management and supervisory bodies and sustainability issues addressed	1.1.2.2 GOV-2 - Information provided to the Company's administrative, management and supervisory bodies and sustainability issues addressed
GOV-3	Integration of sustainability-related performance in incentive schemes	1.1.2.3 GOV- 3 - Integration of sustainability-related performance in incentive schemes
GOV-4	Due Diligence Statement	1.1.2.4 GOV-4 - Due Diligence Statement
GOV-5	Risk management and internal controls over Sustainability Statement	1.1.2.5 GOV-5 Risk management and internal controls over Sustainability Statement
SBM-1	Strategy, business model and value chain	1.1.3.1 SBM-1 - Strategy, Business Model and value chain
SBM-2	Stakeholder interests and opinions	1.1.3.2 SBM-2 Stakeholder interests and opinions
SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	1.1.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1), their interaction with the strategy and business model (SBM-3) and the related disclosure requirements included in this Sustainability Statement (IRO-2)
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	1.1.4.1 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities
IRO-2	ESRS disclosure requirements addressed in the Company's Sustainability Statement	1.1.4.2 IRO-2 - ESRS disclosure requirements addressed by the Company's Sustainability Statement
ESRS E1 CLIMATE CHANGE		
Disclosure requirement related to ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	2.2.1.2 Integration of sustainability-related environmental performance in incentive schemes
E1-1	Transition plan for climate change mitigation	2.2.1.1 E1-1 Transition plan for climate change mitigation

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Disclosure Requirements		Section
Disclosure Requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	2.2.1.3 Material impacts, risks and opportunities and their interaction with the strategy and business model
Disclosure Requirement related to ESRS 2 SBM-1	Description of the process to identify and assess material impacts, risks and opportunities related to climate	2.2.2.1 ESRS 2 E1 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to climate
E1-2	Policies related to climate change mitigation and adaptation	2.2 POLICIES
E1-3	Actions and resources in relation to climate change policies	2.2.2.1 E1-3 Actions and resources in relation to climate change policies
E1-4	Targets related to climate change mitigation and adaptation	2.2.3.1 E1-4 Targets related to climate change mitigation and adaptation
E1-5	Energy consumption and mix	2.2.3.2 E1-5 Reporting on energy consumption and energy mix
E1-6	Gross Scope 1, 2 and 3 emissions and total GHG emissions	2.2.3.3 E1-6 Gross Scope 1, 2 and 3 emissions and total GHG emissions
ESRS E2 POLLUTION		
Disclosure Requirement related to ESRS 2 SBM-1	Description of the process to identify and assess material impacts, risks and opportunities related to pollution	1.1.5 DISCLOSURES ON NON-MATERIAL ENVIRONMENTAL TOPICS - ESRS E2, E3, E4
ESRS E3 WATER AND WASTE MARINE		
Disclosure Requirement related to ESRS 2 SBM-1	Description of the process to identify and assess material impacts, risks and opportunities related to water and marine resources	1.1.5 DISCLOSURES ON NON-MATERIAL ENVIRONMENTAL TOPICS - ESRS E2, E3, E4
ESRS E4 BIODIVERSITY AND ECOSYSTEMS		
Disclosure Requirement related to ESRS 2 SBM-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	1.1.5 DISCLOSURES ON NON-MATERIAL ENVIRONMENTAL TOPICS - ESRS E2, E3, E4
ESRS E5 CIRCULAR ECONOMY		
Disclosure Requirement related to ESRS 2 SBM-1	Description of the process to identify and assess material impacts, risks and opportunities related to resource use and the circular economy	2.3.1.1 ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
E5-1	Policies related to resource use and circular economy	2.1 POLICIES
E5-2	Actions and resources related to resource use and circular economy	2.3.1.2 E5-2 Actions and resources related to resource use and circular economy
E5-3	Targets related to resource use and circular economy	2.3.2.1 E5-3 Targets related to resource use and circular economy
E5-4	Resource inflows	2.3.2.2 E5-4 Reporting on resource inflows
E5-5	Resource outflows	2.3.2.3 E5-5 Reporting on resource outflows
ESRS S1 OWN WORKFORCE		
Disclosure Requirement related to ESRS 2 SBM-2	Stakeholder interests and opinions	1.1.3.2 SBM-2 Stakeholder interests and opinions
Disclosure Requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	3.2.1.2 Material impacts, risks and opportunities and their interaction with the strategy and business model

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Disclosure Requirements		Section
S1-1	Policies related to own workforce	3.1 POLICIES
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	3.2.2.1 S1-2 - Processes for engaging with own workforce and workers' representatives about impacts
S1-3	Processes to remedy negative impacts and channels for own workers to report them	3.2.2.2 S1-3 - Processes to remedy negative impacts and channels for own workers to report them
S1-4	Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to own workforce, as well as effectiveness of those actions	3.2.2.3 S1-4 - Action plans for the mitigation of material impacts and risks, as well as for the pursuit of material opportunities in relation to own workforce, and the effectiveness of such actions
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.3.1 S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S1-6	Characteristics of the Company's employees	3.2.3.2 S1-6 - Characteristics of the Company's employees
S1-7	Characteristics of non-employees in the Company's own workforce	3.2.3.3 S1-7 Characteristics of non-employees in the Company's own workforce
S1-8	Collective bargaining coverage and social dialogue	3.2.3.4 S1-8 Collective bargaining coverage and social dialogue
S1-9	Diversity metrics	3.2.3.5 S1-9 - Diversity metrics
S1-10	Salary adequacy	3.2.3.6 S1-10 - Adequate wages
S1-13	Training and skills development metrics	3.2.3.7 S1-13 - Training and skills development metrics
S1-14	Health and safety metrics	3.2.3.8 S1-14 - Health and safety metrics
S1-16	Remuneration metrics (pay gap and total remuneration)	3.2.3.9 S1-16 - Remuneration metrics (pay gap and total remuneration)
S1-17	Incidents, complaints and severe human rights impacts	3.2.3.10 S1-17 - Incidents, complaints and severe human rights impacts
ESRS S2 WORKERS IN THE VALUE CHAIN		
Disclosure Requirement related to ESRS 2 SBM-2	Stakeholder interests and opinions	1.1.3.2 SBM-2 Stakeholder interests and opinions
Disclosure Requirement related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	3.2.1.2 Material impacts, risks and opportunities and their interaction with the strategy and business model
S2-1	Policies related to value chain workers	3.1 POLICIES
S2-3	Processes to remedy negative impacts and channels for value chain workers to raise concerns	3.3.2.1 S2-3- Processes to remedy negative impacts and channels for value chain workers to report them
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.3.2.2 S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain

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Disclosure Requirements		Section
		workers, and effectiveness of those actions
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3.3.1 S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS G1 BUSINESS CONDUCT		
Disclosure requirement related to ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	4.2.1.1 ESRS 2 GOV-1-The role of the administrative, management and supervisory bodies
G1-1	Business conduct policies and corporate culture	4.1 POLICIES
G1-2	Managing relations with suppliers	4.2.2.1 G1-2 - Managing relations with suppliers
G1-3	Prevention and detection of active and passive bribery	4.2.2.2 G1-3 - Prevention and detection of active and passive bribery
G1-4	Incidents of corruption or bribery	4.2.2.3 G1-4 - Proven cases of corruption or bribery
G1-6	Payment practices	4.2.2.4 G1-6 - Payment practices
ADDITIONAL ENTITY-SPECIFIC INFORMATION		
Entity Specific	Managing innovation and transition to sustainable mobility solutions	4.2.3.1 Driving innovation also towards sustainable mobility and solutions
Entity Specific	Customer satisfaction, including quality and warranty issues	4.2.3.2 Customer satisfaction, including quality and warranty issues.

Below are the disclosure requirements deriving from other European Union regulatory sources, as listed in Appendix B of the ESRS Standards, with a reference to the specific sections of the Sustainability Statement in which they are presented. The summary also includes disclosure requirements that Sogefi has assessed as not material, in which case the term “not material” is indicated in the table in accordance with section 35 of ESRS 1.

Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
ESRS 2 GOV-1	21 (d)	Board’s gender diversity	Annex I, Table 1, Indicator no. 13		Commission Delegated Regulation (EU) 2020/1816, Annex II		1.1.2.1 GOV-1 - The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		1.1.2.1 GOV-1 - The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4	30	Due Diligence Statement	Annex I, Table 3, Indicator no. 10				1.1.2.4 GOV-4 Due Diligence Statement
ESRS 2 SBM-	40 (d)	Involvement in	Annex I,	Art. 449a of	Delegated		1.1.3.1 SBM-1 -

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Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
1	i	activities related to fossil fuel activities	Table 1, Indicator no. 4	Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Regulation (EU) 2020/1816, Annex II		Strategy, Business Model and value chain
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Annex I, Table 2, Indicator no. 9		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Annex I, Table 1, Indicator no. 14		Art. 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Art. 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
MDR-P	65	Policies adopted to manage material sustainability matters					2.1 POLICIES; 3.1 POLICIES; 4.1 POLICIES
MDR-A	68	Actions and resources in relation to material sustainability matters					2.2.2.1 E1-3 Actions and resources in relation to climate change policies; 2.3.1.2 E5-2 Actions and resources related to resource use and circular economy; 3.2.2.3 S1-4 - Action plans for the mitigation of material impacts and

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Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
							risks, as well as for the pursuit of material opportunities in relation to own workforce, and the effectiveness of such actions; 3.3.2.2 S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions; 4.2.2.3 G1-4 - Proven cases of corruption or bribery; 4.2.3.1 Driving innovation also towards sustainable mobility and solutions; 4.2.3.2 Customer satisfaction, including quality and warranty issues.
MDR-T	77-79	Tracking effectiveness of policies and actions through targets					2.2.3.1 E1-4 Targets related to climate change mitigation and adaptation; 2.3.2.1 E5-3 Targets related to resource use and circular economy; 3.2.3.1 S1-5

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Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
							- Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities; 3.3.3.1 S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities; 4.2.3.1 Driving innovation also towards sustainable mobility and solutions 4.2.3.2 Customer satisfaction, including quality and warranty issues.
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				Art. 2(1) of Regulation (EU) 2021/1119	
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned benchmarks		Art. 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and	Art. 12(1)(d) to 12(1)(g) and 12(2) of Delegated Regulation (EU) 2020/1818		2.2.1.1 E1-1 Transition plan for climate change mitigation

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Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
				residual maturity			
ESRS E1-4	34	GHG emission reduction targets	Annex I, Table 2, Indicator no. 4	Art. 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Art. 6 of Delegated Regulation (EU) 2020/1818		
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only sectors with a high climate impact)	Annex I, Table 1, Indicator no. 5 and Annex I, Table 2, Indicator no. 5				2.2.3.2 E1-5 Reporting on energy consumption and energy mix
ESRS E1-5	37	Energy consumption and mix	Annex I, Table 1, Indicator no. 5				
ESRS E1-5	40-43	Energy intensity associated with activities in sectors with a high climate impact	Annex I, Table 1, Indicator no. 6				
ESRS E1-6	44	Gross Scope 1, 2 and 3 emissions and total GHG emissions	Annex I, Table 1, Indicators no. 1 and 2	Art. 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1:	Art. 5(1), Art. 6 and Art. 8(1) of Delegated Regulation (EU) 2020/1818		2.2.3.3 E1-6 Gross Scope 1, 2 and 3 emissions and total GHG emissions
ESRS E1-6	53-55	Gross GHG emissions intensity	Annex I, Table 1, Indicator no. 3	Art. 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Art. 8(1) of Delegated Regulation (EU) 2020/1818		
ESRS E1-7	56	GHG removals and carbon credits					Not material
ESRS E1-9	66	Exposure of the benchmark portfolio to			Delegated Regulation (EU)		Phase-in

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Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
		climate-related physical risks			2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		Art. 449a of Regulation (EU) No. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phase-in
ESRS E1-9	67 (c)	Breakdown of carrying value of real estate assets by energy-efficiency classes		Art. 449a of Regulation (EU) No. 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Transition risk related to climate change: Loans collateralized by immovable property - Energy efficiency of the collateral			Phase-in
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	Annex I, Table 1, Indicator no. 8; Annex I, Table 2, Indicator no. 2; Annex 1, Table 2, Indicator no. 1; Annex I, Table 2, Indicator no. 3				Not material

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Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
ESRS E3-1	9	Water and marine resources	Annex I, Table 2, Indicator no. 7				Not material
ESRS E3-1	13	Dedicated policy	Annex I, Table 2, Indicator no. 8				Not material
ESRS E3-1	14	Sustainable oceans and seas	Annex I, Table 2, Indicator no. 12				Not material
ESRS E3-4	28 (c)	Total water recycled and reused	Annex I, Table 2, Indicator no. 6.2				Not material
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	Annex I, Table 2, Indicator no. 6.1				Not material
ESRS 2- SBM 3 - E4	16 (a) i		Annex I, Table 1, Indicator no. 7				Not material
ESRS 2- SBM 3 - E4	16 (b)		Annex I, Table 2, Indicator no. 10				Not material
ESRS 2- SBM 3 - E4	16 (c)		Annex I, Table 2, Indicator no. 14				Not material
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	Annex I, Table 2, Indicator no. 11				Not material
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	Annex I, Table 2, Indicator no. 12				Not material
ESRS E4-2	24 (d)	Policies to address deforestation	Annex I, Table 2, Indicator no. 15				Not material
ESRS E5-5	37 (d)	Non-recycled waste	Annex I, Table 2, Indicator no. 13				2.3.2.3 E5-5 Reporting on resource outflows
ESRS E5-5	39	Hazardous waste and radioactive waste	Annex I, Table 1, Indicator no. 9				
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	Annex I, Table 3, Indicator no. 13				3.2.1.2 Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	Annex I, Table 3, Indicator no. 12				
ESRS S1-1	20	Human rights policy commitments	Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11				3.1 POLICIES

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Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	Annex I, Table 3, Indicator no. 11				
ESRS S1-1	23	Workplace accident prevention policy or management system	Annex I, Table 3, Indicator no. 1				
ESRS S1-3	32 (c)	Grievance/ complaints handling mechanisms	Annex I, Table 3, Indicator no. 5				3.2.2.2 S1-3 - Processes to remedy negative impacts and channels for own workforce to raise concerns
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Annex I, Table 3, Indicator no. 2		Delegated Regulation (EU) 2020/1816, Annex II		3.2.3.8 S1-14 - Health and safety metrics
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or diseases	Annex I, Table 3, Indicator no. 3				
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Annex I, Table 1, Indicator no. 12		Delegated Regulation (EU) 2020/1816, Annex II		3.2.3.9 S1-16 - Remuneration metrics (pay gap and total remuneration)
ESRS S1-16	97 (b)	Excess pay gap in favour of the CEO	Annex I, Table 3, Indicator no. 8				
ESRS S1-17	103 (a)	Incidents of discrimination	Annex I, Table 3, Indicator no. 7				3.2.3.10 1-17 - Incidents, complaints and severe human rights impacts
ESRS S1-17	104 (a)	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, Indicator no. 10 and Annex I, Table 3, Indicator no. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Art. 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS 2- SBM3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	Annex I, Table 3, Indicators no. 12 and 13				3.3.1.2 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

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Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
ESRS S2-1	17	Human rights policy commitments	Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11				3.1 POLICIES
ESRS S2-1	18	Policies related to value chain workers	Annex I, Table 3, Indicators no. 11 and 4				
ESRS S2-1	19	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, Indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Art. 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S2-4	36	Human rights issues and incidents connected to the upstream and downstream value chain	Annex I, Table 3, Indicator no. 14				3.3.2.2 S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S3-1	16	Human rights policy commitments	Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11				Not material
ESRS S3-1	17	Failure to comply with the UN Guiding Principles on Business and Human Rights, the ILO principles or and the OECD guidelines	Annex I, Table 1, Indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Art. 12(1) of Delegated Regulation (EU) 2020/1818		Not material
ESRS S3-4	36	Human rights	Annex I,				Not material

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Disclosure Requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/Note
		issues and incidents	Table 3, Indicator no. 14				
ESRS S4-1	16	Policies related to consumers and end-users	Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11				Not material
ESRS S4-1	17	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, Indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Art. 12(1) of Delegated Regulation (EU) 2020/1818		Not material
ESRS S4-4	35	Human rights issues and incidents	Annex I, Table 3, Indicator no. 14				Not material
ESRS G1-1	10 (b)	United Nations Convention against Corruption	Annex I, Table 3, Indicator no. 15				4.1 POLICIES
ESRS G1-1	10 (d)	Protection of whistleblowers	Annex I, Table 3, Indicator no. 6				
ESRS G1-4	24 (a)	Fines for violations of laws on active and passive bribery	Annex I, Table 3, Indicator no. 17		Delegated Regulation (EU) 2020/1816, Annex II)		4.2.2.3 G1-4 - Proven cases of corruption or bribery
ESRS G1-4	24 (b)	Rules for combating active and passive bribery	Annex I, Table 3, Indicator no. 16				

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ANNEX 2 - DISCLOSURES ON NON-MATERIAL ENVIRONMENTAL TOPICS - ESRS E2, E3, E4

As part of the Double Materiality analysis, Sogefi assessed the topics of pollution, water resources, and biodiversity.[38]

ESRS E2 Pollution

All Sogefi sites have obtained ISO 14001:2015 certification, which also requires the implementation of an Environmental Management System (EMS) that includes the management of air, water, and soil pollution risks. In addition to this framework, Sogefi adopts several specific measures aimed at preventing pollution and mitigating potential environmental impacts, including:

- training activities for personnel on emergency management;
- installation of containment systems to prevent accidental spills;
- installation of nets in stormwater drainage systems;
- periodic analyses of emissions and discharges, both into the atmosphere and wastewater, in order to monitor compliance with applicable limits and identify potential areas for improvement;
- periodic audits of chemical storage areas to verify compliance with internal procedures and regulatory requirements.

Sogefi examined the use of polluting substances (as per Regulation (EC) No. 166/2006 – Annex II), substances of concern (as per Regulation (EC) No. 1272/2008), and substances of very high concern (as per Regulation (EC) No. 1907/2006 – Annex XIV) within its production sites and business activities, in order to identify actual and potential impacts, risks, and opportunities. However, these topics were assessed as not material for both the Group's own operations and its value chain.

ESRS E3 Water and Marine resources

Given that all sites have obtained ISO 14001:2015 certification, which also requires the implementation of an Environmental Management System (EMS) including the management of risks related to water pollution and marine resources, the analyses conducted concluded that the Group's production processes are not particularly water-intensive. Therefore, this topic has been assessed as non-material.

ESRS E4 Biodiversity and Ecosystems

Given that all sites have obtained ISO 14001:2015 certification, which also requires the implementation of an Environmental Management System (EMS) that includes the management of impacts on natural resources and ecosystems, the analyses carried out have led to assessing this topic as not material.

[38] According to the ESRS Standards, a topic is considered "non-material" when potentially applicable connected IROs are identified, but these are assessed as non-material within the Double Materiality assessment. A topic is considered "not applicable" when no connected IROs are identified, not even potentially applicable (e.g., due to the type of business/activities).

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ANNEX 3 - GLOSSARY

Administrative, management and supervisory bodies
The Company is organized according to a traditional management and control model, with a Shareholders' Meeting, a management body (the Board of Directors) and a control body (the Board of Statutory Auditors)..

CMR (Carcinogenic, Mutagenic, or Reprotoxic substances)
Chemical substances classified as carcinogenic, mutagenic, or toxic for reproduction.

CO_2 equivalents (CO_2e)
Conversion of different greenhouse gas emissions into equivalent amounts of carbon dioxide (CO_2).

Code of Ethics
It defines the fundamental principles and values of the organization, such as integrity, transparency, fairness, and social responsibility. The Code of Ethics guides the behavior of employees and stakeholders, ensuring that business activities are conducted ethically and in compliance with applicable laws.

CSRD (Corporate Sustainability Reporting Directive)
European Directive (EU 2022/2464) that expands and strengthens sustainability reporting obligations for companies, introducing more rigorous and standardized requirements for the disclosure of environmental, social, and governance (ESG) information. CSRD aims to improve transparency and comparability of sustainability information for investors and stakeholders.

CSRD Decree
Italian legislation (Legislative Decree No. 125/2024) that transposes the CSRD Directive into national law, defining the methods, timing, and criteria for the publication and certification of sustainability information by Italian companies subject to reporting obligations.

EFRAG (European Financial Reporting Advisory Group)
European body responsible for developing and proposing financial and sustainability reporting standards, including the ESRS, to ensure that information disclosed by companies is reliable, comparable, and useful for investors and other stakeholders.

ESG (Environmental, Social, Governance)
Term referring to the three dimensions of corporate responsibility related to sustainability: environmental, social, and governance.

ESRS (European Sustainability Reporting Standards)
Technical standards developed by EFRAG that define the content, criteria, and methods for sustainability reporting according to the CSRD. ESRS cover environmental, social, and governance aspects and are mandatory for companies subject to the directive.

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EU taxonomy
Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

GHG (Greenhouse Gas)
The gases listed in Part 2 of Annex V of Regulation (EU) 2018/1999 of the European Parliament and of the Council. These include Carbon dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O), Sulphur hexafluoride (SF_6), Nitrogen trifluoride (NF_3), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs).

IATF 16949
International standard specific to the automotive sector that defines quality management system requirements, aiming to improve product quality and customer satisfaction throughout the supply chain.

ILO (International Labour Organization)
A United Nations agency, like UNIDO, FAO, and UNESCO, specializing in labour issues and bringing together representatives of governments, employers, and workers.

ISO 14001
International standard specifying requirements for an effective environmental management system, helping organizations improve environmental performance, comply with regulations, and reduce environmental impact.

ISO 45001
International standard for occupational health and safety management systems, aimed at preventing workplace injuries and illnesses by improving working conditions.

ISO 50001
International standard establishing requirements for an energy management system, aimed at improving energy efficiency and reducing consumption and related emissions.

TISAX (Trusted Information Security Assessment Exchange)
Cross-company testing and exchange process for information security in the automotive industry. Focuses on data protection, data integrity, and data availability in the production process and the operation of vehicles.

Top Management
Business Unit CEOs and Key Function Managers

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OTHER INFORMATION

RELATED PARTY TRANSACTIONS

The Company's Board of Directors has established a Related Party Transactions Committee and adopted the Procedure for Related Party Transactions (the "Procedure"), which establishes the principles of conduct and the rules adopted by Sogefi S.p.A. to ensure the transparency and substantive and procedural fairness of transactions with its related parties carried out by the Company directly or through its subsidiaries. The Procedure was last updated on 28 June 2021, subject to the favourable opinion of the Committee for Related Party Transactions, in order to incorporate the changes introduced by Consob Regulation no. 21624 of 10 December 2020 and has been in force since 1 July 2021.

The Procedure is available on the Company's website at www.sogefigroup.com, in the "Investor – Corporate Governance" section.

According to the Procedure, the Committee for Related Party Transactions, on the basis of information received from the Executive responsible for preparing corporate accounting documents, examines the report on:

i. individual Transactions of Greater Importance concluded during the financial year;

ii. any other Transaction with Related Parties, pursuant to article 2427, paragraph 1, of the Italian Civil Code, concluded in the financial year, which have had a significant impact on the Company's financial position or results;

iii. any modification or development of the Related Party Transactions described in the last annual report that had significant effects on the financial position or results of the companies during the financial year.

As a result of the analysis carried out, it should be noted that: (i) there were no Transactions of Greater Importance concluded during the year; (ii) there were no other Related Party Transactions, pursuant to article 2427, first paragraph, of the Italian Civil Code, concluded during the year, which had a material effect on the Company's financial position or results, (iii) there were no changes in, or developments relating to, the Related Party Transactions described in the previous annual report which had a material effect on the Company's financial position or results during the year.

Information on the most important economic transactions and balances with related parties is provided in the explanatory and supplementary notes to the consolidated financial statements, in the section entitled "Related Party Transactions", as well as in the explanatory and supplementary notes to the statutory financial statements.

Dealings between Group companies are conducted at arm's length, taking into account the quality and type of services rendered.

In accordance with Art. 2497-*bis* of Italian Civil Code, we point out that Sogefi S.p.A. is subject to policy guidance and coordination by its parent company CIR S.p.A.

CORPORATE GOVERNANCE

The "Annual Report on Corporate Governance" for 2025 was approved on 27 February 2026, at the meeting of the Board of Directors that was called to approve the draft financial statements for the year ended 31 December 2025, and is made available to Shareholders as provided for by the law. The Report will also be available on the

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Company's website at www.sogefigroup.com, in the "Investor – Corporate Governance" section.

The Report also contains the information prescribed by Art. 123-*bis* of Italian Financial Consolidated Law, including information on ownership structures and compliance with the code of conduct that the Company has adopted. The overall "Corporate Governance" framework of the Company is substantially in line with the principles and recommendations contained in the Corporate Governance Code for Listed Companies introduced, in its latest version, in January 2020, by the Corporate Governance Committee to which Company Associations, Borsa Italiana S.p.A. and Assogestioni belong.

As regards Italian Legislative Decree no. 231/2001, which brings domestic regulations on administrative liability of legal entities into line with the international conventions signed by Italy, in February 2003 the Board of Directors adopted a Code of Ethics for the Sogefi Group (as subsequently amended and integrated). The Code clearly defines the values that the Group believes in as the basis on which to achieve its objectives. It lays down rules of conduct which are binding on directors, employees and others who have ongoing relations with the Group.

On 26 February 2004 the Company also adopted an "Organization, Management and Control Model as per Italian Legislative Decree no. 231 of 8 June 2001" following the guidelines of the decree, with a view to ensuring conditions of fairness and transparency in the carrying on of the company's affairs and business activities. Such Organization, Management and Control Model was approved by the Board of Directors in the version updated in July 2025. The updating activity did not entail any substantial changes in terms of the structure of the Organization Model, except (i) the updating of the list of offences in the General Section and in the Special Section and (ii) the addition of a special section devoted to offences relating to non-cash payment instruments.

A Supervisory Body was also set up with the task of monitoring the functioning, effectiveness and observance of the Model, as laid down in the decree.

TREASURY SHARES

As at 31 December 2025, the Parent Company has 902,451 treasury shares in its portfolio (having a nominal value of Euro 0.52), corresponding to 0.75% of share capital. In 2025, treasury shares decreased after they were assigned to beneficiaries of stock-based compensation plans.

DECLARATIONS PURSUANT TO ARTICLES 15 AND 16 OF MARKET REGULATION (ADOPTED WITH CONSOB REGULATION NO. 20249 OF 28 DECEMBER 2017)

In accordance with the obligations set forth in article 2.6.2. of the Regulations of Borsa Italiana [Italian Stock Exchange], and with reference to the requirements referred to in articles 15 and 16 of Consob Resolution no. 20249 of 28 December 2017, it is hereby stated that there are no circumstances such as to prevent the listing of Sogefi stock on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. insofar as: Sogefi S.p.A. (the "Company") has obtained the articles of association and the composition and powers of the related control bodies from foreign subsidiaries based in countries that are not part of the European Union and are of material significance to the Company; the same foreign subsidiaries provide the Company's

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auditor with information necessary to perform annual and interim audits of Sogefi and use an administrative/accounting system appropriate for regular reporting to the Management and to the auditors of the Company of the income statement, balance and financial data necessary for the preparation of the consolidated financial statements.

Sogefi S.p.A. will also publish the financial statements of foreign subsidiaries (based in non-European countries and with material significance to the Company), prepared for the purpose of the consolidated financial statements as at 31 December 2024, in accordance with the procedures indicated in the Consob regulation.

In consideration of the fact that Sogefi is subject to policy guidance and coordination by its parent company CIR – Compagnie Industriali Riunite S.p.A., it is also hereby stated that there are no circumstances such as to prevent the listing of Sogefi stock on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. insofar as the Company has fulfilled its publication obligations pursuant to article 2497-*bis* of Italian Civil Code.

Sogefi has independent decision-making powers in relations with customers and suppliers, and does not hold a cash pooling system with CIR. The Company has a cash pooling system with its subsidiaries that satisfies the interest of the company. This situation enables the Group's finances to be centralised, thus reducing the need to utilise funding from banks, and therefore minimising financial expense.

The Company has set up the Control, Risk and Sustainability Committee, the Committee for Related Party Transactions and the Appointment and Remuneration Committee, all of which are currently composed exclusively of Independent Directors.

Lastly, it is hereby stated that the Company's Board of Directors comprised nine members, six of which are Independent Directors, and therefore a sufficient number to guarantee that their contribution has an adequate weight when taking board decisions.

EXEMPTION FROM THE OBLIGATION TO PUBLISH INFORMATION DOCUMENTS UNDER ARTICLE 70, PARAGRAPH 8 AND ARTICLE 71, PARAGRAPH 1-BIS OF THE RULES FOR ISSUERS

In relation to art. 70, paragraph 8 and art. 71, paragraph 1-bis of Consob Regulation no. 11971/99, the Board of Directors resolved to make use of the exemption from the obligation to publish the information documents required for significant transactions consisting in mergers, spin-offs, capital increases by means of the conferral of assets in kind, takeovers and transfers.

OTHER

SOGEFI S.p.A. has its registered office at Via Ciovassino 1, Milan (Italy) and its offices at Avenue Claude Monet 1, Guyancourt (France).

The Sogefi stock has been listed on the Milan Stock Exchange since 1986 and has been traded on the STAR segment (now Euronext STAR Milan) since January 2004.

This report, which relates to the period 1 January to 31 December 2025, was approved by the Board of Directors on 27 February 2026.

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PROPOSED ALLOCATION OF NET PROFIT FOR THE YEAR

The financial statements as at 31 December 2025 that we submit for your approval shows a net profit of Euro 28,054,264.85, which we propose to fully allocate to "Retained earnings" reserve, given that the "Legal Reserve" has already reached 20% of the share capital, pursuant to Article 2430 of the Italian Civil Code.

Milan, 27 February 2026

For THE BOARD OF DIRECTORS
The Executive Chairwoman
Monica Mondardini

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ANNEX: NOTES RECONCILING THE FINANCIAL STATEMENTS SHOWN IN THE REPORT ON OPERATIONS AND THE FINANCIAL STATEMENTS CONTAINED IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY'S STATUTORY FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IAS/IFRS

Notes relating to the Consolidated Financial Statements

(a) The heading agrees with the sum of the line items "Manufacturing and R&D overheads", "Distribution and sales fixed expenses" and "Administrative and general expenses" of the Consolidated Income Statement;

(b) the heading agrees with the sum of the line items "Losses (gains) on disposal", "Exchange (gains) losses" and "Other non-operating expenses (income)", with the exception of the amount relating to write-downs of tangible and intangible fixed assets of the Consolidated Income Statement;

(c) the heading agrees with the sum of the line items "EBIT", "Depreciation and Amortization" and the write-downs of tangible and intangible fixed assets included in the item "Other non-operating expenses (income)" of the Consolidated Income Statement;

(d) the heading agrees with the sum of the line items "Depreciation and amortization" and the write-downs of tangible and intangible fixed assets included in the item "Other non-operating expenses (income)" of the Consolidated Income Statement;

(e) the heading mainly includes the sum of the line items "Result for the period" (excluding the Operating results, net of tax effects, of the discontinued operations), "Net income (loss) of held for sale activities, net of tax effects", "Non-controlling interests", "Depreciation, amortization and writedowns", "Accrued costs for stock-based incentive plans", "Provisions for risks and restructuring" and "Post-retirement and other employee benefits" in the Consolidated Cash Flow Statement with the exception of the financial component relating to pension funds and the deferred taxes included in the item "Income taxes";

(f) the heading is included in line item "Other medium/long-term assets/liabilities" in the Consolidated Cash Flow Statement;

(g) the heading agrees with the sum of the line items "Losses/(gains) on disposal of fixed assets and non-current assets held for sale", "Cash receipts from the sale of property, plant and equipment and disposal of non-current assets held for sale" and "Cash receipts from the sale of intangible assets" in the Consolidated Cash Flow Statement;

(h) the heading agrees with the line items "Exchange differences" in the Consolidated Cash Flow Statement, excluding exchange differences on medium/long-term financial receivables and payables;

(i) these headings differ from those shown in the Consolidated Cash Flow Statement as they refer to the total net financial position and not just to cash and cash equivalents;

(j) The following is a reconciliation between the "Free cash flow from discontinued operations" contained in the Report on Operations and the "Total cash flow from discontinued operations" (of the Consolidated Cash Flow Statement), as presented in Note 35 "Income (loss) from discontinued operations, net of tax effects":

(in thousands of Euro)	2025
Cash flow from operating activities from discontinued operations	(75)
Cash flow from investing activities from discontinued operations	(1,360)
Total cash flow from discontinued operating activities (Statement of Cash Flows)	**(1,435)**
Free cash flow from discontinued operating activities (Management Report)	**(1,435)**

(l) the heading agrees with the sum of the line items "Inventories", "Trade receivables", "Other receivables", "Current tax assets", "Other assets" and "Assets held for sale" in the Consolidated Statement Of Financial Position;

(m) the heading agrees with the sum of the line items "Trade and other payables", "Current tax liabilities", "Other current liabilities" and "Liabilities directly related to assets held for sale" in the Consolidated Statement Of Financial Position;

(n) the item corresponds to the line "Other financial assets held for sale" included in the line "Other financial assets - non-current" in the Consolidated Statement of Financial Position;

(o) the heading agrees with the sum of the line items "Land", "Property, plant and equipment", "Other tangible fixed assets", "Rights of use", "Intangible assets", "Other receivables" and "Deferred tax assets" in the Consolidated Statement Of Financial Position;

(p) the heading agrees with the sum of the line items "Current provisions", "Non-current provisions" and "Deferred tax liabilities" in the Consolidated Statement of Financial Position;

(q) the heading agrees with the line item "Other payables" in the Consolidated Statement Of Financial Position;

(r) the heading agrees with the sum of the line items "Cash and cash equivalents", "Other financial assets – current", "Other financial assets - non-current" (excluding the amount of "Other financial assets held for sale"), "Financial receivables – non-current", "Bank overdrafts and short-term loans", "Current portion of medium/long-term financial debts and other loans", "Current financial payables for rights of use", "Other short-term liabilities for derivative financial instruments", "Non-current bank liabilities", "Non-current portion of medium/long-term financial debts and other loans", "Medium/long-term financial payables for rights of use" and "Other medium/long-term liabilities for derivative financial instruments" in the Consolidated Statement Of Financial Position.

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Notes relating to the Parent Company's Statutory Financial Statements

(s) This item is included in "Non-financial services" in the Parent Company's Income Statement;
(t) the heading agrees with the sum of the line items "Trade receivables", "Other receivables", "Current tax assets" and "Other assets" in the Statement of Financial Position of the Parent Company;
(u) the heading agrees with the sum of the line items "Trade and other payables" ("Debiti commerciali e altri debiti") and "Tax payables" ("Debiti per imposte") in the Parent Company's statutory Statement Of Financial Position;
(v) the heading agrees with the line item "Equity investments in subsidiaries" ("Partecipazioni in società controllate") in the Parent Company's statutory Statement Of Financial Position;
(w) the heading agrees with the sum of the line items "Investment property: Land", "Investment property: Other property", "Other tangible fixed assets", "Rights of use", "Intangible assets", "Other receivables" and "Deferred tax assets" in the Statement Of Financial Position of the Parent Company;
(x) the heading agrees with the line item "Long term funds" ("Fondi a lungo termine") in the Parent Company's statutory Statement Of Financial Position;
(y) the heading is included in line items "Net profit" ("Utile netto d'esercizio"), "Income taxes" ("Imposte sul reddito"), "Dividends" ("Dividendi"), "Net financial expenses" ("Oneri finanziari netti"), "Writedown/Writeup and disposal of equity investments in subsidiaries" ("Svalutazione/Rivalutazione e cessione partecipazioni in società controllate"), "Depreciation and amortisation" ("Ammortamenti immobilizzazioni materiali e immateriali"), "Change in fair value of investment properties" ("Variazione fair value investimenti immobiliari"), "Accrued costs for stock-based incentive plans" ("Accantonamenti costi per piani di incentivazione basati su azioni"), "Exchange differences on private placement" ("Differenze cambio su private placement"), "Exchange differences on cross-currency swaps" ("Differenze cambio su Cross currency swap"), "Net change in provision for employment termination indemnities" ("Variazione netta fondo trattamento di fine rapporto"), "Current income taxes collected/(paid)" ("Imposte correnti sul reddito incassate/(pagate)), "Dividends collected" ("Dividendi incassati") and "Net financial expenses paid" ("Proventi/Oneri finanziari netti pagati") of the Parent Company's statutory Cash Flow Statement;
(z) the heading is included in line items "Change in net working capital" ("Variazione del capitale circolante netto"), "Change in tax receivables/payables" ("Variazione dei crediti/debiti per imposte"), "Other medium/long-term assets/liabilities" ("Altre attività/passività a medio lungo termine"), "Current income taxes collected/(paid)" ("Imposte correnti sul reddito incassate/(pagate)") and "Income taxes" ("Imposte sul reddito") of the Parent Company's statutory Cash Flow Statement;
(aa) the heading is included in the line "Other medium/long-term assets/liabilities" and "Accrued costs for stock-based incentive plans" in the Parent Company's Cash Flow Statement;
(bb) these headings differ from those shown in the Parent Company's statutory cash flow statement as they refer to the total net financial position and not just to cash and cash equivalents.

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DEFINITION OF PERFORMANCE INDICATORS AND NET FINANCIAL DEBT

In accordance with ESMA Guidelines (ESMA/2015/1415) published on 5 October 2015, the criteria used for constructing the main performance indicators deemed by the management to be useful for the purpose of monitoring Group performance are provided below.

EBITDA: EBITDA is calculated as the sum of "EBIT", "Depreciation and Amortization" and the impairment losses of tangible and intangible fixed assets included in the item "Other non-operating expenses (income)".

Adjusted EBIT is calculated by adding the items "Restructuring costs" and "Losses (gains) on disposal", "Exchange (gains) losses" and "Other non-operating expenses (income)" (with the exception of the amount of writedowns of tangible and intangible assets included in this item for Euro 1.9 million as at 31 December 2025 and Euro 1.5 million in 2024).
Adjusted EBITDA is calculated by adding the items "Restructuring costs" and "Losses (gains) on disposal", "Exchange (gains) losses" and "Other non-operating expenses (income)" (with the exception of the amount of writedowns of tangible and intangible assets included in this item for Euro 1.9 million as at 31 December 2025 and Euro 1.5 million in 2024 as already summed to the EBITDA).

Normalised EBITDA (used to calculate covenants): it is calculated by summing "EBITDA" and the following expenses and revenues arising from non-ordinary operations: "Restructuring costs" and "Losses (gains) on disposal".

"Other non-operating expenses (income)" include amounts that do not relate to ordinary business activities such as:

- writedowns of tangible and intangible fixed assets
- imputed cost of Stock Grant plans
- accruals to provisions for legal disputes with employees and third parties
- product guarantee costs
- strategic consulting services

"Restructuring costs" include voluntary redundancy incentives for all employee categories (managers, clerical staff, blue collar workers) and costs relating to the shutdown of a plant or the discontinuation of individual business lines (personnel costs and related costs associated with shutdown).

"Losses (gains) on disposal" include the difference between the net book value of sold assets and selling price.

"Net financial indebtedness" is calculated by adding up the following items from the Statement Of Financial Position: "Cash and cash equivalents", "Other financial assets – current", "Financial receivables – non-current", "Other financial assets - non-current" (excluding the amount of "Other financial assets held for sale"), "Bank overdrafts and short-term loans", "Current portion of medium/long-term financial debts and other loans", "Current financial payables for rights of use", "Other short-term liabilities for derivative financial instruments", "Non-current bank liabilities", "Non-current portion of medium/long-term financial debts and other loans", "Medium/long-term financial payables for rights of use", "Other medium/long-term liabilities for derivative financial instruments".

As regards the Parent Company Sogefi S.p.A, the amount of "Net financial indebtedness" shown in the Report on Operations differs from the "Net financial indebtedness" shown in the table prepared in accordance with Consob Communication no. DEM/6064293 of 28 July 2006 and subsequent updates, in accordance with the guidelines ESMA32-382-1138 of 4 March 2021, due to the amount of non-current intercompany financial receivables recognised in the item "Loans and financial receivables similar to loans - of which, from subsidiaries" in the Statement of Financial Position.

Please note that as at 31 December 2025 there were no non-recurring expenses as defined in Consob Communication DEM/6064293 of 28 July 2006.

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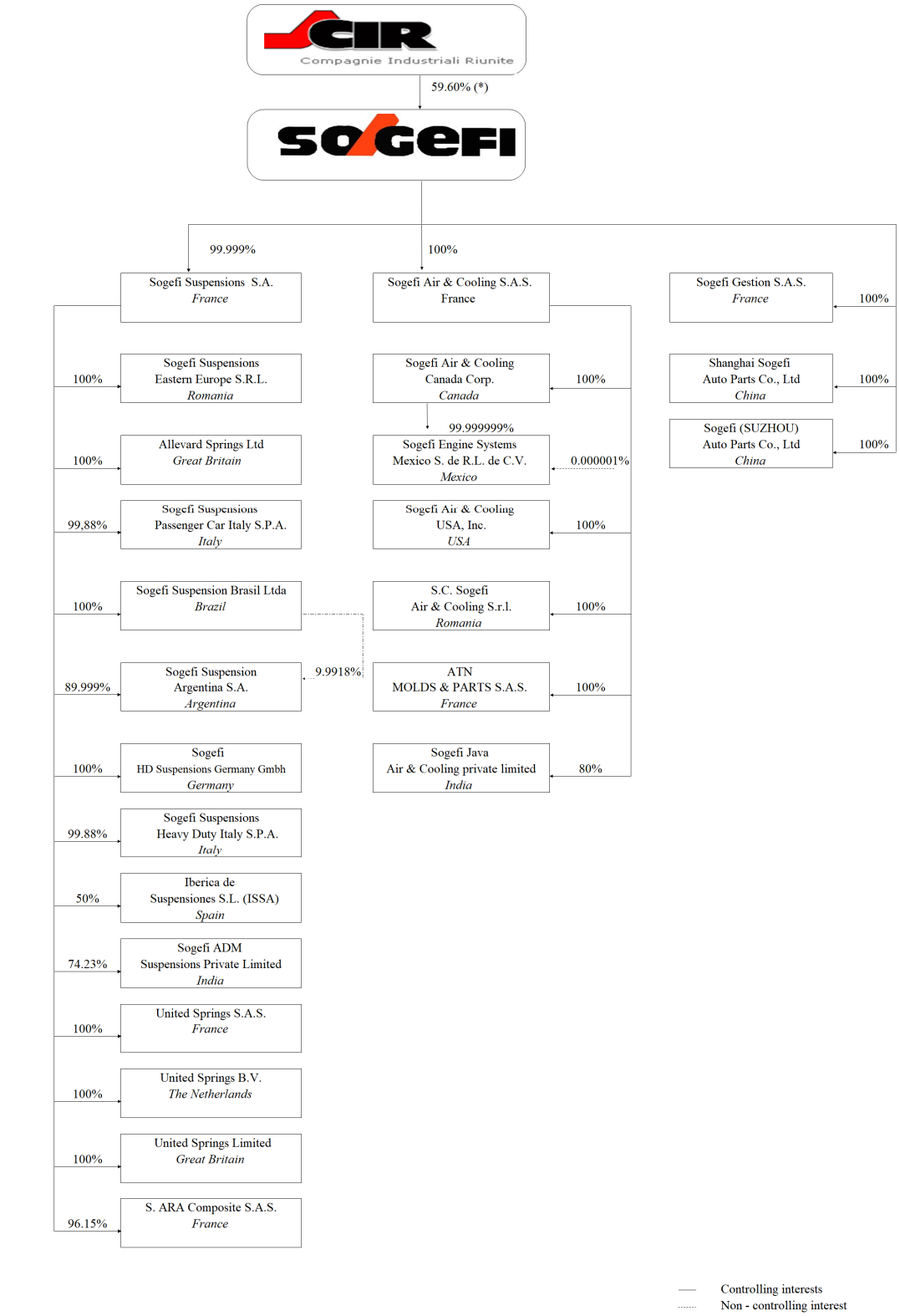
SOGEFI GROUP STRUCTURE: CONSOLIDATED COMPANIES



(*) 60.05% of shares outstanding (excluding treasury shares)

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)

ASSETS	*Note*	12.31.2025	12.31.2024
CURRENT ASSETS			
Cash and cash equivalents	5	54,435	57,327
Other financial assets	6	7,559	6,868
Inventories	7	84,281	85,118
Trade receivables	8	78,488	88,738
Other receivables	8	4,108	14,901
Tax receivables	8	22,120	29,531
Other assets	8	2,095	2,799
ASSETS HELD FOR SALE	14	-	-
CURRENT ASSETS		253,086	285,282
NON-CURRENT ASSETS			
Land	9	3,687	3,741
Property, plant and equipment	9	280,734	277,108
Other tangible fixed assets	9	3,744	4,013
Rights of use	9	33,726	41,780
Intangible assets	10	101,311	106,465
Other financial assets	11	662	4,358
Other receivables	12	4,076	5,144
Deferred tax assets	13	25,693	23,690
TOTAL NON-CURRENT ASSETS		453,633	466,299
TOTAL ASSETS		706,719	751,581

The "Explanatory and supplementary notes to the consolidated financial statements" are an integral part of these consolidated financial statements.

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LIABILITIES	*Note*	12.31.2025	12.31.2024
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	15	1,251	326
Current portion of medium/long-term financial debts and other loans	15	45,367	13,297
Short-term financial debts for rights of use	15	8,437	9,858
Other short-term liabilities for derivative financial instruments	15	5	12
Trade and other payables	16	185,820	200,134
Tax payables	16	7,113	4,545
Other current liabilities	17	18,012	24,214
Current provisions	18	25,275	17,443
LIABILITIES RELATED TO ASSETS HELD FOR SALE	14	-	-
TOTAL CURRENT LIABILITIES		291,280	269,829
NON-CURRENT LIABILITIES			
Financial debts to bank	15	29,574	64,014
Non current portion of medium/long-term financial debts and other loans	15	5,613	407
Medium/long-term financial debts for rights of use	15	28,750	35,635
Non-current provisions	18	13,617	15,709
Other payables	18	33,809	39,743
Deferred tax liabilities	13	17,081	18,961
TOTAL NON-CURRENT LIABILITIES		128,444	174,469
SHAREHOLDERS' EQUITY			
Share capital	19	62,461	62,461
Reserves and retained earnings (accumulated losses)	19	201,912	90,813
Group net result for the year	19	10,274	141,288
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY		274,647	294,562
Non-controlling interests	19	12,348	12,721
TOTAL SHAREHOLDERS' EQUITY		286,995	307,283
TOTAL LIABILITIES AND EQUITY		706,719	751,581

The "Explanatory and supplementary notes to the consolidated financial statements" are an integral part of these consolidated financial statements.

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CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)

	Note	2025		2024	
		Amount	*%*	*Amount*	*%*
Sales revenues	21	984,750	100.0	1,022,277	100.0
Variable cost of sales	22	690,786	70.1	724,922	70.9
CONTRIBUTION MARGIN		293,964	29.9	297,355	29.1
Manufacturing and R&D overheads	23	89,815	9.1	91,378	8.9
Depreciation and amortization	24	74,902	7.6	78,131	7.6
Distribution and sales fixed expenses	25	14,849	1.5	15,152	1.5
Administrative and general expenses	26	53,341	5.5	55,884	5.5
Restructuring costs	28	20,507	2.1	6,982	0.7
Losses (gains) on disposal	29	34	-	(1,961)	(0.2)
Exchange (gains) losses	30	2,040	0.2	(449)	-
Other non-operating expenses (income)	31	3,929	0.4	6,573	0.6
EBIT		34,547	3.5	45,665	4.5
Financial expenses	32	12,680	1.2	24,564	2.5
Financial (Income)	32	(2,424)	(0.2)	(9,853)	(1.0)
Losses (gains) from equity investments	33	-	-	-	-
RESULT BEFORE TAXES		24,291	2.5	30,954	3.0
Income taxes	34	10,491	1.1	12,982	1.2
NET INCOME (LOSS) OF OPERATING ACTIVITIES		13,800	1.4	17,972	1.8
Net income (loss) from discontinued operations, net of tax effects	35	(464)	(0.0)	125,881	12.3
NET RESULT INCLUDING THIRD PARTY		13,336	1.4	143,853	14.1
Loss (income) attributable to non-controlling interests		(3,062)	(0.4)	(2,565)	(0.3)
GROUP NET RESULT		10,274	1.0	141,288	13.8
Earnings per share (EPS) (Euro):	37				
Basic		0.086		1.189	
Diluted		0.086		1.189	

The “Explanatory and supplementary notes to the consolidated financial statements” are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)

	Note	2025	2024
Net result before non-controlling interests		13,336	143,853
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Actuarial gain (loss)	*19*	245	1,171
- Tax on items that will not be reclassified to profit or loss	*19*	(124)	(288)
Total items that will not be reclassified to profit or loss		*121*	*883*
Items that may be reclassified to profit or loss			
- Profit (loss) booked to cash flow hedging reserve	*19*	-	(2,747)
- Tax on items that may be reclassified to profit or loss	*19*	-	659
- Profit (loss) booked to translation reserve	*19*	(16,740)	3,212
Total items that may be reclassified to profit or loss		*(16,740)*	*1,124*
Other Comprehensive Income		*(16,619)*	*2,007*
Total comprehensive result for the period		(3,283)	145,860
Attributable to:			
- Shareholders of the Holding Company		(6,190)	143,266
- Non-controlling interests		2,907	2,594

The "Explanatory and supplementary notes to the consolidated financial statements" are an integral part of these consolidated financial statements.

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CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)

	2025	2024
Cash flows from operating activities		
Net result	10,274	141,288
Adjustments:		
- non-controlling interests	3,062	2,565
- depreciation, amortization and writedowns	76,829	79,728
- expenses recognised for share-based incentive plans	843	178
- expenses recognised for phantom stock option plans	1,006	(112,162)
- change in fair value of the call option (Embedded derivative)	34	(1,961)
- provisions for risks, restructuring and deferred taxes	17,235	7,750
- post-retirement and other employee benefits	(2,526)	(606)
- Net financial expenses	10,257	14,711
- income tax	10,491	12,982
- change in net working capital	(5,842)	5,662
- other medium/long-term assets/liabilities	(3,074)	6,374
CASH FLOWS FROM OPERATING ACTIVITIES	**118,589**	**156,509**
Interest paid	(10,339)	(18,662)
Income tax paid	(7,471)	(10,952)
Cash flow from discontinued operating activities	(75)	(31,445)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**100,704**	**95,450**
INVESTING ACTIVITIES		
Interest received	4,040	5,145
Price paid for business combination	-	(2,153)
Purchase of property, plant and equipment	(66,493)	(61,726)
Purchase of intangible assets	(12,103)	(11,096)
Net change in other securities	160	1,274
Sale of property, plant and equipment and business held for sale	330	2,761
Sale of intangible assets	-	189
Cash flow from investment activities from discontinued operating activities	(1,360)	(9,170)
Amount received for business transfers	-	321,882
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(75,426)**	**247,106**
FINANCING ACTIVITIES		
Capital increase by third parties subsidieries	41	
Dividends paid to Holding Company shareholders and non-controlling interests	(21,063)	(136,736)
New (repayment of) bonds	-	(52,506)
New (repayment of) long-term loans	2,765	(146,147)
New (repayment of) finance leases IFRS16	(9,200)	(9,110)
Cash flow from financing activities from discontinued operating activities	-	(14,978)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(27,457)**	**(359,477)**
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(2,179)**	**(16,921)**
Balance at the beginning of the period	57,001	77,526
Exchange differences	(1,638)	(3,604)
BALANCE AT THE END OF THE PERIOD (*)	**53,184**	**57,001**

(*) The heading agrees with the sum of the line items “Cash and cash equivalents” under current assets and “Bank overdrafts and other short-term loans” under current liabilities.

The “Explanatory and supplementary notes to the consolidated financial statements” are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Euro)

	Attributable to the shareholders of the parent company														Third	Total
	Share capital	*Share premium reserve*	*Reserve for treasury shares*	*Treasury shares*	*Legal reserve*	*Share-based incentive plans reserve*	*Translation reserve*	*Cash flow hedging reserve*	*Actuarial gain/loss reserve*	*Tax on items booked in Other Comprehensive Income*	*Other reserves*	*Retained earnings*	*Net result for the period*	*Total*		
Balance at December 31, 2023	*62,461*	*20,376*	*3,513*	*(3,513)*	*12,640*	*944*	*(67,436)*	*2,747*	*(28,310)*	*8,050*	*12,201*	*191,417*	*57,766*	*272,856*	*14,451*	*287,307*
Allocation of 2023 net profit:																
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	(15,771)	-	-	(148)	(300)	-	-	-	-	(10,625)	(106,488)	-	(133,332)	(3,404)	(136,736)
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	57,766	(57,766)	-	-	-
Recognition of share-based incentive plans	-	-	-	-	-	178	-	-	-	-	-	-	-	178	-	178
Other changes	-	(4,450)	(1,034)	1,034	-	(450)	-	-	-	-	2,874	13,620	-	11,594	(920)	10,674
Comprehensive result for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value cash flow hedging instruments	-	-	-	-	-	-	-	(2,747)	-	-	-	-	-	(2,747)	-	(2,747)
Actuarial gain (loss)	-	-	-	-	-	-	-	-	1,171	-	-	-	-	1,171	-	1,171
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	371	-	-	-	371	-	371
Currency translation differences	-	-	-	-	-	-	3,183	-	-	-	-	-	-	3,183	29	3,212
Result for the period	-	-	-	-	-	-	-	-	-	-	-	-	141,288	141,288	2,565	143,853
Total Comprehensive result for the period	-	-	-	-	-	-	*3,183*	*(2,747)*	*1,171*	*371*	-	-	*141,288*	*143,266*	*2,594*	*145,860*
Balance at December 31, 2024	*62,461*	*155*	*2,479*	*(2,479)*	*12,492*	*372*	*(64,253)*	-	*(27,139)*	*8,421*	*4,450*	*156,315*	*141,288*	*294,562*	*12,721*	*307,283*
Allocation of 2024 net profit:																
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(17,860)	-	(17,860)	(3,203)	(21,063)
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	141,288	(141,288)	-	-	-
Recognition of share-based incentive plans	-	-	-	-	-	843	-	-	-	-	-	-	-	843	-	843
Other changes	-	-	(414)	414	-	(186)	-	-	-	-	-	3,478	-	3,292	(77)	3,215
Comprehensive result for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain (loss)	-	-	-	-	-	-	-	-	245	-	-	-	-	245	-	245
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(124)	-	-	-	(124)	-	(124)
Currency translation differences	-	-	-	-	-	-	(16,585)	-	-	-	-	-	-	(16,585)	(155)	(16,740)
Result for the period	-	-	-	-	-	-	-	-	-	-	-	-	10,274	10,274	3,062	13,336
Total Comprehensive result for the period	-	-	-	-	-	-	*(16,585)*	-	*245*	*(124)*	-	-	*10,274*	*(6,190)*	*2,907*	*(3,283)*
Balance at December 31, 2025	*62,461*	*155*	*2,065*	*(2,065)*	*12,492*	*1,029*	*(80,838)*	-	*(26,894)*	*8,297*	*4,450*	*283,221*	*10,274*	*274,647*	*12,348*	*286,995*

The "Explanatory and supplementary notes to the consolidated financial statements" are an integral part of these consolidated financial statements.

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EXPLANATORY AND SUPPLEMENTARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: CONTENTS

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A) GENERAL ASPECTS

SOGEFI is an Italian Group that is market leader in the field of components for motor vehicles, specializing in air intake and engine cooling systems, and suspension components.
SOGEFI is present in 3 continents and 14 countries, with 24 production sites, 4 R&D centres and 10 sales offices. It is a multinational group and a partner of the world's largest motor vehicle manufacturers.

The Parent Company Sogefi S.p.A., registered with the Company Register of Milan - Monza - Brianza - Lodi (Italy), has its registered office in Via Ciovassino No. 1, Milan, Italy, and its operating headquarters in 1, Avenue Claude Monet, Guyancourt (France).
The Sogefi stock has been listed on the Milan Stock Exchange, organised and managed by Borsa Italiana S.p.A. since 1986 and has been traded on the STAR segment since January 2004.
The Parent Company, Sogefi S.p.A., is subject to management and coordination of its parent company CIR – Compagnie Industriali Riunite S.p.A.

1. CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements at 31 December 2025 have been prepared in accordance with article 154-*ter* of Italian Legislative Decree no. 58/1998 and have been drawn up 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, as well as with the measures issued in implementation of article 9 of Italian Legislative Decree no. 38/2005.
These financial statements have been prepared in accordance with Consob resolution no. 11971/1999 as subsequently amended, in particular by resolutions no. 14990 of 14 April 2005 and no. 15519 of 27 July 2006, and include the consolidated accounting schedules of the Group and explanatory and supplementary notes, prepared according to the IFRS international accounting standards issued by the IASB (International Accounting Standards Board) and endorsed by the European Union. IFRS means all the "International Financial Reporting Standards" (IFRS), all the "International Accounting Standards" (IAS) and all the interpretations of the "International Financial Reporting Interpretations Committee" (IFRS IC, formerly IFRIC), previously named the "Standing Interpretations Committee" (SIC).
It is specifically reported that the IFRS have been applied in a consistent manner to all the periods presented in this document, with the specifications indicated below for newly applied standards.

The financial statements have been prepared on the basis of the conventional historical cost principle, except for the measurement of certain financial assets and liabilities, including derivatives instruments, where the application of the fair value principle is mandatory.

The financial statements used for consolidation purposes are those prepared by the Boards of Directors for approval by the shareholders of the individual companies or specific accounting statements prepared for consolidation purposes that have been duly reclassified and adjusted to comply with International Financial Reporting Standards (IAS/IFRS), and Group accounting policies.

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The directors of Sogefi S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulation (EU) 2019/815 on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF) (hereinafter the "Delegated Regulation") to the consolidated financial statements, which are included in the annual financial report.

The consolidated financial statements have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation and are authorised for publication by a resolution of the Board of Directors passed on 27 February 2026. These financial statements will be submitted for approval to the Shareholders' meeting of Sogefi S.p.A. on 24 April 2026.

1.1 Format of the consolidated financial statements

As regards to the format of the consolidated financial statements, the Company has opted to present the following types of accounting statements:

Consolidated Statement of Financial Position
The Consolidated Statement of Financial Position is presented in two sections, showing assets on one side and liabilities and equity on the other.
Assets and liabilities are in turn shown in the consolidated financial statements on the basis of their classification as current or non-current.

An asset/liability is classified as current when it satisfies one of the following criteria:

- it is expected to be realised/settled or it is expected to be sold or consumed in the normal cycle of operations, or
- it is held primarily for the purpose of trading, or
- it is expected to be realised/settled within twelve months after the reporting period.

If none of the above conditions are met, the assets/liabilities are classified as non-current.

Finally, liabilities are classified as current when the entity does not have unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Consolidated Income Statement
Costs shown in the Consolidated Income Statement are aggregated by function, while also making a distinction between fixed and variable costs.

The Consolidated Income Statement also provides the following intermediate aggregates in order to give a clearer understanding of the typical results of normal manufacturing activities, the financial side of the business and the impact of taxation:

- Contribution margin;
- EBIT (earnings before interest and tax);
- Result before taxes;
- Profit (loss) from operations;
- Net result before non-controlling interests;
- Profit (loss) of the Group

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Consolidated Statement of Other Comprehensive Income

The Consolidated Statement of Other Comprehensive Income includes all the changes occurring in Other comprehensive income of the year, generated by transactions other than those conducted with shareholders and in compliance with specific IAS/IFRS accounting principles.

The Group has chosen to present these changes in a separate table to the Consolidated Income Statement.

The changes in Other comprehensive income are shown before the related tax effect with the aggregate amount of the income taxes on said variations being recognised in a single item. Those components that may or may not be reclassified to Consolidated Income Statement at a later time are listed separately in the table.

Consolidated Cash Flow Statement

A Consolidated Cash Flow Statement split by area of formation of the various types of cash flow as indicated in international accounting standards is included.

The Consolidated Cash Flow Statement has been prepared using the indirect method.

Please note that in this cash flow statement, the change in working capital may not coincide with the difference between the opening and closing statement of financial position figures because of exchange differences: in fact, cash flows generated are converted using the average exchange rate for the year, while the difference between the opening and closing consolidated statement of financial position figures in Euro may be influenced by changes in exchange rates at the beginning and end of the year, which have little to do with the generation or absorption of cash flow within working capital. The exchange differences generated by opening and closing statements of financial position are booked to “Exchange differences”.

Cash flows arising from the collection and payment of interest are classified as operating cash flows. Dividends paid are classified as cash flows from financing activities.

Consolidated Statement of Changes in Equity

A Consolidated Statement of Changes in Equity is included as required by international accounting standards, showing separately the net result for the period and any change that was not charged through the Income Statement, but directly to the consolidated Other comprehensive income on the basis of specific IAS/IFRS, as well as transactions with shareholders in their role as shareholders.

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1.2 Content of the consolidated financial statements

The Consolidated Financial Statements as at 31 December 2025 include the Parent Company Sogefi S.p.A. and the directly or indirectly controlled subsidiaries.
Section H of these Notes gives a list of the companies included in the scope of consolidation and the percentages held.

These financial statements are presented in Euro and all figures are rounded up or down to the nearest thousand Euro, unless otherwise indicated.
The consolidated financial statements (prepared on a line-by-line basis) include the financial statements of Sogefi S.p.A., the Parent Company, and of all the Italian and foreign companies under its direct or indirect control, which is normally identified as control over the majority of the voting rights.

During the year the following changes occurred in the scope of consolidation and events relating to interests in subsidiaries occurred during the year:

- in August 2025, the subsidiary Sogefi Air & Cooling S.A.S. established the Indian company Sogefi Java Air & Cooling Private Limited by subscribing to 80% of the share capital;
- the liquidation process of Allevard Springs Ltd, which started in 2024, is still ongoing as at 31 December 2025.

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1.3 Group composition

As required by IFRS 12, Group composition as at 31 December 2025 and 31 December 2024 was as follows:

Business Unit	*Region*	*Wholly-owned subsidiaries*	
		December 31, 2025	December 31, 2024
Air&Cooling	Canada	1	1
	France	2	2
	Mexico	1	1
	Romania	1	1
	China (*)	2	2
	USA	1	1
Suspensions	France	2	2
	Italy	2	2
	Great Britain	2	2
	Germany	1	1
	The Netherlands	1	1
	Romania	1	1
	Brazil	1	1
	Argentina	1	1
Sogefi Gestion S.A.S.	France	1	1
TOTAL		20	20

(*) This subsidiary works also for Suspensions business unit.

Business Unit	*Region*	*Non-wholly-owned subsidiaries*	
		December 31, 2025	December 31, 2024
Air&Cooling	India	1	-
Suspensions	France	1	1
	Spain	1	1
	India	1	1
TOTAL		4	3

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2. CONSOLIDATION PRINCIPLES AND ACCOUNTING POLICIES

The main accounting principles and standards applied in preparation of the consolidated financial statements and of the Group aggregate financial disclosures are set forth below.

Going concern

These consolidated financial statements have been prepared in accordance to the going concern assumption, as the Directors have verified the non-existence of financial, performance or other indicators that could give rise to doubts as to the Company's ability to meet its obligations in the foreseeable future.

The risks and uncertainties relating to the business are described in the dedicated sections in the Report on Operations. A description of how the Group manages financial risks, including liquidity and capital risk, is provided in Note 38 "Financial instruments and financial risk management".

2.1 Consolidation principles

The financial statements as at 31 December 2025 of the companies included in the scope of consolidation, prepared in accordance with Group accounting policies with reference to IFRS, have been used for consolidation purposes.
The scope of consolidation includes subsidiaries, joint ventures and associates.

All the companies over which the Group has the direct or indirect power to determine the relevant activities (i.e., the financial and operating policies) – in other words, those companies that determine the highest exposure to variable returns – are considered subsidiaries. In particular, the company Iberica de Suspensiones S.L. (ISSA) – which is 50% owned – is treated as a subsidiary because the Group controls the majority of votes of the board of directors, which is the corporate body tasked with deciding on the entity's relevant activities.
The assets, liabilities, costs and revenues of the individual consolidated companies are fully consolidated on a line-by-line basis, regardless of the percentage owned, while the carrying value of consolidated investments held by the Parent Company and other consolidated companies is eliminated against the related share of equity.
All intercompany balances and transactions, including unrealised profits deriving from transactions between consolidated companies, are eliminated. Unrealised losses are eliminated, except when a loss represents an impairment indicator to be recognised in the Consolidated Income Statement.

The financial statements of the subsidiaries are drawn up using the currency of the primary economic environment in which they operate ("functional currency"). The consolidated financial statements are presented in Euro, the functional currency of the Parent Company and hence the currency of presentation of the consolidated financial statements of the Sogefi Group.

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The procedures for translation of the financial statements expressed in foreign currency other than the Euro are the following:

- the items of the Consolidated Statement of Financial Position are translated into Euro at the year-end exchange rates;
- the Consolidated Income Statement items are translated into Euro using the year's average exchange rates;
- differences arising from the translation of equity's opening balance with year-end exchange rates are recorded in the translation reserve account, together with any difference between the net result of income statement and statement of financial position;
- whenever a subsidiary with a different functional currency from Euro is disposed of, any exchange difference included in line item Other comprehensive income is reclassified to the Consolidated Income Statement;
- dividends paid by companies that use functional currencies other than the Euro are converted at the average exchange rate of the previous year for the company that pays the dividend and at the current exchange rate for the company that receives the dividend; exchange differences between the two amounts are recorded to the translation reserve account.

The following exchange rates have been used for translation purposes:

	2025		2024	
	Average	*12.31*	*Average*	*12.31*
US dollar	1.13	1.18	1.08	1.04
Pound sterling	0.86	0.87	0.85	0.83
Brazilian real	6.30	6.44	5.82	6.43
Argentine peso	1707.56	1707.56	1070.81	1070.81
Chinese renminbi	8.11	8.23	7.79	7.58
Indian rupee	98.43	105.60	90.50	88.93
New romanian Leu	5.04	5.10	4.97	4.97
Canadian dollar	1.58	1.61	1.48	1.49
Mexican peso	21.67	21.12	19.83	21.55
Moroccan dirham	10.55	10.71	10.76	10.51

A joint venture is an entity for which strategic financial and operating decisions concerning the relevant activities of the company are made with the unanimous approval of the controlling parties.
An associate company is an entity in which the Group is able to exert a significant influence, but without being able to control its relevant activities.
Investments in joint ventures and associates are consolidated applying the equity method, which means that the results of operations of associates and any changes in line item Other comprehensive income of the joint ventures and associates are reflected in the Consolidated Income Statement and in Consolidated Statement of Other Comprehensive Income. If the carrying value exceeds the recoverable amount, the carrying value of the investment in the joint venture or in the associate company is adjusted by booking the related loss to the Consolidated Income Statement.

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2.2 Business combinations

Business combinations are recognised under the acquisition method. According to this method, the consideration transferred to a business combination is measured at fair value calculated as the aggregate of the acquisition-date fair value of the assets transferred and liabilities assumed by the Company and of the equity instruments issued in exchange for the control of the acquired entity.
On the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair value; the following items represent exception to the above and are valued according to their reference principle:

- deferred tax assets and liabilities;
- assets and liabilities relating to employee benefits;
- liabilities or equity instruments relating to share-based payments of the acquired entity or share-based payments relating to the Group, issued as a replacement of contracts of the acquired entity;
- assets held for sale and discontinued assets and liabilities.

Goodwill is measured as the surplus between the sum of the consideration transferred to the business combination, the value of non-controlling interests and the fair value of previously-held equity interest in the acquiree with respect to the fair value of the net assets transferred and liabilities assumed as at the acquisition-date. If the fair value of the net assets transferred and liabilities assumed as at the acquisition-date exceeds the sum of the consideration transferred, the value of non-controlling interests and the fair value of the previously-held equity interest in the acquiree, said surplus is immediately booked to the Consolidated Income Statement as gain resulting from said transaction.
The share of non-controlling interests as at the acquisition-date may be measured at fair value or as a proportion of the fair value of net assets in the acquiree. The measurement method adopted is decided on a transaction-by-transaction basis.

2.3 Accounting policies

The following accounting policies have been applied in the consolidated financial statements as at 31 December 2025.

Cash and cash equivalents

Cash and cash equivalents are those held to meet short-term cash needs, rather than for investment or other purposes. For an investment to be considered as cash or cash equivalent, it must be able to be readily converted into a known amount of cash and must be subject to an insignificant risk of change in value.

Inventories

Inventories are stated at the lower of purchase or manufacturing cost, determined on a weighted average cost basis, and realisable value based on market trends, net of variable selling costs.
Manufacturing cost includes raw materials and all direct or indirect production-related expenses. Financial expenses are excluded. Obsolete and slow-moving inventories are written down according to their realisable value.

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Receivables included in current assets

Receivables are initially recognised at fair value of the consideration to be received, which usually corresponds to the nominal value shown on the invoice, adjusted (if necessary) to their estimated realisable value by making provision for doubtful accounts. Subsequently, receivables are measured at amortised cost, which generally corresponds to their nominal value.
The recoverability of receivables is assessed on the basis of expected credit losses. Expected losses are based on the difference between the contractually due cash flows and the cash flows the group expects to receive over the life of the receivable. The Group has defined a system based on historical information of prospective elements, with reference to specific types of debtors, as a tool for determining expected losses.
Receivables assigned through without-recourse *factoring* transactions after which the related risks and benefits are definitively transferred to the assignee are derecognised from the statement of financial position at the time of transfer. Receivables assigned through recourse *factoring* transactions are not derecognised.

Property, plant and equipment and other tangible fixed assets

They mainly relate to industrial sites. Assets are shown at historical cost, net of accumulated depreciation and accumulated impairment losses.
Cost includes related charges, together with the portion of direct and indirect expenses reasonably attributable to individual assets.

They are depreciated each month on a straight-line basis using rates that reflect the technical and economic remaining lives of the related assets.

The depreciable value is the cost of an asset less its residual value, where the residual value of an asset is the estimated value that the entity could receive currently from its disposal, if the asset was already in the condition expected at the end of its useful life net of estimated disposal costs.
Depreciation is calculated from the month that the asset becomes available for use, or when it is potentially able to provide the economic benefits expected of it.

The annual average depreciation/amortisation rates applied are as follows:

	%
Land	n.a.
Industrial buildings and light constructions	2.5-12.5
Plant and machinery	7-14
Industrial and commercial equipment	10-25
Other assets	10-33.3
Tooling	25
Assets under construction	n.a.

Land, assets under construction and payments on account are not depreciated.

Ordinary maintenance costs are charged to the Consolidated Income Statement.

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Maintenance costs that increase the value, functions or useful life of fixed assets are recorded directly as the increase in the value of the assets to which they refer and depreciated over their residual useful lives.
Gains or losses on the disposal of assets are calculated as the difference between the sales proceeds and the net book value of the asset and are charged to the Consolidated Income Statement.

Grants are shown in the Statement of Financial Position as an adjustment of the book value of the asset concerned. Grants are then recognised as income over the useful life of the asset by effectively reducing the depreciation charge each year.

Rights of use

The standard IFRS 16 provides a new definition of lease and introduces a criterion based on the control (right of use) of an asset to differentiate between lease and service agreements according to: asset identification, right to replacement of the asset, right to obtain all economic benefits arising out of use of the asset and right to control the use of the asset underlying the agreement.
The standard introduces a single lessee accounting model for recognising and evaluating lease agreements, which provides for the underlying asset to be recognised in assets and counterbalanced by a financial liability. Lessees may elect to not recognise agreements for low-value assets or with a term of up to 12 months as leases.
The Group recognises right of use assets that do not meet the definition of investment property under item “rights of use” and lease liabilities are booked to item “financial payables for rights of use” in the statement of financial position.
On the effective date of the lease agreement, the Group recognises the right of use asset and the lease liability. The right of use asset is initially measured at cost and subsequently at cost less accumulated depreciation and impairment losses, and adjusted to reflect the revaluation of the lease liability.
The Group measures the lease liability at the present value of payments due for lease agreements not paid on the effective date, discounted at the marginal borrowing rate. The lease liability is subsequently adjusted by adding accrued interest and subtracting the lease payments made, and is revalued in the event of changes in future lease payments due to a changing index or rate, in the event the amount that the Group expects to pay as a guarantee on the residual value changes, or when the Group changes its valuation for the reporting period or in the event of a call, extension or termination option.

Intangible assets

An intangible asset is only recognised if it is identifiable and verifiable, it is probable that it will generate economic benefits in the future and its cost can be measured reliably.
Intangible assets with a finite life are valued at purchase or production cost, net of amortization and accumulated impairment losses.

The annual average depreciation/amortisation rates applied are as follows:

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	%
Development costs	20-33.3
Industrial patents and intellectual property rights, concessions, licences, trademarks	10-33.3
Customer relation	5
Trade name	5
Software	20-50
Other	20-33.3
Goodwill	n.a.
Assets under construction	n.a.

Amortization is based on the asset's estimated useful life and begins when it is available for use.

Research and development expenses
Research expenses are charged to the Consolidated Income Statement as incurred in accordance with IAS 38.
Development expenses relating to specific projects are capitalised when their future benefit is considered reasonably certain by virtue of a customer's commitment; they are then amortised over the entire period of future profits expected to be earned by the project in question.
The capitalised value of the various projects is reviewed annually - or more frequently if there are particular reasons for doing so - analysing its recoverable amount to assess if there have been any impairment losses.

Trademarks and licences
Trademarks and licences are valued at cost, less amortization and accumulated impairment losses. The cost is amortised over the shorter of the contract term and the finite useful life of the asset.

Customer Relations
Customer relations represent the value of the customer portfolio of the Systèmes Moteurs Group and the company ATN Molds & Parts S.A.S. at the acquisition date as determined during the Purchase Price Allocation process.

Brand name
Brand name represents the value of the "Systèmes Moteurs" brand name at the acquisition date as determined during the Purchase Price Allocation process.

Software
The costs of software licences, including related charges, are capitalised and shown in the financial statements net of amortization and any accumulated impairment losses.

Goodwill
Goodwill resulting from business combinations is initially recognised at cost as at the acquisition-date, as detailed in the paragraph above entitled "Business combinations". Goodwill is not amortised but is tested annually for impairment, or more frequently if specific events or changed circumstances indicate a potential loss in value. Unlike other intangible assets, reversal of an impairment loss is not allowed for goodwill.
For impairment test purposes, goodwill was allocated to each of the Cash Generating Units (CGU) due to benefit from the acquisition.

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The Sogefi Group currently encompasses four CGUs: Air & Cooling, Car Suspension, Industrial Vehicles Suspension and Precision Springs.
The goodwill currently on the books only concerns the CGUs Air & Cooling and Car Suspension.

Impairment losses of tangible and intangible fixed assets

If there are indications of possible losses in value, tangible and intangible fixed assets are subjected to impairment test, estimating the asset's recoverable amount and comparing it with its net book value. If the recoverable amount is less than the book value, the latter is reduced accordingly. This reduction constitutes an impairment loss, which is booked to the Consolidated Income Statement.
For goodwill and any other intangible fixed assets with indefinite useful life, an impairment test is carried out at least once a year.
With the exception of goodwill, if a previous writedown is no longer justified, a new recoverable amount is estimated, providing it is not higher than what the carrying value would have been if the writedown had never been made. This reversal is also booked to the Consolidated Income Statement.

Equity investments in other companies and other securities

For a more comprehensive discussion of the principles governing financial assets, which include investments in other companies and other securities, please refer to the specific Note prepared for this purpose (paragraph 3 2 “Financial assets”).

Non-current assets held for sale and discontinued operations

Non-current assets or disposal groups consisting of assets and liabilities are classified as held for sale when it is highly probable that their book value will be recovered mainly through a sale transaction rather than through their continued use and the business or group being disposed of is available for immediate sale in its current condition.
The assets or the disposal group are usually stated at the lower of book value and fair value net of selling costs. Any impairment loss of a disposal group is allocated first to goodwill and then proportionally to the remaining assets and liabilities, with the exception of inventories, financial assets, deferred tax assets, employee benefits, investment property and biological assets, which continue to be valued in accordance with other Group accounting policies. Impairment losses arising from the initial classification of an asset as held for sale and subsequent valuation differences are recognised in the profit or loss for the period.
Once classified as held for sale, intangible assets and property, plant and equipment cease to be amortised and equity investments recognised using the equity method are no longer recorded using that method.
Non-current assets and groups being disposed of classified as held for sale are considered “discontinued operations” if, alternatively:
(i) they represent a significant independent line of business or a significant geographical area of business;
(ii) they are part of a plan to divest a significant stand-alone line of business or a significant geographic area of business; or
(iii) they relate to a subsidiary acquired solely for the purpose of its sale.

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The results of discontinued operations, as well as any gain/loss realised on disposal, are shown separately in the Consolidated Income Statement and Consolidated Cash Flow Statement in a separate item, net of related tax effects, also for the periods considered for comparison.

Loans

Loans are initially recognised at cost, represented by the fair value received, net of related loan origination charges.
After initial recognition, loans are measured at amortised cost by applying the effective interest rate method.
The amortised cost is calculated taking account of issuing costs and any discount or premium envisaged at the time of settlement.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to exchange and interest rate risks. Embedded derivatives are separated from their host contracts and accounted for separately when the related host contract is not a financial asset and when certain criteria are met.
Derivative financial instruments are initially measured at fair value. After initial recognition, derivatives are measured at fair value and any changes are usually recognised in the profit or loss for the year.
The Group designates certain derivatives as hedging instruments to hedge variability in cash flows arising from highly probable forecast transactions connected with fluctuating exchange and interest rates, and certain derivatives and non-derivative financial liabilities as hedges of the exchange risk for a net investment in a foreign operation.
At the beginning of the designated hedging relationship, the Group documents its risk management objectives and hedging strategy, as well as the economic relationship between hedged item and hedging instrument and whether it is expected that changes in the cash flows of the hedged item and hedging instrument will offset each other.

Cash flow hedging
When a derivative financial instrument is designated as a hedge of the exposure to the variability of cash flows, the effective portion of the changes in the fair value of the derivative is reported as a component of Consolidated Statement of Other Comprehensive Income and presented in the cash flow hedging reserve. The effective portion of the changes in the fair value of the derivative that is recognised in Consolidated Statement of Other Comprehensive Income is limited to the change in fair value of the hedged item (at present value) accumulated since the beginning of the hedge. The ineffective portion of the changes in the fair value of the derivative is taken immediately to profit or loss for the year.
In a hedging relationship, the Group designates only the fair value change of the spot element of the forward contract as a hedging instrument in a cash flow hedging relationship. The fair value change of the forward element of the forward foreign exchange contract (swap points) is accounted for separately as costs of hedging and recognised in Shareholders' equity, in the costs of hedging reserve.

If a planned hedged transaction entails the subsequent recognition of a non-financial asset or liability, such as inventories, the amount accrued in the cash flow hedging and

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costs of hedging reserves is included directly in the initial cost of the asset or liability at recognition.
For all other hedged planned transactions, the amount must be reclassified from the cash flow hedging and costs of hedging reserves to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss for the period.
If the hedge no longer meets the eligibility criteria, upon reaching maturity date or if the hedge is sold or exercised, hedge accounting is discontinued prospectively. When hedge accounting is discontinued for cash flow hedges, the amount accrued in the cash flow hedging reserve is left in Shareholders' equity until (a) if the hedge is for a transaction that entails the recognition of a non-financial asset or liability, it is included in the cost of the non-financial asset or liability at initial recognition, or (b) for other cash flow hedges, it is reclassified to profit or loss for the period in the same period or periods during which the hedged expected future cash flows affect the profit or loss for the period.
If no hedged cash flows are expected, the amount must be reclassified immediately from the cash flow hedging and costs for hedging reserves to profit or loss for the year.

Trade and other payables

Payables are initially recognised at fair value of the consideration to be paid and subsequently at amortised cost, which generally corresponds to their nominal value.

Provisions for risks and charges, contingent liabilities and contingent assets

Provisions for risks and charges are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
On the other hand, no provision is made in the case of risks for which there is only a possibility that a liability may arise (contingent liabilities). In this case, the risk is disclosed in the notes on commitments and risks without making any provision.
Provisions relating to corporate reorganizations are only set aside once they have been approved and raised a valid expectation to the parties involved.
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised unless the receipt of the related benefits is virtually certain. Where the receipt of benefits is probable, contingent assets are disclosed in the section “Contingent Assets/Liabilities”.

Post-retirement and similar employee benefits

Group employees have defined-benefit and/or defined-contribution pension plans, depending on the conditions and local practices of the countries in which the group operates.

The Group’s responsibility is to finance the pension funds for the defined-benefit plans (including the employment termination indemnities currently applicable in Italy) and the

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annual cost recognised in the Consolidated Income Statement are calculated on the basis of actuarial valuations that use the projected unit credit method.

The liability relating to benefits to be recognised on termination of employment recorded in the Consolidated Statement of Financial Position represents the present value of the defined-benefit obligation, less the fair value of the plan assets. Any net assets determined are recognised at the lowest of their value and the present value of available repayments and reductions of future contribution to the plan.

The Group recognises actuarial gains and losses and books them to "Other comprehensive income" immediately, so that the full net amount of the provisions for the defined benefits (net of plan assets) is recognised in the Consolidated Statement of Financial Position. Any changes in the defined benefit provision and plan assets over the previous period must be subdivided into three components: the cost components of work performed during the reporting period must be recognised in the Consolidated Income Statement as service costs; net interest costs calculated by applying the appropriate discount rate to the opening balance of defined benefit provision net of assets must be booked to Consolidated Income Statement as net financial expenses and the actuarial gains and losses resulting from the remeasurement of assets and liabilities must be booked to "Other comprehensive income". In addition, the return on assets included in net financial expenses must be calculated using the discount rate applicable to liabilities and no longer the expected return on the assets. The difference between actual return on plan assets and the return calculated as described above is booked to "Other comprehensive income".

In the event of an amendment to the plan that changes the benefits relating to past service or in the event of the application of a new plan relating to past service, the costs relating to past service are booked to the Consolidated Income Statement (under service costs). In the event of an amendment to the plan that significantly reduces the number of employees involved in the plan or that changes the clauses of the plan in such a way that a significant part of future service due to employees will no longer accrue the same benefits or will accrue them but to a lesser extent, the profit or loss relating to said reduction is immediately booked to the Consolidated Income Statement (under service costs).

All of the costs and income resulting from the measurement of funds for pension plans are booked to the Consolidated Income Statement by functional area of destination, with the exception of the financial component relating to non-financed defined-benefit plans, which is included in Financial expenses.

The costs relating to defined-contribution plans are booked to the Consolidated Income Statement when incurred.

Other long-term benefits

Other long-term employee benefits relate to the French subsidiaries and include "Jubilee or other long-service benefits" that are not expected to be paid fully within the twelve months following the end of the reporting period during which the employee has rendered service for those benefits.

The valuation of other long-term benefits usually does not present the same degree of uncertainty as post-employment benefits. This is why IAS 19 requires a simplified method of accounting for such benefits. Unlike the accounting method required for

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post-employment benefits, this method (which requires actuarial valuation) does not require discounting effects to be taken to Other comprehensive income.

Stock-based incentive plans
With regard to "Stock-based incentive plans" (Stock Grants), as envisaged by IFRS 2, the Group calculates the fair value of the option at the granting date, booking it to the Consolidated Income Statement as a cost over the vesting period of the benefit. The *ad hoc* equity reserve in the Consolidated Statement of Financial Position has been increased. This imputed cost is measured by specialists with the help of suitable economic and actuarial models.

Deferred taxation

Deferred taxes are calculated on the taxable/deductible temporary differences between the book value of assets and liabilities and their tax bases, and classified under non-current assets and liabilities.
Deferred tax assets are accounted for only to the extent that it is probable that sufficient taxable profits will be available in the future against which they can be utilised.
The carrying amount of the deferred tax assets shown in the financial statements is subject to an annual review.
Deferred tax assets and liabilities are calculated at the tax rates expected to apply in the period when the differences reverse under the law of the countries in which the Group operates, considering current rates and those enacted or substantially enacted at the end of the reporting period.
Deferred tax liabilities are calculated on taxable temporary differences relating to equity investments in subsidiaries, associates and joint ventures, except where the Company can control the reversal of such temporary differences and it is probable that they will not reverse in the foreseeable future.
Current and deferred taxes are recognised in the Consolidated Income Statement, except for those relating to items directly charged or credited to Other comprehensive income or other equity items, in which case tax effect is recognised directly under Other comprehensive income or equity.

Participation in CIR's group tax filing system (applicable to Italian companies)

In the year 2025, the Parent Company Sogefi S.p.A. renewed their participation in the CIR Group tax filing system for the three-year period 2025-2027. In 2023, the subsidiaries Sogefi Suspensions Heavy Duty Italy S.p.A. and Sogefi Suspensions Passenger Car Italy S.p.A. renewed their adhesion to CIR Group tax filing system for the three-year period 2023-2025.
Each company joining to the group Italian tax filing system transfers its tax profit or loss to the parent company. The parent company recognises a credit corresponding to the IRES (Italian tax on company income) that companies have to pay (debit for the transferor company). On the contrary, for companies that booked tax losses, the parent company recognises a debt corresponding to the IRES for the part of loss actually offset at group level (credit for the transferee company). In connection with the Group tax filing system, those companies that record non-deductible net financial expenses may use the excess tax benefits available for offset of other Group companies (thus making such expenses deductible) for a consideration. Such consideration, in an amount

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proportionate to the resulting tax benefit and applicable to excess tax benefits arising in Italy only, has been paid to the parent company CIR and is treated as expense for those companies that obtain the excess tax benefit and as revenue for those that transfer it.

Treasury shares

Treasury shares are deducted from equity. The original cost of treasury shares and the profit/loss resulting from their subsequent sales are recognised as changes in equity.

Revenues recognition

The IFRS 15 standard provides for a revenue recognition model, which is applicable to all agreements made with customers, with the exception of those falling under the scope of application of other IFRSs, such as leases, insurance contracts and financial instruments.
The main steps for revenue recognition according to the new model are:
- identifying the agreement in place with the customer;
- identifying the performance obligations under the agreement;
- defining the transaction price;
- price allocation to the performance obligations under the agreement;
- revenue recognition criteria when the entity satisfies each performance obligation.

Supply of "tooling" and "prototypes" does not meet the requirements to be identified as a separate performance obligation, so related revenues will be recognised on the same duration as the performance obligation identified by the supply of goods.
Revenues from services rendered are recognised at the time the services are provided.

Consolidated Income Statement Overview

Variable cost of sales
This represents the cost of goods sold. It includes the cost of raw and ancillary materials and goods for resale, as well as variable manufacturing and distribution costs, including the direct labour cost of production.

Manufacturing and R&D overheads
This category includes manufacturing overheads such as indirect labour cost of production, maintenance costs, consumable materials, building rents, and industrial equipment involved in production.
Also included are all R&D overheads, net of any development costs that are capitalised because of their future benefits and excluding amortization which is booked to a separate item in the Consolidated Income Statement.

Distribution and sales fixed expenses
These are costs that are essentially insensitive to changes in sales volumes, relating to personnel, promotion and advertising, external warehousing, rentals and other sales and distribution activities. This category, therefore, includes all fixed costs identified as being incurred after finished products have been stocked in the warehouse and directly related to their sale and distribution.

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Administrative and general expenses
This category includes fixed labour costs, telephone expenses, legal and tax consulting fees, rents and rentals, cleaning, security and other general expenses.

Restructuring costs and other non-operating expenses/income
These are figures that do not relate to the Group's normal business activities or refer to non-ordinary activities and are expressly disclosed in the notes if they are of a significant amount.

Operating grants

These are credited to the Consolidated Income Statement when there is a reasonable certainty that the company will meet the conditions for obtaining the grant and that the grants will therefore be received.

Financial income and expenses

Interest income and expenses are recognised in the Consolidated Income Statement as financial income/expense following their assessment on an accrual basis.

Dividends

Dividend income is recorded when the right to receive it arises. This is normally at the time of the shareholders' resolution that approves distribution of the dividends.

Dividends to be distributed are recognised as a payable to shareholders immediately after they have been approved.

Current taxes

Current taxes are booked on the basis of a realistic estimate of taxable income calculated according to current tax legislation in the country concerned, taking account of any exemptions and tax credits that may be due.

Earnings per share (EPS)

Basic EPS is calculated by dividing net result for the period attributable to the ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period, net of treasury shares.

Diluted EPS is obtained by adjusting the weighted average number of shares outstanding to take account of all potential ordinary shares that could have a dilutive effect.

Translation of foreign currency items

Functional currency
The functional currency of the Parent Company is the Euro and this is the presentation currency in which the consolidated financial statements are prepared and published.

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Group companies prepare their financial statements in their own functional currency; these financial statements are then translated into euros (EUR) for the purpose of preparing the consolidated financial statements.

Accounting for foreign currency transactions
Foreign currency transactions are initially translated at the exchange rate ruling on the transaction date.
At the end of the reporting period, monetary assets and liabilities expressed in foreign currency are retranslated at the period-end exchange rate.
Non-monetary foreign currency items valued at historical cost are translated at the exchange rate ruling on the transaction date.
Non-monetary items carried at fair value are translated at the exchange rate ruling on the date this value was determined.

IAS 29 - Financial reporting in hyperinflationary economies

The financial statements of the consolidated Argentine companies were prepared at 31 December 2025 in the functional currency taking into account the effects of the application of IAS 29 "Financial Reporting in Hyperinflationary Economies", so as to present the operating result and the statement of financial position reflecting purchasing power at the end of the period under consideration.
IAS 29 adoption was required starting with periods ending after 30 June 2018.

This standard does not establish an absolute inflation rate above which hyperinflation is deemed to occur. Under the IFRS, the need to restate the financial statements must be evaluated. Conditions that may indicate hyperinflation exists include:

a) the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Local currency held is immediately invested to maintain purchasing power;
b) the general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
c) sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
d) interest rates, wages and prices are linked to a price index; and
e) the cumulative inflation rate over three years approaches or exceeds 100%.

Accordingly, the financial statements of the consolidated Argentine companies for the period ending 30 June 2018 and subsequent periods were prepared by applying IAS 29 because the cumulative inflation rate in Argentina over the last three years (2023-2025) amounts to approximately 787%.

Non-monetary amounts in the statement of financial position are restated by applying the change in the general price index occurred from the date of recognition in the financial statements to the end of the period. Monetary amounts are not restated because they are expressed in the unit of measurement current at the end of the period. All items in the Consolidated Income Statement are expressed in terms of the unit of measurement current at the end of the period, applying the change in the general price

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index occurred since revenue and expense were initially recognised in the financial statements.
The following items of the income statement and non-monetary items were restated as a result of the application of this standard: “Tangible fixed assets”, “Intangible fixed assets”, “Inventories”, “Deferred tax liabilities”, “Other current liabilities” (for the portion related to the tooling contract liability recognized following the adoption of IFRS15).

Critical estimates and assumptions

Various estimates and assumptions regarding the future have to be made when preparing financial statements. They are the best estimates possible at the end of the reporting period. Given their nature, they could lead to a material difference in statement of financial position items in future years.

The main items affected by these estimates are as follows:

- goodwill (Euro 47.0 million) – impairment test: for the purpose of determining the value in use of the Cash Generating Units, the Group took into account the trends expected for 2026 as determined based on the budget and the forecasts included in the 2026-2029 strategic plan for the following years (adjusted to eliminate any estimated benefits from future projects and reorganisations, in line with a conservative approach). The 2026 budget and the 2026-2029 strategic plan were approved by the Board of Directors on 15 December 2025 and 26 January 2026, respectively. The impairment test, based on such forecasts, did not indicate any impairment;
- pension plans (Euro 9.4 million): included in “Non-current provisions”: actuarial consultants who offer their consulting services to the Group use different statistic assumptions in order to anticipate future events for the purpose of estimating pension plan expenses, liabilities and assets. Such assumptions concern discount rate, future wage inflation rates, mortality and turnover rates;
- recoverability of deferred tax assets on tax losses (Euro 5.0 million compared to Euro 5.2 million in the previous year) recognised to “Deferred tax assets”: as at 31 December 2025, deferred tax assets on tax losses incurred during the current and previous years were accounted for to the extent that it is probable that taxable income will be available in the future against which they can be utilised. Such probability is also determined based on the fact that such losses have originated mainly under extraordinary circumstances that are unlikely to occur again in the future and that the same could be recovered throughout an unlimited or long-term time frame;

Below are the most relevant impacts on climate change, Ukraine and Middle East conflicts and the macroeconomic environment, as requested by ESMA in the document “European common enforcement priorities for 2025 annual financial reports” of 14 October 2025.

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Impacts of climate change

As pointed out in the Report on Operations, in the section "Consolidated Sustainability Statement in accordance with Italian Legislative Decree no. 125/2024", the Group updated its assessments of climate change risks as follows:

- physical risk: in 2024, the Group prepared the Physical climate risks assessment to assess the impact of climate change on its local production sites, considering a short-term (2030) and a long-term (2050) time horizon, in line with the regulatory requirements of the Taxonomy. From the analysis of the results of the Physical climate risks assessment, and taking into account the mitigation actions implemented, no significant physical risks related to climate change were identified that would require impairment of fixed assets or structural interventions by the Group. In 2025, the Group's plants were not subject to extreme events that caused significant damage; moreover, the Group continued the mitigation actions identified in the previous year (the related financial impacts in 2025 are: costs of Euro 0.3 million and capex of Euro 0.4 million). Thus, in 2025, the Group considered the previous year's assessment still relevant and therefore did not conduct a new physical risk analysis. Given these considerations, the Group did not deem it necessary to introduce any specific adjustments with reference to physical risk in the Strategic Plan 2026-2029 or in the terminal value.

- risks related to technological innovation (or transition risks) are, on the other hand, considered significant and are linked to the conversion plans to hybrid/electric mobility of several jurisdictions, primarily the European Union, the NAFTA and China. In this regard, the Group formulated a plan for the development of new e-mobility products (included in the 2026 Budget and 2026-2029 Strategic Plan approved by the Board of Directors on 15 December 2025 and 26 January 2026, respectively, and used for the impairment test approved on 27 February 2026) and set targets for R&D investment on e-mobility products in line with the current trend (approx. 55%). The Group Strategic Plan also includes investments for enhancing energy efficiency, costs for increasing the share of electricity from renewable sources (through "I-RECs" - International Renewable Energy Certificates and "GO" - Guarantees of Origin-) and investments for the reduction of GHG emissions in line with the targets defined by the Group (as indicated in section *1.1.3.1 Strategy, Business Model and Value Chain* of "Consolidated Sustainability Statement"). To date, the Group has not yet set greenhouse gas (GHG) emission reduction targets aligned with limiting global warming to 1.5 °C in accordance with the Paris Agreement and achieving climate neutrality by 2050. However, the Group will develop a structured plan to reduce greenhouse gas emissions (transition plan) to effectively address climate change, as described in section "2.2.3.1 E1-4 Climate Change Mitigation and Adaptation Objectives" of the "Consolidated Sustainability Statement". To mitigate the transition risk, analyses were conducted in 2025 to replace the gas furnaces used in the suspension production process with induction furnaces, with the aim of reducing gas consumption and related emissions. As a result, two new furnaces were installed at the Group's plants in France and Italy with investments amounting to Euro 2.8 million.
  The Group then considered the resilience of the two businesses areas to the transition to electric mobility also in the medium to long term (i.e. for the period after 2029). The Air & Cooling business unit is most affected by the transition to

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electric mobility; thanks to its specific technical and production skills, this business unit has the opportunity to respond to the current and future needs of the electric mobility market. The strategic plan envisages a gradual increase in sales for e-mobility with a different trend in the various geographic areas of activity (Europe, Nafta, China).
For the Suspension business unit, whose market is independent of the evolution of the propulsion platform, no significant impact of the technological innovation risk on the business model has been foreseen in the medium to long term.

During 2025, the Group also assessed the possible impacts of the risks referred to technological innovation on the useful life of tangible fixed assets, ruling out the need to make write-downs or other interventions, and found no critical issues. As a result of the analysis performed, no impact on other items of the financial statements (i.e. decommissioning and/or risk provisions) is expected.

Conflicts in Ukraine and the Middle East

For more details, please refer to the section "Impacts of the macroeconomic environment, the conflicts in Ukraine and the Middle East, and the climate change on operations" of the "Report on Operations".

Macroeconomic context

For more details, please refer to the section "Impacts of the macroeconomic environment, the conflicts in Ukraine and the Middle East, and the climate change on operations" of the "Report on Operations".

2.4 Adoption of new accounting standards

IFRS accounting standards, amendments and interpretations applicable since 1 January 2025

The following IFRS accounting standards, amendments and interpretations were first adopted by the Group as from 1 January 2025:

- Amendments to IAS 21*: "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"* (released on 15 August 2023).

IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union but not yet mandatory applicable and not early adopted by the Group as at 31 December 2025

The Group has not adopted the following new and amended standards that have been issued but are not yet applicable:

- Amendment to IFRS 9 and IFRS 7: "*Classification and Measurement of Financial Instruments*" (issued on 30 May 2024). These amendments are to be applied for financial periods beginning on 1 January 2026.

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- Annual improvements to IFRS Accounting Standards - Volume 11 (issued on 18 July 2024). These amendments are to be applied for financial periods beginning on 1 January 2026.
- Amendment to IFRS 9 and IFRS 7: "*Contracts Referencing Nature-dependent Electricity*" (issued on 18 December 2024). These amendments are to be applied for financial periods beginning on 1 January 2026.
- IFRS 18: *Presentation and Disclosure in Financial Statements* (issued on April 9, 2024). The amendments apply to annual reporting periods beginning on or after January 1, 2027.

IFRS and IFRIC accounting standards, amendments and interpretations not yet endorsed by the European Union

The European Union has not yet completed its endorsement process for the standards and amendments below reported at the date of these Financial Statements. The Directors are evaluating the possible effects of applying these amendments to the Group's Consolidated Financial Statements:

- IFRS 18: *"Presentation and Disclosure in Financial Statements"* (issued on 9 April 2024). These amendments are to be applied for financial periods beginning on 1 January 2027.
- IFRS 19: *"Subsidiaries without Public Accountability: Disclosures"* (issued on 9 May 2024). These amendments are to be applied for financial periods beginning on 1 January 2027.
- Amendments to IAS 21: "*The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency*" (issued on 13 November 2025). These amendments are to be applied for financial periods beginning on 1 January 2027.
- Amendment to IFRS 19: "*Subsidiaries without Public Accountability: Disclosures*" (issued on 21 August 2025). These amendments are to be applied for financial periods beginning on 1 January 2027.

Except for IFRS 18, for which a dedicated analysis is provided below, the new standards and amendments are not expected to have significant impacts on the amounts recognized in the statement of financial position or the income statement.
IFRS 18 replaces IAS 1 and introduces three sets of requirements aimed at improving the communication of financial performance in the income statement: (i) the presentation of new specific subtotals in the income statement, (ii) disclosures on defined Management-defined Performance Measures (MPMs), and (iii) stricter requirements for grouping (aggregation and disaggregation) of information.
With regard to the presentation of the new defined subtotals, the standard requires entities to: (i) classify income and expenses into the following income statement categories: operating, investing, financing, income taxes, and discontinued operations; and (ii) present two new specific subtotals: operating profit and profit before financing and income taxes.
The operating category includes all income and expenses not classified in the investing, financing, income taxes, or discontinued operations categories, and therefore comprises income and expenses arising from the entity's main business activities.

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The investing category includes: (i) income and expenses from activities that generate returns independently from the entity's primary business activities; and (ii) income and expenses from cash and cash equivalents and investments in associates and joint ventures.
The financing category includes income and expenses related to liabilities.
The income taxes category includes tax expenses (or income) recognized in the income statement in accordance with IAS 12 – Income Taxes.
The discontinued operations category includes income and expenses from operations classified as such under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.
With respect to MPMs (Management-defined Performance Measures), the standard requires disclosure of income and expense subtotals—other than those required by IFRS 18 or other IFRS standards—that a company uses in public communications outside the financial statements to convey management's view of financial performance to investors.
Regarding the grouping requirements, IFRS 18 provides guidance on how to group transactions and other events within the line items of the primary financial statements and within the notes.
In this regard, the standard requires entities to present costs within the operating category by nature or by function. The Company is assessing the impacts of IFRS 18 on presentation and disclosure and will update its financial statement formats and related notes accordingly.

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3. FINANCIAL ASSETS

Classification and initial recognition

Trade receivables and debt instruments issued are recognised when they are originated. All other financial assets and liabilities are initially recognised upon trade date, i.e. when the Group becomes a party to the financial instrument.
With the exception of trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value plus or minus, in the case of financial assets or liabilities not measured at fair value recognised through profit or loss for the year (FVTPL), the transaction costs directly attributable to the acquisition or issue of the financial asset. At the time of initial recognition, trade receivables that do not have a significant financing component are valued at their transaction price.

Subsequent measurement

As provided for by IFRS 9, upon initial recognition, a financial asset is classified according to its valuation: amortised cost; fair value recognised in Consolidated Statement of Other Comprehensive Income (FVOCI) - debt instrument; FVOCI - equity instrument; or at fair value recognised in the profit or loss for the year (FVTPL).
Financial assets are not reclassified after initial recognition, unless the Group changes its business model to manage financial assets. In this case, all affected financial assets concerned are reclassified on the first day of the first reporting period following the change in the business model.
A financial asset must be measured at amortised cost if both of the following conditions are met and it is not designated at FVTPL:
– the financial asset is held within a business model whose objective is to hold the financial assets to collect their contractual cash flows; and
– the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset must be measured at FVOCI if both of the following conditions are met and it is not designated at FVTPL:
– the financial asset is held within a business model whose objective is to collect contractual cash flows and sell financial assets; and
– the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
At initial recognition of an equity instrument not held for trading, the Group may elect to recognise subsequent changes in fair value in the Consolidated Statement of Other comprehensive income. This choice is irrevocable. Such choice is made for each asset.
Any financial assets that are not classified as measured at amortised cost or at FVOCI as indicated above, are measured at FVTPL. All derivative financial instruments are included. At initial recognition, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss if this eliminates or significantly reduces the accounting inconsistency that would otherwise arise from measuring the financial asset at amortised cost or at FVOCI.

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Business model assessment

The Group assesses the objective of the business model within which the financial asset is held at portfolio level, as this best reflects how the asset is managed and what information is communicated to management. Such information includes:
– the criteria set out, portfolio objectives and the practical application of those criteria, including, among other things, whether the strategy of corporate management aims to collect interest on the contract, to maintain a specified interest rate profile, to align the life of financial assets with that of related liabilities or is aimed at expected cash flows or to collect cash flows by selling assets;
– how portfolio performance is evaluated and communicated to Group executives with strategic responsibilities;
– the risks that affect the performance of the business model (and of the financial assets held within the business model) and how these risks are managed;
– the method of remuneration of the company's management (for example, whether remuneration is based on the fair value of the assets under management or collected contractual cash flows); and
– the frequency, value and timing of sales of financial assets in previous years, the reasons for selling and the expectations about future sales.
Transfers of financial assets to third parties as part of transactions that do not involve derecognition are not treated as sales for the purposes of business model assessment, in line with the Group's continued recognition of these assets in the financial statements.
Financial assets that meet the definition of financial assets held for trading or whose performance is measured at fair value are measured at FVTPL.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is the fair value of the financial asset at initial recognition, whereas 'interest' is the consideration for the time value of money, for the credit risk associated with the principal amount to be repaid over a given period of time and for other basic risks and costs associated with the loan (for example, liquidity risk and administrative costs), as well as for the profit margin.
In order to determine whether contractual cash flows are solely principal and interest payments, the Group considers the contractual terms of the instrument. It assesses, among other things, whether the financial asset contains a contractual provision that changes the timing or amount of contractual cash flows such that the following condition is not met. For the purposes of this assessment, the Group takes into account:
– contingent events that would change the timing or amount of financial flows;
– clauses that could entail an adjustment of the contractual rate of the coupon, including variable rate elements;
– prepayment and extension elements; and
– clauses limiting the Group's requests for cash flows from specific assets (for example, elements without recourse).

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The prepayment element is consistent with the "cash flows that are solely principal and interest payments" criterion when the amount of the prepayment basically represents the principal amount outstanding and interest accrued on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. In addition, in the case of a financial asset acquired at a significant premium or discount on the contractual nominal amount, an element that permits or requires the prepayment of an amount that basically represents the contractual nominal amount plus accrued (yet outstanding) contractual interest (which may include reasonable additional compensation for early termination of the contract) is accounted for in accordance with that criterion if the fair value of the prepayment element is not significant at initial recognition.

B) SEGMENT INFORMATION

4. OPERATING SEGMENTS

In compliance with the provisions of IFRS 8, the following information is provided by operating segments (business segments) and performance indicators that play a key role in the Group's strategic decisions.
The operating segments covered by the Segment Information are the Group's strategic business sectors, provide different products and are managed separately from a strategic viewpoint.
As the analysis by business segments is given higher priority in the decision-making process, the analysis by geographic areas is limited to the assets and sales.

Business segments

With regard to the business segments, disclosures concerning the two business units are as follows: Air & Cooling and Suspensions. Figures for the Parent Company Sogefi S.p.A. and the subsidiary Sogefi Gestion S.A.S. are also provided for the purpose of reconciliation with consolidated values.
Note that the balance sheet values of the Filtration business unit, which was sold in May 2024, are shown in Note 35 "Income (loss) from discontinued operations, net of tax effects".

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The tables below provide the Group's income statement and statement of financial position figures for 2025 and 2024:

(in thousands of Euro)	2025					
	Air&Cooling	Suspensions	Filtration	Sogefi S.p.A. / Sogefi Gestion S.A.S.	Adjustments	Sogefi consolidated f/s
TOTAL REVENUES	445,982	539,093	-	16,845	(17,170)	984,750
RESULTS						
EBIT	33,078	7,554	-	(4,345)	(1,740)	34,547
Financial expenses, net						(10,256)
Result before taxes						24,291
Income taxes						(10,491)
NET INCOME (LOSS) OF OPERATING ACTIVITIES						13,800
Net income (loss) from discontinued operations, net of tax effetcs						(464)
NET RESULT INCLUDED THIRD PARTY SHARE						13,336
Profit (loss) from third parties						(3,062)
GROUP NET RESULT						10,274
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Segment assets	300,771	433,748	-	427,518	(581,513)	580,524
Equity investments in associates	-	-	-	-	-	-
Unallocated assets	-	-	-	-	126,195	126,195
TOTAL ASSETS	300,771	433,748	-	427,518	(455,318)	706,719
LIABILITIES						
Segment liabilities	153,118	235,590	-	121,743	(90,728)	419,723
TOTAL LIABILITIES	153,118	235,590	-	121,743	(90,728)	419,723
OTHER INFORMATION						
Increase in tangible and intangible fixed assets	49,243	29,327	-	25	-	78,596
Depreciation, amortisation and writedowns (reversal of impairment loss)	38,591	35,790	-	1,103	1,345	76,829

(in thousands of Euro)	2024					
	Air&Cooling	Suspensions	Filtration	Sogefi S.p.A. / Sogefi Gestion S.A.S.	Adjustments	Sogefi consolidated f/s
TOTAL REVENUES	457,402	564,607	-	20,603	(20,335)	1,022,277
RESULTS						
EBIT	33,379	16,454	29	(3,774)	(423)	45,665
Financial expenses, net						(14,711)
Result before taxes						30,954
Income taxes						(12,982)
NET INCOME (LOSS) OF OPERATING ACTIVITIES						17,972
Net income (loss) from discontinued operations, net of tax effetcs						125,881
NET RESULT INCLUDED THIRD PARTY SHARE						143,853
Profit (loss) from third parties						(2,565)
GROUP NET RESULT						141,288
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Segment assets	371,720	456,135	-	458,132	(661,695)	624,292
Equity investments in associates	-	-	-	-	-	-
Unallocated assets	-	-	-	-	127,289	127,289
TOTAL ASSETS	371,720	456,135	-	458,132	(534,406)	751,581
LIABILITIES						
Segment liabilities	226,184	285,695	-	163,181	(230,762)	444,298
TOTAL LIABILITIES	226,184	285,695	-	163,181	(230,762)	444,298
OTHER INFORMATION						
Increase in tangible and intangible fixed assets	41,884	31,850	11,412	761	(1,688)	84,219
Depreciation, amortisation and writedowns (reversal of impairment loss)	42,718	33,912	12,940	1,818	1,273	92,661

Adjustments to "Intersegment sales" mainly refer to services provided by the Parent Company Sogefi S.p.A. and by subsidiary Sogefi Gestion S.A.S. to other Group companies (see Note 39 "Related party transactions" for further details on the nature of the services provided). This item also includes intersegment sales between the business units. Intersegment transactions are conducted according to the Group's transfer pricing policy.

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In the Consolidated Statement of Financial Position, the adjustments to the item "Segment assets" refer to the consolidation entry of investments in subsidiaries and intercompany receivables.
Adjustments to "Unallocated assets" mainly include the goodwill and the fixed assets revaluations resulting from the acquisitions of: the Allevard Ressorts Automobile Group, Sogefi Rejna S.p.A., the Systemes Moteurs Group and the company ATN Molds & Parts S.A.S..

"Depreciation, amortisation and writedowns (reversal of impairment loss)" as at 31 December 2025 includes writedowns of tangible fixed assets in the amount of Euro 1,745 thousand, and writedowns of intangible fixed assets in the amount of Euro 183 thousand, of which Euro 1,110 thousand allocated to the Air and Cooling business unit and Euro 818 thousand to the Suspensions business unit.

Information on the main customers

Revenues from sales to third parties as of 31 December 2025 accounting for over 10% of Group revenues are shown in the following table:

(in thousands of Euro)	2025			
Group	Group		BU Air&Cool.	BU Suspensions
	Amount	*%*		
Stellantis	196,262	19.9	93,583	102,679
GM	132,779	13.5	123,370	9,409
Daimler	118,267	12.0	9,820	108,447
Ford	107,259	10.9	85,707	21,552

Revenues from sales to third parties as of 31 December 2024 accounting for over 10% of Group revenues are shown in the following table:

(in thousands of Euro)	2024			
Group	Group		BU Air&Cool.	BU Suspensions
	Amount	*%*		
Stellantis	178,679	17.5	89,283	89,396
GM	134,768	13.2	121,024	13,744
Daimler	127,680	12.5	11,739	115,941
Ford	114,025	11.2	88,213	25,812

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Information on geographic areas

The breakdown of revenues by geographical area is analysed in the Directors' Report and in Note 21 "Sales Revenues".

The following table shows a breakdown of total assets by geographical area of origin:

(in thousands of Euro)	2024					
	Europe	South America	North America	Asia	Adjustments	Sogefi consolidated f/s
TOTAL ASSETS	962,309	60,488	144,598	134,008	(549,822)	751,581

(in thousands of Euro)	2025					
	Europe	South America	North America	Asia	Adjustments	Sogefi consolidated f/s
TOTAL ASSETS	941,541	54,662	109,716	124,979	(524,179)	706,719

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C) NOTES ON THE MAIN INCOME STATEMENT ITEMS: STATEMENT OF FINANCIAL POSITION

C 1) ASSETS

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to Euro 54,435 thousand versus Euro 57,327 thousand as at 31 December 2024 and break down as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Short-term cash investments	54,435	57,327
Cash on hand	-	-
TOTAL	54,435	57,327

"Short-term cash investments" earn interest at a floating rate.

For further details, please refer to the "Analysis of total financial indebtedness" in Note 20 and to the Consolidated Cash Flow Statement included in the financial statements.

As of 31 December 2025, the Group has unused lines of credit for the amount of Euro 198,074 thousand. These funds are available for use on demand, because the conditions required for their availability are met.

6. OTHER FINANCIAL ASSETS

"Other financial assets" can be broken down as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Other current financial assets valued at amortized cost	1,554	2,244
Financial receivables	6,005	4,624
TOTAL	7,559	6,868

Financial receivables mainly refer to financial instruments issued by leading Chinese banks, at the request of some customers, as payment for supplies made by the Chinese subsidiaries.
The item "Other current financial assets valued at amortized cost" amounted to Euro 1,554 thousand compared to Euro 2,244 thousand in the previous year and refers to investments made by the Argentine subsidiary Sogefi Suspension Argentina S.A. in dollar-linked bond instruments to mitigate the effects of the devaluation of the local currency.

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7. *INVENTORIES*

The breakdown of inventories is as follows:

	12.31.2025			12.31.2024		
(in thousands of Euro)	*Gross*	*Write-downs*	*Net*	*Gross*	*Write-downs*	*Net*
Raw, ancillary and consumable materials	50,512	3,820	46,692	50,063	3,824	46,239
Work in progress and semi-finished products	14,251	673	13,578	15,414	467	14,947
Finished goods and goods for resale	27,153	3,142	24,011	26,779	2,847	23,932
TOTAL	91,916	7,635	84,281	92,256	7,138	85,118

The gross value of inventories amounted to Euro 91,916 thousand compared to Euro 92,256 thousand in the previous year.

Writedowns consist for the most part of accruals for raw materials that can no longer be used for current production and for obsolete or slow-moving finished goods, goods for resale and ancillary materials. The decrease in the provisions by Euro 497 thousand reflects the negative exchange rate effect for Euro 335 thousand, and products scrapped during the year (Euro 247 thousand) partly offset by Euro 1,079 thousand of new provisions.

8. *TRADE AND OTHER RECEIVABLES*

Current receivables break down as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Trade receivables	78,488	88,738
Of which:		
due to Parent Company	2,794	4,456
due to trade receivables	*78,977*	*86,889*
allowance for bad debts	*(3,283)*	*(2,607)*
Trade receivables, net	75,694	84,282
Tax receivables	22,120	29,531
Other receivables	4,108	14,901
Other assets	2,095	2,799
TOTAL	106,811	135,969

As at 31 December 2025, "Trade and other receivables" amounted to Euro 106,811 thousand compared to Euro 135,969 thousand as at 31 December 2024.
As at 31 December 2025, the Group factored trade receivables for Euro 44,412 thousand (Euro 48,752 thousand as at 31 December 2024), including an amount of Euro 38,005 thousand which was not notified (Euro 41,467 thousand as at 31 December 2024) and for which the Group continues to manage collection services. The risks and benefits related to these receivables have been transferred to the factor; therefore these receivables have been derecognised in the Consolidated Statement of Financial Position debiting the consideration received from the factoring company.

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Excluding the factoring transactions (Euro 44,412 thousand as at 31 December 2025 and Euro 48,752 thousand as at 31 December 2024) and the negative effect of exchange rates (Euro 6,924 thousand), net trade receivables show a decrease of Euro 6,004 thousand.

Writedowns were booked to "Allowance for bad debts" during the year for a total of Euro 1,210 thousand, against net utilisations of the allowance for the amount of Euro 419 thousand. Writedowns, net of provisions not used during the period, were charged to Consolidated Income Statement under the item "Variable cost of sales – Variable sales and distribution costs".
Please note that the Allowance for doubtful accounts as at 31 December 2025 includes Euro 686 thousand reflecting losses on receivables recognised upon adoption of IFRS 9 (Euro 305 thousand at 31 December 2024).

"Due from Parent Company" as at 31 December 2025 is the amount receivable from the Parent Company CIR S.p.A. arising from the participation in the Group tax filing system on the part of the Italian companies of the Group. Outstanding receivables as at 31 December 2024 (totalling Euro 4,456 thousand) collected in 2025 amounted to Euro 3,444 thousand.
See chapter F "Related party transactions" for the terms and conditions governing these receivables from CIR S.p.A.

"Tax assets" as at 31 December 2025 include tax credits due to the Group companies by the tax authorities of the various countries.
It does not include deferred taxes which are treated separately.

"Other receivables" are made up as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Amounts due from social security institutions	117	153
Amounts due from employees	20	71
Advances to suppliers	2,124	5,602
Due from others	1,847	9,075
TOTAL	4,108	14,901

The item "Due from others", amounting to Euro 1,847 thousand, decreased compared to 31 December 2024 by Euro 7,228 thousand, related to the consideration for the sale of the Suspensions business in Mexico. For details on this sale, reference should be made to Note 18 for liabilities ("Current Provisions, Non-current provisions and Other payables"), and other receivables.

The item "Other assets" mainly includes accrued income and prepayments on insurance premiums, indirect taxes relating to buildings and on costs incurred for sales activities.

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9. LAND, PROPERTY, PLANT AND EQUIPMENT, OTHER TANGIBLE FIXED ASSETS AND RIGHTS OF USE

The net carrying amount of tangible fixed assets as of 31 December 2025 amounted to Euro 321,891 thousand versus Euro 326,642 thousand at the end of the previous year and breaks down as follows:

(in thousands of Euro)	2025							
	Land	*Buildings, plant and machinery, commercial and industrial equipment*	*Other assets*	*Assets under construction and payments on account*	*Tooling*	*Tooling under construction*	*Right of use / finance leases IAS 17*	*TOTAL*
Balance at December 31, 2024								
Historical cost	4,185	662,916	22,948	38,839	162,857	33,113	92,209	1,017,067
Accumulated depreciation	444	490,101	18,935	330	129,845	341	50,429	690,425
Net value	3,741	172,815	4,013	38,509	33,012	32,772	41,780	326,642
Additions of the period	-	12,168	752	33,078	2,178	18,317	1,657	68,150
Disposals/reductions during the period	-	(21)	(30)	-	-	-	(313)	(364)
Exchange differences	(54)	(6,038)	(546)	(1,538)	(2,013)	(1,184)	(2,458)	(13,831)
Depreciation for the period	-	(32,326)	(1,397)	-	(17,718)	-	(7,577)	(59,018)
(Writedowns) / revaluations during the period	-	(112)	(6)	(628)	-	(999)	-	(1,745)
Other changes	-	31,714	957	(30,768)	17,025	(17,508)	637	2,057
Balance at December 31, 2025	3,687	178,200	3,743	38,653	32,484	31,398	33,726	321,891
Historical cost	4,131	674,628	22,118	39,611	170,657	33,342	75,320	1,019,807
Accumulated depreciation	444	496,428	18,375	958	138,173	1,944	41,594	697,916
Net value	3,687	178,200	3,743	38,653	32,484	31,398	33,726	321,891

(in thousands of Euro)	2024							
	Land	*Buildings, plant and machinery, commercial and industrial equipment*	*Other assets*	*Assets under construction and payments on account*	*Tooling*	*Tooling under construction*	*Right of use / finance leases IAS 17*	*TOTAL*
Balance at December 31, 2023								
Historical cost	10,199	951,918	33,203	39,604	215,715	36,499	115,762	1,402,900
Accumulated depreciation	444	720,776	26,990	651	163,065	357	56,070	968,353
Net value	9,755	231,142	6,213	38,953	52,650	36,142	59,692	434,547
Additions of the period	-	10,513	913	36,032	3,287	19,475	7,840	78,060
Disposals/reductions during the period	-	(243)	(3)	-	(185)	-	(1,214)	(1,645)
Exchange differences	56	641	(108)	(165)	291	96	914	1,725
Depreciation for the period	-	(37,597)	(1,821)	-	(23,428)	-	(9,149)	(71,995)
(Writedowns) / revaluations during the period	-	(1,278)	(12)	-	-	(78)	-	(1,368)
Variation of consolidation perimeter	(6,068)	(39,001)	(1,891)	(30,754)	(4,516)	(18,215)	(17,183)	(117,628)
Other changes	(2)	8,638	722	(5,557)	4,913	(4,648)	880	4,946
Balance at December 31, 2024	3,741	172,815	4,013	38,509	33,012	32,772	41,780	326,642
Historical cost	4,185	662,916	22,948	38,839	162,857	33,113	92,209	1,017,067
Accumulated depreciation	444	490,101	18,935	330	129,845	341	50,429	690,425
Net value	3,741	172,815	4,013	38,509	33,012	32,772	41,780	326,642

Investments during the year amounted to Euro 68,150 thousand compared to Euro 78,060 thousand in the previous year; of which Euro 20,495 thousand related to tooling, Euro 1,657 thousand related to rights of use, and Euro 45,998 thousand related to other investments.

Other investments include Euro 19,832 thousand for the development of new products (of which Euro 10,497 thousand for the development of new electrical products in the Air & Cooling business unit), Euro 3,865 thousand for the improvement of production efficiency, and Euro 22,301 thousand for miscellaneous investments, including

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investments to increase production capacity, replace machinery, and investments in health and safety.

Disposals/reductions for the year amount to Euro 364 thousand, compared to Euro 1,645 thousand in the previous year, and relate mainly to the category "Rights of use" for the early termination of some rental agreements.

Depreciation for the period was equal to Euro 59,018 thousand; it has been recorded in the appropriate item in the Consolidated Income Statement.
"(Writedowns)/revaluations during the period" totalled Euro 1,745 thousand. Impairment losses less reversals are booked to "Other non-operating expenses (income)".

"Other changes" refer to the completion of projects that were under way at the end of the previous year and their reclassification under the pertinent items. The item also includes the revaluation of the tangible fixed assets of the Argentine subsidiary as a result of the application of IAS 29.

The balance of "Assets under construction and payments on account" as at 31 December 2025 includes Euro 824 thousand of advances for investments.

No interest costs were capitalised to "Tangible fixed assets" during the year 2025.

Guarantees
For information on the guarantees, see Note 41 "Guarantees given".

Purchase commitments
For information on commitments, please refer to Note 41 "Guarantees given".

Rights of use
The net carrying amount of rights of use as of 31 December 2025 amounted to Euro 33,726 thousand versus Euro 41,780 thousand at 31 December 2024 and breaks down as follows:

(in thousands of Euro)	2025					
	Industrial Buildings	*Other buildings*	*Plant and machinary*	*Commercial and industrial equipment*	*Other assets*	*TOTAL*
Balance at December 31, 2024						
Historical cost	68,316	4,708	8,581	724	9,880	92,209
Accumulated depreciation	33,957	2,917	8,423	560	4,572	50,429
Net value	34,359	1,791	158	164	5,308	41,780
Additions of the period	367	1	-	-	1,289	1,657
Disposals/reductions during the period	-	-	-	(1)	(312)	(313)
Exchange differences	(2,260)	(48)	-	-	(150)	(2,458)
Depreciation for the period	(5,095)	(472)	(24)	(24)	(1,962)	(7,577)
Change in the scope of consolidation	-	-	-	-	-	-
Other changes	463	(1)	(58)	(129)	362	637
Balance at December 31, 2025	27,834	1,271	76	10	4,535	33,726
Historical cost	61,566	3,870	110	15	9,759	75,320
Accumulated depreciation	33,732	2,599	34	5	5,224	41,594
Net value	27,834	1,271	76	10	4,535	33,726

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(in thousands of Euro)	2024					
	Industrial Buildings	*Other buildings*	*Plant and machinary*	*Commercial and industrial equipment*	*Other assets*	*TOTAL*
Balance at December 31, 2023						
Historical cost	86,974	8,911	8,245	901	10,731	115,762
Accumulated depreciation	38,508	3,777	8,113	551	5,121	56,070
Net value	48,466	5,134	132	350	5,610	59,692
Additions of the period	3,496	797	165	-	3,382	7,840
Disposals/reductions during the period	(100)	(820)	-	-	(295)	(1,215)
Exchange differences	924	34	-	-	(42)	916
Depreciation for the period	(6,154)	(734)	(47)	(126)	(2,090)	(9,151)
Variation of consolidation perimeter	(12,873)	(2,620)	(92)	(63)	(1,534)	(17,182)
Other changes	-	-	-	-	-	-
Balance at December 31, 2024	34,359	1,791	158	164	5,308	41,780
Historical cost	68,316	4,708	8,581	724	9,880	92,209
Accumulated depreciation	33,957	2,917	8,423	560	4,572	50,429
Net value	34,359	1,791	158	164	5,308	41,780

The increases for the period amount to Euro 1,657 thousand and mainly refer to the "Other assets", "Industrial property" categories, for renewal and execution of new contracts.

The decreases for the period, amounting to Euro 313 thousand, are attributable to the early termination of contracts.

Depreciation for the period was equal to Euro 7,577 thousand; it has been recorded in the appropriate item in the Consolidated Income Statement.

10. INTANGIBLE ASSETS

The net balance as at 31 December 2025 was Euro 101,311 thousand versus Euro 106,465 thousand at the end of the previous year, and breaks down as follows:

(in thousands of Euro)	2025						
	Development costs	*Industrial patents and intellectual property rights, concessions, licences and trademarks*	*Other, assets under construction and payments on account*	*Customer Relationship*	*Trade name Systemes Moteurs*	*Goodwill*	*TOTAL*
Balance at December 31, 2024							
Historical cost	150,464	60,930	6,050	20,488	8,437	61,405	307,774
Accumulated amortization	112,836	50,596	4,413	13,277	5,829	14,358	201,309
Net value	37,628	10,334	1,637	7,211	2,608	47,047	106,465
Additions of the period	7,365	362	4,376	-	-	-	12,103
Exchange differences	(2,283)	(75)	22	-	-	-	(2,336)
Amortization for the period	(13,622)	(609)	(164)	(1,053)	(435)	-	(15,883)
(Writedowns) / revaluations during the period	120	-	(303)	-	-	-	(183)
Other changes	8,845	(6,363)	(1,337)	-	-	-	1,145
Balance at December 31, 2025	38,053	3,649	4,231	6,158	2,173	47,047	101,311
Historical cost	147,131	51,363	8,899	20,488	8,437	61,405	297,723
Accumulated amortization	109,078	47,714	4,668	14,330	6,264	14,358	196,412
Net value	38,053	3,649	4,231	6,158	2,173	47,047	101,311

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(in thousands of Euro)	2024						
	Development costs	*Industrial patents and intellectual property rights, concessions, licences and trademarks*	*Other, assets under construction and payments on account*	*Customer Relationship*	*Trade name Systemes Moteurs*	*Goodwill*	*TOTAL*
Balance at December 31, 2023							
Historical cost	219,195	67,758	12,332	20,488	8,438	152,016	480,227
Accumulated amortization	169,909	55,864	5,461	12,288	5,395	27,939	276,856
Net value	49,286	11,894	6,871	8,200	3,043	124,077	203,371
Additions of the period	9,213	1,700	3,086	-	-	-	13,999
Disposals/reductions during the period, net	(190)	-	-	-	-	-	(190)
Exchange differences	225	32	(82)	-	-	-	175
Amortization for the period	(16,681)	(966)	(339)	(990)	(435)	-	(19,411)
(Writedowns) / revaluations during the period	434	(2,225)	(39)	-	-	-	(1,830)
Variation of consolidation perimeter	(7,189)	(127)	(6,687)	-	-	(77,030)	(91,033)
Other changes	2,530	27	(1,174)	1	-	-	1,384
Balance at December 31, 2024	37,628	10,334	1,636	7,211	2,608	47,047	106,465
Historical cost	150,464	60,930	6,050	20,488	8,437	61,405	307,774
Accumulated amortization	112,836	50,596	4,413	13,277	5,829	14,358	201,309
Net value	37,628	10,334	1,637	7,211	2,608	47,047	106,465

Investments for the year amounted to Euro 12,103 thousand and were recognised mainly in the Air and Cooling business unit.
Increases in “Other, assets under construction and payments on account”, for the amount of Euro 4,376 thousand, refer mainly to a large number of investments in the development and implementation of the new products not yet ready for use.
The increases in “Development costs” refer to the capitalisation of costs incurred by Group companies to develop new products in collaboration with leading motor vehicle manufacturers (after obtaining the nomination letter from the customer). The most significant investments related to the North American and Chinese subsidiaries.

Item “Customer relationship” amounts to Euro 6,158 thousand and represents the value of the Systèmes Moteurs Group's customer portfolio at the acquisition date as determined during the Purchase Price Allocation process (2011) and the value of ATN Molds and Parts S.A.S.'s customer portfolio at the acquisition date (2023). This item is amortised over a period of approximately 19 years.

Item “Trade name Systèmes Moteurs” amounts to Euro 2,173 thousand and represents the value of the trade name “Systèmes Moteurs” at the acquisition date as determined during the Purchase Price Allocation process (2011). This item is amortised over a period of approximately 19 years.

Depreciation for the period was equal to Euro 15,883 thousand; it has been recorded in the appropriate item in the Consolidated Income Statement.

The item “(Writedowns)/revaluations during the period”, amounting to Euro 183 thousand, includes impairment losses of Euro 303 thousand and reversals of Euro 120 thousand. The amount was booked under “Other non-operating expenses (income)”.

The item does not include advances to suppliers for the purchase of fixed assets.

“Development costs” principally include costs generated internally, whereas "Industrial patents and intellectual property rights, concessions, licences and trademarks” consist of factors that are acquired externally for the most part.

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"Other assets under construction and payments on account" include Euro 2,865 thousand of costs generated internally.

There are no intangible assets with an indefinite useful life except for goodwill.

Goodwill and impairment test

Goodwill is not amortised, but subjected each year to impairment test.
The Company identified four Cash Generating Units (CGUs):

- air & cooling
- car suspension
- industrial vehicle suspension
- precision springs

For the moment, it is possible to identify goodwill deriving from external acquisitions in two CGUs: Air & Cooling and Car Suspension.

The specific goodwill of CGU Air & Cooling amounts to Euro 35,039 thousand; and the goodwill of C.G.U. Car Suspension amounts to Euro 12,007 thousand.
Impairment tests have been carried out in accordance with the procedure laid down in IAS 36 to check whether there have been any losses in the value of this goodwill, by comparing the book value of the individual CGUs with their value in use, given by the present value of estimated future cash flows that are expected to result from the continuing use of the asset being tested for impairment.
The Discounted Cash Flow Unlevered method was used; the criteria used were approved by the Board of Directors on 26 January 2026. The Group took into account the expected performance as determined based on the budget for 2026 for the period under consideration and the forecasts included in the 2026-2029 strategic plan (adjusted to eliminate any estimated benefits from future projects and reorganisations, in line with a conservative approach) for the following years. The 2026 budget and the 2026-2029 strategic plan were approved by the Board of Directors on 15 December 2025 and 26 January 2026, respectively.
Budget and strategic plan were prepared taking into account forecasts for the automotive industry made by major sources in the industry.
Please refer to the section "Critical Estimates and Assumptions" for a description of how climate issues affect the determination of recoverable amount.

It should be noted that the impairment test prepared by the Company underwent methodological control by a leading consulting firm.

A discount rate of 9.33%, which reflects the weighted average cost of capital, was used after taxation (9.35% in 2024). The same discount rate is used for both CGUs. As a matter of fact, the two CGUs operate in the same sector and deal with the same kind of customers, and it is estimated that they are exposed to the same risks.

The terminal value was calculated using the "perpetual annuity" approach, assuming a growth rate ("g-rate") of 2.29% (unchanged compared to 2024) (based on long-term inflation estimates for the reference countries weighted by revenues) and considering an

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operating cash flow based on the last year of the forecast, adjusted to project a stable situation “in perpetuity”, based on the following main assumptions:

- consider a level of investment necessary to “maintain" the business (for the purposes of balancing investment and depreciation/amortisation);
- change in working capital equal to zero.

As regards the average cost of capital, we calculated a weighted average of the cost of debt (taking into consideration the benchmark interest rates plus a spread) and the Company's own cost of capital, based on parameters for a group of firms operating in the European car components sector which are considered by the leading industry analysts to be Sogefi's peers.

The values used to calculate the average cost of capital (extrapolated from the main financial sources) are as follows:

- financial structure of the industry: 35.5%;
- levered beta of the industry: 1.04;
- risk-free rate: 5.36% (6 month average of risk-free rates of 10 year sovereign debt of the key markets in which the Group operates, weighted by revenues);
- risk premium: 5.50% (risk associated with AAA-rated countries calculated by an independent source);
- specific risk: 1.73% additional premium, calculated by an independent source, for the risk connected with small caps;
- debt cost spread for the industry: 1.30%.

As far as the sensitivity analysis goes, it should be noted that:
- the impairment test reached the break-even point at the following discounting rates (growth rate of terminal value remaining unchanged at 2.29% and all other plan assumptions being equal): 18.5% for Air and cooling C.G.U. and 12.9% for Car Suspension CGU;
- the impairment test reached break-even point with a significant reduction in EBIT during the explicit period covered by the plan that was also applied to terminal value (all other plan assumptions being equal): -56.7% for Air and cooling C.G.U. and -33.7% for Car Suspension CGU;
- the impairment test reached break-even point at the following growth rates (“g-rate”) of the terminal value (all other plan assumptions being equal): -12% for Air and cooling C.G.U. and -2.4% for Car Suspension CGU.

In addition, the Company has developed combined sensitivity analyses on the main parameters of the impairment test calculation (discount rate and “g-rate”); no evidence of impairment losses has emerged from said sensitivity analyses.

The test based on the present value of the estimated future cash flows turns out a value in use of the CGUs Car Suspension and Air & Cooling that exceeds their carrying value, so no writedown has been posted.

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11. OTHER FINANCIAL ASSETS

As at 31 December 2025, they amounted to Euro 662 thousand, compared with Euro 4,358 thousand in the previous year.

(in thousands of Euro)	12.31.2025	12.31.2024
Other financial assets available for sale	3	3
Other non-current financial assets valued at amortized cost	659	4,355
TOTAL	662	4,358

The item "Other non-current financial assets valued at amortised cost" amounted to Euro 659 thousand (Euro 4,355 thousand as of 31 December 2024) and refers to investments made by the Argentine subsidiary Sogefi Suspension Argentina S.A. in dollar-linked bond instruments to mitigate the effects of the devaluation of the local currency.

12. OTHER NON-CURRENT RECEIVABLES

"Other non-current receivables" break down as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Other receivables	4,076	5,144
TOTAL	4,076	5,144

The item "Other receivables" amounted to Euro 4,076 thousand (Euro 5,144 thousand as at 31 December 2024) and includes tax credits, other assets and non-interest bearing guarantee deposits for leased properties.

13. DEFERRED TAX ASSETS AND LIABILITIES

The net balance of deferred tax assets and deferred tax liabilities as at 31 December 2025 can be broken down as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Deferred tax assets	25,693	23,690
Deferred tax liabilities	(17,081)	(18,961)
TOTAL	8,612	4,729

The following details of deferred tax assets and liabilities are provided in light of the IAS/IFRS disclosure requirements.

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(in thousands of Euro)	12.31.2025		12.31.2024	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Deferred tax assets:				
Allowance for doubtful accounts	717	113	808	130
Fixed assets amortisation/writedowns	27,571	7,047	29,277	7,458
Inventory writedowns	2,065	517	1,908	507
Provisions for restructuring	1,262	303		
Other provisions - Other payables	25,965	6,187	13,081	2,988
IFRS15	10,103	3,149	12,806	3,981
IFRS16	4,874	1,057	4,113	812
Other	9,086	2,365	10,672	2,667
Deferred tax assets for tax losses	16,030	5,002	23,607	5,246
Compensation	(822)	(48)	(1,045)	(99)
TOTAL	96,851	25,693	95,227	23,690
Deferred tax liabilities:				
Accelerated/excess depreciation and amortisation	64,247	10,812	64,222	11,620
Difference in inventory valuation	1,130	366	1,501	498
Capitalisation of R&D costs	12,535	2,429	14,009	2,755
Other	13,806	3,522	16,085	4,187
Compensation	(822)	(48)	(1,045)	(99)
TOTAL	90,896	17,081	94,772	18,961
Deferred tax assets (liabilities) net		8,612		4,729
Temporary differences excluded from the calculation of deferred tax assets (liabilities):				
Tax losses carried forward	109,292	26,881	114,192	25,554

The tax effect has been calculated on the basis of the rates applicable in the various countries, which are in line with those of the previous year.

The increase in "Deferred tax assets (liabilities), net" compared to 31 December 2025 amounts to Euro 3,883 thousand and differs by Euro -339 thousand from the amount shown in the Consolidated Income Statement under "Income taxes – Deferred tax liabilities (assets)" (Euro 4,222 thousand) due to:
- a negative effect related to actuarial gains/losses arising from the application of IAS 19 for Euro 124 thousand;
- a positive effect of Euro 125 thousand following the adoption of IAS29;
- exchange differences with a negative amount of Euro 356 thousand;
- other positive effects for the amount of Euro 16 thousand.

The increase in the tax effect relating to item "Other provisions - Other payables" mostly originates from the provisions for the restructuring fund.

Item "Other" of deferred tax assets includes various types of items, such as for example costs for which tax deduction is deferred (for example, amounts allocated to remuneration accrued in 2025 not yet paid).

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"Deferred tax assets for tax losses" amount to Euro 5,002 thousand, mainly refer to Sogefi HD Suspensions Germany GmbH (Euro 2,343 thousand, unchanged from 31 December 2024), Sogefi Engine Systems Mexico S. de R.L. de C.V. (Euro 2,149 thousand as at 31 December 2025 compared to Euro 2,431 thousand as at 31 December 2024), and Sogefi Air & Cooling USA, Inc. (Euro 510 thousand, compared to Euro 472 thousand as at 31 December 2024). These taxes were recognised because it is believed to be probable that taxable income will be available in the future against which such tax losses can be utilised.
Such probability is determined based on the fact that losses have originated under extraordinary circumstances that are unlikely to occur again.
Losses of the German subsidiary can be carried forward indefinitely to cover possible future profits; with reference to the amount that can be used annually, there is no limitation on the use of losses carried forward of less than Euro 1 million, while there is an annual limit of 70% of income for losses above this threshold. The losses of the Mexican subsidiary can be carried forward within a five-year limit, but there are no limitations on their use. Losses of the US subsidiary referred to federal tax can be carried forward indefinitely, but the amount that can be used is limited to 80% of income; with reference to Michigan state tax, losses can be carried forward for 10 years, but there are no limitations on their use.

Note that the deferred tax assets relating to the "Allowance for doubtful accounts" and to the "Inventory writedowns" include amounts that will mainly be reversed in the twelve months following year end.

Column "Tax effect" of item "Other" of deferred tax liabilities includes:

- Euro 2,521 thousand relating to the taxed portion of dividends expected to be paid to the French subsidiaries and the Parent Company Sogefi S.p.A. in the short term;
- Euro 150 thousand relating to deferred tax liabilities generated by the application of IFRS 15;
- Euro 851 thousand relating to other headings, mainly referred to the subsidiary Sogefi Suspension Brasil Ltda.

As regards the figures shown under "Temporary differences excluded from the calculation of deferred tax assets (liabilities)", deferred tax assets were not booked as, at year end, there was not a probability that they would be recovered. "Tax losses carried forward" mainly relate to subsidiaries Sogefi Suspensions S.A., S.ARA Composite S.A.S., Sogefi Suspensions Eastern Europe S.R.L. and Sogefi HD Suspensions Germany GmbH and Sogefi Engine Systems Mexico S. de R.L. de C.V..

14. ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY RELATED TO ASSETS HELD FOR SALE

As at 31 December 2025 and 2024, this item amounts to zero.

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C 2) LIABILITIES AND EQUITY

15. FINANCIAL DEBTS TO BANKS AND OTHER FINANCING CREDITORS

These break down as follows:

Current portion

(in thousands of Euro)	12.31.2025	12.31.2024
Bank overdrafts and short-term loans	1,251	326
Current portion of medium/long-term financial debts and other loans	45,367	13,297
Short-term financial debts for right of use	8,437	9,858
TOTAL SHORT-TERM FINANCIAL DEBTS	55,055	23,481
Other short-term liabilities for derivative financial instruments	5	12
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	55,060	23,493

Non-current portion

(in thousands of Euro)	12.31.2025	12.31.2024
Financial debts to banks	29,574	64,014
Non current portion of medium/long-term financial debts and other loans	5,613	407
Medium/long-term financial debts for right of use	28,750	35,635
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	63,937	100,056
Other medium/long-term liabilities for derivative financial instruments	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	63,937	100,056

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Bank overdrafts and short-term loans

For further details, please refer to the Analysis of total financial indebtedness in Note 20 and to the Consolidated Cash Flow Statement included in the financial statements.

Current and non-current portions of medium/long-term financial debts and other loans

Details are as follows:

Balance as at 31 December 2025 (in thousands of Euro):

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan	Interest rate	Current portion	Non-current portion	Total amount	Real Guarantees
Sogefi S.p.A.	Banca Nazionale del Lavoro S.p.A.	Apr - 2022	Apr - 2028	60,000	Euribor trim. + 190 bps	30,000	30,000	60,000	N/A
Sogefi S.p.A.	Intesa Sanpaolo S.p.A.	Nov - 2024	Dec - 2028	50,000	Euribor trim + 120bps	5,000	-	5,000	N/A
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Nov - 2021	Jul - 2026	10,000	Euribor sem. + 210 bps	2,857	-	2,857	N/A
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Jun - 2021	Jun - 2026	10,000	Euribor sem. + 200 bps	1,429	-	1,429	N/A
Other loans/ deferrals of up front fees						6,082	(426)	5,656	
TOTALE						45,367	29,574	74,941	

The line "Other medium/long-term financial debts" includes other minor loans.

Balance as at 31 December 2024 (in thousands of Euro):

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan	Interest rate	Current portion	Non-current portion	Total amount	Real Guarantees
Sogefi S.p.A.	Banca Nazionale del Lavoro S.p.A.	Apr - 2022	Apr - 2028	60,000	Euribor 3m + 190 bps	-	59,908	59,908	N/A
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Nov - 2021	Jul - 2026	10,000	Euribor 6m + 210 bps	2,857	2,839	5,696	N/A
Sogefi S.p.A.	Cassa depositi e prestiti S.p.A.	Jun - 2021	Jun - 2026	10,000	Euribor 6m + 200 bps	4,286	1,412	5,698	N/A
Other loans/ deferrals of up front fees						6,154	(145)	6,009	
TOTAL						13,297	64,014	77,311	

During 2025, the Parent Company Sogefi S.p.A. carried out the following transactions:

- repayment in January and July of the current portion (Euro 2,857 thousand) of the loan from Cassa Depositi e Prestiti S.p.A., expiring in July 2026 and taken out in November 2021;

- repayment in January, June and December of the current portion (Euro 4,286 thousand) of the loan from Cassa Depositi e Prestiti S.p.A., expiring in June 2026 and taken out in June 2021;

- partial use (for an amount of Euro 5 million), as from May, of the revolving loan from Intesa Sanpaolo S.p.A., expiring in December 2028 and taken out in November 2024.

The existing loans of the Parent Company Sogefi S.p.A. are not secured by the Company's assets. Furthermore, note that, contractually, the spreads relating to some of the loans of the Parent Company are reviewed every six months on the basis of the

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computation of the consolidated NFP/normalised consolidated EBITDA ratio and on the basis of the verification of sustainability-related indicators. For an analysis of the covenants relating to loans outstanding at the end of the financial year, please refer to the Note 20 below entitled "Analysis of total financial indebtedness".

The item "Other loans/deferrals of up front fees" also includes the portion of interest accrued and not yet paid, and other loans.

Other short-term liabilities for derivative financial instruments

The item includes the short-term portion of the *fair value* of the exchange risk hedging contracts. Reference should be made to chapter E for a further discussion of this matter.

Other medium/long-term financial debts

As at 31 December 2025, "Other loans" amounts to Euro 5,613 thousand compared to Euro 407 thousand as at 31 December 2024.

Financial payables for rights of use

Details are as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Short-term financial debts for right of use	8,437	9,858
Medium/long-term financial debts for right of use	28,750	35,635
TOTAL	37,187	45,493

The item includes payables for Rights of Use recorded following the application of the accounting standard IFRS 16 "Leases".
This item mainly refers to the residual debt of property rental agreements. The main property rental agreements refer to the subsidiaries Sogefi Suspensions Eastern Europe S.r.l. (Euro 15.9 million), Sogefi Engine Systems Mexico S. de R.L. de C.V. (Euro 7.4 million), Sogefi (Suzhou) Auto Parts Co., Ltd (Euro 4.8 million), Sogefi Suspension Argentina S.A. (Euro 1.6 thousand) and S.C. Sogefi Air&Cooling Srl (Euro 1.4 million).

16. TRADE AND OTHER PAYABLES

The amounts shown in the financial statements can be broken down into the following categories:

(in thousands of Euro)	12.31.2025	12.31.2024
Trade and other payables	185,820	200,134
Tax payables	7,113	4,545
TOTAL	192,933	204,679

Details of trade and other payables are as follows:

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(in thousands of Euro)	12.31.2025	12.31.2024
Due to suppliers	141,479	148,107
Due to the parent company	403	875
Due to tax authorities for indirect and other taxes	5,162	9,991
Due to social and security institutions	9,585	10,499
Due to employees	22,463	23,318
Other commercial payables to customers	4,788	6,094
Other payables	1,940	1,250
TOTAL	185,820	200,134

As at 31 December 2025, trade payables "Due to suppliers" amounted to Euro 141,479 thousand and recorded a decrease of Euro 6,628 thousand compared to the corresponding value as at 31 December 2024 (at constant exchange rates, the item would be up by Euro 855 thousand).
There is no significant concentration of payables due to any one supplier or small group of suppliers.

Amounts "Due to parent company" reflect the consideration of Euro 99 thousand due for the fiscal surplus transferred by companies that have joined the CIR Group tax filing system; Euro 273 thousand represent the tax liability, net of the relevant pre-payments, of the Italian subsidiaries in connection with the CIR Group tax filing system, Euro 14 thousand reflect outstanding Directors' remuneration charged back to the holding company Cir S.p.A. and Euro 17 thousand reflect the payable to the Parent Company CIR S.p.A. for services rendered in 2025.

"Income tax liabilities" amounted to Euro 7,113 thousand at 31 December 2025 compared to Euro 4,545 thousand at 31 December 2024 and reflect taxes accrued during 2025.

17. OTHER CURRENT LIABILITIES

The item "Other current liabilities", for the amount of Euro 18,012 thousand (Euro 24,214 thousand as at 31 December 2024), mainly includes liabilities related to contracts with customers (IFRS 15). These liabilities represent portion of the consideration received from customers for the sale of tooling and prototypes that will be recognised in the Consolidated Income Statement over the life of the product.

This item also includes adjustments to costs and revenues for the period so as to ensure compliance with the accruals based principle (accrued expenses and deferred income) and advances received from customers for orders still to be delivered.

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18. CURRENT PROVISIONS, NON-CURRENT PROVISIONS AND OTHER PAYABLES

These are made up as follows:

Details of the main items are given below.

(in thousands of Euro)	December 31, 2025		
	Current	*Non-current*	*Total*
Pension funds	-	9,388	9,388
Employment termination indemnities	-	952	952
Provision for restructuring	16,842	1,256	18,098
Provision for product warranties	6,657	-	6,657
Provision for rights of use restoration	-	1,818	1,818
Provision for disputes in progress and other risks	1,776	203	1,979
TOTAL	25,275	13,617	38,892

(in thousands of Euro)	December 31, 2024		
	Current	*Non-current*	*Total*
Pension funds	-	11,733	11,733
Employment termination indemnities	-	951	951
Provision for restructuring	782	655	1,437
Provision for product warranties	5,811	-	5,811
Provision for rights of use restoration	-	1,944	1,944
Provision for disputes in progress and other risks	10,850	426	11,276
TOTAL	17,443	15,709	33,152

Pension funds

The amount of Euro 9,388 thousand represents the amount set aside at year end by the various Group foreign companies to cover the liabilities of their various pension funds. Changes in the pension funds occurred during the year are shown below:

(in thousands of Euro)	12.31.2025	12.31.2024
Opening balance	11,733	10,473
Cost of benefits charged to income statement	(1,410)	677
"Other Comprehensive Income"	(222)	(1,165)
Contributions paid	(713)	(1,633)
Variation of consolidation perimeter	-	3,700
Exchange differences	-	(319)
TOTAL	9,388	11,733

The following table shows all of the obligations deriving from “Pension funds” and the present value of the plan assets for the year 2025 and the two previous years.

(in thousands of Euro)	12.31.2025	12.31.2024	12.31.2023
Present value of defined benefit obligations	9,464	11,785	147,292
Fair value of plan assets	76	52	137,092
Asset ceiling	-	-	(273)
Deficit	9,388	11,733	10,473

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Changes in the "Present value of defined benefit obligations" for the year 2025 were as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Present value of defined benefit obligations at the beginning of the period	11,785	147,292
Current service cost	505	679
Financial expenses	400	2,576
Remeasurement (gains)/losses:		
- Actuarial (gains)/losses arising from changes in demographic assumptions	(81)	55
- Actuarial (gains)/losses arising from changes in financial assumptions	(472)	(6,977)
- Actuarial (gains)/losses arising from experience	331	(69)
- Actuarial (gains)/losses arising from "Other long-term benefits"- Jubilee benefit	(60)	68
Past service cost	24	-
Settlements/Curtailments	(2,255)	(463)
Exchange differences	-	6,143
Variation of consolidation perimeter	-	(134,032)
Other movements	-	-
Benefits paid	(713)	(3,486)
Present value of defined benefit obligations at the end of the period	9,464	11,785

"Actuarial (gains)/losses arising from changes in financial assumptions" are mainly due to a increased discount rate in French pension funds.
"Actuarial (gains)/losses arising from experience adjustments" reflect the difference between actuarial assumptions and what occurred in practice (for instance, in terms of employee turnover, wage inflation or inflation rate) mainly in British pension funds.
"Actuarial (gains)/losses relating to other long-term benefits" mainly relate to the French subsidiaries.

With regard to the balances of companies that use functional currencies other than the Euro, please note that the Consolidated Income Statement items are translated into Euro using the average exchange rate of the reporting period; the present value of obligations at beginning and end of period was translated at the rate of exchange ruling at the relevant date.

Changes in the fair value of plan assets are illustrated in the table below:

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(in thousands of Euro)	12.31.2025	12.31.2024
Fair value of plan assets at the beginning of the period	52	137,092
Interest income	-	2,347
Remeasurement (gains)/losses:	-	-
Return on plan assets	-	(5,826)
Non-management costs of plan assets	-	(164)
Contributions paid by the company	-	828
Contributions paid by the plan participants	24	-
Variation of consolidation perimeter	-	(138,016)
Exchange differences	-	6,470
Benefits paid	-	(2,680)
Fair value of plan assets at the end of the period	76	52

With regard to the balances of companies that use functional currencies other than the Euro, please note that the Consolidated Income Statement items are translated into Euro using the average exchange rate of the reporting period, whereas the fair value of assets at beginning and end of period was translated at the rate of exchange ruling at the relevant date.

Details of the amounts recognised in Other comprehensive income are given below:

(in thousands of Euro)	12.31.2025	12.31.2024
Return on plan assets (excluding amounts included in net interests expenses on net liability (asset))	-	5,826
Actuarial (gains)/losses arising from changes in demographic assumptions	(81)	55
Actuarial (gains)/losses arising from changes in financial assumptions	(472)	(6,977)
Actuarial (gains)/losses arising from experience	331	(69)
Value of the net liability (asset) to be recognised in "Other Comprehensive income"	(222)	(1,165)

The amounts charged to the Consolidated Income Statement can be summarised as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Current service cost	505	679
Net interest cost	400	229
Actuarial (gains)/losses recognised during the year on "Other long-term benefits"- Jubilee benefit	(60)	68
Non-management costs of plan assets	-	164
Settlements	(2,255)	(463)
TOTAL	(1,410)	677

The amounts recognized in the Consolidated Income Statement are positive for EUR 1,410 thousand, compared with costs of EUR 677 thousand recorded in the previous year, mainly thanks to the positive effect (amounting to EUR 1,647 thousand) of the Reductions resulting from the restructuring measures already carried out in 2025 or underway at the end of the year.

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Items “Current service cost” and “Non-management costs of plan assets” are included in the various “Labour cost” lines of Consolidated Income Statement items.
Line “Financial expenses, net” is included in “Financial expenses (income), net”.
“Actuarial (gains) losses related to jubilee benefits recognized during the year” are included in “Other non-operating expenses (income)”.
“Reductions” are included in “Other non-operating expenses (income)” in the amount of Euro 608 thousand and “Restructuring costs” in the amount of Euro 1,647 thousand.

Defined-benefit plans expose the Group to the following main actuarial risks:

- Interest risk: a decrease in the discount rate will lead to an increase in plan liability; however, if plan assets are present, such increase will be partially offset by an increase in the return on plan investments.
- Longevity risk: the value of the defined-benefit obligation is calculated taking into account the best possible estimate of the mortality rate of plan beneficiaries; an increase in life expectancy leads to an increase in the resulting obligation.
- Inflation risk/wage inflation risk: the value of the definite-benefit plan with reference to employees in service is calculated taking into account future pay rises and inflation rate: an increase in these elements causes the relevant obligation to increase.

The following table shows the breakdown of “Pension funds” by geographical area of the relevant subsidiaries:

(in thousands of Euro)	12.31.2025		
	France	Other	TOTAL
Present value of defined benefit obligations	7,243	2,222	9,464
Fair value of plan assets	-	76	76
Deficit	7,243	2,146	9,388

(in thousands of Euro)	12.31.2024		
	France	Other	TOTAL
Present value of defined benefit obligations	9,669	2,116	11,785
Fair value of plan assets	-	52	52
Deficit	9,669	2,064	11,733

Note that the actuarial valuations of the “Pension funds” are carried out in collaboration with external specialists.

The following paragraphs summarise the pension systems in the geographical area that affects the Group the most: France.

France
Pensions in France are essentially based on state pension plans and the responsibility of the company is limited to paying the contributions established by law.
In addition to this basic assistance guaranteed by the state, retiring employees are also entitled to other additional amounts under collective labour agreements that are determined based on length of service and salary level, and are only paid if the employee reaches retirement age in the company. An employee leaving the company before retirement age will lose these additional benefits.

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These additional benefits are recognised as a liability for the company and, in accordance with IAS 19, they are considered as defined-benefit plans subject to actuarial valuation.

In addition to the retirement indemnity, a collective labour agreement provides for a "*Jubilee benefit*" (which is calculated with a different method at each different French subsidiary) that vests upon reaching 20, 30, 35 and 40 years of service with the company. Under the IAS 19, this "Jubilee benefit" falls under the residual category of "Other long-term benefits" and is subject to actuarial valuation; actuarial gains (losses) must be recognised in the Consolidated Income Statement. Employees will lose the bonus falling due upon the different service jubilee bonuses if they leave the company before reaching the years of service mentioned above.

The main assumptions used in the actuarial valuation of these "Pension funds" were as follows:

	12.31.2025	12.31.2024
Discount rate %	3.95	3.45
Expected annual wage rise %	2.1-4.1 based on age	2.1-4.1 based on age
Annual inflation rate %	2.00	2.00
Retirement age	62-67	62-67

The "Discount rate" is calculated based on the returns on Eurozone AA-rated corporate bonds (average duration of 11 years).

Changes in the "Present value of defined benefit obligations" were as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
Present value of defined benefit obligations at the beginning of the period	9,669	13,633
Current service cost	505	630
Financial expenses	322	352
Remeasurement (gains)/losses:		
- Actuarial (gains)/losses arising from changes in demographic assumptions	(81)	55
- Actuarial (gains)/losses arising from changes in financial assumptions	(389)	(487)
- Actuarial (gains)/losses arising from experience	(34)	152
- Actuarial (gains)/losses related to "Other long-term benefits" - Jubelee benefit	(60)	68
Past service cost	-	-
Settlements/Curtailments	(2,255)	(463)
Variation of consolidation perimeter	-	(3,738)
Benefits paid	(434)	(532)
Present value of defined benefit obligations at the end of the period	7,243	9,669

"Actuarial (gains)/losses arising from experience adjustments" reflect the difference between actuarial assumptions and what occurred in practice (for instance, in terms of employee turnover, wage inflation or inflation rate).

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The sensitivity analysis of the French funds was performed by varying the following actuarial assumptions:
- Discount rate
- Wage inflation rate

An overview of the changes in the present value of the obligation triggered by changes in these actuarial assumptions is provided below:

(in thousands of Euro)	12.31.2025	
	+0,5%	-0.5%
Discount rate	(278)	309
Rate of salary increase	326	(282)

Employment termination indemnities

This aspect only concerns the Group's Italian companies, where pensions are represented by state plans and the company's responsibility is limited to regular payment of social contributions each month.
In addition to state-provided pensions, employees are entitled by law to a termination indemnity that accrues in accordance with length of service and is paid when an employee leaves the company.
The termination indemnity is calculated based on the length of service and taxable remuneration of each employee.
The corresponding liability is put aside in a specific provision and the amounts accrued in previous years are subject to annual revaluation based on the official cost-of-life index and at the legal interest rates; it is not associated with any conditions or accrual periods, nor does it require any financial provision; as a result, there are no assets underlying the provision.
Further to the amendments to the "Employment termination indemnities" introduced by Italian Act 296 of 27 December 2006 and subsequent decrees and regulations issued in the early part of 2007, for companies with 50 or more employees (Sogefi Suspensions Passenger Car Italy S.p.A. and Sogefi Suspensions Heavy Duty Italy S.p.A.), the portions of the provision accruing as from 1 January 2007 are transferred - at employee's option - to supplementary pension funds or to the treasury fund held by INPS (the Italian social security authority) or to supplementary pension schemes, and are considered as "defined-contribution plans". These amounts therefore do not require actuarial valuation and are no longer booked to "Employment termination indemnities". The "Employment termination indemnities" accruing up to 31 December 2006 is still a "defined-benefit plan", consequently requiring actuarial valuation, which however will no longer take account of the component relating to future wage inflation.
In accordance with the IAS 19, for companies with less than 50 employees (Parent Company Sogefi S.p.A.) the item "Employment termination indemnities" as at 31 December 2025 is entirely accounted for as a "Definite-benefit plan" and is subject to actuarial valuation.

The assumptions taken into consideration when carrying out the actuarial valuation of the "Employment termination indemnities" were as follows:

Macroeconomic assumptions:
- annual discount rate (IBoxx Eurozone Corporate AA Index): 3.88% (2.90% as at 31 December 2024);

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- annual inflation rate: 2.0% (same assumptions adopted as at 31 December 2024: 2.0%);
- annual increase in termination indemnity: 3.0% (same assumptions adopted as at 31 December 2024: 3.0%).

Demographic assumptions:
- rate of voluntary resignations: 3% - 10% of the workforce (same assumptions adopted as at 31 December 2024);
- retirement age: it was assumed that employees would reach the first of the requirements valid for mandatory general social security (same assumptions adopted as at 31 December 2024);
- probability of death: the RG48 mortality tables produced by the General State Accounting Body were used (same assumptions adopted as at 31 December 2024);
- probability of advanced settlement: an annual value of 2% - 3% each year was assumed (same assumptions adopted as at 31 December 2024);
- INPS' table split by age and gender was used for the probability of disability (same assumptions adopted as at 31 December 2024).

The provision changed as follows during the period:

(in thousands of Euro)	12.31.2025	12.31.2024
Opening balance	951	2,194
Accruals for the period	41	67
Amounts recognised in "Other Comprehensive Income"	(23)	(6)
Variation of consolidation perimeter	-	(1,121)
Other changes	12	-
Contributions paid	(29)	(183)
TOTAL	952	951

The amounts charged to the Consolidated Income Statement can be summarised as follows:

(in thousands of Euro)	2025	2024
Current service cost	13	22
Financial charges	28	45
TOTAL	41	67

Average bond duration as at 31 December 2025 is approximately 7 years.

The sensitivity analysis of the employment termination indemnities is outlined below. The table below shows the changes in the provision triggered by changes in the following actuarial assumptions:
- Discount rate
- Wage inflation

(in thousands of Euro)	12.31.2025	
	+0,5%	-0,5%
Discount rate	(15)	15
Rate of salary increase	1	(1)

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Provision for restructuring

These are amounts set aside for restructuring operations that have been officially announced and communicated to those concerned, as required by IAS/IFRS.

The provision changed as follows during the period:

(in thousands of Euro)	12.31.2025	12.31.2024
Opening balance	1,437	3,100
Accruals for the period	17,622	1,033
Utilisations	(761)	(2,656)
Provisions not used during the period	(199)	(14)
Variation of consolidation perimeter	-	(81)
Exchange differences	(1)	55
TOTAL	18,098	1,437

The accrual of Euro 17,622 thousand relates to restructuring costs for measures taken and implemented in 2025 or in progress at year-end.
Drawdowns in the period, amounting to Euro 761 thousand, mainly refer to European subsidiaries.
Changes in "Accruals for the period" net of the "Provisions not used during the period" (amounts set aside during previous years in excess of amounts actually paid), total Euro 17,423 thousand; this figure is booked to the Consolidated Income Statement under "Restructuring costs".

Provision for product warranties

The provision changed as follows during the period:

(in thousands of Euro)	12.31.2025	12.31.2024
Opening balance	5,811	7,111
Accruals for the period	2,952	5,850
Utilisations	(335)	(3,615)
Provisions not used during the period	(1,503)	(854)
Other changes	-	(2,710)
Exchange differences	(268)	29
TOTAL	6,657	5,811

The item includes provisions for risks concerning the cost of replacing products under warranty made by Group companies, for other product quality risks and for possible customer claims for product non-compliance.
The accrual of Euro 2,952 thousand mainly relates to the Chinese subsidiary Sogefi (Suzhou) Auto Parts Co., Ltd and the French subsidiary Sogefi Air & Cooling S.A.S.
Provisions not used, equal to Euro 1,503 thousand, mainly refer to the European subsidiaries and concern the revision of estimated provisions made in the previous financial year.

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Provision for restoration of rights of use

The item Provision for restoration of rights of use, for the amount of Euro 1,818 thousand, includes an estimate of the costs that the lessees of leased assets will have to incur in order to dismantle and remove the asset and restore the site or asset to the condition provided for in the lease terms.

Lawsuits and other risks

The provision changed as follows during the period:

(in thousands of Euro)	12.31.2025	12.31.2024
Opening balance	11,276	3,281
Accruals for the period	1,029	10,336
Utilisations	(3,315)	(306)
Provisions not used during the period	(611)	(894)
Variation of consolidation perimeter	-	(975)
Other changes	(6,147)	(110)
Exchange differences	(254)	(55)
TOTAL	1,979	11,276

The provision includes liabilities toward employees and other individuals or entities. Amounts stated in the financial statements represent the best possible estimates of liabilities at year-end date.
The accrual of Euro 1,029 thousand mainly refers to the French subsidiaries Air & Cooling S.A.S. and Sogefi Suspensions S.A..
The provision as at 31 December 2024 included provisions of Euro 8,563 thousand for indemnities to be paid to the purchaser of the suspension business in Mexico, which was sold in 2023, in order to guarantee continuity of production to customers. It should be noted that, in the first half of 2025, the amount of Euro 6,012 thousand (included in the row "Other changes") was paid to the counterparty by offsetting receivables claimed by the Sogefi Group (of which Euro 4,932 thousand included under "Other receivables" and Euro 1,080 thousand included under "Trade receivables") and the amount of Euro 2,551 thousand was used to cover cash outflows.
Utilisations for the period, amounting to Euro 3,315 thousand, mainly refer to the Mexican subsidiary Sogefi Engine Systems Mexico S. de R.L. de C.V., as mentioned above.
Provisions not used, equal to Euro 611 thousand, mainly refer to the French subsidiaries Sogefi Air & Cooling S.A.S. and Sogefi Suspensions S.A..

Please refer to Note 43 "Contingent assets/liabilities" for details on liabilities not assessed as probable.

Other payables

The item "Other payables" amounts to Euro 33,809 thousand (Euro 39,743 thousand as at 31 December 2024), and mainly reflects the non-current portion of the liabilities related to contracts with customers (IFRS 15). These liabilities represent the amounts received from customers for the sale of tooling and prototypes that will be recognised in the Consolidated income statement over the life of the product.

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19. SHARE CAPITAL AND RESERVES

Share capital

The share capital of the Parent Company Sogefi S.p.A. is fully paid in and amounts to Euro 62,461 thousand as at 31 December 2025 (unchanged since 31 December 2024), split into 120,117,992 ordinary shares with a par value of Euro 0.52 each (unchanged since 31 December 2024).
No shares are encumbered by rights, liens or limitations relating to dividend distribution.

As at 31 December 2025, the Company has 902,451 treasury shares in its portfolio, corresponding to 0.75% of share capital.

Movements in the shares outstanding are as follows:

(Shares outstanding)	2025	2024
No. shares at start of period	120,117,992	120,117,992
No. shares issued for subscription of stock options	-	-
No. of ordinary shares as of December 31	120,117,992	120,117,992
Treasury shares	(902,451)	(1,082,735)
No. of shares outstanding as of December 31	119,215,541	119,035,257

Share premium reserve
This item amounts to Euro 155 thousand, unchanged compared to the previous financial year.

Treasury shares
Item "Treasury shares" reflects the purchase price of treasury shares. Movements during the year amount to Euro 414 thousand and reflect the free grant of 180,284 treasury shares as reported in the note to "Stock-based incentive plans reserve".

Translation reserve
This reserve is used to record the exchange differences arising from the translation of foreign subsidiaries' financial statements.
Changes during the period show a decrease of Euro 16,585 thousand mainly due to the depreciation of the Argentine peso, Canadian dollar, US dollar and Chinese renminbi.

Reserve for actuarial gains/losses
The reserve includes actuarial gains and losses recognised in Other Comprehensive Income, according to IAS 19 "Employee Benefits".

Stock-based incentive plans reserve
The reserve refers to credit to equity for stock-based incentive plans, assigned to employees of the parent company Sogefi S.p.A. and its subsidiaries. Further to Stock Grant Plan beneficiaries exercising their rights in 2025, and the corresponding free grant of 180,284 treasury shares, the amount of Euro 186 thousand, corresponding to the fair value at right (Unit) allocation date, was reclassified from "Stock-based incentive plans reserve" to "Retained earnings reserve".

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Other reserves
This item amounts to Euro 4,450 thousand (unchanged compared to 31 December 2024).

Retained earnings
These totalled Euro 283,221 thousand (Euro 156,315 thousand as at 31 December 2024) and include amounts of profit that have not been distributed.
The increase of Euro 126,906 thousand refers to the following events:

- allocation of the previous year's result of Euro 141,288 thousand to retained earnings;
- payment of dividends for a total amount of Euro 17,860 thousand;
- reclassification from the "Stock-based incentive plans reserve" for a total amount of Euro 186 thousand;
- the effect of the adoption of IAS 29 "Financial Reporting in Hyperinflationary Economies" in the Argentine subsidiaries, which amounted to Euro 3,409 thousand;
- other negative changes for the amount of Euro 117 thousand.

Tax on items booked in Other Comprehensive Income
The table below shows the amount of income taxes relating to each item of Other Comprehensive Income:

(in thousands of Euro)	2025			2024		
	Gross value	Taxes	Net value	Gross value	Taxes	Net value
- Profit (loss) booked to cash flow hedging reserve	-	-	-	(2,747)	659	(2,088)
- Actuarial gain (loss)	245	(124)	121	1,171	(288)	883
- Profit (loss) booked to translation reserve	(16,740)	-	(16,740)	3,212	-	3,212
- Total Profit (loss) booked in Other Comprehensive Income	(16,495)	(124)	(16,619)	1,636	371	2,007

Tax constraints applicable to certain reserves

The equity of Parent Company Sogefi S.p.A. includes Reserves under tax suspension and its share capital is subject to constraints under tax suspension after revaluation reserves were utilised in the past, for a total amount of Euro 24,164 thousand.
The Parent Company has made no allocations for deferred tax liabilities to such reserves, that, if distributed, would count towards taxable income of the Company, because it is not deemed likely that they will be distributed.

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Non-controlling interests

The balance amounts to Euro 12,348 thousand and refers to the portion of shareholders' equity attributable to non-controlling interests.

Details of non-controlling interests are given below:

(in thousands of Euro)		*% owned by third parties*		*Loss (profit) attributable to non-controlling interests*		*Shareholders' equity attributable to non-controlling interests*	
Subsidiary's name	Region	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
S.ARA Composite S.A.S.	France	4.21%	4.21%	(1)	(4)	12	14
Sogefi Java Air & Cooling Private Limited	India	20.00%	0.00%	(26)	-	13	-
Iberica de Suspensiones S.L. (ISSA)	Spain	50.00%	50.00%	2,932	2,767	11,496	11,881
Sogefi ADM Supensions Private Limited	India	25.77%	25.77%	159	(200)	806	801
Sogefi Suspensions Passenger Car Italy S.p.A.	Italy	0.12%	0.12%	(3)	(1)	9	11
Sogefi Suspensions Heavy Duty Italy S.p.A.	Italy	0.12%	0.12%	1	3	12	14
TOTAL				3,062	2,565	12,348	12,721

With reference to the above table, please note that the company Iberica de Suspensiones S.L. (ISSA) – which is 50% owned – is treated as a subsidiary because the Group controls the majority of votes of the Board of Directors, which is the corporate body tasked with deciding on the entity's relevant activities.

As required by IFRS 12, an overview of the key financial indicators of the companies showing significant non-controlling interests:

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(in thousands of Euro)	*Iberica de Suspensiones S.L. (ISSA)*	
	12.31.2025	12.31.2024
Current Assets	20,333	20,973
Non-current Assets	16,517	17,633
Current Liabilities	11,489	12,010
Non-current Liabilities	2,371	2,837
Shareholders' equity attributable to the Holding Company	11,496	11,881
Non-controlling interests	11,496	11,881
Sales Revenue	61,560	63,201
Variable cost of sales	39,218	41,629
Other variable costs of sales	2,545	2,831
Fixed expenses	11,509	11,550
Non-operating expenses (income)	(36)	(100)
Income taxes	2,460	1,757
Income (loss) for the period	5,864	5,534
Income (loss) attributable to the Holding Company	2,932	2,767
Income (loss) attributable to non-controlling interests	2,932	2,767
Income (loss) for the period	5,864	5,534
	-	-
OCI attributable to the Holding Company	-	-
OCI attributable to non-controlling interests	-	-
OCI for the period	-	-
Total income (losses) attributable to the Holding Company	2,932	2,767
Total income (losses) attributable to non-controlling interests	2,932	2,767
Total income (losses) for the period	5,864	5,534
Dividends paid to non-controlling interests	3,200	3,402
Net cash inflow (out flow) from operating activities	8,522	8,646
Net cash inflow (out flow) from investing activities	(2,026)	(3,088)
Net cash inflow (out flow) from financing activities	(6,700)	(7,080)
Net cash inflow (out flow)	(204)	(1,522)

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20. ANALYSIS OF TOTAL FINANCIAL INDEBTEDNESS

The following table provides details of the Financial Indebtedness as required by Consob in its communication no. DEM/6064293 of 28 July 2006 as subsequently updated, according to ESMA Guidelines ESMA32-382-1138 dated 4 March 2021:

(in thousands of Euro)	12.31.2025	12.31.2024
A. Cash	54,435	57,327
B. Cash equivalent	-	-
C. Other current financial assets	7,559	6,868
D. Liquidity (A) + (B) + (C)	**61,994**	**64,195**
E. Current Financial Debt (including debt instruments, but excluding current portion of non-current financial debt)	1,256	338
F. Current portion of non-current financial debt	53,804	23,155
G. Current financial indebtedness (E) + (F)	**55,060**	**23,493**
H. Net current financial indebtedness (G) - (D)	**(6,934)**	**(40,702)**
I. Non-current financial debt (excluding the current portion and debt instruments)	63,937	100,056
J. Debt instruments	-	-
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I) + (J) + (K)	**63,937**	**100,056**
M. Net indebtedness (H) + (L)	**57,003**	**59,354**
Other non current financial assets	659	4,355
Net indebtedness (as per the "Net financial position" included in the Report on operations)	**56,344**	**54,999**

It should be noted that item “F. Current portion of non-current financial debt” includes short-term liabilities related to lease agreements for Euro 8,437 thousand (Euro 9,858 thousand as at 31 December 2024) and item “I. Non-current financial debt (excluding the current portion and debt instruments)” includes long-term liabilities relating to leases for Euro 28,750 thousand (Euro 35,635 thousand as at 31 December 2024).

Details of the covenants applying to loans outstanding at the end of 2025 are as follows (please read Note 15 “Financial debts to banks and other financing creditors” above for further details on loans):

- loan of Euro 60,000 thousand from Banca Nazionale del Lavoro S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 50,000 thousand from Intesa Sanpaolo S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 10,000 thousand from Cassa depositi e prestiti S.p.A. (entered into in June 2021): the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;

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- loan of Euro 10,000 thousand from Cassa depositi e prestiti S.p.A. (entered into in November 2021): the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3.

A description of the covenants relating to the unused credit lines of the Company at the end of the 2025 financial year is provided below.

- loan of Euro 25,000 thousand from Unicredit S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 35,000 thousand from Ing Bank N.V.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3;
- loan of Euro 20,000 thousand from Citibank, N.A. Milan Branch: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 4; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 3.

The Group complied with these covenants as at 31 December 2025. Therefore, the related loans were classified as current or non-current liabilities at 31 December 2025 on the basis of their respective contractual maturities.
The Group expects to comply with the covenants for at least 12 months after the end of the current financial year.

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D) NOTES ON THE MAIN INCOME STATEMENT ITEMS: CONSOLIDATED INCOME STATEMENT

21. SALES REVENUES

Revenues from sales and services

Revenues in 2025 amounted to Euro 984.8 million, -3.7% compared to the same period in 2024. At constant exchange rates and net of Argentina's inflation, revenues in 2025 were in line with those in 2024 (-0.1%): growth in North and South America and China, at constant exchange rates, offset the drop in revenues in Europe.

Revenues from the sale of goods and services are as follows:

(in thousands of Euro)	2025		2024	
	Amount	*%*	*Amount*	*%*
Suspensions	539,093	54.7	564,607	55.2
Air&Cooling	445,982	45.3	457,402	44.7
Intercompany eliminations	(325)	-	268	0.1
TOTAL	984,750	100.0	1,022,277	100.0

The Suspensions business recorded a drop in revenue of 4.5% and 0.8% at constant exchange rates. In Europe, accounting for 67% of the business, revenues fell by 3.7%, mainly due to the Heavy Duty segment (-10.2%), which, as already mentioned, still had strong volumes in the first part of 2024, before the market slump during the year. While in South America and China revenues increased by 5.7% and 4.2% at constant exchange rates, respectively.

Revenues in the Air & Cooling segment declined by 2.5% year-on-year but increased by 0.9% at constant exchange rates. The USMCA area – which accounts for 49% of total revenues – recorded growth of 6.9% at constant exchange rates. This performance, together with growth in China (+5.8%), more than offset the decline recorded in Europe (-7.6%).

By geographic area:

(in thousands of Euro)	2025		2024	
	Amount	*%*	*Amount*	*%*
Europe	528,150	53.6	556,463	54.4
South America	110,348	11.2	120,967	11.8
North America	216,554	22.0	214,073	20.9
India	14,882	1.4	16,699	1.6
China	116,525	11.8	115,736	11.3
Intercompany eliminations	(1,709)	-	(1,661)	-
TOTAL	984,750	100.0	1,022,277	100.0

In Europe, the group's largest market (54% of total revenue in 2025), revenue fell by 4.9%, mainly due to the unfavourable trend in the Passenger Cars market and the decrease in revenue in the Heavy Duty segment, whose business in early 2024 was still very strong.

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In the USMCA region (22% of total revenues), revenues at constant exchange rates increased by 6.9% (+1.2% at current exchange rates), in a market that declined by 1%; performance was also positive in China, +4.9% at constant exchange rates (+0.7% at current exchange rates), and in South America, +5.7% at constant exchange rates and net of inflation in Argentina (-8.8% at current exchange rates).

22. VARIABLE COST OF SALES

Details are as follows:

(in thousands of Euro)	2025	2024
Materials	526,449	557,370
Direct labour cost	73,958	76,054
Energy costs	32,163	33,496
Sub-contracted work	26,581	24,805
Ancillary materials	14,435	15,195
Variable sales and distribution costs	16,197	17,766
Royalties paid to third parties on sales	170	164
Other variable costs	833	72
TOTAL	690,786	724,922

The impact of "Variable cost of sales" on revenues stands at 70.1%, down from 70.9% in the previous year.

"Other variable costs" represent the portion of direct labour cost and fixed cost included in the increase in the inventory of finished goods and semi-finished products. Please note that the portion of change in inventory relating to raw materials is included in the row "materials".

23. MANUFACTURING AND R&D OVERHEADS

These can be broken down as follows:

(in thousands of Euro)	2025	2024
Labour cost	61,068	65,478
Materials, maintenance and repairs	25,227	24,394
Rental and hire charges	811	794
Personnel services	4,765	5,100
Technical consulting	5,174	6,250
Sub-contracted work	125	342
Insurance	1,757	1,506
Utilities	3,939	4,320
Capitalization of internal construction costs	(13,805)	(16,275)
Other	754	(531)
TOTAL	89,815	91,378

"Manufacturing and R&D overheads" show a decrease of Euro 1,563 thousand, compared to the previous year. At constant exchange rates and excluding the inflationary impact of Argentina, the item would increase by Euro 994 thousand.

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It should be noted that the item "Rents and hires" includes costs relating to variable payments and ancillary costs due for leases not included in the valuation of lease liabilities, short-term leases and leases of small value assets.

"Technical consulting" decreased by Euro 1,076 thousand compared to the previous year as a consequence of a less extensive use of external consultants related to research and development activities, especially by the French subsidiary Sogefi Suspensions S.A. and by the Romanian subsidiary Sogefi Suspensions Eastern Europe S.r.l..

The item "Personnel services" decreased by Euro 335 thousand compared to the previous year and refers to lower travel expenses and staff service expenses.

The heading "Capitalization of internal construction costs" refers mainly to the capitalisation of research and development costs and costs for the development of tooling at the subsidiary ATN Molds & Parts S.A.S.

The item "Other" includes other services in support of industrial and research and development activities, as well as contributions for research and development of the French subsidiaries.

Total costs for Research and Development (not reported in the table but included mainly under the headings "Labour cost", "Materials, maintenance and repairs" and "Technical consulting") amount to Euro 19,778 thousand compared to Euro 19,886 thousand as of 31 December 2024.

24. DEPRECIATION AND AMORTIZATION

Details are as follows:

(in thousands of Euro)	2025	2024
Depreciation of tangible fixed assets	51,441	53,422
Depreciation of Right of Use/assets under finance leases IAS 17	7,577	7,490
Amortisation of intangible assets	15,884	17,219
TOTAL	74,902	78,131

Item "Depreciation and amortization" amounts to Euro 74,902 thousand compared to Euro 78,131 thousand in the previous year. At constant exchange rates and excluding the inflationary impact of Argentina, the item would overall decrease by Euro 1,276 thousand.

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25. DISTRIBUTION AND SALES FIXED EXPENSES

This item is made up of the following main components:

(in thousands of Euro)	2025	2024
Labour cost	11,204	11,639
Sub-contracted work	591	590
Advertising, publicity and promotion	494	360
Personnel services	661	676
Rental and hire charges	446	543
Consulting	161	122
Other	1,292	1,222
TOTAL	14,849	15,152

"Distribution and sales fixed expenses" decreased by Euro 303 thousand. At constant exchange rates and excluding the inflationary impact of Argentina, the item would increase by Euro 157 thousand.

26. ADMINISTRATIVE AND GENERAL EXPENSES

These can be broken down as follows:

(in thousands of Euro)	2025	2024
Labour cost	23,128	24,673
Personnel services	2,703	2,584
Maintenance and repairs	4,204	3,949
Cleaning and security	1,285	1,334
Consulting	4,764	5,615
Utilities	1,056	1,191
Rental and hire charges	975	1,106
Insurance	2,000	1,929
Participation des salaries	1,211	2,053
Administrative, financial and tax-related services provided by Parent Company	330	356
Audit fees and related expenses	1,492	1,472
Directors' and statutory auditors' remuneration	813	876
Sub-contracted work	293	505
Capitalization of internal construction costs	(22)	(363)
Indirect taxes	4,100	4,106
Other fiscal charges	678	667
Other	4,331	3,831
TOTAL	53,341	55,884

"Administrative and general expenses" decreased by Euro 2,543 thousand compared to 2024. At constant exchange rates and excluding the inflationary impact of Argentina, the item would decrease by Euro 1,451 thousand.

Labour cost", in particular, decreased by Euro 1,545 thousand compared to the previous period, mainly due to the reduction in the average number of employees of the category being analysed.

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The increase in item "Personnel services" for the amount of Euro 119 thousand mainly reflects higher travel expenses and higher personnel services in European subsidiaries.

"Maintenance and repairs" increased by Euro 255 thousand, mainly due to higher maintenance costs incurred in IT departments.

The decrease in the item "Consulting" of Euro 783 thousand was mainly due to decreased legal, tax and administrative consulting.

The decrease of item "*Participation des salaries*" of Euro 842 thousand is traced back to the worse tax results obtained by the French subsidiaries, which are the basis for calculating this cost item.

Item "Administrative, financial, tax-related services provided by Parent Company" refers to the services provided by the Parent Company CIR S.p.A.. For further details, please refer to Note 39 "Related party transactions".

"Indirect taxes" include tax charges such as property tax, taxes on sales revenues (*taxe organic* of the French companies), non-deductible VAT and taxes on professional training.

"Other fiscal charges" consist of the *cotisation économique territoriale* (previously called *taxe professionnelle*) relating to the French companies, which is calculated on the value of fixed assets and on added value.

With reference to the item "Audit fees and related expenses", it should be noted that the fees incurred for services provided by the auditing firm KPMG S.p.A. and other entities belonging to its network amounted to:
- Euro 200 thousand for auditing services provided to the Parent Company Sogefi S.p.A.;
- Euro 152 thousand for other services provided to the Parent Company Sogefi S.p.A.;
- Euro 846 thousand for audit services provided to subsidiaries;
- Euro 14 thousand for other services provided to subsidiaries.

27. PERSONNEL COSTS

Personnel

Regardless of their destination, as specified in paragraphs "Variable cost of sales", "Manufacturing and R&D overheads", "Distribution and sales fixed expenses" and "Administrative and general expenses", the whole "Personnel costs" may be broken down in the following main components:

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(in thousands of Euro)	2025	2024
Wages, salaries and contributions	168,465	176,675
Pension costs: defined benefit plans	518	552
Pension costs: defined contribution plans	377	616
Participation des salaries	1,211	2,053
Imputed cost of stock option and stock grant plans	843	178
Other costs	14	11
TOTAL	171,428	180,085

"Personnel costs" decreased by Euro 8,657 thousand compared to the previous period. At constant exchange rates and excluding the inflationary impact of Argentina, the item would decrease by Euro 3,862 thousand.

The impact of "Personnel costs" on sales revenues was 17.4%, in line compared with 31 December 2024 (17.6%).

"Wages, salaries and contributions", "Pension costs: defined benefit plans" and "Pension costs: defined contribution plans" are posted in the tables provided above at line "Labour cost".

"*Participation des salaries*" is included in "Administrative and general expenses".

"Other costs" is included in "Administrative and general expenses".

"Imputed cost of stock grant plans" is included in "Other non-operating expenses (income)". The following paragraph "Personnel benefits" provides details of the stock grant plans.

The average number of Group employees, broken down by category, is shown in the table below:

(Number of employees)	2025	2024
Managers	32	35
Clerical staff	814	834
Blue collar workers	2,443	2,462
TOTAL	3,289	3,331

Personnel benefits

Sogefi S.p.A. implements stock-based incentive plans for the employees of the Company and of its subsidiaries that hold important positions of responsibility within the Group. The purpose is to foster greater loyalty to the Group and to provide an incentive that will raise their commitment to improving business performance and generating value in the long term.

The stock-based incentive plans of Sogefi S.p.A. are first approved by the Shareholders' Meeting.

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Except as outlined at the following paragraphs "*Stock Grant plans*", the Group has not carried out any other transaction that involves the purchase of goods or services with payments based on shares or any other kind of instrument representing portions of equity. As a result, it is not necessary to disclose the fair value of such goods or services.
The Group has issued plans from 2016 to 2025 of which the main details are provided blow.

Stock Grant plans

The Stock Grant plans provide for the free assignment of conditional rights (called units) that cannot be transferred to third parties or other beneficiaries; each of them entitles to the free assignment of one Sogefi S.p.A. share.

Until 2019, the plans provided for two categories of units:
• Time-based Units, the vesting of which is subject to the passing of the established time periods;
• Performance Units type A, whose vesting is subject to the passing of the time periods and the achievement of the targets based on the market value of the share, as set out in the regulation.

Starting with the 2020 Stock Grant Plan, an additional category of units was added:
• Performance Units type B, whose vesting is subject to the passing of the time periods and the achievement of the Economic-Financial Targets set out in the regulation.
In this regard, it should be noted that with the issuance of the 2022 Stock Grant Plan, the Type B Performance Units are also subject to the achievement of the Non-Financial Targets, measured on the basis of the comparison between the Non-Financial Results and the Non-Financial Targets set forth in the regulation.

The regulation provides for a minimum holding period during which the shares held for the plan can not be disposed of.
All shares assigned under these plans will be treasury shares held by Sogefi S.p.A. According to the regulation, a pre-condition for assigning the shares is a continued employer-employee relationship or the continued appointment as a director/executive of the Company or one of its subsidiaries throughout the vesting period of the rights.

On 24 April 2025, the Board of Directors executed the 2025 Stock Grant plan approved by the Shareholders' Meeting held on the same date to assign a maximum of 1,000,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 755,000 Units (377,500 of which were Time-based Units, 226,500 Performance Units type A and 151,000 Performance Units type B).
The Time-Based Units will vest in twelve instalments, each equal to 8.33% of the total number of Time-Based Units granted, on a quarterly basis commencing on 24 April 2027, with final vesting on 24 January 2030.
Performance Units type A will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.

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Performance Units type B will vest in three tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, starting on 30 July 2027, at the following vesting dates and under the following conditions:
1) the first portion, with effect from 30 July 2027, depending on the achievement of the Economic-Financial Targets and Non-Financial Targets for the financial year 2026, in accordance with the Regulation;
2) the second portion, with effect from 30 July 2028, depending on the achievement of the Economic-Financial Targets and Non-Financial Targets for the financial year 2027, in accordance with the Regulation;
3) the third portion, with effect from 30 July 2029, depending on the achievement of the Economic-Financial Targets and Non-Financial Targets for the financial year 2028, in accordance with the Regulation.

The fair value of the units granted during 2025 was determined at the time of granting, with the help of an external consultant, and was calculated on the basis of the binomial model for the valuation of American options known as the Cox, Ross and Rubinstein (CRR) model for Time-based units and Performance Units type B, and on the basis of the model called "Monte Carlo simulation" for Performance Units type A. The overall fair value amounts to a total of Euro 1,235 thousand.

Input data used for measuring the fair value of the 2025 stock grant plan are provided below:

- curves of EUR/SEK/CHF-riskless interest rates as at 24 April 2025;
- price of the Sogefi S.p.A. share as at 24 April 2025 (equal to Euro 1.862), and of the securities included in the benchmark basket, again as at 24 April 2025;
- standard prices of the Sogefi S.p.A. share and of the securities included in the benchmark basket, calculated as an average of the prices during the period starting on 24 March 2025 and ending on 23 April 2025 for the determination of the limit for Stock Grant Performance Units type A;
- 260-day historical volatility values observed at 24 April 2025 for stocks and foreign exchange rates;
- Dividend yield of zero; modest dividend of Euro 0.15 for the year 2025;
- historical series of the logarithmic returns of involved securities and EUR/SEK and EUR/CHF exchange rates to calculate the correlation among securities and among the 2 non-EUR denominated securities and associated exchange rates (to adjust for estimated trends), calculated for the period starting on 24 April 2024 and ending on 24 April 2025.

The main characteristics of the Stock Grant plans approved during previous years and still under way are outlined below:

• 2016 Stock Grant plan to assign a maximum of 750,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 500,095 Units (217,036 of which were Time-based Units and 283,059 Performance Units).
The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 27 July 2018 and ending on 27 April 2020.
The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at

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each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.
On 31 December 2025, 77,399 Time-based Units and 100,948 Performance Units expired as per regulation. While 139,638 Time-based Units and 182,111 Performance Units had been exercised. Therefore, as at 31 December 2025, no Units remain that could be exercised with respect to this plan.

• 2017 Stock Grant plan to assign a maximum of 750,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 287,144 Units (117,295 of which were Time-based Units and 169,849 Performance Units).
The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 26 July 2019 and ending on 26 April 2021.
The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.
On 31 December 2025, 36,703 Time-based Units and 169,849 Performance Units expired as per regulation. While 79,547 Time-based Units had been exercised.
• 2018 Stock Grant plan to assign a maximum of 500,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 415,000 Units (171,580 of which were Time-based Units and 243,420 Performance Units).
The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 23 July 2020 and ending on 23 April 2022.
The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.
On 31 December 2025, 95,446 Time-based Units and 243,420 Performance Units expired as per regulation. While 74,244 Time-based Units had been exercised.

• 2019 Stock Grant plan to assign a maximum of 500,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 469,577 Units (213,866 of which were Time-based Units and 255,711 Performance Units).
The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 22 October 2021 and ending on 22 July 2023.
The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.
On 31 December 2025, 112,416 Time-based Units and 140,424 Performance Units expired as per regulation. While 99,366 Time-based Units and 113,210 Performance Units had been exercised.

• 2020 Stock Grant plan to assign a maximum of 1,000,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 790,000 Units (235,000 of which were Time-based Units and 277,500 Performance Units type A and 277,500 Performance Units type B).

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The Time-based Units were scheduled to vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on 31 January 2023 and ending on 31 October 2024.
The Performance Units were scheduled to vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) on that date.
The Performance Units type B were scheduled to vest in three tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, from 31 January 2023 to 31 July 2024, depending on the achievement of the Economic-Financial Targets set out in the regulation.
On 31 December 2025, 96,500 Time-based Units, 190,750 Performance Units type A and no. 201,729 Performance Units type B expired as per regulation. While 132,250 Time-based Units, 83,626 Performance Units type A and no. 72,853 Performance Units type B had been exercised.

• 2021 Stock Grant plan to assign a maximum of 1,000,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 897,500 Units (292,084 of which were Time-based Units and 302,708 Performance Units type A and 302,708 Performance Units type B).
Time-based Units will vest in tranches on a three-monthly basis, accounting for 8.33% of their respective total, starting on 30 April 2023 and ending on 31 January 2026.
Performance Units type A will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.
Performance Units type B will vest in three annual tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, from 31 July 2023 to 31 July 2025, depending on the achievement of the Economic-Financial Targets set out in the regulation.
On 31 December 2025, 155,765 Time-based Units, 158,576 Performance Units type A and no. 208,646 Performance Units type B expired as per regulation. While 125,973 Time-based Units, 133,682 Performance Units type A and no. 91,656 Performance Units type B had been exercised.

• 2022 Stock Grant plan to assign a maximum of 1,000,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 995,000 Units (294,166 of which were Time-based Units and 350,417 Performance Units type A and 350,417 Performance Units type B).
Time-based Units will vest in tranches on a three-monthly basis, accounting for 8.33% of their respective total, starting on 30 April 2024 and ending on 31 January 2027.
Performance Units type A will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.
Performance Units type B will vest in three tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, from 31 July 2024 to 31 July 2026, depending on the achievement of the Economic-Financial Targets set out in the regulation.

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On 31 December 2025, 157,847 Time-based Units, 189,201 Performance Units type A and no. 189,486 Performance Units type B expired as per regulation. While 72,364 Time-based Units, 90,908 Performance Units type A and no. 101,625 Performance Units type B had been exercised.

• 2023 Stock Grant plan to assign a maximum of 1,250,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 980,000 Units (277,500 of which were Time-based Units and 351,250 Performance Units type A and 351,250 Performance Units type B).
Time-based Units will vest in tranches on a three-monthly basis, accounting for 8.33% of their respective total, starting on 22 December 2025 and ending on 22 September 2028.
Performance Units type A will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.
Performance Units type B will vest in three tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, from 22 December 2025 to 22 December 2027, depending on the achievement of the Economic-Financial Targets set out in the regulation.
On 31 December 2025, 143,334 Time-based Units, 190,833 Performance Units type A and 244,305 Performance Units type B expired as per regulation.

• 2024 Stock Grant plan to assign a maximum of 1,250,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 718,000 Units (359,000 of which were Time-based Units and 215,400 Performance Units type A and 143,600 Performance Units type B).
Time-based Units will vest in tranches on a three-monthly basis, accounting for 8.33% of their respective total, starting on 13 December 2026 and ending on 13 September 2029.
Performance Units type A will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.
Performance Units type B will vest in three tranches, each equal to up to one third (1/3) of the total number of Performance Units type B granted, from 13 December 2026 to 13 December 2028, depending on the achievement of the Economic-Financial Targets set out in the regulation.
On 31 December 2025, 35,000 Time-based Units, 21,000 Performance Units type A and 14,000 Performance Units type B expired as per regulation.

It should be noted that the 2015 Stock Grant Plan ended in October 2025 as per regulation.

The imputed cost for 2025 for existing Stock Grant plans is Euro 843 thousand, and is booked to the Consolidated Income Statement under “Other non-operating expenses (income)”.

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	2025	2024
Not exercised/not exercisable at the start of the period	1,677,431	2,503,788
Granted during the period	755,000	718,000
Cancelled during the period	(211,371)	(1,089,936)
Exercised during the period	(180,284)	(454,421)
Not exercised/not exercisable at the end of the period	2,040,776	1,677,431
Exercisable at the end of the period	100,658	95,334

The line "Not exercised/not exercisable at the end of the period" refers to the total number of options, net of those exercised or cancelled during the current and previous periods.
The line "Exercisable at the end of the period" refers to the total amount of options matured at the end of the period and not yet subscribed.

28. RESTRUCTURING COSTS

Restructuring costs amount to Euro 20,507 thousand (compared to Euro 6,982 thousand the previous year) for measures taken and implemented in 2025 or in progress at year-end. The restructuring measures are focused on the Suspensions business in Europe and primarily involve reducing the fixed costs of the industrial structure in order to preserve competitiveness in response to declining volumes over time in Passenger Cars and Heavy Duty, reflecting the performance of their respective markets.

The item "Restructuring costs" mainly includes personnel costs and is comprised of costs incurred and paid during the year in the amount of Euro 2,912 thousand and of allocations to "Provision for restructuring" net of the provisions allocated and not used in the amount of Euro 17,423 thousand.

29. LOSSES (GAINS) ON DISPOSAL

Looses on disposal as at 31 December 2025 amounted to Euro 34 thousand (gains amounted to Euro 1,961 thousand as at 31 December 2024).

30. EXCHANGE (GAINS) LOSSES

Net exchange losses as at 31 December 2025 amount to Euro 2,040 thousand compared to net exchange gains of Euro 449 thousand as at 31 December 2024.

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31. OTHER NON-OPERATING EXPENSES (INCOME)

These amount to Euro 3,929 thousand compared to Euro 6,573 thousand the previous year. The following table shows the main elements:

(in thousands of Euro)	2025	2024
Write-downs of tangible and intangible fixed assets	1,928	1,490
Product warranty costs	433	3,942
Cost of stock option and stock grant plans	843	178
Litigations	177	609
Actuarial losses (gains)	(60)	68
Indirect Tax recovery	(535)	(988)
Past service cost and other items related to pension funds	(608)	(463)
Other ordinary (income) expenses	1,751	1,737
TOTAL	3,929	6,573

"Writedowns of tangible and intangible fixed assets" amount to Euro 1,928 thousand and include writedowns of tangible (Euro 1,745 thousand) and intangible fixed assets (Euro 183 thousand).

32. FINANCIAL EXPENSES (INCOME), NET

Financial expenses are detailed as follows:

(in thousands of Euro)	2025	2024
Interests on bonds	-	989
Interest on amounts due to banks	3,448	9,194
Financial charges under lease contracts	1,843	2,088
Financial component of pension funds and termination indemnities	428	332
Financial expenses from Cross currency swap no more in cash flow hedge	-	-
Financial component IAS 29	1,429	2,954
Other interest and commissions	5,532	9,007
TOTAL FINANCIAL EXPENSES	12,680	24,564

Financial income is detailed as follows:

(in thousands of Euro)	2025	2024
Financial income from IRS in cash flow hedge	-	(1,124)
Fair value financial income from IRS in cash flow hedge	-	(2,254)
Interest on amounts given to banks	(1,850)	(3,739)
Other interest and commissions	(574)	(2,736)
TOTAL FINANCIAL INCOME	(2,424)	(9,853)
TOTAL FINANCIAL EXPENSES (INCOME), NET	10,256	14,711

Net financial expenses amount to Euro 10,255 thousand, down by Euro 4,456 thousand compared to 31 December 2024, thanks to lower indebtedness.

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The item "Other interest and commissions - financial expenses", amounting to Euro 5,532 thousand as at 31 December 2025, includes Euro 656 thousand related to the Argentine subsidiary Sogefi Suspension Argentina S.A. with reference to an exchange loss recognised using part of the liquidity for the payment of suppliers in US dollars.

It should be noted that the item "Other interest and commissions - financial income" amounting to Euro 574 thousand as at 31 December 2025 includes Euro 412 thousand of interest income related to a recovery of indirect taxes, paid in previous years by the Brazilian subsidiary, following a change in regulations (interest income of Euro 180 thousand as of 31 December 2024) and Euro 160 thousand related to dollar-linked bond instruments measured at amortised cost in the Argentine subsidiary (Euro 2,453 thousand as of 31 December 2024).

33. LOSSES (GAINS) FROM EQUITY INVESTMENTS

As at 31 December 2025, this item amounts to zero.

34. INCOME TAXES

(in thousands of Euro)	2025	2024
Current taxes	14,713	13,198
Deferred tax liabilities (assets)	(4,222)	(216)
TOTAL	10,491	12,982

The year 2025 recorded a tax rate of 43.2% compared to a tax rate of 41.9% in the previous year.
A reconciliation between the standard tax rate (that of the Parent Company Sogefi S.p.A.) and the effective tax rate for 2025 and 2024 is shown in the table below. Taxes have been calculated at the domestic rates applicable in the various countries. The differences between the rates applied in the various countries and the standard Italian tax rate are included in the line "Other permanent differences and tax rate differentials".

(in thousands of Euro)	2025		2024	
		Tax rate %		Tax rate %
Result before taxes	24,291	24.0%	30,954	24.0%
Theoretical income taxes	5,830		7,429	
Effect of increases (decreases) with respect to the standard rate:				
Non-deductible costs, net	195	0.8%	954	3.1%
Use of deferred tax assets not recognised in previous years	(468)	-1.9%	(987)	-3.2%
Deferred tax assets on losses for the year not recognised in the financial statements	4,054	16.7%	4,645	15.0%
Taxed portion of dividends	736	3.0%	2,303	7.4%
Other permanent differences and tax rate differentials	145	0.6%	(1,362)	-4.4%
Income taxes in the consolidated income	10,492	43.2%	12,982	41.9%

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"Deferred tax assets on losses for the year not recognised in the financial statements" are mainly attributable to subsidiaries Sogefi HD Suspensions Germany GmbH and Sogefi Suspensions Eastern Europe S.r.l., for which there was no probability at the end of the year that such losses would be recovered.

The "Taxed portion of dividends" refers to the portion of dividends received from Group companies that is not tax-exempt.

Item "Other permanent differences and tax rate differentials" includes the impact of the difference between the tax rates applied in the various countries and the standard Italian tax rate as well as other differences.

The Pillar 2/GloBE rules came into force in Italy as of 1 January 2024 by means of Italian Legislative Decree no. 209/2023 implementing Directive No. 2523/2022/EU in Italy and are applicable to Sogefi S.p.A., providing that the entities that are part of the group - wherever they are located - are subject to an effective income tax rate of at least 15%, to be determined on the basis of a detailed calculation based on the accounting and tax data of such entities. Where the actual level of taxation (so-called "Effective Tax Rate") is lower than the minimum level, this results in the application of a minimum tax (so-called "Top-Up Tax") up to the value of actual taxation of 15%.

From a regulatory standpoint, it should be noted that during 2025 the process of implementing Italian Legislative Decree No. 209/2023 continued through the release of a number of Ministerial Decrees with implementing functions, thereby completing the regulatory framework envisaged by the legislator. However, a number of further measures still remain to be issued to regulate or make operational some specific procedural steps.
The Sogefi Group has carried out an estimation of the impacts resulting from the entry into force of the Pillar 2/GloBE rules, with the support of an external consultant, in order to identify the scope of application and the potential impact of this new legislation for entities located in the jurisdictions within its consolidation scope, also making use of the so-called Transitional CbCR Safe Harbours ("TCSH") applicable in the three-year period 2024-2026 (the so-called Transition Period) as provided to date by art. 39 of Italian Legislative Decree No. 209/2023 and by the Decree of 20 May 2024 of the Italian Minister of Economy and Finance on the implementation of the rules on simplified regimes.

In accordance with the OECD guidelines and Italian implementation regulations, the Transitional CbCR Safe Harbours tests have been prepared using the information available in the "Country-by-Country Report" (CbCR) of the Ultimate Parent Entity for the year 2025 with an approach that considers the "aggregated" data of the entities that are part of the Group located within the same jurisdiction as the one the group operates ("jurisdictional blending approach"). In addition to such information, further data sources required for the purposes of the Transitional CbCR Safe Harbours were used, as derived from the reporting packages prepared for consolidation purposes.

Based on this activity, the Transitional CbCR Safe Harbour tests were met for the following jurisdictions: Argentina, Brazil, Canada, France, Germany, India, Mexico, Netherlands, United Kingdom, Romania, and Spain.

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In this regard, it should be noted that, with reference to the 2024 financial year, the following jurisdictions did not meet any of the Transitional CbCR Safe Harbour tests: China, Italy, Slovenia and Morocco. For these jurisdictions, it was therefore necessary to calculate the effective tax rate in accordance with the full set of Pillar 2/GloBE rules starting from the 2024 financial year onwards, including the year under review.

It should be noted that, as a result of the sale of the "Filtration" business unit in the first half of 2024, the Sogefi Group no longer operates in Morocco and discontinued its operations in Slovenia during 2025.

With reference to the jurisdictions of China, Italy and Slovenia, although a precise calculation of the level of effective taxation has not been made in the estimation for the 2025 financial statements, a calculation has been made in order to provisionally determine the tax burden, on the basis of the information available to date, i.e. on the basis of the reporting packages prepared by the controlled entities for the purpose of preparing the group's consolidated financial statements and data from the CbCR relating to the financial year 2025.

In particular, with reference to the Italian and Slovenian jurisdictions, it should be noted that no amount due by way of top-up tax was estimated. With reference to the group's entities located in China, for the sake of prudence, the estimated amount of the top-up tax would total Euro 160 thousand.

This value represents Sogefi Group's best estimate to date of the expected impact of the articulated set of Pillar 2/GloBE rules on the financial year 2025 and was determined by considering the amount of the pre-tax income (as resulting from the CbCR for the financial year 2025), the amount of the "Substance-Based Income Exclusion" and a tax rate applied to calculate the estimated impact equal to the difference between 15% and the effective tax rate applied in the individual jurisdiction (obtained for estimation purposes on the basis of the "Simplified effective tax rate test" described above). Since not all of the adjustments that would have been required by the Pillar 2/GloBE rules "when fully implemented" have been considered for the forecast, the actual impact that such rules could have on the Sogefi Group's income could differ from the initial estimate specified previously and will be subject - for the same financial year - to a more precise determination when calculating the Effective Tax Rate pursuant to the Pillar 2/GloBE rules for the fulfilment of reporting and payment obligations.

Finally, it should be noted that Sogefi Group did not recognise any effect for deferred taxation purposes resulting from the entry into force of the Pillar 2 rules as of 1 January 2024.

35. INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX EFFECTS

This item amounted to Euro -464 thousand as at 31 December 2025 compared to Euro 125,881 thousand as at 31 December 2024 and included the values related to the Filtration division, which was sold in May 2024, and the values related to the Mexican suspension business, which was sold in financial year 2023 and was already reported as discontinued operations in previous financial years.

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In particular, with reference to the Filtration Division, the amount of Euro 542 thousand refers to a tax income recognised following the finalisation of the tax calculation for the involved transaction.
The amount of Euro -1,006 thousand, relative to the suspension business in Mexico, refers to the indemnities paid to the purchaser of the suspension business in order to guarantee production continuity to customers.

The following table shows the Result of discontinued operations at 31 December 2025 and 31 December 2024.

(in thousands of Euro)	2025		
	Filtration Division	Suspension Mexico	Total
Sales revenues	-	-	-
Costs	-	(1,006)	(1,006)
Operating income	**-**	**(1,006)**	**(1,006)**
Financial expenses (income), net	-	-	-
Income taxes	-	-	-
Net Operating income, net of tax effects	**-**	**(1,006)**	**(1,006)**
Ancillary charges (fiscal charges)	542	-	542
Income (loss) from discontinued operations net of tax effects	**542**	**(1,006)**	**(464)**

(in thousands of Euro)	2024		
	Filtration Division	Suspension Mexico	Total
Sales revenues	244,829	-	244,829
Costs	(214,528)	-	(214,528)
Operating income	**30,301**	**-**	**30,301**
Financial expenses (income), net	(1,846)	-	(1,846)
Income taxes	(6,173)	-	(6,173)
Net Operating income, net of tax effects (A)	**22,282**	**-**	**22,282**
Result of held for sale/discontinued activities	128,421	(8,563)	119,858
Reclassification of differences from equity to profit (loss) over the period	(6,017)	-	(6,017)
Ancillary charges (tax charges and costs arising from the sale transaction)	(10,242)	-	(10,242)
Net income (loss) of held for sale activities, net of tax effects (B)	**112,162**	**(8,563)**	**103,599**
Income (loss) from discontinued operations net of tax effects (A + B)	**134,444**	**(8,563)**	**125,881**

Below is a breakdown of the cash flows relating to discontinued operations, as already separately specified in the Cash Flow Statement:

(in thousands of Euro)	2025
Cash flow from operating activities from discontinued operations	(75)
Cash flow from investing activities from discontinued operations	(1,360)
Total cash flow from discontinued operating activities	**(1,435)**

36. DIVIDENDS PAID

In the year 2025, ordinary dividends in the amount of Euro 17,860, equal to Euro 0.15 per share, were paid out, as resolved by the Shareholders' Meeting on 24 April 2025.
Dividends paid to non-controlling interests amounted to Euro 3,203 thousand.
The Parent Company Sogefi S.p.A. did not issue any shares other than ordinary shares; treasury shares are always excluded from the dividend.

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37. EARNINGS PER SHARE (EPS)

Basic earnings per share is calculated by dividing the net profit/(loss) for the year, the profit/(loss) from operating activities and the profit/(loss) from discontinued operations, attributable to Shareholders holding ordinary shares of the Parent Company, by the weighted average number of shares outstanding during the year, excluding treasury shares.
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to take into account all potential ordinary shares that may result in a dilutive effect. The Company only has one category of potential ordinary shares, namely those deriving from the potential exercise of the stock grant plans granted to employees. The calculation of outstanding ordinary shares excludes treasury shares.

Basic EPS

Information on shares for the calculation of basic earnings per share is set out below.

	2025	2024
Net result attributable to the ordinary shareholders (in thousands of Euro)	10,274	141,288
Weighted average number of shares outstanding (thousands)	119,120	118,804
Basic EPS (Euro)	*0.086*	*1.189*

	2025	2024
Consolidated Statement of other comprensive income attributable to the ordinary shareholders (in thousands of Euro)	(6,190)	143,266
Weighted average number of shares outstanding (thousands)	119,120	118,804
Basic EPS (Euro)	*(0.052)*	*1.206*

	2025	2024
Net result of operating activity (in thousands of Euro)	13,800	17,972
Weighted average number of shares outstanding (thousands)	119,120	118,804
Basic EPS (Euro)	*0.116*	*0.151*

	2025	2024
Net income (loss) from discountinued operations (in thousands of Euro)	(464)	125,881
Weighted average number of shares outstanding (thousands)	119,120	118,804
Basic EPS (Euro)	*(0.004)*	*1.060*

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Diluted EPS

Information on shares for the calculation of diluted earnings per share is set out below.

	2025	2024
Net result attributable to the ordinary shareholders (in thousands of Euro)	10,274	141,288
Weighted average number of shares outstanding (thousands)	119,120	118,804
Weighted average number of stock grant (thousands)	67	67
Adjusted weighted average number of shares outstanding (thousands)	119,187	118,871
Diluted EPS (Euro)	*0.086*	*1.189*

	2025	2024
Consolidated Statement of other comprensive income attributable to the ordinary shareholders (in thousands of Euro)	(6,190)	143,266
Weighted average number of shares outstanding (thousands)	119,120	118,804
Weighted average number of stock grant (thousands)	67	67
Adjusted weighted average number of shares outstanding (thousands)	119,187	118,871
Diluted EPS (Euro)	*(0.052)*	*1.205*

	2025	2024
Net result of operating activity (in thousands of Euro)	13,800	17,972
Weighted average number of shares outstanding (thousands)	119,120	118,804
Weighted average number of stock grant (thousands)	67	67
Adjusted weighted average number of shares outstanding (thousands)	119,187	118,871
Diluted EPS (Euro)	*0.116*	*0.151*

	2025	2024
Net income (loss) from discountinued operations (in thousands of Euro)	(464)	125,881
Weighted average number of shares outstanding (thousands)	119,120	118,804
Weighted average number of stock grant (thousands)	67	67
Adjusted weighted average number of shares outstanding (thousands)	119,187	118,871
Diluted EPS (Euro)	*(0.004)*	*1.059*

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E) 38. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

The following table shows a comparison between the book value of the Group's financial instruments and their fair value.

An analysis of the table shows that the fair value is different from the book value only in the case of short-term and long-term fixed-rate financial debts. This positive difference, corresponding to Euro 1 thousand, is generated by a recalculation of these loans at year-end date at current market rates.
The spreads of floating-rate loans are in line with standard market conditions.
The fair value of fixed-rate financial debts is classified as Level 2 in the fair value hierarchy (see paragraph "Categories of financial assets and liabilities stated in the financial statements and fair value hierarchy") and was measured using generally accepted discounted cash flow models and a free-risk discount rate.

(in thousands of Euro)	Book value		Fair value	
	12.31.2025	12.31.2024	12.31.2025	12.31.2024
Financial assets				
Cash and cash equivalents	54,435	57,327	54,435	57,327
Other current financial assets valued at amortization cost	1,554	2,244	1,554	2,244
Current financial receivables	6,005	4,624	6,005	4,624
Trade receivables	78,488	88,738	78,488	88,738
Other receivables	4,108	14,901	4,108	14,901
Other assets	2,095	2,799	2,095	2,799
Other financial assets available for sale	3	3	3	3
Other non-current financial assets valued at amortization cost	659	4,355	659	4,355
Other non-current receivables	4,076	5,144	4,076	5,144
Financial liabilities				
Short-term fixed rate financial debts	1,783	738	1,834	742
Short-term financial debts for right of use	8,437	9,858	8,437	9,858
Short-term variable rate financial debt	44,836	12,885	44,836	12,885
Other short-term financial liabilities for derivatives	5	12	5	12
Trade and other payables	185,820	200,134	185,820	200,134
Other current liabilities	18,012	24,214	18,012	24,214
Other non- current liabilities	33,809	39,743	33,809	39,743
Other fixed rate medium/long-term financial debts	313	633	263	675
Medium/long-term financial debts for right of use	28,750	35,635	28,750	35,635
Medium/long-term variable rate financial debt	34,874	63,788	34,874	63,788

Financial risk management

Given that the Group operates on world markets, its activity is exposed to various kinds of financial risks, including fluctuations, up or down, of interest and exchange rates, and cash flow risks (for cash flows generated outside of the Eurozone). In order to minimise these risks, the Group uses derivatives as part of its risk management activity, whereas it does not use or hold derivatives or similar instruments purely for trading purposes.

The Group also has available a variety of financial instruments other than derivatives, such as bank loans, financial leases, rentals, sight deposits, payables and receivables deriving from normal operating activities.

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The Group handles its main hedging operations centrally. Precise instructions have also been issued, laying down guidelines on risk management, while procedures have been introduced to control all transactions in derivatives.

Interest risk

The interest risk to which the Group is exposed mainly arises from long-term debts.

These debts may be fixed or floating rate.

Floating rate debts, which represent 97% of the net book value of Group loans, expose the Group to a risk arising from interest rate volatility (cash flow risk).

The following table gives a breakdown, by maturity, of the book value of the Group's financial assets and liabilities instruments, which are exposed to interest rate risk as at 31 December 2025, split according to whether they are contractually at a fixed or floating rate (for further details see the table shown in the analysis of "Liquidity risk"):

(in thousands of Euro)	within 12 months	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	beyond 5 years	Total
TOTAL FIXED RATE - ASSET	1,554	659	-	-	-	-	2,213
TOTAL FIXED RATE - LIABILITIES	(10,220)	(10,885)	(7,481)	(4,754)	(3,795)	(2,147)	(39,281)
TOTAL FLOATING RATE - ASSET	60,440	-	-	-	-	-	60,440
TOTAL FLOATING RATE - LIABILITIES	(44,841)	-	(29,574)	(5,300)	-	-	(79,715)

Financial instruments under "Total fixed rate – Asset" refer to "Other financial assets valued at amortised cost".
Financial instruments under "Total floating rate – Asset" refer to "Cash and cash equivalents" and to "Financial receivables – current".

A sensitivity analysis is provided below, which shows the impact on the Net Profit, net of tax, and on consolidated equity of a change in interest rates that is considered reasonably possible.

An increase or decrease in interest rates of 100 basis points, applied to floating-rate financial assets and liabilities in existence as at 31 December 2025, including interest-rate hedges, would have the following effects:

(in thousands of Euro)	12.31.2025		12.31.2024	
Sensitivity Analysis	Net profit	Equity	Net profit	Equity
+ 100 basis points	(475)	(475)	(493)	(493)
- 100 basis points	475	475	493	493

The effect on Shareholders' equity at 31 December 2025 is in line with the effect on the Consolidated Income Statement.

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Currency risk

As it operates at an international level, the Group is exposed to the risk that changes in exchange rates could have an impact on the fair value of some of its assets or liabilities. Moreover, as can be seen from the segment information given in Note 4, the Group produces and sells mainly in countries of the Eurozone, but it is potentially exposed to currency risk, above all in respect of the British Pound, Brazilian Real, US Dollar, Argentine Peso, Chinese Renminbi and Canadian Dollar.
Generally speaking, the Group is not particularly exposed to exchange risk, which is mainly related to the translation of foreign subsidiaries' financial statements, as the currencies in which the foreign operating companies bill and those in which they are invoiced tend to be much the same.

As regards borrowings, there are also policies stating that any funds raised from third parties have to be in the same currency as the functional currency of the company obtaining the loan. If any exception is made to this principle, then the risk is hedged through forward currency purchases.

A sensitivity analysis is provided below, which shows the impact on the net profit, especially on "Exchange (gains) losses", net of tax, and on consolidated equity of a change that is considered reasonably possible in exchange rates of the main foreign currencies. Note that the exchange effect of translating the financial statements of foreign subsidiaries into Euro has not been taken into consideration here.
What has been taken into consideration are the financial assets and liabilities outstanding as at 31 December 2025 denominated in a currency other than the functional currency of the individual subsidiaries. This analysis also takes into account any changes in the fair value of the derivative financial instruments.

As at 31 December 2025, exchange risk was concentrated mainly in transactions with the Euro.

A 5% appreciation or depreciation of the Euro against the other main currencies would have the following effects:

(in thousands of Euro)	12.31.2025		12.31.2024	
Sensitivity Analysis	Net profit	Equity	Net profit	Equity
+ 5%	327	327	(288)	(288)
- 5%	(362)	(362)	323	323

These effects are mainly due to the EUR/RON exchange rate for the net financial and commercial exposure in Euro of the Romanian subsidiary S.C. Sogefi Air & Cooling S.r.l..

Please note that a sensitivity analysis of the CAD/USD exchange rate showed that a 5% appreciation/depreciation of the Canadian dollar against the US dollar would cause Group's net profit and equity to increase/decrease by Euro 146 thousand.
These effects are due to the exposure for the trade payables and financial debt in USD of the Canadian and English subsidiaries.

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Price risk

The Group is partially exposed to price risk as it makes purchases of various raw materials such as steel, plastics, aluminium, cellulose products.
The risk is handled in the best way possible thanks to centralised purchasing at business unit level and to a policy of having various suppliers for each kind of raw material, operating in different parts of the world.
We would also point out that price risk is generally mitigated by the Group's ability to pass on part of the variation in raw material costs to selling prices.

The price risk on Group investments classified as "Other financial assets available for sale" is not significant.

Credit risk

This is the risk that one of the parties signing a contract of a financial nature defaults on an obligation, thereby provoking a financial loss. This risk can derive from strictly commercial aspects (granting and concentration of credits), as well as from purely financial aspects (choice of counterparties used in financial transactions).

Cash and cash equivalents
Cash and cash equivalents held by the Group as at 31 December 2025 amounted to Euro 54,435 thousand (Euro 57,327 thousand as at 31 December 2024). Cash and cash equivalents are held with banks and financial institutions with credit ratings between Aa1 and B3 by Moody's.
Impairment losses of cash and cash equivalents are measured at 12-month expected credit losses and reflect the maturities of short-term exposures. The Group believes its credit risk on cash and cash equivalents to be low, according to the counterparties' credit ratings by third parties.
The Group measures expected credit loss relating to cash and cash equivalents using a method similar to that adopted for debt instruments.
As at 31 December 2025, impairment losses of cash and cash equivalents were equal to Euro 1 thousand.

Derivative financial instruments
Derivative financial instruments were entered into with banks and financial institutions with credit ratings between A1 and Baa3 by Moody's.

Trade receivables
From a commercial point of view, the Group does not have excessive concentrations of credit risk as it operates on Original Equipment distribution channel, that makes it possible not to depend too much on individual customers. The main customers are car and industrial vehicle manufacturers.
In order to minimise credit risk, however, procedures have in any case been implemented to limit the impact of any customer insolvencies.
As regards counterparties for the management of financial resources, the Group only has recourse to partners that have a safe profile and a high international standing.
The Group's maximum exposure to credit risk as at 31 December 2025 is represented by the book value of the financial assets shown in the financial statements (Euro

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151,423 thousand), as well as by the nominal value of the guarantees given in favour of third parties, as mentioned in Note 41 (Euro 2,153 thousand).

The exposure to credit risk is essentially linked to trade receivables which amounted to Euro 78,977 thousand as at 31 December 2025 (Euro 86,889 thousand as at 31 December 2024), written down by Euro 3,283 thousand (Euro 2,607 thousand as at 31 December 2024).
As at 31 December 2025, the Group does not have any guarantees covering trade receivables.

The following table shows the changes in the allowance for doubtful accounts:

(in thousands of Euro)	12.31.2025	12.31.2024
Opening balance	2,607	4,149
Change to the scope of consolidation	-	(1,856)
Accruals for the period	1,210	922
Utilisations	(153)	(40)
Provisions not used during the period	(266)	(630)
Exchange differences	(115)	62
TOTAL	3,283	2,607

The following is an ageing analysis of gross receivables and the related allowance for doubtful accounts to help evaluate credit risk:

(in thousands of Euro)	12.31.2025		
	Gross value	Allowance for doubtful accounts	Net value
Receivables past due:			
0-30 days	7,750	(50)	7,700
30-60 days	1,898	-	1,898
60-90 days	235	(217)	18
over 90 days	4,013	(2,320)	1,693
Total receivables past due	13,896	(2,587)	11,309
Total receivables still to fall due	65,081	(696)	64,385
TOTAL	78,977	(3,283)	75,694

(in thousands of Euro)	12.31.2024		
	Gross value	Allowance for doubtful accounts	Net value
Receivables past due:			
0-30 days	8,271	(48)	8,223
30-60 days	1,950	(5)	1,945
60-90 days	1,243	-	1,243
over 90 days	5,763	(2,238)	3,525
Total receivables past due	17,227	(2,291)	14,936
Total receivables still to fall due	69,662	(316)	69,346
TOTAL	86,889	(2,607)	84,282

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The item "Total receivables still to fall due" does not contain significant positions that have been renegotiated.

Considering the nature of the Sogefi Group's customers (cars and industrial vehicles manufacturers), a Credit risk analysis by type of customer is not considered meaningful.

Liquidity risk

This is the risk that the Group may have trouble meeting its commitments associated with financial liabilities settled by cash or other financial assets. The Group's approach to managing liquidity is to have sufficient funds to meet its commitments upon maturity at all times, whether under normal conditions or under financial pressure, without incurring in excess charges or damaging its reputation.

The Group is subject to a minimum amount of liquidity risk, namely having to handle a situation where it is not able to raise sufficient funds to meet its liabilities.
The Group has always taken an extremely prudent approach to its financial structure, using mainly medium/long-term funding, whereas forms of short-term financing are generally used only to cope with moments of peak requirement.
Its solid capital structure makes it relatively easy for the Group to find additional sources of financing.
It should also be mentioned that the Parent Company Sogefi S.p.A. has implemented a cash pooling system for all of the main European and North American subsidiaries, which makes it possible to optimise liquidity and cash flow management at a supranational level.
The following table shows an analysis of the Group's financial assets and liabilities instruments by maturity, including the amount of future interests to be paid and trade receivables and payables:

(in thousands of Euro)	within 12 months	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	beyond 5 years	Total
Fixed rate							
Other financial asstes valued at amortized cost	1,554	659	-	-	-	-	2,213
Financial debts for right of use	(8,437)	(10,885)	(7,242)	(4,754)	(3,795)	(2,073)	(37,186)
Sogefi Air Cooling S.A.S Loans	-	-	-	-	-	(74)	(74)
Sogefi (Suzhou) Auto Parts Co., Ltd loans	(608)	-	-	-	-	-	(608)
Other fixed rate loans	(1,174)	-	(239)	-	-	-	(1,413)
Future interests	(52)	(27)	(12)	(4)	(4)	(8)	(107)
TOTAL FIXED RATE	(8,717)	(10,253)	(7,493)	(4,758)	(3,799)	(2,155)	(37,175)
Floating rate							
Cash and cash equivalents	54,435	-	-	-	-	-	54,435
Current financial receivables	6,005	-	-	-	-	-	6,005
Bank overdrafts and other short-term loans	(1,251)	-	-	-	-	-	(1,251)
Sogefi S.p.A. loans	(40,196)	-	(29,574)	-	-	-	(69,770)
Other floating rate loans	(3,389)	-	-	(5,300)	-	-	(8,689)
Future interests	(1,929)	(1,520)	(624)	(325)	-	-	(4,398)
Liabilities for derivative financial instruments - exchange risk hedging	(5)	-	-	-	-	-	(5)
TOTAL FLOATING RATE	13,670	(1,520)	(30,198)	(5,625)	-	-	(23,673)
Trade receivables	78,488	-	-	-	-	-	78,488
Trade and other payables	(185,820)	-	-	-	-	-	(185,820)
TOTAL FINANCIAL INSTRUMENT - ASSET	140,482	659	-	-	-	-	141,141
TOTAL FINANCIAL INSTRUMENT - LIABILITIES	(242,861)	(12,432)	(37,691)	(10,383)	(3,799)	(2,155)	(309,321)

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Hedging

a) exchange risk hedges – not designated in hedge accounting

The Sogefi Group has entered the following contracts to hedge the exchange risk on commercial balances. Note that even though the Group considers these instruments as exchange risk hedges from a risk management point of view, it has chosen not to adopt hedge accounting, as this treatment is not considered suitable for the Group's operating requirements. It therefore measures such contracts at fair value, posting the differences to "Exchange (gains) losses" in the Consolidated Income Statement (this difference is offset within Consolidated Income Statement by the fair value change of the asset/liability denominated in a certain currency).
The fair value of these instruments was calculated using the forward curve of exchange rates as at 31 December 2025.

As at 31 December 2025, the following forward purchase/sale contracts were maintained to hedge the exchange risk on commercial positions:

Company	Forward purchase / Forward sale		Date opened	Currency exchange	Spot price	Date closed	Forward price	Fair value (*) at 12.31.2025
Sogefi Suspension Brasil Ltda	S	250,000 USD	11/28/25	BRL/currency	5.3490	03/18/26	5.4545	(5)
Sogefi Suspension Brasil Ltda	S	200,000 USD	12/17/25	BRL/currency	5.5514	02/19/26	5.5855	-
Sogefi Suspensions Argentina	B	500,000 USD	12/15/25	ARS/currency	1,440.0	01/30/26	1,496.0	-
Sogefi Suspensions Argentina	B	350,000 USD	12/15/25	ARS/currency	1,440.0	02/27/26	1,525.0	-

*Fair value was recognised in "Other short-term liabilities for derivative financial instruments".

b) fair value of derivatives

The fair value of all derivatives was calculated using the forward curves of exchange and interest rates as at 31 December 2025, also taking into account a credit valuation adjustment/debit valuation adjustment. The fair value amounts of derivatives are classified as Level 2 in fair value hierarchy, based on the significance of the inputs used in fair value measurements.

Equity management

The main objectives pursued by the Group through its equity risk management are the creation of value for shareholders and the safeguarding of business continuity. The Group also sets itself the objective of maintaining an optimal equity structure so as to reduce the cost of indebtedness and meet the covenants established by the loan agreements.

The Group monitors equity on the basis of the net financial indebtedness and total equity ratio (gearing ratio). For the purposes of determination of the net financial indebtedness reference is made to Note 20. Total equity is analysed in Note 19.

As at 31 December 2025, gearing ratio stands at 0.20 (0.18 as at 31 December 2024).

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Categories of financial assets and liabilities stated in the financial statements and fair value hierarchy

In compliance with the requirements of IFRS 7, the table below provides the information on the categories of financial assets and liabilities held by the Group as at 31 December 2025.
For the financial instruments measured at fair value in the Consolidated Statement of Financial Position the IFRS 13 requires a classification by hierarchy determined by reference to the source of inputs used to derive the fair value. This classification uses the following three levels:

- level 1: if the financial instrument is quoted in an active market;
- level 2: if the fair value is determined using valuation techniques and the inputs used for the valuation (other than quoted prices of financial instruments) are observable in the market. Specifically, fair value was calculated using the forward curves of exchange and interest rates;
- level 3: if the fair value is determined using valuation techniques and the inputs used for the valuation are non-observable in the market.

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The following table therefore shows the fair value level of financial assets and liabilities measured at fair value, as at 31 December 2025:

(in thousands of Euro)	Note	Book value 2025	Receivables and financial assets Valued at amortized cost	Financial assets available for sale	Financial liabilities	Fair Value with changes booked in the Income Statement	
						Amount	Fair value hierarchy
Current assets							
Cash and cash equivalents	*5*	54,435	54,435	-	-	-	-
Other current financial assets valued at amortization cost	*6*	1,554	1,554	-	-	-	-
Current financial receivables	*6*	6,005	6,005	-	-	-	-
Trade receivables	*8*	78,488	78,488	-	-	-	-
Other receivables	*8*	4,108	4,108	-	-	-	-
Other assets	*8*	2,095	2,095	-	-	-	-
Non-current assets							
Other financial assets available for sale	*11*	3	-	3*	-	-	-
Other non-current financial assets valued at amortised cost	*11*	659	659	-	-	-	-
Other non-current receivables	*12*	4,076	4,076	-	-	-	-
Current liabilities							
Short-term fixed rate financial debts	*15*	1,783	-	-	1,783	-	-
Short-term financial debts for Right of Use	*15*	8,437	-	-	8,437	-	-
Short-term variable rate financial debts	*15*	44,836	-	-	44,836	-	-
Other short-term liabilities for derivative financial instruments	*15*	5	-	-	-	5	*2*
Trade and other payable	*16*	185,820	-	-	185,820	-	-
Other current liabilities	*17*	18,012	-	-	18,012	-	-
Non-current liabilities							
Medium/long-term fixed rate financial debts	*15*	313	-	-	313	-	-
Medium/long-term financial debts for Right of Use	*15*	28,750	-	-	28,750	-	-
Medium/long-term variable rate financial debts	*15*	34,874	-	-	34,874	-	-

* relating to financial assets valued at cost, as permitted by IFRS 9, insofar as a reliable fair value is not avaible.

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The following table shows the fair value level of financial assets and liabilities measured at fair value, as at 31 December 2024:

(in thousands of Euro)	Note	Book value 2024	Receivables and financial assets Valued at amortized cost	Financial assets available for sale	Financial liabilities	Fair Value with changes booked in the Income Statement	
						Amount	Fair value hierarchy
Current assets							
Cash and cash equivalents	*5*	57,327	57,327	-	-	-	-
Other current financial assets valued at amortised cost	*6*	2,244	2,244	-	-	-	-
Current financial receivables	*6*	4,624	4,624	-	-	-	-
Trade receivables	*8*	88,738	88,738	-	-	-	-
Other receivables	*8*	14,901	14,901	-	-	-	-
Other assets	*8*	2,799	2,799	-	-	-	-
Non-current assets							
Other financial assets available for sale	*11*	3	-	3*	-	-	-
Other non-current financial assets valued at amortised cost	*11*	4,355	4,355	-	-	-	-
Other non-current receivables	*12*	5,144	5,144	-	-	-	-
Current liabilities							
Short-term fixed rate financial debts	*15*	738	-	-	-	738	-
Short-term financial debts for Right of Use	*15*	9,858	-	-	-	9,858	-
Short-term variable rate financial debts	*15*	12,885	-	-	-	12,885	-
Other short-term liabilities for derivative financial instruments	*15*	12	-	-	-	12	*2*
Trade and other payables	*16*	200,134	-	-	-	200,134	-
Other current liabilities	*17*	24,214	-	-	-	24,214	-
Non-current liabilities							
Medium/long-term fixed rate financial debts	*15*	633	-	-	-	633	-
Medium/long-term financial debts for Right of Use	*15*	35,635	-	-	-	35,635	-
Medium/long-term variable rate financial debts	*15*	63,788	-	-	-	63,788	-

* relating to financial assets valued at cost, as permitted by IFRS 9, insofar as a reliable fair value is not avaible.

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F) 39. RELATED PARTY TRANSACTIONS

See IAS 24 and the related communications from Consob for the definition of related party transactions.

The Company's Board of Directors has established a Related Party Transactions Committee and adopted the Procedure for Related Party Transactions (the "Procedure"), which establishes the principles of conduct and the rules adopted by Sogefi S.p.A. to ensure the transparency and substantive and procedural fairness of transactions with its related parties carried out by the Company directly or through its subsidiaries.
Related parties transactions are conducted at arm's length, taking into account the quality and type of services.

The Group is controlled by the Parent Company CIR S.p.A. (which in turn is controlled by the ultimate Parent Company Fratelli De Benedetti S.p.A.), which as at 31 December 2025 held 59.60% of the share capital (60.05% of outstanding shares, excluding treasury shares). The shares of Sogefi S.p.A. are listed on the Euronext Star Milan Market.

The Group's consolidated financial statements include the financial statements of the consolidated companies, listed in chapter H along with the stake held in the same by the Group.
Dealings between Group companies are conducted at arm's length, taking into account the quality and type of services rendered.
The Parent Company Sogefi S.p.A., because of its role of Holding company, provides administrative, financial and management services directly to the two French sub-holding operative companies (Sogefi Suspensions S.A. and Sogefi Air & Cooling S.A.S.) which, in turn, beside dealing with the services provided by the Parent Company to the companies operating in the relevant business units, provide directly to the latter support services as well as operating and business services. The Parent Company also debits and credits interest at a market spread to those subsidiaries that have joined the Group's cash pooling system. The Parent Company is also charging royalties fees on the Group "SAP" information system to those subsidiaries at which implementation has been completed.

The subsidiary Sogefi Gestion S.A.S. carries out centralised functions and charges Group companies for administrative, financial, legal, industrial and IT services as well as royalties for the use of Group-wide IT applications.

As part of its activity, the Parent Company Sogefi S.p.A. makes use of the services provided by CIR S.p.A., its Parent Company, in areas such as planning and control, sustainability, administration, finance and corporate governance, IT support, communication and institutional matters. This relationship is regulated by contracts at arm's-length conditions and the cost is commensurate to the effective value of such services to the Sogefi Group in terms of the resources devoted to them and the specific economic advantages obtained as a result. It should be noted that Sogefi's interest in the provision of services by the parent company is considered to be preferable to services provided by third parties because of, among other things, its extensive knowledge acquired over time in its specific business and market environment. The service contract that ended on 31 December 2025 was renewed in January 2026 for a term of one year.

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In 2025, the Parent Company Sogefi S.p.A. used the services of CIR S.p.A., paying Euro 165 thousand for them (Euro 165 thousand in the previous year). In addition, during the year 2025 CIR S.p.A. incurred in costs for the amount of Euro 144 thousand (Euro 170 thousand in the previous year) for the sole benefit of the Parent Company Sogefi S.p.A. These costs were charged back to Sogefi S.p.A. as at 31 December 2025.

The Parent Company Sogefi S.p.A. had entered into a rental contract with the holding company CIR S.p.A. on the offices located in Milan, via Ciovassino 1 where Sogefi has its registered offices and administration.

As at 31 December 2025, the Italian companies of the Sogefi Group had receivables for the amount of Euro 2,794 thousand owed by CIR S.p.A. in connection with their participation in the group tax filing system, and payables for the amount of Euro 403 thousand. As at 31 December 2024, receivables amounted to Euro 4,456 thousand (Euro 3,444 thousand were collected during the course of 2025) and payables amounted to Euro 875 thousand.

At the end of 2025, the Italian subsidiaries recorded income of Euro 99 thousand (Euro 26 thousand in the previous year) from the transfer to companies participating in the CIR Group tax filing system of excess interest deduction capacity. As at 31 December 2024, the Italian subsidiaries also recorded an expense of Euro 26 thousand representing the consideration paid for the transfer of excess interest deduction capacity from companies participating in the CIR Group tax filing system. At 31 December 2025, the Parent Company Sogefi S.p.A. records a liability amounting to Euro 99 thousand (no amount in the previous year) reflecting the consideration due for the fiscal surplus transferred by companies that have joined the CIR Group tax filing system.

As regards economic transactions with the Board of Directors, Statutory Auditors, Chief Executive Officer and the Manager with strategic responsibility in 2025, please refer to the attached table.

Apart from those mentioned above and shown in the table below, at the date of these financial statements, we are not aware of any other related party transactions.

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The following table summarises related party transactions:

(in thousands of Euro)	2025	2024
Receivables		
- for the Group tax filing from CIR S.p.A.	2,695	4,430
- for income following the transfer of fiscal surplus to the CIR Group	99	26
Payables		
- for Director's remuneration	14	14
- for services received from CIR S.p.A.	17	16
- for the cost of transferring tax surpluses from the CIR Group	99	26
- for the Group tax filing from CIR S.p.A.	273	819
Right of use (*)		
- for rental property	388	493
Financial debts for Right of Use (*)		
- for rental property	421	518
Costs		
- for services received from CIR S.p.A.	165	165
- for rental contract from CIR S.p.A	21	21
- for costs recharged from CIR S.p.A.	144	170
- for amortizations for rights of use (*)	106	106
-for the cost of transferring tax surpluses from the CIR Group	99	26
Revenues		
- for income following the transfer of fiscal surplus to the CIR Group	99	26
Compensation of directors and statutory auditors		
- directors	557	627
- directors charged back to the parent company	20	20
- statutory auditors	93	93
- contribution charges on compensation to directors and statutory auditors	31	31
Compensation and related contributions to the General Manager (**)	-	514
Compensation and related contributions to Managers with strategic responsibilities ex Consob resolution no. 17221/2010 (****)	2,457	1,366

(*) Presented here are the components relating to the rental contract for the headquarters in Via Ciovassino 1, Milan; it should be noted that rents accrued as at 31 December 2025 totalled Euro 122 thousand.
(**) As at 31 December 2025, the item is zero as there is no longer a General Manager.
(***) The item includes the net imputed cost of Stock Grant plans of Euro 343 thousand (Euro 143 thousand in 2024) recognised in item “Other non-operating expenses (income)”.

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G) COMMITMENTS AND RISKS

40. INVESTMENT COMMITMENTS

At 31 December 2025, Group companies have binding commitments for investments relating to the purchase of property, plant and equipment for Euro 2,730 thousand (Euro 174 thousand at the end of the previous financial year).

41. GUARANTEES GIVEN

Details of guarantees are as follows:

(in thousands of Euro)	12.31.2025	12.31.2024
PERSONAL GUARANTEES GIVEN		
a) Sureties to third parties	516	481
b) Other personal guarantees in favour of third parties	1,637	1,750
TOTAL PERSONAL GUARANTEES GIVEN	2,153	2,231
REAL GUARANTEES GIVEN		
a) Against liabilities shown in the financial statements	3,108	3,819
TOTAL REAL GUARANTEES GIVEN	3,108	3,819

The guarantees given in favour of third parties mainly relate to guarantees given to certain customers by subsidiary Sogefi Suspensions Heavy Duty Italy S.p.A.; guarantees are shown at a value equal to the outstanding commitment at the end of the reporting period. These accounts indicate risks, commitments and guarantees provided by Group companies to third parties.

The “Other personal guarantees in favour of third parties” relate to the commitment of the subsidiary Sogefi HD Suspensions Germany GmbH to the employee pension fund for the two business lines at the time it was acquired in 1996; this commitment is covered by the contractual obligations of the seller, who is a leading German operator.

“Real guarantees given” refer to subsidiaries Sogefi (Suzhou) Auto Parts Co., Ltd and Sogefi ADM Suspensions Private Limited, which pledged tangible fixed assets, trade receivables, and inventories as real guarantees (for an overall amount of Euro 3,108 thousand) to secure loans obtained from financial institutions equal to Euro 814 thousand.

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42. OTHER RISKS

As at 31 December 2025, the Group had third-party goods and materials held at Group companies worth Euro 2,368 thousand.

43. CONTINGENT ASSETS/LIABILITIES

Sogefi Group is managing environmental issues in some production plants. No relevant costs are expected.

In October 2016, the Parent Company Sogefi S.p.A. received four notices of assessment relating to fiscal periods 2011 and 2012, as a result of a tax audit carried out during the first half year 2016, with two irregularities: i) undue detraction of Euro 0.6 million of VAT paid on purchases of goods and services, ii) non-deductibility from IRES tax (and relating non-deductibility for VAT of Euro 0.2 million) of the expense for services performed by parent company CIR S.p.A., for the overall taxable amount of Euro 1.3 million, not including interest and fines. The notices were challenged by the Company before the Province Tax Commission of Mantua, which on 14 July 2017 filed judgement no. 119/02/2017, ruling in favour of the Company on all claims. The Italian Tax Agency filed an appeal against parts of the judgement, requesting that only the notices of VAT assessment be sustained, and finally waiving the notices of IRES assessment (Italian Corporate Income Tax).
The Company has filed its rebuttal arguments against this partial appeal. On 19 November 2019, a hearing was held at the Lombardy Regional Tax Committee, which accepted the Authority's argument.
The judgement of the Regional Tax Committee (C.T.R.) of Lombardy, Brescia local unit, (no. 1/26/2020) was challenged by the Company before the Cassation on 30 September 2020. The Authority, through the *Avvocatura Generale dello Stato* (office of State lawyers), filed a defence.
On 31 December 2020, pending judgment on the merits, the Company paid the provisional amount ordered under Regional Tax Committee judgement no. 1/26/2020. This amount of Euro 1.3 million is included in the item “Tax receivables”.
The public hearing was held on 6 November 2024. On 21 December 2024, the Italian Court of Cassation upheld the Company?s appeal, overturning the CTR's judgment and referring it to another section of the Lombardy Tax Court of Second Instance to ascertain whether the system for determining the pro rata VAT used by the Company “is capable of identifying transactions that are actually eligible for deduction”.
Following this victory, on 19 June 2025, the Company resumed proceedings before the Lombardy Tax Court of Second Instance, pursuant to Article 63 of Italian Legislative Decree no. 546/1992.
Based on the tax advisor's opinion, Directors believe the risk of losing to be possible but not likely.
In July 2025, the Italian Tax Authority initiated a tax audit at the Parent Company Sogefi S.p.A. with respect to the 2021 tax period, covering corporate income taxes, regional production tax (IRAP), VAT, withholding taxes, and transfer pricing matters. The audit was completed on 31 October 2025 with the issuance of the Audit Report (“*Processo Verbale di Constatazione*”). Subsequently, the Tax Authority served a Draft Tax Assessment Notice contesting the lack of remuneration of guarantees granted to subsidiary companies. The Company believes it has acted in accordance with transfer

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pricing regulations and has therefore filed an application for an amicable settlement procedure ("*accertamento con adesione*"), while also reserving the right to pursue additional defensive actions.
Consequently, the Company did not set aside any amount for tax risks to contingent liabilities in financial statements as at 31 December 2025.

44. ATYPICAL OR UNUSUAL TRANSACTIONS

Pursuant to Consob Communication dated 28 July 2006, it is specified that the Group did not implement any atypical and/or unusual transactions during 2025.

45. OTHER INFORMATION

DISCLOSURE PURSUANT TO ART. 1, PARAGRAPH 125, OF ACT NO. 124 OF 4 AUGUST 2017
During 2025, the subsidiaries that have obtained public grants under the provisions referred to above disclosed the relevant information in their statutory financial statements.

DISCLOSURE PURSUANT TO ARTICLE 2427, 22-QUINQUIES AND ARTICLE 2427, 22-SEXIES
The company that prepares the consolidated financial statements of the largest group of companies the company is part of as a subsidiary, is Fratelli De Benedetti S.p.A. with registered office in Via Valeggio no. 41 - Turin, whose financial statements are filed at the registered office of Fratelli De Benedetti S.p.A..

The company that prepares the consolidated financial statements of the smallest group of companies the company is part of as a subsidiary is CIR – Compagnie Industriali Riunite S.p.A. with registered office in Via Ciovassino no. 1 - Milan, whose financial statements are filed at the registered office of CIR.

46. SUBSEQUENT EVENTS

No significant events occurred after 31 December 2025 such as could have an impact on the consolidated financial statements as at 31 December 2025.

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H) GROUP COMPANIES

47. LIST OF GROUP COMPANIES AS AT 31 December 2025

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Direct equity investments	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
SOGEFI SUSPENSIONS S.A. Guyancourt (France)	Euro	232,902,666	4,345,198	99.999	54	232,902,613
SOGEFI GESTION S.A.S. Guyancourt (France)	Euro	100,000	10,000	100	10	100,000
SHANGHAI SOGEFI AUTO PARTS Co., Ltd Shanghai (China)	USD	13,000,000	(1)	100	(2)	13,000,000
SOGEFI AIR & COOLING S.A.S. Guyancourt (France)	Euro	54,938,125	36,025	100	1,525	54,938,125
SOGEFI (SUZHOU) AUTO PARTS CO., Ltd Wujiang (China)	USD	37,400,000	(1)	100	(2)	37,400,000

(1) The share capital is not divided in shares or quotas.
(2) There is no unit nominal value.

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Indirect equity investments	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
AIR&COOLING BUSINESS UNIT						
SOGEFI AIR & COOLING CANADA CORP. Nova Scotia (Canada) held by Sogefi Air & Cooling S.A.S.	CAD	99,725,550	2,333	100	(2)	99,725,550
SOGEFI AIR & COOLING USA, Inc. Wilmington (U.S.A.) held by Sogefi Air & Cooling S.A.S.	USD	100	1,000	100	0.1	100
S.C. SOGEFI AIR & COOLING S.r.l. Titesti (Romania) held by Sogefi Air & Cooling S.A.S.	RON	7,087,610	708,761	100	10	7,087,610
ATN MOLD & PARTS (SAS) Alsazia (France) held by Sogefi Air & Cooling S.A.S.	Euro	400,000	4,000	100	100	400,000
SOGEFI ENGINE SYSTEMS MEXICO S. de R.L. de C.V. Apodaca (Mexico)	MXN	1,176,233,410		100		1,176,233,410
0,0000007921% held by Sogefi Air & Cooling S.A.S.			1		1	
99,9999992079% held by Sogefi Air & Cooling Canada Corp.			1		1,176,233,409	
SOGEFI JAVA Air & Cooling private limited India Noida (India) held by Sogefi Air & Cooling S.A.S.	INR	20,000,000	1,600,000	80	10	16,000,000

(2) There is no unit nominal value

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Indirect equity investments	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
SUSPENSIONS BUSINESS UNIT						
ALLEVARD SPRINGS Ltd Clydach (Great Britain) Held by Sogefi Suspensions S.A.	GBP	19,000,002	19,000,002	100	1	19,000,002
SOGEFI HD SUSPENSIONS GERMANY GmbH Volklingen (Germany) Held by Sogefi Suspensions S.A.	Euro	50,000	1	100	50,000	50,000
SOGEFI SUSPENSION ARGENTINA S.A. Buenos Aires (Argentina) 89,999% held by Sogefi Suspensions S.A. 9,9918% held by Sogefi Suspension Brazil Ltda	ARS	61,356,535	61,351,555	99.99	1	61,351,555
IBERICA DE SUSPENSIONES S.L. (ISSA) Alsasua (Spain) Held by Sogefi Suspensions S.A.	Euro	10,529,668	5,264,834	50	1	5,264,834
SOGEFI SUSPENSION BRASIL Ltda São Paulo (Brazil) Held by Sogefi Suspensions S.A.	BRL	37,161,683	37,161,683	100	1	37,161,683
UNITED SPRINGS Limited Rochdale (Great Britain) Held by Sogefi Suspensions S.A.	GBP	4,500,000	4,500,000	100	1	4,500,000
UNITED SPRINGS B.V. Hengelo (Netherlands) Held by Sogefi Suspensions S.A.	Euro	254,979	254,979	100	1	254,979
UNITED SPRINGS S.A.S. Guyancourt (France) Held by Sogefi Suspensions S.A.	Euro	5,109,000	2,043,600	100	2.5	5,109,000
S.ARA COMPOSITE S.A.S. Guyancourt (France) Held by Sogefi Suspensions S.A.	Euro	13,000,000	25,000,000	96.15	0.5	12,500,000
SOGEFI ADM SUSPENSIONS Private Limited Pune (India) Held by Sogefi Suspensions S.A.	INR	432,000,000	32,066,926	74.23	10	320,669,260
SOGEFI SUSPENSIONS HEAVY DUTY ITALY S.P.A. Puegnago sul Garda (Italy) Held by Sogefi Suspensions S.A.	Euro	6,000,000	5,992,531	99.88	1	5,992,531
SOGEFI SUSPENSIONS PASSENGER CAR ITALY S.P.A. Settimo Torinese (Italy) Held by Sogefi Suspensions S.A.	Euro	8,000,000	7,990,043	99.88	1	7,990,043
SOGEFI SUSPENSIONS EASTERN EUROPE S.R.L. Oradea (Romania) Held by Sogefi Suspensions S.A.	RON	146,852,960	14,685,296	100	10	146,852,960

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CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT ART. 81-TER OF CONSOB RESOLUTION No. 11971 OF MAY 14, 1999 AND SUBSEQUENT MODIFICATIONS AND INTEGRATIONS

1. The undersigned:
Monica Mondardini – Executive Chairwoman of Sogefi S.p.A.
Maria Beatrice De Minicis – Manager responsible for preparing Sogefi S.p.A.'s financial reports
hereby certify having also taken into consideration the provisions of Article 154-bis, paragraph 3 and 4, of Italian Legislative Decree n. 58 of February 24, 1998, that:

- are adequate with respect to the company structure and
- have been effectively applied the administrative and accounting procedures for the preparation of the consolidated financial statements for the 2025 fiscal year.

2. No relevant aspects are to be reported on this subject.

3. It is also certified that:

3.1 the consolidated financial statements at December 31, 2025:

– have been prepared in accordance with international accounting standards as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and of the Council of July 19, 2002;

– correspond to the books and accounting records;

– provide a true and fair representation of the financial position, result of operations and cash flow of the issuer and the companies included in the scope of consolidation.

3.2 The report on operations includes a reliable analysis of the performance and result of operations and also the position of the issuer and the companies included in the scope of consolidation together with all principle risks and uncertainties that the Group is exposed.

Milan, February 27, 2026

Signed by Executive Chairwoman Monica Mondardini	Signed by Manager responsible for preparing financial report Maria Beatrice De Minicis

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CERTIFICATION OF THE CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT ART. 81-TER OF CONSOB RESOLUTION No. 11971 OF MAY 14, 1999 AND SUBSEQUENT MODIFICATIONS AND INTEGRATIONS

1. The undersigned:
Monica Mondardini – Executive Chairwoman of Sogefi S.p.A.
Maria Beatrice De Minicis – Manager responsible for preparing Sogefi S.p.A.'s financial reports
pursuant to Art.154-bis, paragraph 5-ter, of Italian Legislative Decree n. 58 of February 24, 1998, that the Consolidated Sustainability Statement included in the Consolidated Report on Operations were drawn up:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and of Legislative Decree 6 September 2024, No.125;
- with the specifications adopted pursuant to Article 8.4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Milan, February 27, 2026

Signed by
Executive Chairwoman

Monica Mondardini

Signed by
Manager responsible for preparing
financial report

Maria Beatrice De Minicis

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BOARD OF STATUTORY AUDITORS' REPORT

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SOGEFI S.p.A.

Company subject to policy guidance and coordination on the part of Cir S.p.A.

BOARD OF AUDITORS' REPORT

PURSUANT TO ARTICLE 153 OF ITALIAN LEGISLATIVE DECREE NO. 58/1998 AND ART. 2429 OF THE ITALIAN CIVIL CODE

To the Shareholders' Meeting of SOGEFI S.p.A. (hereinafter also referred to as the "Company").
During the financial year closed at 31 December 2025, we carried out our supervisory activity as required by law and the Articles of Association, in accordance with the Rules of Conduct for the Board of Statutory Auditors recommended by the National Council of Accountants and the Corporate Governance Code of Borsa Italiana S.p.A., and hereby report on such activity. This report was drawn up following the recommendations set out in Consob Communication no. 1025564 of 6 April 2001 as amended.
The Board of Statutory Auditors in office was appointed by the Shareholders' Meeting on 22 April 2024 according to the prevailing regulations. Its term of office will expire upon the Shareholders' Meeting called to approve the Annual report as at 31 December 2026.

The Company's statutory audit is carried out by the independent auditors KPMG S.p.A. (hereinafter also "KPMG" or the "Independent Auditors"), for a period of nine financial years (2017-2025), as resolved by the Shareholders' Meeting of 26 April 2017.
The task of certifying the conformity of the sustainability reporting is always assigned to KPMG starting from the financial year ending 31 December 2024 - in compliance with the provisions of the transitional regulations pursuant to Art.18, Italian Legislative Decree 125/2024 - in accordance with the new obligations arising from EU Directive 2022/464 (*Corporate Sustainability Reporting Directive - CSRD*).
This year both appointments will expire on the date of the Shareholders' Meeting to be convened to approve the annual and consolidated financial statements as at 31 December 2025.

* * *

As regards the methods employed to perform our duties during the period under consideration, we report as follows:

- we attended the Shareholders' Meetings and Board of Directors meetings held during the

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period under consideration and obtained timely and adequate information on operations and their outlook, as well as on significant operational, financial and equity-related operations conducted by the Company and subsidiaries within the Group, as required by law and the Articles of Association; all meetings of the Control, Risk and Sustainability Committee, of the Appointment and Remuneration Committee and of the Related Parties' Committee were attended by the Board of Statutory Auditors;

- we ensured compliance with the law and the Articles of Association, and with the principles of good administration, we supervised the activities carried out by the delegated body and the Board of Directors to ascertain the adequacy of the Company's organisational structure and internal control and administrative-accounting systems, through the information received from the company functions and the exchange of information flows with KPMG;
- we supervised the corporate bodies' compliance with the law and the articles of association, also with reference to recent regulatory developments on sustainability reporting. In particular, the Board of Statutory Auditors followed the evolution of the organisational set-up and internal processes aimed at implementing the obligations set forth in Directive (EU) 2022/2464 (CSRD), applicable to the Company starting from the financial year 2024, through the information received and the exchange of information flows with KPMG, and the acknowledgement of the progressive integration of ESG factors in the decision-making processes and internal control systems;
- we acknowledged the certification of the Executive in charge that the sustainability reporting included in the Report on Operations has been prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Italian Legislative Decree No. 125 of 6 September 2024, with the specifications adopted pursuant to Art. 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation);
- we incorporated the results of the quarterly checks on the correct keeping of accounts carried out by the Independent Auditors;
- we received from the Independent Auditors the Report required under art. 14 of Italian Legislative Decree no. 39/2010 relating to the statutory and consolidated financial statements as at 31 December 2025;
- we received from the Independent Auditors the Report required under art. 14-*bis* of Italian Legislative Decree no. 39/2010 relating to the limited examination of the consolidated sustainability reporting as of 31 December 2025;

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- we received from the Independent Auditors the Report required under art. 11 of European Regulation 537/2014 from which no significant aspects to report emerge;
- we fulfilled the tasks provided for in art. 19 of the Italian Legislative Decree No. 39/2010, as the Internal Control and Auditing Committee;
- we monitored the performance of the system used to control subsidiaries and the adequacy of the directions given to them, also under art. 114, sub-paragraph 2 of Legislative Decree no. 58/1998;
- we monitored the actual methods used to implement the corporate governance rules set out in the Corporate Governance Code issued by Borsa Italiana S.p.A., as adopted by the Company;
- we met the Supervisory Body, which confirmed the adequacy of the Organization, Management Model under Legislative Decree no. 231/2001 as amended considering the expanded scope of the regulations;
- we fulfilled the tasks provided for in art. 4, para. 6 of the Regulation approved by Consob Resolution no. 17221 of 12 March 2010, we monitored compliance with the Discipline for related-party transactions approved by the Board of Directors;
- we supervised the impairment test approval process;
- we have determined that the Board of Directors properly implemented the verification criteria and procedures to assess the independence of its members, based on the statements made by the Directors and the opinions issued by the Board of Directors;
- we met the board of statutory auditors of the parent company and subsidiary companies in order to mutually exchange information.

As a result of our supervisory activities, no significant facts have emerged, and we have no proposals to make for the financial statements, their approval and on matters of our competence.

* * *

Outlined below is the information specifically required by the Consob Communication of 6 April 2001 as amended.

- We collected information on significant operational, financial and equity-related operations conducted by the Company and its subsidiaries and established their compliance with the law and the Articles of Association; the Directors provide disclosure on such transactions in the Report on Operations; we also obtained information on and assurance that the transactions resolved and carried out were not manifestly imprudent, risky, in conflict with Shareholders' Meeting resolutions or, in

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any case, of such a nature as to jeopardise integrity of corporate assets.

- We obtained information on intercompany and related party transactions. Based on obtained information, we determined that such transactions comply with the law and the Articles of Association, satisfy the interest of the company and raise no doubts as to their accurate, exhaustive disclosure in the financial statements, the protection of corporate assets and of non-controlling shareholders; periodic audits and inspections carried out at the Company's premises did not identify any atypical and/or unusual transactions.
- We have not been made aware of nor have we received reports on transactions in potential conflict of interest.
- The Directors provided disclosures on key transactions, as well as on the dealings between the Company, the Group companies and/or related parties in the Report on Operations and in the Notes, and stated that such dealings had been conducted at arm's length, taking into account the quality and type of services rendered; such dealings mainly consisted in the provision of administrative, fiscal and financial services, including the management of the Group's centralised treasury and interest debiting and crediting, as well as management support and communication services and use of the Group's information system. in addition, the Company receives communication and corporate services from its parent company, CIR S.p.A. It is also included in the consolidation of the financial results; in this regard, the relevant balance sheet details and financial effects are provided in the documents accompanying the statutory financial statements for the 2025 financial year. SOGEFI S.p.A. had also entered into a rental contract with the holding company CIR S.p.A. on the offices located in Milan, via Ciovassino 1.
- The Independent Auditors issued the audit reports required under art. 14 of Italian Legislative Decree no. 39/2010 relating to the statutory and consolidated financial statements for the year ended as at 31 December 2025 without remarks or particular disclosure requirements.

  Specifically, with reference to the Company's separate financial statements, they stated that:

  A) they provide *"a true and fair view of the financial position of the Sogefi Group as at 31 December 2025, and of the results of their operations and cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by*

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the European Union, and with the measures issued in implementation of art. 9 of Italian Legislative Decree 38/05";

B) the annual report has been prepared "*in XHTML format in compliance with the provisions of Delegated Regulation (EU) 2019/815"*;

C) *"the report on operations and the specific information contained in the report on corporate governance and ownership structure (...) are consistent with the annual report of Sogefi S.p.A. as of 31 December 2025"* and *"have been prepared in accordance with the law"*. This last opinion does not extend to the section of the report on operations relating to the consolidated sustainability reporting as the same is formulated in the attestation report pursuant to Art. 14-*bis* of Italian Legislative Decree no. 39/10;

D) "the opinion" on the statutory financial statements expressed in the aforementioned report "*is in line with the additional report intended for the Board of Statutory Auditors in its role as Internal Control and Audit Committee, prepared pursuant to Art. 11"* of EU Reg. EU 537/2014;

Specifically, with reference to the Group's consolidated financial statements, they stated that: they provide

A) *"a true and fair view of the financial position of the Sogefi Group as at 31 December 2025, and of the results of their operations and cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union, and with the measures issued in implementation of art. 9 of Italian Legislative Decree 38/05"*;

B) the consolidated financial statements have been prepared "*in XHTML format, and have been marked in all material aspects, in compliance with the provisions of Delegated Regulation (EU) 2019/815". Some information contained in the notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, due to certain technical limitations may not be reproduced identically with respect to the corresponding information viewable in the consolidated financial statements in XHTML format";*

C) *"the report on operations and the specific information contained in the Report on Corporate Governance and Ownership Structure (...) are consistent with the consolidated financial statements as at 31 December 2025"* and *"have been prepared in accordance with the law"*. This latter opinion does not extend to the

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section of the report on operations relating to the consolidated sustainability report, as formulated in the attestation report pursuant to Art. 14-bis of Italian Legislative Decree no. 39/10;

D) *"the opinion"* on the consolidated financial statements expressed in the aforementioned report "*is in line with the additional report intended for the Board of Statutory Auditors in its role as Internal Control and Audit Committee, prepared pursuant to Art. 11"* of EU Reg. EU 537/2014.

KPMG, has also issued the report on the limited examination of the consolidated sustainability reporting pursuant to Art. 14-*bis* of Italian Legislative Decree no. 39 of 27 January 2010, in which it is certified that no evidence has been received to suggest that:

A) "the consolidated sustainability reporting of the Sogefi Group for the year ended 31 December 2025 has not been prepared, in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter also referred to as "ESRS");

B) the information contained in paragraph "2.4 Disclosure pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)" of the consolidated sustainability reporting of the Sogefi Group for the year ended 31 December 2025 has not been prepared, in all material respects, in accordance with Article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also "Taxonomy Regulation").

Today, the Independent Auditors have also:

- issued the Additional Report required by art. 11 of Reg. EU 537/2014, which was sent on the same date to the Board of Statutory Auditors, as the Internal Control and Audit Committee, and from which no particular remarks emerge;
- issued the annual confirmation of its independence pursuant to art. 6, para. 2), letter A) of European Regulation 537/2014, which was sent on the same date to the Board of Statutory Auditors;
- During the periodic exchanges of data and information between the Board of Auditors and the Auditing firm, pursuant also to art. 150, paragraph 3 of Italian Legislative Decree no. 58/1998, no aspects emerged that need to be pointed out in this report;
- In relation to the provisions introduced by the Italian Legislative Decree no. 135/2016 in compliance with EU Regulation 537/2014, during this year the Board of Statutory Auditors carried out a prior analysis of and authorised, when necessary, any

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assignment conferred by the Company and its subsidiaries to KPMG;
During 2025, the subsidiaries of SOGEFI S.p.A. entrusted the Independent Auditors with other services and the relevant fees were EUR 33,500 as specified below:

Sogefi ADM Suspensions Private Limited	€ 1,000
Sogefi SpA/Sogefi Gestion SA	€ 8,500
Sogefi ADM Suspensions Private Limited	€ 1,000
Sogefi ADM Suspensions Private Limited	€ 1,000
Sogefi SpA/Sogefi Gestion SA	€ 8,000
Sogefi Air & Cooling SAS	€ 2,000
Sogefi Suspensions Heavy Duty Italy SpA	€ 4,000
Sogefi Suspensions Heavy Duty Italy SpA	€ 8,000

The amounts paid for these services were found to be adequate consideration for the scope and complexity of the services rendered and are not deemed liable to affect the independence and discretion of the auditors in performing their auditing tasks;

- During the year, no complaints have been received under article 2408 of the Italian Civil Code;
- During the year under consideration, we have given advice pursuant to article 2389 of the Italian Civil Code;
- During the financial year 2025, 8 meetings of the Board of Directors, 1 Ordinary Shareholders meeting were held. The Board of Statutory Auditors met 16 times and attended all the meetings of the Control, Risk and Sustainability Committee, those of the Appointments and Remuneration Committee and those of the Committee for Related Party Transactions;
- The Company substantially followed the recommendations contained in the Corporate Governance Code drafted by the Corporate Governance Committee for

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listed companies and described its corporate governance model in the relevant Report, which was prepared among other things under art. 123-*bis* of Italian Legislative Decree no. 58/1998. As far as we are concerned, we supervised the procedures for the concrete implementation of the corporate governance rules provided for in the above-mentioned Corporate Governance Code, as adopted by the Company. In compliance with Legislative Decree no. 231/2001, the Company adopted, implemented and maintained up-to-date an "Organisational Model" that governs its behaviour and business conduct and set up a Supervisory Body as provided for by the regulations. The Company also adopted a Code of Ethics.

On the basis of the above, the Board of Statutory Auditors did not find any specific critical issues, omissions, reprehensible facts or irregularities during the supervisory activities carried out throughout the year and has no observations to make, not finding any reasons to prevent the approval of the financial statements and the allocation of the result for the year as proposed by the Board of Directors to the Shareholders Meeting.

Milan, 27 March 2026

For the Board of Statutory Auditors

Daniela Delfrate - Chair

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INDEPENDENT AUDITORS' REPORT

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KPMG S.p.A.
Revisione e organizzazione contabile
Via Giovanni Battista Pirelli, 38
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(The accompanying consolidated financial statements of the Sogefi Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Sogefi S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Sogefi Group (the "group"), which comprise the statement of financial position as at 31 December 2025, the income statement and statements of comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Sogefi Group as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Sogefi S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.

CERTIFIED MANAGEMENT SYSTEM
ISO 9001 - ISO 27001-27701
ISO 30415 - ISO 37001
SA 8000 - UNI PdR 125

Ancona Bari Bergamo
Bologna Bolzano Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

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e Codice Fiscale N. 00709600159
R.E.A. Milano N. 512867
Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Giovanni Battista Pirelli, 38
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Recoverability of goodwill

Notes to the consolidated financial statements: Note 2.3 "Accounting policies", sections "Intangible assets - Goodwill" and "Critical estimates and assumptions" and Note 10 "Intangible assets", section "Goodwill and Impairment test"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2025 include goodwill of €47 million, allocated to the following cash-generating units ("CGU"): Air & Cooling and Car suspension. In accordance with the criteria approved by the board of directors on 26 January 2026, the directors carried out impairment tests in order to identify any impairment losses that would arise should the CGU's carrying amount exceed their recoverable amount. The directors estimated the recoverable amount based on their value in use, calculated using the unlevered discounted cash flow model by discounting the CGU's expected cash flows. For impairment testing purposes, the directors used the expected operating cash flows estimated on the basis of the CGU's 2026 budget and 2026-2029 strategic plan, approved by the board of directors respectively on 15 December 2025 and 26 January 2026. The impairment test was also subjected to a methodological check by an external expert. Impairment testing is complex and entails a high level of judgement, especially in relation to: • the expected operating cash flows, calculated by taking into account the general economic performance and that of the group's sector, the actual operating cash flows for recent years and the projected growth rates; • the financial parameters used to calculate the discount rate. For the above reasons, we believe that the recoverability of goodwill is a key audit matter.	Our audit procedures, which also involved our own specialists, included: • updating our understanding of the process adopted to prepare the impairment test and assessing the design and implementation of relevant controls; • understanding the process adopted to prepare the 2026 budget and the 2026-2029 strategic plan from which the expected operating cash flows used for impairment testing have been derived, and assessing the design and implementation of relevant controls; • analysing the reasonableness of the assumptions used by the directors to prepare the 2026 budget and the 2026-2029 strategic plan; • checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; • comparing the expected operating cash flows used for impairment testing to the cash flows forecast in the 2026 budget and the 2026-2029 strategic plan and analysing any discrepancies for reasonableness; • checking the report of the external expert engaged to perform the methodological check of the impairment test; • assessing the reasonableness of the impairment testing model and related financial assumptions, including by means of comparison with market data and information; • checking the sensitivity analysis presented in the notes in relation to the main calculation parameters used for impairment testing; • analysing the events after the reporting date that provide useful information on the recoverability of goodwill; • assessing the appropriateness of the disclosures provided in the notes about goodwill and the related impairment test.

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Measurement of current and non-current provisions

Notes to the consolidated financial statements: Note 2.3 "Accounting policies", section "Provisions for risks and charges, contingent liabilities and contingent assets" and Note 18 "Current provisions, non-current provisions and other payables", sections "Provision for restructuring", "Provision for product guarantee" and "Provision for lawsuits and other risks" and Note 28 "Restructuring costs".

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2025 include current and non-current provisions, which comprise the provisions for restructuring, product guarantee and lawsuits and other risks of €18.1 million, €6.7 million and €2.0 million, respectively. Assessing restructuring measures, contractual claims, litigation and disputes entails a significant level of judgement by the directors about their outcome which could have a significant impact on the calculation of provisions. Specifically: • the group is exposed to the risk of product quality/non-conformance claims made by its customers; • the group is exposed to the risk of liabilities with employees and third parties. Furthermore, in 2025, the group implemented restructuring measures focused on the Suspensions business in Europe in order to reduce the fixed costs of the industrial structure. For the above reasons, we believe that the measurement of the above provisions is a key audit matter.	Our audit procedures included: • updating our understanding of the process for the measurement of provisions and assessing the design and implementation of controls and procedures to assess the operating effectiveness of material controls; • sending written requests for information to the legal and tax advisors about the assessment of the risk of losing pending disputes and the quantification of the related liability; • analysing the assumptions used to determine the provisions through discussions with the relevant internal departments and analysis of the supporting documentation; • analysing the events after the reporting date that provide information useful for an assessment of the provisions; • assessing the appropriateness of the disclosures provided in the notes about provisions.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

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Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 26 April 2017, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2017 to 31 December 2025.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2025 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2025 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2025 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the consolidated financial statements;

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- express an opinion on the compliance of the directors' report, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the group's consolidated financial statements at 31 December 2025.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the report on operations' section which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Milan, 27 March 2026

KPMG S.p.A.

(signed on the original)

Luca Magnano San Lio
Director of Audit

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KPMG S.p.A.
Revisione e organizzazione contabile
Via Giovanni Battista Pirelli, 38
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' limited assurance report on the consolidated sustainability statement pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Sogefi S.p.A.

Conclusion

Pursuant to articles 8 and 18.1 of Legislative decree no. 125 of 6 September 2024 (the "decree"), we have been engaged to perform a limited assurance engagement on the 2025 consolidated sustainability statement of the Sogefi Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report (the "consolidated sustainability statement").

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the group's 2025 consolidated sustainability statement has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in section "*2.4 Disclosure pursuant to article 8 of Regulation 2020/852 (EU taxonomy regulation)"* of the consolidated sustainability statement has not been prepared, in all material respects, in accordance with article 8 of Regulation (EU) 852 of 18 June 2020 (the "taxonomy regulation").

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under that standard are further described in the "*Auditors' responsibilities for the sustainability assurance engagement"* section of our report.

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We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.

Our company applies International Standard on Quality Management 1 (ISQM Italia 1) and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Sogefi S.p.A (the "parent") for the consolidated sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability statement in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in section "*1.1.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1) and their interaction with the strategy and business model (SBM-3) and related disclosure requirements included in the Sustainability Statement (IRO-2)*" of the consolidated sustainability statement.

The directors are also responsible for the preparation of a consolidated sustainability statement in accordance with article 4 of the decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in section "2.4 *Disclosure pursuant to article 8 of Regulation 2020/852 (EU taxonomy regulation)*" with article 8 of the taxonomy regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a consolidated sustainability statement in accordance with article 4 of the decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Inherent limitations in preparing the consolidated sustainability statement

For the purpose of disclosing forward-looking information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the consolidated sustainability statement, regarding future events and the group's actions that are not necessarily expected to occur. Actual results are likely to be different from the forecast sustainability information since anticipated events frequently do not occur as expected and the variation could be material.

The disclosures provided by the group about Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative value chain Scope 3 emissions information.

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Auditors' responsibilities for the sustainability assurance engagement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with SSAE (Italia), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due to fraud or error;
- designing and performing procedures to address disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the sustainability limited assurance engagement and assuming full responsibility for the conclusion on the consolidated sustainability statement.

Summary of the work performed

A limited assurance engagement involves carrying out procedures to obtain evidence as a basis for our conclusion.

The procedures performed are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the consolidated sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

We have performed the following main procedures:

- updating our understanding of the following sustainability matters:
  - the group's business management and organisational model;
  - the group's strategies and policies, the achieved results and the related key performance indicators ("KPIs");
  - the main impacts, risks and opportunities generated or borne by the group.

  Moreover, we checked the above against the disclosures presented in consolidated sustainability statement;
- updating our understanding of the process adopted by the group to identify and assess material sustainability-related impacts, risks and opportunities (IROs), based on the double materiality principle. Moreover, on the basis of the information acquired, we evaluated any emerging inconsistencies that may indicate the presence of sustainability matters not addressed by the group in its materiality assessment process; Specifically, mostly through inquiries, observations and inspections, we gained an understanding of how the group:
  - considered the interests and opinions of the stakeholders involved;

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- identified its sustainability-related IROs, assessing their consistency with our knowledge of the group and its sector;
- defined and assessed material IROs by analysing the qualitative and quantitative materiality thresholds it determined;

With respect to the latter matter, we assessed the consistency of the information obtained with the outcomes of the Enterprise Risk Management (ERM) process;

- updating our understanding of the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the consolidated sustainability statement, including of the reporting boundary, through interviews and discussions with the group's personnel and selected procedures on documentation;
- identifying the disclosures associated with a risk of material misstatement;
- designing and performing procedures, based on our professional judgement, to respond to identified risks of material misstatement, including:
  - for information gathered at group level:
    - with reference to qualitative information and, in particular, the sustainability-related policies, actions and targets, we held inquiries and performed limited procedures on documentation;
    - with reference to quantitative information, we carried out analytical procedures, inspections, observations and recalculations on a sample basis;
  - for information gathered at subsidiary and site level, we visited:
    - Sogefi Suspensions Passenger Car Italy S.p.A. in Settimo Torinese (Italy);
    - United Springs B.V. in Hengelo (the Netherlands);
    - Sogefi Suspensions Eastern Europe S.R.L. in Oradea (Romania);

    which we selected on the basis of their business and contribution to the metrics at consolidated level and location. During these visits, we interviewed group personnel and obtained documentary evidence supporting the calculation of the metrics;
- updating our understanding of the process adopted by the group to determine taxonomy-eligible exposures and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the consolidated sustainability statement;
- checking the consistency of the disclosures contained in the consolidated sustainability statement with those included in the group's consolidated financial statements pursuant to the applicable financial reporting framework, the underlying accounting records or management accounts;

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- checking compliance of the structure and presentation of disclosures included in the consolidated sustainability statement with the ESRS.

Milan, 27 March 2026

KPMG S.p.A.

(signed on the original)

Luca Magnano San Lio
Director of Audit