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Annual report 2025

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our power, your passion

Translation from the Italian original which remains the definitive version

Annual report at 31 December 2025

This Annual report was approved by the Board of Directors on 13 March 2026.

This report is available on the Internet at the address www.emakgroup.com

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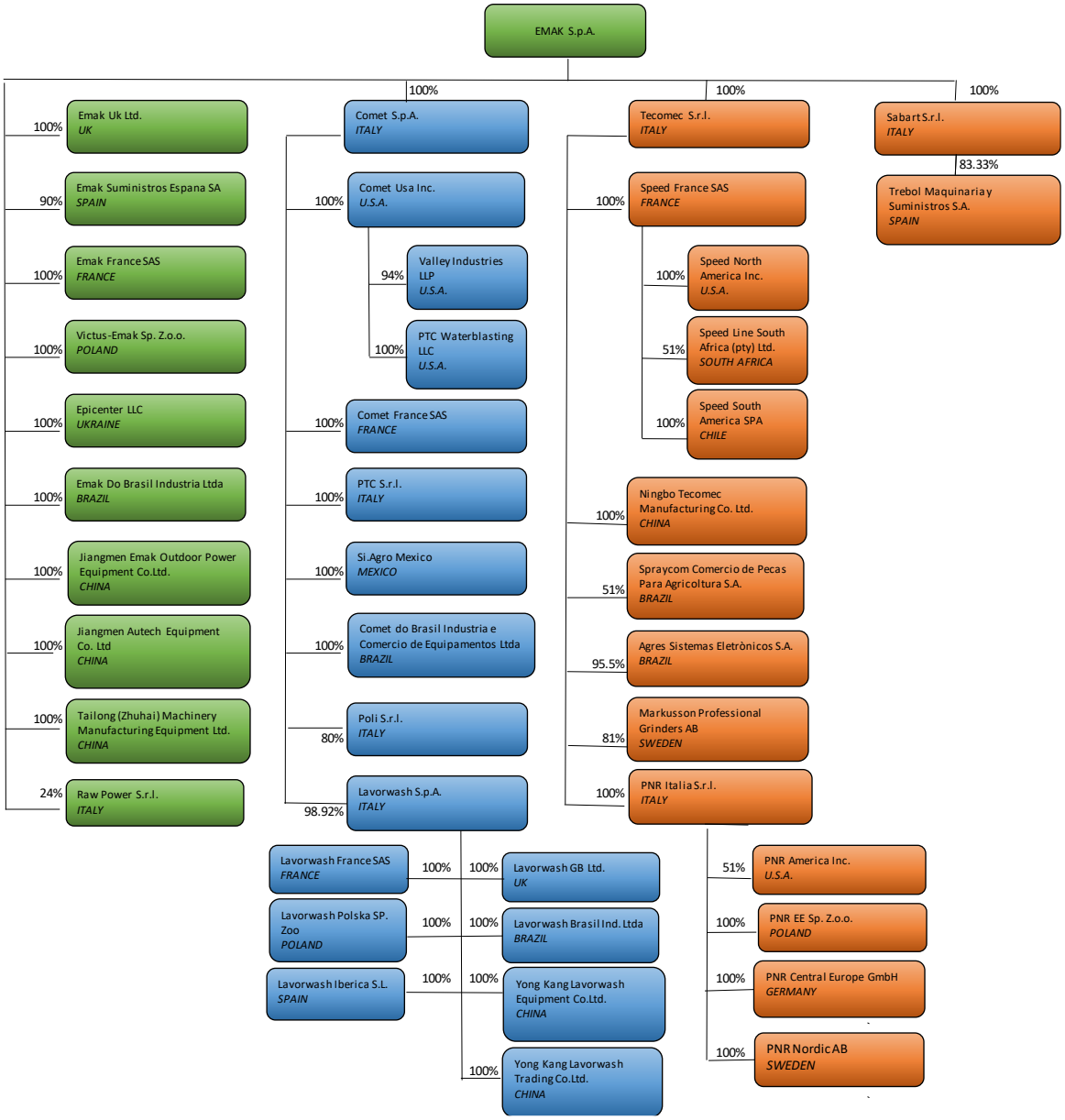
Organisational chart of Emak Group as at 31 December 2025



- Valley Industries LLP is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 6%.
- Comet do Brasil Industria e Comercio de Equipamentos Ltda is owned for 99.63% by Comet S.p.A. and 0.37% by P.T.C. S.r.l.
- Emak do Brasil is owned for 99.99% by Emak S.p.A. and 0.01% by Comet do Brasil Industria e Comercio de Equipamentos Ltda.
- Lavorwash Brasil Ind. Ltda is owned for 99.99% by Lavorwash S.p.A. and 0.01% by Comet do Brasil Industria e Comercio de Equipamentos Ltda.
- S.I.Agro Mexico is owned for 97% by Comet S.p.A. and 3% by P.T.C. S.r.l.
- Markusson Professional Grinders AB is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 19%.
- Agres Sistemas Eletrônicos S.A. is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 4.5%.
- Poli S.r.l. is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 20%.
- Ptc Waterblasting LLC has ceased its operational activity.
- On 8 July 2025, the liquidation process of Emak Deutschland GmbH was completed.
- PNR Central Europe Gmbh, formerly Spraylab Western Europe GmbH, changed its company name effective 16 January 2025.
- PNR EE Sp. z o.o. was liquidated in November 2025.

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Corporate Bodies of Emak S.p.A.

The Ordinary General Meeting of the Shareholders of the Parent, Emak S.p.A. on 29 April 2025 appointed the Board of Directors and the Board of Statutory Auditors for the financial years 2025-2027 and at the same time, it assigned the mandate for the statutory audit of accounts for the nine-year period 2025-2033 and the limited assurance engagement on the consolidated sustainability statement for the 2025-2027 financial years.

Board of Directors	
Non-executive Chairman	Massimo Livatino
Deputy Chairman and Chief Executive Officer	Luigi Bartoli
Executive Director	Cristian Becchi
Independent Directors	Silvia Grappi
	Elena Iotti
	Valeria Venturelli
Non-executive Directors	Francesca Baldi
	Ariello Bartoli
	Paola Becchi
	Giuliano Ferrari
	Marzia Salsapariglia
	Vilmo Spaggiari
	Paolo Zambelli
Risk Control and Sustainability Committee; Remuneration Committee, Related Party Transactions Committee, Nomination Committee	
Chairman	Elena Iotti
Members	Valeria Venturelli
	Silvia Grappi
Manager in charge of preparing the accounting statements	Roberto Bertuzzi
General Manager	Giovanni Pinzuti
Supervisory Body as per Legislative Decree 231/01	
Chairman	Sara Mandelli
Acting member	Marianna Grazioli
Board of Statutory Auditors	
Chairman	Stefano Montanari
Standing auditors	Roberta Labanti
	Riccardo Moratti
Alternate auditors	Rossana Rinaldi
	Luigi Gesaldi
Independent Auditor	KPMG S.p.A.

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Main shareholders of Emak S.p.A.

The share capital of Emak S.p.A. (hereinafter the “Patent” or “Emak”) is represented by 163,934,835 shares with a par value of 0.26 euros per share.

The Company has been listed on the Milan Stock Exchange since June 25, 1998. Since September 2001 the stock has been included in the Euronext Segment of Equities with High Requirements (STAR).

At the closing date of December 31, 2025 on the basis of notifications received pursuant to Article 120 of Legislative Decree 58/1998, only Yama S.p.A., with 68.9%, is the owner of a stake of more than 5% of the share capital.

Emak Group Profile

The Group operates on the global market with a direct presence in 15 countries and a distribution network covering 5 continents.

The Group offers a wide range of products with recognised trademarks and refers to a target clientele highly diversified into three business segments:

- Outdoor Power Equipment (OPE): Emak S.p.A. and its commercial and production subsidiaries operate in this segment;
- Pumps and Water Jetting (PWJ): this segment is managed by Comet S.p.A. and its subsidiaries, including Lavorwash S.p.A.;
- Components and Accessories (C&A): this segment is managed by Tecomec S.r.l., Sabart S.r.l. and their subsidiaries.

Please refer to the paragraph of the consolidated sustainability statement for a more in-depth analysis of the Group's profile and strategic lines.

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Directors’report

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Policy of analysis and management of risks related to the Group's business

The Group and its subsidiaries have an internal control system that is considered by the Board of Directors of Emak S.p.A. to be appropriate for the size and nature of the activity carried out, suitable for effectively overseeing the main risk areas typical of the activity, aimed at contribute to the sustainable success of the Group.

In fact, as part of the formalization of strategic plans, the Board of Directors of Emak takes into consideration the nature and level of risk compatible with the strategic objectives of the Group and, in this regard, has adopted a system of internal control consisting of the set of rules, resources, processes and procedures that aim to ensure:

- the containment of risk within the limits compatible with sustainable management of the business activity;
- the safeguarding of the value of the assets;
- the effectiveness and efficiency of business processes;
- the reliability and security of company information and IT procedures;
- the compliance of company operations with the law, policies, regulations and internal procedures.

Consequently, within the Group the following have been defined:

- the behaviours to keep;
- the assignment and separation of duties;
- the organizational dependencies;
- the responsibilities and levels of autonomy;
- the operating instructions;
- the controls to be applied within the activities.

As part of its industrial activity, the Group is exposed to a series of risks, the identification, assessment and management of which are assigned to Managing Directors, also in their role of Executives Directors appointed pursuant to the self-regulatory Corporate Governance Code of Borsa Italiana S.p.A., to business area managers and the Risk Control and Sustainability Committee.

The Directors responsible for the internal control system oversee the risk management process by implementing the guidelines defined by the Board of Directors in relation to risk management and by verifying its adequacy.

In order to prevent and manage the most significant risks of a strategic nature, of Compliance and of accuracy of financial information, the Group has tools for mapping and managing the various types of risks, also through an assessment of the economic and financial impacts and the probability of occurrence.

As part of this process, different types of risk are classified on the basis of the assessment of their impact on the achievement of the strategic objectives, that is to say, on the basis of the consequences that the occurrence of the risk may have in terms of compromised operating or financial performance, or of compliance with laws and/or regulations.

On the website www.emakgroup.com is published The Corporate Governance report prepared in accordance with the provisions of Art. 123-bis, Legislative Decree 58/98 which analytically describes the corporate governance structure of the group and the practices applied in terms of the Internal Control System and risk management.

In relation to the main risks, highlighted below, the Group constantly pays attention to and monitors the situations and developments in macroeconomic, market and demand trends in order to be able to implement the necessary and timely strategic assessments.

The following are the risks considered significant and related to the Group's activities; for specific risks related to sustainability issues, please refer to the dedicated reporting section:

Competition and market trends
The Group operates on a global scale, in sectors characterized by a high level of competition and in which sales are concentrated mainly in mature markets with moderate or low rates of growth in demand.

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Performances are closely correlated to factors such as the level of prices, product quality, trademarks and technology, which define the competitive positioning of operators on the market. The competitive position of the Group, which compares with global players that often have greater financial resources as well as greater diversification in terms of geography, makes particularly significant the exposure to risks typically associated with market competitiveness.
The Group mitigates the country risk by adopting a business diversification policy by product and geographic area, such as to allow risk balancing.
The Group also constantly monitors the positioning of its competitors in order to intercept any impacts on its commercial offer.
In order to reduce the risk of saturation of the segments / markets in which it operates, the Group is progressively expanding its product range.

Risks associated with consumer purchasing behavior
Over the last few years, trends have emerged such as for example e-commerce and technologies which could have, in the medium to long term, a significant impact on the market in which the Group operates. The ability to grasp the emerging expectations and needs of consumers is therefore an essential element for maintaining the Group's competitive position.
The Group seeks to capture emerging market trends to renew its range of products and adapt its value proposition based on consumer purchasing behaviour.

Geopolitical risk and international expansion strategy
The Group operates in an increasingly complex international context, in which local tensions and conflicts cause effects at global level, increasingly influencing the economic performance of companies. In addition, the Group's strategies, aimed at increasing business also in emerging countries, more subject to sudden socio-economic and regulatory changes (e.g., tariffs), could influence results in a more significant way compared to the past. For further information, please refer to the following paragraph "Information about the current geopolitical context".

The most recent macroeconomic evolutions affecting the current geopolitical context has had and will have significant repercussions on the variables that determine the performances of businesses, notably the prices of raw materials, transportation costs, energy costs, exchange rates, consumption trends, inflation rate trends and, consequently, interest rates, making the indicators and fundamentals of the economy increasingly volatile and unpredictable; some markets (Russia and Belarus) are subject to economic sanctions that limit their access to the global market.
Emak constantly monitors the evolution of the socio-political situation of the various countries in which it operates, seeking to diversify end markets and supply markets, adopting operating flexibility solutions (adequate inventories, adjustment of sales prices, etc.) aimed at promptly dealing with very rapid and unexpected changes in contexts.

The Group, in the context of external growth, implements and coordinates M&A activities in all respects in order to mitigate the risks.

Demand variability following weather conditions
Weather conditions may impact on the sales of certain product families. Generally, weather conditions characterized by drought can cause contractions in the sale of gardening products such as lawnmowers and garden tractors, while winters with mild climate adversely affect sales of chainsaws. The Group is able to respond quickly to changes in demand by leveraging on flexible production.

Technological products evolution
The Group operates in sectors where product innovation represents an important driver for the maintenance and growth of its market share.
The Group actively monitors regulatory requirements introduced in outlet countries in order to anticipate technological innovations and place compliant products on the market.
The Group responds to this risk with continuous investment in research and development and in the use of appropriate skills in order to continue to offer innovative and competitive products and adapt supply to the current and future needs of the market.

Customers performances
The Group's results are influenced by the actions of a number of large customers, with which there are no agreements involving minimum purchase quantities. As a result, the demand of such customers for fixed volumes of products cannot be guaranteed and it is impossible to rule out that a loss of important customers

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or the reduction of orders made by them could have negative effects on the Group's economic and financial results.
Over the last few years, the Group has increasingly implemented a policy of diversifying customers.

Raw material and components price trend
The Group's economic results are influenced by the trend in the price of raw materials and components. The main raw materials used are copper, steel, aluminium, and plastic materials. Their prices can fluctuate significantly during the year since they are linked to official commodity prices on the reference markets.
The Group does not use raw material hedging instruments but mitigates risk through supply contracts with short- term defined conditions while medium-term fluctuations are managed through adjustments to selling prices.

Risks associated with the supply chain and the availability of raw materials
A delay/blocking of deliveries or problems relating to quality with respect to a supplier can adversely affect the production of finished products. Although the Group does not use raw materials which are difficult to obtain and has always managed to ensure a supply of adequate quantity and quality, it is not possible to exclude that the occurrence of possible further supply tensions could lead to procurement difficulties. The Group adopts a strategy of supply diversification including by geographical area of procurement, specifically with the aim of minimizing the risks linked to a potential unavailability of raw materials in the times required by production.
In addition, the Group has created a system for monitoring the economic-financial performance of suppliers in order to mitigate the risks inherent in any supply interruptions and has set up a management of relations with suppliers that guarantee supply flexibility and quality in line with the Group's policies.

Environment, Health and Safety management
The Group is exposed to risks associated with health and safety at work and the environment, which could involve the occurrence work-related accidents and illness, environmental pollution phenomena or failure to comply with specific legal regulations. The risks associated with such phenomena may lead to penal or administrative sanctions or fines against the Group. The Group manages these types of risks through a system of procedures aimed at the systematic control of risk factors as well as to their reduction within acceptable limits. All this is organized by implementing different management systems required by the standards of different countries and international standards of reference.

Risks associated with dependence on key figures
The Group's results also depend on the ability of its management, which has a decisive role for the Group's development and which boasts significant experience in the sector. Should the relationship in force with a number of these professional figures be interrupted without a timely and suitable replacement, the Group's competitive capacity and its relative growth prospects could be affected.
The Group has an operating and management structure able to ensure business continuity, also through the adoption of retention plans for key professional figures, as well as initiatives aimed at developing skills and retaining talent.

Liability to customers and third parties
The Group is exposed to potential liability risks towards customers or third parties in relation to product liability due to possible design and/or manufacturing defects in the Group's products, also attributable to third parties such as suppliers and assemblers. Moreover, in the event that products are defective or do not meet technical and legal specifications, the Group, also by order of control authorities, could be obliged to withdraw such products from the market. In order to manage and reduce these risks, the Group has entered into a master Group insurance coverage that minimizes risks only to insurance deductibles.

Risks associated with the recoverability of assets, in particular goodwill
As part of the development strategy, the Group has implemented acquisitions of companies that have enabled it to increase its presence on the market and seize growth opportunities. With reference to these investments, specified in the financial statements as goodwill, there is no guarantee that the Group will be able to reach the benefits initially expected from these operations. The Group continuously monitors the performance against the expected plans, putting in place the necessary corrective actions if there are unfavourable trends which, when assessing the congruity of the values recorded in the financial statements, lead to significant changes in the expected cash flows used for the impairment tests.

Tax risk management
The Group operates in many countries and the tax management of each company is subject to complex national and international tax regulations that may change over time.

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Compliance with the tax regulations of subsidiaries is harmonized with the Group's tax strategy through coordination and validation activities, which is expressed in homogeneously approaching, while taking into account local particularities, issues such as tax consolidation, facilitations for research and development, transfer pricing, the various forms of public incentives for businesses, as well as the choices relating to the management of any tax disputes.

In addition, the Group, with particular reference to its Italian subsidiaries, has also defined a tax risk control system coordinated with the provisions of Law 262/05 and Legislative Decree 231/01, to monitor activities with potential tax impacts on the main business processes and on the Group's results.

Information Technology
For several years, the Group has automated through its IT systems most of the operational processes to support its business, continuing a progressive and constant digitalization process, in response to the exponential technological evolution underway. IT systems malfunction and crashes can have a direct impact on most business processes.
In the current economic and social context the risks of cyber security are increasing, especially because of cyber attacks.
If successful, such attacks could adversely impact the Group's business operations, financial condition or reputation. Also due to the recent investment of the Group in new and updated information systems, the Group has started the necessary activities to keep the systems protected and to guarantee their recovery following emergencies, as well as an adequate data storage capacity; furthermore, activities were started on the enhancement of skills in the field of IT security, as well as awareness and training on information security. In parallel with the provisions of the European Regulation (GDPR), the Group constantly monitors the protection of rights in relation to the personal data processed.

The recent and rapid evolution of AI (Artificial Intelligence) technologies raises the issue of their impact on company business models and operational processes, with a general effect on competitiveness and efficiency. The Group closely monitors the technology's evolution and continually evaluates its applications within its business model, in order to implement initiatives aimed at capitalizing on the related opportunities.

Financial risks
In the ordinary performance of its operating activities, the Group is exposed to various risks of a financial nature. For detailed analysis, reference should be made to the appropriate section of the explanatory notes in which the disclosures as per IFRS no. 7 are set out.

Risk management process

With the aim of reducing the financial impact of any harmful event, Emak has arranged to transfer residual risks to the insurance market, when insurable.
In this sense, Emak, as part of its risk management, has taken steps to customize insurance coverage in order to significantly reduce exposure, particularly with regard to possible damages arising from the manufacturing and marketing of products. All companies of the Group are today insured, with policies of international programs such as Liability, Property all risks, D&O, Crime, EPL and “legal protection”, against major risks considered as strategic, such as: product liability and product recall, general civil liability, legal fees, certain catastrophic events and related business interruption. Other insurance coverage has been taken out at the local level in order to respond to regulatory requirements or specific regulations.
The analysis and insurance transfer of the risks to which the Group is exposed is carried out in collaboration with a high standing insurance broker who, through an international network, is also able to assess the adequacy of the management of the Group's insurance programs on a global scale.

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1. Main economic and financial figures for Emak Group

Income statement (€/000)

	YEAR 2025	YEAR 2024
Revenues from sales	612,494	601,914
EBITDA before non ordinary income/expenses (*)	67,566	62,160
EBITDA (*)	66,799	60,881
EBIT	34,403	24,411
Net profit	14,176	6,500

Investment and free cash flow (€/000)

	YEAR 2025	YEAR 2024
Investment in property, plant and equipment	15,587	18,950
Investment in intangible assets	4,941	5,771
Free cash flow from operations (*)	46,572	42,970

Statement of financial position (€/000)

	31.12.2025	31.12.2024
Net capital employed (*)	475,997	490,273
Net debt (*)	(194,370)	(209,959)
Total equity	281,627	280,314

Other statistics

	YEAR 2025	YEAR 2024
EBITDA / Net sales (%)	10.9%	10.1%
EBIT / Net sales (%)	5.6%	4.1%
Net profit / Net sales (%)	2.3%	1.1%
EBIT / Net capital employed (%)	7.2%	5.0%
Net debt / Equity	0.69	0.75
Number of employees at period end	2,504	2,527

Share information and prices

	31.12.2025	31.12.2024
Earnings per share (€)	0.083	0.035
Equity per share (€) (*)	1.70	1.69
Official price (€)	0.92	0.89
Maximum share price in period (€)	1.04	1.23
Minimum share price in period (€)	0.73	0.86
Stockmarket capitalization (€ / million)	151	145
Average number of outstanding shares	162,837,602	162,837,602
Number of shares comprising share capital	163,934,835	163,934,835
Free cash flow from operations per share (€) (*)	0.286	0.264
Dividend per share (€)	0.030	0.025

(*) See section "Definitions of alternative performance indicators"

2. Information about the current geopolitical context

In an international context marked by high economic and political uncertainty, the Group has continued to closely monitor geopolitical developments and promptly manage the related risks, adopting measures aimed at safeguarding regular business operations and achieving its strategic objectives.

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Russia-Ukraine conflict
The prolonged conflict between Russia and Ukraine has had a significant impact on the socio-economic systems of the countries directly involved, with indirect repercussions on the global economy.
The Group operates in Ukraine mainly through the subsidiary Epicenter Llc, while it distributes its products, in compliance with the international regulations, through independent customers in Russia and Belarus.

Epicenter Llc, a gardening machinery distribution company, located in Kiev and 100% controlled by Emak S.p.A., since the beginning of the hostilities, has implemented all necessary measures to safeguard employee safety, integrity of product inventory and ensure business continuity.
The subsidiary, which has approximately 20 employees, generated a turnover of € 3.6 million in 2025 (€ 3.8 million in 2024), entirely produced in the domestic market.
The local management continues to monitor the evolution of the context to guarantee the continuity of the business under the safest condition.

Net of the subsidiary's activities, the Ukrainian market represents a marginal incidence for the Group, with sales in 2025 amounting to approximately € 819 thousand and commercial exposure of only €3.7 thousand.
The revenues achieved in the Russian and Belarusian markets represents 0.2% of the total turnover (0.8% in 2024) with a commercial exposure equal to zero.

Trade tensions and tariffs
During the year, there was a tightening of protectionist policies and the introduction of new tariffs, particularly concerning trade flows between the United States, Europe and China.
The Group continuously monitors developments in the regulatory and tariff framework, promptly adapting its commercial and operational strategies as needed.

Based on the measures communicated to date, the available evidence, and foreseeable scenarios, the direct impact of tariffs on the Group's economic flows does not significantly affect the achievement of medium-term objectives, although it represents an additional element of uncertainty and managerial complexity in the short term.

Global Logistics – Red Sea Area and Middle East
Geopolitical tensions affecting the Red Sea and Middle East area since the end of 2023 have led to a significant reorganisation of the main international maritime trade routes. In 2025, despite initiatives aimed at restoring transit through the Suez Canal, the persistence of an uncertain security environment has led most operators to favour alternative, longer routes.
In 2026, further critical issues emerged compared with the expectations at the beginning of the year, arising from the intensification of the conflict in Iran, with significant effects on the security of maritime flows in the Persian Gulf and the Strait of Hormuz, a crucial hub for global energy trade.
These developments could, over time, intensify suspensions and rerouting in maritime traffic, increasing operational risks and slowing the normalisation of traditional routes, thereby contributing to a high level of uncertainty regarding geopolitical prospects. The situation outlined above could be reflected in the increase in transport costs already experienced over the past two years, in longer delivery times and in reduced reliability of shipping schedules, with effects also extending into the most recent period.
Although the areas affected by the above-mentioned tensions are not sales or sourcing markets, the Group is addressing these challenges through systematic monitoring of the supply chain and the implementation of operational mitigation measures aimed at preserving continuity of supply and limiting economic impacts.
Among the initiatives adopted are the signing of long-term transport contracts with reserved capacity, the diversification of routes and carriers, as well as the adoption of advanced digital tools for vessel geolocation and tracking, which have strengthened end-to-end visibility of logistics flows and reduced dependence on market intermediaries. The Group's focus nevertheless remains on closely monitoring developments in the crisis in the Persian Gulf over the coming months, in order to promptly identify any further deterioration in service levels and costs, which cannot currently be ruled out.

3. Scope of consolidation

Compared to 31 December 2024 the company PNR Nordic AB entered the scope of consolidation on 2 January 2025, 100% acquired by Spraylab Northern Europe AB. A reverse merger between the two companies was approved on 3 January 2025, and the transaction was completed in June 2025.

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4. Economic and financial results of Emak Group

Comments on economic figures

Revenues from sales

Emak Group achieved a consolidated turnover of € 612,494 thousand, compared to € 601,914 thousand of last year, an increase of 1.8%. This increase is due to an organic increase in sales for 3.1%, offset by a negative effect of exchange losses for 1.3%.

EBITDA

Ebitda for the period amounts to € 66,799 thousand (an incidence of 10.9% on revenues) compared to € 60,881 thousand in 2024 (an incidence of 10.1% on revenues).
During the year, non-recurring income was recorded for € 86 thousand (€ 350 thousand in 2024) and non-recurring expenses for € 853 thousand (€ 1,629 thousand in 2024).
Ebitda before non-recurring expenses and revenues is equal to € 67,566 thousand, an incidence of 11% on revenues, compared to € 62,160 thousand of last year, an incidence of 10.3% on revenues.

The application of the IFRS 16 principle has resulted in a positive effect on the Ebitda for the year for € 10,996 thousand, against a positive effect of € 10,507 thousand in 2024.

EBITDA benefited from the increase in sales volumes, from the positive dynamics of selling prices compared with the trend in procurement costs and the normalization of logistics costs, while import tariffs in the North American market and a general increase in operating expenses had a negative impact on performance.

Personnel costs increased compared to the previous year for € 2,681 thousand due both to the dynamics of labor costs also affected by the increases provided from the collective labor agreements, and to the higher volumes achieved in some group companies characterised by higher labour costs.

The average number of resources employed by the Group, also considering temporary workers employed in the period was 2,687 compared to 2,736 of last year.

Operating result

Operating result for the year 2025 amounts to € 34,403 thousand with an incidence of 5.6% on revenues, compared to € 24,411 thousand of 2024 (4.1% of revenues).

Amortization, depreciation and impairment losses amounted to € 32,396 thousand compared to € 36,470 thousand of the previous year. The 2024 value included € 4,414 thousand as an impairment loss on the goodwill of the Lavorwash CGU.

The ratio of operating result to net capital employed is 7.2% compared to 5% of the previous year.

Net result

Net profit for the year 2025 is € 14,176 thousand against € 6,500 thousand for the last year.

Financial income amounting to € 2,359 thousand (compared to € 4,843 thousand of the previous year); 2024 figure included € 1,292 thousand of income for debt adjustment estimate for purchase of remaining non-controlling interests subject to Put & Call Option.

Financial expenses equal to € 13,250 thousand compared to € 18,119 thousand of 2024, due to the decrease in interest rates and the lower average gross debt.

2025 exchange losses came to € 3,525 thousand (exchange losses of € 654 thousand in the previous year). Exchange rate management was mainly negatively affected by the depreciation of the US dollar against euro.

The item “Income from/(expenses on) equity investment”, equal to a negative value of € 6 thousand, relates to the valuation according to the equity method of the investment in the associate Raw Power S.r.l.

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The tax rate for the year is 29.1%, compared to 38% of the previous year.
The decrease in the tax rate of the year is mainly due to the absence of certain negative effects recorded in the previous financial year, in particular the recognition of the impairment loss on the goodwill of the Lavorwash CGU, which had no tax relevance, and the lower impact resulting from the non-recognition of deferred tax assets on tax losses of certain Group companies, which had negatively affected the tax rate by 11.7% and 4% respectively.

Comment to consolidated statement of financial position

€/000	31.12.2025	31.12.2024
Net non-current assets (*)	220,512	229,990
Net working capital (*)	255,485	260,283
Total net capital employed (*)	**475,997**	**490,273**
Equity attributable to the Group	277,472	275,947
Equity attributable to non controlling interests	4,155	4,367
Net debt (*)	(194,370)	(209,959)

(*) See section "Definitions of alternative performance indicators"

Net non-current assets

Net non-current assets at 31 December 2025 amount to € 220,512 thousand compared to € 229,990 thousand at 31 December 2024.

During 2025 Emak Group invested € 20,528 thousand in property, plant and equipment and intangible assets, as follows:

€/000	31.12.2025	31.12.2024
Technological innovation of products	5,244	6,514
Production capacity and process innovation	8,636	10,476
Computer network system	2,809	3,732
Industrial buildings	2,116	2,889
Other investments	1,723	1,110
Total	**20,528**	**24,721**

Investments broken down by geographical area are as follows:

€/000	31.12.2025	31.12.2024
Italy	14,099	14,405
Europe	2,485	1,770
Americas	2,445	5,863
Asia, Africa and Oceania	1,499	2,683
Total	**20,528**	**24,721**

Net working capital

Net working capital moves from € 260,283 thousand at 31 December 2024 to € 255,485 thousand at 31 December 2025 a decrease of € 4,798 thousand.

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The following table reports the change in net working capital in 2025 compared with the previous year:

€/000	Y 2025	Y 2024
Opening Net working capital	**260,283**	**251,587**
Increase/(decrease) in inventories	(4,478)	12,402
Increase/(decrease) in trade receivables	(7,903)	7,045
(Increase)/decrease in trade payables	12,135	(16,030)
Change in scope of consolidation	26	5,922
Other changes	(4,578)	(643)
Closing Net working capital	**255,485**	**260,283**

The level of net working capital as at 31 December 2025 is affected by the decrease in sales in the fourth quarter, compared with the same period of the previous financial year, which led to a reduction in both the assets and liabilities components of working capital.

Net financial position

Net negative financial position amounts to € 194,370 thousand at 31 December 2025, compared to € 209,959 thousand at 31 December 2024.

The following table shows the movements in the net financial position of 2025 compared with 2024:

€/000	2025	2024
Opening NFP	**(209,959)**	**(191,495)**
Net profit	14,176	6,500
Amortization, depreciation and impairment losses	32,396	36,470
Reversal of profits from acquisition	(46)	-
Cash flow from operations, excluding changes in operating assets and liabilities	**46,526**	**42,970**
Changes in operating assets and liabilities	(3,105)	(10,102)
Cash flow from operations	**43,421**	**32,868**
Changes in investments and disinvestments	**(19,426)**	**(23,893)**
Changes rights of use IFRS 16	**(6,899)**	**(6,692)**
Dividends cash out	**(4,235)**	**(7,571)**
Other equity changes	**(343)**	**73**
Changes from exchange rates and translation reserve	**3,050**	**2,362**
Change in scope of consolidation	**21**	**(15,611)**
Closing NFP	**(194,370)**	**(209,959)**

Cash flow from operations, excluding changes in operating assets and liabilities, amounted to € 46,526 thousand, compared to € 42,970 thousand of the previous financial year. Cash flow from operations is positive for € 43,421 thousand compared to € 32,868 thousand in the previous year. The change in the scope of consolidation linked to the acquisition of the company PNR Nordic, has positive impact for approximately € 21 thousand, as the acquired cash and cash equivalents slightly exceeded the purchase price.

Details of the net financial position is analysed as follows:

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(€/000)	31.12.2025	31.12.2024
A. Cash	71,147	69,174
B. Cash equivalents	-	-
C. Other current financial assets	176	408
D. Liquidity funds (A+B+C)	**71,323**	**69,582**
E. Current financial debt	(17,100)	(17,484)
F. Current portion of non-current financial debt	(76,445)	(66,426)
G. Current financial indebtedness (E + F)	**(93,545)**	**(83,910)**
H. Net current financial indebtedness (G - D)	**(22,222)**	**(14,328)**
I. Non-current financial debt	(173,840)	(196,813)
J. Debt instruments	-	-
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I + J + K)	**(173,840)**	**(196,813)**
M. Total financial indebtedness (H + L) (ESMA)	**(196,062)**	**(211,141)**
N. Non-current financial receivables	1,692	1,182
O. Net financial position (M-N)	**(194,370)**	**(209,959)**
Effect IFRS 16	**40,728**	**44,184**
Net financial position without effect IFRS 16	**(153,642)**	**(165,775)**

Net financial position at 31 December 2025 includes discounted financial liabilities related to the payment of future rental and rent payments, in application of IFRS 16 standard, equal to overall € 40,728 thousand, of which € 9,503 thousand falling due within 12 months. At 31 December 2024 they amounted to a total of € 44,184 thousand, of which € 8,632 thousand falling due within 12 months.

Current financial indebtedness mainly consists of:
- account payables and self-liquidating accounts;
- loan repayments falling due by 31 December 2026;
- amounts due to other providers of finance falling due by 31 December 2026;
- debt for equity investments in the amount of € 4,522 thousand.

Financial liabilities for the purchase of the remaining non-controlling interests subject to Put & Call Options are equal to € 4,522 thousand and are entirely classified as current. These liabilities refer to the following companies:
- Markusson for an amount of € 1,716 thousand;
- Poli S.r.l. for an amount of € 1,610 thousand;
- Valley LLP for an amount of € 919 thousand;
- Agres for an amount of € 277 thousand.

Equity

Equity at 31 December 2025 is € 281,627 thousand against € 280,314 thousand at 31 December 2024.

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Summary of annual consolidated figures broken down by operating segment

	OUTDOOR POWER EQUIPMENT		PUMPS & WATER JETTING		COMPONENTS & ACCESSORIES		Other not allocated / Netting		Consolidated	
€/000	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Sales to third parties	186,320	180,180	243,788	244,646	182,386	177,088			**612,494**	**601,914**
Intersegment sales	436	421	2,348	1,873	9,900	9,957	(12,684)	(12,251)		
Revenues from sales	186,756	180,601	246,136	246,519	192,286	187,045	(12,684)	(12,251)	**612,494**	**601,914**
Ebitda (*)	12,263	10,702	26,441	23,305	30,266	29,510	(2,171)	(2,636)	**66,799**	**60,881**
Ebitda/Total Revenues %	*6.6%*	*5.9%*	*10.7%*	*9.5%*	*15.7%*	*15.8%*			***10.9%***	***10.1%***
Ebitda before non ordinary expenses (*)	12,343	11,755	26,499	23,261	30,895	29,780	(2,171)	(2,636)	**67,566**	**62,160**
Ebitda before non ordinary expenses/Total Revenues %	*6.6%*	*6.5%*	*10.8%*	*9.4%*	*16.1%*	*15.9%*			***11.0%***	***10.3%***
Operating result	4,174	2,933	14,192	6,814	18,208	17,300	(2,171)	(2,636)	**34,403**	**24,411**
Operating result/Total Revenues %	*2.2%*	*1.6%*	*5.8%*	*2.8%*	*9.5%*	*9.2%*			***5.6%***	***4.1%***
Net financial expenses (1)									**(14,422)**	**(13,926)**
Profit befor taxes									**19,981**	**10,485**
Income taxes									**(5,805)**	**(3,985)**
Net profit									**14,176**	**6,500**
Net profit/Total Revenues%									***2.3%***	***1.1%***
(1) Net financial expenses includes the amount of Financial income and expenses, Exchange gains and losses and the amount of the Income from equity investment										
STATEMENT OF FINANCIAL POSITION	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Net debt (*)	13,849	17,558	131,310	135,438	49,211	56,963	0	0	**194,370**	**209,959**
Shareholders' Equity	184,826	185,667	88,493	90,158	86,589	82,934	(78,281)	(78,445)	**281,627**	**280,314**
Total Shareholders' Equity and Net debt	198,675	203,225	219,803	225,596	135,800	139,897	(78,281)	(78,445)	**475,997**	**490,273**
Net non-current assets (2) (*)	122,678	123,570	103,825	109,658	69,245	71,936	(75,236)	(75,174)	**220,512**	**229,990**
Net working capital (*)	75,997	79,655	115,978	115,938	66,555	67,961	(3,045)	(3,271)	**255,485**	**260,283**
Total net capital employed (*)	198,675	203,225	219,803	225,596	135,800	139,897	(78,281)	(78,445)	**475,997**	**490,273**
(2) The net non-current assets of the Outdoor Power Equipment area includes the amount of Equity investments for 76,074 thousand Euro										
OTHER STATISTICS	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Number of employees at period end	722	727	957	980	816	811	9	9	**2,504**	**2,527**
OTHER INFORMATIONS	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Amortization, depreciation and impairment losses	8,089	7,769	12,249	16,491	12,058	12,210			**32,396**	**36,470**
Investment in property, plant and equipment and in intangible assets	7,720	7,532	4,867	8,193	7,941	8,996			**20,528**	**24,721**

(*) See section "Definitions of alternative performance indicators"

Comments on results by operating segment

The table below shows the breakdown of “sales to third parties” in 2025 by operating segment and geographical area, compared with the same period last year.

	OUTDOOR POWER EQUIPMENT			PUMPS & WATER JETTING			COMPONENTS & ACCESSORIES			CONSOLIDATED		
€/000	**31.12.2025**	**31.12.2024**	**Var. %**	**31.12.2025**	**31.12.2024**	**Var. %**	**31.12.2025**	**31.12.2024**	**Var. %**	**31.12.2025**	**31.12.2024**	**Var. %**
Europe	163,747	153,905	6.4	110,422	104,779	5.4	103,501	99,673	3.8	377,670	358,357	5.4
Americas	5,892	6,852	(14.0)	108,948	113,800	(4.3)	53,884	54,679	(1.5)	168,724	175,331	(3.8)
Rest of the world	16,681	19,423	(14.1)	24,418	26,067	(6.3)	25,001	22,736	10.0	66,100	68,226	(3.1)
Total	**186,320**	**180,180**	**3.4**	**243,788**	**244,646**	**(0.4)**	**182,386**	**177,088**	**3.0**	**612,494**	**601,914**	**1.8**

Outdoor Power Equipment

Revenues for the year increased by 3.4%, mainly thanks to the good performance in the markets where the Group has an established position and to the particularly high level of orders in the first part of the year. In the second part of the year, the deterioration in the general market environment negatively affected sales performance in the main markets.
Sales in Europe recorded the most significant increases in Italy, Central Europe and Spain, while a further slowdown was observed in the Czech Republic and in the markets affected by the Russia–Ukraine conflict.
The widespread weakness in demand in the Americas particularly affected performance in the second half of the year and the change in the cumulative figure.
The revenues in the Rest of the world was particularly affected by the trend in declining sales on the Turkish market.
EBITDA reached € 12,263 thousand, an increase compared to € 10,702 thousand recorded as at 31 December 2024. This increase was mainly due to higher sales, the optimisation of operating and logistics costs, as well as the favourable contribution of the depreciation of the Renminbi on direct costs. By contrast, the increase in labour costs and certain operating expenses arising from higher volumes and the strengthening of the distribution network had a negative impact.
Net negative financial position amounting to € 13,849 thousand decreased compared with 31 December 2024, thanks to the cash flow generated during the year and the progressive normalisation of net working capital.

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Pumps & Water Jetting

Revenues for the segment recorded a slight decrease compared to 2024.
Overall sales in Europe increased thanks to the strong performance of the agriculture and industrial pumps lines, with the second half of the year showing a significant recovery compared with the first six months. The growth in the Germany, Denmark, Greece and Spain markets offset the decline in exports to Russia.
A widespread decrease in sales through the online channel was also observed.
The decline in revenues in the Americas area is mainly attributable to the depreciation of the US dollar and the Brazilian real, which had a significant impact on the conversion of revenues into euros.
In the Rest of the world, revenues increased thanks to positive market trends in Australia, Asia, and the Middle East.
EBITDA for 2025, amounting to € 26,441 thousand, compared to € 23,305 thousand in 2024, benefited from changes in the product mix and the rationalisation of certain operating cost items; the application of tariffs negatively affected profitability.
Net negative financial position equal to € 131,310 thousand, showed a moderate improvement compared to 31 December 2024, mainly thanks to the increase in cash flow from operations.

Components & Accessories

Revenues for the segment increased by 3% compared to the 2024 financial year.
In Europe, growth was driven by strong demand for the agriculture and gardening product lines.
Revenues in the Americas showed a slight decline, with the drop in the South American market only partially offset by growth in North America.
In the Rest of the world, growth was recorded, mainly attributable to the markets in the Far East, South Korea, Vietnam, and India.
EBITDA, amounting to € 30,266 thousand, compared to € 29,510 thousand in 2024, benefited from higher revenues and the mix effect.
Net negative financial position equal to € 49,211 thousand, decreased compared to the end of 2024, thanks to the consolidation of cash flow from operations during the year and lower investments compared with the previous financial year.

5. Results of Group companies

5.1 Emak S.p.A. – Parent

The Parent achieved net revenues of € 125,039 thousand against € 130,577 thousand in 2024, a decrease of 4.2%.
Sales for the year recorded a decline, particularly in the second half. Market volatility, driven by an uncertain and risky geopolitical context, led some major customers to adopt a conservative approach to building product inventories, which for the Company resulted in a reduction of orders in the second half of the year.

EBITDA for the year amounts to € 2,213 thousand, compared to € 3,407 thousand in the previous year.
The decline is due to the reduction in sales volumes, only partially offset by lower operating costs.

The operating result for the year is negative for € 4,376 thousand against an operating loss of € 2,110 thousand in 2024.

The company ended the year with a net profit of € 3,999 thousand compared to € 6,412 thousand in 2024.
The result benefits from dividends received from subsidiaries amounting to € 8,700 thousand (compared to € 8,834 thousand in 2024).

Net negative financial position increased from € 16,243 thousand at 31 December 2024 to € 18,702 thousand at 31 December 2025. The change mainly due to the lower cash flow generated by operating activities.

5.2 Subsidiaries

At 31 December 2025 the Emak Group was organized in a structure with Emak S.p.A. at the top, possessing direct and indirect controlling interests in the equity of 42 companies.

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The economic figures of the subsidiary companies, drawn up in compliance with IAS/IFRS international accounting standards, are shown below:

Company	Head office	31/12/2025 Revenue	31/12/2025 Net profit	31/12/2024 Revenue	31/12/2024 Net profit	
Parent						
Emak S.p.A.	Bagnolo in Piano (Italy)	125,039	3,999	130,577	6,412	
Fully consolidated companies						
Emak France Sas	Rixheim (France)	36,984	1,435	33,720	1,221	
Jiangmen Emak Outdoor Power Equipment Co. Ltd	Jiangmen City (China)	18,022	(83)	27,330	606	
Victus Emak Sp. Z o.o.	Poznan (Poland)	29,361	1,811	24,352	849	
Emak Suministros Espana SA	Madrid (Spain)	7,774	145	7,137	27	
Emak U.K. LTD	Burntwood (UK)	3,409	(450)	3,737	(191)	
Tailong (Zhuhai) Machinery Equipment Ltd.	Zhuhai (China)	2,042	(26)	2,525	(878)	
Epicenter LLC	Kiev (Ukraine)	3,581	388	3,797	429	
Emak Do Brasil Industria LTDA	Ribeirao Preto (Brazil)	1,269	199	1,291	(516)	
Tecomec Srl	Reggio Emilia (Italy)	67,821	8,059	65,002	6,466	
Speed France Sas	Arnas (France)	25,862	1,451	25,699	1,445	
Speed North America Inc.	Wooster, Ohio (USA)	26,614	1,437	23,437	513	
Speed Line South Africa (Pty) Ltd.	Pietermaritzburg (South Africa)	2,487	393	2,566	475	
Ningbo Tecomec Manufacturing Co. Ltd.	Ningbo City (China)	17,550	825	16,906	1,054	
Speed South America S.p.A.	Quilicura, Santiago (Chile)	5,151	340	6,258	1,199	
Comet Spa	Reggio Emilia (Italy)	79,595	8,589	70,212	5,795	
Comet France Sas	Wolfisheim (France)	10,033	829	9,739	684	
Comet USA Inc	Bloomington, Minnesota (USA)	-	2,116	-	2,407	*
Valley Industries LLP	Paynesville, Minnesota (USA)	73,647	(1,845)	75,679	(1,487)	
Ptc Waterblasting LLC	Bloomington - Minnesota (USA)	-	(61)	-	(66)	
PTC Srl	Rubiera, Reggio Emilia (Italy)	14,783	1,370	12,941	708	
S.I. Agro Mexico	Guadalajara (Mexico)	7,803	161	8,557	668	
Comet do Brasil Ind. E Com. de Equipamentos Ltda	Indaiatuba (Brazil)	16,564	2,237	16,024	1,240	
Sabart Srl	Reggio Emilia (Italy)	29,805	1,969	29,140	1,520	
Lavorwash S.p.a	Pegognaga, Mantova (Italy)	55,239	(875)	60,492	199	
Lavorwash France S.a.s.	Wolfisheim (France)	1,825	(36)	1,818	(136)	
Lavorwash GB Ltd	St. Helens Merseyside (UK)	1,656	61	1,633	122	
Lavorwash Iberica S.l.	Tarragona (Spain)	1,333	108	1,336	106	
Lavorwash Polska SP ZOO	Bydgoszcz (Poland)	6,053	60	6,508	264	
Lavorwash Brasil Ind. E Com. Ltda	Indaiatuba (Brazil)	2,664	(241)	4,304	(748)	
Yong Kang Lavorwash Equipment Co. Ltd	Yongkang City (China)	16,123	403	18,058	729	
Yongkang Lavor Trading Co. Ltd.	Yongkang City (China)	2,467	121	3,214	124	
Spraycom S.A.	Catanduva, San Paolo (Brazil)	5,831	797	5,546	768	
Markusson Professional Grinders AB	Rimbo (Sweden)	3,734	681	4,011	950	
Agres Sistemas Eletrônicos S.A.	Uberaba (Brazil)	7,066	(2,111)	8,355	(2,172)	
Poli S.r.l.	Colorno, PR (Italy)	5,328	685	5,290	678	
Trebol Maquinaria y Suministros S.A.	A Coruña (Spain)	6,003	620	5,116	374	
Jiangmen Autech Equipment Co. Ltd	Jiangmen City (China)	-	258	-	239	
Pnr Italia S.r.l.	Voghera, PV (Italy)	14,025	2,098	13,372	1056	
PNR America LLC	Poughkeepsie, New York (USA)	1,127	64	1,143	239	
Pnr EE Sp. Z.o.o.	Poznan (Poland)	101	(32)	344	12	1
PNR Central Europe GmbH	Freilassing (Germany)	2,009	142	2,320	137	
Spraylab Northern Europe AB	Stockholm (Sweden)	-	-	1,813	53	
PNR Nordic AB	Stockholm (Sweden)	1,980	57	-	-	

1 *It should be noted that PNR EE Sp. Z.o.o. is no longer operational and was liquidated in November 2025.*

** It should be noted that the net profit of Comet USA includes income tax calculated on the result of its subsidiary, Valley Industries LLP. The latter company is, in fact, subject to a tax regime that provides for taxation of profits to be directly imposed on the shareholders.*

It should also be noted that the net profit of the individual companies includes any dividends received during each year, as well as any impairment losses on intercompany investments.

6. Research and development

In 2025, the Emak Group continued to invest significantly in Research and Development, confirming it as a strategic lever for competitiveness in global markets. Activities focused on product innovation, process efficiency, technological advancement, and environmental sustainability. During 2025, the Group dedicated a total of € 20,914 thousand to Research and Development, of which € 13,882 thousand related to investments

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in product innovation, adjustment of production capacity, and € 7,034 thousand to research costs directly charged to the income statement.

In the Outdoor Power Equipment segment, developments continued on low-emission engines compliant with upcoming Euro 6 regulations, methodological activities with research centres, research on recycled materials, IoT projects, and the introduction of new product ranges, including 56V battery machines, chainsaws, lawn mowers, and autonomous robots. Projects leading to new market launches in 2026 also progressed. From a systemic perspective, the consolidation of PLM (Product Lifecycle Management) and the introduction of management for RoHS and REACH certifications have evolved the concept of materials within the company, turning them into dynamic, traceable objects interconnected with all interdepartmental processes (compliance, tariff impact, sustainability).

In the Pumps & Water Jetting segment, the integration between PLM and ERP continued in order to advance the process of centralised management of data and know-how. New models were developed for products targeting the agriculture, industrial, and hobbyist washing markets. The activities focused particularly on the research of alternative materials, the electrification of certain products, electronics, and IoT.
For the professional washing segment, The Group is working towards a 360° efficiency improvement of the machine. Finally, systems have been developed that provide information on machine lifespan, useful for maintenance purposes and for managing rental fleets and construction site operations.

The Components & Accessories segment continued to operate according to a 2024–2026 three-year plan, focusing on performance improvement, range expansion, and integrated design across international sites. Projects were carried out for the gardening and forestry range, agriculture—with precision farming solutions such as flow meters, PWM valves, and rate controllers—and high-pressure accessories, including rotating nozzles and 1,000-bar water guns.

On the quality and safety front, the Group confirms full compliance with international standards, supported by a structured system of internal controls and ISO certifications across the various Group companies.

7. Human resources

Please refer to the specific section of the consolidated sustainability statement for a detailed analysis of the human resources employed at the Group level.

8. Related parties transactions

Emak S.p.A. is controlled by Yama S.p.A., which holds 68.9% of its share capital and which, as a non-financial holding company, is at the head of a larger group of companies mainly operating in the production of machinery and equipment for agriculture and gardening and of components for motors, and in real estate.
With these companies there are limited supply and industrial services dealings, as well as industrial surfaces rental services of and financial services deriving from the equity investment of a few Italian companies in the Group, including Emak S.p.A., in the tax consolidation headed by Yama S.p.A.
There have been collaboration relationships for consultancy services of a technological nature linked to the development of new electrical products with the company Raw Power S.r.l.

A further area of relationships with "other related parties" is derived from the performance of professional services for legal and fiscal nature, provided by entities subject to significant influence by a non-executive director.

All of the above dealings, of a normal and recurring nature, falling within the ordinary exercise of industrial activity, constitute the predominant part of activities carried out in the period by the Group with related parties. The transactions in question are all regulated under current market conditions, in compliance with framework resolutions approved periodically by the Board of Directors. Reference can be made to the notes to the consolidated financial statements at paragraph 40.

During the year, non-recurring transactions with related parties have been carried out. If transactions of this nature had taken place, enforcement procedures approved by the Board of Directors would have been applied, most recently with its resolution of 12 May 2021.

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The determination of the remuneration of Directors and Statutory Auditors and Managers with strategic responsibility in the Parent occurs as part of the governance framework illustrated to the Shareholders and to the public through the report as per art. 123-ter of Leg. Dec. 58/98, available on the site www.emakgroup.it.
Given the conditions, Emak S.p.A. makes use of the procedural simplifications provided for in paragraphs 1 and 3, lett. b), in art. 13 of CONSOB Resolution no. 17221 of March 12, 2010 and related amendments and additions. The remuneration of Directors and Statutory Auditors and Managers with strategic responsibilities in the subsidiaries are also established based on adequate protection procedures, that provide for the Parent to perform control and harmonization activities.

9. Plan to purchase Emak S.p.A. shares

At 31 December 2024, the Parent held 1,097,233 treasury shares in portfolio for an equivalent value of € 2,835 thousand.

During 2025 financial year and in the months of January and February 2026, there were no changes in the consistency of the treasury share portfolio

10. Corporate governance and other information required by Issuers Regulations

Emak S.p.A. adopted the Code of Corporate Governance, approved by the Committee established at the Italian Stock Exchange as reformulated in January 2020, in force from the 2020 financial year, and available on the website www.borsaitaliana.it. Details of Emak's compliance with the Code's provisions are set out in the "Report on corporate governance and ownership structures", provided for by art. 123-bis of Legislative Decree 58/98, illustrated according to the "comply or explain" scheme.

As already mentioned, the "Remuneration Report" prepared pursuant to art. 123-ter of Legislative Decree 58/98, shows the remuneration policy adopted by the company for its directors and executives with strategic responsibilities. The document also describes in detail by type and quantified entities the fees paid to them, including by subsidiaries, as well as stocks and movements of Emak securities in their possession during the year.
Both reports are available to the public at the company's registered office and on the website: www.emakgroup.it, in the section "Investor Relations > Corporate Governance".

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Organisation and management model pursuant to Legislative decree no. 231/2001

It has to be underlined the adoption by the most important companies of the Group, of the Organisation and Management Model, art. 6, Legislative Decree 231/01, calibrated on individual specific reality and periodically expanded in a modular form, in line with the extension of the liability of companies for ever new crimes.
The Model makes use, of Supervisory Committees, furnished with autonomous powers of action and control regarding its effective and efficient application.

* * * * * * * *

Code of Ethics

Emak Group has implemented and updated a Code of Ethics, in which the company's chosen ethical principles are set out and which the Directors, Statutory Auditors, Employees, Consultants and Partners of the Parent, as well as of its subsidiaries, are required to follow. The most recent update of the Code of Ethics, enriched and reorganized, compared to its previous version, was approved by the Board of Directors of EMAK on February 26, 2021.
The model, as per art. 6, Leg. Dec. 231/01, and the Ethical Code are both available for consultation at the internet address web www.emakgroup.com, in the section Organization and certifications.

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Significant operations: derogation from disclosure obligations

The Company has resolved to make use, with effect from 31 January 2013, of the right to derogate from the obligation to publish the informative documents prescribed in the event of significant merger, demerger, share capital increase through the transfer of goods in kind, acquisition and disposal operations, pursuant to art. 70, paragraph 8, and art. 71, paragraph 1-bis of Consob Issuers Regulations, approved with resolution no. 11971 of 14/5/1999 and subsequent modifications and integrations.

11. Disputes

There were no disputes in progress that might lead to liabilities in the financial statements other than those already described in note 36 of the consolidated financial statements.

12. Other information

Subsidiaries art 15. Market Regulations

With regard to the requirements of article 15 of the Market Rules - Consob Resolution No. 20249 dated December 28, 2017 and subsequent amendments and additions, Emak S.p.A. reports to have currently the control of some large companies, incorporated and regulated under the law of a state outside the European Union:

- Jiangmen Emak Outdoor Power Equipment Co. Ltd. (Republic of China);
- Comet Usa Inc. (United States of America);
- Valley Industries LLP (United States of America);
- Comet do Brasil Industria e Comercio de Equipamentos Ltda (Brazil);
- Yong Kang Lavor Wash Equipment (Republic of China);
- Agres Sistemas Eletrônicos S.A. (Brazil);
- Speed North America Inc. (United States of America).

For all companies Emak S.p.A. has complied with current legislation, including the filing at the registered office, for the benefit of the public, of the financial statements of subsidiaries prepared for the purposes of preparing the consolidated financial statements.

European Single Electronic Format (ESEF)

The delegated regulation of the EU Commission 2018/815 had established, in implementation of the delegation contained in directive 2004/109 / EC (so-called "transparency directive"), that listed European companies (including Italian) must publish annual financial reports through the "ESEF" format, also providing that listed companies mark the information presented therein using the XBRL markup language.
Therefore, this Annual Financial Report is published in the European Single Electronic Format (ESEF), that is, through the computer language XHTML.

Following Legislative Decree No. 125/24 implementing Directive 2022/2464/EU, which mandates the adoption of the ESEF format for sustainability reporting, please note that regarding the tagging of the Consolidated Sustainability Statement, digital tagging of the ESRS disclosure taxonomy will not be mandatory for companies until the European Union formally adopts the XBRL taxonomy as part of the ESEF RTS.

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13. Foreseeable business outlook

The increasing uncertainty and volatility of the global economic and geopolitical environment make planning activities more complex for the Group, due to reduced visibility on the growth prospects of its reference markets.
On this basis, management is approaching the 2026 financial year in a prudent and responsive manner, focusing on initiatives aimed at strengthening the financial structure, improving the competitive position in strategic markets, and continuously seeking to optimise costs and investments, in the awareness that this strategy represents a necessary prerequisite for capturing all growth opportunities, with the objective of creating value in the medium to long term.

14. Significant events occurring during the period and positions or transactions arising from atypicaland and unusual, significant and non-recurring transactions

The significant events that occurred during the period and positions or transactions arising from atypical and unusual, significant and non-recurring transactions are set out in notes 7 and 8 of consolidated financial statements.

15. Subsequent events

In February, the acquisition by Tecomec S.r.l. of the remaining 19% share in Markusson was approved through the exercise of the Put & Call option, which will bring the equity investment to 100% by April 2026.
At the same time, a subsequent rationalisation transaction was approved, providing for the merger between the Swedish subsidiaries Markusson AB and PNR Nordic, aimed at optimising the organisational structure and increasing management efficiency. The merger will result in the creation of a new entity, Tecomec Nordic, wholly owned by Tecomec S.r.l., which will bring together the historic brands under a single managerial structure.

No further significant subsequent events have been identified.

16. Reconciliation between equity and net profit for the year of the Parent Emak and consolidated equity and net profit for the year

In accordance with the CONSOB Communication dated July 28 2006, the following table provides a reconciliation between net profit for 2025 and equity at 31 December 2025 of the Group (portion attributable to the owners of the parent), with the corresponding values of the Parent Emak S.p.A.

€/000	Equity at 31.12.2025	Result for the year ending 31.12.2025	Equity at 31.12.2024	Result for the year ending 31.12.2024
Equity and result of Emak S.p.A.	**151,386**	**3,999**	**151,435**	**6,412**
Equity and result of consolidated subsidiaries	367,248	34,149	368,817	27,162
Effect of the elimination of the accounting value of shareholdings	(227,170)	367	(229,445)	(3,906)
Elimination of dividends	-	(24,995)	-	(22,475)
Elimination of intergroup profits	(9,837)	662	(10,499)	(697)
Evaluation of equity investment in associated	-	(6)	6	4
Total consolidated amount	**281,627**	**14,176**	**280,314**	**6,500**
Non controlling interest	**(4,155)**	**(669)**	**(4,367)**	**(745)**
Equity and result attributable to the Group	**277,472**	**13,507**	**275,947**	**5,755**

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17. Proposal for the allocation of net profit and dividend for the financial year

Dear Shareholders,
We submit for your approval the financial statements at 31 December 2025, which show a net profit of €3,998.620.00. We also propose the distribution of a dividend of € 0.030 for each outstanding share.

We therefore invite you to take this resolution:

<< The Shareholders' Meeting of Emak S.p.A.,

with regard to point 1.1 to the agenda
resolves

a) to approve the Directors' Report and the financial statements at 31 December 2025, closed with a net profit of € 3,998,620.00;

with regard to point 1.2 to the agenda
resolves

a) to allocate the net profit of € 3,998,620.00 as follows:
   - € 199,931.02 to the legal reserve;
   - to the Shareholders, as dividend, the amount of € 0.023 gross of withholding taxes, for each share in circulation, with the exclusion of treasury shares held by the company;
   - to the extraordinary reserve for the entire residual amount;

b) to allocate to the Shareholders, as a dividend, the additional amount of € 1,139,863.21, corresponding to € 0.007, gross of statutory withholding taxes, for each share outstanding, excluding treasury shares held by the Company, to be drawn from the "retained earnings" reserve, which will therefore decrease from €16,299,300.00 to € 15,159,436.79.

c) to authorize the Chairman, if the number of treasury shares changes before the coupon detachment date, to adjust the amount of the item "retained earnings" to take into account any treasury shares in the meantime sold;

d) to pay the total dividend of euro 0.030 per share (coupon no. 28) on 3 June 2026, with detachment date 1 June, and record date 2 June.>>

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Definitions of alternative performance indicators

The chart below shows, in accordance with recommendation ESMA/201/1415 published on October 5, 2015, the criteria used for the construction of key performance indicators that management considers necessary to the monitoring the Group performance.

- EBITDA before non-recurring expenses and income: is obtained by deducting from EBITDA the impact of charges and income for litigation and grants relating to non-core business, expenses related to M&A transactions, and costs for staff reorganization and restructuring.

- EBITDA: defined as profit/(loss) for the period gross of depreciation of property, plant and equipment, intangible assets and rights of use, impairment losses on non-current assets, goodwill and equity investments, Income from/(expenses on) equity investment, financial income and expenses, exchange gains and losses and income taxes.

- FREE CASH FLOW FROM OPERATIONS: calculated by adding the items "Net profit for the year" plus "Amortization, depreciation and impairment losses".

- EQUITY PER SHARE: is obtained dividing the item "Equity attributable to the owners of the parent" by number of outstanding shares at period end.

- FREE CASH FLOW FROM OPERATIONS per SHARE: is obtained dividing the “Free cash flow from operations” by the average number of outstanding shares in the period.

- NET WORKING CAPITAL: include items “Trade receivables”, “Inventories”, current non financial “other receivables” net of “Trade payables” and current non financial “other payables”.

- NET FIXED ASSETS or NET NON-CURRENT ASSETS: include non-financial “Non-current assets” net of non-financial “Non-current liabilities”.

- NET CAPITAL EMPLOYED: is obtained by adding the "Net working capital" and "Net non-current assets”.

- NET FINANCIAL POSITION: this indicator is calculated by adding to the scheme envisaged by the "Call for attention no. 5/21" of 29 April 2021 issued by Consob, which refers to ESMA guidelines 32-382-1138 of 4 March 2021, the non-current financial receivables.

It should be noted that alternative performance indicators are not identified as an accounting measure under the International Accounting Standards and, therefore, should not be considered a substitute measure for the evaluation of the performance of the Company and the Group. The criterion for determining these indicators applied by the Company and the Group may not be homogeneous with that adopted by other companies in the sector and, therefore, such data may not be comparable.

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Section of the Management Report ex Legislative Decree 125/2024 art. 3 paragraph 1

Consolidated Sustainability Statement

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GENERAL INFORMATION

1.1 Basis for preparation

BP-1 – General basis for preparation of sustainability statements

This section represents the Consolidated Sustainability Statement of the Emak Group, prepared pursuant to Legislative Decree no. 125 of 6 September 2024, as implementation of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, hereinafter "CSRD").
The section has been prepared to the extent necessary to ensure the comprehensibility of information relating to the Group's activities, as well as the other qualitative characteristics of the company as outlined in ESRS 1, Appendix B, of Delegated Regulation (EU) 2023/2772.
The reporting covers the relevant sustainability issues with reference to the 2025 financial year, from 1 January to 31 December and shares the same scope of consolidation as the Consolidated Annual Financial Report of the Emak Group ("Group"); the scope is therefore represented by all the companies fully consolidated in the Annual Financial Report.
The information provided by the Group includes material impacts, risks and opportunities ("IROs") related to the company through its direct and indirect business relationships in the upstream and/or downstream value chain for all policies, actions and targets, as represented in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model. No metrics are expressed about relevant IROs on the value chain, except for the information reported on Scope 3 emissions.
The Group did not make use of any of the options to omit information referred to in points (d) and (e) of paragraph 5 of the General Information of Delegated Regulation (EU) 2023/2772.

BP-2 – Disclosures in relation to specific circumstances

With regard to the time horizons adopted, the company has not deviated from the provisions of the European legislation governing this document:
a) short-term time horizon: the period adopted by the company as the reference period of its financial statements (1 year);
b) medium-term time horizon: up to five years after the end of the short-term reference period defined in point a); and
c) long-term time horizon: more than five years.
It should be noted that Scope 3 emissions (E1-6) and the calculation of resource inflows (E5-4) are based on estimates and assumptions subject to uncertainty profiles, as a result of the difficulty of access to primary data by the Group, which is committed to seeking more accurate data in the future. Please refer to the relevant paragraphs for more details on the calculation methods used.

The Consolidated Sustainability Statement includes the information required by art. 8 of Regulation (EU) 2020/852 of 18 June 2020 (the so-called "Taxonomy Regulation") and the Delegated Regulations (EU) 2021/2178, 2021/2139, 2023/2485 and 2023/2486 related to it. The recommendations communicated by the European Securities and Markets Authority (ESMA) in October 2025 were taken into account for the drafting of the section. Emak presents, within the reference chapter ("Environmental information", par. "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852"), a description of the analyses carried out in 2025 in order to communicate to its stakeholders, through the models provided by the regulator, the data relating to Taxonomy-eligible and Taxonomy-aligned economic activities for the 6 environmental objectives (*climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, waste reduction and recycling of materials, pollution prevention and protection of ecosystems*).

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1.2 Governance

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

Emak has a traditional governance structure, characterized by the presence of the following bodies: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors, governed by the respective applicable laws.

The Board of Directors is the central body of the Corporate Governance system of the Emak Group. In its guiding role, the Board of Directors defines the Group's strategies, integrating social and environmental issues, and monitors their implementation, with the aim of promoting long-term value creation.

The Board of Directors currently in office was appointed by the Shareholders' Meeting held for the approval of the financial statements as of 31 December 2024. On that occasion, the shareholders set the number of directors at 13 (thirteen) and the duration of the mandate at 3 (three) years (2025-2027).

Qualification	Members	Year of birth	Gender	Date of first appointment	In office since	In office until	Executive	Non Executive	Independent	No. other offices	Seniority of position since the first appointment	Committee member
Chairman	Livatino Massimo	1964	M	23/04/2013	29/04/2025	App. Financial Statements 2027		X		6	13	
Chief Executive Officer	Bartoli Luigi	1966	M	30/04/2004	29/04/2025	App. Financial Statements 2027	X			1	22	
Director with powers	Becchi Cristian	1973	M	29/04/2022	29/04/2025	App. Financial Statements 2027	X			-	4	
Director	Iotti Elena	1979	F	22/04/2016	29/04/2025	App. Financial Statements 2027		X	X	6	10	CCRS/CORE/ CNOM/COPC
Director	Venturelli Valeria	1969	F	29/04/2025	29/04/2025	App. Financial Statements 2027		X	X	-	1	CCRS/CORE/ CNOM/COPC
Director	Grappi Silvia	1976	F	29/04/2022	29/04/2025	App. Financial Statements 2027		X	X	-	4	CCRS/CORE/ CNOM/COPC
Director	Baldi Francesca	1969	F	23/04/2013	29/04/2025	App. Financial Statements 2027		X		3	13	
Director	Bartoli Ariello	1937	M	24/04/1998	29/04/2025	App. Financial Statements 2027		X		1	28	
Director	Becchi Paola	1967	F	30/04/2004	29/04/2025	App. Financial Statements 2027		X		1	22	
Director	Ferrari Giuliano	1950	M	30/04/2004	29/04/2025	App. Financial Statements 2027		X		-	22	
Director	Salsapariglia Marzia	1961	F	22/04/2016	29/04/2025	App. Financial Statements 2027		X		-	10	
Director	Spaggiari Vilmo	1940	M	30/04/2004	29/04/2025	App. Financial Statements 2027		X		1	22	
Director	Zambelli Paolo	1973	M	29/04/2022	29/04/2025	App. Financial Statements 2027		X		1	4	

Among the appointed directors there are 2 executives and employees of the company, 3 non-executive and independent (equal to 23% of the total directors, 27% of non-executive), 8 non-executive and non-independent; of the 13 members, 6 are female (46%).

Emak's Board of Directors is composed of directors with skills and professionalism appropriate to the tasks entrusted to them.
Knowledge of the sectors, products and geographical areas in which the Group operates is guaranteed by the professional and personal history of individuals as well as by their seniority, which has ensured constant training and updating on the main topics. During Board meetings, the managing directors provide extensive information on the items on the agenda. The Chairman may also invite executives of the parent company or managing directors of the subsidiaries, as well as the Manager in charge of preparing the company's financial reports, to attend the meetings of the Board of Directors in order to provide appropriate insights on the items on the agenda. In addition, if deemed useful to provide the appropriate insights on the topics covered, managers or representatives of the companies most involved in the topic are invited to participate in the meetings.

Within the Board of Directors, four Committees operate with preliminary functions, established to acquire, within their respective areas as provided and defined by the Corporate Governance Code and their respective operating regulations, their propositional and consultative contributions. These are the Remuneration Committee (CoRe), the Control, Risks and Sustainability Committee (CCRS), the Related Party Transactions Committee (COPC), and the Nominations Committee (Cnom).

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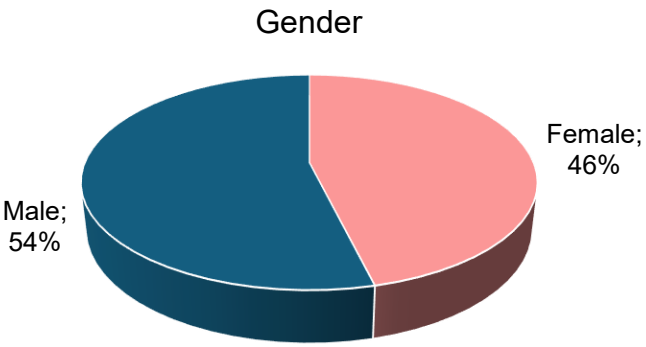
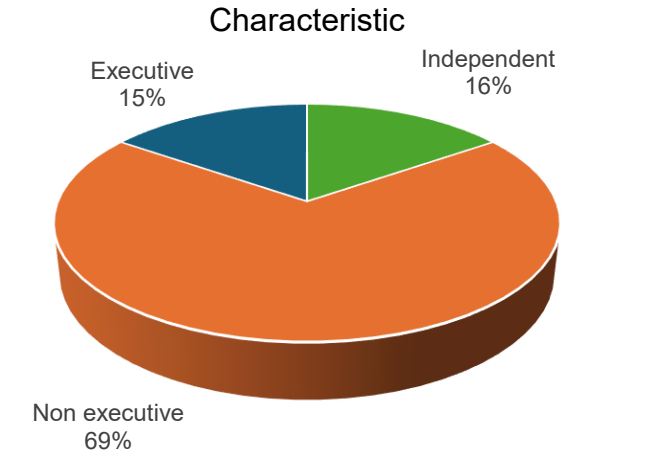
In its guiding role, the Board of Directors, supported by the preliminary activities of the Control, Risks and Sustainability Committee, is ultimately responsible for managing, also by adopting the necessary procedures, the relevant risks, impacts and opportunities, including those relating to sustainability issues. To this end, the delegated bodies periodically report to the Board of Directors any significant aspects concerning environmental, social or governance issues that may emerge from discussions with the top operational levels not only of the parent company but also of the Italian companies leading the individual business units.





The Board of Directors has established the Control, Risks and Sustainability Committee, with the task of supporting, through adequate preliminary activities, the Board's assessments and decisions relating to the internal control and risk management system, as well as the approval of financial and sustainability reports. Its members collectively possess adequate expertise in the sector in which the Group operates, functional to assessing the related risks; due to the professionalism of its members, the Committee has specific experience in accounting and financial matters and risk management, considered largely adequate by the Board of Directors at the time of appointment.
Its opinion is not binding, however, even if it were to differ from the prevailing orientation within the Board, it would be taken into the utmost consideration, because it would commit the Board to specifically and expressly analyse and deepen the opposing reasons expressed by the Committee, motivating in detail the resolution taken.
Among the tasks assigned to the Committee under its own regulations are the following activities:

a) evaluate the adequacy of periodic, financial, and sustainability information to correctly represent the business model, strategies of the Company and the Group, the impact of its activities, and the performance achieved;
b) examine the content of sustainability statement;
c) express opinions on specific aspects related to the identification, measurement, management, and monitoring of major business risks;
d) evaluate, supporting the Board, the recommendations contained in the letter formulated by the Chairman of the Corporate Governance Committee, in order to verify their alignment with the practices adopted by the Company, identify any gaps in application or explanations provided, and possibly define any initiatives for governance evolution;
e) report every half year to the Board on the adequacy of the internal control and risk management system.

Within the Group, issues related to the various sustainability topics are managed and governed by the functions that are most appropriate in terms of operational relevance, expertise and competence in the specific matter, and which oversee and control them. When similar issues may involve multiple functions or companies within the Group, the designated functions work to share knowledge and resources both in formal occasions, such as functional committees, and through informal discussions. Based on the importance of the issues addressed in terms of impacts, risks, and opportunities, operational decisions are taken by the competent hierarchical levels. The initiatives undertaken are periodically reported to the top management, which in turn reports to the Board of Directors in the normal board discussions.

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The Board of Directors annually reviews and approves the strategic, industrial, and financial plans[1] of the Company and the Group, as well as their respective annual budgets, with the support of the Control, Risks and Sustainability Committee. During the financial year, the Board has monitored the implementation of the industrial plan on a quarterly basis, evaluating the overall management performance and comparing the results achieved with those planned, as derived from the annual budget approved by the Board itself before the end of the previous year; these activities were carried out, in particular, during meetings dedicated to the approval of interim management reports, the half-year financial report, and the annual financial report.

The Board carries out a self-assessment process every three years, in view of its renewal, focusing on the size, composition and actual functioning of the Board itself and its Committees, also considering the role played by the Board in defining the Group's strategies, in monitoring management performance, and in assessing the adequacy of the internal control and risk management system.

The most recent self-assessment was carried out in February 2025, following a review conducted by the Nomination Committee, with the results presented to the Board of Directors at the meeting held on 27 February 2025. The process was conducted without the involvement of external consultants and was based on a questionnaire submitted to each director.

In the first section of the questionnaire, submitted to all members of the Board, the following topics were included:
- the characteristics of the directors, the Board, and the Committees;
- the adequacy of the induction activities to the Board on relevant topics;
- the scheduling of board meetings;
- the preliminary information provided ahead of Board meetings;
- the conduct of board meetings.

The questions formulated in the second section, reserved for executive and independent directors, focused on the functioning of each board Committee and the coordination among the actors of the Internal Control and Risk Management System.

Following the self-assessment process described above, the Board expressed a positive evaluation of the size, composition, and functioning that characterize its structure and activities; similar conclusions were reached with regard to its Committees. The Board's overall favourable assessment of its structure and operations is accompanied by an equally positive evaluation of the frequency, relevance and effectiveness of Board discussions, as well as of the degree of mutual and constructive oversight exercised among its various members.

With specific regard to sustainability matters, the expertise of individual directors ensures adequate oversight: the members of the Board of Directors possess, on the one hand, an in-depth knowledge of the sectors and markets in which the Group operates and of the dynamics that characterise them (e.g., technological developments, consumer preferences, competitive dynamics); on the other hand, the professional background of certain Board members, particularly the non-executive directors, provides a continuous contribution of skills that complement the Group's core activities.
Specific training activities were carried out during 2025, involving the members of the Control, Risks and Sustainability Committee, the executive directors and the Chair in the review of the double materiality assessment, thereby strengthening their capabilities and expertise on the Group's relevant impacts, risks and opportunities. Moreover, where necessary, the Control, Risks and Sustainability Committee and, more broadly, the operational functions directly involved may rely on external advisors for specific matters, both to support concrete activities and to organise training sessions on dedicated topics.
It should also be noted that, in performing its duties, the Control, Risks and Sustainability Committee is entitled to access the information and corporate functions required and to make use of external consultants, within the limits established by the Board of Directors. The Committee has an annual ordinary budget of EUR 20,000, which may be increased if needed, subject to a resolution of the Board.

[1] As mentioned in other parts of the document, the Group considers sustainability topics an integral part of its operations, even though it has not yet formalized a multi-year sustainability plan.

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GOV 2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

During 2025, the governing bodies oversaw the preparation and approved the periodic reporting on sustainability matters and participated in the double materiality assessment process. As the Board of Directors primarily deals with high-level objectives, it is directly involved in the most significant and strategic issues for the Group's business, while more specific initiatives are carried out by the competent functions (e.g., energy-saving initiatives, research and development of new products). Throughout the period under review, the delegated bodies (supported by the operational functions directly involved) informed the Board, and, depending on the topics addressed, the relevant Board committees on the policies, actions, metrics and targets relating to sustainability matters during the various meetings, as part of the discussion of the items on the agenda. Specific items concerned, in particular, the refinement and concurrent update of the double materiality analysis, which served as a preparatory step for the drafting of the 2025 sustainability statement and for an initial introduction to the forthcoming regulatory changes in the field of sustainability reporting.
The list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, and by their respective committees, during the reporting period is provided in the General Information section, under paragraph SBM-3 *Material impacts, risks and opportunities and their interaction with strategy and business model*.

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

Within its Board of Directors, Emak assigns variable remuneration components exclusively to executive directors.
In line with the recommendations of the Corporate Governance Committee, the prevailing best practices in the field, and on the basis of a benchmarking analysis, the remuneration structure for executive directors provides for the following:

- a fixed component, granted in a composite form as managerial remuneration and office allowance;
- a short-term variable component (annual);
- a medium-long term variable component (three-year);
- The criteria identified to ensure a coherent and reasonable pursuit of the objective of properly incentivising executive directors are aligned with those set out in the Corporate Governance Code, as:
    - a significant portion of their remuneration is linked to the achievement of specific performance objectives;
    - the balance between the fixed and variable components is appropriate and consistent with the Company's strategic objectives and risk-management policy, taking into account the characteristics of the business and the sector in which it operates;
    - maximum limits are set on the payment of variable components;
    - the performance targets linked to the payment of the variable components are predetermined, measurable, tied to a significant extent to a medium-long term horizon, and consistent with the Company's strategic objectives and aimed at promoting its sustainable success and they also include non-financial parameters.
    - an adequate deferral period is applied – from the time of accrual – for the payment of a significant part of the variable component, in line with the characteristics of the business activity and the associated risk profiles;
    - the fixed component is sufficient to remunerate the director's performance in cases where the variable component is not paid due to the failure to achieve the performance targets established by the Board of Directors.

The incentive remuneration structure is designed to promote and reward the achievement of strategic objectives that are essential for the growth and consolidation of the company. Each evaluation parameter is closely aligned with the company's priorities, which range from technological innovation to environmental sustainability, as well as the strengthening of leadership and the responsible management of resources. This integrated, results-oriented approach not only supports the continuous improvement of operational performance, but also contributes to long-term value creation, in line with contemporary challenges and the evolution of the global market. The strategy adopted ensures that executive directors, through the implementation of concrete and measurable projects, carry on the company's commitment to excellence and social responsibility. This approach generates a positive impact both within the organisation, fostering development and innovation, and within the broader community, contributing to the creation of shared value.

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The CEO's short-term variable remuneration for 2025 included economic and financial objectives (weight 60%) and specific objectives (weight 40%), including sustainability-related targets, as detailed below.
A first area of evaluation concerned the expansion of the business through the launch of new products, with particular reference to battery-powered products. This objective, which accounted for 10% of the short-term variable remuneration, required the completion of the development process for two new products within the planned timeframe. In continuity with what was set for 2024, meeting these parameters responded to the need for technological innovation and reflected the company's commitment to greater environmental sustainability, contributing to emissions reduction and to the transition towards more eco-friendly solutions.
A second key objective, which accounted for 5% of the annual variable remuneration, concerned the definition, by the end of the 2025 financial year, of a succession plan for the strategic positions within the Italian parent companies of the Group's three segments, aimed at ensuring continuity and solidity of the company's leadership.
Finally, for a total weight of 25%, the following specific sustainability objectives were established:

- completion of Research & Development projects aimed at developing zero-emission or otherwise low-environmental-impact products;
- achievement by Emak S.p.A., by the end of 2025, of AEO (Authorised Economic Operator) certification, attesting to the reliability and operational efficiency of the company, as a distinctive element of value in the context of international operations;
- achievement of the 2025 objectives included in the strategic plan of Emak S.p.A.'s Gender Equality certification.

The CFO's short-term variable remuneration for 2025 included economic and financial objectives (weight 60%) and specific objectives (weight 40%), including sustainability-related targets not directly linked to ESRS indicators. Specifically (with a weight of 15%) this concerned the operational launch of the Group Treasury project, an initiative aimed not only at improving the efficiency of banking relationships, but also and above all at greater transparency and better supervision of the same.

The remuneration policy currently applied by Emak was introduced following the renewal of the corporate bodies, as resolved by the Shareholders' Meeting on 29 April 2025, and applies for the entire mandate, which will end with the approval of the financial statements for the 2027 financial year.
In compliance with the remuneration limits set by the Shareholders' Meeting, the Remuneration Committee subsequently developed a set of proposals for the distribution of fixed remuneration and the allocation of variable remuneration among the directors. On 15 May 2025 the Board of Directors evaluated the Committee's proposals and resolved on the distribution of the fixed remuneration to directors for the entire term of office of the Board. On the same date, having examined the preparatory activity of the Remuneration Committee, the Board of Directors resolved on the criteria for determining the incentive-based remuneration due to executive directors and to certain first-level managers who, although not holding strategic responsibilities, are engaged in various corporate functions.

GOV–4 – Statement on due diligence

Due diligence represents the process through which an organisation identifies, prevents, mitigates and communicates its approach to addressing actual or potential negative impacts on the environment and on people arising from its activities. The implementation of this process takes place through the adoption of specific policies, operational tools and monitoring mechanisms, culminating in the formalisation of a due-diligence procedure that summarises and documents the entire approach adopted.

While acknowledging that Emak, at the moment, has implemented this process indirectly and does not have a structured and detailed due diligence framework formalized through a dedicated procedure, a set of tools inspired by the fundamental principles that constitute the due diligence process has been adopted.

By way of example, Emak has formalized an Integrated Policy for Quality, Environment and Safety, which, among other purposes, includes the identification, assessment and management of risks and opportunities related to ESG topics. In addition, additional support tools have been implemented, such as the governance model, internal procedures, the risk management framework, along with monitoring and reporting activities.

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The table below provides a mapping that illustrates the ways and sections in which the main elements and phases of the due diligence process can be found in the disclosure presented in this Sustainability Statement, thus offering an overview of the corporate documentation that is inspired by the implementation of due diligence.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
Embedding due diligence in governance, strategy and business model	*Reference to:* • *ESRS 2 GOV-1* • *ESRS 2 GOV-2* • *ESRS 2 GOV-3* • *ESRS 2 SBM-3*
Engaging with affected stakeholders in all key steps of the due diligence	*Reference to:* • *ESRS 2 GOV-2* • *ESRS 2 SBM-2* • *ESRS 2 IRO-1*
Identifying and assessing adverse impacts	*Reference to:* • *ESRS 2 IRO-1* • *ESRS 2 SBM-3*
Taking actions to address those adverse impacts	*ESRS 2 MDR-A - Paragraphs relating to remediation actions and action plans for each topic (E1, E5, S1, S2, S4, G1)*
Tracking the effectiveness of these efforts and communicating	*ESRS 2 MDR-T - Paragraphs relating to targets for each topic (E1, E5, S1, S2, S4, G1)*

GOV–5 – Risk management and internal controls over sustainability reporting

The Emak Group has an internal control and risk-management system that the Board of Directors considers adequate in relation to the size and nature of the business, capable of effectively overseeing the main risk areas typical of the Company's activities and contributing to the Group's sustainable success. Within this system, with the aim of establishing an organisational structure even more suitable for the effective management of the sustainability reporting process, the Board of Directors of Emak S.p.A. has adopted a specific procedure designed to ensure that the Sustainability Statement included in the Management Report complies with applicable regulations and reference standards. The proper implementation of this procedure and of the tools adopted by the Group also helps improve the reliability and transparency of the quantitative and qualitative data and information available to governance bodies, supporting informed and sustainable decision-making and fostering the continuous improvement of the organisation.
The internal control system tools identified and implemented by the Parent Company, which is ultimately responsible for preparing the consolidated reporting, are as follows:

1) Procedure for drafting the Sustainability Statement;
2) Standard Group package;
3) Instruction manual for package compilation;
4) Software for data management and consolidation;
5) Definition of the checklist for compliance verification;
6) Declarations of compliance;
7) Internal Audit plan.

Of primary importance in the internal control system is the procedure for drafting the Sustainability Statement. The document was approved by the Board of Directors of Emak in its meeting on 30/01/2025, following a specific review by the Control, Risks and Sustainability Committee, to comply with the new regulations and ESRS. The procedure outlines the roles, responsibilities, and timelines for preparing the information. Furthermore, consistency and completeness analysis of the data are carried out by the Investor Relations (IR) office, responsible for drafting the report. The procedure also requires the persons in charge of the individual companies to provide the Parent Company with a certification regarding the correctness and compliance with reporting standards of the information provided. At the end of the process, the head of the IR office, as the person responsible for preparing the report, is required to sign a specific declaration of compliance with the reporting procedure approved by the Parent Company's Board of Directors, addressed to the Manager in Charge and to the delegated administrative bodies.

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An additional control tool is the Compliance Checklist, developed to enable the Manager in Charge and the delegated administrative bodies to assess the disclosure's compliance with the applicable regulations. The Checklist, prepared in accordance with current regulatory requirements, is structured around twelve main areas of analysis designed to evaluate the effective application of the various regulatory provisions and to map the key evidence supporting the assessments carried out.
Structured to focus primarily on verifying the compliance of the reporting with the obligations set out by applicable regulations and standards, the Checklist identifies the main areas subject to review. The document is completed by the Manager in Charge and the Delegated Administrative Body, with the support of the Head of Internal Audit, prior to the approval of the Sustainability Statement by the Board of Directors. The findings are shared annually, first with the Control, Risks and Sustainability Committee and subsequently presented to the Board of Directors.
The internal control system described above represents a starting point for ensuring proper oversight of the information disclosed and will be progressively articulated and strengthened over time in line with relevant best practices, with the aim of making it increasingly consistent with and integrated into the economic-financial reporting system.
To date, the Group has identified two risk areas related to sustainability statement and the corresponding prevention and mitigation strategies:

- Prompt understanding of changes related to regulatory evolution.
  Related prevention and mitigation strategy: provision of training to key figures involved in corporate governance and the reporting process, participation in working groups and discussions on these topics, collaboration with external consultants to integrate internal skills and perspectives, application of the compliance checklist to support the Internal Audit and the Manager in Charge, whose results are brought to the attention of the Control, Risks and Sustainability Committee and the Board of Directors at the end of the reporting process to evaluate how to further strengthen the reporting in the following year.
- Complexity and size of the Group.
  Related prevention and mitigation strategy: formalization of the organizational structures for sustainability reporting through the specific procedure, use of enabling software to support data collection, collection of cascading declarations from representatives of the subsidiaries to ensure the accuracy of the data provided to the person responsible for drafting the report.

The following are the steps of the process aimed at ensuring that the data and the document provided are correct and compliant with reporting principles:

1. **Project initiation**: in this phase, a proposal for setting up the activities for drafting the consolidated sustainability statement is defined;
2. **Perimeter analysis**: annually, the IR office verifies, based on the evolution of the organization, the possible need to update the reporting perimeter both with regard to the companies involved and the information to be requested from the individual entities;
3. **Materiality analysis according to the double materiality approach**: targeted stakeholder engagement initiatives are prepared for the double materiality analysis. Annually, the Control, Risks and Sustainability Committee and the Board of Directors confirm the validity of the materiality analysis. The double materiality analysis is conducted in compliance with ESRS requirements;
4. **Preparation of the information set**: based on the results of the previously described activities, the IR Office completes the identification of the list of ESRS data points to be reported in the statement. Based on these considerations, the IR Office annually prepares a common information set for all companies (the so-called ESRS reporting package), which is sent to the individual contacts with an indication of the parts to be completed. The development of this reporting package is associated with the preparation of specific data sheets for collecting the information necessary to calculate the KPIs of 'eligibility' and 'alignment' according to EU Regulation 2020/852 (EU Taxonomy reporting package) and the update of the scope 3 emissions inventory indirectly related to the Group's activities (GHG Inventory reporting package) following a specific 'screening analysis' aimed at identifying the relevant scope 3 emission categories for the Group;
5. **Compilation of the reporting packages**: the various packages are sent to the responsible contacts for data collection and each Company is required to complete all the requested fields within the specified timeframes, according to the instructions provided in the specific compilation manual. Any information related to aspects managed centrally is compiled/provided at the Group level by the competent function;
6. **Submission of the completed reporting package**: by a specific date, the Group companies complete their information set and send it to the IR Office;

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7. **Consistency analysis and fine-tuning**: the IR Office performs consistency and completeness analysis on the data provided, requesting adjustments and/or explanations if necessary. In this regard, evidence regarding the information reported in the package may be requested. The main control functions are:
    - Numerical consistency between data for the current reporting year and those available for the previous year;
    - Completeness of the data provided compared to the data requested;
    - Central re-performance of some information;
    - Verification and updating of conversion factors (consumption-emissions) from official sources;
    - Analysis of sample documentation that certifies the data provided;
    - Verification of the correctness and consistency of any financial data reported in the section with what is reported in the annual financial report.
8. **Processing and consolidation of collected data**: the IR Office then proceeds with the consolidation of quantitative data, the reworking of qualitative information and the drafting of the sustainability statement (including disclosure pursuant to EU Regulation 2020/852) to be included in the management report of the annual financial report;
9. **Review by Control, Risks and Sustainability Committee**: the draft of the consolidated sustainability statement is presented to the Control, Risks and Sustainability Committee at the meeting;
10. **Approval by the Board of Directors of Emak S.p.A.:** the final approval of the document is carried out by the Board of Directors of Emak S.p.A., which is called to approve the Group's annual financial report as a whole and all its components (including the sustainability statement).

1.3 History

The history of the Emak Group begins in the early 70s, with the foundation by local entrepreneurs in 1972 of Oleo-Mac, a company specialized in the production of chainsaws, and in 1978 of EFCO, specialized in the production of brush cutters. In 1992, the two companies joined forces by merging and creating Emak. The first moves for growth started immediately, both in production, with the creation of the plant for lawnmowers in Pozzilli (province of Isernia), and in international expansion with the creation of the Spanish subsidiary Emak Suministros. A milestone in the Group's history is 1998, the year of its listing on the stock exchange. Thanks to the resources collected, the Group began its first true international expansion, with the creation of commercial subsidiaries in major European countries through the acquisition of its distributors. In the early 2000s, there was an expansion of production capacity with the creation of the Chinese company Emak JM (2004), dedicated to the production of machines for price-sensitive markets, and the completion of the outdoor power equipment catalogue with the acquisition of Bertolini, a historic producer of small agricultural machines. 2011 marks the year of transformation. Emak enters the Pumps & Water Jetting segment and the Components & Accessories segment, almost doubling its size and entering adjacent segments with the possibility of achieving operational and technological synergies and differentiating its activity. Starting from 2012, the Group's evolution focuses mainly on the expansion and consolidation of the PWJ and C&A segments, through a series of acquisitions that further expanded its product offering and geographic presence.
In 2012, in addition to the creation of the Emak do Brasil commercial subsidiary, the group completed the acquisition of Valley Industries, a US company active in the PWJ sector. 2013 and 2014 were years of consolidation of the PWJ and C&A businesses with the entry into the Group of the companies Master Fluid (PWJ - urban cleaning), SI Agro Mexico (PWJ - commercial subsidiary), Geoline Electronic (C&A - precision farming, later merged into Tecomec S.r.l.) and Speed South America (C&A - production and packaging of brush cutter line).
In 2015, the Group expanded its range of products for industry with the acquisition of the Brazilian company Lemasa, a local leader in the sector of very high-pressure pumps and industrial washing plants (PWJ) and in 2016 with the acquisition of Acquatecnica S.r.l., immediately incorporated into PTC S.r.l. The external growth path continued in 2017 with the acquisition of the Lavorwash Group, which completed and strengthened the Group's positioning in the PWJ washing sector. At the beginning of 2018, the Group sold its stake in Raico, a company specialized in the distribution of components and accessories for agricultural tractors, industrial and earth-moving machinery. In the same year, the Group acquired a stake in Spraycom, a Brazilian company active in the distribution of components and accessories for agriculture such as nozzles, valves, pumps, electronic components, thus strengthening the commercial activities of the Components & Accessories segment in Brazil.
At the beginning of January 2019, the Group strengthened its presence in the agricultural sector of the C&A segment with the acquisition of the Brazilian company Agres, active in the development and supply of electronic solutions and systems (precision farming) for agricultural machinery, particularly for spraying and weeding.

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In 2020, the expansion path in the Components & Accessories segment continued with the acquisition of 51% of the share capital of the Swedish company Markusson Professional Grinders AB ("Markusson"), active in the development and commercialization of professional sharpeners for chainsaw chains.
In 2021, the Group expanded its catalogue of cleaning machines (PWJ) by finalizing the acquisition of 80% of Poli S.r.l., an Italian company active in the production and commercialization of motor sweepers. To expand its direct presence in the Components & Accessories segment in one of the main European markets and to broaden its spare parts catalogue, in 2022 the Group acquired the Spanish company Trebol Maquinaria y Suministros S.A., active in the commercialization of spare parts and accessories in the gardening and forestry sector.
In 2023, the Group expanded its activities in the agricultural sector of the PWJ segment through the acquisition of the Bestway business, a key player in the US market for the production and commercialization of sprayers, equipment for agricultural applications with spraying tanks under its own brand and for the sale of pumps and accessories from other market-leading brands.
In 2024, the growth and development path continued with the acquisition of the PNR Group, which will allow the Group to expand the product range offered to its customers and access new sectors in synergy with the current business areas of the Components & Accessories segment.

1.4 The profile of the Group

SBM-1 – Strategy, business model and value chain

Emak is a Group active in the gardening and forestry, agriculture, washing and industrial markets. The Group operates through three divisions (Outdoor Power Equipment, Pumps & Water Jetting, Components & Accessories) specialized in offering specific solutions for the best satisfaction of customers and users, united by knowledge of the sectors and reference markets, the sharing of know-how and the exploitation of organizational efficiencies along the entire value chain.
In general, the Group's business is influenced by the seasonality of demand. Sales of products for gardening, agriculture and cleaning are concentrated in the first half of the year, a period in which green care, land processing and outdoor cleaning activities are carried out. On the other hand, the demand for industrial products is less seasonal, due to the diversity of the target sectors and the multiple applications for which they are intended. The three segments enable the group to diversify risk and to seize more opportunities with a view to long-term sustainable growth. The meeting point of the three businesses is the pooling of knowledge of the markets, distribution channels and technologies that characterize the outlet sectors of the Group's activities: green care, agriculture, washing.

Outdoor Power Equipment (30% of the Group's total sales)
The Outdoor Power Equipment segment includes the development, manufacturing, and marketing of products for gardening, forestry, and small agricultural machinery, such as brush cutters, lawnmowers, tractors, chainsaws, and tillers. The Group is one of the main players in the European market, where it operates with commercial subsidiaries in the main markets, supported by a vast network of independent importers in the remaining ones. Globally, the Group relies on a network of 150 distributors in over 115 countries. In consideration of the technical content of the products, sales are mainly carried out through the network of specialized distributors, characterized by high pre- and after-sales service, while the large distribution channel is approached only in some countries. Online sales take place through a dedicated proprietary portal, agreements with sector marketplaces and platforms developed by its network of distributors.
The Group distributes its products under the main brands Oleo-Mac, Efco, Bertolini, Nibbi, and, limited to the French market, Staub. The Group's offer is mainly aimed at private users and, to a lesser extent, professionals. In this sector, the Group focuses its resources on product innovation (electrification and development of clean engines, safety, comfort) and process innovation, on strengthening its market position and on penetrating new high-potential markets.
The sector's demand is generally linked to economic trends and the level of users' disposable income. Finally, sales trend is influenced by weather conditions: during the year, in fact, the business has a seasonality that is strongly unbalanced on the first half of the year, so a spring season with a more or less favourable weather can lead to different demand trends for green care products.

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Pumps & Water Jetting (40% of the Group's total sales)

The Pumps & Water Jetting segment includes the development, manufacturing, and marketing of three product lines: (i) agriculture (about 40% of the segment's revenue), with a complete range of centrifugal pumps, diaphragm pumps, piston pumps, sprayers and products for spraying and weeding activities; (ii) industry (about 20% of the segment's revenue), with a full range of low, high, and ultra-high pressure piston pumps (up to 2,800 bar), hydrodynamic units (so-called plants), accessories for water blasting and urban cleaning machines; (iii) washing or cleaning (about 40% of the segment's revenue), with a complete offer of pressure washers, from domestic to professional use, floor scrubber-dryers, sweepers, and vacuum cleaners. The Group markets its products under the brands Comet, HPP, Lemasa, PTC Waterjetting Equipment, PTC Urban Cleaning Equipment, Lavor, Poli, Valley, and Bestway. Product distribution takes place through its commercial subsidiaries and independent distributors in over 130 countries worldwide. The type of customer and sales channel varies depending on the products: the agriculture line is sold to manufacturers of spraying and weeding machines, directly to end users (mainly farmers), or through a network of specialized dealers and importers; the industry range is sold to manufacturers of pressure washers and hydrodynamic units, to contractors/users of the complete system, or through specialized dealers; the cleaning line is sold through specialized dealers, organized large distribution, online, and to contractors.

In this sector, the Group focuses its activities on product innovation, the expansion of its offer both in terms of products and sectors of use, as well as the maximization of synergies from acquisitions completed over the years.

The demand for agricultural and industrial products is generally linked to the performance of the various sectors/application fields; the demand for cleaning products is mainly related to the economic cycle, people's disposable income, and the increase in hygiene standards.

Components & Accessories (30% of the Group's total sales)

The Components & Accessories segment includes the development, manufacturing, and marketing of products for the outdoor power equipment sector (accounting for about 55% of the segment's revenue), agriculture (about 16% of the segment's revenue), and cleaning (about 29% of the segment's revenue). Among the wide range of products offered, the most representative are trimmer lines and heads (which together form the cutting system); chain sharpeners for chainsaws; guns, valves, and nozzles for pressure washers, industrial cleaning, and car wash; products and solutions for precision farming. In this segment, the Group operates partly through its brands Tecomec, Speed, Geoline, Agres, Mecline, Markusson, Sabart, Trebol, and PNR, and partly by providing products under third-party brands. The Group serves the main manufacturers of green care, agriculture, and cleaning machines through a network of specialized distributors and has established relationships with the main large-scale distribution chains.

In this sector, the Group focuses its resources on product innovation, strengthening partnerships with key manufacturers, and expanding its offer.

The demand for products in this segment follows the dynamics of the other businesses in which the Group operates. In the outdoor power equipment world, weather and the disposable income of end users can influence machine sales and their use, contributing to the sale of both original equipment and spare parts. In the agriculture and industrial cleaning sectors, the trend of raw materials, government policies and the general economic context can influence the investment levels of market operators.

The Group bases its activities on values that have been kept alive over time since its foundation, which include:

- **fairness**, meaning respect for rules, transparency, protection of people's rights and the environment;
- **competence**, meaning training, continuous learning and enhancement of professionalism;
- **team spirit**, meaning working in teams to achieve common goals, respecting roles, trusting others;
- **innovative spirit**, meaning new and challenging goals, innovative solutions, new ideas, and an attitude towards change.

The Group's objective is to create long-term value for all its stakeholders, with the awareness that this can only be achieved by combining:

- **economic sustainability**, meaning the commitment to invest in the Group's growth, ensuring its continuity over time through a strategic plan based on fundamental critical success factors;
- **social sustainability**, meaning the willingness to take charge of the legitimate expectations of stakeholders and redistribute the value created in respect of the common interest;
- **environmental sustainability**, through the identification, regulation, control, and progressive reduction of environmental impacts directly and indirectly resulting from the company's activities.

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To date, the Group has not formalized a sustainability plan that includes sustainability objectives related to its current products and/or services, as well as significant markets and customer groups.
Nevertheless, the Group implements a series of current and prospective actions to address and intervene on various sustainability issues, which are better described below. Should these actions result in significant financial effects, with reference to both capex and opex, information will be provided.

The Board of Directors of Emak annually approves the budgets and multi-year business plans of the Group and its individual business units. Within these plans, any initiatives that have a positive impact on sustainability practices are also described and, where possible, quantified in terms of investments in the financial plan. The Group, through tools such as Enterprise Risk Management (ERM) and scenario analyses, has evaluated and understood the potential effects on company assets of a series of climatic events (e.g., water stress, thermal stress, temperature variability, river flooding). From these tools, the Group has developed its double materiality analysis, which has highlighted challenges and opportunities (see relevant paragraph *IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities*).
The Group's strategy is based on four pillars:

- Innovation, understood as both product and process innovation. In a dynamic and competitive scenario like the one in which it operates, the Group pays great attention to the development of its product range, both in terms of expansion and evolution. Research and development activities also aim to achieve product performance that, while maintaining the desired quality standards, is not disconnected from the environmental impacts of the product: this goal is pursued through the development of new technologies (electrification), the reduction of emissions from internal combustion engines and the use of recycled materials. Another line of development is the expansion of applications and sectors for the use of its products (e.g., industrial pumps in agriculture). Regarding processes, the directions of innovation concern methodological research and digitalization aimed at improving the efficiency of internal processes.
- Distribution, understood on the one hand as strengthening its position within the distribution network, and on the other as increasing business in high-potential markets to achieve a proper balance of distribution in different geographical areas.
- Efficiency, understood as the continuous improvement of its processes and the management of its activities, aimed at generating resources to be allocated to the Group's development initiatives in the medium to long term.
- Acquisitions, understood as growth through external lines, to strengthen the most profitable businesses, increase the weight of sectors characterized by greater resilience and stability in the medium to long term, rebalance the weight of reference markets geographically and finally to acquire new skills and complete product ranges.

Productive structure

The Group focuses its investments on the high value-added phases of the realization of its products. With a view to cost-effectiveness and value creation, the Group is focused on Research & Development, engineering, industrialization, and assembly activities. The supply chain is highly integrated and involved in product development, according to the principles of the extended factory.
Over the years, the production plants have been the subject of specific rationalization projects with the revision of production layouts using a 'lean manufacturing' approach and the involvement of all employees involved in the product creation process, from development to production.

Outdoor Power Equipment

The Group operates through four production plants: two in Italy and two in China. The Parent Company's plant is dedicated to the production of portable products, such as brush cutters and chainsaws, both semi-professional and professional. The production model is based on assembly: the products are entirely developed and designed internally, and the components are manufactured based on the provided technical specifications. The Pozzilli plant is dedicated to the production of wheeled products, such as lawnmowers and tractors. The production model for this range of products involves purchasing the engine from leading global manufacturers and assembling the machine internally. Specifically for the lawnmower range, the deck is produced internally through a vertical process that includes sheet metal stamping, welding, and painting. The Jiangmen production facility in China replicates the parent company's model, producing products for both price-sensitive markets such as the Far East, Southeast Asia, and South America, as well as mature markets to complete the offering. The second Chinese plant, located in Zhuhai, specializes in the production of cylinders for two-stroke engines of the Group's portable products.

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Pumps & Water Jetting

Production in this segment is carried out in four Italian, one Chinese, two Brazilian, and four American plants. The facilities are specialized in the production of specific product families. In Italy, pumps for the agricultural sector, pumps for industrial applications up to 1,200 bar, cleaning segment machines such as semi-professional and professional pressure washers, and urban cleaning machines are produced. The Chinese plant is primarily dedicated to the production of cleaning segment machines such as pressure washers and vacuum cleaners aimed at serving more competitive markets. The Brazilian plants are dedicated, one to the production of high and ultra-high pressure pumps (up to 2,800 bar) and related accessories for various sectors such as oil & gas, sugar cane processing, shipbuilding, automotive; the other to the assembly of cleaning segment machines (such as pressure washers) for the South American market. The American plants carry out production activities for sprayers and a wide range of equipment, machinery, systems, and devices for agricultural applications.

Components & Accessories

For the manufacturing of the products in this segment, the Group dedicates a total of nine plants, located in different countries, focused on specific products and with different production processes.
Part of the plants (France, USA, Chile, South Africa) is dedicated to the production of nylon line for brush cutters, due to the need to have the production process close to the target markets. The production of monofilaments follows an entirely vertical process, from the purchase of raw materials to the processing and packaging of the finished product.
The Chinese plant is mainly dedicated to the production of brush cutter heads, sharpeners and pressure washer guns. These products involve high internal production intensity, related to plastic molding, mechanical processing, and assembly processes.
The line of products intended for agriculture (precision farming) is produced in Italy and Brazil and includes the design of both mechanical and electronic parts and software development; the value-added activities of the products are carried out internally.
The significant products of the forestry line are designed, developed, and produced by the Group, which assembles the components, partly manufactured externally, in plants located in Italy and Sweden, making use of specific expertise.
In an Italian plant, components for industrial washing with applications in various industrial sectors, such as food, chemical, pharmaceutical, metallurgical and paper, are also designed and produced.
Overall, production volumes are adjusted to demand and market needs, thanks to the flexibility and functionality of the processes implemented in the various plants.

Number of employees by geographical areas

The breakdown of employees by business unit and geographical area is provided below:

	OPE		PWJ		C&A		Not allocated		Group	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Europe	553	544	508	496	415	409	9	9	1,485	1,458
Americas	12	11	352	380	268	265			632	656
Asia, Africa, Oceania	157	172	97	104	133	137			387	413
Total	**722**	**727**	**957**	**980**	**816**	**811**	**9**	**9**	**2,504**	**2,527**

Geographically, most of the Group's population is concentrated in Europe, where 1,485 people work (1,458 in 2024), equal to 59.3% of the total (57.7% in 2024). In the Americas area, 632 people are employed (656 in 2024), equal to 25.2% of the total (26.0% in 2024). Finally, in the Rest of the World, 387 people are employed (413 in 2024), equal to 15.5% of the total (16.3% in 2024).

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Below is the breakdown of employees by country as of December 31, 2025, compared to the previous year:

Employees at	31/12/2024	Change in scope of consolidation	Other mov.	31/12/2025
Italy	1,166	-	25	1,191
France	165	-	6	171
United Kingdom	11	-	(2)	9
Spain	39	-	(4)	35
Germany	8	-	-	8
Poland	40	(1)	1	40
Sweden	6	-	2	8
China	385	-	(20)	365
United States	295	-	(8)	287
Ukraine	23	-	-	23
South Africa	28	-	(6)	22
Brazil	307	-	(14)	293
Mexico	21	-	-	21
Chile	33	-	(2)	31
Total	**2,527**	**(1)**	**(22)**	**2,504**

Value chain

The main phases in the upstream value chain of the Emak Group are represented by the extraction and production of raw materials and the development of components by suppliers.
Most of the Group's suppliers are established suppliers of direct materials for production, consumables and indirect materials, packaging, and finished products. Smaller commercial companies purchase the marketed products mainly from other Group companies, while they rely on local suppliers for services and ancillary activities. Geographically, more than 60% of the supply chain resides within the European Union and the remaining part in non-EU countries, mainly in China, Brazil and the United States, directly serving the Group's production plants. Depending on the specificity of individual businesses, the mix and the quantities of products purchased, the geographical distribution of the supply chain can have different weights.
The main purchasing commodities are those typical for the metalworking sector: plastics, cast aluminium parts, stamped and turned metal parts, finished products, induction and brush electric motors, carpentry, electrical and electronic components and spare parts.
The main raw materials purchased are aluminium, brass, copper and steel. These are purchased in ingots from the producer or managed through contracts that provide for the purchase of a certain quantity fixed at the cost of the raw material at a given time.

The main phases in the downstream value chain of the Emak Group are represented by the importation of finished products into different geographical regions by third-party distributors where there is no direct presence of own subsidiaries; further processing conducted by OEM manufacturers outside the Group; the use of products by end users and the management of the end-of-life of products.

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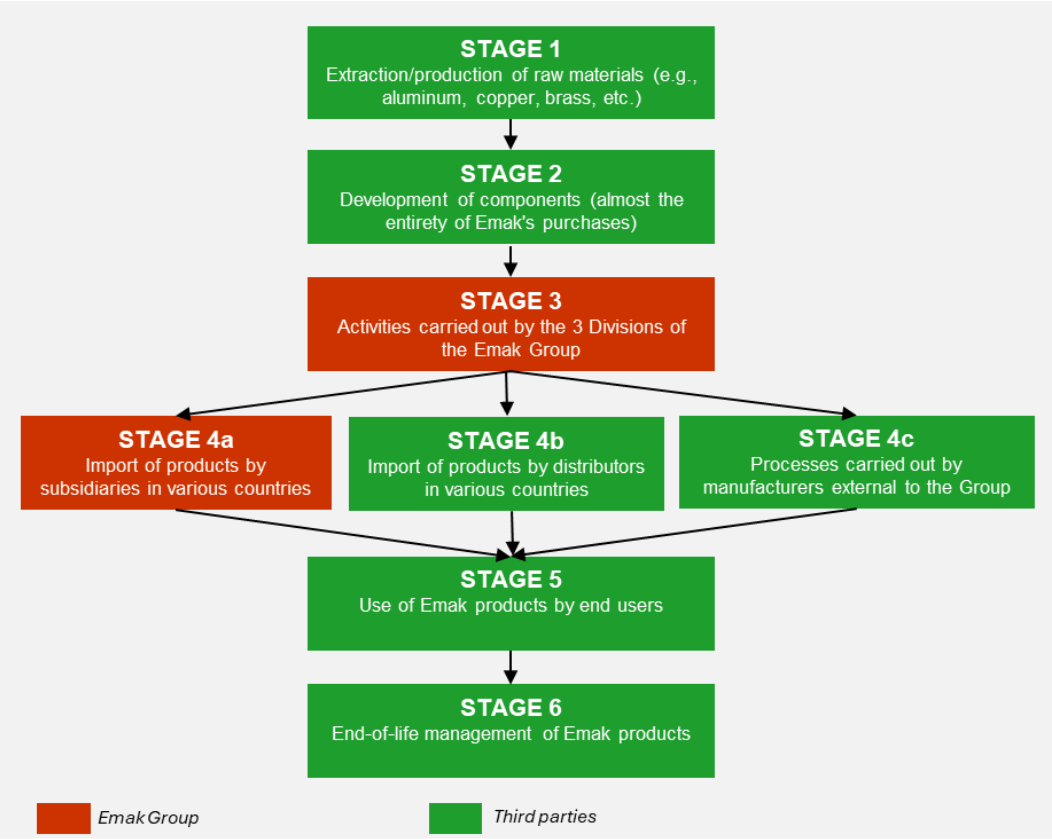
Below is a schematic representation of the Group's value chain:



The information used to support the representation of the business model and the upstream and downstream value chain of the Emak Group derive from the combined use of internal documentation and interviews with company representatives from various business units, which took place during the materiality analysis.
The resulting analysis initially allowed for the placement of impacts, risks and opportunities along the value chain, evaluating them with greater accuracy and enabling, in a forward-looking perspective, the implementation of processes and/or actions that contribute to the Group's value creation.

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SBM-2 – Interests and views of stakeholders

Emak has implemented a process for mapping and identifying the categories of stakeholders of priority interest to the Group. The analysis was carried out with reference to the criteria defined by the AccountAbility 1000 (AA1000) Standard. The level of relevance for each stakeholder category was defined based on two variables: the influence exerted by the stakeholder on the Group and the dependency of the stakeholder on the Group's activities and decisions. This allowed for the definition of a map showing the main reference stakeholders:

For each stakeholder category, the Group has identified specific areas of interest and the main communication channels to establish a constructive relationship between the parties that can meet mutual needs in the medium to long term.

The interests and opinions of the main stakeholders were analysed during the double materiality assessment process, and the results of this activity were shared with the Control, Risks and Sustainability Committee and the Board of Directors of the Parent Company. For more details on how the company takes into account the outcome of stakeholder engagement, please refer to the paragraph of this document *IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities.*

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The following table summarizes the results of this process.

Stakeholders	Thematic area	Main instruments of dialogue
Employees	- Growth, development and training - Health and safety in the workplace - Diversity, equal opportunities and non-discrimination - Human rights and working conditions - Quality of work - Ethics, integrity and compliance - Identity and values - Industrial relations - Company welfare	- Training on values and organisational behaviour - Open day and internal events - Company portal - Internal climate survey - Periodic newsletters and other communication - Communications from the top management - Collective bargaining - Skills assessment process - Support to employees' recreational facility
Consultants	- Corporate Governance - Transparency - Economic-financial performance - Ethics, integrity and compliance	- Institutional website - Information provided upon request - Reports and Statements - Press releases
Distributors **OEM**	- Anticipation and understanding of customer expectations and needs - Customer trust and satisfaction - Product quality and safety	- Institutional website - Assessment of customer satisfaction - Management of claims - Pre and after-sale customer service - Commercial communications - Participation in trade fairs and events
End users	- Consumer trust and satisfaction - Product quality and safety	- Institutional website - Assessment of consumer satisfaction - Management of claims - After-sale consumer service - Commercial communications - Participation in trade fairs and events
Public administrations and other institutions **Environmental control bodies**	- Corporate Governance - Transparency - Economic-financial performance - Legality - Relations with institutions	- Institutional website - Information provided upon request - Reports and Statements - Shareholders' meetings - Press releases
Direct materials suppliers and finished product suppliers	- Transparency - Ethical responsibility - Human rights and working conditions - Continuity in relations - Qualification and assessment - Negotiating conditions - Development of partnerships	- Institutional website - Participation in initiatives and events - Negotiation relationships
University and Research Centres	- Transparency - Research, development and innovation	- Communications from top management - Financial Statements - Scientific publications - Tenders and competitions - Training apprenticeships / internships/ thesis preparation support
Banks	- Corporate Governance - Transparency - Economic-financial performance - Ethics, integrity and compliance	- Institutional website - Information provided upon request - Reports and Statements - Press releases
Shareholders	- Corporate Governance - Transparency - Economic-financial performance - Ethics, integrity and compliance	- Institutional website - Financial Statements - Road shows (meetings with the community) - Shareholders' meetings - Press releases

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Emak Group has identified its relevant impacts, risks and opportunities related to sustainability issues through the double (impact and financial) materiality assessment. The results of the analysis are summarized in the table[2] below.

[2] The impacts listed in the table have exclusively originated from the materiality assessment.

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				VALUE CHAIN STAGES IN WHICH IROs ARE PLACED						TIME HORIZONS		
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	STAGE 1	STAGE 2	STAGE 3 and 4 a - EMAK GROUP	STAGE 4b	STAGE 5	STAGE 6	IMPACTS (< 5 years)	IMPACTS (> 5 years)	GEOGRAPHICAL AREA LINKED TO THE IROs
E1 - Climate change	Emission reduction	Generating direct and indirect CO2 emissions, slowing down the achievement of the objectives of the Paris Agreement and the European Green Deal		X	X	Level of energy efficiency of buildings (e.g. LEDs, automatic switch-off lights, high-efficiency boilers) Presence/absence of initiatives to convert the company fleet and mobility with reduced environmental impact Volume of company travel Presence/consistency of remote working policies Presence/consistency of CO2 offsetting operations	X	x	X	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Areas subject, according to scenario analysis, to water and thermal stress, increased air temperature, river flooding, lower air quality (also according to DEGURBA index)
	Responsible energy use	Maintaining dependence on non-renewable energy sources, thus contributing to climate change.	Raising awareness among company personnel and stakeholders towards responsible energy use			Awareness campaigns aimed at employees on energy saving				The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Qatar, United States, Algeria (major importers of LNG in Italy, representing a large part of the country's gross energy availability)
E5 - Circular economy	Sustainable management of materials	Use of materials and resources with consequent reduction in their availability				Procurement Activities (responsible)				The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production structure is located (e.g. Italy, China, USA, France)
	Reduction of waste and circular economy	Production of waste, hazardous and non-hazardous				Failure to monitor waste produced Raising awareness among staff on the issue Environmental labeling for correct disposal of packaging Creation of a product disposal guide for retailers			x	The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production structure is located (e.g. Italy, China, USA, France)

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				VALUE CHAIN STAGES IN WHICH IROs ARE PLACED						TIME HORIZONS		
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	STAGE 1	STAGE 2	STAGE 3 and 4 a - EMAK GROUP	STAGE 4b	STAGE 5	STAGE 6	IMPACTS (< 5 years)	IMPACTS (> 5 years)	GEOGRAPHICAL AREA LINKED TO THE IROs
S1 - Own workforce	Creation and maintenance of employment		Creating a workplace that ensures the retention and attraction of new talent			Personnel management				The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure is located
	Occupational health and safety	Injuries or other incidents in the workplace due to poor management systems and training initiatives of the Group				Health and safety training				The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production and administrative structure is located
	Improvement of employee wellbeing		Possibility of positively influencing the level of psycho-physical well-being of employees, with a consequent impact on the actual opportunity for each employee to fully realize their potential, through the offer of a positive, healthy working environment characterized by a set of programs aimed at improving the work-life balance of employees, promotion of dedicated interventions and practices			Personnel management				The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure is located
			Possibility of promoting a healthier and more collaborative working climate, reducing tensions and internal conflicts, mitigating reputational damage, sanctions and disputes							The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	
	Training and education for workers		Opportunity for each employee to fully realize their potential thanks to the presence of stimulating career paths			Personnel management				The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure is located

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				VALUE CHAIN STAGES IN WHICH IROs ARE PLACED						TIME HORIZONS		
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	STAGE 1	STAGE 2	STAGE 3 and 4 a - EMAK GROUP	STAGE 4b	STAGE 5	STAGE 6	IMPACTS (< 5 years)	IMPACTS (> 5 years)	GEOGRAPHICAL AREA LINKED TO THE IROs
	Promotion of diversity and equal opportunities		Possibility of promoting the creation of a healthier, more inclusive, attractive and high-performing work environment, in order to protect the level of psychological well-being of employees, their sense of belonging and active involvement, respect for personalities and professionalism			Personnel Management				The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure is located
	Respect for human rights in business activities	Failure to respect the personal freedom of individuals and human rights in the broad sense, including prevention and combating child, forced or compulsory labour				Business Conduct Personnel Management				The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production and administrative structure is located
S2 - Workers in the supply chain	Other work-related rights	Failure to guarantee the personal freedom of individuals and human rights in a broad sense, including prevention and combating child, forced or compulsory labour		X	X		X			The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located
S4 - Consumers and end- users	Information-related impacts for consumers and/or end-users	Incorrect or incomplete information may lead to improper use of the product and cause accidents				Team Design & Development and Product Certification		X		The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located
G1 - Business conduct	Corporate culture		Promote the affirmation of solid ethical principles, including tax regulatory practices, pursued by the Group along the entire value chain, in all contexts (e.g. geographical, social, etc.) in which it operates		x	All activities and initiatives carried out by Emak Supervisory bodies	x			The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located

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				VALUE CHAIN STAGES IN WHICH IROs ARE PLACED						TIME HORIZONS		
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	STAGE 1	STAGE 2	STAGE 3 and 4 a - EMAK GROUP	STAGE 4b	STAGE 5	STAGE 6	IMPACTS (< 5 years)	IMPACTS (> 5 years)	GEOGRAPHICAL AREA LINKED TO THE IROs
			Protection of legality and prevention of illicit behavior (the reinvestment of profits from illicit activities, episodes of extortion, etc.)							The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	
	Active and passive corruption		Staff awareness for the prevention of corruption incidents			All the activities and initiatives carried out by Emak				The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located

LIST OF MATERIAL MATTERS AND RELATED MATERIAL IROs					TIME HORIZONS			TIME HORIZONS		GEOGRAPHICAL AREA LINKED TO THE IROs
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL RISKS	MATERIAL OPPORTUNITIES	RISKS (NATURE OF THE FINANCIAL EFFECT)	RISKS (< 5 years)	RISKS (> 5 years)	OPPORTUNITIES (NATURE OF FINANCIAL EFFECT)	OPPORTUNITIES (< 5 years)	OPPORTUNITIES (> 5 years)	
E1 - Climate change	Climate change adaptation	TRANSITION RISKS (and impacts on the business model): The impact of new regulatory developments related to climate change on the range of products and services offered		Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase				Wherever the Group's production structure is located (e.g. Italy, China, USA, France)
		Sudden obsolescence triggered by the arrival of new technologies on the market (technological acceleration)		Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase				
		Chronic: Climate change and rising average temperature and sea level		Anticipated	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				
	Emission reduction	Costs of transition to low-emission technologies	Use of new technologies	Current	The significance of the impact	The significance of the impact	Current	The significance of the impact is expected to increase	The significance of the impact is	Areas subject, according to scenario analysis, to water and

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LIST OF MATERIAL MATTERS AND RELATED MATERIAL IROs					TIME HORIZONS			TIME HORIZONS		GEOGRAPHICAL AREA LINKED TO THE IROs
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL RISKS	MATERIAL OPPORTUNITIES	RISKS (NATURE OF THE FINANCIAL EFFECT)	RISKS (< 5 years)	RISKS (> 5 years)	OPPORTUNITIES (NATURE OF FINANCIAL EFFECT)	OPPORTUNITIES (< 5 years)	OPPORTUNITIES (> 5 years)	
					is expected to increase	is expected to increase			expected to remain unchanged	thermal stress, increased air temperature, river flooding, lower air quality (also according to DEGURBA index)
		Impact of new regulatory developments related to climate change on the range of products and services offered		Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase				
	Responsible energy use	Energy crisis (an entity's energy mix can affect the cost and reliability of energy supply and ultimately affect the entity's cost structure and regulatory risk) and consequent increase in the final price of the finished product due to increased production costs resulting from changes in input prices (e.g. energy)		Current	The significance of the impact is expected to decrease	The significance of the impact is expected to decrease				Qatar, United States, Algeria (major importers of LNG in Italy, representing a large part of the country's gross energy availability)
		Failure to comply with regulations (e.g. Greenbuildings)		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				
E5 - Circular economy	Sustainable management of materials	Failure to comply with regulatory requirements (e.g. ESPR)	Use of secondary raw materials or semi-finished products composed of them	Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase	Anticipated	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase	Wherever the Group's production structure is located (e.g. Italy, China, USA, France)
		Increase in the final price of the finished product due to increased production costs resulting from changes in input prices (e.g. energy, water) and output requirements (e.g. waste treatment)		Current	The significance of the impact is expected to decrease	The significance of the impact is expected to decrease				

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LIST OF MATERIAL MATTERS AND RELATED MATERIAL IROs					TIME HORIZONS			TIME HORIZONS		GEOGRAPHICAL AREA LINKED TO THE IROs
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL RISKS	MATERIAL OPPORTUNITIES	RISKS (NATURE OF THE FINANCIAL EFFECT)	RISKS (< 5 years)	RISKS (> 5 years)	OPPORTUNITIES (NATURE OF FINANCIAL EFFECT)	OPPORTUNITIES (< 5 years)	OPPORTUNITIES (> 5 years)	
	Reduction of waste and circular economy	Failure to comply with regulatory compliance (e.g. Packaging and Packaging Waste Regulation - PPWR, Extended Producer Responsibility - EPR)		Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase				Wherever the Group's production structure is located (e.g. Italy, China, USA, France)
S1 - Own workforce	Creation and maintenance of employment	Increased difficulty in finding staff, at all levels of the organizational chart (e.g. involuntary migration due to lack of opportunities for economic advancement and/or other factors)		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				Wherever the Group's production and administrative structure is located
		Loss of know-how		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				
	Occupational health and safety	Health and safety risks arising from, among others, exposure to heavy machinery, moving equipment and electrical hazards		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				Wherever the Group's production and administrative structure is located
	Training and education for workers	Reduced productivity due to lower operational agility, lack of development and implementation of know-how and lower flexibility of a workforce unable to adapt quickly to new technologies and processes	Development of employee potential and consequent increase in productivity	Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase	Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase	Wherever the Group's production and administrative structure is located
			Increased corporate attraction and retention				Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase	
S4 - Consumers and end- users	Information-related impacts for consumers and/or end-users	Risk of sanctions or legal action due to incorrect or incomplete product-related communication (false disclosure or lack of compliance)		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to decrease				Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located

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LIST OF MATERIAL MATTERS AND RELATED MATERIAL IROs					TIME HORIZONS			TIME HORIZONS		GEOGRAPHICAL AREA LINKED TO THE IROs
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL RISKS	MATERIAL OPPORTUNITIES	RISKS (NATURE OF THE FINANCIAL EFFECT)	RISKS (< 5 years)	RISKS (> 5 years)	OPPORTUNITIES (NATURE OF FINANCIAL EFFECT)	OPPORTUNITIES (< 5 years)	OPPORTUNITIES (> 5 years)	
G1 - Business conduct	Corporate culture		Increasingly integrating sustainability into corporate strategy				Anticipated	The significance of the impact is expected to increase	The significance of the impact is expected to increase	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located
	Sustainability in the management of relationships with suppliers	Supply disruption / supplier power		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located
		Evolution in the concentration and sources of geopolitical power (geostrategic shifts)		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				
		Failure to comply with regulatory requirements (e.g. CSDDD, Critical Raw Materials Act)		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to decrease				

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The topics Biodiversity, Water and Marine Resources and Pollution do not emerge as material from the double materiality assessment. With regard to biodiversity, all Group companies comply with the regulations in force in their respective countries, with particular attention to production sites located in industrial areas near zones of high biodiversity value, for which it has been concluded that the activities do not cause significant impacts on protected areas. As for biodiversity and ecosystems, including the protection of natural habitats, the preservation of key natural resources, and the prevention of habitat loss, no specific analyses have been carried out so far on transition and physical risks or potential dependencies.
With regard to Water and Marine Resources, it should be noted that water is not a significant factor for the Group's facilities. Water is used mainly in closed-loop processes, with the aim of minimizing its impact and optimizing its use, or for hygiene and sanitary purposes. The Group deems it reasonable to consider water consumption to be almost zero, given that almost all the water withdrawn is discharged again, except for any quantities retained in waste or minimal dispersions. Moreover, out of 20 production companies, only 4 have sites located in areas with high water stress[3]. These companies have implemented water-recirculation systems or, alternatively, have adopted practices that pay particular attention to water resource management, monitoring potential leaks and optimizing its use.
Finally, with regard to Pollution, the Group generates emissions other than CO_2 in a limited number of plants and in quantities that are not significant, remaining well below the legal thresholds established in Annex II of EC Regulation No. 166/2006. It is therefore considered that there are no significant impacts, risks or opportunities related to pollution.
With regard to Biodiversity, Pollution and Water, the Group has not deemed it necessary, to date, to carry out specific consultations with the affected communities.
The Group considers sustainability issues as an integral part of its operations, given that impacts are generated by its business activities and commercial relationships, although it has not yet formalized a multi-year sustainability plan.
The description of each relevant IRO and the way in which they affect people and the environment is provided in the respective thematic chapters. Information relating to the Scenario Analysis carried out by taking into account climate risks and the resulting consequences in terms of resilience is presented in the chapter "E1 - Climate Change".

1.5 Impact, risk and opportunity management

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

The Emak Group determines the sustainability issues to be addressed in its reporting according to the principle of double materiality, evaluating both the impacts that its operations may have on the environment and on people ('*impact materiality*') and the implications that the effectiveness of ESG management may have on the Group's resilience and business continuity ('*financial materiality*'). A sustainability issue is deemed material when it is considered a priority from the perspective of impact materiality, financial materiality or both.
For the purposes of conducting the double materiality assessment, Emak adopted a methodological approach structured into four main phases (see the illustration below) and aligned with the principles of the Implementation Guidance "EFRAG IG 1 – Materiality Assessment", published by EFRAG in May 2024. The following describes the structured process carried out during 2024 to identify the material topics to be included in the reporting for the 2024 financial year. The results were further refined during 2025, as detailed in the following sections.

[3] The companies identified as being under water stress for 2025, based on the 'Baseline Water Stress' indicator provided by the World Resources Institute (WRI) Aqueduct Water Risk Atlas tool, are: Emak S.p.A., limited to the Pozzilli plant; Markusson Professional Grinders AB; Speed South America S.p.A.; and Yong Kang Lavorwash Equipment Co. Ltd.

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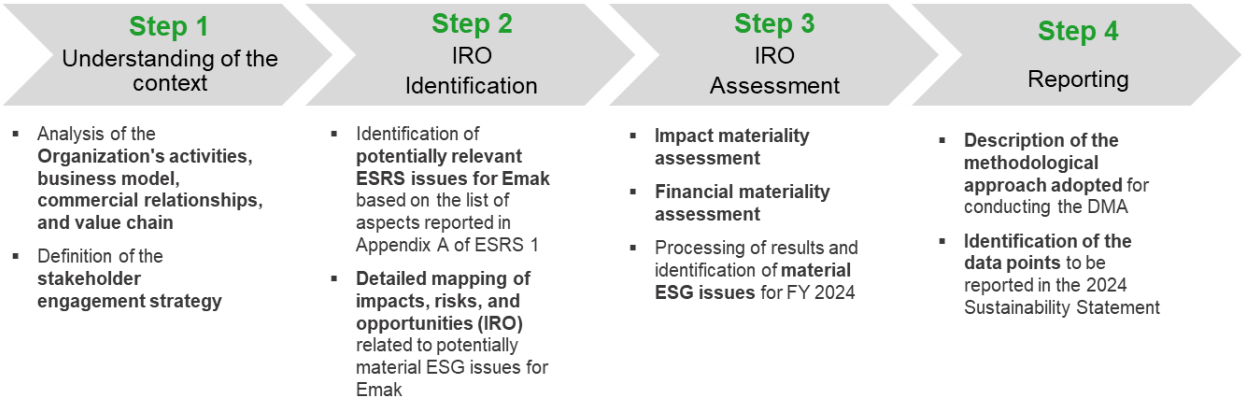
DMA 2024 – THE PHASES OF THE PROCESS



The materiality assessment was carried out starting from a preliminary analysis of the context in which the Group operates, which included an assessment of internal documents, policies, management systems and the risk control system (ERM), as well as a cycle of interviews with the management to supplement the document analysis.
Subsequently, a benchmark analysis was conducted to identify potentially relevant sustainability issues for the Group. The benchmark analysis took into account the list of sustainability issues contemplated in the thematic ESRS, broken down into topics, sub-topics, and sub-sub-topics (RA 16 ESRS 1 of Delegated Regulation (EU) 2023/2772).
For the analysis related to impact materiality, 14 competitors and comparables of Emak were identified and evaluated regarding the themes that emerged as material in the 2023 Consolidated Non-Financial Statement. For the analysis related to financial materiality, the benchmark analyzes Emak's strategic internal documents (ERM, Strategic Plan, Scenario Analysis, etc.), reference ESG reporting frameworks in the financial sector (TCFD, TNFD, SASB), observatories and research on ESG themes (Global Risk Report 2024, Business & Human Rights Research Centre, Copernicus (EU) Climate Change Service - World Meteorological Organization, etc.) and sustainability ratings (Ecovadis, CDP, etc.). In general, the ERM assesses the risk profile at a strategic level and includes sustainability issues. Risks related to sustainability issues not explicitly included in the model are managed by specific company functions.
The 28 sustainability issues thus identified have been linked to impacts, risks and opportunities (IRO) both directly attributable to the Group's activities and to those of its value chain and subsequently have been evaluated by Emak and its stakeholders.

Regarding the **impact** assessment, an internal Focus Group was organized involving the Chairman, CFO, Control, Risks and Sustainability Committee, Risk Manager and Investor Relations function. They were given a questionnaire with a numerical rating scale, in which they were asked to evaluate the magnitude, understood as a concept that encompasses the factors of entity, scope and irremediable nature of the impact, and the probability of occurrence of negative and positive impacts. Additionally, the time horizon was considered, evaluating how the risk/opportunity changes over a given period. Specifically, the change was assessed in the short-medium term (from today to 5 years) and in the long term (beyond 5 years).
The impact assessment varies based on the characteristics of the impacts. It should be noted that, in assessing potential negative impacts related to human rights, a particularly prudent approach was adopted, prioritizing the severity of the impact over its likelihood, in line with the relevant standards and implementation guidance. Below is an illustrative table and the explanation of each term.

Evaluation criteria			
Positive actual impact	**Positive potential impact**	**Negative actual impact**	**Negative potential impact**
Scale *Scope*	*Scale* *Scope*	*Scale* *Scope* *Remediability*	*Scale* *Scope*
	Likelihood		*Likelihood*

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- scale means how serious the negative impact [4] is or how beneficial the positive impact is for people or the environment;
- scope means how widespread the impact is (for example, in the case of a negative environmental impact, scope can be understood as the geographical extent of the environmental damage);
- remediability means to what extent, if possible, the negative damage can be remedied;
- likelihood means whether or not such an impact is possible.

The same impacts were subsequently evaluated by **stakeholders** in order to make more qualitative considerations on the results that emerged from the internal analysis. The stakeholder mapping was carried out starting from the categories present in the AccountAbility 1000 standard and subsequently related to the stakeholders identified by Emak during last year's reporting process. These categories were then evaluated according to the criteria of influence[5] and dependence[6] in order to determine the level of relevance. Following the assessment, the following strategic categories were involved in the analysis: employees, suppliers of direct materials for production and finished products, distributors, subsidiaries, manufacturers, banks, consultants, shareholders and investors, local authorities and trade associations.
The evaluation by the stakeholders was conducted through a questionnaire, with a numerical rating scale consistent with what was prepared internally.
Regarding **risks and opportunities**, the evaluation involved the CFO and the Risk Manager of the Emak Group, starting from internal files related to ERM and climate scenario analyses, and through the completion of a dedicated tool. Subsequently, the magnitude of the possible financial effects and the probability of the risk/opportunity occurring were combined, using the same numerical rating scale mentioned above.
In detail, through the magnitude it was assessed how much the risk or opportunity has a significant influence on the development of the Organization, its financial position, economic result, cash flows, access to financing, or cost of capital in the short, medium, or long term. Regarding risks, the inherent risk was considered for relevance assessment. Additionally, the time horizon was taken into account, evaluating how the risk/opportunity changes over a given period. Specifically, the change was assessed in the short-medium term (from today to 5 years) and in the long term (beyond 5 years).
Each category of IRO was assigned a specific **material threshold**, set close to the value obtained by calculating the average of the "overall scores" achieved by the IROs belonging to the category in question. Any IRO with an "overall score" equal to or above the defined threshold is considered relevant, and any sustainability issue with at least one impact, risk or opportunity deemed relevant is also considered relevant.

In 2025, the Group refined the results of the double materiality assessment by conducting a consistency review of all assessments carried out in 2024. Based on the information reported, the internal working team revisited the outcomes of the analysis in order to better interpret and address regulatory requirements and to focus attention on the issues that are truly strategic for Emak and its stakeholders. This activity revealed that certain topics, as required to be presented by the standards, did not contribute to providing an accurate and coherent representation of the Group's activities. The results of the review were preliminarily shared with and examined by the Control, Risks and Sustainability Committee. Following the Committee's preparatory work, the Board of Directors formally approved the results of the analysis.
Following the evaluation, out of the 28 potentially relevant issues identified from the benchmark analysis, **16 were found to be material**, for which the Group communicates information in accordance with the corresponding disclosure obligations of the relevant ESRS thematic standard (19 material topics in 2024).

Compared to the 2024 reporting, the following changes have been made:

- *E2 - Air, water and soil pollution:* the topic is not addressed as it was found to be non-material for a proper understanding of the Group's sustainability-related impacts, risks and opportunities, both due to the limited number of facilities involved and to the negligible quantities reported in the previous financial year.
- *E3 - Sustainable management of water resources:* the topic is not addressed as it was found to be non-material for a proper understanding of the Group's sustainability-related impacts, risks and

[4] As indicated in the general requirements, in the case of a potential negative impact on human rights, the severity of the impact prevailed over its likelihood.
[5] From the AA1000 standard, the definition of influence: " Groups or individuals who can impact the strategic or operational decision-making process of the organization or a stakeholder".
[6] From the AA1000 standard, the definition of dependence: "Groups or individuals who depend directly or indirectly on the activities, products, or services of the organization and the associated performance, or on whom the organization depends to operate".

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opportunities, given that water does not represent a relevant production factor within the Group's manufacturing processes and consumption is considered to be almost zero

- *S4 - Information-related impacts for consumers and/or end-users*: the impacts, risks and opportunities related to the topic were reformulated to provide a more accurate representation of the Group's reality. In this perspective, the material impacts associated with information to consumers were linked to potential negative impacts arising from incomplete information that could lead to accidents involving consumers.
- *Entity-specific information- Product quality and sustainability*: the topic is no longer addressed as a standalone entity-specific matter, as it is considered a cross-cutting theme across the Group's activities and business. Accordingly, information relating to R&D, product quality and product safety is now reported in the dedicated paragraph of the financial section of the Management Report ('Research and Development Activities').

Refer to paragraph *SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business mode*l to view the two tables which describe, for each material topic, the corresponding impacts (positive and negative), risks and opportunities that have exceeded the relevance threshold and thus made the aforementioned topic relevant.
The final phase of the double materiality assessment determined which qualitative and quantitative information related to relevant topics should be reported within this consolidated sustainability statement. To this end, the Group followed the procedures outlined in ESRS 1 (including Appendix E), the Implementation Guidance "EFRAG IG 1 – Materiality Assessment," and the additional paper "Links between AR16 and disclosure requirements."
These minimum disclosure requirements refer to policies (MDR-P), actions (MDR-A), metrics (MDR-M) and targets (MDR-T), and are disclosed within the sections related to the corresponding thematic ESRS. For ease of consultation, refer to the ESRS Content Index.

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IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS Content Index and EU Datapoint Table

Below is the **ESRS Content Index**, a list of disclosure requirements that the Emak Group has fulfilled in drafting the Sustainability Statement, based on the results of the relevance assessment:

Disclosure Requirements	Page number
ESRS 2 – GENERAL INFORMATION	
BP-1 – General basis for preparation of sustainability statements	28
BP-2 – Disclosures in relation to specific circumstances	28
GOV-1 – The role of the administrative, management and supervisory bodies	29
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	32
GOV-3 – Integration of sustainability-related performance in incentive schemes	32
GOV-4 – Statement on due diligence	33
GOV-5 – Risk management and internal controls over sustainability reporting	34
SBM-1 – Strategy, business model and value chain	37
SBM-2 – Interests and views of stakeholders	43
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	44
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	52
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	56
MDR-P – Policies adopted to manage material sustainability matters	Please refer to the MDR-P disclosed in the Topical Standards listed below.
MDR-A – Actions and resources in relation to material sustainability matters	Please refer to the MDR-A disclosed in the Topical Standards listed below.
MDR-M – Metrics in relation to material sustainability matters	Please refer to the MDR-M disclosed in the Topical Standards listed below.
MDR-T – Tracking effectiveness of policies and actions through targets	Please refer to the MDR-T disclosed in the Topical Standards listed below.
ESRS E1 – CLIMATE CHANGE	
ESRS 2 GOV-3 — Integration of sustainability-related performance in incentive schemes	71
E1-1 – Transition plan for climate change mitigation	71
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	72
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	73
E1-2 – Policies related to climate change mitigation and adaptation	74
E1-3 – Actions and resources in relation to climate change policies	74
E1-4 – Targets related to climate change mitigation and adaptation	75
E1-5 – Energy consumption and mix	76
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	77
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	80
E1-8 – Internal carbon pricing	80
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	For the 2025 financial year, which represents the second year of sustainability reporting under the ESRS, the Emak Group has decided to make use of the phase-in option with regard to the disclosure of expected financial effects, as provided for by Delegated Regulation (EU) 2025/1416.
ESRS E2 – POLLUTION	
ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	52
ESRS E3 – WATER AND MARINE RESOURCES	
ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	52
ESRS E4 – BIODIVERSITY AND ECOSYSTEMS	
ESRS IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	52
ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY	
ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	81
E5-1 – Policies related to resource use and circular economy	81
E5-2 – Actions and resources related to resource use and circular economy	82
E5-3 – Targets related to resource use and circular economy	83
E5-4 – Resource inflows	83

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E5-5 – Resource outflows	85
E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	For the 2025 financial year, which represents the second year of sustainability reporting under the ESRS, the Emak Group has decided to make use of the phase-in option with regard to the disclosure of expected financial effects, as provided for by Delegated Regulation (EU) 2025/1416.
ESRS S1 - OWN WORKFORCE	
ESRS 2 SBM-2 – Interests and views of stakeholders	86
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	86
S1-1 – Policies related to own workforce	88
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	89
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	89
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	90
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	92
S1-6 – Characteristics of the undertaking's employees	92
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	94
S1-9 – Diversity metrics	94
S1-11 – Social protection	95
S1-12 – Persons with disabilities	95
S1-13 – Training and skills development metrics	95
S1-14 – Health and safety metrics	97
S1-15 – Work-life balance metrics	98
S1-16 – Compensation metrics (pay gap and total compensation)	98
S1-17 – Incidents, complaints and severe human rights impacts	98
ESRS S2 WORKERS IN THE VALUE CHAIN	
ESRS 2 SBM-2 – Interests and views of stakeholders	99
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	99
S2-1 – Policies related to value chain workers	100
S2-2 – Processes for engaging with value chain workers about impacts	100
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	101
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 action	101
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	102
ESRS S4 – CONSUMERS AND END-USERS	
ESRS 2 SBM-2 – Interests and views of stakeholders	102
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	102
S4-1 – Policies related to consumers and end-users	103
S4-2 – Processes for engaging with consumers and end-users about impacts	103
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	104
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	104
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	105
ESRS G1 - BUSINESS CONDUCT	
ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	106
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	106
G1-1 – Corporate culture and business conduct policies	107
G1-2 – Management of relationships with suppliers	108
G1-3 – Prevention and detection of corruption and bribery	109
G1-4 – Cases of active or passive corruption	110

Below is the **EU Datapoint Table**, a table of all information elements derived from other EU legislative acts listed in Appendix B of the ESRS 2 disclosure requirement ("General Information") of Delegated Regulation (EU) 2023/2772.

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EU Datapoint Table

The following table summarizes all the disclosure requirements derived from other EU legislative acts listed in **Appendix B** of the disclosure requirement **ESRS 2** ("General Information") of the Delegated Regulation (EU) 2023/2772.

ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference[7]	Pillar 3 reference[8]	Benchmark Regulation reference[9]	EU Climate Law reference[10]	Status of the disclosure requirement	Paragraph
ESRS 2	GOV-1, 21 (d)	Board's gender diversity	Annex 1, Table 1, Indicator number 13		Commission Delegated Regulation (EU) 2020/1816[11], Annex II		Reported	General information, Governance
ESRS 2	GOV-1, 21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Governance
ESRS 2	GOV-4, 30	Statement on due diligence	Annex I, Table 3, Indicator number 10				Reported	General information, Governance
ESRS 2	SBM-1, 40 (d.i)	Involvement in activities related to fossil fuel activities	Annex I, Table 1, Indicator number 4	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[12], Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy
ESRS 2	SBM-1, 40 (d.ii)	Involvement in activities related to chemical production	Annex I, Table 2, Indicator number 9		Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy

[7] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
[8] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
[9] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
[10] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).
[11] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
[12] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.).

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ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference[7]	Pillar 3 reference[8]	Benchmark Regulation reference[9]	EU Climate Law reference[10]	Status of the disclosure requirement	Paragraph
ESRS 2	SBM-1, 40 (d.iii)	Involvement in activities related to controversial weapons	Annex I, Table 1, Indicator number 14		Delegated Regulation (EU) 2020/1818[13], Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy
ESRS 2	SBM-1, 40 (d.iv)	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy
ESRS E1	E1-1, 14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	Reported	Environmental information, E1-1 – Transition plan for climate change mitigation
ESRS E1	E1-1, 16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a 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 residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Reported	Environmental information, E1-1 – Transition plan for climate change mitigation
ESRS E1	E1-4, 34	GHG emission reduction targets	Annex I, Table 2, Indicator number 4	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Reported	Environmental information, E1-4 – Targets related to climate change mitigation and adaptation
ESRS E1	E1-5, 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Annex I, Table 1, Indicator number 5 and Annex I, Table 2, Indicator number 5				Reported	Environmental information, E1-5 – Energy consumption and mix
ESRS E1	E1-5, 37	Energy consumption and mix	Annex I, Table 1, Indicator number 5					Environmental information, E1-5 – Energy consumption and mix
ESRS E1	E1-5, 41-43	Energy intensity associated with activities in high climate impact sectors	Annex I, Table 1, Indicator number 6				Reported	Environmental information, E1-5 – Energy consumption and mix

[13] Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

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ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference[7]	Pillar 3 reference[8]	Benchmark Regulation reference[9]	EU Climate Law reference[10]	Status of the disclosure requirement	Paragraph
ESRS E1	E1-6, 44	Gross Scope 1, 2, 3 and Total GHG emissions	Annex I, Table 1, indicators number 1 and 2	Article 449a; 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 residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Reported	Environmental information, E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1	E1-6, 53-55	Gross GHG emissions intensity	Annex I, Table 1, Indicator number 3	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Reported	Environmental information, E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1	E1-7, 56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Reported	Environmental information, E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
ESRS E1	E1-9, 66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		The Group has made use of the phase-in	NA
ESRS E1	E1-9, 66 (a), 66 (c)	a) Disaggregation of monetary amounts by acute and chronic physical risk c) Location of significant assets at material physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			The Group has made use of the phase-in	NA
ESRS E1	E1-9, 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			The Group has made use of the phase-in	NA

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ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference[7]	Pillar 3 reference[8]	Benchmark Regulation reference[9]	EU Climate Law reference[10]	Status of the disclosure requirement	Paragraph
ESRS E1	E1-9, 69	Degree of exposure of the portfolio to climate- related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		The Group has made use of the phase-in	NA
ESRS E2	E2-4, 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Annex I, Table 1, Indicator number 8; Annex I, Table 2, Indicator number 2; Annex 1, Table 2, Indicator number 1; Annex I, Table 2, Indicator number 3				Not relevant	NA
ESRS E3	E3-1, 9	Water and marine resources	Annex I, Table 2, Indicator number 7				Not relevant	NA
ESRS E3	E3-1, 13	Dedicated policy	Annex I, Table 2, Indicator number 8				Not relevant	NA
ESRS E3	E3-1, 14	Sustainable oceans and seas	Annex I, Table 2, Indicator number 12				Not relevant	NA
ESRS E3	E3-4, 28 (c)	Total water recycled and reused	Annex I, Table 2, Indicator number 6.2				Not relevant	NA
ESRS E3	E3-4, 29	Total water consumption in m^3 per net revenue on own operations	Annex I, Table 2, Indicator number 6.1				Not relevant	NA
ESRS 2	SBM-3 – E4, 16 (a.i)		Annex I, Table 1, Indicator number 7				Reported	General information, Impact, risk and opportunity management
ESRS 2	SBM-3 – E4, 16 (b)		Annex I, Table 2, Indicator number 10				Reported	General information, Impact, risk and opportunity management
ESRS 2	SBM-3 – E4, 16 (c)		Annex I, Table 2, Indicator number 14				Reported	General information, Impact, risk and opportunity management
ESRS E4	E4-2, 24 (b)	Sustainable land / agriculture practices or policies	Annex I, Table 2, Indicator number 11				Not relevant	NA
ESRS E4	E4-2, 24 (c)	Sustainable oceans / seas practices or policies	Annex I, Table 2, Indicator number 12				Not relevant	NA
ESRS E4	E4-2, 24 (d)	Policies to address deforestation	Annex I, Table 2, Indicator number 15				Not relevant	NA
ESRS E5	E5-5, 37 (d)	Non-recycled waste	Annex I, Table 2, Indicator number 13				Reported	Environmental information, E5-5 – Resource outflows
ESRS E5	E5-5, 39	Hazardous waste and radioactive waste	Annex I, Table 1, Indicator number 9				Reported	Environmental information, E5-5 – Resource outflows
ESRS 2	SBM3 – S1, 14 (f)	Risk of incidents of forced labour	Annex I, Table 3, Indicator number 13				Reported	General information, Strategy
ESRS 2	SBM3 – S1, 14 (g)	Risk of incidents of child labour	Annex I, Table 3, Indicator number 12				Reported	General information, Strategy

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ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference[7]	Pillar 3 reference[8]	Benchmark Regulation reference[9]	EU Climate Law reference[10]	Status of the disclosure requirement	Paragraph
ESRS S1	S1-1, 20	Human rights policy commitments	Annex I, Table 3, Indicator number 9 and Annex I, Table 1, Indicator number 11				Reported	Social information, S1-1 – Policies related to own workforce
ESRS S1	S1-1, 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Reported	Social information, S1-1 – Policies related to own workforce
ESRS S1	S1-1, 22	Processes and measures for preventing trafficking in human beings	Annex I, Table 3, Indicator number 11				Reported	Social information, S1-1 – Policies related to own workforce
ESRS S1	S1-1, 23	Workplace accident prevention policy or management system	Annex I, Table 3, Indicator number 1				Reported	Social information, S1-1 – Policies related to own workforce
ESRS S1	S1-3, 32 (c)	Grievance/complaints handling mechanisms	Annex I, Table 3, Indicator number 5				Reported	Social information, S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1	S1-14, 88 (b), (c)	Number of fatalities and number and rate of work-related accidents	Annex I, Table 3, Indicator number 2		Delegated Regulation (EU) 2020/1816, Annex II		Reported	Social information, S1-14 – Health and safety metrics
ESRS S1	S1-14, 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Annex I, Table 3, Indicator number 3				Reported	Social information, S1-14 – Health and safety metrics
ESRS S1	S1-16, 97 (a)	Unadjusted gender pay gap	Annex I, Table 1, Indicator number 12		Delegated Regulation (EU) 2020/1816, Annex II		Not relevant	NA
ESRS S1	S1-16, 97 (b)	Excessive CEO pay ratio	Annex I, Table 3, Indicator number 8				Reported	Social information, S1-16 – Compensation metrics (pay gap and total compensation)
ESRS S1	S1-17, 103 (a)	Incidents of discrimination	Annex I, Table 3, Indicator number 7				Reported	Social information, S1-17 – Incidents, complaints and severe human rights impacts
ESRS S1	S1-17, 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	Annex I, Table 1, Indicator number 10 and Annex I, Table 3, Indicator number 14		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Reported	Social information, S1-17 – Incidents, complaints and severe human rights impacts
ESRS 2	SBM-3 – S2, 11 (b)	Significant risk of child labour or forced labour in the value chain	Annex I, Table 3, indicators number 12 and 13				Reported	General information, Strategy
ESRS S2	S2-1, 17	Human rights policy commitments	Annex I, Table 3, Indicator number 9 and Annex I, Table 1,				Reported	Social information, S2-1 – Policies related to value chain workers

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ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference[7]	Pillar 3 reference[8]	Benchmark Regulation reference[9]	EU Climate Law reference[10]	Status of the disclosure requirement	Paragraph
			Indicator number 11					
ESRS S2	S2-1, 18	Policies related to value chain workers	Annex I, Table 3, indicators number 11 and 4				Reported	Social information, S2-1 – Policies related to value chain workers
ESRS S2	S2-1, 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Annex I, Table 1, Indicator number 10		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Reported	Social information, S2-1 – Policies related to value chain workers
ESRS S2	S2-1, 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Reported	Social information, S2-1 – Policies related to value chain workers
ESRS S2	S2-4, 36	Human rights issues and incidents connected to its upstream and downstream value chain	Annex I, Table 3, Indicator number 14				Reported	Social information, 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 action
ESRS S3	S3-1, 16	Human rights policy commitments	Annex I, Table 3, Indicator number 9 and Annex I, Table 1, Indicator number 11				Not relevant	NA
ESRS S3	S3-1, 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Annex I, Table 1, Indicator number 10		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not relevant	NA
ESRS S3	S3-4, 36	Human rights issues and incidents	Annex I, Table 3, Indicator number 14				Not relevant	NA
ESRS S4	S4-1, 16	Policies related to consumers and end-users	Annex I, Table 3, Indicator number 9 and Annex I, Table 1, Indicator number 11				Reported	Social information, S4-1 – Policies related to consumers and end-users
ESRS S4	S4-1, 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Annex I, Table 1, Indicator number 10		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Reported	Social information, S4-1 – Policies related to consumers and end-users
ESRS S4	S4-4, 35	Human rights issues and incidents	Annex I, Table 3, Indicator number 14				Reported	Social information, S4-4 – Taking action on material impacts on consumers

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ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference[7]	Pillar 3 reference[8]	Benchmark Regulation reference[9]	EU Climate Law reference[10]	Status of the disclosure requirement	Paragraph
								and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions.
ESRS G1	G1-1, 10 (b)	United Nations Convention against Corruption	Annex I, Table 3, Indicator number 15				Reported	Governance information, G1-1 – Corporate culture and business conduct policies
ESRS G1	G1-1, 10 (d)	Protection of whistle-blowers	Annex I, Table 3, Indicator number 6				Reported	Governance information, G1-1 – Corporate culture and business conduct policies
ESRS G1	G1-4, 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Annex I, Table 3, Indicator number 17		Delegated Regulation (EU) 2020/1816, Annex II)		Reported	Governance information, G1-4 – Confirmed incidents of corruption or bribery
ESRS G1	G1-4, 24 (b)	Standards of anti- corruption and anti- bribery	Annex I, Table 3, Indicator number 16				Reported	Governance information, G1-4 – Confirmed incidents of corruption or bribery

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ENVIRONMENTAL INFORMATION

Disclosure pursuant to Article 8 of Regulation (EU) 2020/852

The European Union has developed, in recent years, an ambitious strategy for sustainable development and the transition to a low-carbon economy, in line with the contents of the 2015 Paris Agreement on climate and the United Nations' 2030 Agenda with its 17 sustainable development goals. To achieve these goals, the Union promotes investments in sustainable assets and activities using not only public but also private resources.
The Taxonomy Regulation (EU) 2020/852 defines the criteria for determining whether an economic activity can be considered environmentally sustainable based on the identification of six environmental objectives: a) climate change mitigation (CCM); b) climate change adaptation (CCA); c) sustainable use and protection of water and marine resources (WTR); d) transition to a circular economy (CE); e) pollution prevention and control (PPC); f) protection and restoration of biodiversity and ecosystems (BIO).
As provided by Regulation (EU) 2020/852, Article 8, the following indicators are reported:
a) the portion of turnover derived from products or services associated with economic activities considered environmentally sustainable pursuant to Articles 3 and 9;
b) the portion of capital expenditures and the portion of operating expenditures related to assets or processes associated with economic activities considered environmentally sustainable pursuant to Articles 3 and 9.
The reported indicators have been calculated based on the guidelines contained in Annex 1 of Regulation (EU) 2021/2178 and are based on currently available data and the current interpretation of the regulations and may therefore be subject to future changes.

Eligibility to the taxonomy

Turnover
Based on the current interpretation of the regulations, the Group has identified that its range of products and services falls within the definition of the following activities:

- CCM 3.6 Manufacture of other low-carbon technologies. In continuity with what was reported in 2024, the Emak Group has considered the revenues generated from the sales of battery-powered and electric finished products manufactured by the Group as eligible for the taxonomy. Specifically, the sales of battery-powered and electric OPE products and cleaning machines (PWJ) that do not have diesel-powered boilers for steam production are included in the counts. Therefore, all products powered even partially by fossil fuels and all products falling within the Components & Accessories segment have been excluded.
- CE 4.1 Provision of IT/OT (information technology/operational technology) solutions based on data. Revenues generated from the product range related to precision agriculture fall within this activity.
- CE 5.1 Repair, refurbishment, and remanufacturing. Revenues generated from the sales of chainsaw sharpeners fall within this activity. To avoid double counting, electric and battery-powered sharpeners have been excluded from CE 5.1 and included in CCM 3.6.
- CE 5.2 Sale of spare parts. Revenues generated from the sales of spare parts, excluding consumables, fall within this activity.
- CE 5.5 Product-as-a-service and other service models oriented towards circular use and results. Revenues generated from the rental of products fall within this activity.

Capex
Based on the analysis described above, Emak has considered the increases in tangible and intangible fixed assets and IFRS16 right-of-use assets related to the following activities as eligible for the taxonomy:

- CCM 3.6. Manufacture of other low-carbon technologies
- CCM 7.2. Renovation of existing buildings
- CCM 7.3. Installation, maintenance and repair of energy efficiency equipment
- CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- CCM 7.6. Installation, maintenance and repair of renewable energy technologies
- CCM 9.3. Professional services related to the energy performance of buildings
- CE 4.1 Provision of IT/OT (information technology/operational technology) solutions based on data

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Therefore, data related to battery and electric products, the provision of IT/OT solutions and energy efficiency improvements to buildings such as replacing neon lights with LED lights, replacing windows, installing solar panels, installing meters to monitor energy consumption and installing electric heat pumps were considered.

Opex
In accordance with regulatory requirements, Emak has defined operating expenditures as non-capitalized direct costs related to research and development, building renovation measures, short-term leasing, maintenance and repair, as well as any other direct expenses related to the daily maintenance of buildings, plants, and machinery, carried out by the company or third parties to whom these tasks are outsourced, necessary to ensure the continuous and effective operation of these assets. The data considered are related to the following activities:

- CCM 3.6. Manufacture of other low-carbon technologies
- CCM 7.2. Renovation of existing buildings
- CCM 7.3. Installation, maintenance and repair of energy efficiency equipment
- CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- CCM 7.6. Installation, maintenance and repair of renewable energy technologies
- CE 4.1. Provision of IT/OT (information technology/operational technology) solutions based on data
- CE 5.1. Repair, refurbishment and remanufacturing

The Emak Group has therefore considered the research and development costs charged to the income statement directly related to battery and electric products, the costs related to the repair, refurbishment and remanufacturing of products, and the maintenance costs of buildings and other assets concerning the energy efficiency improvements of buildings carried out during 2025.

Alignment with the EU Taxonomy

Emak has analysed the technical criteria and the related DNSH requirements provided by the Climate Delegated Act, the Complementary Delegated Act and the Environmental Delegated Act for all identified eligible activities and concluded that none of them can currently be considered aligned as the Group does not meet all the required criteria. During 2024, the Group completed the scenario analysis related to physical risks – chronic and acute – indicated in Appendix A of Delegated Regulation (EU) 2021/2139. This analysis was evaluated by the Control, Risks and Sustainability Committee and the Board of Directors in February 2025.
The Group will continue deepen its understanding of the requirements for alignment with the taxonomy in the future.

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Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	DNSH criteria ("Does Not Significantly Harm"): Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned or eligible turnover year N-1	Category (enabling activity)	Category (transitional activity)
		€/000	%	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	60,751	10%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								13%		
Provision of IT/OT data-driven solutions	CE 4.1	673	0.1%	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								0.1%		
Repair, refurbishment and remanufacturing	CE 5.1	81	0.01%	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								0.02%		
Sale of spare parts	CE 5.2	37,976	6%	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								6%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	268	0.04%	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								0.02%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(A.2)		**99,749**	**16%**	**61%**	0%	0%	**39%**	0%	0%								19%		
Total (A.1 + A.2)		**99,749**	**16%**	**61%**	0%	0%	**39%**	0%	0%								19%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
Turnover of Taxonomy-non-eligible activities (B)	**512,745**	**84%**
Total (A+B)	**612,494**	**100%**

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	10%
CCA	-	-
WTR	-	-
CE	-	6%
PPC	-	-
BIO	-	-

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Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned or eligible CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
		€/000	%	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	2,601	9%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								7%		
Renovation of existing buildings	CCM 7.2	1,413	5%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	711	3%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	-	0.0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	86	0.3%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	297	1.08%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.24%		
Professional services related to energy performance of buildings	CCM 9.3	4	0.01%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.06%		
Provision of IT/OT data-driven solutions	CE 4.1	388	1%	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								1.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**5,501**	**20%**	**93%**	0%	0%	**7%**	0%	0%								11.7%		
Total (A.1 + A.2)		**5,501**	**20%**	**93%**	0%	0%	**7%**	0%	0%								11.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy-non-eligible activities (B)		**21,938**	**80.0%**																
Total (A+B)		**27,438**	**100%**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	19%
CCA	-	-
WTR	-	-
CE	-	1%
PPC	-	-
BIO	-	-

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Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned and eligible OpEx, year N-1	Category (enabling activity)	Category (transitional activity)
		€/000	%	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	607	5%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								10%		
Renovation of existing buildings	CCM 7.2	96	0.8%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	5	0.05%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.05%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3	0.03%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.03%		
Provision of IT/OT data-driven solutions	CE 4.1	382	3%	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								3%		
Repair, refurbishment and remanufacturing	CE 5.1	61	0.5%	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								0.4%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,154**	**10%**	**62%**	0%	0%	**38%**	0%	0%								15%		
Total (A.1 + A.2)		**1,154**	**10%**	**62%**	0%	0%	**38%**	0%	0%								15%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities (B)		**10,242**	**89.9%**																
Total (A+B)		**11,396**	**100%**																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	6%
CCA	-	-
WTR	-	-
CE	-	4%
PPC	-	-
BIO	-	-

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Activities related to nuclear energy and fossil gas [14]

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

[14] Delegated Regulation (EU) 2022_1214

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ESRS E1 – Climate change

ESRS 2 GOV-3 — Integration of sustainability-related performance in incentive schemes

The Board of Directors has set sustainability goals, including those related to climate change[15], within the incentive remuneration for the Group CEO and CFO. The characteristics of the Incentive Plan, the objectives, and the percentage of remuneration connected to them are detailed in section *ESRS 2 GOV-3 – Integration of sustainability related performance in incentive schemes,* in General Information.

E1-1 – Transition plan for climate change mitigation

The Group does not currently have a structured transition plan for climate-change mitigation as outlined in Regulation (EU) 2023/2772, and, given the uncertainty of the context in which it operates and the evolving regulatory framework, it has not yet defined a precise timeline for its potential development.
Currently, the Group is focused on progressively refining and expanding the mapping of its emissions inventory. In particular, the Group has been reporting for several years on progress related to its Scope 1 and Scope 2 GHG emissions. Starting from 2024, disclosure is also provided on gross Scope 3 GHG emissions. Based on the GHG Protocol and implemented with the support of the dedicated Scope 3 Calculation Guidance, the calculation considers, where possible, precise data from the Group's companies and relies on estimates for missing data. The selection of significant Scope 3 categories was carried out following a materiality analysis.
Having a consolidated database, composed of an increasing share of precise data and progressively refined estimates, represents the starting point for undertaking initiatives and developing plans aimed at improving the Group's environmental performance.
As of today, formalised and certified improvement plans are in place only within the companies that hold ISO 14001 environmental certification. Additional improvement objectives may arise from the individual companies' needs or opportunities for energy-efficiency enhancement, also deriving from any regulatory requirements.

[15] There are no consolidated Group objectives related to the reduction of GHG emissions communicated pursuant to the disclosure requirement E1-4 of Regulation (EU) 2023/2772, against which to assess the sustainability performance of the CEO as contemplated by the incentive systems; the aforementioned performance is currently evaluated solely based on the mere achievement of the objectives.

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ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Emak Group has identified its relevant impacts, risks and opportunities related to sustainability matters through the double materiality assessment. The results of the analysis are detailed in the table provided in the paragraph *ESRS 2 SBM-3– Material impacts, risks and opportunities and their interaction with strategy and business model*, in General information. For a more detailed overview, please refer to that section.

The Group has long implemented an Enterprise Risk Management (ERM) system, a process designed to identify and assess in advance potentially adverse internal and external future events, thereby enabling timely decisions on how to manage them and increasing the likelihood of achieving corporate objectives.

The ERM process involves the entire organisation. With the support of the Group Risk Manager, the risk owners identify and assess events that could hinder the achievement of objectives, manage them according to cost-benefit principles (in line with the risk profile agreed with stakeholders) in order to minimise their impact or likelihood of occurrence, and monitor their evolution over time.
The process may cover only strategic risks or also operational, financial, and compliance risks.
In conjunction with the budgeting process, the Group Risk Manager annually interviews the various risk owners and the CEOs of the Group's business units to assess their exposure to the different strategic risks.

The analysis carried out in 2025 led to the development, for each Business Unit, of a Risk Matrix illustrating the positioning of the 24 strategic risks, together with specific deep-dives on the highest-rated risks.
The outcomes of this work (Risk Matrix and related deep-dives) were presented to the Control, Risks and Sustainability Committee and to the individual CEOs.

With regard to climate change, the process shows that the topic is integrated into the Group's strategy and business model, encompassing both transition risk and physical risk.
The transition risk was analysed within each Business Unit and, overall, it is managed as follows:

- Compliance with product regulations: the evolution of product regulations is monitored and followed by the technical structures of the various divisions of the Group, also through discussions with trade associations, in order to guide research and development activities.
- End user preferences: this is monitored by the sales and marketing structure, through constant dialogue with the Group's customers (specialised distributors, large-scale retailers, manufacturers) and with the trade associations to which the Group belongs.
- Aspects related to the supply chain of energy factors: this is overseen by the purchasing function, through framework agreements, participation in consortia and active monitoring of the market, and in the management and maintenance of buildings, in order to increase their energy efficiency.
- Climate change and business model: the effects of climate change on the Group's reference markets are monitored by the CEOs and the commercial and marketing functions of the individual business units, which assess both the risks and the opportunities that may arise.

Regarding physical risk, based on the results of scenario analysis, the Group's management believes that this risk is not critical. The scenarios examined[16] and the risks considered indicate that potential issues could arise within a 30-year timeframe, making mitigation planning currently ineffective. The Group, through dedicated functions, will continue to monitor the evolution of these scenarios, keeping its risk assessments updated and the possibility of implementing corrective actions if necessary.

[16] Focus on the 12 events deemed as priorities based on definitions and applicability to the Group: Changes in air temperature; Thermal stress; Temperature variability; Heatwave; Cold wave/frost; Cyclone, Hurricane, Typhoon; Storm; Snowstorm; Tornado; Water stress; River flooding; Subsidence.

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

Through the final phase of the double materiality analysis and the update for 2025 reporting, the Group determined which qualitative and quantitative information related to relevant matters should be reported in this Consolidated Sustainability Statement. To this end, the methods outlined in ESRS 1 (including Appendix E), the Implementation Guidance "EFRAG IG 1 – Materiality Assessment," and the additional paper "Links between AR16 and disclosure requirements" were followed.

The following table describes, for each relevant issue, the related impacts (positive and negative), risks and opportunities that have exceeded the materiality threshold.

LIST OF MATERIAL MATTERS AND MATERIAL IROs					
TOPIC	**MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC**	**MATERIAL NEGATIVE IMPACTS**	**MATERIAL POSITIVE IMPACTS**	**MATERIAL RISKS**	**MATERIAL OPPORTUNITIES**
E1 - Climate change	Climate change adaptation			TRANSITION RISKS (and impacts on the business model): The impact of new regulatory developments related to climate change on the range of products and services offered	
				Sudden obsolescence triggered by the arrival of new technologies on the market (technological acceleration)	
				Chronic: Climate change and rising average temperature and sea level	
	Emission reduction	Generating direct and indirect CO2 emissions, slowing down the achievement of the objectives of the Paris Agreement and the European Green Deal		Costs of transition to low-emission technologies	Use of new technologies
				Impact of new regulatory developments related to climate change on the range of products and services offered	
	Responsible energy use	Maintaining dependence on non-renewable energy sources, thus contributing to climate change.	Raising awareness among company personnel and stakeholders towards responsible energy use	Energy crisis (an entity's energy mix can affect the cost and reliability of energy supply and ultimately affect the entity's cost structure and regulatory risk) and consequent increase in the final price of the finished product due to increased production costs resulting from changes in input prices (e.g. energy)	
				Failure to comply with regulations (e.g. Greenbuildings)	

For a more detailed overview, please refer to section *ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities*, in General Information.

In the development of its business plans, the Group formalizes specific sections dedicated to climate change risks, where the planned initiatives are illustrated and, where data is available, the investments, costs, and expected revenues for the planned interventions are quantified. To date, based on the analyses carried out and the nature of the Group's activities, particular attention is paid to mitigating transition risks, as these have also emerged from the ERM process as those with the highest potential impact.

These risks also present interesting opportunities for the Group both from a business development perspective (e.g., development of electric/battery-powered products, growth in the agriculture sector) and in terms of energy efficiency (e.g., reduction of energy consumption).
For further information, please refer to the previous paragraph *ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*.

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E1-2 – Policies related to climate change mitigation and adaptation

To date, the Group does not have formalised policies for managing the impacts, risks and opportunities associated with climate-change mitigation, climate-change adaptation, energy efficiency and the deployment of renewable energy.
Nevertheless, through its organizational system, the Group ensures full compliance with relevant laws and regulations and has also been carrying out, for several years, initiatives aimed at raising employee awareness and improving energy efficiency in order to reduce its environmental footprint. According to the Organizational, Management, and Control Model, in application of Legislative Decree 231/2001, the types of offenses for which the Group may be held liable include environmental crimes as per Article 25-undecies of the aforementioned decree, as introduced by Legislative Decree No. 121 of July 7, 2011[17] , and amended by Article 1, Law No. 68 of May 22, 2015[18] .
Emak S.p.A., Agres Sistemas Eletrônicos S.A. and PNR Italia have an Environmental Management System certified according to the UNI EN ISO 14001 standard. Additionally, to identify, monitor, and reduce the environmental impacts of its activities, the Parent Company Emak S.p.A. adopts an environmental policy as part of the broader Integrated Corporate Policy.
In the selection of suppliers, the Group exclusively uses criteria related to the objective competitiveness of the services and products offered and their quality, also understood as the supplier's performance in environmental and social areas and compliance with the principles expressed in the Code of Ethics, which is duly shared.

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

Although the Emak Group has not set specific climate change targets, it is committed to contributing to sustainable development by pursuing continuous improvement goals related to environmental compatibility. To this end, it works to promote and consolidate a culture focused on protecting the environment and natural resources. The Group's efforts to reduce environmental impact extend across all processes of its activities, starting with the design of its products, through the search for increasingly eco-compatible materials and technical solutions that allow for lower pollutant emissions and reduced consumption, while at the same time ensuring customer satisfaction in terms of performance[19].
With a view to continuous improvement and to reducing its energy consumption, the Group implements various actions that may also extend over time horizons, beyond a single year, such as:

a) Energy efficiency
   - installation of intelligent systems in production departments to manage lighting based on work shifts and, in some areas, sensors for automatic switching on and off of lights based on presence;
   - adoption of thermoregulation systems for the different areas of the plants, dynamically adjusting the power of the individual thermal generators to the external climatic conditions and to the thermo-hygrometric comfort requirements of the various internal areas;
   - use of high-energy-consuming machinery outside peak hours;
   - recovery of energy generated during product testing;
   - installation of high-efficiency heating systems, such as heat pumps and latest-generation condensing boilers;
   - upgrade of the general electrical system and transformer stations, which has led to a reduction in electrical losses within the plant;
   - gradual replacement of neon lamps with LED lamps, also through relamping interventions in some plants;
   - installation of high-energy-efficiency machinery and equipment in production departments;
   - measures aimed at reducing the thermal needs of the plants and improving the internal microclimate, such as replacing windows and installing blinds;
   - installation of energy consumption monitoring systems for each production line or machine, with the aim of identifying possible inefficiencies and planning potential efficiency measures;
   - introduction into the company car fleet of plug-in hybrid vehicles, replacing diesel cars.

[17] Implementation of Directive 2008/99/EC on the protection of the environment through criminal law, as well as Directive 2009/123/EC amending Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements.
[18] Provisions on environmental crimes (Law No. 68 of 2015) introduced new crimes to protect the environment in the Penal Code, thus modifying the previous regulatory framework that relied almost exclusively on contraventions and administrative sanctions, as provided by the Environmental Code (Legislative Decree No. 152 of 2006).
[19] Since no policy is in place, the implementation of the objectives does not contribute to achieving the purpose of the latter.

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b) Product modification / electrification
   - testing machines containing fully or partially recycled plastic materials (material research), a multi-year project focused on the Green Deal and thus reducing CO2 in relation to developed products;
   - identification and development of technologies to be applied to combustion engines to comply with future directives on emission limits (low-emission engines).

c) Use of energy from renewable sources
   - purchase and self-production of renewable energy, in line with previous years

With reference to previous years, the aforementioned mitigation actions have led to the filing of several patents concerning R&D activities focused on product innovation, as well as the modernization and energy efficiency of the facilities in a broad sense.
The Group will evaluate how to further articulate this path based on the results of the next financial year [20]and following the mapping of GHG emissions mentioned in relation to the *Transition plan for climate change mitigation* section.

The resources allocated by the Group to actions related to climate change mitigation and adaptation are reported in the paragraph *Disclosure pursuant to Article 8 of Regulation (EU) 2020/852*.

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

As of today, the Group has not established consolidated Group-wide targets for the reduction of gross GHG emissions, although there are intermediate and granular targets derived from ISO standards related to specific plants, such as in the case of the Parent Company.
However, in the current reporting period the Emak Group has refined the mapping of GHG emissions generated along the value chain (Scope 3), increasing the use of precise data where available, or improving estimation methods based on the availability of internal and external data. This activity aims to define the baseline on which potential GHG emission reduction targets can be identified and formulated, the actions to be taken to achieve them and the respective decarbonization levers.

[20] At present, the Emak Group has not established timeframes within which it intends to complete each main action.

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E1-5 – Energy consumption and mix

The energy consumption and energy mix of the Group are detailed below:

DR E1-5 -Energy consumption and energy mix	2025	2024
	MWh	
Coal fuels and coal products		
Fuels from crude oil and petroleum products	**8,605.19**	**8,123.35**
Diesel for production	413.45	370.08
Diesel for company cars for business use	3,992.33	3,842.52
Diesel for company cars for mixed use	944.93	1,232.30
Hybrid/Diesel for company cars for mixed use	97.10	6.60
Gasoline for production	512.22	503.44
Gasoline for company cars for business use	1,671.55	1,402.65
Gasoline for company cars for mixed use	318.10	370.88
Hybrid/Gasoline for company cars for business use	40.22	43.45
Hybrid/Gasoline for company cars for mixed use	570.19	309.16
LPG for production	45.10	42.26
Natural gas fuels	**17,426.92**	**19,879.24**
Natural gas for heating	15,717.23	17,437.37
Natural gas for production	1,589.45	2,297.70
Natural gas for company cars for business use	120.24	144.17
Electricity purchased or acquired from fossil sources	**26,659.62**	**25,741.31**
of which for company cars for mixed use	10.11	2.89
Heat purchased or acquired from fossil sources		
Steam purchased or acquired from fossil sources		
Cooling purchased of acquired from fossil sources		
Fuels from other fossil sources	-	-
Self-produced energy from non-renewable sources and consumed	-	-
Total energy consumption from fossil sources	**52,691.72**	**53,743.90**
Share of fossil sources in total energy consumption (%)	**98.53%**	**98.72%**
Total energy consumption from nuclear sources		
Share of nuclear sources in total energy consumption (%)	**0.00%**	**0.00%**
Fuels from renewable sources	**20.02**	**15.80**
Biofuel (e.g. HVO) for company cars for business use		1.37
Biofuel (e.g. HVO) for company cars for mixed use	20.02	14.43
Electricity purchased or acquired from renewable sources (Guarantee of Origin contracts)	**32.83**	**35.72**
Heat purchased or acquired from renewable sources		
Steam purchased or acquired from renewable sources		
Cooling purchased or acquired from renewable sources		
Renewable energy self-produced and consumed (without using fuels)	**730.62**	**645.32**
of which from a photovoltaic system	730.62	645.32
Total energy consumption from renewable sources	**783.47**	**696.84**
Share of renewable sources in total energy consumption (%)	**1.47%**	**1.28%**
Total energy consumption	**53,475.19**	**54,440.74**

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The companies of the Emak Group fall into high climate impact sectors[21]. Therefore, the following information is provided:

Energy intensity (sectors with high climate impact)	2025	2024
Total energy consumption of activities in sectors with high climate impact (MWh)	53,475.19	54,440.74
Net revenues from activities in high-impact climate sectors (€)	€ 612,494,394	€ 601,914,195
Energy intensity (MWh/€)	**0.0000873**	**0.0000904**

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

The greenhouse gas (GHG) emissions[22] currently monitored and reported by Emak can be divided into three scopes:

- **Scope 1 GHG emissions**[23]: direct greenhouse gas emissions from sources that are owned or controlled by the company;
- **Scope 2 GHG emissions,** calculated using both the **location-based**[24] and **market-based**[25] methods: indirect emissions from the generation of electricity, steam, heating or cooling that is purchased or acquired and consumed by the company;
- **Scope 3 GHG emissions**: indirect greenhouse gas (GHG) emissions (excluding Scope 2 emissions) generated within the value chain of the reporting company, including both upstream and downstream emissions. These are divided into 15 categories.

In order to report information regarding gross Scope 3 GHG emissions, the Group has taken into account the principles and requirements outlined in the *Technical Guidance for calculating Scope 3 emissions* standard, version 1.0, of the Greenhouse Gas Protocol (GHG Protocol).
The significant Scope 3 categories were identified through a materiality analysis process, based on the guidelines and criteria established by the GHG Protocol[26]. Following this analysis, the following Scope 3 categories were identified as significant:

- Category 1 - Purchased goods and services;
- Category 3 - Fuel- and energy-related activities (not included in Scope 1 or Scope 2);
- Category 4 - Upstream transportation and distribution;
- Category 11 - Use of sold products.

[21] High climate impact sectors are those listed in Annex I, sections A to H and L, of Regulation (EC) No 1893/2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022/1288). This regulation defines the statistical classification of economic activities NACE Revision 2.

[22] The broad term "emissions" refers to the direct or indirect discharge, from point sources or diffuse sources, of substances, vibrations, heat, or noise into the air, water, or soil, as outlined in Directive 2010/75/EU on industrial emissions (Industrial Emissions Directive).

[23] For the calculation of gross Scope 1 emissions, the following conversion factors were used:
- DESNZ , Conversion factors 2025: full set
According to the latest version of the "GHG Protocol Scope 2 Guidance," self-produced electricity from renewable sources has an emission impact of zero, with reference to Scope 1 of GHG emissions.

[24] The term "location-based" refers to a method of accounting for emissions resulting from electricity consumption by applying national average emission factors for the various countries where electricity is purchased.
For the calculation of gross Scope 2 GHG emissions using the location-based approach, the emission factors used to convert different energy quantities into tCO2eq are derived from the following source:
• Emissions Factors 2025 - Data product - IEA

[25] "Market-based" refers to a method of accounting for emissions that determines those arising from the purchase of electricity by considering specific factors communicated by the company's suppliers. When electricity from certified renewable sources is purchased, a zero-emission factor is attributed.
For the calculation of gross Scope 2 GHG emissions using the market-based approach, the emission factors used to convert different energy quantities into tCO2eq are derived from the following sources:
•Association of Issuing Bodies (AIB), European Residual Mixes 2024;
•Emissions Factors 2025 - Data product - IEA

[26] Specifically, the criteria used by the Group, as indicated by the GHG Protocol, to perform the materiality analysis are magnitude, risk, influence, and data availability.

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The materiality analysis was based on a set of purely qualitative criteria proposed in the aforementioned Technical Guidance, according to which the following categories were deemed non-significant, or not applicable:

- Category 2 - Capital goods (excluded)
- Category 5 - Waste generated in operations (excluded)
- Category 6 - Business travel (excluded)
- Category 7 - Employee commuting (excluded)
- Category 8 - Upstream leased assets (not applicable)
- Category 9 - Downstream transportation (excluded)
- Category 10 - Processing of sold products (not applicable)
- Category 12 - End-of-life treatment of sold products (excluded)
- Category 13 - Downstream leased assets (not applicable)
- Category 14 - Franchising (not applicable)
- Category 15 - Investments (not applicable)

The current reporting focuses on the categories currently considered significant. It is not excluded that future reports may include additional categories.

Below is the approach for managing data and emissions for the individual Scope 3 categories that were included in the reporting.

Category 1 - Purchased goods and services

For the calculation of this category, where possible, data related to disclosure requirement E5-4 ("Resource inflows") were preferably used. In this case, the emission factors were derived from the Ecoinvent v. 3.12 database.
The data in terms of mass, if not available from the management system, have been reconstructed through estimates starting from the average composition of the families of products sold.
In cases where such data were not available, the second option was to quantify the emissions associated with the purchased materials using the spend-based method, converting foreign currency into euros where appropriate.
The emission factors used for the spend-based calculations are sourced from the DEFRA database "*UK and England's carbon footprint to 2021"*, which provides emission factors in kg CO_2eq/£ for the year 2021, thus making it necessary to process these emission factors to convert them into euros and update them to 2025.
In the event that data on material inflows were not available for a company, the impact calculation for this category was reproportioned based on the purchase value of a similar company.

The emissions calculated for the entire Group, using available data based on mass, spend-based calculations, and the re-scaling method, amount to 147,500 tCO_2eq; the emissions specifically reported by the companies that provided data amount to 145,542 tCO_2eq, representing 99% of the overall amount.
The number of companies for which this category is relevant is 35 out of a total of 40. The reason why not all companies are included in the calculations is that intra-group purchases were excluded to avoid potential double counting (2 companies), 2 companies had non-significant values, and 1 company is currently in liquidation.

Category 3 - Fuel- and energy-related activities

This category relates to upstream activities associated with energy and fuels, specifically the extraction of fuels used for Scope 1 and the transmission and losses of electricity for Scope 2 GHG emissions.

The data used for the calculations are, in fact, the same as those used for calculating Scope 1 and Scope 2 GHG emission, but their processing is based on emission factors that include upstream emissions, taking into account the different emission contributions associated with the specific energy sources used.

In this specific case, no re-scaling of emissions was required, as data were available for all the companies in the Group.
The total for this category amounts to 3,320 tCO_2eq and represents 100% of the Group's emissions.

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For the calculations in this category, conversion factors were applied where appropriate to convert litres or m³ of fuel into kilograms. For electricity, the contributions related to energy transmission and grid losses required a dedicated impact modelling.
The source of the emission factors used for the electricity consumption is the *"Emissions Factors 2025 – Data product – IEA"* database, while the factors for fossil fuels were taken from the *"Conversion factors 2025: full set"* database published by DESNZ – Department for Energy Security and Net Zero.

Category 4 - Upstream transportation and distribution

For this category, only primary data from the Italian companies within the Group are available: Comet S.p.A., Emak S.p.A., Lavorwash S.p.A., PNR Italia S.r.l., Poli S.r.l., PTC S.r.l., Sabart and Tecomec S.r.l. For these companies, emissions from transport and distribution activities along the entire value chain were calculated using primary data provided by logistics operators, where available, in terms of actual emissions. Where such information was not available, a distance-based methodology was applied, relying on distances travelled and the corresponding standard emission factors.
The kilometres travelled were then multiplied by the corresponding emission factor from the DESNZ UK GHG Emission Factors 2025 database, taking into account the transported weight, the transport mode used, and considering both the Tank-to-Wheel (TTW) component and the Well-to-Tank (WTT) component.
The emissions for the remaining companies were calculated by re-scaling the emissions obtained for the Italian companies based on their turnover. The re-scaling logic is the same as that applied for Category 1.

The emissions calculated for the entire Group, using available data and the re-scaling method, amount to 12,317 tCO_2eq; the emissions specifically reported by the companies that provided data amount to 6,361 tCO_2eq, representing 52% of the overall amount.

Category 11 - Use of sold products

For this category, the finished products of the *Outdoor Power Equipment* segment and the cleaning line of the *Pumps & Water Jetting* segment were considered. For both categories, primary data on product consumption were used.

Products from the *Components & Accessories* segment and the Agriculture and Industry lines of the pumps segment were excluded. Specifically, accessories and spare parts were excluded because they do not inherently lead to energy consumption, and all pumps because they involve indirect energy consumption and, as allowed by the GHG Protocol, can be reported on an optional basis. The Group chose to apply this option also because modelling a scenario for such products would be highly complex, as it depends on the pump's final application and therefore involves a high degree of uncertainty.

The emissions calculated for the entire Group, based on the available data, amount to 697,743 tCO_2eq and represent the Group's total emissions.

To determine the emissions associated with the use of electric or battery-powered products, the average European electricity emission factor from Ecoinvent v. 3.10 was applied, without calculating emissions based on the specific destination country of the products sold, since most of the market is within Europe.
Any diesel and/or gasoline input associated with certain product types was modelled using the DESNZ emission factor representative of diesel combustion.

At a general level, several assumptions were made to model the use-phase scenario. In particular, for most products, during the product approval process the product's emissions in terms of g CO_2eq/kWh are assessed; therefore, where available, this value was used to calculate emissions.
Regarding the product's useful lifetime, the number of operating hours defined during the product approval process was considered, accounting for the total emissions expected over the useful life within the reporting year.

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The total GHG emissions are outlined below, broken down into Scope 1 and Scope 2 emissions, as well as the priority categories within Scope 3.

Total emissions (t CO2 eq)	2025	2024
Direct emissions - Scope 1	5,957.79	6,133.51
Scope 1 emissions covered by regulated emissions trading systems (%)	0.0%	0.0%
Indirect emissions - Scope 2		
Scope 2 -location-based	6,961.97	7,938.22
Scope 2 -market-based	8,842.78	9,770.94
Indirect emissions - Scope 3	860,880.44	1,211,795.40
1. Purchased goods and services	147,499.59	239,874.90
3. Fuel and energy related activities (not included in scope 1 or 2)	3,319.91	2,221.04
4. Upstream transportation and distribution	12,317.44	7,285.88
11. Use of the sold products	697,743.49	962,413.58
Total emissions - location based	**873,800.20**	**1,225,867.13**
Total emissions - market based	**875,681.02**	**1,227,699.85**

The reduction in indirect Scope 2 emissions is attributable to the update of electricity conversion factors compared with the 2024 reporting year.
Regarding the decrease in indirect Scope 3 emissions, the following should be noted:

- Category 1: part of the reduction is due to lower purchasing volumes during the year, and part to improvements in the calculation methodology (see the considerations provided for indicator E5-4);
- Category 4: the increase is attributable to the refinement of the calculation methodology, supported by a broader and more detailed dataset compared with the previous year;
- Category 11: the decrease results from lower sales volumes for certain product categories.

Below is the information related to GHG intensity in relation to net revenues:

Intensity of emissions compared to revenues - location-based	2025	2024
Total location-based emissions (t CO2 eq)	873,800.20	1,225,867.13
Net revenue (€)	612,494,394	601,914,195
Emission intensity (t CO2 eq/€)	0.0014	0.0020

Intensity of emissions compared to revenues - market-based	2025	2024
Total market-based emissions (t CO2 eq)	875,681.02	1,227,699.85
Net revenue (€)	612,494,394	601,914,195
Emission intensity (t CO2 eq/€)	0.0014	0.0020

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

As part of the *Plan to eliminate Scope 1 emissions generated by the car fleet of the Italian companies in the Group*, in 2025 the Italian companies purchased Sustainability Credits[27] from the National Park and UNESCO MAB Biosphere Reserve of the Tuscan-Emilian Apennines. These credits support sustainable and responsible forest management and local communities within the Park and were used to offset 363 tCO_2eq produced by the Italian car fleet in 2024.
The offsetting of emissions through the purchase of certified carbon credits complements the company car policy aimed at reducing environmental impact- by prioritising the inclusion of electric and hybrid vehicles, or in any case less polluting models than those currently in use, within the corporate fleet.

E1-8 – Internal carbon pricing

The Group does not apply internal carbon pricing systems.

[27] The Credits come from forests managed sustainably and responsibly, certified according to FSC and PEFC standards.

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ESRS E5 – Resource use and circular economy

ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Through the final phase of the double materiality assessment and the update for 2025 reporting, the Group determined which qualitative and quantitative information related to relevant matters should be included in this Consolidated sustainability statement. To this end, the methods outlined in ESRS 1 (including Appendix E), the Implementation Guidance 'EFRAG IG 1 – Materiality Assessment,' and the additional paper 'Links between AR16 and disclosure requirements' were followed.

The following table describes, for each relevant topic, the related impacts (positive and negative), risks and opportunities that have exceeded the materiality threshold.

LIST OF MATERIAL MATTERS AND MATERIAL IROs					
TOPIC	**MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC**	**MATERIAL NEGATIVE IMPACTS**	**MATERIAL POSITIVE IMPACTS**	**MATERIAL RISKS**	**MATERIAL OPPORTUNITIES**
E5 - Circular economy	Sustainable management of materials	Use of materials and resources with consequent reduction in their availability		Failure to comply with regulatory requirements (e.g. ESPR)	Use of secondary raw materials or semi-finished products composed of them
				Increase in the final price of the finished product due to increased production costs resulting from changes in input prices (e.g. energy, water) and output requirements (e.g. waste treatment)	
	Reduction of waste and circular economy	Production of waste, hazardous and non-hazardous		Failure to comply with regulatory compliance (e.g. Packaging and Packaging Waste Regulation - PPWR, Extended Producer Responsibility - EPR)	

For a more detailed overview, please refer to section *ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities*, in *General Information*.

E5-1 – Policies related to resource use and circular economy

The Group currently does not have formalized policies for managing the impacts, risks and opportunities related to resource use and the circular economy. Nevertheless, through its organizational system, the Group ensures full compliance with relevant laws and regulations.
According to the Organization, Management, and Control Model, in application of Legislative Decree 231/2001, the types of offenses for which the Group may be held accountable include environmental crimes under Article 25-undecies of the aforementioned decree, as introduced by Legislative Decree No. 121 of July 7, 2011[28], and amended by Article 1, Law No. 68 of May 22, 2015[29]. These crimes explicitly include: prohibition of mixing hazardous waste (Article 187 of Legislative Decree 152/06), unauthorized waste management activities (Article 256 of Legislative Decree 152/06), illegal waste trafficking (Article 259 of Legislative Decree 152/06) and organized activities for illegal waste trafficking (Article 260 of Legislative Decree 152/06).
The commitment to responsible waste management is also demonstrated through the Code of Ethics, in paragraph 4.12. Environmental Responsibility, which identifies it as one of the activities considered to be at highest risk.

[28] Implementation of Directive 2008/99/EC on the protection of the environment through criminal law, as well as Directive 2009/123/EC amending Directive 2005/35/EC on ship-source pollution and the introduction of penalties for violations.
[29] Provisions on environmental crimes (Law No. 68 of 2015) introduced new crimes to safeguard the environment in the Penal Code, thus modifying the previous regulatory framework that relied almost exclusively on contraventions and administrative sanctions, as provided by the Environmental Code (Legislative Decree No. 152 of 2006).

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The companies Emak S.p.A., Agres Sistemas Eletrônicos S.A. and PNR Italia have an Environmental Management System certified according to the UNI EN ISO 14001 standard. Additionally, to identify, monitor, and reduce the environmental impacts of their activities, the parent company Emak S.p.A. adopts an environmental policy as part of the broader integrated corporate policy, which emphasizes the search for eco-compatible materials and recyclable components in product industrial design already from the design phase.
In the selection of suppliers, the Group exclusively uses criteria related to the objective competitiveness of the services and products offered and their quality, which also includes the supplier's performance in environmental and social areas and compliance with the principles expressed in the Code of Ethics, which is promptly shared.
In general, the Group is committed, where the circumstances are met, to avoid a potential incorrect disposal of hazardous waste that could have significant impacts on the environment, despite the limited use of hazardous raw materials in its production processes.

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

Companies implement various measures [30] to reduce the amount of waste generated and, as much as possible, recover the waste materials produced from the processing of raw materials. With reference to the waste hierarchy[31], the actions taken by the Group mainly concern: prevention, recovery and disposal.
In some cases, packaging for the transport and storage of raw materials and components is reused to reduce the generation of cardboard waste and wood pallets. Where possible, waste from processing is recovered. Metal and plastic shavings, for example, are reused by the companies that generate them, sold to other companies, or returned to suppliers for processing. Some production plants have wastewater treatment systems to separate sludge and emulsions from the rest of the water, which can then be reused in the production process, and filtration systems in the machinery that allow the reuse of oil. An example comes from the Parent Company Emak S.p.A., which, to reduce the amount of hazardous emulsions generated by the painting process of the decks of its wheeled products, uses a purification system at its Pozzilli plant, allowing water to be recovered and reused in the painting process, sending only the sludge generated by the production process for disposal.
To avoid incorrect waste disposal, various companies have waste management procedures in place that define the flow of activities to be carried out and the responsible parties. Employees are trained and made aware of these procedures. Additionally, companies regularly prepare waste records and proceed to sample and verify them through specific analyses. Documentation control is periodically carried out by the designated offices. The categorization of waste and the definition of internal disposal processes are in some cases defined with the support of specialized consultants.
Industrial waste is deposited in dedicated areas, in containers suitable for the volume and type of waste and subsequently entrusted to companies that have all the authorizations required by current regulations for recovery or disposal operations. In the case of Chinese companies, waste is collected and managed by third parties designated by the local government. In 2025, the Italian companies complied with the entry into force of RENTRI, the new National Electronic Register for Waste Traceability, which digitalizes and centralizes the management of waste-flow data to ensure greater transparency and traceability.
The Group is also committed to increasing the use of recycled materials, both in its products and packaging. Already in the research and development phase, efforts are made to reduce the use of virgin raw materials by replacing them with recycled plastics and to develop products according to circular-economy principles by increasing their durability, repairability and recyclability. Regarding packaging, particular attention is paid to developing eco-friendly packaging, replacing plastic with cardboard, largely recycled and FSC (Forest Stewardship Council) certified, recycled plastic and chipboard parts. Consistent with the Group's environmental commitment, some Italian companies have adopted projects to reduce plastic consumption, using paper cups and wooden coffee stirrers in company break areas, and water dispensers where employees can fill bottles distributed free of charge to discourage the use of plastic bottles.

Finally, the Group works to increase end-user awareness and education on disposal of products at the end of their life and of packaging, promoting proper waste separation. For example, the parent company Emak S.p.A. provides useful information for the correct disposal of packaging in recycling bins both on the packaging via QR code and on the website. The website also includes a guide for the proper disposal of products.

[30] Since there is no associated policy, the implementation of the objectives does not contribute to achieving the aforementioned purpose. Currently, Emak has not established timeframes within which the company intends to complete each main action.
[31] Priority order in waste prevention and management, defined by Article 4, paragraph 1, of Directive 2008/98/EC on waste: i. prevention; ii. preparation for reuse; iii. recycling; iv. other recovery (e.g., energy recovery); and v. disposal.

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The resources allocated to manage significant impacts have not yet been defined based on the results of the double materiality assessment, but considering the basic assumptions of the business plan.

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

The Group has not yet defined improvement objectives related to resource use and the circular economy, although there are intermediate and granular objectives derived from ISO standards, referring to specific plants, such as the case of the Parent Company.
However, in compliance with the regulations of the operating countries, the Group ensures complete environmental compliance, including provisions on resource use and the circular economy.

E5-4 – Resource inflows

The Group's production companies purchase a wide variety of codes, including raw materials, components, semi-finished products and finished products. Purchases mainly focus on technical commodities such as plastics, metal and electronics products, as well as finished products. Some Group companies indirectly purchase critical raw materials in the form of semi-finished or processed products: aluminium, magnesium, lithium, graphite, nickel and copper.
In addition to the materials used for production and finished products, packaging is also purchased, mainly paper and cardboard packaging and wooden pallets.
The Group's companies are committed to making resource use as efficient as possible.

	2025					
Kg	**Technical materials**	**Biological materials**	of which organic materials that come from a sustainable supply chain	**Total**	**Weight of secondary intermediate products reused or recycled (kg)**	**Weight of secondary materials reused or recycled (kg)**
Raw materials / natural resources						
Metals (purchased as raw materials)	2,995,250.16			**2,995,250.16**		
Plastic (purchased as raw material)	9,319,589.67			**9,319,589.67**	352,534.32	
Other	96,085.16			**96,085.16**		
Materials necessary for the production process not part of the finished product						
Oils, lubricants, glues and	1,787,358.81			**1,787,358.81**		
Other	121,602.47			**121,602.47**		
Semi-finished products or components						
Plastic components	4,157,029.45			**4,157,029.45**		
Metal components	12,974,074.33			**12,974,074.33**		
Rubber components	426,368.55			**426,368.55**		
Other	1,152,172.52			**1,152,172.52**		
Packaging materials						
Paper and cardboard packaging	4,488,764.68			**4,488,764.68**	184,397.80	
Plastic packaging	490,315.22			**490,315.22**	1,670.54	
Wood Pallet	3,006,300.77			**3,006,300.77**	310,633.00	
Other	220,560.55			**220,560.55**		
Total	41,235,472.37	-	-	**41,235,472.37**	849,235.66	-
% of biological materials				0.0%		
% of secondary components and materials				2%		

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Kg	2024					
	Technical materials	**Biological materials**	of which organic materials that come from a sustainable supply chain	**Total**	**Weight of secondary intermediate products reused or recycled (kg)**	**Weight of secondary materials reused or recycled (kg)**
Raw materials / natural resources						
Metals (purchased as raw materials)	2,574,155.16			**2,574,155.16**		
Plastic (purchased as raw material)	8,918,084.27			**8,918,084.27**	344,977.36	5,500.00
Other	97,395.59			**97,395.59**		
Materials necessary for the production process not part of the finished product						
Oils, lubricants, glues and	776,125.81			**776,125.81**		
Other	71,521.10			**71,521.10**		
Semi-finished products or components						
Plastic components	9,205,183.36			**9,205,183.36**		
Metal components	24,819,893.17			**24,819,893.17**		
Rubber components	844,196.06			**844,196.06**		
Other	1,515,821.94			**1,515,821.94**		
Packaging materials						
Paper and cardboard packaging	3,941,026.18	9,675.00		**3,950,701.18**	105,159.00	
Plastic packaging	377,364.96			**377,364.96**	726.00	
Wood Pallet	2,397,258.10	31,118.00		**2,428,376.10**	229,346.00	
Other	60.51			**60.51**		
Total	55,538,086.21	40,793.00	-	**55,578,879.21**	680,208.36	5,500.00
% of biological materials				0.1%		
% of secondary components and materials				1%		

The significant overall decrease in incoming resources is largely due to the reduction in the “Semi-finished products or components” item. This change, in turn, has multiple causes. On the one hand, some of the Group’s plants recorded a decline in production volumes, which affected the quantities of products and components purchased, linked to the slowdown in demand that began in the third quarter of 2025 as a result of a worsening economic situation and increasing caution within the distribution chain. On the other hand, in 2025 the Group refined the estimation methodology used in the previous year by expanding the perimeter of companies with detailed data.

For the 2025 financial year, the resource inflows covered by this indicator were determined on the basis of the information available at each company included in the Emak Group’s reporting perimeter, using a combination of direct measurements, data extracted from corporate information systems and technical estimates, depending on the level of detail of the data available.
In particular:

- for companies equipped with structured management systems (ERP), the quantities of incoming materials were obtained directly from the information systems, using the weights associated with item codes, purchase invoices, or transport documents received during the year;
- where the weight was not available in the system, it was determined using product technical specifications, supplier documentation, weights indicated on drawing sheets, or through technical estimates validated by the Technical Departments or purchasing offices;
- for purchased components, semi-finished goods and finished products, in several cases the materials were estimated starting from the finished products (produced or sold during the year) and applying material-composition percentages and average unit weights, based on established technical assumptions consistent with the characteristics of the products;
- for raw materials and materials necessary for the production process (such as metals, plastics, oils, lubricants and auxiliary materials), the data were obtained from purchase invoices, quantities purchased during the year, or information provided directly by suppliers;
- for packaging, where precise weight data were not available, average weights for each type of packaging (paper, cardboard, plastic, pallets) were used, determined on the basis of the most complete information available within the Group and then scaled using consistent operational metrics, such as the number of machines produced or sold, quantities purchased, or, in some cases, revenue, taking as a reference the company whose business model was most similar to that being estimated.

For some companies with predominantly commercial activities or with almost exclusively intercompany purchases, resource inflows from third parties were either not significant or not present; in such cases, the data were not included or were estimated by referring to representative models of comparable manufacturing

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companies within the Group. In cases where data were available only in monetary terms, physical quantities were estimated using a prudent and consistent approach across the different entities.

E5-5 – Resource outflows

The Group's production activity mainly consists of assembling components. Consequently, waste production is primarily limited to paper and cardboard packaging, and wooden pallets. In some sites, however, a vertical production process is carried out, starting from raw materials to the finished product. These are productions that, for economic reasons and to ensure product quality, are preferably carried out internally; the productions are as follows:

- the nylon line for brush cutters and barn dividers produced by the Speed Group: starting from polymers, the extrusion process leads to the finished product. This processing accounts for around 75% of the plastic waste generated by the Group's production companies;
- the decks for wheeled grass-cutting machines produced at the Pozzilli plant with a vertical process that includes sheet metal stamping, welding and painting, which accounts for about 50% of the metal waste generated by the Group's production companies.

An element to be noted comes from the surface nickel-plating treatment of aluminium cylinders carried out at the Chinese company Tailong: the plant is equipped with a wastewater treatment system for production processes, managed by a specialized company authorized by the local government.

In 2025, hazardous waste from the Group accounted for 9.4% of the total waste and mainly consisted of aqueous washing solutions, sludge and electronic waste. The data on waste was obtained through direct measurements, particularly for the Group's manufacturing companies, or, where this was not possible, especially for commercial companies, it was estimated based on turnover.

kg		2025			2024		
EWC code	Waste (description)	Recovery	Disposal	**Waste generated**	Recovery	Disposal	**Waste generated**
Hazardous waste							
WS09	Metal			-	6	260	266
WS10	Paper and cardboard			-			-
WS11	Plastic			-			-
WS12	Wood			-			-
WS07	Hazardous electronic waste	38		38	715		715
WS13	Aqueous washing liquids	1,218	156,384	157,602		73,074	73,074
WS08	Other hazardous waste	49,653	49,793	99,446	54,324	71,124	125,448
Total hazardous waste		**50,909**	**206,177**	**257,086**	**55,045**	**144,458**	**199,503**
		Recovery	Disposal	**Waste generated**	Recovery	Disposal	**Waste generated**
Non-hazardous waste							
WS00	Metal	825,070	5,085	830,155	862,492	7,710	870,202
WS01	Paper and cardboard	716,395	65,290	781,685	818,381	64,455	882,836
WS03	Plastic	171,210	278,695	449,905	152,615	341,083	493,697
WS02	Wood	286,132	31,545	317,677	386,839	36,800	423,639
WS04	Non-hazardous electronic waste	9,108		9,108	14,043	278	14,321
WS05	Aqueous washing liquids		28,370	28,370		35,220	35,220
WS06	Other non-hazardous waste	61,018	8,375	69,393	123,661	43,297	166,958
Total non-hazardous waste		**2,068,934**	**417,360**	**2,486,294**	**2,358,031**	**528,843**	**2,886,873**
Total waste		**2,119,843**	**623,537**	**2,743,380**	**2,413,076**	**673,301**	**3,086,376**

kg	2025		2024	
	Hazardous waste	**Non-hazardous waste**	**Hazardous waste**	**Non-hazardous waste**
Preparing for reuse	140	293,637	90	344,743
Recycling	2,758	1,412,168	8,046	1,766,745
Other recovery operations	48,011	363,130	46,909	246,543
Total waste sent for recovery	**50,909**	**2,068,934**	**55,045**	**2,358,031**
Incineration	1,285	2,400	2,887	41,599
Landfill	10	-	1,168	60,538
Other disposal operations	204,882	414,960	140,403	426,706
Total waste sent for disposal	**206,177**	**417,360**	**144,458**	**528,843**

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SOCIAL INFORMATION

ESRS S1 - Own workforce

ESRS 2 SBM-2 – Interests and views of stakeholders

Emak has implemented a process for mapping and identifying priority stakeholder categories for the Group. From this analysis, carried out in line with the criteria defined by the AccountAbility 1000 (AA1000) Standard, the own workforce represents a fundamental category of stakeholders.
The level of relevance for each stakeholder category was defined based on two variables: the influence exerted by the stakeholder on the Group and the stakeholder's dependence on the Group's activities and decisions. The thematic area and main dialogue instruments attributable to the aforementioned stakeholder category, identified to establish a constructive relationship between the parties capable of meeting mutual needs in the medium to long term, are shown in the table below.

Stakeholders	Thematic area	Main instruments of dialogue
Employees	- Growth, development and training - Health and safety in the workplace - Diversity, equal opportunities and non-discrimination - Human rights and working conditions - Quality of work - Ethics, integrity and compliance - Identity and values - Industrial relations - Company welfare	- Training on values and organisational behaviour - Open day and internal events - Company portal - Internal climate survey - Periodic newsletters and other communication - Communications from the top management - Collective bargaining - Skills assessment process - Support to employees' recreational facility

For more details on how the company takes into account the results of stakeholder engagement, please refer to the paragraph *Impact, Risk and Opportunity Management*, in *General Information*.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Emak Group has identified its relevant impacts, risks and opportunities related to sustainability matters through the double materiality assessment.

LIST OF MATERIAL MATTERS AND MATERIAL IROs[32]					
TOPIC	**MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC**	**MATERIAL NEGATIVE IMPACTS**	**MATERIAL POSITIVE IMPACTS**	**MATERIAL RISKS**	**MATERIAL OPPORTUNITIES**
S1 - Own workforce	Creation and maintenance of employment		Creating a workplace that ensures the retention and attraction of new talent	Increased difficulty in finding staff, at all levels of the organizational chart (e.g. involuntary migration due to lack of opportunities for economic advancement and/or other factors)	
				Loss of know-how	
	Occupational health and safety	Injuries or other incidents in the workplace due to poor management systems and training initiatives of the Group		Health and safety risks arising from, among others, exposure to heavy machinery, moving equipment and electrical hazards	
	Improvement of employee wellbeing		Possibility of positively influencing the level of psycho-physical well-being of employees, with a consequent impact on		

[32] Relevant IROs do not concern specific groups of people.

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			the actual opportunity for each employee to fully realize their potential, through the offer of a positive, healthy working environment characterized by a set of programs aimed at improving the work-life balance of employees, promotion of dedicated interventions and practices		
			Possibility of promoting a healthier and more collaborative working climate, reducing tensions and internal conflicts, mitigating reputational damage, sanctions and disputes		
	Training and education for workers		Opportunity for each employee to fully realize their potential thanks to the presence of stimulating career paths	Reduced productivity due to lower operational agility, lack of development and implementation of know-how and lower flexibility of a workforce unable to adapt quickly to new technologies and processes	Development of employee potential and consequent increase in productivity Increased corporate attraction and retention
	Promotion of diversity and equal opportunities		Possibility of promoting the creation of a healthier, more inclusive, attractive and high-performing work environment, in order to protect the level of psychological well-being of employees, their sense of belonging and active involvement, respect for personalities and professionalism		
	Respect for human rights in business activities	Failure to respect the personal freedom of individuals and human rights in the broad sense, including prevention and combating child, forced or compulsory labour			

The results of the analysis, as well as any relevant risks and opportunities for the Group arising from impacts and dependencies, are detailed in the table in the section *SBM-3– Material impacts, risks and opportunities and their interaction with strategy and business model*.
All own workers involved in Emak's activities are included in the scope of disclosure under ESRS 2.
The Group relies predominantly on employees with permanent contracts.
Regarding the type of non-employee workers included in the own workforce, they consist mainly of agency workers.

The negative impacts identified are typical of companies and Groups that carry out production activities and have locations worldwide: one actual, *'Injuries or other incidents in the workplace due to poor management systems and training initiatives of the Group*,' related to occupational health and safety; one potential, *'Failure to respect the personal freedom of individuals and human rights in the broad sense, including prevention and combating child, forced or compulsory labour,*' related to respect for human rights in business activities.

Additionally, five positive impacts have been identified, all actual and related to personnel management activities, extendable to employees at all levels, and, where possible, also to non-employee workers that make up the Group's workforce.

No operations at high risk of forced or compulsory labor, or child labor have been identified.

For further information, please refer to section *ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*, in General information.

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S1-1 – Policies related to own workforce

The people and collaborators involved in the Group's activities constitute a strategic and valuable resource. For this reason, the Group is committed to ensuring the respect of their rights, promoting their well-being and fostering their professional growth.
The Emak Group supports and respects human rights and promotes compliance with applicable labor regulations. The Group considers impartial treatment a fundamental value in all internal and external relationships and regards the individual, their values and their rights as values to be protected. The conduct of every employee and collaborator must comply with the legislative and contractual provisions governing employment relationships.
Given the Group's organizational structure and strong presence both in Italy and abroad, in order to manage all personnel oversight and management activities in a coordinated and consistent manner, the Group has established a dedicated Committee composed of members from the Human Resources function of each Italian company, which coordinates and oversees personnel-related activities of the respective foreign subsidiaries. A global HR platform has also been implemented, a software solution that enables the Group to standardize and improve Human Resources management processes, particularly with regard to performance evaluation, recruitment and selection and succession planning.
All Group companies are subject to the provisions of the Code of Ethics, based on the Universal Declaration of Human Rights, the ILO (International Labour Organization) Conventions and the UN Convention on the Rights of the Child[33]. Through the dissemination of the Code of Ethics, the companies establish a framework aimed at ensuring respect for human rights, even in areas with higher potential risk related to these issues and that includes guidelines regarding the prohibition of any form of discrimination, explicitly addressing the issue of forced or compulsory labor and child labor[34]. Measures to remedy any negative impacts on human rights would be established based on the specific circumstances of the case that may arise.
It should be noted that Speed Line South Africa adheres to the ETI Base Code, an internationally recognized code based on the conventions of the International Labour Organization (ILO) regarding working conditions and workers' rights, available for consultation on the company notice board.
The Group is committed to respecting the individual dignity and physical and moral integrity of each person, protecting diversity, ensuring equal opportunities and promoting personal, professional and cultural growth without implementing or supporting any form of discrimination. This commitment, pervasive in the daily operations within the Group, is explicitly stated in the procedure 'Ethical Management of Human Resources' in force at the parent company Emak S.p.A.
Furthermore, the implementation of an Integrated Management System demonstrates the concrete commitment of the parent company Emak S.p.A. to adopt socially responsible behaviors. In light of this, 100% of the activities at Emak S.p.A are subject to audits regarding respect for human rights or assessment of the impact on human rights.

The Parent Company has also obtained in March 2025 the voluntary certification under UNI/PdR 125:2022 on gender equality. This certification is awarded to companies that have implemented corporate policies aimed at reducing gender disparities, from pay gaps to career opportunities, parental protection, and any other form of inequality between men and women found in the workplace. The purpose of this certification is to promote, at the corporate level, the adoption of policies and procedures supporting gender equality and women's empowerment, thereby increasing opportunities for women to access the labour market and leadership positions, while harmonizing work–life balance.
The Group companies also facilitate the inclusion of people with disabilities within their business activities according to the respective national laws, such as Law 68/99 and subsequent amendments in Italy and the guidelines of the U.S. Equal Employment Opportunity Commission (EEOC) in the United States. In some cases, the policies are broader than the regulations. For example, Emak S.p.A., Tecomec and Comet have developed increasingly close collaboration over the years with a social cooperative that employs disabled people, which is realized through outsourcing assembly/packaging activities.

As for the measures to prevent occupational injuries, the Group's companies are committed to complying with national regulations on health and safety at work (for example, in Italy, D.lgs. 81/08; in Brazil, PCMSO - Programa de Controle Médico de Saúde Ocupacional and PGR - Programa de Gerenciamento de Riscos Ocupacionais) through the adoption of specific management systems that encompass all employees, internal and external collaborators operating within the Group's workplaces. In more structured companies, the implemented system adheres to the stricter requirements prescribed by specific certifications (e.g., ISO 45001:2018 certification). In this regard, it should be noted that PNR Italia and Agres have obtained ISO

[33] The Group currently does not have structured mechanisms in place to verify compliance with the OECD guidelines.
[34] The Code of Ethics does not explicitly refer to the fight against human trafficking.

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45001:2018 certification for “Occupational Health and Safety Management Systems”. Management systems are updated in response to significant changes in business processes, new legislation and in any case at least as frequently as required by applicable regulations. In some of the Group’s companies, the management relies on the support of an external consulting firm for the implementation of the occupational health and safety management system.

S1-2 – Processes for engaging with own workers and workers’ representatives about impacts

Worker involvement is given significant importance within the Group. The processes are formalized in national collective agreements and/or company-level agreements, where applicable. Otherwise, they represent an established practice within the various Group companies.
Relations with workers or their representatives are usually managed by the HR function. Periodically, the top management meets with workers’ representatives to share updates on the company’s performance and to address specific matters of interest.
Additionally, informal but regular meetings are organized with worker safety representatives where health and safety issues are addressed in search of solutions. With varying frequency and methods, the different companies conduct internal climate surveys to assess the degree of employee satisfaction and identify any areas of intervention to improve the working environment and the well-being of the Group's people, strengthen the level of engagement and motivation, identify needs and expectations and strengthen and promote the corporate culture. Among the topics addressed in the analysis are corporate organization, belonging to the company, the relationship with supervisors, professional development opportunities, health and safety and environmental aspects. Additionally, the Group companies annually conduct employee performance evaluations through interviews or questionnaires to identify any gap, the result of which contributes, together with the analysis of specific training needs and specific requests for updating, to the definition of precise training plans to be implemented in the following year.
Tecomec has also introduced an internal communication app, which is used to share information and to administer surveys on specific topics
Some companies are carrying out employer branding initiatives aimed at increasing the company’s external attractiveness and reducing employee turnover.
The Group is also committed to establishing dialogue relationships with its employees to balance the needs of the people with the growth objectives of the Group. This commitment is reflected in the adoption of various categories of contracts: from national and/or sector bargaining, to collective and/or company agreements, to individual contracts.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

The Group adopts a consolidated approach to manage and mitigate any potential negative impacts on its workers, relying on internal regulations, specific policies, and operational tools that ensure compliance with corporate and regulatory standards, such as the Group’s Code of Ethics.
In compliance with the applicable legislation concerning the protection of individuals who report violations or irregularities encountered in the course of their employment, Emak S.p.A. has implemented a reporting channel through which reports can be submitted to the Whistleblowing Manager. The platform, managed by a third party and accessible to all employees through the Group’s website, is available in both Italian and English. Confidentiality is guaranteed to whistleblowers to prevent any form of retaliation or penalization. Reports are assessed by the bodies responsible for verifying compliance with the Code of Ethics (the Supervisory Body, where present, or designated company managers), so that the Group may adopt appropriate disciplinary measures, which must be proportionate to the seriousness of the violations identified. Information regarding the implementation of the platform and its use has also been communicated to employees through training activities.

With regard to the protection of health and safety, the Group’s companies encourage their employees to report hazards and dangerous situations related to their work. Workers are required to report any incidents or potentially dangerous situations, which are then assessed by the competent bodies and, if necessary, by external experts, in order to define the improvement and implementation actions to be carried out. In the Italian companies and in the more structured foreign companies, formal and structured procedures are in place that set out how reports must be made and the process for their evaluation, analysis and closure. Every worker has the right and duty to report hazards and dangerous situations: reports are assessed so that any activity can be suspended and/or the risk removed immediately. Employees may submit their reports either anonymously or in person, by contacting a dedicated telephone number or by delivering specific forms in designated boxes, or to Supervisors, Workers’ Representatives, or Health and Safety Representatives.

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S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Group adopts an approach that combines various initiatives to effectively manage significant impacts on the workforce, make use of available opportunities and reduce potential risks, fostering an inclusive and respectful working environment, which focus on the following areas: employee training and well-being, promotion of equal opportunities, health and safety protection. The Group is engaged in various activities aimed at complying with regulations with the goal of avoiding any significant negative impacts on its workforce[35].
Regarding significant negative impacts related to the own workforce, the Group has undertaken the following actions to prevent or mitigate them:

- For the actual negative impact "*Injuries or other incidents in the workplace due to poor management systems and training initiatives of the Group*", in addition to complying with the national regulations in place, the Group has adopted specific management systems that cover all employees, internal and external collaborators operating within the Group's workplaces - which in some companies are inspired by the most stringent requirements for specific certifications (see section *S1-14 – Health and safety metrics*);
- For the potential negative impact "*Failure to respect the personal freedom of individuals and human rights in the broad sense, including prevention and combating child, forced or compulsory labour*", the Group has established a Committee composed of members from the Human Resources function of each Italian company to coordinate and oversee personnel-related activities of the respective foreign subsidiaries, a global HR platform and various other communication channels, as well as a Group Code of Ethics aligned with authoritative international guidelines and requirements (see *S1-1 – Policies related to own workforce*).

Measures to remedy any significant impacts would be established based on the specific circumstances of the case that may arise.
The processes by which the Group determines what action is necessary and appropriate in response to a particular negative impact, whether actual or potential, are defined based on the corporate strategies to be pursued.
Instead, for the risks identified as significant and related to the issues of Creation and maintenance of employment, Training and education for workers and Occupational health and safety protection, the Group has the following ongoing actions:

- in the first two cases, actions related to the introduction of corporate welfare tools aimed at ensuring a good work-life balance for employees, training and skill enhancement opportunities, measures to protect diversity and to guarantee equal opportunities (see respective sections in Social Information);
- in the latter case, the strict measures previously mentioned regarding health and safety apply (see section *S1-14 – Health and Safety Metrics*).

The resources allocated to manage significant impacts have not yet been defined based on the results of the double materiality assessment, but considering the basic assumptions of the business plan.

Regarding the promotion of diversity and equal opportunities, the Group is committed to respecting the individual dignity and physical and moral integrity of every person, protecting diversity, ensuring equal opportunities and promoting the personal, professional and cultural growth of individuals, without implementing or supporting any form of discrimination.
In 2025, the parent company Emak S.p.A. obtained the UNI/PdR 125:2022 Gender Equality certification, awarded to companies that have implemented corporate policies and work–life balance measures ensuring gender equality in everyday corporate life.
In general, the Group carries out recruitment and selection processes that ensure the inclusion of female candidates whenever their profiles are consistent with the open positions, guaranteeing the application of the principles of merit, competence and non-discrimination, in line with the Group's Code of Ethics. To ensure greater fairness, part of the selection process is sometimes conducted through practical tests, allowing for an on-site assessment of candidates' specific technical skills.
To facilitate work–life balance and enable individuals to meet family care needs, several Group companies have introduced permanent individual remote working agreements for employees whose roles are compatible with remote work. In cases of specific work-related and/or personal needs, some companies also allow fully remote work and, particularly for parents with young children, grant part-time arrangements upon request. A system of flexible working hours for arrival and departure is also in place, following the same logic.
Another example of the Group's attention to its employees concerns Agres. The Brazilian company offers employees, upon the birth of a child, a bonus equivalent to an additional month's salary and implements

[35] The Group currently does not aim to produce additional positive impacts and therefore does not monitor or evaluate their effectiveness.

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support measures for parents of children with special needs, making work rules more flexible according to specific requirements: measures that are in addition to those already provided for under local legislation. Agres is also enrolled in the “Programa Empresa Cidadã.” The program, established by Law No. 11.770/2008, extends maternity leave by sixty days and paternity leave by fifteen days, in addition to the five days already established (Law No. 13.257/2016). The track record shows a 100% return-to-work rate after parental leave.
The Group’s companies also facilitate the inclusion of people with disabilities within their business activities in accordance with the requirements provided by the respective national laws, such as Italian Law 68/99 and subsequent amendments, and the guidelines of the U.S. Equal Employment Opportunity Commission (EEOC) in the United States. In some cases, the policies adopted go beyond the legal requirements. Emak S.p.A., Tecomec and Comet, for example, have developed over the years an increasingly close collaboration with a social cooperative employing people with disabilities, which takes the form of outsourcing activities such as assembly and packaging.
In line with the Group’s commitment to enhancing diversity and promoting equal opportunities, in 2025 Tecomec continued the project carried out in partnership with the *“Oscar Romero”* Social Solidarity Consortium, located in Reggio Emilia, that allows employees to engage in volunteer activities at the “*Nessuno Escluso*” socio-occupational center during working hours, taking part in creative activities alongside the cooperative’s users with severe disabilities.

With regard to health and safety, to ensure full compliance with applicable regulations, internal legislative compliance audits are carried out based on defined checklists and with reference to the various corporate procedures. The Group’s activities are generally aimed at preventing accidents, injuries and occupational diseases; accordingly, the design, operation and maintenance of equipment and facilities, including workplace cleaning operations, are all directed toward this objective. In some cases, Italian safety standards have also been applied in countries with less stringent regulations.
All Group companies are committed to identifying and eliminating hazards and minimizing risks in pursuit of continuous improvement. For each type of job, ongoing assessments and analyses are carried out, resulting in the preparation of an adaptation and improvement plan in which the Head of the Prevention and Protection Service continuously records new risks or potential danger situations (near-miss events), the measures implemented by the company to reduce the risk and the residual risk. Reports and the resulting updates to improvement initiatives are reviewed during periodic meetings between the Head of the Prevention and Protection Service, the workers’ safety representatives and company management, or within dedicated safety committees. The priority level of interventions is determined based on the likelihood and severity of potential injuries. The functions involved are responsible for sharing the proposed improvement or adjustment actions, raising any critical issues or newly reported hazards/risks from workers and communicating the progress of the improvement actions discussed, with the aim of keeping workers engaged regarding safety and prevention measures. Italian companies prepare the risk assessment document, which is updated periodically, and in any case at least every three years, by the employer in collaboration with the Head of the Prevention and Protection Service, the Prevention and Protection Service Officer, the occupational physician and the workers’ safety representatives. Companies that do not have an internal dedicated function collaborate with external professionals in drafting and implementing the procedures and activities required to comply with local regulations. The Group’s manufacturing companies, being more structured and therefore more exposed to health and safety risks, have dedicated committees that, in their broader composition, include workers’ safety representatives, the employer’s delegate, the production manager and the HR director. During the meetings, workers’ reports and requests, improvement proposals and the progress of planned safety-related activities are reviewed.
The Group supports the continuous improvement of workers’ health and safety by providing the human, technical and financial resources necessary to achieve its objectives. To facilitate work activities, particularly in production departments, ongoing improvement actions are implemented to enhance ergonomics and reduce risks, going beyond legal requirements. Several companies are introducing machinery in production areas that automates certain tasks and reduces manual work.
Workstation improvement initiatives are directed at all categories of workers, including employees, agency workers and interns. Particular attention is paid to training and raising awareness among personnel on health and safety topics, with specific reference to the tasks performed. Examples include courses on load handling, the use of machinery (e.g., forklifts), emergency and fire-prevention procedures and training for workers’ safety representatives and first-aid personnel.
To raise employee awareness and strengthen the corporate consciousness of the importance of safety within the organization, the Brazilian company Agres organizes an annual week dedicated to the prevention of work-related injuries. During this week, training sessions and workshops are held, including, for example, demonstrations on proper load-lifting techniques and more interactive moments such as employee quizzes.
With regard to health and safety matters, and in particular training, health surveillance and the provision of personal protective equipment, agency workers are treated in the same way as employees. In the case of

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contractors operating within the Group's companies, continuous checks are carried out to ensure that their workers comply with training requirements, health surveillance obligations and insurance coverage, also with the support of dedicated management software that automates the collection and verification of the relevant documentation.
The Group is strongly committed to preventing and mitigating negative impacts on occupational health and safety directly connected to its activities and products through product and component safety testing, product certification and the selection of suppliers also based on environmental and ethical requirements, which include worker health and safety considerations. Furthermore, the machine tools owned by Group companies and used at supplier sites comply with the safety requirements established by applicable regulations and are certified. In the event of maintenance needs or any critical issues, the company intervenes, either directly or through qualified external personnel, to restore safety conditions or to carry out the specific maintenance required for the machine.
Finally, among the corporate welfare tools, some companies provide employees with supplementary health insurance coverage and access to preventive care services, as well as medical and sports-related special rates.

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

The Emak Group has not yet defined consolidated and quantitative targets related to the material impacts identified in connection with the management of its workforce, although there are intermediate and more granular ones, deriving from ISO standards and referring to specific sites, as in the case of the Parent Company.
However, recognizing that investing in human capital is a strategic lever, the Group has already structured a series of initiatives capable of improving and monitoring, also through certified management systems and dedicated communication channels, the healthiness and safety of the working environment, the development of key competencies, and the promotion of a corporate culture based on inclusion and well-being.

S1-6 – Characteristics of the undertaking's employees

As of 31 December 2025, the Group's total employees amount to 2,504 people, a decrease of 1% compared to the previous year (2,527 employees in 2024). Male employees account for 66.2% of the workforce (66.8% in 2024), while women represent 33.8% (33.2% in 2024).

HC	2025					2024				
Employees at the end of the period / by gender	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Total	846	1,658			**2,504**	839	1,688			**2,527**

HC	2025					2024				
Employees by gender / geographical area	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Italy	377	814			**1,191**	364	802			**1,166**
United Kingdom	5	4			**9**	4	7			**11**
Spain	12	23			**35**	13	26			**39**
France	70	101			**171**	60	105			**165**
Poland	9	31			**40**	9	31			**40**
Ukraine	6	17			**23**	6	17			**23**
Germany	6	2			**8**	4	4			**8**
Sweden	2	6			**8**	2	4			**6**
United States	84	203			**287**	89	206			**295**
Brazil	68	225			**293**	74	233			**307**
Mexico	3	18			**21**	2	19			**21**
Chile	11	20			**31**	14	19			**33**
China	193	172			**365**	198	187			**385**
South Africa		22			**22**		28			**28**
Total	**846**	**1,658**	**-**	**-**	**2,504**	**839**	**1,688**	**-**	**-**	**2,527**

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Confirming the Group's commitment to building strong and long-lasting professional relationships, permanent contracts remain predominant, accounting for 95% of all employment contracts.

HC	2025					2024				
Employees by gender/contract type	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Temporary employees	49	64			**113**	60	89			**149**
Permanent employees	797	1,594			**2,391**	778	1,599			**2,377**
At variable hours					**-**	1				**1**
of which on-call contract					-	*1*				*1*
of which casual employees					-					-
Total	**846**	**1,658**	**-**	**-**	**2,504**	**839**	**1,688**	**-**	**-**	**2,527**

HC	2025					2024				
Employees by type of employment/by gender	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Full-time	752	1,605			**2,357**	745	1,629			**2,374**
Part-time	94	53			**147**	94	59			**153**
Total	**846**	**1,658**	**-**	**-**	**2,504**	**839**	**1,688**	**-**	**-**	**2,527**

During the reporting period, 338 employees left the company, resulting in an overall turnover rate[36] of 13%.

HC	2025					2024				
Terminations	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Up to 29 years old	26	56			**82**	51	90			**141**
30 to 50 years old	48	114			**162**	68	131			**199**
Over 50 years	25	69			**94**	27	50			**77**
Total	**99**	**239**	**-**	**-**	**338**	**146**	**271**	**-**	**-**	**417**

HC	2025					2024				
Reason for termination	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Voluntary exits	63	119			**182**	85	149			**234**
Retirement	9	19			**28**	11	16			**27**
Dismissal	19	67			**86**	38	82			**120**
Death		2			**2**		3			**3**
Other (e.g. end of temp. contracts)	8	32			**40**	12	21			**33**
Total	**99**	**239**	**-**	**-**	**338**	**146**	**271**	**-**	**-**	**417**

The number of employees as of 31 December 2025 reported in the management report was determined using the same calculation methodology applied in the consolidated sustainability statement.

[36] The turnover rate is calculated as the ratio between the number of terminations and the total number of employees as of 31st December 2024.

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S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

In 2025, the average number of non-employee workers within the Group's own workforce amounted to 156 people, a decrease of 20.2% compared to the previous year.

	2025					2024				
Average number in the period / by gender	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Agency workers	50	96			**146**	60	121			**181**
Interns	2	2			**5**	5	4			**9**
Coordinated and continuous collaboration (Co.co.co)					**-**		0.2			**0.2**
VAT number	1	4			**5**	1	5			**6**
Seasonal workers		0			**0**					**-**
Workers for recruitment, selection and supply activities					**-**					**-**
Other		1			**1**					**-**
Total	**54**	**103**	**-**	**-**	**156**	**65**	**131**	**-**	**-**	**196**

The average number of external workers is calculated as the ratio between the total number of hours worked and the total number of workable hours in a year.

S1-9 – Diversity metrics

Regarding the breakdown of employees by age group, the majority of employees fall within the 30 - 50 age group (54% corresponding to 1,353 people); 35% of the employees is over 50 years old (868 people), while 11% are under 30 (283 employees).

HC	2025					2024				
Employees by age group/by gender	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Up to 29 years old	86	197			**283**	81	226			307
30 to 50 years old	485	868			**1,353**	496	876			1,372
Over 50 years	275	593			**868**	262	586			848
Total	**846**	**1,658**	**-**	**-**	**2,504**	**839**	**1,688**	**-**	**-**	**2,527**

%	2025					2024				
Employees by age group / by gender %	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Up to 29 years old	3.4%	7.9%	0.0%	0.0%	**11.3%**	3.2%	8.9%	0.0%	0.0%	**12.1%**
30 to 50 years old	19.4%	34.7%	0.0%	0.0%	**54.0%**	19.6%	34.7%	0.0%	0.0%	**54.3%**
Over 50 years	11.0%	23.7%	0.0%	0.0%	**34.7%**	10.4%	23.2%	0.0%	0.0%	**33.6%**
Total	**33.8%**	**66.2%**	**0.0%**	**0.0%**	**100.0%**	**33.2%**	**66.8%**	**0.0%**	**0.0%**	**100.0%**

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HC	2025					2024				
Employees by category / by gender	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Executives	20	98			**118**	18	108			126
Employees	450	778			**1,228**	429	758			1,187
Workers	376	782			**1,158**	392	822			1,214
Total	**846**	**1,658**	**-**	**-**	**2,504**	**839**	**1,688**	**-**	**-**	**2,527**

%	2025					2024				
Employees by category / by gender %	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Executives	0.8%	3.9%	0.0%	0.0%	**4.7%**	0.7%	4.3%	0.0%	0.0%	**5.0%**
Employees	18.0%	31.1%	0.0%	0.0%	**49.0%**	17.0%	30.0%	0.0%	0.0%	**47.0%**
Workers	15.0%	31.2%	0.0%	0.0%	**46.2%**	15.5%	32.5%	0.0%	0.0%	**48.0%**
Total	**33.8%**	**66.2%**	**0.0%**	**0.0%**	**100.0%**	**33.2%**	**66.8%**	**0.0%**	**0.0%**	**100.0%**

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S1-11 – Social protection

In 2025, 97% of employees are covered by social protection tools. The most common programs against income loss due to major life events are listed below:
a) illness;
b) unemployment from the moment the employee starts working for the company;
c) work-related injury and acquired disability;
d parental leave; and
e) retirement.

41 employees are not covered by social protection: 4 in Brazil, as local regulations do not provide coverage for partners/managers; 33 in the United States, due to employees' choice despite the option offered by the Company; and 4 in China, as local regulations do not provide coverage for rehired retirees.

S1-12 – Persons with disabilities

The Group's companies also facilitate the inclusion of people with disabilities within their business activities according to the respective national laws, such as Law 68/99 and subsequent amendments in Italy and the guidelines of the U.S. Equal Employment Opportunity Commission (EEOC) in the United States. In some cases, the policies are broader than the regulations.

In 2025, the percentage of employees with disabilities within the Group amounted to 4.0%.

	2025					2024				
HC	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Employees with disabilities / protected categories	27	72			**99**	28	86			**114**

	2025					2024				
%	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
% Employees with disabilities / protected categories	3.2%	4.3%			**4%**	3.3%	5.1%			**5%**

S1-13 – Training and skills development metrics

The Emak Group invests in the growth of its people through training and a focus on achieving specific results, offering dedicated and refresher courses aimed at strengthening the specific skills of each resource within the organization.
The planning of training and skills-development projects is defined on the basis of the corporate strategies to be pursued. The various companies within the Group conduct an annual performance evaluation of employees, through interviews or questionnaires, in order to identify any gaps. The results, together with the analysis of specific training needs and requests for updates, contribute to the definition of precise training plans to be implemented during the following year.

The percentage of employees (broken down by gender) who took part in periodic performance and career-development reviews is 47% (45% of women and 49% of men).

%	2025					2024				
	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Employees evaluated / by gender	45%	49%			**47%**	28%	30%			**29%**

	2025					2024				
%	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Reviews conducted versus those agreed upon by management/by	166%	150%			155%	155%	140%			**144%**

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In 2025, training and skills-development activities amounted to a total of 28,441 hours, an increase compared to the 25,253 hours recorded in 2024. The per-capita average was 11 hours, in line with the previous year.

h	2025					2024				
Average hours of training/employee	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Executives	15	10			11	20	7			9
Employees	13	14			14	12	14			13
Workers	9	8			9	7	7			7
Total	**11.4**	**11.4**			**11.4**	**9.9**	**10.1**			**10.0**

The main types of training and development provided include:

- **language training,** aimed at strengthening language skills and obtaining certifications;
- training on **health and safety** topics, focused on learning legal and/or company regulations on safety;
- **training on the 231 Model**, on **anti-corruption** topics, and on compliance with local legislation;
- **technical and specialist** courses, covering both IT topics (e.g., Excel, Word and Marketing courses) and the development of skills needed to perform assigned roles competently and safely (e.g., driving and using forklifts or specific training for product development);
- **managerial development** courses and Executive Master programs to support the continuous improvement of managerial capabilities and tools for employees in positions of responsibility or working in specific areas (such as logistics, sales, administration and sustainability);
- **specialized training delivered by internal instructors**, made possible through a mapping of internal skills that facilitated the exchange of hard skills (such as Excel and product training) and soft skills (effective communication – youth group);
- individual and group **coaching** programs for personal and professional development.

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S1-14 – Health and safety metrics

Health and safety in the workplace are a priority for the Emak Group. Through continuous risk analysis and training activities, the Group is committed to creating a safe and healthy working environment for its people, adopting appropriate measures and procedures aimed at preventing accidents and health damages. The main types of injuries include contusions and lacerations, as well as muscle strains, joint pain, sprains and fractures.

Below are the detailed data:

Accidents at work - Employees	**2025**	**2024**
Total accidents recorded	**54**	**49**
Commuting accidents	*3*	*1*
Mortals	-	-
Total hours worked	4,606,290	4,504,468
Days absent due to injuries	1,465	1,083
Accident indices		
Accident Frequency Index	11.72	10.88
Injury Severity Index	0.32	0.24

Accidents at work - Non-employee workers	**2025**	**2024**
Total accidents recorded	**10**	**6**
Commuting accidents	*1*	*1*
Mortals	-	-
Total hours worked	274,351	359,352
Days absent due to injuries	54	87
Accident indices		
Accident Frequency Index	36.45	16.70
Injury Severity Index	0.20	0.24

Accident Frequency Index = No. of accidents/hours worked x 1,000,000
Injury Severity Index = Days absent injuries/hours worked x 1,000

Occupational Diseases - Employees	**2025**	**2024**
Professional diseases	**2**	**3**
Mortals	-	-
Days of absence due to occupational disease	283	270

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S1-15 – Work-life balance metrics

The Group has implemented corporate welfare tools to ensure a good work–life balance for all collaborators, such as individual remote working agreements and a system of flexible working hours for clock-in and clock-out times, as well as the option of part-time agreements for parents of young children, in order to meet family-care needs.

Family leave (HC)	2025					2024				
	Woman	Man	Other	Not communic.	**Total**	Woman	Man	Other	Not communic.	**Total**
Percentage of employees who took family leave out of eligible employees	5%	4%			**5%**	9%	7%			**7%**
Percentage of employees eligible for family leave out of total employees	99%	99%			**99%**	100%	98%			**99%**

S1-16 – Compensation metrics (pay gap and total compensation)

For the calculation of the annual pay ratio, the fixed base salary and any allowances, bonuses, commissions and variable MBO components paid during the year to employees in service as of 31 December 2025 were considered, excluding those hired in 2025. Long-term incentives were also included on an accrual basis, even if not yet vested.
The ratio between the total annual compensation of the highest-paid person and the median total annual compensation of all employees[37] (excluding the aforementioned person) is 14.

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

During the reporting period, as well as the two preceding years, no incidents of discrimination[38], including harassment, were reported or identified, nor were any serious human rights incidents identified.

[37] For the calculation of the median annual total compensation of employees, those hired during 2025 were excluded.
[38] Work-related discrimination incidents can be related to gender, race or ethnic origin, nationality, religion or personal beliefs, disability, age, sexual orientation, or other relevant forms of discrimination.

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ESRS S2 - Workers in the value chain

ESRS 2 SBM-2 – Interests and views of stakeholders

As mentioned in other sections, the following table presents the thematic area and the main instruments of dialogue attributable to the stakeholder category of workers in the value chain, identified with the aim of establishing a constructive relationship between the parties, capable of meeting mutual needs over the medium to long term.

Stakeholders	Thematic area	Main instruments of dialogue
Distributors OEM	- Anticipation and understanding of customer expectations and needs - Customer trust and satisfaction - Product quality and safety	- Institutional website - Assessment of customer satisfaction - Management of claims - Pre and after-sale customer service - Commercial communications - Participation in trade fairs and events
Direct materials suppliers and finished product suppliers	- Transparency - Ethical responsibility - Human rights and working conditions - Continuity in relations - Qualification and assessment - Negotiating conditions - Development of partnerships	- Institutional website - Participation in initiatives and events - Negotiation relationships

The Group has identified the supply chain as the only area in which it could have an impact on the interests, opinions and rights of workers in its value chain. In particular, the potential impact is linked to work-related rights of workers in the supply chain and is associated with the failure to guarantee the personal freedom of individuals and human rights in a broad sense, including prevention and combating child, forced or compulsory labour.

For more details on how the company takes into account the results of stakeholder engagement, please refer to the section *Management of Impacts, Risks and Opportunities*, in *General Information*.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality assessment carried out by the Group made it possible to identify significant indirect impacts related to workers throughout the entire value chain.

LIST OF MATERIAL MATTERS AND MATERIAL IROs					
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	MATERIAL RISKS	MATERIAL OPPORTUNITIES
S2 - Workers in the value chain	Other work-related rights	Failure to guarantee the personal freedom of individuals and human rights in a broad sense, including prevention and combating child, forced or compulsory labour			

The results of the assessment are presented, in greater detail, in the table included in the section *SBM-3– Material impacts, risks and opportunities and their interaction with strategy and business model*.

Workers most exposed to significant negative impacts resulting from the Group's activities are those operating in countries where human rights regulations are less stringent. Specifically, the Group has identified that the most significant impacts related to human rights violations, such as child labor and forced or compulsory labor, arise from suppliers operating in non-European countries. This is because suppliers located in Europe and, more broadly, in Western countries, are subject to stricter regulations. To prevent unethical practices toward workers in its supply chain, the Group conducts periodic audits that also address social issues concerning its suppliers, as detailed in paragraph *G1-2 – Management of relationships with suppliers*. Therefore, the potential

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negative impacts are primarily linked to specific commercial relationships in geographical areas most exposed to these risks.

All workers in the value chain involved in Emak's activities are included within the scope of disclosure pursuant to ESRS 2.

For a more detailed overview, please refer to section *ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and the business model*, in *General Information*.

S2-1 – Policies related to value chain workers

The management of impacts, risks and opportunities related to workers in the value chain is a fundamental issue for the Group, which addresses these matters through its Code of Ethics; no dedicated and formalised policy is in place. This document defines the values and behavioural principles that guide the Group's operations and establishes the commitments to be fulfilled in dealings with all parties involved in the value chain. The Code of Ethics applies to all Group companies, both in Italy and abroad, and is shared with all new suppliers, who are required to comply with the principles and values it contains. In line with the Universal Declaration of Human Rights, ILO Conventions and the UN Convention on the Rights of the Child, the Group explicitly prohibits the use of child labour and forced labour, as well as any discriminatory or coercive practices of any kind, while always ensuring the safety and well-being of its workers.

The Group has formalised in its Code of Ethics its commitment to assessing its suppliers not only in terms of product quality but also with respect to social issues, through periodic audits that examine workplace safety and labour ethics. These audits focus mainly on suppliers operating in countries with less stringent local regulations, considered to be at higher risk regarding human rights and working conditions. To this end, for example, the parent company Emak S.p.A. requires its main suppliers to sign a commitment[39] in which they undertake to strictly comply with international social standards, with particular attention to avoiding the use of child and forced labour, ensuring safe and healthy working conditions and respecting freedom of association and the right to collective bargaining. In addition, any form of discrimination, verbal abuse or corporal punishment is prohibited, and suppliers are required to guarantee adequate wages and working hours that comply with local regulations.

To verify compliance with these commitments, the Group periodically carries out audits, conducted by its own staff, as part of routine technical-commercial activities, to ensure that all suppliers meet the minimum requirements established by the relevant regulations. Should negative impacts on human rights occur, the measures to remedy them would be assessed based on the specific characteristics of the case. In 2025, no cases of non-compliance with international human-rights principles, such as those established by the United Nations, the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises, were reported.

S2-2 – Processes for engaging with value chain workers about impacts

While recognising the importance of actively engaging workers throughout the entire value chain, the Group is still evaluating and developing a structured and consolidated approach. Currently, the adopted approach consists of targeted initiatives and specific actions, but a uniform and systematic mechanism to ensure stable and continuous large-scale engagement has not yet been implemented. One example is the engagement of a sample of value-chain workers through a questionnaire, for the purpose of updating the double-materiality assessment during the previous year.

For more details on how the company takes into account the outcomes of stakeholder engagement, please refer to the section *Management of Impacts, Risks and Opportunities*, in *General Information*.

[39] The Group does not have a Supplier Code of Conduct.

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S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

To date, the Group does not have a unified process for reporting concerns. Nevertheless, Emak S.p.A. has implemented a reporting channel, known as the Whistleblowing Platform, through which all workers in the value chain can submit reports regarding any failure to comply with the principles set out in the Code of Ethics, as well as establish a protected and continuous interaction and dialogue with the Whistleblowing Manager. Confidentiality is guaranteed to all whistleblowers in order to prevent any form of retaliation or penalization.

The reports are assessed by the competent bodies so that the Group may adopt the appropriate disciplinary measures, which must be proportionate to the seriousness of the violations identified.

The Group makes the reporting channel (the so-called Whistleblowing) available through its corporate website, ensuring that it is accessible to all workers in both Italian and English.

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 action

The Emak Group adopts a structured approach to monitoring and managing material impacts on workers along the entire value chain, with particular emphasis on risk mitigation.

The initial selection of suppliers and the assignment of contracts are carried out through transparent and non-discriminatory procedures, based on objective criteria that take into account competitiveness, the quality of the services and products offered, as well as environmental and social performance. The company considers the presence of Ethical, Environmental and Quality certifications to be an added value in supplier selection and in the application of strategic sourcing. The assessment of environmental and ethical aspects is therefore a fundamental element both in the initial selection of suppliers and in the subsequent periodic reviews of their performance.

Supplier evaluation is carried out using checklists to verify compliance with quality standards and ethical principles. In addition, Emak conducts on-site visits to suppliers' premises to perform direct audits, managed by the designated teams (Quality and Purchasing). This audit process results in a qualitative output, which includes the reporting of any non-conformities to the Certified Systems Manager and the Purchasing Manager, and the definition of a shared action plan to address any non-compliance issues. Each supplier included in the vendor list is also assessed on the basis of the presence of environmental and ethical certifications and on any improvements achieved in these areas. For certain commodities, such as transportation services, supply contracts include specific clauses relating to environmental and ethical matters. Periodic audits are also carried out on aspects such as injuries, training and safety, using targeted questionnaires and checklists.

During 2025, the audits did not reveal any violations by suppliers regarding social matters or respect for human rights. Even in countries with less stringent local regulations, Emak's partners are well-established companies with long-standing experience and a consolidated approach to sustainability-related issues. No significant incidents or human rights violations have been reported along the value chain.

With regard to the management of negative impacts, Emak identifies the necessary corrective actions on the basis of the results of periodic audits, which assess aspects related to safety, ethics and workers' rights. These audits make it possible to identify issues within the value chain and to implement targeted interventions. To date, the management of negative impacts is entrusted to the dedicated teams of the individual companies, given their deeper knowledge of their respective supply chains.

The resources allocated to manage material impacts have not yet been defined on the basis of the outcomes of the double materiality assessment, but in consideration of the underlying assumptions of the industrial plan.

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

As of today, the Group has not defined quantitative targets related to the material impacts identified. The only qualitative objective established is to maintain a supplier base that adheres to high social and ethical standards, with the aim of preventing potential negative impacts on workers within the value chain. To pursue this objective, the Group conducts supplier assessments that also cover social aspects, as described in the previous paragraph, and shares the outcomes of these evaluations with the suppliers themselves.

ESRS S4 – Consumers and end-users

ESRS 2 SBM-2 –Interests and views of stakeholders

The following table shows the thematic area and the main instruments of dialogue attributable to the end-user stakeholder category, identified with the aim of establishing a constructive relationship between the parties capable of meeting mutual needs over the medium to long term.

Stakeholders	Thematic area	Main instruments of dialogue
End users	- Consumer trust and satisfaction - Product quality and safety	- Institutional website - Assessment of consumer satisfaction - Management of claims - After-sale consumer service - Commercial communications - Participation in trade fairs and events

Although direct interaction takes place primarily through distributors and retailers, the Group recognizes that the satisfaction and needs of end users are essential for the long-term success of its products and for the evolution of its solutions. For this reason, the Group is committed to gathering feedback through its commercial partners and monitoring market trends, with the aim of continuously improving the quality and reliability of its products and ensuring that they meet the expectations of those who use them.
For more details on how the company takes into account the outcomes of stakeholder engagement, please refer to the section *Management of Impacts, Risks and Opportunities* in *General Information*.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Emak Group has identified its material impacts, risks and opportunities related to sustainability matters through the double materiality assessment.

Compared to the 2024 reporting, the impacts, risks and opportunities related to this topic have been reformulated to provide a more accurate representation of the Group's reality. In this context, the material impacts linked to information for consumers and/or end-users have been associated with potential negative impacts arising from incomplete information that could lead to accidents involving consumers.

LIST OF MATERIAL MATTERS AND MATERIAL IROs					
TOPIC	**MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC**	**MATERIAL NEGATIVE IMPACTS**	**MATERIAL POSITIVE IMPACTS**	**MATERIAL RISKS**	**MATERIAL OPPORTUNITIES**
S4 - Consumers and end-users	Information-related impacts for consumers and/or end-users	Incorrect or incomplete information may lead to improper use of the product and cause accidents		Risk of sanctions or legal action due to incorrect or incomplete product-related communication (false disclosure or lack of compliance)	

The results of the assessment are presented, with greater detail, in the table included in paragraph *SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*.

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The Group's customer base varies depending on the product line: for example, the agriculture line within the Pumps & Water Jetting business segment is sold to manufacturers of spraying and weeding machines (B2B), directly to end users (B2C), or through a network of specialized dealers and importers (B2B).
Given the nature of the products sold, all consumers and/or end users require accessible product information to avoid potentially harmful use. For this reason, a necessary activity prior to placing a product on the market concerns the preparation of manuals and technical file. The only possible negative impacts on the health of this stakeholder category are, in fact, linked to improper or irresponsible use of the products. Considering these impacts, generalized and/or systemic in the contexts in which the Group sells or supplies its products, no consumers and/or end-users with specific characteristics and/or age groups, or who use particular products or services, have been identified as being more exposed to risk than others.
With regard to the interaction with the strategy and the business model, Emak's Board of Directors annually approves the budgets and three-year plans of the Group and of the individual business units. In this way, the Board can examine the activity plans defined by the Group's main companies to improve their environmental impact, social performance and governance as an integral part of the three-year plans. To implement the corporate sustainability strategy, the Group has also established a set of documents, such as the Enterprise Risk Management (ERM).
All consumers and end users involved in Emak's activities are included within the scope of the disclosure pursuant to ESRS 2.
For a more detailed overview, please refer to section *ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*, in General Information.

S4-1 – Policies related to consumers and end-users

Consumers and end users represent a fundamental asset of the corporate value; for this reason, Emak's primary objective is to maximise their satisfaction and strengthen their loyalty by offering high quality standards, product and service safety, conducting every relationship according to principles of fairness, professionalism and transparency, in full compliance with applicable regulations on anti-money laundering, personal data protection and anti-usury, while avoiding any form of evasive practice. The Group is also committed to ensuring that advertising and all other communications addressed to customers, or to the public in general, are truthful, accurate and fair, refraining from the use of misleading or deceptive content.
Although no formalised policies are currently in place, the Group is committed to maintaining a relationship with the users of its products based on an approach that places product quality and the real ability to meet customer expectations at the centre of commercial negotiations
Through compliance with the guiding principles set out in its Code of Ethics, the Group formalises its commitments towards all its stakeholders, including its consumers and end users, also with regard to human rights in a broad sense: all Group companies must, in fact, comply with the principles expressed in the Universal Declaration of Human Rights, in the ILO (International Labour Organisation) Conventions, and in the UN Convention on the Rights of the Child[40].
The engagement methods are those described through the main dialogue instruments associated with the relevant stakeholder category, within the above section *ESRS 2 SBM-2 – Interests and views of stakeholders*.
Under the Consumer Code, consumers (or users) are recognised as having, among other things, fundamental rights to the protection of health, to safety and to the quality of products and services[41]. In this regard, the Group companies certified under ISO 9001 operate in accordance with the requirements of the standard and have adopted a procedure that establishes criteria and checks concerning the design, production and quality control of products, both incoming and outgoing.

S4-2 – Processes for engaging with consumers and end-users about impacts

To identify the interests of its customers and end users, the Group takes part in the main industry trade fairs, both nationally and locally, and maintains an ongoing and continuous relationship with its sales network, the first line of contact with the public, also through initiatives dedicated to presenting new commercial offerings and providing technical training to the distribution network.

[40] Regarding the extent to which violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises affecting consumers and/or end users have been identified downstream in the value chain, the data has not been reported as the Group has relied on the phase-in provision under Article 3, paragraph 4, of Legislative Decree 125/2024.
[41] Legislative Decree 6 September 2005, no. 206, Article 2, paragraph 2, letters a) and b).

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Although collected indirectly, the perspective of consumers and/or end users plays a decisive role in the evolution of products, processes and internal policies. The Group uses this information to continuously refine its offering, mitigate risks and seize opportunities for improvement across the entire value chain.
The observations and comments relating to the user experience, provided either through the distribution network or directly by end users, are periodically collected and analysed during regular business interactions or at dedicated events with the sales network. The Group is also particularly active and responsive to the constantly evolving regulatory framework, as well as to the main market trends. For this reason, it is a member of several industry associations, such as EGMF, the European association of garden machinery manufacturers, which, among its various objectives, supports the development of future scenarios concerning all product-related directives and market monitoring, and EUROMOT, the European association of engine manufacturers, which focuses on supporting the evolution of future scenarios within the relevant sector (e.g., emission frameworks, etc.).
The Board of Directors has the operational responsibility for ensuring that stakeholder engagement is carried out and that its outcomes guide the Group's approach. The commercial, technical and quality assurance functions report to the Board.
The Group's commercial offering is not specifically intended for particularly vulnerable users. To ensure that the products are used correctly, the finished products are accompanied, where required by applicable regulations, by user and maintenance manuals specifying, among other information, the proper methods for using the machine.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Consumers and/or end users may raise their concerns or communicate their needs through various official channels, such as whistleblowing systems, direct communication with the Group's companies, or contact with retailers, who serve as the primary interface with customers. Information on the available assistance channels is accessible through the websites of the various Group companies and the retailer network.
To minimise its negative impacts and reduce any potential risks, the Group has implemented various procedures to monitor and ensure quality and safety throughout the different stages of product design, manufacturing and commercialization.
If end users encounter any issues, they may contact retailers worldwide to express their observations, submit a report directly to the Group's companies through the contact forms made available by the individual entities, or, where required by regulations, make use of the whistleblowing channel provided by the Group. If the report concerns the product, the Group's internal functions (marketing, after-sales service, technical and quality assurance) will assess the nature of the issue. If a responsibility attributable to the Group is identified, the necessary corrective actions are implemented, ranging from communications to the market, to technical modifications and up to possible recalls (where a defect may pose significant risks). The Group considers an issue resolved when no further reports relating to the same case are received.
The Group considers that consumers and end users are aware of the existence of the communication channels for expressing concerns or needs on the basis of the contacts received.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions

In order to address the significant impacts on consumers and end users, to manage material risks and pursue material opportunities relating to them, and to communicate the effectiveness of such actions, the Group certifies its products in accordance with the regulations of the countries in which they are sold. With regard to product safety, the main regulation is the Machinery Directive, which includes sub-directives governing all technical aspects for each type of product. There are also other specific directives that regulate electromagnetic compatibility, vibrations, emissions and noise.
Furthermore, ISO 9001-certified companies operate in accordance with the requirements of the standard and have adopted a procedure that establishes criteria and checks regarding the design, production and quality control of products, both incoming and outgoing.
The processes through which the Group identifies the actions required in response to a negative impact are those defined by the aforementioned regulatory framework, to which the Group is subject due to its core business. The actions planned to pursue relevant opportunities and the intervention approach relating to any material negative impacts on consumers and/or end users, including actions concerning its own practices in

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product design, marketing, or sales, are defined, depending on the specific circumstances, by the commercial, technical and quality assurance functions. The effectiveness of the actions undertaken is assessed, depending on the specific cases, on the basis of the economic and financial results achieved by the Group, as well as feedback from the sales network or regulatory bodies.
The actions undertaken by the Group, including procedures, training and quality assurance, support it in avoiding causing or contributing to material negative impacts on consumers or end users.
In 2025, as in the two preceding financial years, no serious issues or incidents related to human rights involving consumers and/or end users were identified; the same applies to cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving consumers and/or end users.
The resources allocated to manage the material impacts have not yet been defined on the basis of the results of the double-materiality assessment, but in consideration of the underlying assumptions of the industrial plan.

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Quantitative targets connected to the material impacts identified with reference to consumers and/or end users have not yet been defined at Group level. Individual companies are given managerial autonomy to set any internal targets.

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GOVERNANCE INFORMATION

ESRS G1 - Business conduct

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

The Board of Directors is the central body of the Corporate Governance system of the Emak Group. In its guiding role, it defines the Group's strategies, integrating social and environmental topics, and monitors their implementation with the aim of promoting long-term value creation. The Board is also responsible for approving specific procedures, policies and guidelines designed to ensure regulatory compliance and to promote ethical conduct within the Group (e.g., Code of Ethics, procedures for related-party transactions, and the 231 Organizational, Management and Control Model).
Regarding its composition and expertise, please refer to section *ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies*, included in the *General Information*.

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

Through the last phase and the update of the double-materiality assessment, the Group determined which qualitative and quantitative information relating to the material topics should be included in this Consolidated Sustainability Statement.

The table below describes, for each material topic, the related impacts (positive and negative), risks and opportunities that exceeded the materiality threshold.

LIST OF MATERIAL MATTERS AND MATERIAL IROs					
TOPIC	**MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC**	**MATERIAL NEGATIVE IMPACTS**	**MATERIAL POSITIVE IMPACTS**	**MATERIAL RISKS**	**MATERIAL OPPORTUNITIES**
G1 - Business conduct	Corporate culture		Promote the affirmation of solid ethical principles, including tax regulatory practices, pursued by the Group along the entire value chain, in all contexts (e.g. geographical, social, etc.) in which it operates		Increasingly integrating sustainability into corporate strategy
			Protection of legality and prevention of illicit behavior (the reinvestment of profits from illicit activities, episodes of extortion, etc.)		
	Active and passive corruption		Staff awareness for the prevention of corruption incidents		
	Sustainability in the management of relationships with suppliers			Supply disruption / supplier power	
				Evolution in the concentration and sources of geopolitical power (geostrategic shifts)	
				Failure to comply with regulatory requirements (e.g. CSDDD, Critical Raw Materials Act)	

For a more detailed overview, please refer to section *ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities*, in *General Information*.

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G1-1 – Corporate culture and business conduct policies

In carrying out its activities and conducting its business, the Emak Group adopts a behaviour guided by high ethical standards, based on the utmost fairness, full observance of the rights of others, in compliance with applicable laws and the principles of the Group.

The Group companies have activated preventive insurance coverage and implement at least the measures required by the applicable regulations to address any potential negative impacts related to the material topics.
The Italian companies of the Group have adopted and implemented the Organisation, Management and Control Model required by Legislative Decree 231/2001, aimed at aligning internal regulations on the liability of legal entities with certain international Conventions to which Italy has long adhered.
Companies that have not adopted the Organisation, Management and Control Model, ensure full compliance with local regulations and, where more stringent, with the behavioural rules set out in the Code of Ethics.
In line with the adoption of the Organisation, Management and Control Model, the Group has a Code of Ethics, shared with all Group companies, periodically updated and communicated to all employees and to the various parties collaborating with the companies. The Code defines the corporate principles and values that inspire the Group companies in carrying out their activities and that constitute their corporate identity, continually guiding strategic decisions and policies within the businesses in which they operate. The Group companies adopt appropriate measures to promptly identify and eliminate risk situations, preventing unlawful conduct or any behaviour that is contrary to the principles expressed in the Code of Ethics by any party acting on behalf of the Group. Regarding this latter point, the Group has identified as functions considered at risk of active and passive corruption, due to the duties performed and the related responsibilities, the Executives and the members of the Administrative, Supervisory and Management Bodies.
Any recipient who detects or suspects a violation of the Code of Ethics is required to report it to the Head of Department, to the Supervisory Body of the respective parent company, or to use the dedicated channels for submitting any reports concerning violations of the Code of Ethics.
There are also communication and dialogue channels through which Stakeholders can submit reports or complaints to the Group companies, which are then reviewed by the competent internal functions.
The guiding corporate principles and values are the following: fairness, competence, team spirit, innovative mindset, impartiality and honesty, fight against corruption, respect for people, transparency in relationships and confidentiality, combining economic, social and environmental sustainability.
The Code of Ethics also defines the areas of application and the Group's commitments in both internal and external relations. It represents the moral commitment towards the various stakeholders, including collaborators, shareholders, customers, suppliers, institutions, financial community and Public Administration.
The recipients of the document are all those who act in the name and on behalf of Emak (employees, managers, directors, consultants, collaborators, etc.) who are required to know its contents, to contribute to its implementation and to the dissemination of the principles formalized in it, ensuring that these principles are respected also by all parties with whom they maintain business relations.
A correct and effective application of the Code of Ethics is possible only through the commitment and contribution of the entire Group structure, which is responsible for ensuring that every individual behaviour is consistent with the principles it sets out.
The Code of Ethics is disseminated as widely as possible to all relevant recipients, including through its publication in the "Sustainability" section of the Group's website (www.emakgroup.com), in both Italian and English.
The Code and any future updates are defined and approved by the Board of Directors of the Parent Company Emak S.p.A., on the basis of the context in which the Group operates and its evolution.
The companies that adopt the 231 Model undertake to provide training to new hires on the topics set out in the Code of Ethics and in the Model: as part of the onboarding process, new employees are given a concise information set that ensures their understanding of the matters considered of primary importance.
The Emak Group, in compliance with the national legislation transposing Directive (EU) 2019/1937, has established reporting channels that ensure, also through the use of encryption tools, the confidentiality of the identity of the reporting person, the person concerned and any other individual mentioned in the report, as well as of the content of the report and the related documentation; it has organised the management of these reporting channels through the implementation of a procedure defining their functioning and the appointment of a dedicated autonomous body with staff specifically trained to handle the reporting channel as promptly and objectively as possible; it has adopted data protection and cybersecurity measures, introducing a set of organisational and technical measures, in order to protect the confidentiality of the reporting person and the integrity and confidentiality of the personal data contained in the report. The Group provides all employees with mandatory and updated training on whistleblowing, outlining the procedures to be followed and the potential consequences.

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G1-2 – Management of relationships with suppliers

The Group, through the coordination of the Corporate Purchasing Department, implements synergy and supply-chain optimization plans aimed at increasing and further consolidating the scope of common suppliers. Supplies are included within a global Group supply framework and governed by common rules and commercial conditions where possible, regulated by framework agreements that take into account the specific needs arising from the peculiarities of the business sectors in which the Group operates. The Group relies on a heterogeneous supply chain in terms of supplier size: both small companies (SMEs) and multinational groups are present.
The main suppliers are classified at the Corporate level according to indicators that assess their strategic importance, performance, supply characteristics, replaceability and degree of interdependence, as well as financial risk, into:

- **Partner**: suppliers that meet high requirements based on cross-functional scoring;
- **Strategic**: important suppliers for whom the Group does not represent a strategic customer. The Group strives to ensure that suppliers in this category become partners or part suppliers;
- **Part Supplier:** suppliers without stable relationships from a relational point of view; thus, they do not represent a high risk for the Group.

In the case of purchasing marketing activities, the Group's policy is to maintain double sourcing of supplies as part of risk management. Supply chain risk is mapped according to parameters that include assessments of financial aspects, difficulty in replacing the supplier, integration with technical department, service level and vendor rating. For critical suppliers or strategic purchases, the percentage of multiple sourcing is high. This represents an advantage for the Group's companies, as it allows them to respond more promptly to material shortages and increased transportation costs.
In the purchasing process, several Group companies use KANBAN logic, which allows for a leaner management of the supply chain and a reduction in inventory.

The initial selection of suppliers and the assignment of business regulated by contracts are carried out through clear and non-discriminatory procedures, using only criteria related to the objective competitiveness of the services and products offered and their quality, also understood as the supplier's performance in environmental and social areas and compliance with the principles expressed in the Group's Code of Ethics. The presence of Ethical-Environmental-Quality certification is a plus in the choice of supplier and in the application of strategic sourcing. The evaluation of environmental and ethical aspects contributes to the assessment of the supplier both in its initial inclusion in the Emak's supplier register and in the periodic performance evaluation.
Supplier evaluation is carried out both through checklists, to verify compliance with quality standards and ethical principles, and through visits to the supplier's premises by the designated team. This type of audit has a more qualitative output in terms of reporting any non-conformities to the Certified Systems Manager and the Purchasing Department and defining a shared action plan for further investigation and correction of any non-compliant situations. The evaluation and classification of suppliers already present in the Supplier Register are included in a specific section that verifies the presence of environmental and ethical certification and evaluates the supplier on particular changes or improvements in these areas. Some supply contracts for certain purchasing commodities (e.g., transportation) include a specific section on environmental and ethical issues. Periodically, audits are conducted on accident trends, training or aspects related to safety and ethics through the completion of questionnaires and/or checklists.
New suppliers are promptly sent Emak's integrated policies and the ethical and environmental commitment information that they are required to comply with.
The management of relationships with Far East suppliers is entrusted to local teams (Purchasing and Quality) present in the various plants, under the supervision of designated Italian staff: thus, both on-site oversight by qualified personnel and multi-level control by the Parent Company are ensured. If personnel from individual companies are not present on-site, intra-group collaboration and synergy agreements are active to control suppliers using available personnel through information sharing or direct visits.
Regarding European and, in general, Western suppliers, the Group believes that the probability of having suppliers at risk concerning environmental, social and human rights issues is minimal, as they are subject to the stringent regulations in these countries.
For non-European suppliers, a procedure for supplier inclusion and evaluation is in place, along with the sharing of a checklist related to compliance with ethical principles in personnel management to be used during Purchasing-Quality audits. The audits are conducted by designated and qualified personnel and transmitted for verification and control to the Parent Company's designated structure.
New suppliers are visited and evaluated according to a checklist that also includes the verification of ethical aspects, in addition to the Quality Audit modules, which represent the main evaluation driver. The Italian companies have developed a common Quality Questionnaire, adapted to the specific characteristics of each

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entity if necessary, that, among various topics, verifies environmental aspects such as the presence of environmental authorizations, wastewater discharges, atmospheric emissions, waste management; aspects related to health and safety and employee training, as well as the presence of any environmental, social, and ethical certifications.
The periodic assessment by designated personnel, through checklists and audits, ensures that the supplier panel is always updated with approved and usable suppliers. The verification of clauses related to human rights is part of this procedure.
The Group considers it essential to centrally monitor the non-European supply chain and promote training projects for Purchasing-Quality personnel so that environmental, safety and ethical issues are constantly taken into account, thereby limiting risk. To this end, auditors are sensitized and formally trained to pay attention to these aspects and report any non-conformities, even potential ones.
Based on the quality audits received, the Group does not have high-risk suppliers concerning environmental, social and human rights issues: partners are mostly well-structured companies that have been operating in the market for a long time and are familiar with sustainability topics.
Most of the practices described have been extended to all divisions of the Group, also thanks to their inclusion in the Group's Code of Ethics, although general evaluations on environmental and social criteria were already widely present within the Group.
Within the Code, or in other Group policies, there are no explicit provisions regarding procedures to be implemented to avoid payment delays to all suppliers.
Payment terms are agreed with the counterpart during the negotiation phase and entered into the supplier master data, remaining valid for the duration of the contract. Any changes to the terms are communicated and approved in advance of the payment for the supply. Compliance with the agreed conditions is verified for each transaction by the administrative office. Periodically, due dates are transmitted to the treasury service, which proceeds with their settlement. All payment terms for supplies and services are in line with the commercial practice that has always been applied and existing and have been mutually defined with the supplier, whether it is an SME or a multinational company, in full respect of the principles of good faith and fairness.

G1-3 – Prevention and detection of corruption and bribery

The Emak Group pays close attention to the prevention of risks related to corruption. In general, all individuals who operate in the name and on behalf of the Emak Group are required to behave ethically and in compliance with applicable laws, with the utmost fairness, transparency and integrity, as provided by the principles of conduct outlined in the Group's Code of Ethics.
With particular regard to relationships and conduct with external parties, illegal, collusive, or potentially collusive practices and behaviours, illicit payments, incitement to corruption, corruption, favouritism, solicitations - directly or through third parties - of advantages for oneself or others, that are contrary to laws, regulations, and the provisions of the Code of Ethics, are prohibited. This prohibition includes the direct or indirect offering of goods and services aimed at influencing decisions or transactions.
In this context, the Group is committed to combating all forms of corruption, both active and passive, by implementing all necessary measures provided by the Organizational Model pursuant to Legislative Decree 231/2001 and following the prescriptions contained in the Group's Code of Ethics.
This Model is aimed at preventing crimes belonging to various categories, including corporate crimes and crimes of extortion, undue inducement to give or promise benefits and corruption. Furthermore, a system of procedures, both manual and computerized, has been implemented, which constitutes the guide to follow in the relevant business processes and includes specific control points to ensure the correctness, effectiveness and efficiency of business activities. In the event of a confirmed case of corruption, the Board of Directors would be informed by the delegates at the first useful meeting or, if necessary, in a specially convened session.
For a more in-depth overview of the procedures in place to prevent, detect and manage assertions or cases of active and passive corruption, their management methods, and the process of communicating results, please refer to section *G1-1 – Corporate culture and business conduct policies*. Please refer to the same section for how the company communicates its policies on the subject to those for whom they are relevant, as well as for information on training.

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The following table shows the anti-corruption training received by the Group's employees, detailing the training received by Executives, considered at risk due to the tasks performed and related responsibilities. No specific anti-corruption training is provided for the administration, management, and control bodies of the Parent Company.

	Training on active and passive corruption							
	Executives		Administrative, management and control bodies		Other functions at risk (excluding managers and administrative, management and control bodies)		Other own workers (excluding at risk functions)	
	2025	2024	2025	2024	2025	2024	2025	2024
Extension of training								
Total recipients by Group	118	126	13	13			2,386	2,401
Total training recipients	14	15					8	263
% training recipients	11.9%	11.9%	0.0%	0.0%			0.3%	11.0%
Delivery method and duration								
Classroom training (hours)	19	45					8	1,229
Remote training (hours)	64	12						
Voluntary training (hours)	6							
Total training	**89**	**57**					**8**	**1,229**

The main topics covered during the training were Legislative Decree 231/2001 training for Italian companies, the Code of Ethics and anti-corruption policies.

G1-4 – Cases of active or passive corruption

In 2025, as well as in the two preceding years, there were no convictions for violations of laws against active and passive corruption, nor were any cases related to the same issue identified.

Bagnolo in Piano (RE), 13 March 2026

On behalf of the Board of Directors

The Chairman

Massimo Livatino

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Certification of consolidated sustainability statement pursuant to art. 154-bis, paragraph 5-ter of the Decree. 58/1998 (Consolidated Law on Finance)

1. We, the undersigned, Cristian Becchi, as Chief Executive Officer for finance and control, and Roberto Bertuzzi, as the manager in charge of preparing the accounting statements of the company Emak S.p.A. affirm, taking account of the provisions of art. 154-bis, paragraphs 5-ter, of legislative decree 24 February 1998, n. 58, that the sustainability reporting included in the annual report has been prepared:
   a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and Legislative Decree No. 125 of September 6, 2024;
   b) with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020.

Bagnolo in Piano (RE), 13 March 2026

The Chief Executive Officer for finance and control:
Cristian Becchi

The Manager in charge of preparing the accounting statements:
Roberto Bertuzzi

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(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
Emak S.p.A.

Conclusion

Pursuant to article 8 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 Emak 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 the "*Environmental Information – Disclosure pursuant to Article 8 of Regulation (EU) 2020/852*" section 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.

We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.

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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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.

Other matters

The consolidated sustainability statement presents the corresponding figures included in the 2024 consolidated sustainability statement for comparative purposes, on which other auditors performed a limited assurance engagement and expressed their unqualified conclusion on 27 March 2025.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Emak 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 the "*General Information – Impact, risk and opportunity management*" section 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 the "*Environmental Information – Disclosure pursuant to Article 8 of Regulation (EU) 2020/852*" section 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

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.

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

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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:

- we gained an understanding of the group's business model, strategies and operating environment with regard to sustainability matters;
- we gained an 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;
  - 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;
- we gained an 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;
- we identified the disclosures associated with a risk of material misstatement, whether due to fraud or error;

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- we designed and performed 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 level, we visited the subsidiaries, which we selected on the basis of their business and contribution to the metrics of the consolidated sustainability statement. During these visits, we interviewed group personnel and obtained documentary evidence supporting the calculation of the metrics;
- we gained an 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 sustainability statement;
- we checked 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;
- we checked the compliance of the structure and presentation of disclosures included in the consolidated sustainability statement with the ESRS;
- we obtained the representation letter.

Parma, 26 March 2026

KPMG S.p.A.

(signed on the original)

Gianluca Tagliavini
Director of Audit

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Emak Group
Consolidated Financial Statements at 31 December 2025

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Consolidated financial statements

Consolidated income statement and consolidated statement of other comprehensive income

Thousand of Euro

CONSOLIDATED INCOME STATEMENT	Notes	Year 2025	of which to related parties	Year 2024	of which to related parties
Revenues from sales	10	**612,494**	**571**	**601,914**	**970**
Other income	10	5,050		5,089	
Change in inventories		2,075		14,134	
Costs of raw materials, consumables and goods	11	(313,047)	(2,580)	(323,486)	(2,450)
Personnel expenses	12	(123,230)		(120,549)	
Other operating costs and provisions	13	(116,543)	(612)	(116,221)	(769)
Amortization, depreciation and impairment losses	14	(32,396)	(1,879)	(36,470)	(1,874)
Operating result		**34,403**		**24,411**	
Financial income	15	2,359		4,843	
Financial expenses	15	(13,250)	(306)	(18,119)	(355)
Exchange gains and losses	15	(3,525)		(654)	
Income from/(expenses on) equity investment	22	(6)		4	
Profit befor taxes		**19,981**		**10,485**	
Income taxes	16	(5,805)		(3,985)	
Net profit (A)		**14,176**		**6,500**	
(Profit)/loss attributable to non controlling interests		(668)		(745)	
Net profit attributable to the Group		**13,508**		**5,755**	
Basic earnings per share	17	**0.083**		**0.035**	
Diluted earnings per share	17	**0.083**		**0.035**	

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	Notes	Year 2025	Year 2024
Net profit (A)		**14,176**	**6,500**
Profits/(losses) deriving from the conversion of foreign company accounts		(8,284)	(3,591)
Actuarial profits/(losses) deriving from defined benefit plans (*)	33	67	50
Income taxes on OCI (*)		(18)	(14)
Total other components to be included in the comprehensive income statement (B)		**(8,235)**	**(3,555)**
Total comprehensive income for the perdiod (A)+(B)		**5,941**	**2,945**
Comprehensive net profit attributable to non controlling interests (C)		**(654)**	**(386)**
Comprehensive net profit attributable to the Group (A)+(B)+(C)		**5,287**	**2,559**

(*) Items will not be classified in the consolidated income statement

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of transactions with related parties on the consolidated income statement are shown in the table and are further described and discussed in note 40.

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Statement of consolidated financial position

Thousand of Euro

ASSETS	Notes	31.12.2025	of which to related parties	31.12.2024	of which to related parties
Non-current assets					
Property, plant and equipment	18	90,314		93,248	
Intangible assets	19	29,412		32,474	
Rights of use	20	37,991	9,396	41,670	11,194
Goodwill	21	65,621	9,914	67,176	9,914
Equity investments in other companies	22	7		8	
Equity investments in associates	22	800		806	
Deferred tax assets	32	14,721		13,517	
Other financial assets	27	1,692	-	1,182	37
Other assets	24	94		97	
Total non-current assets		**240,652**		**250,178**	
Current assets					
Inventories	25	247,295		251,684	
Trade and other receivables	24	126,559	1,006	133,620	1,963
Current tax receivables	32	7,603		10,450	
Other financial assets	27	40	37	38	37
Derivative financial instruments	23	136		370	
Cash and cash equivalents	26	71,147		69,174	
Total current assets		**452,780**		**465,336**	
TOTAL ASSETS		**693,432**		**715,514**	

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31.12.2025	of which to related parties	31.12.2024	of which to related parties
Shareholders' Equity					
Shareholders' Equity of the Group	28	277,472		275,947	
Non-controlling interests		4,155		4,367	
Total Shareholders' Equity		**281,627**		**280,314**	
Non-current liabilities					
Financial liabilities	30	142,615		161,261	
Lease liabilities	31	31,225	8,170	35,552	10,040
Deferred tax liabilities	32	8,424		9,006	
Employee benefits	33	6,371		6,535	
Provisions for risks and charges	34	2,762		2,735	
Other liabilities	35	891		730	
Total non-current liabilities		**192,288**		**215,819**	
Current liabilities					
Trade and other payables	29	118,031	3,316	128,142	1,676
Current tax liabilities	32	5,612		4,876	
Financial liabilities	30	83,380		74,300	
Lease liabilities	31	9,503	1,945	8,632	1,874
Derivative financial instruments	23	662		978	
Provisions for risks and charges	34	2,329		2,453	
Total current liabilities		**219,517**		**219,381**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**693,432**		**715,514**	

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of related party transactions on the financial position are shown in the table and are further described and discussed in note 40.

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Statement of changes in consolidated equity

Thousand of Euro	SHARE CAPITAL	SHARE PREMIUM	Treasury Shares	OTHER RESERVES					RETAINED EARNINGS		TOTAL GROUP	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL
				Legal reserve	Revaluation reserve	Cumulative translation adjustment	Reserve IAS 19	Other reserves	Retained earnings	Net profit of the period			
Balance at 31.12.2023	**42,623**	**41,513**	**(2,835)**	**4,969**	**4,353**	**75**	**(984)**	**35,483**	**135,080**	**19,075**	**279,352**	**4,315**	**283,667**
Profit reclassification				522				2,598	8,627	(19,075)	**(7,328)**	(243)	**(7,571)**
Other changes									1,364		**1,364**	(91)	**1,273**
Net profit for the period						(3,232)	36			5,755	**2,559**	386	**2,945**
Balance at 31.12.2024	**42,623**	**41,513**	**(2,835)**	**5,491**	**4,353**	**(3,157)**	**(948)**	**38,081**	**145,071**	**5,755**	**275,947**	**4,367**	**280,314**
Profit reclassification				321				2,021	(658)	(5,755)	**(4,071)**	(1,002)	**(5,073)**
Other changes									309		**309**	136	**445**
Net profit for the period						(8,269)	49			13,507	**5,287**	654	**5,941**
Balance at 31.12.2025	**42,623**	**41,513**	**(2,835)**	**5,812**	**4,353**	**(11,426)**	**(899)**	**40,102**	**144,722**	**13,507**	**277,472**	**4,155**	**281,627**

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Consolidated Cash Flow Statement

(€/000)	Notes	31.12.2025	31.12.2024
Cash flow from operations			
Net profit for the period		**14,176**	**6,500**
Amortization, depreciation and impairment losses	**14**	32,396	36,470
Financial expenses from discounting of debts and other income/expenses from non-monetary transactions	**15**	(36)	49
Income from/(expenses on) equity investment	**15**	6	(4)
Financial (income)/ Expenses from adjustment of estimated liabilities for outstanding commitment associates' shares	**15**	104	(1,292)
Capital (gains)/losses on disposal of property, plant and equipment		(151)	(236)
Decreases/(increases) in trade and other receivables		6,212	(10,277)
Decreases/(increases) in inventories		(1,854)	(14,363)
(Decreases)/increases in trade and other payables		(7,096)	14,338
Change in employee benefits		(163)	(39)
(Decreases)/increases in provisions for risks and charges		(52)	450
Change in derivative financial instruments		(80)	1,046
Cash flow from operations		**43,462**	**32,642**
Cash flow from investing activities			
Change in property, plant and equipment and intangible assets		(19,584)	(24,125)
(Increases) and decreases in securities and financial assets		(504)	82
Proceeds from disposal of property, plant and equipment and other changes		151	236
Change in scope of consolidation	**7**	21	(11,889)
Cash flow from investing activities		**(19,916)**	**(35,696)**
Cash flow from financing activities			
Other changes in equity		494	73
Change in short and long-term loans and borrowings		(4,665)	8,850
Liabilities for leasing refund		(9,213)	(8,624)
Dividends paid		(5,073)	(7,571)
Cash flow from financing activities		**(18,457)**	**(7,272)**
Total cash flow from operations, investing and financing activities		**5,089**	**(10,326)**
Effect of changes from exchange rates and translation reserve		**(282)**	**2,470**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**4,807**	**(7,856)**
OPENING CASH AND CASH EQUIVALENTS		**65,053**	**72,909**
CLOSING CASH AND CASH EQUIVALENTS		**69,860**	**65,053**

ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT

(€/000)		31.12.2025	31.12.2024
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Opening cash and cash equivalents, detailed as follows:	**26**	**65,053**	**72,909**
Cash and cash equivalents		69,174	75,661
Overdrafts		(4,121)	(2,752)
Closing cash and cash equivalents, detailed as follows:	**26**	**69,860**	**65,053**
Cash and cash equivalents		71,147	69,174
Overdrafts		(1,287)	(4,121)
Other information:			
Income taxes paid		(6,307)	(6,747)
Financial interest income		1,613	1,666
Financial expenses paid		(10,014)	(13,990)
Change in related party receivables and service transactions		957	169
Change in related party payables and service transactions		1,640	70
Change in current tax receivables		2,847	1,042
Change in current tax liabilities		736	(293)
Change in related party financial assets		37	37
Related party liabilities for leasing refund		(2,186)	(2,180)

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of transactions with related parties on the consolidated cash flow statement are shown in the section Other information.

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Explanatory notes to the consolidated financial statements of Emak Group

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1. General information

Emak S.p.A. (hereinafter "Emak" or the "Parent") is a joint-stock company, with registered offices in Via Fermi, 4 in Bagnolo in Piano (RE). It is listed on the Italian stock market (MTA) on the EURO NEXT STAR segment.

Emak S.p.A. is controlled by Yama S.p.A., a non-financial holding company, which holds the majority of its capital and appoints, in accordance with law and statute, the majority of the members of its governing bodies. Emak S.p.A., nonetheless, is not subject to management or coordination on the part of Yama S.p.A., and its Board of Directors makes its own strategic and operating choices in complete autonomy. Yama S.p.A. prepares the consolidated financial statements for the largest group of companies of which the Parent forms part. Such consolidated financial statements will be made available in accordance with current regulations.

Values shown in these notes are in thousands of Euros, unless otherwise stated.

The Board of Directors of Emak S.p.A. on 13 March 2026 approved the Financial Statements at 31 December 2025, also prepared according to the format required by the European Commission Regulation 2018/815 / EU (European Single Electronic Format) and ordered its immediate notification under Art. 154-ter, paragraph 1-ter TUF, to the Board of Statutory Auditors and to the Independent Auditor in order for them to carry out their relative duties. In connection with this communication, the company has issued an appropriate press release with the key figures of the financial statements and the proposal for the allocation of the profit for the year submitted for the approval of the Shareholders' Meeting convened for 21 April 2026.

The financial statements and consolidated financial statements are subject to statutory audit by KPMG S.p.A.

1.1 Information about the current geopolitical context

Please refer to chapter 2 of the Directors' report.

2. Summary of principal accounting policies

The main accounting policies used in the preparation of these consolidated financial statements are explained below and, unless otherwise indicated, have been uniformly adopted for all periods presented.

2.1 Basis of preparation

The consolidated financial statements of Emak S.p.A. and its subsidiaries (hereinafter "Emak Group" or "the Group") have been prepared in accordance with the IFRS standards issued by the International Accounting Standards Board and adopted by the European Union at the date of preparing this report. The term IFRS also refers to all valid International Accounting Standards (IAS) still in force, as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

The consolidated financial statements have been prepared under the historical cost method, except for those financial assets and liabilities (including derivative instruments) measured at fair value.

On the basis of information available and of the current and foreseeable income and financial situation, the Directors have drawn up the financial statements according to the going concern assumption.
Based on the assessments performed of the current situation and future forecasts of key economic, statement of financial position and financial figures for the Group, and of an analysis of the Group's risks, there are no significant uncertainties that may compromise the Group's status as a going concern in the foreseeable future.

In accordance with the provisions of IAS 1, the consolidated statement of financial position is constituted by the following reports and documents:

- Statement of consolidated financial position: based on the distinction between current and non-current assets and current and non-current liabilities;
- Consolidated income statement and consolidated statement of other comprehensive income: classification of items of income and expense according to their nature and showing the operating result

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that does not include the effects of exchange differences and income from/(expenses on) equity investment, as per the accounting policy historically adopted by the Group;
- Consolidated cash flow statement: based on a presentation of cash flows using the indirect method;
- Consolidated statement of changes in equity;
- Notes to the consolidated financial statements.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates by the Directors.
The areas involving a higher degree of judgment or complexity and areas in which assumptions and estimates could have a significant impact on the consolidated financial statements are discussed in Note 5.

With reference to Consob Resolution no. 15519 of 27 July 2006 regarding the presentation of financial statements, it should be noted that the consolidated income statement and the consolidated statement of financial position show dealings with related parties.

2.2 Basis of consolidation

Subsidiaries
The consolidated financial statements of the Emak Group include the financial statements of Emak S.p.A. and the Italian and foreign companies over which Emak exercises direct or indirect control by governing their financial and operating policies and receiving the related benefits, according to the criteria established by IFRS 10.

The acquisition of subsidiaries is accounted for using the acquisition method, except for those acquired in 2011 from the parent Yama S.p.A. The cost of acquisition initially corresponds to the fair value of the assets acquired, the financial instruments issued and the liabilities at the date of acquisition. The excess of the cost of acquisition over the group's share of the fair value of the net identifiable assets acquired is recognized as goodwill. (Note 2.7).

If the cost of acquisition is lower, the difference is directly expensed to income. The financial statements of subsidiaries are included in the consolidated financial statements starting from the date of taking control to when such control ceases to exist. Non-controlling interests and the amount of profit or loss for the period attributable to non-controlling interest is shown separately in the consolidated statement of financial position and consolidated income statement.

Subsidiaries are consolidated line-by-line from the date that the Group obtains control.
In business combinations carried out in steps, with the presence of previous parent-subsidiary relationship, full consolidation takes place from the date of acquisition of control and on the same date the remeasurement at fair value of the previously held investment takes place.

It should be noted that:
- the subsidiary Valley LLP, an investee of Comet Usa Inc with a share of 94%, is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 6% held by a company linked to the current CEO of the subsidiary;
- Markusson Professional Grinders AB, an investee of Tecomec S.r.l., with a share of 81%, is consolidated at 100% on the basis of the "Put and Call Option Agreement" which regulates the purchase of the remaining 19%;
- Agres Sistemas Eletrônicos S.A., an investee of Tecomec S.r.l., with a share of 95.5%, is consolidated at 100% on the basis of the "Put and Call Option Agreement" which regulates the purchase of the remaining 4.5%;
- Poli S.r.l., an investee of Comet S.p.A., with a share of 80%, is consolidated at 100% on the basis of the "Put and Call Option Agreement" which regulates the purchase of the remaining 20%.

Intercompany transactions

Transactions, balances and unrealized profits relating to transactions between Group companies are eliminated.

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Unrealized losses are similarly eliminated, unless the transaction involves a loss in value of the asset transferred.
The financial statements of the enterprises included in the scope of consolidation have been suitably adjusted, where necessary, to align them with the accounting principles adopted by the Group.

Associates

Associates are companies in which the Group exercises significant influence, as defined by IAS 28 - Investments in Associates and Joint Ventures, but not control over financial and operating policies.
Investments in associates are accounted for with the equity method starting from the date the significant influence begins, up to when such influence ceases to exist.

Scope of consolidation

The scope of consolidation at 31 December 2025 include the following companies consolidated using the full consolidation method:

Name	Head office	Share capital	Currency	% consolidated	Held by	% of equity investment
Parent						
Emak S.p.A.	Bagnolo in Piano - RE (I)	42,623,057	€			
Italy						
Comet S.p.A.	Reggio Emilia (I)	2,600,000	€	100.00	Emak S.p.A.	100.00
PTC S.r.l.	Rubiera - RE (I)	55,556	€	100.00	Comet S.p.A.	100.00
Sabart S.r.l.	Reggio Emilia (I)	1,900,000	€	100.00	Emak S.p.A.	100.00
Tecomec S.r.l.	Reggio Emilia (I)	1,580,000	€	100.00	Emak S.p.A.	100.00
Lavorwash S.p.A.	Pegognaga - MN (I)	3,186,161	€	98.92	Comet S.p.A.	98.92
Poli S.r.l. (1)	Colorno - PR (I)	60,000	€	100.00	Comet S.p.A.	80.00
Pnr Italia S.r.l.	Voghera - PV (I)	1,000,000	€	100.00	Tecomec S.r.l.	100.00
Europe						
Emak Suministros Espana SA	Getafe - Madrid (E)	270,459	€	90.00	Emak S.p.A.	90.00
Comet France SAS	Wolfisheim (F)	320,000	€	100.00	Comet S.p.A.	100.00
Emak France SAS	Rixheim (F)	2,000,000	€	100.00	Emak S.p.A.	100.00
Emak U.K. Ltd	Burntwood (UK)	342,090	GBP	100.00	Emak S.p.A.	100.00
Epicenter LLC	Kiev (UA)	19,026,200	UAH	100.00	Emak S.p.A.	100.00
Speed France SAS	Arnas (F)	300,000	€	100.00	Tecomec S.r.l.	100.00
Victus-Emak Sp. Z o.o.	Poznan (PL)	10,168,000	PLN	100.00	Emak S.p.A.	100.00
Lavorwash France S.A.S	Wolfisheim (F)	37,000	€	98.92	Lavorwash S.p.A.	100.00
Lavorwash GB Ltd	St. Helens Merseyside (UK)	900,000	GBP	98.92	Lavorwash S.p.A.	100.00
Lavorwash Polska SP.ZOO	Bydgoszcz (PL)	163,500	PLN	98.92	Lavorwash S.p.A.	100.00
Lavorwash Iberica S.L.	Tarragona (E)	80,000	€	98.92	Lavorwash S.p.A.	100.00
Markusson Professional Grinders AB (2)	Rimbo (SE)	50,000	SEK	100.00	Tecomec S.r.l.	81.00
Trebol Maquinaria y Suministros S.A.	A Coruña (E)	75,000	€	83.33	Sabart S.r.l.	83.33
Pnr EE Sp. Z.o.o.	Poznan (PL)	5,000	PLN	100.00	Pnr Italia S.r.l.	100.00
PNR Central Europe GmbH	Freilassing (D)	25,000	€	100.00	Pnr Italia S.r.l.	100.00
PNR Nordic AB	Stockolm (SE)	400,000	SEK	100.00	Pnr Italia S.r.l.	100.00
America						
Comet Usa Inc	Bloomington - Minnesota (USA)	231,090	USD	100.00	Comet S.p.A.	100.00
Comet do Brasil Industria e Comercio de Equipamentos Ltda	Indaiatuba (BR)	51,777,052	BRL	100.00	Comet S.p.A. PTC S.r.l.	99.63 0.37
Emak do Brasil Industria LTDA	Ribeirao Preto (BR)	27,241,557	BRL	100.00	Emak S.p.A. Comet do Brasil LTDA	99.99 0.01
PTC Waterblasting LLC	Bloomington - Minnesota (USA)	285,000	USD	100.00	Comet Usa Inc	100.00
S.I. Agro Mexico	Guadalajara (MEX)	1,000,000	MXN	100.00	Comet S.p.A. PTC S.r.l.	97.00 3.00
Speed South America S.p.A.	Quilicura - Santiago (RCH)	906,215,860	CLP	100.00	Speed France SAS	100.00
Valley Industries LLP (3)	Paynesville - Minnesota (USA)	-	USD	100.00	Comet Usa Inc	94.00
Speed North America Inc.	Wooster - Ohio (USA)	10	USD	100.00	Speed France SAS	100.00
Lavorwash Brasil Ind. Ltda	Indaiatuba (BR)	34,245,535	BRL	98.92	Lavorwash S.p.A. Comet do Brasil LTDA	99.99 0.01
Spraycom comercio de pecas para agricoltura S.A.	Catanduva (BR)	533,410	BRL	51.00	Tecomec S.r.l.	51.00
Agres Sistemas Eletrônicos S.A. (4)	Uberaba (BR)	2,224,787	BRL	100.00	Tecomec S.r.l.	95.50
PNR America Inc.	Poughkeepsie - New York (USA)	1,000	USD	51.00	Pnr Italia S.r.l.	51.00
Rest of the world						
Jiangmen Emak Outdoor Power Equipment Co.Ltd	Jiangmen (RPC)	20,425,994	RMB	100.00	Emak S.p.A.	100.00
Ningbo Tecomec Manufacturing Co. Ltd	Ningbo City (RPC)	8,029,494	RMB	100.00	Tecomec S.r.l.	100.00
Tai Long (Zhuhai) Machinery Manufacturing Ltd	Zhuhai (RPC)	16,353,001	RMB	100.00	Emak S.p.A.	100.00
Speed Line South Africa Ltd	Pietermaritzburg (ZA)	100	ZAR	51.00	Speed France SAS	51.00
Yongkang Lavorwash Equipment Co. Ltd	Yongkang City (RPC)	63,016,019	RMB	98.92	Lavorwash S.p.A.	100.00
Yongkang Lavorwash Trading Co. Ltd	Yongkang City (RPC)	3,930,579	RMB	98.92	Lavorwash S.p.A.	100.00
Jiangmen Autech Equipment Co. Ltd	Jiangmen (RPC)	5,106,499	RMB	100.00	Emak S.p.A.	100.00

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(1) Poli S.r.l. is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 20%.
(2) Markusson Professional Grinders AB is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 19%.
(3) Valley Industries LLP is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 6%.
(4) Agres Sistemas Eletrônicos S.A. is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 4.5%.

Compared to 31 December 2024 the company PNR Nordic AB entered the scope of consolidation on January 2, 2025, 100% acquired by Spraylab Northern Europe AB. A reverse merger between the two companies was approved on 3 January 2025, and the transaction was completed in June 2025.

2.3 Translation differences

Functional currency and presentation currency
Transactions included in the financial statements of each group company are recorded using the currency of the primary economic environment in which the company operates (functional currency). The consolidated financial statements are presented in euro, the functional and presentation currency of the Parent.

Transactions and balances
Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions. Gains and losses arising from foreign exchange receipts and payments in foreign currency and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

Consolidation of foreign companies financial statements
The financial statements of all Group companies are prepared in accordance with IFRS in accordance with the accounting principles of Emak S.p.A.

The financial statements with functional currency different from the presentation currency of the consolidated financial statements are translated as follows:
(i) assets and liabilities are translated at the closing rate on the statement of financial position date;
(ii) income and expenses are translated at the average rate for the period;
(iii) all translation differences are recognized as a separate reserve under equity ("cumulative translation adjustment");
(iv) the other residual transactions are recorded at the specific exchange rate of the transaction;

The main exchange rates used for the translation in euro of the financial statements expressed in foreign currencies are the following:

Amount of foreign currency for 1 Euro	Average 2025	31.12.2025	Average 2024	31.12.2024
GB Pounds (UK)	0.86	0.87	0.85	0.83
Renminbi (China)	8.12	8.23	7.79	7.58
Dollar (Usa)	1.13	1.18	1.08	1.04
Zloty (Poland)	4.24	4.22	4.31	4.28
Zar (South Africa)	20.18	19.44	19.83	19.62
Uah (Ukraine)	47.11	49.79	43.49	43.69
Real (Brazil)	6.31	6.44	5.83	6.43
Mexican Pesos (Mexico)	21.67	21.12	19.83	21.55
Chilean Pesos (Chile)	1,074.61	1,058.13	1,020.66	1,033.76
Swedish krona (Sweden)	11.07	10.82	11.43	11.46

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2.4 Property, plant and equipment

Land and buildings largely comprise production facilities, warehouses and offices; they are stated at historical cost, plus any legal revaluations carried out in years prior to the first-time adoption of IFRS and kept in the financial statements during the transition period as the Group identified the residual value of the respective assets recorded in the balance sheet at that date as the fair value of the assets and opted to use this value as a substitute for cost at the transition date (so-called “Deemed Cost”), less the accumulated depreciation of the buildings. Other assets are recorded at historical cost, less accumulated depreciation and impairment losses. Historical cost includes all the directly attributable costs of purchasing the assets.

Subsequent expenditure is added to the carrying amount of the asset or is accounted for as a separate asset only when it is probable that this expenditure will generate future economic benefits and these costs can be measured reliably. Expenditure on other repairs and maintenance is expensed to income in the period incurred.

Land is not depreciated. Other assets are depreciated on a straight-line basis over their estimated useful lives generally as follows:

- buildings, 33 years;
- light construction, 10 years;
- plant and machinery, 6-10 years;
- moulds used in production, 4-6 years;
- other, 4-8 years.

The residual value and useful life of assets is reviewed and amended, if necessary, at the end of each financial year.

If the carrying amount of any asset is higher than the estimated recoverable amount, it is immediately reduced to realizable value.

Government grants obtained for investments in buildings and machinery are recognized in the income statement over the period required to match these grants with the related amortization plans and are treated as deferred income.

2.5 Intangible assets

(a) Development costs
These are intangible assets with a finite life. The development costs of new products are capitalized only if the following conditions are met:

- the costs can be measured reliably;
- the product's technical feasibility and expected price and volumes indicate that the costs incurred for development will generate future economic benefits.

An intangible asset, generated in the development phase of an internal project, is recorded as an asset if the Group is able to demonstrate:

- the technical possibility of completing the intangible asset, so that it becomes available for use or sale;
- the intention to complete the asset and its ability to use it or sell it;
- the means by which the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the availability of adequate technical, financial and other types of resources to complete the development and to use or sell the asset;
- the ability to reliably evaluate the cost attributable to the asset during its development;
- the ability to use the intangible asset generated.

The amortisation of development costs, classified under the “Development costs” heading, accrues from the end of the development phase and when the relevant asset begins to generate economic benefits.

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In the period in which capitalisable internal development costs are incurred, they are recognised as a reduction of the relevant cost items in the consolidated income statement and are classified under intangible assets.

Capitalised development costs are amortised on the basis of an estimate of the period in which it is expected that the assets in question will generate cash flows and, in any case, for periods of not more than 5 years starting from the start of production of the products pertaining to the development activities.
All other development costs which do not meet the requirements for being capitalised are recorded in the income statement when incurred.

Government grants obtained for investments in development costs are recognized in the income statement over the period necessary to correlate them with the related amortization plans and are treated as deferred income.

(b) Concessions, licenses and trademarks
Trademarks and licenses are valued at historical cost, except the trademarks acquired through Business Combinations which are initially recorded at their fair value. Trademarks and licenses have a finite useful life and are stated after deducting accumulated amortization. Amortization is calculated on a straight-line basis so as to spread the asset's cost over its estimated useful life.

(c) Other intangible assets
Other intangible assets are recorded as prescribed by IAS 38 – Intangible assets, when it is identifiable, it is probable that it will generate future economic benefits and its cost can be measured reliably. Intangible assets are recognized at purchase cost, with the exception of the customers lists recognized following the acquisitions and initially entered at their fair value. Other intangible assets are amortized on a systematic basis over their estimated useful lives, and in any case for a duration ranging from 5 to 15 years.

The agreements relating to the specific part of cloud technology, Software-as-a-Service (Saas), are accounted for in accordance with the interpretations published by the IFRIC, according to which the costs incurred for the customization of the application software to a supplier in an agreement Software-as-a-Service (SaaS) are capitalized only when the requisites envisaged by IAS 38 exist and in particular when such customisation activities are under the control of the Group. Alternatively, these costs are recorded directly in the income statement, similarly to software configuration costs.

2.6 Rights of use

The right to use the leased asset (so-called “right of use”) is classified in the financial position among non-current assets.
The right of use asset is initially recognized at cost, determined as the sum of the following components:

- initial value of the lease liability (paragraph 2.19);
- any lease payments made before the start date of the contract, net of any incentives received;
- initial direct costs incurred by the lessee;
- the estimate of the costs that the lessee expects to incur for the dismantling, removal and demolition of the underlying asset.

Following the initial recognition, the right of use is adjusted to take into account the accumulated depreciation rates, any impairment losses and related effects and any restatements of the liability.
Depreciation rates are recognized on a straight-line basis and are accounted in the income statement under the item " Amortization, depreciation and impairment losses".

The Group used the exemption granted to IFRS 16 for short-term leases and for low-value asset, recognizing the payments relating to these types of leases in the income statement as operating costs over the duration of the lease contract.

In relation to the renewal options, the Group proceeded to make an estimate of the duration of the related lease contracts taking into account the reasonable certainty of exercising the option.

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2.7 Goodwill

The goodwill deriving from the purchase of subsidiaries, classified under non-current assets, is initially recorded at cost representing the excess of the consideration paid and the amount recorded for non-controlling interests, recognized as of the acquisition date, compared to the identifiable net assets acquired and liabilities take on by the Group. If the consideration is less than the fair value of net assets of the subsidiary acquired, the difference is recognized in the income statement.
Goodwill is considered by the Emak Group an asset with an indefinite useful life. Consequently, this asset is not amortized but is subject to regular checks to detect any impairment.
Goodwill is allocated to the business units that generate separately identifiable cash flows and monitored in order to allow the verification of impairment.
Goodwill relating to associates is included in the value of the investment.

2.8 Impairment losses

Assets with an indefinite life are not amortized or depreciated but are reviewed at least annually for any impairment and whenever there are indications of possible losses in value. Assets subject to amortization or depreciation are reviewed for impairment every time that events or changes in circumstances indicate that their carrying value might not be recoverable.
The impairment loss recognized is the amount by which the carrying amount of an asset exceeds its recoverable amount, corresponding to the higher of the asset's net selling price and its value in use. For the purposes of measuring impairment, assets are classified together into the smallest identifiable groups that generate cash inflows (cash-generating units) as required by IAS 36.
The aforementioned impairment test necessarily requires making subjective valuations based on information available within the Group, on reference market prospects and on historical trends. In addition, if there appears to be a potential reduction in value, the Group makes a calculation of the value using what it considers to be suitable valuation techniques.
The same value checks and the same valuation techniques are applied to intangible assets and property, plant and equipment with a finite useful life when there are indicators that predict difficulties in recovering the relative net carrying amount through use.
The correct identification of indicators of the existence of a potential impairment loss, as well as estimates for establishing values, mainly depend on factors and conditions that may vary over time, also to a significant degree, thereby influencing the valuations and estimates made by the Directors.

2.9 Investment property

Property held for long-term capital appreciation and buildings held to earn rentals are measured at cost, less depreciation and any impairment losses.

2.10 Financial assets

All financial assets falling within the application of IFRS 9 are recognised at amortised cost or at fair value based on the identified business model for the management of financial assets and the characteristics of the contractual cash flows of the financial asset.
Specifically, the Group has identified the following financial assets:

- financial assets held as part of a business model in which the objective is to collect contractual cash flows, represented uniquely by collections of principal and interest on the capital amount to be returned. Said assets are valued at amortised cost;
- financial assets held as part of a business model in which the objective is achieved both through the collection of contractual financial cash flows and through the sale of the asset: said assets are valued at fair value with variations recorded in profit (loss) (FVTPL);
- other financial assets are valued at fair value, with variations recorded in profit (loss) for the financial period (FVTPL).

With reference to financial assets valued at amortised cost, when the contractual cash flows of the financial asset are renegotiated or otherwise modified and the renegotiation or modification does not produce

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derecognition, the gross accounting value of the financial asset is recalculated and the profit or loss deriving from the modification is recorded in the profit (loss) for the financial period.

Any cost or commission incurred adjust the accounting value of the modified financial asset and are amortised along the remaining term of the asset.

Financial assets are derecognised when the contractual rights on the cash flows expire or substantially all the risks and benefits connected with the holding of the asset are transferred (so-called Derecognition), or in the event that the item is considered as definitively unrecoverable after all the necessary recovery procedures have been completed.

Financial assets and liabilities are offset in the consolidated statement of financial position when there is the legal right to offsetting in the period and when there is the intention to settle the transaction on a net basis (i.e., to realise the asset and simultaneously settle the liability).

With regards to impairment losses on financial assets, the Group applies a model based on expected credit losses at every reporting date in order to reflect the variations in credit risk occurring since the initial recognition of the financial asset.

2.11 Non-current assets and liabilities held for sale

In these captions, items are to be classified as assets held for sale and disposal when:

a) the asset is available for immediate sale;
b) the sale is highly probable within one year;
c) management is committed to a plan to sell;
d) a reasonable sales price is available;
e) the plan for disposal is unlikely to change;
f) a buyer is being actively sought.

This condition is met only if the sale is considered highly probable and the asset (or group of assets) is available for an immediate sale in its current state. The first condition is met when the Management is committed to the selling, that should happen within twelve months from the classification date of this item.
These assets are measured at the lower of their carrying amount and *fair value* less costs to sell. Assets reclassified to this category cease to be amortized.

2.12 Shareholdings in associated companies

Equity investments of the Group in associates are valued with the equity method. With the equity method, the shareholding in an associated company is initially recognised at cost. The book value of the investment is increased or decreased to recognise the proportional share of the profits and losses of the associate realised after the date of acquisition, taking into consideration any effect deriving from the elimination of unrealised intergroup margins.
The consolidated income statement reflects the share of the result for the financial period of the associate pertaining to the owners of the parent.
The aggregate share of the result for the financial period of associates pertaining to the owners of the parent is recognised in the consolidated statement of financial position and represents the profit or loss net of taxes and the share of profit or loss attributable to other investees of the associated.
The financial statements of associates are drawn up at the same closing date as the financial statements of the Group. Where necessary, the financial statements are adjusted to be in line with the Group's accounting principles.

2.13 Inventories

Inventories are measured at the lower of cost and realisable value as determined by market conditions.
Cost is determined using the weighted average cost method. The cost of finished products and work in progress includes raw material costs, direct labor costs, general manufacturing costs and other direct and

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indirect costs incurred in bringing the inventories to their present location and condition. Realizable value as determined by market conditions is determined using prevailing selling prices less estimated costs of completion and sale.
Obsolete or slow-moving inventories are devalued on the basis of the presumed possibility of their use or of their future realizable value, by creating an appropriate allowance that has the effect of reducing the inventories value.

2.14 Trade receivables

Trade receivables are defined as financial instruments. Initial recognition is at fair value; for trade receivables without a significant financial component the initial recognised value is the transaction price. The assessment of the collectability of receivables is made on the basis of the so-called *Expected Credit Losses* model provided for by IFRS 9.

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost, using the effective interest method. They are recorded net of a bad debt provision, deducted directly from accounts receivable to bring the evaluation to their estimated realizable value. Expected losses on trade receivables are estimated using a provision matrix with aging bands of receivables, making reference to past experience regarding losses on credits, an analysis of debtors' financial positions, corrected to take account of specific factors regarding the debtor, and an assessment of the current and expected evolution of such factors at the reporting date.
A provision for the impairment of trade receivables is recognized when there is objective evidence that the Group will be unable to collect all the amounts according to the original terms and conditions. The amount of the provision is charged to the consolidated income statement.

Factoring transactions
The Group can make use of the instrument of the transfer of a part of its trade receivables through factoring transactions and in particular can make use of non-recourse sales of trade receivables. Following these possible disposals, which provide for the almost total and unconditional transfer of the risks and rewards relating to the assigned receivables to the assignee, the receivables themselves are derecognised from the financial statements.

2.15 Trade payables

Trade and other payables, due under normal commercial terms, are not discounted but are recognized at cost (identified by their face value), representing the expenditure required for their settlement.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks and short-term financial investment with original maturities of three months or less and highly liquid, net of overdrafts. Bank overdrafts are classified in the consolidated statement of financial position under overdraft current liabilities.

In the consolidated cash flows statement, cash and cash equivalents are shown net of bank overdrafts at the closing date.

2.17 Share capital

Ordinary shares are classified under equity.

If a company of the Group purchases shares in the Parent, the consideration paid, including any attributable transaction costs less the related tax, is deducted as treasury shares from the total equity attributable to the owners of the Parent until such time as these shares are cancelled or sold. Any proceeds from their sale, less directly attributable transaction costs and the related tax, are recognized in equity pertaining to the Group.

In accordance with the requirements of International accounting standard IAS 32, costs sustained for the increase in share capital (that is, registration costs or other charges due to regulation authorities, amounts paid

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to legal advisors, auditors or other professionals, printing costs, registration costs and stamp duty), are accounted for as a reduction in equity, net of any connected tax benefit, to the extent to which they are marginal costs directly attributable to the share capital transaction and would have been avoided otherwise.

2.18 Financial liabilities

Financial liabilities are recognized initially at fair value, less the related transaction costs. They are subsequently measured at amortized cost; the difference between the amount received, less transaction costs, and the amount repayable is recognized in the consolidated income statement over the term of the loan, using the effective interest method.

In the event of non-substantial modifications in the terms of a financial instrument, the difference between the current value of cash flows as modified (determined using the effective interest rate of the instrument in force at the modification date) and the book value of the instrument is recorded in the consolidated income statement.

Loans and borrowings are classified as current liabilities if the Group does not have an unconditional right to defer the extinguishment of the liability to at least 12 months after the reporting date.
Financial liabilities are derecognised when the specific contractual obligation is discharged. Modification of the existing contractual terms is also treated as a discharge in the event the new conditions significantly change the original terms.
The financial liabilities initially measured at fair value also include the payables for the purchase of the residual non-controlling interests subject to the Put & Call Option.
Financial liabilities deriving from put and call option contracts on non-controlling interests are initially recognized at fair value upon execution of the contracts. Such liabilities are subsequently remeasured at each reporting date, with any resulting changes recognized in the consolidated income statement.
In a business combination in which less than 100 percent of the shares of a subsidiary are acquired, the seller may be granted a put option that gives it the right to sell its remaining non-controlling interest in the subsidiary to the acquirer at a specified price or based on a predefined valuation model. The acquisition of control of the business is accounted for in accordance with IFRS 3. With regard to the put option granted to the selling shareholders, whether the exercise price of the put option is fixed or variable, in accordance with IAS 32.23, as such arrangements give rise to an obligation for the Group to purchase shares, the Group recognizes a financial liability measured at the present value of the amount that may be required to be paid to the counterparty under the option contract. For the purpose of determining the consideration for the initial recognition of the financial liability arising from the acquisition of equity interests, reference is made to IFRS 10, IAS 32 and IFRS 9. To this end, an analysis is performed to assess the transfer to the Group of the risks and rewards associated with the equity interest and of the residual interests arising from changes in the value of the investment. Where the pricing mechanism of the put options is predetermined in the option contract (i.e. based on a fixed multiple), the Group considers that the transfer of risks and rewards has already occurred and, accordingly, the value of the financial liability arising from the put options is recognized as a reduction of non-controlling interests. Furthermore, on the basis of the method used to determine the final price, the Group considers that the selling shareholders do not retain any residual interests in the investment. Accordingly, the share of the results of subsidiaries is not attributed to non-controlling interests, and any dividends paid to them are recognized against the financial liability arising from the put options granted to the non-controlling interests. As indicated by IFRS 9, subsequent changes in the present value of the financial liability in relation to these put options are recognized in the consolidated income statement.

2.19 Lease liabilities

The lease liabilities are initially recognized at an amount equal to the present value of the payments due not paid at the effective date, discounted using the implicit interest rate of the lease for each contract or, if it cannot be easily determined, using the incremental borrowing rate. The latter is defined based on payment frequency, the duration of the payments provided for in the lease contract, the country and the Business Unit to which the lessee belongs.
Future lease payments considered in the calculation of the liability are as follows:

- Fixed payments, net of any incentives to be received;
- Variable payments;
- Estimate of the payment as guarantee of the residual value;

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- Payment of the exercise price of the purchase option, if the lessee is reasonably certain to exercise it;
- Payment of contractual penalties for termination of the lease, if the lessee is reasonably certain that he will exercise this option.

Following initial recognition, lease liabilities are subsequently increased by the interest that accrues, decreased by the future lease payments and possibly revalued in case of modification of future payments in relation to:

- Change in the index or rate;
- Change in the amount that the Group expects to have to pay as a guarantee on the residual value;
- Modification of the estimate of the exercise or not of a purchase, extension or termination option.

Lease liabilities are considered by the Group to be of a financial nature and therefore are included in the calculation of the net financial position.

2.20 Income taxes

Current taxes are the taxes accrued in accordance with the rules in force at the reporting date in the various countries in which the Group operates; they also include adjustments to prior years' taxes.
Deferred tax assets and liabilities are recorded to reflect all temporary differences at the reporting date between the carrying amount of an asset / liabilities for tax purposes and allocated according to the accounting principles applied.
Deferred tax assets and liabilities are calculated using tax rates established by current regulations.
Deferred tax assets are recognized on all temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilized.
The carrying amount of deferred tax assets is reviewed at each reporting date and possibly reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of all or part of the deferred tax asset to be utilized. These assets are restored if and when the conditions underlying their prior write-off cease to exist.
As a general rule, apart from specific exceptions, deferred tax liabilities must always be recognized.
The Group analyses the uncertain tax treatments (individually or as a whole, depending on the characteristics) always assuming that the authority examines the tax position in question, having full knowledge of all the relevant information. In the event that it is considered unlikely that the tax authority will accept the tax treatment followed, the Group reflects the effect of uncertainty in measuring its current and deferred income taxes as required by IFRIC 23.
The Group is not subject to national rules implementing the OECD Pillar Two framework, within the scope of the international tax reform under the Global Anti-Base Erosion (GloBE) rules.

Income taxes (current and deferred) relating to items recognized directly in Equity are also recognized directly in Equity.
Current tax assets and liabilities are offset only if the Group has a legally enforceable right to set off the recognized amounts and if it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities may be offset only if they are expected to become liquid, collectable and deductible at the same time, in relation to the same taxation authority.

2.21 Post-employment benefits

Post-employment benefits fall within the sphere of defined benefit plans, subject to actuarial measurement (deaths, the probability of terminations, etc.) and expresses the current value of the benefit, payable at the termination of employment, which employees have accrued up to the reporting date.
The costs relating to the increase in the current value of the liability, arising as the time of payment approaches, are included among financial expenses. All other costs included in the provision are posted to the income statement as personal expenses. Actuarial gains and losses are accounted for in the consolidated statement of other comprehensive income in the year in which they occur.

2.22 Provisions for risks and charges

Provisions for risks and charges are recognized when the Group has legal or constructive obligation arising from past events, is likely to be asked to pay the balance of the obligation and a reliable estimate can be made of the related amount.

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Any liabilities defined as potential do not give rise to provisions for risks and charges.

2.23 Revenues

Revenues are recognized in the consolidated income statement on an accruals basis and is recognized to the extent that it is probable that the economic benefits associated with the sale of goods or the provision of services will flow to the Group and their amount can be reliably measured.
Revenues are accounted net of returns, discounts, rebates and taxes directly associated with the sale of goods or the provision of the service.

Sales are recognized at the fair value of the consideration received for the sale of products and services, when the following conditions are met:

a) the risks and rewards of ownership of the property are substantially transferred;
b) the amount of revenue can be measured reliably;
c) it is probable that the economic benefits associated with the transaction will flow to the entity;
d) the costs incurred or to be incurred can be measured reliably and respect the principle of correlation with revenues.

Accounting for revenues involves following the steps provided for by IFRS 15:

- Identification of the contract with the customer;
- identification of the performance obligations provided for in the contract;
- determination of the price;
- allocation of the price to the performance obligations contained in the contract;
- recognition of revenues when the enterprise satisfies each performance obligation.

Revenues are recognised upon the transfer of control of the goods to the customer, which coincides with the moment when the goods are delivered to the customer (at a point in time), in compliance with the specific contractual terms agreed with the customer.

The Group considers that the breakdown of revenues by operating segment is appropriate to meet required disclosure requirements since it is information regularly reviewed by management in order to assess the Group's financial performance.

2.24 Government grants

Government grants are recognized at *fair value* when there is reasonable assurance that the grants will be received and all the conditions attaching to them have been satisfied.
Government grants related to costs (e.g. operating grants) are recognized as revenue on a systematic basis over a number of years so as to match the costs that the grant is intended to offset.
Government grants related to assets (e.g. grants related to plant) are recorded in non-current liabilities and gradually released to the consolidated income statement on a systematic basis over the useful life of the asset concerned.

2.25 Financial income and expense, exchange gains and losses

Financial income and expenses are recognized on an accruals basis using the effective interest rate and include exchange gains and losses and gains and losses on derivatives charged to the consolidated income statement.

2.26 Payment of dividends

Dividends on the Parent's ordinary shares are reported as liabilities in the financial statements in the year in which the shareholders' meeting approves their distribution.

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2.27 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to the owners of the parent by the weighted average number of shares outstanding during the period, excluding treasury shares. Emak S.p.A. does not have any potential ordinary shares.

2.28 Consolidated cash flow statement

The consolidated cash flow statement has been prepared using the indirect method.
Cash and cash equivalents included in the consolidated cash flow statement comprise the cash-related balances at the reporting date. Interest income and expense, dividends received and income taxes are included in cash flow generated by operations.

2.29 Changes in accounting standards and 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 starting 1 January 2025:

- On 15 August 2023 the IASB published an amendment entitled ***"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability".*** The document requires an entity to apply a consistent methodology to determine whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to use and the disclosure to provide in the notes to the financial statements. The amendments came into effect on 1 January 2025. The adoption of this amendment did not lead any effects on the Group's consolidated financial statements.

ACCOUNTING STANDARD, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, BUT NOT YET MANDATORILY APPLICABLE AND NOT ADOPTED EARLY BY THE GROUP ON 31 DECEMBER 2025

The following accounting standards, amendments, and interpretations of IFRS have completed the endorsement process necessary for the adoption of the amendments and the principles described below but are not yet mandatorily applicable and have not been adopted early by the Group as of 31 December 2025:

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

  With these amendments, the IASB has also introduced additional disclosure requirements, particularly concerning investments in equity instruments designated at FVOCI.
  The amendments will apply to financial statements for periods beginning, starting from 1 January 2026. The Directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this new amendment.

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- On 18 July 2024, the IASB published a document titled "**Annual Improvements Volume 11**." The document includes clarifications, simplifications, corrections, and changes aimed at improving the consistency of various IFRS Accounting Standards. The amended standards are:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and the related implementation guidelines for IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

The amendments will be applicable from 1 January 2026, but early application is permitted. The Directors do not expect a significant impact on the Group's consolidated financial statements from the adoption of these amendments.

- On 18 December 2024, the IASB published an amendment titled "**Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7**". The document aims to support entities in reporting the financial effects of contracts for purchasing electricity generated from renewable sources (often structured as Power Purchase Agreements). Based on these contracts, the amount of electricity generated and purchased can vary due to uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - A clarification regarding the application of "own use" requirements to this type of contract;
  - Criteria to allow the accounting of these contracts as hedging instruments; and
  - New disclosure requirements to enable financial statement users to understand the impact of these contracts on an entity's financial performance and cash flows.

The amendment will be applicable from 1 January 2026, but early application is permitted. The Directors do not expect a significant impact on the Group's consolidated financial statements from the adoption of this amendment.

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

The new standard also:
  - requires more information on performance indicators defined by management;
  - introduces new criteria for the aggregation and disaggregation of information; and,
  - introduces some changes to the cash flow statement format, including the requirement to use operating profit as the starting point for presenting the cash flow statement prepared using the indirect method, and the elimination of certain existing classification options (such as interest paid, interest received, dividends paid, and dividends received).

The new standard will come into effect on 1 January 2027, but earlier application is permitted. The Directors are currently assessing the potential impacts of introducing this new standard on the Group's consolidated financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS - INTERNATIONAL FINANCIAL REPORTING STANDARDS NOT YET ENDORSED BY THE EUROPEAN UNION

At the reference date of this document, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments and principles described below.

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- On 9 May 2024, the IASB published a new standard, ***IFRS 19 Subsidiaries without Public Accountability: Disclosures***. The new standard introduces certain simplifications regarding the disclosures required by other IAS-IFRS standards. This standard can be applied by an entity that meets the following main criteria:
  - it is a subsidiary;
  - it has not issued, and is not in the process of issuing, equity or debt instruments in a public market;
  - it has a parent that prepares consolidated financial statements in accordance with IFRS.

The new standard will come into effect on 1 January 2027, but earlier application is permitted. The Directors expect that the adoption of this new standard will not have any impact on the Group's consolidated financial statements.

- On 13 November 2025, the International Accounting Standards Board (IASB) published an amendment titled "Translation to a Hyperinflation Presentation Currency – Amendments to IAS 21". The amendment provides that:
  - for an entity whose functional currency is not hyperinflationary and whose presentation currency is hyperinflationary, all amounts in the financial statements (including comparative information) shall be translated using the closing rate at the most recent reporting date;
  - for an entity whose functional and presentation currencies are hyperinflationary and which holds a foreign operation whose functional currency is not hyperinflationary, the comparative information relating to the foreign operation included in previously issued financial statements shall be restated by applying the general price index in accordance with paragraph 34 of IAS 29, and the current amounts of the foreign operation (excluding comparatives) shall be translated at the closing rate at the most recent reporting date of the statement of financial position. The amendment also requires disclosure of the application of the changes and, where relevant, summarised financial information relating to foreign operations affected by the translation method adopted.

The amendment will be effective from 1 January 2027, with earlier application permitted. The Directors do not expect a significant impact on the Group's consolidated financial statements from the adoption of this amendment.

3. Capital management

The Group's objectives for managing capital are:

a) to safeguard the ability to continue operating as a going concern;
b) to provide an adequate return for shareholders.

The Group manages capital structure in proportion to the risk. In order to maintain or adjust its capital structure, the Group may vary the amount of dividends paid to shareholders, buy treasury shares and it may issue new shares, or sell assets to reduce the level of debt.
During recent years the Group, except for the year 2020 in which no dividends were distributed due to the Covid 19 pandemic, has adopted "*dividend pay out*" policies for an amount equal to approximately 40% of net profit (excluding any impairment losses) attributable to the owners of the parent reported in the consolidated financial statements.
The Group monitors its capital on the basis of the ratio between net financial position and equity, and between net financial position and Ebitda.
The Group's strategy is to maintain, also in line with the provisions set out in its financing agreements, the Net Financial Position (NFP) / Equity ratio to a value not greater than 1 and a value in the long term, not exceeding 3.5 for the Net Financial Position (NFP) / EBITDA ratio, in order to ensure access to finance at a limited cost while maintaining a high credit rating. This debt target could be revised in case of changes in the macroeconomic situation or derogated in case of "Mergers & Acquisitions".
Considering the seasonality of the business, this ratio is subject to change during the year.

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The **NFP / Equity** and **NFP / EBITDA ratios before non ordinary income/expenses** at 31 December 2025 and 31 December 2024 are as follows:

€/000	31.12.2025	31.12.2025 NO IFRS16 (2)	31.12.2024	31.12.2024 NO IFRS16 (2)
Net financial position (Nfp) (note 9)	194,370	153,642	209,959	165,775
Total Equity	281,627	283,865	280,314	282,381
Ebitda before non ordinary income/expenses (1)	67,566	56,569	62,160	51,654
Nfp/Equity	**0.69**	**0.54**	**0.75**	**0.59**
Nfp/Ebitda before non ordinary income/expenses	**2.88**	**2.72**	**3.38**	**3.21**

(1) For more details please see the section "definitions of alternative performance indicators" in the Directors' Report.
(2) The "NO IFRS16" data are net of the application of the IFRS 16 standard and the related impact on the economic-financial figures.

4. Financial risk management

4.1 Financial risk factors

The Group is exposed to a variety of financial risks associated with its business activities:

- market risks, with particular reference to exchange and interest rates and market price, since the Group operates at an international level in different currencies and uses financial instruments that generate interest;
- credit risk, regarding both normal commercial relations and to financing activities;
- liquidity risk, with particular reference to the availability of financial resources and access to the credit market.

The Group's policies for managing and controlling financial risks focus on the unpredictability of financial markets and seek to minimize the potentially negative effects on the financial results. The Group uses derivative financial instruments to hedge certain risks.
Hedging of the Group's financial risks is managed by a head office function working in close collaboration with the individual operating units.
Qualitative and quantitative information is given below regarding the nature of such risks for the Emak Group. The quantitative figures shown below have no value for forecasting purposes, specifically, the sensitivity analyses on market risks are unable to reflect the complexity and associated reactions of the market as a result of each change hypothesized.

(a) Market risk

(i) Interest rate risk
The Group's interest rate risk relates to its long-term loans and borrowings. Variable rate loans expose the Group to the cash flow risk associated with interest rates. Fixed rate loans expose the Group to the fair value risk associated with interest rates.
The Group's policy is based on constantly monitoring its level and structure of debt and on the trend in interest rates and macroeconomic variables that might directly influence them, with the goal of optimizing the cost of money. At 31 December 2025, financings are, for the most part, at variable rates and, consequently, the Group has set up hedging operations aimed at limiting the effects. Although these transactions are made for hedging purposes, if specific documentation certifying the hedging relationship is not formalized, the accounting standards will not allow hedge accounting treatment. Therefore, fluctuations in their values may affect the Group's financial results.

Sensitivity analysis
The effects of variations in interest rates are analysed for their potential impact in terms of cash flows, since almost all the Group's financial assets and liabilities accrue variable interest.

A hypothetical, instantaneous and unfavourable negative variation of 50 base points in annual interest rates in force at 31 December 2025 applicable to financial liabilities at a variable interest rate would result in a greater cost, on an annual basis, of around € 829 thousand (€ 793 thousand at 31 December 2024). The above calculation takes into consideration the total amounts of financial liabilities net of the total amount of fixed-rates

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IRS operations carried out for hedging purposes and liabilities for the purchase of non-controlling interests and of fixed rate financing.

(ii) Exchange rate risk

The Group carries out its business internationally and it is exposed to risks deriving from fluctuations in exchange rates, which may affect the economic result and value of equity.

The net balances at 31 December 2025 for which the Group is exposed to exchange rate risk as a result of the use of a currency different from Group companies' local reporting currency are as follows:

Credit position in US Dollars	27,914 thousand
Credit position in Mexican Pesos	14,599 thousand
Credit position in Zloty	4,762 thousand
Credit position in GB Pound	2,130 thousand
Credit position in Brazilian Real	37,139 thousand
Debt position in Renminbi	177,639 thousand
Debt position in Euro	15,293 thousand
Debt position in Yen	5,791 thousand
Debt position in Swiss Francs	103 thousand

Specifically:

- in cases in which the companies in the Group incur transactions expressed in different currencies from those of their respective revenues, the fluctuation of exchange rates may affect the operating result of such companies.
- In the 2025 financial period, the overall amount of revenues directly exposed to exchange risk represented 6.7% of the Group's aggregate turnover (7.3% in the 2024 financial period), while the amount of costs exposed to exchange risk is equal to 17.3% of aggregate Group turnover (20.2% in the 2024 financial period).

  The main currency exchanges to which the Group is exposed are the following:

  - EUR/USD, relating to transactions in dollars made in the North American market and in other markets in which the dollar is the reference currency for commercial exchanges, and to production/purchases in the euro zone;
  - EUR/RMB and USD/RMB, in relation to Chinese production activities and to relative import/export flows;
  - EUR/YEN, relating to purchases in the Japanese market;
  - EUR/PLN, RMB/PLN and USD/PLN relating to transactions in the polish market;
  - EUR/UAH, in respect of transactions on the Ukrainian market;
  - USD/REAL, RMB/REAL and EUR/REAL, in respect of transactions on the Brazilian market;
  - EUR/MXR, relating to transactions in the Mexican market;
  - USD/SEK and EUR/SEK, relating to transactions on the Swedish market;
  - USD/CLP, relating to transactions on the Chilean market.

  There are no significant commercial flows with regards to other currencies.

  The Group's policy is to cover, partially, net currency flows, typically through the use of forward contracts and options, evaluating the amounts and expiry dates according to market conditions and net future exposure, with the objective of minimizing the impact of possible variations in future exchange rates.

- With regards to commercial activities, the companies in the Group are able to hold commercial credits and debits expressed in currencies which are different from the currency in which they keep their accounts and the variation in exchange rates may result in the realization or ascertainment of exchange differences;

- A number of subsidiaries in the Group are located in countries which are not members of the European Monetary Union, in particular, the United States, the United Kingdom, Poland, Sweden, China, Ukraine, South Africa, Mexico, Brazil and Chile. Since the reference currency for the Group is the euro, the income statements for these companies are converted into euro at the average exchange rate for the period and, with the same revenues and margins in local currency, variations in exchange rates may affect the equivalent value of revenue, costs and results in euro;

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- Assets and liabilities of subsidiaries in the Group, whose accounting currency is different from the euro, may have different equivalent values in euro depending on the trend in exchange rates. As provided for by the accounting standards adopted, the effects of such variations are recorded in the consolidated comprehensive income statement and directly in equity, under the heading “translation reserve” (see Note 28).
  At the statement of financial position date there was no hedging in force with regards to these exposures for conversion exchange risk.

Sensitivity analysis
The potential loss of fair value of the net balance of financial assets/liabilities subject to the risk of variation in exchange rates held by the Group at 31 December 2025, as a result of a hypothetical unfavorable and immediate variation of 10% in all relevant single exchange rates of functional currencies with foreign ones, would amount to around € 80 thousand (€ 1,799 thousand at 31 December 2024).

Other risks on derivative financial instruments

As described in Note 23, the Group holds a number of derivative financial instruments whose value is linked to the trend in exchange rates (forward currency purchase operations and options) and the trend in interest rates.

Although these operations have been entered into for hedging purposes, if specific documentation certifying the hedging relationship is not formalized, accounting standards do not permit their treatment using hedge accounting. As a result, changes in underlying values may affect the economic results of the Group.

Sensitivity analysis
The potential loss of fair value of derivative financial instruments in exchange rates at 31 December 2025 as a result of a hypothetical unfavourable and immediate variation of 10% in underlying values would amount to around € 367 thousand (€ 155 thousand at 31 December 2024).

(iii) Price risk
The group is exposed to fluctuations in the price of raw materials. This exposure is mostly towards suppliers of parts since their price is generally tied by contract to the trend in market prices for raw materials. The raw materials of greatest use refer to aluminium, steel, brass, metal alloys, plastic, copper as well as semi-finished products such as engines.
The increase in transport and distribution costs has an impact on the operating costs of the Group, with potential reduction in profitability, possible emergence of impairment indicators and a reduction in the net realizable value of the assets.
The risk is partially mitigated through the stipulation of purchase agreements with the main suppliers with prices locked with short-term time horizons to which is added constant monitoring of the cost of raw materials and logistics.
The Group uses policies to adjust the price of goods sold in case of significant changes in costs.

(b) Credit risk
The Group has adopted policies to ensure that products are sold to customers of proven creditworthiness and that certain types of receivable are subject to risk hedging through leading insurance companies.
The maximum theoretical exposure to credit risk for the Group at 31 December 2025 is the carrying amount of financial assets shown in the financial statements.

The credit granted to clients involves specific assessments of solvency and generally the Group obtains guarantees, both financial and otherwise, against credits granted for the supply of products addressed to some countries.

Individually significant positions that show objective evidence of partial or complete uncollectibility are continuously reviewed and, if necessary, written down on an individual basis.

The total impairment is estimated on the basis of recoverable flows, relative collection data, the costs and expenses of future recovery, as well as possible guarantees in force. For those credits that are not subject to individual impairment, bad debt provisions are allocated on an overall basis, taking account of historical experience and statistical data.

On 31 December 2025 trade receivables, equal to € 121,427 thousand (€ 129,244 thousand on 31 December

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2024), include € 15,325 thousand (€ 9,497 thousand on 31 December 2024) outstanding by more than 3 months. This value has been rescheduled according to repayment plans agreed with the clients.

The value of amounts receivable covered by insurance or by other guarantees on 31 December 2025 is € 32,025 thousand (€ 34,673 thousand on 31 December 2024).

On 31 December 2025 the top 10 customers account for 11.4% of total trade receivables (12.3% on 31 December 2024), while the top customer represents 4.8% of the total (4.7% on 31 December 2024).

(c) Liquidity risk
Liquidity risk can occur as a result of the inability to obtain financial resources necessary for the Group's operations at acceptable conditions.
The main factors determining the Group's liquidity situation are, on the one hand, the resources generated or absorbed in its operating activities and by investment, and on the other hand, by the expiry or renewal of debt or by the liquidity of financial commitments and market conditions.
Prudent liquidity risk management implies maintaining sufficient financial availability of cash and marketable securities, funding through an adequate amount of bank credit.
Consequently, the Group's treasury sets up the following activities:

- the monitoring of expected financial requirements in order to then take suitable action;
- the obtaining of suitable lines of credit;
- the optimization of liquidity, where feasible, through the centralized management of the Group's cash flows;
- maintenance of an adequate level of available liquidity;
- the maintenance of a balanced composition of net financial borrowing with respect to investments made;
- the pursuit of a correct balance between short-term and medium-long-term debt;
- limited credit exposure to a single financial institution;
- the monitoring of compliance with the parameters provided for by covenants associated with loans.

Counterparties to derivative financial instruments contracts and operations performed on liquid funds are restricted to primary financial institutions.

The nature and maturity characteristics of the Group's financial liabilities and assets are set out in Notes 26 and 30 relating respectively to cash and cash equivalents and loans and borrowings.

The Management considers that the currently unused credit lines amounting to € 145 million compared to € 144 million of the previous year, mainly short-term and guaranteed by trade receivables, as well as cash flow which will be generated from operating and financing activities, will allow the Group to meet its requirements deriving from investing activities, management of working capital and the repayment of debts at their natural maturity dates.

4.2 Accounting for derivative financial instruments and hedging activities

Derivative financial instruments are used exclusively for hedging purposes with the intent of reducing the risks of foreign currency and interest rate fluctuation. In line with its risk management policy, in fact, the Group does not carry out derivative financial instruments operations for speculative purposes.
When such operations are not accounted for as hedging operations they are recorded as trading operations.
As established by IFRS 9, derivative financial instruments may qualify for special hedge accounting only when the conditions established by the standard are met.
Derivatives are initially recognized at cost and adjusted to fair value at subsequent statement of financial position dates.

On the basis of the above, and of contracts entered into, the accounting methods adopted are as follows:
1. Fair value hedge: the fair value variations of the hedging instrument are posted to the consolidated income statement together with variations in the fair value of the hedged transactions.
2. Cash flow hedge*:* the variations in fair value of the financial instruments to be effective for hedging future cash flows are posted to the consolidated statement of other comprehensive income statement, while the ineffective portion is posted immediately to the consolidated income statement. If contractual commitments or planned hedging operations lead to the creation of an asset or liability, when this occurs the profits or losses on the derivative which have been posted directly to the consolidated statement of other income statement adjust the opening cost of acquisition or holding value of the asset or liability. For financial cash flow hedges

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that do not lead to the creation of an asset or liability, the amounts which have been posted directly to the consolidated statement of other comprehensive income are transferred to the consolidated income statement in the same period in which the contractual commitment or planned hedging operation are posted to the consolidated income statement.
3. Derivative financial instruments not defined as hedging instruments: the variations in fair value are posted to the consolidated income statement.

The accounting method adopted for a hedge is applied until it expires, is sold, terminates, is exercised or is no longer defined as a hedge. Accumulated gains or losses from the hedging instrument recorded directly in the consolidated statement of other comprehensive income are maintained until the related operation effectively occurs. If the operation to which the hedge relates is no longer expected to occur, the accumulated gains or losses recorded directly in the consolidated comprehensive income statement are transferred to the consolidated income statement for the relevant period.

4.3 Fair value measurement

Various accounting standards and certain disclosure requirements require the Group to assess the fair value of financial and non-financial assets and liabilities.
With regard to fair value measurement, the Group has an established control framework in place, which involves both external consultants and internal staff who report directly to the CFO and the Manager in charge of preparing corporate accounting statements, who are generally responsible for all significant fair value measurements, including those classified as Level 3.
The team regularly reviews unobservable market inputs, although the Group relies, whenever possible, on observable market data when measuring the fair value of an asset or liability. When third-party information is used to determine fair value, the team assesses and documents the evidence provided by such third parties to support the conclusion that the valuations comply with IFRS requirements, including the appropriate level in the fair value hierarchy to which the valuation should be assigned.
Fair values are categorized within a hierarchy based on the inputs used in the valuation techniques, as outlined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, the entire valuation is classified in the same level of the hierarchy as the lowest level input that is significant to the overall measurement.
The Group recognizes transfers between the different levels of the fair value hierarchy at the end of the year in which the transfer occurred. During 2025, there were no transfers between the different levels of fair value.

The following table presents, for each financial asset and liability, the carrying amount and the fair value, including the corresponding level within the fair value hierarchy. Information on the fair value of financial assets and liabilities not measured at fair value is excluded when the carrying amount represents a reasonable approximation of fair value.

The table below shows the balances as at 31 December 2025 and 31 December 2024:

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€/000 at 31.12.2025	Note	Fair value – derivative instruments	FVTPL	Financial assets measured at amortized cost	Other financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Interest rate hedging derivatives not in Hedge Accounting	23	79	-	-	-	**79**	-	79	-	**79**
Foreign exchange hedging derivatives not in Hedge Accounting	23	57	-	-	-	**57**	-	57	-	**57**
Equity instruments	22	-	7	-	-	**7**	-	-	7	**7**
Total		**136**	**7**	**-**	**-**	**143**	**-**	**136**	**7**	**143**
Financial assets not measured at fair value										
Trade receivables *	24	-	-	116,544	-	**116,544**	-	-	-	**-**
Guarantee deposits and cautions security	27	-	-	1,231	-	**1,231**	-	-	-	**-**
Other financial receivables	27	-	-	501	-	**501**	-	-	-	**-**
Cash and cash equivalents	26	-	-	71,147	-	**71,147**	-	-	-	**-**
Total		**-**	**-**	**189,423**	**-**	**189,423**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
Interest rate hedging derivatives not in Hedge Accounting	23	(556)	-	-	-	**(556)**	-	(556)	-	**(556)**
Foreign exchange hedging derivatives not in Hedge Accounting	23	(106)	-	-	-	**(106)**	-	(106)	-	**(106)**
Potential consideration for options on non-controlling interests	30	-	(4,522)	-	-	**(4,522)**	-	-	(4,522)	**(4,522)**
Total		**(662)**	**(4,522)**	**-**	**-**	**(5,184)**	**-**	**(662)**	**(4,522)**	**(5,184)**
Financial liabilities not measured at fair value										
Overdrafts	30	-	-	-	(1,287)	**(1,287)**	-	-	-	**-**
Bank loans	30	-	-	-	(220,186)	**(220,186)**	-	-	-	**-**
Trade payables **	29	-	-	-	(92,006)	**(92,006)**	-	-	-	**-**
Total		**-**	**-**	**-**	**(313,479)**	**(313,479)**	**-**	**-**	**-**	**-**

* Other receivables not classified as financial assets (such as other receivables and accrued income and prepaid expenses) are excluded

** Other liabilities not classified as financial liabilities are excluded (liabilities to employees and social security institutions, customer advances and accrued expenses, other liabilities and deferred income)

€/000 at 31.12.2024	Fair value – derivative instruments	FVTPL	Financial assets measured at amortized cost	Other financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Interest rate hedging derivatives not in Hedge Accounting	218	-	-	-	**218**	-	218	-	**218**
Foreign exchange hedging derivatives not in Hedge Accounting	152	-	-	-	**152**	-	152	-	**152**
Equity instruments	-	8	-	-	**8**	-	-	8	**8**
Total	**370**	**8**	**-**	**-**	**378**	**-**	**370**	**8**	**378**
Financial assets not measured at fair value									
Trade receivables *	-	-	124,414	-	**124,414**	-	-	-	**-**
Guarantee deposits and cautions security	-	-	1,129	-	**1,129**	-	-	-	**-**
Other financial receivables	-	-	91	-	**91**	-	-	-	**-**
Cash and cash equivalents	-	-	69,174	-	**69,174**	-	-	-	**-**
Total	**-**	**-**	**194,808**	**-**	**194,808**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value									
Interest rate hedging derivatives not in Hedge Accounting	(972)	-	-	-	**(972)**	-	(972)	-	**(972)**
Foreign exchange hedging derivatives not in Hedge Accounting	(6)	-	-	-	**(6)**	-	(6)	-	**(6)**
Potential consideration for options on non-controlling interests	-	(4,710)	-	-	**(4,710)**	-	-	(4,710)	**(4,710)**
Total	**(978)**	**(4,710)**	**-**	**-**	**(5,688)**	**-**	**(978)**	**(4,710)**	**(5,688)**
Financial liabilities not measured at fair value									
Overdrafts	-	-	-	(4,121)	**(4,121)**	-	-	-	**-**
Bank loans	-	-	-	(226,730)	**(226,730)**	-	-	-	**-**
Trade payables **	-	-	-	(104,030)	**(104,030)**	-	-	-	**-**
Total	**-**	**-**	**-**	**(334,881)**	**(334,881)**	**-**	**-**	**-**	**-**

* Other receivables not classified as financial assets (such as other receivables and accrued income and prepaid expenses) are excluded

** Other liabilities not classified as financial liabilities are excluded (liabilities to employees and social security institutions, customer advances and accrued expenses, other liabilities and deferred income)

Financial Instruments Measured at Fair Value

Foreign exchange hedging derivatives not in Hedge Accounting: fair value is determined using the forward pricing technique, based on figures provided by third-party counterparties at the end of the financial year.

Interest rate hedging derivatives not in Hedge Accounting: fair value is determined using swap model techniques, based on figures provided by third-party counterparties at the end of the financial year.

Equity instruments: these are minor investments measured based on the financial information available to management of the Group.

Consideration for options on non-controlling interests: the valuation technique used is the discounted cash flow model. This technique considers the present value of estimated payments, discounted using a rate

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that reflects the associated risk. The estimate of payments generally uses, among the main input data, EBITDA, net financial position (NFP) and net working capital of the subsidiaries for which Put & Call options on non-controlling interests are in place.

5. Key accounting estimates and assumptions

The preparation of the consolidated financial statements and the related notes under IFRS has required management to make estimates and assumptions affecting the value of reported assets and liabilities and the disclosures relating to contingent assets and liabilities at the reporting date. However, it should be noted that, as these are estimates, the actual results may not necessarily correspond to those presented in these financial statements. Estimates are used for recording provisions for doubtful accounts receivable and inventory obsolescence, amortization and depreciation, write-downs to assets, employee benefits, taxes, other provisions, liabilities for the purchase of the non-controlling interest, lease liabilities and rights of use assets (including the determination of the probability of exercising the option to extend or terminate the contract). Estimates and assumptions are reviewed periodically and the effects of any change are immediately reflected in the consolidated income statement.

The assessment that goodwill is recorded in the financial statements for a value not higher than its recoverable value (so-called impairment test) provides, first of all, to test the endurance of the value of the goodwill divided into the Cash Generating Unit (CGU). The calculation of the recoverable amount is carried out in accordance with the criteria established by IAS 36 and is determined in terms of value in use by discounting the expected cash flows from the use of the asset or of a CGU, as well as from the expected value of the asset at its disposal at the end of its useful life. This process involves the use of estimates and assumptions to determine the identification of CGUs, the amount of future cash flows and the discount rates. The future cash flows are based on the most recent economic-financial plans drawn up by the Management of each CGU and approved by the Board of Directors of Emak S.p.A. as well as by the respective Boards of Directors of the sub-holdings to which each CGU belongs. With reference to the business in which the company operates, the factors that have the greatest relevance in the estimates of future cash flows are attributable to the intrinsic difficulty of formulating future forecasts, to the feasibility of market strategies in highly competitive contexts, as well as to the risks of macroeconomic and geo-political nature related to the geographic areas in which the Emak Group operates. The discount rates reflect the cost of money for the period forecast and the specific risks of the activities and countries in which the Group operates and are based on observable data in the financial markets.

The most recent macroeconomic evolutions affecting the current geopolitical context have implied the need to make assumptions regarding the future outlook which is characterized by volatility and unpredictability. As a result, it cannot be excluded that the actual results obtained will be different from the forecasts, and therefore adjustments, which obviously cannot today be estimated or foreseeable, to the currying amount of the relative items may be necessary.

6. Segment information

IFRS 8 provides for information to be given for certain items in the financial statements on the basis of the operating segments of the Group.

An operating segment is a component of a company:

a) that carries on business activities generating costs and revenues;
b) whose operating results are reviewed on a periodic basis at the highest executive levels for the purpose of taking decisions about resources to be allocated to the segment and for the evaluation of results;
c) for which separate reporting information is available.

IFRS 8 is based on the so-called “Management approach”, which defines sectors exclusively on the basis of the internal organizational and reporting structure used to assess performance and allocate resources.

According to these definitions, the operating segments of Emak Group are represented by three Divisions/ Business Units with which develops, manufactures and distributes its range of products:

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- Outdoor Power Equipment (products for gardening, forestry and small agricultural equipment, such as brushcutters, lawnmowers, garden tractors, chainsaws, tillers and walking tractors);
- Pumps & Water Jetting (membrane pumps for the agricultural sector - spraying and weeding - piston pumps for the industrial sector, professional and semi-professional high-pressure washers, hydrodynamic units and urban cleaning machines);
- Components & Accessories (line and heads for brushcutters, cables for agricultural applications, chainsaw accessories, guns, nozzles and valves for high pressure washers and agricultural applications, precision farming such as sensors and computers, technical seats and spare parts for tractors).

The Directors separately observe the results by business segment in order to make decisions about resource allocation and performance verification.

The performance of the segment is evaluated on the basis of the measured result that is consistent with the result of the consolidated financial statements.

Below are the main economic and financial data broken down by operating segment:

	OUTDOOR POWER EQUIPMENT		PUMPS & WATER JETTING		COMPONENTS & ACCESSORIES		Other not allocated / Netting		Consolidated	
€/000	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Sales to third parties	186,320	180,180	243,788	244,646	182,386	177,088			**612,494**	**601,914**
Intersegment sales	436	421	2,348	1,873	9,900	9,957	(12,684)	(12,251)		
Revenues from sales	186,756	180,601	246,136	246,519	192,286	187,045	(12,684)	(12,251)	**612,494**	**601,914**
Ebitda (*)	12,263	10,702	26,441	23,305	30,266	29,510	(2,171)	(2,636)	**66,799**	**60,881**
Ebitda/Total Revenues %	*6.6%*	*5.9%*	*10.7%*	*9.5%*	*15.7%*	*15.8%*			***10.9%***	***10.1%***
Ebitda before non ordinary expenses (*)	12,343	11,755	26,499	23,261	30,895	29,780	(2,171)	(2,636)	**67,566**	**62,160**
Ebitda before non ordinary expenses/Total Revenues %	*6.6%*	*6.5%*	*10.8%*	*9.4%*	*16.1%*	*15.9%*			***11.0%***	***10.3%***
Operating result	4,174	2,933	14,192	6,814	18,208	17,300	(2,171)	(2,636)	**34,403**	**24,411**
Operating result/Total Revenues %	*2.2%*	*1.6%*	*5.8%*	*2.8%*	*9.5%*	*9.2%*			***5.6%***	***4.1%***
Net financial expenses (1)									**(14,422)**	**(13,926)**
Profit befor taxes									**19,981**	**10,485**
Income taxes									**(5,805)**	**(3,985)**
Net profit									**14,176**	**6,500**
Net profit/Total Revenues%									***2.3%***	***1.1%***
(1) Net financial expenses includes the amount of Financial income and expenses, Exchange gains and losses and the amount of the Income from equity investment										
STATEMENT OF FINANCIAL POSITION	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Net debt (*)	13,849	17,558	131,310	135,438	49,211	56,963	0	0	**194,370**	**209,959**
Shareholders' Equity	184,826	185,667	88,493	90,158	86,589	82,934	(78,281)	(78,445)	**281,627**	**280,314**
Total Shareholders' Equity and Net debt	198,675	203,225	219,803	225,596	135,800	139,897	(78,281)	(78,445)	**475,997**	**490,273**
Net non-current assets (2) (*)	122,678	123,570	103,825	109,658	69,245	71,936	(75,236)	(75,174)	**220,512**	**229,990**
Net working capital (*)	75,997	79,655	115,978	115,938	66,555	67,961	(3,045)	(3,271)	**255,485**	**260,283**
Total net capital employed (*)	198,675	203,225	219,803	225,596	135,800	139,897	(78,281)	(78,445)	**475,997**	**490,273**
(2) The net non-current assets of the Outdoor Power Equipment area includes the amount of Equity investments for 76,074 thousand Euro										
OTHER STATISTICS	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Number of employees at period end	722	727	957	980	816	811	9	9	**2,504**	**2,527**
OTHER INFORMATIONS	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Amortization, depreciation and impairment losses	8,089	7,769	12,249	16,491	12,058	12,210			**32,396**	**36,470**
Investment in property, plant and equipment and in intangible assets	7,720	7,532	4,867	8,193	7,941	8,996			**20,528**	**24,721**

(*) See section "Definitions of alternative performance indicators"

For the comments on the economic and financial data, reference should be made to chapter 4 of the Directors' Report.

The table below shows the breakdown of "sales to third parties" in 2025 by operating segment and geographical area, compared with the same period last year:

	OUTDOOR POWER EQUIPMENT			PUMPS & WATER JETTING			COMPONENTS & ACCESSORIES			CONSOLIDATED		
€/000	**31.12.2025**	**31.12.2024**	**Var. %**	**31.12.2025**	**31.12.2024**	**Var. %**	**31.12.2025**	**31.12.2024**	**Var. %**	**31.12.2025**	**31.12.2024**	**Var. %**
Europe	163,747	153,905	6.4	110,422	104,779	5.4	103,501	99,673	3.8	377,670	358,357	5.4
Americas	5,892	6,852	(14.0)	108,948	113,800	(4.3)	53,884	54,679	(1.5)	168,724	175,331	(3.8)
Asia, Africa and Oceania	16,681	19,423	(14.1)	24,418	26,067	(6.3)	25,001	22,736	10.0	66,100	68,226	(3.1)
Total	**186,320**	**180,180**	**3.4**	**243,788**	**244,646**	**(0.4)**	**182,386**	**177,088**	**3.0**	**612,494**	**601,914**	**1.8**

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7. Significant non-recurring events and transactions

Acquisition of PNR Nordic

On 2 January 2025, the subsidiary Spraylab Northern Europe AB (Sweden) acquired 100% of the company Pnr Nordic AB (Sweden), the main customer operating exclusively as a distributor of Pnr catalog products in the local market. The transaction, carried out with the aim of streamlining the distribution chain in the local market, was concluded for a consideration of approximately € 35 thousand, against acquired net assets equal to € 81 thousand.
The acquired company has assets of approximately € 270 thousand, revenue of approximately € 1,400 thousand in 2024, and a profit of approximately € 60 thousand. On 3 January 2025 a reverse merger with the acquiring company Spraylab Northern Europe AB was approved, with retroactive effect from 1 January 2025 and finalized in June 2025.
The economic and financial impacts of this acquisition are not significant, as the effects of consolidation do not result in substantial changes, given that the company PNR Nordic AB is the sole client of the acquiring entity. It should be noted that the acquisition profit, amounting to € 46 thousand, was recognized in the consolidated income statement for the financial year.

The currying amounts of the assets and liabilities, subject to acquisition, are detailed below:

€/000	Book values 31 12 2024	Fair Value adjustments	Fair value of acquired assets and liabilities
Current assets			
Inventories	89	-	89
Trade and other receivables	57	-	57
Cash and cash equivalents	56	-	56
Current liabilities			
Trade and other payables	(119)	-	(119)
Current tax liabilities	(2)	-	(2)
Total net assets acquired	**81**	**-**	**81**
% interest held			**100%**
Net equity acquired			**81**
(Profit) from acquisition			**(46)**
Price paid at closing			**35**

Liquidation of the company Pnr EE Sp. Z.o.o

On 6 March 2025, the Board of Directors of Pnr Italia S.r.l. resolved to liquidate the Polish trading company Pnr EE Sp. Z.o.o., which recorded a turnover of approximately € 300 thousand in 2024. The company no longer operates in Poland and Eastern Europe following the implementation of the new distribution model from 2025.

Share capital increase of Emak do Brasil

On 2 December 2025, the parent Emak S.p.A. subscribed to a share capital increase of its subsidiary Emak do Brasil through the conversion of receivables into equity investment, for a total amount of USD 689,060 (equivalent to euro 591,570).
The transaction had no impact on the Group's consolidated financial statements.

Disposal of 49% in PNR America

In October 2025, the closing was signed for the sale by Pnr Italia S.r.l. of 49% in PNR America to Barens Inc. for a consideration of € 445 thousand, in line with the carrying amount of the investment, with payment deferred over a period of twenty-four months.

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Through the contribution of the sales network of the shareholder Barens Inc., the transaction will enable Pnr Italia S.r.l. to strengthen its commercial presence in the territory and to expand its penetration across sales markets and sectors, enhancing the value of its product range.
Through the local partner's structure, it will also be possible to achieve synergies and efficiencies at the level of operating costs, with the objective of improving future profitability and reducing future investments by Pnr Italia S.r.l.
Following closing, the transfer of the warehouse to the new premises and the migration of data to the new ERP system have been completed, ensuring continuity of service to the market.

Merger of Agres Sistemas S.A. and Spraycom S.A.
In November 2025, a resolution was passed to proceed with the merger of the Brazilian companies Agres Sistemas S.A. and Spraycom S.A., both held by Tecomec S.r.l.
The merger project arises from the intention to integrate two companies operating in the same market, characterized by complementary and largely overlapping product portfolios and customer bases, with the objective of consolidating their position as a single integrated operator with a comprehensive offering.
The merger will enable the enhancement of commercial synergies already initiated, expand the presence in the South American market and strengthen investment capacity both in product development and in the sales network.
The new entity will be more diversified in terms of application sectors, customer base and product range, thereby reducing exposure to market cycles.

8. Balances arising from atypical and unusual transactions

No events/operations as per Consob Communication DEM/6064293 of 28 July 2006 have been recorded during the financial period 2025. As indicated in this Communication "atypical and/or unusual transaction are considered as transaction that, due to their significance/materiality, the nature of the counterparties, the object of the transaction, the means for determining the transfer price and the time of the event (near the close of the period), may give rise to doubts with regards to: the correctness/completeness of the information in the financial statements, conflicts of interest, the protection of company assets, the safeguarding of non-controlling interests".

9. Net financial position

The table below shows the details of net financial position, which includes (in item M) the net financial debt determined according to ESMA criteria (based on the format required by Consob communication no. 5/21 of 29 April 2021):

(€/000)	31.12.2025	31.12.2024
A. Cash	71,147	69,174
B. Cash equivalents	-	-
C. Other current financial assets	176	408
D. Liquidity funds (A+B+C)	**71,323**	**69,582**
E. Current financial debt	(17,100)	(17,484)
F. Current portion of non-current financial debt	(76,445)	(66,426)
G. Current financial indebtedness (E + F)	**(93,545)**	**(83,910)**
H. Net current financial indebtedness (G - D)	**(22,222)**	**(14,328)**
I. Non-current financial debt	(173,840)	(196,813)
J. Debt instruments	-	-
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I + J + K)	**(173,840)**	**(196,813)**
M. Total financial indebtedness (H + L) (ESMA)	**(196,062)**	**(211,141)**
N. Non-current financial receivables	1,692	1,182
O. Net financial position (M-N)	**(194,370)**	**(209,959)**
Effect IFRS 16	**40,728**	**44,184**
Net financial position without effect IFRS 16	**(153,642)**	**(165,775)**

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Net financial position at 31 December 2025, includes € 4,522 thousand (€ 4,710 thousand at 31 December 2024), referring to payables for the purchase of the non-controlling interest subject to Put & Call Options, entirely classified within current liabilities (Note 30). These debts refer to the purchase of investments in the following companies:

- Markusson for an amount of € 1,716 thousand (€ 1,877 thousand at 31 December 2024);
- Agres for an amount of € 277 thousand (€ 274 thousand at 31 December 2024);
- Valley LLP for an amount of € 919 thousand (€ 949 thousand at 31 December 2024);
- Poli S.r.l. for an amount of € 1,610 thousand (€ 1,610 thousand at 31 December 2024).

Net financial position at 31 December 2025, includes, in the items referring to "Financial debt", financial liabilities for € 40,728 thousand (€ 44,184 thousand at 31 December 2024) deriving from the application of IFRS 16- Leases. Current portion of this financial liability is equal to € 9,503 thousand (€ 8,632 thousand at 31 December 2024) and non-current portion is equal to € 31,225 thousand (€ 35,552 thousand at 31 December 2024). Such liabilities include lease liabilities to related parties for an amount of € 10,115 thousand, of which € 1,945 thousand current and attributable to the application of the IFRS 16 to the rental contracts that some Group companies enter into with the associate Yama Immobiliare S.r.l.

At 31 December 2025, the item financial receivables include receivables from related parties for an amount of € 37 thousand, entirely classified to current portion and attributable to receivables from Yama S.p.A. for the guarantees included in the contract in favour of Emak S.p.A. as part of the so-called "Operazione Greenfield" carried out in 2011.

For the purposes of the debt declaration pursuant to Consob Communication no. 5/21 of April 29, 2021, there is no indirect debt or debt subject to conditions that has not been directly recognized in the consolidated financial statements, nor are there any significant differences with reference to the obligations arising and registered but whose final amount has not still been determined with certainty.

10. Revenues from sales and other income

The Group's revenues amount to € 612,494 thousand, compared to € 601,914 thousand of last year, and they are recorded net of returns for € 3,668 thousand, against € 2,518 thousand of last year.

Details of revenues from sales are as follows:

€/000	FY 2025	FY 2024
Net sales revenues (net of discounts and rebates)	610,967	599,076
Revenues from recharged transport costs	5,195	5,356
Returns	(3,668)	(2,518)
Total	**612,494**	**601,914**

The increase in "Revenues" compared to the previous year is due to the organic increase in sales recorded in the first part of the year, partially offset by the foreign exchange translation effect.

Other income is analysed as follows:

€/000	FY 2025	FY 2024
Grants related to income and assets	1,799	1,425
Revenues for rents	694	618
Capital gains on property, plant and equipment	195	332
Advertising reimbursement	150	211
Recovery of canteen costs	155	148
Recovery of warrants costs	146	103
Insurance refunds	264	253
Recovery of administrative costs	106	115
Other income	1,541	1,884
Total	**5,050**	**5,089**

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The item “Grants related to income and assets” mainly includes tax credits and other accruals for non-repayable grants for R&D and investment projects.

11. Cost of raw materials, consumables and goods

The cost of raw materials, consumables and goods is analysed as follows:

€/000	FY 2025	FY 2024
Costs of raw materials, semi-finished products and goods	309,034	319,377
Other purchases	4,097	4,306
Development costs capitalized	(84)	(197)
Total	**313,047**	**323,486**

The decrease in costs for “Raw materials, semi-finished products and goods” is mainly attributable to the utilisation of inventories, which resulted in a lower volume of purchases compared to the previous year.

12. Personnel expenses

Details of these costs are as follows:

€/000	FY 2025	FY 2024
Wage and salaries	85,196	83,922
Social security charges	24,873	23,620
Employee termination indemnities	3,542	3,449
Other costs	3,380	3,244
Development costs capitalized	(1,994)	(1,594)
Directors' emoluments	1,162	1,069
Temporary staff	7,071	6,839
Total	**123,230**	**120,549**

Personnel expenses increased compared to the previous year mainly due to the dynamics of labour costs and higher volumes achieved in some group companies characterised by higher labour costs.

During the 2025 financial year, personnel expenses for € 1,994 thousand were capitalized under intangible assets (€ 1,594 thousand in 2024), mainly referring to the costs for the development of new products.

The costs for the year include reorganization costs for € 310 thousand; mainly referring to retirement incentives paid by some Group companies. In the previous year these charges amounted to € 449 thousand.

The details of personnel by country is shown in chapter 7 of the Directors’ Report.

13. Other operating costs and provisions

Details of these costs are as follows:

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€/000	FY 2025	FY 2024
Subcontract work	14,001	12,164
Maintenance	9,738	9,044
Trasportation and duties	32,023	31,251
Advertising and promotion	6,369	6,549
Commissions	9,106	10,128
Travel	4,186	4,522
Postals and telecommunications	1,061	1,012
Consulting fees	6,706	7,222
Driving force	3,872	3,712
Various utilities	2,205	2,122
Services and bank fees	964	919
Costs of after sales warranty	2,109	2,094
Insurances	2,346	2,384
Other services	11,571	11,504
Development costs capitalized	(215)	(278)
Services	**106,042**	**104,349**
Rents, rentals and the enjoyment of third party assets	**5,187**	**4,864**
Increases in provisions	**564**	**1,219**
Credit losses	56	27
Increases in provision for doubtful accounts (note 24)	840	1,362
Capital losses on property, plant and equipment	44	96
Other taxes (not on income)	1,948	1,963
Grants	122	100
Other costs	1,740	2,241
Other operating costs	**4,750**	**5,789**
Total	**116,543**	**116,221**

Costs for subcontract work increased due to higher production volumes.
Provisions in the previous financial year included allocations for restoration activities of an industrial area formerly owned by Tailong (Zhuhai) Machinery Manufacturing Equipment Ltd.

14. Amortization, depreciation and impairment losses

Details of these amounts are as follows:

€/000	FY 2025	FY 2024
Amortization of intangible assets (note 19)	7,547	7,685
Depreciation of property, plant and equipment (note 18)	15,354	15,205
Amortization of rights of use (note 20)	9,495	9,166
Impairment losses of goodwill	-	4,414
Total	**32,396**	**36,470**

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The amortization and depreciation at 31 December 2025 amounted to € 32,396 thousand.
The item "Amortization of rights of use" includes the depreciation of rights of use recognized among non-current assets in application of IFRS 16 - Leases. Depreciation is calculated based on the duration of the contracts, taking into account the reasonableness of the probable renewals where they are contractually provided for.

The impairment losses recognized during the financial year 2024, equal to € 4,414 thousand, referred to the partial impairment of goodwill of the CGU Lavorwash determined as a result of the related impairment test.

15. Financial income and expenses, exchange gains and losses and Income from/(expenses on) equity investment

"**Financial income**" is analysed as follows:

€/000	FY 2025	FY 2024
Income from adjustment to fair value and fixing of derived instruments for hedging interest rate risk	911	1,409
Interest of trade receivables	297	258
Cash management interest	853	1,454
Financial income of debt adjustment estimate for purchase commitment of remaining shares of subsidiaries	-	1,292
Other financial income	298	430
Financial income	**2,359**	**4,843**

The item "Cash management interest" mainly refers to interest accrued on cash investment operations.

The "Financial income of debt adjustment estimate for purchase commitment of remaining shares of subsidiaries" in the 2024 financial year referred to the remaining shares of the companies Agres for € 876 thousand, Markusson for € 243 thousand and Valley for € 173 thousand.

With reference to the income from fair value adjustments and fixing of derivative instruments, please refer to paragraph 23 of these Explanatory Notes.

"Financial expenses" are analyzed as follows:

€/000	FY 2025	FY 2024
Interest on medium long-term bank loans and borrowings	8,860	12,582
Financial charges of debt adjustment estimate for purchase commitment of remaining shares of subsidiaries	104	-
Financial charges from leasing	1,786	1,817
Costs from adjustment to fair value and fixing of derived instruments for hedging interest rate risk	666	1,619
Interest on short-term bank loans and borrowings	796	1,253
Financial charges from valuing employee terminations indemnities (note 33)	138	149
Financial expenses from P&C discounting debts	10	23
Other financial costs	890	676
Financial expenses	**13,250**	**18,119**

The "Financial charges of debt adjustment estimate for purchase commitment of remaining shares of subsidiaries" refer to the adjustment of the debt for the purchase commitment of the remaining shares of the companies:

- Valley Industries LLP, subject to Put & Call option for the purchase of the remaining 6% of the company, with an adjustment in the year of € 84 thousand;
- Markusson, subject to Put & Call option for the adjustment of the remaining share of 19% of the company, with an adjustment in the year of € 20 thousand.

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The adjustment of these amounts, included among financial liabilities, is a consequence of the updating of the Multi-Year Plans originally planned by the target companies. The Price of the Put & Call options, in fact, is correlated to the future economic and financial indicators of the companies acquired.

The reduction in the "interest on medium long-term bank loan and borrowings" is related to the decrease in interest rates and the lower average gross indebtedness.

The item "Financial charges from leasing" refers to interest on financial liabilities recorded in accordance with accounting standard IFRS 16 – *Leases*.

Reference should be made to Note 23 for more details on interest rate hedging derivatives risk.

Details of "**exchange gains and losses"** are as follows:

€/000	FY 2025	FY 2024
Profit / (Loss) on exchange differences on trade transactions	(1,397)	(195)
Profit / (Loss) on exchange differences on trade transactions adjustments	110	(744)
Profit / (Loss) on exchange differences on financial transactions	(2,103)	8
Profit / (Loss) on exchange differences on valuation of derivative instruments	(135)	277
Exchange gains and losses	**(3,525)**	**(654)**

Net exchange losses for the year came to € 3,525 thousand against a negative value of € 654 thousand of the previous year and it was negatively affected by the depreciation of the US dollar against euro.

The item "**Income from/(expenses on) equity investment**", equal to a negative value of € 6 thousand (compared to a positive value of € 4 thousand in the previous year), relates to the valuation according to the equity method of the investment in the associated company Raw Power S.r.l.

16. Income taxes

The tax charge in 2025 for current and deferred tax assets and liabilities amounts to € 5,805 thousand (€ 3,985 thousand in the previous year).

This amount is made up as follows:

€/000	FY 2025	FY 2024
Current income taxes	7,496	6,362
Taxes from prior years	(106)	(16)
Deferred tax assets (note 32)	(1,415)	(1,850)
Deferred tax liabilities (note 32)	(170)	(511)
Total	**5,805**	**3,985**

Current income taxes include the cost of IRAP (regional company tax) to € 764 thousand, compared to € 558 thousand in 2024.

The reconciliation between the tax burden recorded in the financial statements and the theoretical tax charges, determined on the basis of the theoretical tax rates in force in Italy, is as follows:

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€/000	FY 2025	% Rate	FY 2024	% Rate
Profit before taxes	**19,981**		**10,485**	
Theoretical tax charges	**5,575**	**27.9**	**2,925**	**27.9**
Effect of IRAP differences calculated on different tax base	514	2.6	270	2.6
Non-taxable income	(502)	(2.5)	(515)	(4.9)
Non-deductible costs	558	2.8	1,729	16.5
Differences in rates with other countries	(582)	(2.9)	(642)	(6.1)
Taxes on financial charges concerning the discounting and adjustment of payables for equity investments	23	0.1	(350)	(3.3)
Previous period taxes	(106)	(0.5)	(16)	(0.2)
Other differences	325	1.6	584	5.5
Effective tax charge	**5,805**	**29.1**	**3,985**	**38.0**

The effective tax rate is 29.1% against 38% at 31 December 2024.

The tax rate for the previous year was significantly influenced by the accounting for the impairment in the value of the CGU Lavorwash goodwill, which is not fiscally relevant, amounted to € 4,414 thousand (with a negative effect on the tax rate of 11.7%) and the non-recognition of deferred tax assets on tax losses of some Brazilian companies with a negative impact on the tax rate of 4%.

17. Earnings per share

“Basic" earnings per share are calculated by dividing the net profit for the period attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased or held by the Parent as treasury shares (Note 39). The Parent has only ordinary shares outstanding.

	FY 2025	FY 2024
Net profit attributable to ordinary shareholders in the parent company (€/000)	13,508	5,755
Weighted average number of ordinary shares outstanding	162,837,602	162,837,602
Basic earnings per share (€)	**0.083**	**0.035**

Diluted earnings per share are the same as basic earnings per share.

18. Property, plant and equipment

Changes in property, plant and equipment are shown below:

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€/000	31.12.2024	Increase/ (Amortizations)	Decreases	Exchange differences	Reclassification	Other movements	31.12.2025
Lands and buildings	63,439	557		(1,466)			62,530
Accumulated depreciation	(29,744)	(1,577)		554			(30,767)
Lands and buildings	**33,695**	**(1,020)**	**-**	**(912)**	**-**	**-**	**31,763**
Plant and machinery	153,030	5,569	(639)	(3,352)	3,818		158,426
Accumulated depreciation	(115,829)	(7,956)	579	2,645	-		(120,561)
Plant and machinery	**37,201**	**(2,387)**	**(60)**	**(707)**	**3,818**	**-**	**37,865**
Other assets	151,413	5,662	(2,441)	(1,425)	913		154,122
Accumulated depreciation	(134,349)	(5,821)	2,364	1,166	15		(136,625)
Other assets	**17,064**	**(159)**	**(77)**	**(259)**	**928**	**-**	**17,497**
Advances and fixed assets in progress	**5,288**	**3,799**	**-**	**(243)**	**(4,855)**	**(800)**	**3,189**
Cost	**373,170**	**15,587**	**(3,080)**	**(6,486)**	**(124)**	**(800)**	**378,267**
Accumulated depreciation (note 14)	**(279,922)**	**(15,354)**	**2,943**	**4,365**	**15**	**-**	**(287,953)**
Net book value	**93,248**	**233**	**(137)**	**(2,121)**	**(109)**	**(800)**	**90,314**

€/000	31.12.2023	Change in scope of consolidation Increase	Increase/ (Amortizations)	Decreases	Exchange differences	Reclassification	31.12.2024
Lands and buildings	59,446	2,690	679		624		63,439
Accumulated depreciation	(26,442)	(1,483)	(1,585)		(234)		(29,744)
Lands and buildings	**33,004**	**1,207**	**(906)**	**-**	**390**	**-**	**33,695**
Plant and machinery	137,339	5,850	8,306	(1,351)	779	2,107	153,030
Accumulated depreciation	(104,451)	(3,564)	(8,040)	941	(726)	11	(115,829)
Plant and machinery	**32,888**	**2,286**	**266**	**(410)**	**53**	**2,118**	**37,201**
Other assets	144,030	2,808	5,824	(2,561)	(97)	1,409	151,413
Accumulated depreciation	(128,821)	(2,287)	(5,580)	2,573	(223)	(11)	(134,349)
Other assets	**15,209**	**521**	**244**	**12**	**(320)**	**1,398**	**17,064**
Advances and fixed assets in progress	**4,920**	**19**	**4,141**	**(295)**	**-**	**(3,497)**	**5,288**
Cost	**345,735**	**11,367**	**18,950**	**(4,207)**	**1,306**	**19**	**373,170**
Accumulated depreciation (note 14)	**(259,714)**	**(7,334)**	**(15,205)**	**3,514**	**(1,183)**	**-**	**(279,922)**
Net book value	**86,021**	**4,033**	**3,745**	**(693)**	**123**	**19**	**93,248**

The “Other movements” amounting to € 800 thousand, refer to the non-completion, as contractually stipulated, of an investment for the implementation of a production line of a Group company. This change resulted in a decrease of the related trade payables in the liabilities.

Increases refer mainly to investments:

1. in equipment for the development of new products and new technologies;
2. in renewal projects of the IT system;
3. in the upgrading and modernization of production lines;
4. in the upgrading of production systems and infrastructures;
5. in the cyclical renewal of production and industrial equipment.

There are no assets subject to restrictions following guarantees given.

Over the years, the Group has benefited from a number of capital grants provided in accordance with Law 488/92 to the subsidiary Comag S.r.l. (from 1 January 2015 merged into the company Emak S.p.A.). The grants received are recognized as income in the consolidated income statement progressively in relation to the remaining possibility of utilization of the assets to which they refer and are shown in the statement of financial position as deferred income.

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19. Intangible assets

Intangible assets report the following changes:

€/000	31.12.2024	Increases	Amortizations	Exchange differences	Reclassification	31.12.2025
Development costs	4,168	2,346	(1,647)	10	202	5,079
Patents and software	3,526	1,330	(2,274)	(31)	195	2,746
Concessions, licences and trademarks	7,506	126	(1,019)	(575)	-	6,038
Other intangible assets	16,628	487	(2,607)	31	125	14,664
Advanced payments and fixed assets in progress	646	652	-	-	(413)	885
Net book value	32,474	4,941	(7,547)	(565)	109	29,412

€/000	31.12.2023	Change in scope of consolidation Increase	Increases	Decreases	Amortizations	Exchange differences	Reclassification	31.12.2024
Development costs	4,008	-	2,057	87	(1,673)	(316)	5	4,168
Patents and software	3,697	66	1,744	-	(2,267)	(20)	306	3,526
Concessions, licences and trademarks	8,182	-	138	-	(1,043)	229	-	7,506
Other intangible assets	10,503	5,388	926	-	(2,702)	(253)	2,766	16,628
Advanced payments and fixed assets in progress	2,838	-	906	-	-	(2)	(3,096)	646
Net book value	29,228	5,454	5,771	87	(7,685)	(362)	(19)	32,474

Research costs directly recorded in the consolidated income statement amount to € 7,034 thousand, net of the capitalization that took place during the year and mainly refer to costs incurred for the development of new products.

Other intangible fixed assets mainly include the value of the customer list determined following the Purchase Price Allocation process of the consideration recognized for the acquisitions of:

- Lavorwash Group, which took place in 2017, for a net value at 31 December 2025 of € 2,887 thousand, and an originally estimated useful life of 14 years;
- Agres Sistemas Eletrônicos SA, which took place in 2020, for a net value at 31 December 2025 of € 737 thousand, and an originally estimated useful life of 10 years;
- Markusson, which took place in 2020, for a net value at 31 December 2025 of € 830 thousand, and an originally estimated useful life of 10 years;
- Poli S.r.l. which took place in 2021, for a net value at 31 December 2025 of € 1,935 thousand, and an originally estimated useful life of 14 years;
- PNR S.r.l. which took place in 2024, for a net value at 31 December 2025 of € 4,468 thousand, and an originally estimated useful life of 11 years.

All intangible fixed assets have a finite useful life and are amortized at constant rates on the basis of their remaining useful life, except for the trademark of the subsidiary Lemasa S.A. merged into Comet do Brasil Industria e Comercio de Equipamentos Ltda, allocated in occasion of the acquisition of the same company and recorded for a value of 2,664 thousand Reais, equal to € 414 thousand as at 31 December 2025.
The recoverability of this asset with an indefinite useful life is subject to an impairment test carried out with the procedure illustrated in Note 21.

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20. Rights of use

The movement of the item "Rights of use" is set out below:

€/000	31.12.2024	Increases	Amortization	Decreases	Exchange difference	31.12.2025
Rights of use buildings	38,485	5,704	(7,931)	-	(996)	35,262
Rights of use other assets	3,185	1,206	(1,564)	(51)	(47)	2,729
Net book value (note 14)	41,670	6,910	(9,495)	(51)	(1,043)	37,991

€/000	31.12.2023	Change in scope of consolidation	Increases	Amortization	Decreases	Exchange difference	31.12.2024
Rights of use buildings	39,931	1,823	4,402	(7,631)	(212)	172	38,485
Rights of use other assets	1,976	299	2,528	(1,535)	(27)	(56)	3,185
Net book value (note 14)	41,907	2,122	6,930	(9,166)	(239)	116	41,670

The increases for the year are mainly related to the signing of new lease contracts for buildings owned by third parties, which expired during the year, for identical underlying assets.

21. Goodwill

The goodwill of € 65,621 thousand reported at 31 December 2025 is detailed below:

Cash Generating Unit (CGU)	*Country*	Description	31.12.2024	Reclassification	Exchange differences	31.12.2025
Victus	Poland	Goodwill recorded in Victus IT	5,693	-	73	5,766
Tecomec	Italy	Goodwill recorded in Tecomec S.r.l.	3,708	-	-	3,708
Speed France	France	Goodwill recorded in Speed France	2,854	-	-	2,854
Comet	Italy	Goodwill recorded in Comet S.p.A.	2,279	-	-	2,279
PTC	Italy	Goodwill recorded in PTC	3,210	-	-	3,210
Valley	USA	Goodwill recorded in Valley LLP, A1 and Bestway	14,621	-	(1,694)	12,927
S.I.Agro Mexico	Mexico	Goodwill recorded in S.I.Agro Mexico	634	-	-	634
Comet do Brasil	Brazil	Goodwill Lemasa LTDA recorded in Comet do Brasil	8,833	-	(13)	8,820
Lavorwash	Italy	Goodwill recorded in Lavorwash Group	13,076	-	-	13,076
Spraycom	Brazil	Goodwill recorded in Spraycom	200	(200)	-	-
Markusson	Sweden	Goodwill recorded in Markusson	1,538	-	91	1,629
Agres	Brazil	Goodwill recorded in Agres	6,562	200	(12)	6,750
Poli	Italy	Goodwill recorded in Poli	1,815	-	-	1,815
Trebol	Spain	Goodwill recorded in Trebol	1,191	-	-	1,191
PNR	Italy	Goodwill recorded in PNR Group	962	-	-	962
		Total	**67,176**	**-**	**(1,555)**	**65,621**

It should be noted that in the 2025 financial year a process of reorganisation and integration was initiated through the merger of Spraycom into Agres (whose goodwill, amounting to € 200 thousand, had been recognised in 2018). The merger, approved in November 2025, follows a more complex restructuring of the activities and cash flows of Spraycom and Agres.
As a result, the recoverability assessment was carried out by considering these cash flows together within the Agres CGU, treating the reference scope as a single unit for the purpose of determining its recoverable amount. This change had no impact on the recoverable amount of the CGU, as even performing the impairment test on the original separate CGUs, as identified in the previous financial year, the amounts remained fully recoverable.

The item at the end of the financial year is composed of:

- Goodwill allocated to the CGU Victus, equal to € 5,766 thousand, relates to the difference between the acquisition price for 100% of the company regulated by Polish law, Victus-Emak Sp. Z.o.o., and its equity

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at the date of acquisition, and relates to the acquisition of the company branch of Victus International Trading SA. Both acquisitions were finalized in 2005.

- Goodwill relating to the Tecomec CGU, amounting to € 3,708 thousand, includes € 2,807 thousand recognised following the so-called Greenfield operation (for details on the operation, reference should be made to the prospectus published on November 18, 2011) and € 901 thousand arising from the acquisition of 51% of Geoline Electronic S.r.l. in 2014. Following the total demerger operation, which took place at the end of 2019, the company was dissolved with the transfer of the business to the parent Tecomec which continues in this activity.

- Goodwill relating to the Speed France CGU, amounting to € 2,854 thousand, arose as part of the Greenfield operation, as it had already been recognised in Tecomec S.r.l.

- Goodwill relating to the Comet CGU, amounting to € 2,279 thousand, arose as part of the Greenfield operation and was originally recognised for € 4,253 thousand; from the 2022 financial year, € 1,974 thousand of the Comet Group's goodwill was reclassified to the PTC CGU, as it has been the lessee of the HPP business unit since that date. This amount was recognised following the acquisition and subsequent merger by incorporation of HPP S.r.l. into Comet S.p.A., completed in 2010.

- The goodwill allocated to the PTC CGU, equal to €3,210 thousand, refers to:

  - € 360 thousand relates to the goodwill of a business unit contributed in 2011 by non-controlling in PTC S.r.l., a Comet Group company;

  - € 523 thousand relates to the goodwill arose upon the acquisition of the company, Master Fluid S.r.l., acquired in June 2014 by P.T.C. S.r.l. and subsequently merged into it. The goodwill derives from the difference between the price of acquisition and its equity on 30 June 2014;

  - € 353 thousand relates to the positive difference emerged following the acquisition and subsequent merger of the company Acquatecnica S.r.l. in P.T.C. S.r.l., finalized in 2016;

  - € 1,974 thousand as it is the lessee of the HPP business unit mentioned above.

- The goodwill allocated to the Valley CGU, equal to € 12,927 thousand, includes:

  - an amount of € 11,064 thousand for the acquisition of Valley Industries LLP by Comet USA Inc in February 2012, resulting from the difference arising between the acquisition price and its equity;

  - an amount equal to € 1,338 thousand arising from the acquisition of the company branch A1 Mist Sprayers Resources Inc., realized in the first months of 2017 by Valley;

  - an amount of € 525 thousand arising from the acquisition of the business of the company Bestway AG realized in the first months of 2023 (€ 567 thousand at the acquisition date), subsequently merged into Valley.

- The goodwill recorded for € 634 thousand refers to the difference arisen in 2014 between the acquisition price paid by Comet S.p.A. for the 55% of the company S.I.Agro Mexico (with which was increased the investment from 30% to 85%) and the pro-share equity acquired. During the first half of 2019 the Group took its stake to 100% with the purchase of an additional 15%.

- The amount of € 8,820 thousand refers to the goodwill recorded in relation to the acquisition of the 100% of Lemasa – in 2022 merged into Comet do Brasil - during 2015 financial year, of which 30% regulated by a Put & Call option exercised in 2020. The goodwill was recognized as the difference between the estimate of the current price of acquisition of 100% of the subsidiary and the fair value of its assets and liabilities acquired at the date of acquisition. During 2016 financial year, as a result of the impairment test, this goodwill was partially reduced for € 4,811 thousand.

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- The amount of € 13,076 thousand refers to the acquisition of the 97.78% of the Lavorwash Group, which took place in 2017. During the previous year, the impairment test revealed a partial impairment loss of goodwill for this CGU amounted to € 4,414 thousand, which was recorded as a reduction of the same. The goodwill was initially recognized for € 17,490 thousand.

- The amount of € 1,629 thousand refers to the goodwill recognized as part of the acquisition of the Markusson company which took place in 2020, partly regulated by a Put & Call option exercised for 30% in the first half of 2023 and the residual for 19%. The goodwill, referring to 100%, was determined as the difference between the fair value of the net assets and the acquisition price which, for the part subject to the Put & Call option, was determined using the best estimate of the current value of the exercise price of the options, on the basis of the related business plan.

  The amount equal to € 6,750 thousand includes:
  (i) the value of the goodwill referring to the company Agres which took place in 2020. The goodwill was determined as the difference between the fair value of the net assets and the acquisition price which, for the part subject to the Put & Call option exercised for 4.5% in the first half of 2023 and the residual 4.5%, is valued according to the expected future economic and financial results; the value of the goodwill, referring to 100%, therefore, was originally recorded using the best estimate of the present value of the exercise price of the options, determined on the basis of the related business plan and;
  (ii) the goodwill of Spraycom recorded for € 200 thousand in 2018, refers to the difference between the value of the capital increase subscribed by Tecomec S.r.l. for 51% of the company Spraycom and the pro-share equity acquired. As a result of the considerations mentioned above, the recoverability assessment was carried out by considering these cash flows together within the Agres CGU, treating the reference scope as a single unit for the purpose of determining its recoverable amount. This change, as highlighted above, had no impact on the CGU's recoverable amounts.

- The goodwill of Poli recorded for € 1,815 thousand in 2021 emerges from the consolidation of the company Poli S.r.l. as the difference between the fair value of the net assets and the acquisition price which, for the part subject to the Put & Call option, referring to the 20% of the company, is valued according to future economic and financial results. The goodwill, referring to 100%, therefore, was originally recorded taking into account the best estimate of the present value of the exercise price of the options, determined on the basis of the related business plan.

- The goodwill referring to the company Trebol Maquinaria y Suministros S.A was recognized at 31 December 2022 for € 1,191 thousand as the difference between the fair value of the net assets at 30 September 2022 and the acquisition price referring to 83.33% of the subsidiary.

- The goodwill referring to the PNR Group for € 962 thousand which emerges from the difference between the 80% acquisition price and the fair value of the net assets of the Group following the acquisition carried out in January 2024. The acquisition of the 20% remaining share made in June 2024 did not result in the recognition of additional goodwill having been concluded after the acquisition of control.

Impairment test

The Group checks the recoverability of goodwill at least once a year, or more frequently if there are indicators of loss in the value. This check is carried out by calculating the recoverable value of the relevant Cash Generating Unit (CGU), using the "Discounted cash flow" method.

The business plans, methodologies and results of the "impairment test" as illustrated above have been approved by the Board of Directors on February 27, 2026, with the agreement of Risk Control and Sustainability Committee. The multi-year financial business plans have also been subject to approval by the respective Boards of Directors of the sub-holdings to which each CGU belongs.
The more relevant factors in the estimate of future cash flows are attributable to the intrinsic difficulty in the formulation of future forecasts, to the feasibility of market strategies in highly competitive contexts, and to macroeconomic and geo-political risks connected to geographical areas in which the Emak Group operates.
Management has taken account in its business strategies of climate-related transitions risks and opportunities that could most significantly influence future cash flows, dividing them into the following main aspects:

- Regulatory evolution of products;

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- Evolution of consumer preferences;
- Energy supply-chains.

It should be noted that, for the Group, the greatest impact derives from investments in product innovation.

The discount rate used to discount the expected cash flows has been established by single CGU. This rate (WACC) reflects the current market assessments of the time value of money over the period considered and the specific risks of Emak Group companies and of the reference sectors.

In order to carry out the impairment test on the recoverability of goodwill values, the Discounted cash flow has been calculated on the basis of the following assumptions:

- the cash flows used has been extracted from the three-year or five-year business plan of the CGU, approved by the Board of Directors, that represent management's best estimate in relation to the future operating performances of single entities in the period;
- these cash flows refer to reference units in their current state and exclude any transactions of a non-recurring nature and/or transactions not yet defined at the closing of the year;
- The expected future cash flows have been forecast in the currencies in which they will be generated;
- The expected future cash flows refer to a period of 3/5 years and include a normalized terminal value used to express a synthetic estimate of future results beyond the timeframe explicitly considered;
- The WACC used to discount future cash flows are calculated on the basis of the following assumptions:
  - the cost of debt reflects a cost of debt at market values, determined as the sum of the Eurirs rate with a maturity of 10 years with an average yield in the 6 months to 31 December 2025 to which is added a spread determined on the basis of the actual cost of debt relating to the Group's current loans;
  - the cost of equity capital, estimated using a Capital Asset Pricing Model (CAPM) approach, reflects the average 10-year *(*risk free*)* Government Bond yield in the 6 months to 31 December 2025 increased by a premium for market risk and weighted by an industry-specific levered beta. The cost also includes a size premium reflecting the additional risk, over and above that derived from the CAPM, required for equity investments in companies of comparable size to the Emak Group.

The WACCs used broken down by geographical area are as follows:

	CGU	31.12.2025	31.12.2024
Italy	Emak S.p.A. Tecomec S.r.l. Comet S.p.A. PTC S.r.l. Lavorwash Group Poli S.r.l. PNR Group	8.6%	9.0%
France	Speed France	8.6%	8.6%
Spain	Trebol	8.5%	8.6%
Poland	Victus	10.0%	10.6%
Sweden	Markusson	8.1%	7.9%
Mexico	S.I.Agro Mexico	10.5%	11.3%
Usa	Valley	9.1%	9.4%
Brazil	Comet do Brasil	11.3%	11.7%

The terminal value was determined on the basis of a long-term growth rate (g) equal to the long-term inflation of the country in which each CGU operates (source International Monetary Fund); this rate is reported below, broken down by country:

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	31.12.2025	31.12.2024
Italy	2.0%	2.0%
France	1.9%	1.8%
Spain	2.0%	2.0%
Poland	2.5%	2.5%
Sweden	2.0%	2.0%
Mexico	3.0%	3.0%
Usa	2.2%	2.1%
Brazil	2.9%	3.0%

For the determination of the operating cash flow based on the last year of explicit forecast, was reflected, in order to project "in perpetuity" a stable situation, a balance between investments and amortization/depreciation (in the logic of considering a level of investments necessary for the maintenance of the business) and change in working capital equal to zero.

The impairment tests did not identify any impairment losses.

In addition to the above, it should be noted that, also on the basis of the indications contained in the joint document issued by the Bank of Italy, Consob and Isvap (supervisory body for private insurance) no. 4 of 3 March 2010, the Group has drawn up sensitivity analyses on the results of the test for the CGUs not subject to impairment with respect to variations in the underlying assumptions effecting the estimation of the use value of the various CGUs, considering alternative scenarios: (i) a positive variation in relative terms of the WACC of 5%, (ii) a negative variation of 50 bps of the long-term growth rate (“g”), (iii) a negative variation of 5% in cash flows for each year of the plan. These analyzes did not show any impairment losses.

The Group’s Management verify the recoverability of net invested capital of Emak S.p.A. CGU, even though no goodwill or other intangible assets with indefinite life are allocated to it, considering the impairment indicators detected during the financial year, traceable to the operating loss for the period. This assessment has also been carried out through the determination of the recoverable value of the reference Cash Generating Unit (CGU) through the “Discounted cash flow” method. The methodology used for determining the discounted cash flow is the same as previously described. As a result, the figures of the five-year plan of the Emak S.p.A. CGU, which is the smallest unit for generating cash flow according to the monitoring policies used by management for internal management purposes, have been considered. The WACC rate used for discounting cash flows is 8.6%; the terminal value has been determined on the basis of a long-term growth rate (“g”) of 2%, equal to long-term inflation for the country (International Monetary Fund data). The test has not revealed impairment losses.
Sensitivity analyses conducted on the test results do not indicate potential value losses considering alternatively i) a positive 5% variation in relative terms of the WACC, ii) a negative variation of 50 bps of the long-term growth rate (“g”) or iii) a negative 5% variation of cash flows for each year of the plan.

Finally, the Directors, noting that the Equity of the Emak Group is higher than market capitalization of the stock at 31 December 2025 (equivalent to 151 million euro), have deemed it appropriate to carry out a so-called “second level” impairment test on the basis of the three-year business plan of the Group approved by the Board of Directors on 30 January 2026. The impairment test was performed applying the same methodology previously illustrated, applying WACC rate of 8.6% and a long-term growth rate (g) of 2%. The test has not revealed impairment losses. Sensitivity analysis on the results of the impairment test with respect to i) a positive variation of 5% in relative terms of WACC or ii) negative by a half percent of the growth rate “g” and iii) of 5% of the cash flows for each year of the plan, has not indicated impairment losses.

22. Equity investments in other companies and Equity investments in associates

The item "**Equity investments in other companies**" amounts to € 7 thousand; risks and benefits associated with the possession of the investment are negligible.

The item "**Equity investment in associates**", amounting to € 800 thousand, refers to the value of the share pertaining to the Group in associates obtained with the application of the equity method.
In particular, the item refers to the company Raw Power S.r.l., an associate acquired on 22 February 2023.

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The value of the equity investments in associates was adjusted as at 31 December 2025 for a negative value of € 6 thousand, recorded under the consolidated income statement item " Income from/(expenses on) equity investment ".

23. Derivative financial instruments

The financial statements values relate to changes in the fair value of financial instruments for:
- hedging purchases and sales in foreign currency;
- hedging the risk of changes in interest rates.

All derivative financial instruments belonging to this heading are valued at fair value at the second hierarchical level: the estimate of their fair value has been carried out using variables other than prices quoted in active markets and which are observable (on the market) either directly (prices) or indirectly (derived from prices).

In the case in point, the fair value recorded is equal to the “mark to market” estimation provided by the reference banks, which represents the current market value of each contract calculated at the reporting date of the Financial Statements.

Accounting for the instruments, shown in the following table, is at fair value. According to the IFRS principles these effects were accounted in the income statement of the current year.

The present value of these contracts at 31 December 2025 is shown as follows:

€/000	31.12.2025	31.12.2024
Positive *fair value* assesment exchange rate hedge and options	57	152
Positive *fair value* assessment IRS and interest rate options	79	218
Total derivative financial instrument assets	**136**	**370**
Negative *fair value* assesment exchange rate hedge and options	106	6
Negative *fair value* assessment IRS and interest rate options	556	972
Total derivative financial instrument liabilities	**662**	**978**

At 31 December 2025 appear outstanding forward contracts of purchase and sale in foreign currencies for:

	Company		Nominal value (€/000)	Forward exchange (average)	Due to (*)
Forward contracts for foreign currencies purchases					
Gbp/Eur	Emak S.p.a.	Gbp	1,268	0.88	06/07/2026
Cnh/Eur	Emak France	Usd	3,000	8.26	05/01/2026
Eur/Pln	Victus-Emak S.p. Z.o.o.	Euro	750	4.25	16/03/2026
Usd/Pln	Victus-Emak S.p. Z.o.o.	Usd	150	3.65	09/02/2026
Cnh/Pln	Victus-Emak S.p. Z.o.o.	Cnh	6,000	1.93	09/03/2026
Eur/Gbp	Emak Uk	Gbp	200	0.88	27/02/2026
Brl/Euro	Tecomec S.r.l.	Brl	42,500	6.96	12/11/2026
Euro/Mxn	S.I. Agro Mexico	Euro	2,275	22.39	31/08/2026
Forward contracts for foreign currencies sales					
Gbp/Eur	Emak S.p.a.	Gbp	1,268	0.88	06/07/2026

(*) The due date is indicative of the last contract.

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Finally, on 31 December 2025 IRS contracts and options on interest rates are also in force, with the aim of covering the risk of variability of interest rates on loans.

The Parent Emak S.p.A. and the subsidiaries Tecomec S.r.l. and Comet S.p.A. have signed IRS contracts and options on interest rates for a total notional value of € 64,525 thousand. The expiration of the instruments is so detailed:

Bank	Company	Notional Euro (€/000)	Date of the operation	Due to
Bper Banca	Emak S.p.A.	1,875	05/08/2022	30/06/2027
UniCredit	Emak S.p.A.	4,750	04/08/2023	31/07/2030
UniCredit	Emak S.p.A.	4,750	22/09/2023	31/07/2030
Banca Nazionale del Lavoro	Emak S.p.A.	5,333	30/07/2024	31/12/2029
Banca Nazionale del Lavoro	Emak S.p.A.	3,900	20/12/2024	31/03/2029
UniCredit	Emak S.p.A.	9,500	17/04/2024	31/07/2030
MPS	Comet S.p.A.	667	08/10/2021	28/06/2026
Banca Nazionale del Lavoro	Comet S.p.A.	2,500	18/02/2022	31/12/2026
Banca Nazionale del Lavoro	Comet S.p.A.	2,778	06/06/2023	07/04/2028
Deutsche Bank	Comet S.p.A.	8,000	30/07/2024	31/12/2029
Bper Banca	Comet S.p.A.	11,667	01/08/2024	29/06/2029
UniCredit	Comet S.p.A.	4,444	05/12/2024	30/11/2029
MPS	Tecomec S.r.l.	333	13/10/2021	28/06/2026
Banca Nazionale del Lavoro	Tecomec S.r.l.	1,250	18/02/2022	31/12/2026
Banca Nazionale del Lavoro	Tecomec S.r.l.	2,778	06/06/2023	07/04/2028
Total		**64,525**		

The average of the hedging interest rates resulting from the instruments is equal to 2.41% at 31 December 2025.

For all contracts, despite having the purpose and characteristics of hedging transactions, the relative changes in fair value are recognized in the consolidated income statement in the period of competence as the specific documentation evidencing the hedging relationship has not been formally prepared and, consequently, the accounting standards do not allow hedge accounting to be applied.

The value of all these contracts (relating to interest and exchange rates) at 31 December 2025 is an overall negative fair value of € 526 thousand (negative fair value equal to € 608 thousand at 31 December 2024).

24. Trade and other receivables

Details of these amounts are as follows:

€/000	31.12.2025	31.12.2024
Trade receivables	121,427	129,244
Provision for doubtful accounts	(5,259)	(5,211)
Net trade receivables	**116,168**	**124,033**
Trade receivables from related parties (note 40)	376	381
Prepaid expenses and accrued income	4,205	4,004
Other receivables	5,810	5,202
Total current portion	**126,559**	**133,620**
Other non current receivables	94	97
Total non current portion	**94**	**97**

The decrease in receivables is due to the reduction in revenues recorded in the last quarter of 2025.

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The creditworthiness of customers is confirmed at good levels of reliability.

The item "Other receivables", for the current portion, includes:

- an amount of € 2,146 thousand as advances to suppliers for the supply of goods (€ 2,303 thousand at 31 December 2024);
- an amount of € 630 thousand (€ 1,582 thousand at 31 December 2024), for receivables of certain Group companies towards the parent Yama S.p.A., emerging from the relationships that govern the tax consolidation in which they participate.

All non-current receivables mature within five years. There are no trade receivables maturing beyond one year.

The movement in the provision for doubtful accounts is as follows:

€/000	31.12.2025	31.12.2024
Opening balance	**5,211**	**4,695**
Change in scope of consolidation increase	-	851
Provisions (note 13)	840	1,362
Decreases	(731)	(1,253)
Exchange differences	(61)	(444)
Closing balance	**5,259**	**5,211**

As regards specifically the credit risk, please refer to what is highlighted in Note 4.1.b).

25. Inventories

Inventories are detailed as follows:

€/000	31.12.2025	31.12.2024
Raw, ancillary and consumable materials	73,983	81,640
Work in progress and semi-finished products	30,098	27,736
Finished products and goods	143,214	142,308
Total	**247,295**	**251,684**

Inventories at 31 December 2025 are stated net of allowance for inventories write-down amounting to € 16,424 thousand (€ 15,076 thousand at 31 December 2024) intended to align the obsolete and slow moving items to their estimated realizable value.

The allowance for inventories write-down is an estimate of the loss in value expected by the Group, calculated on the basis of past experience, historic trends and market expectations.

Detail of change in the allowance for inventories write-down is as follows:

€/000	FY 2025	FY 2024
Opening balance	**15,076**	**13,632**
Change in scope of consolidation	-	621
Provisions	2,061	2,474
Exchange differences	(179)	(90)
Usage	(534)	(1,561)
Closing balance	**16,424**	**15,076**

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26. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

€/000	31.12.2025	31.12.2024
Bank and post office deposits	71,076	69,092
Cash	71	82
Total	**71,147**	**69,174**

For the purposes of the cash flow statement, closing cash and cash equivalents comprise:

€/000	31.12.2025	31.12.2024
Cash and cash equivalents	71,147	69,174
Overdrafts (note 30)	(1,287)	(4,121)
Total	**69,860**	**65,053**

27. Other financial assets

Other financial assets amount to € 1,692 thousand (€ 1,182 thousand at 31 December 2024), which is non-current portion, and € 40 thousand (€ 38 thousand at 31 December 2024) as current portion and refer mainly to:

- an amount of € 633 thousand relating to guarantee deposits (€ 564 thousand at 31 December 2024), entered under the non-current assets;
- an amount of € 598 thousand relating to sureties (€ 565 thousand at 31 December 2024), recorded under non-current assets;
- € 445 thousand relating to the receivable arising from the disposal of 49% in PNR America, with collection deferred for up to twenty-four months;
- an amount of € 37 thousand (€ 74 thousand at 31 December 2024) as a current portion corresponding to the receivable due from the parent, Yama S.p.A. by way of a capital replenishment made to the Group for expenses incurred by a number of companies and relating to the period on which Yama S.p.A. exercised control over them.

28. Equity

Share capital
Share capital is fully paid up at 31 December 2025 and amounts to € 42,623 thousand, remaining unchanged during the year under examination, and it is represented by 163,934,835 ordinary shares of par value € 0.26 each.

All shares have been fully paid.

Treasury shares
Total value of treasury shares held at 31 December 2025 amounts to € 2,835 and has not undergone any changes compared to the previous year.

Dividends
On 29 April 2025 the Shareholders' Meeting of Emak S.p.A. resolved to allocate the profit for the year 2024 for € 321 thousand to the legal reserve, for € 2,021 thousand to an extraordinary reserve and for a total of € 4,071 thousand as a dividend to shareholders (0.025 euro per share) also through use of the retained earnings reserve.

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Share premium reserve
At 31 December 2025, the share premium reserve amounts to € 41,513 thousand, and consists of premiums on subsequently issued shares.
The reserve is shown net of progress charges related to the capital increase amounted to € 1,598 thousand and adjusted for the related tax effect of € 501 thousand.

Legal reserve
The legal reserve at 31 December 2025 of € 5,812 thousand (€ 5,491 thousand at 31 December 2024).

Revaluation reserve
At 31 December 2025 the revaluation reserve includes the reserves deriving from the revaluation as per Law 72/83 for € 371 thousand, as per Law 413/91 for € 767 thousand and as per Law 104/2020 for € 3,215 thousand.

Translation reserve
At 31 December 2025 the Group's reserve for translation differences, negative for € 11,426 thousand, is entirely attributable to the differences generated from the translation of balances into the Group's reporting currency.
The reserve recorded a negative adjustment of € 8,269 thousand mainly due to the performance of the US dollar and Renminbi.

IAS 19 Reserve
At 31 December 2025 the IAS 19 reserve is equal a negative amount of € 899 thousand, for the actuarial valuation differences of post-employment benefits to employees. The same was negative for € 948 thousand at 31 December 2024.

Other reserves
At 31 December 2025 the Other reserves include:
- the extraordinary reserve, amounts to € 36,290 thousand, inclusive of all allocations of earnings in prior years;
- the reserves qualifying for tax relief for € 129 thousand and refer to tax provisions for grants and donations;
- the reserves for merger surpluses for € 3,561 thousand;
- the reserves from capital grants deriving from the merger of Bertolini S.p.A. for € 122 thousand.

Details of the restrictions and distributability of reserves are contained in the specific table in the notes to the financial statements of the Parent Emak S.p.A.

29. Trade and other payables

Details of these amounts are as follows:

€/000	31.12.2025	31.12.2024
Trade payables	90,954	102,892
Payables due to related parties (note 40)	1,052	1,138
Payables due to staff and social security institutions	16,130	16,152
Advances from customers	1,964	1,875
Accrued expenses and deferred income	3,642	3,439
Other payables	4,289	2,646
Total current portion	**118,031**	**128,142**

The item "**Trade payables**" includes € 302 thousand related to the residual portion of the current payable for the acquisition by the subsidiary Speed France of a technology and systems for the production of polyester monofilaments and cables for agricultural applications which took place in 2020.
The decrease in the item is attributable to lower purchases made in the latter part of the financial year.

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The item “Other payables” includes € 2,264 thousand, compared to € 538 thousand at 31 December 2024, for current IRES tax liabilities recorded by some companies of the Group towards the parent Yama S.p.A. and arising from the rules governing the tax consolidation in which they participate.

30. Financial liabilities

Details of current financial liabilities are as follows:

€/000	31.12.2025	31.12.2024
Bank loans	76,524	66,787
Overdrafts (note 26)	1,287	4,121
Liabilities for purchase of equity investments	4,522	2,725
Financial accrued expenses	414	647
Other loans	633	20
Total current portion	**83,380**	**74,300**

The item “**Liabilities for purchase of equity investments**” includes:

- € 1,610 thousand (€ 1,610 thousand at 31 December 2024), relates to the discounted debt for the purchase price portion of 20% of Poli S.r.l. shares and governed by the "Put and Call option" contract to be exercised between 2024 and 2026;
- € 919 thousand (€ 949 thousand at 31 December 2024) refers to the debt towards the transferor shareholder of the company Valley Industries LLP for the purchase of the remaining 6% subject to the "Put & Call Option without expiry date;
- € 1,716 thousand (€ 1,877 thousand at 31 December 2024), relates to the discounted debt for the purchase price portion of 19% of Markusson shares and governed by the "Put and Call option" contract to be exercised in 2026;
- € 277 thousand (€ 274 thousand at 31 December 2024), relates to the discounted debt for the purchase price portion of 4.5% of Agres Sistemas Eletrônicos shares and governed by the "Put and Call option" contract exercisable from 1 January 2026.

These liabilities are estimated using the plans of the target companies and progressively updated on the basis of the economic and financial parameters that regulate the price of the shares subject to the Put&Call option. The amount recognized today represents the best possible estimate.

Non-current financial liabilities are detailed as follows:

€/000	31.12.2025	31.12.2024
Bank loans	142,615	159,276
Liabilities for purchase of equity investments	-	1,985
Total non current portion	**142,615**	**161,261**

The changes in **non-current financial liabilities** are reported below:

€/000	31.12.2024	Change in scope of consolidation	Increases	Decreases	Exchange differences	Other movements	31.12.2025
Bank loans	159,276	-	34,725	(52,636)	(1,020)	2,270	142,615
Liabilities for purchase of equity investments	1,985	-	-	-	-	(1,985)	-
Total	**161,261**	**-**	**34,725**	**(52,636)**	**(1,020)**	**285**	**142,615**

Liabilities for purchase of equity investments have been classified as current bank loans in accordance with the contractual maturities.

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Some non-current loans are subjected to financial Covenants verified, mainly, on the basis of the consolidated ratios *Nfp/Ebitda* and *Nfp/Equity.* At 31 December 2025 the Group respects all the reference parameters foreseen by the contract.

The **non-current loans** are reimbursed under the following repayment plans:

€/000	Due within 2 years	Due within 3 years	Due within 4 years	Due within 5 years	Total due within 5 years	Due beyond 5 years
Bank loans	54,756	44,430	32,595	10,540	**142,321**	**294**
Total	**54,756**	**44,430**	**32,595**	**10,540**	**142,321**	**294**

The interest rates applied on short and medium-long term loans are as follows:

- on bank loans in Euro, Euribor plus a fixed spread is applied;
- on bank loans in British pounds, the SONIA plus a fixed spread is applied;
- bank loans in U.S. dollars, SOFR plus a fixed spread is applied;
- on bank loans in Brazilian Reais, applies the CDI or the SELIC plus a fixed spread;
- on bank loans in Polish Zloty, WIBOR plus a fixed spread is applied.

31. Lease liabilities

The item "Lease liabilities**"** which totals € 40,728 thousand, of which € 31,225 thousand as non-current portion and € 9,503 thousand as current portion, refers to financial liabilities recorded in application of the IFRS 16 accounting standard - Leases. These liabilities are equal to the present value of the future lease payments provided by the contracts.
At 31 December 2024 these liabilities amounted to € 44,184 thousand, of which € 35,552 thousand as non-current portion and € 8,632 thousand as current portion.

The medium and long term **lease liabilities,** are reimbursed under the following repayment plans:

€/000	Due within 2 years	Due within 3 years	Due within 4 years	Due within 5 years	Total 2 - 5 years	Due beyond 5 years
Lease liabilities	8,445	7,916	5,598	3,781	**25,740**	**5,485**
Total	**8,445**	**7,916**	**5,598**	**3,781**	**25,740**	**5,485**

32. Tax assets and liabilities

Deferred tax assets are detailed below:

€/000	31.12.2024	Increases	Decreases	Other movements	Exchange differences	31.12.2025
Deferred tax on deferred deductible costs	769	500	(43)	-	(101)	1,125
Deferred tax on reversal of unrealized intercompany gains	3,934	-	(248)	-	-	3,686
Deferred tax on provision for inventory write-downs	2,801	451	(167)	13	(8)	3,090
Deferred tax on losses in past financial periods	1,443	964	(34)	-	(28)	2,345
Deferred tax on provisions for bad debts	598	9	(79)	-	(10)	518
Deferred tax on right of use IFRS 16	575	85	(8)	-	(10)	642
Deferred tax asset on unrealized exchange differences	509	23	(9)	(4)	(1)	518
Deferred tax on tax realignment and revalutations	1,243	23	(38)	(54)	(11)	1,163
Other deferred tax assets	1,645	225	(239)	15	(12)	1,634
Total (note 16)	**13,517**	**2,280**	**(865)**	**(30)**	**(181)**	**14,721**

The portion of taxes which are expected to reverse within the following 12 months is estimated to be in line with the decrease registered in 2025.

"Other deferred tax assets" mainly includes the tax credit on the benefits, accrued in the previous year and not yet used, deriving from the facilitation and the tax effect related to the provisions subject to deferred taxation.

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Deferred tax liabilities are detailed below:

€/000	31.12.2024	Increases	Decreases	Other movements	Exchange differences	31.12.2025
Deferred tax on property ex IAS 17	82	-	(6)	-	-	76
Deferred tax on depreciations	6,609	146	(379)	(41)	(256)	6,079
Other deferred tax liabilities	2,315	365	(296)	23	(138)	2,269
Total (note 16)	**9,006**	**511**	**(681)**	**(18)**	**(394)**	**8,424**

The other deferred tax liabilities refer mainly to revenues already accounted for, which will reverse and become taxable in future period.

The portion of taxes which are expected to reverse within the following 12 months is estimated to be in line with the decrease registered in 2025.

At 31 December 2025, no deferred tax liabilities for taxes on retained earnings of subsidiaries have been recognized as the Group does not believe, at the time, that these profits will be distributed in the foreseeable future.

Current tax receivables amount at 31 December 2025 to € 7,603 thousand, against € 10,450 thousand at 31 December 2024, and refer to VAT credits, surplus payments on account of direct tax and other tax credits.

Current tax liabilities amount to € 5,612 thousand at 31 December 2025, compared with € 4,876 thousand a year earlier, and they refer to payables for direct tax for the period, VAT and withholding taxes.

The main Italian companies of the Group participate with the parent Yama S.p.A. in the tax consolidation pursuant to articles 117 and following of the Presidential Decree n. 917/1986: the positions for current IRES taxes of these companies are recorded under the item other payables (Note 29) and other receivables (Note 24).

33. Employee benefits

At 31 December 2025 such benefits refer principally to the discounted liability for post-employment benefits payable at the end of an employee's working life, amounting to € 5,806 thousand against € 6,009 thousand at 31 December 2024. The valuation of the post-employment benefits (TFR), carried out according to the nominal debt method, in force at the closing date, would be € 5,953 thousand against € 6,126 thousand at 31 December 2024.

Movements in this liability recorded in the statement of consolidated financial position are as follows:

€/000	FY 2025	FY 2024
Opening balance	**6,535**	**6,066**
Current service cost and other provisions	101	449
Actuarial (gains)/losses	67	50
Interest cost on obligation (note 15)	138	149
Disbursements	(470)	(686)
Closing balance	**6,371**	**6,535**

The principal economic and financial assumptions used, for the calculations of TFR, in accordance with IAS 19, are as follows:

	FY 2025	FY 2024
Annual inflation rate	2.00%	2.00%
Discount rate	3.09%	2.93%
Dismissal rate	3.00%	3.00%

Demographic assumptions refer to the most recent statistics published by ISTAT.
In the 2026 financial year, payments are expected to be in line with 2025.

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34. Provisions for risks and charges

Movements in these provisions are detailed below:

€/000	31.12.2024	Increases	Decreases	Exchange differences	Other movements	31.12.2025
Provisions for agents' termination indemnity	2,633	219	(65)	-	(58)	2,729
Other provisions	102	-	(69)	-	-	33
Total non current portion	**2,735**	**219**	**(134)**	**-**	**(58)**	**2,762**
Provisions for products warranties	1,528	90	(116)	4	-	1,506
Other provisions	925	255	(363)	(52)	58	823
Total current portion	**2,453**	**345**	**(479)**	**(48)**	**58**	**2,329**

The provision for agents' termination indemnity is calculated on the basis of agency relationships in force at the close of the financial year, it refers to the probable indemnity which will have to be paid to the agents at the termination of relationship. The year allocation of € 219 thousand, was recorded under the provisions in the item "Other operating expenses" in the consolidated income statement.

The other non-current provisions, amounting to € 33 thousand, were used for € 69 thousand in relation to legal and ancillary expenses associated with a dispute related to industrial property rights, which was settled during the year, with no further charges.

The product warranty provision refers to future costs for repairs on warranty which will be incurred for products sold covered by the legal and/or contractual warranty period; the allocation is based on estimates extrapolated from the historic trend.

The item "Other provisions", for the current portion, refers to the best possible estimate of probable liabilities relating to:

- future costs to be incurred for the restoration activities of the industrial area of the former headquarters of the company Tailong (Zhuhai) Machinery Manufacturing Equipment Ltd, equal to € 455 thousand (€ 659 thousand at 31 December 2024). This provision was partially allocated during the year;
- future costs for € 154 thousand allocated during the year in relation to a dispute commenced in the year with a supplier;
- future charges related to disputes with some employees for € 44 thousand (€ 54 thousand at 31 December 2024), of which € 54 thousand was used during the year following the settlement of certain disputes;
- future defense costs for € 29 thousand (€ 70 thousand at 31 December 2024) accrued in relation to certain tax disputes and used during the year for € 41 thousand;
- allocations of € 141 thousand (€ 142 thousand at 31 December 2024) for some disputes and litigation of a different nature.

The Group, also on the basis of the information currently available and on the basis of the opinion of its consultants, does not believe it will allocate further provisions for contingent liabilities.

35. Other non-current liabilities

The item **"Other non-current liabilities"** equal to € 891 thousand includes:

- € 336 thousand (€ 359 thousand at 31 December 2024), refers to the deferred income pertaining to future years relating to capital grants received pursuant to Law 488/92 by Comag S.r.l., now merged into Emak S.p.A. The part of the grant receivable within a year is recorded in current liabilities under other liabilities and amounts to € 23 thousand;
- other deferrals related to the correct accrual accounting of received grants and the portion related to the tax receivable for investments amounting to approximately €363 thousand.

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36. Contingent liabilities

The Group does not have any significant additional disputes with respect to those that could give rise to contingent liabilities.

37. Commitments

Non-current assets purchases
The Group has commitments for the purchase of non-current assets not accounted for in the financial statements as of 31 December 2025 for an amount equal to € 583 thousand.
These commitments mainly refer to the purchase of equipment.

Purchases of additional equity investments
Please note that with respect to equity investments held directly or indirectly by the Parent Emak S.p.A. the following contractual agreements are in force:

- Put and Call option for the remaining 6% of the equity investment is contained in the contract for the acquisition of the subsidiary Valley Industries LLP, in favor of the *trust Savage Investments*, to be exercised without deadline;
- in the contract to acquire the subsidiary Markusson, owned by Tecomec S.r.l. with a share of 81%, there is a "Put & Call Option" agreement which regulates the purchase for the remaining 19% to be exercised in the first half 2026;
- in the contract to acquire the associate Agres Sistemas Eletronicos S.A., owned by Tecomec S.r.l. with a share of 95.5%, there is a "Put and Call" agreement which regulates the purchase for the remaining 4.5% exercisable from 1 January 2026;
- in the contract to acquire the subsidiary Poli S.r.l., controlled by Comet S.p.A. with a share of 80%, a "Put and Call" agreement is included for the purchase of the remaining 20% to be exercised between 2024 and 2026.

38. Guarantees

The Group has € 1,329 thousand in guarantees granted to third parties at 31 December 2025, relating to guarantee policies for customs rights and bank guarantees.

39. Ordinary shares, treasury shares and dividends

Share capital is fully paid up at 31 December 2025 and amounts to € 42,623 thousand and it consists of 163,934,835 ordinary shares of par value € 0.26 each.

	31.12.2025	31.12.2024
Number of ordinary shares	163,934,835	163,934,835
Treasury shares	(1,097,233)	(1,097,233)
Total outstanding shares	**162,837,602**	**162,837,602**

At 31 December 2024, the Company held 1,097,233 treasury shares in portfolio for an equivalent value of € 2,835 thousand. During 2025 no treasury shares were purchased or sold. Therefore, at 31 December 2025 the Company held 1,097,233 treasury shares in portfolio for a value of € 2,835 thousand.

During the months of January and February 2026, there were no changes in the consistency of the treasury share portfolio.
During 2025 financial year, the dividends approved in the shareholders' meeting of 29 April 2025 relating to the 2024 financial year were paid for a total of € 4,071 thousand.

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40. Related party transactions

The transactions entered into with related parties by the Group in the full year 2025 mainly relate to three different types of usual nature relations, within the ordinary course of business, adjusted to normal market conditions.

It is in first place for the exchange of goods and provision of services of industrial and real estate activities, responding to a stringent production logic and purpose, carried out with the parent Yama S.p.A. and with certain of its subsidiaries. On one side, among the companies under the direct control of Yama S.p.A., some have provided during the year to the Group components, materials of production, as well as the lease of industrial surfaces. In particular, significant amounts of rights of use, equal to € 9,396 thousand, lease liabilities equal to € 10,115 thousand, amortization, depreciation, and impairment losses equal to € 1,879 thousand, and financial expenses, equal to € 306 thousand, derive from the passive real estate lease relationships with the subsidiary Yama Immobiliare S.r.l., in compliance with the IFRS accounting standard. 16, properly identified in the financial statements.
On the other hand, certain companies of Yama Group bought from the Group products for the completion of their respective range of commercial offer.

Secondly, relations of a tax nature and usual character arise from the participation of the Parent Emak S.p.A. and of the subsidiaries Comet S.p.A., Tecomec S.r.l., Sabart S.r.l., P.T.C. S.r.l., Lavorwash S.p.A., Poli S.r.l. and PNR Italia S.r.l. to the tax consolidation regime under Articles. 117 et seq., Tax Code, in place with Yama S.p.A., as consolidating company. The criteria and procedures for the settlement of such transactions are established and formalized in agreements of consolidation, based on the principle of equal treatment between participants. The amount of balances with related parties, relating to tax consolidation relationships, are shown in notes 24 and 29.

For some years there have been collaboration relationships for consultancy services of a technological nature linked to the development of new electrical products with the subsidiary Raw Power S.r.l. Following the purchase of 24% of the share which took place in the first half of 2023, the transactions with this company are qualified as related party transactions.

A further area of relationships with "other related parties" is derived from the performance of professional services for legal and fiscal nature, provided by entities subject to significant influence by a non-executive director.

The nature and extent of the usual and commercial operations described above is shown in the following two tables.

Sale of goods and services, trade and other receivables and financial asset:

€/000	Net sales	Trade receivables	Other receivables for tax consolidation	Total trade and other receivables	Current financial assets	Non current financial assets
Euro Reflex D.o.o.	566	376	-	376	-	-
Garmec S.r.l.	4	-	-	-	-	-
Selettra S.r.l.	1	-	-	-	-	-
Yama S.p.A.	-	-	630	630	37	-
Total (notes 24 and 27)	**571**	**376**	**630**	**1,006**	**37**	**-**

Purchase of goods and services, trade and other payables:

€/000	Costs of raw materials and consumables	Other operating costs	Trade payables	Other payables for tax consolidation	Total trade and other payables	Financial charges	Current lease liabilities	Non-current lease liabilities
Euro Reflex D.o.o.	1,183	30	390	-	390	-	-	-
Garmec S.r.l.	1,326	-	438	-	438	-	-	-
Selettra S.r.l.	71	7	33	-	33	-	-	-
Yama Immobiliare S.r.l.	-	-	3	-	3	306	1,945	8,170
Yama S.p.A.	-	-	-	2,264	2,264	-	-	-
Raw Power S.r.l.	-	117	20	-	20	-	-	-
Other related parties	-	458	168	-	168	-	-	-
Total (note 29)	**2,580**	**612**	**1,052**	**2,264**	**3,316**	**306**	**1,945**	**8,170**

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With regard to values that arose in previous years from transactions with related parties, it should be noted that the assets still exhibit goodwill equal to € 9,914 thousand (unchanged compared to 31 December 2024). These values derive from the so-called Greenfield operation through which the Group, on 23 December 2011, acquired from the parent Yama S.p.A. the whole control of the Tecomec Group, of the Comet Group, of Sabart S.r.l.

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The remunerations of the Directors and Statutory Auditors of the Parent for the financial year 2025, the different components of the total remuneration, the remuneration policy adopted, the procedures followed for their calculation and the interests in the Group held by the above officers, are set out in the “Remuneration report”, drawn up pursuant to art. 123-ter, Leg. Dec. 58/98, that is submitted for approval by the shareholders' meeting and available on the company website www.emakgroup.it, in the section “Investor Relations > Corporate Governance >Remuneration reports”.

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During the year there are no other significant intercompany transactions with related parties outside the Group, other than those described in these notes. Details of the fees paid to the independent auditor are provided in the notes to the separate financial statements.

41. Grants received: obligations of transparency regarding public grants Law no.124/2017

In compliance with the transparency obligations regarding public grants provided for by article 1, paragraphs 125-129 of Law no. 124/2017, subsequently integrated by the “security” Decree Law (no. 113/2018) and by the “Simplification” Decree Law (no. 135/2018), information relating to public grants received by the Group during the 2025 financial year is given below.
It should be noted that a cash-based reporting criterion has been adopted, reporting the grants collected during the period in question.

Disbursements received as consideration for supplies and services provided have not been taken into consideration.

Grants received are shown in the following table:

€/000

Lender	Description	Emak S.p.A.	Tecomec S.r.l.	Sabart S.r.l.	Comet S.p.A.	Lavorwash S.p.A.	P.T.C. S.r.l.	Poli S.r.l.	PNR S.r.l.	Total
Ministry of Enterprises and Made in Italy – Call for Proposals	Non-repayable grant	713	-	-	-	-	-	-	-	**713**
Ministry of Enterprises and Made in Italy – Mission 4 of the National Recovery and Resilience Plan (NRRP)	Non-repayable grant	5	-	-	-	-	-	-	-	**5**
Ministry of the Environment and Energy Security - DGCEE	Non-repayable grant	-	40	-	-	-	-	-	-	**40**
MEF	Tax credit under Law 160/2019	102	71	-	20	3	-	-	3	**199**
MEF	Tax credit under Law 178/2020	324	160	184	393	238	-	1	101	**1,401**
Fondimpresa	Contribution for training plans	62	20	-	-	18	-	-	4	**104**
Fondirigenti	Contribution for training plans	7	13	12	8	-	16	-	-	**56**
MEF	Reductions in contributions for recruitment	70	-	8	-	12	8	1	-	**99**
MEF	Tax credit Art Bonus L.106/2014	3	-	-	-	-	-	-	-	**3**
MEF	Tax credit Ind.5.0 - under Law 19/2024	-	-	-	437	-	-	-	-	**437**
Total		**1,286**	**304**	**204**	**858**	**271**	**24**	**2**	**109**	**3,058**

42. Subsequent events

For the description of subsequent events please refer to the note 15 of the Directors’ report.

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(The accompanying translated consolidated financial statements of the Emak 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
Emak S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Emak Group (the "group"), which comprise the statement of consolidated financial position as at 31 December 2025, the consolidated income statement, consolidated statement of other comprehensive income, statement of changes in consolidated equity and consolidated cash flow statement 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 Emak 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 Emak 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 audit opinion.

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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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.

Recoverability of goodwill

Notes to the consolidated financial statements: paragraphs "2.7 Goodwill" and "2.8 Impairment losses" and notes "5. Key accounting estimates and assumptions" and "21. Goodwill"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2025 include goodwill totalling €65,621 thousand. Goodwill is not amortised, but is tested for impairment at least annually in accordance with IAS 36 – Impairment of Assets. The impairment tests are performed by comparing the recoverable amounts of the cash-generating units (CGUs) identified by the group, determined on the basis of value in use, with their carrying amounts, which consider both goodwill and other assets allocated to the relevant CGUs. As a result of the impairment tests, which the board of directors approved on 27 February 2026, the group has not recognised any impairment losses. Impairment testing is complex and entails a high level of judgement, especially in relation to: • estimated operating cash flows, • the financial parameters used to calculate the discount rate. For the above reasons and considering the materiality of the carrying amount of goodwill, we believe that the impairment testing of goodwill and other assets allocated to the relevant CGUs is a key audit matter.	We checked how management calculated the CGUs' value in use by challenging the methods and assumptions used in impairment testing. Our audit procedures, carried out partly by involving experts of the KPMG network, included the following: • understanding the group's impairment testing procedure; • analysing the reasonableness of the key assumptions used to estimate future cash flows; • comparing actual figures to forecasts to assess any discrepancies and the reliability of the estimation process; • challenging the reasonableness of the discount (WACC) and long-term growth (g-rate) rates, by identifying and observing generally used external information; • checking the mathematical accuracy of the model used to calculate value in use; • checking the sensitivity analyses prepared by management; • checking whether how management carried out impairment tests complied with the IFRS Accounting Standards; • assessing the appropriateness of the disclosures provided in the notes about the impairment tests and their compliance with the requirements of IAS 36.

Other matters - Comparative figures

The group's 2024 consolidated financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 27 March 2025.

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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, as well as 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.

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;

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- 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.

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 29 April 2025, 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 2025 to 31 December 2033.

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.

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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;
- 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 report on operations 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 directors' report 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.

Parma, 26 March 2026

KPMG S.p.A.

(signed on the original)

Gianluca Tagliavini
Director of Audit

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Emak S.p.A.
Annual financial statements at 31 December 2025

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Financial statements

Income statement and statement of other comprehensive income

€	Notes	Year 2025	of which to related parties	Year 2024	of which to related parties
Revenues from sales	**8**	**125,039,130**	**23,848,692**	**130,577,359**	**27,871,699**
Other income	8	4,466,964	3,163,392	3,700,618	2,577,051
Change in inventories		(7,364,490)		11,126,720	
Raw materials, consumable and goods	9	(68,523,262)	(21,501,560)	(89,928,630)	(30,788,673)
Personnel expenses	10	(25,158,042)		(24,229,298)	
Other operating costs and provisions	11	(26,247,058)	(908,855)	(27,839,930)	(1,006,039)
Amortization, depreciation and impairment losses	12	(6,589,693)		(5,516,846)	
Operating result		**(4,376,451)**		**(2,110,007)**	
Financial income	13	10,783,683	9,786,177	12,006,717	10,322,637
Financial expenses	13	(3,251,121)		(4,518,975)	
Exchange gains and losses	13	(326,945)		45,158	
Profit befor taxes		**2,829,166**		**5,422,893**	
Income taxes	14	1,169,454		989,246	
Net profit		**3,998,620**		**6,412,139**	

Statement of other comprehensive income

€	Notes	Year 2025	Year 2024
Net profit (A)		**3,998,620**	**6,412,139**
Actuarial profits/(losses) deriving from defined benefit plans (*)	**30**	**32,000**	**5,000**
Income taxes on OCI (*)		**(9,000)**	**(1,000)**
Total other components to be included in the comprehensive income statement (B)		**23,000**	**4,000**
Total comprehensive income for the perdiod (A)+(B)		**4,021,620**	**6,416,139**

(*) Items will not be classified in the income statement

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of transactions with related parties on the income statement are shown in the table and are further described and discussed in note 37.

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Statement of financial position

ASSETS

€	Notes	31.12.2025	of which to related parties	31.12.2024	of which to related parties
Non-current assets					
Property, plant and equipment	15	26,047,135		25,786,073	
Intangible assets	16	4,471,368		3,956,145	
Rights of use	17	187,621		210,231	
Equity investments	19	90,408,812		90,508,582	
Deferred tax assets	29	1,907,291		1,822,004	
Other financial assets	21	3,182,962	3,175,201	17,544,867	17,537,106
Other assets	22	2,549		2,549	
Total non-current assets		**126,207,738**		**139,830,451**	
Current assets					
Inventories	23	46,045,175		53,409,666	
Trade and other receivables	22	39,368,572	6,409,420	41,825,978	7,541,209
Current tax receivables	29	903,953		1,639,433	
Other financial assets	21	25,546,986	25,546,986	9,037,106	9,037,106
Derivative financial instruments	20	13,441		43,134	
Cash and cash equivalents	24	29,862,442		35,112,052	
Total current assets		**141,740,569**		**141,067,369**	
TOTAL ASSETS		**267,948,307**		**280,897,820**	

SHAREHOLDERS' EQUITY AND LIABILITIES

€	Notes	31.12.2025	of which to related parties	31.12.2024	of which to related parties
Capital and reserves					
Issued capital		42,623,057		42,623,057	
Share premium		41,513,153		41,513,153	
Treasury shares		(2,835,019)		(2,835,019)	
Other reserves		49,786,982		47,422,664	
Retained earnings		20,297,920		22,711,558	
Total Shareholders' Equity	**25**	**151,386,093**		**151,435,413**	
Non-current liabilities					
Financial liabilities	27	52,278,333	-	58,645,642	37,106
Lease liabilities	28	103,108		131,265	
Deferred tax liabilities	29	161,328		121,770	
Employee benefits	30	1,873,234		1,875,922	
Provisions for risks and charges	31	538,453		484,978	
Other non-current liabilities	32	879,017		715,796	
Total non-current liailities		**55,833,473**		**61,975,373**	
Current liabilities					
Trade and other payables	26	34,297,621	8,534,463	46,983,646	14,125,891
Current tax liabilities	29	1,054,640		850,137	
Financial liabilities	27	24,477,007	303,261	18,518,211	37,106
Lease liabilities	28	90,396		83,846	
Derivative financial instruments	20	359,077		601,194	
Provisions for risks and charges	31	450,000		450,000	
Total current liabilities		**60,728,741**		**67,487,034**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**267,948,307**		**280,897,820**	

In accordance with the CONSOB resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the statement of financial position are shown in the table and are further described and discussed in note 37.

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Statement of changes in equity

€/000	SHARE CAPITAL	SHARE PREMIUM	Treasury shares	OTHER RESERVES				RETAINED EARNINGS		TOTAL
				Legal reserve	Revaluation reserve	Reserve IAS 19	Other reserves	Retained earnings	Net profit for the period	
Balance at 31.12.2023	**42,623**	**41,513**	**(2,835)**	**4,969**	**4,353**	**(506)**	**35,483**	**16,301**	**10,446**	**152,347**
Change in treasury shares										-
Payments of dividends				522			2,598	(2)	(10,446)	**(7,328)**
Net profit for 2024						4			6,412	**6,416**
Balance at 31.12.2024	**42,623**	**41,513**	**(2,835)**	**5,491**	**4,353**	**(502)**	**38,081**	**16,299**	**6,412**	**151,435**
Change in treasury shares										-
Payments of dividends				321			2,021	(1)	(6,412)	**(4,071)**
Net profit for 2025						23			3,999	**4,022**
Balance at 31.12.2025	**42,623**	**41,513**	**(2,835)**	**5,812**	**4,353**	**(479)**	**40,102**	**16,298**	**3,999**	**151,386**

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Cash Flow Statement

€/000	Notes	2025	2024
Cash flow from operations			
Net profit for the period		**3,999**	**6,412**
Amortization, depreciation and impairment losses	12	6,590	5,517
Capital (gains)/losses on disposal of property, plant and equipment		(8)	1
Dividends income		(8,700)	(8,834)
Decreases/(increases) in trade and other receivables		3,108	(4,318)
Decreases/(increases) in inventories		7,364	(11,127)
(Decreases)/increases in trade and other payables		(12,278)	11,919
Change in employee benefits		20	(102)
(Decreases)/increases in provisions for risks and charges	31	53	54
Change in derivate financial instruments		(212)	627
Cash flow from operations		**(64)**	**149**
Cash flow from investing activities			
Dividends income		6,513	8,834
Change in property, plant and equipment and intangible assets		(7,343)	(6,262)
(Increases) and decreases in financial assets		139	1,629
Proceeds from disposal of property, plant and equipment		8	(1)
Cash flow from investing activities		**(683)**	**4,200**
Cash flow from financing activities			
Dividends paid	25	(4,071)	(7,328)
Change in short and long-term loans and borrowings		(412)	2,136
Liabilities for leasing refund		(22)	57
Other changes in equity		-	-
Cash flow from financing activities		**(4,505)**	**(5,135)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(5,252)**	**(786)**
OPENING CASH AND CASH EQUIVALENTS		**35,107**	**35,891**
CLOSING CASH AND CASH EQUIVALENTS		**29,854**	**35,107**

ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT

€/000		2025	2024
RECONCILIATION OF CASH AND CASH EQUIVALENTS:			
Opening cash and cash equivalents, detailed as follows:	24	**35,107**	**35,891**
Cash and cash equivalents		35,112	35,896
Overdrafts		(5)	(5)
Closing cash and cash equivalents, detailed as follows:	24	**29,854**	**35,107**
Cash and cash equivalents		29,862	35,112
Overdrafts		(8)	(5)
Other information:			
Income taxes paid		-	-
Financial expenses paid		(3,053)	(3,787)
Interest IFRS 16		(9)	(8)
Interest on financings to subsidiary companies		1,086	1,489
Interest on financings from subsidiary companies		-	-
Interest receivable on bank account		433	984
Interest receivable on trade receivables		195	140
Effects of exchange rate changes		(12)	146
Change in related party financial assets		(2,147)	1,637
Change in related party financial loans and borrowings		229	(43)
Change in related party receivables and service transactions		1,132	599
Change in related party payables and service transactions		(5,592)	3,323
Change in current tax receivables		651	(71)
Change in current tax liabilities		244	(128)

In accordance with the CONSOB resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the cash flow statement are shown in the section “Other information”.

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Emak S.p.A. Explanatory notes to the annual financial statement

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1. General information

Emak S.p.A. (hereinafter "Emak" or the "Parent") is a joint-stock company, with registered offices in Via Fermi, 4 in Bagnolo in Piano (RE). It is listed on the Italian stock market (MTA) on the EURONEXT STAR segment.

Emak S.p.A. is controlled by Yama S.p.A., non-financial holding company, which holds the majority of its capital and appoints, pursuant to the law and the company's bylaws, the majority of the members of its governing bodies. Emak S.p.A., nonetheless, is not subject to management or coordination on the part of Yama, and its Board of Directors makes its own strategic and operating choices in complete autonomy. Yama S.p.A. prepares the consolidated financial statements for the largest group of companies of which the Parent forms part. Such consolidated financial statements will be made available in accordance with current regulations.

The Board of Directors of Emak S.p.A. on 13 March 2026 approved the Financial Statements at 31 December 2025, also prepared according to the format required by the European Commission Regulation 2018/815 / EU (European Single Electronic Format) and ordered its immediate notification under Art. 154-ter, paragraph 1-ter TUF, to the Board of Statutory Auditors and to the Indipendent Auditor in order for them to carry out their relative duties. In connection with this communication, the company issued an appropriate press release with the key figures of the financial statements and the proposal for the allocation of profit submitted for the approval of the Shareholders' Meeting convened for 21 April 2026.

Emak S.p.A., as the Parent, has also prepared the consolidated financial statements of the Emak Group at 31 December 2025, also approved by the Board of Directors of Emak S.p.A. in the meeting of 13 March 2026; both sets of financial statements are subject to statutory audit by KPMG S.p.A.

Values shown in the notes are in thousands of Euros, unless otherwise stated.

1.2 Information about the current geopolitical context

Please refer to chapter 2 of the Directors' report.

2. Summary of principal accounting policies

The main accounting policies used in the preparation of these financial statements are explained below and, unless otherwise indicated, have been uniformly adopted for all periods presented.

2.1 Basis of preparation

The annual financial statements have been prepared in accordance with the IFRS standards issued by the International Accounting Standards Board and adopted by the European Union at the date of preparing this report. The term IFRS also refers to all valid International Accounting Standards (IAS) still in force, as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

The annual financial statements have been prepared under the historical cost method, except for those financial assets and liabilities (including derivative instruments) measured at fair value.

On the basis of information available and of the current and foreseeable income and financial situation, the directors have drawn up the financial statements according to the going concern assumption.
Based on the assessments performed of the current situation and future forecasts of key economic, statement of financial position and financial figures for Emak and for the analysis of the Group's risks, there are no significant uncertainties that may compromise the status as a going concern in the foreseeable future.

In accordance with the provisions of IAS 1, the statement of financial position is constituted by the following reports and documents:

- Statement of financial position: based on the distinction between current and non-current assets and current and non-current liabilities;

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- Income statement and comprehensive income statement: classification of items of income and expense according to their nature and showing the operating result that does not include the effects of exchange differences as per the accounting policy historically adopted by the Company;
- Cash flow statement: based on a presentation of cash flows using the indirect method;
- Statement of changes in equity;
- Notes to the annual financial statements.

The preparation of financial statements under IFRS requires management to make use of accounting estimates. The matters involving a high degree of judgement or complexity and the areas in which the assumptions and estimates could have a significant impact on the financial statements are discussed in Note 4.

With reference to Consob Resolution n. 15519 of 27 July 2006 on the financial statements, it should be noted that the income statement and statement of financial position show dealings with related parties.

2.2 Presentation currency

(a) The annual financial statements are presented in Euros, which is the functional currency of the company.

(b) Transactions and balances
A foreign currency transaction is translated using the rate of exchange at the date of the transaction. Exchange gains and losses arising upon receipt and payment of the foreign currency amounts and upon translation at closing rates of monetary items denominated in a foreign currency are reported in the income statement.

2.3 Property, plant and equipment

Land and buildings largely comprise production facilities, warehouses and offices; they are stated at historical cost, plus any legal revaluations carried out in years prior to the first-time adoption of IFRS and kept in the financial statements during the transition period as the Company identified the residual value of the respective assets recorded in the balance sheet at that date as the fair value of the assets and opted to use this value as a substitute for cost at the transition date (so-called "Deemed Cost"), less the accumulated depreciation of the buildings. Other assets are recorded at historical cost, less accumulated depreciation and impairment losses. Historical cost includes all the directly attributable costs of purchasing the assets.

Subsequent expenditure is added to the carrying amount of the asset or is accounted for as a separate asset only when it is probable that this expenditure will generate future economic benefits and these costs can be measured reliably. Expenditure on other repairs and maintenance are charged to the income statement in the period incurred.

Land is not depreciated. Other assets are depreciated on a straight-line basis over their estimated useful lives as follows:

- buildings, 33 years;
- light construction, 10 years;
- plant and machinery, 7-10 years;
- moulds used in production, 4 years;
- other, 4-8 years.

The residual value and the useful life of assets are reviewed and modified, if necessary, at the end of each year.

If the carrying amount of any asset is higher than the estimated recoverable amount, it is immediately reduced to realizable value.

Government grants for investments in buildings and plant are recognized in the income statement over the period necessary to match them with relative amortization plans and are treated as deferred income.

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2.4 Intangible assets

(a) Development costs
These are intangible assets with a finite life.
The development costs of new products are capitalized only if the following conditions are met:

- the costs can be measured reliably;
- the product's technical feasibility, volumes and expected price indicate that the costs incurred for development will generate future economic benefits.

An intangible asset, generated in the development phase of an internal project, is recorded as an asset if the Company is able to demonstrate:

- the technical possibility of completing the intangible asset, so that it becomes available for use or sale;
- the intention to complete the asset and its ability to use it or sell it;
- the means by which the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the availability of adequate technical, financial and other types of resources to complete the development and to use or sell the asset;
- the ability to reliably evaluate the cost attributable to the asset during its development;
- the ability to use the intangible asset generated.

The amortisation of development costs, classified under the “Development costs” heading, accrues from the end of the development phase and when the relevant asset begins to generate economic benefits.
In the period in which capitalisable internal development costs are incurred, they are recognised in the income statement as a reduction of the relevant cost items and are classified under intangible fixed assets.
Capitalised development costs are amortised on the basis of an estimate of the period in which it is expected that the assets in question will generate cash flows and, in any case, for periods of not more than 5 years starting from the start of production of the products pertaining to the development activities.
All other development costs which do not meet the requirements for being capitalised are recorded in the income statement when incurred.

Government grants obtained for investments in development costs are recognized in the income statement over the period necessary to correlate them with the related amortization plans and are treated as deferred income.

(b) Concessions, licenses and trademarks
Trademarks and licenses have a definite useful life and they are valued at historical cost and shown net of accumulated depreciation. Amortization is calculated on a straight-line basis so as to spread the asset's cost over its estimated useful life and in any case for a period not exceeding 10 years.

(c) Other intangible assets
Other intangible assets are recognized in accordance with IAS 38 - Intangible assets, when the asset is identifiable, it is probable that it will generate future economic benefits and its costs can be measured reliably. Intangible assets are recorded at cost and amortized systematically over the period of estimated useful life.

The agreements relating to the specific part of cloud technology, Software-as-a-Service (Saas), are accounted for in accordance with the interpretations published by the IFRIC, according to which the costs incurred for the customization of the application software to a supplier in an agreement Software-as-a-Service (SaaS) are capitalized only when the requisites envisaged by IAS 38 exist and in particular when such customisation activities are under the control of the Company. Alternatively, these costs are recorded directly in the income statement, similarly to software configuration costs.

2.5 Goodwill

Goodwill is considered as an asset with an indefinite useful life. As a result, this asset is not amortized but is subject periodically to checks to identify any impairment.

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Goodwill is allocated to the operating units that generate separately identifiable financial flows and which are monitored in order to allow for verification of any impairment.
Goodwill relating to subsidiaries is included in the value of the investment and is not amortized, but subject to impairment tests if indicators of loss in the value arise.
Goodwill relating to associates is included in the value of the investment and is not amortized, but subject to impairment tests if indicators of loss in the value arise.

2.6 Rights of use

The right to use the leased asset (so-called “right of use”) is classified in the financial position among non-current assets.
The right of use asset is initially recognized at cost, determined as the sum of the following components:

- initial value of the lease liability (paragraph 2.18);
- any lease payments made before the start date of the contract, net of any incentives received;
- initial direct costs incurred by the lessee;
- the estimate of the costs that the lessee expects to incur for the dismantling, removal and demolition of the underlying asset.

Following the initial recognition, the right of use is adjusted to take into account the accumulated depreciation rates, any impairment losses and related effects and any restatements of the liability.
Depreciation rates are recognized on a straight-line basis and are accounted in the income statement under the item " Amortization, depreciation and impairment losses".

The Company used the exemption granted to IFRS 16 for short-term leases and for low-value asset, recognizing the payments relating to these types of leases in the income statement as operating costs over the duration of the lease contract.

In relation to the renewal options, the Company proceeded to make an estimate of the duration of the related lease contracts taking into account the reasonable certainty of exercising the option.

2.7 Impairment losses

Assets subject to depreciation or amortization are reviewed for impairment every time that events or changes in circumstances indicate that their carrying value might not be recoverable. The impairment loss recognized is the amount by which the carrying amount of an asset exceeds its recoverable amount, corresponding to the higher of the asset's net selling price and its value in use. For the purposes of measuring impairment, assets are classified together into the smallest identifiable groups that generate cash inflows (cash-generating units) as required by IAS 36.
The aforementioned impairment test necessarily requires the making subjective valuations based on information available within the Group, on reference market prospects and historical trends.
In addition, if there appears to be a potential reduction in value, the Company makes a calculation of the value using what it considers to be suitable valuation techniques.
The correct identification of indicators of the existence of a potential impairment loss, as well as estimates for establishing values mainly depend on factors and conditions that may vary over time, also to a significant degree, thereby influencing the valuations and estimates made by the Directors.

2.8 Investment property

Property held for long-term capital appreciation and buildings held to earn rentals are measured at cost, less depreciation and any impairment losses.

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2.9 Financial assets

All financial assets falling within the application of IFRS 9 are recognised at amortised cost or at fair value based on the identified the business model for the management of financial assets and the characteristics of the contractual cash flows of the financial asset.
Specifically, the Company has identified the following financial assets:

- financial assets held as part of a business model in which the objective is to collect contractual cash flows,represented uniquely by collections of principal and interest on the capital amount to be returned. Said assets are valued at amortised cost;
- financial assets held as part of a business model in which the objective is achieved both through the collection of contractual financial cash flows and through the sale of the asset: said assets are valued at fair value with variations recorded in profit (loss) (FVTPL);
- other financial assets are valued at fair value, with variations recorded in profit (loss) for the financial period (FVTPL).

With reference to financial assets valued at amortised cost, when the contractual cash flows of the financial asset are renegotiated or otherwise modified and the renegotiation or modification does not produce derecognition, the gross accounting value of the financial asset is recalculated and the profit or loss deriving from the modification is recorded in the profit (loss) for the financial period.

Any cost or commission incurred adjust the accounting value of the modified financial asset and are amortised along the remaining term of the asset.

Financial assets are derecognised when the contractual rights on the cash flows expire or substantially all the risks and benefits connected with the holding of the asset are transferred (so-called Derecognition), or in the event that the item is considered as definitively unrecoverable after all the necessary recovery procedures have been completed.

Financial assets and liabilities are offset in the statement of financial position when there is the legal right to offsetting in the period and when there is the intention to settle the transaction on a net basis (i.e., to realise the asset and simultaneously settle the liability).

With regards to impairment losses on financial assets, the Company applies a model based on expected credit losses at every reporting date in order to reflect the variations in credit risk occurring since the initial recognition of the financial asset.

2.10 Non-current assets and liabilities held for sale

In these captions, items are to be classified as assets held for sale and disposal when:

- the asset is available for immediate sale;
- the sale is highly probable within one year;
- management is committed to a plan to sell;
- a reasonable sales price is available;
- the plan for disposal is unlikely to change;
- a buyer is being actively sought.

This condition is met only if the sale is considered highly probable and the asset (or group of assets) is available for an immediate sale in its current state. The first condition is met when the Management is committed to the selling, that should happen within twelve months from the classification date of this item.
These assets are measured at the lower of their carrying amount and fair value less costs to sell. Assets reclassified to this category cease to be depreciated.

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2.11 Shareholdings in subsidiaries

Investments in subsidiaries companies are valued based on the adjusted cost less any permanent impairment losses.

2.12 Shareholdings in associated companies

The investments in associates are valued based on the adjusted cost less any permanent impairment losses.

2.13 Inventories

Inventories are measured at the lower of cost and realisable value as determined by market conditions. Cost is determined using the weighted average cost method. The cost of finished products and work in progress includes raw material costs, direct labor costs, general manufacturing costs and other direct and indirect costs incurred in bringing the inventories to their present location and condition. Net realizable value as determined by market conditions is determined using prevailing selling prices less estimated costs of completion and sale. Obsolete or slow-moving inventories are devalued on the basis of the presumed possibility of their use or of their future realizable value, by creating an appropriate allowance that has the effect of reducing the inventories value.

2.14 Trade receivables

Trade receivables are defined as financial instruments. Initial recognition is at fair value; for trade receivables without a significant financial component the initial recognised value is the transaction price. The assessment of the collectability of receivables is made on the basis of the so-called Expected Credit Losses model provided for by IFRS 9.

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost, using the effective interest method. They are recorded net of a bad debt provision, deducted directly from accounts receivable to bring the evaluation to their estimated realizable value. Expected losses on trade receivables are estimated using a provision matrix with aging bands of receivables, making reference to past experience regarding losses on credits, an analysis of debtors' financial positions, corrected to take account of specific factors regarding the debtor, and an assessment of the current and expected evolution of such factors at the reporting date.
A provision for the impairment of trade receivables is recognized when there is objective evidence that the Company will be unable to collect all the amounts according to the original terms and conditions. The amount of the provision is charged to the income statement.

Factoring transactions
The Company can make use of the instrument of the transfer of a part of its trade receivables through factoring transactions and in particular can make use of non-recourse sales of trade receivables. Following these possible disposals, which provide for the almost total and unconditional transfer of the risks and rewards relating to the assigned receivables to the assignee, the receivables themselves are derecognised from the financial statements.

2.15 Trade payables

Trade and other payables, due under normal commercial terms, are not discounted but are recognized at cost (identified by their face value), representing the expenditure required for their settlement.

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2.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks and short-term financial investment with original maturities of three months or less and highly liquid, net of overdrafts. Bank overdrafts are classified in the statement of financial position under overdraft current liabilities.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts at the closing date.

2.17 Share capital

Ordinary shares are classified under equity.

Any proceeds from their sale, less directly attributable transaction costs and the related tax, are recognized in equity attributable to the Company.

In accordance with the requirements of International accounting standard IAS 32, costs sustained for the increase in share capital (that is, registration costs or other charges due to regulation authorities, amounts paid to legal advisors, auditors or other professionals, printing costs, registration costs and stamp duty), are accounted for as a reduction in equity, net of any connected tax benefit, to the extent to which they are marginal costs directly attributable to the share capital transaction and would have been avoided otherwise.

2.18 Lease liabilities

The lease liabilities are initially recognized at an amount equal to the present value of the payments due not paid at the effective date, discounted using the implicit interest rate of the lease for each contract or, if it cannot be easily determined, using the incremental borrowing rate. The latter is defined based on payment frequency, the duration of the payments provided for in the lease contract, the country and the Business Unit to which the lessee belongs.
Future lease payments considered in the calculation of the liability are as follows:

- Fixed payments, net of any incentives to be received;
- Variable payments;
- Estimate of the payment as guarantee of the residual value;
- Payment of the exercise price of the purchase option, if the lessee is reasonably certain to exercise it;
- Payment of contractual penalties for termination of the lease, if the lessee is reasonably certain that he will exercise this option.

Following initial recognition, the lease liabilities are subsequently increased by the interest that accrues, decreased by the future lease payments and possibly revalued in case of modification of future payments in relation to:

- change in the index or rate;
- change in the amount that the Company expects to have to pay as a guarantee on the residual value;
- modification of the estimate of the exercise or not of a purchase, extension or termination option.

Lease liabilities are considered by the Company to be of a financial nature and therefore are included in the calculation of the net financial position.

2.19 Financial liabilities

Financial liabilities are recognized initially at fair value, less the related transaction costs. They are subsequently measured at amortized cost; the difference between the amount received, less transaction costs, and the amount repayable is recognized in the income statement over the term of the loan, using the effective interest method.

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In the event of non-substantial modifications in the terms of a financial instrument, the difference between the current value of cash flows as modified (determined using the effective interest rate of the instrument in force at the modification date) and the book value of the instrument is recorded in the income statement.

Loans and borrowings are classified as current liabilities if the Company does not have an unconditional right to defer the extinguishment of the liability to at least 12 months after the reporting date.

Financial liabilities are derecognised when the specific contractual obligation is discharged. Modification of the existing contractual terms is also treated as a discharge in the event the new conditions significantly change the original terms.

2.20 Income taxes

Current taxes are accrued in accordance with the rules in force at the reporting date and include adjustments to prior years' taxes, recognized during the financial year.
Deferred tax assets and liabilities are recorded to reflect all temporary differences at the reporting date between the carrying amount of an asset / liabilities for tax purposes and allocated according to the accounting principles applied.
Deferred tax assets and liabilities are calculated using tax rates established by current regulations.
Deferred tax assets are recognized on all temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilized.
The carrying amount of deferred tax assets are reviewed at each reporting date and possibly reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of all or part of that deferred tax asset to be utilized. These assets are restored if and when the conditions underlying their prior write-off cease to exist.
As a general rule, apart from specific exceptions, deferred tax liabilities must always be recognized.

Income taxes (current and deferred) relating to items recognized directly in equity are also recognized directly in equity.
Current tax assets and liabilities are offset only if the company has a legally enforceable right to set off the recognized amounts and if it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities may be offset only if they are expected to become liquid, collectable and deductible at the same time, in relation to the same taxation authority.

The Company analyses the uncertain tax treatments (individually or as a whole, depending on the characteristics) always assuming that the tax authority examines the tax position in question, having full knowledge of all the relevant information. In the event that it is considered unlikely that the tax authority will accept the tax treatment followed, the Company reflects the effect of uncertainty in measuring its current and deferred income taxes as required by IFRIC 23.
The Company and the Group are not subject to national rules implementing the OECD Pillar Two framework, within the scope of the international tax reform under the Global Anti-Base Erosion (GloBE) rules.
Emak S.p.A. has renewed the option for consolidated IRES taxation for the three - year period 2025 - 2027 with its parent Yama (art. 117 et seq., TUIR). The tax assets and liabilities entries by virtue of the consolidation converge with the corresponding balances recorded by the consolidating company Yama S.p.A. The credit and debit items are settled in accordance with the agreements founded on an equal treatment basis with respect to all the companies participating in the same regime, which include, with a clear predominance, the main Italian subsidiaries of the Company.

2.21 Post-employment benefits

Post-employment benefits fall into the category of defined benefit plans for valuation on an actuarial measurement (death rates, expected changes in remuneration etc.) and reflect the present value of the benefit, payable at the end of employment, which employees have accrued up to the reporting date.
The costs relating to the increase in the obligation's present value, arising as the time of payment approaches, are recorded as financial expenses. All other costs included in the provision are posted to the income statement

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as personnel expenses. Actuarial gains and losses are accounted in the statement of other comprehensive income in the year in which they occur.

2.22 Provisions for risks and charges

Provisions for risks and charges are recognized when the Company has a legal or constructive obligation as a result of past events, it is probable that a payment will be required to settle the obligation and a reliable estimate can be made of the related amount.
Any liabilities defined as potential do not give rise to provisions for risks and charges.

2.23 Revenues

Revenues are recognized in the income statement on an accruals basis and are recognized to the extent that it is probable that the economic benefits y associated with the sale of goods or the provision of services will flow to the Company and their amount can be reliably measured.
Revenues are accounted net of returns, discounts, rebates and taxes directly associated with the sale of goods or the provision of the service.

Sales are recognized at the fair value of the compensation received for the sale of products and services, when the following conditions are met:

- the risks and rewards of ownership of the property are substantially transferred;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred can be measured reliably and respect the principle of correlation with revenues.

Accounting for revenues involves following the steps provided for by IFRS 15:

- identification of the contract with the customer;
- identification of the performance obligations provided for in the contract;
- determination of the price;
- allocation of the price to the performance obligations contained in the contract;
- recognition of the revenues when the enterprise satisfies each performance obligation.

Revenues are recognised upon the transfer of control of the goods to the customer, which coincides with the moment when the goods are delivered to the customer (at a point in time), in compliance with the specific contractual terms agreed with the customer.

2.24 Government grants

Government grants are recognized at fair value when there is reasonable assurance that the grants will be received and all the conditions attaching to them have been satisfied.
Government grants related to costs (e.g. operating grants) are recognized as revenue on a systematic basis over a number of years so as to match the costs that the grant is intended to offset.
Government grants related to assets (e.g. grants related to plant) are recorded in non-current liabilities and gradually released to the income statement on a systematic basis over the useful life of the asset concerned.

2.25 Financial income and expenses, exchange gains and losses

Financial income and expenses are recognized on an accruals basis using the effective interest rate and include dividends received from subsidiaries, exchange gains and losses and gains and losses on derivatives charged to the income statement.

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2.26 Payment of dividends

Dividends on ordinary shares are reported as liabilities in the financial statements in the year in which the shareholders' meeting approves their distribution.

2.27 Cash flow statement

The cash flow statement has been prepared using the indirect method.
Cash and cash equivalents included in the cash flow statement comprise the cash-related balances at the reporting date. Interest income and expense, dividends received and income taxes are included in cash flow generated by operations.

2.28 Changes in accounting standards and 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 Company starting 1 January 2025:

- On 15 August 2023 the IASB published an amendment entitled ***"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability".*** The document requires an entity to apply a consistent methodology to determine whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to use and the disclosure to provide in the notes to the financial statements. The amendments came into effect on 1 January 2025. The adoption of this amendment did not lead any effects on the Company's financial statements.

ACCOUNTING STANDARD, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, BUT NOT YET MANDATORILY APPLICABLE AND NOT ADOPTED EARLY BY THE COMPANY ON 31 DECEMBER 2025

The following accounting standards, amendments, and interpretations of IFRS have completed the endorsement process necessary for the adoption of the amendments and the principles described below but are not yet mandatorily applicable and have not been adopted early by the Company as of 31 December 2025:

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

  With these amendments, the IASB has also introduced additional disclosure requirements, particularly concerning investments in equity instruments designated at FVOCI.
  The amendments will apply to financial statements for periods beginning, starting from 1 January 2026.
  The Directors do not expect a significant effect on the Company's financial statements from the adoption of this amendment.

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- On 18 July 2024, the IASB published a document titled "**Annual Improvements Volume 11**." The document includes clarifications, simplifications, corrections, and changes aimed at improving the consistency of various IFRS Accounting Standards. The amended standards are:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and the related implementation guidelines for IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

The amendments will be applicable from 1 January 2026, but early application is permitted. The Directors do not expect a significant effect on the Company's financial statements from the adoption of this amendment.

- On 18 December 2024, the IASB published an amendment titled "**Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7**". The document aims to support entities in reporting the financial effects of contracts for purchasing electricity generated from renewable sources (often structured as Power Purchase Agreements). Based on these contracts, the amount of electricity generated and purchased can vary due to uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - A clarification regarding the application of "own use" requirements to this type of contract;
  - Criteria to allow the accounting of these contracts as hedging instruments; and
  - New disclosure requirements to enable financial statement users to understand the impact of these contracts on an entity's financial performance and cash flows.

The amendment will be applicable from 1 January 2026, but early application is permitted. The Directors do not expect a significant impact on the Company's financial statements from the adoption of this amendment.

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

The new standard also:

  - requires more information on performance indicators defined by management;
  - introduces new criteria for the aggregation and disaggregation of information; and,
  - introduces some changes to the cash flow statement format, including the requirement to use operating profit as the starting point for presenting the cash flow statement prepared using the indirect method, and the elimination of certain existing classification options (such as interest paid, interest received, dividends paid, and dividends received).

The new standard will come into effect on 1 January 2027, but earlier application is permitted. The Directors are currently assessing the potential impacts of introducing this new standard on the Company's financial statements.

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ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS INTERNATIONAL FINANCIAL REPORTING STANDARDS NOT YET ENDORSED BY THE EUROPEAN UNION

At the reference date of this document, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments and principles described below.

- On 9 May 2024, the IASB published a new standard, **IFRS 19 Subsidiaries without Public Accountability: Disclosures**. The new standard introduces certain simplifications regarding the disclosures required by other IAS-IFRS standards. This standard can be applied by an entity that meets the following main criteria:
  - it is a subsidiary;
  - it has not issued, and is not in the process of issuing, equity or debt instruments in a public market;
  - it has a parent that prepares consolidated financial statements in accordance with IFRS.

The new standard will come into effect on 1 January 2027, but earlier application is permitted. The Directors expect that the adoption of this new standard will not have any impact on the Company's financial statements.

- On 13 November 2025, the International Accounting Standards Board (IASB) published an amendment titled "Translation to a Hyperinflation Presentation Currency – Amendments to IAS 21". The amendment provides that:
  - for an entity whose functional currency is not hyperinflationary and whose presentation currency is hyperinflationary, all amounts in the financial statements (including comparative information) shall be translated using the closing rate at the most recent reporting date;
  - for an entity whose functional and presentation currencies are hyperinflationary and which holds a foreign operation whose functional currency is not hyperinflationary, the comparative information relating to the foreign operation included in previously issued financial statements shall be restated by applying the general price index in accordance with paragraph 34 of IAS 29, and the current amounts of the foreign operation (excluding comparatives) shall be translated at the closing rate at the most recent reporting date of the statement of financial position. The amendment also requires disclosure of the application of the changes and, where relevant, summarised financial information relating to foreign operations affected by the translation method adopted.

The amendment will be effective from 1 January 2027, with earlier application permitted. The Directors do not expect a significant impact on the Company's financial statements from the adoption of this amendment.

3. Financial risk management

3.1 Risk factors of a financial nature

The Company is exposed to a variety of financial risks associated with its business activities:

- market risks, with particular reference to exchange and interest rates and market price, since the Company operates at an international level in different currencies and uses financial instruments that generate interest;
- credit risk, regarding both normal commercial relations and to financing activities;
- liquidity risk, with particular reference to the availability of financial resources and access to the credit market.

The Company's policies for managing and controlling financial risks focus on the unpredictability of financial markets and seek to minimize the potentially negative effects on the financial results. The Company uses derivative financial instruments to hedge certain risks.

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Hedging of the Company's financial risks is managed by a head office function working in close collaboration with the individual operating units of the Group.
Qualitative and quantitative information is given below regarding the nature of such risks for the Company.
The quantitative figures shown below have no value for forecasting purposes, specifically, the sensitivity analyses on market risks are unable to reflect the complexity and associated reactions of the market as a result of each change hypothesized.

(a) Market risks

(i) Interest rate risk
The Company's interest rate risk relates to its long-term loans and borrowings. Variable rate loans expose the Company to the cash flow risk associated with interest rates. Fixed rate loans expose the Company to the fair value risk associated with interest rates.
The Company's policy is based on constantly monitoring its level and structure of debt and on the trend in interest rates and macroeconomic variables that might directly influence them, with the goal of optimizing the cost of money. At 31 December 2025, the Company's bank loans and borrowings are, for the most part, all at variable interest and consequently, the company has set up hedging operations aimed at limiting the effects.
Although these transactions are made for hedging purposes, if specific documentation certifying the hedging relationship is not formalized, the accounting standards will not allow hedge accounting treatment. Therefore, fluctuations in their values may affect the Company's financial results.

Sensitivity analysis
The possible effects of variations in interest rates are analysed for their potential impact in terms of cash flows, since almost all the Company's financial assets and liabilities accrue variable interest.

A hypothetical, instantaneous and unfavorable negative variation of 50 base points in annual interest rates in force at 31 December 2025 applicable to financial liabilities at a variable interest rate would result in a greater cost, on an annual basis, of around € 222 thousand (€ 189 thousand at 31 December 2024). The above calculation takes into consideration the total amounts of financial liabilities net of the total amount of fixed-rates IRS operations carried out for hedging purposes and of fixed rate financing.

(ii) Exchange rate risk
The Company carries out its business internationally and it is exposed to risks deriving from fluctuations in exchange rates, which may affect the economic result and value of equity.
Specifically in cases in which the Company incurs transaction costs expressed in different currencies from those of their respective revenues, the fluctuation of exchange rates may affect the operating result.

In 2025 the overall amount of revenues directly exposed to exchange risk represented 7.9% of the turnover (10.9% in 2024), while the amount of costs exposed to exchange risk is equal to 31.5% of turnover (43.7% in 2024).

The main currency exchanges ratio to which the Company is exposed are the following:
- EUR/USD, relating to sales and purchases in dollars made mainly in the markets that use the dollar as preferential currency;
- EUR/RMB, relating to purchases in the Chinese market.

There are no significant commercial flows with regards to other currencies. For further details, reference should be made to Notes 22 and 26.

The Company's policy is to cover, partially, net currency flows, typically through the use of forward contracts and options, evaluating the amounts and expiry dates according to market conditions and net future exposure, with the objective of minimizing the impact of possible variations in future exchange rates.

Sensitivity analysis
The potential loss of fair value of the net balance of financial assets/liabilities subject to the risk of variation in exchange rates held by the Company at 31 December 2025, as a result of a hypothetical unfavorable and immediate variation of 10% in all relevant single exchange rates of functional currencies with foreign ones, would amount to around € 512 thousand (€ 1,126 thousand at 31 December 2024).

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Other risks on derivative financial instruments
As described in Note 20, as at 31 December 2025 the Company holds certain derivative financial instruments whose value is linked to the trend in exchange rates (forward currency sales) and interest rates.
Although these operations have been entered into for hedging purposes, if specific documentation certifying the hedging relationship is not formalized, accounting standards do not permit their treatment using hedge accounting. As a result, changes in underlying values may affect the economic results of the Company.

Sensitivity analysis
The potential loss of fair value of the exchange rate hedging derivative financial instruments is not identifiable as of 31 December 2025, as a result of an instant hypothetical and unfavourable 10% change in the underlying values, it would amount to approximately € 143 thousand (as at 31 December 2024 no foreign exchange hedging derivative financial instruments were outstanding).

(iii) Price risk
The Company is exposed to fluctuations in the price of raw materials. This exposure is mostly towards suppliers of parts since their price is generally tied by contract to the trend in market prices for raw materials.
The Company usually enters into medium-term contracts with certain suppliers for the purpose of managing and limiting the risk of fluctuations in the price of its main raw materials such as aluminium, sheet metal, plastic and copper, as well as semi-finished products such as motors.
The increase in transport and distribution costs has an impact on the operating costs of the Company, with potential reduction in profitability, possible emergence of impairment indicators and a reduction in the net realizable value of the assets.
The risk is partially mitigated through the stipulation of purchase agreements with the main suppliers with prices locked with short-term time horizons to which is added constant monitoring of the cost of raw materials and logistics trend.
The Company uses policies to adjust the price of goods sold in case of significant changes in costs.

(b) Credit risk

In order to mitigate this risk, the Company has adopted policies to ensure that products are sold to customers of proven creditworthiness and generally obtains guarantees, both financial and otherwise, against credits granted for the supply of products addressed to some countries. Certain categories of credits to foreign customers are also covered by insurance with SACE.

The maximum theoretical exposure to credit risk for the Company at 31 December 2025 is the carrying amount of financial assets shown in the annual financial statements.

The credit granted to clients involves specific assessments of solvency and generally the Company obtains guarantees, both financial and otherwise, against credits granted for the supply of products addressed to some countries.

Individually significant positions that show objective evidence of partial or complete uncollectibility are continuously reviewed and, if necessary, written down on an individual basis.

The total impairment is estimated on the basis of recoverable flows, relative collection data, the costs and expenses of future recovery, as well as possible guarantees in force. For those credits that are not subject to individual impairment, bad debt provisions are allocated on an overall basis, taking account of historical experience and statistical data.

At 31 December 2025, the allocation to doubtful accounts provision refers to the constant analysis of past due loans on a collective basis, in addition to the analysis of individual positions.

At 31 December 2025 “Trade receivables from third parties” equal to € 30,786 thousand (€ 33,361 thousand at 31 December 2024), include € 5,223 thousand (€ 1,692 thousand at 31 December 2024) outstanding by more than 3 months. This value has been partially rescheduled according to repayment plans agreed with the clients.

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The value of trade receivables by maturity band is shown below:

€/000		31.12.2025
Trade receivables due	0-90 days	12,708
	> 90 days	9,423
Trade Receivables due		**22,131**
Trade receivables overdue	0-90 days	3,432
	> 90 days	5,223
Trade Receivables Overdue		**8,655**
Total Trade Receivables		**30,786**

The maximum exposure to credit risk deriving from trade receivables at the end of the financial period, broken down by geographical area (using the SACE reclassification) is as follows:

€/000	2025	2024
Trade receivables due from customers with SACE 1 rating	22,207	24,476
Trade receivables due from customers with SACE 2 e 3 rating	8,386	8,669
Trade receivables due from customers with non-insurable SACE	193	216
Total (Note 22)	**30,786**	**33,361**

For all countries insurable, regardless of the rating, the insurance covers 90% of the amounts receivable while, SACE provides no coverage for non-Insurable or suspended countries.

The value of amounts receivable covered by SACE insurance or by other guarantees at 31 December 2025 is € 7,828 thousand.

At 31 December 2025 the top 10 customers account for 33.6% of total trade receivables, while the top customer represents 19.1% of the total.

(c) Liquidity risk

Liquidity risk can occur as a result of the inability to obtain financial resources necessary for the Company's operations at acceptable conditions.
The main factors determining the Company's liquidity situation are, on the one hand, the resources generated or absorbed in its operating activities, and on the other hand, by the expiry or renewal of debt or by the liquidity of financial commitments and market conditions.
Prudent liquidity risk management implies maintaining sufficient financial availability of cash and marketable securities, and the availability of funding through adequate credit lines.
Consequently, the treasury, in accordance with the general directives of the Group, carries out the following activities:

- the monitoring of expected financial requirements in order to then take suitable action;
- the obtaining of suitable lines of credit;
- the optimization of liquidity, where feasible, through the centralized management of the Group's cash flows;
- the maintenance of an adequate level of available liquidity;
- the maintenance of a balanced composition of net financial borrowing with respect to investments made;
- the pursuit of a correct balance between short-term and medium-long-term debt;
- limited credit exposure to a single financial institution;
- the monitoring of compliance with the parameters provided for by covenants associated with loans.

Counterparties to derivative financial instruments contracts and operations performed on liquid funds are restricted to primary financial institutions.

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The nature and maturity characteristics of the Company's financial liabilities and assets are set out in Notes 24 and 27 relating respectively to "cash and cash equivalents" and "loans and borrowings".

The Management considers that the currently unused credit lines, amounting to € 51,881 thousand (€ 50,084 thousand at 31 December 2024), mainly short-term and guaranteed by trade receivables, as well as cash flow which will be generated from operating and financing activities, will allow the Company to meet its requirements deriving from investing activities, the management of working capital and the repayment of debts at their natural maturity dates.

3.2 Accounting for derivative financial instruments and hedging activities

Derivative financial instruments are used exclusively for hedging purposes with the intent of reducing the risks of foreign currency and interest rate fluctuation. In line with its risk management policy, in fact, the Company does not carry out derivative financial instruments operations for speculative purposes.
When such operations are not accounted for as hedging operations they are recorded as trading operations.
As established by IFRS 9, derivative financial instruments may qualify for special hedge accounting only when the conditions established by the standards are met.
Derivatives are initially recognized at cost and adjusted to fair value at subsequent statement of financial position dates.

On the basis of the above and of contracts in force as of 31 December 2025, the derivative financial instruments entered into by the Company are classified as derivative financial instruments not defined as hedging instruments, and the corresponding fair value changes are recognized in the income statement as of the closing date.

3.3 Fair value measurement

Various accounting standards and certain disclosure requirements require the Company to assess the fair value of financial and non-financial assets and liabilities.
With regard to fair value measurement, the Company has an established control framework in place, which involves both external consultants and internal staff who report directly to the CFO and the Manager in charge of preparing corporate accounting statements, who are generally responsible for all significant fair value measurements, including those classified as Level 3.
The team regularly reviews unobservable market inputs, although the Company relies, whenever possible, on observable market data when measuring the fair value of an asset or liability. When third-party information is used to determine fair value, the team assesses and documents the evidence provided by such third parties to support the conclusion that the valuations comply with IFRS requirements, including the appropriate level in the fair value hierarchy to which the valuation should be assigned.
Fair values are categorized within a hierarchy based on the inputs used in the valuation techniques, as outlined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, the entire valuation is classified in the same level of the hierarchy as the lowest level input that is significant to the overall measurement.
The Company recognizes transfers between the different levels of the fair value hierarchy at the end of the year in which the transfer occurred. During 2025, there were no transfers between the different levels of fair value.

The following table presents, for each financial asset and liability, the carrying amount and the fair value, including the corresponding level within the fair value hierarchy. Information on the fair value of financial assets and liabilities not measured at fair value is excluded when the carrying amount represents a reasonable approximation of fair value.

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The table below shows the balances as at 31 December 2025 and 31 December 2024:

€/000 at 31.12.2025	Note	Fair value – derivative instruments	FVTPL	Financial assets measured at amortized cost	Other financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Interest rate hedging derivatives not in Hedge Accounting	20	13	-	-	-	**13**	-	13	-	**13**
Foreign exchange hedging derivatives not in Hedge Accounting	20	-	-	-	-	**-**	-	-	-	**-**
Equity instruments	19	-	2	-	-	**2**	-	-	2	**2**
Total		**13**	**2**	**-**	**-**	**15**	**-**	**13**	**2**	**15**
Financial assets not measured at fair value										
Trade receivables *	22	-	-	35,881	-	**35,881**	-	-	-	**-**
Guarantee deposits and cautions security		-	-	8	-	**8**	-	-	-	**-**
Other financial receivables	21	-	-	28,722	-	**28,722**	-	-	-	**-**
Cash and cash equivalents	24	-	-	29,862	-	**29,862**	-	-	-	**-**
Total		**-**	**-**	**94,473**	**-**	**94,473**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
Interest rate hedging derivatives not in Hedge Accounting	20	(351)	-	-	-	**(351)**	-	(351)	-	**(351)**
Foreign exchange hedging derivatives not in Hedge Accounting	20	(8)	-	-	-	**(8)**	-	(8)	-	**(8)**
Total		**(359)**	**-**	**-**	**-**	**(359)**	**-**	**(359)**	**-**	**(359)**
Financial liabilities not measured at fair value										
Overdrafts	27	-	-	-	(8)	**(8)**	-	-	-	**-**
Bank loans	27	-	-	-	(76,747)	**(76,747)**	-	-	-	**-**
Trade payables **	26	-	-	-	(29,662)	**(29,662)**	-	-	-	**-**
Total		**-**	**-**	**-**	**(106,417)**	**(106,417)**	**-**	**-**	**-**	**-**

* Other receivables not classified as financial assets (such as other receivables and accrued income and prepaid expenses) are excluded

** Other liabilities not classified as financial liabilities are excluded (liabilities to employees and social security institutions, customer advances and accrued expenses, other liabilities and deferred income)

€/000 at 31.12.2024	Fair value – derivative instruments	FVTPL	Financial assets measured at amortized cost	Other financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Interest rate hedging derivatives not in Hedge Accounting	43	-	-	-	**43**	-	43	-	**43**
Foreign exchange hedging derivatives not in Hedge Accounting	-	-	-	-	**-**	-	-	-	**-**
Equity instruments	-	2	-	-	**2**	-	-	2	**2**
Total	**43**	**2**	**-**	**-**	**45**	**-**	**43**	**2**	**45**
Financial assets not measured at fair value									
Trade receivables *	-	-	39,657	-	**39,657**	-	-	-	**-**
Guarantee deposits and cautions security	-	-	8	-	**8**	-	-	-	**-**
Other financial receivables	-	-	10,851	-	**10,851**	-	-	-	**-**
Cash and cash equivalents	-	-	35,112	-	**35,112**	-	-	-	**-**
Total	**-**	**-**	**85,628**	**-**	**85,628**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value									
Interest rate hedging derivatives not in Hedge Accounting	(601)	-	-	-	**(601)**	-	(601)	-	**(601)**
Foreign exchange hedging derivatives not in Hedge Accounting	-	-	-	-	**-**	-	-	-	**-**
Potential consideration for options on non-controlling interests	-	-	-	-	**-**	-	-	-	**-**
Total	**(601)**	**-**	**-**	**-**	**(601)**	**-**	**(601)**	**-**	**(601)**
Financial liabilities not measured at fair value									
Overdrafts	-	-	-	(5)	**(5)**	-	-	-	**-**
Bank loans	-	-	-	(77,159)	**(77,159)**	-	-	-	**-**
Trade payables **	-	-	-	(42,622)	**(42,622)**	-	-	-	**-**
Total	**-**	**-**	**-**	**(119,786)**	**(119,786)**	**-**	**-**	**-**	**-**

* Other receivables not classified as financial assets (such as other receivables and accrued income and prepaid expenses) are excluded

** Other liabilities not classified as financial liabilities are excluded (liabilities to employees and social security institutions, customer advances and accrued expenses, other liabilities and deferred income)

Financial Instruments Measured at Fair Value

Foreign exchange hedging derivatives not in Hedge Accounting: fair value is determined using the forward pricing technique, based on figures provided by third-party counterparties at the end of the financial year.

Interest rate hedging derivatives not in Hedge Accounting: fair value is determined using swap model techniques, based on figures provided by third-party counterparties at the end of the financial year.

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Equity instruments: these are minor investments measured based on the financial information available to management of the Company.

4. Key accounting estimates and assumptions

The preparation of the annual financial statements and the related notes under IFRS has required management to make estimates and assumptions affecting the value of reported assets and liabilities and the disclosures relating to contingent assets and liabilities at the reporting date. However, it should be noted that, as these are estimates, the actual results may not necessarily correspond to those presented in these financial statements. Estimates are used for recording provisions for doubtful accounts receivable and inventory obsolescence, amortization and depreciation, write-downs to assets, taxes and other provisions. Estimates and assumptions are reviewed periodically and the effects of any change are immediately reflected in the income statement.

The assessment which net capital employed of the Company, as well as equity investments in subsidiaries, is recorded in the financial statements for a value not higher than their recoverable value (so-called impairment test) provides, first of all, to test the endurance of the value of the net capital employed and equity investments. The calculation of the recoverable amount is carried out in accordance with the criteria established by IAS 36 and is determined in terms of value in use by discounting the expected cash flows from the use of a Cash generating Unit (CGU), as well as from the expected value of the asset at its disposal at the end of its useful life. This process involves the use of estimates and assumptions to determine the identification of CGUs, the amount of future cash flows and the discount rates. The future cash flows are based on the most recent economic-financial plans drawn up by the Management of each CGU and approved by the Board of Directors of Emak S.p.A. as well as by the respective Boards of Directors of the sub-holdings to which each CGU belongs. With reference to the business in which the company operates, the factors that have the greatest relevance in the estimates of future cash flows are attributable to the intrinsic difficulty of formulating future forecasts, to the feasibility of market strategies in highly competitive contexts, as well as to the risks of macroeconomic and geo-political nature related to the geographic areas in which the company operates. The discount rates reflect the cost of money for the period forecast and the specific risks of the activities and countries in which the company operates and are based on observable data in the financial markets.

The most recent macroeconomic evolutions affecting the current geopolitical context have implied the need to make assumptions regarding the future outlook which is characterized by volatility and unpredictability. As a result, it cannot be excluded that the actual results obtained will be different from the forecasts, and therefore adjustments, which obviously cannot today be estimated or foreseeable, to the carrying amount of the relative items may be necessary. The financial statements headings most affected by the use of estimates are shareholdings in subsidiaries included among non-current assets, as well as tangible and intangible assets, where the estimates are used to establish any devaluations and recoveries of value.

5. Significant non-recurring events and transactions

During 2025 no significant non-recurring events and transactions were recorded.

6. Balances arising from atypical and unusual transactions

No events/operations as per Consob Communication DEM/6064293 of 28 July 2006 have been recorded during the financial period 2025. As indicated in this Communication “atypical and/or unusual transactions are considered as transactions that, due to their significance/materiality, the nature of the counterparties, the object of the transaction, the means for determining the transfer price and the time of the event (near the close of the period), may give rise to doubts with regards to: the correctness/completeness of the information in the financial statements, conflicts of interest, the protection of company assets, the safeguarding of non-controlling interests”.

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7. Net financial position

The table below shows the details of net financial position, which includes (in item M) the net financial debt determined according to ESMA criteria (based on the format required by Consob communication no. 5/21 of 29 April 2021):

(€/000)	31/12/2025	31/12/2024
A. Cash	29,862	35,112
B. Cash equivalents	-	-
C. Other current financial assets	25,560	9,080
D. Liquidity funds (A+B+C)	**55,422**	**44,192**
E. Current financial debt	(893)	(904)
F. Current portion of non-current financial debt	(24,033)	(18,299)
G. Current financial indebtedness (E + F)	**(24,926)**	**(19,203)**
H. Net current financial indebtedness (G - D)	**30,496**	**24,989**
I. Non-current financial debt	(52,278)	(58,609)
J. Debt instruments	-	-
K. Non-current trade and other payables	(103)	(168)
L. Non-current financial indebtedness (I + J + K)	**(52,381)**	**(58,777)**
M. Total financial indebtedness (H + L) (ESMA)	**(21,885)**	**(33,788)**
N. Non current financial receivables	**3,183**	**17,545**
O. Net financial position (M-N)	**(18,702)**	**(16,243)**
Effect IFRS 16	**193**	**215**
Net financial position without effect IFRS 16	**(18,509)**	**(16,028)**

Net negative financial position increased from € 16,028 thousand at 31 December 2024 to € 18,509 thousand at 31 December 2025. The change is mainly due to the dynamics linked to the increase in net working capital.

At 31 December 2025 the net financial position includes:

- under non-current financial receivables, medium and long-term loans granted by Emak S.p.A. to subsidiary companies for an amount of € 3,175 thousand, of which € 1,375 thousand due to the subsidiary Emak UK and € 1,800 thousand due to the subsidiary Sabart S.r.l.,
- under other current financial assets, short-term loans granted by Emak S.p.A. to subsidiary company Comet S.p.A. for an amount of € 23,300 thousand, as well as € 20 thousand to the subsidiary Emak UK Ltd, relating to the remuneration of the loan classified under non-current financial receivables, in the previous paragraph. Also included € 2,186 thousand due from the Chinese subsidiary Jiangmen Emak Outdoor Power Equipment Co. Ltd., relating to a financial receivable for dividends resolved during the year and not yet collected as at 31 December 2025. Finally, it includes a financial receivable of € 4 thousand is included and relating to interest accrued from the subsidiary Sabart S.r.l. arising from the cash pooling agreement, a new Group project implemented during the year for the centralised management of liquidity, as well as a financial receivable for equity reinstatement for a value of € 37 thousand to the parent Yama S.p.A;
- under current financial payables, the financial payable for the equity reinstatement due to the subsidiary Tecomec S.r.l., for € 37 thousand, as well as the payable balance due to the subsidiary Sabart S.r.l., amounting to € 266 thousand, arises from the cash pooling agreement, under which Emak S.p.A. acts as pooler.

At 31 December 2024 the net financial position included:

- under non-current financial receivables medium and long-term loans granted by Emak S.p.A. to subsidiary companies for an amount of € 17,500 thousand, of which € 14,800 thousand due to the subsidiary Comet

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S.p.A., € 2,700 thousand due to the subsidiary Sabart S.r.l., it also includes a financial receivable for equity reinstatement to the parent Yama S.p.A. for a value of € 37 thousand;
- under other current financial assets, short-term loans granted by Emak S.p.A. to subsidiary company Comet S.p.A. for an amount of € 9,000 thousand and a financial receivable for equity reinstatement for a value of € 37 thousand to the parent Yama S.p.A;
- under non-current financial payables, the financial payable for equity reinstatement due to the subsidiary Tecomec S.r.l., for an amount of € 37 thousand;
- under current financial payables, the financial payable for the equity reinstatement due to the subsidiary Tecomec S.r.l., for € 37 thousand.

8. Revenues from sales and other income

Sales revenues amount to € 125,039 thousand, compared to € 130,577 thousand in the prior year. They are stated net of € 386 thousand in returns, compared to € 344 thousand in the prior year. Sales showed a positive trend in the Italian market, while a contraction was observed in Central Europe and Turkey.

The detail of the item is as follows:

€/000	FY 2025	FY 2024
Net sales revenues (net of discounts and rebates)	123,003	128,234
Revenues from recharged transport costs	2,422	2,687
Returns	(386)	(344)
Total	**125,039**	**130,577**

€/000	FY 2025	FY 2024
Italy	49,233	44,951
Europe	56,912	63,348
Rest of the world	18,894	22,278
Total	**125,039**	**130,577**

Other income is analysed as follows:

€/000	FY 2025	FY 2024
Grants related to income and assets	1,060	807
Capital gains on property, plant and equipment	8	1
Insurance refunds	111	231
Other income	3,288	2,662
Total	**4,467**	**3,701**

The heading **"Grants related to income"** refers mainly to:
- the accrual for the non-repayable grant, equal to € 521 thousand (€ 355 thousand at 31 December 2024), allowed in relation to the Call of the Ministry of Enterprises and Made in Italy, related to the "Horizon Europe" Program, note 16;
- the tax credit for investments in capital goods and 4.0 Industry, provided for in accordance with law no. 160 of 2019, for a total value of € 217 thousand (€ 233 thousand at 31 December 2024) and ZES Unica tax credit, provided for in accordance with law no. 162 (Southern Decree-Law) of November 13, 2023, for a value of € 23 thousand (€ 6 thousand at 31 December 2024);
- Research and Development tax credit provided for by art. 1, paragraph 35, of Law 23 December 2014, no. 190, for € 75 thousand (€ 87 thousand at 31 December 2024);
- the tax credit for advertising investments supporting the publishing sector, provided for under Legislative Decree No. 50/2017 (Article 57-bis), amounting to € 91 thousand;
- the grant as per Law 488/92 for € 23 thousand (€ 23 thousand at 31 December 2024);

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- the accrual for the non-repayable grant, equal to € 37 thousand (€ 73 thousand at 31 December 2024), allowed in relation to the Call of the Ministry of Economic Development "Sustainable Industry - ICT & Digital Agenda" (financing of interventions for the promotion of Major Projects R&D), note 16;
- other grants provided to cover the costs incurred by the Company for the training of its personnel amounting to € 73 thousand (€ 23 thousand at 31 December 2024).

The item "**Other income**" mainly refers to recharge to subsidiaries for services provided by the Group's IT Corporate function, held by Emak SpA starting from 2019.

9. Cost of raw materials, consumables and goods

The heading is analysed as follows:

€/000	FY 2025	FY 2024
Raw materials	40,788	53,359
Finished products	26,074	34,761
Consumable materials	348	393
Other purchases	1,313	1,416
Total	**68,523**	**89,929**

The decrease in purchases of raw materials and finished products is attributable to a decline in production volumes and a reduction in inventory levels.

10. Personnel expenses

Details of these costs are as follows:

€/000	FY 2025	FY 2024
Wage and salaries	17,857	17,049
Social security charges	5,781	5,375
Employee termination indemnities	1,197	1,152
Other costs	297	343
Development costs capitalized	(1,661)	(1,177)
Directors' emoluments	522	497
Temporary staff	1,165	990
Total	**25,158**	**24,229**

The increase in personnel costs is mainly due to the dynamics of labor costs also affected by the increases provided from the collective labor agreements for an amount of € 485 thousand.

During the 2025 financial year, personnel expenses for € 1,661 thousand were capitalized under intangible assets, referring to costs for the development of new products in the context of a new multi-year project subject to facilities by the Ministry of Enterprises and Made in Italy (€ 1,177 thousand at 31 December 2024).

The breakdown of employees by grade is the following:

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	Average number of employees in year		Number of employees at this date	
	2025	2024	2025	2024
Executives	11	11	10	11
Office staff	226	211	229	219
Factory workers	204	210	202	207
Total	**441**	**432**	**441**	**437**

11. Other operating costs and provisions

Details of these costs are as follows:

€/000	FY 2025	FY 2024
Subcontract work	2,178	2,000
Transportation	7,897	9,797
Advertising and promotion	1,228	1,336
Maintenance	4,892	4,134
Commissions	1,651	1,510
Consulting fees	1,716	2,276
Costs for warranties and after sales service	554	563
Insurance	356	322
Travel	343	308
Postals and telecommunications	373	315
Other services	2,805	2,844
Development costs capitalized	(161)	(269)
Services	**23,832**	**25,136**
Rents, rentals and the enjoyment of third party assets	**1,233**	**1,187**
Increases in provisions	**53**	**129**
Increases in provision for doubtful accounts (note 22)	187	198
Other taxes (not on income)	363	339
Other operating costs	579	851
Other costs	**1,129**	**1,388**
Total other operating costs	**26,247**	**27,840**

The “Transportation” item had recorded a significant increase in the previous financial year due to geopolitical tensions in the Red Sea. In order to address these issues, it became necessary to redefine certain trade routes, resulting in higher costs and longer delivery times.
During the year, the situation normalised, with freight rates returning to ordinary levels. The decrease in this item is also attributable to the lower volumes of purchases and sales recorded in the current financial year.

The increase in the “Maintenance” item is mainly attributable to the annual support and maintenance fees for the application software used by the Group’s companies.

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12. Amortization, depreciation and impairment losses

Details of these amounts are as follows:

€/000	FY 2025	FY 2024
Depreciation of property, plant and equipment (note 15)	3,595	3,222
Amortization of intangible assets (note 16)	2,203	2,204
Amortization of rights of use (note 17)	100	91
Impairment losses and gains	692	-
Total	**6,590**	**5,517**

The impairment of € 692 thousand relates to the investment held in the subsidiary Emak UK Ltd.; for further information, reference is made to Note 19.

13. Financial income and expenses, exchange gains and losses

"**Financial income**" is analysed as follows:

€/000	FY 2025	FY 2024
Dividends from subsidiaries (note 37)	8,700	8,834
Interest on trade receivables	195	140
Interest on loans to subsidiaries and other financial income (note 37)	1,086	1,489
Cash management interest	434	984
Income from adjustment to fair value and fixing of derivates instruments for hedging interest rate risk	284	560
Other financial income	85	-
Financial income	**10,784**	**12,007**

The heading **"Dividends from subsidiaries"** refers to the dividends resolved by the subsidiaries Tecomec S.r.l., Sabart S.r.l., Comet S.p.A, Victus-Emak Sp. Z.o.o. and Jiangmen Emak Outdoor Power Equipment Co. Ltd. (see note 37).

The heading "**Cash management interest**" refers to the interest accrued on bank current accounts and other possible short-term financial instruments.

"Financial expenses" are analysed as follows:

€/000	FY 2025	FY 2024
Interest on medium long-term bank loans and borrowings	2,872	3,643
Financial charges from valuing employee termination ind. (note 30)	55	58
Financial charges from leasing	9	8
Costs from adjustment to fair value and closure of derivates instruments for hedging interest rate risk	112	665
Other financial costs	203	145
Financial expenses	**3,251**	**4,519**

For further details on income and expenses relating to interest rate hedging derivative instruments, reference is made to Note 20 below.

The item "Financial charges from leasing" refers to interest on financial liabilities recorded in accordance with accounting standard IFRS 16 – Leases.

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Details of the **"Exchange gains and losses"** are as follows:

€/000	FY 2025	FY 2024
Profit / (Loss) on exchange differences on trade transactions	(154)	(129)
Profit / (Loss) on exchange differences on trade transactions adjustments	(134)	26
Profit / (Loss) on exchange differences on financial transactions	(30)	148
Profit / (Loss) on exchange differences on valuation of hedging derivatives	(9)	-
Exchange gains and losses	**(327)**	**45**

14. Income taxes

This amount is made up as follows:

€/000	FY 2025	FY 2024
Current taxes	(888)	(691)
Taxes from prior years	(226)	(122)
Deferred tax assets (note 29)	(85)	(29)
Deferred tax liabilities (note 29)	30	(147)
Total	**(1,169)**	**(989)**

"Current income taxes", for the year 2025, amount to a positive net value of € 888 thousand and refers, for € 1,118 thousand, to the right to receive in retrocession from the tax consolidation, to which the company participates ex. 117 TUIR, of tax losses and other deductible items, against Emak's contribution of the same, usable by the Group to reduce its consolidated taxable income, partially offset by foreign taxes for an amount of € 230 thousand.

The value of the item "Taxes from prior years" consists of an overall net positive value of € 226 thousand and mainly relates to the benefit provided by the Patent Box regime for the tax year 2024, incorporated into the consolidated tax statement.

The theoretical tax charge, calculated using the ordinary rate, is reconciled to the effective tax charge as follows:

€/000	FY 2025	% rate	FY 2024	% rate
Profit before taxes	**2,829**		**5,423**	
Theoretical tax charges	**789**	**27.9**	**1,513**	**27.9**
Effect of IRAP differences calculated on different tax base	(114)	(4.0)	(212)	(3.9)
Dividends	(1,883)	(66.5)	(2,014)	(37.1)
Non-deductible costs	228	8.1	78	1.4
Previous period taxes	(226)	(8.0)	(122)	(2.2)
Other differences	37	1.3	(232)	(4.3)
Effective tax charge	**(1,169)**	**(41.3)**	**(989)**	**(18.2)**

The item "Other differences" reflects two offsetting effects: on one hand, it includes the share of the benefit deriving from the increase in the fiscally recognized cost of new capital goods, acquired in the 2015-2019 period: these are the so-called "Super depreciation" (pursuant to art. 1 co. 91 - 94 and 97, Law 208/2015 and subsequent extension provisions) and "hyper depreciation" (art. 1, paragraphs 8-13, Law 232/2016 and

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subsequent provisions of extension) as well as the tax effect of other non-taxable income already described at the item "**Grants related to income"** and classified under the item **"Other income"**; on the other hand, the item includes foreign taxes for the year.

15. Property, plant and equipment

Changes in property, plant and equipment are shown below:

€/000	31.12.2024	Increase (Amortizations)	Decreases	Other movements	31.12.2025
Lands and buildings	33,851	454	-	-	34,305
Accumulated depreciation	(16,591)	(828)	-	-	(17,419)
Lands and buildings	**17,260**	**(374)**	**-**	**-**	**16,886**
Plant and machinery	23,999	1,210	(44)	520	25,685
Accumulated depreciation	(20,318)	(943)	44	-	(21,217)
Plant and machinery	**3,681**	**267**	**-**	**520**	**4,468**
Other assets	70,416	2,066	(1,311)	190	71,361
Accumulated depreciation	(66,424)	(1,824)	1,311	-	(66,937)
Other assets	**3,992**	**242**	**-**	**190**	**4,424**
Advances and fixed assets in progress	**853**	**126**	**-**	**(710)**	**269**
Cost	**129,119**	**3,856**	**(1,355)**	**-**	**131,620**
Accumulated depreciation (note 12)	**(103,333)**	**(3,595)**	**1,355**	**-**	**(105,573)**
Net book value	**25,786**	**261**	**-**	**-**	**26,047**

€/000	31.12.2023	Increase (Amortizations)	Decreases	Other movements	31.12.2024
Lands and buildings	33,778	73	-	-	33,851
Accumulated depreciation	(15,770)	(821)	-	-	(16,591)
Lands and buildings	**18,008**	**(748)**	**-**	**-**	**17,260**
Plant and machinery	22,639	1,303	(40)	97	23,999
Accumulated depreciation	(19,490)	(868)	40	-	(20,318)
Plant and machinery	**3,149**	**435**	**-**	**97**	**3,681**
Other assets	68,634	1,859	(773)	696	70,416
Accumulated depreciation	(65,662)	(1,533)	771	-	(66,424)
Other assets	**2,972**	**326**	**(2)**	**696**	**3,992**
Advances and fixed assets in progress	**953**	**693**	**-**	**(793)**	**853**
Cost	**126,004**	**3,928**	**(813)**	**-**	**129,119**
Accumulated depreciation (note 12)	**(100,922)**	**(3,222)**	**811**	**-**	**(103,333)**
Net book value	**25,082**	**706**	**(2)**	**-**	**25,786**

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The increases are related to:

- the category “Land and buildings,” for a total of € 454 thousand, mainly relates to the purchase of a plot of land near the Bagnolo in Piano (RE) site and the related ancillary works, intended for field testing activities supporting the development and testing of new products, as well as improvements carried out at the buildings of the Pozzilli (IS) production facility;
- the category “Plant and machinery” following the implementation of new production lines and new testing benches for a total of € 168 thousand, and for € 1,042 thousand mainly relating to the installation of a new heat distribution line at the Bagnolo in Piano (RE) site, the purchase of new vertical warehouses aimed at strengthening the management of the spare parts hub at the same site, as well as the implementation of significant improvements to the painting and moulding departments at the Pozzilli (IS) plant;
- the **“Other fixed assets”** category mainly includes:
  - acquisitions of equipment and molds for the development of new products, for € 1,252 thousand;
  - acquisitions of electronic machines and office equipment for € 600 thousand;
  - acquisitions of testing and control instruments for € 208 thousand;
  - purchases of internal means of transport for € 6 thousand.

The item "**Advances and fixed assets in progress**" refers to advances for the construction of equipment and molds for production and specific plants.

The decreases relate to the “**Plant and Machinery**” and "**Other assets**" categories, for the scrapping of specific plants, molds and equipments for which the relative useful life had essentially already expired.

The Company does not hold goods that a subject to restrictions on entitlement and ownership.

Over the years the company, Comag S.r.l., merged into Emak S.p.A.in 2015 financial year, has benefitted from a number of capital grants paid in accordance with Law 488/92. The contributions paid are posted to the income statement according to the residual possibility of use of the fixed assets to which they refer and are recorded in the statement of financial position under deferred income.

The Company has verified the recoverability of its fixed assets through an impairment test conducted on its net capital employed, as better explained in note 18.

16. Intangible assets

Intangible assets report the following changes:

€/000	31.12.2024	Increases (Amortizations)	Decreases	Other movements	31.12.2025
Development costs	8,503	1,821	-	-	10,324
Accumulated amortization	(6,080)	(937)	-	-	(7,017)
Development costs	**2,423**	**884**	**-**	**-**	**3,307**
Patents and intellectual property rights	12,977	530	-	-	13,507
Accumulated amortization	(11,708)	(1,108)	-	-	(12,816)
Patents	**1,269**	**(578)**	**-**	**-**	**691**
Concessions, licences and trademarks	243	105	-	-	348
Accumulated amortization	(179)	(15)	-	-	(194)
Concessions, licences and trademarks	**64**	**90**	**-**	**-**	**154**
Other intangible assets	3,745	227	-	125	4,097
Accumulated amortization	(3,686)	(143)	-	-	(3,829)
Other intangible assets	**59**	**84**	**-**	**125**	**268**
Advanced payments	**141**	**35**	**-**	**(125)**	**51**
Cost	**25,609**	**2,718**	**-**	**-**	**28,327**
Accumulated depreciation (note 12)	**(21,653)**	**(2,203)**	**-**	**-**	**(23,856)**
Net book value	**3,956**	**515**	**-**	**-**	**4,471**

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€/000	31.12.2023	Increases (Amortizations)	Decreases	Other movements	31.12.2024
Development costs	7,057	1,446	-	-	8,503
Accumulated amortization	(5,224)	(856)	-	-	(6,080)
Development costs	**1,833**	**590**	**-**	**-**	**2,423**
Patents and intellectual property rights	12,295	602	(2)	82	12,977
Accumulated amortization	(10,694)	(1,016)	2	-	(11,708)
Patents	**1,601**	**(414)**	**-**	**82**	**1,269**
Concessions, licences and trademarks	240	3	-	-	243
Accumulated amortization	(166)	(13)	-	-	(179)
Concessions, licences and trademarks	**74**	**(10)**	**-**	**-**	**64**
Other intangible assets	3,745	-	-	-	3,745
Accumulated amortization	(3,367)	(319)	-	-	(3,686)
Other intangible assets	**378**	**(319)**	**-**	**-**	**59**
Advanced payments	**84**	**141**	**-**	**(84)**	**141**
Cost	**23,421**	**2,192**	**(2)**	**(2)**	**25,609**
Accumulated depreciation (note 12)	**(19,451)**	**(2,204)**	**2**	**-**	**(21,653)**
Net book value	**3,970**	**(12)**	**-**	**(2)**	**3,956**

The increase in “Development costs” mainly refers to investments in a new development activity started from 2023 financial year, as part of a multi-year project called "New generation of Handheld Outdoor Power Equipment designed in an environmentally friendly manner, Program No. F/310162/00/X56 - CUP: B49J23000650005"", which will end in 2026, subject to facilitation by the Ministry of Enterprise and Made in Italy. Personnel costs incurred internally and capitalized under this item amounts to € 1,661 thousand.
The increase in this item also refers to consultancy related to electrification technologies for a total value of € 161 thousand (€ 269 thousand at 31 December 2024).

The aforementioned ministerial facilitation, pursuant to Article 2, paragraph 6 of the Ministerial Decree of December 31, 2021, and the Innovation Agreement of March 20, 2023, pertaining to one of the intervention areas attributable to the second Pillar 'Global Challenges and Industrial Competitiveness' of the 'Horizon Europe' Programme, relates to a maximum contribution to spending for the total amount of €1,953 thousand, in an amount equal to 50% of eligible research costs and 25% of eligible development costs.

During the month of September 2025, the Company collected the second tranche of the non-repayable grant, equal to a total value of € 713 thousand; the grants disbursed are credited to the income statement on an accrual basis in relation to the allocation of reported costs for the relevant financial year and are shown in the balance sheet under deferred income (note 32).

From 2018 to 2021, the Company also benefited of a facilities provided for by art. 7 of the Ministerial Decree July 24, 2015, referring to an investment in a new development activity called "New generation of Handheld Outdoor Power Equipment for advanced production systems of spare parts F/150026/00/X40”, under the Fund for Sustainable Growth and the Revolving Fund for Supporting Businesses and Investments in Research, which recorded a contribution to the expenditure amounting to € 1,402 thousand (equal to 20% of the eligible costs) and a subsidized loan at a rate of 0.8%, approved by Cassa Depositi e Prestiti S.p.A., for the amount of € 4,206 thousand (equal to 60% of the eligible costs of the project) and lasting 11 years.
The Company received the full amount of the related non-repayable grant in the previous financial year, in a way similar to that provided under the current Call for proposals, the the grants disbursed are credited to the income statement on an accrual basis in relation to the progressive amortization of the capitalized costs to which they refer and are shown in the balance sheet under deferred income (note 32).

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The increase in the item "Patents and intellectual property rights" relates to development activities on departmental software aimed at optimizing the Group's information system processes, affecting several business functions, both in production and in human capital management.
All intangible assets have a defined remaining useful life and are amortised on a straight-line basis over the following periods:

• Development costs	5	years
• Intellectual property rights	3	years
• Concessions, licences, trademarks and similar rights	10/15	years
• Other intangible assets	3/5	years

Research and development costs directly posted to the income statement amount to € 3,495 thousand.

17. Rights of use

The movement of the item "Rights of use" is set out below:

€/000	31.12.2024	Increases	Amortization	Decreases	31.12.2025
Rights of use other assets	210	78	(100)	-	188
Net book value (note 12)	**210**	**78**	**(100)**	**-**	**188**

The increases for the year relate to the signing of new lease contracts, which expired during the year, for identical underlying assets.

18. Recoverability of the Company's net invested capital

During the year, the Company's Management verify the recoverability of net invested capital of Emak S.p.A. CGU, even though no goodwill or other intangible assets with indefinite life are allocated to it, considering the impairment indicators detected during the financial year 2025, traceable to the operating loss for the period. This assessment has also been carried out through the determination of the recoverable value of the reference Cash Generating Unit (CGU) through the "Discounted cash flow" method. The more relevant factors in the estimate of future cash flows are attributable to the intrinsic difficulty in the formulation of future forecasts, to the feasibility of market strategies in highly competitive contexts, and to macroeconomic and geo-political risks connected to geographical areas in which the Company operates.

The plan data of the Emak S.p.A. CGU, which is the smallest unit for generating cash flow according to the monitoring policies used by management for internal management purposes, have been considered.

The business plans, methodologies and results of the "impairment test" have been approved by the Board of Directors on February 27, 2026, with the agreement of Risk Control and Sustainability Committee.
The discount rate used to discount the expected cash flows (*WACC*) reflects the current market assessments of the time value of money over the period considered and the specific risks of the Company.

The discount rate used corresponds to an estimate net of taxes determined on the basis of the following main assumptions:
• risk-free rate equal to the average return on ten-year reference government bonds;
• debt based on the financial structure of comparables.

In order to carry out the impairment test on the net capital employed values referring to the Emak S.p.A. CGU, the Discounted cash flow has been calculated in the basis of the following assumptions:

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- the cash flows used has been extracted from the five-year business plan of the CGU, approved by the Board of Directors, that represent management's best estimate in relation to the future operating performances of the Company in the period;
- this flows refer to the Company in its current state and exclude any transaction of a non-recurring nature and/or transactions not yet defined at the closing of the year;
- The expected future cash flows refer to a period of 5 years and include a normalized terminal value used to express a synthetic estimate of future results beyond the timeframe explicitly considered;
- The WACC used to discount future cash flows are calculated on the basis of the following assumptions:
  - the cost of debt reflects a cost of debt at market values, determined as the sum of the Eurirs rate with a maturity of 10 years with an average yield in the 6 months to 31 December 2025 to which is added a spread determined on the basis of the actual cost of debt relating to the Group's current loans;
  - the cost of equity capital, estimated using a Capital Asset Pricing Model (CAPM) approach, reflects the average 10-year *(*risk free*)* Government Bond yield in the 6 months to 31 December 2025 increased by a premium for market risk and weighted by an industry-specific levered beta The cost also includes a size premium reflecting the additional risk, over and above that derived from the CAPM, required for equity investments in companies of comparable size to the Emak Group.

The WACC rate used for discounting cash flows of Emak S.p.A. CGU is 8.6%; the terminal value has been determined on the basis of a long-term growth rate (g) of 2%, representative of the long-term expectations for the relevant industrial sector, considering the presumed inflationary impacts. The test has not revealed impairment losses.

In addition, also on the basis of the indications contained in the joint document issued by the Bank of Italy, Consob and Isvap (supervisory body for private insurance) no. 4 of 3 March 2010, the Company has drawn up sensitivity analyses on the results of the test with respect to variations in the underlying assumptions effecting the estimation of the use value of the CGU, considering alternative scenarios: i) a positive 5% variation in relative terms of the WACC, ii) a negative variation of 50 bps of the long-term growth rate (g) or iii) a negative 5% variation of cash flows for each year of the plan. Sensitivity analyses conducted on the test results don't indicate potential value losses.

19. Equity investments

Details of equity investments are as follows:

€/000	31.12.2024	Increases	Decreases	31.12.2025
Equity investments				
- in subsidiaries	89,706	592	(691)	89,607
- in associates	800	-	-	800
- in other companies	2	-	-	2
TOTAL	**90,508**	**592**	**(691)**	**90,409**

Equity investments in subsidiaries amount to € 89,607 thousand.

The increase recorded during the year relates to the investment in the subsidiary Emak Do Brasil Industria Ltda, due to the conversion of current trade receivables into capital replenishment. Conversely, the decrease of € 691 thousand relates to the subsidiary Emak UK Ltd, for which the carrying amount of the investment was fully written down.

The values of investments in subsidiaries and associates are set out in detail in Annexes 1 and 2.

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The Company carried out an impairment test of the equity investments that show indicators of impairment, in order to identify any losses and / or reversal of impairment losses to be recognized in the income statement, following the procedure set forth in IAS 36, and then comparing the carrying amount of the individual equity investments with the value in use given by the current value of the estimated cash flows that are expected to derive from the continuous use of the asset subject to impairment test.
There is a connection between the subsidiaries and the cash generating units ("CGU") identified for implementing the aforementioned impairment tests.
The impairment test was therefore implemented for equity investments in Emak Do Brasil Ltda, Sabart S.r.l., Emak UK Ltd and Tai Long (Zhuhai) Ltd.
The business plans, methodologies and results of the "impairment test" have been approved by the Board of Directors on February 27, 2026, taking account of the opinion of the Risk Control and Sustainability Committee.

For the tests was used the discounted cash flow method (Discounted Cash Flow Unlevered) deriving from the multi-year financial business plans drawn up by the individual subsidiaries and approved by the respective Boards of Directors, relating to the specific CGUs. These forecasts for the explicit period are in line with forecasts on the performance of the operating segment to which each company belongs and represent the best management estimate on the future operating performance of the individual subsidiaries during the period considered, and excluding any transactions of non-ordinary nature and / or transactions not yet defined at the end of the financial year. The future cash flows derive from plans drafted taking into account the criticalities and macroeconomic risks characteristic of the context in which the subsidiaries operate.

The discount rates in the impairment tests were calculated using as baseline the risk-free rates and the market premiums relating to the different countries to which belong the equity investments under assessment.

The terminal value was calculated with the “perpetuity growth” formula, assuming a growth rate “g-rate” equal to the long-term inflation of the various countries to which the evaluated investments belong, and considering an operating cash flow based on the last year of explicit forecast, adjusted to “perpetuity” project a stable situation, specifically by using the following main assumptions:
- balance between investments and amortization (in the logic of considering a level of investments necessary for the maintenance of the business);
- change in working capital equal to zero.

The terminal value was determined on the basis of a long-term growth rate (g) equal to the country's long-term inflation (source International Monetary Fund).

The long-term growth rates are shown below:

		31.12.2025	31.12.2024
Sabart	Italy	2.0%	2.0%
Emak do Brasil	Brazil	2.9%	3.0%
Emak Uk	UK	2.0%	2.0%
Tailong	China	1.8%	2.0%

The value obtained by summing the discounted cash flows of the explicit period and the terminal value ("Enterprise Value") is deducted the net financial debt at the reference date of the valuation, in this case on 31 December 2025, in order to obtain the value in use of the investments subject to assessment ("Equity Value").

The WACC used to discount future cash flows are calculated on the basis of the following assumptions:

- the cost of debt reflects a cost of debt at market values, determined as the sum of the Eurirs rate with a maturity of 10 years with an average yield in the 6 months to 31 December 2025 to which is added a spread determined on the basis of the actual cost of debt relating to the Group's current loans;
- the cost of equity capital, estimated using a Capital Asset Pricing Model (CAPM) approach, reflects the average 10-year *(*risk free*)* Government Bond yield in 6 months to 31 December 2025 increased by a premium for market risk and weighted by an industry-specific levered beta The cost also includes a size premium reflecting the additional risk, over and above that

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derived from the CAPM, required for equity investments in companies of comparable size to the Emak Group.

The WACCs used are shown below:

		31.12.2025	31.12.2024
Sabart	Italy	8.6%	9.0%
Emak do Brasil	Brazil	11.3%	11.7%
Emak Uk	UK	9.3%	9.4%
Tailong	China	7.5%	7.9%

Except for the subsidiary Emak UK Ltd, for which the carrying amount of the investment was fully written down, the impairment tests performed did not show any impairment losses.

In addition, also on the basis of the indications contained in the joint document issued by the Bank of Italy, Consob and Isvap (supervisory body for private insurance) no. 4 of 3 March 2010, the Company has drawn up sensitivity analyses on the results of the test with respect to variations in the underlying assumptions effecting the estimation of the use value of the investment, considering alternative scenarios: i) a positive 5% variation in relative terms of the WACC, ii) a negative variation of 50 bps of the long-term growth rate (g) or iii) a negative 5% variation of cash flows for each year of the plan. These analyzes did not show any impairment losses with the exception of the subsidiary Emak UK Ltd, as already mentioned in the previous paragraph.

The item "**Equity investments in associates**" equal to € 800 thousand and refers to the 24% of the Raw Power S.r.l. company, an associate acquired in the year 2023.
It should be noted that the carrying amount of the investment includes € 532 thousand relating to the implicit goodwill recognised at the time of the acquisition of the subsidiary.

Investments in **other companies** relate to:

- one share for membership of the ECOPED Consortium as required by Decree 151/2005, with a value of € 1 thousand;
- one share for membership of the POLIECO Consortium as required by Decree 152/2006, with a value of € 1 thousand.

20. Derivative financial instruments

The financial statements values relate to changes in the fair value of financial instruments of hedging the risk of changes in debit interest rates and exchange rates.

All derivative financial instruments belonging to this heading are valued at fair value at the second hierarchical level: the estimate of their fair value has been carried out using variables other than prices quoted in active markets and which are observable (on the market) either directly (prices) or indirectly (derived from prices).

In the case in point, the fair value recorded is equal to the "mark to market" estimation provided by the reference bank, which represents the current market value of each contract calculated at the reporting date of the financial statements.

As of 31 December 2025, the following contracts for foreign currency sales are outstanding:

	Company		Nominal value (€/000)	Forward exchange (average)	Due to (*)
Forward contracts for foreign currencies sales					
Gbp/Eur	Emak S.p.a.	Gbp	1,268	0.88	06/07/2026

(*) The due date is indicative of the last contract.

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Accounting for the instruments, described above, is at fair value. The present value of the foreign currency forward sales contracts resulted in the recognition of a negative fair value of € 8 thousand.
In accordance with the applicable accounting standards, these effects have been recognised in the income statement for the current financial year.

Emak S.p.A. has taken out a number of IRS contracts and options on interest rates, with the aim of covering the risk of variability of interest rates on loans, for a notional total of € 30,108 thousand.

Bank	Company	Notional Euro (€/000)	Date of the operation	Due to
Bper Banca	Emak S.p.A.	1,875	05/08/2022	30/06/2027
UniCredit	Emak S.p.A.	4,750	04/08/2023	31/07/2030
UniCredit	Emak S.p.A.	4,750	22/09/2023	31/07/2030
Banca Nazionale del Lavoro	Emak S.p.A.	5,333	30/07/2024	31/12/2029
Banca Nazionale del Lavoro	Emak S.p.A.	3,900	20/12/2024	31/03/2029
UniCredit	Emak S.p.A.	9,500	17/04/2024	31/07/2030
Total		**30,108**		

The recorded value of these contracts at 31 December 2025 shows a positive fair value of € 13 thousand and a negative fair value of € 351 thousand.

The average interest rate resulting from the instruments is equal to 2.62%.

For all contracts, despite having the purpose and characteristics of hedging transactions, the relative changes in fair value are recognized in the income statement in the period of competence as the specific documentation evidencing the hedging relationship has not been formally prepared and, consequently, the accounting standards do not allow hedge accounting to be applied.

21. Other financial assets

The **"Other non-current financial assets"** amounted to € 3,183 thousand, compared to € 17,545 thousand in the previous year and refer to loans quoted in Euros granted to subsidiaries, of which € 1,375 thousand due to the subsidiary Emak UK Ltd.

"Other current financial assets" amounting to € 25,547 thousand refer to the short-term loan granted by Emak S.p.A. to subsidiary company Comet S.p.A. for an amount of € 23,300 thousand, as well as € 20 thousand to the subsidiary Emak UK Ltd, relating to the remuneration of the loan classified under non-current financial receivables. Also included € 2,186 thousand due from the Chinese subsidiary Jiangmen Emak Outdoor Power Equipment Co. Ltd., relating to a financial receivable for dividends resolved during the year and not yet collected as at 31 December 2025. Finally, it includes a financial receivable of € 4 thousand is included and relating to interest accrued from the subsidiary Sabart S.r.l. arising from the cash pooling agreement, a new Group project implemented during the year for the centralised management of liquidity, as well as a financial receivable for equity reinstatement for a value of € 37 thousand to the parent Yama S.p.A.

The interest rates applied to loans granted by Emak S.p.A. to the subsidiaries have been established in accordance with the framework resolutions that define the nature and terms of conduct. In general, the yield varies depending on:

- the type and duration of the loan granted;
- the performance of the financial markets in which Emak S.p.A. and its subsidiaries operate and the official reference rates, Euribor;
- the currency of the loan granted.

22. Trade and other receivables

A breakdown of the heading is shown below:

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€/000	31.12.2025	31.12.2024
Trade receivables	30,786	33,361
Provision for doubtful accounts	(1,314)	(1,245)
Net trade receivables	**29,472**	**32,116**
Receivables from related parties (note 37)	6,409	7,541
Prepaid expenses and accrued income	1,746	1,114
Other receivables	1,742	1,055
Total current portion	**39,369**	**41,826**
Other non current receivables	3	3
Total non current portion	**3**	**3**

The item "**Other current receivables**" includes the credit deriving from the relationship that governs the tax consolidation with the parent Yama S.p.A. and relating to the contribution to the Group of the benefits accrued for the year which at 31 December 2025 amounted to € 1,547 thousand (€ 746 thousand at 31 December 2024).

Trade receivables have an average maturity of 103 days and there are no trade receivables due after one year.

Net trade receivables stand at lower levels compared with the previous financial year, reflecting the lower sales recorded in the last quarter compared with the same period.

The item includes amounts in foreign currency, US dollars for 5,346 thousand.

All non-current receivables mature within five years.

"Trade receivables" are analysed by geographical area as follows:

€/000	Italy	Europe	Rest of the world	Total
Trade receivables	18,368	3,829	8,589	**30,786**
Related parties receivables	1,621	3,548	1,240	**6,409**

The movement in the provision for doubtful accounts is as follows:

€/000	FY 2025	FY 2024
Opening balance	**1,245**	**1,093**
Provisions (note 11)	187	198
Usage	(118)	(46)
Closing balance	**1,314**	**1,245**

The value of the allowance for doubtful accounts refers to € 517 thousand for receivables expired for over 90 days (9.9% of the total gross value of trade receivables overdue for more than 3 months) and for € 797 thousand to receivables expired from 0 to 90 days (23.22% of the total gross value of trade receivables expired within 3 months).
The usage refers to positions already set aside and definitively written off during 2025.

23. Inventories

Inventories are detailed as follows:

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€/000	31.12.2025	31.12.2024
Raw, ancillary and consumable materials	26,819	30,496
Work in progress and semi-finished products	6,219	6,139
Finished products and goods	13,007	16,775
Total	**46,045**	**53,410**

Inventories are exposed net of allowance for inventories write-down of € 3,760 thousand at 31 December 2025 (€ 3,551 thousand at 31 December 2024) intended to align obsolete and slow-moving items to their estimated realizable value.

Details of change in the allowance for inventories write-down is as follows:

€/000	FY 2025	FY 2024
Opening balance	**3,551**	**3,190**
Provisions	534	723
Usage	(325)	(362)
Closing balance	**3,760**	**3,551**

The allowance for inventories write-down is an estimate of the loss in value expected, calculated on the basis of past experience, historic trends and market expectations.

None of the company's inventories at 31 December 2025 act as security against its liabilities..

24. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

€/000	31.12.2025	31.12.2024
Bank and post office deposits	29,844	35,102
Cash	6	10
Accrued income bank interests	12	-
Total	**29,862**	**35,112**

For the purposes of the cash flow statement, closing cash and cash equivalents comprise:

€/000	31.12.2025	31.12.2024
Cash and cash equivalents	29,862	35,112
Overdrafts (note 27)	(8)	(5)
Total	**29,854**	**35,107**

25. Equity

Share capital
Share capital is fully paid up at 31 December 2025 and amounts to € 42,623 thousand and it is represented by 163,934,835 ordinary shares of par value € 0.26 each.

All shares have been fully paid.

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Treasury shares
Total value of treasury shares held at 31 December 2025 amounts to € 2,835 thousand and has not undergone any changes compared to the previous year.

Dividends
On 29 April 2025 the Shareholders' Meeting of Emak S.p.A. resolved to allocate the profit for the year 2024 for € 321 thousand to the legal reserve, for € 2,021 thousand to an extraordinary reserve and for a total of € 4,071 thousand as a dividend to shareholders (0.025 euro per share).
With the approval of these financial statements, we propose the distribution of a total dividend of Euro 0.030 per share, equal to a total of Euro 4,885 thousand.

Share premium reserve
At 31 December 2025, the share premium reserve amounts to € 41,513 thousand, and consists of premiums on subsequently issued shares.
The reserve is shown net of progress charges related to the capital increase amounted to € 1,598 thousand and adjusted for the related tax effect of € 501 thousand.

Legal reserve
The legal reserve at 31 December 2025 of € 5,812 thousand (€ 5,491 thousand at 31 December 2024).

Revaluation reserve
At 31 December 2025 the revaluation reserve includes the reserves deriving from the revaluation as per Law 72/83 for € 371 thousand, as per Law 413/91 for € 767 thousand and as per ex Law 104/2020 for € 3,215 thousand; the latter value relates to the realignment applied to the higher real estate values recognized in first time adoption. The component pursuant to ex law 104/2020 is subject, like the others included in this item, to the constraints set out in art. 2445, paragraphs 2 and 3, of the Italian Civil Code, and was fed, in the 2020 financial year, in part through the full use of the first time adoption reserve, and, for the remaining part, with partial use of the share premium reserve.

Other reserves
The extraordinary reserve, included among other reserves, amounts to € 36,287 thousand at 31 December 2025, inclusive of all allocations of earnings in prior years.
At 31 December 2025 other reserves also include:
- reserves qualifying for tax relief, referring to tax provisions for grants and donations for € 129 thousand;
- reserves for merger surpluses for € 3,561 thousand;
- reserves from capital grants deriving from the merger of Bertolini S.p.A. for € 122 thousand.

These reserves have remained unchanged compared to the previous year.

The following table analyses equity according to its origin, its possible uses and distribution:

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				Summary of uses in past three years	
Nature/Description (€/000)	**Amount**	**Possible use**	**Available portion**	**Coverage of losses**	**Distribution of profits**
Share capital	**42,623**				
Capital reserve					
Share premium reserve (§)	41,513	A-B-C	41,513	-	-
Revaluation reserve under Law 72/83 (#)	371	A-B-C	371	-	-
Revaluation reserve under Law 413/91 (#)	767	A-B-C	767	-	-
Revaluation reserve under Law 104/20 (#)	3,215	A-B-C	3,215	-	-
Merger surplus reserve (£)	3,561	A-B-C	3,561	-	-
Other untaxed reserve (#)	122	A-B-C	122	-	-
Treasury shares	(2,835)		(2,835)		
Reserves formed from earnings					
Legal reserve	5,812	B	-	-	-
Extraordinary reserve	36,287	A-B-C	36,287	-	-
Untaxed reserve (#)	129	A-B-C	129	-	-
Profits brought forward in FTA	(238)		(238)	-	-
Valutation reserve	(479)		(479)	-	-
Retained earnings	16,539	A-B-C	16,539	-	-
Total	**104,764**		**98,952**	-	-
Undistributable portion (*)			**(5,820)**	-	-
Distributable balance			**93,132**	-	-
Net profit for the period (**)	**3,999**		**3,798**	-	-
Total equity	**151,386**				

A: for share capital increases
B: for covering losses
C: for distribution to shareholders

(#) Subject to tax payable by the company in the event of distribution;
(£) Subject to taxation of the company, in the event of distribution, for the value of € 394 thousand;
(*) The share of long-term costs not yet amortized (€ 3,307 thousand), in addition to the share of necessary future allocation to the legal reserve (€ 2,513 thousand, net of the allocation of 2025 profit referred to in the next point). This bond bears specifically on the share premium reserve (§);
(**) Subject to obliged allocation to the legal reserve for € 200 thousand.

26. Trade and other payables

Details of these amounts are as follows:

€/000	**31.12.2025**	**31.12.2024**
Trade payables	21,128	28,496
Payables due to related parties (note 37)	8,534	14,126
Payables due to staff and social security institutions	4,016	3,805
Other payables	620	557
Total	**34,298**	**46,984**

The decrease in the "**Trade Payables**" item is attributable to the lower level of purchases made during the financial year.

The heading **"Other payables"** mainly includes amounts payable to Directors for € 94 thousand, the current part of the contribution as per Law 488/92 of the company Comag S.r.l., merged by incorporation into Emak

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S.p.A. and the short-term portion of non-repayable contributions relating to the facility by the Ministry of Economic Development and Made in Italy as well as the current portion of the investment tax credit ex. Law 160/2019 and pursuant to Law 178/2020 (note 32).

Trade payables do not accrue interest and are normally settled at around 73 days.

The heading includes amounts in foreign currencies as follows:
- US dollars for 1,903 thousand;
- Japanese yen for 1,767 thousand;
- Chinese renminbi yuan for 90,429 thousand.

"Trade payables" and **"Payables due to related parties"** are analysed by geographical area below:

€/000	Italy	Europe	Rest of the world	Total
Trade payables	13,263	1,884	5,981	**21,128**
Related parties payables	793	652	7,089	**8,534**

27. Financial liabilities

Financial liabilities at 31 December 2025 do not include any secured payables.

Details of **current financial liabilities** are as follows:

€/000	31.12.2025	31.12.2024
Overdrafts (note 24)	8	5
Bank loans	24,033	18,299
Financial accrued expenses	133	177
Financial debts from related parties (note 37)	303	37
Total current portion	**24,477**	**18,518**

The heading "**Financial debts from related parties**" refers to the retrocession commitment of a contractual indemnity due to the subsidiary, Tecomec S.r.l., for € 37 thousand, as well as the payable balance due to the subsidiary Sabart S.r.l., amounting to € 266 thousand, arises from the cash pooling agreement under which Emak S.p.A. acts as the pool leader.

Current financial liabilities are repayable as follows:

€/000	Due within 6 months	Due within 6 and 12 months	Total
Bank loans	11,987	12,046	**24,033**
Financial debts from related parties (note 37)	303	-	**303**
Total	**12,290**	**12,046**	**24,336**

Interest rates applied to loans granted to Emak by subsidiaries have been established in accordance with the framework resolutions that define the nature and terms of conduct. Generally the yield changes depending on:
- the type and duration of the loan granted;
- the performance of the financial markets in which Emak and its subsidiaries operate and of the official reference rates (Euribor);
- the currency of the loan granted.

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The details of **non-current financial liabilities** are as follows:

€/000	31.12.2024	Increases	Decreases	Other movements	31.12.2025
Bank loans	58,609	17,775	(24,106)	-	52,278
Financial debts from related parties (note 37)	37	-	-	(37)	-
Total non current portion	**58,646**	**17,775**	**(24,106)**	**(37)**	**52,278**

The item "**Bank loans**" includes the remaining balance of € 2,237 thousand relating to the subsidized rate loan approved by Cassa Depositi e Prestiti S.p.A. as part of the subsidy by the Ministry of Economic Development, already mentioned in note 16, for which the last disbursement tranche was recorded during the year.

The heading "**Financial debts from related parties**" referred to retrocession commitment of a contractual indemnity due to the subsidiary, Tecomec S.r.l., for the long-term portion. As at 31 December 2025, a final instalment remains, already referred to under the item "**current financial liabilities**".

Non-current loans are repayable according to the following repayment plan:

€/000	Due within 2 years	Due within 3 years	Due within 4 years	Due within 5 years	Total due within 5 years	Due beyond 5 years
Bank loans	18,347	15,195	12,592	6,144	**52,278**	**-**
Financial debts from related parties	-	-	-	-	**-**	**-**
Total	**18,347**	**15,195**	**12,592**	**6,144**	**52,278**	**-**

The interest rates refer to 3-6 months Euribor plus an average spread of 1.34 percentage points.

A number of non-current loans are subject to finance Covenants assessed on the basis of consolidated Net financial position/Ebitda and Net financial position/Equity ratios. At 31 December 2025 the Group complied with all the benchmarks set by contract.

28. Lease liabilities

The item "**Lease liabilities**" which totals € 193 thousand, of which € 103 thousand as non-current portion and € 90 thousand as current portion, refers to financial liabilities recorded in application of the IFRS accounting standard 16 - Leases, adopted by the Company from 1 January 2019. These liabilities are equal to the present value of the future lease payments provided by the contracts.

The medium and long-term **lease liabilities** are repayable according to the following repayment plan:

€/000	Due within 2 years	Due within 3 years	Due within 4 years	Due within 5 years	Total 2 - 5 years	Due beyond 5 years
Lease liabilities	67	31	5	-	**103**	**-**
Total	**67**	**31**	**5**	**-**	**103**	**-**

29. Tax assets and liabilities

Deferred tax assets are detailed below:

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€/000	31.12.2024	Increases	Decreases	31.12.2025
Deferred tax on provision for inventory write-downs	853	50	-	903
Deferred tax on provisions for bad debts	182	-	-	182
Other deferred tax assets	787	37	(2)	822
Total (note 14)	**1,822**	**87**	**(2)**	**1,907**

The portion of taxes which are expected to reverse within the following 12 months is estimated to be in line with the decrease registered in 2025.

The heading **"Other deferred tax assets"** includes:
- a receivable of € 497 thousand, as tax benefits carried forward, corresponding to aid for economic growth (ACE, pursuant to Article 1, Law 201/2011), accrued in previous years (2012 - 2015) and recognized as due by the Italian Revenue Agency in 2017, following a favourable response to the application not to apply presented by the Company;
- deferred tax effect resulting from the misalignment between the civil and fiscal value of the value of certain assets subject to amortization for € 138 thousand;
- deferred tax assets for € 126 thousand relating to the taxation of the product warranty provision, the use of which will become fiscally relevant in future years;
- deferred tax assets, for € 61 thousand, relating to negative income components subject to deferred taxation.

Deferred tax liabilities are detailed below:

€/000	31.12.2024	Increases	Decreases	Other movements	31.12.2025
Deferred tax on property IAS 17	82	-	(5)	-	77
Other deferred tax liabilities	40	41	(6)	9	84
Total (note 14)	**122**	**41**	**(11)**	**9**	**161**

The portion of the taxes which will reverse in the next 12 months amounted to about € 35 thousand.

The **"Other deferred tax liabilities"** heading includes deferred tax effect deriving from the accounting of the entry relating to the valuation of the severance indemnity fund according to IAS 19 equal to € 35 thousand.

The **current tax receivables** amount at 31 December 2025 to € 904 thousand, compared to € 1,639 thousand at 31 December 2024, and mainly refer to:

- "Ecobonus" deduction credit due for energy saving measures for € 122 thousand;
- Investment tax credit ex. Law 160/2019 and pursuant to Law 178/2020 for € 442 thousand;
- R&D tax credit L. 190/14 and L 160/2019 for € 135 thousand.

Current tax liabilities amount to € 1,055 thousand at 31 December 2025 (€ 850 thousand at 31 December 2024) and mainly refer to withholding taxes to be paid on salaries of employees.

30. Employee benefits

The liability refers to the time-discounted debt for termination indemnity due at the end of an employee's working life, amounting to € 1,873 thousand. The amount of post-employment benefits calculated according to the nominal debt method in force at the closing date would be € 1,934 thousand.

Movements of the liability recorded in the statement of financial position:

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€/000	2025	2024
Opening balance	**1,876**	**1,982**
Actuarial (gains)/losses	(32)	(5)
Interest cost on obligation (note 13)	55	58
Disbursements	(26)	(159)
Closing balance	**1,873**	**1,876**

The principal economic and financial assumptions used are as follows:

	FY 2025	FY 2024
Annual inflation rate	2.00%	2.00%
Discount rate	3.09%	2.93%
Dismissal rate	3.00%	3.00%

Demographic assumptions refer to the most recent statistics published by ISTAT.
Payments in 2026 are expected to be in line with 2025.

31. Provisions for risk and charges

Movements in this balance are analysed below:

€/000	31.12.2024	Increases	Decreases	31.12.2025
Provisions for agents' termination indemnity	460	53	-	513
Other provisions	25	-	-	25
Total non current portion	**485**	**53**	**-**	**538**
Provisions for products warranties	450	-	-	450
Total current portion	**450**	**-**	**-**	**450**

The provision for agents' termination indemnity is calculated with reference to the agency contracts in existence at year end and refers to the indemnity that is likely to be paid to agents.

Other provisions in the long term refer to € 25 thousand, for legal claims costs provisioned in respect of the conduct of tax disputes pertaining to the company Bertolini S.p.A. (incorporated at the time) for which Emak S.p.A., based on the opinion expressed by its defenders, does not expect to mobilize additional funds to incumbent liabilities.
The Company, also on the basis of the information currently available and on the basis of the opinion of its consultants, does not believe it will allocate further provisions for contingent liabilities.

The product warranty provision relates to future costs for warranty repairs that will be supposedly incurred for products sold covered by the legal and/or contractual warranty period, the provision is based on estimates extrapolated from historical trends.

32. Other non-current liabilities

Other non-current liabilities" equal to € 879 thousand (€ 716 thousand at 31 December 2024) refers to the deferred income relating to capital grants received as per Law 488/92 by Comag S.r.l., merged into Emak S.p.A. in the year 2015, and spread over subsequent financial periods, equal to € 336 thousand, and the non-repayable grant, obtained as part of a multi-year research and development project provided by the Ministry of Enterprises and Made in Italy, amounting to € 228 thousand (note 16) and, finally, for € 315 thousand, to the portion relating to the investment tax credit pursuant to Law 160/2019, pursuant to Law 178/2020 and

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pursuant to Law 162/2023 ZES Unica, credited to the income statement gradually, according to the residual possibility of use of the assets to which it refers. The part of the grant receivable within one year is included in current liabilities under “Other payables” and amounts respectively for each grant to € 23 thousand, € 83 thousand and € 161 thousand.

33. Contingent liabilities

At the date of 31 December 2025 the Company does not have any disputes other than those referred to in these notes. In the Director’s opinion, at the closing date, there were no reasonable grounds for the occurrence of additional future liabilities with respect to those already disclosed in these notes.

34. Commitments

Non-current assets purchase
The Company has commitments for the purchase of non-current assets not recorded in the financial statements at 31 December 2025 for the amount of € 284 thousand.

35. Guarantees

Guarantees granted to third parties:

They amount to € 1,202 thousand and are made up as follows:

- € 489 thousand for a insurance guarantee in favour of EPA (United Environmental Protection Agency) in compliance with an American regulation in force from 2010 regarding the emissions of combustion engines;
- € 500 thousand for a surety policy in favour of the Campobasso customs office to guarantee customs duties;
- € 128 thousand for an SBLC in favor of the supplier Hohing as a guarantee for the payment of supplies;
- € 85 thousand for a guarantee granted to the supplier Hohing as a guarantee for the payment of supplies in the name and on behalf of Sabart.

Comfort letters, sureties and credit orders in favor of subsidiaries
These amount to € 126,766 thousand, and refer to the balance of credit line available or used as at 31 December 2025, broken down as follows:

€/000	Amount guaranteed
Emak U.K. Ltd.	431
Jiangmen Emak Outdoor Power Equipment Co. Ltd.	28
Tecomec S.r.l.	39,338
Agres Sistemas Eletronico SA	2,144
Comet S.p.A	75,726
Valley Industries LLP	7,149
PTC S.r.l.	1,950
Total	**126,766**

36. Ordinary shares, treasury shares and dividends

Share capital is fully paid up at 31 December 2025 and amounts to € 42,623 thousand and it consists of 163,934,835 ordinary shares of par value € 0.26 each.

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	31.12.2025	31.12.2024
Number of ordinary shares	163,934,835	163,934,835
Treasury shares	(1,097,233)	(1,097,233)
Total outstanding shares	**162,837,602**	**162,837,602**

During 2025 financial year, the dividends approved in the shareholders' meeting of 29 April 2025 relating to the 2024 financial year were paid for a total of € 4,071 thousand.

At 31 December 2024 the Company held in portfolio 1,097,233 treasury shares for a value of € 2,835 thousand.

During 2025 no treasury shares were purchased or sold.

Therefore, as at 31 December 2025 Emak S.p.A. holds n. 1,097,233 treasury shares in portfolio for a value of € 2,835 thousand.

During the months of January and February 2026 no treasury shares were acquired or sold by Emak S.p.A., as a result, the holding and value of treasury shares is unchanged with respect to 31 December 2025.

37. Related party transactions

Related parties transactions not usual, neither the recurring, not coming under the ordinary scope of activity

Emak adopted in accordance with the law an assurance procedure for the operations typically extraordinary, entered into with related parties, which defines and governs all the potential relationships of this nature, to be applied to all entities of the Group.

On May 12, 2021, the Board of Directors of Emak S.p.A. has approved an updated edition of the procedures relating to transactions with related parties, in order to comply with CONSOB resolution no. 21624 of 10/12/2020, taken in implementation of the provisions of the new paragraph 3 of art. 2391-bis of the Italian Civil Code.
The new procedures have been in force since 1 July 2021 and are also published on the company website, at the address https://www.emakgroup.it/it-it/investor-relations/corporate-governance/altri-documenti/.

During the year, Emak did not carry out any significant transactions of an unusual or recurring nature with related parties, or not falling within the ordinary business of the company.

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Related parties ordinary transactions in 2025 within the Group controlled by Emak S.p.A.

With regards to the group of companies under its control, the active and passive supply relationships maintained by Emak S.p.A. correspond to the industrial and commercial supply chain relating to its normal business activity.
It should be noted that all transactions relating to the exchange of goods and the provision of services that occurred in 2025 in the group fall within ordinary business of Emak S.p.A. and have been adjusted based on market conditions (i.e. conditions equivalent to those that would be applied in relations between independent parties).
These conditions correspond with aims strictly industrial and commercial and of Group financial management optimization. The execution of these transactions is governed by specific and analytical procedures and programmatic documents ("framework resolutions"), periodically approved by the Board of Directors, with the assistance and consent of the independent directors, meeting in the “related parties transactions Committee”.

The operations carried out in 2025 with related parties belonging to the Emak Group and the values of such relations in force at the closing date of the financial year are shown below.
Receivables for loans and interest:

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Companies belonging to Emak S.p.A. (€/000)	Financial income	Current financial assets	Non current financial assets
Emak UK Ltd.	72	20	1,375
Comet S.p.A.	871	23,300	-
Jiangmen Emak Outdoor Power Equipment	-	2,186	-
Sabart S.r.l.	96	4	1,800
Tecomec S.r.l.	47	-	-
Total (note 13 and note 21)	**1,086**	**25,510**	**3,175**

Payables for loans and interests:

Companies belonging to Emak S.p.A. (€/000)	Financial expenses	Current financial liabilities	Non current financial liabilities
Sabart S.r.l.	-	266	-
Tecomec S.r.l.	-	37	-
Total (note 27)	**-**	**303**	**-**

Other reports related to financial nature concerning the relationship of the guarantee referred to in paragraph 35 above.

Sale of goods and services and receivables:

Companies belonging to Emak S.p.A. (€/000)	Net sales	Other income	Dividends	Total	Trade and other receivables
Emak Suministros Espana SA	3,447	76	-	**3,523**	809
Emak UK Ltd.	833	-	-	**833**	474
Emak France SAS	10,443	110	-	**10,553**	769
Jiangmen Emak Outdoor Power Equipment Co. Ltd.	220	29	2,430	**2,679**	65
Victus Emak Sp. z.o.o.	7,042	177	860	**8,079**	1,120
Epicenter Llc.	723	-	-	**723**	-
Emak Do Brasil Industria Ltda	136	-	-	**136**	1,176
Comet S.p.A.	30	698	1,300	**2,028**	347
Poli S.r.l.	-	6	-	**6**	7
PTC S.r.l.	9	149	-	**158**	81
Sabart S.r.l.	341	296	640	**1,277**	228
Tecomec S.r.l.	42	1,034	3,470	**4,546**	554
Pnr Italia S.r.l.	2	16	-	18	22
Lavorwash S.p.A.	12	572	-	**584**	381
Total (C)	**23,280**	**3,163**	**8,700**	**35,143**	**6,033**

Purchase of goods and services and payables:

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Companies belonging to Emak S.p.A. (€/000)	Purchases of raw and finished products	Other costs	Total costs	Trade and others payables
Emak Suministros Espana SA	-	45	**45**	13
Emak UK Ltd.	35	24	**59**	7
Emak France SAS	11	265	**276**	48
Jiangmen Emak Outdoor Power Equipment Co. Ltd.	16,409	24	**16,433**	6,773
Comet USA	-	11	**11**	-
Victus Emak Sp. z.o.o.	1	159	**160**	13
Tailong (Zhuhai) Machinery Manufacturing Equipment Ltd.	451	-	**451**	134
Epicenter Llc.	-	2	**2**	117
Emak Do Brasil Industria Ltda	-	5	**5**	-
Comet S.p.A.	383	-	**383**	208
Sabart S.r.l.	12	-	**12**	1
Tecomec S.r.l.	60	-	**60**	28
Ningbo Tecomec	1,167	2	**1,169**	182
Speed France SAS	525	3	**528**	76
Speed North America INC	-	10	**10**	-
Total (D)	**19,054**	**550**	**19,604**	**7,600**

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Usual dealings with related parties external to the Emak Group occurring during 2025 regarding ordinary commercial and financial operations

Emak S.p.A. is part of the larger group of companies that are owned by Yama S.p.A., its parent.

Firstly, the dealings entered into in the 2025 financial year with companies directly controlled by Yama are exclusively of an ordinary commercial nature, all coming under Emak's typical activities and all at arm's length. Some companies supply Emak with components and materials, others buy products from Emak to complete their respective commercial product range.

Secondly, dealings of a financial nature and of a usual character derive from Emak S.p.A.'s participation in the tax consolidation as per arts. 117 and following of the TUIR (the Consolidated Law on Income Tax) with the controlling company, Yama S.p.A., the latter in its capacity as consolidator. The criteria and means for regulating such dealings are established and formalised in consolidation agreements, based on the parity of treatment of the participants. The operations illustrated in paragraph 22 of these Notes are also of a financial nature.

Other dealings with "other related parties" consist in professional services of a legal and tax nature, provided by bodies subject to significant influence on the part of non-executive Director.

Details of the transactions entered into in 2025 with Yama S.p.A. and with other related parties not controlled by Emak S.p.A. are shown below, as well as indications of the entity of such dealings in force at the closing date of the financial year.

Sale of goods and services and receivables:

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Releted parties (€/000)	Net sales	Other income	Trade and other receivables
Euro Reflex D.o.o.	566	-	376
Garmec S.r.l.	2	-	-
Selettra S.r.l.	1	-	-
Total (E)	**569**	**-**	**376**
Total C+E (note 22)	**23,849**	**3,163**	**6,409**

Purchase of goods and services:

Releted parties (€/000)	Purchases of raw materials and finished products	Other costs	Total costs	Trade payables
Garmec S.r.l.	1,231	-	**1,231**	437
Euro Reflex D.o.o.	1,148	30	**1,178**	378
Selettra S.r.l.	69	7	**76**	33
Raw Power S.r.l.	-	117	**117**	20
Total (F)	**2,448**	**154**	**2,602**	**868**
Other related parties (G)	**-**	**205**	**205**	**66**
Totals D+F+G (note 26)	**21,502**	**909**	**22,411**	**8,534**

Relationships of financial nature and related income:

Releted parties (€/000)	Financial income	Current financial assets	Non current financial assets	Dividends
Yama S.p.A.	-	37	-	-
Total (note 21)	**-**	**37**	**-**	**-**

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Other transactions with related parties of a usual nature

Other significant dealings on the part of Emak with related parties are those concerning the remuneration of company officers, established in compliance with general meeting resolutions which have established, for the three-year period of office, maximum global remunerations and, with regards to the managing Directors, bonus schemes. The resolutions of the Board of Directors regarding the remuneration are taken with the opinion of the Committee and, if all the conditions are met, they make use of the procedural simplification provisions provided for by art. 13, paragraphs 1 and 3, lett. b), of CONSOB resolution no. 17221/2010.
More detailed information regarding the remuneration policy, the procedures used for its adoption and implementation, as well as a description of each of the headings making up remuneration, are disclosed in the report drawn up by the Company pursuant to art. 123-ter 58/98, which is submitted for approval to the Shareholders' Meeting and which is available on the website.

Costs incurred during the financial period for the remuneration of Emak S.p.A.'s directors and independent auditors are as follows:

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(€/000)	FY 2025	FY 2024
Emoluments of directors and statutory auditors	523	531
Benefits in kind	26	22
Wage and salaries	461	398
Employee termination indemnities	28	28
Total	**1,038**	**979**

The total debt for remuneration of Directors and Auditors of the Parent at 31 December 2025 amounted to € 238 thousand.

In the ending year no other relationships of significant amount of current nature with related parties occurred.

38. Grants received: obligations of transparency regarding public grants Law no.124/2017

In compliance with the transparency obligations regarding public grants provided for by article 1, paragraphs 125-129 of Law no. 124/2017, subsequently integrated by the "security" Decree Law (no. 113/2018) and by the "Simplification" Decree Law (no. 135/2018), information relating to public grants received by the Company during the 2025 financial year is given below.
It should be noted that a cash-based reporting criterion has been adopted, reporting the grants collected during the period in question.
Disbursements received as consideration for supplies and services provided have not been taken into consideration.

€/000

Lender	Description	Emak S.p.A.
Ministry of Enterprises and Made in Italy – Call for Proposals	Non-repayable grant	713
Ministry of Enterprises and Made in Italy – Mission 4 of the National Recovery and Resilience Plan (NRRP)	Non-repayable grant	5
MEF	Tax credit under Law 160/2019	102
MEF	Tax credit under Law 178/2020	324
Fondimpresa	Contribution for training plans	62
Fondirigenti	Contribution for training plans	7
MEF	Reductions in contributions for recruitment	70
MEF	Tax credit Art Bonus L.106/2014	3
Total		**1,286**

39. Subsequent events

There are no noteworthy events except as already described in note 15 of the Directors Report.

40. Proposal for the allocation of profit for the financial year and dividend

For the proposal of allocation of the net profit for the year and distribution of dividends, please refer to note 16 of the Directors Report.

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Supplementary schedules

The following schedules, forming an integral part of the explanatory notes to the financial statements, are provided as appendices:

1. CHANGES IN EQUITY INVESTMENTS IN SUBSIDIARY COMPANIES AND ASSOCIATES

2. DETAILS OF EQUITY INVESTMENTS IN SUBSIDIARY COMPANIES AND ASSOCIATES

3. FINANCIAL HIGHLIGHTS OF THE ULTIMATE PARENT

4. SCHEDULE OF FEES FOR AUDIT SERVICES AND OTHER SERVICES DIFFERENT THAN AUDUTING

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Appendix 1

Changes in equity investments

	31.12.2024				Changes				31.12.2025			
	Number of shares	Values in the financial statements €/000	% total shareholding	direct shareholding	Subscriptions And acquisitions	Other movements	Sales	Revaluations (Depreciations)	Number of shares	Values in the financial statements €/000	% total shareholding	direct shareholding
Italy												
Comet S.p.A.	5,000,000	27,232	100	100					5,000,000	27,232	100	100
Sabart S.r.l.	1 share	21,011	100	100					1 share	21,011	100	100
Tecomec S.r.l.	1 share	27,830	100	100					1 share	27,830	100	100
Spain												
Emak Suministros Espana SA	405	572	90	90					405	572	90	90
Germany												
Emak Deutschland Gmbh	10,820	-	100	100					10,820	-	100	100
Great Britain												
Emak UK Ltd (note 19)	342,090	691	100	100				(691)	342,090	-	100	100
France												
Emak France SAS	2,000,000	2,049	100	100					2,000,000	2,049	100	100
China												
Jiangmen Emak Outdoor Power Equipment Co. Ltd.	-	2,476	100	100					-	2,476	100	100
Tailong (Zhuhai) Machinery Manufacturing Equipment Ltd.	-	2,550	100	100					-	2,550	100	100
Poland												
Victus Emak Sp. z.o.o.	32,800	3,605	100	100					32,800	3,605	100	100
Ukraine												
Epicenter	1 share	1,690	100	100					1 share	1,690	100	100
Brazil												
Emak do Brasil Industria Ltda (note 19)	8,516,200	-	99.9	99.9		592			8,516,200	592	99.9	99.9
Total investments in subsidiaries		**89,706**				**592**		**(691)**		**89,607**		
Italy												
Raw Power S.r.l.	1 share	800	24	24					1 share	800	24	24
Total investments in associates		**800**								**800**		
Italy												
Equity in other companies	2 shares	2	-	-					2 shares	2	-	-
Total other companies		**2**								**2**		
Total		**90,508**			**0**	**592**		**(691)**		**90,409**		

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Appendix 2

Details of equity investments

€/000	Registered office	Value in the financial statements	% Share	Share Capital	Equity (*)		Profit/(Loss) of the year (*)
					Total	Attributable to Emak S.p.A.	
Emak Suministros Espana SA	Madrid	572	90	270	4,192	3,773	145
Emak UK Ltd	Burntwood	-	100	381	(8)	(8)	(450)
Emak France SAS	Rixheim	2,049	100	2,000	10,755	10,755	1,435
Jiangmen Emak Outdoor Power Equipment Co. Ltd.	Jiangmen	2,476	100	3,183	14,592	14,592	(83)
Tailong (Zhuhai) Machinery Manufacturing Equipment Ltd.	Zhuhai	2,550	100	2,038	2,229	2,229	(26)
Victus Emak Sp. z.o.o.	Poznan	3,605	100	2,230	10,779	10,779	1,811
Epicenter LLC.	Kiev	1,690	100	547	3,865	3,865	388
Emak do Brasil Industria Ltda	Ribeirao Preto	592	99.9	3,696	264	264	199
Tecomec S.r.l.	Reggio Emilia	27,830	100	1,580	42,751	42,751	8,059
Comet S.p.A.	Reggio Emilia	27,232	100	2,600	54,233	54,233	8,589
Sabart S.r.l.	Reggio Emilia	21,011	100	1,900	11,177	11,177	1,969
Total investments in subsidiaries		**89,607**					
Raw Power S.r.l.	Reggio Emilia	800	24	75	1,145	275	9
Total investments in associates		**800**					

(*) Amounts resulting from the reporting package of subsidiaries prepared in accordance with IAS / IFRS for the purpose of preparation of the consolidated financial statements.
(**) The data relating to share capital, shareholders' equity and profit refer to the financial statements closed on 31/12/2024.

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Appendix 3

Highlights from the latest financial statements of the parent Yama S.p.A.

(€/000)		
FINANCIAL POSITION	**31.12.2024**	**31.12.2023**
Assets		
A) Amounts receivable from shareholders for outstanding payments	-	-
B) Fixed assets	67,429	67,430
C) Current assets	14,636	15,819
D) Prepayment and accrued income	13	15
Total assets	**82,078**	**83,264**
Liabilities		
A) Equity:		
Share capital	14,619	14,619
Reserves	46,648	50,880
Net profit	4,631	4,998
B) Provisions for risks and charges	780	263
C) Employment benefits	15	12
D) Amounts payable	15,377	12,477
E) Accruals and deferred income	8	15
Total liabilities	**82,078**	**83,264**

INCOME STATEMENT	**31.12.2024**	**31.12.2023**
A) Revenues from sales	42	43
B) Production costs	(1,530)	(1,314)
C) Financial income and expenses	5,964	6,870
D) Adjustments to the value of financial assets	-	(818)
E) Extraordinary income and expenses	-	-
Profit before taxes	**4,476**	**4,781**
Income taxes	155	217
Net profit	**4,631**	**4,998**

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Appendix 4

Schedule of fees relating to the 2025 financial period for audit services and other services, subdivided by type

Type of service	Entity providing the service	Beneficiary	Fees (€/000)
Audit	KPMG S.p.A.	Emak S.p.A.	155
Certification services	KPMG S.p.A.	Emak S.p.A.	13
Other services	KPMG Advisory S.p.A.	Emak S.p.A.	11
Audit	KPMG S.p.A.	Italian controlled companies	142
Certification services	KPMG S.p.A.	Italian controlled companies	15
Audit	KPMG Network	Foreign controlled companies	66
			402

The above information is provided in accordance with art. 160, paragraph 1-bis of Legislative Decree 24 February 1998, no. 58 and with article 149-duodecies of the CONSOB Regulations contained in Consob resolution no. 19971 of 14 May 1999 and subsequent modifications.

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Certification of financial statements and consolidated financial statements pursuant to art. 154-bis, paragraph 5 of the Decree. 58/1998 (Consolidated Law on Finance)

1. We, the undersigned, Cristian Becchi, as Chief Executive Officer for finance and control, and Roberto Bertuzzi, as the manager in charge of preparing the accounting statements of the company Emak S.p.A. affirm, taking account of the provisions of art. 154-bis, paragraphs 3 and 4, of legislative decree 24 February 1998, n. 58:

- the suitability, in relation to the nature of the entity and
- effective application

of administrative and accounting procedures for the preparation of the company's individual financial statements and the consolidated financial statements for the financial period ending 31 December 2025.

2. No factors of a significant nature have arisen.

3. It is certified, moreover, that:

3.1 the individual financial statements and consolidated financial statements for the financial period:

a) have been drawn up in conformity with the international accounting standards recognised by the European Community in accordance with EC regulation no. 1606/2002 of the European Parliament and European Council of 19 July 2002;

b) correspond to the accounting documents, ledgers and records;

a) appear to be suitable for providing a true and fair view of the statement of financial position, economic and financial situation of the issuer and of the entities included in the consolidation.

3.2 The Directors' report contains a reliable analysis of operating trends and results, as well as of the current situation of the issuer and of the entities included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Data: 13 March 2026

The Chief Executive Officer for finance and control:
Cristian Becchi

The Manager in charge of preparing the accounting statements:
Roberto Bertuzzi

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KPMG S.p.A.
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PEC kpmgspa@pec.kpmg.it

(The accompanying translated separate financial statements of Emak S.p.A. 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
Emak S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Emak S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2025, the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Emak S.p.A. 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 separate financial statements*" section of our report. We are independent of the company 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 audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Recoverability of net invested capital and measurement of equity investments

Notes to the separate financial statements: paragraphs "2.7 Impairment losses" and "2.11 Shareholdings in subsidiaries" and notes "4. Key accounting estimates and assumptions", "18. Recoverability of the company's net invested capital" and "19. Equity investments"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2025 include net invested capital totalling €170,088 thousand, being the sum of equity (€151,386 thousand) and net financial debt (€18,702 thousand). Considering the indicators of impairment identified in connection with its operating loss, the company assessed the recoverable amount of net invested capital relating to its operating activities (€78,733 thousand). It also assessed the recoverable amount of certain investments in subsidiaries (€24,844 thousand) in accordance with IAS 36 – Impairment of Assets. The impairment tests have been performed by comparing the recoverable amounts, determined on the basis of value in use, with their carrying amounts. As a result of the impairment tests, which the board of directors approved on 27 February 2026, the company recognised an impairment loss of €691 thousand on its investment in the subsidiary Emak UK Ltd, thereby reducing the carrying amount to nil. Impairment testing is complex and entails a high level of judgement, especially in relation to: • estimated operating cash flows, • the financial parameters used to calculate the discount rate. For the above reasons and considering the materiality of the assets tested for impairment, we believe that the impairment testing of the net invested capital relating to the company's operating activities and certain equity investments is a key audit matter.	We checked how management calculated the value in use of the net invested capital relating to the company's operating activities and the equity investments tested for impairment by challenging the methods and assumptions used in impairment testing. Our audit procedures, carried out partly by involving experts of the KPMG network, included the following: • understanding the company's impairment testing procedure; • analysing the reasonableness of the key assumptions used to estimate expected cash flows; • comparing actual figures to forecasts to assess any discrepancies and the reliability of the estimation process; • challenging the reasonableness of the discount (WACC) and long-term growth (g-rate) rates used for impairment testing purposes, by identifying and observing generally used external information; • checking the mathematical accuracy of the model used to calculate value in use; • checking the sensitivity analyses prepared by management; • checking whether how management carried out impairment tests complied with the IFRS Accounting Standards; • assessing the appropriateness of the disclosures provided in the notes about the impairment tests and their compliance with the requirements of IAS 36.

Other matters - Comparative figures

The company's 2024 separate financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 27 March 2025.

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Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate 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, as well as 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 company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate 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 company 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 company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 company'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 company'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 separate 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 company to cease to continue as a going concern;

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- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 29 April 2025, the company'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 2025 to 31 December 2033.

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 company in conducting the statutory audit.

We confirm that the opinion on the separate 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 company'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 separate 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 separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2025 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

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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 company's directors are responsible for the preparation of the directors' report and the report on corporate governance and ownership structure at 31 December 2025 and for the consistency of such reports with the related separate 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 separate financial statements;
- 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 company's separate 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 directors' report 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.

Parma, 26 March 2026

KPMG S.p.A.

(signed on the original)

Gianluca Tagliavini
Director of Audit

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