

Saleri

Financial
Report
2025



Saleri

**Financial
Report
2025**

Index

5	Letter from the Chairman	38	ANNUAL FINANCIAL REPORT 2025
8	Letter from the CEO		
11	OUR VISION	41	The Group's Financial Highlights
21	THE SALERI GROUP	43	Directors' Report
24	The Saleri Group's value	44	Foreword
26	An Italian entrepreneurship story	47	Governance bodies and corporate information
28	A global Group	48	Members of the Board of Directors
30	Saleri Group's products and technologies	50	Group Structure
36	Our expertise: automated production and attention to detail	51	Scope of consolidation
37	Quality and Management Systems Policy	52	Significant events
		54	Overview of the macroeconomic environment
		55	The automotive industry
		66	The Group's operating performance
		72	Performance of the Group companies
		77	Research and development
		78	Disclosures on the environment and personnel
		80	Main risks and uncertainties
		83	Internal control system and organisational model
		83	Business outlook
		85	Consolidated Financial Statements at 31 December 2025
		151	Separate Financial Statements at 31 December 2025

Letter from the Chairman

Dear Stakeholders,

2025 was a year that required clarity, vision and responsibility.

The environment in which our Group operates remains complex, marked by technological transformations, hard-to-predict market dynamics and an increasing standardisation of industrial solutions. In this scenario, it becomes even more important to remain clear about who we are and the direction we want to pursue, while striving to give our mission the greatest possible strength and certainty.

During the year, the Saleri Group clearly set out its vision for the future.

“We believe in a tomorrow where progress is not merely the result of speed or scale, but above all of expertise, trust and collective growth. A future in motion, like the ideas driving tomorrow’s mobility, where engineering thinking, responsibility and genuine innovation can still make a difference. We imagine an industry capable of evolving without losing its humanity, in harmony with both what is changing and what must continue to endure”.

This vision draws strength from the people who, every day, contribute to the life of the Group at each of our facilities. During 2025, we witnessed a gradual improvement of the internal climate, characterised by greater trust, dialogue and sense of belonging. An environment that has once again become fertile ground for discussion, cross-functional collaboration and the expression of individual expertise, making Saleri once again recognisable as a place where it is possible to grow, not only professionally but also personally.

The Group is increasingly confirming its role as an attractive centre of excellence, capable of engaging new talent and enhancing the value of those already working around the world. This achievement should not be taken for granted and is the result of consistent choices made over time: investing in people, in the quality of work, in training and in the development of strong relationships, both inside and outside the organisation.

During the year, following the difficult decision that had previously led us to leave, we rejoined Confindustria, with the aim of playing a more active role in the strategy and development of the industrial landscape.

Our relationship with the local area and with our stakeholders has also continued to strengthen. We are once again experiencing attention, esteem and trust from institutions, partners and the community, all of whom recognise Saleri as a serious, reliable industrial company with a long-term outlook. This intangible asset constitutes a responsibility that we feel deeply and which guides our decision-making.

I am pleased to highlight the three events in which we played a leading role during the year as supporters of municipal initiatives focused primarily on educational projects for young people: the discussion among business people from Lumezzane regarding the promotion of the “Culture and Enterprise” foundation project; the dialogue held within our facilities between Vito Mancuso, a nationally renowned theologian, and students from our secondary schools; and finally, the

evening event hosted at our premises as part of the artistic programme Le X Giornate di Brescia, featuring the performance “No Gravity”.

These initiatives signal the fact that Saleri strongly believes in the connection between industry, people and local communities – a combination that we consider fundamental to everyday work and essential for addressing and overcoming the challenges that the market and the wider world present to us every day.

Lastly, our outlook on the future also involves a conscious approach to new technologies. In 2025, the first projects related to the adoption of artificial intelligence-based tools were launched, with the aim of getting the most from internal expertise and expanding the services offered to our markets. This represents a first step in viewing innovation not as an end in itself, but as a tool serving people and industrial quality, while increasingly ensuring maximum performance for our stakeholders in achieving set objectives.

The road ahead will continue to require commitment, discipline and adaptability. However, it is a path that we face with confidence, supported by a clear vision and by a community capable of moving forward together.

Yours faithfully,

Francesco Italo Saleri
Chairman of the Saleri Group

Letter from the CEO

Dear Shareholders, Dear Stakeholders,

The year 2025 was a challenging one for the entire automotive supply chain. Our partners had to deal with a context characterised by strong market variables, a high degree of uncertainty in planning and a technological transition progressing at a pace that has not always been steady. In such circumstances, the ability to maintain direction and consistency is a decisive competitive factor.

The results achieved by the Group during the year confirm the validity of the choices made and the reliability of the team that manages industrial and financial operations. The strength of Saleri’s operating model, combined with careful and responsible management, enabled us to navigate difficult waters without compromising our growth and development objectives.

In this phase, Saleri’s role has been to stand alongside its partners, supporting them during a period of difficult planning. We have strengthened our positioning as an industrial partner capable of combining technical expertise, operational flexibility and a medium- to long-term vision, offering solutions and adaptability throughout the entire value chain.

The key principles that have guided our actions, alongside the culture of quality that distinguishes us, were careful planning – both industrial and financial – and flexibility. These two elements enabled us to manage present uncertainty while continuing, at the same time, to invest in the future.

The Group continued its industrial transition towards new products for electric vehicles, in the knowledge that this shift requires continuity, resources and strong execution capabilities. At the same time, we maintained a strong focus on the performance of traditional products, which continue to represent a significant component of both the market and our portfolio.

Growth across different geographical areas remains a pillar of the Group’s strategy. Saleri’s global footprint allows us to offer customers real flexibility, responding effectively to the needs of different markets while strengthening the organisation’s resilience.

During the year, new product ranges were also developed and consolidated in order to meet increasing competitiveness requirements, including 24-Volt solutions and new generations of pumps. At the same time, the insourcing of certain portions of the value chain, particularly stators, was a targeted decision aimed at strengthening industrial control and the value generated internally.

Aftermarket sector growth remains a driver of increased industrial value for the Group, contributing to the diversification and overall stability of the business.

Saleri’s mission must be viewed against this backdrop: to provide innovative technological solutions for vehicle thermal management, supporting the sustainable transition of the automotive industry. This commitment translates into an approach focused on integration, flexibility and collaboration with customers, with the aim of designing reliable, efficient and cutting-edge systems capable of improving vehicle performance, safety and sustainability under all operating conditions.

The path we are following demands precision, adaptability and consistency in decision-making. It is on these foundations that we intend to continue to build the industrial future of the Group.

Yours faithfully,

Nicola Cosciani Cunico
Saleri Group CEO

Our Vision

We believe in a future
where progress is the result
of competence, trust,
and **collective growth**.



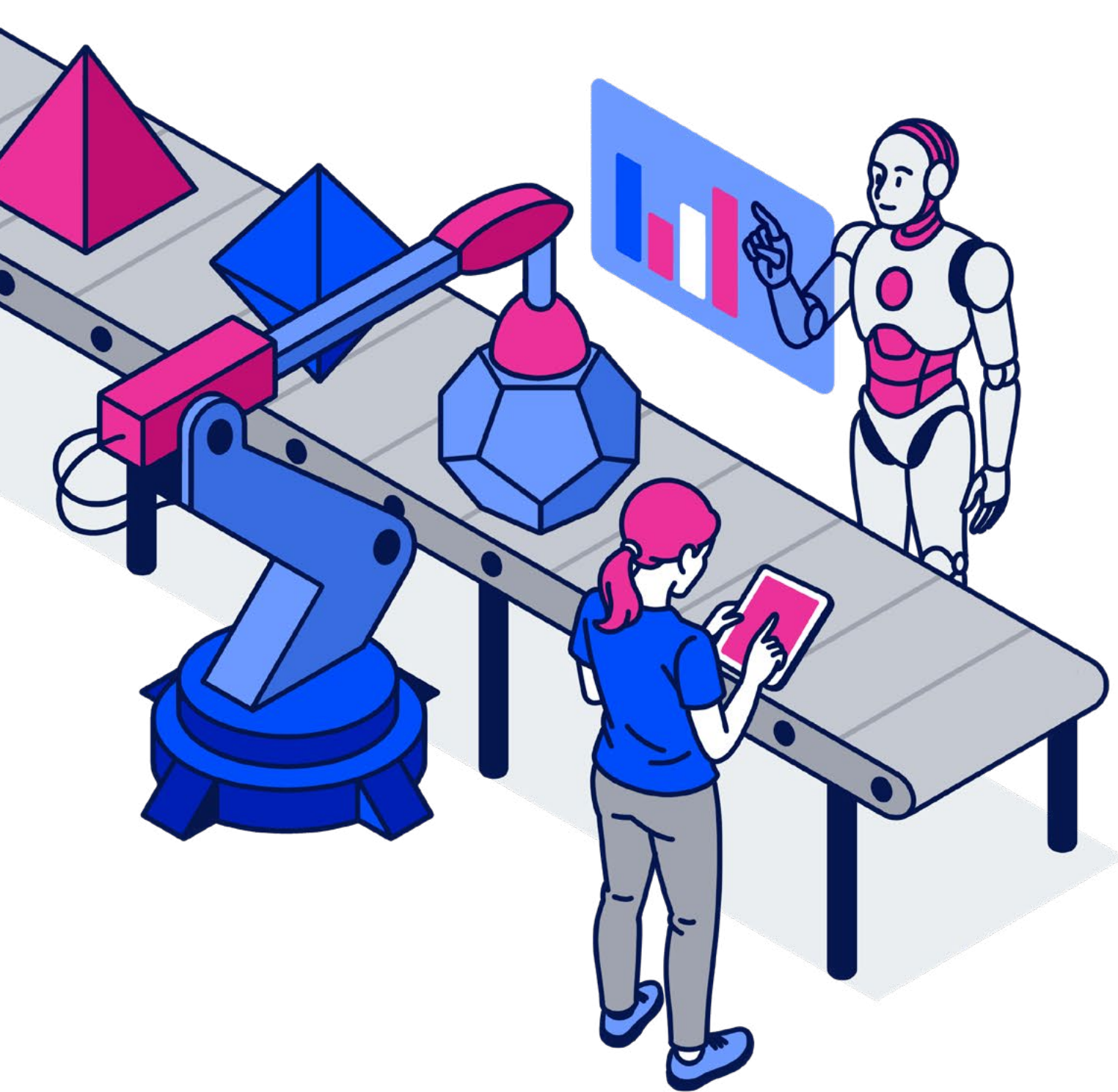
A future in motion,
like the ideas that guide
the **mobility of tomorrow**.



In an increasingly
standardized world,
we imagine a space where
engineering thinking,
responsibility, and **authentic
innovation** can still make
a difference.

03 / 04





A tomorrow where **industry** and **humanity** grow together, in harmony with what evolves and what endures.



The Saleri Group

The Saleri Group

Saleri is a leader in the design, development and manufacture of Thermal Management systems and cooling systems for the automotive industry.

Research and development, flexible technical solutions and continuous improvement of quality standards are the distinctive features of the Saleri method and represent the added value of every product.

The business has a long-standing relationship with the most prestigious car manufacturers and is capable of satisfying the growing demand for innovative temperature management solutions both for vehicles fitted with an internal combustion engine and for those with new generation electric engines.

Founded in 1942, Industrie Saleri Italo S.p.A. now heads a global organisation: the **Saleri Group**. The Group brings together businesses highly specialised in the design and production of solutions to support the transformation of the automotive industry, through two business lines.

Business lines

Original Equipment

The Group operates mainly as a Tier 1 supplier of Original Equipment for some of Europe’s leading car manufacturers, in the premium brands segment. The Thermal Management systems are co-designed with customers, at every stage of the process: from product conception, through prototyping and onto mass production.

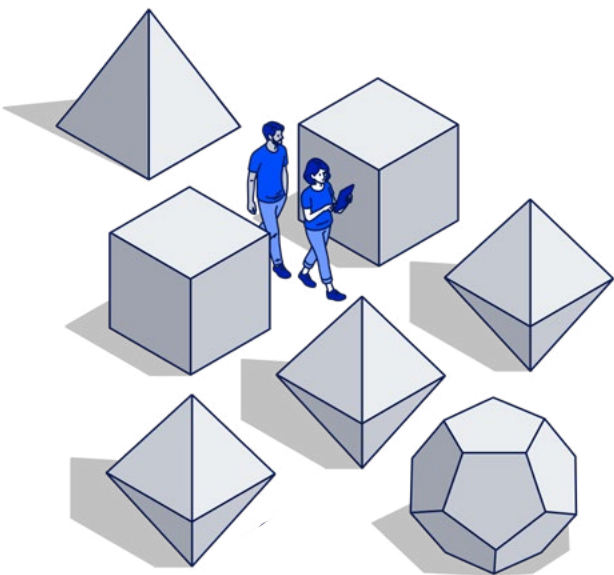
Aftermarket

Drawing on its skills and positioning as an established manufacturer in the Original Equipment segment, the Saleri Group also produces and markets spare parts for cars in the Independent Aftermarket segment, especially water pumps, distribution kits and components and wheel bearings. The range is distributed on 50 markets worldwide and includes more than 8,000 different products.

The Saleri Group's values

Sharing Growing together

We build authentic relationships. Rooted in respect, mutual listening, collaboration and co-creation, our growth is a collective journey. We move together in the same direction.



Identity A lever for the future

Our roots give us shape, not boundaries. We honour the essence of our territory: entrepreneurial spirit, strong work ethic, and a long-term vision. Here, we've learned the value of daily commitment, always looking ahead.



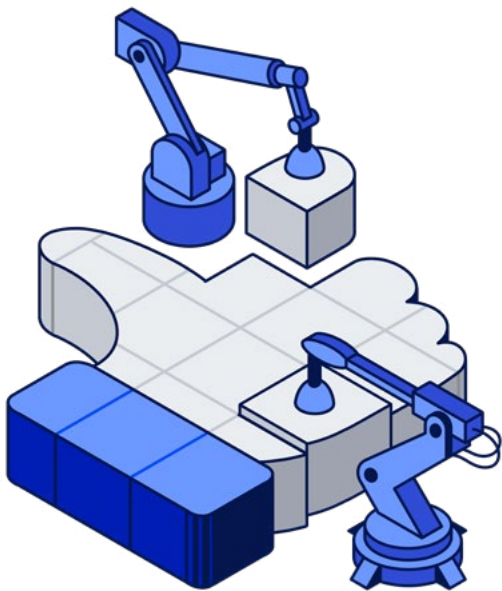
Evolution A daily choice

In an ever-changing landscape, evolution is a way of being. It shapes our approach to work and organization. We know how to adapt quickly and continue learning every day.



Innovation Leading change

Our horizons are wide open. To us, innovation means setting a clear direction and building the path to get there. It's a way - our way - to grow skills, technologies and solutions.

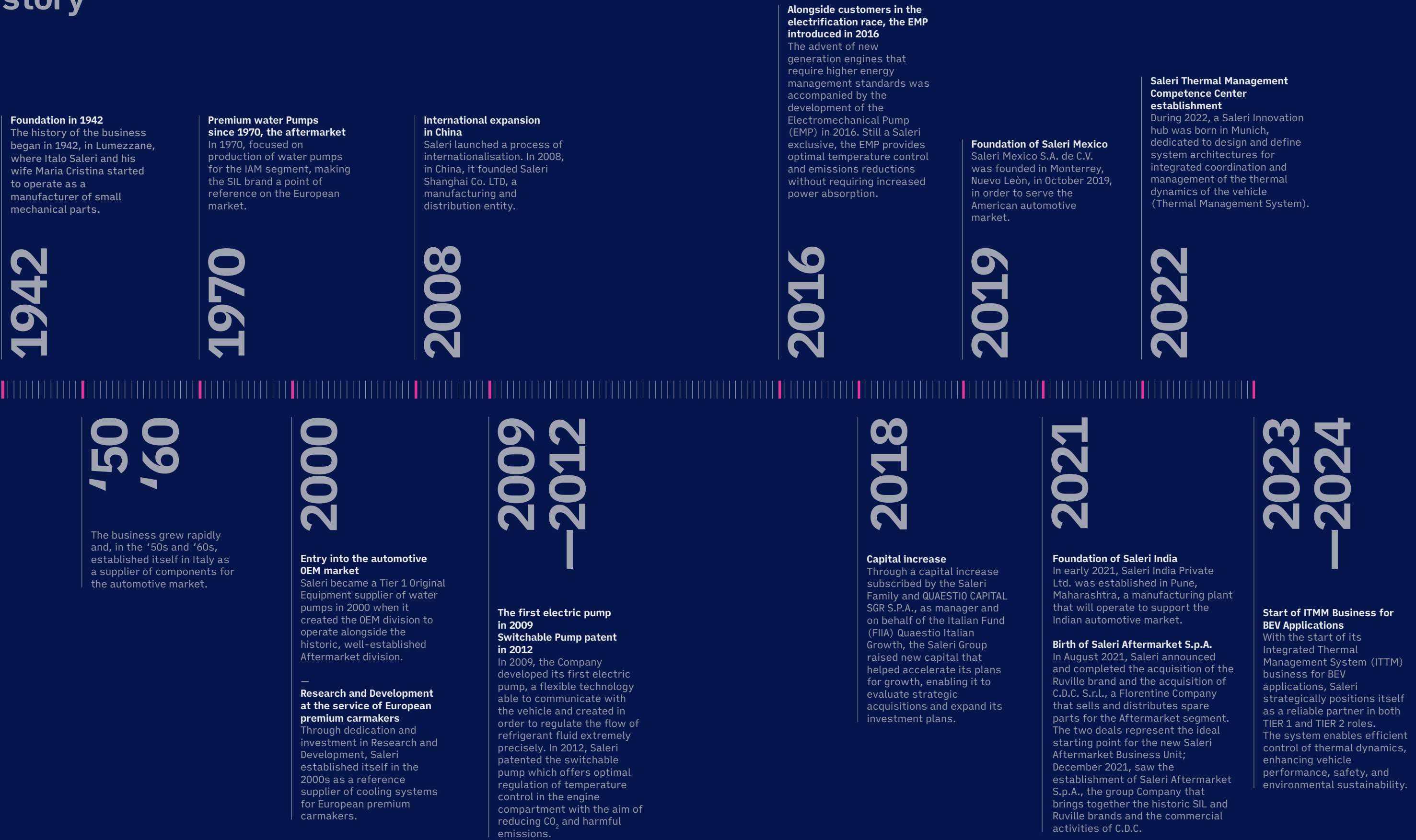


Reliability Presence that matters

Planning, quality, results. We are recognized in the market for being there when it counts, supporting clients and partners with timely and concrete solutions.

We grow together, in a space where authenticity and respect are the foundation of every relationship. We evolve every day, driven by the ambition to learn and develop in a constantly changing landscape. At Saleri, reliability means standing by our clients when it matters. Rooted in our heritage, we look toward the future with the passion of those who embrace innovation as their guide.

An Italian entrepreneurship story



A global Group

The Group is well-placed to serve the global market and the main automobile hubs through a local-to-local production strategy.



Saleri Group's products and technologies

Products and solutions developed for the OEM market

Any system cooled by the circulation of a fluid requires the best Thermal Management solution. Over the years, Saleri has developed cooling and Thermal Management systems that guarantee ever more advanced solutions, in line with growing market demands in terms of performance and environmental protection.

Saleri supports the automotive industry transformation through a continuous effort in innovation. Our focus lies in delivering innovative solutions that effectively address the ever-evolving needs of the automotive industry.

Thermal Management is a key technology for electric mobility and plays a central role in the overall efficiency of the vehicle, especially in ensuring - under all conditions of use - the correct operating temperature of the batteries in order to maximise their autonomy and the entire life cycle.



Integrated thermal management module (ITMM)

Saleri's Thermal Management Module (ITMM) offers a compact and seamless interconnection among electric vehicles' key components and heat users. By emphasizing high-level integration, this module drastically reduces weight, system volume, and cooling fluids, contributing to extended range and simplified vehicle installation processes and resulting in several significant benefits.



E-Pumps range

Saleri's E-Pumps range presents a new generation of electric pumps tailored for 12 V / 24 V applications on Light Vehicles. Covering a power range between 30 and 600 W, these pumps come with a customizable interface to meet the specific needs of different carmakers' Thermal Management systems. They can be used with water glycol, or alternative fluids, delivering performance and reliability.



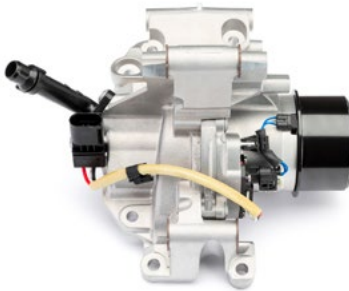
Mechanical water pumps

Operating as primary components, Saleri's Mechanical Water Pumps ensure optimal circulation of cooling fluids throughout the engine. These versatile, multi-purpose pumps are specially developed for existing engine cooling systems to achieve the optimal operating temperature of the combustion engine, vital for reducing CO₂ emissions.



Switchable water pumps

Saleri's Switchable Water Pumps correspond to several cooling system categories based on their operating principle. They offer optimal temperature control strategies to minimize CO₂ production.



Electromechanical pumps

Combining electrical and mechanical operation in a single product, dual-drive water Electromechanical Pumps offer remarkable adjustability in terms of performance, power, and rotor speed to ensure a wide range of use. Their key advantages include:

- › Immediate switching between mechanical and electrical modes.
- › Energy savings during the vehicle warm-up phase.
- › The option for zero flow when no cooling is needed.



Multi-port valves

Multi-port valves serve to flexibly switch heating and cooling circuits in a way to route available heat or cold to the right places.

**Products
for the Independent
Aftermarket**

Drawing on the Saleri Group's OEM-level quality, Saleri Aftermarket S.p.A. focuses exclusively on the aftermarket, providing a portfolio of more than 8,000 products across the SIL, Ruville, Autokit, Repkit, and Movis brands.



Timing belt kits with and without water pump

The solution involving the supply of a kit – with or without a water pump – minimises the risk of errors when identifying products necessary for repair/replacement, thus proposing a complete set of all distribution components.



Mechanical – switchable – electrical water pumps

With a catalogue of more than 1,000 different products, Saleri Aftermarket offers excellent coverage of the European car fleet. The water pumps are produced to the same technological standards as the OEM segment and their quality is equivalent to the original.



Timing chain kit

The timing chain kit is the set of several components used to transmit the movement of the crankshaft to the camshaft, keeping the opening and closing of the engine valves constant and synchronized.



Poly-V belt kits

The poly-V belt kit is the system that transmits the motion produced by the engine, via the poly-V belt to all the secondary organs such as the air conditioner, power steering, alternator and, in some cases, even the water pump.



Tensioners and overrunning pulleys

The tensioner can be fixed or movable and is a critical component in the distribution. It is intended to maintain tension on timing and auxiliary belts. Saleri Aftermarket tensioners ensure fit, form and function for each application. The overrunning pulley is a critical component of the service belt drive. Its proper functioning ensures the integrity and durability of the other components of the system, as well as the alternator itself.



Wheel bearing kits

Wheel bearings are a critically important part for ensuring safe driving, which is the reason why they must always be kept in perfect condition. Saleri Aftermarket wheel bearing kits come with all the nuts, bolts, pins, retainers, snap rings, and oil seals needed for quick and safe installation.



Crankshaft pulleys

The crankshaft pulley is a mechanical component whose job is to dampen all vibrations from other organs in the engine. The pulley is mounted directly to the crankshaft and transmits motion via the poly-V belt to all secondary organs such as the air conditioner, power steering, alternator and, in some cases, even the water pump.



Our expertise: automated production and attention to detail

Saleri has established itself as a key supplier for the automotive industry thanks to long term partnerships in the design and development of cooling systems and more recently Thermal Management systems with the most prestigious brands in the of the European automotive industry, specifically of the premium segment.

Saleri offers a deeply integrated approach to product development. From the initial concept to mass production, our dedicated team is involved in every stage of the process, ensuring the delivery of the best solutions in all circumstances. With a focus on skill integration, sharing, flexibility, and transparency, Saleri can effectively serve customers’ specific needs.

Saleri has implemented a highly automated production system based on principles of **modularity** and **flexibility**. This enables it to produce with the highest levels of quality and reliability, handling a large number of variants and increasing volumes. The production structure at the factories can be adapted to small and large production runs with regard to both auto-parts production and assembly of finished products.

The use of **advanced technology** together with the development of specific **know-how** permits the implementation of state-of-the art solutions and enables the optimisation of the manufacturing process while, also, guaranteeing the best use of resources, reducing waste and, consequently, maximising efficiency.

It is with this specific objective in mind that Saleri has long applied the lean philosophy to the design and development of its production lines. In 2020, the adoption of **Shop Floor Management** techniques led to the creation of the “Saleri Excellence Operation System” (SEOS): a management system designed to improve production performance, leverage on empowerment, know-how and dialogue and seek continuous improvement.

The Group has introduced the SEOS at Saleri plants around the world. Shopfloor Management will lay sustainable foundations for the long-term **Lean Transformation** process, in step with business growth.

Quality and Management Systems Policy

In our day-to-day commitment to generating products that make cars increasingly comfortable and sustainable, we are asked to satisfy the high standards of automotive industry, complying with strict and avant-garde requirements.

Customer satisfaction lies at the heart of our mission: we have invested significantly in fostering a responsive system capable of meeting even the most stringent specifications of our valued clients.

Certifications obtained by the Group over the years:

We hold the following certifications, showing our commitment to quality, environmental responsibility, and occupational health and safety:

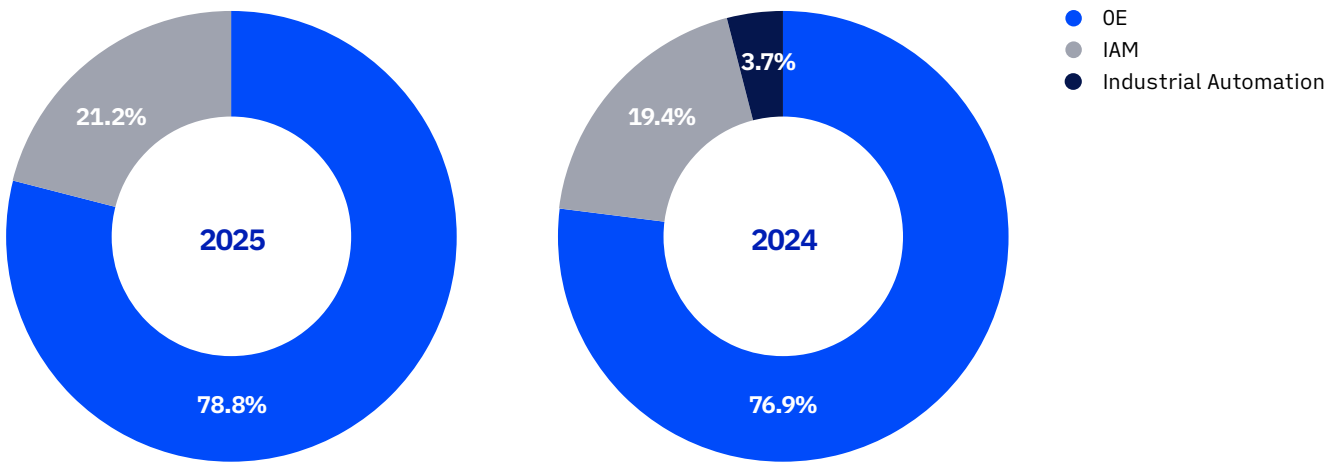
1993	Quality Management System Certification ISO 9001 (Italy)	2021	Quality Management System Certification for the Automotive industry IATF 16949 (China)
2004	Quality Management System Certification for the Automotive industry IATF 16949 (Italy)	2022	Occupational health and safety Management System Certification ISO 45001 (Italy)
2010	Quality Management System Certification ISO 9001 (Saleri AM)	2022	Quality Management System Certification ISO 9001 (Mexico)
2014	Quality Management System Certification ISO 9001 (China)	2022	Quality Management System Certification for the Automotive industry IATF 16949 (Mexico)
2015	Environment Management System Certification ISO 14001 (Italy)	2023	Occupational health and safety management system certification ISO 45001 (China)
2017	Occupational health and safety Management System Certification ISO 45001 (Saleri AM)	2024	Environment Management System Certification ISO 14001 (Mexico)
2019	Environment Management System Certification ISO 14001 (China)	2024	Quality Management System Certification ISO 9001 (India)
2019	Environment Management System Certification ISO 14001 (Saleri AM)	2024	Quality Management System Certification for the Automotive industry IATF 16949 (India)

Annual Financial Report 2025

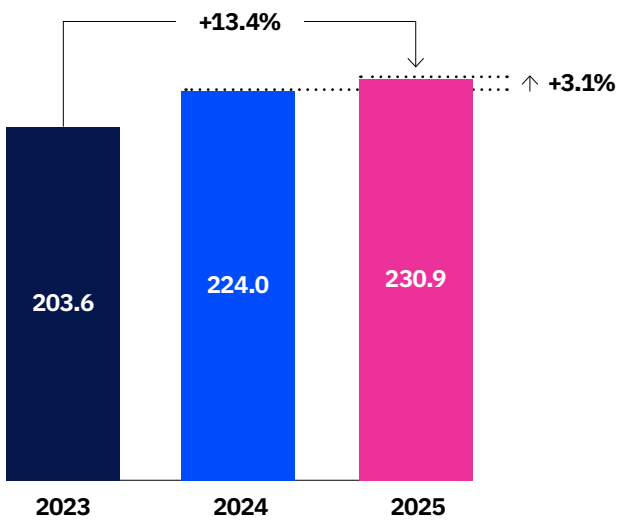
41	The Group's Financial Highlights
43	Director's Report
44	Foreword
47	Governance bodies and corporate information
48	Members of the Board of Directors
50	Group Structure
51	Scope of consolidation
52	Significant events
54	Overview of the macroeconomic environment
55	The automotive industry
66	The Group's operating performance
72	Performance of the Group companies
77	Research and development
78	Disclosures on the environment and personnel
80	Main risks and uncertainties
83	Internal control system and organisational model
83	Business outlook
85	Consolidated Financial Statements at 31 December 2025
98	Notes to the Consolidated Financial Statements at 31 December 2025
145	Independent Auditor's Report
151	Separate Financial Statements at 31 December 2025
166	Notes to the Financial Statements, opening section
173	Notes to the Financial Statements, Assets
193	Notes to the Financial Statements, Liabilities and Equity
205	Notes to the Financial Statements, Income Statement
215	Notes to the Financial Statements, other information
221	Independent Auditor's Report
226	Report of the Board of Statutory Auditors to the shareholders' general meeting

The Group's Financial Highlights

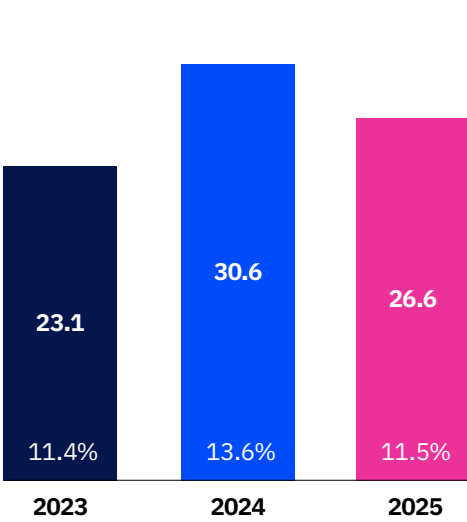
Revenue by Business Line



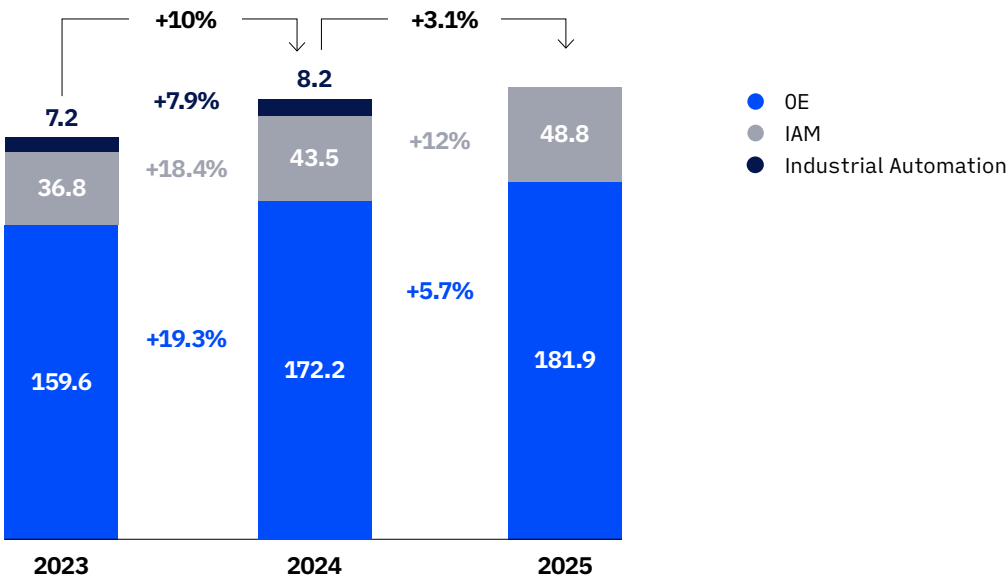
Revenue



EBITDA



Revenue by Business Line



Directors' Report

**Consolidated Financial Statements
and Separate Financial Statements
at 31 December 2025**

Foreword

Parent company Industrie Saleri Italo S.p.A. has prepared the Directors' Report as a single document to accompany both the Separate Financial Statements of Industrie Saleri Italo S.p.A. and the Consolidated Financial Statements of the Group, as permitted by Article 40(2 bis) of Legislative Decree no 127 of 09/04/91.

The 2025 Consolidated Financial Statements have been prepared in accordance with Italian Accounting Standards / OIC. It should be noted that the accounting and measurement criteria used when preparing the Financial Statements at 31 December 2025 take account of the changes introduced to Italian statutory reporting requirements by Legislative Decree 139/2015 which implemented Directive 2013/34/EU.

In order to make it easier to understand the economic and financial performance of the Saleri Group, we note the following with regard to the results reported in this Report:

- › the Directors have identified certain Alternative Performance Indicators ("API"). These indicators also help the Directors to identify operating trends and make decisions regarding investments, the allocation of resources and other operational issues. In particular, the Income Statement, Balance Sheet and Statement of Cash Flows are presented in reclassified, Management Accounting format. This is in order to make it possible to perform a comparison with indicators for the sector or with the information issued periodically by the Group to its Stakeholders;

- › compared to the Italian GAAP-based classification, as reflected in the Notes to the Financial Statements and in other schedules included in the Financial Statements, reclassification adjustments have been made in order to provide the most appropriate representation of the performance of the Saleri Group;
- › when the Directors' Report was prepared, certain account balances were disclosed differently in order to bring them more into line with Management Accounting purposes; the corresponding prior year figures were also restated accordingly.

Alternative performance indicators

The APIs have been chosen and set out in the Directors' Report because the Directors believe that:

- › the Net Financial Position, together with other performance indicators such as Capex/Revenues, Net Financial Position/Equity permit a better assessment of the solidity of the balance sheet structure and the ability to repay debt;
- › Trade Working Capital, Fixed Assets and Net Invested Capital permit a better assessment of capacity to meet short-term commercial commitments through current assets and of the consistency between the structure of temporary applications and sources of funds;
- › EBITDA and EBIT, together with other profit indicators, can show changes in operating performance and provide useful information on the Group's capacity to sustain debt; these indicators are also widely used by analysts and directors to assess performance in the segment where the Saleri Group operates.

The following should be noted for a proper interpretation of the APIs:

- › the APIs are determined solely based on the historical information of the Saleri Group and are not indicative of the Group's future performance;
- › the APIs are not regulated by ITA GAAP or by IFRS;
- › the APIs must not be considered as replacing the indicators provided for by ITA GAAP. The APIs shall be read together with financial information obtained from the financial statements;
- › as the APIs are not defined by ITA GAAP, the methods used by the Group to calculate them might not be consistent with those adopted by other groups/ companies and they might not be suitable for comparison;
- › the APIs used by the Saleri Group have been calculated on a consistent basis for all periods for which financial information is included in these Financial Statements.

Governance bodies and corporate information

Board of Directors

Francesco Italo Saleri
Chairman

Nicola Cosciani Cunico
CEO

Alberto Bartoli
Directors

Sergio Bona
Directors

Nicola Guidi
Directors

Simona Heidempergher
Directors

Alessandro Potestà
Directors

Maria Cristina Storchi
Directors

Johann Evangelist Wieland
Directors

Board of Statutory Auditors

Francesco Facchini
Chairman

Andrea Gabola
Statutory auditors

Roberta Lecchi
Statutory auditors

External auditor

Deloitte & Touche S.p.A.
Deloitte & Touche S.p.A. has been appointed as external auditor until the date of the Shareholders’ Meeting convened to approve the Financial Statements for the 2025 reporting period.

Registered office and corporate information

INDUSTRIE SALERI ITALO S.P.A.
Via Ruca, 406
25065 Lumezzane (BS)
Italy
Tel. +39 030 8250411
Share Capital Euro 23,922,413 wholly paid
Register of Companies and Tax Number
03066870175
VAT Number IT 01589150984 | REA BS-31760
www.saleri.com

Members of the Board of Directors

CHAIRMAN

Francesco Italo Saleri

Appointed Chairman of the Board of Directors of Industrie Saleri Italo S.p.A. in February 2023, he represents the fourth generation of the Saleri family to head the industrial group of the same name. Immediately after his studies, he started training in the business. From 2007 to 2012, he was in China to set up and then manage subsidiary Saleri Shanghai. On his return to Italy, he took on the role of Sales and Marketing Director for the OE and IAM market, where he stayed until 2017. In 2017, he took charge of Business & Subsidiaries Development, contributing towards the establishment of Saleri Mexico in 2019 and Saleri India in 2021. In 2021, he became Group Chief Procurement Officer, a role he left when appointed as Chairman.

CEO

Nicola Cosciani Cunico

Appointed Chief Executive Officer of Industrie Saleri Italo S.p.A. in May 2024. After graduating in Economics from the University of Bologna, Nicola acquired more than 30 years of valuable experience in various business environments. Most recently, he served as EVP of Global Operations at Westport Fuel Systems. Previously, he held the position of CEO in various FIAMM Group companies and roles of increasing responsibility within the ABB Group.

DIRECTOR

Alberto Bartoli

A qualified accountant with a degree in Business and Economics from the University of Parma, he joined Sabaf S.p.A. as CFO in 1994 before becoming a Director during the period 1997 – 2017 and taking on the role of Managing Director from 2012 until 2017. He then became Managing Director of Gefran S.p.A. from May 2017 until December 2019. Since April 2020, he has been Managing Director of the Finservice Group of Mantua. Alberto is also a Director of numerous manufacturing and service companies.

DIRECTOR

Sergio Bona

A graduate in Construction Engineering from the Polytechnic University of Milan. He is the Managing Director of real estate companies Sabim S.r.l. and Simpafin S.r.l.

DIRECTOR

Nicola Guidi

A graduate in Management Engineering from the Politecnico di Milano, with four years of experience in the private equity sector. Currently serves as Investment Manager at Quaestio Capital Management SGR S.p.A., which holds a 26.60% stake in Industrie Saleri Italo S.p.A.

DIRECTOR

Simona Heidempergher

A graduate in Economic and Social Disciplines from Luigi Bocconi Business University. She holds the position of Chief Investment Officer with the Merifin Europe SA Group, as well as sitting as an independent director on the Board of Directors of several listed companies.

DIRECTOR

Alessandro Potestà

A graduate in Business and Economics from the University of Turin. Between 2008 and 2011, he held management positions in the Investment and Corporate Development divisions of IFIL Group (now EXOR). Since 2015, he has been Senior Portfolio Manager with Quaestio Capital Management SGR S.p.A. which holds a 26.6% stake. In 2024, he was appointed CEO of Quaestio Capital SGR S.p.A.

DIRECTOR

Johann Evangelist Wieland

A graduate in Economics and Social Sciences from the University of Regensburg in Germany, Johann has thirty years of experience within the BMW Group where he has held various international positions including Head of BMW owned Retail Stores in the United States and President and CEO of BMW Brilliance in China. He is currently a Corporate Strategy consultant for several multinational companies.

DIRECTOR

Maria Cristina Storchi

A graduate in Law from the University of Milan. An equity partner of Gatti Pavesi, Bianchi and Ludovici. Maria Cristina is mentioned in the main Italian and international directories as an expert in corporate law, mergers and acquisitions, and restructuring. In April 2024, she was named as one of “Italy’s 50 most influential women” by Italian legal magazine “Legal Community”. She regularly collaborates as a lecturer with Academy, Euronext Group.

Group Structure

The Group Organisation Chart at 31 December 2025 is set out below:

Industrie Saleri Italo S.p.A.

	The Parent Company carries out research, development and production for the OE and AM segments.
100%	Saleri TMS Competence Center GmbH Munich, Germany Therman Management Research Centre
95%	Saleri Shanghai Co.Ltd
73.45%* *26.55% SIMEST S.p.A.	Saleri Mexico S.A. de C.V
67.15%* *32.85% SIMEST S.p.A.	Saleri India Private Limited Company engaged in production for OE and AM segments
100%	Saleri Aftermarket S.p.A. Commercial and logistics services for the AM segment

* Simest: A company from the CDP Group which sustains the growth of Italian companies abroad

SCOPE OF CONSOLIDATION

At 31 December 2025, the scope of consolidation included the following companies directly controlled by Industrie Saleri Italo S.p.A.. Unless otherwise stated, the companies are consolidated line-by-line.

Parent company

Name	Registered office	Interest held	Currency	Share capital
Industrie Saleri Italo S.p.A.	Via Ruca, 406 – Lumezzane (BS)	-	EURO	23,922,413

Directly controlled companies

Name	Registered office	Interest held	Currency	Share capital
Saleri Aftermarket S.p.A.	Via Ruca, 406 – Lumezzane (BS)	100%	EURO	100,000
Saleri México S.A. de C.V.	San Pedro Garza Garcia, Nuevo Leon México CP 66269 – Ave San Patricio #111	73.45%	MXN	180,768,000
Saleri Shanghai Co.Ltd	Taifeng road 188/b, Anting Town Jiading district 201.814 Shanghai China	95%	RMB	14,821,016
Saleri TMS Competence Center GmbH	Schleißheimer Straße, 373 München - Germany	100%	EURO	25,000
Saleri India Private Ltd	Landesberger Straße, 155 D München - Germany	67.15%	INR	451,500,000

Compared to 31 December 2024, the scope of consolidation has been expanded to include Saleri India Private Ltd, consolidated as at 31 December 2025. Meanwhile, ABL Automazione S.r.l. has been excluded following the disposal of the entire investment in July 2025.

Companies directly controlled at 31 December 2025 but excluded from the scope of consolidation

Subsidiaries excluded from the scope of consolidation are listed below:

Name	Registered Office	Interest held	Currency	Share capital
C.D.C. Taiwan Inc.	1F, No. 63, LN. 118,St.Dongjid RD., Guishan Dist., Taoyuan City 33353, Taiwan (R.O.C.)	51%	TWD	32,000,000

List of Group business locations

Pursuant to Art. 2428 of the Italian Civil Code, we note that business is conducted in Italy at the registered office at Via Ruca 406, Lumezzane - Brescia, at offices in Concesio – Brescia, Via Europa 106 and at the factory in Sesto Fiorentino - Florence, Via Rodolfo Morandi, 3. The Group also operates in Shanghai (China), Monterrey (Mexico), Munich (Germany) and Pune (India).

SIGNIFICANT EVENTS
During the reporting period

FEBRUARY 2025	The Saleri Group focuses on electric vehicles with the support of institutional lenders Saleri has signed up to a new loan package amounting Euro 18.5 million -including a Euro 7.5 million loan with a SACE Futuro guarantee from UniCredit and a similar Euro 7.5 million loan from Banco BPM, plus Euro 3.5 million already received from the Azimut Fund in December 2024 - to support its investment plan for the electric transition. The transaction will enable Saleri to reinforce its production and research and development capacity for Hybrid and BEV engines, while consolidating its leadership position in the Original Equipment segment.
FEBRUARY-JULY 2025	Business Acquisition: new business awards in China During 2025, the Saleri Group received three new business awards in the Chinese market f or the supply of mechanical pumps intended for four-wheel all-terrain vehicle (ATV) and two-wheel applications, including both on-road and high-performance racing applications.
MARCH 2025	Appointment of a new member of the Board of Directors Following the untimely and unexpected death of Dr. Massimo Colli, Nicola Guidi was appointed as a Director.
APRIL 2025	First Saleri Leadership Summit The Group’s top management met to discuss the Group’s future objectives and growth scenarios. An unprecedented event that saw the participation of 60 global leaders with the aim of boosting integration and building the next Strategic Plan together.
MAY 2025	Saleri advances further on its ESG journey with a new Cerved rating and an Ecovadis silver medal Saleri obtained its third sustainability rating from Cerved Rating Agency, confirming the previous year’s result, with a BBB rating, a score of 67.0 and a high ESG risk management capability assessment. The Group also received further recognition from EcoVadis for its commitment to sustainability and ESG performance, earning a Silver Medal with an overall score of 69/100. Saleri Aftermarket at Autopromotec Saleri Aftermarket took part in Autopromotec 2025 (Bologna, 21–24 May), presenting the Group's latest innovations to the Independent Aftermarket (IAM), with a particular focus on electric pumps and the Electromechanical Pump, as well as the product offering under the SIL and Ruville brands. New Organisational Model approved The implementation of the new model represents an important step towards achieving the Group’s strategic objectives.
JULY 2025	Business Acquisition: new business awards in Europe In the European market, Saleri secured new business awards in 2025 in both the electrification and high-performance powertrain segments. These included awards for two electric pumps for light commercial vehicles and a mechanical pump for a high-performance engine application. Launch of Saleri Academy Saleri launched the Saleri Academy, a free training initiative focused on industrial quality, providing five days of technical training and career orientation at the Group's headquarters. The initiative was designed to foster the development of specialised skills and facilitate the integration of new talent into the organisation. Disposal of ABL Automazione Industrie Saleri Italo S.p.A. completed the sale of its 100% interest in ABL Automazione S.r.l. to HFB S.r.l. as part of the Group's strategic refocusing on its core OEM and IAM automotive businesses. The transaction is intended to strengthen the Group's competitive position and accelerate the development of innovative technological solutions for the mobility of the future.

OCTOBER 2025	Completion of the Organisational Redesign Programme The organisational redesign process initiated during the previous reporting period was completed in 2025 in support of the implementation of the Strategic Plan. Specific functions with dedicated responsibilities were established, and Steering Committees were set up to oversee governance and monitor the progress of the Plan. Approval of the Group Code of Ethics In October 2025, the new Group Code of Ethics was approved. The Code represents the highest-level document within the Saleri Frameworks, the governance framework that brings together compliance programmes and policies, the Saleri Value Chain and Group Policies, together with procedures, guidelines, templates and reference manuals.
NOVEMBER 2025	Saleri Aftermarket at Automechanika Shanghai During Automechanika Shanghai, one of the most important events for the independent aftermarket sector, Saleri Aftermarket welcomed hundreds of industry professionals interested in learning about the latest technological innovations, the SIL and Ruville brand offerings, and the Group's extensive product portfolio. Rejoining the Confindustria network In November 2025, the Saleri Group rejoined the Confindustria network, further strengthening its engagement with local stakeholders and the industrial community. As part of this renewed commitment, the Group Chief People & Organization Officer was appointed to the National General Council of Federmeccanica, reflecting recognition of the Group's commitment and strategic vision.
DECEMBER 2025	Business Acquisition: new business awards in India During 2025, the Saleri Group secured six new business awards in the Indian market for the supply of electric water pumps (EWPs) intended for a range of applications, including passenger vehicles, light commercial vehicles and e-tractors. During the same period, the Group also secured a business award for the supply of two new mechanical water pumps (MWP) for internal combustion engine (ICE) applications, covering both diesel and petrol engines. Sale and Lease Back Transaction: properties located in Lumezzane In December 2025, the Parent Company completed the sale and subsequent leaseback of the properties located in Lumezzane with a leading European real estate operator, as detailed in the Notes to the Financial Statements.

OVERVIEW OF THE MACROECONOMIC ENVIRONMENT¹

During 2025, the automotive industry continued to operate in a constantly evolving economic environment. U.S. tariff policies influenced the market throughout the year, creating a persistent level of uncertainty. Negotiations involving Canada and Mexico, which may lead to a revision of the USMCA in mid-2026, together with the extension of similar tariff discussions to other regions of the world, contributed to production and investment delays across numerous markets, resulting in increased volatility in supply and demand.

The automotive market is, therefore, becoming increasingly complex and competitive, characterised by frequent disruptions. In this context, a new operating model focused on agility, cost efficiency, reduced development lead times and, more generally, the continuous enhancement of competitiveness has become more necessary.

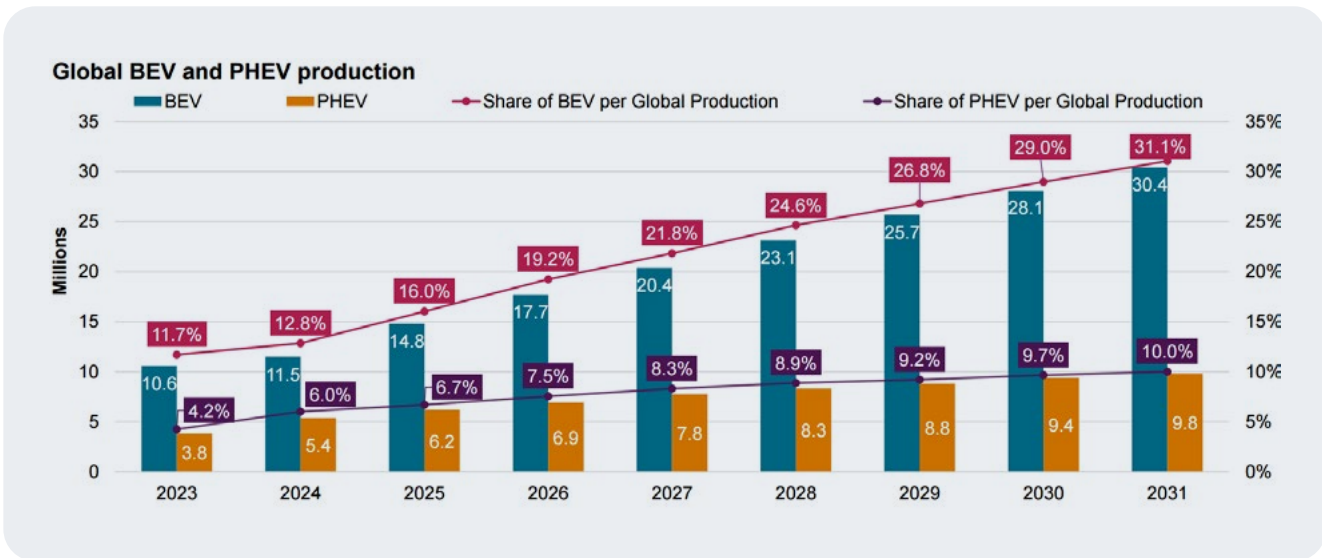
Against this highly competitive backdrop, Chinese automotive manufacturers continue to expand their presence in international markets. Their share of global vehicle exports is expected to double, with particular focus on the Middle East, South America, Canada and, most notably, Europe, reaching an estimated market share of 13–15% by 2030. This growth is also being supported by the progressive localisation of production activities outside China. These developments are taking place in an environment that is already challenging for the European automotive supply chain, which has experienced a decline in the average utilisation rate of vehicle assembly plants from 75% to 55% between 2017 and 2025 (with utilisation in Italy falling from 75% to 35% over the same period). European companies have also become increasingly attractive acquisition targets for American and Asian investors, particularly from China and India. Such investors completed acquisitions worth approximately USD 15 billion between 2022 and 2024, compared with only USD 2 billion invested

by European companies outside the continent during the same period.

The outlook for 2026 confirms that the automotive industry will again be characterised by a significant combination of resilience and challenges. Demand is expected to remain broadly stable or decline slightly compared with 2025 under the most optimistic scenario. U.S. tariff policy remains, even under the most favourable assumptions, a continuously evolving factor. Current forecasts reflect a gradual reduction in baseline tariffs on automobiles for key trading partners, to approximately 10–15%. Major tariff agreements include the easing of trade restrictions between the United States and China (for a period of 12 months), as well as agreements involving the United Kingdom, Japan, the European Union and South Korea.

Political uncertainty also remains a key feature of the market environment, particularly with regard to the transition towards battery electric vehicles (BEVs) and the role of fossil fuels, especially in Western markets. In Europe, where BEV sales volumes are expected to improve only marginally, supported by the 15% reduction in CO₂ emissions targets, automotive manufacturers will continue to face a highly challenging environment characterised by technological gaps, policy uncertainty, geopolitical conflicts, infrastructure requirements, and ongoing logistical and supply chain issues.

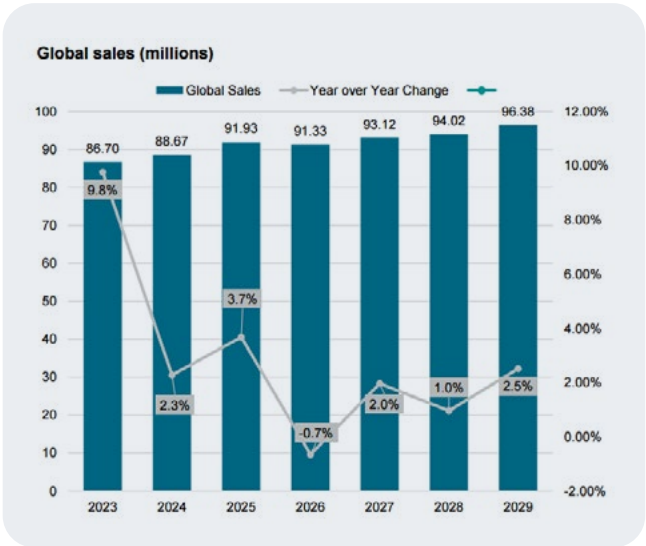
More generally, despite concerns regarding the pace of market adoption, electric vehicles continue to represent a growth segment. Global BEV sales increased by 16.6% in 2024 compared with the previous year, reaching 11.5 million units (12.8% market share), and are estimated to have grown by 29% in 2025 to approximately 14.8 million units (16% market share). A further increase of around 20% is expected in 2026, with global BEV sales projected to reach approximately 17.7 million units (just under 20% of the global market). A positive growth trend is also expected for plug-in hybrid electric vehicle (PHEV) applications.



¹ Figures from IMF, WORLD ECONOMIC OUTLOOK UPDATE January 2025.

THE AUTOMOTIVE INDUSTRY

Light Vehicles - Sales volumes²



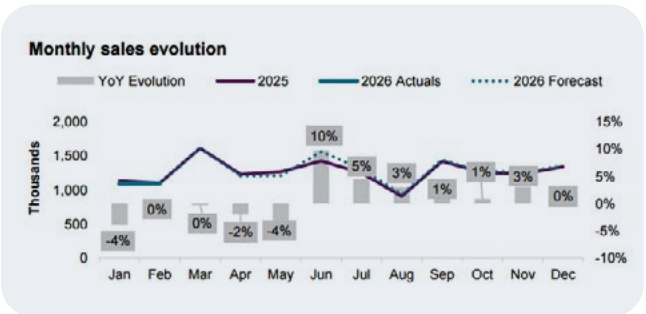
During 2025, global new vehicle sales reached 91.93 million units, an increase of 3.7% compared to the previous year. This result places the market comfortably above pre-pandemic levels, exceeding the 89.9 million units sold in 2019 by approximately 1.5 million units. The outlook for 2026 remains broadly aligned with 2025 volumes, albeit with a modest decline of 0.7% currently forecast. Based on first-quarter 2026 performance, global vehicle sales are expected to reach approximately 91.33 million units for the full year.

Europe

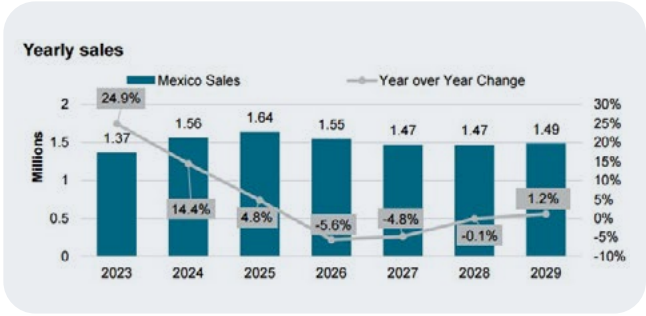
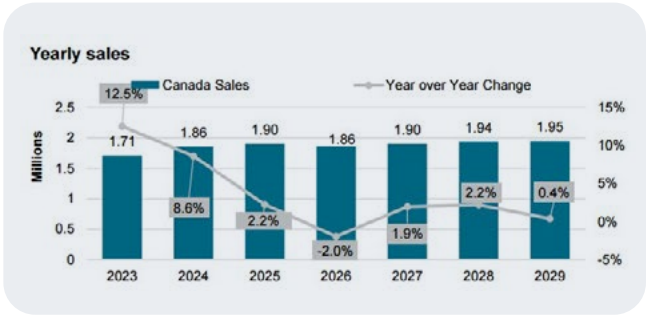
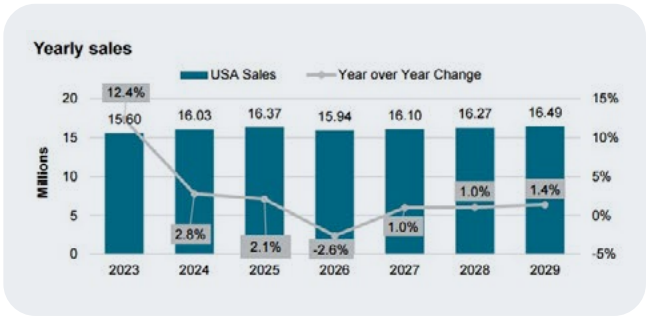


In Western and Central Europe, vehicle sales increased by 1% in 2025, reaching 15.2 million units and remaining substantially in line with the 15.1 million units recorded in 2024. The share of battery electric vehicles (BEVs) continued to grow, approaching 20% in 2025 and forecast to rise to 24% in 2026, compared to 15.2% in 2024. Passenger car registrations in the European Union are expected to remain broadly stable throughout the 2026–2028 period.

² Figures per S&P Global, March 2026



NAR (USA+CAN+MEX)



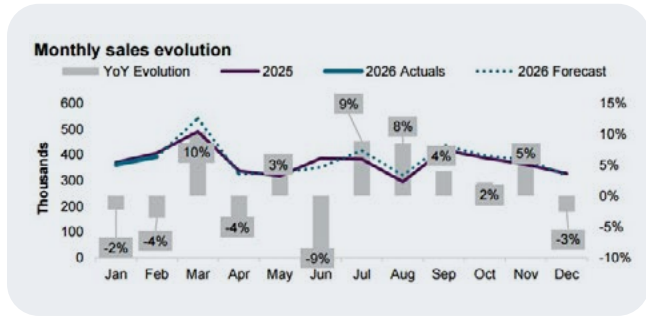
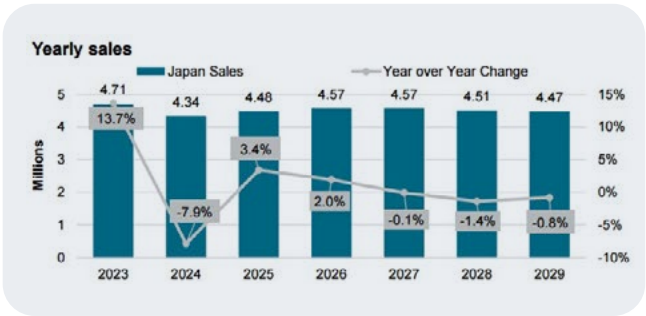
In North America, sales volumes increased compared to 2024, rising by 2.1% in the United States to 16.37 million units sold, by 2.2% in Canada to 1.90 million units, and by 4.8% in Mexico, where sales reached 1.64 million vehicles.

LATAM (Brazil)



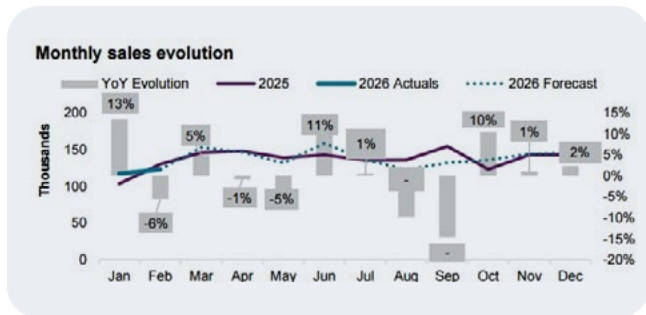
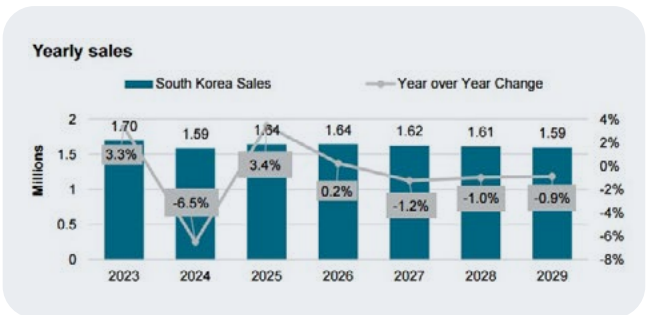
In Latin America, 2025 performance confirmed the region's positive growth trend, driven in particular by the Brazilian market, where sales volumes increased by 2.4% compared to the previous year, reaching 2.55 million units.

Japan



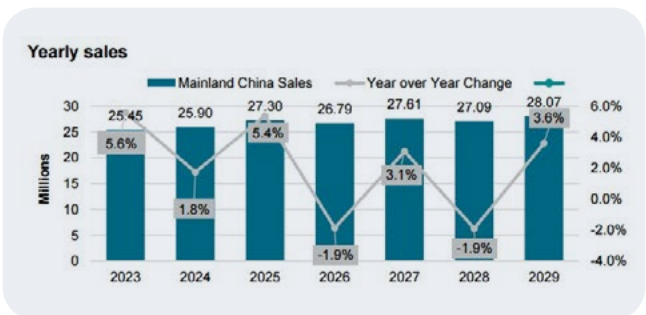
In 2025, Japan experienced a significant recovery in its domestic automotive market, reversing the decline recorded in 2024. Sales volumes increased by 3.4% compared to the previous year, reaching a total of 4.48 million units, up from 4.34 million units in 2024.

South Korea



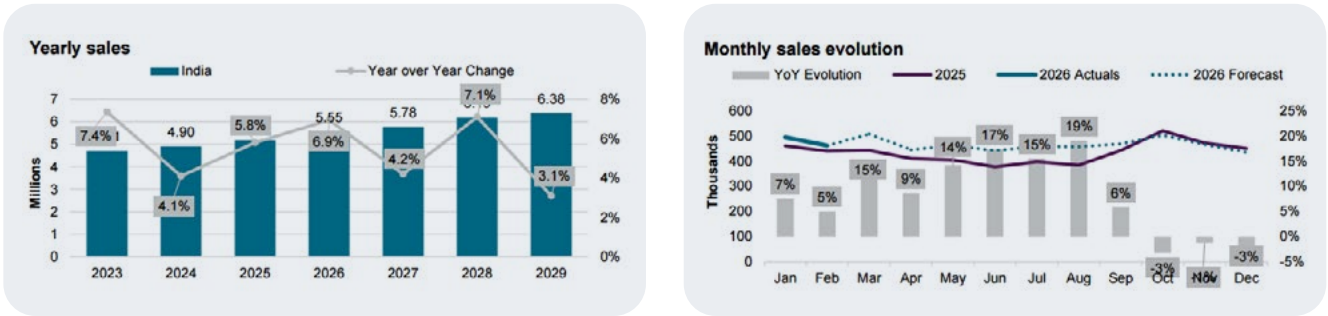
Another market that showed recovery in 2025 was South Korea, where sales volumes increased by 3.4% compared to 2024, reaching 1.84 million vehicles in the domestic market, compared with 1.59 million units in the previous year.

China



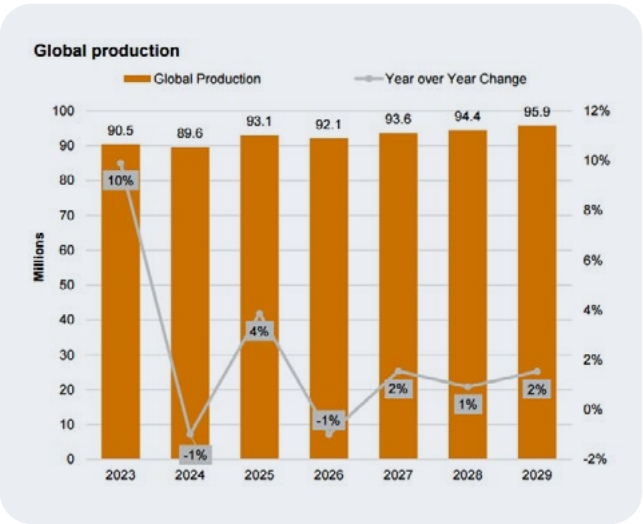
China once again reaffirmed its leadership position in terms of vehicle sales, with 27.30 million units sold in 2025, an increase of 5.4% compared to 2024. Strong growth continued across both the BEV and PHEV segments. At the same time, range-extended electric vehicles (REEVs) gained further traction, establishing themselves as a mature technology combining electric propulsion with an internal combustion engine used exclusively as a range extender.

India



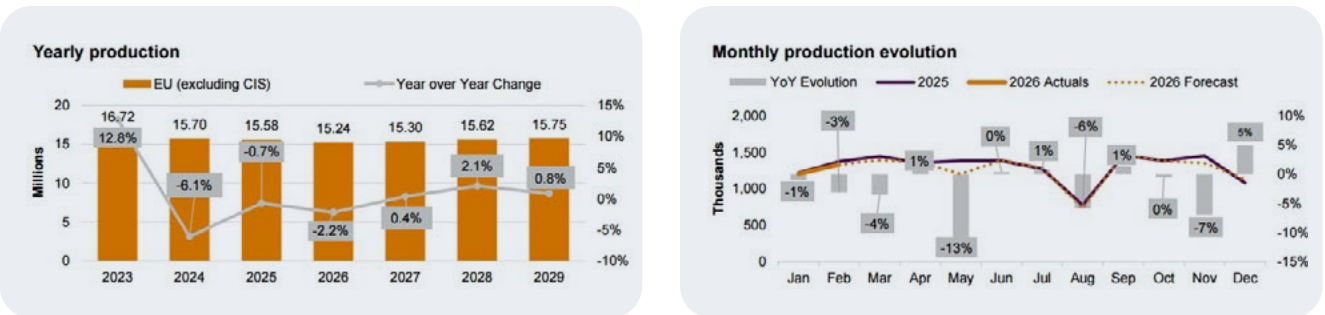
In India, passenger car sales continued their growth trajectory, increasing by 5.8% in 2025 and surpassing the threshold of 5 million units sold. The country continues to establish itself as a rapidly developing market, with significant domestic demand still to be met and export opportunities expected to become increasingly important in the years ahead. The substantial acquisitions of foreign companies by Indian groups, such as Tata Motors' acquisition of Iveco, further confirm the automotive industry's clear internationalisation strategy across both the passenger car and commercial vehicle segments. In 2025, India again continued along its infrastructure development path, strengthening its position as one of the world's leading markets for medium and heavy commercial vehicles, as well as for off-road and agricultural vehicles.

Light Vehicles – Engine production volumes 2024³



During 2025, global vehicle production returned to growth, supported in part by the replenishment of vehicle inventories. Total worldwide production exceeded 93.1 million vehicles, representing a 4% increase compared to the previous year. As in 2024, a strong first half in terms of production volumes was followed by a slowdown in the second half, particularly during the period from August to December 2025. Production forecasts for 2026 remain below the levels achieved in 2025, reflecting the continuing geopolitical uncertainties and, in particular, the logistical disruptions associated with tensions in the Persian Gulf region.

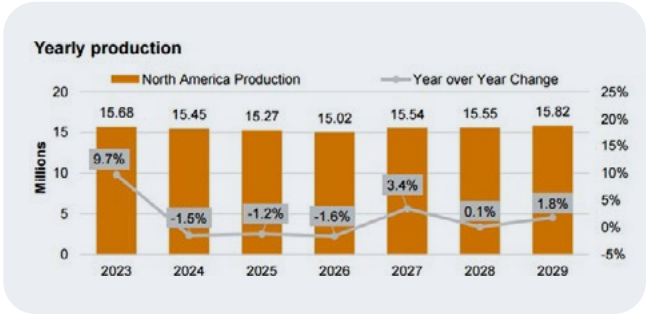
Europe



In Europe, production volumes declined by 0.7% in 2025 compared to 2024, falling to 15.58 million units. Geopolitical risks, together with the uncertainty surrounding tariff and trade policy measures that have been under discussion since late 2024, are expected to result in a further contraction in 2026. Production volumes have been adversely affected by the increase in imports, particularly from China, while exports have been hit by U.S. tariff measures.

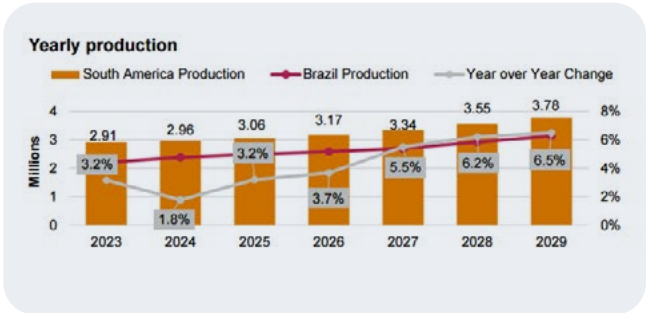
³ Figures per S&P Global, March 2026

NAR (USA+CAN+MEX)



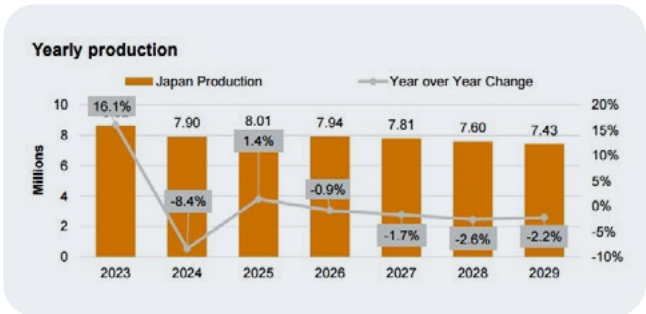
In North America, production volumes decreased by 1.2% in 2025 compared to prior year, reaching 15.27 million units. Political tensions and the policy measures introduced by the Trump administration continued to affect the market throughout 2025, with their impact already becoming apparent in the first quarter of 2026.

LATAM



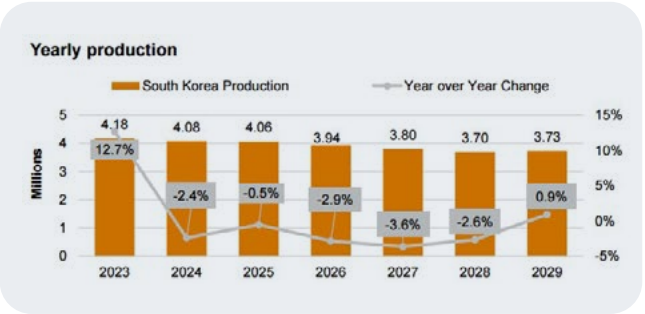
Latin America recorded a solid production performance in 2025, with output increasing by 3.2% and exceeding 3 million vehicles. Brazil accounted for approximately 2.8 million units of total production in the region.

Japan



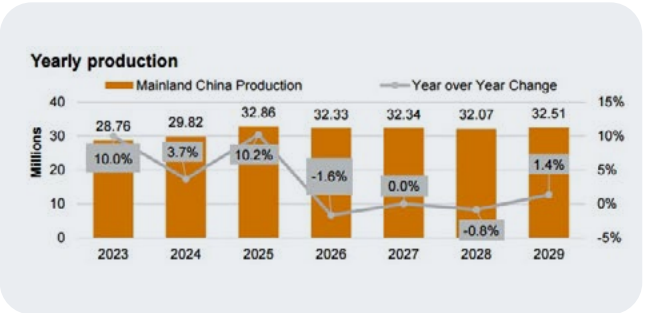
Japan reaffirmed its status as one of the world's leading vehicle manufacturing and exporting countries, recording a 1.4% increase in production compared to 2024, with output exceeding 8 million units in 2025.

South Korea



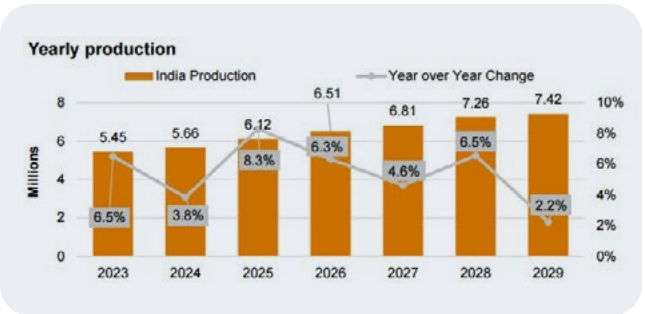
South Korea's production performance remained broadly stable in 2025, with output decreasing by a modest 0.5% compared to 2024. Total vehicle production amounted to 4.06 million units, substantially in line with the prior year level.

China



China once again confirmed its position as the world's leading producer in the automotive market, recording double-digit growth of 10.2% in 2025 compared to 2024. Vehicle production reached 32.86 million units, accounting for 35.3% of global output. The strong momentum of Chinese exports highlights the continued demand for vehicles manufactured in China despite ongoing geopolitical uncertainties. While sales on the domestic market fell by 34.2%, exports increased by 58% year on year, reaching 586,000 units.

India



In India, vehicle production exceeded 6 million units in 2025, increasing by 8.3% compared with the previous year.

Challenges in meeting growing domestic demand remain, with local production capacity still insufficient to fully satisfy market requirements. This continues to reinforce the attractiveness of the Indian market for international automotive manufacturers and investors. 2025 also saw the return or renewed expansion of several international OEMs in India, including Ford and Hyundai, following a period during which many global manufacturers had significantly reduced their presence in the country.

Thermal Management and the development of temperature management systems

In the current automotive market environment, the trend towards sustainable, efficient mobility is driving significant change in vehicle design and engineering. With growing interest in low-emission technologies and increasing adoption of electric vehicles, Thermal Management is playing a crucial role in the design and operation of both traditional and electric cars.

Thermal Management refers to vehicle temperature control and regulation, directly influencing the efficiency, performance and lifespan of key components such as the engine, battery and electronic systems. Moreover, in electric vehicles, Thermal Management is key to the cooling and temperature control of high-capacity batteries and electric motors, helping to maintain optimal performance and extend battery life. In traditional internal combustion engine vehicles, Thermal Management is essential in ensuring that the engine operates in its optimal temperature range, improving fuel efficiency and reducing harmful emissions.

In this context, Saleri stands out for its consolidated technical expertise in the development of advanced Thermal Management solutions, ready to meet the growing needs of the automotive market. Saleri’s ability to design and deliver bespoke thermal management systems for a wide range of vehicles (including internal combustion, hybrid and all-electric vehicles) places it at the heart of innovation in the industry.

Saleri develops customised thermal management solutions that satisfy customer needs by offering a wide range of applications. One of the keys to Saleri’s success is diversification through product and applications.

Saleri can now offer its products to the wider mobility market:

- › **Cars with a petrol or diesel combustion engine**
- › **Hybrid cars (i.e. with dual electric and combustion engines)**
- › **Battery electric vehicles**
- › **2,3 or 4-wheel combustion and electric vehicles**
- › **Commercial and off-road vehicles with an internal combustion engine and for hybrid and electric models**
- › **Very high performance and performance vehicles with internal combustion engines, hybrid or battery-electric**

- › **Charging stations (Power Electronics)**
- › **Alternative mobility / recreationals (i.e. snow, water, race)**
- › **Industrial & Marine applications**
- › **Power generation & energy storage**
- › **Artificial Intelligence, Computing & Data Center**

Through the OE business line, the Company has historically offered thermal management solutions primarily for on-road light vehicle applications. The evolution of new mobility solutions has led to the diversification and expansion of Saleri’s orderbook and commercial offering. In addition to the carmaker market, Saleri now offers thermal management solutions for motorcycles and 2 and 3-wheeled vehicles, providing electric applications for new mobility which are especially popular on Asian markets. Saleri Thermal Management Saleri systems are also present in electric buses and other off-road electric vehicles used to handle and transport goods at airports and ports. An efficient thermal management system is also essential inside charging stations, a market that Saleri has not neglected.

Carmakers like BMW, Mercedes Benz, Ford, General Motors, Hyundai-Kia, Renault-Nissan-Mitsubishi, Stellantis, Volkswagen Group, Mahindra, Tata, and Tesla typically offer a range of models that represent the various types and styles of vehicles demanded by consumers. The various models are based on a common platform with common components and powertrain variants. Saleri is currently present in the world’s leading automotive platforms.

Customer relationships include a two-to-three year development stage, several years of mass production and up to 15 years of spare parts supply after mass production has ended. Tier-1 suppliers sell their products directly to OEMs. Tier-2 suppliers produce smaller components or sub-systems for Tier-1 suppliers. Depending on the complexity of the value chain, additional suppliers are involved – Tier-3, Tier-4 and so on – up to raw material suppliers. In general, sub-system complexity tends to increase at the higher levels of integration in the value chain (i.e. closer to the OEM). Suppliers can provide the same product to different OEMs in a different Tier position. For example, a pump could be sold directly to an OEM with in-house production of Thermal Management systems and, at the same time, to a Tier-1 Thermal Management supplier.

Saleri is now a Tier-1 supplier for most of its thermal management systems although it sells some of its products as a Tier-2 supplier.

In the automotive field, in its most recent history, Saleri has managed to consolidate its presence in the plug-in hybrid vehicles sector where dual engines (internal combustion and electric) have meant that the Content per Vehicle achievable by Saleri products has increased, meeting the separate cooling requirements of the combustion engine and the electric motor. "Content per Vehicle" refers to the set of products and services offered for a single vehicle, including both major components and more minor ones. For example,

“Content per Vehicle” for a plug-in hybrid vehicle includes thermal components for the thermal management systems of both the internal combustion engine and the electric motor, along with other related technologies.

The company’s presence in all areas of new and traditional mobility offers a privileged perspective on trends in the sector, also through the substantial order book with work in place until 2035.

From this perspective, Saleri’s strategy has been to be as flexible as possible in its offering to the market and in relation to the various applications, with business models like Tier-1 and Tier-2, geographical diversification with a presence in the world’s main automotive hubs, while remaining totally focused on its thermal management expertise. This diversification and this focus made Saleri flexible and ready to adapt to whatever circumstances emerge.

Key points
Products and solutions offered in all fields of Thermal management

Saleri is committed to maintaining a diverse range of thermal management products and solutions that can adapt to the changing needs of the automotive market. This includes the development of modular technologies that allow for easy customisation for different vehicle types and applications, as well as the ability to adapt the offering swiftly in response to emerging industry trends.

Collaborative approach with customers

Saleri actively cooperates with its customers, working closely together to understand their specific needs and offer tailor-made solutions that meet their demands through active participation in product development processes and constant feedback.

Investment in Research and Development

aleri invests heavily in the research and development of new thermal management technologies and solutions. This ongoing commitment to innovation allows the company to stay on top of the latest developments in the automotive industry and develop cutting-edge products that meet customers’ future needs.

Geographical and Segmental Diversification:

over the years, Saleri has diversified its geographical presence in order to expand on new markets while seeking out opportunities to collaborate with companies outside the automotive industry to expand its skills and capabilities.

Orderbook trend

In the OE segment, the Product Development and Launch Cycle is typical of contract businesses. All projects entering the mass production phase are subject to orders scheduled based on customer planning.

As at 31 December 2025, the orderbook – covering the period from 2026 to 2030 – amounted to more than Euro 1 billion, an average amount of Euro 196 million a year. The total order book amounts to Euro 1.7 billion.

The incidence of Hybrid and BEV vehicles on orders per year increases from 76% in 2026 to 89% in 2030. This rise in the incidence of cooling and Thermal Management systems for electric vehicles testifies to the Group’s success in following its strategy of technological and product focusing and specialisation.

The Aftermarket market

In 2024, the EU’s passenger car fleet grew by 1.4% compared to 2023, with more than 256 million cars on the roads. The total car fleet increased in almost all EU countries with the highest growth recorded in Latvia (+9.2%). The average age of cars on the roads in Europe is gradually increasing. EU cars were an average of 12.7 years of age (at the end of 2024), up by 0.2 years compared to the 2023 figure. Greece has the oldest car fleet with vehicles 17.8 years old while the newest cars are found in Luxembourg (8.2 years).

The European car fleet on the roads is broken down as follows: 49.2% petrol, 38.4% diesel, 2.3% battery electric, 1.4% plug-in hybrid, 5% hybrid and 3.8% other fuel (Gas, LPG and others).

Hybrid electric vehicles have become the third most popular choice for new car buyers and electric cars (battery electric and plug-in hybrid) account for 3.7% of the total vehicles on EU roads. In the EU, battery electric vehicles represent more than 4% of the total car fleet in just six countries (ACEA data, Vehicles on European Roads, January 2026).

The Italian Aftermarket market, understood as the IAM supply chain i.e. manufacturers of components for the IAM distribution world, recorded a decline of +1.3% in 2025 compared to 2024 when there was a 2.4% increase on 2023. This is the first year of decline, after four consecutive years of growth.

Analysis of the single product families shows increases for just two of the five categories: undercar components (+5%) which closed 2024 with a +2% increase and engine components – the family that includes the main products of Saleri Aftermarket (+1.9%) – which recorded a 5.6% increase in 2024. The most significant decline was recorded in electrical and electronic components (-7.5%), following growth of 6.3% in 2024. This was followed by consumable materials (-4.3%), which had recorded a modest increase of 0.5% in 2024, and body and interior components (-2.8%), compared with growth of 8.5% in the previous year.

In 2024, the Italian car market totalled around 1.52 million new vehicle registrations, 2.1% less than in 2024 and

20.4% less than pre-pandemic 2019 levels. The used car market, excluding mini-transfers to dealers, ended 2025 up 4.1% on 2024.

The average age of vehicles in circulation in Italy at the end of 2024 was 13 years; this represented a deterioration compared to 2023 (average age of 12 years and 10 months), leaving Italy with one of the oldest car fleets in Europe (source Barometro Aftermarket ANFIA, February 2026).

THE GROUP’S OPERATING PERFORMANCE

Consolidated results

Income Statement Saleri Group	December 2025		December 2024		Δ 2025 – 2024	
	€ million	% of Revenues	€ million	% of Revenues	€ million	% of Revenues
Revenues	230.9	100.0%	224.0	100.0%	+6.9	+3.1%
Increase in Non-Current Assets due to internal works	4.7	2.0%	6.7	3.0%	-1.9	-29.2%
Consumption of direct materials	(138.0)	-59.8%	(131.6)	-58.8%	-6.4	+4.9%
Contribution margin	97.6	42.3%	99.0	44.2%	-1.5	-1.5%
Operating costs	(34.0)	-14.7%	(30.5)	-13.6%	-3.5	+11.5%
Labour costs	(37.0)	-16.0%	(38.0)	-16.9%	+1.0	-2.6%
EBITDA	26.6	11.5%	30.6	13.6%	-4.0	-13.0%
Depreciation, amortisation & provisions	(11.3)	-5.2%	(13.2)	-5.9%	+1.9	-14%
Net Operating Profit / EBIT	15.3	6.3%	17.3	7.7%	-2.1	-12.1%
Financial income (expenses)	(7.3)	-3.2%	(6.7)	-3.0%	-0.6	+9.3%
Extraordinary income (expenses)	(3.6)	-1.2%	(0.6)	-0.3%	-3.0	+528%
Profit before taxation	4.4	1.9%	10.1	4.5%	-5.7	-56.7%
Taxation	(2.6)	-1.1%	(2.3)	-1.0%	-0.4	+17.0%
Net profit before non-controlling interests	1.7	0.8%	7.9	3.5%	-6.1	-77.9%
Profit pertaining to non-controlling interests	0.6	0.3%	0.9	0.4%	-0.3	-33.3%
Net Profit	2.3	1.0%	8.8	3.9%	-6.4	-73.3%

The Group's consolidated income statement for 2025 shows revenue of Euro 230.9 million, a 3.1% increase on the total of Euro 224.0 million reported in 2024.

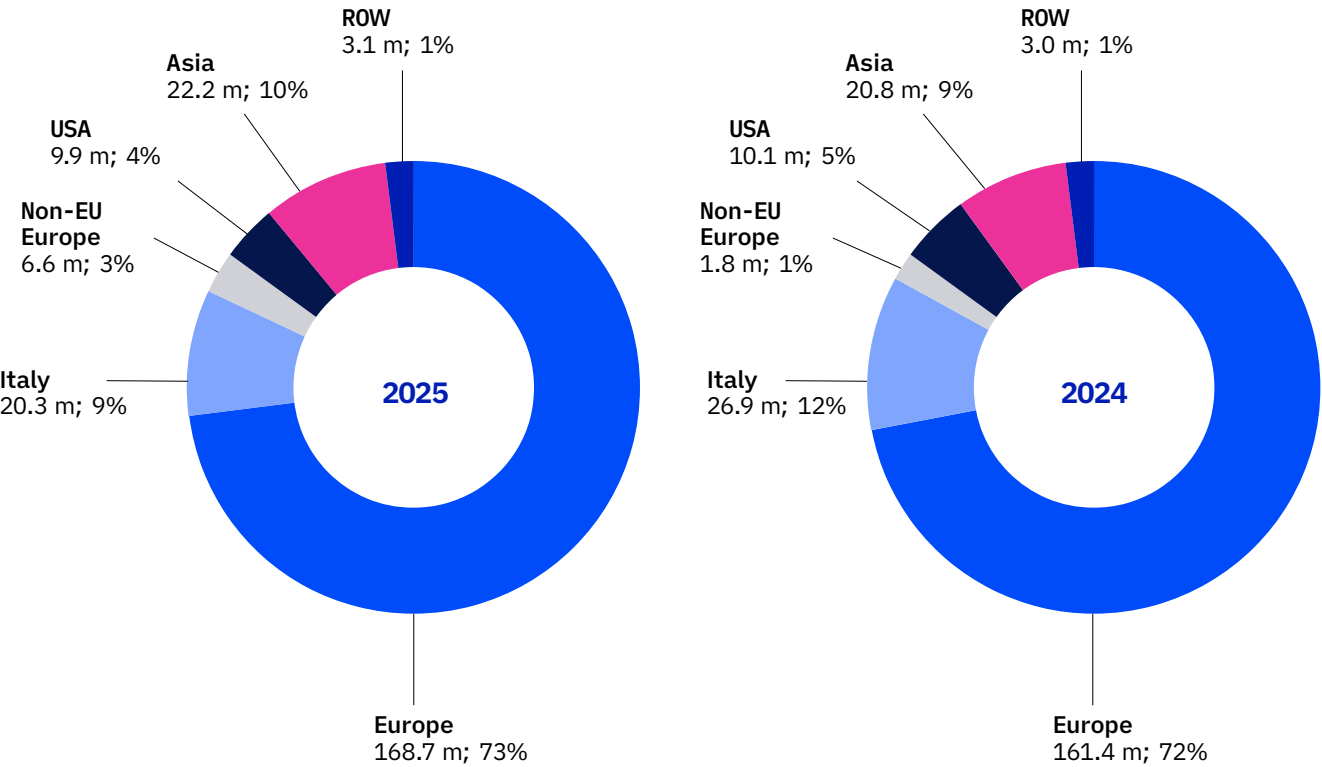
The Original Equipment business segment, which accounted for 78.8% of consolidated revenue, recorded growth of 5.7% compared to 2024. This performance reflects the positive impact of the Group's geographic localisation strategy, as well as the ability of its technological solutions to meet customer requirements.

The Aftermarket segment reported a Euro 5.3 million increase in revenue compared to 2024, representing growth of 12.3%. This result confirms the effectiveness of the full integration of the Aftermarket business line completed in 2022, the strength of the Group's strategic approach, the resulting increase in volumes and the compelling value proposition offered by the brands marketed by the Group.

The Automation segment is no longer included following the disposal of ABL in July 2025.

The table below sets out a breakdown of revenue by geographical area, both in absolute terms and as a percentage of total revenue:

Geographical Area	FY 2025	%	FY 2024	%
Europe	168.7 m	73.1%	161.4 m	72.1%
Italy	20.3 m	8.8%	26.9 m	12.0%
Non-EU Europe	6.6 m	2.9%	1.8 m	0.8%
USA	9.9 m	4.3%	10.1 m	4.5%
Asia	22.2 m	9.6%	20.8 m	9.3%
ROW	3.1 m	1.3%	3.0 m	1.2%
TOTAL	230.9 m	100.0%	224.0 m	100.0%



“**Increases in non-current assets due to internal works**” amounts to Euro 4.7 million (Euro 6.7 million at 31 December 2024) reflects the Group’s strong commitment to the development of new technological solutions and new products, primarily oriented towards vehicle electrification.

In 2025, **raw material costs** increased in absolute terms due to the higher volume of sales and rose slightly as a percentage of revenues from 58.8% in 2024 to 59.8% in 2025. In the Aftermarket segment, compared to 2024, exchange rate stability has had a positive effect on contribution margin and this, combined with the completion of the global procurement platform and a more favourable sales mix, has improved target margins.

Operating costs amount to Euro 34 million - against Euro 30.5 million in 2024 - and include Euro 2 million of capitalised costs (Euro 1.2 million in prior year). After these capitalised costs, operating costs represent 14.7% of revenues, Euro 3.5 million higher than in prior year (Euro 30.5 million and 13.6%) mainly because of the combined effect of the increase in volumes, the increase in sea freight rates and the need to make several emergency air shipments; other factors have included increases in maintenance costs (and related materials) and consultancy costs (mainly for development).

Labour costs amount to Euro 37.0 million and have decreased compared to Euro 38.0 million in 2024. Labour costs decreased as a percentage of revenues compared to prior year: 16.0% against 16.9% in 2024. The decrease is a result of the disposal of ABL (July 2025). The caption includes Euro 3.0 million of costs for personnel deployed on development activities which were capitalised (amount in line with prior year).

Consolidated **EBITDA** for the year ended 31 December 2025 amounts to Euro 26.6 million, down by 13.0% on the 2024 figure of Euro 30.6 million. As a percentage of revenues, EBITDA margin has decreased from 13.6% in 2024 to 11.5% in 2025. This result is the result of growth in volumes in the electric vehicle segment, where margins are lower than in the traditional segment; this effect was partially offset by growth of the Aftermarket business line which has become more established since midway through 2021.

“**Depreciation, Amortisation and Provisions**” amounts to Euro 11.3 million, Euro 1.9 million less than in 2024 mainly because of lower allocations to provisions for risks and charges.

“**Financial expenses**” for 2025 amount to Euro 7.3 million compared to Euro 6.7 million in 2024.

“**Extraordinary income (expenses)**” shows net expenses of Euro 3.6 million for 2025, against net expenses of Euro 0.6 million in 2024. The net expense is mainly due to warranty costs and losses on disposals of non-current assets.

A **Net Profit** (before non-controlling interests) of Euro 1.7 million is reported for 2025 (0.8% of revenues), representing a decrease of Euro 6.1 million compared to the 2024 figure.

Consolidated balance sheet

The Saleri Group’s reclassified consolidated balance sheet at 31 December 2025 may be analysed as follows:

Saleri Group Balance Sheet	December 2025	December 2024	Δ 2025 – 2024
	€ Million	€ Million	€ Million
Tangible Assets	66.2	65.9	0.3
Intangible Assets	26.7	24.1	2.6
Other Assets	7.9	10.0	(2.0)
Non - Current Assets	100.9	100.0	0.9
Trade Receivables	16.9	19.3	(2.4)
Trade Payables	(55.7)	(53.4)	(2.3)
Inventory	42.8	40.3	2.5
Trade Working Capital	4.0	6.2	(2.2)
Other Current Assets / Liabilities	7.2	5.5	1.6
Deferred Tax Provision	(2.2)	(4.0)	1.8
Employee Severance Indemnity / TFR Provision	(1.3)	(2.4)	1.1
Other Provisions	(5.1)	(5.4)	0.3
Net Invested Capital	103.5	100.0	3.5
Non - Current Financial Liabilities	57.2	40.8	16.4
Current Financial Liabilities	11.4	15.1	(3.8)
Cash and Cash Equivalents	(21.6)	(15.3)	(6.3)
Net Financial Position	47.0	40.6	6.3
Shareholders’ Equity – Group	57.0	59.2	(2.2)
Shareholders’ Equity – Non -controlling Interests	(0.6)	0.2	(0.7)
Consolidated Shareholders’ Equity	56.4	59.4	(2.9)
Sources of Finance	103.5	100.0	3.5

Tangible Assets amount to Euro 66.2 million and have recorded a net increase of Euro 0.3 million compared to 31 December 2024. The increase represents the net difference between capex/additions during the reporting period and the effect of entries relating to the sale of the properties in Lumezzane (“SIL A” and “SIL B”), plus the effect of depreciation.

Intangible assets totalled Euro 26.7 million at 31 December 2025 compared to Euro 24.1 million at 31 December 2024. The overall increase of Euro 2.6 million mainly includes additions due to the capitalisation of research and development costs.

Other Non-Current Assets total Euro 7.9 million at 31 December 2025 and have decreased by Euro 2 million compared to Euro 10.0 million at 31 December 2024.

At 31 December 2025, **Trade Working Capital** amounts to Euro 4.1 million, Euro 2.1 million lower than at 31 December 2024.

Trade receivables amount to Euro 17.3 million and have decreased by Euro 2 million compared to 31 December 2024.

At 31 December 2025, **Trade payables** amount to Euro 56 million against Euro 53.4 million at 31 December 2024; the balance has increased by Euro 2.6 million.

Inventory amounts to Euro 42.8 million at 31 December 2025 against Euro 40.3 million at 31 December 2024. The increase of Euro 2.5 million is due to higher stocks of finished goods in order to mitigate the impact of exceptional shipping costs and to the postponement to year-end of shipments to leading OE and AM customers.

Other Current Assets and Liabilities shows net assets of Euro 8.1 million, a Euro 2.6 million increase compared to 31 December 2024. The increase is manly due to Euro 6.9 million of restricted cash included within Other Receivables and relating to the disposal of the properties in Lumezzane, as partially offset by a reduction in invoices yet to be issued.

Other Provisions have increased by Euro 0.3 million due to allocations made for future risks and charges.

At 31 December 2025, **Net Invested Capital** amounts to Euro 104.6 million compared to Euro 100 million at 31 December 2024 and has increased by Euro 4.6 million.

At 31 December 2025, the **Net Financial Position** shows net debt of Euro 47 million (net debt of Euro 40.6 million at 31 December 2024). It comprises net cash and cash equivalents of Euro 11.4 million and non-current financial liabilities of Euro 57.2 million. The Euro 7 million increase in net financial indebtedness is mainly due to the following:

- › an increase in medium-/long-term debt resulting from the combined effect of new financing arrangements, the repayment of existing borrowings and the IAS-related impact arising from the disposal of the Lumezzane properties (the “SIL A” and “SIL B” facilities);
- › Euro 6.9 million of restricted cash recognised under Other Receivables in connection with the disposal of the properties located in Lumezzane;
- › a reduction of non-current financial liabilities in compliance with contractual maturity dates.

At 31 December 2025, **Consolidated Shareholders’ Equity** amounts to Euro 56.4 million (of which Euro (0.6) million pertaining to Non-Controlling Interests). The decrease of Euro 2.9 million compared to 31 December 2024 is due to the Group’s results for the year and the negative effect of the shareholders’ equity of Saleri India (included in the scope of consolidation for the first time in 2025).

The Parent Company did not distribute any dividends during the reporting period.

As a result of the above, the Net Financial Indebtedness / Consolidated Equity ratio stands at 0.8x, in line with 2024.

The Net Financial Position/EBITDA ratio has gone from 1.33x in 2024 to 1.77x in 2025.

Consolidated statement of cash flows

Saleri Group statement of cash flows	Dicembre 2025	Dicembre 2024
EBITDA	26.6	30.6
Change in Trade Receivables	2.0	4.4
Change in Trade Payables	2.6	(1.5)
Change in Inventory	(2.5)	(5.7)
Change in Trade Working Capital	2.1	(2.8)
Change in Other Assets and Liabilities	(7.0)	(5.2)
Taxes paid	(2.6)	(2.3)
Cash flows from operating activities (A)	19.0	20.3
Net Investment in Tangible and Intangible Assets	(17.0)	(11.9)
Disposal of Investments	5.0	1.3
Net Financial Investments	2.0	0.7
Cash flows from investing activities (B)	(10.0)	(9.9)
Other changes due to non-recurring events	(3.6)	(0.6)
Free Cash Flow	5.4	9.8
Net Change in Equity	(4.4)	0.3
Net Change in Third Party Sources of Finance/Debt	12.6	0.5
Net financial expenses paid	(7.3)	(6.7)
Cash flows from financing activities (C)	(0.9)	(5.9)
Net Cash Flow (A+B+C)	6.3	3.8
Cash and cash equivalents at start of period	15.3	11.5
Cash and cash equivalents at end of period	21.6	15.3

At 31 December 2025, cash and cash equivalents totalled Euro 21.6 million.

Cash generated by operating activities totals Euro 19 million and reflects the result for the year and the change in net working capital; it compares with Euro 20.3 million of cash generated in 2024. Cash flow absorbed by investing activities amounts to Euro 10 million, mainly due to investment in new projects. Cash flow generated by financing activities is close to zero

Net cash flow for the reporting period amounts to Euro 6.3 million.

PERFORMANCE OF THE GROUP COMPANIES

Industrie Saleri Italo S.p.A.

Founded in 1942 and based in Lumezzane (BS), Industrie Saleri Italo S.p.A.’s activities include the study, design, development, processing, assembly and sale of cooling systems for the automobile industry, as an OE (Original Equipment) manufacturer and for the Aftermarket.

Industrie Saleri Italo S.p.A. Income Statement	December 2025		December 2024		Δ 2025 - 2024	
	€ million	% of Revenues	€ million	% of Revenues	€ million	Delta %
Revenues	155.4	100.0%	148.8	100.0%	+6.6	+4.5%
Incr. in Non Curr Assets (Capitalisation of. Development Costs)	4.2	2.7%	4.4	3.0%	-0.2	-5.5%
Consumption of direct materials	(96.2)	-61.9%	(87.7)	-58.9%	-8.5	+9.7%
Contribution margin	63.4	40.8%	65.5	44.0%	-2.1	-3.2%
Operating costs	(19.5)	-12.6%	(15.9)	-10.7%	-3.6	+22.7%
Labour costs	(29.0)	-18.6%	(26.2)	-17.6%	-2.7	+10.3%
EBITDA	14.9	9.6%	23.3	15.7%	-8.4	-36.2%
Depreciation, amortisation & provisions	(10.2)	-6.6%	(11.3)	-7.6%	+1.1	-10%
Net Operating Profit / EBIT	4.7	3.0%	12.0	8.1%	-7.3	-61.0%
Financial income (expenses)	(0.9)	-0.6%	(2.2)	-1.5%	+1.3	-58.4%
Extraordinary income (expenses)	(3.1)	-2.0%	(0.6)	-0.4%	-2.5	+405%
Profit before taxation	0.7	0.4%	9.2	6.2%	-8.5	-
Taxation	0.3	0.3%	(0.9)	-0.6%	+1.2	-129.3%
Net Profit	1.0	0.6%	8.2	5.5%	-7.3	n.s.
Effect of finance lease method	(0.5)	-0.3%	(0.4)	-0.2%	-0.1	+33.1%
Net Profit - ITA GAAP	1.4	0.9%	8.6	5.8%	-7.2	n.s.

The year 2025 ended with **Net Revenue** of Euro 155.4 million, a 4.5% increase compared to Euro 148.8 million in 2024. Consumption of direct materials increased by Euro 8.5 million from Euro 87.7 million in 2024 to Euro 96.2 million in 2025; these costs increased as a percentage of revenues (58.9% in 2024 and 61.9% in 2025).

Operating Costs, amounting to Euro 19.5 million, have increased by Euro 3.6 million compared to 2024 (Euro 15.9 million). The increase was mainly driven by higher exceptional shipping and freight costs of Euro 0.7 million arising from delivery delays, together with an increase of Euro 2.9 million mainly attributable to maintenance expenses (including related materials) and consultancy costs (especially for development projects).

Labour costs increased by Euro 2.7 million, mainly because of inflation, and also includes allocations for bonuses.

EBITDA for 2025 amounts to Euro 14.9 million (9.6% of revenues) compared to Euro 23.3 million (15.7% of revenues) in 2024. The decrease is mainly due to a loss of Contribution Margin and to an increase in other operating costs. Depreciation, amortisation and allocations to provisions amount to Euro 10.2 million compared to Euro 11.3 million in 2024; the change mainly regards a decrease in allocations to provisions for risks.

Net Financial Expenses amount to Euro 0.9 million compared to net financial expenses of Euro 2.2 million in 2024. They include:

- › Financial expenses of Euro 5.5 million at 31 December 2025 (Euro 4.7 million in 2024); the increase reflects greater use of short-term hedging instruments;
- › Income from investments which amount to Euro 4.6 million in 2025 against Euro 2.4 million in 2024.

Extraordinary Expenses amount to Euro 3.1 million and have increased compared to Euro 2.5 million in 2024. These non-recurring expenses include expenses incurred for internal reorganisation, gains/losses on asset disposals and out-of-period income and expenses.

Taxes for 2025 amount to Euro +0.3 million compared to net taxes of Euro -0.9 million in 2024. They include changes in deferred tax assets and liabilities and current taxes.

The Company reports a **Net Profit** of Euro 1.4 million for 2025 compared to a net profit of Euro 8.6 million for 2024.

Industrie Saleri Italo S.p.A. Balance Sheet	December 2025	December 2024	Δ 2025 - 2024
	€ Million	€ Million	€ Million
Tangible Assets	54.2	58.5	(4.2)
Intangible Assets	22.1	21.2	0.9
Other Assets	42.7	39.1	3.6
Non-Current Assets	119.0	118.9	0.2
Trade Receivables	21.5	22.3	(0.8)
Trade Payables	(46.7)	(45.1)	(1.6)
Inventory	26.3	23.4	2.9
Trade Working Capital	1.1	0.6	0.5
Other Current Assets / Liabilities	9.2	5.7	3.5
Deferred Tax Provision	(0.0)	(3.8)	3.8
Employee Severance Indemnity / TFR Provision	(0.9)	(1.0)	0.1
Other Provisions	(6,7)	(5,2)	(1,5)
Net Invested Capital	121.8	115.2	6.6
Non-Current Financial Liabilities	50.5	39.5	11.0
Current Financial Liabilities	9.7	10.0	(0.4)
Cash and Cash Equivalents	(14.0)	(9.2)	(4.7)
Net Financial Position	46.2	40.2	5.9

Industrie Saleri Italo S.p.A. Balance Sheet	December 2025	December 2024	Δ 2025 - 2024
	€ Million	€ Million	€ Million
Shareholders’ Equity - ITA GAAP	70.3	70.1	0.2
Effect of finance lease method	5.4	4.8	0.6
Shareholders’ Equity	75.7	74.9	0.7
Sources of Finance	121.8	115.2	6.7

At 31 December 2025, **Non-Current Assets** amount to Euro 119 million and have increased by Euro 0.2 million compared to 31 December 2024. They include:

- › Tangible assets of Euro 54.2 million; the decrease compared to prior year is due to the difference between additions and disposals during the reporting period, especially the properties in Lumezzane (“SIL A” and “SIL B”);
- › Intangible assets of Euro 22.1 million, which include capitalised research and development costs.
- › “Other non-current assets” amount to Euro 42,7 million and have decreased by Euro 0.3 million compared to 31 December 2024.

Trade Working Capital amounts to Euro 1.1 million and has increased by Euro 0.52 million compared to prior year, mainly in relation to Inventory which has increased by Euro 2.9 million and to trade payables which have decreased by Euro 1.6 million; this caption includes payables to suppliers as well as trade payables to subsidiaries. The impact of these changes is partially offset by the Euro 1.8 million decrease in trade receivables (which includes receivables from customers with a strong credit rating and trade receivables from subsidiaries so the credit risk is very low).

“**Other Current Assets / Liabilities**” has increased by Euro 3.5 million mainly because of the Euro 6.9 million of restricted cash and cash equivalents generated by the transaction for the sale of the properties located in Lumezzane and reported under “Other Receivables”.

Other Provisions have increased by Euro 0.6 million because of allocations to provisions for risks and charges.

At 31 December 2025, **Net Financial Indebtedness** stands at Euro 46.2 million. It includes cash and cash equivalents of Euro 14 million, short-term debt of Euro 9.7 million and medium/long-term debt of Euro 50.5 million.

At 31 December 2025, **Shareholders’ Equity** amounts to Euro 75.7 million compared to Euro 74.9 million at 31 December 2024. The increase of Euro 0.7 million is mainly due to the result for the year.

Industrie Saleri Italo S.p.A. Statement of Cash Flows	December 2025	December 2024
EBITDA	14.9	23.3
Change in Trade Receivables	0.8	4.2
Change in Trade Payables	1.6	(1.9)
Change in Inventory	(2.9)	(4.5)
Change in Trade Working Capital	(0.5)	(2.2)
Change in Other Assets and Liabilities	(8.0)	(4.8)
Taxes paid	(0.3)	(0.5)
Cash flows from operating activities (A)	6.6	15.8
Net Investment in Tangible and Intangible Assets	(9.5)	(9.5)
Disposal of Investments	18.2	1.2
Net Financial Investments	(3.6)	1.7
Cash flows from investing activities (B)	5.2	(6.6)
Other changes due to non-recurring events	(3.1)	(0.6)
Free Cash Flow	8.7	(7.2)
Net Change in Equity	(0.3)	(0.5)
Net Change in Third Party Sources of Finance	(2.7)	(0.6)
Net financial expenses paid	(0.9)	(4.7)
Cash flows from financing activities (C)	(3.9)	(5.7)
Net cash flow (A+B+C)	4.8	2.8
Cash and cash equivalents at start of period	9.2	6.4
Cash and cash equivalents at end of period	14.0	9.2

At 31 December 2025, cash and cash equivalents amounted to Euro 14 million.

Cash generated by operating activities totals Euro 6.6 million and reflects the result for the year and the change in net working capital; it compares with Euro 15.8 million of cash generated in 2024. Cash flow generated by investing activities amounts to Euro 5.2 million, mainly thanks to the disposal of the SIL A and SIL B properties. Cash flow absorbed by financing activities totals Euro 3.9 million, mainly as a result of the reduction in medium/long-term debt.

Net cash flow generated during the period totalled Euro 4.8 million.

Treasury shares

There were no movements on treasury shares in 2025.

Saleri Shanghai Co. LTD (Cina)

The Saleri Group operates on the Asian market through subsidiary Saleri Shanghai Co. Ltd (95% owned) which manufactures and distributes water pumps.

The investment in Saleri Shanghai is an important part of the Group’s development strategy. It also satisfies the need of the automotive components market to service key customers locally and reinforces the Group’s position on the global market for cooling systems for the automotive industry. The subsidiary also satisfies a good part of the Group’s aftermarket requirements, enabling it to maintain a strong competitive position.

The company is based in Shanghai and was incorporated in 2008.

In 2025, the company’s Net Revenue amounted to Euro 33.7 million (+8.4% compared to Euro 31.1 million in 2024) while a Net Profit of Euro 3.4 million (10.0% of revenue) was reported, some Euro 0.9 million more than in prior year. The result was affected by the sales mix which included sales in less profitable market segments, thus slightly diluting contribution margin; careful management of fixed costs and fixed labour costs helped recover some profitability and the end result was slightly up on prior year.

In Balance Sheet terms, Net Invested Capital mainly consists of production lines (Euro 8.5 million) and Net Working Capital (Euro 1.9 million), as increased by other current assets of Euro 0.8 million. The sources of finance include Equity (Euro 11.4 million) and the net financial position of Euro 1.9 million.

Saleri Mexico S.A. de C.V. (Mexico)

The Saleri Group operates on the North American market through subsidiary Saleri Mexico S.A. de C.V. (73.45% owned) which manufactures and distributes water pumps

The company was incorporated in 2019 and is based in Monterrey. Its launch formed part of the Group’s growth strategy and was intended to satisfy the needs of the local market for automotive components.

In 2025, the company recorded Net Revenue of Euro 7.4 million and a net loss of Euro 1.7 million (-24.0% of revenue). In Balance Sheet terms, net invested capital mainly consists of production lines and improvements to the factory (Euro 2.4 million). Net working capital is negative by Euro 2.5 million while the net financial position shows net cash of Euro 1.2 million.

ABL Automazione S.r.l.

ABL Automazione S.r.l. left the Group in July 2025 and is not included in the scope of consolidation of the 2025 Consolidated Financial Statements.

Saleri Aftermarket S.p.A.

In 2021, the Saleri Group acquired 100% of this company which sells and markets automotive components in the Aftermarket sector.

The investment in Saleri Aftermarket represents an important part of the strategy to regain market share in this sector, together with the acquisition of the Ruvile brand.

The company has its operational headquarters in Sesto Fiorentino in the province of Florence.

In 2025, Saleri Aftermarket S.p.A. reported net revenue of Euro 48.1 million (+18.2% compared to Euro 40.7 million in 2024) and a net profit of Euro 5.0 million (11% of revenue) against the net profit of Euro 3 million reported for 2025. The improved result for the year is primarily thanks to higher volumes and a better mix of sales channels, as well as to optimisation of procurement and a favourable forex effect especially for purchases in USD and CNY. To a lesser extent, overheads and operating costs recorded smaller percentage increases than revenue.

In Balance Sheet terms, net invested capital mainly consists of net working capital (Euro 10.8 million) and non-current assets of Euro 1.9 million, including equipment for the storage of goods and the investment in C.D.C. Taiwan.

Sources of finance include equity (Euro 8.1 million) and the net financial position which includes long-term loans (Euro 1.3 million), short-term borrowing (Euro 1.4 million) and cash and cash equivalents (Euro 4.5 million).

RESEARCH AND DEVELOPMENT

Main ongoing research projects

The Saleri Group’s product concept activities are carried out by a multi-disciplinary technical-scientific team responsible for research, design and prototyping of new product technologies with the aim of anticipating customer requirements and related development issues. The main research projects are described below:

High voltage electric pump

Study into a high voltage, high power intensity electric cooling pump. The aim of the research is to create and electric motor actuated by a rotating magnetic field using alternative materials to those currently used. The research will evolve towards the study and implementation of a power control and management body capable of controlling the actuator and communicating with the vehicle control units.

Axial Flow Submersible Motor

Research and development of an innovative design for an electric cooling pump based on an axial magnetic flux layout and modular reduction of components, in order to enable operation when immersed in working fluid..

Integrated Multi-way Pump and Valve

The architecture of Original Equipment Thermal Management Systems requires a high level of integration i.e. the combination of different fluid management organs for heat transportation and distribution.

This research focuses on the development of a multi-effect hydraulic pump, with an integrated distribution valve and control logic system. The goal is to create a modular product that can be integrated into systems of different design and power, which can also interface with the numerous thermal elements typically present on board the car.

Hybrid thermal management system for Batteries

The battery packs of new generation vehicles are controlled by special charge and temperature management systems that balance their operation. Current systems (active) provide for the recycling of fluids for the evacuation of thermal energy from the battery cells to radiators or other exchangers. The aim of this research project is to find a solution that integrates active systems with solutions that can passively (i.e. without using any energy) store thermal energy and release it gradually as required.

DISCLOSURES ON THE ENVIRONMENT AND PERSONNEL

Since 2019, the company has voluntarily prepared a consolidated Non-Financial Statement pursuant to Article 4 of Legislative Decree 254/2016 and in accordance with GRI international standards.

Environment and workplace safety

The Group has not been involved in any circumstances causing damage to the environment. In 2025, there were no serious workplace injuries or cases of professional illness. On a consolidated level, there were seven minor injuries with a prognosis of not more than 40 days for recovery. We note that the figure does not include injuries on the way to and from work.

Human resources

A detailed analysis of the Saleri Group workforce is provided below (reporting date figures).

Human Capital	2024	2025
Number of employees	688	636
Breakdown by gender		
Men	458	376
% of total	67.0%	58.7%
DWomen	230	265
% of total	33.0%	41.3%
Breakdown by type of contract		
Permanent	644	560
% of total	93.6%	87.4%
Fixed term	44	81
% of total	6.4%	12.6%
Breakdown by type of employment		
Workers with part-time contracts	40	37
% of total	5.8%	5.8%
Workers with full-time contracts	648	604
% of total	94.2%	94.2%

At the end of 2025, the Saleri Group had 641 employees (headcount at 31/12/2025), a decrease of 47 compared to 688 employees at 31 December 2024, mainly as a result of the exit of ABL from the scope of consolidation.

In terms of the types of contract used, 560 employees are hired under permanent contracts (87.4%) while 81 have fixed-term contracts (12.6%). Part-time employees (37 in total) represent 5.8% of the total number of employees in 2025.

Relations with subsidiaries and associated companies

Intra-Group relations, whether commercial or financial, take place on an arm’s length basis.

In 2025, there were no atypical and/or unusual transactions or transactions not forming part of ordinary business activities or such as to significantly influence the Company’s income statement, balance sheet and financial position.

The following tables show the amounts relating to transactions with Group companies. Amounts are stated in thousands of Euro:

Table 1 – Intra-Group Income Statement Relations

Company	Revenues for goods and services	Costs for goods and services	Interest income and (expenses)	of which non-consolidated		
				of which non-consolidated revenues for goods and services	of which non-consolidated costs for goods and services	of which non-consolidated interest income and (expenses)
Industrie Saleri Italo S.p.A.	9,293,322	1,317,525	210,474	1,116,121	226,654	144,814
Immobiliare Industriale S.r.l.						
Saleri Shanghai Co. Ltd	7,419,992	2,480,159		372,693	16,006	
Saleri Mexico S.A. de C.V.		3,197,580			9,887	
Saleri India Pvt Ltd	7,286,035	1,560,604	-144,814	7,286,035	1,560,604	-144,814
Saleri Aftermarket S.p.A.	286,238	16,225,177	-65,660	71,790	7,484,502	
Saleri TMS Competence Center GM	578,581	269				
ABL Automazione S.r.l.	–	–		–		
CDC Taiwan Inc.	451,015			451,015		
TOTAL	25,315,184	24,781,314	–	9,297,654	9,297,654	–

Table 2 – Intra-Group Financial Relations

Company	Receivables	Payables	of which non-consolidated Receivables	of which non-consolidated Payables
Industrie Saleri Italo S.p.A.	27,394,539	6,330,237		
El.Fra Holding S.r.l.				
Immobiliare Industriale S.r.l.				
Saleri Shanghai Co. Ltd	4,180,036	7,298,392		
Saleri Mexico S.A. de C.V.	113,596	7,220,609		
Saleri India Pvt Ltd	91,480	7,606,768		
Saleri Aftermarket S.p.A.	4,660,295	8,050,943	29,949	
Saleri TMS Competence Center GM	98,336	1,386		
ABL Automazione S.r.l.	–	–	–	
CDC Taiwan Inc.	–	29,949	–	29,949
TOTAL	36,538,283	36,538,283	29,949	29,949

MAIN RISKS AND UNCERTAINTIES

Risks regarding developments in the automotive industry in general

The global environment in which the automotive industry operates continues to be affected by the convergence of multiple crises ("polycrisis"), distinct in name but interconnected - climate, social, geopolitical and economic crises - that interact and reinforce one another.

More generally, the climate of uncertainty and instability arising from the current geopolitical situation has led to higher raw material costs, an increased risk of supply chain disruptions, the potential reallocation of resources towards the defence sector, and a reduction in economic value resulting from expectations linked to trade tariffs and other restrictive measures. This environment has led to a more cautious economic and social outlook, resulting in a significant contraction in consumer spending and, consequently, in revenue generation. In January 2025, new vehicle registrations were around 5.9% lower than in January 2024.

At the same time, this environment may favour economies with domestic resources, mature advanced technologies and strong competitive advantages. The main challenges facing the industry arise from the transition to new technologies, the energy transition, changes in the regulatory framework and the strengthening of non-EU competitors. The growing presence of Chinese manufacturers in the European market is one of the factors that continues to delay the sector's recovery. In 2025, imports of vehicles from China exceeded exports for the first time, while the market also witnessed the increasing presence of new brands (including MG, BYD, Geely and Changan), together with the expansion of new energy vehicle (NEV) technologies.

Europe is also subject to the constraints imposed by the 2019 Green Deal, which aims to make Europe the first climate-neutral continent by 2050. The stringent measures introduced to reduce greenhouse gas emissions, promote renewable energy and improve energy efficiency, including those arising from the Corporate Sustainability Reporting Directive (CSRD) (published in the Official Gazette on 10 September 2024), have not yet been accompanied by a sufficiently developed regulatory framework or by adequate incentives to support the transition. The Directive was transposed into Italian law through Legislative Decree No. 125/2024, introducing a number of new obligations for medium-sized and large companies, including the adoption of the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG) for sustainability reporting purposes. The subsequent adoption of the Omnibus package and related regulatory measures, however, eased the scope requirements and allowed organisations of a size comparable to the Saleri Group to continue applying their existing reporting framework (GRI), effectively deferring the

full implementation of the CSRD by two years.

These provisions represent an effort to balance sustainability objectives with economic competitiveness.

Risks regarding geopolitical developments

The growing geopolitical tensions in Europe and the Middle East require the Group to maintain continuous, close monitoring of the various situations currently unfolding.

The Saleri Group does not own strategic assets in territories directly affected by the conflicts, and its commercial activities in those regions are limited. Accordingly, no direct impact on the Group's ability to generate earnings is currently expected.

Nevertheless, the Group continues to pay close attention to the potential effects that the current geopolitical and regulatory environment may have on costs and supply chain continuity.

The maritime routes used for the transportation of products and components do not pass through the territories directly affected by the above-mentioned conflicts.

Particular attention is also paid to business travel and employee assignments and they are assessed on a case-by-case basis.

Risks related to the supply chain

As a result of its customer proximity strategy, the Saleri Group aims to operate through its own plants in the world's leading automotive hubs.

As a result of the crisis in global logistics chains which may have negative effects on shipping times and costs (e.g. tariffs, import restrictions), the Group is exposed to the risk of unforeseeable economic impacts on procurement costs. In order to mitigate this risk, the Group maintains its own proximity strategy for the entire supply chain in order to make each plant independent.

Product liability risk

Although Saleri products do not come directly under the category of "safety"-related products, the sectors in which the Group operates are particularly demanding in terms of performance levels and product quality. Any defects could result in product liability towards end customers or a market recall campaign resulting in additional costs. Therefore, the Group has implemented quality control procedures as required by with industry certifications and has arranged appropriate international insurance cover. Product liability is also particularly relevant from a sustainability perspective in light of the increasing number of ESG-related regulations (particularly those concerning raw materials and carbon footprint).

Risks regarding the loss of key skills

Any business operating in the Automotive industry must equip itself with a full array of skills and specialisations that represent a valuable asset to be protected and cultivated to avoid risking the impoverishment of human capital.

With the new organisational model, the Group is seeking to improve efficiency, flexibility and the ability to adapt to changes in the market and/or the external environment, as well as to optimise resources, foster more effective communication between the various departments and plants, encourage innovation and improve employee satisfaction. Indeed, one of the purposes of the new organisational model is to capitalise on managerial know-how to mitigate the risk of losing skills. In essence, the new organisational model aims to make the business more competitive, reactive and able to support and develop growth in different parts of the world.

Risks regarding failure to protect product exclusivity on the markets where the Group operates

The Group's Worldwide activities leave it exposed to the risk of infringement of the Industrial Property of its Products. Although most of the Saleri Group's products and design solutions are patented, there is a concrete risk that competitors may infringe this patent protection and/or that the markets where such patents are infringed might have different interpretations of patent protection. Therefore, the Group has activated a series of structured safeguards and processes to manage innovation and protect intellectual property. Moreover, the Group regularly monitors the patent strategies adopted – or that should be adopted – based on cost/opportunity analysis.

Revenue concentration risk

In order to reduce the risk of saturation of the segments/markets in which it operates, the Group has long since launched a strategy of diversification towards other geographical areas and is gradually expanding its product range, also turning its attention to sectors adjacent to the historical passenger car sector. This is confirmed by the fact that we are starting to register more orders from new customers, specifically from non-European customers, which enables us to increase the spread of turnover over a greater number of customers.

The Saleri Group's products are destined mainly for the Premium automotive segment which consists of a limited number of leading customers. Customer relations founded on long-term partnerships with products that follow the entire life cycle of the "engine platforms" or vehicles and have once again become stable and geared towards joint development.

These relationships represent a strong link given the high level of engineering in the production process, the development time required (time to market in excess of 2 years) and the high initial investments for design and process development. Compared to other industries or segments of the same industry, the Group has a good picture of future revenues.

The leading customers in the OE segment (BMW, Audi, Daimler, GM) have excellent credit ratings, as do

Independent Aftermarket segment customers which belong to large international groups.

The risk is constantly monitored through preliminary customer assessment and checks on compliance with agreed terms of payment. Analysis of trade receivable balances does not show any variation in credit quality; therefore, no significant changes to commercial credit protection policy have been implemented.

Interest rate risk

The Group has bank loans and borrowing facilities mainly with Euribor-linked interest rates. Given the interest rate volatility seen in recent years, the Group has entered into hedging transactions by stipulating Interest Rate Swaps with a notional value of Euro 21 million. These instruments have zero profit and loss effect as they are interest rate hedging transactions on medium/long-term loan agreements.

Exchange rate risk

The Consolidated Financial Statements of the Saleri Group and the Separate Financial Statements of parent company Industrie Saleri Italo S.p.A. are prepared in Euro. The presence of international manufacturing entities leaves the Group exposed to the risk of exchange rate fluctuation.

In addition to the Euro, the currencies the Group companies mainly operate in are the US Dollar, the Chinese Yuan and the Indian Rupee. Although the incidence of transactions in currencies other than the Euro is fairly limited (during the reporting period, non-Euro transactions represented around 14% of the total and mainly took place in Chinese Yuan), the Group arranged hedging contracts for the USD and CNY in 2024 in order to avoid the risk of any negative effects.

Risk of volatile commodity prices

Aluminium alloys represent a significant portion of the Group's purchase costs. The selling prices of the Saleri Group's products are negotiated and agreed with customers in specific nomination letters. In major transactions, there is a percentage adjustment to the selling price in case of raw material price fluctuation. Such adjustments are made monthly, quarterly or annually depending on the contractual agreement. This means that the Group can pass on to the customer during the year much of any price fluctuation and is not, therefore, exposed to the risk of raw material price volatility.

Liquidity risk

The liquidity risk is usually defined as the risk that a business might be unable to fulfil its payment commitments because of difficulty in raising funds (funding liquidity risk) or in liquidating assets on the market (asset liquidity risk). This leads to a negative impact on the result for the year if the entity is forced to incur additional costs to meet its commitments or, in extreme cases, finds itself in a situation

of insolvency that puts at risk its ability to operate as a going concern. In order to minimise the liquidity risk, the Group’s Finance and Administration Management follows a prudent approach, constantly monitoring:

- › the maintenance of an appropriate level of cash by systematically checking that short-term cash inflows (receipts from customers and any other receipts) are capable of covering its cash outflows (short-term borrowing, supplier payments and other outgoings);
- › the availability of appropriate sources of funds and credit facilities to ensure that commitments are covered in terms of cost and duration. With a view to the continuous improvement of financial planning processes, we note that the Group has adopted management and control tools that ensure the risk is constantly monitored and, thus, mitigated.

In particular:

- › there is a plan to ensure the Group companies follow “best practices” on working capital management, helping to improve turnover ratios while, in the medium-term, helping to reduce inventory;
- › the sales invoicing cycle and customer collections process has been improved through appropriate monitoring;
- › additional short-term cash flow control and forecasting systems have been implemented to cope with the business generated by the Group.
- › all the Group’s treasury monitoring and management activities have been insourced.

Cyber Security Risk

The Group has an Information Security Management System (ISMS) based on continuous risk assessment, protection of sensitive data and incident response plans. In the area of TISAX, it guarantees security along the entire supply chain while, for NIS2 compliance, it implements advanced technical and organisational measures such as continuous monitoring, business continuity plans, analysis of emerging threats and mandatory reporting of incidents. Security governance is reinforced by management accountability, continuous staff training and cooperation with the relevant authorities.

Ethical risks

The Saleri Group conducts its business in full compliance with the law and market rules. It applies the strict ethical and moral principles contained in its Code of Ethics and asks that they be shared and promoted by its supply chain through the signing of its business terms and conditions (GT&C). In addition to the Organisational, Management and Control Model adopted pursuant to Legislative Decree no 231/2001, Parent Company Industrie Saleri Italo S.p.A. has implemented a number of important Group policies and specific operating procedures designed to ensure consistency in the principles, objectives and conduct of

Group employees, with the aim of preventing the offences contemplated by the aforementioned legislation and mitigating any other ethical risks. The consequent adoption of the Group Code of Ethics, internal procedures to ensure compliance with the Code and the controls implemented promote a healthy, safe and efficient working environment for employees.

Personal data protection/privacy risk

The European companies subject to Reg. EU 679/2026 (GDPR, General Data Protection Regulation) have implemented the internal procedures necessary to comply with the requirements of the new EU regulation. In more detail, in its capacity as Controller, Industrie Saleri Italo S.p.A. has designated Third Party Processors and the DPO (Data Protection Officer), a figure which must be appointed in cases where the processing is performed by a public authority or by a public body, except for judicial authorities, by parties whose main activities consist of processing operation that require the regular, systematic monitoring of data subjects on a large-scale, by persons whose activities consist of the large-scale processing of particular categories of personal data (sensitive data) or of data relating to criminal convictions or offences. The other Group measures have adopted the necessary compliance measures required by local laws and regulations.

INTERNAL CONTROL SYSTEM AND ORGANISATIONAL MODEL

In compliance with the provisions of Legislative Decree No. 83 of 17 June 2022, the Company has further strengthened its internal control system through the launch of initiatives aimed at enhancing its organisational, administrative and accounting structures, thereby improving the efficiency of its corporate governance and management model.

As well as refining delegated authorities and mapping decision-making processes across the Group through the adoption of the Delegation of Authorities Policy, efforts have also focused on the systematisation of the operational documentation framework, with the objective of ensuring greater transparency, consistency and ease of access to the information required.

From an organisational perspective, Mattia Belotti joined Industrie Saleri Italo S.p.A. in March as the new Group Chief Financial Officer. Also in March, Angelo Bona was appointed General Manager of Saleri Shanghai Co. Ltd. In addition, Gaurav Malhotra was confirmed in the role of Country Manager of Saleri India Private Ltd.

During the first half of 2026, the Board of Directors of Saleri Aftermarket will approve the new Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001 (the "231 Model"), together with the related Whistleblowing System.

BUSINESS OUTLOOK

The year 2026 will unfold in a market environment still characterised by uncertainty and competitive pressure, particularly in the automotive sector, which is being affected by weaker demand in certain markets, intense price competition and the ongoing shift towards electrified mobility solutions.

As a global Tier 1 supplier, the Group continues to leverage its diversified manufacturing footprint and long-standing supply relationships with major automotive manufacturers. Based on the information currently available and the assumptions underlying the consolidated budget, the Group expects revenue to increase moderately in 2026 compared with the previous year, supported by the continuation of existing programmes and the gradual launch of new projects.

From a profitability perspective, the Group expects operating margins to remain under pressure, primarily as a result of:

- › the continuation of price reduction policies, in line with the multi-year agreements providing for gradual price decreases already entered into with certain customers;
- › a less favourable product mix, influenced by the growing contribution of supplies related to electrified mobility (e-mobility) and, more generally, by products generating lower profitability than traditional application;
- › a competitive environment that continues to exert pressure on prices, particularly on certain OEM platforms, as highlighted by the latest budget and scenario analyses.

In this context, Group management continues to implement policies focused on rigorous control of industrial and overhead costs, while maintaining the overall economic and financial balance of the business.

The outlook for 2026 is also based on the assumption that the current international geopolitical environment will not give rise to any further significant deterioration in macroeconomic conditions in the Group's principal markets.

Consolidated Financial Statements at 31/12/2025

General information about the Company

GENERAL DETAILS	
Name	INDUSTRIE SALERI ITALO S.P.A.
Registered Office	VIA RUCA 406 25065 LUMEZZANE BS
Share Capital	23.922.413,12
Is share capital wholly paid?	yes
Chamber of Commerce code	Brescia
VAT number	01589150984
Tax number	03066870175
Business database / REA number	BS-317605
Legal form	Società per azioni (Joint stock company)
Main business segment (ATECO)	293209 Manufacture of other parts and accessories for cars and their engines
Is company in liquidation?	no
Does company have a single shareholder?	no
Is company subject to management and coordination by another entity?	no
Name of company or entity that provides management and coordination	
Does company belong to a group?	yes
Name of holding company	El.fra Holding S.r.l.
Country of holding company	Italy

ASSETS	31/12/2025	31/12/2024
A) DUE FROM SHAREHOLDERS FOR UNPAID CAPITAL	0	0
B) NON-CURRENT ASSETS		
I - Intangible assets:		
1) start-up and expansion costs	817,633	212,875
2) research, development and advertising costs	10,255,023	8,147,573
3) patents and intellectual property rights	785,864	889,603
4) concessions, licences, trademarks and similar rights	1,653,231	1,774,126
5) goodwill	0	0
5-bis) consolidation difference	0	1,945,041
6) assets in progress and payments on account	10,497,564	8,738,210
7) other	2,647,882	2,421,383
TOTAL	26,657,197	24,128,811
II - Tangible assets:		
1) Land and buildings	13,769,549	17,043,595
2) Plant and machinery	38,969,203	35,973,710
3) Industrial and commercial equipment	8,270,043	6,651,395
4) Other tangible assets	1,171,335	868,747
5) Assets under construction and payments on account	4,041,679	5,344,646
TOTAL	66,221,809	65,882,093
III - Non-current financial assets:		
1) investments in:	171,197	2,057,361
a) non-consolidated subsidiaries	170,665	2,056,829
b) associated companies	0	0
c) parent companies	0	0
d) entities controlled by parent companies		
d-bis) other entities	532	532
2) receivables:	11,885	11,646
a) due from non-consolidated subsidiaries	0	0
due within a year	0	0
due after more than a year	0	0
b) due from associated companies	0	0
due within a year	0	0
due after more than a year	0	0
c) due from parent companies	0	0
due within a year	0	0
due after more than a year	0	0
d) due from entities controlled by parent companies	0	0
due within a year	0	0
due after more than a year	0	0

ASSETS	31/12/2025	31/12/2024
e) due from others	11,885	11,646
due within a year	0	0
due after more than a year	11,885	11,646
3) other securities	1,988,841	6,341
4) derivative instruments	50,960	246,100
TOTAL	2,222,883	2,321,448
TOTAL NON-CURRENT ASSETS (B)	95,101,889	92,332,352
C) CURRENT ASSETS		
I - Inventory:		
1) raw, ancillary and consumable materials	16,304,526	15,785,501
2) work in progress and semi-finished goods	7,874,054	6,723,420
3) contract work in progress	0	2,770,348
4) finished goods	18,109,663	14,347,780
5) payments on account	491,868	680,811
TOTAL	42,780,111	40,308,860
II - Receivables:		
1) trade accounts	23,413,836	24,907,237
due within a year	23,413,836	24,907,237
due after more than a year	0	0
2) due from non-consolidated subsidiaries	29,949	4,954,793
due within a year	29,949	4,954,793
due after more than a year	0	0
3) due from associated companies	0	0
due within a year	0	0
due after more than a year	0	0
4) due from parent companies	0	0
due within a year	0	0
due after more than a year	0	0
5) due from entities controlled by parent companies	0	2,777,594
due within a year	0	2,777,594
due after more than a year	0	0
5-bis) tax receivables	2,074,168	1,520,308
due within a year	2,023,351	1,472,546
due after more than a year	50,817	47,762
5-ter) deferred tax assets	5,711,949	7,645,764
5-quater) due from others	9,601,431	4,139,592
due within a year	8,865,059	3,152,936
due after more than a year	736,372	986,656
TOTAL	40,831,333	45,945,288

ASSETS	31/12/2025	31/12/2024
III - Current financial assets:		
1) investments in non-consolidated subsidiaries	0	0
2) investments in associated companies	0	0
3) investments in parent companies	0	0
3-bis) investments in entities controlled by parent companies	0	0
4) other investments	13,606	13,606
5) derivatives	0	0
6) other securities	0	0
TOTAL	13,606	13,606
IV - Cash and cash equivalents:		
1) bank and post office accounts	21,573,968	16,548,358
2) cheques	0	0
3) cash and cash equivalents on hand	560	550
TOTAL	21,574,528	16,548,358
TOTAL CURRENT ASSETS (C)	105,199,578	102,816,662
D) PREPAID EXPENSES AND ACCRUED INCOME	6,096,112	5,470,942
TOTAL ASSETS	206,397,579	200,619,956

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2025	31/12/2024
A) SHAREHOLDERS' EQUITY		
I – Share capital	23,922,413	23,922,413
II – Share premium reserve	7,696,219	7,696,219
III – Revaluation reserves	4,353,789	4,353,789
IV – Legal reserve	1,891,232	1,461,013
V – Statutory reserves	0	0
VI – Other reserves:	5,000,788	6,043,457
consolidation reserve	4,132,924	4,072,381
extraordinary reserve	857,395	857,395
merger surplus	0	0
merger deficit	0	0
reserve for translation of financial statements in foreign currency	(353,583)	749,629
other reserves	364,052	364,052
VII - Cash flow hedge reserve	30,358	246,100
VIII - Retained earnings (Accumulated losses)	12,008,894	6,952,686
IX - Profit (Loss) for the year	2,354,601	9,134,656
X - Negative reserve for treasury shares held	(285,014)	(285,014)
TOTAL SHAREHOLDERS' EQUITY - GROUP	56,973,280	59,525,319
Capital and reserves pertaining to non-controlling interests	65,515	1,128,112
Profit (Loss) for year pertaining to non-controlling interests	(616,448)	(936,407)
TOTAL SHAREHOLDERS' EQUITY - NON-CONTROLLING INTERESTS	(550,933)	191,705
TOTAL CONSOLIDATED SHAREHOLDERS' EQUITY	56,422,347	59,717,024
B) PROVISIONS FOR RISKS AND CHARGES		
1) retirement benefits and similar obligations	0	0
2) taxation, including deferred tax	2,168,687	3,959,963
2-bis) consolidation provision for future risks and charges	0	0
3) derivatives	21,068	0
4) other	5,066,838	5,387,028
TOTAL	7,256,593	9,346,991
C) EMPLOYEE SEVERANCE INDEMNITY ("TFR") PROVISION	1,259,800	2,352,730
D) PAYABLES		
1) bonds	6,433,368	7,997,528
due within a year	1,714,036	1,744,777
due after more than a year	4,719,332	6,252,751
2) convertible bonds	0	0
due within a year	0	0
due after more than a year	0	0
3) shareholder loans payable	0	0
due within a year	0	0
due after more than a year	0	0

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2025	31/12/2024
4) bank borrowing	44,663,826	41,681,882
due within a year	23,978,299	20,409,064
due after more than a year	20,685,527	21,272,818
5) payables to other lenders	17,523,779	8,507,971
due within a year	4,390,653	7,925,143
due after more than a year	13,133,126	582,828
6) payments on account	1,909,816	3,030,979
due within a year	1,909,816	3,030,979
due after more than a year	0	0
7) trade payables	55,658,211	53,416,421
due within a year	55,658,211	53,416,421
due after more than a year	0	0
8) credit instruments	0	0
due within a year	0	0
due after more than a year	0	0
9) payables to non-consolidated subsidiaries	0	3,735
due within a year	0	3,735
due after more than a year	0	0
10) payables to associated companies	0	0
due within a year	0	0
due after more than a year	0	0
11) payables to parent companies	0	0
due within a year	0	0
due after more than a year	0	0
11-bis) payables to entities controlled by parent companies	0	0
due within a year	0	0
due after more than a year	0	0
12) tax payables	2,488,848	3,401,807
due within a year	2,488,848	3,401,807
due after more than a year	0	0
13) payables to social security and pensions institutions	1,754,439	1,836,188
due within a year	1,754,439	1,836,188
due after more than a year	0	0
14) other payables	7,951,298	7,579,744
due within a year	7,951,298	7,559,064
due after more than a year	24,460	20,680
TOTAL	138,383,585	127,456,255
E) ACCRUED EXPENSES AND DEFERRED INCOME¹	3,075,254	1,746,956
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	206,397,579	200,619,956

INCOME STATEMENT	31/12/2025	31/12/2024
A) VALUE OF PRODUCTION		
1) revenue from sales and services	230,269,077	220,421,143
2) change in inventory of work in progress, semi-finished and finished goods	2,998,341	336,810
3) change in contract work in progress	0	(162,177)
4) increase in non-current assets due to internal works	4,174,794	6,667,186
5) other revenue and income	4,604,182	5,442,411
operating grant income	261,907	114,905
other	4,342,275	5,327,506
TOTAL	242,046,394	232,705,373
B) COST OF PRODUCTION		
6) raw, ancillary and consumable materials and goods for resale	132,551,903	125,646,996
7) services	44,935,684	39,890,005
8) use of third party assets - lease and rental costs	4,145,138	4,380,244
9) personnel:	35,488,356	36,738,378
a) wages and salaries	26,820,077	27,699,325
b) social contributions	7,197,269	7,466,274
c) employee severance indemnity ("TFR")	1,167,529	1,336,957
d) retirement benefits and similar obligations	0	0
e) other personnel costs	303,481	235,822
10) depreciation, amortisation and writedowns:	9,135,062	9,333,078
a) amortisation of intangible assets	2,645,825	2,573,163
b) depreciation of tangible assets	6,422,033	6,612,361
c) other writedowns of non-current assets	0	0
d) writedowns of current receivables and cash and cash equivalents	67,204	147,554
11) change in inventory of raw, ancillary and consumable materials and goods for resale	(2,175,307)	(5,239,474)
12) provisions for risks	0	0
13) other provisions	2,200,000	3,881,686
14) sundry operating expenses	4,288,193	1,295,598
TOTAL	230,569,029	215,926,511
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	11,477,365	16,778,862
C) FINANCIAL INCOME AND EXPENSES		
15) income from investments	439,652	865
from non-consolidated subsidiaries	438,807	0
from associated companies	0	0
from parent companies	0	0
from entities controlled by parent companies	0	0
other	845	865

INCOME STATEMENT	31/12/2025	31/12/2024
16) other financial income:		
a) from receivables classed as non-current assets	0	0
from non-consolidated subsidiaries	0	0
from associated companies	0	0
from parent companies	0	0
from entities controlled by parent companies	0	0
other	0	0
b) from securities classed as non-current assets other than equity investments	0	0
c) from securities classed as current assets other than equity investments	0	0
d) income other than the above	417,416	784,881
from non-consolidated subsidiaries	144,814	73,320
from associated companies	0	0
from parent companies	0	0
from entities controlled by parent companies	0	0
other	272,602	711,561
TOTAL	417,416	784,881
17) interest and other financial expenses	6,715,494	6,459,868
to non-consolidated subsidiaries	0	0
to associated companies	0	0
to parent companies	0	0
to entities controlled by parent companies	0	0
other	6,715,494	6,459,868
17-bis) exchange gains and losses	(1,227,613)	(997,447)
exchange gains	2,016,623	1,879,188
exchange losses	3,244,236	2,876,635
TOTAL (15 + 16 - 17 + - 17 BIS)	(7,086,039)	(6,671,569)
D) ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS		
18) revaluations:	0	0
a) of investments	0	0
b) of non-current financial assets other than equity investments	0	0
c) of securities classed as current assets other than equity investments	0	0
d) of derivatives	0	0
19) writedowns:	17,314	1,601
a) of investments	17,314	1,601
b) of non-current financial assets other than equity investments	0	0
c) of securities classed as current assets other than equity investments	0	0
d) of derivatives	0	0
TOTAL ADJUSTMENTS (18 - 19)	(17,314)	(1,601)

INCOME STATEMENT	31/12/2025	31/12/2024
ROFIT BEFORE TAXATION (A - B +- C +- D)	4,374,012	10,105,692
20) taxes on income for the year	(2,635,859)	(1,907,443)
a) current tax	(1,712,542)	(1,142,995)
b) prior year taxes	(18,271)	184,726
c) (i) deferred tax and utilisation of deferred tax assets	(2,392,111)	(2,151,775)
c) (ii) deferred tax income and use of deferred tax provisions	2,640,540	1,832,219
d) income and expenses from tax consolidation	(1,153,475)	(629,618)
21) PROFIT (LOSS) FOR THE YEAR	1,738,153	8,198,249
PROFIT (LOSS) FOR YEAR - NON-CONTROLLING INTERESTS	(616,448)	(936,407)
PROFIT (LOSS) FOR YEAR - GROUP	2,354,601	9,134,656

Statement of cash flows, indirect method

STATEMENT OF CASH FLOWS, INDIRECT METHOD	31/12/2025	31/12/2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT (LOSS) FOR THE YEAR	2,354,603	8,198,249
Taxes on Income	2,635,859	1,907,443
Interest expenses/(income)	7,086,039	6,671,569
(Dividends)	0	0
(Gains)/Losses on asset disposals	1,076,650	(841,375)
1. Profit (Loss) for the year before taxes on income, dividends and gains/losses on disposals	13,153,151	15,935,886
Adjustments for non-cash items with no impact on net working capital		
Allocations to provisions	5,127,234	7,070,760
Depreciation/Amortisation of non-current assets	9,067,857	9,185,521
Impairment writedowns	0	1,601
Adjustments to Value of Fin Assets and Liabilities	0	0
Other adjustments for non-cash items	(12,331,497)	(3,863,195)
Total adjustments for non-cash items with no impact on net working capital	1,863,594	12,394,687
2. Cash Flows before changes in NWC	15,016,745	28,330,574
Changes in net working capital		
Decrease / (Increase) in Inventory	(2,903,487)	(5,506,066)
Decrease / (Increase) in Trade Receivables	1,438,983	2,681,359
(Decrease) / Increase in Trade Payables	2,241,790	(1,532,398)
Decrease / (Increase) in Prepaid Exp & Acc Income	(625,170)	1,023,019
(Decrease) / Increase in Acc Exp & Def Inc	(60,128)	(310,375)
Other decreases/(Other increases) in net working capital	1,693,023	(1,761,892)
CHANGE IN NET WORKING CAPITAL	1,785,012	(5,406,353)
3. Cash Flows after changes in NWC	16,801,757	22,924,220
Interest received / (paid)	(7,086,039)	(6,671,569)
Taxes on income (paid)	(2,241,298)	(272,782)
Dividends received		
Other receipts/(payments)	(141,646)	(1,355,216)
TOTAL OTHER ADJUSTMENTS	(9,468,983)	(8,299,567)
4. Cash Flows after other adjustments	7,332,774	14,624,653
CASH FLOWS FROM OPERATING ACTIVITIES		
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capex on non-current assets		
– Tangible assets		
(Additions)	(10,386,517)	(6,798,783)
Disposals	14,941,011	1,958,479

STATEMENT OF CASH FLOWS, INDIRECT METHOD	31/12/2025	31/12/2024
– Intangible assets		
(Additions)	(4,007,903)	(5,224,914)
Disposals	34,988	140,885
– Financial assets		
(Additions)	0	0
Disposals	0	0
– Current financial assets		
(Additions)	0	0
Disposals	0	0
(Acquisition of business units net of cash and cash equivalents)	0	0
Sale of business units net of cash and cash equivalents		
CASH FLOWS FROM INVESTING ACTIVITIES	581,579	(9,924,332)
C.CASH FLOWS FROM FINANCING ACTIVITIES		
Debt		
– Increase (Decrease) in ST bank borrowing	(5,952,032)	6,867,691
– Loans arranged	16,000,000	3,500,000
– (Loans repaid)	(12,936,700)	(9,989,656)
Equity		
– Paid share capital increase	0	0
– (Share capital refunds)		
– Sale (Purchase) of treasury shares	0	0
– (Dividends and advances on dividends paid)	0	0
CASH FLOWS FROM FINANCING ACTIVITIES	(2,888,733)	378,035
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	5,025,620	5,078,356
– Forex effect on cash and cash equivalents		
Cash and cash equivalents at start of period		
Bank and post office accounts	16,548,358	11,469,817
Cheques	0	
Cash and cash equivalents on hand	550	735
Total cash and cash equivalents at start of period	16,548,908	11,470,552
Of which not freely available		
Cash and cash equivalents at end of period		
Bank and post office accounts	21,573,968	16,548,358
Cheques		
Cash and cash equivalents on hand	560	550
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	21,574,528	16,548,908

INDUSTRIE SALERI ITALO S.P.A.

Via Ruca n. 406 – Lumezzane (BS)
Share capital Euro 23,922,413.12 – wholly paid
Tax number and Brescia Register of Companies no 03066870175
VAT number 01589150984

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

General information

The Consolidated Financial Statements at 31 December 2025, as prepared in accordance with Articles 25 et seq. of Legislative Decree 127/1991, reflect the line-by-line consolidation of the financial statements of Industrie Saleri Italo S.p.A. and its subsidiaries, as described in more detail in the “Scope of Consolidation” note.

They comprise the Balance Sheet, the Income Statement, the Statement of Cash Flows and the Notes – prepared in accordance with Article 38 of the aforementioned Legislative Decree – which constitute an integral part of the Consolidated Financial Statements.

The Consolidated Financial Statements are presented with prior year comparative figures. It should be noted that, where necessary, the prior year figures have been reclassified in order to produce a consistent comparison between the two periods but without altering the result for the period.

The Balance Sheet, Income Statement and Statement of Cash Flows amounts at 31/12/2024 reflect the amounts included in the prior year Consolidated Financial Statements, as approved by the Shareholders’ General Meeting.

Unless otherwise stated, the amounts reported in these Notes are stated in Euro, given that the Euro is the currency in which the majority of the Group’s transactions are carried out.

Foreword

The 2025 reporting period was once again impacted by an international geopolitical environment characterised by ongoing armed conflicts, the effects of which continued to be felt across the domestic economy.

Increases in raw material prices, together with supply chain disruption, led to significant delays and required additional investments, particularly in working capital.

According to the latest OECD (Organisation for Economic Co-operation and Development) projections, the global economy is showing signs of a gradual slowdown. Global GDP growth is forecast at 2.9% in 2026, with a modest recovery to 3.0% expected in 2027, although the outlook remains affected by heightened geopolitical uncertainty and rising energy prices. Against this backdrop, the Italian economy is expected to experience particularly subdued growth, with GDP projected to increase by 0.4% in 2026 and 0.6% in 2027, reflecting the impact of higher energy costs and weak consumer spending.

The OECD has also highlighted the risk of a renewed increase in inflationary pressures, especially at a global level. In the United States, a resurgence of inflation is considered likely, partly as a result of tariff policies and the continuing effects of trade tensions.

With regard to European economies, the OECD expects trade and geopolitical tensions to continue to weigh on growth, although this is expected to be partly offset by more favourable credit conditions. In particular, GDP growth in the Euro Area is forecast at 0.8% in 2026, improving to 1.2% in 2027.

For further details, reference should be made to the Directors’ Report.

Consolidated reporting date

The Consolidated Financial Statements have been prepared as at and for the year ended 31 December 2025. The financial statements used for consolidation purposes generally have the same reporting date. In the case of Saleri India Private Ltd, which has been included in the scope of consolidation for the first time and whose financial year runs from 1 April to 31 March, financial information appropriately adjusted to the reporting date of the consolidated financial statements has been used, in accordance with the applicable accounting standards.

When preparing the Consolidated Financial Statements as at 31 December 2025, the financial statements of the Italian subsidiaries prepared in accordance with OIC accounting standards and approved, or in the process of being approved, by the respective Boards of Directors were used. In the case of the foreign subsidiaries, financial statements prepared in accordance with local accounting requirements were used and subsequently adjusted, as necessary, during the preliminary consolidation procedures in order to ensure consistency of accounting policies.

The Group’s business activities

The Group, headed by parent company Industrie Saleri Italo S.p.A., a company founded in 1942, is mainly involved in the design, manufacture and sale of engine cooling systems for the automobile industry and operates in both the original equipment and the aftermarket segments.

The Group’s ability to provide a wide range of technologically advanced solutions to a leading customer base in the automotive industry has enabled the business to grow strongly in recent years. The Group has consistently acquired long-term production contracts, guaranteeing a healthy workload for the years ahead.

Reporting principles

The Consolidated Financial Statements have been prepared in accordance with Legislative Decree no 127/1991 which implemented the EEC VII Directive on Consolidated reporting in Italy. Their preparation also took account of the financial reporting provisions of the Italian Civil Code, as amended by Legislative Decree no 6 of 17 January 2003 as subsequently amended, concerning the “Organic reform of corporate legislation” where applicable to Consolidated financial statements.

The Notes are intended to illustrate, analyse and, in some cases, interpret the amounts reported in the financial statements and contain the disclosures required by Article 38 and by other provisions of Legislative Decree no 127/1991. Such additional information considered necessary to present a true and fair view of the situation has been provided even if not specifically required by law.

Where statutory reporting requirements demand particular information on items and events not present or non-existent, rather than indicating their non-applicability to these Financial Statements, we have chosen to make no mention thereof in order to avoid increasing unnecessarily the information provided in these Notes.

The Group Statement of Cash Flows has been attached in order to complete the financial information provided by the Consolidated Financial Statements.

The Consolidated Financial Statements are also accompanied by a report of the Board of Directors on the Group’s operating activities, in terms of Article 40 of Legislative Decree 127/91.

The scope of consolidation, the consolidation principles, the main accounting policies and details of each of the captions reported in the Consolidated Financial Statements are presented below.

The Financial Statements have been prepared in Euro. Roundings have been allocated as follows:

- › Roundings of Balance Sheet assets and liabilities have been allocated to Shareholders’ equity line item “VII Other reserves”, even where said line item has a zero balance;
- › Positive roundings of Income Statement items have been allocated to caption “A5 Other revenues and income”;
- › Negative roundings of Income Statement items have been allocated to caption “B14 Sundry operating expenses”.

Consolidation criteria

The financial statements of companies included in the scope of consolidation that are used for consolidation purposes are those prepared as at 31 December 2025 by the respective Boards of Directors. Such financial statements have been adjusted, where necessary, to render them consistent with Group accounting principles which are in line with consolidated statutory reporting requirements, as interpreted by the accounting standards issued by Italian Accounting Standards Board (“OIC”) and by the IASB (International Accounting Standards Board).

All of the subsidiaries included in the scope of consolidation are consolidated on a line-by-line basis, as follows:

- a) assets, liabilities, revenues and costs are included in full, irrespective of the percentage investment held, while the portion of Shareholders’ Equity and result for the period pertaining to non-controlling interests are disclosed separately;
- b) the carrying amount of investments on consolidated companies is eliminated against the corresponding portion of Equity while the assets and liabilities, revenues and costs are included on a line-by-line basis; the difference emerging, at the acquisition date, from the elimination of the carrying amount of an entity included in the scope of consolidation against the corresponding portion of Shareholders’ Equity at present value is allocated, where possible, to the assets and liabilities of the entity in question. Any residual amount is treated as follows:
 - › if positive, it is recorded under “Consolidation differences” under “Intangible assets” and amortised on a straight-line basis over its expected useful life (not more than 20 years);
 - › if negative, it is recorded under Shareholders’ Equity as a “Consolidation reserve” or, where unfavourable results are forecast, under a caption called “Consolidation provision for risks and charges”;
- c) all receivables and payables and transactions between consolidated entities are eliminated;
- d) significant gains realised between consolidated entities and unrealised profits included in intangible assets acquired from consolidated entities have been eliminated;
- e) profits and losses from trade or financial transactions between Group companies, net of related deferred tax and/or deferred tax income, are eliminated; an exception to this rule regards positive intercompany

margins realised and relating to assets recorded in inventory at the reporting date – margins not eliminated in terms of Article 31(2)d), referred to by Article 31 (3);

- f) any provisions made by foreign subsidiaries included in the scope of consolidation in order to take advantage of tax benefits otherwise not available have been eliminated from the Annual Consolidated Financial Statements, net of the related tax effects, based on the tax rate in force at the date of preparation of the Consolidated Financial Statements;
- g) income and expenses resulting from transactions between the same entities are eliminated;
- h) profits included in tangible and intangible assets and resulting from purchases of goods and services produced within the Group on an arm’s length basis are eliminated. The portion of intra-Group revenues relating to such goods and services is reclassified, net of the related “internal profits”, under the caption “increases in non-current assets due to internal work”;
- i) assets and liabilities expressed in currencies other than the Euro are translated at the reporting date exchange rate; revenues and costs are translated at average rates for the period. The exchange rates used are those officially published. Exchange differences arising from the comparison between opening equity translated at the spot rates at the end of prior period and the difference between the result for the period, translated at average rates, and those obtained from the translation at reporting date rates are allocated directly to Consolidated Shareholders’ Equity under the caption “Reserve for translation of financial statements prepared in foreign currency”. In detail:
 - for balance sheet items, equity items and current assets, the following were used:
 - › the Euro / Renminbi reporting date exchange rate of Euro 1: Renminbi 8.2262;
 - › the Euro / Peso reporting date exchange rate of Euro 1: Peso 21.1180;
 - › the Euro/Rupee reporting date exchange rate of Euro 1: Rupee 105.5965;
 - for income statement items, the following were used:
 - › the average Euro / Renminbi exchange rate for the reporting period of Euro 1: Renminbi 8.1185.
 - › the average Euro / Peso exchange rate for the reporting period of Euro 1: Peso 21.6705.

Scope of consolidation

The scope of consolidation at 31 December 2025 includes all of the Italian and foreign entities shown in the following table, in which the Company holds a majority of voting rights and, in any cases, the entities over which it exercises a dominant influence.

The financial statements of the Companies in the scope of consolidation have been included on a line-by-line basis.

The companies not included in the scope of consolidation and those in which the percentage interest held is lower than 20% and which constitute non-current assets are valued under the cost method.

For consolidation purposes, the financial statements used are the annual financial statements of the individual companies, as approved or under approval by the respective General Meetings, as reclassified and adjusted to bring them into line with the accounting principles and measurement criteria adopted by the Group.

Compared to 31 December 2024, the scope of consolidation has been expanded to include Saleri India Private Ltd, consolidated as at 31 December 2025, while ABL Automazione S.r.l. has been excluded following the disposal of the entire investment in July 2025.

In addition, during the year, the Group fully subscribed to a capital increase of its subsidiary Saleri México S.A. de C.V., resulting in an increase in its ownership interest from 51% to 73.45%.

The companies included in the scope of consolidation on a line-by-line basis are listed below:

Parent company			
Name	Head office	Share capital	
Industrie Saleri Italo S.p.A.	Via Ruca, 406 – Lumezzane (BS)	Euro 23,922,413.12	
Direct Subsidiaries			
Name	Head office	Share capital	Interest held
Saleri Aftermarket S.p.A.	Via Ruca, 406 – Lumezzane (BS)	Euro 100,000	100%
Saleri México S.A. de C.V.	Avenida Aero Industrial Lote 13, Apodaca, C.P. 66629, Nuevo León, México	MXN 180,768,000	73.45%
Saleri Shanghai Co.Ltd	Taifeng road 188/b,Anting Town Jiading district 201.814 Shanghai China	RMB 14,821,016	95%
Saleri India Private Ltd	Chakan Industrial Area, Village Khalumbre, Tal-Khed, District Pune 410501, Maharashtra	INR 451,500,000	67.15%
Saleri TMS Competence Center GmbH	Landesberger Strasse 155 D-80687 Munich - Germany	Euro 25,000	100%

The subsidiaries excluded from the scope of consolidation are listed below:

Name	Head office	Shareholder	Share capital	Interest held
C.D.C. Taiwan Inc.	1F, No. 63, LN. 118,St.Dongjid RD., Guishan Dist., Taoyuan City 33353, Taiwan (R.O.C.)	Saleri Aftermarket S.p.A.	TWD 32,000,000	51%

Reasons for exclusion

Pursuant to Article 28(2)(a) of Legislative Decree 127/91, we note that the following companies have been excluded from the scope of consolidation as their financial statements are immaterial in relation to the provision of a true and fair representation of the Group’s balance sheet and financial position:

- › **C.D.C. Taiwan Inc.** – the financial statements of this 51% owned company are currently immaterial to the Group.

Accounting policies and measurement criteria

The accounting policies and valuation criteria adopted by the Company in preparing the attached Financial Statements are those required by the applicable legislation (Article 2423(2) of the Italian Civil Code), as well as by the accounting standards issued by the OIC – Italian Accounting Standards Board – and, where they are lacking, those issued by the IASB (*International Accounting Standard Board*).
The Annual Financial Statements have been prepared clearly and provide a true and fair representation of the Group’s balance sheet and financial situation and its result for the reporting period.

Further information is provided in the notes on each caption.
The criteria used when preparing the Consolidated Financial Statements at 31 December 2025 are those used in the separate financial statements of the parent company which prepares the consolidated financial statements. They are consistent with those used when preparing the prior year Consolidated Financial Statements, especially with regard to valuations and the consistent application of the same principles.

The amounts reported in the Financial Statements have been measured using the general prudence and accrual principles, on a going concern basis and taking account of the economic function of each asset and liability considered.

Prudence

Application of the prudence principle involved the separate measurement of each component item of the individual asset or liability captions, in order to avoid offsetting of losses that should be recognised and profits that should not as they have not been realised.

Accruals

In accordance with the accrual principle, the effect of transactions and other events has been accounted for and allocated to the period to which such transactions and events refer and not to those in which the related cash movements (collections and payments) take place.

Going concern issue

As described in more detail in the “Foreword” paragraph, the Group has prepared the 2025 Consolidated Financial Statements on a going concern basis.
Consistent application of accounting policies and valuation methods is essential to ensure the comparability of the financial statements from one reporting period to another.
Details of the most significant accounting policies and measurement criteria applied during the reporting period are provided below.

Intangible assets

Intangible assets are recorded at purchase or production cost, including related expenses, and amortised on a straight-line basis.
Start-up and expansion costs are reported under the relevant caption and amortised over their useful life which cannot exceed five years.
Software licences are amortised on a straight-line basis over three years.
Management/ERP software is amortised on a straight-line basis over five years.
Trademarks are amortised on a straight-line basis over 18 years.
Development costs are expensed as incurred. However, costs relating to projects aimed at the development of new products are capitalised where their commercial exploitation is considered reasonably foreseeable and expected margins are sufficient to recover the costs incurred. Development costs whose useful life cannot be reliably estimated are amortised over not more than five years. Development costs with a clear link to projects with an estimated useful life of 10 years are amortised over that period at a rate of 10% per annum. Until amortisation has been completed, dividends may only be distributed if there are sufficient residual available reserves to cover the development costs not yet amortised.
Leasehold improvements made during the period are amortised over the residual period of the related lease/rental agreement.
The consolidation difference emerges upon preparation of the Consolidated Financial Statements when the carrying amount of investments is eliminated for the first time against the corresponding portion of equity of the subsidiaries. Any excess that cannot be allocated to individual assets of the entities included in the consolidation is recorded under the caption “Goodwill”, where requirements are met. This caption is amortised over a period of ten years as this period is felt best to represent its useful life and not to exceed the period of utilisation of the asset, taking account of the extent of the benefits expected and the synergies resulting from the business acquired.
Other items included in intangible assets but not specifically mentioned here are recorded in the Financial Statements at purchase cost and amortised on a straight-line

basis over their estimated useful lives which cannot exceed five years.
Where required by the Italian Civil Code, the above items have been recognised with the agreement of the Board of Statutory Auditors.
Intangible assets whose fair value at the reporting date is permanently impaired compared to the amortised cost determined as above are adjusted to bring them into line with their fair value; the amount and reasons for any impairment adjustments made to intangible assets are disclosed, with specific reference to their involvement in the future generation of profits, their estimated useful life and, insofar as relevant, their market value. Details of differences with adjustments made in prior periods are also shown and their impact on the results for the period is highlighted.
During the reporting period, there were no conditions requiring impairment adjustments to be made to intangible assets.

Tangible assets

Tangible assets are recorded at purchase or production cost, adjusted for certain assets in application of specific monetary revaluation laws, as reported on a specific schedule. Cost includes related expenses and direct and indirect expenses insofar as reasonably attributable to the asset until the time the assets become available for use.
Tangible assets are systematically depreciated every year on a straight-line basis using rates determined based on the residual useful lives of the assets.
The depreciation rates used are unchanged compared to prior year and are in line with those established by the Finance Ministry Decree of 31/12/1988, as follows:

Asset Category	Aliquota
Land and buildings	
Industrial buildings	3.00%
Plant and machinery	
General plant and machinery	5.00-10.00%
Specific plant and machinery	5.00-10.00%
Industrial and commercial equipment	
Equipment	12.50-25.00%
Prototype Equipment	50.00%
Other tangible assets	
Office furniture and equipment	12.00%
Electronic office equipment	20.00%
Motor vehicles	25.00%
Internal means of transport	20.00%
Assets costing not more than Euro 516.46	100.00%

Ordinary maintenance expenses are charged in full to the Income Statement. Incremental maintenance expenses are allocated to the relevant tangible asset and depreciated over the remaining useful life of that asset.

Tangible assets under construction are valued at cost including direct and indirect related expenses and disclosed under the asset caption reserved for them.

Tangible assets purchased under finance leases with a final purchase option are recognised as assets in the period in which the final purchase option is exercised.

Any assets subject to sale and purchase with a final return obligation are recorded in the Balance Sheet of the seller.

Tangible assets whose fair value at the reporting date is permanently impaired compared to the depreciated cost determined as above are adjusted to bring them into line with their fair value; the amount and reasons for any impairment adjustments made to tangible assets are disclosed, with specific reference to their involvement in the future generation of profits, their estimated useful life and, insofar as relevant, their market value. Details of differences with adjustments made in prior periods are also shown and their impact on the results for the period is highlighted.

During the reporting period, no indicators of impairment of any of the tangible assets included on the Balance Sheet were identified.

Non-current financial assets

Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies classified as non-current assets are measured at purchase and/or subscription cost. Cost is adjusted for impairment if the subsidiaries/associated companies have incurred losses and sufficient profits to absorb said losses are not foreseeable in the immediate future.

Investments recorded under non-current financial assets represent a permanent, strategic investment by the Company. Investments that are not considered long-term are classified as current assets.

Other non-current investments and securities

Securities constituting short-term investments have been measured at the lower of purchase or subscription cost and fair value.

Inventory, securities and current financial assets

Inventory, securities and current financial assets are recorded at the lower of purchase cost – including direct related expenses – and estimated realisable amount, based on market trends.

The cost calculation methods adopted are as follows:

- › for raw and ancillary materials, purchase cost is determined applying the weighted average cost method;
- › for finished goods and work in progress, production cost includes the purchase cost of raw materials and

components determined as above plus the portion of direct and indirect production costs (“general production costs”) reasonably attributable to them, also taking account of the percentage of completion of the production phase they have reached;

- › for contract work-in-progress, in addition to purchase cost of raw materials and components determined as above, production cost also includes the portion of direct and indirect production costs that may reasonably be attributed to these items; cost is measured using the percentage of completion method;
- › for some items such as prototypes and equipment (“tooling”), purchase cost is determined using the specific cost method.

Estimated realisable amount, based on market trends, is determined based on the current prices-costs and prices-revenues of inventory at the reporting date. If estimated realisable amount is lower than purchase or production cost, the inventory is written down accordingly by means of an allocation to the inventory provision.

The value of obsolete and slow moving inventory has been written down based on its possible future utilisation or realisation by means of an allocation to the inventory obsolescence provision.

Receivables

Receivables are classified as non-current assets or as current assets based on their nature and relationship to ordinary operations. They are reported at estimated realisable amount, after the provision for bad debts calculated in relation to the risk of bad debts resulting from a specific analysis of each balance and taking account of historical bad debt trends and the country risk; the amount recorded in the bad debt provision is considered reasonable in relation to expected bad debts. Where necessary, this amount is obtained by means of direct adjustment to specific receivables on a detailed basis.

Receivables due after more than 12 months are recorded using the amortised cost method, taking account of the time factor. The amortised cost method is not applied when the effective interest rate is not significantly different than the market interest rate or when the effects of application of the amortised cost method are immaterial compared to the method already adopted.

Receivables include invoices issued and invoices not yet issued but referring to transactions relating to the reporting period.

Receivables denominated in foreign currency are initially recognised at the spot exchange rate in force at the transaction date. At the reporting date, foreign currency receivables are restated at the reporting date spot rate. When realised, exchange gains and losses are recorded in the Income Statement. Any unrealised net exchange gain resulting from translation of foreign currency receivables is allocated to a non-distributable reserve until realised.

Receivables are derecognised from the Balance Sheet

when the right to receive cash flows is extinguished and substantially all of the risks and rewards of title to the asset have been transferred or if the receivable is definitively considered non-recoverable after all necessary recovery procedures have been completed.

Any receivables from customers involved in insolvency proceedings or in a state of proven economic distress which render enforcement measures pointless are written off in full or to the extent that information obtained or the procedures in progress lead to the conclusion that they will prove uncollectable.

Current financial assets

This caption includes bonds and investments which the Directors have decided will not be held as long-term investments by the Company. They are carried at the lower of specific cost and fair value, as determined – for listed securities – based on the listed price at the reporting date of 31 December 2025.

Investments and securities are adjusted to bring them into line with their lower fair value on an individual basis, for each type of investment and not for the entire segment. When the reasons for an impairment adjustment cease to apply, the adjustment is reversed up to a maximum of the cost of the asset.

Cash and cash equivalents

This caption contains all cash and cash equivalents held by the Group, whether on hand or in bank accounts. They are reported at nominal amount.

Prepaid expenses and accrued income, accrued expenses and deferred income

Prepaid expenses and accrued income include income relating to the period but collectible in future periods and expenses incurred before the reporting date but relating to future periods. Accrued expenses and deferred income include expenses relating to the period but payable in future periods and income already received by the reporting date but relating to future periods.

They do not depend on the payment or collection date of the related expenses or income which are common to two or more reporting periods and are allocated based on time. The amount is determined by spreading the income or the expense (generally arising under contracts for a fixed period of time) in order to allocate the relevant portion to the reporting period and to defer or accrue the remaining portion.

Provisions for risks and charges

Provisions for risks and charges have been created to cover losses or liabilities of a determinate nature, which are certain or probable, but whose amount or due date could not be determined at the reporting date.

Provisions for risks and charges also include the provision for “taxation, including deferred tax” which includes amounts relating to probable tax liabilities whose amount or

due date is uncertain and which originate from tax assessments not yet finalised or ongoing tax disputes or similar circumstances. The provision “for taxation, including deferred tax” includes deferred tax liabilities determined based on taxable temporary differences.

These provisions were calculated in accordance with the prudence and accrual principles. No general provisions for risks without any economic justification have been created.

Allocations to provisions for risks and charges are recorded under the appropriate Income Statement cost headings (B, C or D) if possible. Whenever it is not possible to make a connection between the amount provided and one of the captions under the aforementioned categories, allocations to provisions for risks and charges are recorded under Income Statement captions B12 and B13.

Employee severance indemnity (“TFR”) provision

The employee severance indemnity provision represents the Parent Company’s effective commitment towards each employee, as determined in accordance with current legislation in each country and for the Italian companies, in particular, in accordance with the terms of Article 2120 of the Italian Civil Code, national collective labour agreements and supplementary local agreements. Therefore, the “Employee severance indemnity provision” includes indemnities accruing in favour of employees at the reporting date, net of advances paid and after deducting partial advances maturing and paid. For the Italian companies, following supplementary pension reform in 2006, amounts accruing from 1 January 2007 onwards may be maintained in the company or allocated to a supplementary pension fund, as the employee chooses.

This liability is subject to index-based revaluation.

Advance payments are treated separately and deducted from the provision to show the net liability. The portion of the provision relating to the reporting period is allocated to the Income Statement.

As required by rules on the *Trattamento di Fine Rapporto* contained in Law no 296 of 27 December 2006 and in subsequent Implementing Decrees issued in the first few months of 2007 (Pension Reform), the liability reported represents the actual amount payable to employees at 31 December 2006, as revalued based on indexes and updated for amounts accruing in the first half of 2007 and not paid into supplementary pension funds. The balance also includes the TFR entitlement of persons hired in the second half of 2024 who have not yet stated their choice as to the destination of the TFR accruing, given the fact that this choice may be made within six months of the date of employment.

Payables

Payables falling due within a year are stated at nominal amount and include, where applicable, interest accruing and due at the reporting date.

Payables falling due after more than a year are recorded

using the amortised cost method, taking account of the time factor. The amortised cost method is not applied when the effective interest rate is not significantly different than the market interest rate or when the effects of application of the amortised cost method are immaterial compared to the method already adopted.

Payables include invoices received and invoices yet to be received but for services relating to the reporting period.

Payables are derecognised from the Balance Sheet when the specific contractual obligation is extinguished.

Payables for employee holidays accruing and for deferred remuneration, including amounts due to social security and pension institutions, are recorded based on the amount that would have been payable if the employment relationship had ended on the reporting date.

Derivative instruments

Derivative instruments are entered into solely in order to hedge underlying interest rate, exchange rate, price and credit risks. The instruments meet the requirements to be considered as simple hedges and are, therefore, measured using the simplified method. Derivatives are classified as hedging instruments only when, at the start of the hedge, there is a close, documented relationship between the characteristics of the item hedged and those of the hedging instrument and that hedging relationship is formally documented.

A derivative instrument used to hedge the cash flows or the fair value of an asset follows the classification of the hedged asset, in current assets or non-current assets; a derivative instrument used to hedge the cash flows or the fair value of a liability, a binding commitment or a highly probable planned transaction is classified in current assets, as is a non-hedging financial instrument. If they have a negative fair value, these instruments are recorded as liabilities under provisions for risks.

When derivatives hedge the risk of the future cash flows from the hedged instrument (cash flow hedges), the effective portion of the gains or losses on the derivative instrument is suspended in Equity. The ineffective portion of the gains and losses of a hedge are recorded in the Income Statement. When the related transaction is realised, accumulated gains and losses – until then recorded in equity – are recorded in the Income Statement (as adjustments to the Income Statement items affected by the hedged flows). The Group has decided to apply hedge accounting for the hedging of changes in cash flows of financial liabilities as a result of interest rate and exchange rate fluctuation.

Therefore, changes in the fair value of derivative hedging instruments are recorded:

- › in the Income Statement in captions D18 or D19 in case of a hedge of the fair value of an asset or liability reported in the financial statements or of changes in the fair value of the hedged items (if the change in the fair value of the hedged item is greater in absolute terms than the change in fair value of the hedging

instrument, the difference is recorded in the Income Statement caption affected by the hedged item);

- › in a specific Equity reserve (caption AVII “Cash flow hedge reserve”) in case of a cash flow hedge in such a way as to counterbalance the hedged cash flows (the ineffective portion, as well as the change in the time value of options and forward contracts, is classified in captions D18 and D19.

Translation of amounts denominated in foreign currency

Receivables and payables originally expressed in foreign currency are translated into Euro at the historical rates on the date they arose. Exchange differences realised upon settlement of payables and collection of receivables in foreign currency are recorded in the Income Statement.

Foreign currency receivables outstanding at the reporting date have been translated into Euro at the reporting date exchange rate. Exchange gains and losses arising in this way have been recorded in the Income Statement under caption C.17-bis "Exchange gains/losses", while allocating an amount equal to any net gain arising to a non-distributable equity reserve until the time of realisation.

Revenue, income, costs and expenses

Revenue and expenses are recorded in the Income Statement on an accrual basis, while recognising prepaid expenses and accrued income, accrued expenses and deferred income, in accordance with the prudence principle.

Revenue and income, costs and expenses are recorded net of returns, discounts, allowances and bonuses, as well as any taxes directly related to the sale of products and the provision of services.

Revenue from the sale of products is recognised upon change of ownership which normally coincides with shipment or delivery. Revenue for services is recognised when the services have been rendered.

Revenue from contract work in progress is recognised based on percentage of completion of works.

Revenue and other income, and costs and expenses relating to transactions denominated in foreign currencies are translated at the exchange rate prevailing on the date of the transaction.

Income and expenses relating to sale and purchase transactions with a future return obligation, including the difference between forward price and spot price, are recognised on an accrual basis.

Gains on finance lease transactions are allocated over the period of the finance lease agreement.

Financial income and revenue from services are recognised on an accrual basis.

Extraordinary or non-recurring income and expenses are recorded under the Income Statement captions deemed appropriate based on the type of transaction. Any residual amounts are recorded under “Other revenues and income” and “Other operating expenses”.

Taxes on income

Current taxes, deferred taxes and deferred tax income are calculated applying tax rules in the countries where the consolidated companies are based.

Current taxes are determined based on a realistic estimate of the expense payable in application of current tax legislation; the related liability is stated net of payments on account, withholding taxes suffered and tax credits under the caption “Tax payables”; any net receivable is recorded under “Tax receivables”.

Deferred taxes are calculated in the financial statements of the individual consolidated entities based on temporary differences between the amount attributed to assets and liabilities for statutory reporting purposes and the amount attributed to the same assets and liabilities for tax purposes; they are also recorded in the consolidated financial statements in relation to differences generated by consolidation adjustments. Deferred tax assets, including the benefit of tax loss carry-forwards, are recognised under the relevant current assets caption. The tax benefit of tax loss carry-forwards is recognised when it is reasonably certain that it will be realised.

The tax consolidation arrangement between Industrie Saleri Italo S.p.A. and Saleri Aftermarket S.p.A. remained in force during 2025.

The related rules, as contained in Articles 117-129 of Legislative Decree 917/86, as subsequently amended and integrated, involve the determination for corporate income tax (IRES) purposes of an overall amount of taxable income consisting of the sum of the income and/or losses of the parent company and the participating subsidiaries. This leads to a single tax payment or to a single tax receivable that may be collected or carried forward by the parent company. The parent company also carries forward any consolidated tax loss.

Finance leases

In accordance with Italian Accounting Standard OIC 17, the “finance lease method” has been used to account for leases in the consolidated financial statements, broadly in line with the rules laid down by IAS 17/IFRS 16 International Accounting Standards.

Therefore, the related tangible assets have been capitalised and are reported net of accumulated depreciation. The outstanding principal payable is reported as a liability. Interest expense and depreciation have been recorded in the Income Statement in place of the finance lease instalments.

Use of estimates

Preparation of the Consolidated Financial Statements requires the use of estimates and assumptions that affect the value of assets and liabilities at the reporting date. Inevitably, the actual results that will subsequently materialise may differ from these estimates.

In particular, estimates are used to determine the useful life of tangible assets and to record the related depreciation, to make provisions for bad debts and for inventory obsolescence, to make writedowns, to provide for employee benefits and to provide for taxation and other contingencies. Estimates and assumptions are revised periodically and the effects of every change are reflected in the Income Statement for the period in which the estimate is revised.

Changes to accounting policies and measurement criteria

In accordance with the principle of Consistency established by Italian Accounting Standard OIC 11, in these Financial Statements, no changes have been made to accounting policies and valuation criteria compared to prior year.

Exceptions in terms of article 2423(4) of the Italian Civil Code

No exceptions in terms of Article 2423(4) of the Italian Civil Code were made when preparing the Consolidated Financial Statements.

Comparability of account balances

The amounts reported in these Consolidated Financial Statements are all suitable for comparison in terms of Article 2423-ter of the Italian Civil Code.

NOTES TO THE BALANCE SHEET

Non-current assets

Intangible assets

Movements	Start-up and expansion costs	Development costs	Patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Goodwill	Assets in progress and payments on account	Other	Total
Historical cost	315,371	12,024,850	4,858,554	2,184,756	4,139,181	8,738,210	5,673,704	37,934,626
Previous revaluations	0	0	0	0	0	0	0	0
Accumulated amortisation	(102,496)	(3,877,278)	(3,968,952)	(410,631)	(2,194,139)	0	(3,252,321)	(13,805,816)
Previous writedowns	0	0	0	0	0	0	0	0
Opening amount	212,875	8,147,572	889,602	1,774,125	1,945,042	8,738,210	2,421,383	24,128,810
Additions during the year	6,457	1,947	244,925	0	0	3,333,930	420,643	4,007,903
Change in scope of consolidation (cost)	0	2,989,523	(158,020)	0	(4,139,181)	83,697	47,934	(1,176,048)
Change in scope of consolidation (Accumulated amortization)	0	(105,099)	99,133	0	2,194,139	0	37,474	2,225,647
Reclassifications	790,727	173,060	549,060	0	0	(1,549,952)	16,796	(20,309)
Movements to other caption during period	0	0	0	0	0	0	0	0
Disposals (historical cost)	0	0	(19,236)	0	0	(34,988)	(40,068)	(94,293)
Disposals (Accum. Amort' n)	0	0	19,236	0	0	0	40,068	59,305
Revaluations during year	0	0	0	0	0	0	0	0
Amortisation for the year	(247,165)	(951,976)	(838,399)	(120,895)	(206,959)	0	(280,432)	(2,645,825)
Writedowns for the year	0	0	0	0	0	0	0	0
Other changes - cost	55,700	0	(1,926)	0	206,959	(73,333)	(139,867)	47,533
Other changes - Accumulated amortisation	(961)	0	1,487	0	0	0	123,948	124,474
Total changes	604,758	2,107,455	(103,740)	(120,895)	(1,945,042)	1,759,354	226,496	2,528,387
Historical cost	1,168,255	15,189,381	5,473,357	2,184,756	206,959	10,497,563	5,979,147	40,699,412
Previous revaluations	0	0	0	0	0	0	0	0
Accumulated amortisation	(350,622)	(4,934,353)	(4,687,494)	(531,526)	(206,959)	0	(3,331,262)	(14,042,215)
Previous writedowns	0	0	0	0	0	0	0	0
Closing amount	817,634	10,255,028	785,863	1,653,230	(0)	10,497,563	2,647,879	26,657,197

Intangible assets represent expenses that produce long-term benefits. They amount to Euro 26,657,197 (Euro 24,128,810 at 31 December 2024) and are stated net of accumulated amortisation (Euro 13,835,256).

The amounts are after consolidation adjustments for intercompany transactions.

The captions “other changes in cost” and “other changes in accumulated amortisation” include the forex difference relating to movements of Saleri Shanghai and Saleri México in 2025 compared to the prior reporting date balance translated at the corresponding balance sheet exchange rate.

Start-up and expansion costs

The amount of Euro 817,634 (Euro 212,875 at 31 December 2024) is net of accumulated amortisation of Euro 350,622 and refers to start-up and expansion costs of parent company Industrie Saleri Italo S.p.A. and subsidiary Saleri México S.A. de C.V.. The balance also includes deferred expenses (historical cost of Euro 110,920, now fully amortised) relating to the spin-off operation in 2015 whereby subsidiary Immobiliare Industriale S.r.l. was established.

During the reporting period, this item increased by Euro 790,727 as a result of the Parent Company's capitalisation - with the favourable opinion of the Board of Statutory Auditors - of costs incurred in connection with projects to optimise new electric pump production processes.

Development costs

The amount of Euro 10,255,028 (Euro 8,147,572 at 31 December 2024), net of accumulated amortisation of Euro 4,934,353, relates to development costs incurred by the parent company and by subsidiary Saleri India Private Ltd in relation to research and development work for technological innovation.

The following table contains the disclosures required by Article 2427(3) in relation to development costs.

Description	Opening amount	Change in scope of consolidation	Increases	Decreases	Other changes	Closing amount
Development costs	8,147,572	2,884,424	175,007	951,976	0	10,255,028
TOTAL	8,147,572	2,884,424	175,007	951,976	0	10,255,028

Amortisation for the reporting period amounts to Euro 951,976.

The balance and the main changes during the reporting period are detailed below.

Industrie Saleri Italo S.p.A.

During the reporting period, the Parent Company carried out research and development activities into technological innovation. Further details are provided in the Directors’ Report.

Based on a careful analysis of available information on external development costs and on the number of hours spent on development projects already assigned (i.e. projects for which a final contract has been signed), the Parent Company capitalised Euro 3,069,489 of costs relating to projects for which the development phase has not yet been completed; these costs are recorded under the caption “Intangible assets in progress”.

Costs capitalised up to 2019 whose useful life could not be reliably estimated are amortised over not more than five years; this period is normally shorter than the mass production period of the related items.

Development costs with a clear connection to projects with an estimated useful life of 10 years are amortised over that period at 10% per annum.

Saleri India Private Ltd

The company is engaged in research and development activities relating to technological innovation and, as at 31 December 2025, reports development costs with a carrying amount of Euro 3,019,536 (historical cost: Euro 3,259,714).

Patents and intellectual property rights

The net balance amounts to Euro 785,863 (Euro 889,602 at 31 December 2024), net of accumulated amortisation of Euro 4,687,494, and refers almost entirely to Software.

The balance and the main changes during the reporting period are detailed below:

Industrie Saleri Italo S.p.A.

This item, amounting to Euro 627,824 (Euro 733,463 at 31 December 2024), relates entirely to software and increased during the year by Euro 678,179 as a result of the acquisition of new licences for the implementation and expansion of the SAP ERP system and Business Intelligence software.

Amortisation for the reporting period totalled Euro 783,818.

Saleri Shanghai Co. Ltd.

This item, amounting to Euro 50,171 (Euro 1,383 at 31 December 2024), relates entirely to software and increased during the year by Euro 50,506 as a result of the purchase of new technical software licences.

Amortisation for the reporting period totalled Euro 1,280.

Saleri Aftermarket S.p.A.

This item, amounting to Euro 108,275 (Euro 97,250 at 31 December 2024), refers entirely to Business Intelligence software. It increased by Euro 65,300 during the year as a result of the purchase of new licences for the implementation and expansion of the software.

Amortisation for the reporting period totalled Euro 54,275.

Concessions, licences, trademarks and similar rights

The net balance amounts to Euro 1,653,230 (Euro 1,774,125 at 31 December 2024) after accumulated amortisation of Euro 531,526 and almost entirely refers to trademarks purchased by the Parent Company.

The balance did not change during the reporting period, except for the amortisation charge of Euro 120,895.

Goodwill

Goodwill totalled Euro 1,945,042 at 31 December 2024 but shows a zero balance at 31 December 2025 following the sale of the entire investment in ABL Automazione S.r.l.

Intangible assets in progress and payments on account

This balance amounts to Euro 10,497,563 (Euro 8,738,210 at 31 December 2024) and consists almost entirely of internal and external development costs incurred by the Parent Company in relation to projects not yet completed.

The costs now recorded under this caption will be reclassified to the relevant asset category as described above – once their suitability for capitalisation has been confirmed – and they will be amortised from the date of completion of the development phase, considering the estimated residual useful life of the project to which they refer; movements on the balance during the reporting period were as follows:

- › increases of Euro 3,333,930 due to capitalisation of costs related to projects not yet completed;
- › decreases of 1,549,952 due to reclassification of costs related to projects whose development phase has been completed;
- › decreases of Euro 34,988 relating to the write-off of unfinished projects that were abandoned after strategic analysis and assessment.

Other intangible assets

This caption amounts to Euro 2,647,879 (Euro 2,421,383 at 31 December 2024) after accumulated amortisation of Euro 3,331,262.

The balance and the main changes during the reporting period are detailed below:

Industrie Saleri Italo S.p.A.

The balance, amounting to Euro 1,680,622 (Euro 1,911,605 at 31 December 2024), entirely refers to leasehold improvements. Additions for the year of Euro 26,546 (including Euro 16,796 reclassified from “Intangible assets in progress and payments on account”) refer to improvements to the new, leased production facility.

Amortisation for the reporting period totalled Euro 257,528.

Saleri Aftermarket S.p.A.

The balance, amounting to Euro 245,784 (Euro 189,731 at 31 December 2024), consists entirely of leasehold improvements. There were additions of Euro 87,290 during the reporting period while decreases related to amortisation for the year of Euro 31,237.

Saleri México S.A. de C.V.

The balance, amounting to Euro 130,102 (Euro 108,772 at 31 December 2024) entirely refers to leasehold improvements. There were additions of Euro 34,624 during the reporting period while the annual amortisation charge was Euro 15,127.

Saleri Shanghai Co. Ltd.

The balance, amounting to Euro 286,640 (Euro 15,413 at 31 December 2024), entirely refers to leasehold improvements. There were additions of Euro 288,979 during the reporting period.

Tangible assets

Movements	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets under construction and payments on account	Total
Historical cost	20,558,085	91,493,637	32,231,908	6,511,704	5,344,646	156,139,979
Previous revaluations	6,502,686	0	0	0	0	6,502,686
Accumulated depreciation	(8,456,688)	(55,519,927)	(25,580,513)	(5,642,957)	0	(95,200,086)
Previous writedowns	(1,560,488)	0	0	0	0	(1,560,488)
Opening amount	17,043,594	35,973,709	6,651,395	868,747	5,344,646	65,882,091
Additions during the year	118,062	1,452,055	2,482,488	415,730	3,237,298	7,705,633
Change in scope of consolidation (cost)	(42,489)	2,658,304	165,266	(357,980)	0	2,423,102
Change in scope of consolidation (Accum. Depre' n)	42,489	(171,716)	25,856	340,843	0	237,473
Reclassifications	28,382	2,943,850	1,229,324	315,703	(4,496,950)	20,309
Movements to other caption during period	0	0	0	0	0	0
Disposals (historical cost)	(16,107,555)	(855,879)	(317,426)	(112,367)	(20,950)	(17,414,177)
Disposals (Accum. Depr' n)	39,337	96,683	128,902	10,662	0	275,583
Revaluations during year	0	0	0	0	0	0
Amortisation for the year	(635,017)	(3,415,502)	(2,114,863)	(256,650)	0	(6,422,032)
Writedowns for the year	0	0	0	0	0	0
Other changes -cost	13,305,579	125,121	(235,549)	(28,394)	(22,366)	13,144,391
Other changes - accumulated dep' n	(22,833)	162,575	254,646	(24,960)	0	369,429
Total changes	(3,274,045)	2,995,492	1,618,644	302,588	(1,302,968)	339,710
Historical cost	17,860,063	97,817,088	35,556,012	6,744,396	4,041,678	162,019,237
Previous revaluations	6,502,686	0	0	0	0	6,502,686
Accumulated depreciation	(9,032,712)	(58,847,887)	(27,285,973)	(5,573,062)	0	(100,739,634)
Previous writedowns	(1,560,488)	0	0	0	0	(1,560,488)
Closing amount	13,769,549	38,969,201	8,270,039	1,171,334	4,041,678	66,221,801

Tangible assets include land, buildings, plant and machinery, industrial and commercial equipment, tangible assets under construction and other tangible assets. They amount to Euro 66,221,801 (Euro 65,882,091 at 31 December 2024) after accumulated depreciation (Euro 100,739,634).

The captions “other changes in cost” and “other changes in accumulated amortisation” include:

- › consolidation adjustments amounting to Euro 13,322,326 arising from the application of IAS 17 to the lease agreement entered into on 31 December 2025 by the Parent Company, Industrie Saleri Italo S.p.A., in respect of the properties located in Lumezzane;
- › the exchange-rate difference relating to the movements of Saleri Shanghai and Saleri México during 2025 compared with the prior reporting date balance translated at the corresponding reporting date exchange rate, amounting to a negative Euro 39,580.

In 2018, the Group identified potential indicators of impairment of certain tangible assets. Therefore, in accordance with Italian Accounting Standard OIC 9, it made further writedowns in terms of Articles 2426(1) and (3) of the Italian Civil Code and created an impairment provision totalling Euro 1,560,488. These impairment adjustments have been maintained unchanged in subsequent years as there have been no new factors requiring changes to the conclusions reached at the time.

Amounts are stated net of consolidation adjustments regarding intercompany transactions.

Land and Buildings

This caption amounts to Euro 13,769,549 (Euro 17,043,594 at 31 December 2024) and is stated net of accumulated depreciation of Euro 9,032,712. The balance refers almost entirely to the Parent Company.

Increases of Euro 146,444 during the reporting period refer almost entirely to capex by subsidiary Saleri Shanghai Co. Ltd on the production facility owned by it (historical cost of Euro 124,487). This amount includes Euro 28,382 reclassified from “Assets under construction and payments on account”.

The disposals recognised during the reporting period, as well as the amount reported under “other changes in cost”, relate to the sale and subsequent leaseback by the Parent Company of the operating properties located in Lumezzane. For consolidated reporting purposes, this transaction was analysed with reference to its economic substance, which indicated that the principal risks and rewards associated with ownership of the properties remained with the Group, taking into account, *inter alia*, the term of the lease agreement, the agreed economic conditions and the specific contractual provisions.

Accordingly, in accordance with the substance-over-form principle, the transaction has been accounted for in the consolidated financial statements as a finance lease.

As stated above, the Parent Company has not made any impairment provisions on top of the amount provided in 2018 as it believes the existing provision reflects the effective impairment of land and buildings.

In compliance with Italian Accounting Standard OIC 16, the value of the land on which the buildings are situated has been reported separately.

Plant and machinery

This balance, amounting to Euro 38,969,201 (against Euro 35,973,709 at 31 December 2024), is stated net of accumulated depreciation of Euro 58,847,887. It includes plant and machinery of Euro 8,086,801 (Euro 8,827,841 at 31 December 2024) held under finance leases and reported in accordance with International Accounting Standards and negative consolidation adjustments of Euro 963,032 (Euro 1,508,256 at 31 December 2024).

The balance and the main changes thereon are detailed below:

Industrie Saleri Italo S.p.A.

The balance amounts to Euro 23,429,791 (Euro 23,144,089 at 31 December 2024) after accumulated depreciation of Euro 29,950,061 (Euro 27,745,332 at 31 December 2024).

The net increase of Euro 285,702 compared to prior year is due to the combined effect of:

- › increases due to purchases of new machinery - Euro 904,092;
- › increases due to reclassifications from Assets under construction and Payments on account - Euro 2,189,037;
- › decreases due to disposals of plant and machinery with a net carrying amount of Euro 602,698 (historical cost Euro 2,698,802);
- › decreases due to depreciation for the year of Euro 2,204,729.

Saleri Aftermarket S.p.A.

Plant and machinery amounts to Euro 71,176 (Euro 69,715 at 31 December 2024) net of accumulated depreciation of Euro 336,128 (Euro 323,279 at 31 December 2024).

The balance recorded increases of Euro 14,310 during the year due to purchases of new plant and equipment for the warehouse and a decrease of Euro 12,849 due to depreciation.

Saleri México S.A. de C.V.

Plant and machinery amounts to Euro 1,928,672 (Euro 1,237,553 at 31 December 2024) net of accumulated depreciation of Euro 851,463 (Euro 620,936 at 31 December 2024).

The balance recorded increases of Euro 883,593, including Euro 754,813 reclassified from “Assets under construction and payments on account”. Decreases entirely relate to depreciation for the year of Euro 212,260.

Saleri Shanghai Co. Ltd.

Plant and machinery amounts to Euro 3,894,754 (Euro 4,565,872 at 31 December 2024) net of accumulated depreciation of Euro 2,506,901 (Euro 2,213,954 at 31 December 2024).

During the reporting period, the balance increased by Euro 404,873 as a result of purchases of new machinery. Decreases totalling Euro 726,971 were due to the combined

effect of disposals of Euro 156,498 and depreciation of Euro 570,473.

Saleri India Private Ltd.

Plant and machinery amounts to Euro 2,521,038 net of accumulated depreciation of Euro 478,472.

Industrial and Commercial Equipment

This caption amounts to Euro 8,270,039 (Euro 6,651,395 at 31 December 2024) and is stated net of accumulated depreciation of Euro 27,285,973 (Euro 25,580,513 at 31 December 2024).

The balance includes consolidation adjustments of Euro 233,756 (Euro 174,832 at 31 December 2024).

The balance and the main changes during the period may be detailed as follows:

Industrie Saleri Italo S.p.A.

The balance amounts to Euro 6,880,876 (Euro 5,337,779 at 31 December 2024) after accumulated depreciation of Euro 25,099,061.

Additions for the period amount to Euro 3,374,526, including Euro 1,283,618 reclassified from “Assets under Construction and Payments on Account” and Euro 2,090,908 of purchases of new equipment needed to carry out the contracts acquired by the Company and for the launch of the new business related to electric vehicles.

Decreases due to the period were due to depreciation of Euro 1,830,957.

Saleri Aftermarket S.p.A.

Industrial and commercial equipment amounts to Euro 121,862 (Euro 138,700 at 31 December 2024) net of accumulated depreciation of Euro 147,143 (Euro 130,305 at 31 December 2024).

The balance did not undergo any changes during the period except for the annual depreciation charge of Euro 16,838.

Saleri Shanghai Co. Ltd.

The balance amounts to Euro 840,787 (Euro 1,030,120 at 31 December 2024) after accumulated depreciation of Euro 2,222,707 (Euro 2,280,858 at 31 December 2024).

The net decrease of Euro 176,758 compared to prior year is due to the combined effect of:

- › decreases following the reclassification of certain items to Land and Buildings (Euro 26,463) and Other tangible assets (Euro 27,831);
- › decreases due to disposals of Euro 188,052 (historical cost Euro 316,954);
- › decreases due to depreciation of Euro 325,992.

Saleri India Private Ltd.

The balance amounts to Euro 192,762 net of accumulated depreciation of Euro 25,114.

Other tangible assets

This caption amounts to Euro 1,171,334 (Euro 868,747 at 31 December 2024) and is stated net of accumulated depreciation of Euro 5,573,062 (Euro 5,642,957 at 31 December 2024). It includes cars held under finance leases and consolidation adjustments of Euro 95,827 (negative consolidation adjustments of Euro 22,259 at 31 December 2024).

The balance and the main changes during the period may be detailed as follows:

Industrie Saleri Italo S.p.A.

The balance amounts to Euro 690,016 (Euro 353,649 at 31 December 2024) after accumulated depreciation of Euro 4,614,216 (Euro 4,481,688 at 31 December 2024) and refers to:

- › furniture and fittings of Euro 132,914 (Euro 102,316 at 31 December 2024); additions for the period totalled Euro 40,457, mainly for new office furnishings;
- › electronic office equipment of Euro 556,961 (Euro 250,992 at 31 December 2024); additions for the period totalled Euro 423,556, including Euro 270,804 reclassified from “Assets under construction and payments on account”, mainly for purchases of hardware and to update and replace electronic devices currently in use; during the period, also as a result of the renewal process, certain electronic equipment with a net carrying amount of Euro 12,187 was disposed of (original historical cost Euro 79,084);
- › cars and vehicles of Euro 141 (Euro 340 at 31 December 2024); there were no additions during the reporting period while there was a decrease of Euro 200 due to depreciation for the year.

Saleri Aftermarket S.p.A.

The balance amounts to Euro 99,660 (Euro 66,672 at 31 December 2024) after accumulated depreciation of Euro 309,190 (Euro 282,078 at 31 December 2024) and refers to:

- › furniture and fittings of Euro 18,553 (Euro 7,428 at 31 December 2024); there were additions of Euro 14,293 during the period, mainly because of the purchase of office furniture.
- › electronic office equipment of Euro 74,273 (Euro 59,244 at 31 December 2024); additions for the reporting period of Euro 38,214 mainly related to the purchase of terminals for the new warehouse and of PCs to update and replace electronic devices currently in use.
- › cars and vehicles of Euro 6,834; additions for the reporting period of Euro 7,593 related to the purchase of a vehicle used for shuttle services between the two warehouses. The decrease of Euro 759 relates exclusively to depreciation for the year.

Saleri México S.A. de C.V.

The balance amounts to Euro 63,283 (Euro 57,759 at 31 December 2024) after accumulated depreciation of Euro 129,424 (Euro 103,960 at 31 December 2024). Additions for the reporting period totalled Euro 27,676 while decreases due to depreciation amounted to Euro 22,740.

Saleri Shanghai Co. Ltd.

The balance amounts to Euro 134,465 (Euro 185,500 at 31 December 2024) after accumulated depreciation of Euro 410,606 (Euro 336,032 at 31 December 2024).

Increases totalled Euro 83,957, including Euro 27,831 reclassified from the “Industrial and Commercial Equipment” category, while decreases related to the disposal of certain electronic equipment with a net carrying amount of Euro 26,109.

Depreciation for the year amounted to Euro 53,942.

Saleri TMS Competence Center GmbH

The balance amounts to Euro 14,685 (Euro 15,190 at 31 December 2024) after accumulated depreciation of Euro 19,424 (Euro 16,510 at 31 December 2024). Increases due to additions totalled Euro 2,409 while the decrease due to depreciation for the year was Euro 2,914.

Saleri India Private Ltd.

The balance amounts to 72,398 net of accumulated depreciation of Euro 24,291.

Assets under construction and payments on account

Assets under construction and payments on account total Euro 4,041,678 (Euro 5,344,646 at 31 December 2024). The total includes negative consolidation adjustments of Euro 1,040,251 (Euro 501,086 at 31 December 2024).

The balance and the main changes during the period may be detailed as follows:

Industrie Saleri Italo S.p.A.

The balance amounts to Euro 1,635,740 (Euro 4,060,992 at 31 December 2024) and refers to payments made on account during the period towards additions to tangible assets.

During the period, Euro 3,742,137 was reclassified to the relevant tangible asset categories following the completion of the related capex.

Increases for the period totalling Euro 1,337,835 regard payments made on account in relation to new production lines and equipment to cope with the new long-term production contracts acquired by the Original Equipment Division.

Saleri México S.A. de C.V.

The balance amounts to Euro 63,818 (Euro 739,668 at 31 December 2024) and refers to payments made on account in relation to the realisation of new production lines and equipment to cope with new long-term production contracts

acquired by the Original Equipment Division. During the period, Euro 754,813 was reclassified to “Plant and machinery” following the completion of the related capex.

Saleri Shanghai Co. Ltd.

The balance amounts to Euro 3,382,372 (Euro 479,974 at 31 December 2024) and refers to payments made on account in relation to the realisation of moulds and new production lines and equipment to cope with new long-term production contracts acquired by the Original Equipment Division.

Non-current financial assets

Total financial assets	Euro
Historical cost	3,565,786
Previous revaluations	0
Previous writedowns	(1,244,337)
Opening amount	2,321,449
Acquisitions during the period	1,982,500
Increases due to change in scope of consolidation	0
Decreases due to change in scope of consolidation	(1,886,165)
Reclassifications from another caption	0
Reclassifications to another caption	0
Disposals	0
Revaluations during the period	0
Writedowns during the period	(195,140)
Other changes	239
Closing amount	2,222,883

Investments

Investments in	Subsidiaries	Associated companies	Parent companies	Other entities	Total
Historical cost	2,082,470	0	0	532	2,083,002
Previous revaluations	0	0	0	0	0
Previous writedowns	(25,640)	0	0	0	(25,640)
Opening amount	2,056,830	0	0	532	2,057,362
Acquisitions during the period	0	0	0	0	0
Increases due to change in scope of consolidation	0	0	0	0	0
Decreases due to change in scope of consolidation	(1,886,165)	0	0	0	(1,886,165)
Reclassifications from another caption	0	0	0	0	0
Reclassifications to another caption	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations during the period	0	0	0	0	0
Writedowns during the period	0	0	0	0	0
Other changes	0	0	0	0	0
Closing amount	170,665	0	0	532	171,197

Investments in subsidiaries

Investments in subsidiaries” refers to the following investments not included in the scope of consolidation:

Name	Location	Share capital Euro
C.D.C. Taiwan Inc.	1F, No. 63, LN. 118,St.Dongjid RD., Guishan Dist., Taoyuan City 33353, Taiwan (R.O.C.)	936,911

The following table presents a comparison between Book Equity pertaining to the Group and the carrying amount of the investments:

Name	% Interest	Equity	Profit (Loss) for prior year	Share of equity	Carrying amount	Difference
C.D.C. Taiwan Inc.	51.00%	334,638	(5,833)	170,665	170,665	0
TOTAL				170,665	170,665	0

For C.D.C. Taiwan Inc., the financial information shown refers to the financial statements at 31 December 2025 and the carrying amount of the investment is in line with the corresponding portion of Equity.

Receivables from others

This balance wholly relating to subsidiary Saleri México S.A. de C.V, regards an amount reclassified from another non-current receivables caption.

Other securities

Other Securities	Total
Historical cost	19,962
Previous revaluations	0
Previous writedowns	(13,621)
Opening amount	6,341
Acquisitions during the period	1,982,500
Reclassifications from another caption	0
Reclassifications to another caption	0
Disposals during the period	0
Revaluations during the period	0
Writedowns during the period	0
Other changes	0
Closing amount	1,988,841

The increase of Euro 1,982,500 relates to the security deposit associated with the property lease agreement entered into by Industrie Saleri Italo S.p.A.

Derivative instruments

Derivative instruments	Total
Historical cost	722,934
Previous revaluations	0
Previous writedowns	(476,834)
Opening amount	246,100
Acquisitions during the period	0
Reclassifications from another caption	0
Reclassifications to another caption	0
Disposals during the period	0
Revaluations during the period	0
Writedowns during the period	(195,140)
Other changes	0
Closing amount	50,960

This caption includes the reporting date measurement of the positive fair value of the derivative instruments in place at that date. These derivatives have been arranged to hedge the interest rate risk in relation to medium/long-term loans at 31 December 2025.

Current assets

Inventory

Description	Opening amount	Change in scope of consolidation	Change during period	Closing amount
Raw, ancillary and cons. materials	15,786,501	106,376	411,648	16,304,526
WIP	6,723,420	–	1,150,634	7,874,054
Contract WIP	2,770,348	(2,770,348)	–	–
Finished goods and products	14,347,780	429,370	3,332,513	18,109,663
Payments on account	680,811	–	(188,943)	491,868
TOTAL	40,308,861	(2,234,602)	4,705,851	42,780,110

At 31 December 2025, inventory totalled Euro 42,780,110 (Euro 40,308,861 at 31 December 2024) and referred to parent company Industrie Saleri Italo S.p.A. (60%), to subsidiary Saleri Aftermarket S.p.A. (28%), to subsidiary Saleri Shanghai Co. Ltd (7%), to subsidiary Saleri México S.A. de C.V. (3%) and to subsidiary Saleri India Private Ltd (2%).

The increase in inventory mainly relates to the Parent Company and Saleri Aftermarket S.p.A. and is attributable to seasonal fluctuations in stock levels.

The amounts are stated net of consolidation adjustments for intercompany transactions.

The inventory balance reported above is stated net of the inventory provision totalling Euro 1,914,056 recorded to take account of obsolete and slow moving items and to show carrying amount at the lower of cost and realisable amount.

During 2025, the provision was increased by Euro 1,504,690 while there was a decrease of Euro 852,453 due to the reversal of amounts previously allocated that were no longer required. Changes in the scope of consolidation also led to a Euro 220,000 decrease in the provision.

The following table shows movements on the inventory provision.

Inventory provision	Opening amount	Change in scope of consolidation	Increase	Decrease	Closing amount
1. Raw, ancillary and consumable materials	(759,387)	220,000	(353,338)	217,665	(675,060)
2. WIP and semi-finished goods	(332,416)	–	(219,588)	218,011	(333,993)
3. Contract WIP	–	–	–	–	–
4. Finished goods and products	(390,016)	–	(931,764)	416,777	(905,003)
5. Payments on account	–	–	–	–	–
TOTAL	(1,481,819)	220,000	(1,504,690)	852,453	(1,914,056)

Receivables

There are no receivables relating to transactions that involve a forward return obligation for the purchaser.

Description	Opening amount	Change in scope of consolidation	Change during period	Closing amount
Trade receivables	24,907,237	(330,842)	(1,162,559)	23,413,836
Receivables from non-consolidated subsidiaries	4,954,793	–	(4,924,844)	29,949
Receivables from associated companies	–	–	–	–
Receivables from parent companies	(0)	(836,943)	836,943	(0)
Receivables from entities controlled by parent companies	2,777,594	(512,599)	(2,264,995)	(0)
Tax receivables	1,520,308	186,807	367,053	2,074,169
Deferred tax assets	7,645,764	(480,865)	(1,452,950)	5,711,949
Receivables from others	4,139,592	29,649	5,432,189	9,601,431
TOTAL	45,945,288	(1,944,792)	(3,169,163)	40,831,333

The overall decrease in receivables is due to the combined effect of decreases in trade receivables, receivables from non-consolidated subsidiaries, receivables from companies controlled by the parent companies, tax receivables and other receivables. It is analysed in more detail in the relevant sections of this Note.

Breakdown by residual duration

Description	Amount at 31/12/2025	Due within a year	Due after more than a year	Of which due after more than 5 years
Trade receivables	23,413,836	23,413,836	–	–
Receivables from non-consolidated subsidiaries	29,949	29,949	–	–
Receivables from associated companies	–	–	–	–
Receivables from parent companies	(0)	(0)	–	–
Receivables from entities controlled by parent companies	(0)	(0)	–	–
Tax receivables	2,074,169	2,023,352	50,817	–
Deferred tax assets	5,711,949	–	–	–
Receivables from others	9,601,431	8,865,058	736,372	–
TOTAL	40,831,333	34,332,195	787,189	–

Trade receivables

At 31 December 2025, trade receivables amounted to Euro 23,413,836 (against Euro 24,907,237 at 31 December 2024) and referred to parent company Industrie Saleri Italo S.p.A. (40% of the total), subsidiary Saleri Shanghai Co. Ltd (28% of the total), subsidiary Saleri Aftermarket S.p.A. (16% of the total), subsidiary Saleri México S.A. a C.V. (9% of the total) and subsidiary Saleri India Private Ltd (remaining 7% of the total).

Trade receivables are stated net of a provision for bad debts of Euro 464,587 created to take account of collection issues. The provision is considered reasonable compared to expected losses on receivables, also in light of ongoing disputes and litigation.

Changes in the provision during the reporting period are shown below:

Description	Opening amount	Change in scope of consolidation	Allocated	Utilised	Closing amount
Provision for bad debts	(565,500)	131,104	(54,418)	24,227	(464,587)

Receivables from non-consolidated subsidiaries

Receivables from non-consolidated subsidiaries amount to Euro 29,949 against Euro 4,954,793 at 31 December 2024; they entirely relate to trade receivables due from C.D.C. Taiwan Inc. The decrease compared to prior year is primarily due to the first-time line-by-line consolidation of subsidiary Saleri India Private Ltd.

Receivables from parent companies

As at 31 December 2025, there were no receivables from the Parent Company.

Tax receivables

Description	Industrie Saleri Italo S.p.A.	Saleri Aftermarket S.p.A.	Saleri México S.A. de C.V.	Saleri Shanghai Co. Ltd	Saleri TMS Competence Center GmbH	Saleri India Private Ltd	Consolidated
W/holding taxes suffered	–	–	–	–	–	–	–
IRES receivables	82,497	5,703	–	–	–	–	88,200
IRAP receivables	49,368	–	–	–	–	–	49,368
VAT receivables	822,937	157,193	281,189	–	30,199	–	1,291,517
Other tax receivables	218,418	–	–	–	12,200	414,464	645,083
TOTAL	1,173,220	162,896	281,189	–	42,399	414,464	2,074,168

The balance of Euro 2,074,168 (Euro 1,520,308 at 31 December 2024) is analysed as follows:

Industrie Saleri Italo S.p.A.

“IRES Receivables”, amounting to Euro 82,497 (Euro 525 at 31 December 2024), include the IRES credit for 2025.

“VAT Receivables”, amounting to Euro 822,937 (Euro 736,055 at 31 December 2024), mainly refer to the VAT balance resulting from the December 2025 VAT return (Euro 802,846). The balance also includes foreign VAT receivables relating to EU countries where the Company has operated directly or for which a refund has been requested.

“Other tax receivables”, amounting to Euro 218,418 (Euro 57,814 at 31 December 2024), mainly refers to the tax credit for Ordinary Assets 2022 and R&I.

Saleri Aftermarket S.p.A.

“IRES Receivables”, amounting to Euro 5,703 (Euro 10,703 at 31 December 2024), refer to the IRES credit relating to previous periods.

“VAT Receivables”, amounting to Euro 157,193, wholly refer to the VAT balance resulting from the December 2025 VAT return.

Saleri México S.A. de C.V., Saleri Shanghai Co. Ltd and Saleri TMS Competence Center GmbH

VAT Receivables” of Euro 311,388 refer to the VAT receivable per the December 2025 tax return. They mainly relate to Saleri México S.A. de C.VI. and Saleri TMS Competence Center GmbH.

Deferred tax assets

Deferred tax assets amount to Euro 5,711,949 (Euro 7,645,764 at 31 December 2024) and mainly comprise the amounts recognised in the financial statements of the parent company and the Italian subsidiaries in relation to temporary differences, in accordance with current tax legislation, as well as in relation to tax losses and to the carry forward of interest expenses deductible in future periods. These deferred tax assets were calculated using the current IRES and IRAP rates (24% and 3.9%, respectively). The 31 December 2025 balance includes amounts recognised in relation to consolidation adjustments (Euro 987,589).

The Directors concluded that it was reasonable to recognise these deductible temporary differences, also on the basis of the companies’ Business Plans 2025-2029, as it is reasonably certain that there will be taxable income in the periods in which the temporary differences reverse.

Other receivables

The amount of Euro 9,601,431 at 31 December 2025 (Euro 4,139,593 at 31 December 2024) regards all of the Group companies and mainly comprises costs advanced and guarantee deposits paid.

Current financial assets

Investments in other entities

The amount of Euro 13,606 almost entirely relates to the parent company and refers to minority investments in other entities.

Cash and cash equivalents

This balance includes cash on hand of Euro 560 plus bank current account balances of Euro 21,573,968.

Description	Opening amount	Change during period	Closing amount
Bank and post office accounts	16,548,358	5,025,610	21,573,968
Cash and cash equivalents on hand	550	10	560
TOTAL	16,548,908	5,025,620	21,574,528

The balance may be detailed as follows:

Descrizione	Industrie Saleri Italo S.p.A.	Saleri Aftermarket S.p.A.	Saleri México S.A. de C.V.	Saleri Shanghai Co. Ltd	Saleri TMS Competence Center GmbH	Saleri India	Consolidated
Bank and post office accountsi	17,623,068	872,480	1,158,051	1,868,398	33,543	18,429	21,573,968
Cash and cash equivalents on hand	86	–	474	–	–	–	560
TOTALE	17,623,154	872,480	1,158,525	1,868,398	33,543	18,429	21,574,528

“Cash and cash equivalents” of Euro 86 relating to the Parent Company consists wholly of tax stamps. The Group’s Italian companies do not hold any cash and all payments are made electronically.

Once again in 2025, the cash management strategy applied by Group management ensured that the resources needed to finance ordinary activities were always available.

Prepaid expenses and accrued income

Description	Opening amount	Change in scope of consolidation	Change during period	Closing amount
Prepaid expenses:				
Contributions to customers	4,724,659	–	742,089	5,466,748
Insurance policies	49,606	(30,356)	(6,212)	13,038
Other costs	696,677	37,189	(117,539)	616,326
TOTAL	5,470,942	6,833	618,337	6,096,112

This item, amounting to Euro 6,096,112 at 31 December 2025 (Euro 5,470,942 at 31 December 2025) mainly refers to the prepaid expenses of parent company Industrie Saleri Italo S.p.A. and subsidiaries Saleri Shanghai Co. Ltd and Saleri México S.A. de C.V.

Prepaid contributions to customers refers to contributions charged or for which a payment commitment has already been signed with the customer and which relate to future periods.

Other prepaid expenses mainly refer to maintenance contracts and subscription instalments.

Shareholders’ equity

Movements on Group Consolidated Shareholders’ Equity

	Opening amount	Allocation of prior year net profit (loss)		Other changes			Profit for year	Amount at 31/12/2025
		Allocation to dividends	Other allocations	Increases	Decreases	Reclassif.		
Share capital	23,922,413	–	–	–	–	–		23,922,413
Share premium reserve	7,696,219	–		–	–	–		7,696,219
Revaluation reserves	4,353,789	–	–		–	–		4,353,789
Legal reserve	1,461,013	–	430,219			–		1,891,232
Statutory reserves	-	–				–		–
Other reserves								
Consolidation reserve	4,072,381	–	–	60,543	–	–		4,132,924
Extraordinary reserve	857,395	–				–		857,395
Reserve for translation of foreign currency financial statements	749,629	–			(1,103,212)			(353,583)
Sundry other reserves	364,052	–				–		364,052
Total other reserves	6,043,457	–	–	60,543	(1,103,212)	–		5,000,788
Cash flow hedge reserve	246,100	–			(215,742)	–		30,358
Retained earnings (Accumulated losses)	6,952,686	–	8,704,436	47,627	(3,695,855)			12,008,894
Profit (Loss) for the year	9,134,655	–	(9,134,655)	–		–	2,354,601	2,354,601
Negative reserve for treasury shares held	(285,014)	–			–	–	–	(285,014)
Total shareholders' equity - Group	59,525,318	–	–	108,170	(5,014,809)	–	2,354,601	56,973,280
Capital and reserves of non-controlling interests	1,128,112	–	(936,407)		(126,190)	–	–	65,515
Profit (Loss) for year pertaining to non-controlling interests	(936,407)	–	936,407	–	–	–	(616,448)	(616,448)
Total shareholders' equity - non-controlling interests	191,705	–	(0)	–	(126,190)	–	(616,448)	(550,933)
Total consolidated shareholders' equity	59,717,023	–	(0)	108,170	(5,140,999)	–	1,738,153	56,422,347

Share capital

Share Capital, wholly subscribed and paid at 31 December 2025, amounts to Euro 23,922,413 and is represented by 3,127,003 shares.

The balance has not changed compared to 31 December 2024.

Share premium reserve

This reserve was created in 2018 and amounts to Euro 7,696,219. The amount was paid in the form of a share premium by shareholder Quaestio Capital SGR S.p.A., as manager of and on behalf of the Quaestio Italian Growth Fund, following the share capital increase (“Aucap B”) approved by the Shareholders’ General Meeting of 5 April 2018.

The reserve did not change during the reporting period.

Revaluation reserves

This balance refers to monetary revaluations carried out in application of the following revaluation laws:

- › Law no. 413/91 - Euro 84,651;
- › Decree Law no. 185/08 - Euro 4,269,138.

Legal reserve

The item has a balance of Euro 1,891,232 at 31 December 2025 (Euro 1,461,013 at 31 December 2024). It increased by Euro 430,219 during the year as a result of allocation of the net profit for 2024, as per the resolution of the Shareholders’ Meeting held on 5 June 2025.

Taking account of the Share Capital increases carried out in 2018 and in 2020, the reserve has not yet reached the limit provided for by Article 2430 of the Italian Civil Code.

Consolidation reserve

This caption shows a balance of Euro 4,132,924 at 31 December 2025, a slight increase compared to 31 December 2024 (Euro 4,072,381).

Extraordinary Reserve

This reserve amounts to Euro 857,395 at 31 December 2025 and did not change during the reporting period.

Reserve for translation of financial statements prepared in foreign currency

This caption shows a negative balance of Euro 353,583 at 31 December 2025 in relation to the translation of the foreign currency financial statements of subsidiaries Saleri Shanghai Co.Ltd, Saleri México S.A. a C.V. and Saleri India Private Ltd.

Sundry other reserves

This item, amounting to Euro 364,052, did not change during the period.

Cash flow hedge reserve

This reserve has a balance of Euro 30,358 at 31 December 2025 (Euro 246,100 at 31 December 2024). It refers to hedging contracts signed by the Parent Company in relation to the loans with SACE guarantees arranged in 2020 and 2025, as described in more detail in the Note on Bank Borrowing, and to hedging contracts signed by subsidiary Saleri Aftermarket S.p.A. in relation to foreign currency liabilities maturing during the next reporting period.

As described in the introduction, the Group decided to apply hedge accounting in relation to the hedging of changes in cash flows for financial liabilities as a result of interest rate fluctuation. Therefore, this caption includes changes in the Fair Value of the effective portion of cash flow hedging instruments. The change over the period led to a Euro 215,742 decrease in the Reserve, net of the tax effect.

Retained earnings (Accumulated losses)

This caption showed retained earnings of Euro 12,008,894 at 31 December 2025 against retained earnings of Euro 6,952,686 at 31 December 2024. Movements during the reporting period were as follows:

- › an increase of Euro 8,704,436 due to allocation of the Group’s net profit for 2024;
- › a decrease of Euro 3,681,674 due to changes in the scope of consolidation;
- › an increase of Euro 33,445 due to consolidation adjustments and alignment to Group accounting policies.

Negative reserve for treasury shares held

At 31 December 2025, this caption had a negative balance of Euro 285,014. It was created following the purchase – authorised by the Shareholders’ Meeting of 24 June 2019 – of 15,799 treasury shares at a total cost of Euro 285,014. The purchase price has been paid in full. There were no movements on the reserve during the reporting period.

Reconciliation between the net profit/(loss) and shareholders’ equity of the consolidating entity and the corresponding amounts per the consolidated financial statements

Amounts in thousands of Euro	2025		2024	
	Equity	of which Profit for year	Equity	of which Profit for year
Equity and result for the year of the Parent Company	70,317,331	1,444,644	69,088,428	8,604,389
Elimination of carrying amount of investments against pro-quota amount of equity	(23,140,275)	(4,628,861)	(19,169,483)	(2,246,743)
Pro-quota results of investee companies	7,393,829	7,393,829	3,752,490	3,752,490
Gains on disposals after depreciation allocated to non-current assets and to consolidation difference at the date of acquisition of the investee companies	1,738,082	(206,959)	1,945,041	(413,918)
Change in scope of consolidation - effect on gains on disposals	(1,738,082)	(93,978)	0	0
Reversal of treasury shares	0	0	0	0
Elimination of effects of transactions between consolidated companies	(4,326,686)	(1,467,001)	(2,899,381)	(396,806)
Alignment of accounting policies	6,729,083	(87,071)	6,808,224	(164,757)
Restatement of investments at equity	0	0	0	0
Equity and result for the year - Group	56,973,282	2,354,603	59,525,320	9,134,655
Equity and result for the year - non-controlling interests	(550,933)	(616,448)	191,704	(936,407)
Equity and result for the year - consolidated	56,422,349	1,738,154	59,717,024	8,198,248

Provisions for risks and charges

Description	Provision for taxation, including deferred tax	Provision for derivative instruments	Other provisions	Total provisions for risks and charges
Opening amount	3,959,963	–	5,387,028	9,346,991
Changes during the year				
Change in scope of consolidation	(43,555)	–	(111,727)	(155,282)
Allocated	(84,958)	21,068	3,642,519	3,578,629
Utilised	(1,649,715)	–	(3,850,982)	(5,500,697)
Other changes	–	–	–	–
Total changes	(1,778,228)	21,068	(320,190)	(2,077,350)
Amount at 31/12/2025	2,181,735	21,068	5,066,838	7,269,641

The “Provision for taxation, including deferred tax”, amounting to Euro 2,168,687 (Euro 3,959,963 at 31 December 2024), mainly includes taxes resulting from accounting for finance leases in accordance with the applicable accounting standards.
“Other provisions”, amounting to Euro 5,066,838 (Euro 5,387,028 at 31 December 2024) mainly relates to the Parent Company and includes:

- › Euro 2,000,000 of product warranty provisions.
During the period, utilisation of the provision totalled

Euro 1,600,000 while allocations totalled Euro 2,000,000; the provision is reasonable in relation to the estimated costs that the Group could be called upon to sustain to fulfil its contractual warranty commitments, taking account of historical costs, any complaints already received and specific agreements signed with customers;
› Euro 1,153,746 of prudent provisions for sundry litigation in progress or threatened which, at the date of approval of the financial statements, had not yet been settled;
› Euro 1,415,656 of provisions for future variable remuneration expenses under agreements signed
The residual amount of Euro 497,436 mainly relates to subsidiary Saleri Aftermarket S.p.A. for provisions for future variable remuneration expenses under specific agreements signed.

Employee severance indemnity (“TFR”) provision

The TFR provision has been calculated, for the parent company and subsidiaries ABL Automazione S.r.l. and Saleri Aftermarket S.p.A. in accordance with Article 2120 of the Italian Civil Code, taking account of legislative requirements and the specific provisions of employment contracts and professional agreements. It includes annual accruals and revaluations performed based on ISTAT coefficients.

It represents the effective liability accruing in favour of employees in accordance with the law and applicable labour agreements, considering all forms of continuous remuneration.

The provision represents the total of the individual indemnities accruing in favour of employees at the reporting date. It is stated net of payments made on account and amounts paid to social security and pensions institutions and pension funds, in accordance with current legislation. It represents the companies’ liability towards employees at the reporting date.

The following table provides details of the creation and utilisation of the provision (Art. 2427(4) of the Italian Civil Code).

Description	Employee Severance Indemnity - "TFR"
Opening amount	2,352,730
Changes during the year	
Change in scope of consolidation	(1,042,254)
Allocated	90,361
Utilised	(141,646)
Other changes	609
Total changes	(1,092,930)
Amount at 31/12/2025	1,259,800

The amount utilised during the period mainly refers to payments to treasury funds and to TFR paid to employees who left the Group.

Payables

There are no payables relating to transactions involving a future return obligation for the buyer.

Description	Opening amount	Change in scope of consolidation	Change during period	Amount at 31/12/2025
Bonds	7,997,528	–	(1,564,160)	6,433,368
Convertible bonds	–	–	–	–
Shareholder loans payable	–	–	–	–
Bank borrowing	41,681,882	(1,152,801)	4,134,745	44,663,826
Payables to other lenders	8,507,971	(10,114)	9,025,923	17,523,780
Payments on account	3,030,979	(1,470,920)	349,757	1,909,816
Trade payables	53,416,421	592,452	1,649,337	55,658,210
Payables in form of credit instruments	–	–	–	–
Payables to non-consolidated subsidiaries	3,735	–	(3,735)	–
Payables to associated companies	–	–	–	–
Payables to parent companies	0	5,853,257	(5,853,257)	(0)
Payables to companies controlled by parent companies	(0)	505,403	(505,403)	0
Tax payables	3,401,807	(80,046)	(832,913)	2,488,848
Payables to social security and pensions institutions	1,836,188	(239,283)	157,534	1,754,439
Other payables	7,579,744	(650,610)	1,022,164	7,951,298
TOTAL	127,456,255	3,347,338	7,579,992	138,383,585

Breakdown by residual duration

Description	Amount at 31/12/2025	Due within a year	Due after more than a year	Of which due after more than five years
Bonds	6,433,368	1,714,036	4,719,332	–
Convertible bonds	–	–	–	–
Shareholder loans payable	–	–	–	–
Bank borrowing	44,663,826	23,978,299	20,685,527	–
Payables to other lenders	17,523,780	4,390,653	13,133,126	–
Payments on account	1,909,816	1,909,816	–	–
Trade payables	55,658,210	55,658,210	–	–
Payables in form of credit instruments	–	–	–	–
Payables to non-consolidated subsidiaries	–	–	–	–
Payables to associated companies	–	–	–	–
Payables to parent companies	(0)	(0)	–	–
Payables to companies controlled by parent companies	0	0	–	–
Tax payables	2,488,848	2,488,848	–	–
Payables to social security and pensions institutions	1,754,439	1,754,439	–	–
Other payables	7,951,298	7,926,838	24,460	–
TOTAL	138,383,585	99,821,140	38,526,445	–

Bonds

On 13 December 2023, the Parent Company issued bonds with a value of Euro 8,000,000, called the “Basket Bond”. This loan, subscribed by SPV Project 2206 S.r.l., a company whose sole corporate objective is to carry out securitisation transactions, consists of 80 bonds with a nominal value of Euro 100,000 each. The bond loan has a lifespan from 13 December 2023 until 25 July 2029. The bonds are subject to interest calculated at a fixed nominal rate of 6.3% per annum.

During the reporting period, bond repayments were made in accordance with the contractually agreed repayment plan.

The amount of Euro 6,433,368 (amortised cost value) reported under the caption includes interest accruing at 31 December 2025.

The contract is subject to compliance with covenants measured based on the annual consolidated financial statements.

All of the covenants were respected as at 31 December 2025.

Bank Borrowing

Description	31/12/2024	Change in scope of consolidation	31/12/2025	Change
a) Bank borrowing due within a year	20,409,063	(1,077,454)	23,978,299	4,646,688
Lines of credit	2,114,999	378,734	1,332,690	(1,161,043)
Current account overdrafts	1,049,532	(894,644)	475,345	320,457
Loans	11,724,008	(511,541)	16,351,870	5,139,404
Advances on receivables	5,520,526	(50,002)	5,818,394	347,870
Other payables	–	–	–	–
b) Bank borrowing due after more than a year	21,272,818	(75,347)	20,685,527	(511,944)
Loans	21,272,818	(75,347)	20,685,527	(511,944)
Advances on receivables	–	–	–	–
Other payables	–	–	–	–
TOTAL BANK BORROWING	41,681,881	(1,152,801)	44,663,826	4,134,744

As at 31 December 2025, there were no loans guaranteed by securities on the assets of companies included in the scope of consolidation.

The total amount of Euro 44,663,826 (against Euro 41,681,881 at 31 December 2024) is detailed as follows:

Industrie Saleri Italo S.p.A.

Description	Amount at 31/12/2024	Amount at 31/12/2025	Change
a) Bank borrowing due within a year	14,851,045	22,278,276	7,427,231
Lines of credit	0	0	0
Current account overdrafts	154,888	401,257	246,369
Loans	10,885,943	16,155,363	5,269,420
Advances on receivables	3,810,214	5,721,656	1,911,442
Other payables			-
b) Bank borrowing due after more than a year	21,197,471	19,887,034	(1,310,437)
Loans	21,197,471	19,887,034	(1,310,437)
Advances on receivables			
Other payables			
TOTAL BANK BORROWING	36,048,516	42,165,310	6,116,794

Bank Borrowing amounts to Euro 42,165,312 and has increased by Euro 6,116,794 compared to 31 December 2024.

Bank borrowing due within a year amounts to Euro 22,278,276 and has increased by Euro 7,427,231 compared to 31 December 2024. Bank borrowing due after more than a year amounts to Euro 19,887,034 and has decreased by Euro 1,310,437 compared to 31 December 2024 as a result of new financing obtained during the year to support production investments and repayments made in line with the repayment schedules of existing loans.

Loans payable at 31 December 2025 (both current and non-current) amount to Euro 36,042,397, against Euro 32,083,414 at 31 December 2024, and are analysed as follows (amounts at amortised cost):

No.	Type	Start of Repayment Period	No of Instalments	Frequency of Instalments	Maturity Date	Reference Interest Rate	Amount Disbursed	Due within a year	Due after more than a year	Total
1	Loan guaranteed by SACE	31/12/24	14	Quarterly	31/03/28	Euribor 3 mths	18,000,000	4,489,708	0	4,489,708
2	Loan guaranteed by SACE	31/12/22	16	Quarterly	30/09/26	Euribor 3 mths	24,000,000	4,995,889	6,359,350	11,355,239
3	Loan guaranteed by SACE	31/03/28	1	Bullet repayment	31/03/28	Euribor 3 mths	2,000,000	-16,212	1,982,611	1,966,399
4	M/L term loan	30/06/26	2	Six-monthly	30/06/26	Euribor 6 mths	3,500,000	3,465,982	0	3,465,982
5	Loan guaranteed by SACE	31/03/26	18	Quarterly	30/06/30	Euribor 3 mths	7,500,000	1,616,936	5,785,616	7,402,552
6	Loan guaranteed by SACE	31/03/26	18	Quarterly	30/06/30	Euribor 3 mths	7,500,000	1,603,059	5,759,456	7,362,516
TOTAL								12,935,368	8,341,961	36,042,397

The loan agreements listed above are subject to compliance with covenants measured based on the annual consolidated financial statements.

Saleri Aftermarket S.p.A.

Description	Amount at 31/12/2024	Amount at 31/12/2025	Change
a) Bank borrowing due within a year	2,137,667	1,321,288	(816,379)
Lines of credit	150,834	953,955	803,121
Current account overdrafts		74,088	74,088
Loans	326,523	196,507	(130,016)
Advances on receivables	1,660,310	96,738	(1,563,572)
Other payables			
b) Bank borrowing due after more than a year		798,493	798,493
Loans	0	798,493	798,493
Advances on receivables			
Other payables			
TOTAL BANK BORROWING	2,137,667	2,119,781	(17,886)

Bank Borrowing amounts to Euro 2,119,781, including Euro 1,321,289 due within a year. The balance has decreased by Euro 17,886 compared to 31 December 2024 when it stood at Euro 2,137,667.

Loans payable at 31 December 2025 amount to Euro 995,000, with an increase of Euro 668,477 compared to 31 December 2024; they are analysed as follows:

No.	Type	Start of Repayment Period	No of Instalments	Frequency of Instalments	Maturity Date	Reference Interest Rate	Amount Disbursed	Due within a year	Due after more than a year	Total
1	Unsecured loan	31/12/25	21	Quarterly	31/12/30	Euribor 3 mths	1,000,000	196,507	798,493	995,000
TOTAL								196,507	798,493	995,000

Saleri India Private Ltd

Bank borrowing amounts to Euro 378,734 and refers to credit facilities arranged in previous reporting periods.

Payables to Other Lenders

This caption amounts to Euro 17,523,779 (Euro 8,507,971 at 31 December 2024) and consists almost entirely of payables towards leasing companies and factoring companies.

Payments on account

This item amounts to Euro 1,909,816 (Euro 3,030,979 at 31 December 2024) and refers mainly to the parent company and to subsidiary Saleri México S.A. de C.V., as follows:

- › Euro 166,680 of payments on account from customers of Saleri México S.A. de C.V. towards future purchases;
- › Euro 1,648,457 of payments on account from customers of the Parent Company which, in order to provide adequate support to their supply chain, have agreed to make significant advance payments towards future purchases;
- › Euro 94,679 of payments on account from customers Saleri Shanghai Co. Ltd. towards future purchases.

Trade payables

Trade payables amount to Euro 55,658,210 (Euro 53,416,421 at 31 December 2024). They include liabilities towards suppliers of goods and services, based on the normal payment terms applied or on specific extended payment terms agreed. The balance mainly refers to the parent company (79% of the total amount) and to subsidiaries Saleri Shanghai Co. Ltd., Saleri Aftermarket S.p.A., Saleri México S.A. de C.V. and Saleri India Private Ltd (9%, 5%, 1% and 6% of the total, respectively).

Tax Payables

Tax payables amount to Euro 2,488,848 against Euro 3,401,807 at 31 December 2024. They are detailed as follows:

Description	Opening amount	Change during period	Amount at 31/12/2025
IRES/IRAP payable	957,332	(839,454)	117,878
Taxes withheld at source from employees	1,967,930	(615,641)	1,352,289
Taxes withheld at source from freelance professionals	18,226	(5,884)	12,342
VAT payable	67,394	(67,394)	–
Other tax payables	390,926	615,413	1,006,339
TOTAL	3,401,807	(912,959)	2,488,848

The “IRES” and “IRAP” payables represent the respective liabilities for those taxes.

Payables for taxes withheld at source from employees and professionals/collaborators represent the deductions made at source by the Group companies which have been duly paid over to the authorities on their legal due dates.

Payables to Social Security and Pensions Institutions

Payables to Social Security and Pensions Institutions amount to Euro 1,754,440 against Euro 1,836,189 at 31 December 2024. They are detailed as follows:

Description	Opening amount	Change during period	Amount at 31/12/2025
Payables to INPS	1,168,159	(218,632)	949,527
Payables to INAIL	2,427	(1,828)	599
Payables to other social security and pensions institutions	665,603	138,711	804,314
TOTAL	1,836,189	(81,749)	1,754,440

Payables to social security and pensions institutions represent the contributions payable by the companies. They have been duly paid by the legal due date.

“Other payables to social security and pensions institutions” includes amounts relating to contributions allocated on payroll accruals.

Payables to Others

Payables to others amount to Euro 7,951,298 against Euro 7,579,744 at 31 December 2024. They are detailed as follows:

Description	Opening amount	Change during period	Amount at 31/12/2025
Payables to employees	4,489,441	(461,324)	4,028,117
Payables to directors and statutory auditors	269,807	(143,271)	126,536
Other	2,820,496	976,149	3,796,645
TOTAL	7,579,744	371,555	7,951,298

“Payables to employees” refers to salaries for the month of December and to other deferred remuneration accruing at the reporting date.

“Other payables” includes payables to treasury funds and supplementary pension funds for TFR entitlement accruing but not yet paid, compensation for damages payable to third parties but covered by insurance (Euro 500,000) and CR balances with several customers (Euro 839,562).

Accrued expenses and deferred income

Accrued expenses and deferred income amount to Euro 3,075,255 against Euro 1,746,958 at 31 December 2024. They almost entirely refer to the parent company’s deferred income for contributions from customers and for tax credits for assets relating to the 4.0 transformation processes.

Notes to the Income Statement

Reference should be made to the Directors’ Report for further analysis of changes compared to prior year and for comments on the effects on Income Statement items.

Value of production

Ricavi delle vendite e delle prestazioni

Revenue from sales amounts to Euro 230,269,077 against Euro 220,421,143 in 2024. It mainly refers to revenue generated by the Parent Company and subsidiaries Saleri Shanghai Co. Ltd and Saleri Aftermarket S.p.A.

Description	2024	Change	2025
Revenue from sales	220,421,143	9,847,934	230,269,077
TOTAL	220,421,143	9,847,934	230,269,077

Revenue from the sale of goods is stated after returns, discounts and bonuses agreed and granted to customers and warranty chargebacks. Revenue from sales also includes chargebacks such as contributions debited to customers for the development of new products and the construction of related equipment, as well as a small amount of incidental selling expenses (shipping and packaging).

The overall increase of Euro 9,847,934 in revenue from sales (+4.5% approx..) mainly relates to the Parent Company and to subsidiary Saleri Aftermarket S.p.A.

Breakdown of revenue from sales and services by business category

Description	2025
Production and Sale of Water Pumps, Equipment and Prototypes	182,447,269
Wholesale of Aftermarket products	47,821,808
TOTAL	230,269,077

Breakdown of sales by geographical area

Geographical Area	2024	Change	2025
Italy	37,447,356	(11,389,246)	26,058,111
Other countries	182,973,786	21,237,180,47	204,210,967
TOTAL	220,421,142	9,847,935	230,269,077

Increase in non-current assets due to internal works

The amount of Euro 4,174,794 entirely refers to the Parent Company. It relates to outsourcing costs and the cost of personnel directly deployed on development projects relating to customer contracts for which, at 31 December 2025 (i) the development phase had been completed and the amortisation process had begun or (ii) the award had been confirmed but mass production had not yet commenced.

See the earlier Notes on Development Costs and Intangible Assets in Progress for further information.

Other revenue and income

Other revenue and income, amounting to Euro 4,604,182 (against Euro 5,442,411 in 2024), almost entirely consists of the other revenue of the parent company; it includes:

- › Euro 1,055,295 of royalties and intercompany services provided to Group companies before the date of consolidation;
- › Euro 603,088 of various chargebacks to customers (sharing of purchase cost of equipment, modification of tooling, project cancellation);
- › Euro 245,935 of tax credits and grants in favour of the Company;
- › Euro 4,319 of gains on fixed asset disposals;
- › Euro 664,844 of chargebacks to suppliers of costs incurred that are not attributable to the Company;
- › Euro 1,436,419 of out of period income, mainly relating to adjustments to estimates made during previous reporting periods.

Reference should be made to the Directors’ Report for a more detailed breakdown of Revenue from Sales and Value of Production, in general.

Cost of production

The following table contains details of cost of production for 2024 and 2025, as well as changes during the reporting period.

Description	2024	2025	Change	% Change
Raw, ancillary and consumable materials and goods for resale	125,646,996	132,551,903	6,904,907	5.50%
Services	39,890,005	44,935,684	5,045,679	12.65%
Use of third party assets - Lease and rental costs	4,380,244	4,145,138	(235,106)	-5.37%
Personnel:				
a) wages and salaries	27,699,325	26,820,077	(879,248)	-3.17%
b) social contributions	7,466,274	7,197,269	(269,005)	-3.60%
c) employee severance indemnity - TFR	1,336,957	1,167,529	(169,428)	-12.67%
d) retirement benefits and similar obligations	-	-	-	0.00%
e) other personnel costs	235,822	303,481	67,659	28.69%
Depreciation, amortisation and writedowns:				
a) intangible assets	2,573,163	2,645,825	72,662	2.82%
b) tangible assets	6,612,361	6,422,033	(190,328)	-2.88%
c) other writedowns of non-current assets	-	-	-	
d) writedowns of current receivables	147,554	67,204	(80,350)	-54.45%
Changes in inventory of raw, ancillary and consumable materials and goods	(5,239,474)	(2,175,307)	3,064,167	-58.48%
Provisions for risks	-	-	-	
Other provisions	3,881,686	2,200,000	(1,681,686)	-43.32%
Sundry operating expenses	1,295,598	4,288,193	2,992,595	230.98%
Rounding			-	
TOTAL	215,926,511	230,569,029	14,642,518	

The following paragraphs contain details of the main cost categories and the most significant changes compared to prior year.

Costs for raw, ancillary and consumable materials and goods

Costs for raw, ancillary and consumable materials and goods are reported in the Income Statement net of adjustments for returns, discounts, bonuses and allowances. They total Euro 132,551,903 for 2025 against Euro 125m646,996 in 2024.

Purchase costs mainly relate to raw materials (aluminium) and pump components (bearings and shafts, thermostats, pulleys, plates, circuit boards, etc.), pumps and consumable materials.

Reference should be made to the Directors’ Report for further information on this cost category and on the change compared to prior year.

Costs for services

Description	Industrie Saleri Italo S.p.A.	Saleri TMS Competence Center GmbH	Saleri Aftermarket S.p.A.	Saleri México S.A. de C.V.	Saleri Shanghai Co. Ltd	Consolidated
Costs for Services	36,338,907	102,909	5,829,176	1,529,555	1,135,136	44,935,684
TOTAL	36,338,907	102,909	5,829,176	1,529,555	1,135,136	44,935,684

Costs for services amount to Euro 44,935,684 against Euro 38,890,005 in 2024. They mainly comprise the Parent Company’s costs for services (around 81% of the total), as detailed in the table below (amount net of intercompany adjustments):

Description	2024	2025	Change
Industrial services	16,595,887	18,482,630	1,886,743
Consulting	2,703,826	3,940,694	1,236,868
General expenses	6,495,770	6,972,742	476,972
Shipping/Freight	3,974,366	4,466,286	491,920
Other services	1,119,918	2,476,555	1,356,637
TOTAL COSTS FOR SERVICES	30,889,766	36,338,907	5,449,141

Industrial services mainly refer to outsourced services including die-casting and other casting, machining, other processing and treatments regarding certain stages of the production process.

Consulting costs include accounting, management and tax consulting but also sales and marketing advice and services in relation to patents, quality control and the environment.

General Expenses include costs for Utilities, Maintenance and other general costs relating to the Company’s activities. The overall increase of Euro 476,972 is mainly due to the increases in shipping/transport costs and in tax and accounting consultancy and staff search and recruitment costs.

“Other services” includes various services. The increase compared to prior year is mainly due to higher temporary labour costs.

Use of third party assets – Lease and rental costs

This item amounts to Euro 4,145,138 against Euro 4,380,244 in 2024. It is analysed as follows:

Description	Industrie Saleri Italo S.p.A.	Saleri TMS Competence Center GmbH	Saleri Aftermarket S.p.A.	Saleri México S.A. de C.V.	Saleri Shanghai Co. Ltd	Consolidated
Use of 3rd party assets - Lease and rental costs	2.449.098	71.092	580.093	415.273	629.582	4.145.138
TOTAL	2.449.098	71.092	580.093	415.273	629.582	4.145.138

The balance mainly includes hire and rental expenses.

Personnel costs

This item comprises all employee related expenses including merit based increases, promotions, seniority increases, accrued holiday pay and provisions required by law and collective labour agreements.

Personnel costs amount to Euro 35,488,356 against Euro 36,738,378 in 2024 and are analysed below:

Description	Industrie Saleri Italo S.p.A.	Saleri TMS Competence Center GmbH	Saleri Aftermarket S.p.A.	Saleri México S.A. de C.V.	Saleri Shanghai Co. Ltd	Consolidated
Personnel costs						
a) wages and salaries	21,511,490	307,216	1,853,509	675,677	2,472,185	26,820,077
b) social contributions	5,821,653	59,871	581,822	114,445	619,477	7,197,269
c) employee severance indemnity - TFR	1,049,625	–	117,904	–	–	1,167,529
d) retirement benefits and similar obligations	–			–	–	–
e) other personnel costs	163,336			–	140,145	303,481
TOTAL	28,546,104	367,088	2,553,235	790,122	3,231,807	35,488,356

Amortisation of intangible assets

Amortisation of intangible assets (Euro 2,645,825 against Euro 1,227,878 in 2024) has already been commented upon in the Note on intangible assets.

Depreciation of tangible assets

Depreciation of tangible assets (Euro 6,422,033 against Euro 6,612,361 in 2024) has already been commented upon in the Note on tangible assets. We note, however, that it has been calculated based on the useful life of tangible assets and their use in the production process.

Other writedowns of non-current assets

As already described in the note on Non-Current Assets, in 2025, the Group did not make any further writedowns of non-current assets as it believed the amount already provided in prior periods was sufficient.

Writedowns of current receivables

During the reporting period, writedowns of current receivables totalled Euro 67,204.

Other provisions

This item, amounting to Euro 2,200,000 (against Euro 3,881,686 in 2024), mainly relates to amounts allocated to the provision for future risks and to the product warranty provision.

Sundry operating expenses

Sundry operating expenses amount to Euro 4,288,193 against Euro 1,295,598 in 2024 and are detailed as follows:

Description	Industrie Saleri Italo S.p.A.	Saleri TMS Competence Center GmbH	Saleri Aftermarket S.p.A.	Saleri México S.A. de C.V.	Saleri Shanghai Co. Ltd	Consolidated
Sundry operating expenses	4,050,461	5,274	124,357	38,887	69,213	4,288,193
TOTAL	4,050,461	5,274	124,357	38,887	69,213	4,288,193

This item is mainly attributable to the Parent Company and primarily relates to non-deductible foreign taxes, out-of-period expenses and losses on the disposal of certain fixed assets.

Financial income and expenses

Income from investments

This item is wholly attributable to the Parent Company and refers to the gain arising on the sale of the investment in ABL Automazione S.r.l. during the reporting period.

Sundry income

The total of Euro 417,416 comprises sundry income, detailed as follows:

- › income from non-consolidated subsidiaries:
Euro 144,814 relating entirely to interest expenses on loan agreements;
- › income from others:
the amount of Euro 272,602 mainly refers to the Parent Company and comprises sundry interest income.

Interest and other financial expenses

Interest and other financial expenses amount to Euro 6,715,494 against Euro 6,459,868 in 2024 and are analysed as follows:

Description	Amount
Bonds	441,142
Bank borrowing	6,092,869
Other	181,483
TOTAL	6,715,494

Exchange gains and losses

During the reporting period, there were net exchange losses of Euro 1,227,613 against net exchange losses of Euro 997,447 in 2024. The total mainly refers to the exchange differences of subsidiaries Saleri Aftermarket S.p.A. and Shanghai Co.Ltd, Saleri México S.A. de C.V..

Taxes on income – current, deferred and deferred tax income

Description	2024	2025
Current taxes	(1,142,995)	(1,712,542)
Prior year taxes	184,726	(18,271)
Deferred Taxes and Utilisation of Deferred Tax Assets	(2,151,775)	(2,392,110)
Deferred Tax Income and Use of Deferred Tax Provisions	1,832,219	2,640,540
Income and expenses from tax consolidation	(629,618)	(1,153,476)
TOTAL	(1,907,444)	(2,635,859)

“Deferred Taxes and Utilisation of Deferred Tax Assets” and “Deferred Tax Income and Utilisation of Deferred Tax Liabilities” mainly refer to the Parent Company.

Other information

Off-balance sheet commitments, guarantees and contingent liabilities

Pursuant to Article 2427(9) of the Italian Civil Code, we disclose the following off-balance sheet commitments, guarantees and contingent liabilities:

Guarantees

Guarantees amount to Euro 1,290,269 and mainly refer to sureties issued to subsidiaries Saleri India Private Co. Ltd. and Saleri Aftermarket S.p.A. in favour of lenders to them; the amount reported is in line with the exposure of the subsidiaries towards the beneficiaries of the guarantees.

Related party transactions

We note that the Group companies routinely enter into commercial and financial transactions with one another. As already highlighted in the “Consolidation Methods” paragraph, receivables and payables, revenue and expenses between companies in the scope of consolidation have been eliminated. All intercompany transactions have been entered into on an arm’s length basis.

The following table shows amounts relating to transactions with non-consolidated subsidiaries and other related parties.

The Parent Company has provided technical/ administrative, commercial and management services to the subsidiaries. It also charges royalties to the Group’s operational subsidiaries. Such transactions are governed by specific contracts.

Description	Parent companies	Non-consolidated subsidiaries	Other related parties
Revenue		1,560,604	
Costs		7,737,050	787,833
Financial income/expenses		144,814	
Financial receivables		–	–
Trade receivables		29,949	10,882
Financial payables		–	
Trade payables		–	673

Fees

As required by law, the following table contains details of the total fees of the Directors, the members of the Board of Statutory Auditors and the External Auditor for performance of their duties.

Description	Consolidated
Directors ' Fees	913,797
Board of Statutory Auditors ' Fees	86,000
External auditor ' s fees - Annual audit	92,267
External auditor ' s fees - Other services	–
TOTAL	1,092,064

Employment details

The following table shows the average number of employees – by employee category – of the companies consolidated line-by-line.

Workforce	2024	Change	2025
White collars - Managers	277	(22)	255
Blue collars - Intermediates	371	10	381
TOTAL	648	(12)	636

See the Directors’ Report for further information on personnel.

Summary of public finance in terms of art. 1 (125) to (129) of Law no. 124/2017

Article 1 (125) to (129) of Law no 124 of 4 August 2017 (Annual law for the market and competition) introduced new disclosure requirements on public finance received and approved.

These amounts are reported on a “cash basis”. During 2024, the Group did not receive any grants and contributions included in the definition governed by Law 124 of 4 August 2017.

Disclosures regarding derivative instruments in terms of Article 2427-bis of the Italian Civil Code

The following table presents the detailed information required by Article 2427-bis(1)(1) of the Italian Civil Code.

Description	Fair value at 31/12/2025	Fair value at 31/12/2024	Change through P&L	Change through Equity	Nature	Amount
Interest rate swap	39,944	246,100		–	Hedge	15,300,000
Options	0	–	0		Hedge	

Significant events after the reporting period

Pursuant to Article 2427 (22-quarter), of the Italian Civil Code, it should be noted that the various factors of uncertainty already referred to in the introduction to these Notes to the Consolidated Financial Statements, which have had a significant impact on the automotive sector, remain in place at the beginning of 2026. In particular, the change in administration in the United States and the economic policies adopted, especially with regard to international trade, have contributed to increased market volatility and greater uncertainty in macroeconomic forecasts. Against this macroeconomic backdrop, as of the date of this report, the Group's projected sales are in line with the 2026 Budget. Group management continues to maintain strict cost controls in light of the ongoing significant risks associated with geopolitical developments and restrictive economic policies.

Unless there are significant changes in the current macroeconomic and geopolitical environment, revenue is expected to increase during the current year, albeit with a slight decline in profitability. This trend is mainly attributable, on the one hand, to lower revenue under agreements with certain customers to reduce volumes and, on the other hand, to the completion of the organisational structure established to support the consolidation of the Mexican and Indian operations and their respective markets.

Lumezzane (BS), 15 May 2026

THE BOARD OF DIRECTORS
Francesco Italo Saleri (Chairman)
Nicola Cosciani Cunico
Sergio Bona
Maria Cristina Storchi
Johann Evangelist Wieland
Alessandro Potestà
Alberto Bartoli
Simona Heidempergher
Nicola Guidi



Deloitte & Touche S.p.A.
Via Cefalonia, 70
25124 Brescia
Italia

Tel: + 39 02 83327030
Fax: + 39 02 83327029
www.deloitte.it

INDEPENDENT AUDITOR’S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Industrie Saleri Italo S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Industrie Saleri Italo S.p.A. and its subsidiaries (the “Group”), which comprise the consolidated balance sheet as at December 31, 2025, the consolidated statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Italian law governing financial statements.

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 *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Industrie Saleri Italo S.p.A. (the “Company”) in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona
Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. Mi-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata (“DTTL”), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche “Deloitte Global”) non fornisce servizi ai clienti. Si invita a leggere l’informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all’indirizzo www.deloitte.com/About.

© Deloitte & Touche S.p.A.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance the Italian law governing financial statements and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's 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 auditor's 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 International Standards on Auditing (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 International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism 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 management's 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10

The Directors of Industrie Saleri Italo S.p.A. are responsible for the preparation of the report on operations of Industrie Saleri Italo Group as at December 31, 2025, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on compliance with the law of the report on operations;
- make a statement about any material misstatement in the report on operations.



In our opinion, the report on operations is consistent with the consolidated financial statements of Industrie Saleri Italo Group as at December 31, 2025.

In addition, in our opinion, the report on operations is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Giampaolo Carrara
Partner

Brescia, Italy
June 3, 2026

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

Separate Financial Statements at 31/12/2025

General information about the Company

GENERAL DETAILS	
Name	INDUSTRIE SALERI ITALO S.P.A.
Registered Office	VIA RUCA 406 25065 LUMEZZANE BS
Share Capital	Euro 23.922.413,12
Is share capital wholly paid?	yes
Chamber of Commerce code	Brescia
VAT number	01589150984
Tax number	03066870175
Business database / REA number	BS-317605
Legal form	Società per azioni (Joint stock company)
Main business segment (ATECO)	293209 Manufacture of other parts and accessories for cars and their engines
Is company in liquidation?	no
Does company have a single shareholder?	no
Is company subject to management and coordination by another entity?	no
Name of company or entity that provides management and coordination	
Does company belong to a group?	yes
Name of holding company	El.fra Holding S.r.l.
Country of holding company	Italy
Register of cooperatives number	

Stato patrimoniale

BALANCE SHEET - ASSETS	31/12/2025	31/12/2024
A) DUE FROM SHAREHOLDERS FOR UNPAID CAPITAL		
B) NON-CURRENT ASSETS		
I - Intangible assets:		
1) Start-up and expansion costs	632,582	
2) Development costs	7,393,464	8,189,033
3) Patents and intellectual property rights	627,824	733,463
4) Concessions, licences, trademarks and similar rights	1,648,102	1,768,006
5) Goodwill		
6) Assets under construction and payments on account	10,129,426	8,644,877
7) Other	1,680,622	1,911,605
Total Intangible Assets	22,112,020	21,246,984
II - Tangible assets:		
1) Land and buildings	447,224	16,836,451
2) Plant and machinery	23,429,791	23,144,089
3) Industrial and commercial equipment	6,880,876	5,337,779
4) Other tangible assets	690,016	353,649
5) Assets under construction and payments on account	1,635,740	4,060,992
Total Tangible Assets	33,083,647	49,732,960
III - Financial assets:		
1) Investments in:		
a) subsidiaries	36,814,186	33,467,509
b) associated companies		
c) parent companies		
d) entities subject to control of parent companies		
d-bis) other entities	532	532
Total investments	36,814,718	33,468,041
2) Receivables:		
a) from subsidiaries		
b) from associated companies		
c) from parent companies		
d) from entities subject to control of parent companies		
d-bis) from others		
Total Receivables	0	0
3) Other Securities	1,988,841	6,340
4) Derivatives	50,960	246,100
Total Financial Assets	38,854,519	33,720,481
TOTAL NON-CURRENT ASSETS (B)	94,050,186	104,700,425

BALANCE SHEET - ASSETS	31/12/2025	31/12/2024
C) CURRENT ASSETS		
I - Inventory:		
1) Raw, ancillary and consumable materials	13,159,235	12,461,655
2) Work in progress and semi-finished goods	7,473,971	6,644,964
3) Contract work in progress		
4) Finished goods	5,328,694	3,744,666
5) Payments on account	306,592	537,737
Total Inventory	26,268,492	23,389,022
II - Receivables:		
1) Trade accounts		
due within a year	9,324,853	12,513,760
due after more than a year		
Total trade receivables	9,324,853	12,513,760
2) due from subsidiaries		
due within a year	22,094,539	21,998,178
due after more than a year	5,300,000	
Total receivables due from subsidiaries	27,394,539	21,998,178
3) due from associated companies		
due within a year		
due after more than a year		
Total receivables due from associated companies		
4) due from parent companies		
due within a year		
due after more than a year		
Total receivables due from parent companies		
5) due from entities controlled by parent companies		
due within a year		
due after more than a year		
Total receivables due from entities controlled by parent companies		
5-bis) Tax receivables		
due within a year	1,122,403	746,632
due after more than a year	50,817	47,762
Total tax receivables	1,173,220	794,394
5-ter) Deferred tax assets		
due within a year	3,925,546	
due after more than a year		5,415,653
Total deferred tax assets	3,925,546	5,415,653

BALANCE SHEET - ASSETS	31/12/2025	31/12/2024
5-quater) due from others		
due within a year	8,216,293	2,804,060
due after more than a year	154,620	405,860
Total receivables due from others	8,370,913	3,209,920
TOTAL RECEIVABLES	50,189,074	43,931,905
III - Current financial assets		
1) Investments in subsidiaries		
2) Investments in associated companies		
3) Investments in parent companies		
3-bis) Investments in entities controlled by parent companies		
4) Other investments	13,294	13,294
5) Derivatives		
6) Other securities		
Total current financial assets	13,294	13,294
IV - Cash and cash equivalents:		
1) Bank and post office accounts	17,623,068	10,505,289
2) Cheques		
3) Cash and cash equivalents on hand	86	86
Total IV	17,623,154	10,505,375
TOTAL CURRENT ASSETS	94,094,011	77,839,596
D) PREPAID EXPENSES AND ACCRUED INCOME	3,871,128	3,173,233
TOTAL ASSETS	192,015,328	185,713,254

BALANCE SHEET – LIABILITIES AND EQUITY	31/12/2024	31/12/2024
A) SHAREHOLDERS’ EQUITY		
I – Share capital	23,922,413	23,922,413
II – Share premium reserve	7,696,219	7,696,219
III – Revaluation reserve	27,061,472	27,061,472
IV – Legal reserve	1,891,232	1,461,013
V – Statutory reserves		
VI – Other reserves, disclosed separately	1,221,447	1,221,447
Extraordinary reserve	857,395	857,395
Additional paid-in capital		
Payments to cover losses		
Reserve for merger surplus		
Sundry other reserves	364,052	364,052
VII - Cash flow hedge reserve	30,358	246,100
VIII - Retained earnings (Accumulated losses)	7,334,560	(839,610)
IX - Profit (Loss) for the year	1,444,642	8,604,390
X - Negative reserve for treasury shares held	(285,014)	(285,014)
TOTAL SHAREHOLDERS’ EQUITY	70,317,329	69,088,430
B) PROVISIONS FOR RISKS AND CHARGES		
1) Retirement benefits and similar obligations		
2) Taxation, including deferred tax	9,587	1,573,853
3) Derivatives	11,016	
4) Other	4,569,402	5,163,401
TOTAL PROVISIONS FOR RISKS AND CHARGES	4,590,005	6,737,254
C) EMPLOYEE SEVERANCE INDEMNITY /TFR PROVISION	870,509	980,388
D) PAYABLES		
1) Bonds		
due within a year	1,714,036	1,744,777
due after more than a year	4,719,332	6,252,751
Total bonds	6,433,368	7,997,528
2) Convertible bonds		
due within a year		
due after more than a year		
Total convertible bonds		
3) Shareholder loans payable		
due within a year		
due after more than a year		
Total shareholder loans payable		
4) Bank borrowing		
due within a year	22,278,276	14,851,045
due after more than a year	19,887,034	21,197,471
Total bank borrowing	42,165,310	36,048,516

BALANCE SHEET – LIABILITIES AND EQUITY	31/12/2025	31/12/2024
5) Payables to other lenders		
due within a year	3,352,178	7,112,439
due after more than a year		
Total payables to other lenders	3,352,178	7,112,439
6) Payments on account		
due within a year	1,648,457	1,496,785
due after more than a year		
Total payments on account	1,648,457	1,496,785
7) Trade payables		
due within a year	44,001,564	41,929,855
due after more than a year		
Total trade payables	44,001,564	41,929,855
8) Credit instruments		
due within a year		
due after more than a year		
Total credit instruments		
9) Payables to subsidiaries		
due within a year	6,330,237	3,141,333
due after more than a year		
Total payables to subsidiaries	6,330,237	3,141,333
10) Payables to associated companies		
due within a year		
due after more than a year		
Total payables to associated companies		
11) Payables to parent companies		
due within a year		
due after more than a year		
Total payables to parent companies		
11-bis) Payables to entities controlled by parent companies		
due within a year		
due after more than a year		
Total payables to entities controlled by parent companies		
12) Tax payables		
due within a year	1,312,632	2,670,455
due after more than a year		
Total tax payables	1,312,632	2,670,455
13) Payables to social security and pensions institutions		
due within a year	1,579,626	1,459,937
due after more than a year		
Total payables to social security and pensions institutions	1,579,626	1,459,937

BALANCE SHEET – LIABILITIES AND EQUITY	31/12/2025	31/12/2024
14) Other payables		
due within a year	6,383,366	5,363,812
due after more than a year		
Total other payables	6,383,366	5,363,812
TOTAL PAYABLES	113,206,738	107,220,660
E) ACCRUED EXPENSES AND DEFERRED INCOME	3,030,747	1,686,522
TOTAL LIABILITIES AND EQUITY	192,015,328	185,713,254

INCOME STATEMENT	31/12/2025	31/12/2024
A) VALUE OF PRODUCTION		
1) Revenue from sales and services	154,541,418	145,024,068
2) Change in inventories of WIP, semi-finished and finished goods	2,413,036	842,599
3) Change in contract work in progress		
4) Increases in non-current assets due to capitalisation of internal works	4,174,794	4,418,208
5) Other revenue and income		
Operating grant income	245,935	98,238
Other	6,988,806	8,311,413
Total other revenue and income	7,234,741	8,409,651
Total value of production	168,363,989	158,694,526
B) COST OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods	85,663,272	77,919,250
7) Services	37,052,490	31,774,737
8) Use of third party assets – lease and rental costs	2,708,725	2,775,006
9) Personnel		
a) Wages and salaries	21,511,490	19,537,883
b) Social contributions	5,821,653	5,658,590
c) Employee severance indemnity / TFR	1,049,625	1,035,166
d) Retirement benefits and similar obligations		
e) Other personnel costs	163,336	64,022
Total personnel costs	28,546,104	26,295,661
10) Depreciation, amortisation and writedowns		
a) Amortisation of intangible assets	2,289,971	1,798,897
b) Depreciation of tangible assets	4,793,869	4,782,201
c) Other writedowns of non-current assets		
d) Writedowns of current receivables and cash and cash equivalents	14,058	54,006
Total depreciation, amortisation and writedowns	7,097,898	6,635,104
11) Changes in inventory of raw, ancillary and consumable materials and goods for resale	(697,581)	(3,345,779)
12) Provisions for risks		
13) Other provisions	2,200,000	3,771,051
14) Sundry operating expenses	4,050,730	974,200
Total cost of production	166,621,638	146,799,230
Difference between value and cost of production (A - B)	1,742,351	11,895,296
C) FINANCIAL INCOME AND EXPENSES		
15) Income from investments		
in subsidiaries	5,161,646	2,433,574
in associated companies		
in parent companies		
in entities controlled by parent companies		
Other	845	
Total income from investments	5,162,491	2,433,574

INCOME STATEMENT	31/12/2025	31/12/2024
16) Other financial income		
a) rom receivables classed as non-current assets		
from subsidiaries		
from associated companies		
from parent companies		
from entities controlled by parent companies		
from other entities		
b) from securities classed as non-current assets other than equity investments		865
c) from securities classed as current assets other than equity investments		
d) income other than the above		
from subsidiaries	210,474	121,501
from associated companies		
from parent companies		
from entities controlled by parent companies		
from other entities	243,080	664,176
Total income other than the above	453,554	785,677
Total other financial income	453,554	786,542
17) Interest and other financial expenses		
to subsidiaries		
to associated companies		
to parent companies		
to entities controlled by parent companies		
Other	5,968,954	5,375,259
Total interest and other financial expenses	5,968,954	5,375,259
17-bis) Exchange gains and losses	(33,189)	(63,533)
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	(386,098)	(2,218,676)
D) ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS AND LIABILITIES		
18) Revaluations		
a) of equity investments		
b) of non-current financial assets other than equity investments		
c) of securities classed as current assets other than equity investments		
d) of derivatives		
19) Writedowns		
a) of equity investments		
b) of non-current financial assets other than equity investments		
c) of securities classed as current assets other than equity investments		
d) of derivatives		
Total writedowns		
TOTAL ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS		
Profit before taxation (A - B + - C + - D)	1,356,253	9,676,620

INCOME STATEMENT	31/12/2025	31/12/2024
20) Taxes on income for the year – current, deferred and deferred tax income		
a) Current taxes	636,699	679,885
b) Prior year taxes	20,073	(221,277)
c) Deferred tax (income)	(83,746)	454,696
d) Income (Expenses) from participation in tax consolidation	661,415	(158,926)
Total taxes on income for the year – current, deferred and deferred tax income	(88,389)	1,072,230
Profit (Loss) for the year	1,444,642	8,604,390

Statement of cash flows, indirect method

STATEMENT OF CASH FLOWS, INDIRECT METHOD	31/12/2025	31/12/2024
A.CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT (LOSS) FOR THE YEAR	1,444,642	8,604,390
Taxes on income	(88,389)	1,072,230
Interest expenses/ (income)	5,515,400	3,418,675
(Dividends)	(5,162,491)	0
(Gains)/Losses on asset disposals	543,865	(841,362)
1. Profit (Loss) for the year before taxes on income, interest, dividends and gains/losses on disposal	2,253,027	12,253,933
Adjustments for non-cash items with no impact on net working capital		
Allocations to provisions	4,386,792	6,264,284
Depreciation/Amortisation of non-current assets	7,083,840	6,581,098
Impairment adjustments		0
Adjustments to value of financial assets and liabilities		
Other adjustments for non-cash items		1
Total adjustments for non-cash items with no impact on net working capital	11,470,632	12,845,383
2. Cash flows before changes in NWC	13,723,659	25,099,316
Changes in net working capital		
Decrease / (Increase) in Inventory	(3,408,476)	(4,524,732)
Decrease / (Increase) in Trade Receivables	3,174,847	2,048,203
(Decrease) / Increase in Trade Payables	2,071,707	(2,066,232)
Decrease / (Increase) in Prepaid Expenses and Accrued Income	(697,895)	962,115
(Decrease) / Increase in Accrued Expenses and Deferred Income	(44,198)	(295,057)
Δ in Financial Receivables	0	0
Δ in Tax Receivables	1,772,698	(530,403)
Δ in Sundry Receivables	(7,691,292)	(1,765,073)
Decrease / (Increase) in Sundry Receivables	(5,918,594)	(2,295,476)
Δ in Other Payables	4,770,790	(2,466,771)
Δ in Tax Payables	(1,061,339)	1,389,888
Δ in Payables to Social Security and Pensions Institutions	119,689	(58,496)
(Decrease) / Increase in Sundry Payables	3,829,140	(1,135,379)
Other decreases/(Other increases) in net working capital	(2,089,454)	(3,430,855)
CHANGE IN NET WORKING CAPITAL	(993,468)	(7,306,558)
3. Cash flows after changes in NWC	12,370,191	17,792,758
Interest received / (paid)	(5,515,400)	(4,652,249)
Taxes on income (paid)	(2,240,734)	(272,782)
Dividends received	2,698,938	1,233,574
(Use of Provisions for Risks and Charges)	(4,427,497)	(2,366,375)
(Use of employee severance indemnity /TFR provision)	(130,908)	(1,155,921)
(Use of provisions)		
Other receipts/(payments)		
TOTAL OTHER ADJUSTMENTS	(9,615,601)	(7,213,753)

STATEMENT OF CASH FLOWS, INDIRECT METHOD	31/12/2025	31/12/2024
4. Cash Flows after other adjustments	3,114,590	10,579,005
CASH FLOWS FROM OPERATING ACTIVITIES		
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capex on non-current assets		
– Tangible assets		
(Additions)	(4,566,393)	(4,480,171)
Disposals	14,536,025	1,859,034
– Intangible assets		
(Additions)	(3,210,305)	(5,035,073)
Disposals	55,298	138,132
– Financial assets		
(Additions)	(5,415,394)	
Disposals	1,811,585	
– Current financial assets		
(Additions)		
Disposals		
(Acquisition of business units net of cash and cash equivalents)		
Sale of business units net of cash and cash equivalents		
CASH FLOWS FROM INVESTING ACTIVITIES	3,210,816	(7,518,078)
C.CASH FLOWS FROM FINANCING ACTIVITIES		
Debt		
– Increase (Decrease) in short-term bank borrowing	(3,064,770)	3,023,689
– Loans arranged	15,000,000	3,500,000
– (Loans repaid)	(11,142,857)	(5,492,587)
Equity		
– Paid share capital increase		
– (Share capital refunds)		
– Sale (Purchase) of treasury shares		
– (Dividends and advances on dividends paid)		
CASH FLOWS FROM FINANCING ACTIVITIES	792,373	1,031,102
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	7,117,779	4,092,029
– Forex effect on cash and cash equivalents		
Cash and cash equivalents at start of period		
Bank and post office accounts	10,505,289	6,413,260
Cheques		
Cash and cash equivalents on hand	86	86
Total cash and cash equivalents at start of period	10,505,375	6,413,346
Of which not freely available		

STATEMENT OF CASH FLOWS, INDIRECT METHOD	31/12/2025	31/12/2024
Cash and cash equivalents at end of period		
Bank and post office accounts	17,623,068	10,505,289
Cheques		
Cash and cash equivalents on hand	86	86
Total cash and cash equivalents at end of period	17,623,154	10,505,375
Of which not freely available		

NOTES TO THE FINANCIAL STATEMENTS,
OPENING SECTION

Dear Shareholders,

These financial statements, as submitted for your review and approval, report a net profit for the year of Euro 1,444,642.

As described in more detail in the “Structure and content of the financial statements” section, the financial statements provide a true and fair representation of the Company’s balance sheet and financial position and of its result for the year.

These Notes form an integral part of the Financial Statements at 31 December 2025. They have been prepared in accordance with Article 2427 of the Italian Civil Code and contain all of the information of use in providing an accurate interpretation of the Financial Statements.

Foreword

The year 2025 continued to be characterised by a complex macroeconomic and geopolitical environment, marked by the ongoing Russia-Ukraine conflict, tensions in the Middle East and, more generally, by an international backdrop that remains subject to uncertainty.

In its most recent reports, the International Monetary Fund highlighted a still moderate and uneven global economic recovery, influenced by the gradual easing of inflationary pressures, volatility in energy markets and the monetary policy decisions adopted by the major economies.

The automotive sector has been particularly affected by these factors. Accordingly, throughout 2025, the Company continued to implement the measures necessary to address the effects of market tensions and fluctuations in customer demand. These initiatives, together with (i) the portfolio of new business awards granted to the Company by its customers over the next ten years and (ii) the significant internal reorganisation activities undertaken to improve efficiency and align the Group's structure with its international footprint, represent the foundations of the Company's future prospects. In light of the above considerations, the Directors believe that there are no material uncertainties with regard to the Company's ability to continue as a going concern.

Furthermore, in compliance with Legislative Decree No. 83 of 17 June 2022, the Company continued throughout 2025 to enhance its organisational, administrative and accounting arrangements with a view to refining a management model capable of assessing in advance the economic, financial and balance sheet impacts of management decisions and safeguarding the Company's assets.

Further information on the matters discussed above is provided in the Directors' Report.

Business activities

Industrie Saleri Italo S.p.A., a company founded in 1942, is active in the design, manufacture and sale of engine cooling systems for the automobile industry and operates in the original equipment (OEM) segment.

The Company’s ability to provide a leading customer base with a wide range of technologically advanced solutions and a continuous pursuit of innovation has enabled the business to grow strongly in recent years. Long-term production contracts have consistently been acquired, guaranteeing a healthy workload for the years ahead.

The Directors’ Report contains further information on the activities of the Company and its subsidiaries.

Structure and content of the Financial Statements

The financial statements for the year ended 31 December 2025 comprise the Balance Sheet, the Income Statement, the Statement of Cash Flows and these Notes. They reflect the contents of the properly maintained accounting records and have been prepared in accordance with the requirements of Articles 2423 and 2423 – bis of the Italian Civil Code, as well as with the accounting standards and accounting recommendations issued by the Italian Accounting Standards Board (“Organismo Italiano di Contabilità” -O.I.C.).

The structure and content of the financial statements are consistent with the requirements of Articles 2424 and 2425 of the Italian Civil Code and with the terms of Article 2423-ter. Meanwhile the Notes are consistent with the requirements of Articles 2427 and 2427-bis and all other relevant provisions.

The entire document has been prepared in order to present a true and fair view of the Company’s balance sheet and financial position and of its result for the year. Where necessary, additional information has been provided in order to provide a full understanding.

Exceptions

There have been no exceptional circumstances requiring the use of exceptions in terms of Article 2423 (5) of the Italian Civil Code.

Comparability of amounts reported

The amounts reported in these financial statements are all suitable for comparison in terms of Article 2423-ter of the Italian Civil Code.

Principles followed when preparing the Financial Statements

Pursuant to Article 2423-bis of the Italian Civil Code, the following principles were followed when preparing the financial statements:

- › each amount was measured based on the prudence principle and on a going concern basis, while taking account of the substance of the transaction or the contract;

- › only those gains or profits actually realised during the reporting period were included;
- › income and expenses relating to the period were included, irrespective of their collection or payment date;
- › risks and losses relating to the period were taken into account even if they came to light after the reporting date;
- › different items included in the various financial statement captions were measured separately.

The Financial Statements, together with these Notes, have been prepared to the nearest Euro.

Financial Statements Format adopted by the Company

The following should be noted with regard to the format of the Financial Statements:

- › the format of the Balance Sheet and Income Statement is as required, respectively by Article 2424 and 2425 of the Italian Civil Code. Line items indicated by Arab numerals and by small letters per Articles 2424 and 2425 of the Italian Civil Code but which are not reported had zero balances in both the current and the previous reporting period;
- › the Statement of Cash Flows, as introduced by Article 2425-ter of the Italian Civil Code, has been prepared using the indirect method and its format is consistent with that recommended by Italian Accounting Standard OIC 10 (revised in 2016).

The Notes to the Financial Statements contain mandatory tables and/or those important in providing a proper understanding of the information in the Financial Statements, as envisaged by the Italian Civil Code or prepared in accordance with specific legal requirements.

In accordance with Article 2423-ter of the Italian Civil Code, the prior year comparative amount is reported for each line item.

Reference should be made to the relevant section for information on the Company’s economic and financial performance and on its related party transactions.

Audit

The Financial Statements at 31 December 2025, as submitted for your approval, have been audited by Deloitte & Touche S.p.A. on the basis of the engagement conferred upon them by the Shareholders’ General Meeting of 7 August 2023 until approval of the Financial Statements at 31 December 2025. Deloitte & Touche S.p.A.’s audit work regards the following:

- › Separate financial statements;
- › Consolidated financial statements;
- › Periodical checks to ensure accounting records are properly maintained;
- › Other certification activities.

The fees agreed for the audit of the Company’s Separate and Consolidated Financial Statements at 31 December 2025 amount to Euro 59,000, excluding VAT and any out of pocket expenses.

Accounting policies and measurement criteria adopted

The accounting policies and measurement criteria required by Article 2426 of the Italian Civil Code were applied when preparing the Financial Statements.

The measurement criteria required by Article 2426 of the Italian Civil Code have been maintained unchanged compared to those adopted in prior year.

Intangible assets

Intangible assets are individually identifiable assets, controlled by the Company and generally consisting of legally protected rights or of assets capable of producing future economic benefits. These assets have been recorded at purchase or internal production cost, including direct related expenses.

The amounts are reported net of accumulated amortisation, calculated on a straight-line basis at the rates indicated below, while taking account of the remaining useful lives of the assets.

No dividends were distributed during the reporting period. Therefore, the Company complied with the requirements of Article 2426(5) of the Italian Civil Code (it is not possible to distribute dividends in excess of the amount of available reserves sufficient to cover the amount of unamortised costs).

If there are indicators of impairment, intangible assets undergo an impairment test as described below under “Impairment of assets”; any impairment writedowns – except those relating to start-up and expansion costs, development costs and goodwill - may be reversed subsequently if the reasons for the writedown cease to apply. During the reporting period, there were no circumstances requiring any impairment adjustments to be made to intangible assets while the reasons that had led to impairment adjustments to certain intangible assets now amortised in full ceased to apply.

Start-up and expansion costs: are recognised as intangible assets where they provide benefits over more than one reporting period and the conditions set out in Article 2426 (5) of the Italian Civil Code are satisfied. They are recorded at cost, including directly attributable expenses, and are amortised on a systematic basis over their estimated useful life. Where the useful life cannot be estimated reliably, they are amortised over a period not exceeding five years. Until such costs have been fully amortised, dividends may be distributed only if sufficient available reserves remain to cover the amount of the unamortised costs.

Development costs : in cases where the useful life cannot

be reliably estimated, these costs are amortised over a period of not more than five years. Development costs with a clear link to projects with an estimated useful life of 10 years are amortised over that period at a rate of 10% per annum. Until they have been fully amortised, it is only possible to distribute dividends if there are sufficient available reserves to cover the amount of the unamortised costs.

Patents and intellectual property rights: costs incurred to obtain legally protected rights are capitalised. This includes user licences which are amortised over their expected useful lives which cannot, in any case, exceed the period fixed by law or by the contract.

Concessions, Licences, Trademarks and similar rights: trademarks are amortised over a period of 18 years.

Assets in progress and payments on account: advances to suppliers towards the purchase of intangible assets are initially recognised on the date when the obligation to pay such amounts arises. Intangible assets in progress includes costs incurred to realise an asset; these costs continued to be classified as assets in progress until title to the right has been acquired or the project has been completed. At that point, the amounts are reclassified to the relevant intangible asset captions.

Other intangible assets: leasehold improvements are amortised over the shorter of the future useful life of the expenses incurred and the residual lease period, taking account of any renewal period if it depends on the lessee.

Tangible assets

Tangible assets are recognised at purchase cost, internal production cost or contribution value. Cost includes related expenses, as well as any direct expenses needed to make the asset available for use; it is stated net of any capital grant income.

Ordinary maintenance costs are expenses in full in the Income Statement in the period in which they are incurred.

Tangible assets are stated net of accumulated depreciation, as calculated on a straight-line basis at the rates indicated below which have been determined based on the remaining useful lives of the assets. The depreciation rates applied are as follows

Asset category	Depreciation rate
Buildings	3%
Plant and machinery	5%
Industrial and commercial equipment	12,5%
Prototype equipment	50%
Other tangible assets:	
Furniture and fittings	12%
Electronic office equipment	20%
Cars and motorcycles	25%
Internal means of transport	20%

It should be recalled that, since 2019, the depreciation of new tangible assets has been calculated based on the effective number of days’ use.

If there are indicators of impairment, tangible assets undergo an impairment test as described below under “Impairment of assets”; any impairment writedowns may be reversed subsequently if the reasons for the writedown cease to apply.

Cost may be revalued in application of revaluation laws; in any case, revalued amount shall not exceed market value. No discretionary or voluntary revaluations have been performed and the valuations performed do not exceed the value in use or market value of the tangible asset in question, as determined on an objective basis.

Tangible assets destined for sale are classified under a specific current assets caption as the conditions set out by Italian Accounting Standard OIC no. 16 have been met.

Impairment of assets

Art. 2426 (1)(3) of the Italian Civil Code requires the adjustment of any non-current assets whose value has been impaired at the reporting date compared to its net carrying amount.

Italian Accounting Standard OIC 9 defines impairment as a reduction of value that renders the recoverable amount of an asset, as determined on a long-term basis, lower than its net carrying amount.

The recoverability of the amounts recorded is tested by comparing their net carrying amount with the greater of fair value less costs to sell and the value in use of the asset as OIC 9 defines recoverable amount as the greater of the fair value of an asset or a cash generating unit less costs to sell and its value in use.

Value in use is generally determined by discounting cash flows expected from use of the asset or the cash generating unit, taking account of the expected disposal value at the end of its useful life.

Cash generating units have been identified, in a manner consistent with the organisational and business structure, as assets that generate independent cash inflows due to continuing use.

Assets held under finance leases

Tangible assets held under finance leases are reported in accordance with Italian GAAP. This involves recording the lease instalments as period costs over the duration of the finance lease while recording a prepaid expense for advance instalments and recognising the asset at the amount of the final purchase option in the period when said option is exercised.

During the lease period, the final purchase option and the outstanding commitment for finance lease instalments are disclosed under Commitments. A later section of the Notes contains details of the effect of applying international accounting standards to account for finance leases in place at the reporting date and for those that have ended but which

still produce an effect under the finance lease accounting method.

Non-current financial assets

Non-current financial assets consisting of investments in subsidiaries and associated companies are measured at cost, inclusive of related expenses. Their carrying amount is determined based on acquisition or subscription price or on the value attributed to contributed assets.

Cost determined as above is adjusted for any impairment. If the reasons for any impairment adjustment cease to apply, the value of the investment is restored up to not more than the acquisition cost.

The amount so determined is not greater than the amount that would have been determined applying the criteria required by Article 2426(4) of the Italian Civil Code.

Investments not determined to form part of the Company’s long-term portfolio are classified under current financial assets.

Investments in other entities and/or associated companies have been recognised at acquisition cost, as adjusted for any impairment based on the losses reported by the investee companies; in such cases, they are reported at less than their acquisition cost.

Securities are reported using the amortised cost method, as required by Italian Accounting Standard OIC 20.

Any receivables classed as non-current financial assets are reported using the amortised cost method, taking account of the time factor and estimated realisable amount.

The amortised cost method is not applied when the effective interest rate is not significantly different to the market interest rate or when the effects of application of the method are insignificant compared to the method adopted.

Inventory, securities and current financial assets

Inventory, securities and current financial assets have been recorded at the lower of purchase cost –including direct related expenses – and estimated realisable value based on market trends.

The purchase cost of raw and ancillary materials is determined using the weighted average cost method.

For finished goods and WIP, production cost includes the purchase cost of raw materials and components – determined as above – and the portion of direct and indirect production costs (“general production costs”) that is reasonably attributable, also taking account of the state of completion of the relevant production phase.

The purchase cost of certain items e.g. prototypes and tooling is determined based on the specific cost method.

Estimated realisable value, as based on market trends, is determined based on the current purchase prices and selling prices of the inventory at the reporting date. If estimated realisable value is lower than purchase or production cost, the inventory is written down to that lower amount by means of a specific inventory provision.

The value of obsolete and slow moving items has been

written down based on its prospects of future use or realisation by means of a specific inventory provision.

Receivables

Receivables due within a year are reported at estimated realisable amount by creating a specific provision for bad debts. Every year, an amount representing the risk of non-collection of the receivables reported in the Financial Statements is allocated to the provision, as determined based on general economic conditions, the business sector and the location of the debtor.

Receivables due after more than a year are recorded at the amortised cost method, taking account of the time factor. The amortised cost method is not applied when the effective interest rate is not significantly different to the market rate of interest or when the effects of application of the amortised cost method are insignificant compared to the method adopted.

Receivables include invoices issued and those yet to be issued for services relating to the reporting period.

Foreign currency receivables are initially recorded by applying the spot exchange rate at the transaction date. At the reporting date, foreign currency receivables are restated at the spot rate in force at that date. Realised exchange gains and losses are recorded in the Income Statement. Any unrealised net gain resulting from the translation of amounts denominated in foreign currency is allocated to a reserve not distributable until realisation.

Receivables are derecognised from the Balance Sheet when the right to receive cash flows is extinguished and substantially all of the risks and rewards of title to the asset have been transferred or if the receivable is definitively considered non-recoverable after all necessary recovery procedures have been completed.

Any receivables from customers involved in insolvency proceedings or in a state of proven economic distress which render enforcement measures pointless are written off in full or to the extent that information obtained or the procedures in progress lead to the conclusion that they will prove uncollectable.

Cash and cash equivalents

This caption contains tax stamps and the Company's bank current account balances. They are reported at nominal amount.

Prepaid expenses and accrued income, accrued expenses and deferred income

Prepaid expenses and accrued income include income relating to the period but collectible in future periods and costs incurred by the reporting date but relating to subsequent periods. Accrued expenses and deferred income include expenses relating to the period but payable in subsequent periods and income received by the reporting date but relating to subsequent periods.

They do not depend on the payment or collection date of

the related expenses or income which are common to two or more reporting periods and are allocated based on time. The amount is determined by spreading the income or the expense (generally arising under contracts for a fixed period of time) in order to allocate the relevant portion to the reporting period and to defer or accrue the remaining portion.

Provisions for risks and charges

Provisions for risks and charges have been recorded to cover losses or liabilities which are certain or probable, but whose amount or due date cannot be determined at the reporting date.

Provisions for risks and charges also include the provision for "taxation, including deferred tax" which includes amounts relating to probable tax liabilities whose amount or due date is uncertain and which originate from tax assessments not yet finalised or ongoing tax disputes or similar circumstances. The provision "for taxation, including deferred tax" includes deferred tax liabilities determined based on taxable temporary differences.

These provisions were calculated in accordance with the prudence and accrual principles. No general provisions for risks without any economic justification have been created.

Allocations to provisions for risks and charges are recorded under the appropriate Income Statement cost headings (B, C or D) if possible. Whenever it is not possible to make a connection between the amount provided and one of the captions under the aforementioned categories, allocations to provisions for risks and charges are recorded under Income Statement captions B12 and B13.

Employee severance indemnity/"TFR" provision

The employee severance indemnity provision represents the Company's effective liability towards each employee, as determined in accordance with current legislation in each country and for the Italian companies, in particular, in accordance with the terms of Article 2120 of the Italian Civil Code, national collective labour agreements and supplementary local agreements. Therefore, the "Employee severance indemnity provision" includes indemnities accruing in favour of employees at the reporting date, net of advances paid and after deducting partial advances maturing and paid. Following supplementary pension reform in 2006, amounts accruing from 1 January 2007 onwards may be maintained in the company or allocated to a supplementary pension fund, as the employee chooses.

This liability is subject to index-linked revaluation.

Advance payments are treated separately and deducted from the provision to show the net liability. The portion of the provision relating to the reporting period is allocated to the Income Statement.

As required by rules on the Trattamento di Fine Rapporto contained in Law no 296 of 27 December 2006 and in subsequent Implementing Decrees issued in the first few months of 2007 (Pension Reform), the liability reported

represents the actual amount payable to employees at 31 December 2006, as revalued based on indexes and updated for amounts accruing in the first half of 2007 and not paid into supplementary pension funds. The balance also includes the TFR entitlement of persons hired in the second half of 2025 who have not yet stated their choice as to the destination of the TFR accruing, given the fact that this choice may be made within six months of the date of employment.

Payables

Payables falling due within a year are stated at nominal amount and include, where applicable, interest accruing and due at the reporting date.

Payables falling due after more than a year are recorded using the amortised cost method, taking account of the time factor. The amortised cost method is not applied when the effective interest rate is not significantly different than the market interest rate or when the effects of application of the amortised cost method are immaterial compared to the method already adopted.

Foreign currency payables are initially recorded at the spot exchange rate in force on the transaction date.

Payables for employee holidays accruing and for deferred remuneration, including amounts due to social security and pensions institutions, are recorded based on the amount that would have been payable if the employment relationship had ended on the reporting date.

Payables are derecognised from the Balance Sheet when the specific contractual obligation is extinguished.

Derivative instruments

Derivative instruments are arranged solely in order to hedge underlying interest rate, exchange rate, price and credit risks. The instruments meet the requirements to be considered as simple hedges. Derivatives are classified as hedging instruments only when, at the start of the hedge, there is a close, documented relationship between the characteristics of the item hedged and those of the hedging instrument and that hedging relationship is formally documented.

A derivative instrument used to hedge the cash flows or the fair value of an asset follows the classification of the hedged asset, in current assets or non-current assets; a derivative instrument used to hedge the cash flows or the fair value of a liability, a binding commitment or a highly probable planned transaction is classified in current assets, as is a non-hedging financial instrument. If they have a negative fair value, these instruments are recorded as liabilities under provisions for risks.

When derivatives hedge the risk of the future cash flows from the hedged instrument (cash flow hedges), the effective portion of the gains or losses on the derivative instrument is suspended in Equity. The ineffective portion of the gains and losses of a hedge are recorded in the Income Statement. When the related transaction is realised, accumulated gains

and losses – until then recorded in equity – are recorded in the Income Statement (as adjustments to the Income Statement items affected by the hedged flows). The Company has decided to apply hedge accounting for the hedging of changes in cash flows of financial liabilities as a result of interest rate fluctuation.

Therefore, changes in the fair value of derivative hedging instruments are recorded:

- › in the Income Statement in captions D18 or D19 in case of a hedge of the fair value of an asset or liability reported in the financial statements or of changes in the fair value of the hedged items (if the change in the fair value of the hedged item is greater in absolute terms than the change in fair value of the hedging instrument, the difference is recorded in the Income Statement caption affected by the hedged item);
- › in a specific Equity reserve (caption AVII "Cash flow hedge reserve") in case of a cash flow hedge in such a way as to counterbalance the hedged cash flows (the ineffective portion, as well as the change in the time value of options and forward contracts, is classified in captions D18 and D19)

Translation of amounts denominated in foreign currency

Receivables and payables originally expressed in foreign currency are translated into Euro at the historical rates on the date they arose. Exchange differences realised upon settlement of payables and collection of receivables in foreign currency are recorded in the Income Statement.

Foreign currency receivables outstanding at the reporting date have been translated into Euro at the reporting date exchange rate. Exchange gains and losses arising in this way have been recorded in the Income Statement under caption C.17-bis "Exchange gains/losses", while allocating an amount equal to any net gain arising to a non-distributable equity reserve until the time of realisation.

Accounting for revenue, income, costs and expenses

Revenue and income are recorded net of returns, discounts and allowances, as well as any taxes directly related to the sale of products and the provision of services.

In more detail:

- › revenue for services is recognised when the service has been provided and in accordance with the related contracts. Revenue relating to contract work in progress is recognised based on the percentage of completion of works;
- › revenue from the sale of products is recognised upon change of ownership which normally coincides with shipment or delivery;
- › costs are accounted for in accordance with the accrual principle;
- › allocations to provisions for risks and charges are recorded based on their nature, where possible, in the

- relevant Income Statement categories;
- › financial income and expenses are recorded in accordance with the accrual principle;
- › extraordinary or non-recurring income and expenses are recorded under the Income Statement captions deemed appropriate based on the type of transaction. Any residual amounts are recorded under “Other revenues and income” and “Other operating expenses”.

It should also be noted that, during the reporting period, the Company carried out the necessary work for analysis and implementation of the new Italian Accounting Standard OIC 34. The Company has applied the standard prospectively as specifically provided for by paragraph 45 of the standard. The standard establishes a new revenue recognition model which applies to all contracts involving the recognition of revenues from the sale of goods and the provision of services, regardless of their income statement classification; this is except for revenues that fall within the scope of other OIC standards such as contract work in progress, business transfers, rental income and transactions not involving a sale and purchase.

The fundamental steps in accounting for revenues under the new standard are:

- › Identification of the elementary unit of accounting;
- › Valuation of the elementary accounting units;
- › Allocation of the total price to the elementary accounting units identified;
- › Recognition of revenues.

Analysis of the contracts signed during the reporting period led to the conclusion that no adjustments are necessary to the amounts reported under “Revenues”.

Dividends

Dividends are accounted for on an accrual basis when the right to collection emerges, in terms of Italian Accounting Standard OIC 21.

Taxes on Income

Taxes on income are recorded based on an estimate of taxable income in compliance with tax laws and regulations in force at the reporting date, while taking account of applicable exemptions and tax credits due.

The Company has adhered, as consolidating entity, to the consolidated taxation arrangement in terms of Articles 117 to 129 of Presidential Decree 917/86. The Company determines a single tax base for the Group of companies participating in the tax consolidation. In this way, it benefits from the possibility of offsetting taxable income and tax losses in a single tax return. Each company participating in the tax consolidation transfers its taxable income or tax loss to the consolidating entity. The consolidating entity records a receivable from participating companies for IRES payable (the participating companies each record a liability towards

the consolidating entity). In contrast, in the case of companies that contribute tax losses, the consolidating entity records a payable equal to the IRES on the portion of the loss actually offset at Group level (the participating company records a receivable from the consolidating entity).

Where necessary, deferred tax assets and liabilities are recorded on temporary differences between the statutory result for the period and taxable income. Pursuant to Article 2427(1)(14) of the Italian Civil Code, the Notes include a table containing a description of the temporary differences that led to the recognition of deferred tax assets and liabilities. Said table states the tax rate applied, changes compared to prior year, amounts credited or debited to the Income Statement or to Equity, items excluded from the computation and the reasons for their exclusion.

NOTES TO THE FINANCIAL STATEMENTS, ASSETS

Notes to the balance sheet

Assets

Non-current assets

Intangible assets

Intangible assets represent expenses that produce long-term benefits. They amount to Euro 22,112,020 (Euro 21,346,984 at 31 December 2024) and are stated net of accumulated amortisation (Euro 13,132,800).

Details of intangible assets and movements thereon during the year are shown in the following table.

Asset category	Opening Amount	Increases	Decreases	Closing Amount
Start-up and expansion costs		790,727	158,145	632,582
Development costs	8,189,033	175,007	970,576	7,393,464
Patents and intellectual property rights	733,463	678,179	783,818	627,824
Concessions, licences, trademarks and similar rights	1,768,006	0	119,904	1,648,102
Goodwill		0	0	
Assets in progress and payments on account	8,644,877	3,069,489	1,584,940	10,129,426
Other intangible assets	1,911,605	26,545	257,528	1,680,622
Rounding				
TOTAL	21,246,984	4,739,947	3,874,911	22,112,020

Movements on intangible assets

The following table shows movements on intangible assets (Article 2427(2) of the Italian Civil Code).

	Start-up and expansion costs	Development costs	Patents and intellectual property rights	Concession, licences, trademarks and similar rights	Goodwill	Assets in progress and payments on account	Other intangible assets	Total intangible assets
Opening amount								
Cost		11,940,659	4,468,486	2,151,198		8,644,877	4,884,592	32,089,812
Revaluations								0
Amortisation (Accumulated Amortisation)		3,751,626	3,735,023	383,192			2,972,987	10,842,828
Writedowns								0
Net carrying amount		8,189,033	733,463	1,768,006		8,644,877	1,911,605	21,246,984
Changes during the year								
Increases due to additions		1,947	129,119			3,069,489	9,750	3,210,305
Reclassifications (of net carrying amount)	790,727	173,060	549,060			(1,549,952)	16,795	(20,310)
Decreases due to disposals (of net carrying amount)						34,988		34,988
Revaluations performed during the year								0
Amortisation for the year	158,145	970,576	783,818	119,904			257,528	2,289,971
Writedowns performed during the year								0
Other changes								0
Total changes	632,582	(795,569)	(105,639)	(119,904)	0	1,484,549	(230,983)	865,036
Closing amount								
Cost	790,727	12,115,666	5,146,665	2,151,198		10,129,426	4,911,137	35,244,820
Revaluations								0
Amortisation (Accumulated Amortisation)	158,145	4,722,202	4,518,841	503,096			3,230,515	13,132,800
Writedowns								0
Net carrying amount	632,582	7,393,464	627,824	1,648,102		10,129,426	1,680,622	22,112,020

Start-up and expansion costs

During the reporting period, the Company completed the start-up project relating to the design and manufacture of pumps for electric vehicles.

The costs incurred in previous years in connection with the project, which had previously been recognised under Intangible Assets in Progress, were reclassified to Start-up and Expansion Costs following completion of the project and the commencement of the new business activity during the year.

These costs relate primarily to:

- › technical and engineering consultancy services relating to the definition of the production process;
- › technical and economic feasibility studies;
- › costs associated with the initial organisation of the dedicated business structure.

As previously noted, following the favourable opinion of the Board of Statutory Auditors, additions amounting to Euro 790,727 were reclassified from the caption "Assets in Progress and Payments on Account ". The decrease recorded during the year, amounting to Euro 158,145, relates entirely to the amortisation charge for the year. Accordingly, the closing balance amounted to Euro 632,582.

Development costs

During the reporting period, the Company carried out research and development activities into technological innovation. The Saleri Group’s research and development division includes the Product Concept Division, consisting of a multi-disciplinary technical-scientific team responsible for research, design and prototyping of new product technologies with the aim of anticipating customer requirements and identifying emerging developments in the automotive market and OEM applications.

Details of the research activities carried out are provided in the Directors’ Report.

With regard to development activities alone, in 2025, the Company incurred personnel costs totalling Euro 2.4 million and external development costs of Euro 1.8 million. Based on a careful analysis of available information on external development costs and on the number of hours spent on development projects already assigned (i.e. projects for which a final contract has been signed), the Directors concluded that they could capitalise the lower amount of Euro 3,069,489 of costs relating to projects for which the development phase has not yet been completed; these costs are recorded under the caption “Intangible assets in progress”.

During the reporting period, upon completion of the development phase, certain projects with a value of Euro 173,060 were reclassified from “Intangible assets in progress and payments on account” and the amortisation process commenced.

The following table contains the disclosures required by Article 2427(3) in relation to development costs.

	Opening amount	Increases	Decreases	Closing amount
Development costs	8,189,033	175,007	970,576	7,393,464
TOTAL	8,189,033	175,007	970,576	7,393,464

Costs capitalised up to 2019 whose useful life could not be reliably estimated are amortised over not more than five years; this period is normally shorter than the mass production period of the related items.

Development costs with a clear connection to projects with an estimated useful life of 10 years are amortised over that period at 10% per annum.

As previously stated, the increases totalling Euro 173,060 reclassified from “Assets in progress and payments on account” mainly include the amount of projects for which the development phase was completed during the year.

Decreases during the reporting period of Euro 970,576 entirely relate to amortisation for the year.

Patents and intellectual property rights

The net balance amounts to Euro 627,824 (Euro 733,463 at 31 December 2024) and refers entirely to Software.

Increases of Euro 9,300 refer to purchases of new licences needed for technological implementations in the management of various business processes.

The amount of Euro 678,179, including Euro 549,060 reclassified from “Intangible assets in progress”, mainly refers to the purchase of new licences relating to the implementation and extension of the SAP business management software and Business Intelligence software.

Decreases amounting to Euro 783,818 refer entirely to amortisation for the period.

This category of intangible assets is amortised on a straight-line basis:

- › over 5 years for management software;
- › over 3 years for all other software.

Concessions, Licences, Trademarks and similar rights

The net balance amounts to Euro 1,648,102 (Euro 1,768,006 at 31 December 2024) and entirely refers to Trademarks purchased in 2021.

The decrease of Euro 119,904 entirely refers to amortisation for the period.

Intangible assets in progress and payments on account

This item amounts to Euro 10,129,426 (Euro 8,644,877 at 31 December 2024).

This caption entirely refers to internal and external development costs incurred in relation to development projects in progress. The costs now recorded under this caption will be reclassified to the relevant asset category as described above – once their suitability for capitalisation has been confirmed – and they will be amortised from the date of completion of the development phase, considering the estimated residual useful life of the project to which they refer; the balance increased by Euro 3,069,489 during the year. Development costs related to projects with a useful life of 10 years are amortised at a rate of 10% per annum.

During the period, the development phase was completed for several projects so the related costs were reclassified to and capitalised under the relevant asset categories:

- › costs totalling Euro 535,560 were reclassified to “Patents and intellectual property rights”;
- › costs totalling Euro 194,133 were reclassified to “Development costs”;
- › costs totalling Euro 790,727 were reclassified to “Start-up and expansion costs”;
- › costs totalling Euro 23,293 were reclassified to “Equipment”;
- › costs of Euro 7,340 relating to leasehold improvements were reclassified to “Other intangible assets”.

Decreases of Euro 34,998 for the reporting period mainly refer to chargebacks of development costs to customers.

Other intangible assets

The net balance amounts to Euro 1,680,622 (Euro 1,911,605 at 31 December 2024) after accumulated amortisation of Euro 3,230,515 and entirely refers to leasehold improvements.

Additions for the year of Euro 26,546 (including Euro 16,796 reclassified from “Intangible assets in progress and payments on account”) entirely relate to leasehold improvements.

Decreases of Euro 257,528 wholly refer to amortisation for the period.

Tangible assets

Movements on tangible assets

Tangible assets include land, buildings, plant and machinery, industrial and commercial equipment, tangible assets under construction and other tangible assets. They amount to Euro 33,083,647 (Euro 49,732,960 at 31 December 2024) after accumulated depreciation (Euro 59,382,495).

The following table contains details of the items included in the net carrying amount of Tangible Assets in the Financial Statements (Art. 2427(2) of the Italian Civil Code).

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets under construction and payments on account	Total tangible assets
Opening amount						
Cost	20,301,309	50,889,422	28,605,882	4,835,338	4,060,992	108,692,943
Revaluations	6,502,686					6,502,686
Depreciation (Accumulated Depreciation)	8,407,056	27,745,333	23,268,103	4,481,689		63,902,181
Writedowns	1,560,488					1,560,488
Net carrying amount	16,836,451	23,144,089	5,337,779	353,649	4,060,992	49,732,960
Changes during year						
Increases due to additions	20,038	904,092	2,090,908	193,209	1,337,835	4,546,083
Reclassifications (of net carrying amount)	1,919	2,189,037	1,283,618	287,872	(3,742,137)	20,310
Decreases due to disposals (of net carrying amount)	15,785,529	602,698	472	12,186	20,950	16,421,835
Revaluations performed during the year						0
Depreciation for the year	625,656	2,204,729	1,830,957	132,528		4,793,870
Writedowns performed during the year						0
Other changes						0
Total changes	(16,389,227)	285,702	1,543,097	336,367	(2,425,252)	(16,649,313)
Closing amount						
Cost	2,559,444	51,283,748	31,749,876	5,237,336	1,635,740	85,963,458
Revaluations						6,502,686
Depreciation (Accumulated Depreciation)	551,732	27,853,957	24,869,000	4,547,320		57,822,009
Writedowns	1,560,488					1,560,488
Net carrying amount	447,224	23,429,791	6,880,876	690,016	1,635,740	33,083,647

In 2018, the Company identified potential indicators of impairment of certain tangible assets. Therefore, in accordance with Italian Accounting Standard OIC 9, it made further writedowns in terms of Articles 2426(1) and (3) of the Italian Civil Code and created an impairment provision totalling Euro 1,560,488. These impairment adjustments have been maintained unchanged in 2025 as there are no new factors requiring changes to the conclusions reached at the time.

Land and buildings

This caption amounts to Euro 447,224 (Euro 16,836,451 at 31 December 2024) and is stated net of accumulated depreciation of Euro 2,112,219.

The increases of Euro 21,958 refer to work carried out on the building in Lumezzane.

During the year, the Company completed the sale of two properties and simultaneously entered into a leaseback agreement for the same properties, for a term of 15 years, at market conditions.

The properties sold of had:

- › a total historical cost of Euro 26,965,311.80;
- › accumulated depreciation of Euro 10,577,084.69;
- › a total net carrying amount of Euro 16,388,227.11.

The total consideration received amounted to Euro 16,700,000. The transaction resulted in a gain on disposal of Euro 1,388,423.00 in respect of one property and a loss on disposal of Euro 1,076,650.11 in respect of the other property.

The loss on disposal was recognised in full in the Income Statement for the year. In accordance with the accrual principle and the accounting treatment applicable to sale-and-leaseback transactions, the gain on disposal has been deferred to future periods through recognition under deferred income and is being released to the Income Statement over the term of the lease agreement.

The lease agreement provides for the payment of annual lease instalments for the use of the properties. Future commitments arising under the agreement are consistent with its fifteen-year term.

As stated above, the Company has not made any impairment provisions on top of the amount provided in 2018 as it believes the existing provision reflects the effective impairment of land and buildings.

Plant and machinery

The balance amounts to Euro 23,429,791 (Euro 23,144,089 at 31 December 2024) after accumulated depreciation of Euro 27,853,957.

Increases of Euro 3,093,129 were recorded during the reporting period, including Euro 2,189,037 reclassified from Assets under construction and payments on account and relating to payments previously made on account towards projects completed during the year.

The additions mainly refer to maintenance capex incurred to ensure machinery is kept updated and fully efficient, as well as to new workstations needed to handle the contracts acquired by the Company.

Decreases during the period with a net carrying amount of Euro 602,698 (historical cost Euro 2,698,802) mainly refer to disposals of plant and machinery structurally connected to the properties sold, as described in the next paragraph.

Industrial and commercial equipment

The balance amounts to Euro 6,880,876 (Euro 5,337,779 at 31 December 2024) after accumulated depreciation of Euro 24,869,000.

Additions for the period amount to Euro 3,374,526, including Euro 1,283,618 reclassified from “Assets under Construction and Payments on Account”.

Additions to “Industrial and Commercial Equipment” mainly refer to purchases of new equipment needed to carry out the contracts acquired by the Company and for the launch of the new business related to electric vehicles. The costs incurred have been sustained as part of the plan of capex necessary to install the additional production capacity needed to cope with the new, long-term production contracts acquired by the Original Equipment division.

Decreases during the period with a net carrying amount of Euro 472 (historical cost Euro 230,533) refer to disposals and retirements of equipment no longer in use in the production cycle.

Other tangible assets

The following table contains a detailed breakdown of “Other tangible assets”. It shows movements on each of the component asset categories.

	Furniture and fittings	Electronic office equipment	Cars and other vehicles	Sundry other assets	Total other tangible assets
Historical cost	1,295,471	3,413,730	126,137		4,835,338
Prior year revaluations					0
Opening accumulated depreciation	1,193,155	3,162,738	125,796		4,481,689
Prior year writedowns					0
Opening amount	102,316	250,992	341		353,649
Increases – additions	40,457	152,752			193,209
Transfers to other captions					0
Transfers from other captions	17,068	270,804			287,872
Disposals/Decreases for year: Historical cost		(79,083)			(79,083)
Disposals / Decreases for year: accumulated depreciation		(66,897)			(66,897)
Revaluations during year					0
Depreciation for year	26,927	105,401	200		132,528
Writedowns during year					0
Other changes					0
Closing amount	132,914	556,961	141	0	690,016

The balance amounts to Euro 690,016 (Euro 353,649 at 31 December 2024) after accumulated depreciation of Euro 4,547,319 and refers to:

- › Furniture and fittings of Euro 132,914 (Euro 102,316 at 31 December 2024); additions for the period totalled Euro 40,457 mainly in respect of new office furnishings;
- › Electronic office equipment of Euro 556,961 (Euro 250,992 at 31 December 2024); increases for the period totalled Euro 423,556 – including Euro 270,804 reclassified from “Assets under construction and payments on account” - mainly for purchases of hardware and for the updating and replacement of electronic devices currently in use. During the period, also as a result of the renewal process, certain electronic equipment with a net carrying amount of Euro 12,187 was disposed of (original historical cost Euro 79,084);
- › Cars and vehicles of Euro 141 (Euro 340 at 31 December 2024); there were no additions during the reporting period while decreases of Euro 200 entirely related to the depreciation charge for the year.

Assets under construction and payments on account

The balance amounts to Euro 1,635,740 (Euro 4,060,992 at 31 December 2024) and refers to payments made on account during the period towards additions to tangible assets.

During the period, Euro 3,742,137 was reclassified to the relevant tangible asset categories following the completion of the related capex.

Increases for the period totalling Euro 1,337,835 regard payments made on account in relation to new production lines and equipment to cope with the new long-term production contracts acquired by the Original Equipment Division.

Revalued tangible assets at the reporting date

In accordance with statutory reporting requirements, it should be noted that, as at 31 December 2025, the Company no longer holds any tangible assets in respect of which monetary revaluations or departures from the statutory valuation criteria have been applied, as the assets to which such adjustments related were disposed of during the year, as described in the "Land and Buildings” section.

Finance leases

The following table contains the disclosures required by Article 2427(22) of the Italian Civil Code on finance leases whereby the majority of the risks and rewards relating to the leased assets are transferred to the Company.

	Amount
Total amount of assets held under finance leases at the reporting date	19,578,177
Notional depreciation charge for the year	902,011
Notional adjustments and reversals for the year	
Present value of lease instalments not yet due at reporting date	12,122,942
Financial expenses for the year based on effective interest method	15,867

Financial assets

Movements on equity investments, other securities and derivatives

The investments classed as non-current financial assets represent long-term, strategic investments by the Company. At 31 December 2025, they amounted to Euro 36,814,186 compared to Euro 33,468,041 at 31 December 2024; details of movements on this caption during the reporting period are provided below.

The following table contains a breakdown of the net carrying amount of financial assets as reported in the Financial Statements (Art. 2427(2) of the Italian Civil Code).

	Investments in subsidiaries	Investments in associated companies	Investments in parent companies	Investments in entities controlled by parent companies	Investments in other entities	Total Investments	Other securities	Derivatives
Opening amount								
Cost	11.765.896				532	11.766.428	19.960	246.100
Revaluations	22.452.350					22.452.350		
Writedowns	750.737					750.737	13.620	
Net carrying amount	33.467.509				532	32.418.041	6.340	246.100
Changes during the year								
Increases due to acquisitions						0	1.982.500	
Reclassifications (of net carrying amount)						0		
Decreases due to disposals (of net carrying amount)	2.068.717					2.068.717		
Revaluations performed during year						0		
Writedowns performed during year						0		195.140
Other changes	5.415.394					5.415.394		
Total Changes	3.346.677				0	3.346.677	1.982.500	(195.140)
Closing amount								
Cost	14.361.836				532	14.362.368	2.002.461	50.960
Revaluations	22.452.350					22.452.350		
Writedowns						0	13.620	
Net carrying amount	36.814.186				532	36.814.718	1.988.841	50.960

“Investments in subsidiaries” totalling Euro 36,814,186 includes:

- › Subsidiary Saleri Shanghai Co. Ltd - Euro 24,515,600;
- › Subsidiary Saleri Aftermarket S.p.A. - Euro 2,849,540;
- › Subsidiary Saleri México SA de CV - Euro 5,976,712;
- › Subsidiary Saleri India Private Ltd - Euro 3,429,854;
- › Subsidiary Saleri TMS Competence Center GmbH - Euro 42,480.

During the year, the Company disposed of its entire interest in ABL Automazione S.r.l., previously recognised under non-current financial assets. The investment represented 100% of the subsidiary's share capital and conferred control over the company pursuant to Article 2359 of the Italian Civil Code.

The carrying amount of the investment at the disposal date was Euro 2,068,717 (net of an impairment provision of Euro 750,737), while the sale consideration agreed between the parties amounted to Euro 2,601,502. The transaction generated a gain on disposal of Euro 532,785, which was recognised in the Income Statement for the year under caption C15 "Income from Investments", in accordance with the measurement criteria established by the applicable accounting standards.

As a result of the transaction, the Company lost control of the former subsidiary and, accordingly, the entity ceased to be included in the Group's scope of consolidation from the effective date of the disposal.

The transaction forms part of a broader strategy aimed at rationalising the Company's investment portfolio and did not give rise to any additional commitments, guarantees or contingent liabilities on the part of the Company, other than those provided for under the relevant contractual agreements.

"Other Securities", amounting to Euro 1,988,841, mainly relates to the security deposit paid in connection with the lease agreement relating to the properties.

Saleri Shanghai Co. Ltd.

The Company owns 95% of the subsidiary.

The investment amounts to Euro 24,515,600 and did not change during the year.

In 2020, based on an independent expert appraisal which determined that the value of the investment at the date of measurement was Euro 24,500,000, the Company increased value of the investment in the subsidiary (Art. 110 of Decree Law 104/2020, converted as amended by Law no 126 of 2020) by Euro 22,452,350 with a contra-entry made to the relevant reserve in the Company’s Shareholders’ Equity.

For the purposes of approval of the 2025 Financial Statements, the above carrying amount of the investment was tested for impairment. The test was performed in relation to the cash generating unit (“CGU”) consisting of the subsidiary as a whole.

The test was performed by comparing the carrying amount of the investment with the value in use of the CGU,

i.e. its Equity Value, equal to the sum of discounted operating cash flows minus the net financial position of the subsidiary at the date of measurement of 31 December 2025.

Specifically, this was determined using the unlevered discounted cash flow method, as applied to cash flows per the Business Plan 2026-2029 - as prepared by management of the subsidiary and approved by the Board of Directors on 30 July 2025 – projected over the explicit period covered by the plan using the perpetual return method (“Terminal Value”) and using a growth rate (“g rate”) equal to the rate of inflation expected over the plan period.

The cash flows used are the operating cash flows forecast in the plan, net of related taxes; they include investments in fixed assets and cash movements on working capital while they do not include cash flows relating to financing activities, extraordinary events or the payment of dividends.

Cash flows determined as above were discounted using a discount rate (WACC) of 14.49%, as determined applying the Capital Asset Pricing Model.

The WACC (Weighted Average Cost of Capital) represents an average of the interest rate on equity and debt, as weighted for the relative proportions of debt and equity.

The following elements were considered when determining the WACC:

- › risk-free rate, determined using the six-month average return on risk-free financial assets;
- › market premium, determined using information from external providers;
- › industry beta;
- › cost of borrowing;
- › debt/equity ratio, assumed equal to industry average.

The test performed did not detect any impairment but, rather, it showed headroom.

In any case, it should be noted that, given their nature as forecasts, the assumptions regarding future performance and the resulting data taken from the Business Plan 2026-2029 and used to perform the impairment test are subject to an inherent degree

of uncertainty. Therefore, we cannot exclude the possibility that actual future results may differ from the estimates and that this may require future adjustments by subsidiary management to the plan assumptions.

Saleri TMS Competence Center GmbH

The Company owns 100% of the subsidiary.

The carrying amount of the investment is Euro 42,480 and it did not change during the reporting period.

The subsidiary’s sole activities regard the provision of support services to the Parent Company with R&I and the management of customers based in Germany.

Saleri México S.A. de C.V.

The Company owns 73.45% of the subsidiary.

The value of the investment is Euro 5,976,712 – against Euro 2,122,322 at 31 December 2024 - and includes

additional capital paid in during the current and previous reporting periods.

During the reporting period, the Company subscribed a capital increase by its subsidiary Saleri México S.A. de C.V. for a total amount of Euro 3,854,390. The transaction was carried out to strengthen the subsidiary's capital structure and financial position and to support its operating activities. The subscription was paid in full and resulted in a corresponding increase in the carrying amount of the investment, which is recognised under non-current financial assets, in accordance with the applicable measurement criteria. Following the transaction, the Company's ownership interest increased to 73.45%. The transaction did not affect the control exercised by the Company over the subsidiary.

For the purposes of approval of the 2025 Financial Statements, the above carrying amount of the investment was tested for impairment. The test was performed in relation to the cash generating unit (“CGU”) consisting of the subsidiary as a whole.

The test was performed by comparing the carrying amount of the investment with the value in use of the CGU, i.e. its Equity Value, equal to the sum of discounted operating cash flows minus the net financial position of the subsidiary at the date of measurement of 31 December 2025.

Specifically, this was determined using the unlevered discounted cash flow method, as applied to cash flows per the Business Plan 2025-2028 - as prepared by management of the subsidiary and under approval by governance bodies – projected over the explicit period covered by the plan using the perpetual return method (“Terminal Value”) and using a growth rate (“g rate”) equal to the rate of inflation expected over the plan period.

The cash flows used were the operating cash flows forecast in the plan, net of related taxes; they include investments in fixed assets and cash movements on working capital while they do not include cash flows relating to financing activities, extraordinary events or the payment of dividends.

Cash flows determined as above were discounted using a discount rate (WACC) of 17.36%, as determined applying the Capital Asset Pricing Model.

The WACC (Weighted Average Cost of Capital) represents an average of the interest rate on equity and debt, as weighted for the relative proportions of debt and equity.

The following elements were considered when determining the WACC:

- › risk-free rate, determined using the six-month average return on risk-free financial assets;
- › market premium, determined using information from external providers;
- › industry beta;
- › cost of borrowing;
- › debt/equity ratio, assumed equal to industry average.

The test performed did not detect any impairment but, rather, it showed headroom.

In any case, it should be noted that, given their nature as forecasts, the assumptions regarding future performance and the resulting data taken from the Business Plan 2026-2029 and used to perform the impairment test are subject to an inherent degree of uncertainty. Therefore, we cannot exclude the possibility that actual future results may differ from the estimates and that this may require future adjustments by subsidiary management to the plan assumptions.

Saleri India Private Ltd.

The Company owns 67.15% of the subsidiary.

The carrying amount of the investment is Euro 3,429,854 compared to Euro 1,868,850 at 31 December 2024). This includes capital payments made during the current and previous reporting period and acquisition-related expenses.

During the year, the Company subscribed a capital increase by its subsidiary Saleri India Private Ltd for a total amount of Euro 1,561,004. The transaction was carried out to strengthen the subsidiary's capital structure and financial position and to support its operating activities. The subscription was paid in full and resulted in a corresponding increase in the carrying amount of the investment, which is recognised under non-current financial assets, in accordance with the applicable measurement criteria. Following the transaction, the Company's ownership interest increased to 67.15%. The transaction did not affect the control exercised by the Company over the subsidiary.

The Company commenced operations during the final months of the 2025 reporting period, with the start of serial production and the recognition of its first revenues.

For the purposes of approval of the 2025 Financial Statements, the above carrying amount of the investment was tested for impairment. The test was performed in relation to the cash generating unit (“CGU”) consisting of the subsidiary as a whole.

The test was performed by comparing the carrying amount of the investment with the value in use of the CGU, i.e. its Equity Value, equal to the sum of discounted operating cash flows minus the net financial position of the subsidiary at the date of measurement of 31 December 2025.

Specifically, this was determined using the unlevered discounted cash flow method, as applied to cash flows per the new Business Plan 2026-2029 - as prepared by management of the subsidiary – projected over the explicit period covered by the plan using the perpetual return method (“Terminal Value”) and using a growth rate (“g rate”) equal to the rate of inflation expected over the plan period.

The cash flows used were the operating cash flows forecast in the plan, net of related taxes; they include investments in fixed assets and cash movements on working capital while they do not include cash flows relating to financing activities, extraordinary events or the payment of dividends.

Cash flows determined as above were discounted using a discount rate (WACC) of 13.32%, as determined applying the Capital Asset Pricing Model.

The WACC (Weighted Average Cost of Capital) represents an average of the interest rate on equity and debt, as weighted for the relative proportions of debt and equity.

The following elements were considered when determining the WACC:

- › risk-free rate, determined using the six-month average return on risk-free financial assets;
- › market premium, determined using information from external providers;
- › industry beta;
- › cost of borrowing;
- › debt/equity ratio, assumed equal to industry average.

The test performed did not detect any impairment but, rather, it showed headroom.

In any case, it should be noted that, given their nature as forecasts, the assumptions regarding future performance and the resulting data taken from the Business Plan 2026-2029 and used to perform the impairment test are subject to an inherent degree of uncertainty. Therefore, we cannot exclude the possibility that actual future results may differ from the estimates and that this may require future adjustments by subsidiary management to the plan assumptions.

Saleri Aftermarket S.p.A.

The Company owns 100% of the subsidiary.

The carrying amount of the investment is Euro 2,849,540 and it did not change during the reporting period.

The Company’s performance in 2025 confirms that it adopted the right strategy when it decided to concentrate the Aftermarket business in a single Group entity and acquire a brand well-known in the sector.

Details of non-current investments in subsidiaries

Investments in subsidiaries are recorded at purchase or subscription cost. If the carrying amount of an investment is greater than the corresponding portion of Equity held and this difference is considered permanent, an appropriate impairment adjustment is made.

Pursuant to Article 2427(5) of the Italian Civil Code, the following table contains details of the direct or indirect investments in subsidiaries, as included in Non-current financial assets.

Name	Location	Tax number (Italian companies)	Capital in Euro	Profit (Loss) for last reporting period in Euro	Equity in Euro	Investment held in Euro	% Investment held i	Carrying amount
Saleri Shanghai Co.Ltd	China		1,877,480	2,836,028	11,775,362	11,186,594	95%	24,515,600
Saleri TMS Competence Center GmbH	Germany		25,000	25,276	135,397	135,397	100%	42,480
Saleri México S.A. de C.V.	Mexico		5,231,670	(1,935,091)	344,239	252,844	73%	5,976,712
Saleri Aftermarket S.p.A.	Lumezzane (BS)	01779170487	100,000,00 I,V,	5,083,861	8,052,306	8,052,306	100%	2,849,540
Saleri India Private Ltd	India		3,308,851	(1,163,718)	255,700	171,702	67%	3,429,854
TOTALE								36,814,186

The amounts shown in the table refer to the 2025 financial statements approved by the respective Boards of Directors of the companies.

Other Securities

The amount of Euro 6,340 did not change during the period.

Derivative instruments

The balance stands at Euro 50,960 (Euro 246,100 at 31 December 2024).

The caption includes the reporting date measurement of the positive fair value of the derivative instruments in place at that date. These derivatives have been arranged to hedge the interest rate risk in relation to medium/long-term loans at 31 December 2025.

Current assets

Inventory

In terms of Article 2427(4) of the Italian Civil Code, inventory is analysed as follows.

Item	Opening amount	Change during year	Closing amount
1. Raw, ancillary and consumable materials	12,461,655	697,580	13,159,235
2. WIP and semi-finished goods	6,644,964	829,007	7,473,971
3. Contract work in progress		0	
4. Finished goods	3,744,666	1,584,028	5,328,694
5. Payments on account	537,737	(231,145)	306,592
TOTAL	23,389,022	2,879,470	26,268,492

This balance represents the value of the physical inventory held at Company and third party warehouses at 31 December 2025 and goods in transit.

The increases in “Raw, ancillary and consumable materials” and “WIP and semi-finished goods” are mainly due to the need to build up a temporary safety stock had to be built up because of instability regarding supply periods.

The amount of Euro 26,268,492 (Euro 23,389,022 at 31 December 2024) is stated net of the obsolescence provision of Euro 1,537,114 created following an analysis of obsolete/ slow moving inventory and inventory with below cost selling prices.

In 2025, the provision was increased by Euro 1,105,521 while Euro 576,515 was utilised.

The following table shows movements on the inventory provision:

Inventory provision	Opening amount	Increases	Decreases	Closing amount
1. Raw, ancillary and consumable materials	(507,740)	(169,913)	138,266	(539,387)
2. WIP and semi-finished goods	(227,926)	(163,069)	58,579	(332,416)
3. Contract work in progress	–			–
4. Finished goods	(263,899)	(84,809)	212,404	(136,304)
5. Payments on account	–			–
TOTAL	(999,565)	(417,791)	409,249	(1,008,107)

Receivables classed as current assets

Changes in and maturity of receivables classed as current assets

The following table contains a breakdown of receivables classed as current assets, together with changes compared to prior year and the due date of the receivables (Art. 2427 (4) and (6) of the Italian Civil Code).

	Opening amount	Change during year	Closing amount	Amount due within a year	Amount due after more than a year	Of which due after more than five years
Trade receivables	12,513,760	(3,188,907)	9,324,856	9,324,856		
Receivables from subsidiaries	21,998,178	5,396,361	27,394,539	22,094,539	5,300,000	
Receivables from associated companies						
Receivables from parent companies		0				
Receivables from entities controlled by parent companies		0				
Tax receivables	794,394	378,826	1,173,220	1,122,403	50,817	
Deferred tax assets	5,415,653	(1,490,107)	3,925,546			
Receivables from others	3,209,920	5,160,993	8,370,913	8,216,293	154,620	
Total receivables classed as current assets	43,931,905	6,257,166	50,189,074	40,758,091	5,505,437	0

Breakdown of receivables classed as current assets by geographical area

Receivables classed as current assets may be broken down as follows in terms of the geographical business area of the debtors (Art. 2427 (6) of the Italian Civil Code):

	Europe	Italy	Rest of World	Total
Trade receivables	8,388,468	621,069	315,319	9,324,856
Receivables from subsidiaries	1,386	6,269,875	21,123,278	27,394,539
Receivables from associated companies				
Receivables from parent companies		0		
Receivables from entities controlled by parent companies		0		
Tax receivables		1,173,220		1,173,220
Deferred tax assets		3,925,546		3,925,546
Receivables from others		8,370,913		8,370,913
TOTAL	8,389,854	20,360,623	21,438,597	50,189,074

Trade receivables

The amount of Euro 9,324,853 (Euro 12,513,761 at 31 December 2024) entirely consists of trade receivables. The balance is stated net of the provision for bad debts of Euro 198,408 and fairly represents the estimated realisable amount.

The net decrease of Euro 3,188,908 is mainly due to increased use of financial instruments like non-recourse factoring and advances on invoices.

Provision for bad debts

Trade receivables are stated net of a provision for bad debts created to take account of collection issues. The provision amounts to Euro 198,408 and movements thereon during the year were as follows.

Description	Opening amount	Utilised	Allocated	Closing amount
Provision for bad debts	(184,350)		(14,058)	(198,408)

Receivables from subsidiaries

	31 December 2024	31 December 2025	Change
SALERI SHANGHAI CO. LTD	4,182,067	6,852,317	2,670,250
SALERI TMS COMPETENCE CENTER GMBH	35,494	1,386	(34,108)
SALERI INDIA PVT LTD	4,954,793	7,082,014	2,127,221
ABL AUTOMAZIONE S.R.L.	243,997		(243,997)
SALERI MEXICO S.A. DE C.V.	8,274,969	7,188,946	(1,086,023)
SALERI AFTERMARKET S.P.A.	4,306,858	6,269,875	1,963,017
TOTAL	21,998,178	27,394,539	5,396,361

Receivables totalling Euro 6,852,317 from Saleri Shanghai Co. Ltd (Euro 4,182,067 at 31 December 2024) refer to:

- › Euro 5,336,815 of trade receivables (including under the Service Agreement and under the Royalties Agreement);
- › Euro 1,467,887 of dividends not yet paid;
- › Euro 47,615 of receivables for consultancy services and insurance costs incurred by the Parent Company and charged back to the subsidiary.

Receivables totalling Euro 1,386 from Saleri TMS Competence Center GmbH (Euro 35,494 at 31 December 2024) refer to sundry advances.

Receivables totalling Euro 7,082,014 from Saleri India PVT LTD (Euro 4,954,793 at 31 December 2024) refer to:

- › Euro 3,487,215 of trade receivables (including under the Service Agreement and under the Royalties Agreement);

- › Euro 3,587,600 for a short-term loan granted to the subsidiary, including interest accruing as at 31.12.2025;
- › Euro 7,199 for sundry advances;

Receivables totalling Euro 7,188,946 from Saleri México S.A. de C.V. (Euro 8,274,969 at 31 December 2024) refer to:

- › Euro 7,088,023 of trade receivables (including under the Service Agreement and under the Royalties Agreement);
- › Euro 76,911 for sundry advances;
- › Euro 24,012 of financial receivables.

Receivables totalling Euro 6,269,975 from Saleri Aftermarket S.p.A. (Euro 4,306,858 at 31 December 2024) refer to:

- › Euro 820,332 of trade receivables (including under Service Agreements and Royalties Agreements);
- › Euro 1,814,890 due under the consolidated taxation agreement;
- › Euro 2,122,723 of financial receivables;
- › Euro 1,498,938 of dividends approved during the year but not yet paid;
- › Euro 12,993 for sundry advances.

Receivables from parent companies

At 31 December 2025, there were no receivables from parent companies.

Tax receivables

	31 December 2024	31 December 2025	Change
Withholding taxes suffered	0	0	0
IRES receivables	525	82,497	81,971
IRAP receivables		49,368	49,368
VAT receivables	736,055	822,937	86,882
Other tax receivables	57,814	218,418	160,604
TOTAL	794,394	1,173,220	378,826

“IRES receivables”, amounting to Euro 82,497 (Euro 525 at 31 December 2024), represent the IRES receivable for 2025.

“VAT Receivables”, amounting to Euro 822,937 (Euro 736,055 at 31 December 2024), mainly refer to the VAT balance resulting from the December 2025 VAT return (Euro 802,846). The amount also includes a minor amount of foreign VAT receivables relating to EU countries where the Company has operated directly or for which a refund application has been made.

“Other tax receivables”, amounting to Euro 218,418 (Euro 57,814 at 31 December 2025), mainly relates to the tax credit for Ordinary Assets 2022 and R&I.

Deferred tax assets

Deferred tax assets amount to Euro 3,925,546 (Euro 5,415,654 at 31 December 2024).

The Directors concluded that it was appropriate to recognise the deferred tax assets – as described in more detail on the Note on deferred taxes – also on the basis of the contents of the Business Plan 2026-2029 approved by the Board of Directors of the Company, as it is reasonably certain that, in the periods in which temporary differences reverse, there will be taxable income of not less than the amount of the differences reversing.

Other receivables

Other receivables amounts to Euro 8,370,913 (Euro 3,209,920 at 31 December 2024). The amount of Euro 8,216,293 due within a year includes:

- › Euro 6,861,177 of restricted cash and cash equivalents related to the transaction for the sale of the properties situated in Lumezzane; the restriction will expire on 30.06.2026;
- › Euro 100,000 of restricted cash and cash equivalents related to the transaction for the sale of the investment in ABL Automazione S.r.l.; this restriction will expire on 30.09.2026;
- › Euro 752,915 of advances to suppliers;
- › Euro 29,468 of DR balances with certain suppliers of goods and services;
- › Euro 472,732 of sundry receivables, after a provision for doubtful debts of Euro 102,932.

The amount of Euro 154,620 due after more than a year consists of security deposits paid.

Current financial assets

Investments in other entities

The balance of Euro 13,294 did not change during the period and refers to non-controlling interests in other entities.

Cash and cash equivalents

The balance detailed below represents cash and cash equivalents at the reporting date and changes during the reporting period (Art. 2427 (4) of the Italian Civil Code).

	Opening amount	Change during year	Closing amount
1. Bank and post office accounts	10,505,289	7,117,779	17,623,068
2. Cheques		0	
3. Cash and cash equivalents on hand	86	0	86
TOTAL	10,505,375	7,117,779	17,623,154

The increase in cash and cash equivalents over the period is due to the cash flow management strategy adopted by Company management and to the transaction for the sale of properties described above.

“Cash and cash equivalents on hand” of Euro 86 (unchanged on 31 December 2024) entirely refers to Tax Stamps. Note that the Company does not hold any cash on hand and all payments are made electronically.

Prepaid expenses and accrued income

The balance and changes compared to prior year are analysed as follows (Article 2427(7) of the Italian Civil Code):

	Opening amount	Change during year	Closing amount
Accrued income	0	(0)	0
Prepaid expenses	3,173,233	697,895	3,871,128
Total prepaid expenses and accrued income	3,173,233	697,895	3,871,128
	31 December 2024	31 December 2025	Change
Prepaid expenses:	3,173,233	3,871,128	697,895
- lease instalments	44,652	29,576	(15,076)
- contributions to customers	2,633,597	3,303,725	670,128
- insurance premiums	2,947		(2,947)
- other	492,037	537,827	45,790
Accrued income	0	0	(0)
TOTAL	3,173,233	3,871,128	697,895

Prepaid lease instalments almost entirely refer to initial advance payments made at the outset of individual lease agreements and taken to the Income Statement in subsequent periods over the period of the lease.

Prepaid contributions to customers refers to contributions charged or for which a payment commitment has already been signed with the customer and which relate to future periods.

Other prepaid expenses mainly refer to maintenance contracts and subscription instalments.

NOTES TO THE FINANCIAL STATEMENTS, LIABILITIES AND EQUITY

Shareholders’ Equity

Changes in Shareholders’ Equity

At 31 December 2025, Shareholders’ Equity amounted to Euro 70,317,329 and movements during the year then ended were as follows (Art. 2427(4) of the Italian Civil Code).

	Opening amount	Allocation of prior year net profit or loss		Other changes		Result for year	Closing amount
		Allocation to dividends	Other allocations	Increases	Decreases	Reclassificat. (of carrying amount)	
Share capital	23,922,413	0					23,922,413
Share premium reserve	7,696,219	0					7,696,219
Revaluation reserves	27,061,472	0					27,061,472
Legal reserve	1,461,013	0	430,219				1,891,232
Statutory reserves							
Other reserves							
Extraordinary reserve	857,395	0					857,395
Reserve for exceptions in terms of Art 2423 of the Italian Civil Code							
Reserve for shares or quotas of parent company							
Reserve for revaluation of investments							
Payments for share capital increases		0					
Payments for future capital increases							
Additional paid-in capital							
Payments to cover losses							
Reserve for reduction of share capital							
Merger surplus reserve							
Reserve for unrealised exchange gains							
Reserve for earnings adjustments in progress							
Sundry other reserves	364,052	0					364,052
Total other reserves	1,221,447	0	0	0	0	0	1,221,447
Cash flow hedge reserve	246,100	0	(215,742)				30,358
Retained earnings (Accumulated losses)	(839,610)	0	8,174,170				7,334,560
Profit (Loss) for the year	8,604,390	0	(8,604,390)			1,444,642	1,444,642
Loss rescheduled during year							
Negative Reserve for Treasury Shares	(285,014)	0					(285,014)
Total Shareholders’ Equity	69,088,430	0	(215,743)	0	0	1,444,642	70,317,329

Availability and utilisation of Shareholders’ Equity

The following table contains further details of the reserves that make up Shareholders’ Equity. It shows their origin or nature, their possible utilisation and availability for distribution and their actual utilisation in prior years (Art. 2427(7) of the Italian Civil Code):

Legend for “Origin / nature” column: C = Capital reserve; E = Earnings reserve

	Amount	Origin / nature	Possible utilisation	Amount available	Summary of utilisation in last three years	
					To cover losses	For other reasons
Share capital	23,922,413	C				
Share premium reserve	7,696,219	C	A, B, C	7,696,219		
Revaluation reserves	27,061,472	U	A, B, C	27,061,472		
Legal reserve	1,891,232	U	B	1,891,232		
Statutory reserves						
Other reserves						
Extraordinary reserve	857,395	U	A, B, C	857,395		
Reserve for exceptions in terms of Art 2423 of the Italian Civil Code						
Reserve for shares or quotas of parent company						
Reserve for revaluation of investments						
Payments for share capital increases						
Payments for future capital increases						
Additional paid-in capital						
Payments to cover losses						
Reserve for reduction of share capital						
Merger surplus reserve						
Reserve for unrealised exchange gains						
Reserve for earnings adjustments in progress						
Sundry other reserves	364,052	U	A, B	364,052		
Total other reserves	1,221,447	0	0	1,221,447	0	0
Cash flow hedge reserve	30,358					
Retained earnings (Accumulated losses)	7,334,560					
Negative reserve for treasury shares held	(285,014)					
TOTAL	68,872,687	0	0	37,870,370	0	0
Amount not distributable						
Residual amount distributable				37,870,370		

Legend: A: for share capital increase B: to cover losses C: for distribution to shareholders D: for other statutory requirements E: other

Origin, possible use and availability for distribution of sundry other reserves

	Amount	Origin/nature	Possible utilisation
Reserves in terms of Art. 15 of Decree Law 429/1982	220,011	U	A, B
Other reserves	144,041	U	A, B
TOTAL	364,052		

Legend: A: for share capital increase B: to cover losses C: for distribution to shareholders D: for other statutory requirements E: other

Share capital

Share Capital, wholly subscribed and paid at 31 December 2025, amounts to Euro 23,922,413 (unchanged on 31 December 2024) and is represented by 3,127,003 shares.

Share premium reserve

This reserve was created in 2018 and amounts to Euro 7,696,219. The amount was paid in the form of a share premium by shareholder Quaestio Capital SGR S.p.A., as manager of and on behalf of the Quaestio Italian Growth Fund, following the share capital increase (“Aucap B”) approved by the Shareholders’ General Meeting of 5 April 2018.

The reserve did not change during the reporting period.

Revaluation reserves

The balance of Euro 27,061,472 relates to revaluations carried out under the following revaluation laws:

- › Law no. 413/91 - Euro 84,651;
- › Decree Law no. 185/08 - Euro 212,842;
- › Law no. 232/2016 - Euro 4,311,629;
- › Law no. 126/2020 - Euro 22,452,350.

The reserves did not change during the reporting period.

Legal reserve

The item has a balance of Euro 1,891,232 at 31 December 2025 (Euro 1,461,013 at 31 December 2024). The increase for the year of Euro 430,219 is wholly attributable to the allocation of the net profit for 2024, as per the resolution of the Shareholders’ General Meeting held on 5 June 2025.

Taking account of the Share Capital increases carried out in 2018 and in 2020, the reserve has not yet reached the limit provided for by Article 2430 of the Italian Civil Code.

Extraordinary Reserve

This reserve amounts to Euro 857,395 at 31 December 2025 and did not change during the period.

Sundry other reserves

This caption amounts to Euro 364,052 and did not change during the reporting period.

Cash flow hedge reserve

This reserve has a balance of Euro 30,358 at 31 December 2025 (Euro 246,100 at 31 December 2024) and refers entirely to the hedging contracts signed by the Company in relation to the loan with a SACE guarantee arranged in 2020 in the amount of Euro 24,000,000 and the loans with SACE guarantees arranged in 2025 in the amount of Euro 15,000,000, as described in more detail in the Note on Bank Borrowing.

As described in the introduction, the Group decided to apply hedge accounting in relation to the hedging of changes in cash flows for financial liabilities as a result of interest rate fluctuation. Therefore, this caption includes changes in the Fair Value of the effective portion of cash flow hedging instruments.

Retained earnings
(Accumulated losses)

This caption shows retained earnings of Euro 7,334,560 against accumulated losses of Euro 839,610 at 31 December 2024.

The increase of Euro 8,174,170 is due to allocation of the net profit for 2024, as per the resolution of the Shareholders’ General Meeting held on 5 June 2025.

Negative reserve for treasury shares held

At 31 December 2025, this caption had a negative balance of Euro 285,014. It was created following the purchase – authorised by the General Meeting of 24 June 2019 – of 15,799 treasury shares at a total cost of Euro 285,014. The price has been paid in full.

Provisions for risks and charges

The following table contains a breakdown of Provisions for risks and charges and details of movements thereon during the year (Art. 2427 (4) of the Italian Civil Code).

	Provision for retirement benefits and similar obligations	Provision for taxation, including deferred tax	Derivatives	Other provisions	Total provisions for risks and charges
Opening amount		1,573,853		5,163,401	6,737,254
Changes during year					
Allocated during year	0	(84,958)	11,016	3,256,983	3,183,042
Utilised during year		1,479,309		3,850,982	5,330,291
Other changes					0
Total changes	0	(1,564,266)	11,016	(593,999)	(2,147,249)
Closing amount		9,587	11,016	4,569,402	4,590,005

The “Provision for taxation, including deferred tax”, amounting to Euro 9,587, relates to deferred tax liabilities recognised in respect of the mark-to-market value (fair value) of derivative financial instruments at the end of the reporting period. The decrease in the provision during the year is attributable to the disposal of the properties on which a revaluation had been carried out in 2008 pursuant to Decree Law No. 185/2008; these revaluations had not been recognised for tax purposes. Further details regarding the deferred tax provision are provided in the section of these Notes to the Financial Statements dealing with deferred taxation.

- “Other provisions”, amounting to Euro 5,569,402 (Euro 5,163,401 at 31 December 2024), refer to:
- › Euro 1,153,746 of prudent provisions made for sundry litigation in progress or threatened which, at the date of approval of the financial statements, had not yet been settled;
 - › Euro 2,000,000 of product warranty provisions. During the period, utilisation of the provision totalled Euro 1,600,000 while increases totalled Euro 2,000,000; the provision is reasonable in relation to the estimated costs that the Company could be called upon to sustain to fulfil its contractual warranty commitments, taking account of historical costs, any complaints already received and specific agreements signed with customers;
 - › Euro 1,415,656 of provisions for future expenses for variable remuneration/bonuses in relation to agreements that have been signed.

Employee severance indemnity (“TFR”) provision

The TFR provision has been calculated in accordance with Article 2120 of the Italian Civil Code, taking account of legislative requirements and the specific provisions of employment contracts and professional agreements. It includes annual accruals and revaluations performed based on ISTAT coefficients.

It represents the effective liability accruing in favour of employees in accordance with the law and applicable labour agreements, considering all forms of continuous remuneration.

The provision represents the total of the individual indemnities accruing in favour of employees at the reporting date. It is stated net of payments made on account and amounts paid to social security and pensions institutions and pension funds, in accordance with current legislation. It represents the Company’s liability towards employees at the reporting date.

The following table provides details of the creation and utilisation of the provision (Art. 2427(4) of the Italian Civil Code).

Description	Employee severance indemnity (“TFR”) provision
Opening amount	980,388
Changes during year	
Allocated during year	20,420
Utilised during year	130,908
Other changes	609
Total changes	(109,879)
Closing amount	870,509

The amount utilised during the period mainly refers to TFR payments to employees who left the Company and payments to treasury funds.

Payables

Changes in and maturity of payables

The following table contains a breakdown of payables, changes in each line item and information by maturity date (Art. 2427(4) of the Italian Civil Code).

	Opening amount	Change during year	Closing amount	Amount due within a year	Amount due after more than a year	Of which due after more than 5 years
Bonds	7,997,528	-1,564,160	6,433,368	1,714,036	4,719,332	
Convertible bonds		0				
Shareholder loans payable		0				
Bank borrowing	36,048,516	6,116,794	42,165,310	22,278,276	19,887,034	
Payables to other lenders	7,112,439	-3,760,261	3,352,178	3,352,178		
Payments on account	1,496,785	151,672	1,648,457	1,648,457		
Trade payables	41,929,855	2,071,709	44,001,564	44,001,564		
Credit instruments		0				
Payables to subsidiaries	3,141,333	3,188,904	6,330,237	6,330,237		
Payables to associated companies		0				
Payables to parent companies		0				
Payables to entities controlled by parent companies		0				
Tax payables	2,670,455	-1,357,823	1,312,632	1,312,632		
Payables to social security and pensions institutions	1,459,937	119,689	1,579,626	1,579,626		
Other payables	5,363,812	1,019,554	6,383,366	6,383,366		
	107,220,660	5,986,078	113,206,738	88,600,372	24,606,366	0

Bonds

The balance refers to the bond with a value of Euro 8,000,000 issued on 13 December 2023. The loan, called “Basket Bond”, was subscribed by SPV Project 2206 S.r.l., a company whose sole corporate objective is to carry out securitisation transactions; it consists of 80 bonds with a nominal value of Euro 100,000 each.

The bond has a lifespan from 13 December 2023 until 25 July 2029 and will be refunded six-monthly from 25 January 2025. The bonds are subject to interest calculated at a fixed nominal rate of 6.3% per annum.

The amount of Euro 6,433,368 (amortised cost value) reported under the caption includes interest accruing at 31 December 2025.

The contract is subject to compliance with covenants measured based on the annual consolidated financial statements.

It should be noted that all of the covenants were respected as at 31 December 2025.

Bank borrowing

Description	31 December 2024	31 December 2025	Change
a) Bank borrowing due within a year	14,851,045	22,278,276	7,427,231
Lines of credit	0	0	0
Current account overdrafts	154,888	401,257	246,369
Loans	10,885,943	16,155,363	5,269,420
Advances on receivables	3,810,214	5,721,656	1,911,442
Other payables			
b) Bank borrowing due after more than a year	21,197,471	19,887,034	(1,310,437)
Loans	21,197,471	19,887,034	(1,310,437)
Advances on receivables			0
Other payables			
Total bank borrowing	36,048,516	42,165,310	6,116,794

Bank Borrowing amounts to Euro 42,165,310 and has increased by Euro 6,116,794 compared to 31 December 2024. Bank borrowing due within a year amounts to Euro 22,278,276 and has increased by Euro 7,427,231 compared to 31 December 2024. Bank borrowing due after more than a year amounts to Euro 19,887,034 and has decreased by Euro 1,310,437 compared to 31 December 2024.

Loans payable at 31 December 2025 (both current and non-current) amount to Euro 36,042,397, against Euro 32,083,414 at 31 December 2024, and are analysed as follows (amounts at amortised cost):

No.	Type	Start of Repayment Plan	No. of Instalments	Frequency	Maturity	Interest Rate Index	Principal	Due within a year	Due after more than a year	Total
1	Loan guaranteed by SACE	31/12/2024	14	Quarterly	31/03/2028	Euribor 3 months	18,000,000	4,489,708	0	4,489,708
2	Loan guaranteed by SACE	31/12/2022	16	Quarterly	30/09/2026	Euribor 3 months	24,000,000	4,995,889	6,359,350	11,355,239
3	Loan guaranteed by SACE	31/03/2028	1	Bullet Repayment	31/03/2028	Euribor 3 months	2,000,000	-16,212	1,982,611	1,966,399
4	M/L term loan	30/06/2025	9	Six-Monthly	30/06/2030	Euribor 6 months	3,500,000	3,465,982	0	3,465,982
5	Loan guaranteed by SACE	31/03/2026	18	Quarterly	30/06/2030	Euribor 3 months	7,500,000	1,616,936	5,785,616	7,402,552
6	Loan guaranteed by SACE	31/03/2026	18	Quarterly	30/06/2030	Euribor 3 months	7,500,000	1,603,059	5,759,456	7,362,516

The loans require compliance with covenants measured based on the annual consolidated financial statements.

It should be noted that, at 31 December 2025, all covenants were respected.

Reference should be made to the Directors’ Report for further, more detailed information about the availability of credit facilities to meet working capital funding requirements and any extraordinary liquidity requirements.

Payables to other lenders

This caption amounts to Euro 3,352,178 (Euro 7,112,439 at 31 December 2024) and mainly refers to payables to Factoring companies (Euro 3,346,299) while instalments payable to leasing companies account for the remainder of the balance.

The significant decrease compared to 31 December 2024 is mainly due to the lower payable to Factoring companies as a result of less use of non-recourse factoring facilities.

Payments on account

This item amounts to Euro 1,648,457 (Euro 1,496,785 at 31 December 2024) and mainly refers to payments on account received from customers of payments on account from customers which, in order to ensure adequate support to their supply chain, have agreed to make significant advance payments towards future purchases.

Trade payables

Trade payables amount to Euro 44,001,564 (Euro 41,929,855 at 31 December 2024). They include liabilities at 31 December 2025 towards suppliers of goods and services, based on the normal payment terms applied or on specific extended payment terms agreed.

Payables to subsidiaries

	31 December 2024	31 December 2025	Change
Saleri Shanghai Co. Ltd	1,927,247	2,079,510	152,263
Saleri TMS Competence Center Gmbh	99,065	98,336	(729)
ABL Automazione S.r.l.	901,582		(901,582)
Saleri Mexico S.A. de C.V.	19,825	113,596	93,772
Saleri India Pvt Ltd	3,735	66,399	62,665
Saleri Aftermarket S.p.A.	189,879	3,972,394	3,782,516
Total payables to subsidiaries	3,141,333	6,330,237	3,188,904

Payables to Saleri Shanghai Co. Ltd, totalling Euro 2,079,510 (Euro 1,927,247 at 31 December 2024), entirely consist of trade payables.

Payables to Saleri TMS Competence Center Gmbh, totalling Euro 98,336 (Euro 99,065 at 31 December 2024), entirely refer to the service agreement in place.

Payables to Saleri Mexico S.A. de C.V., totalling Euro 113,596 (Euro 19,825 at 31 December 2024), include Euro 93,772 of chargebacks of costs relating to customer complaints while the remainder consists of trade payables.

Payables to Saleri India PVT LTD, totalling Euro 66,399 (Euro 3,735 at 31 December 2024), entirely consist of trade payables.

Payables to Saleri Aftermarket S.p.A., totalling Euro 3,972,394 (Euro 189,879 at 31 December 2024), include trade payables of Euro 18,392, Euro 297,708 of payables under the tax consolidation arrangement and Euro 3,656,294 pf cash pooling payables.

Tax payables

	31 December 2024	31 December 2025	Change
IRAP payable	327,125		(327,125)
IRES payable	515,643		(515,643)
Tax withheld at source from employees	1,808,115	1,296,581	(511,535)
Tax withheld at source from freelance professionals/ collaborators	17,965	12,342	(5,623)
Substitute tax payable	1,608	3,709	(3,709)
VAT payable			0
Other taxes payable	(0)		0
TOTAL	2,670,455	1,312,632	(1,363,635)

The “IRES” and “IRAP” payables represent the respective liabilities for those taxes.

Payables for taxes withheld at source from employees and professionals/collaborators represent the deductions made at source by the Company which have been duly paid over to the authorities on their legal due dates.

Payables to social security and pensions institutions

	31 December 2024	31 December 2025	Change
Payable to INPS	853,097	865,365	12,268
Payable to INAIL			0
Other payables to social security and pensions institutions	606,840	714,261	107,421
TOTAL	1,459,937	1,579,626	119,689

Payables to social security and pensions institutions represent the contributions payable by the companies. They have been duly paid by the legal due date.

“Other payables to social security and pensions institutions” include social security and pension contributions recorded in relation to accrued employee holiday pay.

Other payables

	31 December 2024	31 December 2025	Change
a) Other payables due within a year	5,363,812	6,383,366	1,019,554
Payables to employees	3,063,271	3,168,597	105,326
Payables to directors and statutory auditors	87,836	86,792	(1,044)
Other payables	2,212,705	3,127,977	915,337
b) Other payables due after more than a year			0
Total other payables	5,363,812	6,383,366	1,019,554

Payables to employees refer to December salaries and other deferred remuneration accruing at the reporting date.

Other payables includes payables to treasury funds and supplementary pension funds for TFR entitlement accruing but not yet paid (Euro 252,485), payables to third parties following settlement of legal disputes (Euro 1,450,000), compensation for damages payable to third parties (Euro 500,000) and the CR balance on several customer/trade receivable accounts (Euro 777,214).

Breakdown of payables by geographical area

The following table contains a breakdown of payables by the geographical area of business of the creditors.

	Europe	Italy	Rest of World	Total
Bonds		6,433,368		6,433,368
Convertible bonds				
Shareholder loans payable				
Bank borrowing		42,165,310		42,165,310
Payables to other lenders		3,352,178		3,352,178
Payments on account	422,840	206,423	1,019,194	1,648,457
Trade payables	9,277,756	30,187,379	4,536,429	44,001,564
Credit instruments				
Payables to subsidiaries	98,336	3,972,395	2,259,506	6,330,237
Payables to associated companies				
Payables to parent companies		0		
Payables to entities controlled by parent companies		0		
Tax payables		1,312,362		1,312,362
Payables to social security and pensions institutions		1,579,626		1,579,626
Other payables	777,214	5,606,152		6,383,366
Payables	10,576,146	94,815,193	7,815,129	113,206,468

Payables secured on company assets

The following table contains details of payables secured on company assets (Article 2427 (6) of the Italian Civil Code):

	Payables secured on company assets				Unsecured payables	Total
	Payables secured by mortgages	Payables secured by pledges	Payables secured by liens	Total secured payables		
Bonds				0	6,433,368	6,433,368
Convertible bonds						
Shareholder loans payable						
Bank borrowing				0	42,165,310	42,165,310
Payables to other lenders				0	3,352,178	3,352,178
Payments on account				0	1,648,457	1,648,457
Trade payables				0	44,001,564	44,001,564
Credit instruments						
Payables to subsidiaries				0	6,330,171	6,330,171
Payables to associated companies						
Payables to parent companies				0	0	
Payables to entities controlled by parent companies				0	0	
Tax payables				0	1,312,362	1,312,362
Payables to social security and pensions institutions				0	1,579,626	1,579,626
Other payables				0	6,383,366	6,383,366
Payables	0	0	0	0	113,206,402	113,206,402

Accrued expenses and deferred income

Details of this item and movements thereon during the year are provided below (Art. 2427(7) of the Italian Civil Code).

	Opening amount	Change	Closing amount
Accrued expenses	0	0	0
Deferred income	1,686,522	1,344,225	3,030,747
Total accrued expenses and deferred income	1,686,522	1,344,225	3,030,747

Deferred income refers to contributions from customers and to tax credits for assets relating to the 4.0 transformation processes. It also includes deferred gains on the disposal of properties as described in the Note on “Land and buildings”.

NOTES TO THE FINANCIAL STATEMENTS, INCOME STATEMENT

As stated in the Foreword, Income Statement results continue to be affected by the international geopolitical tensions that remain since prior year, especially the ongoing Russia-Ukraine and Israel-Palestine crisis. In addition to these situations, new elements of uncertainty such as the situation in the Middle East, growing instability in some parts of Africa and heightened tension between the United States and Chine have had repercussions on global markets.

Reference should be made to the Directors’ Report for more detailed analysis of changes compared to prior year and for comments on the effects on Income Statement balances.

Value of production

The following table contains a breakdown of value of production and details of changes in the various component items compared to prior year:

	2024	2025	Change	% Chg.
Revenue from sales and services	145,024,068	154,541,418	9,517,350	7
Change in inventory of WIP, semi-finished and finished goods	842,599	2,413,036	1,570,437	186
Change in contract work in progress			0	0
Increase in non-current assets due to capitalisation of internal works	4,418,208	4,174,794	(243,414)	(6)
Other revenue and income	8,409,651	7,234,741	(1,174,910)	(14)
TOTAL VALUE OF PRODUCTION	158,694,526	168,363,989	9,669,463	

Revenue from the sale of goods is stated after returns, discounts and bonuses agreed and granted to customers and warranty chargebacks. “Other revenues and income” mainly refers to intercompany charges for service agreements and secondment of personnel, insurance pay-outs, contributions debited to customers for the development of new products and the construction of related equipment, as well as a project cancellation charges and gains on the disposal of non-current assets.

Breakdown of revenue from sales and services by business category

In accordance with Article 2427(10) of the Italian Civil Code, we provide a breakdown of revenue from sales and services by business category.

	2025
Manufacture and Sale of Water Pumps, Equipment and Prototypes	154,541,418
TOTAL	154,541,418

Breakdown of revenue from sales and services by geographical area

In accordance with Article 2427(10) of the Italian Civil Code, we provide a breakdown of revenue from sales and services by geographical area.

	2025
Italy	6,835,612
Other countries	147,705,806
TOTAL	154,541,418

The breakdown of revenue by geographical area shows that the Company makes the vast majority of its sales on other EU and non-EU markets.

The focus on exports and the percentage of sales made in other countries, primarily to German car manufacturers, is substantially in line with prior year albeit with a more diversified customer portfolio. The predominance of export sales will remain very high going forward in light of the long-term production contracts already acquired.

Increases in non-current assets due to capitalisation of internal work

During the period, the Company capitalised development costs of Euro 4,174,794. The costs capitalised entirely refer to outsourcing costs and the cost of personnel directly employed in development projects relating to customer contracts for which, at 31 December 2025, (i) the development phase had been completed and the amortisation process had begun or (ii) the award had been confirmed but mass production had not yet commenced. See the earlier Notes on Development Costs and Intangible Assets in Progress for further information.

Other revenue and income

“Other revenue and income”, amounting to Euro 7,234,741 (against Euro 8,409,651 in 2024), includes:

- › Euro 4,242,506 of royalties, intercompany services and chargebacks for seconded personnel;
- › Euro 603,088 of various chargebacks to customers (sharing of purchase cost of equipment, modification of tooling, project cancellation or postponement costs or lower volumes);
- › Euro 245,935 of tax credits and grants in favour of the Company;
- › Euro 4,319 of gains on fixed asset disposals;
- › Euro 664,844 of chargebacks to suppliers of costs incurred that are not attributable to the Company;
- › Euro 1,436,919 of unaccrued prior year income, mainly relating to the reversal of provisions created in previous years.

Reference should be made to the Directors’ Report for further details on the breakdown of Revenue from Sales and, more generally, on Value of Production.

Cost of production

The following table contains a breakdown of “Cost of production” and details of changes compared to prior year.

	2024	2025	Change	% Chg.
Raw, ancillary and consumable materials and goods	77,919,250	85,663,272	7,744,022	10
Services	31,774,737	37,052,490	5,277,753	17
Use of third party assets – lease and rental costs	2,775,006	2,708,725	(66,281)	(2)
Personnel costs:				
a) wages and salaries	19,537,883	21,511,490	1,973,607	10
b) social contributions	5,658,590	5,821,653	163,063	3
c) employee severance indemnity / “TFR”	1,035,166	1,049,625	14,459	1
d) retirement benefits and similar obligations			0	0
e) other personnel costs	64,022	163,336	99,314	155
Depreciation, amortisation and writedowns:				
a) amortisation of intangible assets	1,798,897	2,289,971	491,074	27
b) depreciation of tangible assets	4,782,201	4,793,869	11,668	0
c) other writedowns of non-current assets			0	0
d) writedowns of current receivables	54,006	14,058	(39,948)	(74)
Changes in inventory of raw, ancillary and consumable materials and goods	(3,345,779)	(697,581)	2,648,198	(79)
Provisions for risks			0	0
Other provisions	3,771,051	2,200,000	(1,571,051)	(42)
Sundry operating expenses	974,200	4,050,730	3,076,530	316
Rounding				
TOTAL	146,799,230	166,621,638	19,822,408	

See the Directors’ Report for details of all cost categories and of changes compared to prior year.

Costs for raw, ancillary and consumable materials and goods for resale

These costs are reported in the Income Statement net of adjustments for returns, discounts, allowances and bonuses. They amount to Euro 85,663,272 for 2025 against Euro 77,919,250 in 2024.

Purchase costs mainly relate to raw materials (aluminium) and pump components and semi-finished products(bearings and shafts, thermostats, pulleys, plates, circuit boards, etc.) and consumable materials. The composition of the balance has not changed significantly compared to prior year while the increase in absolute terms is due to the higher volume of sales during the reporting period.

Costs for services

This caption amounts to Euro 37,052,490 against Euro 31,774,737 in 2024 and refers to a series of costs for services incurred for various reasons. The following table shows the main types of service:

	2024	2025	Change
Industrial services	16,639,680	18,482,630	1,842,949
Consulting	2,704,818	3,940,694	1,235,876
General Expenses	6,546,906	6,972,742	425,836
Shipping/Transport	3,974,581	4,466,286	491,705
Other services	1,908,751	3,190,138	1,281,387
Total costs for services	31,774,737	37,052,490	5,277,753

Industrial services mainly refer to outsourced services including die-casting and other casting, machining, other processing and treatments regarding certain stages of the production process. The increase compared to prior years is in line with the higher volumes in 2025.

Consulting costs include accounting, management, tax and legal consulting but also sales and marketing advice and services in relation to patents, quality control and the environment. The increase of Euro 1,235,876 compared to prior year is mainly attributable to strategic, financial and marketing consulting services.

General Expenses include costs for Utilities, Maintenance and other general costs relating to the Company’s activities. The overall increase of Euro 425,836 is mainly due to costs for utilities (especially electricity).

Shipping/Transport costs have increased compared to prior year mainly in relation to urgent shipments and fixed costs related to the outsourcing of certain logistics services. Meanwhile, shipping costs on sales to customers have decreased compared to 2024.

Other services includes various services. The increase compared to prior year is mainly due to higher costs for business trips/travel and for staff search and recruitment services.

Use of third party assets – lease and rental costs

This item amounts to Euro 2,708,725 and is in line with the 31 December 2024 total of Euro 2,775,006.

The items that make up the bulk of the total amount at 31 December 2025 are instalments for use of third party software (Euro 1,235,703), hires/rentals (Euro 854,386), lease instalments (Euro 271,858) and property rentals (Euro 346,745).

Personnel costs

This item, amounting to Euro 28,546,104 (against Euro 26,295,661 in 2024), comprises all employee related expenses including merit based increases, promotions, seniority increases, accrued holiday pay and provisions required by law and collective labour agreements. The total cost has increased by Euro 2,250,443 mainly because of increased use of temporary labour. See the later section of these Notes for details of the workforce in 2025.

Amortisation of intangible assets

Amortisation of intangible assets (Euro 2,289,971 against Euro 1,798,897 in 2024) has already been commented upon in the Note on intangible assets.

Depreciation of tangible assets

Depreciation of tangible assets (Euro 4,793,869 against Euro 4,782,201 in 2024) has already been commented upon in the Note on tangible assets. We note, however, that it has been calculated based on the useful life of tangible assets and their use in the production process. As recalled earlier, with effect from 2019, depreciation of new tangible assets has been calculated based on the actual number of days’ utilisation.

Other writedowns of non-current assets

As already described in the note on Non-Current Assets, in 2025, the Company did not make any further writedowns of non-current assets as it believed the amount provided in prior years was sufficient.

Writedowns of current receivables

During the year, writedowns of current receivables totalled Euro 14,058.

Other provisions

This item, amounting to Euro 2,200,000 (against Euro 3,771,051 in 2024), refers to amounts allocated to the product warranty provision (Euro 2,000,000) and amounts allocated to the provision for risks (Euro 200,000) in respect of possible costs relating to complaints received from third parties as determined based on the opinion of the Company’s lawyers.

Sundry operating expenses

Sundry operating expenses, amounting to Euro 4,050,730, mainly refers to non-deductible foreign taxes, unaccrued prior year expenses and losses on the disposal of fixed assets. The total has increased by Euro 3,076,530 compared to prior year, mainly because of higher unaccrued prior year expenses and higher losses on the disposal of fixed assets – primarily in relation to the disposal of properties previously described.

Income from investments in subsidiaries

The amount of Euro 5,161,646 refers to the dividends received from subsidiaries Saleri Shanghai Co. Ltd and Saleri Aftermarket S.p.A and the gain on the disposal of the investment in ABL Automazione S.r.l.

Sundry income from subsidiaries

The amount of Euro 210,474 refers to interest income on loans to subsidiaries or on extended payment periods granted.

Breakdown of sundry income

The following table provides a breakdown of line item "C.16.d) Income other than the above".

	Subsidiaries	Associated companies	Parent companies	Entities controlled by parent companies	Other	Total
Bank and post office interest					243,080	243,080
Other income						0
TOTAL					243,080	243,080

Breakdown of interest and other financial expenses by type of debt

Pursuant to Article 2427 (12) of the Italian Civil Code, the following table contains details of interest and other financial expenses relating to bonds, bank borrowing and other debt.

	Interest and other financial expenses
Bonds	441,142
Bank borrowing	5,476,046
Other	51,766
TOTAL	5,968,954

Interest and other financial expenses relating to bank borrowing regard both medium/long-term loans and short-term finance.

The “Other” caption, amounting to Euro 51,766, refers to interest expenses on extended payment periods obtained.

	2024	Change	2025
18) Revaluations			
d) of derivatives		0	
19) Writedowns			
a) of equity investments		0	
b) of non-current financial assets other than equity investments		0	
c) of current securities other than equity investments		0	
d) of derivatives		0	
of financial assets from cash pooling			
Total	0	0	0

Taxes on income – current, deferred and deferred tax income

Taxes on income for the year

The following table contains a breakdown of “Taxes on income for the year“:

	2024	Change	% Chg.	2025
Current taxes	(679,885)	43,186	(6)	(636,699)
Prior year taxation	221,277	(241,350)	(109)	(20,073)
Deferred taxes and deferred tax income	(454,696)	538,442	(118)	83,746
Income (Expense) from participation in tax consolidation / fiscal transparency	(158,926)	820,341	(516)	661,415
TOTAL	(1,072,230)	1,160,619		88,389

Deferred taxation (Art. 2427(14) of the Italian Civil Code)

Deferred taxes have been calculated taking account of the amount of all temporary differences generated by applying tax laws and regulations and applying the tax rates in force when the differences emerged.

The following table contains details of the temporary differences that led to the recognition of deferred tax assets and liabilities. It shows the relevant amount, the tax rate applied, the tax effect, the amounts credited or debited to the income statement and the items excluded from the calculation; details are provided for current year and prior year. The table also shows the amount of deferred tax assets recognised in relation to tax losses for the year and for prior years.

“Prior Year” amounts refer to 31 December 2024.

	Prior year	Prior year	Change	Change	Current year	Current year
	IRES	IRAP	IRES	IRAP	IRES	IRAP
Deferred tax income	Amount of temporary differences					
Interest expenses not deducted and GOI excess	4,856,674		(331,188)	0	4,525,486	
Allocation to provisions for risks and charges	1,600,000		400,000	0	2,000,000	
Allocation to inventory obsolescence provision	1,008,108		529,006	0	1,537,114	
Writedown of non-current assets	1,560,488		0	0	1,560,488	
Other changes in deferred tax assets	4,607,870		1,899,947	1,387,909	6,507,817	1,387,909
Total deductible temporary differences	13,633,139	0	2,497,765	1,387,909	16,130,905	1,387,909
Tax losses	8,932,081		(8,932,081)	0		
IRES and IRAP rates	24.00%		0.00%	3.90%	24.00%	3.90%
Deferred tax assets	5,415,653		(1,544,236)	54,128	3,871,417	54,128

	Prior year	Prior year	Change	Change	Current year	Current year
	IRES	IRAP	IRES	IRAP	IRES	IRAP
Deferred taxes	Amount of temporary differences					
Depreciation of assets revalued under Decree Law no. 185/2008	5,641,050	5,641,050	(5,641,050)	(5,641,050)		
Other changes in deferred taxes			0	0		
Total taxable temporary differences	5,641,050	5,641,050	(5,641,050)	(5,641,050)	0	0
IRES and IRAP rates	24%	4%	0%	0%	24%	4%
Deferred tax liabilities	1,353,852	220,001	(1,353,852)	(220,001)		
Rounding						
Deferred tax assets (liabilities) net for IRES and IRAP	4,061,801	(220,001)	(190,384)	274,129	3,871,417	54,128
Total deferred tax assets (liabilities) net	3,841,800		83,745	54,128	3,925,545	54,128
– allocated to Income Statement			(20,385)			
– allocated to Equity						

The Directors concluded that it was appropriate to recognise the deferred tax assets, as described in more detail in the above table, also on the basis of the contents of the aforementioned Business Plan 2026-2029, given the fact that it is reasonably certain that, in future periods, there will be taxable income of not less than the amount of the differences reversing.

Tax reconciliation - IRES

The following table contains a reconciliation between the tax expense reported in the Financial Statements and the theoretical tax expense, with the information required by Italian Accounting Standard OIC 25.

	Financial statements	Taxes
Profit before taxation (A - B + - C + - D)	1,356,253	
Theoretical tax expense %		
Temporary differences taxable in later periods:		
– gains on asset disposals in instalments		
– other		
Total	0	0
Temporary differences deductible in later periods:		
– allocation to provision for bad debts		
– allocation to provision for risks	2,000,000	
– writedown of fixed assets		
– writedown of inventory	1,105,521	
– directors’ emoluments not paid	1,270,617	
– other allocations to provisions for risks	200,000	
Total	4,576,138	0
Reversal of prior year temporary differences:		
– utilisation of provision for bad debts		
– utilisation of provision for risks	1,371,051	
– revaluation of non-current assets		
– portion of gains in instalments		
– directors’ emoluments paid	71,280	
– portion of entertainment expenses	215,532	
– other items	6,195,917	
Total	7,853,780	0
Differences that will not reverse in later periods / Permanent differences:		
– IMU – local property tax	(74,345)	
– motor vehicle expenses	300,826	
– unaccrued prior year expenses		
– telephone expenses	22,755	
– fines and penalties	181,096	
– non-deductible costs	560,512	
– non-deductible D&A	602,091	
– writedown of investments		
– donations	17,560	
– other increases	10,469,783	
– super-depreciation	(1,504,435)	
– portion of interest expenses not deductible in prior year		

	Financial statements	Taxes
– exempt gains		
– other decreases	(2,478,268)	
Total	8,097,577	0
Taxable income for IRES	6,176,188	0
Increase in IRES –Current taxes		
Current IRES for the year		1,482,285

Tax reconciliation - IRAP

The following table contains a reconciliation between the tax expense reported in the Financial Statements and the theoretical tax expense, with the information required by Italian Accounting Standard OIC 25.

	Financial statements	Taxes
Taxable base for IRAP	32,502,513	0
Costs not deductible for IRAP purposes:		
– interest element of lease instalments	15,867	
– IMU – local property tax	74,345	
– costs for freelance / occasional personnel		
– directors’ fees	1,929,538	
– inventory writedown		
– non-deductible costs and unaccrued prior year expenses	2,435,236	
– other items	7,063,420	
Revenue not considered for IRAP purposes		
– utilisation of provisions	3,202,385	
Total	40,818,534	0
Theoretical tax expense %		
Deductions:		
– INAIL		
– Social security /pension contributions		
– Expenses for apprentices, R&D personnel		
– other personnel related deductions	24,492,931	
Total	24,492,931	0
Temporary differences taxable in later periods:		
– other items		
Total	0	0
– Non-deductible amortisation of trademarks and goodwill		
– other items		
Total	0	0
Reversal of prior year temporary differences:		
– Gains on disposal in instalments		
– Entertainment expenses		
– other items		
Total	0	0
Additional deduction		
Taxable income for IRAP	16,325,603	
Current IRAP for the year		636,699

NOTES TO THE FINANCIAL STATEMENTS, OTHER INFORMATION

Employment details

In accordance with Article 2427 (15) of the Italian Civil Code, the following table contains details of the Company’s employees at 31/12/2025.

	Average Number in 2024	Average Number in 2025
Senior managers	17	23
Managers	16	13
White collars	130	136
Blue collars	246	215
Other employees		
Total Employees	409	387

Fees, advances and loans granted to directors and statutory auditors and commitments made on their behalf

Pursuant to Article 2427(16) of the Italian Civil Code, the following table contains details of the fees, advances and loans granted to the Directors and to members of the Board of Statutory Auditors, as well as details of commitments made on their behalf in the year ended.

	Directors	Statutory Auditors
Fees	570,000	58,000
Advances		
Loans		
Commitments made on their behalf as a result of guarantees given		

Fees of the external auditor or audit firm

Pursuant to Article 2427(16 bis) of the Italian Civil Code, the following table contains details of fees for services rendered. Fees for compulsory audit services are shown separately from fees for other services.

	Amount
Audit of the annual financial statements	59,000
Other audit services	
Tax advisory services	
Other non-audit services	
Total fees of the external auditor or audit firm	59,000

Categories of shares issued by the Company

As required by Article 2427(17) of the Italian Civil Code, the following table contains details of the shares that make up share capital. It shows the number and nominal amount of the shares subscribed during the year.

	Opening number of shares	Opening nominal amount of shares	Number of shares subscribed during the year	Nominal amount of shares subscribed during the year	Closing number of shares	Closing nominal amount of shares
Category A	2,279,550	13,065,263			2,279,550	13,065,263
Category B	831,648	4,766,598			831,648	4,766,598
Category C	6	6,000,000			6	6,000,000
Ordinary Shares	15,799	90,552			15,799	90,552
TOTAL	3,127,003	23,922,413	0	0	3,127,003	23,922,413

Off-balance sheet commitments, guarantees and contingent liabilities

Pursuant to Article 2427(9) of the Italian Civil Code, the following table shows the total amount of off-Balance Sheet commitments, guarantees and contingent liabilities. It shows the nature of the secured guarantees given, commitments regarding retirement benefits and similar obligations and commitments made towards subsidiaries, associated companies and entities controlled by parent companies.

	Amount
Commitments	13,685,940
retirement benefits and similar obligations	
towards subsidiaries	
towards associated companies	
towards parent companies	
towards entities controlled by parent companies	
Guarantees	1,290,269
of which secured	
Contingent liabilities	

The commitments shown in the table refer to finance lease agreements and represent the outstanding liability at the reporting date.

At 31 December 2025, guarantees referred to the following:

- › around Euro 1,219,692 of guarantees issued by the Company on behalf of subsidiaries Saleri India Private Co. Ltd and Saleri Aftermarket S.p.A. in favour of lenders to them. The amount shown is in line with the subsidiaries’ exposure to the beneficiaries of the guarantee;
- › Euro 70,577 of guarantees issued to third parties.

Related party transactions

Pursuant to Article 2427(22-bis) of the Italian Civil Code, we note that the following related party transactions took place during the year; all of them were conducted on an arm’s length basis:

	Parent companies	Subsidiaries	Associated companies	Other related parties	Parent companies
Revenue		9,293,322			
Costs		1,317,525			330,000
Financial income/expenses		210,474			
Financial receivables		8,701,161			
Trade receivables		18,693,378			10,882
Financial payables		3,658,595			
Trade payables		2,671,641			

Significant events after the reporting period

Pursuant to Article 2427 (22-quarter) of the Italian Civil Code, it should be noted that the many factors of uncertainty already mentioned in the foreword to these Notes, which have had a significant impact on the automotive industry, are still present at the beginning of 2026. In particular, The change of government in the United States and the economic policies introduced, especially in relation to international trade, have increased market volatility and affected macroeconomic estimates and forecasts.

In this macroeconomic context, at the date of this report, the Company is showing a positive sales trend, in line with the 2026 Budget.

Having completed the implementation phase of its new organisational structure, Group management remains strongly focused on cost control in light of the continuing significant risks associated with geopolitical developments and the persistence of restrictive economic policy conditions.

Unless there are significant changes in the current macroeconomic and geopolitical environment, the Company expects revenue to increase during the current year, albeit with a slight decline in profitability. This trend is mainly attributable, on the one hand, to lower revenue under agreements with certain customers to reduce volumes and, on the other hand, to the completion of the organisational structure established to support the consolidation of the Mexican and Indian operations and their respective markets.

Summary of public finance in terms of art. 1(125) to (129) of Law no. 124/2017

Article 1 (125) to (129) of Law no 124 of 4 August 2017 (Annual law for the market and competition) introduced new disclosure requirements on public finance received and approved.

These amounts are reported on a “cash basis”. During 2025, the Company did not receive any grants and contributions included in the definition governed by Law 124 of 4 August 2017.

Disclosures regarding derivative instruments in terms of Article 2427-bis of the Italian Civil Code

The following table presents the disclosures required by Article 2427-bis(1)(1) of the Italian Civil Code.

	Fair value 31/12/2025	Fair value 31/12/2024	Change through Income Statement	Change through equity	Nature	Amount
Interest rate swap	39,944	246,100			Hedge	15,300,000
Options						

Significant effects of exchange rate fluctuation

In accordance with Article 2427(6-bis) of the Italian Civil Code, we note that there have been no significant exchange rate fluctuations between the reporting date and the date on which these Financial Statements were issued.

Equity investments involving unlimited liability

Pursuant to Article 2361(2) of the Italian Civil Code, we note that the Company does not hold any equity investments that involve unlimited liability.

Proposed allocation of profits or coverage of losses

Allocation of profit for the year

Dear Shareholders,

All matters not specifically commented upon in these Notes are clearly and accurately set out in the Financial Statements presented for your review. The Financial Statements have been prepared with as much detail as possible.

We assure you that the amounts reported in the Financial Statements presented for your review and approval were obtained from the properly maintained accounting records and invite you to approve the Financial Statements – comprising the Balance Sheet, Income Statement, Statement of Cash Flows and Notes – as well as the proposed allocation of the profit for the year, as follows:

	Amount
Profit (Loss) for the year	
Legal reserve	288,929
Retained earnings (Accumulated losses)	1,155,713
TOTAL	1,444,642

Lumezzane (BS), 15 May 2026

THE BOARD OF DIRECTORS
Francesco Italo Saleri (Chairman)
Nicola Cosciani Cunico
Sergio Bona
Maria Cristina Storchi
Johann Evangelist Wieland
Alessandro Potestà
Alberto Bartoli
Simona Heidempergher
Nicola Guidi



Deloitte & Touche S.p.A.
Via Cefalonia, 70
25124 Brescia
Italia

Tel: + 39 02 83327030
Fax: + 39 02 83327029
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Industrie Saleri Italo S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Industrie Saleri Italo S.p.A. (the “Company”), which comprise the balance sheet as at December 31, 2025, the statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

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 *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona
Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. Mi-1720239 | Partita IVA: IT 03049560166
Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata (“DTTL”), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche “Deloitte Global”) non fornisce servizi ai clienti. Si invita a leggere l’informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all’indirizzo www.deloitte.com/About.
© Deloitte & Touche S.p.A.

In preparing the financial statements, the Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 International Standards on Auditing (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 financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 management’s 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 auditor’s report to the related disclosures in the 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 auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10

The Directors of Industrie Saleri Italo S.p.A. are responsible for the preparation of the report on operations of Industrie Saleri Italo S.p.A. as at December 31, 2025, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;
- express an opinion on compliance with the law of the report on operations;
- make a statement about any material misstatement n the report on operations.

In our opinion, the report on operations is consistent with the financial statements of Industrie Saleri Italo S.p.A. as at December 31, 2025.

In addition, in our opinion, the report on operations is prepared in accordance with the law.

Deloitte.

4

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Giampaolo Carrara
Partner

Brescia, Italy
June 3, 2026

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

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' GENERAL MEETING CONVENED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025, PREPARED IN TERMS OF ART. 2429 (2) OF THE ITALIAN CIVIL CODE

To the Shareholders of Industrie Saleri Italo S.p.A.

During the year ended 31 December 2025, we performed our work in accordance with legal requirements and the guidelines for Boards of Statutory Auditors of unlisted companies, issued by the Italian Accounting Profession (*"il Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili"*).

This report contains details of the work done and the results obtained.

The statutory financial statements of Industrie Saleri Italo S.p.A. at 31.12.2025, prepared in accordance with Italian statutory reporting requirements and reporting a net profit for the year of Euro 1,444,642, have been presented for your review and approval. The financial statements were approved by the Board of Directors on 3 June 2026 and made available to the Board of Statutory Auditors. The Board of Statutory Auditors has received a letter from all of the Shareholders waiving the need for compliance with the deadline under Article 2429 of the Italian Civil Code for filing of the financial statements and the reports of the Board of Statutory Auditors and the External Auditors at the registered office, as well as waiving the right to make any complaints against parties obliged to respect that deadline i.e. the Board of Statutory Auditors and the External Auditors; said parties are warranted against all liability or consequences arising from failure to respect the said deadline.

As we were not appointed to perform the compulsory audit, the Board of Statutory Auditors' work on the financial statements involved the supervisory activities required by Rule 3.8 of the "Rule of conduct for statutory auditors of unlisted companies", consisting of an overall check to ensure that the financial statements have been properly prepared. Responsibility for testing that the financial statements reflect the accounting records lies with the entity appointed to perform the compulsory audit.

External auditors Deloitte & Touche have given us their audit report dated 3 June 2026 and containing a clean opinion.

The external auditors' report states that the financial statements at 31.12.2025 provide a true and fair view of the balance sheet and financial position of the Company and of its result and cash flows. The external auditors' report also states that the financial statements have been prepared in accordance with Italian statutory reporting requirements.

Supervisory activities in terms of Articles 2403 et seq. of the Italian Civil Code

We have supervised compliance with the law and the articles of association, respect for principles of good business management and, in particular, the adequacy of the organisational structure and the administrative accounting system and their proper functioning.

We attended Shareholders' General Meetings and Board of Directors' Meetings. Based on the information available, we have no issues to report. We obtained in good time from the Board of Directors – sometimes during the meetings held -information about the general operating performance and the outlook for the future. We also acquired information on the most significant transactions – in terms of size or nature – carried out by the company and, based on the information acquired, we have no particular comments to make.

We also gathered information on and supervised the adequacy of the organisational structure and on the administrative and accounting system and on their proper functioning, also by obtaining information from departmental managers. We have no comments to make in this regard.

Within the scope of our responsibility, we assessed and supervised the appropriateness of the administrative and operation of the administrative and accounting system, as well as its reliability in accurately reporting operations. This involved gathering information from the managers in charge of the various departments and reviewing Company documents. We have no particular comments to make in this regard.

We have received no complaints from the shareholders in terms of Article 2408 or Article 2409 of the Italian Civil Code.

We have not made any reports to the Board of Directors in terms of article 25-viii of Legislative Decree no 14 of 12 January 2019.

We have not received any reports from public creditors in terms of Article 25-ix of Legislative Decree no 14 of 12 January 2019.

During the reporting period, the Board of Statutory Auditors did not issue any opinions or observations required by law, except for its reasoned proposal for the award of the engagement for the audit of the financial statements.

During our supervisory activities, as described above, no further significant matters in need of mention in this Report came to light.

Observations regarding the financial statements

As stated in the external auditors' report *"the financial statements provide a true and fair view of the Company's balance sheet and financial position as at 31 December 2025 and of its result and cash flows for the year then ended; they have been prepared in accordance with Italian statutory reporting requirements"*.

As far as we are aware, when preparing the financial statements, the Directors did not deviate from statutory requirements in terms of Article 2423(5) of the Italian Civil Code.

Pursuant to Article 2426 (5) of the Italian Civil Code, we have given our approval for the capitalisation in the Balance Sheet of "start-up and expansion costs" with a total net carrying amount of Euro 632,582 and "development costs" with a total net carrying amount of Euro 7,393,464.

Observations and proposals regarding approval of the financial statements

Considering the results of our work and the opinion expressed in the external auditors' report, we do not identify any obstacles to the approval, by the Shareholders' General Meetings, of the financial statements for the year ended 31 December 2025, as prepared by the Directors.

The Board of Statutory Auditors agrees with the proposal for allocation of the result for the year made by the Directors in the Notes to the Financial Statements.

Milan, 3 June 2026

For the Board of Statutory Auditors



Francesco Facchini – Chairman of the Board of Statutory Auditors

Design
Bunker
bnkr.it

Illustrations
Jacopo Rosati

