



CEMBRE

2025 ANNUAL FINANCIAL REPORT

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Cembre S.p.A.

Head Office: Via Serenissima 9, Brescia, Italy

Share Capital: EUR 8,840,000 (fully paid-up).

Registration no: 00541390175 (Commercial Register of Brescia)

This document contains translations of the draft statutory annual financial statements and consolidated annual financial statements prepared in the Italian language for the purpose of the law.

This document is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

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REPORT ON OPERATIONS FOR THE 2025 FY

Report on Operations for the 2025 Financial Year

SECTION 1 – OPERATING PERFORMANCE

Operating review

The year 2025 closed with satisfactory results for the CEMBRE Group. Consolidated revenues reached €244.3 million, an increase of 6.3.% over 2024.

The performance of consolidated sales by geographical areas shows 0.6% growth in the Italian market, with sales equal to €99.5 million. Sales in the rest of Europe grew by 8.3% on the previous year to €117.6 million while sales in the rest of the World were 21.9% lower, reaching €27.1 million.

In 2025, sales revenues to the Italian market represented 40.7% of the total (43.0% in 2024), sales to the rest of Europe 48.2% (47.3% in 2024) and sales in the rest of the world represented 11.1% of total sales (9.7% in 2024).

Sales by geographical area:

(euro '000)	2025	2024	Change	2023	2022	2021	2020
Italy	99,493	98,892	0.6%	96,691	84,385	70,406	55,955
Rest of Europe	117,637	108,574	8.3%	102,280	93,214	78,772	64,050
Rest of the World	27,122	22,247	21.9%	23,580	21,197	17,657	17,132
Total	244,252	229,713	6.3%	222,551	198,796	166,835	137,137

Revenues by Group company (net of intragroup sales):

(euro '000)	2025	2024	Change	2023	2022	2021	2020
CEMBRE S.p.A.	120,852	123,031	(1.8%)	121,141	109,318	91,708	73,578
CEMBRE Ltd. (UK)	36,916	31,186	18.4%	27,247	25,293	22,633	16,688
CEMBRE S.A.R.L. (F)	16,375	15,303	7.0%	14,223	12,124	11,258	9,557
CEMBRE S.L.U. (E)	25,453	23,079	10.3%	20,539	16,988	12,471	11,107
CEMBRE GmbH (D)	23,838	22,510	5.9%	24,437	21,935	18,875	15,587
CEMBRE INC. (USA)	16,123	14,604	10.4%	14,964	13,138	9,890	10,620
CEMBRE B.V. (NL)	3,645	-	n.a.	-	-	-	-
CEMBRE Shanghai Ltd. (CN)	1,050	-	n.a.	-	-	-	-
CEMBRE IE Ltd. (IE)	-	-	n.a.	-	-	-	-
Total	244,252	229,713	6.3%	222,551	198,796	166,835	137,137

CEMBRE B.V. and CEMBRE Electrical Connections Shanghai Ltd, incorporated in September 2024, became operational in the course of 2025. CEMBRE IE Ltd., incorporated in November 2025 in Dublin (Republic of Ireland), was not operational in the financial year 2025.

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Overall, sales of the foreign subsidiaries increased by 15.7% from €106.7 million in 2024, or 46.4% of consolidated revenue, to €123.4 million in 2025, accounting for 50.5% of total consolidated revenue.

Revenues from sales of the various companies prior to consolidation are outlined below:

Revenues from sales prior to consolidation							
(euro '000)	2025	2024	Change	2023	2022	2021	2020
CEMBRE S.p.A.	180,204	175,932	2.4%	173,061	149,516	125,696	101,410
CEMBRE Ltd. (UK)	40,164	33,998	18.1%	29,812	25,574	24,318	18,207
CEMBRE S.A.R.L. (F)	16,408	15,356	6.9%	14,295	12,403	11,532	9,748
CEMBRE S.L.U. (E)	25,488	23,119	10.2%	20,589	17,001	12,518	11,111
CEMBRE GmbH (D)	24,248	22,620	7.2%	24,649	22,063	19,002	15,662
CEMBRE INC. (USA)	16,176	14,614	10.7%	15,058	13,193	9,917	10,663
CEMBRE B.V. (NL)	3,672	-	n.a.	-	-	-	-
CEMBRE Shanghai Ltd. (CN)	1,050	-	n.a.	-	-	-	-
CEMBRE IE Ltd. (IE)	-	-	n.a.	-	-	-	-

In 2025, Group companies reported the following results:

Net result prior to consolidation							
(euro '000)	2025	2024	Change	2023	2022	2021	2020
CEMBRE S.p.A.	42,399	37,200	14.0%	39,629	29,117	23,420	16,455
CEMBRE Ltd. (UK)	3,605	2,754	30.9%	1,471	2,449	2,113	1,408
CEMBRE S.A.R.L. (F)	1,076	(274)	n.a.	236	647	(327)	221
CEMBRE S.L.U. (E)	2,332	2,370	(1.6%)	1,953	1,530	682	491
CEMBRE GmbH (D)	1,683	981	71.6%	1,277	1,360	1,096	515
CEMBRE INC. (USA)	1,204	391	n.a.	128	491	705	385
CEMBRE B.V. (NL)	518	-	n.a.	-	-	-	-
CEMBRE Shanghai Ltd. (CN)	(806)	(16)	n.a.	-	-	-	-
CEMBRE IE Ltd. (IE)	-	-	n.a.	-	-	-	-

For a more direct assessment of the effect of foreign exchange translations, we include below sales figures of Group companies operating outside the euro area in the respective currency:

Currency		Revenues from sales prior to consolidation						
(euro '000)		2025	2024	Change	2023	2022	2021	2020
CEMBRE Ltd. (UK)	Gbp	34,412	28,783	19.6%	25,930	23,514	20,904	16,198
CEMBRE INC. (USA)	US\$	18,295	15,817	15.7%	16,282	13,893	11,730	12,179
CEMBRE Shanghai Ltd. (CN)	Rmb	8,531	-	n.a.	-	-	-	-

Currency		Net result prior to consolidation						
(euro '000)		2025	2024	Change	2023	2022	2021	2020
CEMBRE Ltd. (UK)	Gbp	3,058	2,359	29.6%	1,280	2,088	1,816	1,253
CEMBRE INC. (USA)	US\$	1,363	439	n.a.	138	517	834	439
CEMBRE Shanghai Ltd. (CN)	Rmb	(6,548)	(128)	n.a.	-	-	-	-

To provide a better understanding of the consolidated financial performance for 2025, a Comparative Consolidated Income Statement for the previous year showing percentage changes is enclosed as Attachment 1.

It should be noted that, on 15 July 2025, the French company CEMBRE S.A.R.L. sold to third parties,

by notarial deed, the ownership of the industrial building located in the municipality of Morangis at a price of €1.9 million, realising a capital gain of €1,598 thousand. This consideration was collected in full. Consequently, the interpretation of the income results must take into account that the item 'Other revenues and income' incorporates the aforementioned capital gain.

Gross operating profit for the period amounted to €73,864 thousand, representing a 30.2% margin on sales, up 11.6% on 2024 when it amounted to €66,177 thousand, representing a 28.8% margin on sales. The incidence of cost of sales on revenue decreased compared to 2024, dropping from 31.9% to 30.4%.

The incidence of personnel costs on revenue decreased slightly, from 26.8% to 26.6%. The average number of employees engaged by the Group during the period grew from 903 in 2024 (including 87 temporary workers) to 940 in 2025 (including 109 temporary workers).

Consolidated operating profit for the period amounted to €59,784 thousand, representing a 24.5% margin on sales, increasing by 13.2% compared with €52,804 thousand in 2024, when it represented a 23.0% margin on sales.

Consolidated profit before taxes amounted to €59,186 thousand, representing a 24.2% margin on sales, increased by 12.3% compared with the 2024 figure of €52,726 thousand, when it represented a 23.0% margin on sales.

Consolidated net profit for the year amounted to €46,645 thousand, representing a 19.1% margin on sales, up by 9.5% compared to 2024, when it amounted to €42,590 thousand and represented a 18.5% margin on sales.

The net result for 2025 incorporates an extraordinary tax benefit relating to the 2023 financial year amounting to €2.99 million, following the execution of a specific agreement with the Italian Revenue Agency concerning the "Patent Box" incentive for the 2020–2024 tax years. In the 2024 financial statements, a similar extraordinary tax benefit of €3.94 million had been recognised. The tax benefit for the year 2024 is still being determined and will be accounted for when it can be determined with the required certainty. For further information on this agreement, refer to the note on Income Taxes in the Notes to the 2025 Financial Statements.

The consolidated net financial position went from a surplus of €2.0 million at 31 December 2024 to a negative of €0.5 million at 31 December 2025. See the notes and the statement of cash flows for further detail.

Capital expenditure

Capital expenditure by the Group in 2025 with regard to fixed assets, growth of amortization and depreciation, is broken down as follows:

(euro '000)	2025	2024	Change
Capital expenditure on intangible fixed assets	1,212	1,341	(9.6%)
Capital expenditure on tangible fixed assets	23,093	28,178	(18.0%)
Total	24,305	29,519	(17.7%)

More detail is provided in the notes under Property, plant and equipment.

Results of the Parent Company

Results of the Parent Company for the last two financial years are shown in the table below.

(euro '000)	2025	%	2024	%	Change
Revenue from contracts with customers	180,204	100	175,932	100	2.4%
Gross operating profit	56,432	31.3	55,089	31.3	2.4%
Operating profit	46,034	25.5	44,771	25.4	2.8%
Pre-tax result	51,691	28.7	45,282	25.7	14.2%
Net profit/loss for the year	42,399	23.5	37,200	21.1	14.0%

In 2025, CEMBRE S.p.A. recognised €6,012 thousand in dividends from its subsidiaries as compared with €484 thousand in 2024.

Revenues from sales and services of CEMBRE S.p.A. were up by 2.4%, from €175,932 thousand in 2024 to €180,204 thousand in 2025. Domestic sales grew by 0.6%, sales to other European countries posted an 6.2% increase and sales in the rest of the World increased by 1.4%.

Area (euro '000)	2025	2024	Change
Italy	99,494	98,892	0.6%
Rest of Europe	66,030	62,155	6.2%
Rest of the World	14,680	14,885	(1.4%)
Total	180,204	175,932	2.4%

Reclassified Statement of Financial Position of CEMBRE S.p.A.

(euro '000)	31.12.2025	31.12.2024
Trade receivables, net	33,827	34,728
Inventories	54,946	52,387
Other non-financial assets	9,771	7,913
Trade payables	(21,087)	(18,199)
Other non-financial liabilities	(11,998)	(11,269)
A) Net current assets (working capital)	65,460	65,559
Property, plant and equipment and investment property	105,455	92,900
Intangible fixed assets	4,243	4,012
Assets for rights of use on leased assets	4,695	2,224
Equity investments	22,860	22,210
Deferred tax assets	1,425	1,185
Other non-current assets	77	100
B) Net fixed assets	138,755	122,631
C) Non-current assets available for sale	-	-
D) Employee Termination Indemnity and other personnel benefits	1,320	1,412
E) Provisions for risks and charges	499	376
F) Deferred tax liabilities	2,300	2,383
G) Net capital employed (A+B+C-D-E-F)	200,096	184,019
Financed by:		
H) Shareholders' equity	194,006	182,818
Long-term financial payables	3,931	1,286
Cash and short-term financial receivables	(9,016)	(4,167)
Other financial assets	-	-
Short-term financial payables	11,175	4,082
I) Net Debt/(Availability)	6,090	1,201
J) Total sources of funds (H+I)	200,096	184,019

Definition of alternative performance indicators

In compliance with CONSOB Communication n. DEM/6064293 dated July 28, 2007, below we define the alternative performance indicators used in the present document to illustrate the financial and operating performance of the Group:

Gross Operating Result (EBITDA): defined as the difference between sales revenues and costs for materials, of services received, and the net balance of operating income and charges. It represents the profit prior to depreciation, amortization and write-downs, financial flows and taxes.

Operating Result (EBIT): defined as the difference between the Gross Operating Result and the value of amortization/impairment. It represents the profit before cash flows and taxes.

Net Financial Position: represents the algebraic sum of cash and cash equivalents, financial

receivables and current and non-current financial debt.

Reclassified Consolidated Statement of Financial Position

(euro '000)	31.12.2025	31.12.2024
Trade receivables, net	48,665	46,188
Inventories	76,506	73,791
Other non-financial assets	10,269	8,926
Trade payables	(22,754)	(19,883)
Other non-financial liabilities	(18,065)	(16,090)
A) Net current assets (working capital)	94,621	92,932
Property, plant and equipment and investment property	121,005	109,320
Intangible fixed assets	4,865	4,901
Goodwill	4,608	4,608
Assets for rights of use on leased assets	10,392	8,204
Other investments	-	-
Deferred tax assets	3,646	3,616
Other non-current assets	129	183
B) Net fixed assets	144,645	130,832
C) Non-current assets available for sale	-	-
D) Employee Termination Indemnity and other personnel benefits	1,480	1,617
E) Provisions for risks and charges	499	376
F) Deferred tax liabilities	3,695	4,015
G) Net capital employed (A+B+C-D-E-F)	233,592	217,756
Financed by:		
H) Shareholders' equity	233,082	219,743
Long-term financial payables	8,457	6,213
Cash and short-term financial receivables	(20,443)	(13,471)
Other financial assets	-	-
Short-term financial payables	12,496	5,271
I) Net Debt/(Availability)	510	(1,987)
J) Total sources of funds (H+I)	233,592	217,756

Shareholders' equity

Consolidation adjustments determined the following differences between the Financial Statements of the Parent Company CEMBRE S.p.A. at 31 December 2025 and the consolidated accounts at the same date:

(euro '000)	Shareholders' equity	Net Profit
Shareholders' equity and result of the Parent Company	194,006	42,399
Difference between the book value and shareholders' equity and pro-rotà result	43,778	9,612
Elimination of intra-group profits included in the value of inventories	(4,877)	467
Cancellation of dividends	-	(6,012)
Other	175	180
Shareholders' equity and result of the Group	233,082	46,645

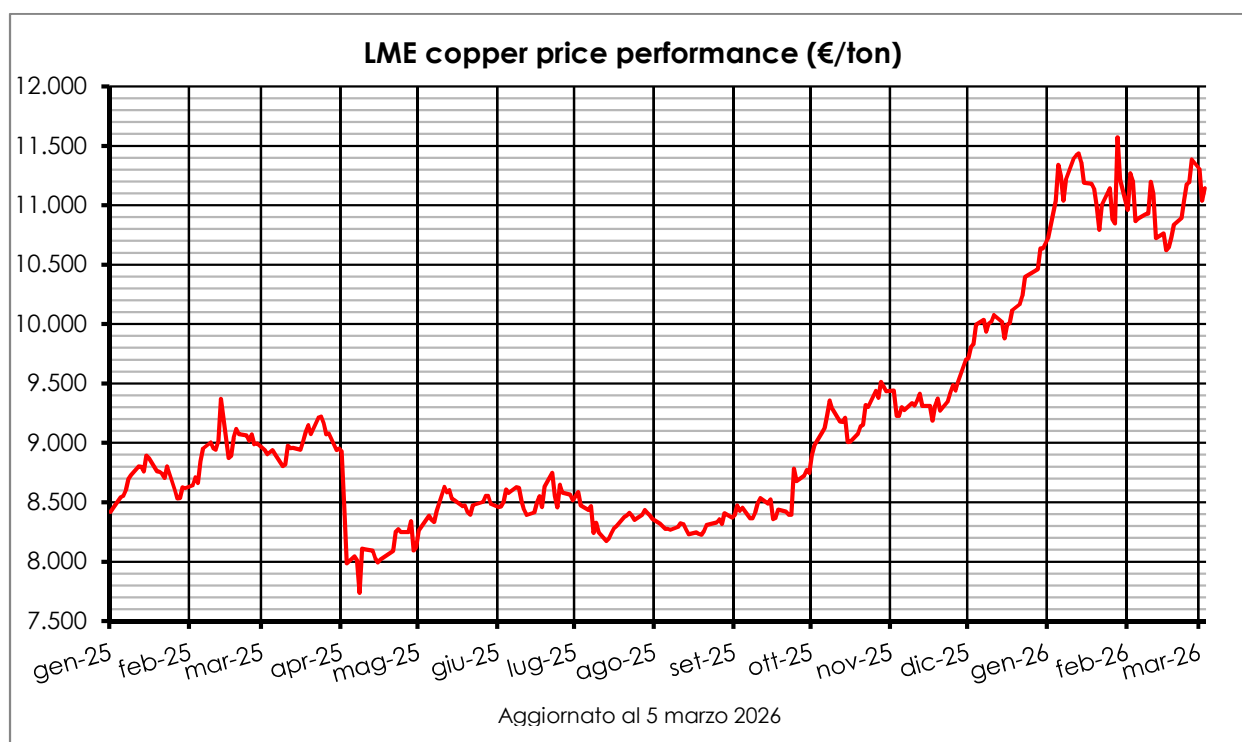
Main risks and uncertainties

Risks connected to the economic situation

The economic and financial situation of the Group is influenced by macroeconomic factors such as changes in the Gross Domestic Product, consumer and business confidence, changes in interest rates and the cost of raw materials, as well as the repercussions of the various international crises connected to ongoing conflicts.

Major political changes are reshaping the global trading system, creating uncertainty that is testing the resilience of the global economy. The United States has increased tariffs on its trading partners. Despite the recent tariff agreement reached between the US and the European Union, there are still many elements of uncertainty surrounding trade policy, and many aspects remain unclear regarding the possible future development of these protectionist measures. However, no significant impact of this protectionist policy is expected with regard to the CEMBRE Group's specific market.

Copper continues to represent the main raw material used in CEMBRE Group's production process and the price of the commodity is thus constantly monitored. In the first months of 2025, the price of copper remained at high levels; furthermore, since October 2025, its upward trend has accelerated.



The wide margins of uncertainty on which estimates of future performance are based make it very difficult to have reliable predictions regarding the performance of markets and demand. The CEMBRE Group, thanks to its strong financial position and good competitive hedge, is confident about the future and feels it is in a position to take advantage of the opportunities that may arise and to react to possible changes in the economic scenario that may develop in the next months.

Risks connected with the market

The Group protects its market position by pursuing ongoing innovation, the widening of the product range, the launch of lower cost products and by introducing into production processes the most advanced methods and machinery, while implementing targeted marketing policies with the help of its foreign subsidiaries.

Credit risk

CEMBRE and its subsidiaries focused over time on a careful selection of customers, managing prudently sales to those that do not possess an adequate credit standing. The Group has accrued a provision for doubtful accounts and their management, constantly monitoring past due amounts and soliciting payment when terms have expired. Some time ago, to further reduce this type of risk, CEMBRE S.p.A., CEMBRE S.L.U. and CEMBRE S.A.R.L. stipulated an insurance policy with a leading insurance company against commercial credit losses.

Exposure to credit risk relates exclusively to trade receivables.

Liquidity risk

Thanks to its solid financial position, the Group is not currently subject to particular liquidity risk, even in case the cash flow generated by operations should decline drastically.

Interest rate risk

At 31 December 2025, the Parent Company CEMBRE S.p.A. had taken out two fixed-rate loans, maturing in February 2026 and repaid on time. Owing to the nature and duration of the contracts, the interest rate risk can be considered zero.

Currency risk

Despite its strong international presence, the CEMBRE Group does not have a significant exposure to currency risk, as it operates almost entirely in the euro area, the currency in which the majority of its trade transactions are mainly denominated. Exposure to currency risk is basically limited to sales in US dollars and British pounds, but the size of these transactions is not significant in influencing the overall performance of the Group or its financial position. For further details, please refer to the section "Currency Risk" in the notes to the consolidated financial statements.

Integrity and reputation risk

Possible illicit behaviour of employees, aimed at obtaining benefits for themselves and for the Group, can imply the risk of a loss of reputation and of sanctions against the Group. To prevent the risk of these occurrences and in line with Legislative Decree 231/2001, the Parent Company CEMBRE S.p.A. adopted an organisational, management and control model that identifies processes that are subject to risk and establishes the conduct that the various persons are to

engage in while carrying out their tasks. The model was illustrated to employees through specific training sessions. The Parent Company constantly integrates and upgrades the model. The Code of Ethics was adopted at Group level, containing the values and principles that all Group companies must be inspired by in carrying out their activities.

CEMBRE S.p.A. has adopted an anti-corruption policy and an anti-corruption management system in accordance with ISO 37001.

Risks and effects linked to climate change

Climate change is one of the biggest challenges that companies and institutions will have to face in the coming years. At present, it is very complex to estimate the effects that this process may bring in the long run; however, it is possible to begin to make a rough assessment of what may be the critical areas of the Group business and what may be the possible solutions to be put in place, in order to prevent the most onerous effects of climate change and possible restrictions imposed by Governments to try to reverse this dangerous process.

Geographically, as also highlighted in the risk map published by SACE on its website, a company specialising in credit and investment insurance controlled by the Ministry of Economy and Finance, the Group companies are not located in areas that may be subject to extreme weather events, such as to jeopardise the continuation of business. The CEMBRE Group has always paid particular attention to the safety and maintenance of its buildings, with an eye also to environmentally friendly solutions.

For further information on sustainability, please refer to the specific section of this document dedicated to this topic.

The Group production process has an extremely limited impact on the environment, as evidenced by the analyses carried out periodically by external bodies. Furthermore, fixed assets and plants are cyclically renewed, thus ensuring compliance with the latest standards and regulations.

The electrical connection segment, in which the Group operates, could be positively affected by the increasing use of electricity as a driving force. In recent years, the range of battery-powered tools has been increasingly expanding, which now provide performance comparable to endothermic-powered machinery, but with the absence of combustion emissions. This focus on innovation, which is also aimed at respecting the sustainability of the Group offer, makes the risk of a loss of value that would jeopardise the Group operations extremely remote.

The Group believes that its business model and products will still be attractive following the transition to a low-emission economy.

Climate change entails a broad spectrum of possible impacts for the Group arising from both physical and transition risks. When making new investments, the Group takes into account the possible future impacts that climate change may have on their usability and useful life. It also closely monitors regulatory developments and changes, such as new climate-related regulations and standards.

Climate-related issues may increase the uncertainty of the estimates and assumptions regarding certain elements or items of the financial statements. For further discussion of this aspect, please refer to the section "Effects of Climate Change" in the sub-chapter "Use of estimates" of the chapter "ACCOUNTING STANDARDS AND VALUATION CRITERIA".

Essential intangible assets

Essential intangible assets are defined as those assets that have no physical substance, form part of the company's business model, and represent a source of value creation for the company.

Based on the conceptual framework provided by the International Integrated Reporting Framework, the following forms of intangible capital can be identified:

- a) intellectual capital, which encompasses intangible assets corresponding to organisational capital and the value of knowledge;
- b) human capital, which encompasses people's skills, abilities and experience, as well as their motivation to innovate;
- c) social and relational capital, i.e. the institutions and relationships between or within the company, communities, stakeholder groups and other relational networks, as well as the ability to share information in order to enhance individual and collective well-being.

The Intangible Reporting Framework of the WICI (World Intangible Capital Initiative), on the other hand, identifies the categories of intangible assets, dividing them into organisational capital, human capital and relational capital, which are the main sources of value creation for an organisation.

Furthermore, according to Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive), intangible resources relate to 'information concerning the skills, competences and experience of employees, their loyalty to the company and their motivation to improve its processes' and to 'information on the quality of the relationships between the company and its stakeholders, including customers, suppliers and the communities affected by the company's activities'.

The CEMBRE Group continuously invests in the development of its intangible resources, recognising their strategic value for long-term growth and competitiveness. With this in mind, the company fosters a work environment focused on innovation, collaboration and continuous training, which it considers essential to support future development.

The importance of Human Capital

Within the CEMBRE Group, human resources are the driving force behind innovation and development. Innovation and technology are at the heart of our mission, and our human capital is essential for:

- conceiving and designing new solutions for the market;
- actively contributing to improving the world from a sustainability perspective;
- creating value through skills and collaboration.

Company Organisation

The CEMBRE Group aims to increase employee participation through:

- continuous improvement of company processes to facilitate work;
- focusing on the standardisation and simplification of activities;
- valuing people who are capable of taking responsibility proactively.

Skills Development and Ongoing Training

The CEMBRE Group firmly believes in the importance of fostering working groups that promote:

- the enhancement of individual and team skills;
- the sharing of knowledge and experience;
- continuous professional development.

We are aware of the need to ensure that the skills of our human resources are continuously updated, not least in order to keep our company competitive and at the forefront in all areas. To this end, training and refresher courses are organised on a regular basis to ensure the development of skills.

For further details on human capital management policies and initiatives, refer to the Sustainability Report section of this document.

Result indicators

To provide a better understanding of results of the Group, we provide below the value of some ratios commonly used in financial statement analysis:

Financial ratios

		31/12/2025	31/12/2024
ROE	Return on Equity	20.0%	19.4%
ROS	Sales revenues	24.5%	23.0%
ROI	Revenues from ordinary operations	19.9%	19.3%

ROE (Return on Equity): is the ratio between net profit and Shareholders' Equity. It is an index of the profitability of capital invested, used to compare the investment in the company with investments of a different nature on a yield basis.

ROS (Return on Sales): is calculated as the ratio between operating profit and net revenues. It indicates profitability as a proportion of revenues, or the ability to generate profit from the purchase-manufacturing-resale cycle.

ROI (Return on Investment): is the ratio between capital employed (total assets net of investments in non-operating assets). It indicates the ability of the company to generate profits through operating activities.

Liquidity ratios

		31/12/2025	31/12/2024
DI	Current ratio	2.92	3.45
LS	Liquidity ratio	1.49	1.66

DI: it is computed by dividing current assets by current liabilities. It indicates the ability of the company to face current liabilities with current assets. A value above 2 signals an optimal situation.

LS: it is computed by dividing the sum of current and deferred liquidity by current liabilities, and is used to assess the firm's ability to pay off current liabilities. A value above 1 signals an ideal liquidity position.

Debt management ratios

		31/12/2025	31/12/2024
CI	Self-coverage of fixed assets ratio	1.65	1.73
LEV	Debt ratio	1.29	1.24
IN	Debt ratio	22.4%	19.6%

CI: it is computed by dividing Shareholders' Equity by Fixed Assets and it indicates the ability of the company's equity to cover its investment needs. A value above 1 signals an optimal situation.

LEV (Leverage): it is computed by dividing capital employed by the Shareholders' Equity and it represents the degree of debt of the company. The higher the ratio, the higher the riskiness of the company.

A value between 1 and 2 represents equilibrium in the sources of funds.

IN: it is computed by dividing the sum of current and non-current liabilities by capital employed and it indicates the percentage share of funds provided by third parties in financing the company. A value below 50% indicates an adequate financial structure.

Research, development and technological innovation

The costs for the personnel of CEMBRE S.p.A. dedicated to product Research and Development amounted to a total of €843 thousand, of which €428 thousand for research and €415 thousand for development activities. Costs for external supplies and the provision of services amounted to €209 thousand for research and €428 thousand for development. As required by the reference principles, development costs relating to the most significant projects, having the characteristics thereof, are capitalised and recorded under intangible assets.

Below we include a brief description of projects undertaken during the year. The description, in some cases, will be deliberately lacking in details, because some products are not yet in production and in some cases they are the subject of patent applications still pending.

Cable lugs and cable glands

During the year, 72 projects focused on the development of new products, adopting an integrated approach that involved both the design of new connectors and cable glands and the design of the machinery required for their industrial production.

The development of the new range of bent cable lugs for the German market continued throughout the year and was completed. For the production of these products, an innovative carousel was designed and built to automate all the forming operations. The total number of codes in the entire family, including both 45° and 90° bent lugs, is 211 sales codes.

The development of the new family of mechanical connectors for terminating and splicing cables of different cross-sections continued throughout the year. Both the splice and the terminal for cross-sections ranging from 50 to 240 mm² successfully completed the certification process and will go into production in the new year. These connectors account for the highest sales volume within this product family. Significant investments have been made in new machinery to enable the production of these new connectors, both in terms of mechanical machining and surface treatments.

During the year, new product codes were launched on the market, expanding the family of divisible cable glands for EWO-terminated cables, in particular the Multilevel model for the 24-pole frame, which enables an increase in the simultaneous use of rubber fixing pads within the same frame, and the range of circular metric EWO cable glands for terminated cables, with 8 new product codes. The development of special rubber grommets for use with EWO rectangular and metric circular cable glands has begun and will continue next year.

During the year, membrane cable glands with a rigid frame were developed and put into production in both rectangular and circular versions, covering a total of 36 product codes. In contrast, the version of the membrane cable entry systems without a rigid frame will be completed in the first quarter of next year and will add a further 36 sales codes in total.

To date, the new family of cable glands with rubber grommets for terminated cables and the family of membrane cable glands with and without a frame have led to the filing of 7 patent families and 2 registered designs.

The development of a family of metal cable glands for special applications is at an advanced prototyping stage, with the aim of improving technical functionality and ease of use for the customer while maintaining the same production costs. The pilot product, for which a production mould has been built, will be tested at the beginning of next year, optimized and certified; the entire range will then be completed, tentatively by the end of the year.

A new connection system for the rail sector is currently being researched and tested, which will enable it to be installed more quickly and easily by the operator, without the need for special tools.

Two new connector families have been designed: the first is a geometrically optimised version of a series already produced by Cembre, which is being developed for production in larger quantities; the second is a new family comprising aluminium products, which requires a new production technology and new tooling to enable the use of an innovative forming method.

Tools

There were 106 projects for equipment related to the maintenance of railway systems and tools in the industrial sector.

During the year, the new battery-powered impact screwdriver for railway section maintenance was launched on the market. The technical solutions developed for this machine led to the filing of 2 patents and 2 registered designs to protect the tool design. Further studies of the machine are currently underway to optimise its performance, and two additional patents and a new design patent are in the process of being filed. The new features will be available by the end of next year.

Throughout the year, work continued on an innovative battery-powered machine for railway track maintenance; several prototype iterations were tested, leading to the identification of the optimal solution in terms of both performance and ergonomics. The machine has been field-tested and received positive feedback from users, and will therefore enter the industrialisation and marketing phase next year, with launch scheduled for early 2027. A patent has been filed to protect the intellectual property.

During the year, considerable resources were devoted to introducing new tools for both the Industrial and Energy sectors: the new BA500 adaptive tool, with the Cembre signature blue finish, was launched on the market; the new BTC400ND blade tool, designed for cutting copper and

aluminium cables up to 40 mm² in diameter and optimised in terms of cost, was introduced; a new family of tools compatible with one of the most widely used battery platforms on the US market was completed; and, finally, work is underway on a new, innovative cutting tool for use in the Energy sector.

Finally, work began on two bench tools with innovative operating features and high-quality workmanship.

Cable marking

There were 31 projects for new products for industrial marking. Studies also included the related manufacturing tools.

Work on a new type of cable marking tag, designed for speed and ease of use, continued throughout the year and will continue into the next. Several prototypes were created, gradually optimising the structure and identifying the most high-performance material. At the end of the year, the industrialisation phase began, which involved the purchase of new production technologies capable of ensuring the high volumes required and competitive costs. Once the pilot product is finalised, the entire range will be completed within a short timeframe. A patent has been filed for this product to protect intellectual property rights.

An innovative product has been designed and successfully tested, which enables a new method of marking cable conduits. The industrialisation phase began at the end of the year and will continue throughout the first part of next year. Once the process for the pilot product has been completed, the entire product family will be created to meet customers' needs. For this product, too, a patent application was filed to protect the Cembre innovative concept.

Throughout the year, Cembre continued to develop labels for new clamps used by customers, ensuring that it always has a complete range for every application on the market.

The design and analysis phase for new technologies has begun, with the aim of upgrading our printers for the marking of industrial products.

Transactions with related parties

CEMBRE S.p.A. signed leases with "Tha Immobiliare S.p.A.", with registered office in Brescia, and capital subdivided between Anna Maria Onofri, Giovanni Rosani and Sara Rosani, members of the Board of Directors of CEMBRE S.p.A..

CEMBRE Ltd. leases an industrial building from Borno Ltd., a company controlled by Lysne S.p.A. (parent company of CEMBRE S.p.A.).

At 31 December 2025, the following payable positions were outstanding: €179 thousand for Tha Immobiliare S.p.A. and €48 thousand for Borno Ltd.

A summary of the amounts reported in the financial statements relating to the above-mentioned contracts is provided below:

	Assets	Non-current liabilities	Current liabilities	Amortisation	Interest expense
Leased assets from THA - CEMBRE S.p.A.	3,717	3,364	348	467	21
Leased assets from Borno - CEMBRE Ltd	2,029	1,873	262	288	94

Detail of compensation received by directors and statutory auditors is provided in the notes.

Absence of management and coordination

Despite the fact that article 2497-sexies of the Italian Civil Code states that "it is presumed that, unless otherwise proved, the management and coordination activities of companies is exercised by the company or entity that is required to consolidate the same in its accounts or that, in any case, controls the former company pursuant to article 2359 of the Italian Civil Code", CEMBRE S.p.A. believes that it operates in full autonomy with respect to its parent company Lysne S.p.A..

In particular, as a non-exhaustive example, the Company manages autonomously its own treasury and the relationships with its customers and suppliers, and it does not make use of any service provided by its parent company.

The relationships with Lysne S.p.A. are limited to the normal exercise of shareholders rights on the part of the parent company.

Companies incorporated under the laws of States that are not part of the European Union

During 2025, CEMBRE S.p.A. controlled three companies incorporated and regulated under the laws of non-EU countries: CEMBRE INC., HQ in the USA; CEMBRE Ltd., HQ in the United Kingdom; and CEMBRE Electrical Connections Shanghai Ltd., HQ in China, the latter of which became operational in 2025.

The company deems the administrative, accounting and reporting systems currently in use to be adequate in supplying regularly its Management and the Parent company independent auditors with the operating and financial information necessary for the preparation of the consolidated financial statements.

The financial statements prepared by CEMBRE INC. and CEMBRE Ltd., for the purposes of preparing the consolidated financial statements, are audited by the parent company's auditor. The financial statements prepared by CEMBRE Electrical Connections Shanghai Ltd., for the purposes of preparing the consolidated financial statements, are subject to limited audit procedures by the parent company's auditor.

CEMBRE S.p.A. is active in ensuring an adequate flow of information from CEMBRE Ltd., CEMBRE INC. and CEMBRE Electrical Connections Shanghai Ltd. to the Parent company independent auditors and it believes the current communication process in place with the independent auditors to be effective.

CEMBRE S.p.A. already has the Articles of Association, composition, and powers of the corporate bodies of CEMBRE Ltd., CEMBRE INC., and CEMBRE Electrical Connections Shanghai Ltd.; directives have been issued to ensure timely communication regarding the updating of these elements.

Treasury shares and shares of parent companies

At 31 December 2025, the number of own shares held by Cembre S.p.A. was 185,041, corresponding to 1.09% of its capital stock. During the 2025 financial year, no treasury shares were purchased or sold, nor were there any other changes in treasury shares. The shareholders' meeting of Cembre S.p.A. held on 29 April 2025 approved the authorisation to purchase treasury shares, effective for the 18 months subsequent to the date of the meeting.

Report on corporate governance and ownership structure

In compliance with the regulatory obligations contained in article 123-bis of Legislative Decree 58, dated February 24, 1998 (Testo Unico della Finanza - Consolidated Law on Finance), we refer to the "Report on corporate governance and ownership structure" which, in addition to providing a general description of corporate governance and of risk management and internal control procedures, contains information regarding the ownership structure of the Company, the adoption of the code of conduct and the observance of the resulting commitments. Said Report is available in the Investor Relations section of the Group's institutional web site www.cembre.it.

Significant events after year-end

No event having significant effects on the Group's financial position or operating performance occurred after the close of the year.

The recent conflict between the USA and Iran has had the immediate consequence of making it difficult for vessels carrying crude oil and liquefied natural gas to transit through the Strait of Hormuz, a route that is vital for around 20% of the world's oil; as a result, the prices of these commodities are under pressure. The CEMBRE Group has already experienced a similar inflationary phenomenon in the recent past without suffering any significant consequences. In 2025, the Cembre Group's sales in the Middle East region amounted to €5.1 million and accounted for 2% of consolidated revenues; the majority of these sales were to Saudi Arabia.

Outlook

Given the uncertainty surrounding the current situation, with persistent geopolitical tensions and a new conflict in the Middle East, it is extremely difficult to make forecasts. Despite this, the CEMBRE Group remains confident in its ability to increase consolidated revenues in 2026 while maintaining a positive financial result.

Proposal for the Allocation of the Net Profit

In order to complete the planned investments and to benefit from self-financed growth, it is advisable that at least a portion of net profit generated be retained. In requesting your approval of our actions through your approval of the draft financial statements of CEMBRE S.p.A. and our report, we request that you, considering that the legal reserve has already reached 20% of the share capital, distribute the profit for the year of CEMBRE S.p.A. amounting to €42,399,149.04 (rounded in the financial statements to €42,399,149) as follows:

- to shareholders a dividend of €2.06 for each of the 16,814,959 eligible shares (taking into account the 185,041 treasury shares held) and, therefore, a total of €34,638,815.54, with ex-dividend date 18 May 2026 (ex-date), record date, pursuant to Article 83-terdecies of Legislative Decree 58/1998 19 May 2026, and dividend payment date 20 May 2026;
- the remainder, equal to €7,760,333.50, to the extraordinary reserve;
- noting that, keeping into account the program for the acquisition of own shares currently under way, (i) the total amount of the dividend distributed could vary with the number of shares entitled to a dividend at the date of the Shareholder's Meeting resolution, and (ii) additional own shares acquired after the date of the Shareholders' Meeting resolution allocating net profit held by the Company at the record date will not be entitled to the distribution of a dividend and the corresponding share of net profit will be accrued to the extraordinary reserve.

Annexes to SECTION 1

This document includes the following attachments:

Attachment 1: Comparative Consolidated Income Statement for the year ended 31 December 2025.

Attachment 2: Corporate Boards.

Brescia, 13 March 2026

**FOR THE BOARD OF DIRECTORS OF THE PARENT
COMPANY CEMBRE S.P.A.**

*Chair and Chief Executive Officer
Giovanni Rosani*

Attachment 1 to the Report on Operations of the CEMBRE Group for 2025

Comparative Consolidated Income Statement

(euro '000)	2025	%	2024	%	Change
Revenue from contracts with customers	244,252	100%	229,713	100.0%	6.3%
Other revenues	2,931		1,843		59.0%
TOTAL REVENUES	247,183		231,556		6.7%
Cost for material and good	(77,943)	-31.9%	(76,960)	-33.5%	1.3%
Change in inventories	3,653	1.5%	3,669	1.6%	
COST OF SALES	(74,290)	-30.4%	(73,291)	-31.9%	1.4%
Cost of services received	(31,926)	-13.1%	(29,159)	-12.7%	9.5%
Lease and rental costs	(446)	-0.2%	(319)	-0.1%	39.8%
Personnel costs	(64,905)	-26.6%	(61,602)	-26.8%	5.4%
Other operating costs	(1,993)	-0.8%	(1,897)	-0.8%	5.1%
Increases in assets due to internal construction	705	0.3%	1,103	0.5%	-36.1%
Write-down of receivables	(416)	-0.2%	(86)	0.0%	383.7%
Accruals to provisions for risks and charges	(48)	0.0%	(128)	-0.1%	-62.5%
GROSS OPERATING PROFIT	73,864	30.2%	66,177	28.8%	11.6%
Tangible asset and investment property depreciation	(10,353)	-4.2%	(9,979)	-4.3%	3.7%
Intangible assets amortization	(1,235)	-0.5%	(1,140)	-0.5%	8.3%
Depreciation of rights of use assets	(2,492)	-1.0%	(2,254)	-1.0%	10.6%
OPERATING PROFIT	59,784	24.5%	52,804	23.0%	13.2%
Financial income	377	0.2%	357	0.2%	5.6%
Financial expenses	(598)	-0.2%	(630)	-0.3%	-5.1%
Foreign exchange gains (losses)	(377)	-0.2%	195	0.1%	-293.3%
PROFIT BEFORE TAXES	59,186	24.2%	52,726	23.0%	12.3%
Income taxes	(12,541)	-5.1%	(10,136)	-4.4%	23.7%
NET PROFIT	46,645	19.1%	42,590	18.5%	9.5%

Attachment 2 to the Report on Operations for 2025

CORPORATE BOARDS**Board of Directors**

<i>Chair and CEO</i>	Giovanni Rosani
<i>Vice Chair</i>	Aldo Bottini Bongrani
<i>Director</i>	Anna Maria Onofri
<i>Director</i>	Sara Rosani
<i>Director</i>	Felice Albertazzi
<i>Director</i>	Franco Celli
<i>Independent Director</i>	Paola Carrara
<i>Independent Director</i>	Elisabetta Ceretti

Board of Statutory Auditors

<i>Chair</i>	Stefano Colpani
<i>Permanent Auditor</i>	Riccardo Astori
<i>Permanent Auditor</i>	Rosanna Angela Pilenga
<i>Substitute Statutory Auditor</i>	Maria Grazia Lizzini
<i>Substitute Statutory Auditor</i>	Alessandra Biggi

Independent Auditors

EY S.p.A.

This situation is updated at 13 March 2026.

The Board of Directors and the Board of Statutory Auditor term expires with the approval of the Financial Statements at 31 December 2026.

The Chair holds by statute (article 18) powers of legal representation of the Company; the Board of Directors conferred to the Chairman and Managing Director Giovanni Rosani all the ordinary management powers not specifically reserved to it by law, including exclusive powers over the organization, management and monitoring of the internal control system.

In case of absence or impediment of the Chair and CEO Giovanni Rosani, Deputy Chair Aldo Bottini Bongrani holds all ordinary management powers not reserved to the Board by law. All Managing Directors must keep the Board of Directors informed of all the relevant transactions concluded in the context of their mandate. The Board of Directors has approved rules that define which particularly relevant transactions may be concluded exclusively by the same.

SUSTAINABILITY REPORT

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SECTION 2 – SUSTAINABILITY REPORT

ESRS 2 – General information

Preparation criteria

BP-1 General criteria for the preparation of the consolidated sustainability report

The CEMBRE Group's Sustainability Report has been prepared on a consolidated basis; in accordance with the requirements of Legislative Decree No. 125/2024, the reporting scope coincides with that of the Consolidated Financial Statements, i.e. it includes the companies that are fully consolidated for financial reporting purposes. The offices in China and the Netherlands are included in the reporting scope solely for social aspects, as, given their small size and the predominantly commercial nature of their activities, their environmental consumption is deemed to be insignificant and has therefore been excluded from the report. The Irish office, established in October 2025, has not been included in the reporting scope because, as at 31 December 2025, it had no employees and did not yet have a physical office.

Furthermore, this document takes into account the annual recommendations issued by the European Securities and Markets Authority (ESMA), which, for the current reporting year, were published on 14 October 2025.

This report provides information on both the direct and indirect impacts generated by the CEMBRE Group on the environment, society and stakeholders, and on the risks and opportunities that may affect the Group's activities, as assessed through a structured Dual Materiality analysis process. In particular, when assessing the significance of the impacts, the following were taken into account (Figure 1):

- for the upstream phase, raw material extraction, raw material processing and inbound logistics;
- for the direct operations phase: production, assembly and packaging activities, as well as sales and customer service activities;
- for the downstream phase: outbound logistics activities and Use & End-of-Life activities.

BP-2 Disclosure in relation to specific circumstances

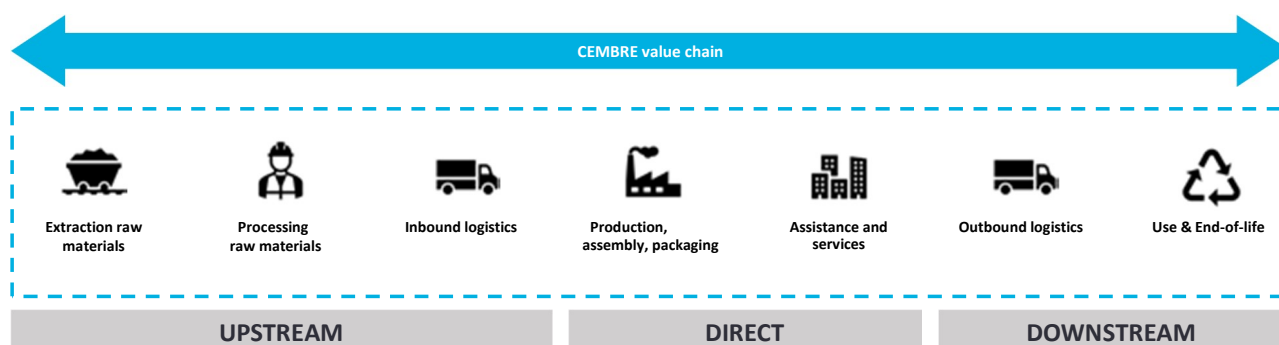


Figure 1 – CEMBRE value chain

The information contained in this Report refers to the period between 01/01/2025 and 31/12/2025. It should be noted that the CEMBRE Group has not adopted the option provided for in the ESRS (ref. ESRS 2, paragraph 5, point d) regarding the omission of information relating to intellectual property, know-how or the results of innovation.

The main methodological criteria adopted, in line with the European Sustainability Reporting Standards (ESRS) framework, are described below:

Time horizons

This Sustainability Report has been prepared using the time horizons set out in ESRS 1, *Section 6.4 (Definition of the short, medium and long term for reporting purposes)*, which are also used in the Dual Materiality analysis and are set out below:

- short term: period covered by the Annual Financial Report, i.e. one year;
- medium term: up to five years after the end of the short term;
- long term: beyond five years from the end of the short reference period.

Value chain estimates and sources of uncertainty in estimates and results

The document was prepared in accordance with the principles of accuracy and authenticity. The data and information collected have been verified by the heads of the relevant company departments to ensure their accuracy, completeness and reliability.

For information based on estimates, the assumptions made and the process used to determine the figure reported, including the inherent uncertainties, are set out later in the document. Where quantitative and monetary information is based on estimates, this is clearly identified in the¹ relevant chapters.

Changes in reporting or errors in sustainability information from previous reporting periods

This Sustainability Report relates to the 2025 financial year. Data for the 2024 financial year are presented for comparative purposes, in order to facilitate an assessment of the company's performance compared with the 2024 Sustainability Report.

The method used to calculate total energy consumption for 2025 has been updated following an improvement in the collection of data on the LPG used by CEMBRE Ltd, which has enabled the inclusion of previously unavailable information.

In addition, the total remuneration figure for 2024 has been recalculated, following a refinement of the methodology used for 2025, in line with the requirements of the ESRS standards.

Please refer to the relevant sections of the individual chapters for further details.

¹ Any forward-looking disclosures are the result of reasonable assumptions made by CEMBRE management but, by their very nature, are inherently subject to elements of uncertainty.

Information required by other regulations or by generally accepted sustainability reporting

standards

Through the information reported in this Sustainability Report, CEMBRE complies with the requirements of Regulation (EU) 2020/852 on the establishment of a framework to encourage sustainable investment, also known as the European Taxonomy. For further information, please refer to the “EU Taxonomy” chapter in the “Environmental information” section of this document.

Governance

GOV-1 Role of administration, management and control bodies

CEMBRE S.p.A. has been listed on the Italian Stock Exchange (now Euronext Milan) since 15 December 1997 and has been included in the STAR segment since 24 September 2001; therefore, it adheres to the Code of Corporate Governance, which, as is well known, replaced the Corporate Governance Code for listed companies in 2020.

CEMBRE S.p.A. adopts a traditional governance system, whereby the management of the company is entrusted to the Board of Directors, while supervisory functions are assigned to the Board of Statutory Auditors. The statutory audit of accounts, on the other hand, is carried out by an independent external auditing firm.

The Board of Directors (hereinafter also referred to as the “Board” or the “BoD”) is responsible for defining the company's objectives and formulating the most effective strategy for achieving them. It plays a central role in the company's organization and is responsible for verifying that the necessary controls are in place to monitor the performance of Group companies. The Board guides the Group with the aim of creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Group. The Board also plays a central role in defining sustainability strategies.

Each year, the Sustainability Manager coordinates information and training sessions on sustainability issues, assisted where necessary by external professionals, in order to develop and consolidate specific skills relevant to the Group's sustainability strategy (for further details, please refer to the section ‘SBM-1 Strategy, business model and value chain’).

The members of the Board of Directors possess in-depth knowledge of the sector, the products and the markets in which the Group operates, and have diverse and complementary skills gained in the industrial, financial and academic fields; this enables effective and informed management, supported by a variety of perspectives and experiences.

Further details on the Board of Directors' areas of expertise are available in the “Report on Corporate Governance and Ownership Structure” and in the CVs of the Board members, which can be found on the company website in the Investor Relations section².

Neither Italian law nor the Company's Articles of Association provide for the representation of employees and other workers on corporate bodies: therefore, the Board of Directors does not currently include representatives of these categories. Furthermore, there is no employee share ownership scheme under which voting rights are not exercised directly by employees.

² For further information, please visit the following link: <https://www.cembre.com/it/corporate-governance>

The Board of Directors is composed of 8 members, including 3 Executive Directors and 5 Non-Executive Directors, all with professionalism and skills appropriate to the tasks entrusted to them.

The number and the expertise possessed by the non-executive Directors are such as to ensure that they have a significant influence on the Board's resolutions and to guarantee effective management monitoring; furthermore, 2 out of the 5 non-executive Directors meet the independence requirements set out in the Articles of Association, the law, and the Corporate Governance Code.

The members of the Board of Directors are appointed by the Shareholders' Meeting on the basis of the list voting system, which is designed to protect minority shareholders.

CEMBRE did not adopt specific policies on diversity with regard to the composition of the management and administrative bodies, with regard to issues such as age, gender, training and professional background, both because the legal provisions and the Articles of Association in force already ensure a balanced composition of the administrative body, and because, historically, the lists submitted by the shareholders for the appointment of directors were always characterised by the diversity of candidates' profiles.

The current composition of the Board ensures diversity among its members in terms of age and expertise; furthermore, the composition complies with the applicable legislation on gender quotas, since, of the 8 Directors in office as at the date of this Report, 4 are female and 4 are male, as shown in the table below.

Total Members		2024	2025
		8	8
Number of members with and without executive roles	Executive members	4	3
	Non-executive members	4	5
% of representation by gender	Female	50%	50%
	Male	50%	50%
% of independent BoD members		25%	25%

Table 1 - Composition of the Board of Directors

In addition to the Board of Directors, and as indicated in the Report on Corporate Governance and Ownership Structure, the other key personnel appointed by the CEMBRE Group to ensure the proper functioning of the system are listed below.

Control and Risk Committee (CRC): internal board committee with investigative, propositional and advisory functions in relation to the internal control and risk management system. In particular, the CRC:

- assesses the external auditor and the control body, the correct application of the accounting principles and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statement, after hearing the Manager Responsible for the corporate financial documents;
- evaluates the suitability of the periodic financial and non-financial information, in correctly representing the business model, strategies, the impact of its activities and the performances achieved, coordinating with any sustainability committee where appointed;
- examines the content of the periodic non-financial information relevant to the internal control and risk management system;
- expresses opinions on specific aspects relating to the identification of the main corporate risks

and supports the board of directors' assessments and decisions relating to the management of risks deriving from prejudicial facts of which the latter has become aware;

- e) examines the periodic and particularly relevant reports prepared by the internal audit function;
- f) monitors the autonomy, adequacy, efficiency and effectiveness of the Internal Audit department;
- g) can entrust the internal audit with the task of carrying out specific controls on defined operational areas. Such a request is contextually conveyed to the chair of the control body;
- h) reports to the board of directors, at least upon the approval of the annual and half-yearly financial report, on the activities carried out and on the adequacy of the internal control and risk management system.

The CRC also performs the functions of the Related-Party Transactions Committee, in accordance with the Consob RPT Regulation and the relevant company procedure.

As of today, the Committee consists of two non-executive and independent members.

Appointments and Remuneration Committee (ARC): board committee with preliminary, propositional and consultative functions regarding remuneration and appointments. In carrying out its remuneration-related responsibilities, the ARC is responsible for:

- a) supporting the Board in the development of the remuneration policy;
- b) preparing proposals or expressing opinions on the remuneration of Executive directors and other directors who hold special offices as well as the establishment of the performance objectives related to the variable component of said remuneration;
- c) monitoring the actual application of the remuneration policy and verifying the effective achievement of the performance objectives;
- d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and the top management.

As regards appointments, the ARC is responsible for supporting the Board with the following activities:

- a) the evaluation of the board and its committees;
- b) any definition of the optimal composition of the administration body and its committees;
- c) identification of candidates for the office of director in the event of co-option;
- d) any presentation of a list by the outgoing administration body;
- e) any preparation, update and implementation of the plan for the succession of the Chief Executive Officer and other executive directors.

As of today, the Committee consists of two non-executive and independent members.

Starting with the 2024, the CEMBRE Group has implemented the new obligations set out in the Corporate Sustainability Reporting Directive (CSRD, EU-2022/2464). Currently, in addition to the Board of Directors, the bodies and individuals responsible for pursuing the Group's sustainability objectives and overseeing the processes and procedures aimed at managing material impacts, risks and opportunities are as follows:

- **Chief Executive Officer (CEO):** submits the main corporate risks to the Board of Directors for review and is responsible for the design, implementation and management of the Internal Control and Risk Management System, continuously monitoring its adequacy and effectiveness. The Chief Executive Officer is also responsible for the Corporate Policy, a document that formalises the principles governing the Group's activities, including sustainability issues relevant to the Group.

- **Sustainability Manager:** role created in 2020 to improve the Group's ability to effectively manage sustainability-related issues and to promote a culture of social, environmental and economic responsibility across all the Group's locations. Also responsible for coordinating the process of preparing the Sustainability Report.
- **Chief Financial Officer:** responsible for the Sustainability Report and for certifying its compliance with the relevant standards and regulations, in their capacity as the Manager in charge of preparing the Company's accounts.
- **Internal Audit Manager:** plays an independent control role, helping to assess the effectiveness of risk management systems and monitoring procedures, and drawing on the support of external consultants where necessary. This role is not responsible for any operational area, reports directly to the Chief Executive Officer and coordinates with the CEO at the organisational level, directing the relevant information flows to the Control and Risk Committee, the Board of Directors, the Board of Statutory Auditors and the Manager in charge of preparing the Company's accounts.

These roles play a key part in overseeing sustainability-related impacts, risks and opportunities within the Group, and promote the structured integration of sustainability into corporate governance.

As part of its risk assessment process, CEMBRE also considers environmental, social and governance (ESG) risks and opportunities, assessing their potential impact on the company's economic and financial performance. In addition, CEMBRE has adopted a dedicated procedure for Sustainability Reporting, approved by the Board of Directors on 6 March 2025, which defines the roles, responsibilities, activities and control stages of the reporting process. This procedure applies to the parent company, CEMBRE S.p.A., and to the other Group companies that are fully consolidated in the Consolidated Financial Statements.

The Control and Risk Committee supports the Board of Directors in actively monitoring the sustainability reporting process, reviewing the results of the *Dual Materiality* analysis and verifying that the risks identified therein are consistent with the overall Risk Management system, the corporate strategy and the relevant regulatory standards.

The bodies responsible for monitoring the proper management of sustainability-related matters have been selected on the basis of their skills and the personal and professional experience they have gained over the course of their careers.

During the 2024 financial year, the members of the Board of Directors and the Board of Statutory Auditors took part in a training session on the relevant sustainability legislation. In addition, some members of the Board of Statutory Auditors and one independent director acquired specific expertise on sustainability issues by attending specialised training courses or participating in activities related to the CSRD regulations applied to other companies. For some, this training included obtaining the qualification of 'Sustainability Auditor', in accordance with the guidelines established by the supervisory bodies.

Although no structured collective refresher training was organised in 2025, each member continued their own training independently.

In view of the evolving sustainability landscape, the Group is committed to enhancing the expertise of these key personnel, and in particular of the Directors and Statutory Auditors, by periodically organising initiatives aimed at providing them with adequate knowledge of the business sectors in which the Group operates, of the company's dynamics and their development, including from the perspective of sustainable success, as well as of the principles of sound risk management and the relevant regulatory and self-regulatory framework (so-called induction).

At present, the administration, management and control bodies have not yet defined public targets relating to material impacts, risks and opportunities and therefore do not monitor the progress made. As detailed in the chapters on Thematic Standards, in the paragraph 'Metrics and Targets', the Company has internal targets related to its Quality, Environmental, Anti-Corruption and Occupational Health and Safety Management Systems, which comply with international ISO standards and are monitored periodically in order to improve business processes.

GOV-2 Information provided to the company's Administration, Management and Control bodies and sustainability issues addressed by them

CEMBRE Administration, Management and Control bodies are regularly informed about sustainability matters through regular meetings with the Sustainability Manager. Pursuant to the Sustainability Reporting procedure, the Board of Directors is responsible for the annual validation of the Dual Materiality analysis and is therefore specifically involved in the assessment of impacts, risks and opportunities in order to identify the material ones that are to be reported on.

Therefore, the Dual Materiality Analysis, together with the regular meetings with the Sustainability Manager, provide an opportunity for reflection and for monitoring the company's strategy and the management of risks and opportunities associated with sustainability issues. The impacts, risks and opportunities (IRO) identified through the Dual Materiality analysis and submitted to the Board of Directors for approval are detailed in Tables 7, 8 and 9 of this report.

The initiatives and policies adopted in response to the identified IRO are described in the chapters dedicated to the respective material topics in this document.

GOV-3 Integration of sustainability-related performance in incentive systems

CEMBRE has a Remuneration Policy, which is publicly available on the company's website and has been drawn up in accordance with the Company's governance model and the recommendations of the Code of Corporate Governance. The Remuneration Policy is approved by the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, and is subject to a binding vote by the Shareholders' Meeting (hereinafter referred to as the 'Shareholders' Meeting'). The Remuneration Policy contributes to the Company's corporate strategy, the pursuit of its medium- to long-term interests, and its overall sustainability, and also incorporates an incentive scheme for the Chief Executive Officer linked to the sustainability issues outlined below.

The remuneration system is structured to ensure a balance between the fixed and variable components, in line with CEMBRE strategic objectives and risk management policy. In this context, the incentive mechanisms are designed to align the interests of management with the creation of sustainable value over time, combining economic and financial objectives with non-financial objectives.

The Shareholders' Meeting resolves on the overall compensation of the Board of Directors, including possible individual compensation for Directors holding particular positions. Within the limits set by the resolutions of the Shareholders' Meeting, the Board of Directors is responsible for executing said resolutions by attributing compensation to individual Directors, setting additional compensation for Directors holding particular positions, upon proposals made by the Appointments and Remuneration Committee, and having consulted the Board of Statutory Auditors.

Directors without powers and Non-executive Directors are granted a fixed compensation allocated by the Board of Directors as part of the total compensation set by the Shareholders' Meeting pursuant to article 2389, paragraph 3 of the Italian Civil Code.

Non-executive Directors do not receive a variable compensation and are not the beneficiaries of plans based on financial instruments.

The remuneration of Executive Directors and Directors vested with particular roles is made up of a fixed component and a variable component consisting of short- and medium/long-term incentives for each year the position is held, as established by the Board of Directors upon proposal of the Appointments and Remuneration Committee of CEMBRE S.p.A.

The fixed component is determined in relation to responsibilities and competences in connection with the position/function of the related beneficiary. This component is not linked to the achievement of performance objectives and is set at an amount sufficient to remunerate the position of Executive Directors and Directors vested with particular responsibilities also in the event the variable components are not paid out.

By contrast, as regards other executive directors, they are the recipients of short-term incentives determined by taking account of the Company's performance in the reference period, and in particular, of the economic-financial indicators which each of them has the ability to influence, as part of their operating responsibilities. For the purposes of short-term incentive payments, non-financial objectives are also identified, connected, for example, to the completion of particularly significant projects.

The short-term objectives assigned to executive directors (other than the CEO) typically refer to the economic-financial indicators (e.g. turnover and Group EBITDA) that are closely related to the operating sphere of each of these subjects, or over which they can exercise significant leverage. These objectives are determined in advance, are measurable and consistent with the Group's strategic goals.

As regards non-financial objectives, the projects identified may concern, for example, product or process innovation, the development of given markets or product lines, acquisitions, customer satisfaction, the development of synergistic relations within the company organisation.

The CEO benefits from a medium/long-term variable monetary component (Long-Term Incentive, 'LTI'), which consists of remuneration payable at the end of the relevant multi-year period, subject to the achievement of predefined targets covering the same time period. This system includes:

- Economic and financial objectives, such as consolidated sales revenue, consolidated gross operating margin, consolidated operating profit and consolidated net profit, as specified from time to time by the Board of Directors, upon the proposal of the Appointments and Remuneration Committee
- non-financial objectives, the calculation system of which takes into account the achievement of results linked to process innovation and energy efficiency (the "LTI Non-Financial Objective"), with an on/off mechanism, as specified from time to time by the Board of Directors, at the proposal of the Appointments and Remuneration Committee. The maximum limit is set at 100% of the LTI Non-Financial Objective and envisages the payment of the maximum bonus that can be disbursed, equal to 15% of the overall LTI bonus, which constitutes the cap (i.e. maximum limit) for the component linked to non-financial objectives.

On 14 November 2024, the Board, upon proposal of the Appointments and Remuneration Committee, approved the new medium-long term monetary incentive plan for the Company's Chair and Chief Executive Officer, payable for the period 2024-2026. The plan sets the cumulative consolidated gross operating margin for the period 2024-2026 as its economic and financial

objective, including a minimum guarantee clause represented by the growth in cumulative consolidated sales revenues for the three-year period 2024-2026. Non-Financial LTI Objectives also include the increase in self-generated energy through the installation of photovoltaic panels, the introduction of process innovations to reduce repetitive manual movements by operators, and the creation of a new production line.

Incentive system	Measurement areas and targets
Short-term incentive (STI)	1. The Company's economic and financial performance, in line with the area of responsibility of the Executive Directors (e.g. turnover, Group EBIT)
	2. Operational and managerial performance indicators linked to the Company's strategic objectives
	3. Non-financial objectives related to the completion of projects of particular significance for the Company's sustainable success, such as: - product and process innovation; - organisational development and process integration; - improvement of operational and management performance
Medium/long-term incentive (LTI)	1. Long-term economic and financial objectives, based on the cumulative consolidated gross operating profit for the reference period, with a minimum guarantee clause linked to the growth in consolidated revenues
	2. LTI non-financial objectives (on/off mechanism), with a maximum weighting of 15% of the overall LTI bonus, relating to: - increase in self-produced energy through the installation of photovoltaic systems; - introduction of process innovations aimed at reducing repetitive manual movements by operators; - implementation of a new production line.

Table 2 – CEMBRE Group incentive system

GOV-4 Due diligence statement

This Report describes the methodologies and due diligence processes adopted with regard to managing ESG impacts, risks and opportunities. For further details, please refer to the specific chapters of this document, which address the individual topics, all of which are measured using dedicated indicators.

Basic elements of due diligence	Paragraphs in sustainability statements
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3 ESRS 2 GOV-2 ESRS SBM-2
b) Involving stakeholders at all key stages of the due diligence	ESRS 2 IRO-1 ESRS 2 MDR-P ESRS Thematic
c) Identifying and assessing negative impacts	ESRS IRO-1 ESRS 2 SBM-3
d) Intervening to address negative impacts	ESRS 2 MDR-A ESRS Thematic
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M ESRS 2 MDR-T ESRS Thematic

Table 3 - Basic elements of due diligence

GOV-5 Risk management and internal controls over sustainability reporting

The Group is progressively incorporating ESG principles and sustainability reporting guidelines into its risk control and management system, integrating them into its biennial risk assessment, which serves as a basis for defining the Dual Materiality analysis, with a specific focus on financial materiality. Full integration will take place by the 2026 financial year, at the time of the biennial update. For further details on the risks and opportunities identified by the Group, please refer to sub-paragraph 'IRO-1, Description of the process for identifying and assessing material impacts, risks and opportunities'.

At present, there is no formalised internal control process regarding the procedure for collecting and aggregating sustainability-related data. However, in 2025, CEMBRE established a reporting procedure to ensure that the data underlying the reported figures are complete, accurate and available over time.

The reporting process consists of an initial phase involving the preparation, updating and approval of the Dual Materiality analysis (please refer to the paragraph '*Management of impacts, risks and opportunities*'), followed by the definition of the content of the Sustainability Report. Once the material topics and the information to be included have been identified, the data collection, approval and verification phase begins.

With regard to activities related to the Taxonomy, data collection is structured as follows:

- data sharing: the administration office provides the Sustainability Report Preparation Process Manager with the data collection forms, containing the figures for CAPEX, OPEX and turnover, in the form of dedicated files;
- data verification: the Sustainability Report Preparation Process Manager, supported by internal operational staff with specific expertise and, where necessary, by external consultants, verifies the technical accuracy, eligibility and alignment with the Taxonomy, making use of documentary evidence such as technical data sheets;

- drafting: the Sustainability Report Drafting Process Manager prepares a draft of the dedicated chapter within the Sustainability Report.

For the remaining non-financial information, the data collection process follows a different workflow, which is structured as follows:

- the data collection forms are shared by the Sustainability Report Preparation Process Manager with the data owners of the Group and of the individual subsidiaries via a dedicated platform;
- the data owners of the individual companies, with the support of their respective operational functions, complete the data collection forms. using an automated workflow available on a dedicated platform, they send the forms to the local approvers, who carry out a consistency check on all the data and, before approving them, request any clarifications that may be necessary;
- once approved, the local approvers submit the data via the platform. Subsequently, the Group data owners carry out a consistency check on all the information and, if necessary, request clarifications;
- once the aggregated information and data have been validated by the Group's data owners, the Sustainability Report Preparation Process Manager verifies all of them;
- the Sustainability Report Drafting Process Manager prepares a draft of the document to be submitted to the Board of Directors for approval.

Once the draft Sustainability Report has been prepared, the Sustainability Reporting Process Manager shares it with the Group's data owners and with Company Management in order to verify that the collected data have been correctly incorporated into the document. The draft is then reviewed by the Financial Reporting Manager to verify the correctness of the process followed and the information contained therein. Once this review has been completed, the Sustainability Report Preparation Process Manager submits the Sustainability Report to the Board of Directors for final approval.

As required by Legislative Decree 125/2024, the Sustainability Report is subject to a compliance check by an independent auditor.

Strategy

SBM-1 Strategy, business model and value chain

Business model

CEMBRE is an Italian industrial group operating internationally, specialising in the design, manufacture and marketing of solutions for the connection and termination of electrical conductors and wiring tools. Founded in Brescia in 1969, the parent company, CEMBRE S.p.A., is recognised as one of the leading players in the sector in Italy. Since December 1997, CEMBRE has been listed on the Italian Stock Exchange, a key decision that has enabled CEMBRE to grow steadily.

CEMBRE pursues its growth by establishing itself on international markets, seeking to replicate its industrial model and values in all the countries in which it operates, with due consideration for local culture. Consistently with its values and mission, the Group operates in full respect of human rights and the environment.

The Group operates primarily in the industrial, railway and Power & Utilities markets, offering a comprehensive portfolio of solutions designed to meet the specific needs of these sectors. The product offering is divided into six main macro-categories:

- electrical connectors and cable accessories;
- hydraulic, mechanical and pneumatic tools for cable preparation and connector installation;
- cable glands, cable ducts and accessories;
- terminals and terminal blocks;
- products for industrial marking (thermal transfer printers and consumables);
- products for the railway sector (rail contacts, drill presses, cut-off saws and impact wrenches).

A distinctive feature of the CEMBRE industrial model is its high level of vertical integration. The Group manages almost all stages of the industrial process in-house, from the procurement of raw materials through product design and processing to the distribution of finished products. This approach enables the Group to manufacture between 90% and 95% of the products it markets in-house, thereby ensuring business resilience through a high level of quality control and considerable operational flexibility. To support this model, CEMBRE also designs and manufactures specialised equipment, such as moulds for plastics and copper, as well as custom assembly machines.

Over the years, the Group has developed a well-structured international presence, complementing its Italian headquarters with a network of subsidiaries and sales offices in Europe and in the main non-European markets, including the United States and the Far East. Along with the parent company, the Group has eight subsidiaries: seven with a primarily commercial focus in Germany, France, Spain, the Netherlands, Ireland, the United States and China, and one with both manufacturing and commercial operations in the United Kingdom.



Figure 2 CEMBRE Group locations

Group Companies	Description of activities and market
CEMBRE S.p.A. (IT)	Parent company based in Brescia and founded in 1969: the technical, manufacturing, logistics and administrative hub to which all subsidiaries report.
CEMBRE GmbH (D)	Trading company founded in 1997 to serve German customers with direct support and a comprehensive range of products. The sales force covers the entire territory of Germany.
CEMBRE Ltd. (UK)	Manufacturing unit founded in 1986: the main office, laboratories and production facility are located in Curdworth, near Birmingham, while a proactive sales team is available to customers throughout the United Kingdom.
CEMBRE S.a.r.l. (F)	Founded in 1998, CEMBRE S.a.r.l. has its head office, warehouse and laboratories located in Lyon, ensuring it is available to customers throughout France.
CEMBRE S.L.U. (E)	Trading company founded in 1994, it operates in the Spanish national market for electrical connectors and related tools.
CEMBRE Inc. (USA)	Founded in 1999 and based in New Jersey, this company provides technical consultancy, sales, maintenance and distribution of products and related spare parts in various regions of the United States.
CEMBRE El. Conn. Shanghai Limited (CN)	Sales company established in 2024, based in Shanghai, to provide Asian customers with prompt support and a wide range of products. The sales force operates throughout the Far East.
CEMBRE BV (N)	Sales company established in the Netherlands in 2024, serving customers based in the Benelux countries and providing them with a dedicated, local sales team.
CEMBRE Ltd. (IE)	Trading company founded in October 2025, this company completes the Group's coverage of the European market by serving customers based in Ireland and providing them with a dedicated, local sales team.

Table 4 – CEMBRE Group companies

Personnel by company (unit of measure no.)	2025	2024
CEMBRE S.p.A. (IT)	525	509
CEMBRE GmbH (D)	58	64
CEMBRE Ltd. (UK)	128	123
CEMBRE S.a.r.l. (F)	36	35
CEMBRE S.L.U. (E)	49	48
CEMBRE Inc. (USA)	39	38
CEMBRE El. Conn. Shanghai Limited (CN)	5	1
CEMBRE BV (N)	3	-
CEMBRE Ltd. (IE)	-	-

Table 5 - Personnel by company

The Group's presence in international markets is supported by a sales network of representatives and correspondents who can provide qualified technical and commercial assistance and ensure rapid deliveries from local warehouses. In Italy, CEMBRE S.p.A. operates through a capillary distribution network, with its own offices and warehouses in Brescia, Turin, Milan, Padua, Bologna, Florence and Palermo; while in the other regions, it uses agents, organised for technical-commercial assistance and with warehouses for rapid deliveries.

The Group's competitiveness is based on the technical quality of its products, which is guaranteed by high standards of quality, reliability and safety, as well as on a direct and well-structured sales network that enables the Group to build strong, long-term relationships with its customers. Ongoing contact with the market enables the Group to identify customers' operational needs and translate them into tailor-made solutions and products, thereby ensuring that its product range is closely aligned with the contexts in which it is used. With this in mind, the Group intends to further consolidate its relationships with customers and distributors, strengthening its position as a supplier of a comprehensive range of products.

For a breakdown of total revenues by geographic area and Group companies, please refer to the section 'Operating Performance and Analysis of Group Results' in the Annual Financial Report 2025.

CEMBRE Group Value Chain

Below is a detailed description of the various stages of the Group's value chain, together with the relevant business stakeholders and outputs.

Sourcing (extraction and processing of raw materials)

CEMBRE stands out for its use of high-quality raw materials in the manufacture of its products. Purchases are dominated by non-ferrous metals (copper, brass and aluminium in the form of tubes, strips, bars and profiles) and plastics. The Group's supplier base is extremely large and diverse, with 1,601 partners across the Group supplying the company with direct and indirect items.

The CEMBRE supply chain is predominantly located in the West, with 84% of total expenditure concentrated in Europe. Italy, in particular, accounts for 54% of total purchases, while Germany and Greece are key countries for the supply of metals. CEMBRE attaches particular importance to supplier selection, adopting a structured process that involves the signing of technical specifications and the fulfilment of a qualification checklist. Furthermore, to enhance the resilience of its supply chain and ensure greater security of supply, the company prioritises the selection of at least three suppliers for each critical material.

Inbound logistics

CEMBRE manages inbound logistics through a structured process that includes the procurement, receipt, inspection and storage of raw materials, components and semi-finished products intended for production activities. Incoming materials undergo qualitative and quantitative checks, are recorded in the company's information systems, and are placed in the warehouse in accordance with efficiency and traceability criteria. Inbound logistics operates in close coordination with production planning, with the aim of ensuring business continuity, reducing procurement lead times and optimising inventory levels.

Production, assembly and packaging

CEMBRE uses milling machines, lathes, CNC machining centres and EDM machines to produce tools and connectors with a high level of precision and productivity. For the production of connectors, automatic presses powered by intelligent systems are used, thereby ensuring reliability. The company also designs and manufactures the necessary equipment and machinery in-house, thereby ensuring high-quality products at competitive prices. CEMBRE manages the production of almost all its products in-house, covering between 90% and 95% of its sales. Only a marginal share, between 5% and 10%, is purchased from external suppliers.

Research and Development and Quality

CEMBRE continuously invests in research and development, operating laboratories and a prototype room equipped with advanced equipment for testing the physical properties of materials, their resistance in harsh environments, the quality of surface treatments, and product safety. Design activities are focused on continuously improving quality, protecting end users and reducing environmental impact, including in terms of energy consumption during use. Even for products purchased from third parties and resold (so-called 'buy and sell'), CEMBRE guarantees high quality standards by ensuring that the goods pass through its own facilities before being delivered to the end customer.

Assistance and services - commercial

CEMBRE products are distributed through a network of specialised distributors and retailers, supported by a direct sales organisation that ensures a widespread presence and constant customer proximity worldwide. The sales network also enables the company to maintain an ongoing dialogue with customers and to collect their feedback, which is handled by the Quality office for technical analysis and the resolution of any critical issues.

Advanced logistics

CEMBRE manages the storage and transport of its products to ensure timely and efficient delivery. The Group operates two automated warehouses, one located in Brescia and one located in the UK for the UK company CEMBRE Ltd., both of which hold a wide range of products in stock to ensure a rapid service.

Product use and end of life

End consumers use the products until the final stage of their life cycle, when they are disposed of. The Group employs an integrated IT architecture that ensures the collection, processing and protection of data throughout the entire business model and value chain. At its core is the SAP ERP (Enterprise Resource Planning) system, which oversees the management of critical information flows: from supplier qualification to production, logistics and after-sales service.

To ensure maximum accuracy and operational traceability, SAP interfaces natively with specialised vertical solutions, including the MES software NetPro (for advanced production control and planning) and CRM systems dedicated to customer management. This system integration enables the secure and structured management of information, ensuring the availability of reliable data for monitoring core processes and relationships with upstream and downstream stakeholders.

The Group's business model is focused on generating shared value, transforming the company's inputs into products and results that deliver tangible benefits, both now and in the future, to all key stakeholders.

With regard to investors, the progressive integration of ESG factors into the operating model ensures more effective management of operational and reputational risks, thereby enhancing the Group's resilience and long-term value creation. Customers are guaranteed the provision of solutions that meet high standards of safety and reliability, in full compliance with stringent quality parameters, thereby strengthening the relationship of trust with the Group. With regard to its employees, the company fosters an organisational environment focused on well-being and on health and safety, ensuring full respect for human and labour rights as a fundamental pillar of professional development. This model is also reflected in strong, long-term partnerships with suppliers, based on transparency and the sharing of standards of excellence throughout the value

chain. Finally, the Group generates a positive impact for local communities and institutions through active collaboration with educational institutions, contributing to the development of the local area by creating employment opportunities and attractive career paths for young people, thereby fostering the necessary generational turnover.

Strategy

The CEMBRE Group has not yet defined public sustainability targets that are structured, measurable and broken down by customer type or geographical area. However, the Group has initiated and implemented a series of operational activities that address some of the sustainability issues identified as material through the Dual Materiality analysis (for further details, please refer to the section 'Management of impacts, risks and opportunities' in Chapter 'ESRS 2 – General information'). This framework includes, on the one hand, the gradual conversion of internal combustion engine tools to electric versions and, on the other hand, the calculation of the carbon footprint of the Group's products, broken down into five macro-categories to be analysed over time. To date, a number of impact wrenches, rail drills and sleeper drills have already been converted to electric operation, while the macro-categories of electrical connectors and labelling have been analysed using Life Cycle Assessment (LCA) methods (for further details, please refer to the section 'E1 – 3 Actions and resources in relation to climate change policies' in Chapter E1 – Climate Change).

In 2025, CEMBRE launched a strategic investment totalling approximately €42 million, aimed at transforming and innovating the production process for electrical connectors. The aim of the initiative is to increase production capacity and, at the same time, to completely redesign the process, introducing technological solutions capable of optimising energy consumption and reducing emissions associated with energy use. The investment also responds to developments in the industrial sector, including the increasing replacement of copper with aluminium, by strengthening direct control over production stages and reducing exposure to risks related to the availability and price volatility of raw materials.

The project involved a complete overhaul of the production process, including the installation of new electroplating systems for tinning copper and aluminium, the introduction of a highly energy-efficient modular annealing system, and the upgrading of the water treatment plant, which has been more than doubled in size to accommodate the new production volumes. The water treatment plant was designed as a semi-closed-loop system, enabling a significant reduction in water abstraction from the groundwater aquifer (for further details, please refer to paragraph 'E3-2 – Actions and resources related to water and marine resources' in chapter 'E3 – Water and marine resources'). The initiative is completed by the implementation of an environmentally friendly closed-loop washing system, designed to recover and reuse alcohol and processing oils, in line with the principles of the circular economy.

A further key aspect of the investment concerns the construction of a new production building, powered by photovoltaic panels. The integration of technologies for generating energy from renewable sources improves the site's overall energy efficiency, thereby reducing its contribution to climate change associated with energy consumption (for further details, refer to the paragraph 'E1 – 3 Actions and resources related to climate change policies' in the chapter 'E1 – Climate change'). The new building was constructed in accordance with the latest environmental requirements, and the company obtained an Integrated Environmental Authorisation (IEA), thereby strengthening its management of environmental and regulatory risks.

In addition, during 2025, the company embarked on a comprehensive digital transformation programme, covering both its IT infrastructure and its production processes, which involved upgrading hardware, progressing with the migration to SAP S/4HANA, and introducing digital

solutions in the field of OT for advanced production monitoring and management. In this context, cybersecurity has become a structural element of corporate governance, partly in response to the obligations arising from the Company's classification as an 'important entity' under the NIS 2 Directive, which has led to the establishment of a multidisciplinary team and the strengthening of measures to protect operational networks. The approach adopted combines technical solutions focused on production security with ongoing staff training initiatives and a medium-term vision aimed at adopting advanced protection models (for further details, please refer to the paragraph 'G1-1 – Policies on corporate culture and business conduct', sub-paragraph 'Actions to protect cybersecurity' in chapter 'G1 – Business conduct').

In addition to technological investments, CEMBRE has launched initiatives focused on developing internal skills, against a backdrop of generational change and increasing process automation. The training programmes focus on new production technologies, environmental risk management and safety, with the aim of ensuring the efficient and informed use of new plant and systems and supporting business continuity in the medium-long term.

SBM-2 Stakeholders' interests and opinions

Maintaining an ongoing and constructive dialogue with its stakeholders, based on listening to each other's needs, is essential to ensure continuous engagement on their respective needs and interests and enables the establishment of a strong bond of trust, fostered by clear, transparent and fair communication.

Over the years, engagement activities have been carried out through active and ongoing forms of dialogue, both at individual level (visits, dedicated events at the company) and at collective level (publications on the website and social media, participation in and organisation of conferences).

CEMBRE dialogue with its stakeholders is based on the values of transparency and trust, and allows the Group to maintain open communication with its stakeholders, to periodically verify alignment with the issues that have emerged, and to identify any new impacts.

The results of stakeholder engagement activities are communicated to the administrative and managerial bodies and taken into account by these bodies when managing the potential impacts of the Group's activities on stakeholders. In the specific process of developing the Dual Materiality analysis, the views and perspectives of stakeholders were gathered and taken into account through the direct involvement of the heads of the company's functions. Acting as qualified intermediaries by virtue of their ongoing business relationships, the latter conveyed the concerns and expectations of the various stakeholders during the assessment process. This approach made it possible to incorporate stakeholders' views into the assessment of material sustainability issues, ensuring that the priorities expressed by third parties were reflected in the Group's material impacts, risks and opportunities.

To provide a better understanding of the value chain in which CEMBRE operates, the main stakeholders have been considered, as shown in Table 6. The table summarises the listening and engagement tools and expectations of all CEMBRE stakeholders.

CEMBRE Stakeholder	Listening and engagement tools	Stakeholder expectations and interests towards CEMBRE
INVESTORS	- Shareholders' Meeting - Investor Relations section of the website - At least twice a year, participation in conferences organised by Borsa Italiana or other professional operators dedicated to institutional investors and financial analysts. - Listening and support channels offered by the Investor Relations department. - Meetings and video calls with analysts and institutional investors on request. - Visits to the company's headquarters and manufacturing units by institutional investors and analysts organised periodically or on request.	- CEMBRE Group shareholder value growth - Reducing investment risks - Transparency on Corporate Governance structures, long-term strategy, objectives, management operations, business development, and environmental and social performance.
CUSTOMERS	- Daily activities and relations with business units - Institutional website and dedicated email accounts - Supplier evaluation questionnaires - Customer service channels - Support and training network for customer repair operators - Surveys of customer needs and expectations for new product development - Events for costumers	- Product reliability and safety - Reliability and flexibility of manufacturing processes to ensure business continuity and adherence to delivery schedules. - Support for the joint development of customized solutions - Technical support to the network of repair professionals and assistance in know-how transfer. - Continuous product innovation, also concerning improving environmental performance and care for product design.
COMPANIES IN THE SECTOR	- Participation in market-specific events and round tables. - Participation in work and thematic committees of trade associations.	Protection of free competition
EMPLOYEES	- Daily activities and reports of the Human Resources and Organisation Department. - Channels for collecting reports of violations of the Code of Ethics. - Internal communication activities (e-mail and notice boards). - Training on organisational behaviour. - Annual personal and corporate performance assessment interviews.	- Safe working environment, where people's health and psychophysical well-being are protected. - Employment stability. - Opportunities for personal and professional growth. - Training and skills development pathways. - Remuneration policies and merit-based incentive systems. - Inclusion and enhancement of diversity. - Transparency and involvement regarding the company's objectives and performance.
SUPPLIERS	- Qualification and evaluation process. - Daily activities and reports of the Procurement Department.	- Timely and correct compliance with contract terms. - Supply continuity requests. - Possibility of developing strategic partnerships for the improvement of its activities.

LOCAL COMMUNITIES	• Orientation and involvement of high school and university students and related recruitment programmes. • Discussion and dialogue tables with the Public Administration. • Initiatives to support the social and cultural development of the territories promoted by the Group. • Media monitoring (press, web, social networks). • Donation of technological equipment to schools.	• Support to the school world, also through the availability to host students in school-work training schemes. • Collaboration with universities and research centres in the development and dissemination of engineering and technical-scientific knowledge and skills. • Provide job opportunities and protect employment in the Group and the related industries. • Development of manufacturing and logistics processes that safeguard the environment and the health of people living in the vicinity of CEMBRE production units and the Group's suppliers. • CEMBRE participation in and support for cultural development and social inclusion projects.
INSTITUTIONS	• Attention to awareness-raising campaigns by environmental associations and analyses by the scientific community.	• Ensure full compliance and adherence to applicable regulations. • Control of the supply chain to manage social and environmental risks throughout the value chain. • Combat air pollution and global warming. • Conservation of natural resources and circularity of the economy. • Protection of ecosystems and natural biodiversity. • Contribution to the achievement of the UN Sustainable Development Goals.

Table 6 – Stakeholders: engagement and expectations

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

To identify impacts, risks and opportunities related to the Group's sustainability issues, and thus assess their relevance, a Dual Materiality Analysis was conducted. The process and the outcome of this analysis are set out in the section 'Management of impacts, risks and opportunities' below. The IRO assessed as material are discussed in greater detail in the individual chapters of this document.

The IRO assessed as material, identified both in the Group's direct operations and along its value chain, may have an impact on the Group's business model and strategy. In particular, CEMBRE has implemented specific management systems that provide a structured and systematic approach to streamlining processes, resources and activities. The following have therefore been implemented:

- Quality Management System in accordance with ISO 9001;
- Environmental Management System in accordance with ISO 14001;
- Anti-Corruption Management System in accordance with ISO 37001;
- Occupational Health and Safety Management System in accordance with ISO 45001;
- Organisational, management and control model pursuant to Legislative Decree no. 231/2001.

With regard to the specific policies, resources, actions implemented, and the related metrics and objectives for managing the material issues associated with the current and expected impacts of IRO, please refer to the individual chapters of this document.

At the time of drafting this document, as there is no reporting obligation, the current and anticipated financial effects of the risks and opportunities assessed as material on the Group's financial performance have not yet been quantified. Please refer to the individual chapters of this document for further information.

Management of impacts, risks and opportunities

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

In accordance with the Corporate Sustainability Reporting Directive, the CEMBRE Group conducted a Dual Materiality analysis in 2024. This analysis was carried out considering both the historical company and sectoral context. In detail, the main industry trends and the sustainability performance of the Group's peers and competitors were analysed, as well as the results of the latest materiality analysis conducted. In this way, it was possible to obtain a preliminary list of potential impacts, risks and opportunities relevant to CEMBRE. The analysis covered all three sustainability macro-pillars: environmental, social and governance.

With regard to the 2025 reporting year, the Group's operating context, business model and scope were analysed, and the impacts, risks and opportunities identified in the Dual Materiality analysis carried out in 2024 were reviewed. Following this process, no elements emerged that required any changes or additions to what had already been identified in the previous financial year; therefore, the impacts, risks and opportunities assessed as material in 2024 were confirmed.

Below is a summary of the phases and activities carried out in 2024, confirmed for 2025.

Impact Materiality

The impact materiality analysis carried out by CEMBRE aims to assess the direct and indirect effects of the company's activities along the value chain. The approach adopted was inside-out, assessing both the positive and negative impacts, both actual and potential, generated by the company's activities and along the value chain, with a particular focus on the effects on the environment and society. A detailed analysis was therefore carried out with regard to direct impacts, resulting from the company's core activities, and indirect impacts, linked to operations along the value chain. In both cases, the analysis process was carried out using the same methodology.

This process was carried out in close collaboration with company representatives, who, thanks to their experience and knowledge of the business environment, made a crucial contribution.

For each impact identified, specific severity and probability parameters were defined and assessed. With particular reference to determining the severity of the impacts, the following sub-parameters were used:

- Scales: rated in levels from *minimum* to *absolute*;
- Scope: rated in levels from *limited* to *global*;
- Irreparable character: rated in levels from *easily remediable* to *irreversible*.

It is emphasised that the positive impacts were not considered to be irreparable. Adopting a precautionary approach, the actual impacts were associated with the two highest probability levels.

The sum of these values makes it possible to determine a severity level, which can range from *minimal* to *informative*, to *significant*, to *important*. Probability, on the other hand, indicates the likelihood of the impact occurring and is measured in relation to its nature (actual or potential). Subsequently, the severity level was multiplied by the probability, which was classified on a four-level scale ranging from *very likely* to *likely*, to *possible*, to *unlikely*, resulting in an assessment of whether the impact was significant or not significant. To determine the significance of each impact, a graphical representation was created in the form of a matrix that cross-references the severity and probability parameters. The matrix is divided into three areas corresponding to low, medium and high relevance respectively: impacts falling in the medium and high relevance areas were therefore material.

Financial Materiality

In parallel, a financial materiality analysis was conducted, again in collaboration with the company functions.

In this phase, the financial risks and opportunities associated with sustainability issues that have or may have an impact on the company were assessed, thereby adopting an outside-in approach. The analysis took into account the impacts generated by the company's activities and along the value chain, as well as the Group's main dependencies that could give rise to risks or opportunities. In addition, the sustainability initiatives implemented by CEMBRE and the content of the biennial Risk Assessment exercise were also taken into account as input for identifying risks and opportunities.

The scores obtained from this assessment were determined on the basis of two main parameters:

- magnitude: assessed using a five-tier scale ranging from *minimal* to *informative*, to *important*, to *significant*, to *critical*;
- probability: assessed using a scale ranging from *unlikely* to *possible*, to *likely*, to *very likely*.

Both direct and indirect events were taken into account, considering short-, medium- and long-term time horizons. In the short term, the elements of the Company's Risk Assessment that could be related to sustainability were assessed, and these were not found to be significant; in the medium to long term, on the other hand, both the elements of the Risk Assessment and those identified in the impact assessments were analysed, as well as dependencies on customers, suppliers, human capital, raw materials and process resources. Finally, the results of the analyses were represented in three matrices: one relating to the short term, one to the medium to long term, and one integrating the overall results and shared with all top management, including the Control Body.

Results of the Dual Materiality Analysis

A topic is deemed relevant, and therefore material and subject to reporting, if it is relevant in at least one of the two materiality analyses.

At the end of the Dual Materiality analysis, the results were consolidated into a single table, which enabled the topics to be examined from both an impact perspective and a financial perspective. The significance of the impacts, risks and opportunities determined their reporting in this document with respect to the relevant ESRS.

The final results were shared with the company's management and subsequently approved by the CEMBRE S.p.A. Board of Directors. All impacts, risks and opportunities are covered by the disclosure requirements set out in the ESRS; therefore, no entity-specific topics or disclosures have been introduced.

The tables below list the material impacts, risks and opportunities, grouped by topic and sub-topic.

ESRS	Sub-topic	Description of IRO	IRO type	Negative / Positive	Position in the value chain	Time horizon
E1 – Climate change	Climate change mitigation	Contribution to climate change due to fuel combustion, energy consumption and F-gas leakage during activities.	Impact	Negative	Upstream and downstream	Medium/long-term
		Operational risk due to physical damage caused by adverse weather events that may impact Group-owned assets.	Risk			Medium/long-term
		Operational risk due to physical damage caused by adverse weather events that may impact the assets owned by the Group's suppliers and customers.	Risk			Medium/long-term
		Operational and economic risk of production and delivery delays due to stringent raw material extraction regulations.	Risk			Medium/long-term
	Climate change adaptation	Strategic and operational opportunity to access subsidised finance schemes through new investments in energy efficiency measures and technological innovation.	Opportunities			Medium/long-term
	Energy	Contribution to climate change due to the combustion of fuels, energy consumption and the release of F-gases during operations.	Impact	Negative	Core	Medium/long-term
E2 – Pollution	Air pollution	Potential air pollution and worsening of human health conditions due to air pollutant emissions (e.g. NOx, PM, VOC) generated by industrial and civil processes.	Impact	Negative	Upstream	Short-term
	Water pollution	Potential pollution of water basins linked to the incorrect treatment of polluting discharges after certain industrial activities (e.g. discharges of contaminated water from raw material extraction activities, generation of sludge from ferrous materials processing activities).	Impact	Negative	Upstream	Short-term
	Soil pollution	Potential soil pollution related to the accidental dispersion of pollutants and other contaminants during certain industrial activities (e.g. release of metal and sludge residues from the extraction and processing of raw materials, such as plastics and ferrous materials).	Impact	Negative	Upstream	Short-term
		Potential negative environmental impacts related to employment and soil pollution from the expansion of the Brescia production site.	Impact	Negative	Core	Short-term

E3 – Water and marine resources	Water withdrawal and consumption	Potential negative impacts on ecosystems and local communities due to excessive water use during industrial and civil processes near water-stressed areas.	Impact	Negative	Upstream, core and downstream	Medium/long-term
	Resource inflows, including resource use	Operational risk of delays due to the limited availability of virgin raw materials and primary resources of the Group.	Risk			Medium/long-term
		Operational risk due to commodity price volatility.	Risk			Medium/long-term
	Waste	Potential soil occupation and water and air pollution due to incorrect treatment of waste generated during production activities.	Impact	Negative	Upstream, core and downstream	Medium/long-term

Table 7 - Material environmental topics

ESRS	Sub-topic	Description of IRO	IRO type	Negative / Positive	Position in the value chain	Time horizon
S1 – Own workforce	Health and safety	Negative impacts on workers' health and safety related to the consequences of workplace accidents.	Impact	Negative	Core	Short-term
	Working conditions	Negative impacts on employees and collaborators due to the lack of specific welfare and benefits plans (e.g. hour flexibility, smart working and work-life balance protection) and technical-professional development activities (e.g. development of technical and transversal skills) for Group employees.	Impact	Negative	Core	Short-term
	Other work-related rights	Potential negative impacts on employees caused by incidents of disrespect for human rights due to unfair labour practices.	Impact	Negative	Core	Short-term
	Equal treatment and opportunities for all	Potential negative impacts related to the failure to respect and safeguard diversity, gender equality and equal pay for work of equal value and the inclusion of people from protected categories.	Impact	Negative	Core	Short-term
S2 – Workers in the value chain	Health and safety	Negative impacts on workers' health and safety related to the consequences of workplace accidents.	Impact	Negative	Upstream and downstream	Short-term
	Equal treatment and opportunities for all	Potential negative impacts on employees caused by incidents of disrespect for human rights due to unfair labour practices.	Impact	Negative	Upstream and downstream	Short-term
S3 – Affected communities	Entity-specific	Positive impacts on local communities due to the implementation of job offers, training and cooperation with schools and institutes.	Impact	Positive	Core	Short-term
S4 – Consumers and end users	Personal safety of consumers and/or end users	Risk of increased complaints and reduced customer satisfaction due to potential damage to customers' health and safety from unsafe products.	Risk			Medium/long-term

Table 8 – Material social topics

ESRS	Sub-topic	Description of IRO	IRO type	Negative / Positive	Position in the value chain	Time horizon
G1 – Business conduct	Corporate culture	Operational and strategic risk due to the loss of strategic and sensitive Group data.	Risk			Medium/long-term

Table 9 - Material governance topics

IRO-2 Disclosure requirements of ESRS covered by the corporate sustainability statement

With regard to the 2025 Sustainability Report, the CEMBRE Group has adopted the amendments introduced by Delegated Regulation (EU) 2025/4812, also known as the 'Quick Fix', concerning the phase-in of some of the ESRS requirements.

In the previous paragraph, 'IRO-1, Description of the process for identifying and assessing material impacts, risks and opportunities', the Group outlined the process for determining material impacts, risks and opportunities.

Below is a table summarising the disclosure obligations and the applicable requirements set out in the ESRS that are relevant to the Group and therefore included in this document, and which derive from other European legislation.

ESRS	Disclosure requirement	Description	Page	Notes
ESRS 2 – General information	BP-1	General criteria for the preparation of sustainability statements	24	
	BP-2	Disclosure in relation to specific circumstances	24	
	GOV-1	Role of the administration, management and control bodies	26	
	GOV-2	Information provided to the company's administration, management and control bodies and sustainability issues addressed by them	30	
	GOV-3	Integration of sustainability-related performance in incentive systems	30	
	GOV-4	Due Diligence Statement	33	
	GOV-5	Risk management and internal controls over sustainability reporting	33	
	SBM-1	Strategy, business model and value chain	34	
	SBM-2	Stakeholders' interests and opinions	40	
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	42	
	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	43	
	IRO-2	Disclosure requirements of the ESRS covered by the corporate sustainability statement	48	
	GOV-3	Integration of sustainability-related performance in incentive systems	69	
	E1-1	Transition plan for climate change mitigation	70	
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	70	
E1 – Climate change	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to the climate	70	
	E1-2	Policies related to climate change mitigation and adaptation	72	
	E1-3	Actions and resources related to climate change policies	73	

E2 – Pollution	E1-4	Targets related to climate change mitigation and adaptation	75	
	E1-5	Energy consumption and energy mix	75	
	E1-6	Gross scope 1, 2, 3 GHG emissions and total GHG emissions	77	
	E1-7	GHG absorption and GHG mitigation projects financed with carbon credits	-	Not material
	E1-8	Internal carbon pricing	-	Not material
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	79	Three-year phase-in
	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to pollution	80	
	E2-1	Policies related to pollution	81	
	E2-2	Actions and resources related to pollution	81	
	E2-3	Targets related to pollution	82	
E3 – Water and marine resources	E2-4	Air, water and soil pollution	82	
	E2-5	Substances of concern and substances of extreme concern	-	Not material
	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	-	Three-year phase-in
	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to water and marine resources	83	
	E3-1	Policies related to water and marine resources	84	
	E3-2	Actions and resources related to water and marine resources	84	
	E3-3	Targets related to water and marine resources	85	
	E3-4	Water consumption	85	
	E3-5	Anticipated financial effects from impacts, risks and opportunities related to water and marine resources	-	Three-year phase-in
	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	-	Not material
E4 – Biodiversity	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	-	Not material
	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems	-	Not material
	E4-2	Policies related to biodiversity and ecosystems	-	Not material
	E4-3	Actions and resources related to biodiversity and ecosystems	-	Not material
	E4-4	Targets related to biodiversity and ecosystems	-	Not material
	E4-5	Impact metrics related to changes in biodiversity and ecosystems	-	Not material
	E4-6	Anticipated financial effects	-	Not material
	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to resource use and the circular economy	86	
	E5-1	Policies related to resource use and the circular economy	87	
	E5-2	Actions and resources related to resource use and the circular economy	87	
E5 – Circular economy	E5-3	Targets related to resource use and the circular economy	88	
	E5-4	Resource inflows	-	Not material
	E5-5	Resource outflows	88	
	E5-6	Anticipated financial effects of impacts	89	Three-year phase-in
S1 – Own workforce	SBM-2	Stakeholders' interests and opinions	90	
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	90	
	S1-1	Policies related to own workforce	92	

S2 – Workers in the value chain	S1-2	Processes for engaging with own workers and workers' representatives about impacts	93
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	94
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	95
	S1-5	Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	95
	S1-6	Characteristics of the company's employees	95
	S1-7	Characteristics of non-employee workers in the company's own workforce	97
	S1-8	Coverage of collective bargaining and social dialogue	97
	S1-9	Diversity metrics	98
	S1-10	Adequate wages	99
	S1-11	Social protection	99
	S1-12	Persons with disabilities	100
	S1-13	Training and skills development metrics	100
	S1-14	Health and safety metrics	101
	S1-15	Work-life balance metrics	103
	S1-16	Remuneration metrics (pay gap and total remuneration)	104
	S1-17	Serious human rights incidents, complaints and impacts	105
	SBM-2	Stakeholders' interests and opinions	105
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	105
	S2-1	Policies related to workers in the value chain	107
	S2-2	Processes for engaging with value chain workers about impacts	108
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	108
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	109
	S2-5	Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	110
S3 – Affected communities	SBM-2	Stakeholders' interests and opinions	110
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	110
	S3-1	Policies related to affected communities	111
	S3-2	Processes for engaging affected communities on impacts	111
	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	112
S4 – Consumers and end users	S3-4	Taking action on material impacts on affected communities and approaches to manage material risks and achieve material opportunities for affected communities, as well as the effectiveness of these actions	112
	S3-5	Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	113
	SBM-2	Stakeholders' interests and opinions	114
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	114
	S4-1	Policies related to consumers and end users	115

G1 – Business conduct	S4-2	Processes for engaging with consumers and end users about impacts	116	
	S4-3	Processes to remediate negative impacts and channels for consumers and end users to raise concerns	-	Not material
	S4-4	Taking action on material impacts on consumers and end users and approaches to mitigating material risks and the achievement of material opportunities related to consumers and end users, and effectiveness of those actions	117	
	S4-5	Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	118	
	GOV-1	Role of the administration, management and control bodies	119	
	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	120	
	G1-1	Policies related to corporate culture and business conduct	121	
	G1-2	Management of relations with suppliers	-	Not material
	G1-3	Prevention and detection of active and passive corruption	-	Not material
	G1-4	Established cases of active or passive corruption	-	Not material
	G1-5	Political influence and lobbying	-	Not material
	G1-6	Payment practices	-	Not material

Table 10 – Contents

Disclosure requirement and corresponding information element	SPDR Reference	Third Pillar Reference	Reference Index Regulation	EU climate legislation reference	Reference
ESRS 2 GOV-1 Gender diversity in the board, paragraph 21(d)	Annex I, Table 1, Indicator No. 13		Commission Delegated Regulation (EU) 2020/1816 ⁵ , Annex II		
ESRS 2 GOV-1 Percentage of independent board members paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 GOV-4 Due diligence statement, paragraph 30	Annex I, Table 3, Indicator No. 10				
ESRS 2 SBM-1 Involvement in fossil fuel related activities, paragraph 40(d)(i)	Annex I, Table 1, Indicator No. 4	Article 449 bis of Regulation (EU) No. 575/2013; Implementing Regulation (EU) 2022/2453 of the Commission ⁷ Table 1 - Qualitative Information on Environmental Risk and Table 2 - Qualitative Information on Social Risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in chemical production related activities, paragraph 40(d)(ii)	Annex I, Table 2, Indicator No. 9		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Not material
ESRS 2 SBM-1 Participation in activities related to controversial weapons, paragraph 40(d)(iii)	Annex I, Table 1, Indicator No. 14		Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not material
ESRS 2 SBM-1 Involvement in activities related to tobacco cultivation and production, paragraph 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818 ⁸ and Annex II of Delegated		Not material

		Regulation (EU) 2020/1816			
ESRS E1-1 Transition Plan to achieve climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	
ESRS E1-1 Companies excluded from benchmarks aligned with the Paris Agreement, paragraph 16(g)		Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking book – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity		Article 12(1)(d) to (g) and (2) of Delegated Regulation (EU) 2020/1818	
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, Table 2, Indicator No. 4	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking book – Indicators of potential transition risk related to climate change: alignment metrics		Article 6 of Delegated Regulation (EU) 2020/1818	
ESRS E1-5 Energy consumption from fossil fuels disaggregated by source (high climate impact sectors only), paragraph 38	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5				
ESRS E1-5 Energy consumption and energy mix, paragraph 37	Annex I, Table 1, Indicator No. 5				
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, Table 1, Indicator No. 6				
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44	Annex I, Table 1, Indicators 1 and 2	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking book – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity		Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818	
ESRS E1-6 Intensity of gross GHG emissions, paragraphs 53 to 55	Annex I, Table 1, Indicator No. 3	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking book – Indicators of potential transition risk related to climate change: alignment metrics		Article 8(1) of Delegated Regulation (EU) 2020/1818	
ESRS E1-7 GHG removals and carbon credits, paragraph 56			Article 2(1) of Regulation (EU) 2021/1119		Not material
ESRS E1-9 Exposure of the benchmark index portfolio to physical climate-related risks, paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		

ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of material physical risk significant assets, paragraph 66(c)		Article 449 bis of Regulation (EU) No. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Model 5: Banking book – Indicators of potential physical risk related to climate change: exposures subject to physical risk	
ESRS E1-9 Breakdown of book value of its real estate assets by energy efficiency classes, paragraph 67(c)		Article 449 bis of Regulation (EU) No. 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking book – Indicators of potential climate-change-related transition risk: loans secured by real estate – Energy efficiency of collateral	
ESRS E1-9 Degree of exposure of the climate-related opportunity portfolio, paragraph 69	-		Annex II of Delegated Regulation (EU) 2020/1818
ESRS E2-4 Amount of each pollutant listed in Annex II of E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and land, paragraph 28	Annex I, Table 1, indicator No. 8; Annex I, Table 2, indicator No. 2; Annex 1, Table 2, indicator No. 1; Annex I, Table 2, indicator No. 3		
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, Table 2, Indicator No. 7		
ESRS E3-1 Dedicated policy, paragraph 13	Annex I, Table 2, Indicator No. 8		
ESRS E3-1 Sustainability of the oceans and seas, paragraph 14	Annex I, Table 2, Indicator No. 12		Not material
ESRS E3-4 Total recycled and reused water, paragraph 28(c)	Annex I, Table 2, Indicator No. 6.2		
ESRS E3-4 Total water consumption in m ³ compared to net revenues from own operations, paragraph 29	Annex I, Table 2, Indicator No. 6.1		
ESRS 2 SBM-3 – E4 paragraph 16(a)(i)	Annex I, Table 1, Indicator No. 7		Not material
ESRS 2 SBM-3 – E4 paragraph 16(b)	Annex I, Table 2, Indicator No. 10		Not material
ESRS 2 SBM-3 – E4, paragraph 16(c)	Annex I, Table 2, Indicator No. 14		Not material
ESRS E4-2 Sustainable agricultural/land-use policies or practices, paragraph 24(b)	Annex I, Table 2, Indicator No. 11		Not material
ESRS E4-2 Sustainable sea/ocean use practices or policies, paragraph 24(c)	Annex I, Table 2, Indicator No. 12		Not material
ESRS E4-2	Annex I, Table 2, Indicator No. 15		Not material

Policies to address deforestation, paragraph 24(d)		
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Annex I, Table 2, Indicator No. 13	
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, Table 1, Indicator No. 9	
ESRS 2 – SBM3 – S1 Risk of forced labour, paragraph 14(f)	Annex I, Table 3, Indicator No. 13	
ESRS 2 – SBM3 – S1 Risk of child labour, paragraph 14(g)	Annex I, Table 3, Indicator No. 12	
ESRS S1-1 Political commitments to human rights, paragraph 20	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11	
ESRS S1-1 Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, paragraph 21		Commission Delegated Regulation (EU) 2020/1816, Annex II
ESRS S1-1 Procedures and measures to prevent trafficking in human beings, paragraph 22	Annex I, Table 3, Indicator No. 11	
ESRS S1-1 Policy on occupational accident prevention or management system, paragraph 23	Annex I, Table 3, Indicator No. 1	
ESRS S1-3 Mechanisms for handling claims/complaints, paragraph 32(c)	Annex I, Table 3, Indicator No. 5	
ESRS S1-14 Number of deaths and number and rate of work-related injuries, paragraph 88(b) and (c)	Annex I, Table 3, Indicator No. 2	Commission Delegated Regulation (EU) 2020/1816, Annex II
ESRS S1-14 Number of days lost due to injury, accident, fatality or illness, paragraph 88(e)	Annex I, Table 3, Indicator No. 3	
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Annex I, Table 1, Indicator No. 12	Commission Delegated Regulation (EU) 2020/1816, Annex II
ESRS S1-16 Excessive pay gap in favour of the CEO, paragraph 97(b)	Annex I, Table 3, Indicator No. 8	
ESRS S1-17 Discrimination-related incidents, paragraph 103(a)	Annex I, Table 3, Indicator No. 7	
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD, paragraph 104(a)	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818
ESRS 2 SBM-3 – S2 Serious risk of child labour or forced labour in the labour chain, paragraph 11(b)	Annex I, Table 3, Indicators 12 and 13	
ESRS S2-1 Political commitments to human rights, paragraph 17	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11	

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ESRS S2-1 Policies related to workers in the value chain, paragraph 18	Annex I, Table 3, Indicators 11 and 4		
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Annex I, Table 1, Indicator No. 10	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS S2-1 Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, paragraph 19		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents in its upstream and downstream value chain, paragraph 36	Annex I, Table 3, Indicator No. 14		
ESRS S3-1 Political commitments to human rights, paragraph 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11		
ESRS S3-1 Non-compliance with the UN Guiding Principles on business and human rights, the ILO Principles or the OECD Guidelines, paragraph 17	Annex I, Table 1, Indicator No. 10	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, Table 3, Indicator No. 14		
ESRS S4-1 Policies related to consumers and end users, paragraph 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11		
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	Annex I, Table 1, Indicator No. 10	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS S4-4 Human rights issues and incidents, paragraph 35	Annex I, Table 3, Indicator No. 14		
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Annex I, Table 3, Indicator No. 15		
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Annex I, Table 3, Indicator No. 6		
ESRS G1-4 Fines imposed for violations of laws against active and passive corruption, paragraph 24(a)	Annex I, Table 3, Indicator No. 17	Annex II of Delegated Regulation (EU) 2020/1816	Not material
ESRS G1-4 Rules for combating active and passive corruption, paragraph 24(b)	Annex I, Table 3, Indicator No. 16		Not material

Table 11 – Duty of disclosure and corresponding information element

Environmental information

European Taxonomy

The European Union Taxonomy, introduced by Regulation (EU) 2020/852, adopted by the European Commission in 2020 (hereinafter referred to as the 'Regulation'), forms part of the EU strategy to achieve the objectives of the Action Plan on Sustainable Finance and the European Green Deal, with the goal of achieving climate neutrality by 2050. The Regulation establishes a standardised classification system to identify environmentally sustainable economic activities.

Subsequently, Regulation (EU) 2020/852 was supplemented by various Delegated Regulations (2021/2139, 2021/2178, 2022/1214, 2023/2485 and 2023/2486), which, together with the main Regulation, set out the criteria for determining whether an economic activity can be considered environmentally sustainable, and the procedures for disclosing the relevant information. In addition to these regulations, European Commission communications provide supplementary guidance on their correct interpretation and on the preparation of the required disclosures. The Regulation divides economic activities into eligible activities and aligned activities. An activity is considered eligible if it is included in the classification system and has the potential to contribute substantially to one of the following six environmental objectives, as defined in Article 9 of the Regulation:

1. Climate change mitigation (CCM);
2. Climate change adaptation (CCA);
3. Sustainable use and protection of water and marine resources (WTR);
4. Transition to a circular economy (CE);
5. Pollution Prevention and Control (PPC);
6. Protection and restoration of biodiversity and ecosystems (BIO).

An economic activity is aligned if, in addition to being eligible, it contributes substantially to one of the environmental objectives, does no significant harm to the other objectives (Do No Significant Harm – DNSH principle), and complies with the Minimum Social Guarantees in accordance with Article 18 of the Regulation.

The Regulation applies to companies required to publish a Sustainability Report pursuant to the CSRD, as set out in Article 8 of the Regulation. In line with the approach taken in 2024, and also with respect to the 2025 reporting period, companies subject to this obligation, such as the CEMBRE Group, must disclose the share of eligible and aligned activities, broken down by turnover, capital expenditure (CapEx) and operating expenditure (OpEx), with respect to all six environmental objectives set out in the Regulation.

The following paragraphs describe the process adopted by the Group to assess compliance with the requirements of the EU Taxonomy, as well as the tables setting out the required key performance indicators (KPI).

On 8 January 2026, the European Commission published in the Official Journal Delegated Regulation 2026/73, which sets out simplifications relating to the application of the EU Taxonomy, as part of the Omnibus I package. As stated in Article 4 of the aforementioned Delegated Regulation, the amendments may be applied on a voluntary basis from the 2025 financial year.

CEMBRE has chosen to maintain continuity with the 2024 financial year and not to apply the simplification measures provided for in this report.

CEMBRE Group eligibility and alignment analysis

In line with the previous reporting year, an analysis of CEMBRE activities was carried out with the aim of identifying those that are eligible under the European Taxonomy. With a particular focus on the Group's revenue-generating activities, the analysis identified economic activity '3.6 – Manufacture of other low-carbon technologies' under the objective 'Climate change mitigation'. This activity relates to the production of battery-powered tools, which enable significant savings in lifecycle greenhouse gas emissions compared to traditional alternatives (internal combustion engine tools).

The analysis also identified eligible activities with respect to capital expenditure and operating expenditure, in line with the provisions of Annex 1 to Delegated Regulation (EU) 2021/2178, paragraph 1.1.2.2(c) and paragraph 1.1.3.2(c). These points relate to the purchase of products derived from eligible economic activities and to specific measures aimed at reducing the emission profile of these activities.

With regard to capital expenditure for 2025, the following activities have been classified as eligible:

- Activity 3.6 (CCM) - Manufacture of other low-carbon technologies;
- Activity 6.5 (CCM) - Transportation by motorcycles, cars and light commercial vehicles;
- Activity 7.1 (CCM) and Activity 3.1 (CE) Construction of new buildings;
- Activity 7.2 (CCM) and Activity 3.2 (CE) - Renovation of existing buildings;
- Activity 7.3 (CCM) - Installation, maintenance, and repair of energy efficiency devices;
- Activity 7.4 (CCM) - Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings);
- Activity 7.6 (CCM) - Installation, maintenance and repair of renewable energy technologies;
- Activity 8.1 (CCM) Data processing, hosting and related activities;
- Activity 2.4 (PPC) Remediation of contaminated sites and areas.

With regard to operating expenditure for 2025, the following activities have been classified as eligible:

- Activity 3.10 (CCM) – Hydrogen production;
- Activity 7.3 (CCM) - Installation, maintenance, and repair of energy efficiency devices;
- Activity 7.6 (CCM) - Installation, maintenance and repair of renewable energy technologies.

According to the eligibility analysis carried out by CEMBRE, the climate change mitigation (CCM) objective is the most relevant. With regard to the Climate Change Adaptation (CCA) objective, as specified in Commission Communication C/2023/305 of 20 October 2023, a non-enabling activity is considered eligible only if the company has carried out a physical climate risk analysis that meets all the robustness requirements defined in Appendix A of the Climate Delegated Act (hereinafter referred to as 'Appendix A') and has implemented adaptation measures to substantially reduce the most significant physical climate risks. Although CEMBRE conducted an analysis of the physical climate risks associated with the activities of the Italian company CEMBRE S.p.A., which did not identify any significant risks in the areas where it operates that would therefore require adaptation measures, it is not considered that this analysis meets all the robustness requirements set out in Annex A to the Climate Delegated Act. Therefore, the Group does not consider activities related to climate change adaptation to be eligible under the European Taxonomy.

Below, we describe the methodological steps taken to assess the alignment of the activities

deemed eligible with the criteria of substantial contribution and do no significant harm (DNSH).

Activity 3.6 (CCM) – Manufacture of other low-carbon technologies

Substantial contribution to climate change mitigation: With reference to activity 3.6 (Manufacture of other low-carbon technologies), the production of battery-powered tools allows for a substantial reduction in lifecycle greenhouse gas emissions compared to using internal combustion engine tools. In particular, the emissions associated with the following battery-powered tools manufactured by CEMBRE were analysed:

- Screwdriver NR-25B;
- Rail drills LD-16B;
- Rail sleeper drill SD-19B.

As shown in the table, the use of battery-powered screwdrivers, drills and boring machines reduces CO₂ emissions into the atmosphere by more than 80%.

CO ₂ emissions	UoM	Screwdriver	Drills	Boring machines
Combustion engine		2.7591	3.9129	2.7390
Battery	gCO ₂ /hole	0.5064	0.6330	0.4431
CO₂ saving	%	81.64%	83.82%	83.82%

Table 12 – Comparison of emissions from combustion-engine and battery-powered tools

Do no significant harm: the production of battery-powered tools does not meet all the DNSH criteria for the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 3.10 (CCM) - Hydrogen production

Substantial contribution to climate change mitigation: With reference to activity 3.10 (Hydrogen production), in 2024, CEMBRE S.p.A. entered into a contract for the use of a dissociator for hydrogen production, the operation of which continued throughout 2025. Sufficient technical information is not currently available to verify compliance with the stipulated substantial contribution requirements. In the absence of such evidence, it is not possible to demonstrate compliance with the applicable criteria and, therefore, the related expenditure is not considered aligned.

Do no significant harm: the hydrogen production dissociator used by CEMBRE does not meet all the DNSH criteria for the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE S.p.A. carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 6.5 (CCM) – Transportation by motorcycles, cars and light commercial vehicles

Substantial contribution to climate change mitigation: With reference to activity 6.5 (Transportation by motorcycles, cars and light commercial vehicles), in 2025, the CEMBRE Group

purchased or leased electric and hybrid vehicles that comply with the Euro 6 type-approval requirements for light vehicle emissions and with the emission thresholds set for low- and zero-emission light vehicles, i.e. 50 gCO₂/km.

The table below provides details of these vehicles:

Group Companies	Make and Group company	gCO ₂ /km	Source
CEMBRE Ltd	Audi Q6 e-tron	0	www.audi.it
CEMBRE Ltd	MG MG4	0	www.mgmotor.it
CEMBRE Ltd	Citroën Ė-C3	0	www.citroen.it
CEMBRE B.V.	KIA EV9	0	www.kia.com
CEMBRE Ltd	Skoda Superb Estate (Wagon) 1.5 TSI IV SE L DSG	33	www.skoda-auto.it
CEMBRE Ltd	Mercedes-Benz Class A Sedan (Saloon) A250e AMG Line Executive	17	www.mercedes-benz.it
CEMBRE GmbH	Volkswagen Tayron R-Line 1.5 eHybrid	10	www.volkswagen.it

Table 13 – CO₂ emissions from the CEMBRE Group's electric and hybrid vehicles

Therefore, the expenses related to these vehicles were deemed to meet the substantial contribution criterion for the activity in question. In the same financial year, additional vehicles that do not meet the required emission thresholds were also purchased or acquired under lease; the related expenses were not considered aligned.

Do no significant harm: the purchase and rental of cars do not meet all the DNSH criteria of the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 7.1 (CCM) – Construction of new buildings

Substantial contribution to climate change mitigation: With reference to activity 7.1 (Construction of new buildings), in 2025, work was carried out on the construction of new industrial buildings Nos. 35 and 36 at the CEMBRE S.p.A. headquarters. At the date of preparation of this document, the documentation certifying the energy performance of the buildings is not yet available. In the absence of such evidence, it is not possible to demonstrate compliance with the substantial contribution criteria for the activity in question and, therefore, the activity is not considered aligned.

Do no significant harm: the construction of new buildings does not meet all the DNSH criteria for the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 7.2 (CCM) – Renovation of existing buildings

Substantial contribution to climate change mitigation: with regard to Activity 7.2 (Renovation of

existing buildings), in 2025, upgrading work was carried out on building C and on industrial buildings 15, 16 and 32 at the CEMBRE S.p.A. site, as well as further work at the CEMBRE S.A.R.L. site in Lyon. At the date of preparation of this document, the documentation certifying the energy performance of the buildings is not yet available. In the absence of such evidence, it is not possible to demonstrate compliance with the substantial contribution criteria for the activity in question and, therefore, the activity is not considered aligned.

Do no significant harm: the renovation of existing buildings does not meet all the DNSH criteria for the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 7.3 (CCM) – Installation, maintenance, and repair of energy efficiency devices

Substantial contribution to climate change mitigation: with reference to activity 7.3 (Installation, maintenance and repair of energy efficiency devices), in 2025, targeted interventions were carried out on existing buildings involving the installation, upgrading and maintenance of energy efficiency components and systems. Specifically, three Daikin outdoor heat pump units, with energy ratings up to A++, were installed, as well as high-efficiency hot water production systems, including a Baxi energy rating A water heater for space heating. Based on the available documentation, these interventions can be considered to be in line with the substantial contribution criterion set out for the activity in question.

Further installations of cooling and heating systems were carried out at the CEMBRE S.A.R.L. and CEMBRE Ltd sites. Work was also carried out to replace and install windows and doors in various areas of Building C at the CEMBRE S.p.A. headquarters, as part of measures to improve the building envelope, as well as to install air conditioning, air exchange and dedicated air conditioning systems for the server room. The ancillary works required for the operation of the systems were also carried out, including the installation of pipes for the collection and disposal of condensate, and the fitting of water-saving plumbing fixtures for sanitary facilities.

For these additional interventions, there is currently insufficient technical information available to verify their compliance with the stipulated substantial contribution requirements. In the absence of such evidence, it is not possible to demonstrate compliance with the applicable criteria and, therefore, the related expenditure is not considered aligned.

Do no significant harm: the installation and maintenance of energy efficiency devices do not meet all the DNSH criteria for the other climate and environmental objectives applicable to this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 7.4 (CCM) – Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)

Substantial contribution to climate change mitigation: with reference to activity 7.4 (Installation, maintenance and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)), two electric vehicle charging stations were installed at CEMBRE S.A.R.L. premises in 2025. The activity is deemed to be aligned with the substantial contribution criterion set out for the activity in question.

Do no significant harm: the installation and maintenance of charging stations do not meet all the DNSH criteria of the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried

out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 7.6 (CCM) – Installation, maintenance and repair of renewable energy technologies

Substantial contribution to climate change mitigation: with reference to activity 7.6 (Installation, maintenance and repair of renewable energy technologies), in 2025, a new photovoltaic system was installed on the roofs of the new industrial buildings No. 35 and No. 36 at the CEMBRE S.p.A. site. In addition, regular maintenance activities were carried out on the heat pumps that contribute to the renewable energy targets in the heating and cooling sector, in accordance with Directive (EU) 2018/2001, and on the associated technical equipment for CEMBRE S.p.A. The activity is deemed to be aligned with the substantial contribution criterion set out for the activity in question.

Do no significant harm: the installation, maintenance and repair of renewable energy technologies do not meet all the DNSH criteria for the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 8.1 (CCM) Data processing, hosting and related activities

Substantial contribution to climate change mitigation: with reference to activity 8.1 (Data processing, hosting and related activities), new servers and related software components were purchased and installed in 2025. These investments relate to the upgrading of infrastructure to support the processing, storage and management of data in the company's information systems. At the date of preparation of this document, insufficient technical information on energy efficiency is available to verify compliance with the stipulated substantial contribution requirements. In the absence of such evidence, it is not possible to demonstrate compliance with the applicable criteria and, therefore, the activity is not considered aligned.

Do no significant harm: data processing, hosting and related activities do not meet all the DNSH criteria of the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 3.1 (CE) – Construction of new buildings

Substantial contribution to the transition to a circular economy: with reference to activity 3.1 (Construction of new buildings), in 2025, work was carried out on the construction of new industrial buildings Nos. 35 and 36 at the CEMBRE S.p.A. headquarters. At the date of preparation of this document, no suitable documentation is available to demonstrate that the activity was organised in accordance with the principles of the circular economy and the waste management requirements set out in the applicable technical criteria. In the absence of such evidence, it is not possible to demonstrate compliance with the substantial contribution criteria and, therefore, the activity is not considered aligned.

Do no significant harm: the construction of new buildings does not meet all the DNSH criteria for the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out

in Appendix A.

Activity 3.2 (CE) – Renovation of existing buildings

Substantial contribution to the transition to a circular economy: with regard to Activity 3.2 (Renovation of existing buildings), in 2025, upgrading works were carried out on building C and on industrial buildings 15, 16 and 32 at the CEMBRE S.p.A. site, as well as further works at the CEMBRE S.A.R.L. site. At the date of drafting of this document, no suitable documentation is available to demonstrate that the activities were organised in accordance with the principles of the circular economy and the waste management requirements set out in the applicable technical criteria. In the absence of such evidence, it is not possible to demonstrate compliance with the substantial contribution criteria and, therefore, the activity is not considered aligned.

Do no significant harm: the renovation of existing buildings does not meet all the DNSH criteria for the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Activity 2.4 (PPC) Remediation of contaminated sites and areas.

Substantial contribution to the prevention and reduction of pollution: with reference to activity 2.4 (Remediation of contaminated sites and areas), in 2025, at Building F of CEMBRE S.p.A., remediation work was carried out, involving the removal and disposal of materials containing asbestos, as well as other potentially contaminating insulation materials and building components. The work included the controlled removal of asbestos cement slabs using techniques designed to prevent the release of fibres, their packaging and transfer to authorised landfill sites, as well as the document management required by the applicable regulations. The activities were carried out in compliance with the applicable regulatory requirements. However, the information available does not enable full demonstration of compliance with all the technical and documentary requirements set out in the applicable criteria, and therefore, the activity is not considered aligned.

Do no significant harm: the remediation of contaminated sites and areas does not meet all the DNSH criteria of the other climate and environmental objectives set for this activity. In particular, with regard to the DNSH criterion for adaptation to climate change, although CEMBRE has carried out an analysis of physical climate risks, this analysis does not meet all the robustness requirements set out in Appendix A.

Minimum Social Safeguards

CEMBRE has drawn up a Code of Ethics, approved by the Board of Directors and available to the public, to set out its ethical principles clearly, with a focus on social and moral aspects. The Code of Ethics is binding on all internal stakeholders (shareholders, directors, statutory auditors, employees) and external stakeholders (consultants, suppliers, business partners), who are subject to sanctions in the event of a breach.

CEMBRE respects dignity, human rights and diversity, rejecting discrimination, harassment, child and forced labour, and promoting a fair and safe work environment. Furthermore, it adheres to the DNSH principle, as set out in Article 2, point 17 of the SFRD, by calculating the Group's gender pay gap and monitoring gender diversity on its administrative and managerial bodies.

Through specific contractual provisions, CEMBRE requires its suppliers to commit to the protection of human and labour rights, with reference to the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises, the ILO Conventions and the ICC Sustainable Development Charter. For further details, please refer to the paragraph "S2-1 – Policies related to workers in the value chain" in the chapter "S2 Workers in the value chain".

The CEMBRE policy also stipulates that it shall not purchase metals from mines located in 'Conflict Regions' or metals that are not certified as 'Conflict Free', and it gives preference to suppliers with Quality, Environmental and Worker Health and Safety Management Systems certified by independent, internationally recognised third-party bodies.

In the area of taxation, CEMBRE ensures compliance with local tax laws in each country where it operates, drawing on a "Group Legal and Corporate Affairs Office", local tax advisors and qualified administrative staff at each site. Decisions regarding the countries in which to operate are based on business considerations, not tax considerations, while recognising the importance of tax revenues for economic and social development.

CEMBRE has whistleblowing channels in place for reporting unethical or illegal conduct.

Based on the analysis carried out, and adopting a conservative and precautionary approach, the Group does not consider that, as of today, all the criteria set out in the Minimum Social Guarantees have been fully met.

Methodological aspects

The process followed by CEMBRE to verify the eligibility and subsequent alignment of its activities, with reference to the three KPI analysed below, was divided into the following phases:

- mapping of the eligible activities carried out by the Group companies and subsequent selection of those activities based on the specific operations carried out by each company;
- for each eligible activity identified, determination of the Substantial Contribution and Do No Significant Harm (DNSH) criteria required to assess alignment with the relevant environmental objectives, followed by the collection of the corresponding evidence;
- association of each activity with the corresponding economic values by extracting from the accounts the revenues generated in 2025, as well as the CapEx and OpEx allocated to preserving or increasing the useful life of the related tangible and intangible assets;
- verification of compliance with the Minimum Social Guarantees.

The KPI related to Turnover, CAPEX and OPEX were determined in accordance with the provisions of Regulation (EU) 2020/852 and the related Delegated Acts, based on the following criteria:

- **Turnover:** the denominator is 'Total Revenues and Income', defined as revenues from the sale of products and the provision of services, net of VAT, returns and other indirect taxes, in accordance with IAS 1, paragraph 82(a), and Directive 2013/34/EU. In 2025, this figure, amounting to €247,183 thousand, corresponds to the item 'Total Revenues and Income' reported in the Group's 2025 Consolidated Annual Financial Report. The numerator includes the revenues generated by the identified eligible activities (sales of alternative battery-powered tools to those with combustion engines), excluding intra-group transactions to avoid

double counting.

- **CAPEX:** the denominator is the increases recorded during the 2025 financial year in respect of tangible and intangible fixed assets recognised on the balance sheet, including capitalised assets related to Research and Development activities and rights of use recognised under IFRS 16. Amortisation, depreciation, write-downs and changes in fair value have been excluded, in line with the applicable provisions. In 2025, the total investments determined in this way amounted to €29,406 thousand. The numerator consists of the portion of investments attributable to the eligible activities listed above.
- **OpEx:** the denominator includes operating costs relating to non-capitalised Research and Development activities, maintenance of production facilities, day-to-day servicing of assets, and short-term leases. In 2025, the total amount of these costs was €5,515 thousand. The numerator consists of the portion of operating expenses attributable to the eligible activities listed above.

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Share of turnover from products and services associated with taxonomy eligible activities - Disclosure for the year 2025

Criteria to contribute substantially				Criteria for “do no significant harm”															
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Share of turnover, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Social Guarantees (17)	Share of turnover aligned (A.1) or eligible (E) (A.2) with taxonomy, 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
Assets	€	%	Yes; No; N/ E	Yes; No; N/ E	Yes; No; N/ E	Yes; No; N/ E	Yes; No; N/ E	Yes; No; N/ E	Yes; No; N/ E	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Eco-sustainable activities (aligned with taxonomy)																			
Turnover of environmentally sustainable activities (taxonomy aligned) (A.1)	€0.00	0.00%															0.00%		
	€0.00	0.00%															0.00%	A	
	€0.00	0.00%															0.00%		T
A.2 Activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities)																			
Manufacture of other low-carbon technologies Turnover from activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities) (A.2) Total (A.1 + A.2)	CCM 3.6	€4,235,289	1.71%	E	N/E	N/E	N/E	N/E	E; N/E	E; N/E	E	N/E	N/E	N/E	N/E	N/E	1.62%		
		€4,235,289	1.71%	1.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.62%		
		€4,235,289	1.71%	1.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.62%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover from activities not eligible for taxonomy (B)		€242,947,967	98.29%																
Total (A + B)		€247,183,256	100.00%																

Share of capital expenditure from products and services associated with taxonomy eligible activities - Disclosure for the year 2025

Criteria to contribute substantially			Criteria for “do no significant harm”																
Economic activities (1)	Code(s) (2)	CapEx (3)	Share of CapEx, FY N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Social Guarantees (17)	Share of CapEx aligned (A.1.) or eligible (A.2.) with taxonomy, FY 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
Assets		€	%	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Eco-sustainable activities (aligned with taxonomy)																			
CapEx of eco-sustainable activities (aligned with taxonomy) (A.1)																			
	€0.00																		
	€0.00																		
of which enabling	€0.00																		
of which transitional																			
A.2 Activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities)																			
Manufacture of other low-carbon technologies	CCM 3.6	€144,699	0.49%	E	N/E	N/E	N/E	N/E	N/E	E;	E;	E;	N/	N/	N/	N/		0.11%	
				E	N/E	N/E	N/E	N/E	E	E	E	E	E	E					
Transportation by motorcycles, cars and light commercial vehicles	CCM 3.6	€578,260	1.97%	E	N/E	N/E	N/E	N/E	N/E	E	N/E	N/E	N/E	N/E	N/E	N/E		0.44%	
Construction of new buildings	CCM 7.1 CE 3.1	€2,336,281	7.94%	E	N/E	N/E	E	N/E	N/E	E	N/E	N/E	N/E	N/E	N/E	N/E		0.00%	
Renovation of existing buildings	CCM 7.2 CE 3.2	€974,916	3.32%	E	N/E	N/E	E	N/E	N/E	E	N/E	N/E	N/E	N/E	N/E	N/E		0.09%	
Installation, maintenance and repair of energy efficiency devices	CCM 7.3	€660,011	2.24%	E	N/E	N/E	N/E	N/E	N/E	E	N/E	N/E	N/E	N/E	N/E	N/E		0.98%	

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Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings	CCM 7.4	€7,350	0.02%	E	N/E	N/E	N/E	N/E	N/E	0.02%	
		€435,230	1.48%	E	N/E	N/E	N/E	N/E	N/E	0.42%	
		€269,600	0.92%	E	N/E	N/E	N/E	N/E	N/E	0.00%	
		€11,425	0.04%	N/E	N/E	N/E	N/E	E	N/E	0.00%	
		€5,417,770	18.42%	18.39%	0.00%	0.00%	0.00%	0.04%	0.00%	2.21%	
	Total (A.1 + A.2)										2.21%
	B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY										
	CapEx of activities not eligible for taxonomy (B)										
	€29,406,000										
	Total (A + B)										

Share of CapEx/total CapEx		
Aligned with taxonomy by objective		Eligible for taxonomy by objective
CM	0.00%	18.39%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	11.26%
PPC	0.00%	0.04%
BIO	0.00%	0.00%

				Criteria for "do no significant harm"															
				Criteria to contribute substantially															
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Share of turnover, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Social Guarantees (17)	Share of turnover aligned (A.1.) or eligible (E) (A.2) with taxonomy, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Assets		€	%	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	Yes; No; N/E	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Eco-sustainable activities (aligned with taxonomy)																			
OpEx of eco-sustainable activities (aligned with taxonomy) (A.1)		€0.00	0.00%														0.00%		
of which enabling of which transitional		€0.00	0.00%														0.00%	A	
		€0.00	0.00%														0.00%		T
A.2 Activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities)																			
Hydrogen production	CCM 3.10	€39,235	0.71%	E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	0.79%		
Installation, maintenance, and repair of energy efficiency devices	CCM 7.3	€41,229	0.75%	E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	0.55%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	€12,989	0.24%	E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	0.23%		
OpEx of activities eligible for taxonomy but not eco-sustainable (activities not aligned with taxonomy) (A.2)		€93,453	1.69%	1.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.57%		
Total (A.1 + A.2)		€93,453	1.69%	1.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.57%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
OpEx of activities not eligible for taxonomy (B)		€5,421,619	98.31%																
Total (A + B)		€5,515,072	100.00%																

The following is the disclosure on activities related to the use of nuclear energy and gaseous fossil fuels, as required by Article 8 of Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2022/1214. Given the nature of its business, CEMBRE does not carry out, finance, or engage in activities related to the construction, development or upgrading of infrastructure for nuclear energy or gaseous fossil fuels, nor is it exposed to or involved in such activities.

Nuclear energy activities		
1.	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative electricity generation plants that produce energy from nuclear processes with a minimum amount of fuel cycle waste.	No
2.	The company carries out, finances or has exposures to the construction and safe operation of new nuclear plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, with the help of the best available technology.	No
3.	The company carries out, finances or has exposures to the safe operation of existing nuclear plants that generate electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and improvements in their safety.	No
Fossil gas activities		
4.	The company carries out, finances or has exposures to the construction or operation of electricity production plants that use gaseous fossil fuels.	No
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants that use gaseous fossil fuels.	No
6.	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that produce heat/cooling that use gaseous fossil fuels.	No

Table 14 – Absence of nuclear energy and fossil gas activities

E1 – Climate change

Governance

ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive systems

CEMBRE has a Remuneration Policy, which is publicly available on the company's website and which includes a sustainability-related incentive system for the CEO. As of today, the Incentive Plan includes, as LTI non-financial objectives, the increase in self-produced energy through the installation of photovoltaic panels, the introduction of process innovations with the reduction of repetitive manual movements by operators, and the implementation of a new production line. These objectives do not involve setting quantitative targets for the reduction of Greenhouse Gas (GHG) emissions, but indirectly contribute to the reduction of Scope 2 emissions through the increase in the share of renewable energy and the energy efficiency measures associated with the implementation of the new production line.

For a detailed description of the ESG incentive scheme, refer to paragraph 'GOV 3 Integration of sustainability performance in incentive systems' in the chapter 'ESRS 2 General information'.

Strategy

E1-1 – Transition plan for climate change mitigation

To date, the CEMBRE Group has not yet developed a transition plan for climate change mitigation, which would ensure the compatibility of the Group's business model with the Paris Agreement objectives of keeping the global temperature increase below 1.5°C, nor does it plan to adopt such a plan in the short term.

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

Through its financial materiality assessment, CEMBRE has identified both physical and transition climate risks. In particular, two physical risks that could impact the Group's activities in the medium/long term were assessed as material, and these are described in the sections below.

With regard to CEMBRE S.p.A., an assessment of physical climate risks was carried out with the aim of understanding the potential impacts of climate change on the company's assets and strategies. For further details, please also refer to the "EU Taxonomy" chapter of this document.

However, to date, the Group has not conducted a climate change resilience analysis of its strategy and business model.

Management of impacts, risks and opportunities

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

The process and methodology used to define impacts, risks and opportunities are described in the sub-paragraph 'IRO 1 – Description of processes to identify and assess material impacts, risks and opportunities' in the paragraph 'Management of impacts, risks and opportunities' in the chapter 'ESRS 2 – General information'. The Group adopts a structured and integrated approach to identifying and assessing the material impacts, risks and opportunities associated with its business, through the Dual Materiality analysis process.

With regard to the identification and assessment of impacts, risks and opportunities related to climate change, the direct company activities and the operations carried out along the upstream and downstream value chain were taken into account.

With regard to climate change, no significant positive impacts were identified in the impact materiality analysis; however, one negative impact was identified. In the financial analysis, three material risks and one material opportunity were identified, as described in the table below.

ESRS	Sub-topic	Impact Materiality	Financial Materiality
		Impacts	Risks/Opportunities
E1 - Climate change	Climate change mitigation	Contribution to climate change due to fuel combustion, energy consumption and F-gas leakage during activities.	Operational risk due to physical damage caused by adverse weather events that may impact Group-owned assets.
		–	Operational risk due to physical damage caused by adverse weather events that may impact the assets owned by the Group's suppliers and customers.
	Climate change adaptation	–	Operational and economic risk of production and delivery delays due to stringent raw material extraction regulations.
		–	Strategic and operational opportunity to access subsidised finance schemes through new investments in energy efficiency measures and technological innovation.
	Energy	Contribution to climate change due to fuel combustion, energy consumption and dispersion of F-gases during activities.	–

Table 15 – IRO relevant for Standard E1

The material impact identified occurs both in direct operations and upstream and downstream throughout the value chain.

To monitor its significant climate-related impacts, risks and opportunities, CEMBRE has developed and maintains an Integrated Management System compliant with the UNI EN ISO 14001 standard for the Environment and the UNI EN ISO 9001 standard for Quality, which incorporates the most recent provisions on climate change and is audited annually by independent third parties. The management system is based on legislative compliance and a risk-oriented approach. The first consists of all activities to ensure compliance with all mandatory and voluntary requirements, the second aims to identify, estimate and manage the environmental risks and opportunities generated by the impacts of production activities.

These assessments contribute to the identification of risks highlighted in the CEMBRE biennial risk assessment, with a focus on contextual and strategic risk analysis. In fact, the context analysis is periodically updated, considering the impact of climate change both at a strategic level, in cooperation with senior management, and at an operational level. In this process, specific strategic objectives are defined and subsequently reported in the Management Review.

With regard to the management of the material impact identified, this is measured through the monitoring of energy consumption (discussed in more detail in Disclosure Requirement E1-5, 'Energy consumption and energy mix') and the calculation of the Organisation's Carbon Footprint, based on the calculation of the CEMBRE Group's Scope 1, Scope 2 and Scope 3

emissions in accordance with the GHG Protocol Framework (discussed in more detail in Disclosure Requirement E1-6, 'Gross Scope 1, Scope 2 and Scope 3 Greenhouse Gas (GHG) emissions and total GHG emissions').

As regards the analysis of physical risks related to climate change, a climate risk assessment was conducted with specific reference to the parent company CEMBRE S.p.A., based on data from climate modelling studies. In particular, the climate scenarios developed by the Centre Euro-Mediterranean on Climate Change (CMCC) described in the documentation entitled 'Risk Analysis - Climate Change in Italy' were used. This analysis considers both short-term and long-term time horizons for the assessment of climate risks in Italy, in line with the expected lifespan of the Group's main assets. Although the climate scenarios developed by the CMCC were consulted, the assessment focused on short-term historical data. In particular, an analysis was carried out to determine how the company's activities could be exposed to climate hazards, by consulting local and national management plans and specific geographical maps, without identifying any significant risks. However, it was taken into account that, in the medium to long term, the increased frequency of extreme weather events, such as floods, hurricanes, forest fires and heat waves, could expose the Group's business assets to significant damage, thereby jeopardising operations. Furthermore, such events could also affect the Group's suppliers and customers in the medium/long term, leading to delays or the suspension of operations, which would result in the unavailability of supply materials or delays and a reduction in sales.

With regard to the analysis of climate change-related transition risks and opportunities, CEMBRE did not consider climate scenarios in its assessments, nor were any significant transition climate risks identified. However, a significant opportunity was identified in the adoption of cutting-edge technologies, such as the purchase of machinery compliant with Industry 4.0/5.0 requirements and measures to improve the energy efficiency of industrial processes. These investments represent a strategic opportunity to strengthen the company's competitiveness and resilience, as well as facilitating access to subsidised financing.

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

The CEMBRE Group's Corporate Policy, approved by the Chief Executive Officer and applicable to all Group companies, places importance on energy efficiency and on monitoring the consumption of environmental resources, but does not contain any specific references to climate change mitigation or adaptation. Currently, the Policy, which is available on the company website, refers to international standards for the standardisation of processes and products, but does not cover indirect operations or provide for the involvement of external stakeholders.

However, the implementation of the ISO 14001 environmental management standard at the Group's production units in Italy and the UK, at CEMBRE S.p.A. and CEMBRE Ltd respectively, has underscored the Group's firm commitment to recognised environmental standards, making a significant contribution to promoting operational management that is more focused on mitigating climate change and improving energy efficiency.

The Group has envisaged various ways of monitoring and managing environmental data from an energy and climate perspective:

- monthly monitoring of energy consumption for each production department, compared with the hours of production and/or the materials processed, so as to obtain clear, unique performance indicators. The data collected is compared with a target based on the average for the previous three years and presented in dedicated graphs that are shared with Management and Department Managers monthly. Any deviations are analysed and discussed with the managers in order to identify their causes and ensure that the results are

correctly interpreted.

- annual checks of refrigeration systems to identify possible leakage of ozone depleting substances (F-GAS);
- annual calculation of an organisation's Carbon Footprint.

As a large company pursuant to Legislative Decree 102/2014, CEMBRE S.p.A. is actively committed to energy efficiency. To this end, it periodically updates its energy audit through a specialist company. The most recent audit, carried out in 2023 and covering 2022 consumption, confirmed CEMBRE awareness of the benefits of implementing energy efficiency measures. Reducing costs and protecting the environment, in terms of lower greenhouse gas emissions, are indeed two priority aspects for the company. The next energy audit will be carried out in 2027, based on data collected in 2026. CEMBRE believes that energy efficiency and procurement from renewable sources are fundamental building blocks for a more sustainable future. Although the policy does not explicitly refer to the promotion of climate change adaptation measures, the company will continue to invest in innovative technologies and to foster a culture of environmental sustainability among its workforce, integrating sustainability principles into day-to-day practices and encouraging responsible and sustainable behaviour, with the aim of contributing to climate change mitigation and the responsible management of its own climate impact.

E1-3 - Actions and resources related to climate change policies

In order to mitigate significant impacts and prevent risks related to climate change and energy, CEMBRE develops a series of initiatives that demonstrate the commitment to environmental sustainability, although these initiatives are not yet supported by a specific decarbonisation plan.

Below are some examples of the targeted actions undertaken by the Group and broken down by decarbonisation lever.

1. Energy efficiency

- Replacement of lighting systems with LED technology: the project aims to replace more than 900 traditional lighting fixtures with LED technology by 2026, resulting in an estimated 40% saving in energy consumption related to lighting and an annual reduction in emissions of more than 100 tCO₂eq. In 2025, progress on the project slowed following the relocation of certain departments to the new buildings; the replacement work was therefore temporarily suspended pending a decision on the future use of the areas concerned. Despite this, approximately 700 lighting fixtures have been replaced.
- Installation of new production machinery: when relocating to the new plants, CEMBRE S.p.A. upgraded and replaced the industrial washing machines and the furnace. The washing machines, which were previously gas-fired, have been replaced with electric models, resulting in a 100% reduction in emissions associated with the combustion of methane for production (equivalent to about 32,600 kgCO₂eq per year). In addition, the new furnace will result in a 21% reduction in greenhouse gas emissions (about 6 kg CO₂eq per tonne produced). The systems will become operational in 2026, and the associated benefits will be reported in the next Sustainability Report. The costs incurred for the installation of the new kiln amount to €1,022,280, while the costs for the installation of the new, latest-generation modified-alcohol washing machines amount to €866,662.
- Installation of monitoring systems: during 2024, new energy and gas consumption monitoring systems were installed at the CEMBRE S.p.A. headquarters. These systems enable energy consumption to be quantified with precision. Although the monitoring systems were operational in 2025, the company is currently in an intermediate phase, which involves the transition from the current system to a single system that will also cover the consumption of the new buildings.

2. Use of energy from renewable sources

- In 2025, a new 742 kW photovoltaic system was installed in CEMBRE S.p.A. new buildings, supplementing the existing system. The financial resources allocated for the installation of the new photovoltaic system are disclosed in accordance with Article 8 of Regulation (EU) 2020/852 in the "EU Taxonomy" chapter. The expenditure incurred for the implementation of the project amounted to €435,230.
- Procurement of electricity from renewable sources: In 2025, the CEMBRE S.p.A. headquarters in Brescia procured electricity derived exclusively from 100% renewable sources, thereby ensuring that its operational activities were powered by certified energy. By purchasing electricity covered by Guarantees of Origin, the Italian site was able to reduce its Scope 2 greenhouse gas (GHG) emissions, calculated using the market-based approach, by 100%.

3. Sustainable mobility

- Definition of the Home-Work Commute Plan: CEMBRE S.p.A. Home-Work Commute Plan (PSCL), active since 2022, is contributing to a gradual change in employees' home-work commuting habits with economic, environmental and social benefits. The document identifies a number of alternative measures to the use of private cars for home-work-home transfers of company personnel. The company is required to submit the documentation relating to the Plan to the Municipality of Brescia on an annual basis, as stipulated by law. The main objective is the reduction of travel, i.e. the reduction of atmospheric emissions as well as the improvement of urban traffic, making overall mobility to and from the company more sustainable. In 2025, thanks to the initiatives undertaken and the active participation of CEMBRE S.p.A. employees, who chose alternative modes of transport to the private car, it was possible to avoid the emission of 46 tCO₂eq; the calculations are based on the criteria of the GHG Protocol. The expenditure incurred for the implementation of the project amounted to €6,754.

4. Measuring and monitoring emissions

- In order to identify targeted measures to reduce greenhouse gas emissions, in 2023, CEMBRE initiated a process to measure the Product Carbon Footprint in accordance with UNI EN ISO 14067:2018, based on a life cycle assessment (LCA) covering the entire value chain. This analysis of impacts along the entire supply chain will enable the identification of the stages with the greatest environmental impact, thereby supporting decisions based on objective and measurable data. In 2023, the development of the model to measure the carbon footprint of the connector family was completed within the SimaPro software, which was subsequently used in 2024 to measure the carbon footprint of the industrial signage family. In 2025, CEMBRE initiated the process of having its product carbon footprint calculation models certified by an independent third-party body. The first certification is expected to be completed by mid-2026 for the connector range, with the process subsequently being extended to the other product ranges in the years to come.

Metrics and targets

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

As of today, the Group does not have any measurable public targets related to climate change. However, through its ISO 14001-compliant Corporate Management System, CEMBRE has established internal targets and monitors its environmental performance, with a particular focus on mitigating climate change in the medium term. To this end, specific KPI have been introduced to measure the efficiency of energy consumption associated with production activities and the related carbon dioxide emissions. These targets include both general targets related to the development of the plants, in order to assess the benefit brought by each project, and specific targets for each production department, updated monthly and modulated according to the results obtained in previous periods.

E1-5 - Energy consumption and energy mix

Energy consumption and energy mix		2025	2024
1	Fuel consumption from coal and coal products (MWh)	-	-
2	Fuel consumption from crude oil and petroleum products (MWh)	4,374.48	4,745.08
3	Fuel consumption from natural gas (MWh)	3,294.29	3,664.39
4	Fuel consumption from other non-renewable sources (MWh)	-	-
5	Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired (MWh)	985.74	5,259.77
6	Total energy consumption from fossil sources (MWh) (sum of rows 1 to 5)	8,654.51	13,669.24
	Share of fossil sources in total energy consumption (%)	40.36%	62.81%
7	Consumption from nuclear sources (MWh)	343.71	459.68
	Share of nuclear sources in total energy consumption (%)	1.60%	2.11%
8	Fuel consumption for renewable sources, including biomass (also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	-	-
9	Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired (MWh)	9,003.89	4,344.10
10	Consumption of self-generated non-fuel renewable energy (MWh)	3,441.44	3,290.40
11	Total energy consumption from renewable sources (MWh) (sum of rows 8 to 10)	12,445.33	7,634.50
	Share of renewable sources in total energy consumption (%)	58.04%	35.08%
	Total energy consumption (MWh) (sum of rows 6, 7 and 11)	21,443.55	21,763.42

Table 16 - Total energy consumption

Energy production	2025
Self-produced and consumed renewable energy (MWh)	1,788.44
Self-produced and sold renewable energy (MWh)	179.95
Total renewable energy produced (MWh)	1,968.39
Self-produced and consumed non-renewable energy (MWh)	-
Self-produced and sold non-renewable energy (MWh)	-
Total non-renewable energy produced (MWh)	-

Table 17 - Total energy consumption

Although total energy consumption showed a marginal reduction between 2024 and 2025 (down 1.47%), the company increased its purchase of energy from renewable sources with a guarantee of origin, thereby reducing the use of fossil fuels. Renewable energy consumption increased from 7,634.50 MWh in 2024 to 12,445.33 MWh in 2025, raising the share of renewable energy from 35.08% to 58.04%, primarily as a result of the exclusive procurement of electricity from renewable sources at the CEMBRE S.p.A. site in Brescia, which ensured that the company's operations were supplied with certified energy.

The energy mix used for electricity procurement is determined by analysing various sources, depending on the relevant site.

The data presented have been taken from the official website of the Association of Issuing Bodies (AIB) (<https://www.aib-net.org>)

The classification of purchased energy from renewable and non-renewable sources was done by considering residual mix data. Following a precautionary approach, the residual share of energy from renewable sources on the market, net of the shares covered by a guarantee of origin³, was attributed to natural gas as a fossil source, in the absence of precise details on its actual use. This method ensures an accurate and transparent analysis of the energy sources used.

Furthermore, in the above table, energy consumption data have been disaggregated by fuel type as the Group is among the companies operating in high climate impact sectors, with NACE code 27.90.09 belonging to category C of the sectoral classification (manufacturing activities).

The conversion factors used are as follows:

Source	Conversion factor
Diesel	11.91 MWh/t
Petrol	11.98 MWh/t
Natural Gas	0.0098 MWh/m ³
LPG	12.74 MWh/t

The natural gas conversion factor is calculated starting from:

- the calorific power of natural gas, based on standard national parameters of coefficients used for the inventory of CO₂ emissions in the national inventory UNFCCC (average values 2021-2023), equal to 0.035584 GJ/stdm³;
- and the conversion factor from GJ to MWh, which in technical literature is 0.27778.

³ source: www.aib-net.org

Energy intensity	2025	2024
Energy consumption MWh	21,443.55	21,763.42
Net revenue €/000	244,252	229,713
Energy intensity	0.088	0.095

Table 18 - Energy intensity

Energy intensity is calculated as the ratio of total energy consumption, corresponding to the sum of direct consumption and indirect consumption and net revenues consolidated in thousands of euro:

E1-6 - Gross Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions and total GHG emissions

CEMBRE is committed to measuring its Organisational Carbon Footprint with increasing accuracy, taking into account all types of direct and indirect greenhouse gas (GHG) emissions. In 2025, once again, greenhouse gas emissions were calculated in accordance with the GHG Protocol Framework. The analysis therefore focused on:

- Scope 1, which includes direct emissions from the company's activities;
- Scope 2, which considers indirect emissions related to the consumption of externally purchased or generated energy;
- Scope 3, which includes indirect emissions generated along the entire value chain, both upstream and downstream, providing a complete picture that integrates Scope 1 and Scope 2 emissions.

This breakdown ensures a thorough and transparent analysis of the overall climate change impact, providing a solid basis for possible future decarbonisation strategies.

It should be noted that, at present, CEMBRE is not included in any regulated GHG emissions trading scheme, either Scope 1 or Scope 2 emissions.

The emissions value was obtained by applying the formula:

$$\text{GHG emissions} = A * EF * GWP$$

Where:

- GHG emissions is the quantity of emissions calculated in tonnes of CO₂ equivalent;
- A is the activity data, specific to each emission category, e.g. quantity of fuel burned (kg), (m³), (l) or (tonne);
- EF (Emission Factor) is the amount of GHG emissions for each unit of activity;
- GWP is the Global Warming Potential defined by the IPCC.

Greenhouse gas emissions (tCO ₂ eq)	2025	2024
SCOPE 1 (direct)	1,899.89	2,077.83
from Diesel	966.25	1,016.52
from Petrol	182.39	243.37
from Natural Gas	672.89	748.49
from refrigerated gases	66.46	69.45
from LPG	11.90	-
SCOPE 2 (indirect)		
Electricity - Location based	2,163.43	2,232.84
Electricity - Market based	502.80	2,622.69

SCOPE 3 (indirect along the value chain)	122,674.32	111,507.0
1. Purchased goods and services	29,305.92	28,156.5
2. Capital goods	9,179.80	7,012.3
3. Fuel and energy activities (not included in Scope 1 or 2)	826.60	637.8
4. Upstream transport and distribution	2,012.46	1,824.4
5. Waste generated during operations	10.25	11.4
10. Transformations of products sold	81,339.30	73,865.0
Total emissions Scope 1, 2 (LB), 3	126,737.64	115,817.7
Total emissions Scope 1, 2 (MB), 3	125,077.01	116,207.6

Table 19 - Greenhouse gas emissions

The coefficients used to calculate direct emissions are taken from the national standard parameters table of coefficients used for the CO₂ emissions inventory in the UNFCCC national inventory, obtained from ISPRA 2023 data:

	UoM	Coefficients
Diesel	† CO ₂ e/t	3.169
Petrol	† CO ₂ e/t	3.152
Natural Gas	† CO ₂ e/1000m ³	2.019
LPG	† CO ₂ e/t	3.026

By contrast, for refrigerating gases, the following global heating potentials were used (GWP), whose source is the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC):

	UoM	GWP
Fgas - R410A	Kg CO ₂ e/kg	2,256
Fgas - R404A	Kg CO ₂ e/kg	4,728
Fgas - R407C	Kg CO ₂ e/kg	1,908
Fgas - R32	Kg CO ₂ e/kg	771
Fgas - R134A	Kg CO ₂ e/kg	1,530

On the other hand, with respect to indirect emissions:

- For the location-based emission factors relating to electricity procurement, the source used is Terna 2024 for the sites in the UK and the USA, and the European Environment Agency (EEA) 2024 for the other European countries;
- For the Market-Based emission factors relating to electricity procurement, the reference source is Residual Mixes 2024, published by the Association of Issuing Bodies (AIB) for European countries, and the Emissions & Generation Resource Integrated Database (eGRID) of the U.S. Environmental Protection Agency (EPA) for the USA.

As they are derived from different sources, it is possible that the Location-Based emission factors are higher than the Market-Based emission factors, as the methodologies used to estimate them are different.

Country	UoM	Location Based	Market Based
Italy	† CO ₂ e/MWh	0.180	0.441
United Kingdom	† CO ₂ e/MWh	0.192	0.421
France	† CO ₂ e/MWh	0.043	0.024
Spain	† CO ₂ e/MWh	0.129	0.292
USA	† CO ₂ e/MWh	0.361	0.348
Germany	† CO ₂ e/MWh	0.298	0.725

With regard to Scope 3 emissions, CEMBRE carried out a materiality analysis to assess which categories were applicable and material for the Group.

Indirect emissions along the value chain⁴ were calculated using emission factors published by:

- UK full dataset 1990 - 2021, including conversion factors by SIC code;
- UK Department for Environment, Food & Rural Affairs 2025;
- Ecoinvent database version 3.11, used via SimaPro software with cut-off approach.

The Scope 3 calculation includes the following categories.

Emissions from the purchase of goods (category 1) were calculated using the SimaPro software, based on the Ecoinvent database, and measured according to the quantities actually used.

The emissions associated with category 1 (purchase of services), 2, 4 and 10 were estimated by multiplying the direct cost or turnover associated with each type of service (expenditure on services for category 3.1, expenditure on capital goods for 3.2, expenditure on the transport of goods in and out of the country for 3.4, economic value of semi-products sold for 3.10, by the corresponding emission factor). This coefficient was determined by reference to the category indicated in table SIC_multipliers_2021 of the UK Government Conversion Factors for Company Reporting. The direct cost was converted into GBP using the average exchange rate for the reference year.

Emissions from fuel and energy related activities (category 3) and disposal and treatment of waste generated (category 5) were calculated using the latest version of DEFRA greenhouse gas conversion factors.

GHG emission intensity based on consolidated turnover	2025	2024
GHG emissions (location-based)	126,737.64	115,851.1
GHG emissions (market-based)	125,077.01	116,240.9
Net revenue €/000	244,252	229,713
GHG emission intensity (location-based)	0.519	0.504
GHG emission intensity (market-based)	0.512	0.506

Table 20 - GHG emissions intensity

GHG emissions intensity was calculated as the ratio of the sum of Scope 1, Scope 2 and Scope 3 GHG emissions to consolidated net revenues in thousands of euro.

E1-9 - Anticipated financial effects from physical and transition risks and from potential climate-related opportunities

With regard to information on the types and quantification of the anticipated financial impacts of the material risks and opportunities identified in the Financial Materiality Analysis in the area of climate change, the Group is making use of the transitional period provided for in Appendix C of ESRS 1.

⁴ The calculation methodologies for Scope 3 greenhouse gas emissions are subject to greater inherent limitations than those for Scope 1 and 2, due to the limited availability and relative accuracy of the information used to define this information, both quantitative and qualitative in nature, relating to the value chain.

E2 – Pollution

Management of impacts, risks and opportunities

IRO-1 - Description of processes to identify and assess material impacts, risks and opportunities related to pollution

The process and methodology used to define impacts, risks and opportunities are described in the sub-section 'IRO 1 – Description of processes to identify and assess material impacts, risks and opportunities' in the paragraph 'Management of impacts, risks and opportunities' in the chapter 'ESRS 2 – General information'. The Group adopts a structured and integrated approach to identifying and assessing the material impacts, risks and opportunities associated with its business, through the Dual Materiality analysis process.

With regard to the identification and assessment of impacts, risks and opportunities related to pollution, the direct company activities and the operations carried out along the upstream and downstream value chain were taken into account.

CEMBRE has developed and maintains an Environmental Management System in accordance with the UNI EN ISO 14001 standard, which is applied to its production units and audited annually by independent third parties. In addition, the Group carries out a biennial Risk Assessment process, which involves company management. However, at present, no consultations are held with affected communities in relation to pollution.

As part of the financial materiality analysis, no material risks or opportunities were identified. However, following the impact materiality analysis, potential negative impacts were identified, as described in the table below:

ESRS	Sub-topic	Impact materiality	Financial materiality
		Impacts	Risks/ Opportunities
E2 Pollution	Air pollution	Potential air pollution and worsening of human health conditions due to air pollutant emissions (e.g. NOx, PM, VOC) generated by industrial and civil processes.	–
	Water pollution	Potential pollution of water basins linked to the incorrect treatment of polluting discharges after certain industrial activities (e.g. discharges of contaminated water from raw material extraction activities, generation of sludge from ferrous materials processing activities).	–
	Soil pollution	Potential soil pollution related to the accidental dispersion of pollutants and other contaminants during certain industrial activities (e.g. release of metal and sludge residues from the extraction and processing of raw materials, such as plastics and ferrous materials).	–
		Potential negative environmental impacts related to employment and soil pollution from the expansion of the Brescia production site.	–

Table 21 – IRO relevant for Standard E2

These impacts can occur primarily upstream in the value chain and in direct operations.

E2-1 - Policies related to pollution

The CEMBRE Group's Corporate Policy, which applies to all Company personnel, also places importance on preventing and reducing air, water and soil pollution. Currently, the Policy, available on the company website, focuses solely on the management and protection of the Group's direct operations and does not provide for the involvement of external stakeholders or refer to external standards or initiatives.

Furthermore, CEMBRE S.p.A. is currently subject to a Single Environmental Authorisation (AUA), which sets out the limits and controls necessary to ensure compliance with applicable environmental regulations. In this context, the Company has developed and maintains an Environmental Management System in accordance with the UNI EN ISO 14001 standard, which supports a systematic approach to managing environmental performance and promotes continuous improvement and the adoption of sustainable practices.

In line with these commitments and its regulatory obligations, the Company has adopted various methods for monitoring and managing environmental data relating to pollution:

- monthly monitoring of the chemical substances used and the waste generated in each production department. These data are related to production hours and/or the quantity of materials processed in order to obtain clear and unambiguous performance indicators. This information is presented in the form of graphs and distributed to both Management and each Department Manager, ensuring that it is widely disseminated to all relevant operators;
- annual analyses carried out by a specialised external company to monitor the concentration of pollutants emitted into the atmosphere, ensuring compliance with the limits set by current legislation, and periodic checks on the proper functioning of the systems;
- monthly analyses carried out by a specialised external laboratory to monitor the concentration of pollutants discharged into water. Every six months, the laboratory carries out an accredited analysis, ensuring compliance with the limits established by current regulations. In addition, internal analyses are carried out prior to each discharge;
- periodic checks on the integrity of the tanks used to collect emulsions, wastewater to be treated and liquid waste, ensuring compliance with environmental protection standards and current regulations.

Furthermore, in 2025, the approval process for new chemical substances introduced into production processes was further strengthened, extending traceability to all hazard statements (H) associated with the substances, and no longer only to those considered most relevant, in order to ensure a more comprehensive and effective assessment. In addition, a further approval stage was introduced to formalise the assessment of substances and their potential effects on the wastewater treatment process.

E2-2 - Actions and resources related to pollution

The CEMBRE Group is actively committed to mitigating environmental pollution through the continuous monitoring and regular maintenance of its plants. The management of hazardous and chemical substances, including their storage, handling and use, is carried out by implementing rigorous procedures that are checked periodically and updated when necessary. Polluting substances are kept in dedicated areas, segregated from other materials used in the production process. The staff involved in the management of these substances are specifically trained and instructed.

Plant conformity is guaranteed by the continuous update and by the application of the Environmental Management System, which requires frequent, scheduled emissions monitoring,

with the support of specialised consultancy firms. Moreover, the continuous renewal of the production lines contributes to preventing the risk of obsolescence and wear and tear of machinery.

The amount of capital expenditure incurred in 2025 for the construction of the new aspiration plants installed in the new industrial buildings is: €319,435.

Metrics and targets

E2-3 - Targets related to pollution

To date, the Group has no public targets for air, water and soil pollutant emissions. However, as part of its ISO 14001-compliant Environmental Management System, CEMBRE monitors its performance in this area by introducing specific KPI.

These include, by way of example, the ratio of chemical substances used to the amount of water drawn for tinning baths, the monitoring of waste generated and chemical substances used in processes, and the indicator relating to the amount of wastewater discharged into the sewer system after the purification process compared to the volume of water drawn for the production of connectors. Furthermore, the Group regularly measures the pollutants released, ensuring that they comply with legal limits, thereby contributing to a proactive approach to environmental management and pollution reduction.

E2-4 - Air, water and soil pollution

An assessment of emissions to air and water was carried out, taking into account the quantities of substances released, as required by AUA – Executive Decree No. 403 of 04/02/2025. In addition, the quantities of emissions to air and water were checked against the thresholds set out in Annex 2 to Regulation (EC) No. 166/2006, and were found to be below those thresholds. It is also noted that no specific micro-plastics are used in the production processes.

With regard to the risk of soil contamination, operations are managed in such a way as to prevent the accidental release of substances and waste. This risk is further reduced by the regular audits carried out as part of the Environmental Management System, which ensure ongoing monitoring and full compliance with environmental standards. Instructions for emergency management are also in place to ensure correct and timely response, thereby limiting the environmental impact.

E3 – Water and marine resources

Management of impacts, risks and opportunities

IRO-1- Description of processes to identify and assess material impacts, risks and opportunities related to water and marine resources

The process and methodology used to define impacts, risks and opportunities are described in the sub-paragraph 'IRO 1 – Description of processes to identify and assess material impacts, risks and opportunities' in the paragraph 'Management of impacts, risks and opportunities' in the chapter 'ESRS 2 – General information'. The Group adopts a structured and integrated approach to identifying and assessing the material impacts, risks and opportunities associated with its business, through the Dual Materiality analysis process.

With regard to the identification and assessment of impacts, risks and opportunities related to water and marine resources, the direct company activities and the operations carried out along the upstream and downstream value chain were taken into account. In particular, the process of identifying and assessing the impact related to water resources was carried out following a mapping of the Group's sites⁵ using the Aqueduct tool (<https://www.wri.org/aqueduct>). This mapping revealed that the Brescia plant and the distribution companies in Spain, Germany, China⁶ and the United States fall within areas of high water stress, classified as 'high' or 'extremely high'.

CEMBRE has developed and maintains an Environmental Management System in accordance with the UNI EN ISO 14001 standard, which is audited annually by independent third parties. In addition, the Group carries out a biennial Risk Assessment process, which involves company management. However, at present, no consultations are carried out with the communities affected by water withdrawal and consumption.

With regard to water and marine resources, no material risks or opportunities emerged from the financial materiality analysis.

In contrast, as part of the impact materiality analysis, a potential negative impact was identified, as described in the table below:

ESRS	Sub-topic	Impact Materiality	Financial Materiality
		Impacts	Risks/Opportunities
E3 - Water and marine resources	Water withdrawal and consumption	Potential negative impacts on ecosystems and local communities due to excessive water use during industrial and civil processes near water-stressed areas.	–

Table 22 – IRO relevant for Standard E3

The impact may occur primarily upstream in the value chain and in direct operations. By contrast, downstream of the value chain, the impact is not deemed relevant.

⁵ The mapping was updated to include the new offices in China and the Netherlands, as well as the analysis for the French office, which was revised following the relocation to the new premises in Lyon.

⁶ Although the China office is located in a water-stressed area, its environmental data were not included in the analysis, as the activities carried out there are exclusively of a commercial nature, with only one employee, and the office is therefore not material for reporting purposes.

E3-1 - Policies related to water and marine resources

The CEMBRE Group's Corporate Policy, which applies to all Group companies, including therefore, the production sites - responsible for the most significant water consumption - and the sites located in areas of high water stress, also attaches importance to monitoring the consumption of natural resources, but does not contain any specific references to the management of water resources. Currently, the Policy, available on the company website, refers to international standards for standardisation, but does not cover indirect operations or provide for the involvement of external stakeholders.

For small, predominantly commercial sites located in areas of high water stress, no specific policies have been adopted, as consumption is limited. Although no specific policies have been adopted for the Brescia plant, water management is carried out through operational measures and efficiency improvements, and is one of the environmental aspects monitored and subject to continuous improvement within the framework of the Environmental Management System compliant with the UNI EN ISO 14001 standard. This system takes a holistic approach to managing environmental performance, including the management of water resources⁷.

E3-2 - Actions and resources related to water and marine resources

CEMBRE monitors its water consumption and implements targeted measures to optimise water resource management. In 2024, for example, at the Brescia site, which has the highest water consumption and is located in a water-stressed area, a section of the water supply network was decommissioned. This intervention made it possible to remove a section that had been affected by significant leaks over the years. At the other Group companies located in areas with high water stress, classified as 'high' or 'extremely high', no specific measures have been taken, as these are commercial sites with limited water consumption; however, awareness-raising initiatives on the responsible use of water resources continue to be carried out.

In 2025, CEMBRE focused its efforts on structural, forward-looking initiatives. Among these initiatives, the new electroplating plant at the Brescia site is nearing completion and will become operational in 2026. This plant has been designed using advanced technological solutions that will significantly improve the efficiency of water consumption.

The new plant will be equipped with an internal recirculation system, which will enable part of the water to be recovered and reintroduced into the production process, thereby reducing the need for water to be drawn from the well, treated and discharged immediately. This initiative forms part of the company's strategy to increase the recovery and reuse of water, with the aim of reducing water withdrawals from wells and optimising the water resources. The expected benefits of the new plant will be quantified once the final data for 2026 have been collected.

The capital expenditure incurred in 2025 for the construction of the electroplating plant amounted to €5,167,030, while the investment in the water treatment plant installed to serve the electroplating plant amounted to €1,457,290.

⁷ The Group has not adopted any policies or practices relating to the sustainability of the oceans and seas, as it does not operate in areas close to or in contact with oceans or seas.

Metrics and targets

E3-3 Targets related to water and marine resources

As of today, the Group does not have any measurable public targets related to water resource management. However, through its Environmental Management System in accordance with ISO 14001, CEMBRE monitors its performance related to water management through reference to specific internal KPIs, including supplying the cutting department washing machines with purified water instead of well water, reducing the consumption of well water for washing connectors or for production and watering.

E3-4 - Water consumption

The data shown in the table have been calculated for CEMBRE S.p.A. on the basis of physical meter readings, both for water drawn from the well and from the water supply network, as well as for discharges, thanks to the presence of a dedicated meter. For the other subsidiaries, consumption was calculated on the basis of the estimates shown on their utility bills⁸.

The table below shows the CEMBRE Group's water consumption data for the two-year period 2024–2025.

Water consumption (m ³)	2025		2024	
	All areas	Of which water-stressed areas	All areas	Of which water-stressed areas
Total water consumption	7,260.1	6,419.0	4,030.6	3,851.0
Total recycled and reused water	-	-	-	-
Total stored water	-	-	-	-

Table 23 – Water withdrawals, consumption and discharges

In 2025, overall water consumption increased by 80% compared to the previous year, while consumption in water-stressed areas increased by 67%. This increase compared to 2024 can be attributed, on the one hand, to the fact that 2024 was a year of exceptionally low consumption due to the significant reduction in the use of water for irrigation in response to drought conditions, which resulted in consumption levels that were much lower than the historical average (down 91% compared to 2023). On the other hand, in 2025, water withdrawals from industrial wells increased in connection with the development of new buildings and their associated systems, bringing overall consumption back to levels in line with historical figures. In particular, the increase in consumption from the industrial well is linked both to the use of this source in the new buildings and to the construction site operations required for their construction. In addition, from November 2025, well water was also used for the commissioning of the new electroplating plant and the wastewater treatment plant for the new buildings.

⁸ The data on the water consumption of the subsidiaries have been estimated based on available information, such as supplier invoices and historical consumption data. These estimates were used in the absence of direct measurement systems.

Water intensity, shown in the table below, is calculated as the ratio of total water consumption in m³ to consolidated turnover in thousands of euro.

Water intensity	2025	2024
Water consumption m ³	7,260.1	4,030.6
Consolidated net revenue €/000	244,252	229,713
Water intensity	0.030	0.018

Table 24 - Water intensity

E5 - Resource use and circular economy

Management of impacts, risks and opportunities

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

The process and methodology used to define impacts, risks and opportunities are described in the sub-section 'IRO 1 – Description of processes to identify and assess material impacts, risks and opportunities' in the paragraph 'Management of impacts, risks and opportunities' in the chapter 'ESRS 2 – General information'. The Group adopts a structured and integrated approach to identifying and assessing the material impacts, risks and opportunities associated with its activities and along its value chain, through the Dual Materiality analysis process.

With regard to resource use and the circular economy, in order to identify IRO, the direct company activities and the operations carried out along the value chain, both upstream and downstream, were taken into account.

CEMBRE has developed and maintains an Environmental Management System in accordance with the UNI EN ISO 14001 standard, which is audited annually by independent third parties. In addition, the Group carries out a biennial Risk Assessment process, which involves company management. However, at present, no consultations are held with affected communities or other stakeholders regarding resource use and the circular economy.

In the Dual Materiality analysis, one potential negative impact and two significant risks were identified. All relevant IRO are described in the table below:

ESRS	Sub-topic	Impact Materiality	Financial Materiality
		Impacts	Risks/Opportunities
E5 Resource use and circular economy	Resource inflow, including resource use	–	Operational risk of delays due to the limited availability of virgin raw materials and primary resources of the Group.
		–	Operational risk due to commodity price volatility.

Waste	Potential soil occupation and water and air pollution due to incorrect treatment of waste generated during production activities.	–
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Table 25 – IRO relevant for Standard E5

The impact can occur primarily upstream in the value chain and in direct operations, with a lower incidence downstream, linked to outbound logistics. The medium/long-term risks are of an indirect nature.

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

The CEMBRE Group's Corporate Policy, which applies to all Group companies, including, therefore, the production companies - responsible for generating the largest quantities of waste - and to all Group staff, also places importance on the management of the materials used, encouraging recycling over the use of virgin materials. However, the Policy does not contain any specific references to the sustainable sourcing and use of renewable resources. The Policy, available on the company website, refers to international standards for the standardisation of processes and products, but does not cover indirect operations or provide for the involvement of external stakeholders.

CEMBRE has developed and maintains an Environmental Management System in accordance with the UNI EN ISO 14001 standard, which is applied to production units and audited annually by independent third parties. This system supports a holistic approach to the management of environmental performance, including waste management as one of the environmental aspects subject to monitoring and continuous improvement.

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

As part of its Environmental Management System, CEMBRE has established specific instructions to ensure proper waste management at all stages, from collection in the departments to final disposal. The company also promotes awareness among employees and external contractors through training initiatives and by providing dedicated bins for separate waste collection and for special waste.

CEMBRE uses processing waste to manufacture a range of PA6.6 products that do not require high mechanical performance. In 2025, 5,090 kg of products were manufactured using exclusively recycled plastic, representing 12% of the total virgin plastic used by the company to produce other items.

Approximately 30% of the copper waste generated by connector manufacturing, in particular from the blanking of sheet metal and tubes, is managed as a by-product and sent to specialist companies to be reprocessed and reintroduced into the production cycle as a raw material.

In addition, throughout 2025, CEMBRE focused its attention on structural and forward-looking initiatives. In particular, the company purchased new, state-of-the-art modified alcohol washing machines, which are scheduled to be installed and put into operation in 2026. Thanks to specialised systems, these machines will enable the separation of the washing alcohols from the oil, which will then be recovered and reintroduced into the production process. The benefits of these initiatives will be quantified precisely once the final data for 2026 have been collected.

The amount of capital expenditure incurred in 2025 for the construction of the alcohol-oil separators installed in the new systems is: €11,500.

Metrics and targets

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

As of today, the CEMBRE Group does not have any public targets related to resource use and the circular economy. However, as part of its ISO 14001-compliant Environmental Management System, CEMBRE monitors its performance in a structured manner by continuously updating dedicated performance indicators, such as the quantity of waste generated in relation to the material processed in each production process.

E5-5 - Resource outflows

In 2025, CEMBRE S.p.A. adopted the RIFIUTOO software application to manage the loading and unloading of waste and to record these operations. The data shown in the table below are taken from the records of the quantities of waste delivered, as declared in the Single Environmental Declaration Form (MUD). The Group's foreign companies use different waste management software, from which they extract the data that is then aggregated in the table.

The table below shows the data on waste generated by the CEMBRE Group over the two-year period 2024–2025.

Waste produced (kg)	2025	2024
Total hazardous waste	478,551	514,614
of which sent for re-use	-	-
of which for recycling	222,473	231,494
of which for composting	-	-
of which for recovery (including energy recovery)	27,708	6,359
of which injection into a deep well	-	-
of which for landfill	224,950	258,000
of which for incineration (mass burning)	-	18,761
Other	420	-
Temporary storage and/or warehousing in the previous year	3,000	-
Total non-hazardous waste	1,354,849	1,156,736
of which sent for re-use	1,430	28,962
of which for recycling	1,169,904	1,079,190
of which for composting	290	-
of which for recovery (including energy recovery)	15,790	23,069
of which injection into a deep well	-	-
of which for landfill	159,880	8,960
of which for incineration (mass burning)	-	10,630
Other	6,055	5,925
Temporary storage and/or warehousing in the previous year	1,500	-
Total waste	1,833,400	1,671,350
of which: Total quantity of radioactive waste	-	-

% Total non-recycled waste⁹**23.98****19.85***Table 26 - Waste produced*

In 2025, total waste increased by 10% compared to 2024, with a 17% increase in non-hazardous waste and a 7% decrease in hazardous waste. In 2025, 74% of waste was non-hazardous waste, while 26% was hazardous waste. No radioactive waste was generated, and in the same year, 76% of the waste produced was recycled.

The non-hazardous waste generated by CEMBRE in 2025 mainly originated from the cutting and stamping processes for connectors, as well as from the mechanical machining operations for the production of tool and cable gland components and from the machining of plastic products. In particular, 65% of this waste is made up of metal and plastic scrap, including EER 120103 ('Brass, aluminium and copper scrap'), EER 120101 ('Iron/iron+aluminium turnings') and EER 120105 ('Polycarbonate scrap, waste and residues'). Approximately 15% of non-hazardous waste comes from wood packaging (EER 150103) used for the delivery of ferrous and non-ferrous materials. A further 10% consists of EER 161002 (aqueous liquid waste), resulting from the disposal of water used in the initial testing phases of the electroplating and water treatment plant in the new buildings, while the remaining 10% comprises various types of waste of lesser significance.

In 2025, the Group's non-hazardous waste generation increased by 17% compared to 2024, partly due to the one-off disposals of EER 161002 (D15) waste in November 2025.

Approximately 43% of the hazardous waste generated by CEMBRE in 2025 originated from the tinning and purification processes and consisted of waste classified as EER 110105* ('Acid eluate') and EER 060502* ('Filter press sludge'). Machining operations and the connector washing process contribute to the generation of a further 45% of hazardous waste, mainly in the form of EER 120109* ('Oily sludge'). A further 6% consists of the waste type EER 060313* ('Salts and their solutions containing metals'), derived from water softeners, while the remaining 6% is made up of various types of waste with a lower incidence.

In 2025, the hazardous waste generated by the Group decreased by 7% compared to 2024. This reduction is mainly due to the fact that no EWC 120109 waste oils from machining operations) waste was delivered, as it was not necessary to replace the emulsion in the Numerical Control Machinery (NCM) department, and to the fact that no EER 110106 ('Tin plating bath') waste was delivered, as the old electroplating plant will be decommissioned by the second quarter of 2026.

E5-6 - Anticipated financial effects from risks related to the circular economy and resource use

With regard to information on the types and quantification of the anticipated financial impacts of the significant risks identified in the Financial Materiality Analysis in the area of the circular economy and resource use, the Group is making use of the transitional period provided for in Appendix C of the ESRS.

⁹ Calculated as the percentage ratio between the total amount of waste not for recycling or reuse and the total amount of waste produced.

Social information

S1 Own workforce

Strategy

SBM-2 Stakeholders' interests and opinions

Among the stakeholders identified by CEMBRE, the employees who make up its own workforce constitute a key group. Indeed, when defining its strategy and business model, the Group fosters ongoing dialogue with its staff in order to understand their needs and expectations, while also ensuring the protection of human and labour rights.

The listening and involvement tools adopted, as well as the expectations of employees, are detailed in the chapter 'ESRS 2 - General Information', under the paragraph 'Stakeholders' interests and opinions'.

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

The process and methodology used to define impacts, risks and opportunities are described in the sub-section 'IRO 1 – Description of processes to identify and assess material impacts, risks and opportunities' in the paragraph 'Management of impacts, risks and opportunities' in the chapter 'ESRS 2 – General information'. The Group adopts a structured and integrated approach to identifying and assessing the material impacts, risks and opportunities associated with its business, through the Dual Materiality analysis process.

With regard to the Group's own workforce, the Dual Materiality analysis identified four negative impacts, which are described in the table below. From the results of the Financial Materiality process, no material risks or opportunities related to the own workforce emerged.

ESRS	Sub-topic	Impact Materiality	Financial Materiality
		Impacts	Risks/Opportunities
S1 – Own workforce	Health and safety	Negative impacts on workers' health and safety related to the consequences of workplace accidents.	–
	Working conditions	Potential negative impacts on employees and collaborators due to the lack of specific welfare and benefits plans (e.g. hour flexibility, smart working and work-life balance protection) and technical-professional development activities (e.g. development of technical and transversal skills) for Group employees.	–
	Other work-related rights	Potential negative impacts on employees caused by incidents	–

Equal treatment and opportunities for all	of disrespect for human rights due to unfair labour practices. Potential negative impacts related to the failure to respect and safeguard diversity, gender equality and equal pay for work of equal value and the inclusion of people from protected categories. -
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Table 27 – IRO relevant for Standard S1

The impacts identified are closely related to the company's business model. In particular, the potential negative impacts on workers' health and safety are directly related to the metalworking activities carried out by the company, which require a high level of vigilance and the implementation of appropriate preventive measures to ensure a safe working environment that complies with current regulations. These aspects are integrated into the company's health and safety strategy, which involves the ongoing monitoring of existing controls and the identification of opportunities for improvement.

Similarly, any impacts on employees related to failure to respect human rights or the principles of diversity and equal opportunities depend directly on the company's strategic decisions, which are aimed at safeguarding these aspects and promoting a fair and inclusive work environment. These principles are based on the Group Code of Ethics and the new Code of Conduct against harassment and violence in the workplace, supported, in countries where the law so requires, by the adoption of a whistleblowing reporting system. For more information on the aforementioned documents, refer to the following paragraph , 'S1 – 1 Policies related to own workforce'.

Finally, the potential impacts related to the absence of specific welfare schemes are also attributable to the company's current policy and could influence the company's future strategic decisions regarding employee well-being and support. The Group's workforce comprises all employees and non-employee workers, the latter consisting mainly of trainees and agency workers. With regard to potential negative impacts related to health and safety, workers employed in production are more exposed than administrative staff, as they are in direct contact with machinery, tools or process materials. Consequently, also at geographical level, the risk is greater in locations that host production facilities, i.e. CEMBRE S.p.A. in Italy and CEMBRE Ltd. in the United Kingdom.

Although the Dual Materiality analysis did not identify any operations posing a serious risk of forced or child labour, the Code of Ethics reiterates the Group's rejection of any form of human rights violation.

Moreover, with regard to the potential negative impacts of not respecting and safeguarding diversity, workers belonging to minorities or protected categories may be more vulnerable. With regard to the impact on diversity, CEMBRE has drawn up a Code of Conduct against harassment and violence in the workplace , which applies to all Group employees and external parties involved in the company's activities, as a tool for prevention and for promoting a culture that values respect for diversity and human dignity.

Management of impacts, risks and opportunities

S1-1 - Policies related to own workforce

Policy	Key content	Perimeter	Manager	National or international instruments	Accessibility
Code of Ethics	The values and ethical principles that reflect the Group and the standards of conduct that guide the Group's actions	CEMBRE Group and external stakeholders	Board of Directors	UN Guiding Principles on Business and Human Rights ILO Declaration on Fundamental Principles and Rights at Work Legislative Decree 231/2001	Company website, 'Corporate Governance' section
Code of Conduct against harassment and violence in the workplace	Declaration of Commitment to the Prevention of Violence and Harassment in the Workplace	CEMBRE Group and external stakeholders	Board of Directors	ILO Convention No. 190 and Recommendation No. 206 Whistleblowing	Company website (to be published by Q1 2026)
Company Policy	Guidelines for the management of the company's activities, with the aim of ensuring the satisfaction of all stakeholders	CEMBRE Group	Chief Executive Officer	ISO 9001:2015, ISO 14001:2015; ISO 45001:2018; ISO 37001:2016	Company website, 'Certifications' section

Table 28 – Policies related to own workforce

To effectively manage the significant impacts related to its workforce, CEMBRE adopts a structured and systemic approach, based on its Company Policy. Within the scope of the Policy, CEMBRE actively promotes the accountability, involvement and participation of its collaborators, as well as listening to them, while also raising awareness of occupational health and safety issues. CEMBRE adopts an integrated approach that involves all organisational levels, through targeted training activities, the analysis and systematic reduction of risks, the creation of safe and healthy working environments, and the promotion of a culture of sustainability within the Group.

In order to effectively translate the objectives of the Corporate Policy into operational practices, plan processes, proactively prevent potential risks and opportunities, and identify actions for continuous improvement, CEMBRE has implemented a standardised Company Management System, compliant with ISO 9001 (adopted at Group level) and ISO 45001 (applied to the production units). In particular, the company has established a structured system of operating procedures and instructions aimed at preventing accidents and injuries. The system is continuously monitored through internal and external audits, periodic reviews of objectives by Management, and a programme of ongoing staff training, thereby ensuring the gradual improvement of occupational health and safety performance.

The Group's employees and collaborators are among the main recipients of the Code of Ethics, approved by the Board of Directors by resolution of 14 November 2025 and made publicly available on the company website. The document sets out the core principles and values that guide the company's conduct, with a particular focus on respect for personal dignity, privacy and the rights of every individual. In this context, the Code promotes an inclusive work environment, in which people of different nationalities, cultures, religions and ethnicities work together in an atmosphere of mutual respect.

The Code also imposes respect for the principle of equality, prohibiting any form of discrimination or harassment, and actively upholds internationally recognised human rights, firmly rejecting all forms of child or forced labour as understood by the International Labour Organisation (ILO) Minimum Age Convention No. 138/1973. In line with these values, the Group does not tolerate discrimination or unfair treatment based on gender, race, ethnic or cultural origin, religion or sexual orientation. Moreover, the Group aims to create and maintain a working environment modelled on the protection of human and fundamental rights, including guaranteeing the protection of the privacy of all employees. The document is inspired by international documents such as the UN Guiding Principles on Business and Human Rights and the ILO Declaration of Fundamental Principles and Rights at Work. The Code of Ethics was updated on 14 November 2025 to include a reference to the Code of Conduct against harassment and violence in the workplace, thereby reinforcing the Group's commitments to all stakeholders to promote a working environment that ensures the dignity and moral and physical integrity of all individuals. All employees will receive dedicated training on the Code of Ethics and the Code of Conduct in 2026.

In 2025, human resources management was strengthened through the appointment of a Group HR Manager, with the aim of standardising human resources management processes and acting as a liaison with the individual HR personnel in the various companies. One of the main objectives of the new role is to establish uniform guidelines for all countries, thereby promoting the roll-out of established and valuable welfare initiatives at Group level, ensuring fair treatment for all employees and adopting shared tools where possible. As part of this reorganisation, a process of digitalisation and integration of information systems has been initiated, with the aim of centralising and enhancing human resources data.

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

In order to promote an effective and constructive interaction between top management and employees, CEMBRE implements an articulated stakeholder engagement process, briefly presented in the paragraph "Stakeholders' interests and opinions".

In this context, the Group adopts an approach that includes, on an annual basis, both individual interviews with employees, aimed at performance evaluation and professional development, and collective meetings dedicated to providing a transparent overview of the company's performance, future strategies and growth objectives. One-to-one meetings form part of an established process of employee engagement and appraisal, which enables each employee to make their voice heard, to put forward requests or suggestions that can help improve their work, and to set individual objectives for the coming year.

These initiatives aim to foster open dialogue, strengthen a sense of belonging and stimulate a collaborative working environment. The relevant Directors, having received the approval of the administrative bodies, are responsible for the organisation and implementation of these initiatives. In addition, there are employee representatives at some of the Group's locations to ensure that the interests and needs of employees, including human rights issues, are protected. For details on the percentages of workers covered by this form of representation, refer to the paragraph 'S1-11 - Coverage of collective bargaining and social dialogue'.

There are currently no systems in place to assess the effectiveness of individual appraisals or collective meetings, as these initiatives are aimed at the entire company workforce and no specific mechanisms have currently been implemented to obtain feedback from participants.

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

To report alleged misconduct, three different reporting channels are made available: internal, external or public disclosure, to be used in a progressive and subsidiary manner. In particular, with regard to the internal reporting channel, a dedicated online portal and an oral channel via voice messaging system were set up. Reports are always treated with respect for the privacy and anonymity of the respondents.

The presence of the aforementioned channels is communicated to all employees by displaying material information both in the workplace and on the company website, as well as provided when hiring a new employee. In addition, specific training on whistleblowing is also included in the personnel training plans provided by the Company.

In order to identify and remedy any negative impact on its own workers, CEMBRE has defined a whistleblowing reporting system, which provides for a specific process for managing internal reports, comprising the following phases:

- Receipt of report;
- Verification of procedural feasibility;
- Verification of eligibility;
- Investigation and assessment of the report;
- Feedback to the reporter.

In addition, an ad hoc process has been defined to handle cases of reports concerning corporate bodies and conflict of interest situations.

Finally, having received the report with the outcome of the investigation and assessment phase of the report, the Chair of the Board of Directors assesses whether to initiate disciplinary proceedings against the persons reported, who are deemed responsible for the breach or unlawful conduct following the analysis carried out and the assessment carried out also in the case of personnel-related issues.

Annually, the reporting manager prepares a report summarising the reports received during the year, the analysis performed and the outcome of the reports in order to monitor the issues raised and ensure the effectiveness of the reporting channels. In 2025, no reports were received via the channels provided by CEMBRE.

To date, there are no specific processes or mechanisms in place to assess the level at which the Group's people consider the reporting systems provided to be reliable.

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

In accordance with the principles defined in its Corporate Policy and Code of Ethics, CEMBRE has implemented various actions to mitigate as far as possible the negative impacts generated or that could occur on its workforce.

The initiatives of particular importance to CEMBRE are grouped under the following macro-topics: training, welfare, human rights, and occupational health and safety. These initiatives, in line with the principles enshrined in the Group's Code of Ethics, are implemented with full respect for human rights and workers' rights. The provision takes place ensuring equal opportunities for all, without any gender distinction, to protect dignity and inclusion.

The actions, described in detail in the relevant paragraphs, represent the activities already implemented in 2025.

The topics identified are described and discussed in greater detail in the following paragraphs.

Metrics and targets

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

To date, CEMBRE has neither quantitative nor qualitative targets related to the management and monitoring of the impacts generated on the Group's people. However, with regard to the potential negative impact on people's health and safety, CEMBRE has adopted an Integrated Management System that monitors critical KPI throughout the year, such as near misses and the number of injuries. With regard to potential negative impacts related to respect for human rights and the safeguarding of diversity, the CEMBRE Group has set the objective of providing training on the new Code of Conduct in 2026, which will involve all employees.

S1-6 - Characteristics of the company's employees

Quantitative information on CEMBRE employees in 2025 is provided below. The figures refer to the number of employees in service as at 31.12.2025 and are expressed in headcount. The tables provide a comparison with the figures as at 31.12.2024; it can be seen that the figures for S1-6 show slight changes (+3.06% is the change in the total number of employees), which are natural in view of the business performance, which also saw the inclusion of the Dutch company CEMBRE B.V. in the reporting scope¹⁰.

All the metrics presented in this section were obtained from the managers of the Group companies and validated by the Parent Company, as described in the chapter "ESRS 2 – General Information", in the sub-paragraph "GOV – 5 Risk management and internal controls over Sustainability Reporting".

¹⁰ The Irish site, Cembre Ltd (IE), has not been included in the table as it had no employees as at 31.12.2025.

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Personnel by company (headcount)	2025			2024		
	female	male	total	female	male	total
CEMBRE S.p.A.	125	400	525	125	384	509
CEMBRE S.a.r.l. (F)	14	22	36	13	22	35
CEMBRE GmbH (D)	16	42	58	17	47	64
CEMBRE S.L.U. (E)	8	41	49	7	41	48
CEMBRE Ltd. (UK)	27	101	128	32	91	123
CEMBRE B.V.	1	2	3	-	-	-
CEMBRE Inc. (USA)	10	29	39	11	27	38
CEMBRE El. Conn. Shanghai Limited (CN)	1	4	5	-	1	1
Total	202	641	843	205	613	818

Table 29 – Personnel by company

The average number of employees in 2025 was 940. For more details, please refer to section 24 'Personnel Costs' of the Group's Annual Report 2025.

Personnel by contract type (headcount)	2025			2024		
	female	male	total	female	male	total
Full time	171	635	806	174	599	773
Part time	31	6	37	31	14	45
Total	202	641	843	205	613	818

Table 30 – Personnel by contract type

Personnel by contract term (headcount)	2025			2024		
	female	male	total	female	male	total
Permanent	198	615	813	200	583	783
Fixed term	4	26	30	5	30	35
Personnel with non-guaranteed hours	-	-	-	-	-	-
Total	202	641	843	205	613	818

Table 31 – Personnel by contract term

Turnover rate (headcount)	2025	2024
	total	total
Outgoing personnel	100	101
Total number of persons (reference to ESRS S1-6)	843	818
Turnover rate¹¹	11.9%	12.3%

Table 32 – Turnover rate

¹¹ The turnover rate is calculated as the ratio of the number of termination to the total number of employees in service as at 31 December of the reporting year.

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

Below is information on the number of non-employee workers in service in the Group in 2025. The figures are expressed in headcount and refer to the number of workers within CEMBRE as at 31.12.2025¹².

Temporary workers (headcount)	2025	2024
CEMBRE S.p.A.	107	84
CEMBRE S.a.r.l. (F)	-	7
CEMBRE GmbH (D)	-	-
CEMBRE S.L.U. (E)	2	4
CEMBRE Ltd. (UK)	10	4
CEMBRE B.V.	-	-
CEMBRE Inc. (USA)	-	-
CEMBRE El. Conn. Shanghai Limited (CN)	-	-
Total	119	99

Table 33 – Temporary workers

In the calculation of non-employees of the CEMBRE Group, temporary workers and trainees, including students in work-school alternation present as at 31 December 2025, were taken into account. Temporary workers, in particular, are generally hired on contracts of varying lengths (6, 8 or 12 months), which ensures their continuous presence for much of the year.

S1-8 - Coverage of collective bargaining and social dialogue

The employment contracts applied to all CEMBRE S.p.A. employees are the Collective Contract National Labour "CCNL Metalworking and Plant Installation Industry" and "CCNL Industrial Managers". In compliance with the provisions of the national labour agreement, the company envisages a minimum notice period for its employees, if a transfer is required, of two weeks.

The employment contracts of the European subsidiaries CEMBRE Sarl (France), CEMBRE GmbH (Germany) and CEMBRE SLU (Spain) are drawn up in accordance with the collective agreements of the sector and the regulations in force in the various countries. In the Netherlands, on the other hand, employment contracts are negotiated on an individual basis. As regards France and the Netherlands, the minimum notice period is set at four weeks, while in Spain it is two weeks. In Germany, the minimum notice period is stated in the contract with the employee as it is an individual agreement. If the employment contract contains no rules or refers to the law, the statutory notice period of four weeks applies. Furthermore, for CEMBRE GmbH, only the general manager and the Chief Operating Officer (COO) are not covered by the works council with which the management agrees on new hirings, dismissals and in general matters of common interest to the company.

The non-European subsidiaries CEMBRE Ltd. (UK) and CEMBRE Inc. (USA) enter into employment contracts with their employees on an individual basis. In the UK, the minimum notice period is usually 4 weeks and can be extended to 12-24 weeks for personnel with a significant length of service. By contrast, in the United States, four weeks' notice is typically given. However, since there are no applicable collective bargaining agreements or contracts, there is no obligation. In China,

¹² The Irish site, Cembre Ltd (IE), has not been included in the table as it had no non-employee workers as at 31/12/2025.

collective bargaining is in place, and the minimum notice period is 4 weeks.

The following table shows the collective bargaining coverage for employees of the Group's European locations. At four locations, 100% of employees are covered by collective bargaining, with the sole exception of the Netherlands, where bargaining takes place on an individual basis. The percentage of employees represented by trade union representatives varies depending on the location. It should be noted that there are no representation agreements by the European Works Council (EWC), the European Company (SE) Works Council or the European Cooperative Society (SCE) Works Council.

Collective contracts	CEMBRE S.p.A.	CEMBRE S.a.r.l.	CEMBRE GmbH	CEMBRE S.L.U.	CEMBRE B.V.
% employees covered by collective contracts	100%	100%	100%	100%	0%
% employees covered by workers' representatives	100%	100%	96.6%	0%	0%
Total employees (reference to ESRS S1-6).	525	36	58	49	3
Workers covered by collective contracts	525	36	58	49	-
Workers covered by workers' representatives	525	36	56	-	-

Table 34 - Contractual agreements for the Group's European locations

As regards the Group's non-European locations, on the other hand, the following figures were recorded.

Collective contracts (unit of measure no.)	CEMBRE Ltd.	CEMBRE INC.	CEMBRE Shanghai Ltd.
% employees covered by collective contracts	0%	0%	100%
% employees covered by workers' representatives	0%	0%	0%
Total employees (reference to ESRS S1-6).	128	39	5
Workers covered by collective contracts	-	-	5
Workers covered by workers' representatives	-	-	-

Table 35 - Contractual agreements for the Group's non-European sites

S1-9 - Diversity metrics

The definition of top management in the Corporate Governance Code is as follows: "senior managers who are not members of the board of directors and have the power and responsibility for planning, directing and controlling the activities of the company and the group they head".

Based on this definition, the company considers that there are currently no top managers in the organisation chart as defined in the Corporate Governance Code 2020. Individuals with the aforementioned powers and responsibilities both sit on the Board of Directors.

The CEMBRE Group's Board of Directors is composed of eight members equally divided between women and men, representing 50% of the total respectively.

Board members (unit of measure no.)	Female	Male	Total
Total	4	4	8
Percentage	50%	50%	100%

Table 36 - Board members by gender and age group

Personnel by age group (unit of measure no.)	2025	2024
	Total	Total
<30 years	125	190
30-50 years	440	394
>50 years	278	234
Total	843	818

Table 37 - Personnel by age group

S1-10 - Adequate wages

Employees of Group companies located in Italy (CEMBRE S.p.A.), Spain (CEMBRE S.L.U.), France (CEMBRE S.a.r.l.) and Germany (CEMBRE GmbH) are covered by national collective bargaining agreements or agreements with trade associations aimed at protecting a level of remuneration deemed adequate with respect to international benchmarks or applicable national regulations.

With regard to the Group's production site in the UK and the sales site in the US, the official government and labour sites set a minimum hourly wage that is considered adequate. In particular, in the US, the average wage is about twice the minimum wage. The new Chinese business site also provides for a collective bargaining system for the registered employee, which safeguards obtaining a fair wage.

It should also be noted that the average hourly remuneration analysed also in relation to the gender pay gap indicator and detailed in the paragraph "Remuneration metrics (pay gap and total remuneration)", is higher than the minimums established by national regulations for all Group companies.

S1-11 - Social protection

All CEMBRE Group companies cover their employees through the appropriate social protection instruments against loss of income due to major life events.

In particular, CEMBRE SpA, through specific public programmes (provided by INPS, INAIL, METASALUTE and FASl) covers workers for all the following events:

- illness;
- unemployment from the moment the worker works for the enterprise;
- occupational injury and acquired disability;
- parental leave;
- retirement.

The aforementioned macro-categories of events are also covered by all other Group companies according to the legislation in force in the specific countries of reference, public programmes, the directives of the trade associations to which they belong and the corporate policies implemented

by the individual company.

S1-12 - Persons with disabilities

As at 31 December 2025, the CEMBRE Group had 22 workers with disabilities, representing 2.6%¹³ of its total workforce, a figure in line with the previous year, as shown in the table below.

People with disabilities among employees subject to legal restrictions ¹⁴	2025	2024
	Value	Value
Total number of persons with disabilities	22	24
Total number of persons (reference to ESRS S1-6)	843	818
Percentage of persons with disabilities	2.6%	2.9%

Table 38 - Persons with disabilities in the CEMBRE Group

S1-13 - Training and skills development metrics

CEMBRE is committed to providing its employees with comprehensive and customised training in line with their duties and seniority level in accordance with the internal procedures of the Integrated Company System and without making gender distinctions, guaranteeing equal opportunities also in terms of diversity.

Training takes place in several stages:

- upon recruitment: new employees are trained on their specific tasks and company protocols;
- in the event of a change in assignments: employees receive specific training for their new role;
- when updating or changing procedures, processes, machinery or technology: training ensures that employees are always up-to-date with the latest developments.

The company defines minimum requirements for experience, preparation and training for the different tasks, specifying the education, information and training and the related responsibilities. In this way, CEMBRE ensures that its employees have the skills they need to perform their work to the best of their ability and to grow professionally within the Group. During one-to-one meetings, Group employees can express specific training needs, whether related to their day-to-day activities or to participation in advanced university courses.

The Personnel Office coordinates the training of employees, recording participation in courses and verifying their effectiveness through evaluation. Thus, individual progress is measured and areas for improvement are identified, outlining customised development paths. This training plan also makes it possible to prevent or minimise any negative impact on Group employees related to a potential lack of technical and professional development activities. The majority of training hours are delivered in the area of hard skills, particularly for the Operations sector.

The effectiveness of the training is evaluated by the head of function at the end of the training and through satisfaction questionnaires dedicated to the individual courses.

With regard to the foreign subsidiaries, training needs are currently managed locally by the respective HR functions, which gather information on training requirements and deliver both in-person and online courses. The overall figure for the average number of hours of training provided

¹³ For methodological purposes, it should be noted that the calculation carried out for CEMBRE S.p.A. took into account only persons with disabilities and did not include the two protected categories.

as at 31 December 2025 is in line with the figure for the previous year.

Annual training hours by gender (unit of measure h)	2025		2024	
	Total training hours	Average hours	Total training hours	Average hours
Female	2,307	11.4	3,471	16.9
Male	18,522	28.9	17,166	28.0
Total	20,829	24.7	20,637	25.2

Table 39 – Annual training hours by gender

Annual personal and corporate performance assessment interviews (unit of measure no.)	2025			2024		
	Female	Male	Total	Female	Male	Total
Personnel who participated in the interview	178	595	773	175	547	722
Total number of persons (reference to ESRS S1-6)	202	641	843	205	613	818
Participation percentage	88.1%	92.8%	91.7%	85.4%	89.2%	88.3%

Table 40 - Evaluation interviews

S1-14 - Health and safety metrics

CEMBRE is actively committed to ensuring the health and safety of all Group employees. This commitment is expressed through an organised management of the Health and Safety system, which aims both to respond positively and concretely to the needs of all stakeholders, and to ensure increasingly healthy and safe working environments for CEMBRE employees and for all persons who, for various reasons, access the workplace. The aim is to prevent the occurrence of injuries, occupational diseases and near-miss situations (i.e., potential incidents).

The CEMBRE Group is committed to mitigating, where possible, the potential impacts generated relating to the health and safety of its employees and customers. In line with the principles of the Group's Code of Ethics, current regulations and the ISO 45001-compliant Management System, CEMBRE has adopted a system of procedures and operating instructions to prevent accidents and injuries. In addition, the Management System is subject to continuous monitoring through internal and external audits, as well as the verification of objectives by Management and ongoing staff training.

The Employer of CEMBRE S.p.A., assisted by its collaborators, conducts and documents an in-depth analysis of the risks associated with company processes, identifying any hazardous situations. On the basis of the Risk Assessment Document, and with the aim of preventing or at least mitigating the identified potential threats, they work to implement the necessary actions. These may include the adoption of Personal Protective Equipment (PPE), the promotion of specific training opportunities, intervention in equipment and changes in operating methods, all aimed at effectively reducing identified risks.

CEMBRE pays careful attention to the workplace, ensuring that the conditions are suitable for work to be carried out safely. It also promotes awareness of the importance of protecting the environment and working conditions, involving both internal and external personnel.

In each department, critical safety issues are checked in operations and employees are trained on how to deal with them, also with the support of an external expert.

CEMBRE constantly monitors indicators of near misses, accidents and injuries. The reports, duly

collected and analysed, make it possible to identify solutions to limit dangerous situations and prevent their recurrence. Data processing takes place annually at the Management Review and the Workers' Health and Safety Meeting. The results are presented to Management and to internal and external entities with an interest in the Group.

In addition, in 2025, the Risk Assessment Document (RAD) was updated to formally include the psychosocial risk associated with the impact of potential harassment and violence in the workplace.

With regard to occupational health and safety performance in 2025, ISO 45001 validity checks were carried out and it was reconfirmed. In total, 77.5% of the Group's employees are covered by the Health and Safety Management System according to this certification.

The following table shows the data on occupational accidents recorded by the CEMBRE Group for the year 2025, divided between employees and non-employees. Specifically, an overall workplace accident rate (based on 1,000,000 employees) of 5.51 was calculated, in line with the previous year (5.59). In contrast, the mortality rate is zero.

Injuries at work	2025			2024		
	Employees	Non-employees	Total	Employees	Non-employees	Total
Number of hours worked	1,481,462	152,316	1,633,778	1,437,485	145,568	1,583,053
Number of near misses	19	-	19	30	-	30
Number of high impact occupational accidents (> 6 months absence) excluding deaths	-	-	-	1	-	1
Number of deaths due to accidents at work or occupational diseases	-	-	-	-	-	-
Number of recordable occupational accidents, including fatalities	8	1	9	7	2	9
Rate of recordable accidents at work (base 1,000,000)	5.40	6.57	5.51	4.87	13.74	5.69
Rate of occupational accidents with serious consequences (base 1,000,000)	0.00	0.00	0.00	0.70	0.00	0.63

Table 41 - Accidents at work for employees and non-employees

The data on workplace safety are taken from the human resources management software, the company doctor's report, and the files used to manage accidents. Finally, the following table summarises the number of cases of occupational disease and days lost due to occupational accidents, occupational diseases and deaths due to illness.

Cases and lost working days due to injuries, accidents and deaths (employees)	2025	2024
	Value	Value
Number of documented cases of occupational disease	-	3
Number of days lost due to accidents at work, occupational diseases and deaths due to illness	153	549

Table 42 - Cases and lost working days due to injuries, accidents and deaths

S1-15 - Work-life balance metrics

To preserve and promote the well-being of its employees, CEMBRE S.p.A. offers a range of services and initiatives aimed at reconciling the demands of daily life with work commitments. This includes taking into account the family sphere and childcare responsibilities, supporting the maintenance of good psychophysical health, simplifying daily tasks, both in terms of time and financial resources, and promoting leisure activities and initiatives of an artistic and cultural nature. All initiatives are set out in specific internal documentation shared periodically through corporate communication channels.

The employee well-being initiatives in place in 2025 covered the following areas:

- economic support for newly-weds and new parents: CEMBRE S.p.A., CEMBRE Ltd and CEMBRE GmbH provide financial support to employees who get married or become parents, thereby demonstrating their consideration for the key milestones in their employees' private lives;
- sustainable mobility, in cooperation with local public transport bodies, CEMBRE S.p.A. offers season tickets at favourable rates to encourage the use of public transport and reduce environmental impact;
- green mobility incentive scheme, which rewards the use of bicycles to commute to work, thereby promoting healthier and more sustainable mobility, and is available not only at CEMBRE S.p.A. but also at the CEMBRE GmbH and CEMBRE Ltd sites;
- incentives for the purchase of electric vehicles and the possibility of recharging them at subsidised rates at CEMBRE S.p.A.;
- collaboration with a Tax Assistance Centre for filling in tax returns at the CEMBRE S.p.A. site at reduced rates;
- agreement with a Patronage entity to provide free social security assistance at the head office;
- counteracting the increase in expenses by offering free meals at the company canteen, assuming the workers' share for the entire year;
- Company benefit (discount) for the gym for employees at the CEMBRE S.p.A. site.
- In addition, the following family-oriented initiatives were implemented:
 - possibility of requesting leave for family reasons of care and assistance to relatives, facilitating the reconciliation of work and private life;
 - voucher for the children of employees, who attend secondary school with good results;
 - scholarships for deserving children attending high school and university;
 - provision of a gift card for children of employees aged under 10.

In 2025, CEMBRE S.p.A. confirmed its commitment to the WHP network 'Workplaces that promote Health', an initiative promoted by the Lombardy Region and ATS of Brescia. Through its membership, CEMBRE is committed to ensuring a working environment that is not only safe and

productive, but also oriented towards the well-being and health of its employees.

In addition to the initiatives already in place, such as the promotion of sustainable mobility and the support of the certified competent doctor in the "Minimal advice and/or motivational counselling" approach, CEMBRE S.p.A. offers healthy food options in the canteen and refreshment areas of its Brescia headquarters. In addition, it has set up agreements with local sports clubs and organised walking groups to promote a more active lifestyle.

In continuity with the previous year, CEMBRE S.p.A. introduced new initiatives aimed at supporting tobacco cessation, combating addictive behaviour and promoting cancer prevention, with a specific focus on breast and prostate cancer.

Finally, in September 2024, a company smart locker was installed for the exclusive use of employees, which remains operational and provides an additional service to improve well-being and the quality of working life.

These concrete initiatives demonstrate the proximity of CEMBRE to its employees and its commitment to creating a safe and serene working environment.

At the moment, the effectiveness of the initiatives is periodically evaluated by monitoring the number of accessions to individual actions.

All CEMBRE Group employees are entitled to family leave in accordance with the specific national laws in force in their countries. Below are details of the number of employees who took family leave during 2025.

Employees who took family leave	2025			2024		
	Female	Male	Total	Female	Male	Total
Number of employees who took family leave	23	35	58	29	47	76
Total number of employees (number of employees) (from S1-6)	202	641	843	205	613	818
Percentage of eligible employees who took family leave	11.39%	5.46%	6.88%	14.15%	7.67%	9.28%

Table 43 - Employees who took family leave

S1-16 - Pay metrics (pay gap and total remuneration)

¹⁵The weighted average gender pay gap within the CEMBRE Group, calculated as the percentage difference between the average gross hourly pay of men and that of women, is 20.35%, a figure in line with the previous year's figure of 21.16%.

With regard to the CEMBRE Group's remuneration ratio, between the person receiving the highest total remuneration and the median annual total remuneration of all employees, excluding the highest earner, this indicator is 7.69¹⁶.

In the calculation, the numerator includes all the remuneration, benefits and bonuses received by the executive, who is also a member of the Board of Directors, while the denominator takes into account the corresponding data for all employees working for CEMBRE as at 31 December

¹⁵ To calculate the weighted average hourly pay, each CEMBRE Group company was assigned a weight proportional to its number of female and male employees. This method allows the impact of each company on the overall average figure to be more accurately reflected, taking into account its size in terms of workforce.

¹⁶ The figure for 2024 has been recalculated in accordance with the new methodology used for 2025 and is now 9.71.

of the reference year.

To convert amounts from GBP to euro (for CEMBRE Ltd), a rate of 1.167 was used; for the conversion from USD to euros (for CEMBRE Inc.), a rate of 0.885 was used; and for the conversion from CNY to euro (for CEMBRE El. Conn. Shanghai Limited), a rate of 0.123 was used.

S1-17 - Incidents, complaints and serious impacts on human rights

In 2025, no serious human rights incidents, complaints or impacts were recorded at any CEMBRE Group site. However, further measures have been implemented to strengthen the prevention and management system. In particular, the Code of Ethics and the Risk Assessment Document (RAD) were updated to include specific psychophysical risk factors. A dedicated Code of Conduct has also been drawn up to support the promotion of appropriate and respectful behaviour in the workplace.

Throughout 2026, training activities aimed at all staff will be launched, with the objective of enhancing prevention, raising awareness and consolidating a company culture based on respect, human dignity and the protection of rights in the workplace.

S2 Workers in the value chain

Strategy

SMB-2 - Stakeholders' interests and opinions

The Group's strategy and business model, and thus its associated activities, can significantly affect workers along the value chain, contributing to the creation, aggravation or mitigation of significant impacts. For this reason, the Group has implemented a supplier qualification and evaluation process, which requires its partners to protect the human and labour rights of their workers. To date, the Group does not have a direct engagement tool for workers in the value chain, but rather engages with them through the engagement activities carried out jointly with suppliers (for a detailed description of these activities, please refer to the paragraph 'Stakeholders' interests and opinions' in the chapter 'ESRS 2 – General information').

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

The process and methodology used to define impacts, risks and opportunities are described in the sub-paragraph 'IRO 1 – Description of processes to identify and assess material impacts, risks and opportunities' in the paragraph 'Management of impacts, risks and opportunities' in the chapter 'ESRS 2 – General information'. The Group adopts a structured and integrated approach to identifying and assessing the material impacts, risks and opportunities associated with its business, through the Dual Materiality analysis process. With regard to workers along the value chain, the Dual Materiality analysis did not identify any positive impacts, risks or opportunities. However, two potential negative impacts were identified, as described in the table below.

ESRS	Sub-topic	Impact Materiality	Financial Materiality
		Impacts	Risks/Opportunities
S2 – Workers in the value chain	Health and safety	Potential negative impacts on workers' health and safety related to the consequences of workplace accidents.	-
	Equal treatment and opportunities for all	Potential negative impacts on employees caused by incidents of disrespect for human rights due to unfair labour practices.	-

Table 44 – IRO relevant for Standard S2

Potential impacts along CEMBRE value chain occur primarily upstream, in the processing of raw materials used by the Group, such as non-ferrous metals (copper and aluminium) and plastics. These impacts particularly affect the workers of suppliers located in non-European countries, who account for 16% of the total number of suppliers. According to the Human Rights Index,¹⁷ some of these countries are considered to be at high risk of violations, with potentially serious consequences for employees' quality of life, such as workplace accidents or instances of forced, child and discriminatory labour. More specifically, considering the index, which provides a summary score of the level of respect for human rights on a scale from 0 (no rights or minimal rights) to 1 (full respect for rights), 8 countries have a higher risk level (between 0.17 and 0.6). These countries account for 2.83% of the total value of purchases.

In response to these risks, CEMBRE has aligned its strategy and business model, prioritising suppliers that adopt clear policies and make tangible commitments to protect human rights and working conditions.

¹⁷ The Human Rights Index is a summary indicator that measures the degree of respect for human rights and civil liberties in a country. Developed by the [V-Dem Institute](https://ourworldindata.org/grapher/human-rights-index-vdem) (Varieties of Democracy) at the University of Gothenburg, the index assesses the extent to which individuals are free from government interference and protected in terms of their physical integrity and personal freedoms (<https://ourworldindata.org/grapher/human-rights-index-vdem>).

Management of impacts, risks and opportunities

S2-1 - Policies related to workers in the value chain

Policy	Key content	Perimeter	Manager	National or international instruments	Accessibility
Code of Ethics	The values and ethical principles that reflect the Group and the standards of conduct that guide its actions	CEMBRE Group and external stakeholders	Board of Directors	UN Guiding Principles on Business and Human Rights ILO Declaration on Fundamental Principles and Rights at Work Legislative Decree 231/2001	Company website, Legal section
Specification 1050	Provisions for the management of quality, the environment, health and safety, and social responsibility for suppliers	CEMBRE Group and suppliers	Director Systems and Infrastructure	ISO 9000 ISO 9001 ISO 14001 ISO 45001 OHSAS 18001 SA8000 Conflict Minerals Rules	Shared with the supplier during the contracting phase

Table 45 - Policies on the rights of workers in the value chain

The CEMBRE Group has adopted the Code of Ethics, approved by the Board of Directors and available on the company website, as a key tool for promoting and protecting internationally recognised human rights. Through this document, the Group actively undertakes to eliminate all forms of discrimination and categorically rejects child and forced labour, prohibiting any commercial relations with organisations that engage in such forms of exploitation or with companies whose products originate from areas where human rights are not adequately respected. Moreover, no form of discrimination or unfair treatment based on gender, race, ethnic or cultural origin, religion, sexual orientation is tolerated.

Although CEMBRE does not currently have a Supplier Code, all business partners are required to comply with the principles set out in the Code of Ethics and are required to sign a commitment to adhere to them. Following acceptance, CEMBRE expects suppliers to ensure conduct in accordance with the laws and the values set out in the Code throughout the duration of their commercial relationship with the Group. Any conduct that deviates from these principles is considered a serious breach of the duties of fairness and good faith in the performance of the contract, and constitutes just cause for contract termination.

In addition, in order to define specific prescriptions for quality, environmental and health and

safety management, as well as social responsibility for suppliers of products and services to CEMBRE Group companies, a specific set of specifications (Chapter 1050) applicable to all supplies has been defined.

By accepting these specifications, the supplier guarantees that its activities comply with the principles of the UN Global Compact, the OECD Guidelines, the ILO Conventions and the ICC Charter for Sustainable Development. The supplier declares that it treats its employees fairly and with respect, and that it does not engage in discrimination, harassment or abuse of any kind. The use of forced or child labour is prohibited, and compliance with local wage and working hours regulations is ensured, guaranteeing safe and healthy working environments. CEMBRE also requires suppliers to implement preventive measures for health and safety at work.

In order to ensure and demonstrate compliance with the requirements of these specifications, the supplier must allow access to its own plant and offices, as well as those of any subcontractors, so that the appointed inspectors can verify the correct implementation of the supplier's declarations. In the event of serious and/or repeated non-compliance, CEMBRE reserves the right to take action, including suspension or termination of business relations with the supplier.

Finally, it is CEMBRE policy to favour suppliers with Quality, Environmental and Occupational Health and Safety Management Systems certified by independent and internationally recognised third-party bodies.

Furthermore, CEMBRE adheres to the 'Conflict Minerals Rules', with the aim of avoiding the purchase and use of minerals the trade of which could finance or support armed groups operating in Conflict Regions (Democratic Republic of the Congo and neighbouring countries) or not certified 'Conflict-Free'.

In 2025, there were no cases of non-compliance by the Group's suppliers with regard to human rights requirements under the main international standards.

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

The Group conducts stakeholder engagement activities to better understand the expectations and needs of its suppliers and thus indirectly also of the workers in its value chain.

However, at present, there is no direct, structured engagement with workers along the value chain, nor have any framework agreements been formalised between the company and the workers' trade union organisations with which the Group collaborates on the issues described above. For further details, please refer to the chapter 'ESRS 2 - General Information', under the paragraph 'Stakeholders' Interests and Opinions'.

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

In order to identify and remedy any negative impacts on workers in the value chain, CEMBRE has defined a whistleblowing reporting system, which includes a specific process for handling reports.

In the event of a breach or unlawful conduct by third parties (consultants, collaborators, agents, customers, suppliers, contractors, subcontractors, etc.), the Company may avail itself of the termination clauses contained in contracts and letters of appointment for violations of the 231 Model and the Anti-Corruption Policy, where applicable. The return of any improper benefits received may also be required.

To communicate, three different reporting channels are also made available to third parties: internal, external or public disclosure, to be used in a progressive and subsidiary manner. For additional information on this, please refer to the paragraph "Processes to remediate negative

impacts and channels for own workers to raise concerns" in the chapter "Own workforce".

All relevant parties are informed of the availability of the whistleblowing channels through the display of the relevant information both in the workplace and on the company website. Each year, the Reporting Manager prepares a summary report outlining the reports received, the analyses carried out and the outcomes of these analyses, with the aim of monitoring the issues raised and ensuring the effectiveness of the reporting channels. Although the company is committed to making its whistleblowing system accessible and known to everyone, to date, no specific procedure has been implemented to verify the awareness of workers along the value chain regarding the existence of this system.

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

In order to concretely implement the requirements of the Code of Ethics and of Specification 1050, a procurement and supplier approval procedure was implemented, aimed at regulating not only the purchase of materials, products and services that influence the quality of CEMBRE S.p.A. supplies, but also at defining the criteria for evaluating and monitoring suppliers, in order to ensure compliance with contractual requirements, including those set forth in the Integrated Management System. The company's Enterprise Resource Planning system plays a crucial role in managing supplier relationships, particularly during the onboarding process, by collecting all the information necessary to understand the supplier's profile. A key aspect of the process is the supplier's formal acceptance of key company documents, including the Code of Ethics, anti-corruption policies and the general conditions of purchase. This step is of great importance in ensuring that CEMBRE suppliers operate in accordance with the Company's standards of transparency and integrity.

As part of this procedure, during the annual Management Review, the Procurement Office and the Integrated Management System determine whether, among the suppliers of key products, processes or services, there are any companies whose production cycles have a significant impact on the environment or on worker health and safety. If a supplier does not meet the safety requirements, it shall be classified as 'non-qualified'.

Annually, with a view to business continuity and risk reduction, a specific audit of the health and safety risk of workers and the presence of procedures to mitigate these risks is defined for these suppliers. This verification may be conducted by means of audits, questionnaires or interviews under the responsibility of the Procurement Office, in cooperation with the relevant functions. The results are documented and brought to the attention of management and the functions involved.

At present, on-site audits can be conducted at suppliers if deemed necessary, with an exclusive focus on quality, prior to the start of a business relationship. However, a structured disclosure process to monitor possible human rights violations along the value chain has not yet been implemented, nor is systematic action planned for the mitigation of labour relations risks.

Metrics and targets

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

To date, CEMBRE has not formalised specific objectives for the management of significant negative impacts related to workers along the value chain.

S3 Affected communities

Strategy

SBM-2 - Stakeholders' interests and opinions

Among the external stakeholders identified by CEMBRE, local communities and institutions constitute a key group. In defining its strategy and business model, in fact, the Group promotes an ongoing dialogue with them, in order to understand their needs and expectations, while ensuring the protection of their human rights.

The listening and engagement tools adopted, along with the expectations of local communities, are illustrated in the paragraph "S3-2 Processes for engaging affected communities on impacts" and are also briefly described in the chapter "ESRS 2 – General information", in the paragraph "Stakeholders' interests and opinions". The main dialogue initiatives with local communities relate to youth orientation, training and job placement activities, which are managed primarily by the Human Resources (HR) function.

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

The process and methodology used to define impacts, risks and opportunities are described in the sub-paragraph 'IRO 1 – Description of processes to identify and assess material impacts, risks and opportunities' in the paragraph 'Management of impacts, risks and opportunities' in the chapter 'ESRS 2 – General information'. The Group adopts a structured and integrated approach to identifying and assessing the material impacts, risks and opportunities associated with its activities and along its value chain, through the Dual Materiality analysis process.

The CEMBRE Group has always maintained a strong relationship with the local area where its headquarters are located, making this connection an added value and the beating heart of the entire Company. In line with this approach, the Group supports the growth and prosperity of local communities. Precisely for this reason, with regard to the affected communities, the Dual Materiality analysis identified a positive impact, as described in the table below.

ESRS	Sub-topic	Impact Materiality	Financial Materiality
		Impacts	Risks/Opportunities
S3 – Affected communities	Entity-specific	Positive impacts on local communities due to the implementation of job offers, training and cooperation with schools and institutes.	-

Table 46 - IRO relevant for Standard S3

However, this analysis did not identify any significant negative impacts, impacts related to environmental transition plans, or significant risks or opportunities related to local communities. Consequently, there was no correlation between them and the strategy and business model.

The impacted communities include all local communities located in the areas surrounding the Group's production and distribution sites, with a specific focus on students and universities. Communities along the value chain or indigenous groups were not assessed as potentially impacted by the CEMBRE Group.

Management of impacts, risks and opportunities

S3-1 - Policies related to affected communities

Within its Corporate Policy, for which the Company Management is responsible, CEMBRE has clearly set out the guiding principles that direct the company in its activities. Among these principles, the Policy emphasises the commitment to meeting the needs of the 'neighbourhood' and the 'community', terms that refer to local communities. In order to pursue this objective, CEMBRE promotes the empowerment, involvement, participation, awareness and listening to its employees, who are regarded as active members of the local communities. Employees are involved in charitable initiatives for the community, such as career guidance activities, mentoring for students and trainees, and participation in local events. For further details, refer to the paragraph "S3-4 Taking action on material impacts on affected communities".

The Policy applies to all Group companies; therefore, the Principles it contains guide relations with all the local communities with which the Group interacts. The CEMBRE Corporate Policy is available to all stakeholders on the corporate website, in the 'Certifications' section.

S3-2 - Processes for engaging affected communities on impacts

In order to better understand the expectations and needs of local communities and institutions, CEMBRE S.p.A. carries out stakeholder engagement activities that involve these communities directly through guidance and dialogue initiatives, as well as awareness-raising activities. For these activities, there is currently no predefined frequency or established method for assessing the effectiveness of engagement, although for some initiatives, it is possible to assess effectiveness by monitoring certain KPI, such as the number of people taken on by the Company following work placements or the number of participants in company visits throughout the year. Local community engagement activities are primarily managed by the HR function, with the main initiatives being the orientation, training and employment of young people.

Schools, universities, local institutions, the public administration, local associations and people from the material cultural and social context are involved in carrying out these activities.

No significant impacts on indigenous peoples have been identified, so their involvement is not expected.

S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns

CEMBRE has established a whistleblowing system, which enables reports to be submitted to the Company and addressed in a structured and formalised manner, via dedicated communication channels. CEMBRE S.p.A. and CEMBRE GmbH are the only Group locations that have a dedicated whistleblowing channel. However, each location has one or more public channels, such as dedicated telephone numbers and email addresses, which are accessible to all stakeholders. The details of these channels are published on the company websites, thereby ensuring transparency and the opportunity to report issues related to corporate conduct. In 2026, it is planned to extend access to the whistleblowing reporting portal to all foreign subsidiaries.

For more information on this system, please refer to the previous chapter "Workers in the value chain", under "Processes to remediate negative impacts and channels for value chain workers to raise concerns".

S3-4 - Taking action on material impacts on affected communities and approaches to manage material risks and achieve material opportunities for affected communities, as well as the effectiveness of these actions

By virtue of this territorial identity, the Group considers it fundamental to support the prosperity of the territory in which it operates by maintaining employment levels, promoting relations with local communities and creating shared value, thus contributing to the socio-economic development of the area. This impact is greatest in the Province of Brescia, where CEMBRE S.p.A. is based. In particular, CEMBRE S.p.A. actively invests in the training and growth of young people in the area, collaborating with Professional Institutes and Universities to offer curricular internships and school-to-work projects.

In 2025, several career guidance initiatives were promoted, including:

- company visits dedicated to students from Brescia universities and technical institutes, to offer direct experience of the world of work;
 - participation in careers guidance fairs, such as 'DOMANI LAVORO' and 'INGEGNERIA ITALIA', to meet students and professionals seeking to discover their personal and professional calling.
- Moreover, as every year, in 2025, CEMBRE S.p.A. welcomed several trainees, offering them a concrete opportunity for growth and training:
- 9 university students for curricular internships and thesis development in the company;
 - 16 students from various Technical and Vocational Institutes in the province;
 - 9 students from the Istituto Salesiano Don Bosco in Brescia, who completed the IFTS programme – a vocational apprenticeship leading to a higher technical specialisation certificate.

Six trainees were employed by the company at the end of their internship period at CEMBRE S.p.A. Through these initiatives, CEMBRE confirms its commitment to supporting the new generations and fostering an effective link between education and the world of work, including through the donation of supplies to educational laboratories for a total value of over €2,000.

The CEMBRE Group also invests every year in the training of its customers, with a main focus on technical skills. In 2025, 391.5 hours of training were provided, 140 more than in the previous year.

In addition to these training and support activities for young people, CEMBRE S.p.A. is also involved in initiatives that strengthen its ties with the local community. This commitment to the community was further underscored on 21 September 2025, when CEMBRE held an open day. The event, aimed at employees, their families and friends, was attended by around 1,500 people and provided an opportunity to celebrate the opening of the new 15,000 m² production plant in Brescia, a symbol of innovation, efficiency and sustainability. The day brought together technology, people and the community, reinforcing the sense of belonging and cohesion that defines CEMBRE.

CEMBRE S.p.A. is actively engaged in promoting social, medical and educational initiatives, with the aim of generating a positive impact and contributing to the sustainable growth of the communities in which it operates. In 2025, this commitment translated into direct financial support in the form of charitable donations totalling €76,774, which were allocated to key organisations such as Save the Children, Telefono Azzurro-Rosa, Medicus Mundi, Associazione Dormitorio San Vincenzo De Paoli, Fondazione Alma Tovini Domus, Croce Bianca, Caritas and the MUSEKE Foundation.

However, the vision of CEMBRE goes beyond financial contributions alone: the company promotes a sustainability model that directly engages its employees as an integral part of the local social fabric.

With this in mind, throughout 2025, and in collaboration with various local associations, the Group supported the registration of 178 colleagues for six running events. These initiatives made it possible to combine corporate well-being with solidarity: on three of these occasions, part of the entry fee was donated to charities working on key issues, such as the fight against breast cancer, support for the Brescia Down Syndrome Centre, and the work of AIL (the Italian Association for Leukaemia, Lymphoma and Myeloma).

Finally, CEMBRE is a member of different trade associations, to contribute to the creation of a more sustainable economic and social system, in the general interest. In particular, the company is a member of Confindustria Brescia, ANIE Federazione and Federmeccanica.

Metrics and targets

S3-5 - Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

At present, CEMBRE has not yet formalised a structured plan of activities and associated targets for the protection of communities and the local area, nor has it defined a specific dedicated annual budget.

S4 Consumers and end users

Strategy

SBM-2 - Stakeholders' interests and opinions

Among the external stakeholders identified by CEMBRE, customers constitute a key group. In fact, when defining its strategy and business model, the Group takes their interests and requests into account, fostering an ongoing dialogue with them in order to understand their needs and expectations.

For a detailed description of the listening and engagement tools adopted, refer to the paragraph "SBM2 Stakeholders' interests and opinions" in the chapter "ESRS 2 – General information". The corporate functions primarily responsible for consumer engagement activities are the Sales and Quality areas. The paragraph 'S4-2 Processes for engaging consumers and end users on impacts' lists the channels for customer contact.

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

The process and methodology applied to define impacts, risks and opportunities are described in the sub-section 'IRO 1 – Description of processes to identify and assess material impacts, risks and opportunities' in the paragraph 'Management of impacts, risks and opportunities' in the chapter 'ESRS 2 – General information'. The Group adopts a structured and integrated approach to identifying and assessing the material impacts, risks and opportunities associated with its business, through the Dual Materiality analysis process.

To assess this topic and the related IRO identified, the Group's internal and public documentation was consulted, including the Code of Ethics, the Corporate Policy and the Management System, as well as the results of the 2024 Risk Assessment.

With regard to consumers and end users, the Dual Materiality analysis did not reveal any significant impacts, whether current or potential, nor were any material opportunities identified.

In contrast, one material risk was identified in the medium/long term, as shown in the table below.

ESRS	Sub-topic	Impact Materiality	Financial Materiality
		Impacts	Risks/Opportunities
S4 – Consumers and end users	Personal safety of consumers and/or end users	-	Risk of increased complaints and reduced customer satisfaction due to potential damage to customers' health and safety from unsafe products.

Table 47 - IRO relevant for Standard S4

Inadequate product quality and safety control procedures, particularly during the testing phase,

could result in the delivery of defective products to the Group's end customers. In addition to causing harm to the health and safety of users, this situation would result in reputational damage for the Group as a whole, a decrease in customer satisfaction leading to a lower customer retention rate, an increase in legal costs associated with product returns, and a consequent negative impact on the Group's future economic performance.

Among consumers or end users, there are no specific groups or particularly vulnerable categories for whom the risk may be more severe.

Furthermore, CEMBRE does not provide services that could compromise the fundamental rights of end users (such as human rights), nor does it target vulnerable groups such as minors or people in financially difficult circumstances.

Indeed, CEMBRE consumers and end users are professionals and companies operating in the industrial, railway and utilities sectors, such as technical personnel, cable fitters, electricians, switchboard installers and plant maintenance technicians. These are users who require correct and accurate information, provided on labels and in user manuals, to prevent the potentially harmful use of a product.

There is a close correlation between the company's strategy and the identified risk. Customer needs and expectations guide product innovation and continuous development, while complaints and any suggestions provided constitute key drivers for improving the Group's production and research and development processes. These factors enable the company to improve quality, safety and overall customer satisfaction.

Management of impacts, risks and opportunities

S4-1 - Policies related to consumers and end users

Policy	Key content	Perimeter	Manager	National or international instruments	Accessibility
Code of Ethics	The values and ethical principles that reflect the Group and the standards of conduct that guide its actions	CEMBRE Group and external stakeholders	Board of Directors	UN Guiding Principles on Business and Human Rights ILO Declaration on Fundamental Principles and Rights at Work Legislative Decree 231/2001	Company website, 'Corporate Governance' section
Company Policy	Guidelines for the management of the company's activities, pursuing objectives of customer satisfaction and customer health and safety	CEMBRE Group	Board of Directors	ISO 9001:2015, ISO 14001:2015; ISO 45001:2018; ISO 37001:2016	Available on the corporate website – Certifications section

Table 48 - Customer-related policies and controls

The CEMBRE Group's Code of Ethics sets out the principles of correctness, honesty, integrity, transparency, collaboration and contractual fairness that guide our relationships with customers. CEMBRE is committed to complying with applicable regulations and internal procedures, while maintaining high standards of quality and reliability in its products and after-sales support services.

To effectively manage the significant risk associated with consumers and end users of its products, the Group has adopted a Corporate Policy, for which the Chief Executive Officer is responsible. This Policy pays particular attention to the needs of all customers and end users, recognising their role as fundamental to the company's success. The measures adopted are designed to ensure that the products offered meet the highest standards in terms of quality, resource management, health, safety and anti-corruption, while guaranteeing transparency and support at all levels.

To achieve this, the Group aims to involve all levels of the organisation through training, analysis and systematic risk reduction.

A further demonstration of the CEMBRE commitment is the continuous improvement of its Company Management System, which has been adopted to concretely translate the objectives of the Corporate Policy and to proactively manage risks, in accordance with the ISO 9001 standard. This approach is applied consistently across all Group subsidiaries. CEMBRE S.p.A. and its production site in the United Kingdom (CEMBRE Ltd) are also certified in accordance with the ISO 45001 standard for occupational health and safety management.

At present, in addition to the Code of Ethics described above, CEMBRE does not have a specific human rights policy aimed at consumers and end customers, nor does it formally align itself with international standards or principles (UN Global Compact principles and OECD guidelines) in this area. However, customers have access to the whistleblowing system, which enables them to submit reports anonymously via the dedicated link and telephone number provided on the company website.

A key organisational objective for 2026 will be to complete the reorganisation of the Quality and Management System Office, initiated in 2025, which will evolve from a cross-functional structure to a specialised model organised by product family. The establishment of dedicated vertical teams will enable more effective management, a more in-depth analysis of market feedback, and a reduction in complaint response times. This restructuring will be supported by the recruitment of new staff in this area, with the aim of strengthening expertise and operational oversight.

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

With regard to the identified risk, the engagement of customers and end users primarily takes place through their daily interactions with the Group's network of sales agents, who serve as a constant point of contact for gathering feedback on the products and services offered by CEMBRE. In addition, the Product Managers in the Sales area are responsible for gathering market requirements and translating them into technical specifications for the Research and Development team.

The operational management of customer relationship and customer engagement, as well as the utilisation of customer feedback to guide the Group's approach, is entrusted to the Sales area and the Quality Office. Interactions are initiated in response to the needs expressed by customers and market dynamics, with no predefined frequency.

The CEMBRE Group's complaints management system is a key tool for monitoring quality and customer satisfaction levels, helping to transform critical issues into opportunities for improvement. This process is fully digitalised through software that enables the tracking of every complaint received from the Italian and international markets via the Group's subsidiaries.

The process begins when a customer encounters a problem and reports it to their sales contact or local agent. The relationship continues to be managed by the Sales department, while the

technical sales staff only engage with the customer if a specific in-depth investigation is required. At this stage, the sales back office gathers the information and formally opens the complaint report in the system. The Group's approach varies depending on the type of complaint. In the case of shipping errors, the response involves a direct check at the warehouse to analyse and correct the error.

If the issue relates to defects in the material, the Quality Office initiates an in-depth analysis to identify the cause, using external laboratories where necessary.

If the complaint concerns the health or safety of workers, the company acts with the highest priority, taking prompt action to analyse and resolve the cause.

Customers are informed of the procedures for handling complaints relating to apparent defects or product non-conformities in the document 'General terms and conditions of sale', which is provided to the customer when they accept the purchase contract and is also available on the website. In addition, each customer has a dedicated sales contact person at their disposal, who is responsible for providing after-sales support. The seller guarantees that any personal data received from the buyer will be processed in full compliance with the applicable privacy regulations.

The CEMBRE Group continuously monitors feedback from its industry partners, including through Vendor Rating systems, which enable the collection of information on customer satisfaction levels and potential areas for improvement. This approach enables the Group to target corrective actions based on objective evidence. The frequency with which reports are submitted varies depending on the customer; most customers submit 1–2 reports per year.

S4-4 - Taking action on material impacts on consumers and end users and approaches to manage material risks and the achievement of material opportunities related to consumers and end users, and effectiveness of those actions

CEMBRE has made safety protection a defining feature of its business model, guaranteeing high-quality products and paying particular attention to health and safety aspects integrated into the design and implementation of safe solutions. To ensure full compliance with the applicable regulatory standards, the Technical Office continuously monitors changes in sector-specific legislation, verifying that each product complies with the relevant international directives and requirements in force.

The Group operates an ISO 9001-certified quality management system at each of its sites. The Company Management System is subject to continuous monitoring through internal and external audits, the verification of goals by Management, and ongoing staff training.

To protect the health and safety of the end consumer, CEMBRE implements rigorous controls, checks and validations right from the design stage. Every product, from connectors to the most complex tools, undergoes a comprehensive testing process aimed at preventing any issues that could jeopardise the health and safety of workers or the integrity of installations, such as fires or short circuits. The design approach is structured across multiple progress stages. During the development phase, the design, laboratory and prototyping team carries out an extensive series of in-house tests. Thanks to its extensive experience in the sector, CEMBRE often adopts more stringent testing criteria than those required by current regulations. In addition, the Group engages third-party bodies to validate and certify the performance of its products in accordance with international standards. To ensure the effectiveness of these processes, CEMBRE has invested in a dedicated professional role within the technical department, who is solely responsible for management, certification and regulatory compliance.

As already mentioned in this document, certifications are a fundamental pillar for the CEMBRE Group, ensuring product safety and strengthening customer trust worldwide. At the process level,

certification management is handled by the Management System office, while the Technical office is responsible for product certifications: the portfolio includes mandatory certifications, such as the CE marking for Europe, and voluntary high-quality standards, such as the UL marking, which is required by international customers. The latter certification requires annual audits and rigorous checks to ensure consistent product quality and the sustainability of materials. In addition, CEMBRE ensures compliance with ethical and environmental standards such as REACH, RoHS and Conflict Minerals, providing full transparency on the components used.

As of 1 January 2025, following an internal restructuring, the new role of Director of Systems and Infrastructure was established, responsible for coordinating the company's main cross-functional departments, including the Integrated Management System, Industrialisation, Infrastructure and IT.

In order to verify customer satisfaction and manage the detection of complaints and non-conformities, a Management Review for the Company Management System is drawn up annually, describing the actions implemented, their state of completion and the objectives set and, if achieved.

In 2025, CEMBRE did not record any cases of non-conformity with the laws and/or regulations in connection with the products and services it supplied with regard to safety regulations, nor were there any cases of non-conformity with regard to product and service information and labelling. Consequently, it was not necessary to implement any specific corrective actions, beyond those handled through the complaints management system.

Furthermore, no serious human rights issues or incidents relating to consumers and/or end users were reported. For reports relating to human rights violations, in the case of companies falling within the scope of Directive (EU) 2019/1937 and the national legislation transposing it, customers may submit reports via the whistleblowing channel, benefiting from the protections provided for by the legislation.

Metrics and targets

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

At present, the Group does not have any measurable public targets related to the management of risks concerning consumers and end users.

However, through its Integrated Management System, CEMBRE monitors its performance in terms of quality, resource management and product safety using specific internal KPI, including the number of complaints and non-conformity reports, and sets itself internal improvement targets.

Governance information

G1 Business conduct

Governance

GOV-1 - Role of administration, management, and control bodies

CEMBRE governance bodies include the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. The main objective of the governance system is to ensure the proper functioning of the company and the Group, thereby promoting sustainable success on an international scale.

The Board of Directors, composed of 8 members, plays a central role in ensuring corporate transparency and integrity. Its mission is to ensure strong leadership guided by ethical and sustainability principles. Thanks to its members' extensive experience in corporate governance and management, the Board is able to effectively address issues related to the Company's ethical conduct and the management of associated risks.

From among its members, the Board of Directors appoints the Chair, the Secretary and, if necessary, Deputy Chairs, Chief Executive Officers and an Executive Committee, and defines their roles, responsibilities and operating procedures. In addition, the Board of Directors may establish internal committees, such as the Control and Risks Committee and the Appointments and Remuneration Committee, and define their specific responsibilities.

To support its work and enhance the effectiveness of its decisions, the Board of Directors has established two internal committees, which provide advice, support and make recommendations:

- Appointments and Remuneration Committee;
- Control and Risk Management Committee.

The composition and size of the committees are determined by the Board of Directors on the basis of the company's strategic priorities and the professional skills, gender and experience of the members.

The Board of Directors also appoints the Financial Reporting Manager, who must possess the appropriate professional qualifications, administrative experience and accounting expertise.

In 2008, the Board of Directors resolved to adopt the Organisation, Management and Control Model, in accordance with Legislative Decree 231/2001, supplemented by the Company's Code of Ethics and the whistleblowing channel, with the aim of preventing administrative offences. This model was last updated in November 2025. The Board of Directors plays a central role in corporate governance, resolving to adopt the Organisational Model and the Code of Ethics and communicating their importance to all staff.

The Board of Statutory Auditors, comprising three standing members and two alternate members, oversees the application of current regulations, the Company's Articles of Association and the principles of proper administration in day-to-day operations. In addition, it is the responsibility of the Board of Directors to appoint the Supervisory Body (SB). The Supervisory Body, composed of three experts with established professional expertise, is responsible for monitoring the implementation and updating of the 231 Model. The members of the SB are selected on the basis of their specific expertise in the relevant sector, in law or in accounting. The SB operates fully

independently, with access to a dedicated fund specifically allocated to it and independent spending powers. It regularly receives information from all company functions and discusses relevant issues during meetings with the other control bodies. The SB reports regularly on the status of implementation of Model 231, providing updates to the Chair and CEO and half-year reports to the Board of Directors and the Board of Statutory Auditors. In addition, it draws up an annual action plan for its activities.

In accordance with the Articles of Association and Model 231, the administration, management and control bodies are required to possess skills appropriate to their roles, thereby ensuring good corporate conduct and the responsible and sustainable management of the company's resources. During the 2024 financial year, the members of the Board of Directors and the Board of Statutory Auditors took part in a training course on the relevant sustainability legislation. In addition, some members of the Board of Statutory Auditors and one independent director acquired specific expertise on sustainability issues by attending specialised training courses or participating in activities related to the CSRD regulations applied to other companies. For some, this training included obtaining the qualification of 'Sustainability Auditor', in accordance with the guidelines established by the supervisory bodies.

For further details on the functions, responsibilities and expertise of the governance bodies, refer to the paragraph 'GOV 1 – Role of the administration, management and control bodies' in the chapter 'ESRS 2 – General Information'.

Management of impacts, risks and opportunities

IRO-1 - Description of processes to identify and assess relevant impacts, risks and opportunities

The process and methodology used to define impacts, risks and opportunities are described in the sub-section 'IRO 1 – Description of processes to identify and assess material impacts, risks and opportunities' in the paragraph 'Management of impacts, risks and opportunities' in the chapter 'ESRS 2 – General information'. The Group adopts a structured and integrated approach to identifying and assessing the material impacts, risks and opportunities associated with its business, through the Dual Materiality analysis process.

To assess the identified impacts, risks and opportunities, the Group's internal and public documentation was consulted, including the 231 Model, the Code of Ethics, the Whistleblowing Procedure and the Anti-Corruption Management System, as well as the results of the biennial Risk Assessment.

With regard to governance and business conduct, the impact materiality analysis did not identify any significant impacts, whether current or potential. In contrast, as part of the financial materiality analysis, the following material risk was identified in the medium/long term:

ESRS	Sub-topic	Impact Materiality	Financial Materiality
		Impacts	Risks/Opportunities
G1 – Business conduct	Corporate culture	-	Operational and strategic risk due to the loss of strategic and sensitive Group data.

Table 49 - IRO relevant for Standard G1

G1-1 - Policies related to corporate culture and business conduct

The CEMBRE Group places great emphasis on developing a corporate culture based on ethics, transparency, inclusion and a sense of responsibility, and on ensuring that conduct is always in line with its values.

CEMBRE has formalised its principles in the Group's Code of Ethics and Corporate Policy. This policy has been disseminated and presented to all staff and made publicly available to external stakeholders through publication on the Group's website. The document sets out the values that guide CEMBRE, promoting compliance with national and international laws and regulations, with a particular focus on preventing and combating corruption, protecting strategic data, and fostering a corporate culture based on integrity, transparency and accountability.

The policies and controls adopted by the Group in relation to business conduct and corporate culture are listed and described in the table below:

Policy	Key content	Perimeter	Manager	National or international instruments	Accessibility
Code of Ethics	The Group's core values and ethical principles, and the standards of conduct that guide the actions of the Group and its external stakeholders	CEMBRE Group and external stakeholders	Board of Directors	UN Guiding Principles on Business and Human Rights ILO Declaration on Fundamental Principles and Rights at Work Legislative Decree 231/2001	Company website, Legal section
Organisation, Management and Control Model	Preventive control system, principles of conduct and rules of conduct relating to Sensitive Processes	CEMBRE S.p.A.	Board of Directors	Legislative Decree 231/01	Company website, Legal section (general part)
Anti-Corruption Policy	Guidelines and rules to prevent and combat all forms of corrupt conduct, whether direct or indirect, active or passive	CEMBRE Group Business partners who have professional relationships with Group Companies	Board of Directors	Legislative Decree 231/01 UNI ISO 37001:2016	Company website, Legal section

Table 50 - Governance-related policies and controls

The CEMBRE Group defines and promotes its values and principles of conduct through the Code of Ethics, a reference document setting out the Group's principles of legality, transparency and responsibility. The Code of Ethics, updated and approved by the Board of Directors on 14 November 2025 and annexed to the Organisation, Management and Control Model pursuant to Legislative Decree no. No. 231/2001, applies to the corporate bodies, management, employees and collaborators, and is also extended to business partners (including suppliers, consultants, agents and business associates), within the limits of their respective responsibilities.

The objectives of the Code of Ethics are to:

- define standards of conduct and controls that help prevent non-compliant behaviour and the risk of unlawful conduct related to the Group's operations;
- orient and strengthen an internal control system to support the reliability of information and compliance with the rules;
- guide business decisions towards the creation of long-term value and the protection of the Group's reputation.

The contents of the Code of Ethics are organised into four key areas:

- Integrity, fairness, transparency and legality (with a focus on conflicts of interest, anti-corruption, relations with the Public Administration, responsible communication and fairness in business relations);
- Protection and enhancement of people (health and safety, inclusion and respect, merit and skills development, protection of privacy);
- Respect for the environment and communities (environmental protection, responsible use of resources and promotion of sustainable behaviour);
- Protection and enhancement of the company's assets (property and equipment, IT security, intellectual property and reputation).

Those in leadership positions, such as Directors and Executives, are required not only to behave in accordance with the company's principles, but also to promote the application and interpretation of the Code of Ethics and to communicate its validity to all Recipients. Recipients are subject to sanctions in the event of a violation of the provisions set out in the Code.

Since 2021, CEMBRE S.p.A. has adopted a Group Anti-Corruption Policy, which aims to provide reference guidelines for combating corrupt practices. Since 2023, the Anti-Corruption Management System has been certified in accordance with the ISO 37001 standard, demonstrating the Group's commitment to promoting ethical business practices.

As part of the aforementioned Management System, CEMBRE S.p.A. has established an Anti-Corruption Compliance Function, which is responsible for carrying out checks, reviews and investigations in the event of breaches of the System by employees, collaborators or business partners.

In 2025, CEMBRE S.p.A. also received the Legality Rating, awarded by the Italian Competition Authority,¹⁸ with the highest possible score of three stars.

This recognition confirms the Group's tangible commitment to the principles of legality, transparency and integrity, which guide its day-to-day operations and are underpinned by advanced governance models and effective prevention and control tools, in line with the ESG approach it has adopted.

As part of the 231 Model, the Group has implemented a dedicated Whistleblowing system to

¹⁸ The Legality Rating covers all aspects of the business.

manage reports of any unlawful or improper conduct observed within the company. Whistleblowers may include employees, executives and members of corporate bodies, as well as collaborators, consultants and third parties with contractual or professional ties to the Group. Reports can be made, also anonymously, through three channels: internal, external and public disclosure.

In the case of internal reports, CEMBRE has adopted a dedicated IT platform, compliant with current legislation and ANAC guidelines, ensuring accurate and confidential management of reports. Whistleblowers may also use the external channel to report to the National Anti-Corruption Authority (ANAC), in accordance with the procedures established by the applicable legislation. Public disclosure is permitted only in the cases and under the conditions provided for by law, where the prerequisites for the protection of the whistleblower are met.

Annually, the Reporting Manager prepares a report summarising the reports received during the year, the analyses performed and their outcome, which is sent to the Chair of the Board of Directors of CEMBRE S.p.A..

CEMBRE guarantees the confidentiality of reporting persons and of the information transmitted, in order to protect them from any form of retaliation or discrimination pursuant to Regulation (EU) 2016/679, Article 2-quaterdecies of the Personal Data Protection Code set out in Legislative Decree 30 June 2003, No. 196 and Directive (EU) 2019/1937. Specific measures for the protection and limitation of liability are in place (e.g. a prohibition on dismissal or demotion).

In order to effectively implement Model 231, the whistleblowing procedure and the Anti-Corruption Policy, CEMBRE is committed to ensuring that the established rules of conduct are properly communicated. All staff are informed of the existence of the 231 Model and the whistleblowing system at the time of recruitment, and any updates are made available through publication in the workplace, on the company intranet and on the website. In addition, to promote the company culture, staff receive training through mandatory sessions, both in the classroom and online, on courses covering:

- regulatory context on business conduct;
- characteristics of Model 231 and the role of the Supervisory Body;
- rules of conduct;
- whistleblowing system;
- Anti-Corruption Policy.

Training on the 231 Model and on whistleblowing is provided every five years and updated in the event of changes to regulations or procedures. The content and delivery methods are tailored to the role of the trainees, the risk level of the operational areas and the existence of powers of representation, with different levels of detail.

Anti-corruption training is aimed at personnel exposed to a¹⁹ non-low risk and is updated in the event of changes to regulations or internal procedures. This training is provided to 100% of the personnel considered to be at medium–high risk at the CEMBRE S.p.A. site, as well as to the Country Managers and function managers of the Group's subsidiaries.

The administration, management and supervisory bodies have been placed in the high-risk category and, in addition to training, are required to comply with the Company procedure on the management of conflicts of interest. In 2025, 38.9% of personnel (328 out of 843 employees) were classified as being at medium–high risk.

In order to identify the individuals most exposed to the risk of corruption and to define the preventive measures to be taken, staff have been classified into three risk categories, based on

¹⁹ The risk classification primarily relates to the risk of active and passive corruption, conflicts of interest, and reputational exposure associated with the role held.

their role and assigned responsibilities. This classification entails differentiated and progressively more stringent preventive measures in relation to the identified risk level.

Measures to protect IT security

The CEMBRE Group has implemented a range of technical and organisational measures to protect corporate information. These measures include the use of highly reliable firewalls, the encryption of portable devices, and access control via badge readers in sensitive areas, such as the connectivity and server distribution rooms. In addition, the Group operates regular backups and uninterruptible power supplies to ensure data availability even in the event of an emergency. Specialised external companies carry out periodic security audits of systems and privileged users. Finally, a monthly cybersecurity awareness campaign is carried out, rotating among the Group's companies, to ensure that IT security remains a constant focus.

In 2025, IT security underwent a significant acceleration, driven by the need to protect production machinery and to comply with new regulatory requirements, in particular the NIS2 Directive²⁰. Under this Directive, CEMBRE S.p.A. falls into the 'significant entity' category and, for this reason, has initiated a structured process to ensure regulatory compliance, which includes cybersecurity risk assessment activities and remediation activities to address any gaps.

To coordinate this complex transition, cybersecurity governance has been strengthened through the appointment of a multidisciplinary team, which includes the Director of Systems and Infrastructure as the point of contact for the NIS2 Directive, along with a CSIRT (Computer Security Incident Response Team) contact person and other specialised technical roles. The team collaborates with the HR, Procurement and Legal functions to manage compliance and security-related risks.

In addition, in 2025, CEMBRE S.p.A. upgraded its IT and OT infrastructure, strengthening the company's systems and network. Measures have been introduced to improve the management and protection of production devices, along with updates to internal policies and remote access tools.

The total amount invested in cybersecurity projects in 2025 was: €141,468, while the operating costs incurred during the same period amounted to: €274,100.

At present, the Group does not have any measurable public targets related to managing the risk of losing strategic and sensitive data. However, within its strategic framework, CEMBRE views IT security and digitalisation as fundamental and interconnected pillars for ensuring the Group's overall resilience. Further projects in these areas are planned for 2026, with the aim of further enhancing data protection and operational efficiency.

The year 2026 will also be the year in which compliance with the NIS 2 Directive is formally achieved, supported by specialised training programmes for IT and operational staff.

Brescia, 13 March 2026

**FOR THE BOARD OF DIRECTORS OF THE PARENT
COMPANY CEMBRE S.P.A.**

*Chair and Chief Executive Officer
Giovanni Rosani*

²⁰ The NIS2 Directive is the European Union's response to the rise in IT threats. With the aim of strengthening digital security, it introduces more stringent obligations for businesses, public bodies and critical sectors. In force since 18 October 2024, the directive imposes stringent measures to protect digital infrastructure and prevent penalties.

**CEMBRE****Certification in sustainability reporting**

pursuant to Article 81-ter, subsection 1, of the Consob Regulation no.11971 of 14 May 1999
as amended and supplemented

1. The undersigned Giovanni Rosani and Claudio Bornati, in their position as Managing Director and Manager responsible for the preparation of financial reports of Cembre S.p.A., respectively, pursuant to Article 154-*bis*, subsection 5-*ter*, of Legislative Decree 58 of 24 February 1998, certify that the sustainability report included in the 2025 Directors' report has been prepared:

- a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree no.125 of 6 September 2024;
- b) with the specifications adopted pursuant to Article 8, subsection 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

2. In this regard, no significant facts of note emerged.

Brescia, March 16, 2026

Chairman and
Managing Director

signed by:
Giovanni Rosani

Manager responsible for the
preparation of financial reports

signed by:
Claudio Bornati

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

Consolidated Statement of Financial Position

(euro '000)	Note s	31.12.2025	31.12.2024 *
ASSETS		of which related parties	of which related parties
NON-CURRENT ASSETS			
Property, plant and equipment	1	120,299	108,632
Investment property	2	706	688
Intangible assets	3	4,865	4,901
Goodwill	4	4,608	4,608
Right of use assets	5	10,392	8,204
Other investments		5	5
Other non-current assets	6	124	178
Deferred tax assets	15	3,646	3,616
TOTAL NON-CURRENT ASSETS		144,645	130,832
CURRENT ASSETS			
Inventories	7	76,506	73,791
Trade receivables	8	48,665	46,188
Tax receivables	9	9,324	7,640
Other current assets	10	945	1,286
Cash and cash equivalents		20,443	13,471
TOTAL CURRENT ASSETS		155,883	142,376
NON-CURRENT ASSETS AVAILABLE FOR SALE		-	-
TOTAL ASSETS		300,528	273,208

* for the purposes of improved comparability with the 2025 data, certain reclassifications have been made. Refer to notes 9, 10 and 18 for details

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(euro '000)	Notes	31.12.2025		31.12.2024 *	
LIABILITIES AND SHAREHOLDERS' EQUITY		of which related parties		of which related parties	
SHAREHOLDERS' EQUITY					
Capital stock	11	8,840		8,840	
Reserves	11	177,597		168,313	
Net profit		46,645		42,590	
TOTAL SHAREHOLDERS' EQUITY		233,082		219,743	
NON-CURRENT LIABILITIES					
Non-current financial liabilities	12	8,457	5,237	6,213	3,145
Employee Termination Indemnity and other personnel indemnities	13	1,480	11	1,617	13
Provisions for risks and charges	14	499	120	376	60
Deferred tax liabilities	15	3,695		4,015	
TOTAL NON-CURRENT LIABILITIES		14,131		12,221	
CURRENT LIABILITIES					
Current financial liabilities	12	12,496	610	5,271	828
Trade payables	16	22,754	227	19,883	
Tax payables	17	2,118		369	
Other payables	18	15,947	194	15,721	304
TOTAL CURRENT LIABILITIES		53,315		41,244	
LIABILITIES ON ASSETS HELD FOR DISPOSAL		-		-	
TOTAL LIABILITIES		67,446		53,465	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		300,528		273,208	

* for the purposes of improved comparability with the 2025 data, certain reclassifications have been made. Refer to notes 9, 10 and 18 for details

Consolidated Statement of Comprehensive Income

(euro '000)	Notes	31.12.2025	31.12.2024
		of which related parties	of which related parties
Revenue from contracts with customers	19	244,252	229,713
Other revenues	20	2,931	1,843
TOTAL REVENUES		247,183	231,556
Cost for material and good		(77,943)	(76,960)
Change in inventories	7	3,653	3,669
Cost of services received	21	(31,926)	(29,159)
Lease and rental costs	22	(446)	(319)
Personnel costs	23	(64,905)	(61,602)
Other operating costs	24	(1,993)	(1,897)
Increases in assets due to internal construction	25	705	1,103
Write-down of receivables	8	(416)	(86)
Accruals to provisions for risks and charges	26	(48)	(128)
GROSS OPERATING PROFIT		73,864	66,177
Tangible asset and investment property depreciation	1-2	(10,353)	(9,979)
Intangible assets amortization	3	(1,235)	(1,140)
Depreciation of right of use assets	5	(2,492)	(2,254)
OPERATING PROFIT		59,784	52,804
Financial income	27	377	357
Financial expenses	27	(598)	(630)
Foreign exchange gains (losses)		(377)	195
PROFIT BEFORE TAXES		59,186	52,726
Income taxes	28	(12,541)	(10,136)
NET PROFIT FROM ORDINARY ACTIVITIES		46,645	42,590
NET PROFIT FROM ASSETS HELD FOR DISPOSAL		-	-
NET PROFIT		46,645	42,590
Items of the other comprehensive income that will not be reclassified subsequently to profit or loss			
Gains (losses) from discounting of Employees' Termination Indemnity		71	54
Income tax relating to items that will not be reclassified to profit and loss		(17)	(13)
Items of the other comprehensive income that will be reclassified subsequently to profit or loss			
Conversion difference included in equity		(2,095)	1,394
COMPREHENSIVE INCOME	29	44,604	44,025
BASIC EARNINGS PER SHARE	30	2.77	2.53
DILUTED EARNINGS PER SHARE	30	2.77	2.53

Consolidated Statement of Cash Flows

(euro '000)	2025	2024 *
A) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13,471	20,882
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	46,645	42,590
Income taxes	12,541	10,136
Financial charges/(financial profits)	221	273
(Gains)/Losses on disposal of assets	(1,701)	(2)
Depreciation/amortization	14,080	13,373
Net change in Employee Termination Indemnity	(83)	(93)
Net change in provisions for risks and charges	122	(315)
Stock option plan IFRS2 remeasurement	346	(162)
Operating profit (loss) before changes in working capital	72,171	65,799
(Increase) Decrease in trade receivables	(2,477)	(3,695)
(Increase) Decrease in inventories	(2,715)	(5,048)
Increase (Decrease) in trade payables	2,871	5,054
Increase (Decrease) of other components of working capital	(3,750)	1,362
(Increase) Decrease in working capital	(6,071)	(2,327)
Other changes	(1,567)	1,426
Interest received/(Interest paid)	(221)	(273)
(Paid income taxes)	(8,159)	(17,465)
NET CASH FLOW GENERATED BY (USED IN) OPERATING ACTIVITIES	56,153	47,159
C) CASH FLOW FROM INVESTING ACTIVITIES		
Investment in fixed assets:		
- intangible	(1,212)	(1,341)
- tangible	(23,093)	(28,178)
- financial	(80)	(102)
Proceeds from disposal of tangible, intangible, available-for-sale fixed assets:		
- intangible	11	13
- tangible	2,300	149
- financial	134	1
NET CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	(21,940)	(29,458)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other financial assets	-	4,000
(Increase) Decrease in bank debts	7,312	2,952
Repayment of leasing liabilities	(2,609)	(2,170)
Sale (purchase) of own shares	-	175
Dividend distributed	(31,612)	(30,235)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(26,909)	(25,278)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	7,304	(7,576)
F) Foreign exchange conversion differences on cash	(332)	165
G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+E+F)	20,443	13,471
Of which: assets held for disposal	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20,443	13,471

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	2025	2024
NET CONSOLIDATED FINANCIAL POSITION		
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20,443	13,471
Other financial assets	-	-
Current financial liabilities	(12,496)	(5,271)
Non-current financial liabilities	(8,457)	(6,213)
NET CONSOLIDATED FINANCIAL POSITION	(510)	1,987
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash	11	9
Bank deposits	20,432	13,462
	20,443	13,471

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Statement of Changes in the Consolidated Shareholders' Equity

(euro '000)	Balance at 31.12.2024	Allocation of profits to reserves	Allocation of profits - dividends	Stock options plan: IFRS2 measurement	Stock option plan: shares assignment	Comprehen sive Income for the period	Balance at 31.12.2025
Capital Stock	8,840						8,840
Share premium reserve	12,245						12,245
Legal reserve	1,768						1,768
Reserve for own shares	(3,512)						(3,512)
Suspended-tax revaluation reserves	585						585
Other suspended-tax reserves	68						68
Reserve for previous years' profits	31,678	5,543					37,221
Conversion differences	41					(2,095)	(2,054)
Extraordinary reserve	116,752	5,435					122,187
Reserve for FTA	3,715						3,715
Reserve for discounting of employee termination indemnities	388					54	442
Merger surplus reserve	4,397						4,397
Stock options reserve	189			(189)	535		535
Net profit	42,590	(10,978)	(31,612)			46,645	46,645
Total Shareholders' Equity	219,743	-	(31,612)	(189)	535	44,604	233,082

(euro '000)	Balance at 31.12.2023	Allocation of profits to reserves	Allocation of profits - dividends	Stock options plan: IFRS2 measurement	Stock option plan: shares assignment	Comprehensive Income for the period	Balance at 31.12.2024
Capital Stock	8,840						8,840
Share premium reserve	12,245						12,245
Legal reserve	1,768						1,768
Reserve for own shares	(3,844)				332		(3,512)
Suspended-tax revaluation reserves	585						585
Other suspended-tax reserves	68						68
Reserve for previous years' profit	30,526	1,152					31,678
Conversion differences	(1,400)	47				1,394	41
Extraordinary reserve	107,358	9,394		11	(11)		116,752
Reserve for FTA	3,715						3,715
Reserve for discounting of employee termination indemnity	347					41	388
Merger surplus reserve	4,397						4,397
Stock options reserve	286			(151)	53		189
Net profit	40,828	(10,593)	(30,235)			42,590	42,590
Total Shareholders' Equity	205,719	0	(30,235)	(140)	374	44,025	219,743

Notes to the Consolidated Financial Statements at 31 December 2025

I. CORPORATE INFORMATION

CEMBRE S.p.A. is a joint-stock company with registered office in Brescia, Via Serenissima 9. The company is listed on the MTA (screen-based equities market) managed by Borsa Italiana S.p.A. CEMBRE S.p.A. and its subsidiaries (hereinafter referred to jointly as the "CEMBRE Group" or "the Group") are active primarily in the manufacturing and sale of electrical connectors, cable accessories and tools.

The publication of the CEMBRE Group's consolidated financial statements for the year ending 31 December 2025 was authorised by a resolution of the Board of Directors on 13 March 2026. CEMBRE S.p.A. is controlled by Lysne S.p.A., a holding company with registered office in Brescia, that does not carry out management and coordination activities.

The following table summarizes the key information:

Company:	CEMBRE S.p.A.
Domicile:	Brescia (Italy), via Serenissima n. 9
Corporate Form:	Joint Stock Company
Country:	Italy
Registered Office:	Brescia (Italy), via Serenissima n. 9
Headquarters:	Brescia (Italy), via Serenissima n. 9
Activity performed:	Production and marketing of electrical connectors, cable accessories and tools
Parent company:	Lysne S.p.A.

II. FORM AND CONTENT

These Consolidated Financial Statements at 31 December 2025 were prepared according to the International Financial Reporting Standards (IFRS) adopted by the European Union and the related implementation regulations issued in application of article 9 of Italian Legislative Decree no. 38/2005. The standards adopted in the preparation of these financial statements are those formally endorsed by the European Union and in force at 31 December 2025.

The consolidated financial statements have been prepared on a Group's going concern basis and in accordance with the historical cost principle, except for those items for which international accounting standards require a different measurement.

The amounts shown in the accounting statements and notes are in thousands of Euro, unless otherwise stated.

Accounting standards, amendments and interpretations issued by the IASB/IFRIC and not yet in force

The information provided below is relevant for assessing the possible impacts of applying new accounting standards and interpretations that have already been issued but have not yet entered into force or have not yet been endorsed by the European Union and are therefore not applicable to the preparation of the consolidated financial statements for the year ending 31 December 2025.

IFRS 18 - Presentation and Disclosure of Financial Statements

On 9 April 2024, the IASB published IFRS 18 Presentation and Disclosure of Financial Statements, with the aim of improving the information disclosed in financial statements, with a particular focus on the information contained in the statement of profit (loss) for the reporting period.

IFRS 18 enhances the quality of financial reporting, in particular by requiring the presentation of company-defined subtotals in the statement of profit (loss) for the year and the disclosure of management-defined performance measures, as well as by adding new principles for the aggregation and disaggregation of information. Furthermore, IFRS 18 results in the withdrawal of IAS 1 Presentation of Financial Statements.

The Group is currently working to identify the impacts that the amendments will have on its financial statement statements and notes. The preliminary assessments are as follows:

- lease income, changes in the fair value of investment property, and the share of profit from an investee and a joint venture will be classified under the 'investment' category in the income statement;
- currency translation differences shall be classified within the category in which the related income and expenses that gave rise to the currency translation difference were classified;
- interest income and interest expense will be classified, respectively, under investing activities and financing activities in the cash flow statement;
- the following will be introduced: (i) new disclosures relating to the performance measurement metrics defined by company management; and (ii) a reconciliation, for each income statement item, between the amounts restated in accordance with IFRS 18 and those previously presented in accordance with IAS 1.

IFRS 19 – Subsidiaries without public accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements set out in the other IFRS accounting standards.

As CEMBRE S.p.A. shares are listed on the stock market, the company is not eligible to apply IFRS 19.

Amendments to the classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7

On 30 May 2024 and 18 December 2024, the IASB published amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. These amendments related, respectively, to:

- the classification of financial assets with environmental, social and governance (ESG) characteristics and similar characteristics, as well as the settlement of liabilities through electronic payment systems. They also introduce disclosure requirements aimed at enhancing transparency for investors in relation to investments in equity instruments assessed at fair value through other comprehensive income statement and in financial instruments with contingent features, such as features linked to ESG goals.
- A revision of how the 'own use' requirements for contracts related to nature-dependent electricity would be applied, allowing the accounting for hedging transactions if such contracts are used as hedging instruments, and adding disclosure requirements designed to enable investors to understand the effects of these contracts on the company's profit or loss and future cash flows.

Annual Improvements to IFRS Accounting Standards - Volume 11

On 18 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards – Volume 11 as part of its regular improvement process.

The annual improvements make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The amendments shall be effective for years beginning on or after 1 January 2026. The Group does not expect the amendments to have a significant effect on the financial statements.

Accounting standards, amendments and interpretations, endorsed by the European Union, effective from 1 January 2025

Listed below are the accounting standards, amendments and interpretations to international accounting standards adopted by the European Commission that have entered into force as of 1 January 2025.

IAS 21 The Effects of Changes in Foreign Exchange Rates

On 15 August 2023, the IASB published amendments to International Accounting Standard IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify when a currency is exchangeable for another currency and, if it is not, how the company determines the exchange rate to be used, as well as the disclosures the company is required to provide when a currency is not exchangeable.

These amendments did not have a significant effect on the consolidated financial statements.

Consolidation principles

The Consolidated Financial Statements of the CEMBRE Group include the statutory accounts at December 31 of every year of Cembre S.p.A. and of its subsidiaries. The financial statements of the subsidiaries used in the consolidation were prepared by adopting, for the close of each financial year, the same accounting standards of the Parent Company.

The financial statements of consolidated subsidiaries are consolidated under the line-by-line method, thus including all items, irrespective of the share held by the Group, of the elimination of intragroup transactions and of unrealised gains on transactions with third parties.

The book value of investments is netted against the related share in the shareholders' equity of consolidated companies, attributing to assets and liabilities the respective current value at the time control was acquired and recording contingent liabilities, where appropriate. Where positive, the residual amount is recorded among non-current assets as goodwill. Negative residual differences are recorded in the Income Statement.

There are no cases in which an investment is lower than 100% and requires the recognition of the portion of profit and equity attributable to third parties.

Therefore, the companies consolidated line-by-line are:

REPORTS AND FINANCIAL STATEMENTS 2025 | CONSOLIDATED FINANCIAL STATEMENTS

Company	Registered office	Share capital	Share held as at 31/12/2025	Share held as at 31/12/2024
CEMBRE Ltd.	Sutton Coldfield (Birmingham-GB)	GBP 1,700,000	100%	100%
CEMBRE S.A.R.L.	Lyon (France)	EURO 1,071,000	100%	100%
CEMBRE S.L.U.	Torrejón de Ardoz (Madrid -Spain)	EURO 2,902,000	100%	100%
CEMBRE GmbH	Monaco (Germany)	EURO 10,112,000	100%	100%
CEMBRE INC.	Edison (New Jersey - Usa)	US\$ 1,440,000	100%	100%
CEMBRE B.V.	Eindhoven (Netherlands)	EURO 300,000	100%	100%
CEMBRE Electrical Connections Shanghai Ltd	Shanghai (China)	EURO 1,000,000	100%	100%
CEMBRE IE. Ltd.	Dublin (Ireland)	EURO 650,000	100%	n.a.

On 4 September 2024, CEMBRE Electrical Connections Shanghai Ltd was established and on 13 September 2024, CEMBRE B.V. was established, based in Eindhoven in the Netherlands. Both of these companies, wholly-owned subsidiaries of CEMBRE S.p.A., became operational in 2025.

The share capital of CEMBRE IE Ltd., a company established under Irish law in November 2025, was fully subscribed by CEMBRE S.p.A. for €650 thousand, but not paid up as at 31 December 2025, as the company was not operational. This share capital was paid up in full on 19 February 2026.

Translation of financial statements expressed in currencies other than the euro

The functional and reporting currency of the Group is the euro.

Financial statements denominated in functional currencies other than the euro are translated according to the following criteria:

- assets and liabilities are translated at the exchange rate applicable at the date of the financial statements;
- Income Statement items are translated at the average exchange rate for the year;
- foreign-exchange translation differences are recorded in a specific shareholders' equity reserve.

Upon the disposal of an investment in a foreign company, the related cumulative translation adjustments recognised in equity are recorded in the income statement.

Exchange rates applied in the translation of financial statements of subsidiaries, drawn from the foreign exchange section of the Bank of Italy's website, are shown in the table below (expressed in currency/€).

Currency	Exchange rate at Dec. 31, 2025	Average exchange rate 2025
British pound	0.873	0.857
US dollar	1.175	1.130
Chinese Renminbi	8.226	8.119

III. ACCOUNTING STANDARDS AND VALUATION CRITERIA

Presentation of the Financial Statements

The Financial Statements are prepared as follows:

- current and non-current assets and liabilities are reported separately in the Consolidated Statement of Financial Position;
- the analysis of costs in the Statement of Consolidated Comprehensive Income is carried out based on the nature of the same;
- the Consolidated Statement of Cash Flows is prepared by applying the indirect method.

The methods for preparing the Financial Statements have unchanged from previous year. Finally, with reference to CONSOB Regulation no. 15519 dated July 27, 2006, the Financial Statements include a separate reporting of amounts pertaining to related parties, where significant.

Property, plant and equipment

Property, plant and equipment is recorded at the historical cost and reported net of accumulated depreciation and losses in value.

Grants on the purchase of plant and equipment are recognised as a direct reduction in the carrying amount of the specific assets to which they relate.

Ordinary maintenance and repair costs are not capitalised, and are charged to the income statement in the year in which they are incurred, with the exception of those that result in an increase in the useful life of the asset.

Depreciation commences when the asset is available for use and is calculated on a straight line basis over the estimated residual useful life, taking into account its residual value. Depreciation rates applied reflect the useful life generally attributed to the various classes of assets and are summarised below, with no changes compared to the prior year:

- | | |
|--|-----------------|
| – buildings and light constructions: | from 2% to 10% |
| – plant and machinery: | from 5% to 25% |
| – industrial and commercial equipment: | from 6% to 25% |
| – other assets: | from 6% to 33%. |

Land has an undetermined useful life and is therefore not subject to depreciation.

The book value of property, plant and equipment is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the depreciation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realizable value, the assets or cash generating units are written down to reflect their expected realisable value. The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.

Tangible assets are eliminated from the balance sheet at the time of their sale or when there no longer exists the expectation of future economic benefits from their use or disposal.

Losses and gains (calculated as the difference between net revenues from the disposal and the book value of the asset) are recorded in the Income Statement in the year in which they are disposed of.

Leasing

The Group evaluates, when a contract is signed, whether it can be classified as a lease, or:

- whether it confers the right of exclusive use of an asset;
- whether a period is identified in which the right of use can be exercised;
- whether a consideration for use of said right has been set.

The assets identified in this way are recognised at cost, inclusive of all initial direct expenses, and are amortised on a straight-line basis from the date of effectiveness until the end of the useful life of the asset underlying the contract, or, if before, until the expiry of the lease.

At the same time as the recognition under assets of the right of use, the Group books the present value of payments due under lease payables, including the price of any purchase option. The value of the liabilities is reduced due to the payments made and may change depending on changes in the contractual terms. The discount rate used to determine the value of the liabilities is the incremental borrowing rate. Leases with a duration of less than or equal to 12 months have been excluded from application of the standard, as have low value leases. The associated fees, therefore, are booked as costs over the duration of the lease.

Investment property

Investment property is recorded at the historical cost and reported net of accumulated depreciation and losses in value. Assets that cease to be used in the context of the company's ordinary operations but possess all the characteristics set forth in IFRS 5 to be included among non-current assets available for sale, are classified among Investment property and continue to be amortised as if they were still included among Property, plant and equipment, applying the rates that represent the residual useful life. Please refer to the section on property, plant and equipment for a specification of the rates applied. The book value of property, plant and equipment is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the depreciation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realizable value, the assets or cash generating units are written down to reflect their expected realisable value.

The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.

Intangible assets

Intangible assets are recorded under assets, as provided by IAS 38 (Intangible assets), whenever it is probable that future economic benefits are generated through use and when the cost of the intangible asset can be determined in a reliable manner.

Intangible assets acquired separately are initially capitalised at cost, while those acquired through business combinations are capitalised at the current value on the acquisition date. With the exception of development costs, assets generated internally are not recorded as intangible assets.

After the initial recording, intangible assets are carried in the balance sheet at cost, net of accumulated amortisation calculated on a straight-line basis over their expected useful economic life, and of write-downs carried out as a result of durable losses in value. Intangible assets having an indefinite useful life are not amortised and subjected periodically to an analysis to assess

possible loss in value.

The useful life generally attributed to the various classes of assets is the following, with no changes compared to the prior year:

- | | |
|-----------------------------|--------------------|
| - concessions and licences: | from 5 to 10 years |
| - software licenses: | from 3 to 5 years |
| - patents: | 2 years |
| - development costs: | 5 years |
| - trademarks: | 10 to 20 years |

Amortisation commences when the asset is available for use, that is, when it is in a position and in the necessary condition to operate in the manner intended by management.

The book value of intangible assets is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the amortisation schedule originally set.

Whenever there exists such an indication and the book value of the asset exceeds its realisable value, the assets are written-down to their expected realisable value.

Goodwill

Goodwill is initially stated at cost represented by the excess of the total paid in respect of the net identifiable assets acquired and the liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the amount paid, the Group again verifies whether it correctly identified all the assets acquired and all the liabilities assumed and revises the procedures used to determine the amounts to be recognised at the acquisition date. If the new valuation still shows a fair value of the net assets acquired higher than the amount, the difference (profit) is recognised in the income statement.

After initial recognition, goodwill is valued at cost net of accumulated impairment losses. For the purpose of the impairment test, the goodwill acquired in a business combination is allocated, from the acquisition date, to each cash generating unit (CGU) of the Group which is expected to benefit from the synergies of the combination, regardless of the fact that other assets or liabilities of the acquired entity may be assigned to these units.

Impairment of goodwill is determined by comparing the recoverable value of the cash-generating unit (or group of cash-generating units) to which the goodwill refers with the corresponding net assets. Reductions in the value of goodwill cannot be restored in future years.

Financial assets

Financial assets are initially recorded at cost, inclusive of accessory purchase costs, representing the fair value of the price paid. After the initial recording, financial assets are valued in accordance with their final purpose as described below.

Financial assets measured at fair value, whose change is recorded in the Income Statement

These are financial assets held for trading purposes, acquired for the purpose of obtaining a profit from short-term fluctuations in price. Derivatives are classified as financial assets held for trading,

unless they are designated as effective hedging instruments.

Investments held to maturity

Financial assets other than derivatives that generate fixed financial flows or flows that may be determined and have a set maturity, are classified as Investments held to maturity when the Group intends to and is capable of holding them to maturity. Financial assets that the Group decides to hold for an indefinite period of time do not fall under this category.

After their initial recording, long-term financial investments held to maturity, such as bonds, are accounted for at the amortised cost, using the effective rate of interest method, are discounted to their present value. The amortised cost is calculated keeping into account discounts and premiums, amortised over the term of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets providing for fixed payments or payments that may be determined, not listed on an active market. These assets are recognised at amortised cost using the actual discount rate method. Gains and losses are recorded in the Income Statement whenever loans extended and receivables are eliminated from the accounts or they experience losses in value, together with the related amortisation.

Financial assets available for sale

Financial assets available for sale include financial assets that do not fall under the above categories. After initial recognition, these are recorded at fair value, while gains and losses are recorded under a specific Shareholders' Equity reserve until the assets are sold or a loss in value is ascertained. In such case, gains and losses accrued are charged to the Income Statement.

In the case of securities widely traded on a regulated market, the fair value is determined with reference to the listed price at the closing of trading on the date of the financial statements. In the case of financial assets for which there does not exist an active market, the fair value is determined through valuation techniques based on the price recorded in recent transactions between unrelated parties or on the basis of the current market value of a similar instrument, or on discounted cash flows or option pricing models. Investments in other companies fall in this category.

Impairment of financial assets

The Group verifies at least yearly the possible loss in value of individual financial assets. These are recorded only at the time when there exists objective evidence, at the occurrence of one or more events, that the asset has experienced a loss of value with respect to its initial recorded value.

Treasury shares

Treasury shares are recorded as a reduction of Shareholders' Equity in a specific reserve. The purchase, sale, issue or cancellation of treasury shares held does not determine the recording of any gain or loss in the Income Statement.

Inventories

Inventories are valued at the lower of cost and their expected realizable value, represented by their normal sale price, net of completion and selling costs.

The cost of inventories includes the acquisition cost, the transformation cost and other costs incurred to take inventories to their current location and state. The method used to determine the cost of inventories is that of the weighted average cost, including the cost of initial inventories. Provisions are calculated for finished products, materials and other supplies considered obsolete or slow-moving, keeping into account their expected useful life and retrievable value.

Receivables and payables

Receivables are recognised at fair value, with simultaneous recognition of a provision for doubtful accounts that takes into account possible losses in value (expected losses), determined based on the prior trend of insolvencies and expected future conditions. Payables are normally valued at the amortised cost, adjusted under exceptional conditions in the event of changes in the conditions.

Cash and cash equivalents

Cash and cash equivalents include cash balances, unencumbered deposits and other treasury investments with an original scheduled maturity of three months or less. A cash investment is considered to be a cash equivalent when it is readily convertible to cash with no significant risk of change in value and when it is intended to meet short-term cash commitments and is not held for investment purposes.

Financial liabilities

Loans taken out are initially recognised at cost, corresponding to the fair value of the amount received, less ancillary costs incurred in connection with the arrangement of loans. After initial recognition, loans taken out are measured at amortised cost, using the effective interest method.

Translation of amounts denominated in currencies other than the Euro

Transactions denominated in currencies other than the Euro are initially accounted for in Euro at the exchange rate at the date of the transaction. Currency translation differences arising at the time at which foreign currency receivables are collected and payables are paid out, are recorded in the income statement.

At the date of the financial statements, monetary assets and liabilities denominated in currencies other than the Euro – consisting of cash on hand or assets and liabilities to be received or paid out, whose amount is set and may be determined – are translated into Euro at the exchange rate at the date of the financial statements, recording in the income statement the currency translation difference.

Non-monetary items denominated in currencies other than the Euro are translated into Euro at the exchange rate at the time of the transaction, representing the historical exchange rate.

Functional currencies adopted by the CEMBRE Group companies correspond to the currencies of the respective country in which subsidiaries are based.

Provisions for risks and charges

Provisions for risks and charges are accrued against known liabilities, whose existence is certain or probable, but whose amount and expiration cannot be determined at the date of the financial statements. Accruals are made when the existence of a current obligation, legal or implicit, deriving from a past event, the fulfilment of which is expected to require the use of resources whose amount can be reliably estimated, is probable. Provisions are valued at the fair value of liabilities. When the financial effect and the timing of the cash outflow can be estimated in a reliable manner, provisions include the interest component, recorded in the Income Statement among financial income (expense).

Provisions accrued are reviewed at each accounting date and adjusted to bring them into line with the best estimate available to date.

Employee benefits

Under IAS 19, and before the reform introduced by the 2007 Budget Law, the Employee Termination Indemnity was classified among defined benefit plans and was therefore subject to actuarial adjustments.

Employee termination indemnities accrued up to 31 December 2006, continue to be accounted for as defined benefit plans, while those accrued from 1 January 2007 are accounted for in two different ways:

- where the individual employee has opted for complementary pension funds, employee termination indemnities accrued after 1 January 2007 and until the time at which the choice is made by the employee, are recorded as a defined benefit plan. Subsequently they are accounted for as a defined contribution plan;
- where the individual employee has opted for accumulation with the treasury fund of the national social security agency (INPS), indemnities accrued after 1 January 2007 are accounted for as a defined contribution plan.

Share-based payments

The Group records, starting from the grant date, the present value of the rights of exercise of the share purchase option. The allocation occurs periodically, over the entire vesting period set forth in the plan.

The fair value measurement of the options takes account of some actuarial variables according to the method set forth in IFRS 2: the risk-free return curve, the annual volatility of the yield of the CEMBRE share calculated over the last 3 years, the annual dividend rate, the value of the share price at the grant date. The allocation is accounted for under personnel costs with an undistributable reserve as contra-item called the Stock options reserve.

Elimination of financial assets and liabilities

Financial assets are eliminated when the Group ceases to hold rights to receive financial flows deriving from the same or when such rights are transferred to another entity, that is when risks and benefits of the financial instrument cease to have an effect on the financial position and operating performance of the Group.

A financial liability is eliminated only when the obligation included in it is cancelled, fulfilled or expired.

Any material change in the contractual terms relating to the liability result in its cancellation and in the recording of a new liability.

Any difference between the book value and the amount paid to extinguish the liability is recorded in the Income Statement.

Loss in value of non-financial assets

The Group verifies at least yearly the possible loss in value of individual assets. In such case, or in cases in which an annual assessment of impairment is required, the Group estimates the recoverable value. If an asset's book value is higher than its recoverable value, the asset has undergone impairment and is consequently written down to return it to its recoverable value.

In determining the recoverable value, the Group discounts estimated future cash flows using a pre-tax discount rate, which reflects the market assessments of the present value of money and the risks specific to the asset. Impairment losses on continuing operations are recognised in the Income Statement in cost categories consistent with the intended use of the asset that underwent impairment.

Previously revalued fixed assets are an exception to this, if the revaluation was recognised among the other items of the Comprehensive Income Statement. In such cases, the impairment is in turn recognised among the other items of the Comprehensive Income Statement up to the amount of the prior revaluation.

As at the reporting date, the Group assesses the existence of any indicators of loss (or reduction) of previously recognised impairment and, should such indicators exist, estimates the recoverable value of the asset or of the CGU. Said recovery is recognised in the Income Statement, unless the fixed asset has been recorded at the revalued amount, in which case the recovery is treated as an increase in revaluation.

Revenues

Revenues are valued at the current value of the amount received or receivable.

Disposal of assets

Revenue from contracts with customers is recognised in the Income Statement at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring control of goods or services to the customer. Revenue is recognised net of returns, discounts, allowances and taxes directly related to the sale of the product or the provision of the service.

Sales are recognised at the fair value of the consideration received for the sale of products and services when the following conditions are met: (i) control associated with ownership of the asset is transferred; (ii) the value of the revenues can be measured reliably; (iii) it is probable that the economic benefits associated with the sale will flow to the entity; (iv) the costs incurred, or to be incurred, can be measured reliably.

Services rendered

Revenues are recorded based on the state of completion of the operation at the date of the financial statements. When the result of the performance of services cannot be reliably estimated,

the revenues must be recognised only to the extent that the costs recognised will be recoverable.

The state of completion is determined by valuing work carried out or by determining the proportion between costs incurred and total estimated costs to completion.

Interest

Interest is recognised on an accrual basis using the effective interest method.

Dividends

They are recognised when the right of the shareholders to receive payment arises.

Grants

Grants are recorded at fair value when there exists a reasonable certainty that they will be received and the conditions for the entitlement to the grant are met.

Grants linked to cost components (operating grants) are recorded under "Other revenues and income" and amortised over several years so that revenues match the costs they are intended to compensate.

When grants are linked to assets (e.g. grants on the purchase of plant and equipment or grants for capitalised development costs), the amount of the grant is deducted directly from the carrying amount of the specific assets to which it relates.

Financial charges

Financial charges are recorded as a cost in the period in which they accrue. In accordance with IAS 23, financial charges incurred in the acquisition of significant assets (qualifying assets) are capitalised.

Cost of goods purchased and services received

They are recognised in the Income Statement according to the accrual principle.

Income taxes (current, prepaid and deferred)

Current taxes are determined based on a realistic estimate of the tax expense for the period in accordance with applicable tax regulations in the respective countries.

The Group records deferred and prepaid taxes arising from temporary differences between the book value of assets and liabilities and the related values reported for tax purposes, in addition to differences in the value of assets and liabilities generated by consolidation adjustments. Prepaid taxes are recorded only where there exists reasonable certainty of their retrieval through future profits within the term in which tax benefits are enjoyed.

Deferred tax assets are recorded also where there exist deductible losses or tax credits, whenever it is deemed probable that sufficient future profits will be generated in the medium-term (3 to 5

years).

On 24 May 2023, the IASB published the document International Tax Reform – Pillar Two Model Rules, which amends IAS 12 Income Taxes. The document introduces a temporary exception to the recognition of deferred tax assets and liabilities in connection with the application of the provisions of the Pillar Two Model published by the OECD. This amendment has no impact on the consolidated financial statements, as the Group is not affected by the Pillar Two rules, given that its annual revenues are below €750 million.

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing net profit by the weighted average number of shares in circulation for the period, excluding treasury shares held at the end of the period.

Diluted earnings per share are determined by dividing the net profit by the weighted average number of shares in circulation in the period, excluding treasury shares, increased by the weighted number of shares that potentially could be added to those in circulation due to the stock option plan.

Use of estimates

In accordance with IAS/IFRS, the Group made use of estimates and assumptions based on prior experience and other factors deemed determinant, but not certain. Actual data could therefore differ from estimates and projections made.

Estimated data is reviewed periodically and adjustments made to the same are taken to the Income Statement for the period in which the review takes place in case the review affect only one period, or, subsequent accounting periods in case it affects also the same. Below we describe review processes and key assumptions used by management in applying accounting standards.

Provision for inventory depreciation

The provision for inventory depreciation is accrued to bring the book value of inventories that are obsolete and slow-moving into line with their expected realisable value.

Management reviews the composition of inventories with particular reference to slow moving stock to determine the amount to be accrued prudentially to reflect the obsolescence of stocks.

Provision for doubtful accounts

The provision for doubtful accounts reflects management estimates regarding losses on trade receivables.

Losses on trade receivables expected by the Group are based on past experience on similar portfolios of receivables, current past due amounts vs. historical past due amounts, losses and collections, the close monitoring of credit quality, in addition to projections on economic and market conditions.

Retrievable value of non-current assets

Non-current assets include property, plant and equipment, intangible assets, goodwill and other

financial assets.

Whenever circumstances so require, the management reviews periodically the book value of non-current assets held and used by the Group, in addition to assets to be disposed of. Such activity is carried out using estimates of expected cash flows from the sale of the asset and of adequate discount rates used in calculating the present value of the same.

Whenever the book value of a non-current asset experiences a loss in value, the Group records a write-down equal to the difference between the book value of the asset and its retrievable value either through use or disposal of the same.

Post-retirement benefits

In the estimation of post-retirement benefits the Group makes use of traditional actuarial techniques based on stochastic simulations of the "Monte Carlo" type. Assumptions made relate to the discount rate and the annual inflation rate. The Group also makes use of demographic projections based on current mortality rates, employee disablement and resignation rates observed in Parent Company CEMBRE S.p.A.. In 2025, based on past turnover experience at the Parent Company, the probability of employees terminating their employment for causes other than death is the following:

Male	6.18%
Female	4.46%

The following assumptions were adopted with regard to the discounting rate and annual inflation rate:

Annual technical discounting rate	3.69%
Annual inflation rate	2.00%

Expected advances to be paid out are 5% per year and each advance corresponds to 70% of the accrued indemnity.

Recoverability of deferred tax assets

The Group evaluates the possibility to recover deferred tax assets on the basis of profits and expected future market conditions in view of current sale contracts and ability of expected future profits to offset tax credits, in addition to the expected variance of the same and based on expected results.

Contingent liabilities

In carrying out its activity, management consults with its legal and tax advisors and experts. The Group ascertains a liability arising from litigation whenever it deems probable that a financial outlay will be made in the future and when the amount of resulting losses can be reasonably estimated. In case a financial outlay becomes possible but its amount cannot be determined, such occurrence is reported in the notes.

Effects linked to climate change

The Group considers climate-related issues, and the effects of climate change, in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts for

the Group arising from both physical and transition risks. The Group believes that its business model and products will still be attractive following the transition to a low-emission economy. Although climate-related risks may not have a significant impact on measurements at present, the Group is closely monitoring developments and changes, such as new climate-related regulations and standards; in addition, climate-related issues may increase the uncertainty of estimates and assumptions concerning specific elements or items in the financial statements. However, these aspects are currently difficult to predict, even though they are being monitored more and more frequently in coordination between the various company departments.

The elements that could be most directly impacted by climate-related issues are:

- the useful life of property, plant and equipment. When recalculating the estimated residual value and useful life of an asset, the Group considers climate-related issues, such as the associated regulations that may limit their use or require significant investments for their adaptation or possibly their replacement;
- determination of the recoverable amount of non-financial assets. The estimate of value in use could be impacted in different ways by transition risk, in particular, climate-related regulations or a change in demand for the Company's products, despite the fact that the Group has concluded that its business model and products will still be attractive following the transition to a low-emission economy and that, to date, there are no significant climate-related assumptions.

For additional details, also see the sustainability report and the paragraph "Risks and effects of climate change" in the Report on Operations.

IV. SEGMENT DISCLOSURE

IFRS 8 requires segment disclosure to be supplied using the same elements on which management bases internal reporting.

For its analyses, the CEMBRE Group adopted a disclosure scheme by geographical area based on the location in which the operations of the Company are based or the production process takes place. As the CEMBRE Group operates in a single segment denominated "Electric connectors and related tools", items based on this element are not usually utilized for the purposes of internal reporting.

2025	ITALY	EUROPE	REST OF THE WORLD	Intragroup elimination	TOTAL
Revenues					
Sales to customers	120,852	106,226	17,174		244,252
Sales to other Group companies	59,352	3,754	53	(63,159)	-
Revenues by sector	180,204	109,980	17,227	(63,159)	244,252
Operating result by sector	46,546	12,549	689		59,784
Costs/income not assigned					
Operating profit					59,784
Net financial losses					(598)
Income taxes					(12,541)
Net result for the year					46,645
2024	ITALY	EUROPE	REST OF THE WORLD	Intragroup elimination	TOTAL

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Revenues					
Sales to customers	123,031	92,078	14,604		229,713
Sales to other Group companies	52,901	3,015	10	(55,926)	-
Revenues by sector	175,932	95,093	14,614	(55,926)	229,713
Operating result by sector					
Operating result by sector	44,295	7,992	516		52,803
Costs/income not assigned					-
Operating profit					52,803
Net financial losses					(77)
Income taxes					10,136
Net result for the year					42,590

As the distribution of sales by geographical area is different from that of the related Group activities, a breakdown of sales by geographical area of customers is shown below.

	2025	2024
Italy	99,493	98,892
Europe	117,637	108,574
Rest of the world	27,122	22,247
	244,252	229,713

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The breakdown of assets and liabilities is shown below:

31/12/2025	ITALY	EUROPE	REST OF THE WORLD	TOTAL
Assets and Liabilities				
Segment assets	216,787	77,887	10,987	305,661
Consolidation adjustments				(5,133)
				300,528
Segment liabilities	52,226	15,462	1,039	68,727
Consolidation adjustments				(1,281)
				67,446
Capital expenditure:				
- Tangible fixed assets	21,054	1,757	282	23,093
- Intangible fixed assets	1,209	3	-	1,212
				24,305
Depreciation and amortisation:				
- Tangible fixed assets	(8,325)	(1,788)	(240)	(10,353)
- Intangible fixed assets	(967)	(267)	(1)	(1,235)
- leased assets	(1,107)	(1,083)	(302)	(2,492)
				(14,080)
Accruals to provision for employee benefits	1,742	108	-	1,850
Average number of employees	605	290	45	940

31/12/2024	ITALY	EUROPE	REST OF THE WORLD	TOTAL
Assets and Liabilities				
Segment assets	190,559	77,540	10,453	278,552
Consolidation adjustments				(5,343)
Total assets				273,208
Segment liabilities	38,291	14,997	1,133	54,421
Consolidation adjustments				(956)
Total liabilities				53,465
Capital expenditure:				
- Tangible fixed assets	22,966	5,068	114	28,178
- Intangible fixed assets	1,281	60	-	1,341
Total capital expenditure				29,519
Depreciation and amortisation:				
- Tangible fixed assets	(8,344)	(1,398)	(237)	(9,979)
- Intangible fixed assets	(868)	(269)	(3)	(1,140)
- leased assets	(1,103)	(846)	(305)	(2,254)
Total amortisation				(13,373)
Accruals to provision for employee benefits	1,700	167	-	1,867
Average number of employees	581	283	40	903

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and Machinery	Equipment	Other assets	Work in progress and advances	Total
Historical cost	73,280	101,057	18,514	13,068	13,101	219,019
Revaluation pursuant to law	934	32	-	-	-	966
Accumulated depreciation	(21,484)	(67,955)	(12,840)	(9,074)	-	(111,353)
Balance at 31/12/2024	52,730	33,134	5,674	3,994	13,101	108,632
Capital expenditure	1,780	8,370	1,278	1,668	9,997	23,093
Currency translation differences	(184)	(197)	-	(98)	(11)	(490)
Depreciation	(1,685)	(6,173)	(1,008)	(1,443)	-	(10,309)
Net divestments	(280)	(65)	(171)	(51)	-	(567)
Reclassifications	1,594	7,632	1,052	82	(10,420)	(60)
Balance at 31/12/2025	53,955	42,701	6,825	4,152	12,667	120,299

	Land and buildings	Plant and Machinery	Equipment	Other assets	Work in progress and advances	Total
Historical cost	64,048	93,175	16,626	12,219	5,657	191,725
Revaluation pursuant to law	934	32	-	-	-	966
Accumulated depreciation	(19,792)	(62,512)	(12,133)	(8,002)	-	(102,439)
Balance at 31/12/2023	45,190	30,695	4,493	4,217	5,657	90,252
Capital expenditure	1,781	6,854	620	1,141	17,782	28,178
Currency translation differences	141	73	1	73	-	288
Depreciation	(1,646)	(5,990)	(919)	(1,383)	-	(9,938)
Net divestments	(5)	(35)	(49)	(57)	-	(147)
Reclassifications	7,268	1,538	1,529	3	(10,338)	-
Balance at 31/12/2024	52,730	33,134	5,674	3,994	13,101	108,632

In 2025, Group investments in property, plant and equipment reached a total €23,093 thousand, made primarily by the parent company.

Under the item Land and Buildings, mention goes to the purchase of a plot of land measuring 26,500 sqm, located near the Parent Company headquarters, for a value of €200 thousand. The other increases under this item mainly relate to some of the costs incurred for the construction of two new industrial buildings at the Parent Company headquarters, covering a total of 15,000 sqm. The remaining portion relates to renovation works and extraordinary maintenance activities carried out on the Group's other properties.

It should be noted that, on 15 July 2025, the French company CEMBRE S.A.R.L. sold to third parties, by notarial deed, the ownership of the industrial building located in the municipality of Morangis at a price of €1,900 thousand. This consideration was collected in full, and the capital gain realised, amounting to €1,598 thousand, was recognised under 'Other revenues and income'.

Among the most significant investments relating to the item Plant and Machinery, it is worth noting the construction of the new fining plant, at a total cost of €6.6 million, and the installation of an annealing furnace line, at a cost of €1.0 million, both carried out by the Parent Company. In addition, CEMBRE Ltd. invested €0.8 million in plant and machinery, primarily as a result of the construction of a new automated warehouse.

The increases under the item 'Equipment' relate for the most part to the purchase of moulds used in the production process.

Increases relating to the item Other assets mainly refer to the purchase of IT hardware and servers.

The item 'Work in progress and advances' includes advances paid in connection with the construction of fixed assets, amounting to €12,667 thousand, nearly entirely related to the construction of the aforementioned two new industrial buildings at the Parent Company headquarters and the plant and machinery intended for use in these buildings. In January 2026, occupancy permits were obtained for these two new industrial buildings.

In 2025, grants for the purchase of plant and equipment totalling €1.7 million were recognised, recorded as a direct reduction in the book value of the assets to which they relate.

2. INVESTMENT PROPERTY

	Land and buildings	Plant and Machinery	Other assets	Total
Historical cost	1,590	263	5	1,858
Accumulated depreciation	(902)	(263)	(5)	(1,170)
Balance at 31/12/2024	688	-	-	688
Capital expenditure	-	2	-	2
Depreciation	(41)	(3)	-	(44)
Reclassifications	34	26	-	60
Balance at 31/12/2025	681	25	-	706

The item includes only the property in Calcinatè (BG), owned by CEMBRE S.p.A., which is no longer used for the Group activities and is leased to third parties. The reclassification from Tangible Assets to Investment Property relates to the value of certain works carried out on the aforementioned property.

3. INTANGIBLE FIXED ASSETS

	Development costs	Patents	Software	Trademarks	Other	Work in progress and advances	Total
Historical cost	5,134	1,218	7,427	495	2,228	96	16,598
Accumulated depreciation	(2,794)	(1,117)	(6,021)	(329)	(1,435)	-	(11,697)
Balance at 31/12/2024	2,340	101	1,406	165	793	96	4,901
Capital expenditure	437	229	156	-	-	390	1,212
Currency translation differences	-	-	(2)	-	-	-	(2)
Depreciation	(425)	(130)	(397)	(49)	(234)	-	(1,235)
Net divestments	(11)	-	-	-	-	-	(11)
Reclassifications	-	-	206	-	-	(206)	-
Balance at 31/12/2025	2,341	200	1,369	116	559	280	4,865

Intangible assets refer almost entirely to the Parent Company Cembre S.p.A.. Development costs mainly concern the capitalisation of the hours dedicated by the technical office staff to product development; for more details on this asset, please refer to the Report on Operations. Net disinvestments relating to the item Development Costs represent the write-down of the residual value of projects abandoned during the year, as they are no longer considered worthwhile.

Investments in software mainly concerned upgrades or purchases of new licenses for existing applications.

In 2025, capital grants totalling €69 thousand were recognised, recorded as a direct reduction in the carrying amount of the specific intangible assets to which they relate.

4. GOODWILL

	31/12/2025	31/12/2024	Change in
Goodwill	4,608	4,608	-

In May 2018, the German company CEMBRE GmbH acquired the entire capital of the compatriot IKUMA, identifying, after allocating the amount paid for the acquisition, a residual goodwill value of €4,608 thousand.

With reference to the date of 31 December 2025, an impairment test was carried out on the goodwill recorded in the consolidated financial statements of CEMBRE. This goodwill congruity analysis was carried out by taking as reference, as the smallest cash generating unit (CGU) associated with the goodwill under analysis, the net invested capital of the CGU Germany (coinciding with CEMBRE GmbH) recognised in the consolidated financial statements of CEMBRE.

The estimate of recoverable value was made by using the discounted cash flow method in its unlevered version, applied to the 2026-2029 economic and financial plan of the "CGU Germany".

The analysis produced the following results:

	Recoverable value	Book value	Difference
CGU Germany	19,561	15,538	4,023

Therefore, there was no need to adjust the value of goodwill, recorded in the financial statements for €4,608 thousand. The WACC, namely the weighted average cost of capital, used to measure the cash flows was determined as equal to 10.43% (11.10% in 2024), while the long-term growth rate G was assumed to be equal to 2.00% (unchanged compared to 2024).

As shown in the table above, the book value of the "CGU Germany" was fully consistent with the recoverable value.

Sensitivity Analysis

Upon changing said parameters, the results of the impairment test would vary as follows:

Recoverable value of goodwill

		Long-term growth rate G				
		1.50%	1.75%	2.00%	2.25%	2.50%
WACC	11.43%	16,643	16,995	17,367	17,758	18,171
	10.93%	17,587	17,984	18,402	18,845	19,315
	10.43%	18,637	19,085	19,561	20,066	20,602
	9.93%	19,812	20,323	20,867	21,447	22,065
	9.43%	21,140	21,727	22,354	23,024	23,743

Difference between the recoverable value of goodwill and the value of the CGU Germany

		Long-term growth rate G				
		1.50%	1.75%	2.00%	2.25%	2.50%
WACC	11.43%	1,105	1,457	1,829	2,220	2,633
	10.93%	2,049	2,446	2,864	3,307	3,777

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10.43%	3,099	3,547	4,023	4,528	5,064
9.93%	4,274	4,785	5,329	5,909	6,527
9.43%	5,602	6,189	6,816	7,486	8,205

This sensitivity analysis confirms the absence of any critical issues.

5. RIGHT OF USE - LEASED ASSETS

	Buildings	Motor vehicles	Total
Historical cost	11,417	4,349	15,766
Accumulated amortisation	(5,360)	(2,202)	(7,562)
Balance at 31/12/2024	6,057	2,147	8,204
Increases	3,770	1,329	5,099
Currency translation differences	(172)	(16)	(188)
Amortisation	(1,300)	(1,192)	(2,492)
Divestments	(200)	(31)	(231)
Balance at 31/12/2025	8,155	2,237	10,392

The increase in the item buildings mainly refers to the lease of additional properties of CEMBRE S.p.A., while the increase in the item motor vehicles is due to the signing of new contracts to replace expired ones.

6. OTHER NON-CURRENT ASSETS

	31/12/2025	31/12/2024	Change in
Guarantee deposits	124	178	(54)

7. INVENTORIES

	31/12/2025	31/12/2024	Change in
Raw materials	20,410	18,054	2,356
Work in progress and semi-finished goods	10,844	15,671	(4,827)
Finished goods	43,641	38,571	5,070
Advances to goods suppliers	1,611	1,495	116
Total	76,506	73,791	2,715

Payments on account to goods suppliers are the result of large orders placed to ensure adequate availability of raw materials and products.

The value of inventories is adjusted to its presumed realisable value through a provision for slow-moving inventory amounting to €5,314 thousand. Changes in the provision in 2025 are shown in the table that follows:

	2025	2024
Balance at 1 January	5,131	5,183
Accruals	806	768
Uses	(471)	(695)
Releases	-	(226)
Currency translation differences	(152)	101
Balance at 31 December	5,314	5,131

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The impairment logic and procedures used to determine the inventory write-down provision did not change from the previous year.

8. TRADE RECEIVABLES

	31/12/2025	31/12/2024	Change in
Nominal receivables due from customers	49,747	47,009	2,738
Provision for doubtful accounts	(1,082)	(821)	(261)
Total	48,665	46,188	2,477

Nominal trade receivables by geographical area are shown in the following table.

	31/12/2025	31/12/2024	Change in
Italy	25,481	23,494	1,987
Europe	21,034	20,783	251
North America	2,149	1,684	465
Oceania	590	497	93
Middle East	203	342	(139)
Asia	168	91	77
Africa	122	118	4
Total	49,747	47,009	2,738

The average collection period is 67 days for both 2025 and 2024.

Changes in the provision for doubtful accounts are shown in the table that follows:

	2025	2024
Balance at 1 January	821	783
Accruals	416	86
Reversal of impairment losses on receivables	(148)	(33)
Releases	-	(15)
Currency translation differences	(7)	-
Balance at 31 December	1,082	821

The breakdown of receivables by maturity at 31 December was as follows:

Year	Not past due	0-90 days	91-180 days	181-365 days	Over one year	Under litigation	Total
2025	42,091	6,501	414	210	211	320	49,747
2024	40,460	5,101	448	452	382	166	47,009

9. TAX RECEIVABLES

	31/12/2025	31/12/2024	Change in
Tax receivables	9,076	6,992	2,084
Credit for advance tax	248	648	(400)
Total	9,324	7,640	1,684

The item 'Tax credits' mainly includes those of CEMBRE S.p.A., and in particular the 'Patent Box credit', amounting to €6.9 million at 31 December 2025. For further information, please refer to Note 28, "Income Taxes".

For the sake of clarity, tax credits for capital expenditure in 2024 have been reclassified from the

item 'Tax payables' in the amount of €1.87 million.

10. OTHER ASSETS

	31/12/2025	31/12/2024	Change
Receivables from employees	24	101	(77)
Advances to suppliers	233	244	(11)
Accrued income and prepaid expenses	249	168	81
Other	439	773	(334)
Total	945	1,286	(341)

For the sake of clarity, accrued income and prepaid expenses for 2024 have been reclassified from the item "Other payables" in the amount of €168 thousand.

11. SHAREHOLDERS' EQUITY

The share capital of the Parent Company amounts to €8,840 thousand, and is made up of 17 million ordinary shares with a par value of €0.52 each, fully subscribed and paid-up.

At 31 December 2025, CEMBRE S.p.A. held 185,041 treasury shares, corresponding to 1.09% of its capital stock. Against these shares the Company recorded €3,512 thousand in a specific shareholders' equity reserve under liabilities.

CEMBRE S.p.A. established the incentive plan known as "Carlo Rosani Prize 2025 – 2029", intended for executives and middle managers who have an employment contract with the company. The plan, approved by the Shareholders' Meeting on 29 April 2025, provides for the attribution, by the company, of rights to acquire ordinary CEMBRE shares, and will last until 2030. Following the adoption of this plan, in compliance with the provisions of IFRS 2, a Stock Options Reserve was recognised, representative of the debt to beneficiaries of the plan itself. This reserve amounted to €535 thousand at 31 December 2025. Please refer to Note 35 for further details.

A reconciliation between the Shareholders' Equity and net profit of the Parent Company and the Consolidated Shareholders' Equity and net profit is provided in the Report on Operations.

The "Consolidated statement of changes in equity" included in the consolidated financial statements analyses all the changes that have occurred in the various items that make up equity.

12. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

		Effective interest rate %	Term ending	31/12/2025	31/12/2024
Leasing liabilities - Non-current portion					
CEMBRE S.p.A.				3,802	1,287
CEMBRE Ltd.				2,207	2,467
CEMBRE S.A.R.L.				1,659	1,849
CEMBRE S.L.U.				221	239
CEMBRE GmbH				108	76
CEMBRE INC.				65	286
CEMBRE B.V.				258	-
CEMBRE Shanghai Ltd.				7	9
Total non-current portion				8,327	6,213
Bank loans					
CEMBRE S.p.A.	SIMEST No. 902813/DEP/FP	0.37	Oct-31	130	-
NON-CURRENT FINANCIAL LIABILITIES				8,457	6,213
Bank loans					
CEMBRE S.p.A.	Current portion				
	BNL contract 6176728	6.08	June-25	-	67
	BPER Hot money	1.92	Feb-26	5,000	3,000
	INTESA contract 161226308045660	2.05	Feb-26	5,000	-
Total current portion				10,000	3,067
Bank overdrafts					
CEMBRE S.p.A.	Banco BPM	2.29	request	183	-
Total				183	-
Payables for bank fees and interest				80	13
Leasing liabilities - Current portion					
CEMBRE S.p.A.				913	1,002
CEMBRE Ltd.				444	388
CEMBRE S.A.R.L.				261	270
CEMBRE S.L.U.				117	89
CEMBRE GmbH				197	130
CEMBRE INC.				246	310
CEMBRE BV.				53	-
CEMBRE Shanghai Ltd.				2	2
Total current portion				2,233	2,191
CURRENT FINANCIAL LIABILITIES				12,496	5,271

13. EMPLOYEE SEVERANCE INDEMNITY AND OTHER RETIREMENT BENEFITS

The item includes the Employee Termination Indemnity accrued for employees of the Italian company. Special retirement benefits, due in accordance with French regulations to persons employed in France at the time of retirement, are also included in the provision.

Employee termination indemnity accrued at 31 December 2025 was discounted on the basis of an evaluation made by a registered actuary. For more information, see the paragraph "Use of estimates" in Chapter "III. Accounting standards and valuation criteria"

	2025	2024
Opening balance	1,617	1,751
Accruals	1,118	1,206
Uses	(794)	(757)
Social security (INPS) treasury provision	(437)	(576)
Actuarial effect	(24)	(7)
Closing balance	1,480	1,617

The Treasury provision with the National Social Security Institute (INPS) at 31 December 2025 amounted to €10,479 thousand.

A change in the discount rate used could result in the following impacts on amount of debt accrued:

Change in rate	31/12/2025	31/12/2024
0.5%	1,442	1,537
-0.5%	1,522	1,705

14. PROVISIONS FOR RISKS AND CHARGES

Changes in the year are shown in the table below:

	Supplementary customer allowances	Directors variable compensation	Personnel incentives	Other provisions	Total
At 31 December 2024	158	60	63	95	376
Accruals	37	60	64	11	172
Use	(17)	-	-	(32)	(49)
At 31 December 2025	178	120	127	74	499

In line with the remuneration policy of CEMBRE S.p.A., a variable compensation based on the achievement of medium-long term targets was introduced in favour of the Chair and CEO. This compensation will be paid in 2027 following the achievement of the objectives set for the 2024-2026 period by the Board of Directors. The amount of the accrual against the variable compensation of Directors is recorded among the cost of services.

The provision for personnel benefits includes amounts accrued for sales personnel that will be paid out upon the achievement of performance targets set in the sales development plan defined by the management.

Other provisions include allocations for possible obligations arising from a dispute with a former employee, amounting to €43 thousand, and for potential disputes with customers, amounting to

€31 thousand. Given the residual value, all amounts set aside, in the various funds, have not been discounted.

15. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities as at 31 December 2025 are summarised as follows:

	31/12/2025	31/12/2024
Deferred tax assets		
Reversal of unrealised intra-group profits in stock	1,887	2,068
Write-down of inventories	671	585
Provision for doubtful accounts of the Parent Company	131	130
Differences on amortisation and depreciation of the Parent Company	358	335
Other	599	498
Gross deferred tax assets	3,646	3,616
Deferred tax liabilities		
Average cost assessment of inventories by the Parent Company	(600)	(688)
Amortisation and depreciation CEMBRE Ltd.	(1,193)	(1,196)
Reassessment of land	(1,652)	(1,652)
Allocation of IKUMA investment purchase price	(172)	(436)
Other	(78)	(43)
Gross deferred tax liabilities	(3,695)	(4,015)
Net deferred tax assets (liabilities)	(49)	(399)

The item "Amortisation and depreciation CEMBRE Ltd." includes the recognition of deferred tax on investments made by the subsidiary CEMBRE Ltd.

16. TRADE PAYABLES

	31/12/2025	31/12/2024	Change in
Trade payables	22,651	19,485	3,166
Advances	103	398	(295)
Total	22,754	19,883	2,871

The following table shows the distribution of payables to suppliers by geographical area.

	31/12/2025	31/12/2024	Change in
Italy	19,493	16,043	3,450
Europe	2,739	2,679	60
Far East	412	373	39
North America	(2)	127	(129)
Other	9	263	(254)
Total	22,651	19,485	3,166

Average payment time increased from 54 days in 2024 to 62 days in 2025.

17. TAX PAYABLES

This item exclusively includes tax payables, net of advances already paid.

18. OTHER PAYABLES

The item "Other payables" is broken down as follows:

	31/12/2025	31/12/2024	Change in
Payables to employees	4,554	4,183	371
Employee withholding taxes payable	1,853	1,915	(62)
VAT and similar foreign taxes payable	2,377	1,849	528
Commissions payable	458	453	5
Payables to Statutory Auditors and similar foreign boards	35	55	(20)
Payables to directors	158	249	(91)
Social security payables	3,823	3,828	(5)
Payables for sundry taxes	19	41	(22)
Deferrals	2,310	2,728	(418)
Sundry items	360	420	60
Total	15,947	15,721	226

For the sake of clarity, deferred income for 2024 has been reclassified from the item 'Tax payables' in the amount of €2.7 million, and deferred assets have been reclassified to the item 'Other assets' in the amount of €168 thousand.

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers by geographical area is broken down as follows:

	2025	2024	Change
Italy	99,493	98,892	0.6%
Rest of Europe	117,637	108,574	8.3%
Rest of the World	27,122	22,247	21.9%
Total	244,252	229,713	6.3%

Further details are provided in the Report on Operations.

20. OTHER REVENUES AND INCOME

The breakdown of the item "Other revenues" and income is as follows:

	2025	2024	Change in
Capital gains	1,761	60	1,701
Release of provisions	1	200	(199)
Insurance damages	199	544	(345)
Reimbursements	344	480	(136)
Other	146	8	138
Operating grants	51	83	(32)
Capital grants	429	468	(39)
Total	2,931	1,843	1,088

The capital gains item includes the capital gain of €1,598 thousand realised on 15 July 2025, by the French company CEMBRE S.A.R.L., which sold to a third party, by notarial deed, ownership of the industrial property located in the municipality of Morangis for a price of €1,900 thousand. This consideration was collected in full. Reimbursements relate primarily to transport costs charged to customers.

With regard to operating grants, pursuant to Art. 1, paragraph 125, of Law 124/2017 (Compliance with transparency and disclosure obligations), in 2025, grants amounting to €47 thousand were obtained from the "Fondo Formazienda" fund for training courses provided to Parent Company personnel.

With regard to capital grants, it should be noted that these represent the portion of grants relating to facilitations for investments made by the Company in previous financial years, since, as of the 2025 financial year, these grants are recognised as a direct reduction of the asset to which they relate.

21. COST OF SERVICES

The item "costs for services" is broken down as follows:

	2025	2024	Change in
Subcontracted work	5,715	4,604	1,111
Electricity, heating and water	2,519	2,219	300
Transport of goods sold	3,782	3,472	310
Fuel	691	762	(71)
Travelling expenses	2,005	2,094	(89)
Maintenance and repair	4,035	3,699	336
Consulting	2,794	2,666	128
Advertising, promotion and trade fairs	1,272	1,268	4
Insurance	1,193	953	240
Compensation of corporate boards	1,048	1,073	(25)
Postage and telephone	416	438	(22)
Commissions	1,876	1,540	336
Security and cleaning	941	1,025	(84)
Bank services	178	174	4
Software licence fees	1,630	1,543	87
Refresher courses	378	409	(31)
Personnel search	660	483	177
Sundry items	793	737	56
Total	31,926	29,159	2,767

The item external processing increased due to the higher volume of processing work entrusted by CEMBRE S.p.A. to third parties.

The item commissions increased due to the higher sales volume generated through sales agents.

The residual item "Sundry items" includes mainly entertainment and hospitality costs.

22. LEASES AND RENTALS

The item is broken down as follows:

	2025	2024	Change in
Rent and related costs	186	144	42
Vehicle and other leasing	260	175	85
Total	446	319	127

The amounts represent the residual portion linked to temporary extensions and short-term contracts, to contracts relative to assets worth less than €5,000 and ancillary costs not falling within

the application of IFRS16.

23. PERSONNEL COSTS

Personnel costs are broken down as follows:

	2025	2024	Change in
Wages and Salaries	49,722	47,234	2,488
Social security charges	11,506	10,819	687
Employee Severance Indemnity	1,892	1,874	18
Retirement benefits	128	322	(194)
Other costs	1,657	1,353	304
Total	64,905	61,602	3,303

Wages and salaries include €5,144 thousand relating to the cost of personnel on short-term contracts, mainly incurred by the Parent Company (€4,395 thousand).

The increase in the item "Other costs" includes the provision in the Reserve for stock options, referred to in Note 11, equal to €535 thousand (€53 thousand in 2024).

Average number of employees by category:

	2025	2024	Change in
Executives	13	15	(2)
White collars	476	461	15
Blue collars	342	340	2
Temporary workers	109	87	22
Total	940	903	37

Average numbers of employees by company are as follows:

	Executives	White collars	Blue collars	Temporary workers	Total 2025	Total 2024	Change in
CEMBRE S.p.A.	8	261	244	92	605	581	24
CEMBRE Ltd.	1	71	55	10	137	127	10
CEMBRE S.A.R.L.	1	29	6	2	38	39	(1)
CEMBRE S.L.U.	1	36	12	4	53	50	3
CEMBRE INC.	1	33	6	-	40	39	1
CEMBRE GmbH	1	39	19	1	60	66	(6)
CEMBRE B.V.	-	2	-	-	2	-	2
CEMBRE Shanghai Ltd.	-	5	-	-	5	1	4
Total	13	476	342	109	940	903	37

24. OTHER OPERATING COSTS

The item is broken down as follows:

	2025	2024	Change in
Sundry taxes	897	953	(56)
Losses on receivables	120	11	109
Capital losses	60	156	(96)
Donations	84	60	24
Membership fees	81	73	8
Ancillary expenses for production	328	56	272
Accessory administrative expenses	70	68	2
Ancillary trade expenses	78	124	(46)
Other	275	396	(121)
Total	1,993	1,897	96

The residual item "Other" consists primarily of sundry expenses not otherwise classifiable.

25. INCREASES IN FIXED ASSETS FOR INTERNAL WORK

	2025	2024	Change in
External supplies of components	332	579	(247)
External processing and treatment	17	21	(4)
Internal design and processing	314	451	(137)
Other	42	52	(10)
Total	705	1,103	(398)

This item represents the amount of costs capitalised by the Parent Company for the construction of equipment and dies built internally, as well as costs relating to development activities.

26. ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES

The item is broken down as follows:

	2025	2024	Change
Customer allowances	37	33	4
Other provisions	11	95	(84)
Total	48	128	(80)

27. FINANCIAL INCOME AND CHARGES

	2025	2024	Change
Interest earned on bank account balances	266	247	19
Other financial income	111	110	1
Total financial income	377	357	20
Loans and bank overdrafts	(280)	(308)	28
Financial charges from discounting of Employee	(48)	(47)	(1)
Termination Indemnity			
Lease financial charges	(269)	(274)	5
Other financial charges	(1)	(1)	-
Total financial charges	(598)	(630)	32
Total financial income and charges	(221)	(273)	52

28. INCOME TAXES

Income taxes are composed as follows:

	2025	2024	Change
Current taxes	(15,959)	(14,461)	(1,498)
Deferred taxes	365	368	(3)
Extraordinary income	62	17	(45)
Patent Box Benefit	2,991	3,940	(949)
Total	(12,541)	(10,136)	(2,405)

On 18 December 2023, Cembre S.p.A. renewed the agreement with the Revenue Agency that defines the methods and criteria for calculation of the economic contribution to the production of business income by intangible fixed assets for the purposes of the so-called "Patent Box", with regard to tax years 2020-2024.

The agreement allowed CEMBRE S.p.A. to obtain a tax benefit for 2020 of approximately €1,103 thousand, accounted for in 2023, determined according to the methods and criteria defined in the agreement.

Similarly, this agreement enabled the recognition in 2024 of a tax benefit related to the 2021 financial year amounting to €1.88 million and a tax benefit related to the 2022 financial year amounting to €2.06 million. The tax benefit relating to the 2023 financial year, recognised in 2025, amounts to €2.99 million; as for the tax benefit relating to the 2024 financial year, the income will be recognised when it can be determined with the required certainty.

The table that follows shows a reconciliation between the theoretical tax expense, calculated at the normal tax rate of the Parent Company (Corporate (IRES) + Regional Tax on Productive Activities (IRAP) = 27.9%), and the actual tax expense recorded in the consolidated accounts.

	2025		2024	
	Amount	%	Amount	%
Profit prior to taxes	59,186		52,726	
Theoretical tax expense	16,513	27.9%	14,710	27.9%
Effect of non-deductible charges	2,405	4.06%	1,833	3.48%
Effect of untaxed income and deductions	(2,666)	-4.50%	(2,588)	-4.91%
IRAP and other taxes	(37)	-0.06%	469	0.89%
Extraordinary income	(3,053)	-5.16%	(3,958)	-7.51%
Effect of other foreign tax rates	(621)	-1.05%	(330)	-0.62%
Total income taxes in the financial statements	12,541	21.19%	10,136	19.23%

Deferred tax assets and liabilities are made up as follows:

	2025	2024
Reversal of unrealised intra-group profits in stock	(181)	134
Average cost assessment of inventories by the Parent Company	89	128
Write-down of inventories	86	(8)
Differences on depreciation	27	65
Allocation of IKUMA investment purchase price	74	59
Discounting of employee termination indemnity	(19)	(2)
Other	289	(8)
Prepaid/deferred taxes for the financial year	365	368

29. COMPREHENSIVE INCOME

The CEMBRE Group uses a single table to report its comprehensive income. In particular, the economic effects recorded directly under Shareholders' Equity are reported separately and result in an increase or decrease of net profit for the period. At 31 December 2025, the changes relate only to foreign exchange translation differences arising upon consolidation on the translation into Euro of the financial statements of subsidiaries operating outside the Euro zone, to the effect of the discounting of Employee Termination Indemnities.

30. EARNINGS PER SHARE (BASIC AND DILUTED)

Basic earnings per share are calculated by dividing net profit by the weighted average number of shares in circulation for the period, excluding treasury shares held at the end of the year, amounting to 185,041. Diluted earnings per share are determined by dividing the net profit by the weighted average number of shares in circulation in the period, excluding treasury shares, increased by the weighted number of shares that potentially could be added to those in circulation due to the stock option plan.

	2025	2024
Consolidated net profit	46,645	42,590
No. of ordinary shares ('000)	16,815	16,806
Basic earnings per share	2.77	2.53
Weighted number of shares potentially eligible for allocation (Euro '000)	13	18
Diluted earnings per share	2.77	2.53

31. DIVIDENDS

On 14 May 2025 (ex-dividend date 12 May), dividends were paid in the amount of €31,612 thousand, relating to the allocation of profit for the year 2024, corresponding to €1.88 per share entitled to dividends.

Dividends related to the allocation of the 2025 profit and submitted for approval to the Shareholders' Meeting amounted to €2.06 per share, for a total of €34,639 thousand. This amount was not recorded as a liability.

32. COMMITMENTS AND RISKS

	31/12/2025	31/12/2024	Change
Sureties and guarantees given	1,700	1,625	75

At 31 December 2025, the Parent Company had outstanding guarantees of €280 thousand provided to the Municipality of Brescia, guaranteeing the commitment to carry out urbanisation works following the authorisation to build on an area owned by the company and adjacent to the company HQ. The residual portion refers to guarantees granted to Italian and foreign electrical and railway entities, to guarantee supply for €936 thousand, and guarantees granted to Brescia Customs Authority for €484 thousand.

In July 2023, CEMBRE S.p.A. signed a framework agreement with Intesa Sanpaolo SpA for the transfer of tax credits in favour of CEMBRE S.p.A., valid until 31 December 2026, and provides for an indemnity in favour of CEMBRE S.p.A. The Company benefits from a purchase price that is lower than the nominal value of the tax credit being transferred, obtaining financial income when it uses the purchased tax credit to pay the taxes due. This agreement resulted in the purchase of tax credits in the amount of €10 million in 2024 and 2025; a commitment to purchase tax credits in the amount of €10 million is also envisaged for the financial year 2026.

33. NET FINANCIAL POSITION

At the end of the financial year, the Group's Net Financial Position stood at a negative value of €510 thousand, a decrease compared to 31 December 2024 due to the dividends paid and the investments made during the year.

At the financial statement date, the Group had no outstanding debt involving covenants or negative pledges.

In respect of the "Guidelines on disclosure obligations pursuant to the prospectus regulation" set forth by ESMA, details of the Group Net Financial Position are provided below:

	31/12/2025	31/12/2024
A Cash	11	9
B Bank deposits	20,432	13,462
C Other financial assets	-	-
D Cash and cash equivalents (A+B+C)	20,443	13,471
E Current bank payables	(10,262)	(3,080)
F Current financial leasing liabilities	(2,234)	(2,191)
G Current financial indebtedness (E+F)	(12,496)	(5,271)
H Net current financial position (G+D)	7,947	8,200
I Non-current bank payables	(130)	-
J Non-current financial leasing liabilities	(8,327)	(6,213)
K Non-current financial indebtedness (I+J)	(8,457)	(6,213)
L Net financial position (H+K)	(510)	1,987

34. DISCLOSURE ON RELATED PARTIES

Among the assets leased to CEMBRE S.p.A. by third parties are an industrial building adjacent to the Company registered office measuring a total of 5,960 sqm on three floors, in addition to the Monza, Padua and Bologna sales offices. These properties are owned by "Tha Immobiliare S.p.A.", a company with registered office in Brescia, whose capital is held by Anna Maria Onofri, Giovanni Rosani, and Sara Rosani, members of the Board of Directors of the Parent Company CEMBRE S.p.A.; the interest for the company can be seen in the prospect of continuity and in the reduction of the risks of termination of the lease contract. At 31 December 2025, the following payable positions were outstanding: €179 thousand for Tha Immobiliare S.p.A. and €48 thousand for Borno Ltd.

CEMBRE Ltd. leases an industrial building, composed of several units, from Borno Ltd., a company controlled by Lysne S.p.A. (parent company of CEMBRE S.p.A.).

A summary of the amounts reported in the financial statements relating to the above-mentioned contracts is provided below:

	Assets	Non-current liabilities	Current liabilities	Amortisation	Interest expense
Leased assets from THA - CEMBRE S.p.A.	3,717	3,364	348	467	21
Leased assets from Borno - CEMBRE Ltd	2,029	1,873	262	288	94

CEMBRE S.p.A. does not have direct relationships with the parent company Lysne S.p.A. of any other nature than that of the exercise of shareholders rights on the part of the parent company. Lysne S.p.A. does not carry out any management or coordination activity with respect to Cembre S.p.A.

Boards' compensation

During the 2025 financial year, the compensation of the members of the board of directors and the board of statutory auditors, net of contributions, is as follows:

	Board of Statutory Auditors	Directors
Emoluments as directors and auditors of CEMBRE S.p.A.	98	612
Remuneration as employees	-	261
Other compensation	-	11
Non-monetary benefits	-	27

The item 'Remuneration as employees' does not include contributions borne by the Company, amounting to €85 thousand.

Other fees relate to the function performed within the Supervisory Body.

Non-monetary benefits relate to the use of a company car and insurance policies underwritten on their behalf.

35. SHARE-BASED PAYMENTS

The Parent Company CEMBRE S.p.A. established the incentive plan known as "Carlo Rosani Prize 2025 – 2029", intended for executives and middle managers who have an employment contract with the Company.

The plan, approved by the Shareholders' Meeting on 29 April 2025, provides for the attribution, by the company, of rights to acquire ordinary CEMBRE S.p.A. shares, and will last until 2030.

The rights granted under the plan can only be assigned to the beneficiaries identified, to this end, by the Board of Directors, based on the prior opinion of the Appointments and Remuneration Committee and in compliance with the Incentive Plan Regulation.

The rights granted under the plan can only be assigned to the beneficiaries identified, to this end, by the Board of Directors, based on the prior opinion of the Appointments and Remuneration Committee and in compliance with the Incentive Plan Regulation. The rights will be assigned annually, free of charge, in the plan duration period, following the Board's approval of the company's consolidated financial statements. The beneficiaries will be attributed, for each annual assignment, the following rights: 1,000 for those in the position of executive and 250 for middle managers. The exercise price of the aforementioned rights is €20 per share. Based on the beneficiaries identified by the Board of Directors, provision is made for the assignment of a total maximum number of 67,750 shares for the entire duration of the plan. The assignment of the rights to the beneficiaries is subject to the verification of the following performance conditions:

- growth must be recorded in the gross operating profit of the CEMBRE Group in the reference year (i.e. the year prior to the assignment year) compared to the previous year;
- the gross operating profit of the CEMBRE Group in the reference year must be higher than the minimum values reported in the incentive plan Regulation.

The assignment of the rights to the beneficiaries is also subject to the following additional conditions, to be verified in relation to the individual beneficiary:

- existence of an employment contract with the position of executive or middle manager;
- solely for recipients in the position of middle manager, provision of work activities to the company for an average of 40 hours per week;
- in accordance with the transfer ban of the regulation, starting from the second allocation date, ownership of the shares purchased under the plan, and in any case of a number of CEMBRE shares at least equal to the total number of rights exercised under the plan.

36. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group makes very limited use of derivative instruments to hedge against interest risk and currency exposure.

The short-term maturity of a large part of the financial instruments held is such that their carrying value is in line with their fair value of the same.

Risks connected with the market

The Group faces this risk with ongoing innovation, the widening of the product range, high automation and the upgrade of its production process, implementing focused marketing policies also with the help of its foreign subsidiaries.

Interest rate risk

At 31 December 2025, as detailed in Note 12, two fixed-rate loans, maturing in February 2026 and regularly repaid, were in place in the name of the Parent Company CEMBRE S.p.A. Owing to the nature and duration of the contracts, the interest rate risk can be considered zero.

Currency risk

Despite a strong international presence, the CEMBRE Group does not have a significant exposure to currency risk (on an operating or equity basis), as it operates mainly in the Euro area, the currency in which its trade transactions are mainly denominated.

Exposure to currency risk is determined mainly by sales in US dollars and British pounds. The entity and volumes are not such as to have a significant impact on the Group results.

In addition to currency risk, the group is also exposed to currency translation risk. In fact, as described in the section on consolidation principles, the financial statements of subsidiaries drawn up in currencies other than the euro are converted at the rates in the foreign exchange section of the Bank of Italy website.

In the table that follows we report the economic effect of possible fluctuations in exchange rates for the main financial items of consolidated companies operating outside the euro area.

	Currency	Change in exchange rate	Change in Equity	Change in Turnover	Change in pre-tax profit
CEMBRE Ltd.	GBP	5% / -5%	1,108/(1,108)	1,977/(1,977)	236/(236)
CEMBRE INC.	USD	5% / -5%	428/(428)	779/(779)	73/(73)
CEMBRE Shanghai Ltd.	RMB	5% / -5%	(2)/2	52/(52)	(41)/41

At 31 December 2025, the effect of foreign-exchange transactions is negative by €377 thousand.

Liquidity risk

The exposure of the Group to liquidity risk is not material as its financial position is balanced. The collection and payment cycle is also balanced, as shown by the ratio of current assets to current liabilities.

Credit risk

The Group exposure to credit risk relates exclusively to trade receivables.

As shown in Note 8, none of the areas in which the CEMBRE Group operates poses relevant credit risks.

Operating procedures limit the sale of products or services to customers who do not possess an adequate credit rating or provide secured guarantees. The receivables matured over 12 months and those under litigation are widely covered by the provision for doubtful accounts accrued. Moreover, CEMBRE S.p.A. has stipulated an insurance policy against commercial credit risk, allowing it to reduce further exposure to this kind of risk.

Risks linked to climate change

Climate change entails a broad spectrum of possible impacts for the Group arising from both physical and transition risks. When making new investments, the Group takes into account the possible future impacts that climate change may have on their usability and useful life. It also closely monitors regulatory developments and changes, such as new climate-related regulations and standards.

The Group believes that its business model and products will still be attractive following the transition to a low-emission economy.

Climate-related issues may increase the uncertainty of the estimates and assumptions regarding certain elements or items of the financial statements. For further discussion of this aspect, please refer to the section "Effects of Climate Change" in the sub-chapter "Use of estimates" of the chapter "ACCOUNTING STANDARDS AND VALUATION CRITERIA".

Please also refer to the "Effects of climate change" section in the Report on Operations.

37. SUBSEQUENT EVENTS

No event having significant effects on the Group's financial position or operating performance occurred after the close of the year.

The recent conflict between the USA and Iran has had the immediate consequence of making it difficult for vessels carrying crude oil and liquefied natural gas to transit through the Strait of Hormuz, a route that is vital for around 20% of the world's oil; as a result, the prices of these commodities are under pressure. The CEMBRE Group has already experienced a similar inflationary phenomenon in the recent past without suffering any significant consequences. In 2025, the Cembre Group's sales in the Middle East region amounted to €5.1 million and accounted for 2% of consolidated revenues; the majority of these sales were to Saudi Arabia.

Brescia, 13 March 2026

**FOR THE BOARD OF DIRECTORS OF THE PARENT
COMPANY CEMBRE S.P.A.**

*Chair and Chief Executive Officer
Giovanni Rosani*

**CEMBRE**

Attestation in respect of the Consolidated financial statements

pursuant to Article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999,
as amended and supplemented

The undersigned Giovanni Rosani and Claudio Bornati, in their position as Managing Director and Manager responsible for the preparation of financial reports of Cembre S.p.A., respectively, pursuant to Article 154-bis, paragraphs 3 and 4 of Legislative Decree No.58/1998, certify that internal controls over financial reporting in place for the preparation of 2025 consolidated financial statements and during the period covered by the report, were:

- adequate to the Company structure, and
- effectively applied during the process.

The undersigned officers certify that this 2025 consolidated financial statements:

- a) was prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002, and
- b) corresponds to the Company's evidence and accounting books and entries;
- c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

The undersigned officers attest, also, that the report on operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Brescia, March 16, 2026

Chairman and
Managing Director

signed by:
Giovanni Rosani

Manager responsible for the
preparation of financial reports

signed by:
Claudio Bornati

STATUTORY FINANCIAL STATEMENTS AT 31 DECEMBER 2025

CEMBRE S.p.A. – Statement of Financial Position

	Note s	31.12.2025		31.12.2024 *	
ASSETS			of which related parties		of which related parties
NON-CURRENT ASSETS					
Tangible assets	1	104,749,782		92,211,363	
Investment property	2	705,585		688,360	
Intangible assets	3	4,242,733		4,011,656	
Right of use assets	4	4,694,859	3,717,356	2,224,254	626,569
Investments in subsidiaries	5	22,859,981		22,209,981	
Other investments	6	5,168		5,168	
Other non-current assets	7	71,760		95,018	
Deferred tax assets	17	1,424,778		1,185,091	
TOTAL NON-CURRENT ASSETS		138,754,646		122,630,891	
CURRENT ASSETS					
Inventories	8	54,946,238		52,386,688	
Trade receivables	9	27,158,446		25,671,180	
Trade receivables from subsidiaries	10	6,668,958	6,668,958	9,057,035	9,057,035
Other financial assets		-		-	
Tax receivables	11	9,192,897		7,381,722	
Other current assets	12	578,474		530,817	
Cash and cash equivalents		9,015,787		4,167,283	
TOTAL CURRENT ASSETS		107,560,800		99,194,725	
NON-CURRENT ASSETS AVAILABLE FOR SALE		-		-	
TOTAL ASSETS		246,315,446		221,825,616	

* for the purposes of improved comparability with the 2025 data, certain reclassifications have been made. Refer to notes 11, 12 and 21 for details

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	Notes	31.12.2025		31.12.2024 *	
LIABILITIES AND SHAREHOLDERS' EQUITY			of which related parties		of which related parties
EQUITY					
Capital stock	13	8,840,000		8,840,000	
Reserves	13	142,766,789		136,778,584	
Net profit		42,399,149		37,199,732	
TOTAL SHAREHOLDERS' EQUITY		194,005,938		182,818,316	
NON-CURRENT LIABILITIES					
Non-current financial liabilities	14	3,930,752	3,363,909	1,285,940	932,735
Employee termination indemnity and other personnel indemnities	15	1,319,716	11,261	1,411,539	12,723
Provisions for risks and charges	16	498,697	120,000	375,717	60,000
Deferred tax liabilities	17	2,300,315		2,383,179	
TOTAL NON-CURRENT LIABILITIES		8,049,480		5,456,375	
CURRENT LIABILITIES					
Current financial liabilities	14	11,174,859	348,218	4,082,159	558,494
Trade payables	18	21,003,425	179,377	17,483,111	
Trade payables to subsidiaries	19	83,507	83,507	716,173	716,173
Tax payables	20	628,781		-	
Other payables	21	11,369,456	193,653	11,269,482	304,167
TOTAL CURRENT LIABILITIES		44,260,028		33,550,925	
LIABILITIES ON ASSETS HELD FOR DISPOSAL		-		-	
TOTAL LIABILITIES		52,309,508		39,007,300	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		246,315,446		221,825,616	

* for the purposes of improved comparability with the 2025 data, certain reclassifications have been made. Refer to notes 11, 12 and 21 for details

CEMBRE S.p.A. – Statement of comprehensive income

	Notes	31.12.2025		31.12.2024	
			of which related parties		of which related parties
Revenue from contracts with customers	22	180,203,468	59,351,545	175,932,191	52,879,096
Other revenues	23	3,742,520	2,721,110	3,311,128	2,030,394
TOTAL REVENUES		183,945,988		179,243,319	
Cost for material and good	24	(65,841,918)	(3,253,491)	(67,256,235)	(2,649,866)
Change in inventories	8	2,380,224		2,774,632	
Cost of services received	25	(22,699,129)	(1,135,286)	(20,796,181)	(1,353,423)
Lease and rental costs	26	(268,069)		(253,355)	
Personnel costs	27	(40,660,734)	(410,001)	(38,577,522)	(543,205)
Other operating costs	28	(1,000,294)		(1,030,538)	
Increase in assets due to internal construction	29	704,668		1,103,190	
Write-down of receivables	9	(80,682)		9,318	
Accruals to provisions for risks and charges	30	(47,642)		(127,800)	
GROSS OPERATING PROFIT		56,432,412		55,088,828	
Tangible assets and investment property depreciation	1-2	(8,324,834)		(8,346,821)	
Intangible assets amortization	3	(966,697)		(868,318)	
Depreciation of right of use assets	4	(1,106,899)	(466,695)	(1,102,905)	(522,808)
OPERATING PROFIT		46,033,982		44,770,784	
Financial income	31	6,364,533	6,011,905	818,003	483,700
Financial expenses	31	(394,576)	(21,245)	(415,456)	(39,062)
Foreign exchange gains (losses)	32	(312,968)		108,693	
PROFIT BEFORE TAXES		51,690,971		45,282,024	
Income taxes	33	(9,291,822)		(8,082,292)	
NET PROFIT FROM ORDINARY ACTIVITIES		42,399,149		37,199,732	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL		-		-	
NET PROFIT		42,399,149		37,199,732	
Items that will not be reclassified to profit and loss					
Gains (losses) from discounting of Employees' Termination Indemnity		71,491		54,093	
Income tax relating to items that will not be reclassified to profit and loss		(17,158)		(12,982)	
COMPREHENSIVE INCOME	34	42,453,482		37,240,843	

CEMBRE S.p.A. – Statement of Cash Flows

	2025	2024 *
A) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,167,283	14,676,371
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	42,399,149	37,199,732
Income taxes	9,291,822	8,082,292
(Financial profits)/Financial charges	(5,969,957)	(402,548)
(Gains)/Losses on disposal of assets	(95,582)	86,673
Depreciation, amortization	10,398,430	10,318,044
Net change in Employee Termination Indemnity	(37,490)	(25,757)
Net change in provisions for risks and charges	122,980	(315,232)
Stock option plan IFRS2 remeasurement	346,263	(150,660)
Operating profit (loss) before changes in working capital	56,455,614	54,792,543
(Increase) Decrease in trade receivables	895,112	(3,206,103)
(Increase) Decrease in inventories	(2,559,550)	(3,086,811)
Increase (Decrease) in trade payables	2,893,347	4,018,377
Increase (Decrease) of other components of working capital	(247,683)	1,675,628
(Increase) Decrease in working capital	981,226	(598,909)
Other changes	(4,304,176)	95,891
Interest received/(Interest paid)	(41,947)	(81,152)
Dividends received	6,011,905	483,700
(Paid income taxes)	(6,492,591)	(15,945,571)
NET CASH FLOW GENERATED BY (USED IN) OPERATING ACTIVITIES	52,610,031	38,746,503
C) CASH FLOW FROM INVESTING ACTIVITIES		
Investment in fixed assets:		
- intangible	(1,209,206)	(1,281,339)
- tangible	(20,893,340)	(22,995,890)
- financial	(429,727)	(833,055)
Proceeds from disposal of tangible, intangible, available-for-sale fixed assets:		
- intangible	11,432	12,778
- tangible	108,444	4,854
- financial	102,984	1,450
NET CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES	(22,309,413)	(25,091,203)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other financial assets	-	4,000,000
Increase (Decrease) in bank debts	7,311,889	2,978,413
Repayment of leasing liabilities	(1,151,880)	(1,082,375)
Sale (purchase) of own shares	-	175,000
Dividends distributed	(31,612,123)	(30,235,426)
NET CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	(25,452,114)	(24,164,388)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	4,848,504	(10,509,088)
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+E)	9,015,787	4,167,283
Of which: assets held for disposal	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9,015,787	4,167,283

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	2025	2024 *
NET FINANCIAL POSITION		
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9,015,787	4,167,283
Other financial assets	-	-
Current financial liabilities	(11,174,859)	(4,082,159)
Non current financial liabilities	(3,930,752)	(1,285,940)
NET FINANCIAL POSITION	(6,089,824)	(1,200,816)
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash	6,812	7,418
Bank deposits	9,008,975	4,159,865
	9,015,787	4,167,283

Statement of Changes in the Shareholders' Equity

	Balance at 31.12.2024	Allocation of profits to reserves	Allocation of profits - dividends	Stock option plan: IFRS2 measurement	Stock option plan: Shares assignment	Comprehen- sive income for the year	Balance at 31.12.2025
Capital Stock	8,840,000						8,840,000
Share premium reserve	12,244,869						12,244,869
Legal reserve	1,768,000						1,768,000
Reserve for own shares	(3,511,931)						(3,511,931)
Suspended-tax reserves	585,159						585,159
Other suspended-tax reserves	68,412						68,412
Extraordinary reserve	116,598,961	5,587,609					122,186,570
Reserve for FTA	4,051,204						4,051,204
Reserve for discounting of Employee Termination Indemnity	388,257					54,333	442,590
Merger differences	4,397,138						4,397,138
Stock options reserve	188,515			(188,515)	534,778		534,778
Retained earnings	-						-
Net profit	37,199,732	(5,587,609)	(31,612,123)			42,399,149	42,399,149
Total Shareholders' Equity	182,818,316	-	(31,612,123)	(188,515)	534,778	42,453,482	194,005,938

	Balance at 31.12.2023	Allocation of profits to reserves	Allocation of profits - dividends	Stock option plan: IFRS2 measurement	Stock option plan: Shares assignment	Comprehensive income for the year	Balance at 31.12.2024
Capital Stock	8,840,000						8,840,000
Share premium reserve	12,244,869						12,244,869
Legal reserve	1,768,000						1,768,000
Reserve for own shares	(3,844,067)				332,136		(3,511,931)
Suspended-tax reserves	585,159						585,159
Other suspended-tax reserves	68,412						68,412
Extraordinary reserve	107,205,207	9,393,626		10,789	(10,661)		116,598,961
Reserve for FTA	4,051,204						4,051,204
Reserve for discounting of Employee termination Indemnity	347,147					41,111	388,257
Merger differences	4,397,138						4,397,138
Stock options reserve	286,453			(150,660)	52,722		188,515
Retained earnings	-						-
Net profit	39,629,052	(9,393,626)	(30,235,426)			37,199,732	37,199,732
Total Shareholders' Equity	175,578,574	-	(30,235,426)	(139,871)	374,197	37,240,842	182,818,316

Notes to the Financial Statements of CEMBRE S.p.A. at 31 December 2025

I. CORPORATE INFORMATION

CEMBRE S.p.A. is a joint-stock company with registered office in Brescia, Via Serenissima 9. The company is listed on the MTA (screen-based equities market) managed by Borsa Italiana S.p.A. CEMBRE S.p.A. (hereinafter "the Company") is active primarily in the manufacturing and sale of electrical connectors and related tools.

Publication of the Financial Statements of CEMBRE S.p.A. for the year ended 31 December 2025 was authorized by a resolution of the Board of Directors dated 13 March 2026.

CEMBRE S.p.A. is controlled by Lysne S.p.A., a holding company based in Brescia, that does not exercise coordination and management.

II. FORM AND CONTENT

The Financial Statements at 31 December 2025 were prepared under the International Financial Reporting Standards (IFRS) adopted by the European Union and the related implementation regulations issued in application of article 9 of Legislative Decree no. 38/2005.

The standards adopted in the preparation of these financial statements are those formally endorsed by the European Union and in force at 31 December 2025.

With the exception of those items for which international accounting principles provide for a different valuation, the Financial Statements were prepared in accordance with the historical cost principle.

Unless otherwise indicated, figures reported in the Financial Statements and the related notes are expressed in Euro.

The Financial Statements at 31 December 2025 were prepared on the basis of the going concern assumption.

Accounting standards, amendments and interpretations issued by the IASB/IFRIC and not yet in force

The information provided below is relevant for assessing the possible impacts of applying new accounting standards and interpretations that have already been issued but have not yet entered into force or have not yet been endorsed by the European Union and are therefore not applicable to the preparation of the annual financial statements for the year ending 31 December 2025.

IFRS 18 - Presentation and Disclosure of Financial Statements

On 9 April 2024, the IASB published IFRS 18 Presentation and Disclosure of Financial Statements, with the aim of improving the information disclosed in financial statements, with a particular focus on the information contained in the statement of profit (loss) for the reporting period.

IFRS 18 enhances the quality of financial reporting, in particular by requiring the presentation of company-defined subtotals in the statement of profit (loss) for the year and the disclosure of management-defined performance measures, as well as by adding new principles for the aggregation and disaggregation of information. Furthermore, IFRS 18 results in the withdrawal of IAS 1 Presentation of Financial Statements.

The Company is currently working to identify the impacts that the amendments will have on its financial statement statements and notes. The preliminary assessments are as follows:

- Lease income, changes in the fair value of investment property, and the share of profit from an investee and a joint venture will be classified under the 'investment' category in the income statement.
- Currency translation differences shall be classified within the category in which the related income and expenses that gave rise to the currency translation difference were classified.
- Interest income and interest expense will be classified, respectively, under investing activities and financing activities in the cash flow statement.
- The following will be introduced: (i) new disclosures relating to the performance measurement metrics defined by company management; and (ii) a reconciliation, for each income statement item, between the amounts restated in accordance with IFRS 18 and those previously presented in accordance with IAS 1.

IFRS 19 – Subsidiaries without public accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements set out in the other IFRS accounting standards.

As CEMBRE S.p.A. shares are listed on the stock market, the company is not eligible to apply IFRS 19.

Amendments to the classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7

On 30 May 2024 and 18 December 2024, the IASB published amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. These amendments related, respectively, to:

- the classification of financial assets with environmental, social and governance (ESG) characteristics and similar characteristics, as well as the settlement of liabilities through electronic payment systems. They also introduce disclosure requirements aimed at enhancing transparency for investors in relation to investments in equity instruments assessed at fair value through other comprehensive income statement and in financial instruments with contingent features, such as features linked to ESG goals.
- A revision of how the 'own use' requirements for contracts related to nature-dependent electricity would be applied, allowing the accounting for hedging transactions if such contracts are used as hedging instruments, and adding disclosure requirements designed to enable investors to understand the effects of these contracts on the company's profit or loss and future cash flows.

Annual Improvements to IFRS Accounting Standards - Volume 11

On 18 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards – Volume 11 as part of its regular improvement process.

The annual improvements make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The amendments shall be effective for years beginning on or after 1 January 2026. The Company does not expect the amendments to have a material effect on its financial statements.

Accounting standards, amendments and interpretations, endorsed by the European Union, effective from 1 January 2025

Listed below are the accounting standards, amendments and interpretations to international accounting standards adopted by the European Commission that have entered into force as of 1 January 2025.

IAS 21 The Effects of Changes in Foreign Exchange Rates

On 15 August 2023, the IASB published amendments to International Accounting Standard IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify when a currency is exchangeable for another currency and, if it is not, how the company determines the exchange rate to be used, as well as the disclosures the company is required to provide when a currency is not exchangeable.

These amendments did not have a significant effect on the financial statements.

III. ACCOUNTING STANDARDS AND VALUATION CRITERIA

Presentation of the Financial Statements

The Financial Statements are prepared as follows:

- current and non-current assets and liabilities are reported separately in the Statement of Financial Position;
- the analysis of costs in the Statement of Comprehensive Income is carried out based on the nature of the same;
- the Statement of Cash Flows is prepared by applying the indirect method.

The methods for preparing the Financial Statements have unchanged from previous year. Furthermore, with reference to CONSOB Regulation no. 15519 dated July 27, 2006, the Financial Statements include a separate reporting of amounts pertaining to related parties, where significant.

Property, plant and equipment

Property, plant and equipment is recorded at the historical cost and reported net of accumulated depreciation and losses in value.

Grants on the purchase of plant and equipment are recognised as a direct reduction in the carrying amount of the specific assets to which they relate.

Ordinary maintenance and repair costs are not capitalised, and are charged to the income statement in the year in which they are incurred, with the exception of those that result in an increase in the useful life of the asset.

Depreciation commences when the asset is available for use and is calculated on a straight line basis over the estimated residual useful life of the asset, taking into account its residual value.

Depreciation rates applied reflect the useful life generally attributed to the various classes of assets and are summarised below, with no changes compared to the prior year:

- buildings and light construction: from 3% to 10%
- plant and machinery: from 5% to 15%
- industrial and commercial equipment: from 15% to 25%
- other assets: from 12% to 25%

Land has an undetermined useful life and is therefore not subject to depreciation.

The book value of property, plant and equipment is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the depreciation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realizable value, the assets or cash generating units are written down to reflect their expected realisable value.

The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.

Tangible assets are eliminated from the balance sheet at the time of their sale or when there no longer exists the expectation of future economic benefits from their use or disposal.

Losses and gains (calculated as the difference between net revenues from the disposal and the book value of the asset) are recorded in the Income Statement in the year in which they are disposed of.

Leasing

The company evaluates, when a contract is signed, whether it can be classified as a lease, or:

- whether it confers the right of exclusive use of an asset;
- whether a period is identified in which the right of use can be exercised;
- whether a consideration for use of said right has been set.

The assets identified in this way are recognised at cost, inclusive of all initial direct expenses, and are amortised on a straight-line basis from the date of effectiveness until the end of the useful life of the asset underlying the contract, or, if before, until the expiry of the lease.

At the same time as the recognition under assets of the right of use, the company books the present value of payments due under lease payables, including the price of any purchase option. The value of the liabilities is reduced due to the payments made and may change depending on changes in the contractual terms.

The discount rate used to determine the value of the liabilities is the incremental borrowing rate.

Leases with a duration of less than or equal to 12 months have been excluded from application of the standard, as have low value leases. The associated fees, therefore, are booked as costs over the duration of the lease.

Investment property

Investment property is recorded at the historical cost and reported net of accumulated depreciation and losses in value.

Assets that cease to be used in the context of the company's ordinary operations but possess all the characteristics set forth in IFRS 5 to be included among non-current assets available for sale, are classified among Investment property and continue to be amortised as if they were still included among Property, plant and equipment, applying the rates that represent the residual useful life. Please refer to the section on property, plant and equipment for a specification of the rates applied.

The book value of property, plant and equipment is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the depreciation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realizable value, the assets or cash generating units are written down to reflect their expected realisable value.

The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.

Intangible assets

Intangible assets are recorded under assets, as provided by IAS 38 (Intangible assets), whenever it is probable that future economic benefits are generated through use and when the cost of the intangible asset can be determined in a reliable manner.

Intangible assets acquired separately are initially capitalised at cost, while those acquired through business combinations are capitalised at the current value on the acquisition date. With the exception of development costs, assets generated internally are not recorded as intangible assets. After the initial recording, intangible assets are carried in the balance sheet at cost, net of accumulated amortisation calculated on a straight-line basis over their expected useful economic life, and of write-downs carried out as a result of durable losses in value. Intangible assets having an indefinite useful life are not amortised and subjected periodically to an analysis to assess possible loss in value.

The useful life generally attributed to the various classes of assets is the following, with no changes compared to the prior year:

- concessions and licences: from 5 to 10 years
- software licenses from 3 to 5 years
- patents: 2 years
- development costs: 5 years
- trademarks: from 10 to 20 years

Amortisation commences when the asset is available for use, that is, when it is in a position and in the necessary condition to operate in the manner intended by management.

The book value of intangible assets is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the amortisation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realisable value, the assets are written-down to their expected realisable value.

Investments in subsidiaries

Recognised at cost, adjusted for any impairment.

Any difference, emerging at the time of purchase, between the acquisition cost and the portion of shareholders' equity at current values of the investee company pertaining to the Company is, therefore, included in the book value of the investment. Investments in subsidiaries are subject to assessment with regard to any impairment each time impairment indicators are identified. If there is evidence that such investments have undergone impairment, such impairment is recognised in the income statement as a write-down. If the impairment of the investee company exceed the book value of the investment, the value of the investment is brought down to zero and the additional loss amount is recognised as accrual under liabilities. Should said impairment subsequently decrease, it is recognised in the Income Statement as a recovery within the limits of the cost.

Financial assets

Financial assets are initially recorded at cost, inclusive of accessory purchase costs, representing the fair value of the price paid. After the initial recording, financial assets are valued in accordance with their final purpose as described below.

Financial assets valued at fair value, with changes recorded in the Income Statement.

These are financial assets held for trading purposes, acquired for the purpose of obtaining a profit from short-term fluctuations in price. Derivatives are classified as financial assets held for trading, unless they are designated as effective hedging instruments.

Investments held to maturity

Financial assets other than derivatives that generate fixed financial flows or flows that may be determined and have a set maturity, are classified as "financial assets held to maturity" when the Company intends to and is capable of holding them to maturity. Financial assets that the Company decides to hold for an indefinite period of time do not fall under this category.

After their initial recording, long-term financial investments held to maturity, such as bonds, are accounted for at the amortised cost, using the effective rate of interest method, are discounted to their present value. The amortised cost is calculated keeping into account discounts and premiums, amortised over the term of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets providing for fixed payments or payments that may be determined, not listed on an active market. Such assets are recorded at the amortised cost using the actual discount rate method. Gains and losses are recorded in the Income Statement whenever loans and receivables are eliminated from the accounts or they experience losses in value, together with the related amortisation.

Financial assets available for sale

Financial assets available for sale include financial assets that do not fall under the above categories. After the initial recording, these are accounted for at fair value, while gains and losses

are recorded under a specific Shareholders' Equity reserve until the assets are sold or a loss in value is ascertained. In such case, gains and losses accrued are charged to the income statement.

In the case of securities widely traded on a regulated market, the fair value is determined with reference to the listed price at the closing of trading on the date of the financial statements. In the case of financial assets for which there does not exist an active market, the fair value is determined through valuation techniques based on the price recorded in recent transactions between unrelated parties or on the basis of the current market value of a similar instrument, or on discounted cash flows or option pricing models. Investments in other companies fall in this category.

Impairment of financial assets

The Company verifies at least yearly the possible loss in value of individual financial assets. These are recorded only at the time when there exists objective evidence, at the occurrence of one or more events, that the asset has experienced a loss of value with respect to its initial recorded value.

Treasury shares

Treasury shares are recorded as a reduction of Shareholders' Equity in a specific reserve. The purchase, sale, issue or cancellation of treasury shares held does not determine the recording of any gain or loss in the Income Statement.

Inventories

Inventories are valued at the lower of purchase or production cost and their expected realizable value, represented by their normal sale price, net of completion and selling costs.

The cost of inventories includes the acquisition cost, the transformation cost and other costs incurred to take inventories to their current location and state. The method used to determine the cost of inventories is that of the weighted average cost, including the cost of initial inventories. Provisions are calculated for finished products, materials and other supplies considered obsolete or slow-moving, keeping into account their expected useful life and retrievable value.

Receivables and payables

Receivables are recognised at fair value, with simultaneous recognition of a provision for doubtful accounts that takes into account possible losses in value (expected losses), determined based on the prior trend of insolvencies and expected future conditions. Payables are normally valued at the amortised cost, adjusted under exceptional conditions in the event of changes in the conditions of the transaction.

Cash and cash equivalents

Cash and cash equivalents include cash balances, unencumbered deposits and other treasury investments with an original scheduled maturity of three months or less. A cash investment is considered to be a cash equivalent when it is readily convertible to cash with no significant risk of change in value and when it is intended to meet short-term cash commitments and is not held for investment purposes.

Loans

Loans taken out are initially recognised at cost, corresponding to the fair value of the amount received, less ancillary costs incurred in connection with the arrangement of loans. After initial recognition, loans taken out are measured at amortised cost, using the effective interest method.

Translation of amounts denominated in currencies other than the Euro

Transactions denominated in currencies other than the Euro are initially accounted for in Euro at the exchange rate at the date of the transaction. Currency translation differences arising at the time at which foreign currency receivables are collected and payables are paid out, are recorded in the income statement.

At the date of the financial statements, monetary assets and liabilities denominated in currencies other than the Euro – consisting of cash on hand or assets and liabilities to be received or paid out, whose amount is set and may be determined – are translated into Euro at the exchange rate at the date of the financial statements, recording in the income statement the currency translation difference.

Non-monetary items denominated in currencies other than the Euro are translated into Euro at the exchange rate at the time of the transaction, representing the historical exchange rate.

Provisions for risks and charges

Provisions for risks and charges are accrued against known liabilities, whose existence is certain or probable, but whose amount and expiration cannot be determined at the date of the financial statements. Accruals are made when the existence of a current obligation, legal or implicit, deriving from a past event, the fulfilment of which is expected to require the use of resources whose amount can be reliably estimated, is probable. Provisions are valued at the fair value of liabilities. When the financial effect and the timing of the cash outflow can be estimated in a reliable manner, provisions include the interest component, recorded in the Income Statement among financial income (expense). Provisions accrued are reviewed at each accounting date and adjusted to bring them into line with the best estimate available to date.

Employee benefits

Under the revised IAS 19, and before the reform introduced by the 2007 Budget Law, the Employee Termination Indemnity was classified among defined benefit plans and was therefore subject to actuarial adjustments.

Employee termination indemnities accrued up to 31 December 2006, continue to be accounted for as defined benefit plans, while those accrued from 1 January 2007 are accounted for in two different ways:

- where the individual employee has opted for complementary pension funds, employee termination indemnities accrued after January 1, 2007, and until the time at which the choice is made by the employee, are accounted for as a defined benefit plan. Subsequently they are accounted for as a defined contribution plan;
- where the individual employee has opted for accumulation with the treasury fund of the national social security agency (INPS), indemnities accrued after 1 January 2007 are accounted for as a defined contribution plan.

Share-based payments

The company records, starting from the grant date to employees, the present value of the rights of exercise of the share purchase option. The allocation occurs periodically, over the entire vesting period set forth in the plan. The fair value measurement of the options takes account of some actuarial variables according to the method set forth in IFRS 2: the risk-free return curve, the annual volatility of the yield of the CEMBRE share calculated over the last 3 years, the annual dividend rate, the value of the share price at the grant date.

The allocation is accounted for under personnel costs with an undistributable reserve as contra-item called the Stock options reserve.

Elimination of financial assets and liabilities

Financial assets are eliminated when the Company ceases to hold rights to receive financial flows deriving from the same or when such rights are transferred to another entity, that is when risks and benefits of the financial instrument cease to have an effect on the financial position and operating performance of the Company.

A financial liability is eliminated only when the obligation included in it is cancelled, fulfilled or expired.

Any material change in the contractual terms relating to the liability result in its cancellation and in the recording of a new liability.

Any difference between the book value and the amount paid to extinguish the liability is recorded in the Income Statement.

Revenues

Revenues are valued at the current value of the amount received or receivable.

Disposal of assets

Revenue from contracts with customers is recognised in the Income Statement at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring control of goods or services to the customer. Revenue is recognised net of returns, discounts, allowances and taxes directly related to the sale of the product or the provision of the service.

Sales are recognised at the fair value of the consideration received for the sale of products and services when the following conditions are met: control associated with ownership of the asset is transferred; the value of the revenues can be measured reliably; it is probable that the economic benefits associated with the sale will flow to the entity; and the costs incurred, or to be incurred, can be measured reliably.

Services rendered

Revenues are recorded based on the stage of completion of the operation at the date of the financial statements. When the result of the performance of services cannot be reliably estimated, the revenues must be recognised only to the extent that the costs recognised will be recoverable.

The stage of completion is determined by valuing work carried out or by determining the proportion between costs incurred and total estimated costs to completion.

Interest

Interest is recognised on an accrual basis using the effective interest method.

Dividends

They are recognised when the right of the shareholders to receive payment arises.

Grants

Grants are recorded at fair value when there exists a reasonable certainty that they will be received and the conditions for the entitlement to the grant are met.

Grants linked to cost components (operating grants) are recorded under "other revenues and income" and amortised over several years so that revenues match the costs they are intended to compensate.

When grants are linked to assets (e.g. grants on the purchase of plant and equipment or grants for capitalised development costs), the amount of the grant is deducted directly from the carrying amount of the specific assets to which it relates.

Financial charges

Financial charges are recorded as a cost in the period in which they accrue. In accordance with IAS 23, any financial charges incurred in the acquisition of significant assets (qualifying assets) are capitalised.

Cost of goods purchased and services received

They are recognised in the Income Statement according to the accrual principle.

Income taxes (current, prepaid and deferred)

Current taxes are determined based on a realistic estimate of the tax expense for the period in accordance with applicable tax regulations. The Company records deferred and prepaid taxes arising from temporary differences between the book value of assets and liabilities and the related values reported for tax purposes.

Prepaid taxes are recorded only where there exists reasonable certainty of their retrieval through future profits within the term in which tax benefits are enjoyed. Deferred tax assets are recorded also where there exist deductible losses or tax credits, whenever it is deemed probable that sufficient future profits will be generated in the medium-term (3 to 5 years).

On 24 May 2023, the IASB published the document International Tax Reform – Pillar Two Model Rules, which amends IAS 12 Income Taxes. The document introduces a temporary exception to the recognition of deferred tax assets and liabilities in connection with the application of the provisions of the Pillar Two Model published by the OECD. This amendment has no impact on the consolidated financial statements, as the Group is not affected by the Pillar Two rules, given that

its annual revenues are below €750 million.

Use of estimates

In accordance with IAS/IFRS, the Company made use of estimates and assumptions based on prior experience and other factors deemed determinant, but not certain. Actual data could therefore differ from estimates and projections made.

Estimated data is reviewed periodically and adjustments made to the same are taken to the Income Statement for the period in which the review takes place in case the review affect only one period, or, subsequent accounting periods in case it affects also the same. Below we describe review processes and key assumptions used by management in applying accounting standards.

Provision for inventory depreciation

The provision for inventory depreciation is accrued to bring the book value of inventories that are obsolete and slow-moving into line with their expected realisable value.

Management reviews the composition of inventories with particular reference to slow moving stock to determine the amount to be accrued prudentially to reflect the obsolescence of stocks.

Provision for doubtful accounts

The provision for doubtful accounts reflects management estimates regarding losses on trade receivables. The estimated provision for doubtful accounts is based on expected losses by the Company, according to past experience on similar portfolios of receivables, current past due amounts vs. historical past due amounts, losses and collections, the close monitoring of credit quality, in addition to projections on economic and market conditions.

Retrievable value of non-current assets

Non-current assets include property, plant and equipment, intangible assets, investments and other financial assets. Whenever circumstances so require, the management reviews periodically the book value of non-current assets held and used by the Group, in addition to assets to be disposed of. Such activity is carried out using estimates of expected cash flows from the sale of the asset and of adequate discount rates used in calculating the present value of the same. Whenever the book value of a non-current asset experiences a loss in value, the Company records a write-down equal to the difference between the book value of the asset and its retrievable value either through use or disposal of the same.

Post-retirement benefits

In the estimation of post-retirement benefits the Company makes use of traditional actuarial techniques based on stochastic simulations of the "Montecarlo" type. Assumptions made relate to the discount rate and the annual inflation rate. The Company also makes use of demographic projections based on current mortality rates, employee disablement and resignation rates.

In 2025, based on past turnover experience, the probability of a company employee terminating his or her employment for causes other than death is the following:

Male

6.18%

Female	4.46%
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The following assumptions were adopted with regard to the discounting rate, inflation rate and annual rate of increase in the post-retirement benefits:

Annual technical discounting rate	3.69%
Annual inflation rate	2.00%

Expected advances to be paid out are 5% per year and each advance corresponds to 70% of the accrued indemnity.

Recoverability of deferred tax assets

CEMBRE S.p.A. evaluates the possibility to recover deferred tax assets on the basis of profits and expected future market conditions in view of current sale contracts and ability of expected future profits to offset tax credits, in addition to the expected variance of the same and based on expected results.

Contingent liabilities

In carrying out its activity, management consults with its legal and tax advisors and experts. The Company ascertains a liability arising from litigation whenever it deems probable that a financial outlay will be made in the future and when the amount of resulting losses can be reasonably estimated. In case a financial outlay becomes possible but its amount cannot be determined, such occurrence is reported in the notes.

Effects linked to climate change

The Company considers climate-related issues, and the effects of climate change, in its estimates and assumptions when necessary.

This assessment includes a broad spectrum of possible impacts for the Company arising from both physical and transition risks. The Company believes that its business model and products will still be attractive following the transition to a low-emission economy. Although climate-related risks may not have a significant impact on measurements at present, the Company is closely monitoring developments and changes, such as new climate-related regulations and standards; in addition, climate-related issues may increase the uncertainty of estimates and assumptions concerning specific elements or items in the financial statements.

However, these aspects are currently difficult to predict, even though they are being monitored more and more frequently in coordination between the various company departments.

The elements that could be most directly impacted by climate-related issues are:

- the useful life of property, plant and equipment. When recalculating the estimated residual value and useful life of an asset, the Company considers climate-related issues, such as the associated regulations that may limit their use or require significant investments for their adaptation or possibly their replacement;
- determination of the recoverable amount of non-financial assets. The estimate of value in use could be impacted in different ways by transition risk, in particular, climate-related regulations or a change in demand for the Company's products, despite the fact that the

Company has concluded that its business model and products will still be attractive following the transition to a low-emission economy and that, to date, there are no significant climate-related assumptions.

For additional details, also see the sustainability report and the paragraph "Risks and effects of climate change" in the Report on Operations.

IV. NOTES TO THE FINANCIAL STATEMENTS OF CEMBRE S.P.A.

1. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and Machinery	Equipment	Other assets	Work in progress and advances	Total
Historical cost	61,930,328	92,327,026	17,717,251	6,540,350	12,863,875	191,378,830
Accumulated depreciation	(18,217,317)	(63,415,070)	(12,527,452)	(5,007,628)	-	(99,167,467)
Balance at 31/12/2024	43,713,012	28,911,956	5,189,799	1,532,722	12,863,875	92,211,363
Capital expenditure	1,409,909	7,445,731	1,271,941	973,881	9,791,878	20,893,340
Depreciation	(1,298,970)	(5,469,176)	(938,704)	(573,272)	-	(8,280,122)
Net divestments	-	(8,727)	(53)	(6,063)	-	(14,843)
Reclassifications	1,586,296	7,587,515	1,052,885	2,801	(10,289,454)	(59,957)
Balance at 31/12/2025	45,410,247	38,467,299	6,575,868	1,930,069	12,366,299	104,749,782

	Land and buildings	Plant and Machinery	Equipment	Other assets	Work in progress and advances	Total
Historical cost	54,153,584	87,729,989	15,760,979	6,239,737	5,657,774	169,542,065
Accumulated depreciation	(16,875,278)	(58,688,392)	(11,750,491)	(4,614,798)	-	(91,928,959)
Balance at 31/12/2023	37,278,306	29,041,598	4,010,488	1,624,939	5,657,774	77,613,106
Capital expenditure	531,004	3,905,389	554,536	460,991	17,543,970	22,995,890
Depreciation	(1,359,376)	(5,537,455)	(854,808)	(554,467)	-	(8,306,107)
Net divestments	(5,251)	(35,265)	(49,398)	(1,613)	-	(91,526)
Reclassifications	7,268,329	1,537,689	1,528,981	2,870	(10,337,869)	-
Balance at 31/12/2024	43,713,012	28,911,956	5,189,799	1,532,722	12,863,875	92,211,363

The volume of capital expenditure by CEMBRE S.p.A. in 2025 totalled €20,893 thousand.

Under the item Land and Buildings, mention goes to the purchase of a plot of land measuring 26,500 sqm, located near the Brescia headquarters, for a value of €200 thousand. The other increases under this item relate to some of the costs incurred for the construction of two new industrial buildings at Cembre S.p.A. headquarters, covering a total of 15,000 sqm. The remaining portion relates to the renovation of an office building and to extraordinary maintenance work on other company properties.

Among the most significant increases under the item Plant and machinery, it is worth noting the construction of the new tinning plant and the associated wastewater treatment plant, for a total of €6,624 thousand, and the installation of an annealing furnace line, for €1,022 thousand.

The increases under the item Equipment mainly relate to the purchase of moulds used in the production process.

Increases relating to the item Other assets mainly refer to the purchase of IT hardware and servers.

The item 'Work in progress and advances' includes advances paid in connection with the

construction of fixed assets, amounting to €12,366 thousand, almost entirely related to the construction of the two aforementioned industrial buildings and the plant and machinery intended for use in them. In January 2026, occupancy permits were obtained for these two new industrial buildings.

In 2025, grants for the purchase of plant and equipment totalling €1,664 thousand were recognised, recorded as a direct reduction in the carrying amount of the specific assets to which they relate. Details of these grants are as follows:

Description	Total
National Recovery and Resilience Plan	1,149,743
Tax Credit 4.0	514,073
Total	1,663,816

The item "Land and buildings" includes the €5,921 thousand revaluation made upon the first-time application of international accounting standards.

The monetary revaluations of property, plant and equipment based on specific rules of law recognised in the financial statements of Cembre S.p.A. at 31 December 2025 are listed below:

Description	Law 576/75	Law 72/83	Law 413/91	Total
Land and buildings	-	246,245	687,441	933,686
Plant and Machinery	227	20,230	-	20,457
Total	227	266,475	687,441	954,144

2. INVESTMENT PROPERTY

	Land and buildings	Plant and Machinery	Other assets	Total
Historical cost	1,590,520	263,005	5,322	1,858,847
Accumulated amortisation	(902,160)	(263,005)	(5,322)	(1,170,487)
Balance at 31/12/2024	688,360	-	-	688,360
Capital expenditure	-	1,980	-	1,980
Amortisation	(41,791)	(2,921)	-	(44,712)
Reclassifications	34,440	25,517	-	59,957
Balance at 31/12/2025	681,009	24,576	-	705,585

At 31 December 2025, this item includes only the building in Calcinato (BG), which is leased to third parties. The reclassification from Tangible Assets to Investment Property relates to the value of certain works carried out on the aforementioned property.

3. INTANGIBLE FIXED ASSETS

	Development costs	Patents	Software	Other assets	Work in progress and advances	Total
Historical cost	5,134,069	1,217,935	7,232,202	262,945	96,150	13,943,300
Accumulated amortisation	(2,793,754)	(1,116,844)	(5,896,010)	(125,038)	-	(9,931,645)
Balance at 31/12/2024	2,340,315	101,091	1,336,192	137,907	96,150	4,011,656
Capital expenditure	437,711	229,302	152,093	-	390,100	1,209,206
Amortisation	(425,248)	(129,923)	(374,446)	(37,080)	-	(966,697)
Net divestments	(11,431)	-	-	-	-	(11,431)
Reclassifications	-	-	206,400	-	(206,400)	-
Balance at 31/12/2025	2,341,347	200,470	1,320,239	100,827	279,850	4,242,733

Development costs mainly concern the capitalisation of the hours dedicated by the technical office staff to product development; for more details on this asset, please refer to the Report on Operations. Net disinvestments relating to the item Development Costs represent the write-down of the residual value of projects abandoned during the year, as they are no longer considered worthwhile.

Investments in software mainly concerned upgrades or purchases of new licenses for existing applications.

In 2025, capital grants totalling €69 thousand were recognised, recorded as a direct reduction in the carrying amount of the specific intangible assets to which they relate. Details of these grants are as follows:

Description	Total
Simest	32,500
Tax Credit 4.0	36,042
Total	68,542

4. RIGHT OF USE - LEASED ASSETS

Description	Buildings	Vehicles	Total
Historical cost	4,037,676	2,338,159	6,375,835
Accumulated amortisation	(2,874,637)	(1,276,944)	(4,151,581)
Balance at 31/12/2024	1,163,039	1,061,215	2,224,254
Increases	3,380,855	408,956	3,789,811
Amortisation	(490,996)	(615,902)	(1,106,899)
Net divestments	(200,464)	(11,844)	(212,308)
Balance at 31/12/2025	3,852,434	842,425	4,694,859

The most significant increases relate to the item 'Buildings', following the signing of a new lease contract for an industrial property already in use at the Brescia site. The item "Vehicles" represents the normal process of replacing and expanding the vehicle fleet.

5. INVESTMENTS IN SUBSIDIARIES

	31/12/2024	Change	Write-downs	31/12/2025
CEMBRE Ltd.	3,437,433	-	-	3,437,433
CEMBRE S.A.R.L.	1,201,608	-	-	1,201,608
CEMBRE S.L.U.	3,115,554	-	-	3,115,554
CEMBRE GmbH	10,287,192	-	-	10,287,192
CEMBRE INC.	2,868,194	-	-	2,868,194
CEMBRE B.V.	300,000	-	-	300,000
CEMBRE Electrical Connections Shanghai Ltd	1,000,000	-	-	1,000,000
CEMBRE IE Ltd.	-	650,000	-	650,000
Total	22,209,981	650,000	-	22,859,981

The following information is provided with regard to investments in direct subsidiaries as at 31 December 2025, expressed in euro:

Company and registered office	Share capital	Shareholders' equity	Net profit	%
CEMBRE Ltd. (Sutton Coldfield - Birmingham)	1,948,200	22,168,980	3,604,919	100
CEMBRE S.A.R.L. (Lyon - France)	1,071,000	4,069,596	1,116,286	100
CEMBRE S.L.U. (Torrejón - Madrid)	2,902,200	12,072,342	2,346,881	100
CEMBRE GmbH (Monaco - Germany)	10,112,000	15,493,390	1,344,744	100
CEMBRE INC. (Edison - New Jersey - Usa)	1,225,532	8,554,165	1,204,091	100
CEMBRE B.V. (Eindhoven - Netherlands)	300,000	817,727	517,863	100
CEMBRE Electrical Connections Shanghai Ltd (Shanghai - China)	1,000,000	(45,946)	(806,506)	100
CEMBRE IE Ltd. (Dublin - Ireland)	650,000	650,000	-	100

It is specified that the share capital of CEMBRE Electrical Connections Shanghai Ltd. was subscribed for €1 million but only €800 thousand was paid up at 31 December 2025. The loss for the year recorded by CEMBRE Electrical Connections Shanghai Ltd, a company that became operational in January 2025, should not be considered indicative of impairment loss of the equity investment, as the company is in the start-up phase and the loss is in line with management forecasts.

The share capital of CEMBRE IE Ltd., a company established in November 2025, was fully subscribed by CEMBRE S.p.A. for €650 thousand, but not paid up as at 31 December 2025, as the company was not operational. This share capital was paid up in full on 19 February 2026.

Values expressed in currencies other than the Euro were converted at the exchange rate in effect on the last day of the year, for share capital and reserves, and at the average exchange rate for the year with regard to net profit.

6. OTHER INVESTMENTS

	31/12/2025	31/12/2024	Change in
Conai	59	59	-
A.Q.M. S.r.l.	5,109	5,109	-
Total	5,168	5,168	-

They represent the cost of participation in the Conai, an Italian packaging consortium and participation in A.Q.M. S.r.l., consortium company for the supply of technical services to companies.

7. OTHER NON-CURRENT ASSETS

These solely include guarantee deposits.

8. INVENTORIES

Description	31/12/2025	31/12/2024	Change in
Raw materials	18,239,778	16,455,816	1,783,962
Work in progress and semi-finished goods	17,607,705	15,671,490	1,936,215
Finished goods	17,832,297	19,172,250	(1,339,953)
Advances to goods suppliers	1,266,458	1,087,132	179,326
Total	54,946,238	52,386,688	2,559,550

Payments on account to goods suppliers are the result of large orders placed to ensure adequate availability of raw materials and products.

The value of finished goods was decreased to its expected realisable value through the provision for finished goods, amounting to €2,129 thousand.

Changes in the provision in 2025 were as follows:

	2025	2024
Provision at January 1	1,867,463	1,872,565
Accruals	534,291	457,362
Uses	(273,172)	(350,438)
Releases	-	(112,027)
Balance at 31 December	2,128,582	1,867,463

The impairment logic and procedures used to determine the provision for finished goods did not change from the previous year.

9. TRADE RECEIVABLES

	31/12/2025	31/12/2024	Change in
Gross trade receivables	27,813,322	26,260,445	1,552,877
Provision for doubtful accounts	(654,876)	(589,265)	(65,611)
Total	27,158,446	25,671,180	1,487,266

Trade receivables by geographical area are outlined below, in thousands of Euro:

	31/12/2025	31/12/2024	Change in
Italy	25,480	23,495	1,985
Europe	1,959	1,719	240
North America	-	-	-
Oceania	-	497	(497)
Middle East	203	342	(139)
Asia	166	89	77
Africa	5	118	(113)
Total	27,813	26,260	1,553

Management periodically reviews the adequacy of the provision for doubtful accounts, also based on estimates regarding the recoverability of positions at greatest risk. If bankruptcy proceedings are opened against a debtor, the related credit is written down based on an estimate of its possible recoverable value. Average collection time increased from 65 days in 2024 to 70 days in 2025.

The provision for doubtful accounts changed as follows:

	2025	2024
Provision at January 1	589,265	602,886
Accruals	80,682	-
Reversal of impairment losses on receivables	-	(9,318)
Uses	(15,071)	(4,303)
Balance at 31 December	654,876	589,265

The breakdown of receivables by maturity at 31 December was as follows (in thousands of Euro):

	Non-Past due	1-90 days	91-180 days	181-365 days	Beyond one year	Customers in litigation	Total
2025	26,269	1,137	227	51	82	47	27,813
2024	25,140	869	28	139	35	49	26,260

10. TRADE RECEIVABLES FROM SUBSIDIARIES

Trade receivables from the following companies:

	31/12/2025	31/12/2024	Change
CEMBRE Ltd. (United Kingdom)	475,502	2,569,735	(2,094,233)
CEMBRE S.A.R.L. (France)	3,079,307	4,321,151	(1,241,844)
CEMBRE S.L.U. (Spain)	842,981	1,070,908	(227,927)
CEMBRE GmbH (Germany)	400,548	341,124	59,424
CEMBRE INC. (US)	752,864	754,117	(1,253)
CEMBRE B.V. (Netherlands)	586,272	-	586,272
CEMBRE Shanghai Ltd. (China)	531,484	-	531,484
Total	6,668,958	9,057,035	(2,388,077)

The reduction in receivables from CEMBRE S.A.R.L., CEMBRE S.L.U., and CEMBRE Ltd. is due to their accelerated payment terms. The increase in receivables from CEMBRE B.V. and CEMBRE Shanghai Ltd. is related to the turnover generated by the companies that began operations in the 2025 financial year.

11. TAX RECEIVABLES

	31/12/2025	31/12/2024	Change in
Receivables for IRES refunds on IRAP	-	3,394	(3,394)
Tax credits for R&D activities	24,905	75,034	(50,129)
Tax credit for capital expenditure	2,230,433	1,869,313	361,120
Reimbursements	236	-	236
Patent Box receivable	6,935,643	5,047,678	1,887,965
Tax credit art bonus	2,167	-	2,167
Credit for advance tax	-	386,304	(386,304)
Total	9,192,897	7,381,722	1,811,175

During 2025, the 'Patent Box receivable' increased by €1.89 million following the recognition of the tax benefit relating to the 2023 financial year; for further information on the 'Patent Box receivable', please refer to Note 34, 'Income Taxes for the Year'.

For the sake of clarity, tax credits for capital expenditure in 2024 have been reclassified from the item 'Tax payables' in the amount of €1.87 million.

12. OTHER ASSETS

	31/12/2025	31/12/2024	Change
Advances to suppliers	217,382	143,723	73,659
Receivables from employees	3,724	75,423	(71,699)
Accrued income and prepaid expenses	249,152	167,767	81,385
Other	108,216	143,904	(35,688)
Total	578,474	530,817	47,657

For the sake of clarity, accrued income and prepaid expenses for 2024 have been reclassified from the item "Other payables" in the amount of €168 thousand.

13. SHAREHOLDERS' EQUITY

The share capital amounts to €8,840 thousand, and is made up of 17 million ordinary shares with a par value of €0.52 each, fully subscribed and paid-up.

The legal reserve amounts to 20% of the capital stock.

At 31 December 2025, CEMBRE S.p.A. held 185,041 treasury shares, corresponding to 1.09% of its capital stock. Against these shares the Company recorded €3,512 thousand in a specific shareholders' equity reserve under liabilities.

CEMBRE S.p.A. established the incentive plan known as "Carlo Rosani Prize 2025 – 2029", intended for executives and middle managers who have an employment contract with the company. The plan, approved by the Shareholders' Meeting on 29 April 2025, provides for the attribution, by the company, of rights to acquire ordinary CEMBRE shares, and will last until 2030. Following the adoption of this plan, in compliance with the provisions of IFRS 2, a Stock Options Reserve was recognised, representative of the debt to beneficiaries of the plan itself. This reserve amounted to €535 thousand at 31 December 2025. For further details, reference is made to Note 39.

The table below highlights the origin, possibility of use and distribution of the shareholders' equity items:

Nature/description	Amount	Possibility of use	Portion available
Share capital	8,840,000		
Share capital reserves:			
Share premium reserve	12,244,869	A B C	12,244,869
Suspended-tax reserves	585,159	A B	---
Other suspended-tax reserves	68,412	B	---
Restricted reserves:			
Reserve for Treasury Shares	(3,511,931)		---
Stock options reserve	534,778		---
Profit reserves:			
Legal reserve	1,768,000	B	---
First time application of IAS/IFRS reserve	4,051,204	B	---
Discounting of employee termination indemnities	442,591	B	---
Merger differences	4,397,137	A B C	4,397,137
Extraordinary reserve	122,186,570	A B C	122,186,570
Total	151,606,789		138,828,576
		Non-distributable portion	2,341,347
		Residual distributable portion	136,487,229

Legend: A= capital increase; B= coverage of losses; C= distribution to shareholders.

The non-distributable portion of reserves regards development costs not yet amortised.

14. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

	Effective interest rate %	Term ending	31/12/2025	31/12/2024
SIMEST subsidised loan – Non-current portion	0.37		130,000	-
Leasing liabilities - Non-current portion			3,800,752	1,285,940
NON-CURRENT FINANCIAL LIABILITIES			3,930,752	1,285,940
Bank loans				
BPER Hot Money	1.92	Feb-26	5,000,000	3,000,000
BNL contract 6176728	6.08	June-25	-	66,598
Intesa contract 161226308045660	2.05	Feb-26	5,000,000	-
Total current portion loans			10,000,000	3,066,598
Bank overdrafts				
Banco BPM	2.29	On request	182,010	-
Total current portion bank overdrafts			182,010	-
Payables for bank fees and interest			79,754	13,278
Leasing liabilities - Current portion			913,095	1,002,283
CURRENT FINANCIAL LIABILITIES			11,174,859	4,082,159

15. EMPLOYEE TERMINATION INDEMNITY AND OTHER PERSONNEL BENEFITS

Employee Termination Indemnity showed the following changes:

	2025	2024
Provision at January 1	1,411,539	1,478,407
Accruals	1,108,977	1,150,992
Uses	(740,149)	(634,471)
Actuarial effect	(23,781)	(7,227)
Payments to the social security (INPS) treasury provision	(436,870)	(576,162)
Balance at 31 December	1,319,716	1,411,539

The INPS' treasury account at 31 December 2025 amounted to €10,479 thousand.

The employee termination indemnity set aside at 31 December 2025 was discounted on the basis of a specific actuarial valuation. A change in the discount rate used could result in the following impacts on amount of debt accrued:

Change in rate	31/12/2025	31/12/2024
0.5%	1,280,665	1,331,851
-0.5%	1,360,811	1,500,230

16. PROVISIONS FOR RISKS AND CHARGES

	Supplementary customer allowances	Directors' fees	Personnel incentives	Other provisions	Total
At 31 December 2024	157,301	60,000	63,480	94,936	375,717
Accruals	37,126	60,000	63,480	10,516	171,122
Uses	(16,844)	-	-	(31,298)	(48,142)
At 31 December 2025	177,583	120,000	126,960	74,154	498,697

In line with the remuneration policy of CEMBRE S.p.A., a variable compensation based on the achievement of medium-long term targets was introduced in favour of the Chair and CEO. This compensation will be paid out in 2027 contingent on the achievement of the targets set for the 2024–2026 period by the Board of Directors, the achievement of which is considered likely. The amount of the accrual for the variable compensation indicated above is recorded among the cost of services.

The provision for employee incentives includes amounts allocated for the benefit of sales personnel that will be paid out in subsequent years, upon the achievement of specific objectives set out in the sales development plan.

Other provisions include allocations for possible obligations arising from a dispute with a former employee, amounting to €43 thousand, and for potential disputes with customers, amounting to €31 thousand. Given the residual value, all amounts set aside, in the various funds, have not been discounted.

17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are predominantly recorded with regard to the provision for slow-moving stock, as described above, and the provision for doubtful accounts, for the portion not deductible for tax purposes. Deferred tax liabilities, on the other hand, predominantly arise from revaluation of land upon first-time adoption of the international accounting standards, measurement of inventories at average cost (fiscally the LIFO criterion was maintained) and discounting of the employee termination indemnity. For additional information, see the disclosure in the paragraph on taxes.

	31/12/2025	31/12/2024	Change in
Deferred tax assets			
Write-down of inventories	523,748	461,079	62,669
Provision for doubtful accounts	131,320	130,368	952
Differences on depreciation	358,108	335,294	22,814
Write-down of Calcinate property	34,283	34,283	-
Other	377,319	224,067	153,252
Gross deferred tax assets	1,424,778	1,185,091	239,687
Deferred tax liabilities			
Average cost valuation of inventories	(599,816)	(688,387)	88,571
Reversal of land depreciation	(24,017)	(24,017)	-
Reassessment of land	(1,651,933)	(1,651,933)	-

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Discounting of employee termination indemnity	(24,549)	(18,841)	(5,708)
Gross deferred tax liabilities	(2,300,315)	(2,383,179)	82,864
Net deferred tax liabilities	(875,537)	(1,198,088)	322,551

There are no temporary differences or accruals that could generate unrecognised deferred tax assets and/or liabilities.

18. TRADE PAYABLES

	31/12/2025	31/12/2024	Change in
Trade payables	20,980,567	17,434,566	3,546,001
Advances	22,858	48,545	(25,687)
Total	21,003,425	17,483,111	3,520,314

"Trade payables" are recognised net of trade discounts; any cash discounts are recognised at the time of payment. The nominal value of such payables is adjusted for any returns or allowances (invoicing adjustments), to the extent corresponding to the amount defined with the counterparty.

The distribution of trade payables by geographical area is shown below, in thousands of Euros:

	31/12/2025	31/12/2024	Change in
Italy	19,493	16,212	3,281
Europe	1,164	634	530
Far East	323	373	(50)
Other	1	215	(214)
Total	20,981	17,434	3,547

The average payment period has increased from 59 days in 2024 to 71 days in 2025 due to changed payment dynamics.

19. TRADE PAYABLES TO SUBSIDIARIES

The balance of trade payables is to the following subsidiaries:

	31/12/2025	31/12/2024	Change in
CEMBRE Ltd. (United Kingdom)	-	503,248	(503,248)
CEMBRE S.A.R.L. (France)	7,268	2,909	4,359
CEMBRE S.L.U. (Spain)	7,817	2,291	5,526
CEMBRE GmbH (Germany)	57,622	207,725	(150,103)
CEMBRE INC. (US)	-	-	-
CEMBRE B.V. (Netherlands)	10,800	-	10,800
CEMBRE Shanghai Ltd. (China)	-	-	-
Total	83,507	716,173	(632,666)

20. TAX PAYABLES

This item includes tax payables, net of advances already paid.

21. OTHER PAYABLES

The item is broken down as follows:

	31/12/2025	31/12/2024	Change in
Payables to employees	2,544,616	2,363,114	181,502
Employee withholding taxes payable	1,399,377	1,551,498	(152,121)
Social security payables	3,369,960	3,268,261	101,699
Commissions payable	453,045	453,023	22
Payables to directors	157,845	249,007	(91,162)
Payable to Statutory Auditors	35,100	55,160	(20,060)
Payable on sundry taxes and withholdings	19,401	41,306	(21,905)
VAT Payables	182,391	-	182,391
Sundry items	47,703	60,228	(12,525)
Payables for subscribed but unpaid share capital	850,000	500,000	350,000
Deferred income	2,310,018	2,727,885	(417,867)
Total	11,369,456	11,269,482	99,974

It should be noted that the payable for subscribed but unpaid share capital relates to the shareholding in CEMBRE Electrical Connections Shanghai Ltd, whose share capital was subscribed by CEMBRE S.p.A. for €1 million but only €800 thousand was paid up, and to the shareholding in CEMBRE I.E. Ltd., the share capital of which was subscribed by CEMBRE S.p.A. for €650 thousand but fully paid up in February 2026.

For the sake of clarity, deferred income for 2024 has been reclassified from the item 'Tax payables' in the amount of €2.7 million, and deferred income have been reclassified to the item 'Other assets' in the amount of €168 thousand.

22. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers by geographical area is broken down as follows:

	2025	2024	Change
Italy	99,492,622	98,892,297	600,325
Rest of Europe	66,030,349	62,155,322	3,875,027
Rest of the World	14,680,497	14,884,572	(204,075)
Total	180,203,468	175,932,191	4,271,277

Further details are provided in the Report on Operations.

23. OTHER REVENUES AND INCOME

	2025	2024	Change in
Capital gains	111,731	18,382	93,349
Insurance reimbursements	157,146	463,181	(306,035)
Reimbursements	164,759	138,131	26,627
Reimbursement intragroup transport	258,091	169,557	88,534
Charge-back of intragroup costs	2,463,019	1,860,837	602,182
Other	119,079	114,062	5,017
Operating grants	50,758	79,097	(28,339)
Capital grants	417,937	467,880	(49,943)
Total	3,742,520	3,311,128	431,392

The charge-back of intragroup costs predominantly regard "Information Technology" costs and sales costs incurred by CEMBRE S.p.A. in favour of subsidiaries. Royalties for use of the CEMBRE trademark are also included.

Regarding operating grants, pursuant to Article 1, paragraph 125 of Law 124/2017 (Fulfillment of Transparency and Publicity Obligations), it is noted that in 2025, contributions totaling €47 thousand were received from the Formazienda Fund for training courses provided to the Parent Company's staff. Please refer to the National Register of State Aid for other grants awarded.

With regard to capital grants, it should be noted that these represent the portion of grants relating to facilitations for investments made by the Company in previous financial years, since, as of the 2025 financial year, these grants are recognised as a direct reduction of the asset to which they relate.

24. COST OF GOODS AND MERCHANDISE

	2025	2024	Change in
Raw materials and merchandise	59,996,684	61,590,235	(1,593,551)
Consumables and supplies	4,820,732	4,349,337	471,395
Transport and customs fees	1,024,502	1,316,663	(292,161)
Total	65,841,918	67,256,235	(1,414,317)

The item 'Costs for materials and goods' is linked both to the volume of business and to the average prices of inputs; furthermore, it should be analysed in conjunction with the change in inventory.

25. COST OF SERVICES

	2025	2024	Change in
Subcontracted work	5,396,648	4,360,453	1,036,195
Transport	1,880,630	1,702,146	178,484
Maintenance and repair	3,280,769	3,090,137	190,632
Electricity, heating and water	1,990,841	1,733,800	257,041
Consulting	2,305,883	2,196,816	109,067
Directors' compensation	891,657	928,761	(37,104)
Payments to statutory auditors	98,280	94,547	3,733
Remuneration Supervisory Body, Anti-Corruption Function and Whistleblowing Function	49,960	48,999	961
Commissions	1,189,974	993,633	196,341
Postage and telephone	260,935	279,011	(18,076)
Fuel	289,086	304,793	(15,707)
Travelling expenses	752,929	816,220	(63,291)
Insurance	473,268	425,549	47,719
Bank charges	73,358	86,928	(13,570)
Personnel training	288,058	235,443	52,615
Advertising, promotions and trade fairs	528,221	595,008	(66,787)
Security and cleaning	745,919	749,715	(3,796)
Software licence fees	1,629,818	1,505,561	124,257
Personnel recruitment	59,403	243,479	(184,076)
Sundry items	513,492	405,182	108,310

Total	22,699,129	20,796,181	1,902,948
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The item consulting increased mainly due to the higher value of technical consultancy and for various services.

The residual item "Sundry items" includes mainly entertainment and hospitality costs.

26. LEASES AND RENTALS

	2025	2024	Change in
Rent and related costs	51,108	39,298	11,810
Vehicle and other leasing	216,961	214,056	2,904
Total	268,069	253,355	14,714

The amounts represent the residual portion linked to temporary extensions and short-term contracts, to contracts relative to assets worth less than €5,000 and ancillary costs not falling within the application of IFRS16.

27. PERSONNEL COSTS

This item includes the entire cost for personnel, including unused holidays and provisions required by law and by the collective agreements. The employee termination indemnity at 31 December 2025 includes the cost for indemnity accrued during the year for employees who resigned and the employee portion of contribution to the COMETA supplementary pension fund.

	2025	2024	Change in
Wages and salaries	29,431,228	28,172,567	1,258,662
Social security charges	7,796,361	7,469,553	326,808
Employee termination indemnity	1,741,710	1,699,587	42,123
Retirement benefits	107,737	93,034	14,703
Other costs	1,583,698	1,142,782	440,916
Total	40,660,734	38,577,522	2,083,212

The increase in the item "Other costs" includes the provision in the Reserve for stock options, referred to in Note 13 and equal to €535 thousand (€53 thousand in 2024).

Average personnel employed in the Company is broken down as follows:

	2025	2024	Change in
Executives	8	8	-
White collars	261	253	8
Blue collars	244	243	1
Outsourced personnel	92	76	16
Total	605	580	25

During the course of the year, CEMBRE S.p.A. used an average of 92 short-term staff, for a total cost of €4,395 thousand. This amount is classified under wages and salaries.

The Statement of Comprehensive Income shows personnel costs paid to related parties amounting to €410 thousand. This amount includes €350 thousand corresponding to salaries paid

to members of the Board of Directors who are also employees, and personnel costs charged by CEMBRE Ltd to CEMBRE S.p.A. in the amount of €60 thousand.

28. OTHER OPERATING COSTS

The item is broken down as follows:

	2025	2024	Change in
Sundry taxes	517,746	494,994	22,752
Membership fees	81,167	72,921	8,246
Donations	79,274	56,500	22,774
Losses on receivables	39,490	-	39,490
Capital losses	18,130	105,055	(86,925)
Ancillary expenses for production	90,871	55,758	35,113
Accessory administrative expenses	70,215	67,672	2,543
Ancillary trade expenses	78,122	123,525	(45,403)
Other	25,279	54,113	(28,834)
Total	1,000,294	1,030,538	(30,244)

The residual item "Other" consists primarily of sundry expenses not otherwise classifiable.

29. INCREASES IN FIXED ASSETS FOR INTERNAL WORK

	2025	2024	Change in
External supplies of components	332,335	578,897	(246,562)
External processing and treatment	16,495	21,005	(4,510)
Internal design and processing	313,988	451,444	(137,456)
Other	41,850	51,844	(9,994)
Total	704,668	1,103,190	(398,522)

This item represents the amount of capitalised costs relating to the construction of equipment and dies built in-house; they are essentially composed of the cost of personnel employed in the design and construction of the asset, externally purchased components and any external consulting services.

30. ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES

The item is broken down as follows:

	2025	2024	Change
Customer allowances	37,126	32,864	4,262
Other provisions made	10,516	94,936	(84,420)
Total	47,642	127,800	(80,158)

The customer indemnities provision was allocated in relation to possible charges in the case of termination of agency mandates.

31. FINANCIAL INCOME AND CHARGES

	2025	2024	Change
Dividends from subsidiaries	6,011,905	483,700	5,528,205
Interest earned on bank account balances	241,277	224,303	16,974

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Other financial income	111,351	110,000	1,351
Total financial income	6,364,533	818,003	5,546,530
Loans and bank overdrafts	(282,014)	(287,388)	5,374
Financial charges on discounting of Employee Termination Indemnity	(47,710)	(46,866)	(844)
Lease financial charges	(64,378)	(81,196)	16,818
Other financial charges	(474)	(6)	(468)
Total financial charges	(394,576)	(415,456)	20,880
Total financial income and charges	5,969,957	402,548	5,567,410

During 2025, the Parent Company CEMBRE S.p.A. collected dividends from: CEMBRE S.L.U. (€2,451 thousand), CEMBRE GmbH (€2,100 thousand), CEMBRE Ltd. (€1,230 thousand) and CEMBRE Inc. (€231 thousand).

32. FOREIGN EXCHANGE GAINS (LOSSES)

The item is broken down as follows:

	2025	2024	Change in
Realised foreign exchange gains	119,652	189,781	(70,129)
Realised foreign exchange losses	(370,847)	(193,680)	(177,167)
Unrealised foreign exchange gains	-	112,592	(112,592)
Unrealised foreign exchange losses	(61,773)	-	(61,773)
Total	(312,968)	108,693	(421,661)

33. INCOME TAXES FOR THE YEAR

	2025	2024	Change
Current taxes for IRES	(10,687,744)	(10,211,873)	(475,871)
Current taxes for IRAP	(1,996,390)	(1,955,470)	(40,920)
Deferred taxes	339,709	127,637	212,072
Net extraordinary gains	61,307	17,148	44,159
Patent Box Benefit	2,991,296	3,940,268	(948,972)
Total	(9,291,822)	(8,082,292)	(1,209,530)

On 18 December 2023, Cembre S.p.A. renewed the agreement with the Revenue Agency that defines the methods and criteria for calculation of the economic contribution to the production of business income by intangible fixed assets for the purposes of the so-called "Patent Box", with regard to tax years 2020-2024.

The agreement allowed CEMBRE S.p.A. to obtain a tax benefit for 2020 of approximately €1,103 thousand, accounted for in 2023, determined according to the methods and criteria defined in the agreement.

Similarly, this agreement enabled the recognition in 2024 of a tax benefit related to the 2021 financial year amounting to €1.88 million and a tax benefit related to the 2022 financial year amounting to €2.06 million. The tax benefit for the year 2023, which will be accounted for in 2025, amounts to €2.99 million, while the tax benefit for 2024 will be accounted for when it can be determined with the required certainty.

The allocation of current taxes is calculated on the taxable income amount, which takes into account increases and decreases to be made in the income tax return to the statutory profit for the year.

Reconciliation of theoretical taxes, arising from application of the nominal rate, and actual taxes to the Income Statement is as follows:

IRES	
Profit prior to taxes	51,690,971
Theoretical tax expense (24.0%)	12,405,833
Effect of permanent differences	(2,026,021)
Effect of temporary differences	307,931
Various deductions	-
Total income taxes in the financial statements	10,687,744

IRAP	
Gross taxable IRAP	86,805,978
Theoretical tax expense (3.9%)	3,385,433
Effect of permanent differences	(66,411)
Effect of temporary differences	123,106
Deductions for personnel	(1,399,229)
Various deductions	(46,509)
Total income taxes in the financial statements	1,996,390

The item "Deferred taxes" is broken down as follows:

	2025	2024	Change in
Average cost valuation of inventories	88,571	127,881	(39,310)
Discounting of employee termination indemnity	(5,708)	(1,734)	(3,974)
Write-down of inventories	62,669	(1,225)	63,894
Differences on depreciation	22,814	64,551	(41,737)
Other	171,363	(61,836)	233,199
Deferred tax assets and liabilities for the year	339,709	127,637	212,072

34. COMPREHENSIVE INCOME

Following the adoption of the changes to the revised IAS 19, the actuarial changes to the employee termination indemnity were recognised directly in a specific reserve of shareholders' equity. These amounts constitute changes in the comprehensive income for the year and are highlighted with separate indication of the relative tax effect. The effect for 2025 is positive and amounts to €54 thousand, net of the theoretical tax effect.

35. DIVIDENDS

On 14 May 2025 (ex-dividend date 12 May), dividends were paid in the amount of €31,612 thousand, relating to the allocation of profit for the year 2024, corresponding to €1.88 per share entitled to dividends. Dividends related to the allocation of the 2025 profit and submitted for approval to the Shareholders' Meeting amounted to €2.06 per share, for a total of €34,639 thousand. This amount was not recorded as a liability.

36. COMMITMENTS AND RISKS

At 31 December 2025, guarantees granted by CEMBRE S.p.A. amounted to €1,700,281, compared

to €1,624,939 at 31 December 2024.

Among the guarantees provided to third parties, mention goes to the commitments made with respect to the Municipality of Brescia, for a total of €280 thousand, to guarantee completion of the development works following the authorisation to build in an area owned by the company and adjacent to the company headquarters.

The residual portion refers to guarantees granted to Italian and foreign electrical and railway entities, to guarantee supply for €936 thousand, and guarantees granted to Brescia Customs Authority for €484 thousand. In July 2023, CEMBRE S.p.A. signed a framework agreement with Intesa Sanpaolo SpA for the transfer of tax credits in favour of CEMBRE S.p.A.. The agreement is valid until 31 December 2026 and includes an indemnity clause in favour of CEMBRE SpA. The Company benefits from a purchase price that is lower than the nominal value of the tax credit being transferred, obtaining financial income when it uses the purchased tax credit to pay the taxes due. This agreement resulted in the purchase of tax credits in the amount of €10 million in both 2024 and 2025; a commitment to purchase tax credits in the amount of €10 million is also envisaged for the financial year 2026.

37. NET FINANCIAL POSITION

At the end of the financial year, the net financial position of CEMBRE S.p.A. amounted to a deficit of €6,090 thousand, down on 31 December 2025, mainly due to the significant capital expenditure incurred for the construction of two new industrial buildings at the Brescia headquarters, as already discussed in the note on fixed assets.

At date of the financial statements, the Company had no outstanding debt involving covenants or negative pledges.

In respect of the "Guidelines on disclosure obligations pursuant to the prospectus regulation" set forth by ESMA, details of the CEMBRE S.p.A. Net Financial Position are provided below:

	31/12/2025	31/12/2024
A Cash	6,812	7,418
B Bank deposits	9,008,975	4,159,865
C Other financial assets	-	-
D Cash and cash equivalents (A+B+C)	9,015,787	4,167,283
E Current bank payables	(10,261,765)	(3,079,876)
F Current financial leasing liabilities	(913,095)	(1,002,283)
G Current financial indebtedness (E+F)	(11,174,860)	(4,082,159)
H Net current financial position (G+D)	(2,159,073)	85,124
I Non-current financial leasing liabilities	(3,800,752)	(1,285,940)
J Non-current bank payables	(130,000)	-
K Non-current financial indebtedness (I+J)	(3,930,752)	(1,285,940)
L Net financial position (H+K)	(6,089,825)	(1,200,816)

38. DISCLOSURE ON RELATED PARTIES

The table below summarises transactions between Parent company CEMBRE S.p.A. and the subsidiaries in 2025, with regard to purchases and sales. For receivables/payables, see the specific paragraphs of this document.

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Company	Revenues from Sales	Other Revenues	Purchases	Costs for Services	Personnel Costs
CEMBRE Ltd.	15,302,144	625,366	2,856,800	-	60,142
CEMBRE S.A.R.L.	10,304,683	323,828	24,745	20,761	
CEMBRE S.L.U.	15,587,660	365,718	34,589	-	
CEMBRE GmbH	9,027,192	372,166	294,847	83,666	
CEMBRE INC.	5,916,900	334,961	42,510	18,123	
CEMBRE BV	2,391,520	250,380	-	10,800	
CEMBRE Shanghai Ltd	821,446	448,691	-	-	
TOTAL	59,351,545	2,721,110	3,253,491	133,350	60,142

In addition to the amounts shown in the table above for subsidiaries, the costs for services provided to related parties reported in the Financial Statements also include remuneration paid to the directors and statutory auditors of CEMBRE S.p.A.

With reference to assets and liabilities relating to subsidiaries and other related parties at year-end, we confirm that transactions with the same fall within the scope of normal operating activities.

The percentage stakes with regard to investments in subsidiaries at 31 December 2025 are outlined below:

Company	Registered office	Share capital	Percentage held				Percentage with voting right
			direct	indirect	through h	total	
CEMBRE Ltd.	Sutton Coldfield (Birmingham-GB)	GBP 1,700,000	100%	-	-	100%	100%
CEMBRE S.A.R.L.	Lyon (France)	EURO 1,071,000	100%	-	-	100%	100%
CEMBRE S.L.U.	Torrejón de Ardoz (Madrid -Spain)	EURO 2,902,200	100%	-	-	100%	100%
CEMBRE GmbH	Monaco (Germany)	EURO 10,112,000	100%	-	-	100%	100%
CEMBRE INC.	Edison (NJ- Usa)	US\$ 1,440,000	100%	-	-	100%	100%
CEMBRE B.V.	Eindhoven (Netherlands)	EURO 300,000	100%	-	-	100%	100%
CEMBRE Electrical Connections Shanghai Ltd	Shanghai (China)	EURO 1,000,000	100%	-	-	100%	100%
CEMBRE IE Ltd.	Dublin (Ireland)	EURO 650,000	100%	-	-	100%	100%

All of the above equity investments are held by way of ownership.

The share capital of CEMBRE Electrical Connections Shanghai Ltd. was subscribed for €1 million but only €800 thousand was paid up at 31 December 2025.

The share capital of CEMBRE IE Ltd., a company established in November 2025, was subscribed by CEMBRE S.p.A. for €650 thousand, but not paid up as at 31 December 2025, as the company was not operational. This share capital was paid up in full on 19 February 2026.

Among assets leased to CEMBRE S.p.A. by third parties are an industrial building adjacent to the Company's registered office measuring a total of 5,960 sqm on three floors, in addition to the Monza, Padua and Bologna sales offices. These properties are owned by "Tha Immobiliare S.p.A.", a company with registered office in Brescia, whose capital is held by Anna Maria Onofri, Giovanni Rosani, and Sara Rosani, members of the Board of Directors of CEMBRE S.p.A.; the interest for the company can be seen in the prospect of continuity and in the reduction of the risks of termination of the lease contract. At 31 December 2025, the following invoices were outstanding: €179 thousand for Tha Immobiliare S.p.A. Said contracts envisage an automatic renewal clause upon expiry.

A summary of the amounts reported in the financial statements relating to the above-mentioned contracts is provided below:

	Assets	Non-current liabilities	Current liabilities	Amortisation	Interest expense
Leased assets from THA	3,717,356	3,363,909	348,218	466,695	21,245

CEMBRE S.p.A. does not have direct relationships with its parent company Lysne S.p.A. of any other nature than that of the exercise of shareholders' rights on the part of the parent. Lysne S.p.A. does not carry out any management or coordination activity with respect to Cembre S.p.A.

39. SHARE-BASED PAYMENTS

CEMBRE S.p.A. established the incentive plan known as "Carlo Rosani Prize 2025 – 2029", intended for executives and middle managers who have an employment contract with the company. The plan, approved by the Shareholders' Meeting on 29 April 2025, provides for the attribution, by the company, of rights to acquire ordinary CEMBRE shares, and will last until 2030.

The rights granted under the plan can only be assigned to the beneficiaries identified, to this end, by the Board of Directors, based on the prior opinion of the Appointments and Remuneration Committee and in compliance with the Incentive Plan Regulation. The rights will be assigned annually, free of charge, in the plan duration period, following the Board's approval of the company's consolidated financial statements. The beneficiaries will be attributed, for each annual assignment, the following rights: 1,000 for those in the position of executive and 250 for middle managers. The exercise price of the aforementioned rights is €20 per share. Based on the beneficiaries identified by the Board of Directors, provision is made for the assignment of a total maximum number of 67,750 shares for the entire duration of the plan. The assignment of the rights to the beneficiaries is subject to the following performance conditions:

- growth in the gross operating profit of the CEMBRE Group in the reference year (i.e. the year prior to the assignment year) compared to the previous year;
- growth in the gross operating profit of the CEMBRE Group in the reference year higher than the minimum values reported in the Incentive Plan Regulation.

The assignment of the rights to the beneficiaries is also subject to the following additional conditions, to be verified in relation to the individual beneficiary:

- existence of an employment contract with the position of executive or middle manager;
- solely for recipients in the position of middle manager, provision of work activities to the company for an average of 40 hours per week;

Furthermore, in accordance with the transfer ban set forth in the regulation, starting from the second allocation date, ownership of the shares purchased under the plan is required, and in any case of a number of CEMBRE shares at least equal to the total number of rights exercised under the plan.

40. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Given the limited exposure, CEMBRE S.p.A. makes extremely limited use of derivative instruments to hedge against interest risk and currency exposure.

Risks connected with the market

CEMBRE S.p.A. faces these risks with ongoing innovation, widening of the product range, high automation and with the upgrade of its production process, implementing focused marketing policies also with the help of its foreign subsidiaries.

Interest rate risk

At 31 December 2025, as detailed in Note 15, two fixed-rate loans were in place, maturing in February 2026, and were regularly repaid. Owing to the nature and duration of the contracts, the interest rate risk can be considered zero.

Currency risk

Despite a strong international presence, CEMBRE S.p.A. does not have a significant exposure to currency risk (on an operating or equity basis), as it operates mainly in the Euro area, the currency in which its trade transactions are mainly denominated.

At 31 December 2025, the following currency positions were outstanding:

	2025		2024	
	Original currency	Equivalent € amount	Original currency	Equivalent € amount
Receivables	US\$ 856,540	€728,971	US\$ 723,303	€696,221
Payables	US\$ 419,596	€357,103	US\$ 86,298	€83,067
Payables	-	-	GBP 3,028	€3,653
Payables	CHF 92	€99	CHF 92	€98
Payables	RMB 9,540	€1,159	RMB 228,960	€29,154
Payables	PLN 693	€164	-	-
Payables	THB 351,206	€9,436	-	-
Current account balance in foreign currency	US\$ 657,999	€559,999	US\$ 759,093	€730,670

The items were converted into Euro at the exchange rate in effect on 31 December 2025 and generated, with respect to the original amount recorded, an exchange rate loss of €8 thousand, recorded in the income statement.

The table below summarizes the economic effect, in thousands of Euro, of possible changes in exchange rate for the items indicated above:

	Change in exchange rate	Receivables	Payables	Current account
2025	5%	(42)	(18)	(26)
	-5%	31	18	29
2024	5%	(33)	(5)	(35)
	-5%	37	12	39

As illustrated, the entity and volume are not such as to have a significant impact on the Company's results.

Liquidity risk

The exposure of the Company to liquidity risk is not material as its financial position is balanced. The collection and payment cycle is also balanced, as shown by the ratio of current assets to current liabilities. Reference should be made to Note 9 for details of the due dates for receivables from clients and to Note 18 for details of the due dates for payables to suppliers.

Credit risk

Exposure to credit risk by CEMBRE S.p.A. relates exclusively to trade receivables.

As shown in Note 9, none of the areas in which CEMBRE S.p.A. operates poses relevant credit risks.

Operating procedures limit the sale of products or services to customers who do not possess an adequate credit profile or provide secured guarantees.

The receivables matured over 12 months and those under litigation are widely covered by the provision for doubtful accounts accrued. Moreover, CEMBRE S.p.A. has stipulated an insurance policy against commercial credit risk, allowing it to reduce further exposure to this kind of risk.

Risks linked to climate change

Climate change entails a broad spectrum of possible impacts for the Company arising from both physical and transition risks. When making new investments, the Company takes into account the possible future impacts that climate change may have on their usability and useful life. It also closely monitors regulatory developments and changes, such as new climate-related regulations and standards.

The Company believes that its business model and products will still be attractive following the transition to a low-emission economy.

Climate-related issues may increase the uncertainty of the estimates and assumptions regarding certain elements or items of the financial statements. For further discussion of this aspect, please refer to the section "Effects of Climate Change" in the sub-chapter "Use of estimates" of the chapter "ACCOUNTING STANDARDS AND VALUATION CRITERIA". Please also refer to the paragraph "Risks and effects of climate change" in the Report on Operations.

41. SUBSEQUENT EVENTS

No event having significant effects on the Group's financial position or operating performance occurred after the close of the year.

The recent conflict between the USA and Iran has had the immediate consequence of making it difficult for vessels carrying crude oil and liquefied natural gas to transit through the Strait of Hormuz, a route that is vital for around 20% of the world's oil; as a result, the prices of these commodities are under pressure. The CEMBRE Group has already experienced a similar inflationary phenomenon in the recent past without suffering any significant consequences. In 2025, the Cembre Group's sales in the Middle East region amounted to €5.1 million and accounted for 2% of consolidated revenues; the majority of these sales were to Saudi Arabia.

Attachments

This document includes the following attachments:

Annex 1: Comparative Income Statement;

Annex 2: Compensation for auditing services and other services.

Brescia, 13 March 2026

**FOR THE BOARD OF DIRECTORS OF THE PARENT
COMPANY CEMBRE S.P.A.**

*Chair and Chief Executive Officer
Giovanni Rosani*

Annex 1 to the Notes to the Annual Financial Statements of CEMBRE S.p.A.

Comparative Income Statement

	2025	%	2024	%	Change
Revenue from contracts with customers	180,203,468	100%	175,932,191	100.0%	2.4%
Other revenues	3,742,520	-	3,311,128		13.0%
TOTAL REVENUES	183,945,988	-	179,243,319		2.6%
Cost for material and good	(65,841,918)	-36.5%	(67,256,235)	-38.2%	-2.1%
Change in inventories	2,380,224	1.3%	2,774,632	1.6%	
COSTS OF SALES	(63,461,694)	-35.2%	(64,481,603)	-36.7%	-1.6%
Cost of services received	(22,699,129)	-12.6%	(20,796,181)	-11.8%	9.2%
Lease and rental costs	(268,069)	-0.1%	(253,355)	-0.1%	5.8%
Personnel costs	(40,660,734)	-22.6%	(38,577,522)	-21.9%	5.4%
Other operating costs	(1,000,294)	-0.6%	(1,030,538)	-0.6%	-2.9%
Increase in assets due to internal construction	704,668	0.4%	1,103,190	0.6%	-36.1%
Write-down of receivables	(80,682)	0.0%	9,318	0.0%	
Accruals to provisions for risks and charges	(47,642)	0.0%	(127,800)	-0.1%	-62.7%
GROSS OPERATING PROFIT	56,432,412	31.3%	55,088,828	31.3%	2.4%
Tangible asset and investment property depreciation	(8,324,834)	-4.6%	(8,346,821)	-4.7%	-0.3%
Intangible assets amortization	(966,697)	-0.5%	(868,318)	-0.5%	11.3%
Depreciation of right of use assets	(1,106,899)	-0.6%	(1,102,905)	-0.6%	0.4%
OPERATING PROFIT	46,033,982	25.5%	44,770,784	25.4%	2.8%
Financial income	6,364,533	3.5%	818,003	0.5%	678.1%
Financial expenses	(394,576)	-0.2%	(415,456)	-0.2%	-5.0%
Foreign exchange gains (losses)	(312,968)	-0.2%	108,693	0.1%	-387.9%
PROFIT BEFOR TAXES	51,690,971	28.7%	45,282,024	25.7%	14.2%
Income taxes	(9,291,822)	-5.2%	(8,082,292)	-4.6%	15.0%
NET PROFIT	42,399,149	23.5%	37,199,732	21.1%	14.0%

Annex 2 to the Notes to the Annual Financial Statements of CEMBRE S.p.A.

Compensation for auditing services and other services.

(pursuant to article 149-duodecies of the CONSOB Issuers' Regulation)

Type of services	Independent Auditors	Recipient	Compensation (Euro '000)
Audit	EY S.p.A.	CEMBRE S.p.A.	72.5
Other non-audit services	EY Advisory S.p.A.	CEMBRE S.p.A.	40
Limited audit, sustainability report	EY S.p.A.	CEMBRE S.p.A.	25
Audit	Ernst & Young S.L.	CEMBRE SLU	19
Package audit subsidiaries	EY S.p.A.	CEMBRE INC	10
Package audit subsidiaries	EY S.p.A.	CEMBRE S.p.A.	26



Attestation in respect of the statutory financial statements

pursuant to Article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999,
as amended and supplemented

The undersigned Giovanni Rosani and Claudio Bornati, in their position as Managing Director and Manager responsible for the preparation of financial reports of Cembre S.p.A., respectively, pursuant to Article 154-bis, paragraphs 3 and 4 of Legislative Decree No.58/1998, certify that internal controls over financial reporting in place for the preparation of 2025 statutory financial statements and during the period covered by the report, were:

- adequate to the company structure, and
- effectively applied during the process.

The undersigned officers certify that this 2025 statutory financial statements:

a) was prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002, and

b) corresponds to the company's evidence and accounting books and entries;

c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company.

The undersigned officers attest, also, that the report on operations includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which it is exposed.

Brescia, March 16, 2026

Chairman and
Managing Director

signed by:
Giovanni Rosani

Manager responsible for the
preparation of financial reports

signed by:
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