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ANNUAL REPORT 2025

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DIRECTORS' REPORT

31 December 2025

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Letter from the Chairman to Shareholders

Dear Shareholders,

Last year, in the notes to the 2024 financial statements, I quoted Peter Drucker's insight: *"The best way to predict the future is to create it"*. This was no mere mission statement, but a guiding principle that has always driven the way we do business.

Yet, by definition, an annual report looks to the past. It measures past performance. The calling of an entrepreneur — and of the team that strives every day to shape the path of a leading Group — is different: it is about interpreting the present and, more importantly, staying ahead of the curve, even when doubts far outweigh certainties.

We live in a world where external variables, i.e. geopolitical, economic, and energy-related factors, make it increasingly difficult to chart market trajectories. Against such a backdrop, what really makes a difference is not the ability to predict exactly what will happen, but the ability to pick the right path, select the opportunities with discipline and turn them into value. Results are not dictated by the context; rather, they are driven by the quality of the choices we are able to make within it.

In 2025, we remained focused on this core balance: the interplay of vision, intuition, and operational rigour. This approach has enabled us — just as we intended — to steadily enhance the quality of our order book, boost profitability, and strengthen the Group's financial structure.

The strong performance achieved reflects the choices made — but, above all, it provides the foundation upon which we continue to build our growth path. Consolidated revenues reached 370 million Euro, highlighting our Group's resilience and its ability to adapt to external variables. Operating indicators show significant improvement: EBITDA adjusted reached 34.3 million Euro, with a margin of 9.3% — the highest level in the Group's history.

Letter from the Chairman to Shareholders (continued)

Net profit came in at 7.1 million Euro, marking the Group's return to full profitability, while the Net Financial Position showed a significant reduction in debt, underscoring our robust cash generation.

We continued to prioritise project quality over volume, selecting higher value-added contracts and steadily enhancing our business mix.

This path structurally improved the Group's profitability and streamlined operations, delivering positive effects on both margins and cash generation. Indeed, the growth we seek is not merely a matter of scale; first and foremost, it is a matter of quality.

The increasing integration between the Group's three business units played a key role. Horizons, Engineered Systems for Naval Architecture and Building Façades; Talenta, Professional Kitchen Systems and Products; and Mestieri, Design and Production of Bespoke Interiors, operated in an increasingly coordinated manner, leveraging their respective expertise and developing shared opportunities, particularly in the naval sector, a segment that is becoming increasingly pivotal and a common focus for our operations. The operational and commercial synergies launched in recent years delivered tangible outcomes, attesting to the soundness of the Group's industrial model and its ability to tackle complex projects through a holistic approach.

The order book — which exceeds 770 million Euro and secures our revenue stream through 2033 — underpins our growth trajectory and provides a solid foundation for new projects in the coming years, reflecting the Group's competitive positioning across its key markets. The new contracts secured in the early months of 2026, alongside current commercial opportunities, further underscore the buoyancy of demand, notably within the shipbuilding sector.

The geographical footprint of our businesses, coupled with their enduring resilience, provides a further element of balance. In 2025, the Group operated primarily in Europe, with a significant presence in the United States and only marginal exposure to other regions. This positioning ensures a high degree of stability, even against a backdrop of international tension and instability.

We continued to advance our ESG policies, with a specific focus on environmental sustainability, social responsibility, and governance. Throughout the year, we launched and consolidated initiatives aimed at improving the measurement and management of our environmental impact, while strengthening internal expertise and fostering a corporate culture increasingly geared towards sustainability. This journey is part of a long-term vision aimed at aligning economic growth with sustainable value creation for all stakeholders.

Our approach today is clear: to continue investing in project quality, industrial integration across our business units, and improve our expertise, while maintaining a strong focus on financial stability. Our strong performance and robust outlook further enable us to consider a return to a shareholder remuneration policy, in line with the Group's evolving financial profile.

We therefore look to the future with a clear-eyed sense of purpose. While an annual report is a reflection of the past, the true measure of a company lies in its ability to chart its own course over time. We remain focused on turning complexity into opportunities and translating choices into results.

I would like to express my sincere gratitude to everyone within the Group, whose expertise and dedication drive our progress, and to you, our Shareholders, for your continued trust.

Oscar Marchetto
Chairman of Somec S.p.A.



Introduction

The Parent Company, Somec S.p.A. has prepared a single Directors' Report for both the separate financial statements of Somec S.p.A and the consolidated financial statements of the Group, as permitted under article 40, paragraph 2a of Legislative Decree No. 127 dated 09/04/91, approved by the Board of Directors on 25 March 2026. As required under Regulation (EU) 2022/2464 (Corporate Sustainability Reporting Directive, CSRD), the Annual Report include sustainability reporting.

The consolidated financial report was drawn up in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. "IFRS" also includes all amended International Accounting Standards ("IAS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

Alternative performance indicators

Somec's management measures the performance of the Group and its business units partly based on some performance indicators not required by IFRS. More specifically, EBITDA and EBIT are used to measure the Group's profitability.

As required by Consob Notice no. 0092543 of 3 December 2015, which transposes the ESMA/2015/1415 guidelines on alternative performance indicators, the components of each indicator are described below:

Consolidated net profit adjusted

reflects the consolidated net profit before adjustments for non-recurring items

EBT is obtained by adding income taxes to net result for the period, as reported in the financial statements

EBIT is obtained by adding net financial income/expense, i.e. the sum of financial income and charges, net exchange rate gains and losses and net income from associates to income before taxes

EBIT adjusted is obtained by adding the effect of the financial result to income before income taxes, such result being the sum of financial income and expenses, the balance of foreign exchange gains and losses, the portion of profit or loss of associates and non-recurring depreciation and amortisation

EBITDA is obtained by adding amortisation, depreciation and other write-downs to EBIT, as reported in the financial statements

EBITDA margin is obtained from the ratio of EBITDA to the sum of Revenues from contracts with customers and Other revenues and income

EBITDA adjusted is obtained by adding depreciation and amortisation, as reflected in the financial statements, and non-recurring items to EBIT

EBITDA margin adjusted is obtained from the ratio of EBITDA adjusted to the sum of Revenues from customer contracts and Other revenues and income

Backlog is the residual value of the orders that have yet to be completed. This amount accounts for the difference between the total nominal value of an order (including additions or modifications) on a certain date and the value on the same date of revenues from contracts with customers relating to orders associated with such contracts

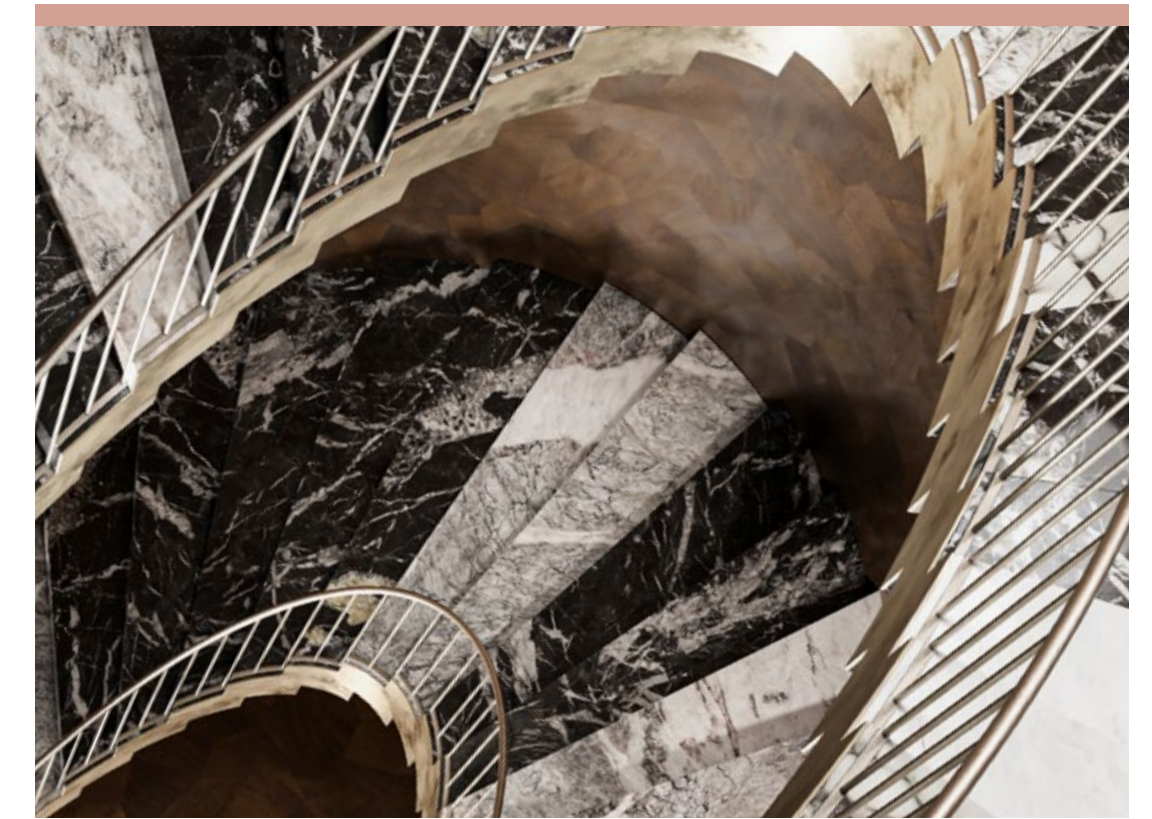
Backlog under Option is the total value of the contractual options on orders that are held but have yet to be exercised by customers on a certain date

Total Backlog is the sum of Backlog and Backlog under option

Net Financial Debt is determined as defined by the new ESMA Guidelines dated 4 March 2021 (see Consob Notice No. 5/21 of 29 April 2021)

Net Financial Position is determined by adding fair value of current and non-current derivative assets to net financial debt.

General information



Somec Group

specialises in the engineering, design and deployment of complex turnkey projects in civil and naval engineering by relying on three business units: Horizons: engineered systems for naval architecture and building façades; Talenta: professional kitchen systems and products; Mestieri: design and production of bespoke interiors. The Group's companies operate in an integrated and synergetic manner, according to strict quality and safety standards while guaranteeing a high level of customisation and specific know-how on the processing of different materials, a key requirement when delivering high value-added projects. In over forty years of history and by relying on rigorous certification and accreditation processes, Somec has achieved a reputation for quality and operational and financial reliability on a global scale.

The Group operates through **three business units:**

Horizons

Engineered systems for naval architecture and building façades

The Somec Group is one of the largest players in Europe and North America regarding the design, careful selection of materials, production, installation and maintenance of innovative solutions and original engineered systems for naval architecture and building façades, ensuring the highest certified standards of quality and durability.

Talenta

Professional kitchen systems and products

The Somec Group designs and produces integrated and customisable systems for professional kitchens, harmoniously combining aesthetics with top performance, as well as turnkey projects in the restaurant and hospitality sectors. All its products are backed by certified standards of high efficiency and durability for international clients whose needs and expectations are always satisfied.

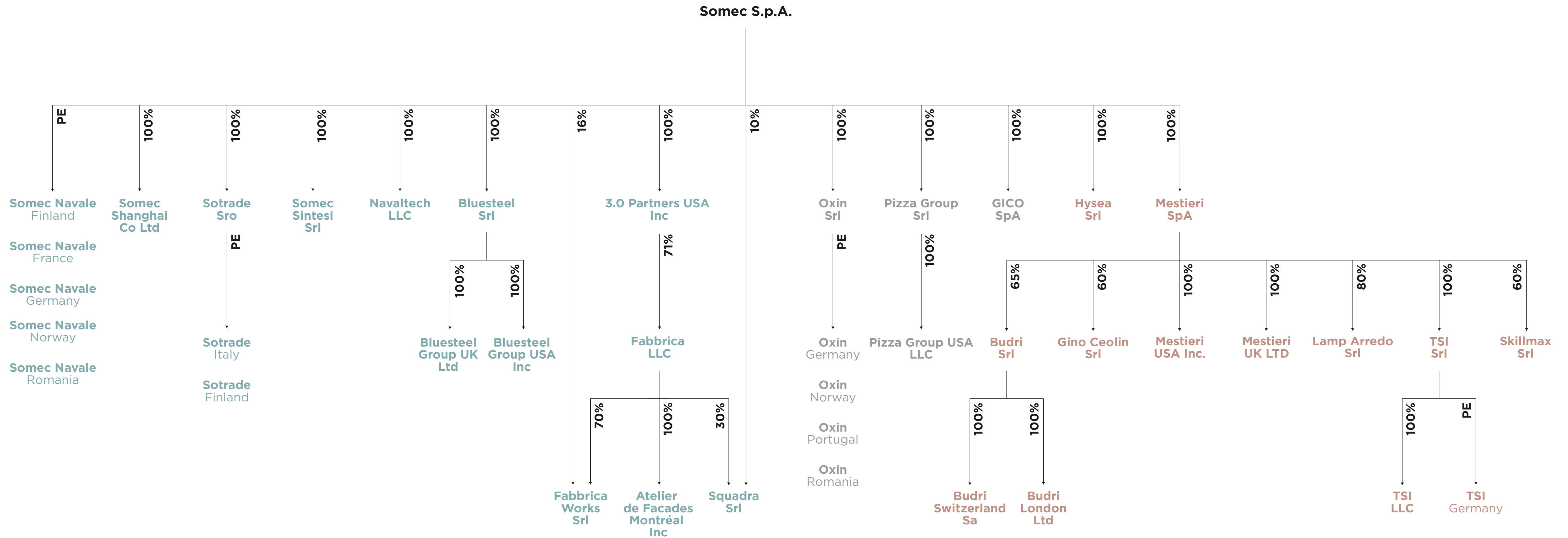
Mestieri

Design and production of bespoke interiors

The Somec Group rolls out turnkey projects for high-end interiors, making the most of the skills and know-how of Italian craftsmen able to work with a wide range of materials, from metals and marbles to precious woods, leathers and fabrics. A history of excellence, with a portfolio of unique references, coordinated by a lead company that takes charge of the general management of the most complex and sophisticated projects in the following sectors: cruising and yachting, hospitality and restaurant, high-end residential and first-class retail.

Somec Group Structure

The following graph shows the Group's structure at 31 December 2025.



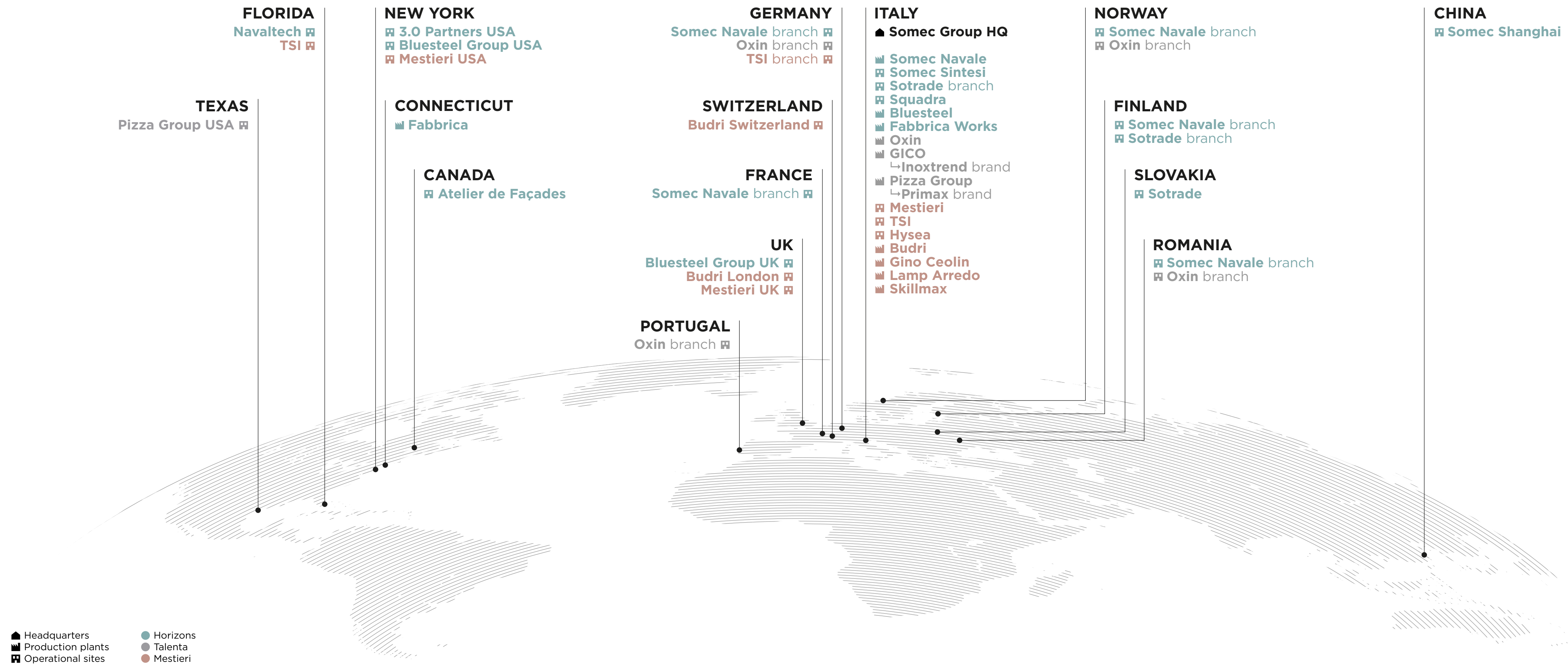
● Horizons
● Talenta
● Mestieri
PE Permanent Establishment

List of Company premises

Pursuant to article 2428 of Italy's Civil Code, the Company operates in Italy at its registered office in Via Palù 30 in San Vendemiano (TV), its premises in Via Palù 32, 34 and 38, also in San Vendemiano (TV).

The Group also operates through permanent establishments in Saint Nazaire in France, Turku in Finland, Papenburg, Wismar and Rostock in Germany, Tulcea in Romania, Sovik, Ulstein and Langsten in Norway.

The Group is also active in Miami (USA), New York (USA), Houston (USA), Connecticut (USA), Delaware (USA), Montréal (Canada), Piestany (Slovakia), Bucharest (Romania), London (UK), Lugano (Switzerland), Codognè (TV), San Vito al Tagliamento (PN), Aprilia (LT), San Biagio di Callalta (TV), Vazzola (TV), Colle Umberto (TV), Quinto di Treviso (TV), Mirandola (MO) and Mogliano Veneto (TV).



Scope of consolidation

As at 31 December 2025 the scope of consolidation includes the following companies directly or indirectly owned by Somec S.p.A.

Company	Registered office	% ownership	Currency	Share Capital
Directly owned subsidiaries				
currency unit				
3.O Partners USA Inc.	New York (USA)	100%	USD	10,000
Bluesteel S.r.l.	Colle Umberto (TV)	100%	Euro	100,000
GICO S.p.A.	Vazzola (TV)	100%	Euro	120,000
Hysea S.r.l.	San Vendemiano (TV)	100%	Euro	100,000
Mestieri S.p.A.	San Vendemiano (TV)	100%	Euro	3,000,000
Navaltech LLC	Miami (USA)	100%	USD	1,000
Oxin S.r.l.	Codognè (TV)	100%	Euro	100,000
Pizza Group S.r.l.	San Vito al Tagliamento (PN)	100%	Euro	12,000
Somec Sintesi S.r.l.	San Vendemiano (TV)	100%	Euro	100,000
Somec Shanghai Co., Ltd	Shanghai (China)	100%	CNY	4,733,773
Sotrade S.r.o.	Piestany (Slovakia)	100%	Euro	92,380

Company	Registered office	% ownership	Currency	Share Capital
Indirectly owned subsidiaries				
currency unit				
Atelier de Façades Montréal Inc.	Montréal (Canada)	70.90%	CAD	100
Bluesteel Group UK Ltd	London (UK)	100%	GBP	100
Bluesteel Group USA Inc.	New York (USA)	100%	USD	10,000
Budri S.r.l.	Mirandola (MO)	65% ⁽¹⁾	Euro	3,000,000
Budri London Ltd	London (UK)	65% ⁽¹⁾	GBP	10,000
Budri Switzerland SA	Lugano (CH)	65% ⁽¹⁾	CHF	100,000
Fabbrica LLC	Delaware (USA)	70.90%	USD	6,250,000
Fabbrica Works S.r.l.	San Biagio di Callalta (TV)	65.63% ⁽²⁾	Euro	100,000
Gino Ceolin S.r.l.	Mogliano Veneto (TV)	60% ⁽³⁾	Euro	50,000
Lamp Arredo S.r.l.	Quinto di Treviso (TV)	80% ⁽⁴⁾	Euro	100,000
Mestieri UK Ltd	London (UK)	100%	GBP	10,000
Mestieri USA Inc.	Delaware (USA)	100%	USD	10,000
Pizza Group USA LLC	Houston (USA)	100%	USD	10,000
Skillmax S.r.l.	San Biagio di Callalta (TV)	60% ⁽⁵⁾	Euro	500,000
Total Solution Interiors S.r.l.	San Biagio di Callalta (TV)	100%	Euro	100,000
Total Solution Interiors LLC	Miami (USA)	100%	USD	293,034
Associate subsidiaries				
Squadra S.r.l.	Pieve di Soligo (TV)	31.10%	Euro	41,500

Scope of consolidation (continued)

On 8 April 2025, Mestieri UK Ltd was founded as a wholly owned subsidiary of Mestieri S.p.A., with the primary objective of expanding its high-end interior design and creation services into the British market.

It should be noted that during the first half of 2025, Somec S.p.A. became the sole shareholder of Bluesteel S.r.l., following the resolution of the subsidiary's Shareholders' Meeting held on 29 April 2025, whereby it was resolved to cover the losses and replenish the share capital, including the unopted portions of the previous minority shareholders. As a result, on 07 May 2025 Somec S.p.A. increased its majority stake in Bluesteel S.r.l. from 94% to 100% of the share capital.

As part of the reorganization and integration process of the Talenta business unit, on 1 August 2025 Inoxtrend S.r.l. was merged by incorporation into Gico S.p.A.

Finally, on 20 October 2025, Mestieri S.p.A. finalised the exercise of the Call option on 20% of the share capital of Lamp Arredo S.r.l., thus reaching an equity interest of 80%.

No further events or changes concerning the Somec Group's scope of consolidation are reported.

(1)
The acquisition of Budri S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 35%. This option can be exercised: (i) in relation to 15% from the approval of the company's financial statements for the year ending 31 December 2025; (ii) in relation to the additional 20% from the approval of the company's financial statements for the year ending 31 December 2027. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.

(2)
Fabbrica Works S.r.l. is directly owned by Somec S.p.A. (16%) and Fabbrica LLC (70%). A Put and Call option is in place between the parties for the purchase of the remaining 14% minority interest to be exercised within 90 days of the approval of the company's financial statements for the year ending 31 December 2025. Minority interests are not recognised in the consolidated income statement in light of the put and call option in place.

(3)
The acquisition of Gino Ceolin S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. This option can be exercised within 90 days of the approval of the financial statements as of 31 December 2026. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.

(4)
The acquisition of Lamp Arredo S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 20%. This option can be exercised from the approval of the company's financial statements for the year ending 31 December 2026. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.

(5)
The acquisition of Skillmax S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. The option can be exercised starting from May 2027 and by April 2028. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.



Significant events during the year 2025

01

Resolutions of the Shareholders' Meeting

The Shareholders' Meeting of Somec S.p.A., held on 29 April 2025, approved:

- The financial statements for the year ended 31 December 2024
- The first section of the report on remuneration policy and remuneration paid, with a binding vote, and gave a favourable advisory vote on the second section
- The authorisation to purchase and dispose of treasury shares.

02

Approval of the capital increase aimed at strengthening the Group's shareholders' equity

On 23 May 2025, the Board of Directors of Somec S.p.A. approved a paid, non-divisible capital increase, totalling 6,110,000 Euro, including share premium.

The capital increase in kind was part of the majority shareholder's plan to bolster the Group's assets. It is included in the agreement amending the existing loan agreement between Somec, BNL BNP Paribas, Intesa Sanpaolo, and UniCredit.

This agreement, which was finalised on 27 March 2025, would be effective only if the capital increase in kind was completed by 30 June 2025.

The capital increase in kind was allocated for subscription to VIS S.r.l., a company wholly owned by Venezia S.p.A., the Company's reference shareholder.

03

Merger by incorporation of Inoxtrend S.r.l. into GICO S.p.A.

As part of the reorganization and integration process of the Talenta business unit, on 1 August 2025 Inoxtrend S.r.l. was merged by incorporation into Gico S.p.A., the former specialising in ovens for professional cooking.

The merger of the legal entities was also followed by the integration of the production sites into a single location, with a modernisation of the industrial footprint.

The capital was fully paid up through the contribution of a lease agreement held between VIS S.r.l. and BCC Leasing S.p.A., related to the property used as the headquarters of the Company, previously leased by VIS to Somec.

The capital increase in kind resulted in the issuance of a total of 381,875 ordinary shares, with no par value, representing 5.53% of Somec's capital prior to the increase. These shares carry regular dividend rights and have the same characteristics as currently outstanding shares, with an issue price of 16.00 Euro per share.

The new shares were admitted to trading on the EuroNext Milan market.

Significant events

after year end 2025

01

International geopolitical landscape

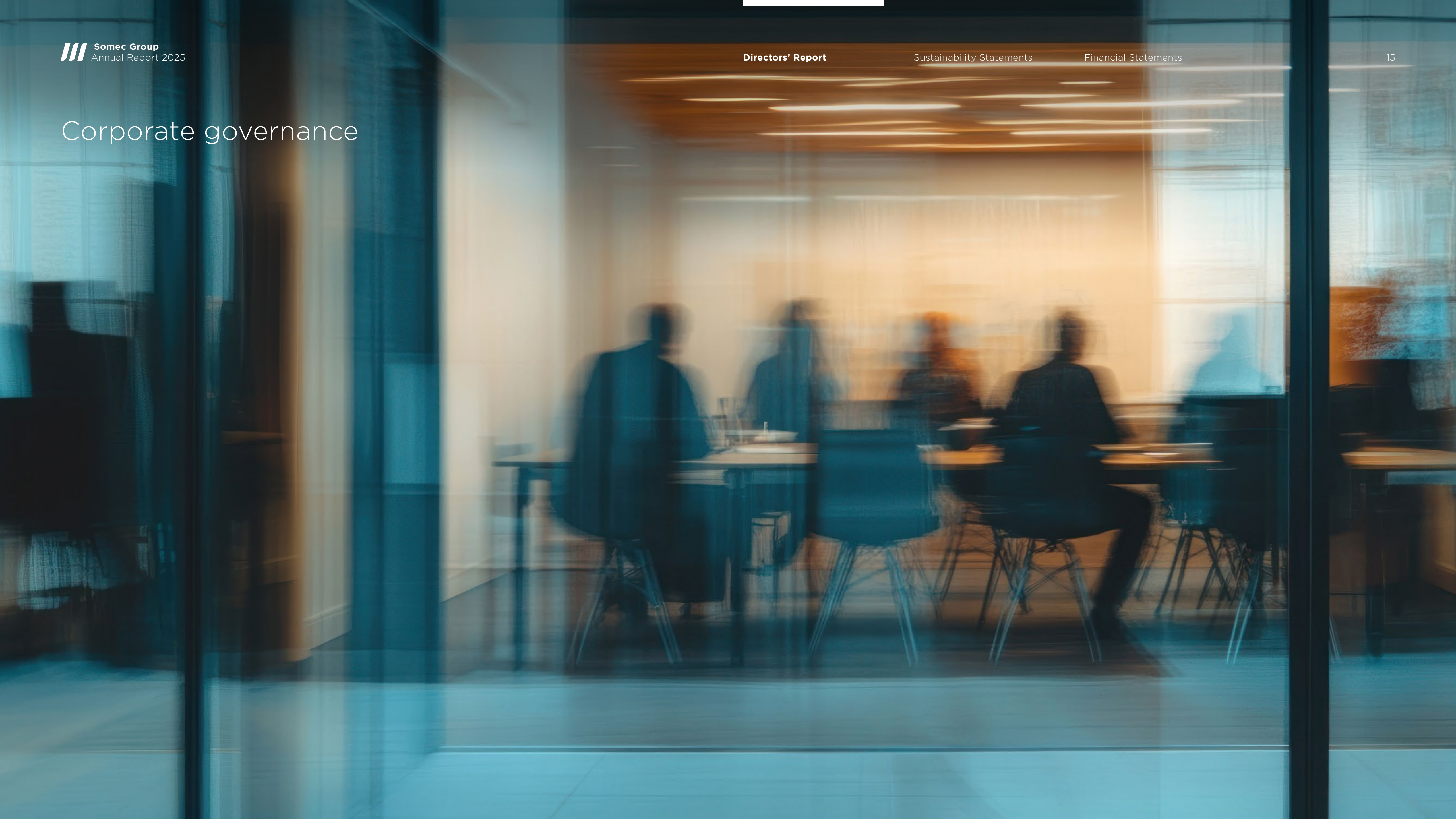
Since the close of the financial year, the international geopolitical landscape has been marked by a significant heightening of tensions in the Middle East, specifically regarding the escalation of the conflict between the United States/Israel and Iran.

The situation and potential future developments remain unpredictable at this time. The Group is constantly monitoring the situation to assess any potential indirect impact on operations, with special reference to raw material price trends. Net sales generated in Middle Eastern markets affected by the conflict are not significant, accounting for less than 1% of Group revenues.

During the first quarter of 2026, strong order intake continued across all three business units, primarily driven by the naval sector, a segment served by all Group business units.

In this regard, orders totalling 41 million Euro were secured for marine interiors and 53 million Euro for professional kitchens in the cruise segment.

Corporate governance



Board of Directors



Oscar Marchetto

Chairman of the Board of Directors

Born in Ponte di Piave (TV) on 11 June 1964. Chairman and CEO of the Company's Board of Directors and holder of an indirect majority stake in the Company, he co-founded Fabbrica LLC in 2016. In the early 1990s, he co-founded Nice S.p.A., a leading international company in the field of home and building automation, where he served as Head of Research and Development and Director (from 1998).



Alessandro Zanchetta

Director and Executive Officer

Born in Oderzo (TV) on 13 May 1969. He holds a degree in Business Administration from Ca' Foscari University of Venice and has served as Chief Executive Officer, Chief Corporate Officer and Head of Human Resources at the Company since 2008. He was a member of the Board of Directors of Permasteelisa Interiors from 2005 to 2008 and served as Financial Director in Openlab S.r.l. from 2001 to 2005. He also has four years' experience as a financial controller at Sky Company S.p.A., a branch of the Stefanel Group.



Giancarlo Corazza

Director

Born in San Vito al Tagliamento (PN) on 1 July 1963, he served as the Company's Chief Executive Officer and Chief Operating Officer for over twenty years. Founder of Navaltech LLC, he has nearly thirty years' experience in the design and construction of marine glazing projects, with more than 100 ships delivered. He is currently a Director of companies within the Somec Group, specialising in the naval sector.



Davide Callegari

Director and Executive Officer

Born in Treviso on 28 November 1974. He holds a degree in Business Administration from Ca' Foscari University of Venice. Dr. Davide Callegari was Director of Operations at Nice S.p.A. until 2018, having previously served as Managing Director of the Group's companies in China from 2008 to 2014. Previously, he was Head of Supply Chain at OM S.p.A. and, before that, he worked in the procurement area within the IRCA Zoppas Industries Group. In 2018, he joined the Somec Group, where he currently serves as Chief Executive Officer.



Gianna Adami

Lead Independent Director

Born in Cittadella (PD) on 17 June 1957. She graduated with honors in Economics at Ca' Foscari, she is enrolled in the Order of Chartered Accountants of Padua and the Register of Statutory Auditors. She joined Arthur Andersen in 1982, becoming a partner in 1994 and continued at Deloitte & Touche S.p.A. until 2019. She has held auditing roles in Italian and foreign companies, gaining experience in IAS/IFRS financial statements, extraordinary finance transactions, corporate crises and due diligence. She served on the Audit Standards Committee, and she currently serves as an independent director and statutory auditor in private and public companies.



Elena Nembrini

Independent Director

Born in Bergamo (BG) on 27 March 1963. Since 2008 she has been working with the Cortellazzo & Soatto Studio in Padua, offering business consulting. Assists companies in corporate, budgetary and fiscal matters, as well as in corporate recovery processes, especially in the Extraordinary Administrations of large insolvent companies. She has held senior positions in Italian and foreign companies and is currently an independent board member in listed companies, a full-time mayor and a board member in public and private companies of large industrial and insurance groups.



Giuliana Borello

Independent Director

Born in Vibo Valentia (VV) on 17 October 1982. Currently Head of Training and Research at Franklin Templeton Italy. With over 15 years of academic experience and the National Scientific Qualification to Associate Professor in Economics of Financial Intermediaries, she was Visiting Professor at the in Gothenburg in 2019. She collaborated with Consob and the Federal Reserve of Philadelphia, obtaining funding from the MUR in 2021 for a project on donation crowdfunding. Reviewer for journals such as Journal of Banking and Finance, he chaired the Risk Committee of BancoPosta Fondi SGR.

Board of Statutory Auditors

Michele Furlanetto

Chairman of the Board of Statutory Auditors

Annarita Fava

Standing Auditor

Luciano Francini

Standing Auditor

Lorenzo Boer

Alternate Auditor

Barbara Marazzi

Alternate Auditor

Committees

Gianna Adami (Chairman)

Elena Nembrini

Giuliana Borello

Remuneration and Appointment Committee

Elena Nembrini (Chairman)

Gianna Adami

Giuliana Borello

Control, Risk and Sustainability Committee

Gianna Adami (Chairman)

Elena Nembrini

Giuliana Borello

Related party Committee

Other informations

Independent Auditing Firm

EY S.p.A.

The statutory audit will be performed by the auditing firm EY S.p.A. up until the approval of the financial statements as at 31 December 2028

Manager Responsible for Preparing Financial Reports

Federico Puppini

Investor Relations

investorrelations@somecgroup.com

Registered office and corporate details

Somec S.p.A.

Via Palù, 30
31020 San Vendemiano (TV)
Italy
Tel: +39 0438 4717
Share Capital EUR 7,281,875.00 fully paid in
VAT no. IT 04245710266
www.somecgruppo.com

Financial Review



Order Backlog

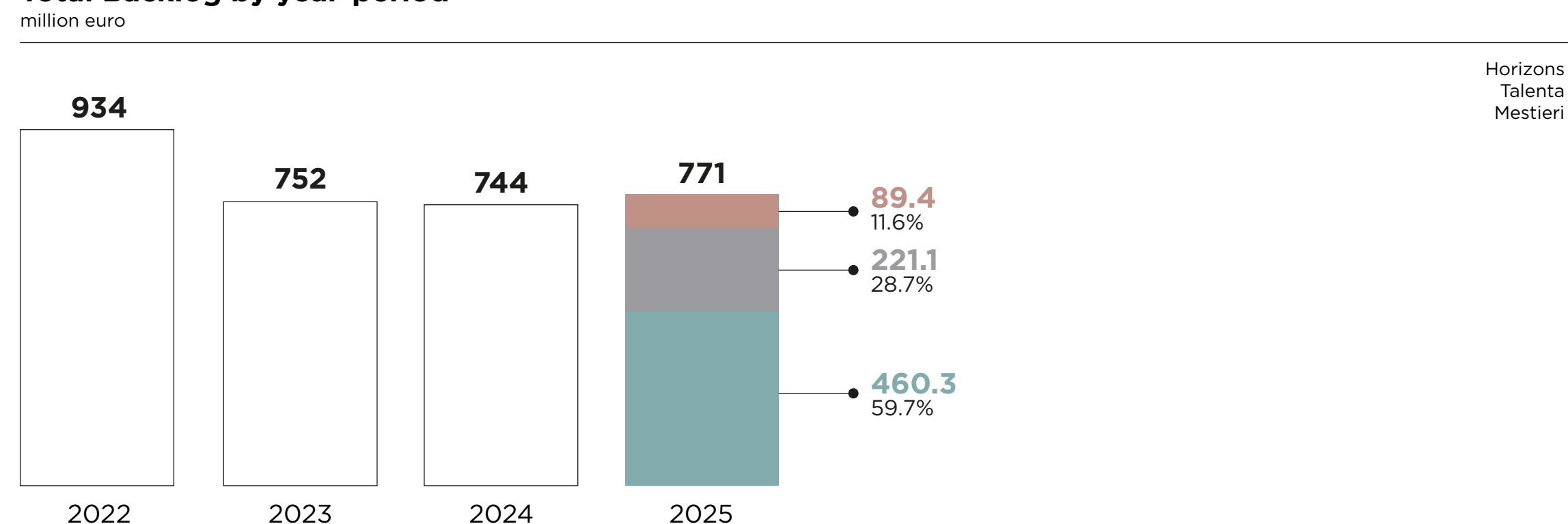
The Group's **total backlog** ⁽¹⁾ reached a figure of 771 million Euro as at 31 December 2025 (744 million Euro as at 31 December 2024), of which 16.3% under option, covering the 2026-2033 time horizon. This figure, up 3.6% from previous year, is about 2.1 times the revenues posted in 2025.

The backlog of **Horizons: Engineered Systems for Naval Architecture and Building Façades** BU stood at 460 million Euro, with a slight decrease compared to the figure posted at 31 December 2024 (-5%). Horizons business unit confirmed its ability to win new contracts, both in the naval and civil sectors, consolidating its role as leader in systems for cruise ships and glass façades for the civil market in North America.

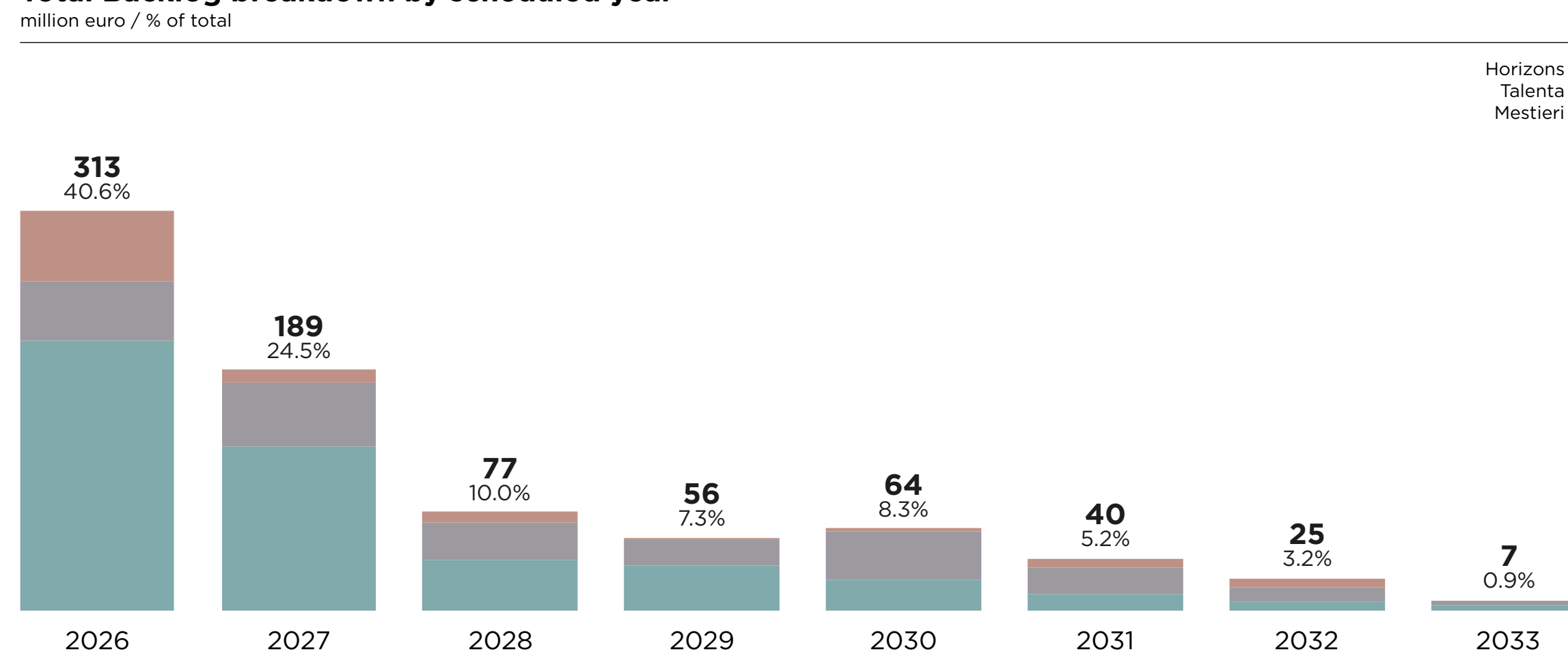
The backlog of **Talenta: Professional Kitchen Systems and Products** BU stood at 221 million Euro (164 million Euro at 31 December 2024), with a significant increase compared to the previous year (+34.8%). Talenta business unit's backlog increased following the award of significant new contracts for professional kitchens in the naval sector through its subsidiary Oxin, as well as its entry into new markets.

The backlog of **Mestieri: Design and Creation of Bespoke Interiors** BU totalled 89 million Euro (96 million Euro in the previous period). Mestieri BU order book decreased, mainly due to the different timing of the allocation in interior projects in the naval sector. It should be noted that with regard to this business, as already pointed out in the previous year, the Group has adopted a focused project selection strategy, preferring participation in high value-added calls for tenders while limiting the award of low-margin contracts.

Total Backlog by year-period



Total Backlog breakdown by scheduled year



1. Total backlog, i.e. the sum of backlog and backlog under option, as mentioned in the introduction on the Alternative Performance Indicators.

Somec Group operating performance

Reclassified consolidated income statement

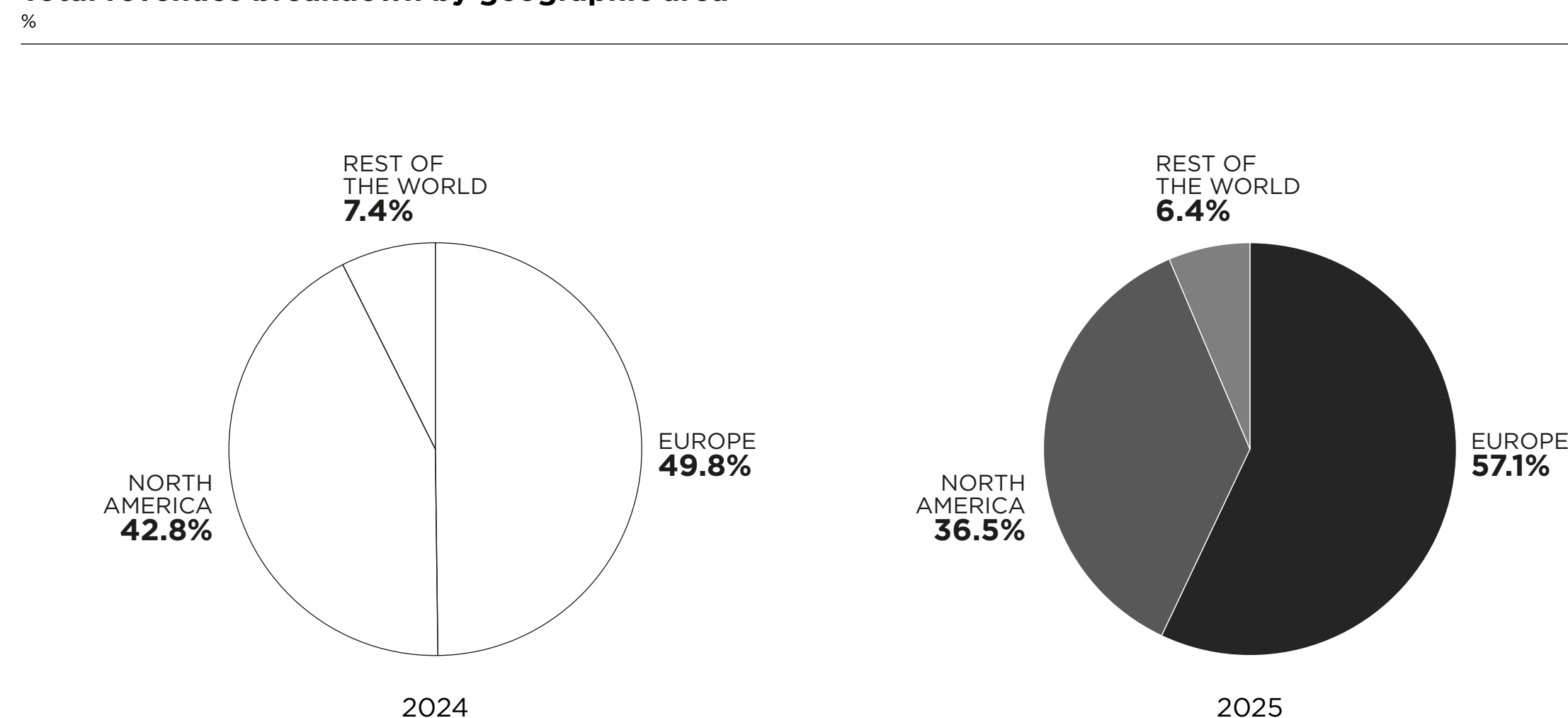
Below is the reclassified consolidated income statement as at 31 December 2025 and 31 December 2024.

€/000	2025	%	2024	%	Δ
Revenue from contracts with customers	365,975	98.9%	377,627	98.6%	(11,652)
Other revenues and income	4,046	1.1%	5,196	1.4%	(1,149)
Total revenues	370,021	100.0%	382,823	100.0%	(12,802)
Materials, services and other costs	(266,282)	-72.0%	(285,631)	-74.6%	19,349
Personnel costs	(69,427)	-18.8%	(67,101)	-17.5%	(2,326)
Operating costs	(335,709)	-90.7%	(352,732)	-92.1%	17,023
EBITDA adjusted	34,312	9.3%	30,091	7.9%	4,221
Non-recurring costs ⁽²⁾	(990)	-0.3%	(508)	-0.1%	(482)
EBITDA	33,322	9.0%	29,583	7.7%	3,739
Depreciation and amortisation	(14,078)	-3.8%	(16,672)	-4.4%	2,594
EBIT adjusted	19,244	5.2%	12,911	3.4%	6,333
Non-recurring write-downs ⁽³⁾	(2,579)	-0.7%	(4,749)	-1.2%	2,170
EBIT	16,665	4.5%	8,162	2.1%	8,503
Net financial income (expenses)	(4,596)	-1.2%	(3,521)	-0.9%	(1,075)
Net results from associate companies	32	0.0%	3	0.0%	29
EBT	12,100	3.3%	4,644	1.2%	7,456
Income taxes	(5,021)	-1.4%	(5,104)	-1.3%	83
Consolidated Net Result adjusted	10,648	2.9%	4,797	1.3%	5,851
Consolidated Net Result	7,079	1.9%	(460)	-0.1%	7,539
Non-controlling interests	2,260	0.6%	2,843	0.7%	(583)
Group Net Result	4,818	1.3%	(3,303)	-0.9%	8,121

The **Group's consolidated economic situation** as at 31 December 2025 showed revenues to stand at 370 million Euro, compared to 382.3 million Euro as at 31 December 2024 (-3.3% compared to the previous period).

At constant exchange rates, Group revenues stood at 374.8 million Euro, reflecting a 2.1% drop. This marginal decline is attributable to the Horizons business unit, following a slight extension of timelines for civil façade projects and the new building marine market during the final quarter.

Total revenues breakdown by geographic area



2. It includes non-recurring and extraordinary items held under labour costs, as well as service costs related to the integration of the Talenta and Mestieri production facilities and the reorganisation of the corporate structure.

3. This item includes goodwill write-downs for impairment losses realised during the year related to the CGU Bluesteel and the CGU Professional Cooking Equipment.

Somec Group operating performance (continued)

Consolidated **EBITDA adjusted** as at 31 December 2025 stood at 34.3 million Euro, up 14.0% from 30.1 million Euro as at 31 December 2024. Profitability as reflected by EBITDA adjusted margin was 9.3%, showing a significant improvement from 7.9% last year, confirming the improvement trend recorded over the last two fiscal years.

Profitability for the year benefited from the strong performance across all business units, particularly within the Mestieri business unit, which was involved in the development of interior projects for both the naval and civil sectors.

The extensive effort dedicated to the organisation of the business units — from operations to project management coordination — resulted in a steady improvement in the quality of project execution.

Close project monitoring and prudent procurement policies, underpinned by specific hedging strategies for key commodity prices, also enabled operating costs to stabilise. Operating costs as a percentage of revenues decreased from 92.1% to 90.7%, driven by a reduction in procurement and service costs, which fell from 74.6% in 2024 to 72.0% in the year under review.

Labour costs totalled 69.4 million Euro at 31 December 2025, compared to 67.1 million Euro at 31 December 2024, impacting revenues to a slight increase (18.8%). This item was affected by:

- contract-related adjustments for the workforce at our Italian facilities
- certain non-recurring costs related to the corporate reorganisation
- the scaling up of the management team across all three business units.

Depreciation, amortisation and write-downs amounted to 14.1 million Euro, compared to 16.7 million Euro as at 31 December 2024, down 2,6 million Euro (15.6% year-on-year). It should be noted that this item was affected by one-off impairment losses totalling 4.7 million Euro in the previous financial year. During the year under review, non-recurring impairment losses stood at 2.6 million Euro, of which 1.6 million Euro related to the write-down of intangible assets at the subsidiary Bluesteel S.r.l., which engages in the European glass façade market, while 1 million Euro is attributable to the CGU Professional Cooking Equipment.

EBIT adjusted at 31 December 2025 stood at 19.2 million Euro, showing a marked improvement over the 12.9 million Euro figure posted for the year ended 31 December 2024, due to the operating margin achieved.

Consolidated EBIT at 31 December 2025 stood at 16.7 million Euro. Despite certain non-recurring write-downs, this indicator showed a clear improvement over the 8.2 million Euro posted for the year ended 31 December 2024, thanks to the operating margin achieved by core operations.

The item **Financial income (expenses)** was negative to the tune of 4.6 million Euro at 31 December 2025 compared to a negative value of 3.5 million Euro at 31 December 2024. This item consisted of net interest expenses totalling 4.2 million Euro, showing a sharp reduction compared to the 2024 figure of 4.8 million Euro, resulting from lower leverage and reduced reliance on short-term debt. This item is further increased by positive net financial income of 1.2 million Euro, arising from the remeasurement of Put and Call liabilities and earn-outs. During the year, a 1.5 million Euro foreign currency exchange loss was posted — driven by the depreciation of the Dollar — compared to a 0.2 million Euro foreign currency exchange gain in the previous year.

Taxes for the year amounted to 5 million Euro, with an effective tax rate of 41%, showing a sharp improvement over the previous year, which factored in the charge arising from the settlement of a tax dispute relating to prior years.

The **consolidated net profit adjusted** of 10.6 million Euro corroborated the recovery in the Group's overall margins.

The **consolidated net profit** stood at 7.0 million Euro, with a marked improvement on the loss of -0.5 million Euro in 2024.

The **Group's Net Result** came in at 4.8 million Euro, showing a significant improvement compared to -3.3 million as at 31 December 2024.

Minority Interest net profit for the period totalled 2.3 million Euro, slightly down on the 2.8 million Euro recorded at 31 December 2024.

Somec Group operating performance (continued)

Trends of single divisions

Below is a summary of the key income statement figures for the three divisions ⁽⁴⁾ as at 31 December 2025 and 31 December 2024.

€/000	Horizons: engineered systems for naval architecture and building façades	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors	Eliminations and adjustments	Total
31.12.2025					
Total revenues	219,874	62,501	95,334	(7,688)	370,021
EBITDA adjusted	20,942	4,979	8,344	47	34,312
EBITDA adjusted margin	9.5%	8.0%	8.8%		9.3%
EBITDA	20,641	4,477	8,157	47	33,322
EBITDA margin	9.4%	7.2%	8.6%		9.0%
EBIT	12,050	1,140	3,427	47	16,665
EBIT margin	5.5%	1.8%	3.6%		4.5%
31.12.2024					
Total revenues	239,074	58,974	89,628	(4,853)	382,823
EBITDA adjusted	25,523	4,228	348	(8)	30,091
EBITDA adjusted margin	10.7%	7.2%	0.4%		7.9%
EBITDA	25,408	4,171	12	(8)	29,583
EBITDA margin	10.6%	7.1%	0.0%		7.7%
EBIT	15,476	(2,198)	(5,108)	(8)	8,162
EBIT margin	6.5%	(3.7%)	(5.7%)		2.1%

Total revenues per business unit showed the following performances:

Horizons: Engineered Systems for Naval Architecture and Building Façades business unit's revenues totalled 219.9 million Euro at 31 December 2025, down from 239.1 million Euro in the previous year. The reduction compared to the previous period is due to several factors: (i) the impact of the exchange rate effect, driven primarily by the depreciation of the US Dollar, amounting to approximately 4.0 million Euro; (ii) a slowdown in the execution of projects within the civil glass façades sector in the Eurozone and the USA, which primarily affected the final quarter of 2025; (iii) the strategic decision to refocus commercial efforts within the civil glass façades sector towards high value-added projects, rather than a volume-oriented policy.

Talenta: Professional Kitchen Systems and Products business unit's revenues totalled 62.5 million Euro in the year ended 31 December 2025, up 6.1% compared to 58.9 million Euro in the previous year. The growth is driven by an increase in the volume of projects for kitchen and catering areas in the naval sector at Italian and overseas shipyards.

Mestieri: Design and Production of Bespoke Interiors business unit's revenues totalled 95.3 million Euro, a 6.4% increase over the 89.6 million Euro at 31 December 2024, mainly driven by the contribution of marine interior projects.

Below is the performance shown by the three business units in terms of **EBITDA**:

Horizons: Engineered Systems for Naval Architecture and Building Façades business unit's EBITDA adjusted totalled 20.9 million Euro as at 31 December 2025, down compared to the previous year's figure (25.5 million Euro), with an EBITDA adjusted margin of 9.5%, a decrease over the previous year's period (10.7%). The contraction in margins is attributable to a decline in profitability within the glass façades market, which partially reflects the impact of duties on raw materials utilised for the American market.

Talenta: Professional Kitchen Systems and Products business unit's EBITDA adjusted for the year ended 31 December 2025 came in at 5.0 million Euro, up 0.7 million Euro compared to an EBITDA adjusted of 4.3 million Euro in 2024, with revenue margin standing at 8% compared to 7.2% in the previous period. The good result was driven: (i) by the strong performance in the manufacture of kitchens in the naval sector, which has benefited from increased volumes resulting from projects carried out at overseas shipyards; (ii) to a lesser extent, by the contribution of businesses operating in the manufacture of professional cooking and refrigeration products, with a focus throughout the year on industrial integration and on improving manufacturing efficiencies.

Mestieri: Design and Production of Bespoke Interiors BU generated EBITDA adjusted of 8.3 million Euro (8.8% of revenues) at 31 December 2025, compared to 0.3 million Euro in the previous period (0.4% of revenues). Within this BU, emphasis is placed on the strong performance of naval interiors projects, having benefited from the managerial reorganisation implemented over the past two years. The BU's contribution from hospitality-related projects remains robust and continues to grow.

4. With regard to the year under review, the Group has adopted a method whereby results are presented in the Report on Operations by business unit. This is consistent with the method used in the disclosure of operating segments in the notes to the financial statements. This approach meets the need for a more consistent, accurate, and comparable representation of operating results within the individual business units, particularly in view of the increasing integration and synergy across our business areas.

Somec Group operating performance (continued)

Reclassified consolidated statement of financial position

The following is the reclassified consolidated statement of financial position as at 31 December 2025 and 31 December 2024.

€/000	31.12.2025	31.12.2024
Intangible assets	39,831	46,012
<i>of which Goodwill</i>	31,229	33,063
Tangible assets	18,081	18,012
Right-of-use assets	29,461	21,933
Investments in associates	321	289
Non-current financial assets	335	326
Other non-current assets and liabilities	(591)	(1,630)
Employee benefits	(5,374)	(5,884)
Net fixed assets	82,064	79,058
Trade receivables	59,655	79,671
Inventory and payments on account	19,037	19,897
Contract work in progress	14,773	24,939
Liabilities for contract work in progress and customer advances	(33,644)	(45,645)
Trade payables	(72,193)	(79,994)
Provisions for risk and charges	(3,382)	(1,095)
Other current assets and liabilities	(3,814)	(562)
Net working capital	(19,568)	(2,789)
Net Invested capital	62,496	76,269
Group equity	(23,138)	(13,680)
Non-controlling interest in equity	(2,817)	(4,011)
Net financial position	(36,541)	(58,578)
Sources of funding	(62,496)	(76,269)

Net fixed assets amounted to 82.0 million Euro at 31 December 2025, up from 79.0 million Euro a year earlier.

Net working capital stood at -19.6 million Euro, compared to -2.8 million Euro at 31 December 2024.

Among the main changes, trade receivables decreased by 20 million Euro, partially offset by a 7.8 million Euro decrease in trade payables.

With reference to other net working capital items, the total amount of inventory, contract work in progress and liabilities for contract work in progress increased slightly by 0.9 million Euro, in line with the previous year.

Other current assets and liabilities decreased as a result of an increase in taxes payable at year-end.

Consolidated shareholders' equity totalled 26 million Euro at 31 December 2025, compared to 17.7 million Euro at 31 December 2024.

The change is due to:

- The capital increase completed in June 2025
- The distribution of dividends to minority shareholders
- A change in cash flow hedge reserves
- The result for the period.

Somec Group operating performance (continued)

Consolidated Net financial position

Consolidated net financial position is composed as follows:

€/000	31.12.2025	31.12.2024
A. Cash and cash equivalents	46	65
B. Bank deposits	47,672	47,413
C. Total liquidity (A+B)	47,718	47,478
D. Current financial assets	27,728	28,149
E. Current bank debt	(30,922)	(43,302)
F. Current portion of long-term debt	(7,716)	(45,567)
G. Other current financial liabilities	(2,477)	(3,755)
H. Current financial position (E+F+G)	(41,115)	(92,624)
I. Current net financial position (C+D+H)	34,331	(16,997)
J. Non-current financial assets	194	320
K. Non-current bank debt	(39,043)	(7,324)
L. Other non-current financial liabilities	(9,259)	(12,129)
M. Non-current financial position (J+K+L)	(48,108)	(19,133)
N. Net financial position before IFRS 16 (I+M)	(13,777)	(36,130)
O. IFRS 16 - Lease impact	(22,762)	(22,448)
Current portion	(5,159)	(4,712)
Non-current portion	(17,603)	(17,736)
P. Net financial position (N+O IFRS 16 impact)	(36,539)	(58,578)

Net financial debt as defined under the new ESMA Guidelines dated 4 March 2021 (see Consob Notice no. 5/21 of 29 April 2021) is shown in the explanatory notes to the consolidated financial statements.

The **Group's Net Financial Position** at 31 December 2025, including the effect of IFRS 16, stood at 36.5 million Euro, compared to 58.6 million Euro at 31 December 2024, showing a net decrease of 22.1 million Euro.

The significant improvement in the consolidated net financial position for the year ended 31 December 2025, compared to 31 December 2024, was primarily driven by a strong increase in cash flow from operating activities, underpinned by enhanced margins and the effective management of working capital flows.

Furthermore, it should be noted that during the 2025 financial year, approximately 6 million Euro was paid in respect of non-controlling interests, earn-out payments, and dividends distributed to minority shareholders.

In detail, the Group acquired an additional 20% stake in the subsidiary Lamp Arredo S.r.l. through the exercise of a call option (0.3 million Euro), alongside the payment of earn-out instalments due to the non-controlling interests of Fabbrica LLC (0.6 million Euro) and Budri S.r.l. (2.4 million Euro). Dividends were also distributed to the minority shareholders of Fabbrica LLC in the amount of 2.8 million Euro and 0.3 million Euro to the minority shareholders of Budri S.r.l..

The Net Financial Position, excluding the effects of the application of IFRS 16, stood at 13.7 million Euro at 31 December 2025, showing a significant reduction (22.4 million Euro) compared to 36.1 million Euro posted in 31 December 2024.

Somec Group operating performance (continued)

Consolidated Cash Flow statement

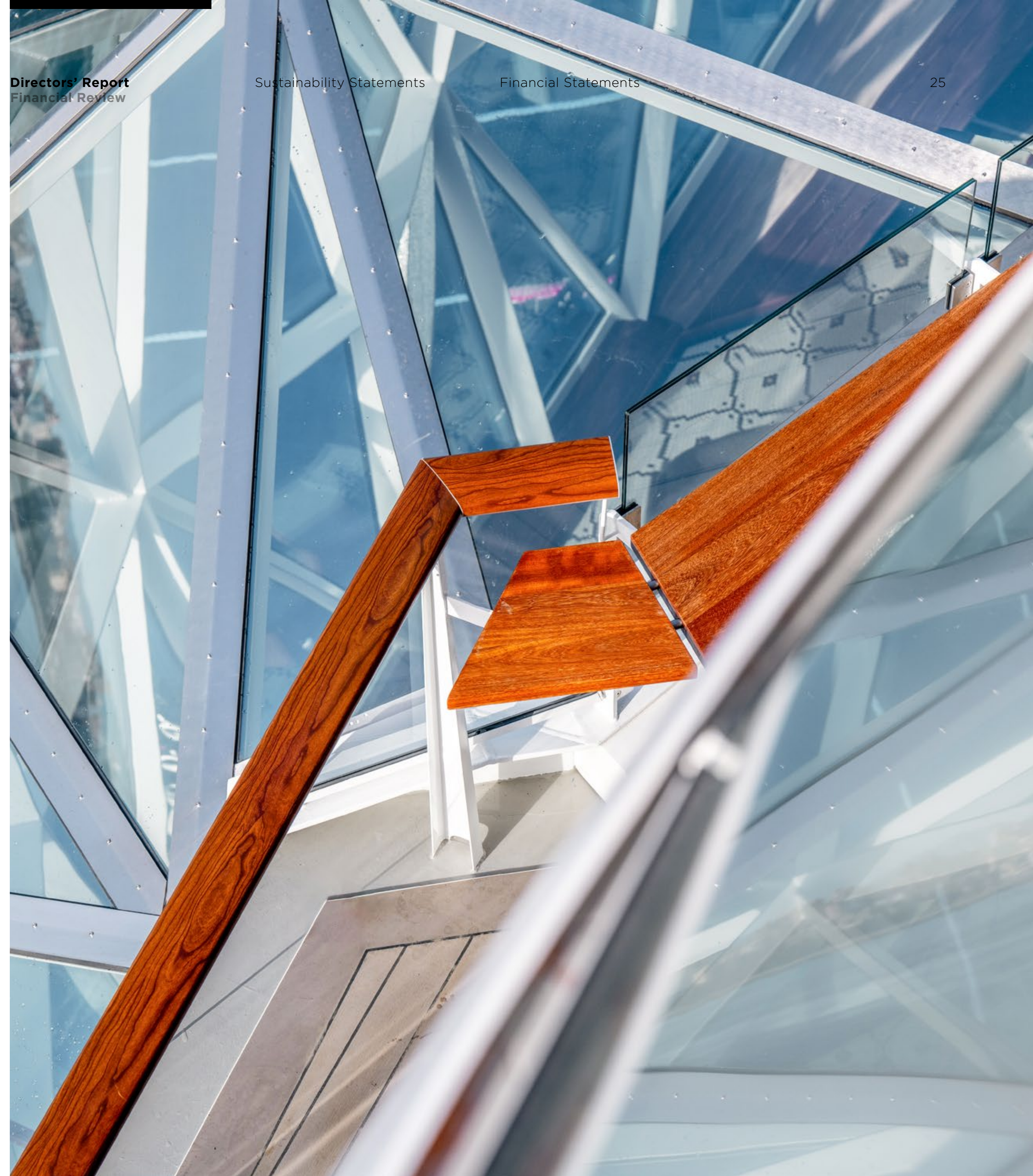
The reclassified consolidated statement of cash flows as at 31 December 2025 and 31 December 2024 is shown below.

€/000	31.12.2025	31.12.2024
Cash flows from operating activities	37,604	27,444
Cash flows from investing activities	(7,170)	(5,254)
Free Cash Flow	30,434	22,190
Cash flows from financing activities	(29,204)	(22,703)
Effect of exchange rate changes on cash and cash equivalents	(991)	1,029
Net cash flow	239	516
Cash and cash equivalents at the beginning of the period	47,478	46,962
Cash and cash equivalents at the end of the period	47,717	47,478

Cash flow from **operating activities** came in at 37.6 million Euro, showing a considerable increase over the previous period, mainly as a result of the recovery of margins and flows in working capital management.

Net outflow from **investing activities** amounted to 7.1 million Euro and related to investments in plant and machinery (3.8 million Euro) and the payment of earnout portions to minority shareholders of Fabbrica LLC and Budri S.r.l. (3.0 million Euro).

Net inflow from **financing activities** was down 29.2 million Euro, mainly due to the repayment of medium- and long-term loans (totalling 19.5 million Euro), the payment of lease instalments (7.5 million Euro), and the distribution of dividends to the non-controlling interests of Fabbrica LLC and Budri S.r.l. during the period, totalling 3 million Euro.



Business performance of Parent Company, Somec S.p.A.

Reclassified income statement

The following table shows the reclassified income statement of Parent Company, Somec S.p.A. as at 31 December 2025 compared to the income statement for 2024.

€/000	2025	%	2024	%	Δ%
Revenues from contracts with customers	84,546	95.7%	93,485	96.7%	-9.6%
Other revenues and income	3,796	4.3%	3,162	3.3%	20.1%
Total Revenues	88,342	100.0%	96,647	100.0%	-8.6%
Materials, services and other costs	(62,426)	-70.7%	(75,042)	-77.6%	-16.8%
Personnel costs	(18,466)	-20.9%	(16,691)	-17.3%	10.6%
Operating costs	(80,892)	-91.6%	(91,733)	-94.9%	-11.8%
EBITDA	7,450	8.4%	4,914	5.1%	51.6%
Depreciation, amortisation and impairment	(2,122)	-2.4%	(2,380)	-2.5%	-10.8%
EBIT	5,328	6.0%	2,534	2.6%	110.3%
Net financial income (expenses)	(10,350)	-11.7%	(11,782)	-12.2%	-12.2%
Income from associates	6,479	7.3%	7,116	7.4%	-9.0%
EBT	1,457	1.6%	(2,132)	-2.2%	-168.3%
Income taxes	(1,311)	-1.5%	(465)	-0.5%	181.9%
Tax rate	90.0%		21.8%		
Net Result	146	0.2%	(2,597)	-2.7%	-105.6%

Total revenues in 2025 amounted to 88 million Euro, 8.6% down on 2024, attributable to the standard progression of the project lifecycle.

EBITDA (or Gross Operating Result) totalled 7.5 million Euro, with an EBITDA margin of 8.4%, up by 3.3% over 2024. This resulted from the combined effect of a better performance in new building projects and in the refitting segment, with a particular focus on purchasing costs.

Depreciation and amortisation totalled 2.1 million Euro, showing a slight decrease compared to the prior financial year.

EBIT (or Operating Result) came in at 5.3 million Euro, compared to 2.5 million Euro in the previous period. Such variation was due to the reasons explained earlier with reference to EBITDA.

The balance of **financial income and expenses** was down -10.4 million Euro in 2025 compared to -11.8 million Euro in 2024, and reflected write-downs resulting from impairment tests on the value of equity investments, totalling 7.4 million Euro (10.5 million Euro in the previous year). This item was impacted by the adverse effect of exchange losses amounting to 1.6 million Euro, compared to exchange gains of 0.8 million Euro in the previous year.

The balance of the item related to **income and expenses from equity investments** decreased as a result of lower dividends received from the subsidiaries Oxin S.r.l., Somec Sintesi S.r.l. and Navaltech LLC, compared to the financial year 2024.

Net result for 2025 stood at 0.1 million Euro, showing a significant improvement compared to the previous financial year (-2.6 million Euro).

Business performance of Parent Company, Somec S.p.A. (continued)

Reclassified statement of financial position

The reclassified statement of financial position for the year ended 31 December 2025, compared with the statement of financial position for the year ended 31 December 2024, is as follows:

€/000	31.12.2025	31.12.2024
Intangible assets	29	33
Tangible assets	1,208	1,187
Right-of-use assets	11,546	8,606
Investments in subsidiaries and associates	49,704	37,776
Non-current financial assets	18,866	30,179
Other non-current assets and liabilities	329	217
Employee benefits	(277)	(321)
Net fixed assets	81,405	77,677
Trade receivables	13,246	14,301
Inventory and payments on account	4,272	4,497
Contract work in progress	7,772	13,950
Liabilities for contract work in progress and customer advances	(9,146)	(6,730)
Trade payables	(24,637)	(27,613)
Provisions for risks and charges	(601)	(501)
Other current assets and liabilities	(5,948)	(1,676)
Net working capital	(15,042)	(3,772)
Net invested capital	66,363	73,905
Shareholders' equity	(23,227)	(17,539)
Net financial position	(43,136)	(56,366)
Sources of funding	(66,363)	(73,905)

The variation in **net fixed assets** is primarily attributable to the increase in right-of-use assets in connection with the share capital increase, which was implemented through the contribution in kind of the lease agreement for the property serving as the Group's headquarters.

Net working capital changed by 11.2 million Euro mainly due to:

- A reduction in trade receivables and contract work in progress driven by improved project management, with an increase in the speed of progress acknowledgement and prompt invoicing
- Other current assets and liabilities, showing a decrease due to the recognition of payables from tax consolidation.

The increase in **shareholders' equity**, amounting to 5.7 million Euro, primarily reflects the completion of the share capital increase in kind, which took place in June 2025.

Business performance of Parent Company, Somec S.p.A. (continued)

Net financial position

Net financial position is composed as follows:

€/000	31.12.2025	31.12.2024
A. Cash	3	2
B. Bank deposits	12,628	9,329
C. Total liquidity (A+B)	12,631	9,331
D. Current financial assets	16,373	17,223
E. Current bank debt	(22,534)	(29,751)
F. Current portion of long-term debt	(4,620)	(42,268)
G. Other current financial liabilities	(3,719)	(89)
H. Current financial position (E+F+G)	(30,873)	(72,108)
I. Current net financial position (C+D+H)	(1,869)	(45,554)
J. Non-current financial assets	158	282
K. Non-current bank debt	(36,546)	(2,624)
L. Other non-current financial liabilities	(43)	(119)
M. Non-current financial position (J+K+L)	(36,431)	(2,461)
N. Net financial position before IFRS 16 (I+M)	(38,300)	(48,015)
O. IFRS 16 - Lease impact	(4,836)	(8,351)
Current portion	(1,457)	(1,591)
Non-current portion	(3,379)	(6,760)
P. Net financial position (N+O IFRS 16 effect)	(43,136)	(56,366)

The **Net financial position** for the year ended 31 December 2025 stood at 43.1 million Euro, showing a significant improvement compared to the previous period (56.4 million Euro).

Changes to be reported pertain in particular to:

- Total liquidity, which increased by 3.3 million Euro
- Financial payables, which decreased by a total of 7.3 million Euro
- Leasing payables, which decreased by 3.5 million Euro.

The change in **cash and cash equivalents** between 31 December 2025 and 31 December 2024 is shown in the following table:

€/000	
Cash and cash equivalents at 31.12.2024	9,331
Cash flows from operating activities (A)	17,921
Cash flows from investing activities (B)	(2,347)
Cash flows from financing activities (C)	(12,274)
Increase (decrease) in cash and cash equivalents (A+B+C)	3,300
Cash and cash equivalents at 31.12.2025	12,631

Relevant informations

Key intangible assets

Intangible assets that are key to the business referred to in Article 15 of Legislative Decree 125 of 2024 are assets without physical form on which the company business model largely depends and are a source of value creation for the company. For the Somec Group, these assets consist of the wealth of skills, technical knowledge, know-how as well as the established relational capital with customers, suppliers and all stakeholders in the value chain. This intangible heritage is based on craftsmanship, industrial and process skills for the delivery of construction solutions sought by naval and civil architects, for customers of complex turnkey projects around the world.

The key value for Somec Group lies in the freedom enjoyed by every individual—be it an engineer, specialist technician or tradesperson—to continually seek out innovative solutions and processes, which characterise every project in order to facilitate the most successful outcome.

Research & Development

The Group, which has always taken a proactive approach towards customers, creates and offers innovative solutions in step with market developments. Our strategy of constantly updating our products and processes is therefore one of the Group's core values and over time has enabled us to compete on a global scale.

The objectives of the research and development department focus on issues such as energy efficiency, reducing our environmental impact and lowering operating costs. As tangible evidence of the commitment to the integration of sustainability considerations in the business model, our business activity is reported through a set of ESG-oriented (Environmental, Social & Governance) indicators on the performance of the Group on the sustainability front. The R&D department is constantly committed to creating innovative solutions that can make a tangible contribution.

Information on the environment and personnel

Somec is sensitive to environmental issues, aware of the deep interconnection between the environment and other sustainability aspects. The Group is accordingly aware of the setting in which companies in its perimeter operate and, for aspects related to both Human Resources and the environment, the Somec Group - whose Parent company is ISO 14001 certified - is pursuing the goal of transferring and increasing sensitivity to the entire Group.

For more information, reference should be made to the Consolidated Sustainability Report prepared for the year ended 31 December 2025.

Human Resources

As at 31 December 2025, the Group's headcount amounts to 995 employees including members of the project management, marketing and sales teams (around 12%), general office staff (roughly 17%), research and development, engineering (approximately 12%) and manufacturing (about 59%) personnel. The number of employees was stable compared to the previous year (1,042 employees at 31 December 2024, i.e. -4,5%). The average headcount increased slightly compared to the previous year (+3.17%).

Ownership of the Company

As at 31 December 2025, the company Venezia S.p.A. directly owns 76.18% of the share capital of Somec S.p.A., accounting for 5,547,175 ordinary shares, of which 381,875 shares through VIS S.r.l., a company fully owned by Venezia S.p.A.. Venezia S.p.A. is a holding company indirectly controlled by Oscar Marchetto (81.3%), Alessandro Zanchetta (9.9%) and Giancarlo Corazza (8.7%).

On the reporting date, in addition to the indirect stake held via Venezia S.p.A., Oscar Marchetto owned a direct shareholding of 0.76% (0.63% as a person and 0.13% through Fondaco S.r.l., where he holds the position of director and sole partner), Giancarlo Corazza - through Gicotech S.r.l., where he holds the position of sole director and partner - owned a direct shareholding of 0.14%,

Alessandro Zanchetta - through Ellecigi S.r.l., where he holds the position of sole director and partner - owned a direct shareholding of 0.11%. It is also noted that, at the end of the reporting period, Parent Company Somec S.p.A. held 968 treasury shares, 0.01% of the share capital, following the treasury share purchase programme launched at the previous years. The remaining 22.80% is float, accounting for 1,660,473 of a total of 7,281,875 Somec Group ordinary shares.

Related party and intra-Group transactions

During the period, Somec Group conducted business with parent companies and their subsidiaries. The transactions essentially include the provision of services, rental payments on real estate, and loans and financing. The transactions are part of day-to-day operations and are conducted on an arm's length basis, i.e. at conditions that are or would be applied between two independent parties on an open market. For details on outstanding receivables / payables as at 31 December 2025 and income and expenses from related party transactions in the year 2025, please see the relevant section of the notes to the financial statements.

Relevant informations (continued)

Treasury shares

Somec S.p.A. has launched a number of treasury share buyback schemes based on the authorisation resolutions approved in previous years and during this current year. On 29 April 2025, the Shareholders' Meeting approved the proposal of the Board of Directors and authorised the Board of Directors, subject to revocation of the previous authorisation granted on 29 April 2024, for the part not yet executed, to purchase and dispose of treasury shares up to a maximum number of shares that will not exceed the limit of 5% of the share capital and for a maximum period of eighteen months, such number including treasury shares already held and/or held by subsidiaries.

In principle, the authorisation to purchase and dispose of treasury shares is granted with the aim of providing Somec S.p.A. with a flexible process that helps to pursue some of the purposes compatible with the laws and regulations in force and, specifically, to

- Own a securities portfolio (aka securities warehouse) to be used, consistently with the Company's strategic guidelines, to service any extraordinary transactions, and/or using, if appropriate, shares as consideration in extraordinary transactions, including the exchange of equity investments, with other parties as part of transactions of interest to the Company

- Use treasury shares to service bonds or other debt instruments convertible in Somec S.p.A.'s shares

- Use treasury shares to service any incentive plans, either for a consideration or free of charge, reserved to directors and/or employees and/or collaborators of Somec S.p.A. or its Group

- Carry out any other extraordinary transactions on the share capital (including any reduction thereof through the cancellation of treasury shares, subject to the requirements of the law)

- Provide the shareholders with an additional instrument to monetise their investment.

As part of these schemes and net of the allocations made to service the incentive scheme, at 31 December 2025 Somec S.p.A. held a total of 968 treasury shares, i.e. 0.01% of its share capital, worth 31 thousand Euro.

Performance of Somec shares listed on the Borsa Italiana S.p.A. electronic stock exchange (Euronext Milan Market - EXM)

Share Capital	Euro 7,281,875.00
Ordinary shares issued	7,281,875.00
Treasury shares	968
ISIN	IT0005329815
Market	Euronext Milan
Ticker	EXM: SOM
Bloomberg	SOM:IM
Minimum lot	1
Specialist	Intermonte SIM S.p.A.

As at 30 December 2025, the last trading day of the year, the official closing price of Somec shares was 14.85 Euro (+31.4% compared to the closing value as at 29 December 2024, i.e. 11.30 Euro).

The market capitalisation as at 31 December 2025 is 108,135 thousand Euro (compared to 77,970 thousand Euro as at 31 December 2024).

Unusual transactions

Pursuant to Consob Communication No. DEM/6064293 dated 28 July 2006, it should be noted that the Group did not carry out any atypical and/or unusual transactions during FY 2025.

Disclosure of risks

As part of its activities, the Group is exposed to risks and uncertainties deriving from external factors related to the general or specific macroeconomic context of its business sectors, as well as to risks resulting from strategic decisions and internal management risks.

The Group, above all through internal audit and risk management system based on a risk-based approach, systematically monitors and identifies business risks, the results of which are reported to the Board of Directors and the competent internal committees.

The main business risks identified by the Group are described below.

Operational risks

Risks relating to the worldwide geopolitical situation

Over the past few years, the macroeconomic backdrop has been filled with uncertainty. Geopolitical instability, with special reference to the conflict in the Middle East and the continuation of hostilities between Russia and Ukraine, of which the political and economic impacts are still uncertain and difficult to assess, has led to an extremely complex and unpredictable outlook, characterised by inflationary phenomena, highly speculative patterns and effects on international logistics and demand. Notably, these trends have had an impact on energy and commodity prices, as well as on reliability of supplies and, more generally, a sharp increase in inflation on a global scale, resulting in a possible tightening of central banks' monetary policies. Resource availability is at risk, making any planning and optimisation of the production chain extremely difficult. This in turn has an impact on costs and efficiency. Although the Group has no direct or indirect business interests in the areas affected by the ongoing conflicts, and its business model is neither energy-intensive nor particularly exposed to inflationary phenomena, it should be noted that the continuation of this situation has exposed the Group to such risks with reference to supply chain management, with consequent impacts on operations or pressures on margins.

The impact of these risks is however mitigated by an extremely streamlined organizational structure and abundant order backlog, which is an undoubted advantage in terms of potential planning. In any case, the Group constantly monitors the evolution of the macroeconomic environment and its impact on business.

Risk of failure to win projects, cancellations and consequent effect on the Backlog and Backlog under Option

This risk refers to the possibility of failing to acquire new orders or of the cancellation and / or delay of existing orders, as well as unforeseen events in orders, due to a change in the purchasing conditions of raw materials (for example prices, availability, timing of order fulfilment). There are no certainties that the backlog and backlog under option could actually generate the expected revenues, cash flows or margins, or generate them to the extent and within the expected time, as unforeseen events may occur over time which could affect the backlog and backlog under option, such as, for example, failure or delay in fulfilment of contract agreements, change in orders, additional costs or unforeseeable events which may have a significant impact on the contracts included in the backlog and hence on the related activities, as well as on the Group's economic and financial situation.

Although the Group is exposed to this risk, which is inherent to the naval sector and has been exacerbated by the current macroeconomic backdrop, it still operates according to a "Business to Business" model, which is therefore extremely structured and organised, based on a multi-year Backlog consisting of projects for which customers have already paid given the need for careful planning in this industrial sector.

With regard to the absence of customer concentration, it is noted that in this sector no operator accounts for more than 18.7% of turnover, which greatly limits the Group's exposure to this risk.

As for Backlog "under option", the existing letters of intent exercisable by customers, the contracts subject to conditions, as well as contract negotiations currently under way, may not lead to new order acquisitions. However, the impact of this outcome would not be seen for several years. The impact of this risk is further mitigated by the diversification strategy implemented by the Group in recent years through the expansion of its business, both organically and through acquisitions in new markets, geographical areas, products and services. The civil sector of the Horizons: Engineered Systems for Naval Architecture and Building Façades division, for example, is less exposed to such risks, in view of both the product sector and the extreme fragmentation of the customer base.

Disclosure of risks (continued)

Operational risks related to the integration of newly acquired companies

The external growth of Somec, through acquisitions, exposes the Group to operational risks deriving from the integration of newly acquired companies in terms of adaptation to Group policies, alignment of local organizational setups to the standards of the Parent Company, effectiveness of internal communication and adaptation to operational and management control best practices.

Cyber Security risks

The Group is exposed to such risks due to the growing use of IT systems and the spread of digitisation processes. Relative consequences might lead to a loss of data, interruptions to activities or privacy violations.

While it is not particularly exposed to this risk, the Group is still engaged in constant activity to strengthen its security systems and procedures, training staff and protecting IT infrastructures with ad hoc measures.

Risks related to climate change

The Group is committed to ensuring a transition to business management with a lower environmental impact, trying to reduce the generation of greenhouse gas emissions.

An integral part of this path is the determination of the transition risks and physical risks that could have an impact on company processes, in particular production processes.

Group assets might also be affected by natural events (floods, droughts, fires and so on) generated by the effects of climate change.

The Group's industrial strategy is oriented towards continuously raising the efficiency of production processes and the product sold to reduce energy consumption and air emissions. Its market positioning makes it a partner of excellence for leading US players in the sphere of research, development and implementation of innovative solutions that have a low environmental impact and actively combat climate change.

The Group has taken out specific insurance coverage to guard against possible consequences deriving from disastrous climatic and natural events.

Disclosure of risks (continued)

Financial risks

The Group is exposed to financial risks, where among the main risks, following the significant growth in the business of the US subsidiaries, is the risk of currency-based transactions. With regard to financial debt, interest rate fluctuations also pose a risk, partly due to the current upward trend in interest rates, while liquidity risk is very low.

The Group is not exposed to significant credit risks as its financial counterparties are represented by prime customers considered solvent by the market. We confirm that, in the choice of its financing and investment transactions, the Group has adopted prudential criteria aimed at mitigating risks and that no speculative transactions have been implemented.

The main types of financial risk are set out below, with the relative comments on the degree of significance of the exposure to the different risk categories.

Exchange rate risks

The Group is exposed to exchange rate risk on account of its US subsidiaries, which conduct their business in US dollars. While monitoring this risk very closely, the Group does not currently deem it necessary to adopt specific management or hedging strategies given that the risk is mainly currency translation-related, i.e. determined exclusively by the conversion of the US dollar-denominated assets and liabilities of US subsidiaries into Euro.

Interest rate risk

Interest rate risk management aims to ensure a balanced debt structure, minimising the cost of lending over time. The Group is exposed to the risk that significant fluctuations in interest rates may occur, and that the policies adopted to neutralise these fluctuations prove insufficient. Fluctuations in interest rates affect the market value of the company's financial assets and liabilities and the level of its net financial charges, given that some of the loans are subscribed by the Group at variable rates. The Parent Company has contracted medium / long-term loans with variable Euribor-linked rates, regarding which it has carried out hedging transactions. Details of existing loans and derivative transactions are reported in the Notes to the financial statements.

Credit risks

A credit risk is the probable financial loss generated by the failure of a third party to fulfil its payment obligation towards the Group. Although the Group is not particularly exposed to the risk of its customers delaying or defaulting on their payment obligations depending on the type of contract entered into or trade practices, we cannot rule out the possibility that the current geopolitical crisis may indirectly have an impact on its customer portfolio due to inflationary trends or unreliability of supplies.

For business purposes, policies have also been adopted to ensure the solvency of its clients and limit exposure to the credit risk vis-à-vis each single client through activities that include customer assessment and monitoring. Periodically, all receivables undergo an analytical assessment, for each client, and are written down in the event of any impairment.

Liquidity risks

Liquidity risk is defined as the risk that the Group encounters difficulties in obtaining the funds it needs to meet the obligations arising out of its financial liabilities. Prudential management of the liquidity risk is pursued by monitoring the Group's cash flows, financing needs and liquidity, with the aim of guaranteeing sound management of financial assets through the correct management of any excess liquidity or assets that may be liquidated and the use of appropriate credit lines.

It is noted that some existing medium/long-term loans require compliance with economic/financial parameters, or covenants, to be calculated annually based on the results of the consolidated financial statements (specifically: net financial debt/EBITDA and net financial debt/equity).

Reconciliation of result and shareholders' equity

Reconciliation of result and shareholders' equity of the Group Parent with the consolidated figures

The reconciliation between the shareholders' equity and the result for the year of the Parent Company Somec S.p.A. and the consolidated shareholders' equity and result for the year are shown below:

€/000	Net equity 31.12.2025	Profit/ (loss) for the year 2025	Net equity 31.12.2024	Profit/ (loss) for the year 2024
Group Parent equity and profit/(loss)	23,227	145	17,539	(2,598)
Share of subsidiaries' equity and results for period attributable to the Group, after deducting carrying value of the investments	(23,421)	14,961	(22,904)	13,977
Consolidation adjustments for:				
Difference between purchase price and corresponding book equity	23,781	(2,910)	18,633	(7,822)
Dividends from consolidated companies		(7,038)	-	(7,099)
Translation differences	(429)		247	-
Other adjustments	(20)	(340)	165	239
Group net equity and profit/(loss)	23,138	4,818	13,680	(3,303)
Non-controlling interests	2,817	2,260	4,011	2,843
Total net equity and profit/(loss)	25,955	7,078	17,691	(460)

Business Outlook

Against a macroeconomic and geopolitical backdrop still defined by uncertainty, complexity and volatility, Somec Group notes that its current performance, alongside the strength of its backlog, reflects an overall positive trend.

In particular, the order backlog, increasingly robust in terms of quality and diversification, secures the top-line over the medium-to-long term, while operating performance reflects the Group's positioning in the shipbuilding, civil façade and complex turnkey project segments.

These factors underpin the Group's operating prospects, which nevertheless remain subject to the evolution of the external environment and demand across its target markets. In light of the foregoing, the Company has launched and is progressively implementing initiatives aimed at mitigating key operational and market risks, with a specific focus on bolstering supply chain resilience, monitoring raw material cost dynamics, and optimising operational efficiency.

However, the effectiveness of such actions remains subject to external factors beyond the Company's control.

The target market continues to show signs of buoyancy, as reflected by the increased order intake reported by major shipbuilders, as well as the contracts already secured and announced by the Company, which are expected to contribute progressively to performance in the coming years.

The steady conversion of the current commercial pipeline is supported by robust overall demand, likely to benefit all the Group's main business units. Enhanced integration across the three business units, alongside increasing cross-divisional activities, is providing organic support for the Group's overall growth prospects.

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SUSTAINABILITY STATEMENT

31 December 2025

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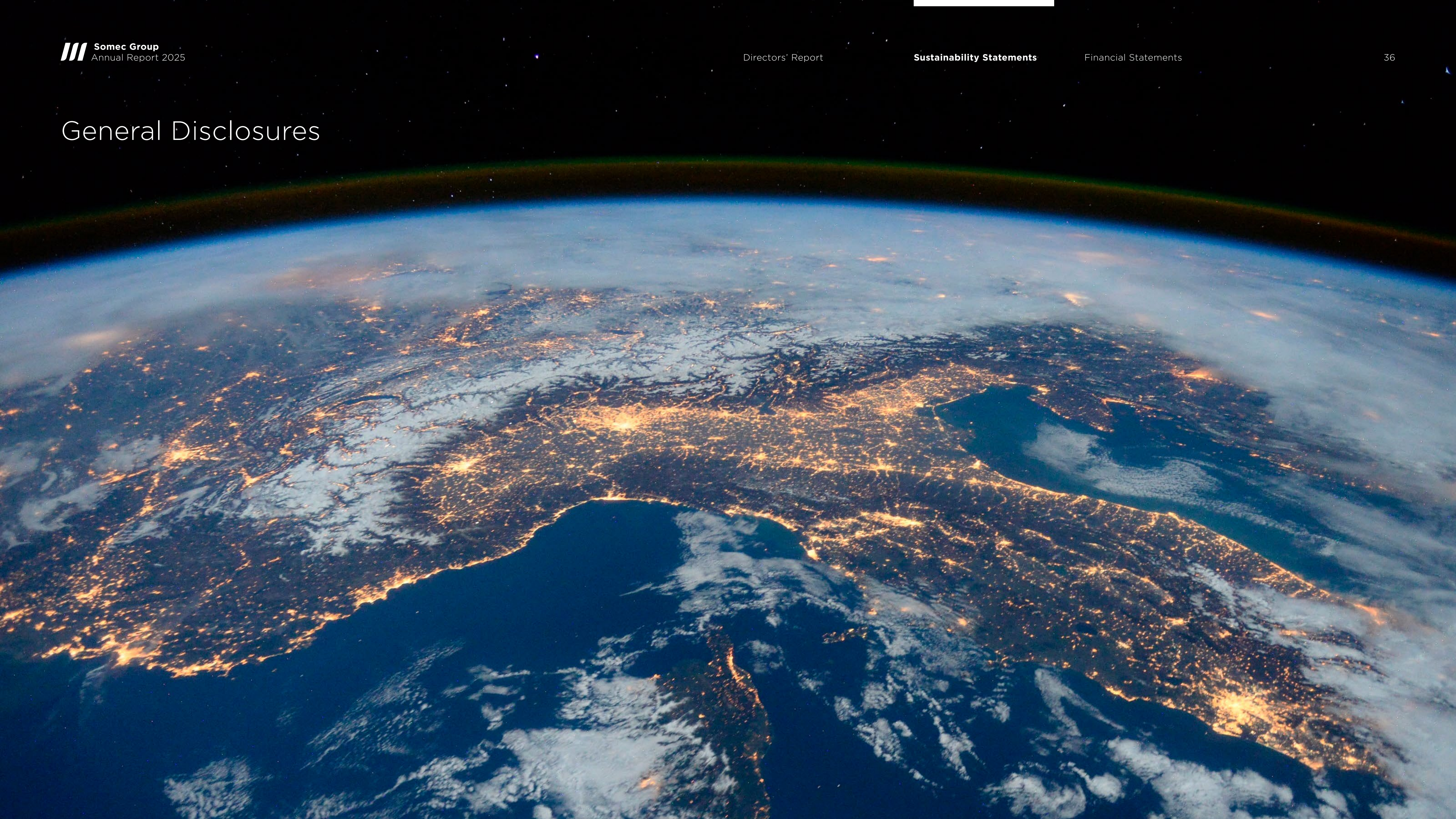
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General Disclosures



General Disclosures

Basis for preparation

BP-1

General basis for preparation of the sustainability statement

The Somec Group's sustainability reporting for the 2025 financial year, covering the period from 1 January to 31 December, forms an integral part of the Group's consolidated financial statements. This document reflects the second year of reporting prepared in accordance with the European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG), pursuant to the Corporate Sustainability Reporting Directive (CSRD).

The report was prepared on a consolidated basis and is aligned with the scope of the consolidated financial statements. It concerns the Parent Company, Somec S.p.A., and its direct and indirect subsidiaries. The detailed list of subsidiaries included within the scope of consolidation is set out in the "Scope of Consolidation" section of the notes to the financial statements. Sustainability reporting considers the Group's value chain, incorporating the impacts, risks, and opportunities (IROs) associated with both the Group's direct operations and its upstream and downstream activities. In accordance with the topics covered by ESRS, this document outlines the extent to which policies, actions, and targets may extend beyond Somec's own operations.

The Company chose not to take advantage of the opportunity to omit certain information relating to intellectual property, know-how or innovation results, or omit information relating to future developments or innovation issues.

Within the framework of the Omnibus I package and Directive (EU) 2025/794 ("Stop the Clock"), whereby the application of CSRD obligations for companies not yet subject to the requirements was postponed, the Group — already mandated to report under the CSRD — continues to apply the phase-in provisions for disclosures as permitted by the ESRS. More specifically, for the current financial year, the Group has continued to apply the phase-in provisions established for the initial application of the ESRS, consistent with the approach adopted during the first reporting year, with respect to the following disclosures:

- ESRS 2, SBM-1 40 b, c
- ESRS 2, SBM-3 48 e
- ESRS E1-9
- ESRS E5-6
- ESRS S1-11
- ESRS S1-14 - information on non-employee workers

BP-2

Disclosures in relation to specific circumstances

The Company adopted time horizons that are consistent with ESRS 1, section 6.4 *Definition of short-, medium- and long-term for reporting purposes* and are therefore in line with the time horizons of the financial report.

Metrics reported, with the exception of Scope 3 emissions information, do not include the data of the Group's upstream and/or downstream value chain. It should be noted that Scope 3 emissions include data related to the Group's value chain activities and were reported ensuring accuracy to provide a fair view of indirect greenhouse gas emissions from purchased materials through the use of estimates.

In chapters *ESRS E1 Climate Change* and *ESRS E5 Resource use and circular economy*, information is provided about reliance made on estimate for the reporting of some metrics in terms of the calculation of Scope 1 and 3 emissions and semi-finished products purchased. More details are provided in the respective sections: *E1-6* e *E5-4*.

No forward-looking information was included in the disclosure.

General Disclosures (continued)

Any references to documentation outside the reporting are intended to provide more information than the disclosure requirements, and are therefore not a substitute for what is required by the ESRS.

It is specified that the disclosure related to revenue split between sector-specific ESRS is not applicable in the absence of sector-specific ESRS.

It is specified that there are no prohibited products or services in the markets where the Somec Group operates.

Restatement of comparative figures and prior period errors

During the preparation of this Sustainability Statement, the Group restated certain comparative figures relating to the 2024 financial year.

Specifically, with regard to disclosure requirement *E1-5 - Energy consumption and energy mix*, the Group restated the total natural gas consumption for the 2024 financial year following a conversion error related to the natural gas consumption of one of its foreign subsidiaries. This update resulted in the subsequent revision of comparative figures, also affecting Scope 1 emissions and, consequently, the figures shown under disclosure requirement *E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions*.

The Group also restated the figures relating to Scope 3 emissions, Category 2 (Capital goods) and Category 11 (Use of sold products).

With reference to Category 2, the figure had been overstated by aggregating capital expenditure across multiple periods, rather than exclusively considering investments attributable to the 2024 financial year.

With regard to Category 11, the figure had been determined without taking into account the correct sales volume. It should also be noted that, with respect to the 2025 reporting financial year, the Group extended the scope for calculating Category 11 emissions to include a broader range of products. Following this expansion, the Group considered that a restatement of the 2024 figures was required to ensure comparability with the 2025 financial year.

A further restatement concerned disclosure requirement *S1-6 - Characteristics of the undertaking's employees*, specifically regarding the total number of employee departures, which had incorrectly included internal transfers between Group companies. Furthermore, the employee turnover rate had been determined using a calculation method that was not aligned with the applicable definition.

With respect to disclosure requirement *S1-7 - Characteristics of non-employee workers in the undertaking's own workforce*, the 2024 comparative figure has been restated to ensure consistency with the definitions provided under the ESRS. Specifically, as compared to the previous reporting period, subcontractors were excluded from the non-employee workers category; these individuals had been previously included under workers engaged in staff recruitment and supply activities, as they were part of the value chain.

In relation to the changes outlined above, the Group provided restated 2024 comparative figures within this Sustainability Statement.

The differences between the previously published figures and the restated amounts are highlighted in the detailed tables within the respective disclosure requirements.

General Disclosures (continued)

Governance

GOV-1

The role of the administrative, management and supervisory bodies

The Somec Group works to integrate sustainability within its management structures, based on its compliance frameworks and diversified business activities.

In this connection, the parent company Somec S.p.A. has adopted the “traditional governance model”, which requires a Board of directors, internal board committees, independent directors and a board of statutory auditors acting as control body, including with regard to sustainability matters.

The Board of Directors is the undertaking’s administrative, management and supervisory body and holds ultimate responsibility for the definition of objectives and strategies, as well as for the duties under applicable Italian legislation. The responsibility for implementing the initiatives necessary to achieve the goals that have been identified lies with the Executive Board.

With specific reference to sustainability matters, the Somec Group established an ad hoc Function on sustainability matters, with certain duties previously entrusted to different functions now being discharged by the Group ESG Specialist. This organizational structure addresses the need for dedicated oversight of ESG matters, clarifying the specific areas of responsibility regarding reporting. The Sustainability Function has taken on the role of a single point of reference for the entire Group, providing guidance to all subsidiaries and standardising both the direction of sustainability policies and the scope of information gathering processes.

Further details on the governance structure can be found in the *Report on Corporate Governance* available at: <https://www.somecgruppo.com/en/governance-documents/>.

Board of Directors and Control, Risk Management and Sustainability Committee

The Board of Directors is the corporate body in charge of the Company’s administration. It guides the Company’s business activities by in the pursuit of its sustainable success, i.e. the creation of long-term value for the benefit of the shareholders, taking into account the interests of the other relevant stakeholders of the Company. The Board of Directors defines strategies and lines of supervision for the Company and the Group companies and monitors their implementation.

The **Board of Directors** consists of seven members (four men and three women), three of whom are independent directors.

Name and Surname	Position
Oscar Marchetto ^(e)	Chairman and Chief Executive Officer
Alessandro Zanchetta ^(e)	Managing Director
Gian Carlo Corazza ^(e)	Director ⁽¹⁾
Davide Callegari ^(e)	Managing Director
Gianna Adamj ^{(a)(b)(c)(d)(f)}	Director
Elena Nembrinj ^{(a)(b)(c)(d)}	Director
Giuliana Borello ^{(a)(b)(c)(d)}	Director

(a) Director who meets the requirement of independence pursuant to the Corporate Governance Code and the TUF
 (b) Member of the Remuneration and Appointment Committee
 (c) Member of the Control, Risk Management and Sustainability Committee
 (d) Member of the Related Party Committee
 (e) Executive Director
 (f) Director appointed as Lead Independent Director
 (1) Executive Director until 30 July 2025

General Disclosures (continued)

Within its remit, the Board of Directors is responsible for defining the Group's strategic guidelines on sustainability and for determining the resources required to achieve the targets set out in the Sustainability Plan. Executive responsibility for sustainability initiatives and reporting lies with the **Managing Director and Chief Corporate Officer⁽²⁾** who also acts as head of the ESG Function.

Because of their in-depth knowledge of the business and business processes, executive directors are involved in identifying and assessing the impacts of sustainability risks and opportunities. More specifically, the Managing Directors have gained extensive experience in the fields of shipbuilding, glass façades, professional kitchen systems and products, and design and production of bespoke interiors.

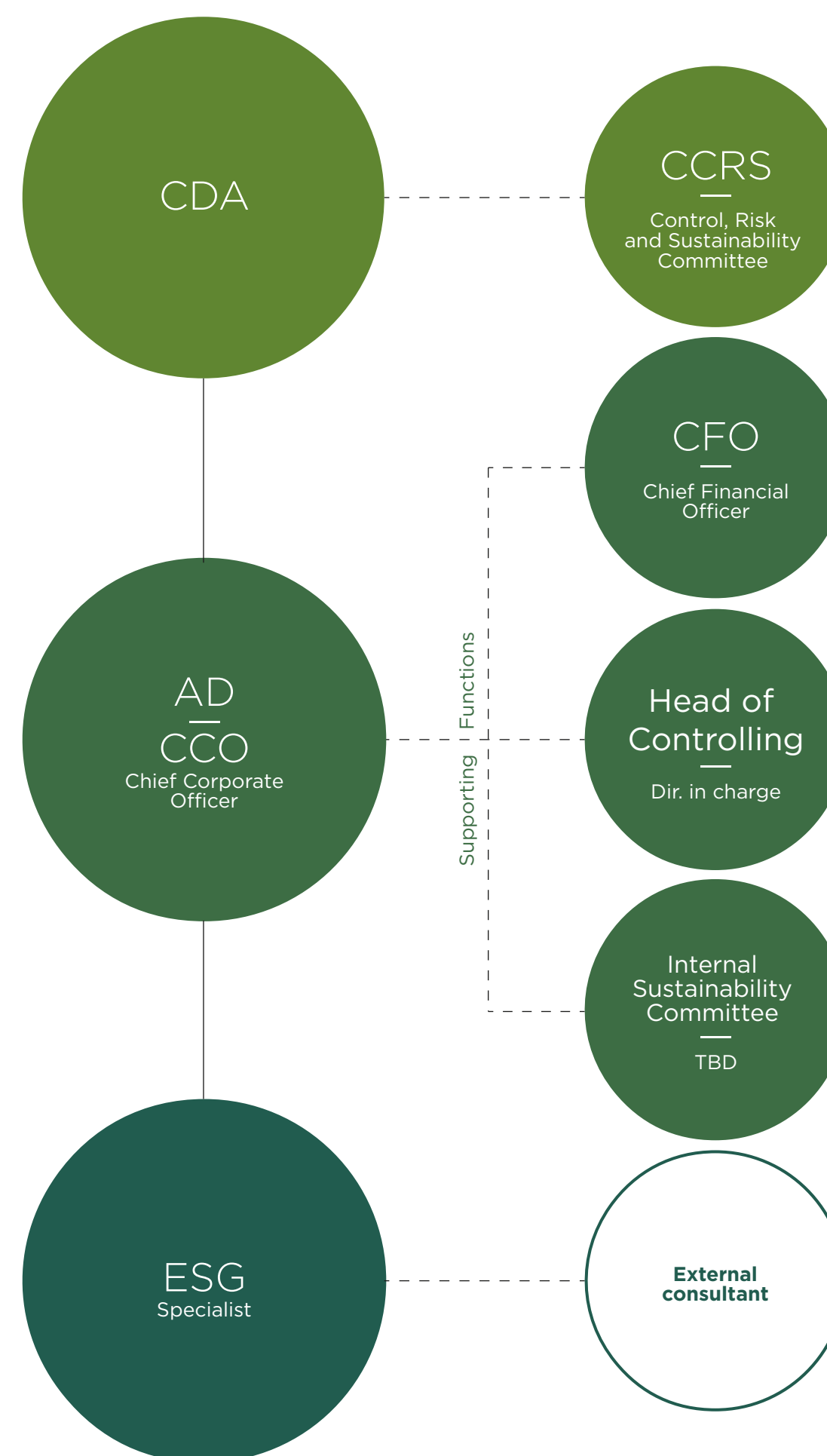
The independent directors have proven experience in the administrative-financial and compliance management of listed companies. For more information regarding the Board's professional background, reference should be made to *Chapter Corporate Governance*, section *Board of Directors*. With regard to the assessment of the governing body's duties, reference is made to the self-assessment process conducted pursuant to Recommendation 22 of the Corporate Governance Code. On the occasion of each renewal of or change in the composition of the Board of Directors, with the support of the Remuneration Committee, it assesses the

effectiveness of the Board's activities, taking into account the professional characteristics, experience, knowledge, skills, gender and seniority of its members, identifying any corrective actions to the extent as necessary and appropriate.

It should be noted that Somec has no workers' representatives sitting on the Board of Directors.

	Nr.	Percentage
Board composition	7	100%
Male	4	57.1%
Female	3	42.9%
Executive Board members	4	57.1%
Independent Directors	3	42.9%

A Control, Risk Management and Sustainability Committee is established within the Board of Directors.



Control, Risk Management and Sustainability Committee (CRSC)

The Control, Risk Management and Sustainability Committee (CRSC) consists of three independent directors (all of whom are women) who will remain in office until the approval of the financial statements for the year ending 31 December 2025. This Committee is responsible for supporting, subject to adequate preliminary activities, the assessments and decisions of the Board of Directors relating to the internal control and risk management system, including sustainability risks, as well as those relating to the approval of periodic financial reports and the analysis of ESG issues. In relation to this last issue, the CRSC has been assigned the task of verifying the adequacy of sustainability programmes within the framework of a policy consistent with the values pursued by the Company, periodically meeting with the ESG department and liaising with the Management responsible for the management of the activities in question, in order to outline the intervention programmes and guarantee their execution and reporting. It also has the task of assessing the consistent execution of set programmes for the purpose of drafting the Sustainability Report.

For more information on the responsibilities and composition of the individual management, control and governance boards, reference should be made to the *Report on Corporate Governance* available in the "Reports" section at <https://www.somecgruppo.com/en/governance-documents/>

(2) This office is held by Managing Director Alessandro Zanchetta

General Disclosures (continued)

Board of Statutory Auditors

The Board of Statutory Auditors of Somec S.p.A. consists of three standing auditors and two alternate auditors. The statutory auditors shall remain in office for three financial years until the date of the Shareholders' Meeting called to approve the financial statements for their third year of office and may be re-elected. Currently sitting on the Board of Statutory Auditors are two men (66.7%) and one woman (33.3%). The Board of Statutory Auditors' duties include:

- Supervising the process implemented for the preparation of the sustainability report, ensuring that the report contains the information required under Articles 3 and 4 of Legislative Decree 125/2024 (the "New Decree") and that the principle of "double materiality" has been applied
- Controlling the Company's sustainability targets, ensuring that they have been defined and monitoring their achievement
- With regard to risk management, ensuring that the identification and management of sustainability-related risks have been integrated into company processes
- With regard to the monitoring of the internal control and management risk system, controlling the effectiveness of such system, including with respect to sustainability reporting

- Informing the Board of Directors of the results of the monitoring of the sustainability reporting certification activity carried out by the appointed auditor, and – as part of the annual report pursuant to Article 153 of the Consolidated Law on Finance – reporting to the shareholders' meeting on the supervisory activity carried out in this regard

- Providing its statutory opinion on the appointment of the sustainability manager
- Preparing a reasoned proposal for the assignment of the task of certifying the conformity of the Sustainability Report to be submitted to the Shareholders' Meeting.

Other corporate functions supporting the sustainability reporting process

The preparation of the sustainability report involves a whole range of corporate functions in different capacities. Special emphasis is placed on the administrative offices coordinated by the **Group Chief Financial Officer** and the **Executive responsible for drafting the company accounts and certification of conformity of sustainability reporting**. They act as supervisors, ensuring that financial and non-financial disclosures are accurate and complete. Technical support is also provided by the accounting and management control functions in the preparation of the taxonomy analysis (Regulation EU 2020/852).

The Executive responsible for drafting the company accounts, together with the delegated administrative bodies, certify that the Sustainability Report has been prepared in accordance with the reporting standards applied pursuant to European regulation.

As part of the sustainability plan initiatives, the Group plans to set up during 2026 an internal Sustainability Committee to be entrusted with the role of monitoring the sustainability plan and ESG projects. In addition, the Committee will provide advice to the Board of Directors for development initiatives on sustainability matters.

The Board of Directors or the Executive Board have access to and are supported in their work by internal and external functions, according to their specific needs, including in relation to impacts, risks and opportunities arising from the double materiality assessment. Internally, the Group has functions dealing with ESG, Management Control, HQSE, the internal Head of Prevention and Protection Function, HR and Legal matters.

Over recent years, the Group has continued to strengthen its management team, consolidating the key competencies required to support the corporate strategy. In this connection, management can rely on professionals with extensive experience in both financial and non-financial reporting.

The administration department operates in close collaboration with the legal & governance department, helping to ensure the Group's compliance with relevant regulations, including those concerning sustainability.

The Group also engages external consultants with specialised sustainability expertise to support the organisation in updating the double materiality assessment and EU Taxonomy disclosure, preparing the greenhouse gas (GHG) emissions inventory, and conducting ESG data verification and consolidation activities.

General Disclosures (continued)

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

In line with its remit, the ESG office provides the Control, Risk Management and Sustainability Committee, the Management, and the Board of Statutory Auditors with updates throughout the year — on an ad hoc basis — regarding IROs (Impacts, Risks and Opportunities), the progress of activities, and key sustainability matters. On these occasions, the milestones reached for each project are addressed, including, by way of example:

- Adapting the information system for compliance with Directive 2022/2464/EU (known as CSRD - Corporate Reporting Sustainability Directive)
- Expanding the Scope 3 categories calculated in the GHG inventory
- Participation in sustainability discussion forums organised by Confindustria Veneto Est and the Digital & Sustainable Observatory of the Politecnico di Milano

- Providing accurate and timely response to sustainability disclosure requests to the Group's key stakeholders (financial institutions, key accounts, investors)

- Outcome of the required sustainability ratings.

During 2025, the Board of Directors was periodically briefed and passed resolutions on key sustainability matters, including communications relating to annual reporting, the definition of ESG performance targets within short-term variable remuneration plans (MBOs) and the update of the double materiality assessment.

In this regard, with the support of the Control, Risk Management and Sustainability Committee, the Board gained further insights into the methodology adopted and reviewed the outcomes of the double materiality assessment, evaluating the IROs identified.

These assessments informed the Group's short- and long-term strategic positioning and directed resource allocation, as reflected in the 2026 budget and the Group's multi-year plan.

Together with the ESG Function, specific working sessions were organised with the executive directors, whose in-depth knowledge of the business and organisation enabled them to: (i) define the double materiality assessment; (ii) refine the identification of IRO risks and opportunities included in the double materiality assessment; and (iii) prepare the multi-year sustainability plan.

Below are the impacts, risks and opportunities addressed by the administration, management and control boards and their committees during 2025:

Administrative, management and supervisory bodies	Topic	Impact (I) Risk (R) Opportunity (O)
Board of Directors, Remuneration and Appointment Committee	Disruption of professional relationships between the Company and key figures/strategic executives could jeopardize the achievement of the Company's strategic and operational objectives with severe financial repercussions. Loyalty variables and levers include in particular the payment of appropriate salaries compared to the market or benefits or adequate welfare tools according to employees' expectations suitable to ensure their retention. Regarding the retention of strategic executives, the Group has a three-year variable incentive plan in place	R
Board of Directors, Board of Statutory Auditors, Supervisory Board	Worksite and factory activities can cause accidents (low/medium/high severity) to workers and diseases/permanent health damage	I
Board of Directors, Control, Risk Management and Sustainability Committee	Failure to comply with agreed payment terms may adversely affect suppliers' liquidity, financial stability, and operational continuity — notably for SMEs — thereby undermining value chain relationship sustainability and partner trust	I
Board of Directors, Control, Risk Management and Sustainability Committee Supervisory Board	The absence or inadequacy of secure, confidential whistleblowing channels may expose workers to retaliation, prevent illicit conduct or fundamental rights violations from being reported, and compromise organisational trust, transparency and reputation	I

General Disclosures (continued)

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

The definition of the Company's Remuneration Policy results from a transparent and structured governance process. In line with the regulatory guidance and recommendations of the Corporate Governance Code promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, the above process may be viewed by the public at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm> (the **"Corporate Governance Code"**), to which Somec adheres.

For the Chairman, the Executive Directors of Somec S.p.A. and the Strategic Executive Officers of the Company and the Group, short-term and long-term variable incentive systems - linked, among other things, to sustainability matters - are in place as part of the Remuneration Policies.

The components of remuneration include: fixed remuneration, short-term variable remuneration, long-term variable remuneration and non-monetary benefits.

The aforementioned remuneration variables are subject to certain performance criteria, which, if met, will result in the payment and/or allocation of predetermined values based on the degree of achievement of the targets, as shown in the table below:

Member	Purpose	Characteristics, criteria and parameters	Recipients
Short-Term Variable Remuneration (MBO)	Aligning beneficiaries' behaviour with the organisation's short-term strategic targets	<p>Type of plan: Cash</p> <p>Performance Targets:</p> <ul style="list-style-type: none"> • 70% Financial Targets; • 30% Non-Financial Targets <p>Entry Gate: 80% of the 2025 budget EBITDA</p> <p>Payout: 0%-120%, depending on the percentage of achievement of the assigned performance targets. No deferred payment systems are in place.</p> <p>The plan is subject to malus and clawback clauses</p>	Executive Directors and key executives: up to a maximum of 35% of each beneficiary's fixed remuneration

General Disclosures (continued)

Member	Purpose	Characteristics, criteria and parameters	Recipients
Long-Term Variable Remuneration (LTI)	Ensuring the greatest alignment with shareholder interests and long-term value creation	<p>Type of plan: Performance Shares</p> <p>Vesting: Three-year period</p> <p>Performance Targets:</p> <ul style="list-style-type: none"> • 70% 2024-2026 Consolidated Cumulative Adjusted EBITDA • 30% ESG, notably: <ul style="list-style-type: none"> • 10%: reduction of GHG emissions through the use of energy from renewable sources • 10%: carrying out a plan of green procurement actions on strategic suppliers • 10%: obtaining a sustainability rating <p>Entry Gate: 90% of Consolidated Adjusted EBITDA, which, if achieved, will trigger the 2024-2026 Plan</p> <p>Payout:</p> <ul style="list-style-type: none"> • As to the 2024-2026 Consolidated Cumulative Adjusted EBITDA, for a performance of 90% or less, the payout is 0; for a performance between 90% and 100% (target), the payout is linear between 50% and 100%; for a performance from 100% the payout is linear, with a maximum cap of 120% • As to ESG Performance targets, the payout, based on performance achieved, ranges between 0 and 100% <p>Deferment: Final balance following the shareholders' meeting approval of the financial statements for the year ending 31 December 2026, and disbursement in two tranches (i) the first tranche, to the extent of 60% of the total amount due to the beneficiary, will be allocated after the aforementioned shareholders' meeting approval; (ii) the second tranche, to the extent of 40%, will be allocated after the approval of the financial statements for the year ending 31 December 2028</p>	<p>Executive Directors and key executives: 100% of each beneficiary's fixed remuneration, for each of the three years of the Plan's term</p>

The involvement of multiple individuals in the preparation, approval and, where appropriate, review of the Remuneration Policy, in addition to complying with regulatory requirements, ensures full transparency in the decision-making processes relating to the compensation of the individuals concerned, and guarantees that decisions on remuneration are made in an informed and timely manner by the relevant bodies, which avoid conflicts of interest through mutual oversight.

As a final step of the process, the Shareholders' Meeting approves the Remuneration Policy and the Incentive Plan.

Given the complexity of the process of preparing the Remuneration Policy and the Incentive Plan, further information is provided in the *Report on the policy regarding remuneration and fees paid 2024* in the Governance > Remuneration section at www.somecgruppo.com/en/remuneration.

General Disclosures (continued)

GOV-4

Statement on due diligence

Due diligence is integrated, though not formalised, into the business model and is described in the processes by which actual and potential negative impacts on the environment and people associated with business activities are identified, prevented, mitigated and reported.

GOV-5

Risk management and internal controls over sustainability reporting

Risk Assessment

The Board of Directors uses Risk Assessment as a holistic and systematic tool for guiding and supervising exposure to risks that may impact the Group's business, organisation, level of compliance and reputation.

From a methodological perspective, Somec manages sustainability risks as operational risks in terms of identification, assessment, management and reporting of identified risks.

Since 2022, the risk assessment analysis has also included the assessment of ESG risks through the allocation of a rating that has been factored in to assess impacts from an outside-in perspective.

Subsequently, this analysis was broadened to take into account the inside-out perspective, i.e. Somec Group's business impacts on the environment, people and stakeholders in general.

Specifically, during 2025, Risk Assessment was updated to achieve a greater level of granularity, with special reference to the most current and emerging ESG risks.

To this end, several interviews were conducted with the assistance of specialised external consultants, with a view to examining any new exposures and updating those previously identified. Risk Assessment is therefore aligned with the financial materiality perspective within the double materiality assessment, driving greater integration between financial and ESG risks.

Specifically, based on the 'Corporate Governance Code for Listed Companies', the Company decided to develop an organisation-wide risk management framework, with specific tasks for each "entity" involved:

- Board of Directors: defines the guidelines of the risk management framework to identify, measure, manage and monitor the main risks; evaluates the adequacy of the risk management framework adopted

- Director of Internal Control and Risk Management: is responsible for designing and implementing an appropriate risk management framework and assisting the organisation in identifying and measuring risks

- Management: plays a key role in the operational risk management process, addressing risks on a daily basis and developing appropriate corrective actions in coordination/alignment with the risk management framework to mitigate the negative impacts of risk events.

General Disclosures (continued)

Internal controls on sustainability reporting

Sustainability reporting controls are part of the Group's broader internal control system. The Group relies on a control system in line with the regulatory requirements for listed Companies, which is based on a comprehensive Risk assessment and based on which sustainability risks are integrated.

The Control, Risk Management and Sustainability Committee, together with the CFO and the Executive responsible for the preparation of corporate accounting documents, oversees the sustainability reporting process.

During the reporting period, in order to support data collection activities and ensure the proper processing of information, the ESG Department organized kick-off meetings and follow-up sessions with the functions involved in data collection. These meetings were aimed at defining the relevant reporting principles, methodologies, timelines, and responsibilities.

The ESG Department also performs a first-level review of the quantitative and qualitative information collected to verify its consistency and completeness (or a second-level review where data owners or approvers are involved), requesting supporting evidence and/or any necessary corrections where appropriate.

As disclosed in the Sustainability Report for the year ended 31 December 2024, as part of its continuous improvement process relating to sustainability data collection and reporting, the Group developed and finalized, between the end of 2025 and the beginning of 2026, a dedicated Risk Control Matrix ("RCM") for sustainability reporting purposes.

As part of this initiative, the Group identified and mapped the main potential risks associated with the sustainability reporting process. For each identified risk, the related control activities, roles and responsibilities, as well as the mitigation measures and controls implemented, were formally defined.

The Risk Control Matrix was subsequently formalized and incorporated into a dedicated Reporting Procedure, with the aim of further structuring and standardizing the processes for the collection, validation, and monitoring of sustainability data.

In this context, it should also be noted that the 2025 Internal Audit Plan included specific audit activities focused on selected ESG KPIs, as well as on the sustainability data collection process supporting sustainability reporting.

As such, it is subject to the control and authorisation of the Financial Reporting Officer in accordance with Law 262/2005.

The most relevant risks related to sustainability reporting include:

- Risk of errors in the reporting of sustainability data or inadequate reporting on relevant subject matters
- Risk of not meeting the requirements of European legislation and other relevant regulatory bodies on sustainability reporting.

Finally, Somec's sustainability reporting is independently audited according to the European CSRD regulation. For the financial year 2025, EY S.p.A. was retained as the firm responsible for the limited audit.

General Disclosures (continued)

Strategy

SBM-1

Strategy, business model and value chain

Somec Group mainly carries out contract work, designing and producing unique systems suited to the conditions of use and the safety and quality standards of marine and civil engineering.

Following the design phase, typically conducted side by side with the client and the various project stakeholders (shipyards, architects, technical partners, etc.), the Group handles the entire production and procurement phase in-house, ensuring that the result perfectly reflects the aesthetic and quality expectations required by the client.

The synergies created between the expertise of the Group's subsidiaries, combined with the specialist skills acquired through collaboration with major names in the business of civil and marine engineering, and with major shipowners and property developers all over the world, ensure that Somec is seen as the go-to company in its business sectors.

The Group operates organizationally through three Business Units: engineered systems for naval architecture and building façades (Horizons); professional kitchen systems and products (Talenta); and design and production of bespoke interiors (Mestieri).

→ [See the Group's structure page 09](#)

Group companies employ 995 employees in the following geographies:

Geographical area	Employees' Number
Europe	818
UK	4
USA	165
Canada	8

Horizons

Engineered systems for naval architecture and building façades

Somec Group's Horizon BU is one of the largest international players regarding the design, engineering, manufacture and installation of innovative solutions for the naval and building façades, standing out for the high technological sophistication, quality of materials and durability of its works.

In the naval sector, the Group develops highly customised solutions for environments defined by complex operating conditions and stringent safety, durability, and performance requirements. The scope of activity encompasses the design and production of systems such as balconies, doors and windows, specialised glazing and partitions, alongside architectural structures including skywalks and skylights for both internal and external ship areas.

The design phase is a pivotal element, developed in close collaboration with shipowners and executed within shipyards, with the support of subsidiaries specialising in the various stages of execution and refitting across both Europe and the United States.

General Disclosures (continued)

The civil façades sector, established in 1978 upon Somec's foundation, is a long-standing area of the Group's operations. It encompasses the construction and retrofitting of building envelopes for residential and commercial properties, with a strong footprint in the North American market.

Operations include the engineering, assembly, and installation of complex façades, leveraging dedicated operating companies and a supply chain of qualified, predominantly European, providers.

The integration of engineering expertise, manufacturing capabilities, and project management skills enables the Group to develop bespoke solutions and foster synergies between the naval and civil sectors, driving process and product innovation across the entire value chain.

Talenta

Professional kitchen systems and products

Somec Group's Talenta business unit comprises the companies engaged in the design, production and installation of integrated, bespoke professional kitchen systems, serving both the naval and civil sectors. The value proposition hinges on the seamless integration of design, functionality, and superior operational performance, delivering bespoke turnkey solutions tailored to the catering and hospitality industries.

In the naval segment, Talenta operates across the newbuild and refitting markets, developing comprehensive catering systems for cruise ships, including galleys, bars and refrigeration units. Operations span the entire product lifecycle — from design and manufacturing to installation — delivering highly bespoke solutions tailored to specific client needs and in compliance with regulatory requirements.

Manufacturing is managed in-house, integrating the expertise of the various Group companies to deliver projects to high technical and aesthetic standards.

In the civil sector, Talenta provides a comprehensive range of professional catering products and systems across various applications, including restaurants, hotels, pizzerias, canteens, and large-scale retail. In-house production includes, among others, ovens, blast chillers, equipment for pizzerias, and professional cooking systems.

The systems developed by Talenta are engineered to ensure high standards of efficiency, reliability, and durability. Moreover, the incorporation of proprietary digital solutions facilitates performance monitoring and predictive maintenance, driving energy efficiency and streamlining plant management throughout the entire operational lifecycle.

Mestieri

Design and production of bespoke interiors

Somec Group's Mestieri business unit specialises in the design and production of bespoke high-end interiors, delivering integrated fit-out solutions for both the naval and civil sectors. Within the naval sector, Mestieri develops complex projects for public areas on cruise ships, encompassing both new building and refitting operations.

Operations span the entire project lifecycle, from design to installation, in close collaboration with shipowners, architects, and interior designers.

The production process draws upon a qualified network of specialist suppliers and master artisans, ensuring the seamless management of intricate projects and the diverse array of materials and finishes required, such as timber, stone, metals, glass, textiles, and MEP components.

In the civil sector, Mestieri delivers high-end interior design projects for the hospitality, retail, private residential, and museum sectors, providing highly bespoke solutions defined by the use of premium materials and a robust artisanal component integrated with advanced technologies.

Since 2022, all of the Group's companies active in the design and creation of interiors have merged within Mestieri business unit with the aim of strengthening unique skills and developing synergies between the marine and civil sectors.

This model enables the Group to manage complex, bespoke projects, ensuring superior quality standards across the entire value chain.

General Disclosures (continued)

The group value chain

The Somec Group value chain is underpinned by a highly specialised and sophisticated industrial model, which unfolds through distinct yet synergistic pathways across its three business units: Horizons, Talenta and Mestieri.

Across each segment, the Group delivers complex projects by processing and combining diverse materials, including aluminium, stainless steel and other metals, alongside glass, timber, marble, and composites.

The procurement, selection, negotiation, ordering, and intake of raw materials and components represent a strategic phase of the value chain, serving as a key enabler in the delivery of the Group's solutions. Specifically, robust oversight of these operations secures rigorous product quality and safety benchmarks, while ensuring unerring alignment with the exacting technical, regulatory, and architectural specifications dictated by the owners.

The value chain extends through the design, engineering, and manufacturing stages, culminating in the on-site installation of the commissioned solutions. These operations are executed by leveraging the distinctive expertise and specialist capabilities embedded within the Group's diverse business units.

This organisational framework ensures an effective response to the specific demands of the target markets, capitalising on the technical and manufacturing know-how gained over time.

The final stage of the value chain addresses the decommissioning and end-of-life management of the products and materials utilised. The Group's solutions are engineered with a steadfast focus on durability and maintainability, ensuring that the functionality and integrity of the installations are upheld throughout their lifecycle.

By their very nature, the installations delivered by the Group — chiefly featuring glass, steel, aluminium, timber, and other standard industry materials — lend themselves to recovery and disposal via authorised specialist contractors, in strict accordance with prevailing regulatory frameworks. This inherent attribute facilitates an end-of-life management approach that aligns seamlessly with industry best practices and the principles of sound environmental material stewardship.

Upstream value chain

Somec Group seeks relationships with its suppliers based on the values of integrity, transparency, legality, impartiality and prudence. Its large and diversified network of suppliers is managed on the basis of these values and relations with them are conducted on good terms to provide customers with high quality tailor-made products.

The Group is also firmly committed to supporting the local industrial sector, and in fact the Group's suppliers are mostly Italian, and mainly located in the regions of Northern Italy. The preference for local suppliers continued to be a winning factor in increasing efficiency, reducing time and waste.

In addition to the intensification of relations with nearby suppliers, which also continued in the reporting year, a process of synergistic standardisation of stainless-steel procurement for all food companies has been in place for some years now. This process achieves both greater bargaining power and higher product quality. Steel, aluminium, and glass constitute the primary procurement categories in which the Group is cultivating synergies through shared supply relationships.

The progressive rollout of a unified management system, adopted by the majority of the Group's subsidiaries, is increasingly streamlining supply chain operations, leveraging enhanced data reliability, the harmonisation of procurement protocols, and the phased centralisation of logistics, all underpinned by a collaborative supplier engagement model.

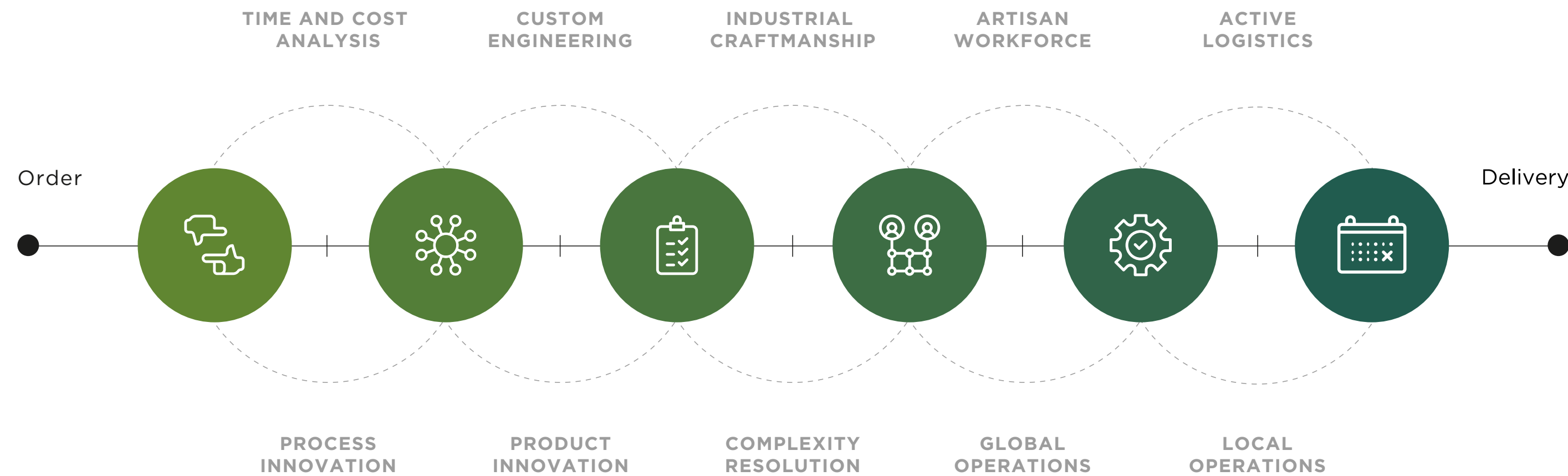
With regard to subsidiaries within the Mestieri business unit — engaging in a segment that has recently seen expansion through acquisitions — the integration and harmonisation of procurement protocols are currently underway.

The operational specificities of the Group's various subsidiaries call for a differentiated supply chain management approach across each business unit, aimed at ensuring structured and vetted procurement processes designed to guarantee supplier compliance with both contractual and regulatory obligations. Given its diverse portfolio, the Group has elected, at this stage, not to adopt a single, uniform policy for the selection, qualification, and assessment of its suppliers.

Each subsidiary is nevertheless committed to ensuring that procurement processes account for the quality of materials and workmanship provided, consistent with the Group's core values and in strict compliance with applicable legislation, including competition principles and the provisions set forth in the Group Code of Ethics.

General Disclosures (continued)

Downstream value chain



Business units

Horizons

The civil façade business unit contributes to the construction or renovation of façades and exterior fittings for residential and commercial buildings on behalf of general contractors, design firms, architects, real estate developers, public and private customers. The target real estate markets are in Europe, the United Kingdom and the United States, primarily in the cities of New York, Boston and Washington DC, where high-rise construction is concentrated. The Group's business unit engaging in the naval sector contributes to the construction (new building) and conversion, modernisation, replacement and repair of elements (refitting) of cruise ships on behalf of cruise ship owners in the world's leading shipyards.

Talenta

Talenta business unit produces integrated systems for made-to-measure and customised professional kitchens for the catering and hospitality industries, all characterised by high standards of safety, quality and durability. In the civil sector, customers therefore include restaurants and restaurant chains, designers, hotel chains, agents and distribution chains. In the case of Oxin, which belongs to the shipbuilding sector, customers include the main cruise shipyards and shipowners.

Mestieri

Mestieri business unit designs and builds high-end interiors for residential contexts, high-end retail chains, the hotel industry and high-end catering. With regard to the shipbuilding sector, main customers include shipyards producing superyachts and cruise shipowners.

General Disclosures (continued)

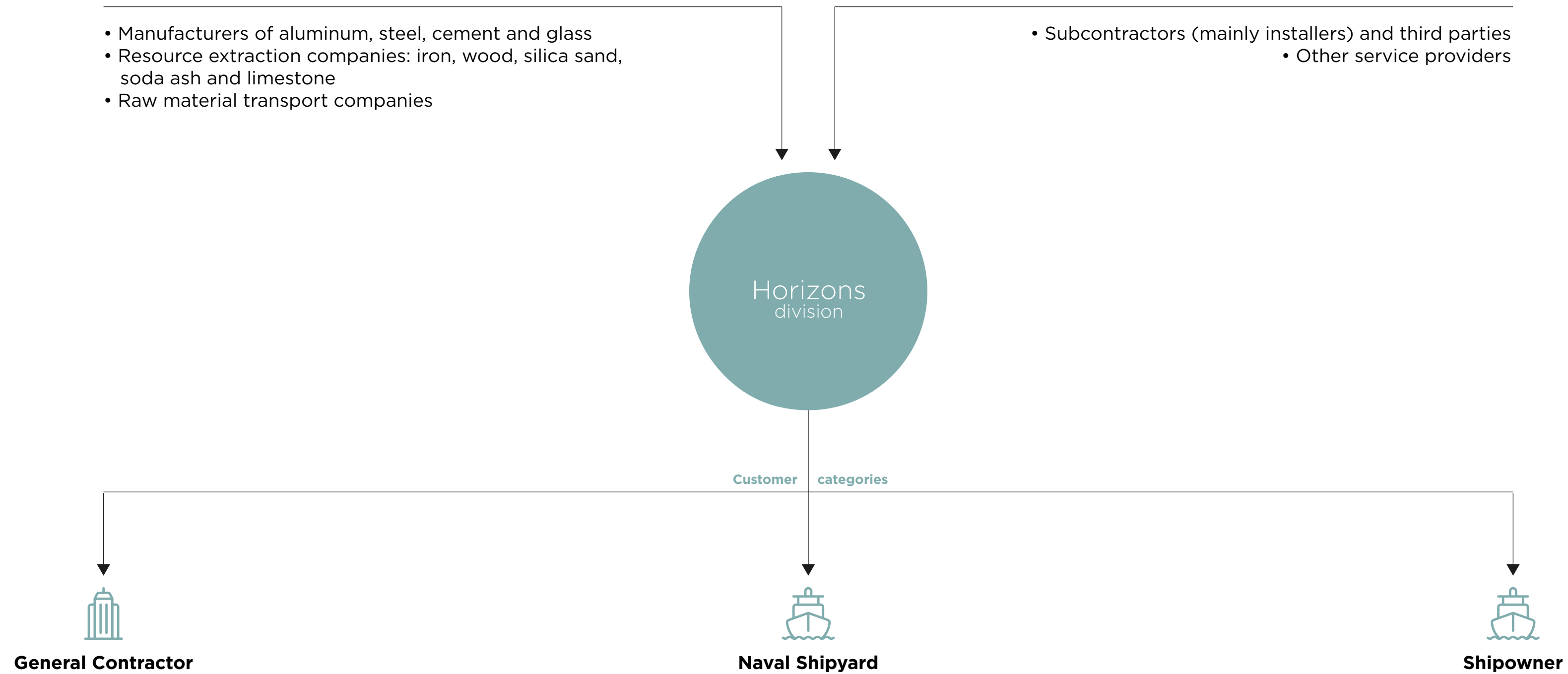
Value chain Horizons

Players supplying **materials**

- Manufacturers of aluminum, steel, cement and glass
- Resource extraction companies: iron, wood, silica sand, soda ash and limestone
- Raw material transport companies

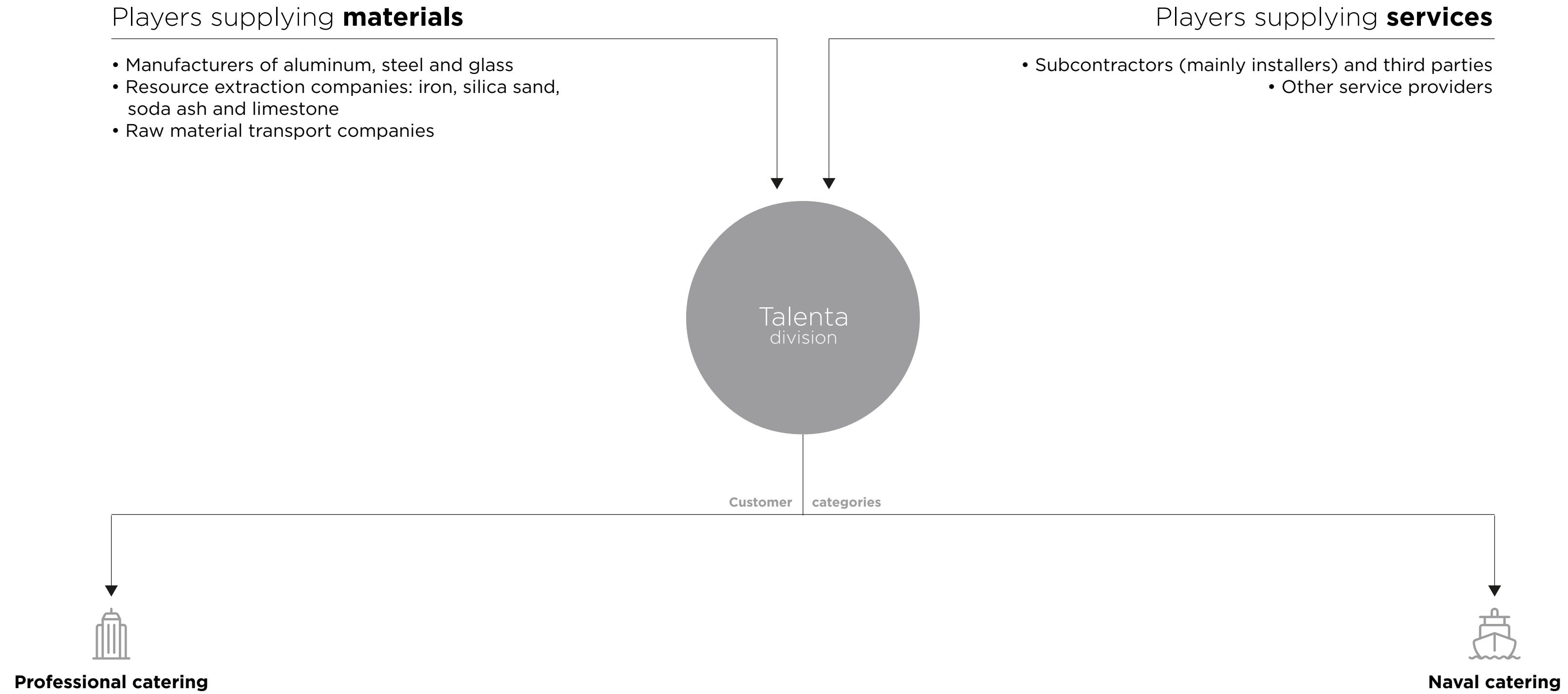
Players supplying **services**

- Subcontractors (mainly installers) and third parties
- Other service providers



General Disclosures (continued)

Value chain Talenta



The value chain of **Oxin**, which is part of Talenta business unit, coincides with that of Horizons' segment in the naval area

General Disclosures (continued)

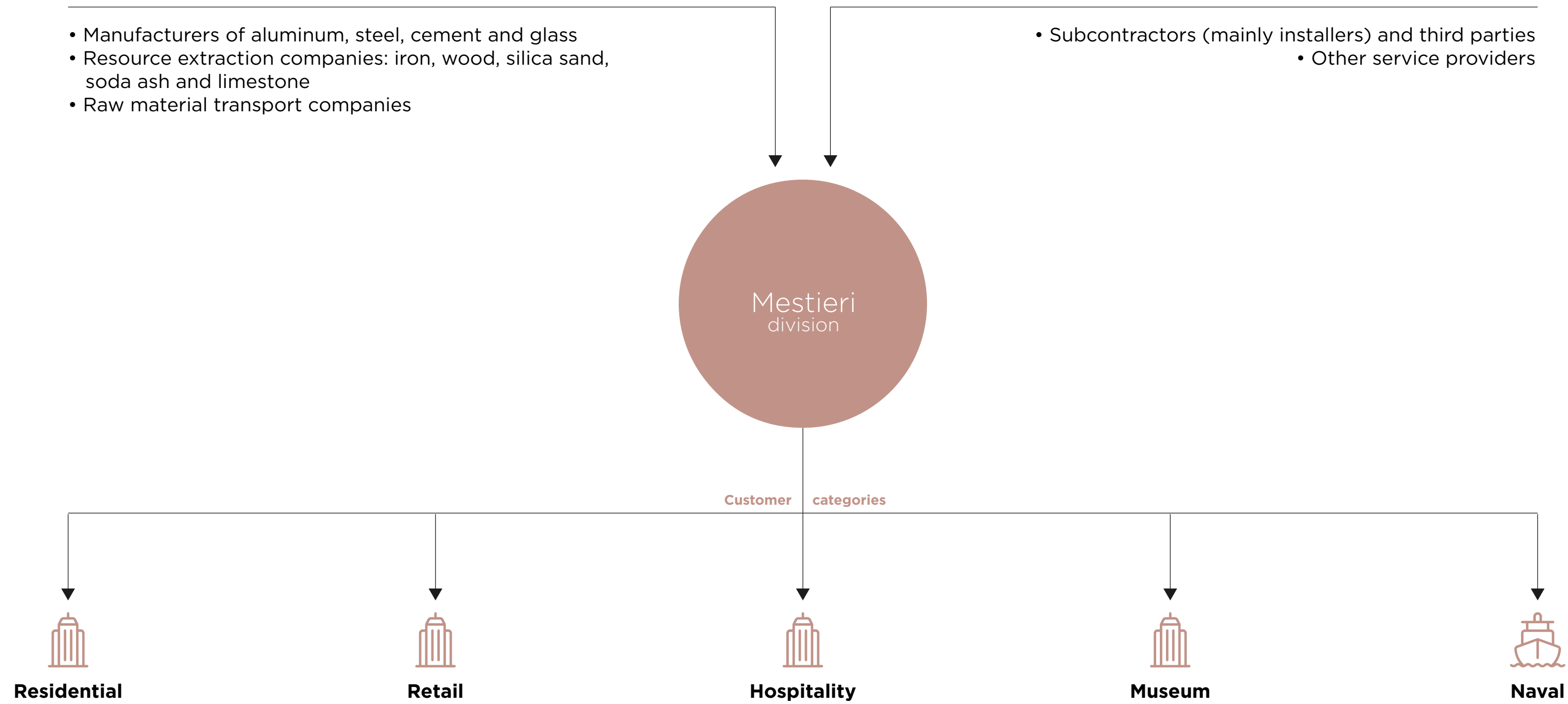
Value chain
Mestieri

Players supplying **materials**

- Manufacturers of aluminum, steel, cement and glass
- Resource extraction companies: iron, wood, silica sand, soda ash and limestone
- Raw material transport companies

Players supplying **services**

- Subcontractors (mainly installers) and third parties
- Other service providers



The value chain of **TSI** Solutions coincides with that of Horizons' BU in the naval segment

General Disclosures (continued)

The Group's strategy incorporates specific development drivers focused on sustainability, ensuring continuity with the trajectory established in 2024.

In this connection, in 2024 the Group prepared its Sustainability Plan – approved by the Board of Directors on 17 December 2024 – by actively engaging key executives and senior heads of function. The objectives set out in the Plan were defined in accordance with the material topics identified through the double materiality assessment. For most of the targets, a specific action was defined with the following information:

- Implementation timeline
- Person in charge
- Target KPIs for quantifying and measuring action
- Monitoring KPIs for analysis of actual completion status.

Actions to be developed under the Sustainability Plan can be grouped in three categories:

- ESG performance improvement projects
- Preliminary studies and analysis to develop data and information on ESG performance
- Awareness-raising, information and training activities.

Starting from material matters, feasibility analyses were carried out with the heads of functions to identify targets and corresponding actions to be implemented in order to achieve them.

As part of this activity, the following factors were considered:

- Industry benchmark
- Analysis of the context and the most relevant impacts for the sector along the value chain
- Findings of stakeholder engagement
- EU sustainability guidelines, such as the Green Deal
- Margins of process efficiency and material utilisation from an ESG perspective.

A summary of the main macro-targets is provided below:

Climate Change	Reduce energy consumption by supporting efficient solutions and the spread of energy-saving culture in order to enable the reduction of GHG emissions and climate change impacts
Resource use and circular economy	Waste management and circular economy Promote efficient waste management and disposal of used materials, maximizing recycling and reuse according to circular economy principles Provide transparency in the selection of materials used, ensuring that quality standards are met and environmental impacts are limited
Own workforce	Ensure a safe and healthy workplace by promoting structured health and safety management procedures and programs Establish a welcoming , stimulating and positive work environment, ensuring work-life balance and providing welfare programs for employees Promote and empower human capital development through skill development and enhancement pathways, appropriate training, and consistent career plans Promote programs aimed at providing equal opportunities for all employees to promote diversity and inclusiveness within the Group
Workers in the value chain	Promote sustainable supply chain management by considering social criteria in supplier selection and committing to risk management throughout the supply chain
Consumers and end-users	Ensuring product safety and quality by encouraging innovation and investing in research and development
Business conduct	Promote Sustainability Governance at Top Management level and increase Board involvement in ESG projects

General Disclosures (continued)

Within the macro-objectives, business unit-specific targets (product/reference market) were then detailed in the relevant topical ESRS.

It is specified that the disclosure related to revenue split between sector-specific ESRS is not applicable in the absence of sector-specific ESRS. It is specified that there are no prohibited products or services in the markets where the Somec Group operates.

Targets were defined by company and/or business unit. With regard to climate change-related environmental targets, the following product categories can be identified:

- Glass façades for civil and naval use (Horizon BU): improving energy efficiency in terms of thermal transmittance and process efficiency

- Hot and cold appliances (Talenta BU): improvement of the energy class of products

- Interior design (Mestieri BU): improvement of process efficiency in terms of machinery utilisation and energy consumption efficiency.

With specific reference to the circular economy, the targets relate to all products and mainly entail increased use of environmentally sustainable materials and products in terms of environmental impact and recyclability.

Generally, Social and Governance targets also have an organisation-wide impact, regardless of the geographic areas in which the different companies operate and the types of activities they perform and the types of customers they serve.

SBM-2 Interests and views of stakeholders

The Somec Group believes that a responsible company approach to the context in which it operates requires at any rate a constant exchange and dialogue with the key stakeholders. Stakeholder engagement forms an integral part of corporate processes, serving as a functional tool both for defining ESG strategic priorities and for updating the double materiality assessment.

Somec's key stakeholders include:

- Customers
- Local areas and communities
- Trade unions and associations
- Employees
- Shareholders
- Financial institutions and intermediaries
- Public administrations and certification and control authorities
- Suppliers

The Stakeholder Engagement process follows the methodology of the "AA1000 Stakeholder Engagement Standard", which includes the following steps:

- Mapping stakeholders
- Defining strategic targets of involvement
- Identifying issues
- Identifying stakeholder engagement methods

- Carrying out involvement activities
- Reviewing and feedback

In 2024 the Group carried out a comprehensive Stakeholder Engagement process that involved employees, suppliers, customers and financial institutions. These categories, with the exception of employees, were involved through special meetings (either for the entire category, as in the case of Financial Institutions, or one-to-one meetings, as in the case of customers and suppliers), which focused on exposing Somec's material matters, activities and projects launched and/or to be launched, as well as sharing stakeholders' experiences.

Following these meetings, a questionnaire was administered whereby the participants were requested to (i) assess material matters having direct impacts on the stakeholders identified by the Group, and (ii) pinpoint any matters that were not identified as material in the double materiality assessment. With specific reference to employees, internal questionnaires were sent out for discussion on the sustainability matters and to gather any additional suggestions.

The findings confirmed the material topics identified by the Group and were presented to the Control, Risk Management and Sustainability Committee and the Board of Statutory Auditors as part of the overview of the Group's sustainability roadmap.

General Disclosures (continued)

During 2025 — consistent with the aforementioned approach and with a view to the periodic updating of the double materiality assessment — the Group undertook a further internal stakeholder engagement exercise, involving its entire workforce. A specific survey was administered to the employees to garner their insights into the ESRS topics deemed most material to the Somec Group. The survey findings were qualitatively factored into the double materiality update process, formally incorporating the workforce's perspectives into the assessment of ESG priorities.

The findings derived from the stakeholder engagement exercise served primarily to inform the update of the double materiality assessment, contributing to the evaluation and prioritisation of the ESG topics material to the Group. In this connection, the insights gained helped to align strategic priorities with stakeholder expectations, facilitating the progressive integration of their respective interests into the Group's decision-making processes.

The Group intends to maintain this trajectory in the forthcoming years, further strengthening its engagement methodologies and integrating the relevant findings into corporate processes.

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

Double Materiality Assessment (DMA) provides a comprehensive overview of the impact of the Group's activities and their external influence.

This assessment follows the requirements contained in the Corporate Sustainability Reporting Directive (CSRD), the content of the ESRS (European Sustainability Reporting Standards) and the guidelines set out in Implementation Guidance IG1 Materiality issued by EFRAG in 2024.

The identification of both actual and potential IROs (Impacts, Risks, Opportunities) of the Somec Group was conducted from both an inside-out perspective (impacts of the Company on external stakeholders) and an outside-in perspective (risks or opportunities with potential financial impact on the Group). The assessment included both the Group's direct transactions and activities along its value chain.

The assessment qualified the following issues as material, each related to a specific topical ESRS:

ESRS E1 **Climate change**

ESRS E2 **Pollution**

ESRS E4 **Biodiversity and ecosystems**

ESRS E5 **Resource use and circular economy**

ESRS S1 **Own workforce**

ESRS S2 **Workers in the value chain**

ESRS S4 **Consumers and end-users**

ESRS G1 **Business conduct**

"Pollution" and "Biodiversity and Ecosystems" were found to be material matters indirectly as a result of impacts arising from activities carried out along the Group's value chain (upstream and downstream); no material IROs attributable to these matters were identified as a result of direct activities carried out by Group Companies.

The matter related to "Water and Marine Resources" was not found to be material following the double materiality assessment given the intrinsic characteristics of Somec Group's business model: production processes do not require the use of significant amounts of water and the company's consumption is mainly related to hygienic and sanitary use. Following the 2025 update to the double materiality assessment, the topic relating to "Affected communities" was also subsequently deemed immaterial. Specifically, the sole impact previously identified as material — indirect in nature and stemming from the upstream value chain — was subject to further scrutiny and reappraisal, ultimately being determined as not strictly applicable to the Group's operating scope and activities. Consequently, this topic was also found not to meet the threshold for materiality.

Below are the IROs assessed as material following the double materiality assessment:

General Disclosures (continued)

Impacts

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Climate change	Energy		Development of new products engineered to enhance energy efficiency (e.g., blast chillers and refrigerators, pizza ovens rated in energy classes A and B, and façade glazing featuring superior thermal transmittance coefficients), resulting in a reduction of greenhouse gas emissions in alignment with sustainability targets established at the European level and under major international agreements and treaties	P	A	D	Medium
			Insufficient and/or limited investment in renewables (reduced purchases from clean energy producers) and in energy-saving measures lead to negative impacts in terms of higher GHG emissions and global warming	N	A	D	Medium
	Climate change mitigation		Upstream steel supply	N	A	I	Short
			Negative impacts on climate change due to GHG emissions generated by activities along its own (upstream) steel supply chain (main raw material used in Horizons and Talenta business units)				
			Upstream aluminium and glass supply	N	A	I	Short
			Negative climate change impacts in terms of GHG emissions generated by activities along its aluminium (one of the main raw materials used by Horizons business unit) and glass supply chain				

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Climate change	Climate change mitigation		Upstream raw material supply	N	A	I	Short
			GHG emissions generated by transport necessary for the procurement and distribution of raw materials				
			Upstream cement supply	N	A	I	Short
			GHG emissions generated by transport required for cement procurement and production				
Pollution	Pollution of air		Upstream glass supply	N	A	I	Medium
			Negative impacts on the environment due to air pollution generated by activities along its glass supply chain (one of the main raw materials used by Horizons business unit - Somec Navale and Fabbrica). Polluting gases such as sulphur dioxide and carbon dioxide are released during the manufacturing process				
			Upstream: steel supply	N	A	I	Short
			Air pollutants emitted by steel production activities along its supply chain: carbon monoxide, nitrogen oxides (NOx), sulphur and fine particulate matter, which have a considerable environmental impact on the environment				

General Disclosures (continued)

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Pollution	Pollution of water		Upstream: aluminium supply				
	Pollution of living organisms		Bauxite transformation processes produce highly polluting and poisonous waste material (red mud) which, if not treated to become aluminium or steel in turn, pollutes watercourses, groundwater, and may lead to severe poisoning of animals	N	A	I	Short
Biodiversity and ecosystems	Impacts on the extent and condition of ecosystems	Land degradation and exploitation	Upstream: aluminium supply				
			Impacts along the aluminium supply chain: ecosystem damage and reduction of land for local agriculture generated by the creation of bauxite mines (Guinea has the largest bauxite deposits in the world) for aluminium production along its supply chain	N	A	I	Short
			Upstream glass supply				
			Impacts along the glass supply chain: environmental damage related to the extraction of materials such as silica sand, soda ash for glass production	N	A	I	Medium
			Upstream: wood supply				
Impact along the wood supply chain in terms of natural resource consumption and biodiversity	N	A	I	Short			

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Circular economy	Waste		(Non-hazardous) waste management not oriented towards circularity principles may lead to negative impacts on limited resources and environmental protection	N	P	D	Short
			Improper handling of hazardous waste (in particular, organic waste containing hazardous substances, packaging containing residues of hazardous substances, solvents or mixtures, hazardous sandblasting residues, waste paints and varnishes, lead batteries, etc.) could have a negative impact on the environment	N	P	D	Short
			Downstream customers and end users				
			Potential impact on the environment from the disposal of hazardous waste as part of end-of-life ships, such as metals and paints	N	P	I	Medium
		Downstream contractors and builders					
			Improper handling of waste generated by construction sites could generate impacts on the environment	N	P	I	Short
	Resources inflows, including resource use		Potential environmental impacts arising from the procurement of virgin and/or non-eco-friendly raw materials due to the decrease/availability/increase in the price of recycled raw materials (e.g. stainless steel or aluminium)	N	P	D	Medium

General Disclosures (continued)

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	The absence of diversity and gender equality criteria (e.g. gender, disability) in the composition of staff and governing bodies could negatively affect the objective of ensuring equal opportunities for all within the organisation	N	P	D	Short
		Employment and inclusion of persons with disabilities					
		Diversity					

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Own workforce	Other work-related rights	Privacy	Potential internal breaches (databreach, unauthorised access, disclosure of sensitive information) could undermine the privacy and data protection rights of the workforce itself	N	P	D	Short
	Working conditions	Work-life balance	Welfare and work-life balance policies commensurate with the needs of staff contribute to generating positive effects on the well-being of workers and virtuous effects on their behaviour (e.g. decrease in absenteeism)	P	A	D	Short
		Working time					
		Social dialogue					
	Equal treatment and opportunities for all	Training and skills development	Quality training with a view to career development, generates positive impacts on human capital for all employees	P	A	D	Short
	Working conditions	Health and safety	Site and factory activities can cause serious accidents to workers and permanent illness/health damage	N	P	D	Short
			Production activities in the Group's factories generate non-recurring accidents of medium/low severity to the Group's own workforce	N	A	D	Short
		Secure employment	Potential impact related to unfair practices towards its employees in terms of working conditions, in particular excessive working hours, utilitarian use of fixed-term employment contracts	N	P	D	Short
	Working time					Short	

General Disclosures (continued)

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon	
Value chain workers	Working conditions	Secure employment	The high level of use of local suppliers generates positive impacts on the local area and the local production chain, especially in terms of employment and labour supply	P	A	D	Short	
		Adequate wages						
		Health and safety	Downstream external workforce	N	A	I	Short	
			Accidents occurring to workers employed by subcontractors as part of on-site activities coordinated by the client (Horizons and Mestieri BUs)					
		Working time	Possible demands to supply products or services at the lowest cost or quick delivery could lead to the use of arrangements that put pressure on supply chain workers in terms of excessive working hours and inappropriate working conditions	N	P	D	Short	
		Adequate wages						
		Collective bargaining						
		Work-life balance						
		Other work-related rights	Health and safety	Upstream workers in the value chain	N	P	I	Medium
			Child labour					
Forced labour								
		Adequate housing	Cases of forced labour and/or child labour and/or inadequate housing allocation involving workers belonging to its upstream value chain (tier 2-3)					

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Consumers and end users	Personal safety of consumers and/or end-users	Health and safety	Violation of product safety regulations could lead to negative impacts on the safety of end consumers, with particular reference to the use of household/professional appliances (blast chillers, ovens, refrigerators, etc.) produced and sold	N	P	D	Short
			Violation of safety regulations with regard to the usability of spaces (e.g. risk of sharp edges)				
		Security of a person	Any breach of product safety regulations and/or technical specifications would result in adverse impacts on end-consumer safety, specifically regarding the safe accessibility of spaces and the quality and structural integrity of the materials used	N	P	D	Short
			Failure to comply with agreed payment terms may adversely affect suppliers' liquidity, financial stability, and operational continuity — notably for SMEs — thereby undermining value chain relationship sustainability and partner trust				
Business conduct	Management of relationships with suppliers including payment practices			N	P	D	Short
	Protection of whistle-blowers		The absence or inadequacy of secure, confidential whistleblowing channels may expose workers to retaliation, prevent illicit conduct or fundamental rights violations from being reported, and compromise organisational trust, transparency and reputation	P	A	D	Short

General Disclosures (continued)

Risk and opportunities

Topic	Sub-Topic	Sub-Sub Topic	Risk-Opportunities	Risk (R) Opportunities (O)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Climate change	Energy		Diversification/integration of product portfolio oriented towards energy-saving products with consequent access to new market shares and higher revenues				
			<p>Talenta Division Production of blast chillers and blast chillers/ pizza ovens class A and B</p> <p>Horizons Division (Fabbrica, Bluesteel and Somec) Production of glass façades for civil use and ship windows with improved thermal transmittance coefficients</p>	O	P	D	Medium
Own workforce	Equal treatment and opportunities for all	Training and skills development	Disruption of professional relationships between the Company and key figures/ strategic executives could jeopardize the achievement of the Company's strategic and operational objectives with severe financial repercussions. Loyalty variables and levers include in particular the payment of appropriate salaries compared to the market or benefits or adequate welfare tools according to employees' expectations suitable to ensure their retention. Regarding the retention of strategic executives, the Group has a three-year variable incentive plan in place	R	P	D	Long

Topic	Sub-Topic	Sub-Sub Topic	Risk-Opportunities	Risk (R) Opportunities (O)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Own workforce	Working conditions	Health and safety	Risk of infliction of penalties arising from breaches of site safety regulations and, ultimately, from project delivery delays caused by occupational accidents. This risk also encompasses subcontracted activities, as pursuant to Italian Legislative Decree 494/1996, the duty of care regarding safety, which rests upon the employer, is equally incumbent upon the owner	R	P	D	Medium
			Opportunity related to the introduction of the Americans with Disabilities Act (ADA) in terms of new marketable products in the US market	O	P	D	Medium
Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety	Potential damage to image and potential refunds arising from possible violations of regulations and/or health and safety non-compliance regarding the installation of industrial kitchens for civil and naval use (e.g. risk of sharp edges)	R	P	D	Short
		Security of a person	Potential damage to image and potential refunds arising from possible violations of regulations and/or health and safety non-compliance concerning on-site installations (assembly and/or strength of doors and windows, stair fixtures, etc.) with possible harm to end users/consumers	R	P	D	Short
		Protection of children					

General Disclosures (continued)

Taking into account the IROs that emerged and once the double materiality assessment was completed, the Somec Group updated its sustainability strategy by incorporating targets and actions that were consistent with the material issues into its sustainability plan. For each matter identified as material, the Group also plans to strengthen its policies and procedures in this regard, while integrating the processes for IRO identification and analysis into current business risk. Specifically, by 2026, the Group intends to supplement the current set of group policies on sustainability with additional documents (e.g. development of a climate change mitigation policy) and draft a climate transition plan.

Regarding the value chain, based on the findings of the double materiality assessment, the Somec Group obtained further confirmation of the high value of the positive impact of its activities in terms of employment contribution and economic development in the local area. With regard to material adverse impacts across the value chain, these are predominantly environmental in nature and are attributable to greenhouse gas emissions and pollution events associated with the supply chain, particularly the procurement of raw materials such as steel, aluminium, and glass. Consideration was also given to indirect effects stemming from upstream mining activities, which may lead to soil degradation and land transformation, with potential repercussions for biodiversity.

Regarding the processes for Board of Directors engagement and decision-making on sustainability matters, reference should be made to section *IRO-1 - 53 d*.

Current financial impact arising from risks and opportunities is reported, where significant, in the comments to topical chapters. In relation to the risks and opportunities identified as material, the Somec Group did not experience any significant current financial impact on its net financial position, margins or cash flows during the reporting period. The identified risks were, in any event, considered and assessed as part of the analytical and estimation processes that informed the preparation of the financial statements.

Furthermore, at the date of publication of this Report, the ESG risks identified did not point to any elements that could suggest the existence of a significant risk of impairments or adjustments, to be made in the following financial year, of the carrying amounts of the assets and liabilities reported in the Group's consolidated financial statements.

Mitigation strategies on the main impacts and risks identified, as well as plans to seize potential opportunities, were described in detail within each topical ESRS.

During the update of the double materiality assessment, several amendments were made relative to the previous financial year, some of which have been described in the preceding sections. The most significant update concerned the exclusion of the "S3 - Affected communities" topic, following a rigorous scrutiny and reappraisal of the previously identified impact, which was ultimately found not to meet the threshold for materiality. Similarly, two impacts pertaining to the Biodiversity topic and one impact relating to the Business Conduct sub-topic were reappraised and deemed immaterial, following a more granular analysis that redefined their scope and significance.

With respect to the "S4 - Consumers and end-users" topic, the update involved a more refined breakdown of previously identified impacts: one existing impact was disaggregated into three distinct components to reflect more accurately the specificities of the Group's various business areas. A similar revision was undertaken in respect of a risk associated with the same topic.

The remaining impacts, risks, and opportunities underwent terminological refinement to enhance clarity, consistency, and alignment with their respective topics, without altering the underlying assessment.

All identified IROs were mapped to the relevant topical ESRS standards. In light of this allocation, it was determined that no entity-specific disclosures were required.

General Disclosures (continued)

Disclosures on the materiality assessment process

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

The Somec Group identified impacts, risks, and opportunities (IRO) by conducting a double materiality assessment. This assessment took into account the Company's actual or potential impact on the environment and on people, both with regard to its own activities and those carried out along the value chain (upstream and downstream).

The assessment also considered the potential financial impact on the Group deriving from environmental, social, and governance issues. Double materiality assessment is conducted following a top-down approach (i.e. assessment at consolidated level with engagement of subsidiaries on specific issues).

Each impact, risk and opportunity (IRO) was identified, addressed and assessed following the methodology proposed by EFRAG in the IG 1 Materiality Assessment guide, the purpose being to:

- Identify positive and negative IROs related to activities, business model and value chain

- Establish the severity/magnitude and probability of occurrence of the identified IROs

- Assess the materiality of each IRO identified by multiplying its severity and probability

- Relate the identified IROs to the topical ESRS to be applied.

Impact identification

The identification of impacts and their attribution to material sustainability matters was carried out by following the steps below:

- Understanding the context for impact assessment, including activities, business relationships and key stakeholders

- Reviewing the list of sustainability matters covered in the topical ESRS (ESRS 1 - AR 16)

- Identifying both positive and negative impacts by establishing a dialogue with stakeholders and experts and, where necessary, by relying on scientific and analytical research on impacts related to sustainability matters

- Conducting interviews with the Group's Executive Management

- Relying on sector benchmarks and reviewing industry sustainability standards

- Conducting a materiality assessment (rating) of its actual and potential impacts and determining material matters (issues/topics). At this stage, thresholds are adopted to determine which impacts will be material and thus addressed in sustainability reporting as part of the disclosure required by the relevant topical ESRS.

General Disclosures (continued)

Identifying Risks and Opportunities (ROs) in financial materiality assessment

The financial materiality assessment identified risks and opportunities (ROs) that generate or may generate financial impact on the Group; specifically:

- **Risks** with negative financial impact that arise from environmental, social or governance issues that may adversely affect the company's financial position, results of operations and cash flows, access to financing or cost of capital in the short, medium or long term and that may depend on negative impacts or dependencies, natural or social resources, or actions taken in relation to sustainability matters

- **Opportunities** that, if pursued, could have a material positive economic and financial effect on the company's strategy or business model, or on its ability to achieve its goals and create value

The IROs reported in the double materiality assessment were identified by analysing the Group's main activities and operations, taking into account the following aspects:

- Non-financial reporting from previous financial years

- Business unit specificities: (Horizon, Talenta, Mestieri)

- Area of application and installation of the Group's products (naval and civil)

- Breakdown of activities by geographical area (Europe and North America)

- Supply chain and customer categories of each business unit.

The activity also included consultation with impacted stakeholders through stakeholder engagement, to understand how they might be affected, as well as with external experts.

For more information, reference should be made to section *SBM-2 Interests and views of stakeholders*.

Finally, industry benchmarks and sustainability standards were also considered.

General Disclosures (continued)

Impact assessment

The impacts identified were then assessed according to their nature (actual/potential and positive/negative). Specifically, the rating of an actual impact results solely from its severity, while that of a potential impact results from its severity combined with the probability of occurrence. The severity of an actual or potential impact was assessed on a scale of 1 (least severe) to 5 (most severe) according to the following criteria:

- **Scale:** how serious is the nature of the impact itself (e.g. the extent of a violation, limitation of access to basic necessities or freedoms such as education, sustenance, etc.) or the extent of the benefits to people or the environment

- **Scope:** how widespread the positive or negative impacts are. In the case of environmental impacts, the scope can be viewed as the extent of environmental damage or a geographical area. In the case of impacts on people, the scope can be viewed as the number of people involved and affected

- **Irremediable character** (assessed only for negative impacts): whether and to what extent the identified impacts can be remedied by restoring the environment or affected people to their original state.

Assessment of financial risks and opportunities

Materiality of risks and opportunities depends on their magnitude and probability of occurrence. The magnitude was assessed on a scale from 1 (least severe) to 5 (most severe), taking into account the possible economic and financial impact in the short, medium and long term.

At the end of the process aimed at identifying, assessing and monitoring the company's actual and potential impacts on people and the environment, and further with a view to prioritising such impacts, the material issues were analysed, discussed and shared by involving an internal working group comprising representatives of the main Italian and foreign subsidiaries.

The Board of Directors of the Somec Group validated the final list of material issued through the Sustainability Report approval process. The Group manages the impacts identified by the double materiality assessment using a system of organisational delegations and functional responsibilities. Some powers are vested directly with the Board of Directors, while others are derived from powers of attorney or operational procedures.

The Board of Directors is regularly informed of ESG impacts through regulatory compliance activities related to each material topic and sub-topic (e.g., worker health and safety) and/or specific requests for updates sent by the Board of Directors itself regarding specific projects (e.g., HR management improvement projects).

The process for identifying, assessing, and managing impacts and risks is integrated into the company's overall risk management process. Material issues were thoroughly analysed taking into account the Group Risk Assessment prepared in 2022 and updated in 2025, incorporating an ESG risk assessment through a rating allocation method. This rating was then used to assess impacts from an outside-in perspective. Subsequently, this analysis was broadened to take into account the inside-out perspective, i.e. Somec Group's business impacts on the environment, people and stakeholders in general. Somec assessed the materiality of the impacts - broken down into positive, negative and actual impacts - that were identified to prioritise them and identify which related ESG issues were to be considered as material. In addition, Somec relies on a Control, Risk Management and Sustainability Committee that carries out adequate preliminary activities to support the assessments and decisions of the Board of Directors relating to the internal control and risk management system, as well as those relating to the approval of periodic financial reports and the analysis of ESG issues.

With respect to the latter, the Control Committee has been assigned the task of helping define adequate sustainability programmes as part of a policy consistent with the values pursued by the Company, interacting with the relevant Department and the Board of Directors regarding the conduct of its own activities in this respect, the purpose being to outline action plans and ensure their optimal implementation and reporting.

The data sources of the general risk analysis and double materiality process are the same, as are the scope of the operations being considered and the details used in the assumptions.

In conducting the materiality assessment, the Company considered the list of sustainability matters covered in the topical ESRS (ESRS 1 - AR 16), the megatrends, the results of the benchmarking activities carried out and the analysis of the upstream and downstream value chain and all the impacts that can be attributed to it.

A description of the policies, targets, actions, and metrics related to each material IRO identified is provided in the topical chapters.

General Disclosures (continued)

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

ESRS	DR	Description	Page	Phase in
2	BP-1	General basis for preparation of sustainability statements	37	
	BP-2	Disclosures in relation to specific circumstances	37	
	GOV-1	The role of the administrative, management and supervisory bodies	39	
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	42	
	GOV-3	Integration of sustainability-related performance in incentive schemes	43	
	GOV-4	Statement on due diligence	45	
	GOV-5	Risk management and internal controls over sustainability reporting	45	
	SBM-1	Strategy, business model and value chain	47	Phase-in
	SBM-2	Interests and views of stakeholders	55	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	56	
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	63	
	IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	66	
	MDR-P	Policies adopted to manage material sustainability matters	76	
	MDR-A	Actions and resources in relation to material sustainability matters	78	
	MDR-M	Metrics in relation to material sustainability matters	78	
	MDR-T	Tracking effectiveness of policies and actions through targets	78	

ESRS	DR	Description	Page	Phase in
E1	GOV-3	Integration of sustainability-related performance in incentive schemes	90	
	E1-1	Transition plan for climate change mitigation	90	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	90	
	IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	91	
	E1-2	Policies related to climate change mitigation and adaptation	93	
	E1-3	Actions and resources in relation to climate change policies	93	
	E1-4	Targets related to climate change mitigation and adaptation	95	
	E1-5	Energy consumption and mix	97	
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	98	
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Phase-in
E2	IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	101	
	E2-1	Policies related to pollution	102	
	E2-2	Actions and resources related to pollution	102	
	E2-3	Targets related to pollution	102	
E4	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	103	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	103	
	IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	104	
	E4-2	Policies related to biodiversity and ecosystems	105	
	E4-3	Actions and resources related to biodiversity and ecosystems	105	
	E4-4	Targets related to biodiversity and ecosystems	105	
E5	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	106	
	E5-1	Policies related to resource use and circular economy	107	
	E5-2	Actions and resources related to resource use and circular economy	107	
	E5-3	Targets related to resource use and circular economy	109	
	E5-4	Resource inflows	111	
	E5-5	Resource outflows	112	
	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		Phase-in

General Disclosures (continued)

ESRS	DR	Description	Page	Phase in
	SBM-2	Interests and views of stakeholders	114	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	114	
	S1-1	Policies related to own workforce	117	
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	118	
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	118	
	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	119	
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	122	
S1	S1-6	Characteristics of the undertaking's employees	124	
	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	125	
	S1-8	Collective bargaining coverage and social dialogue	126	
	S1-9	Diversity metrics	127	
	S1-11	Social protection		Phase-in
	S1-12	Persons with disabilities	127	
	S1-13	Training and skills development metrics	127	
	S1-14	Health and safety metrics	128	
	S1-15	Work-life balance metrics	129	
	S1-16	Compensation metrics (pay gap and total compensation)	129	
	S1-17	Incidents, complaints and severe human rights impacts	129	

ESRS	DR	Description	Page	Phase in
	SBM-2	Interests and views of stakeholders	130	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	130	
	S2-1	Policies related to value chain workers	132	
S2	S2-2	Processes for engaging with value chain workers about impacts	133	
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	133	
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	134	
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	136	
	SBM-2	Interests and views of stakeholders	138	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	138	
	S4-1	Policies related to consumers and end-users	141	
S4	S4-2	Processes for engaging with consumers and end-users about impacts	141	
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	141	
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	142	
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	144	
	GOV-1	The role of the administrative, management and supervisory bodies	146	
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	147	
G1	G1-1	Corporate culture and business conduct policies and corporate culture	148	
	G1-2	Management of relationships with suppliers	149	
	G1-6	Payment practices	150	

General Disclosures (continued)

The following table discloses the information included in this Disclosure arising from other pieces of European Union legislation than Delegated Regulation 2023/5303 on European Sustainability Reporting Standards, indicating the pages on which they are located:

Disclosure Requirement and related datapoint	SFDR reference [1]	Pillar 3 reference [2]	Benchmark Regulation reference [3]	Climate Law reference [4]	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816 [5], Annex II		39
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation		40
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 of Table #3 of Annex I				45
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) (i)	Indicator number 4 of Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 [6] Table 1 - Qualitative information on Environmental risk and Table 2 - Qualitative information on Social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) (ii)	Indicator number 9 of Table #2 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) (iii)	Indicator number 14 of Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) and Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) (iv)			Delegated Regulation (EU) 2020/1818 [7], Article 12(1) and Delegated Regulation (EU) 2020/1816, Annex II		N/A

General Disclosures (continued)

Disclosure Requirement and related datapoint	SFDR reference [1]	Pillar 3 reference [2]	Benchmark Regulation reference [3]	Climate Law reference [4]	Page
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	91
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12 (1) (d) to (g), and Article 12 (2)		N/A
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 of Table #2 of Annex I	Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate Change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		N/A
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator number 5 of Table #1 of Annex I and Indicator number 5 of Table #2 of Annex I				97
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator number 5 of Table #1 of Annex				97
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Indicator number 6 of Table #1 of Annex I				98

General Disclosures (continued)

Disclosure Requirement and related datapoint	SFDR reference [1]	Pillar 3 reference [2]	Benchmark Regulation reference [3]	Climate Law reference [4]	Page
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Indicators No. 1 and 2 of Table #1 of Annex I	Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		98
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 of Table #1 of Annex I	Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate Change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		100
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	N/A
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II, and Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			N/A

General Disclosures (continued)

Disclosure Requirement and related datapoint	SFDR reference [1]	Pillar 3 reference [2]	Benchmark Regulation reference [3]	Climate Law reference [4]	Page
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			N/A
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		N/A
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex I; Indicator number 2 Table #2 of Annex I; Indicator number 1 Table #2 of Annex I; Indicator number 3 Table #2 of Annex I				N/A
SRS E3-1 Water and marine resources, paragraph 9	Indicator number 7 of Table #2 of Annex I				N/A
ESRS E3-1 Dedicated policy, paragraph 13	Indicator number 8 of Table #2 of Annex I				N/A
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator number 12 of Table #2 of Annex I				N/A
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	Indicator number 6.2 of Table #2 of Annex I				N/A
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	Indicator number 6.1 of Table #2 of Annex I				N/A
ESRS 2 IRO 1 - E4 paragraph 16 (a) (i)	Indicator number 7 of Table #1 of Annex I				N/A

General Disclosures (continued)

Disclosure Requirement and related datapoint	SFDR reference [1]	Pillar 3 reference [2]	Benchmark Regulation reference [3]	Climate Law reference [4]	Page
ESRS 2 IRO 1 - E4 paragraph 16 (b)	Indicator number 10 of Table #2 of Annex I				N/A
ESRS 2 IRO 1 - E4 paragraph 16 (c)	Indicator number 14 of Table #2 of Annex I				N/A
SRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24 (b)	Indicator number 11 of Table #2 of Annex I				N/A
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	Indicator number 12 of Table #2 of Annex I				N/A
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Indicator number 15 of Table #2 of Annex I				N/A
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Indicator number 13 of Table #2 of Annex I				112
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator number 9 of Table #1 of Annex I				112
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour, paragraph 14 (f)	Indicator number 13 of Table #3 of Annex I				114
ESRS 2 - SBM3 - S1 Risk of incidents of child labour, paragraph 14 (g)	Indicator number 12 of Table #3 of Annex I				114
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator number 9 of Table #3 of Annex I and Indicator number 11 of Table #1 of Annex I				N/A
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		N/A

General Disclosures (continued)

Disclosure Requirement and related datapoint	SFDR reference [1]	Pillar 3 reference [2]	Benchmark Regulation reference [3]	Climate Law reference [4]	Page
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator number 11 of Table #3 of Annex I				N/A
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator number 1 of Table #3 of Annex I				N/A
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator number 5 of Table #3 of Annex I				118
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Indicator number 2 of Table #3 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		128
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator number 3 of Table #3 of Annex I				128
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Indicator number 12 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		129
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	Indicator number 8 of Table #3 of Annex I				129
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator number 7 of Table #3 of Annex I				129
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 of Table #1 of Annex I and Indicator number 14 of Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, and Delegated Regulation (EU) 2020/1818 Article 12 (1)		129

General Disclosures (continued)

Disclosure Requirement and related datapoint	SFDR reference [1]	Pillar 3 reference [2]	Benchmark Regulation reference [3]	Climate Law reference [4]	Page
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Indicators No. 12 and 13 of Table #3 of Annex I				130
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator number 9 of Table #3 of Annex I and Indicator number 11 of Table #1 of Annex I				N/A
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators No. 11 and 4 of Table #3 of Annex I				132
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Indicator number 10 of Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, and Delegated Regulation (EU) 2020/1818, Article 12 (1)		N/A
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator number 14 of Table #3 of Annex I				135
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator number 9 of Table #3 of Annex I and Indicator number 11 of Table #1 of Annex I				N/A
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	Indicator number 10 of Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, and Delegated Regulation (EU) 2020/1818, Article 12 (1)		N/A
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator number 14 of Table #3 of Annex I				N/A

General Disclosures (continued)

Disclosure Requirement and related datapoint	SFDR reference [1]	Pillar 3 reference [2]	Benchmark Regulation reference [3]	Climate Law reference [4]	Page
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator number 9 of Table #3 of Annex I and Indicator number 11 of Table #1 of Annex I				141
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Indicator number 10 of Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, and Delegated Regulation (EU) 2020/1818, Article 12 (1)		N/A
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator number 14 of Table #3 of Annex I				N/A
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	Indicator number 15 of Table #3 of Annex I				N/A
ESRS G1-1 Protection of whistle-blowers, paragraph 10 (d)	Indicator number 6 of Table #3 of Annex I				148
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	Indicator number 17 of Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)	Indicator number 16 of Table #3 of Annex I				N/A

[1] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (GU L 317 of 9.12.2019, page 1).

[2] Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (Capital Requirements Regulation "CRR") (GU L 176 of 27.6.2013, page 1).

[3] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (GU L 171 of 29.6.2016, page 1).

[4] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No. 401/2009 and (EU) 2018/1999 ('European Climate Law') (GU L 243 of 9.7.2021, page 1).

[5] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (GU L 406 of 3.12.2020, page 1).

[6] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (GU L 324 of 19.12.2022, page 1).

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

General Disclosures (continued)

MDR-P

Policies adopted to manage material sustainability matters

Policy	Description of key concepts	Scope of policy	Accountable for implementation	Internationally recognised instruments	Availability
Environmental policy	Undertakes to assess the current and potential impact of its activities (prevention principle)	Somec Group	Board of Directors	UNI EN ISO 14001:2015 standard; Rio Declaration on Environment and Development; 2015 Paris Agreement; Directive 2009/28 of the European Parliament and of the Council of 23/04/2009 on the promotion of energy from renewable sources, as amended by Directive 2015/1513/EC; Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of 14/06/2006 on shipments of waste; Directive (EU) 2015/1513 of 09/09/2015 on the quality of gasoline and diesel fuel amending Directive 2009/28/EC	Company's website www.somecgruppo.com/en/governance-documents
	Encourages the development of initiatives that progressively decrease the environmental impact of its activities				
	Key environmental objectives: (I) energy efficiency and climate change; (II) waste management; (III) air emissions; (IV) materials consumption; (V) water discharges				
	Commits to making relevant information on environmental aspects and impacts public through sustainability reporting				
Sustainability policy	Defines a set of operating principles that can be divided among the areas of Environment, Governance and Social	Somec Group	Board of Directors		Company's website www.somecgruppo.com/en/governance-documents
	Monitoring and control of qualitative and quantitative data as key indicators of sustainability				
	Involvement of stakeholders aimed at defining methodologies, programs and operating instructions				
Health & Safety policy	Ensure a safe and healthy work environment for employees, non-employee workers, visitors and the environment	Somec Group	Board of Directors		Company's website www.somecgruppo.com/en/governance-documents
	Committing to comply with health and safety legislation, regulations and best practices				
	Preventing workplace accidents through risk assessment, training, proper use of PPE, accident reporting and related corrective actions				
Human Rights policy	Ensures respect for human rights by ensuring (I) valuing diversity/non-discrimination; (II) adequate working conditions; (III) combating forced labor and human trafficking; (IV) adequate working hours, wages, and benefits; and (V) prohibiting the hiring of underage workers; (VI) health & safety in the workplace; (VII) freedom of association and collective bargaining; (VIII) right to privacy	Somec Group	Board of Directors	United Nations Universal Declaration of Human Rights; United Nations Convention on the Rights of the Child; International Labour Organization Declaration on Fundamental Principles and Rights at Work, and subsequent relevant Conventions European Convention on Human Rights	Company's website www.somecgruppo.com/en/governance-documents
	Provides grievance tools				

General Disclosures (continued)

Policy	Description of key concepts	Scope of policy	Accountable for implementation	Internationally recognised instruments	Availability
Workforce Diversity & Inclusion policy	<p>Ensures equal opportunities for all</p> <p>Recognizes and respects individual identities</p> <p>Builds a culture that is inclusive and rewards everyone's merit</p> <p>Ensures a workplace with procedures and practices free of intentional or unintentional barriers</p>	Somec Group	Board of Directors		Company's website www.somecgruppocom/en/governance-documents
Code of Ethics	<p>It configures the following as the Group's ethical principles: (I) Legality understood as compliance with applicable laws and commonly accepted international ethical principles; (II) transparency, fairness and loyalty; (III) professionalism; (IV) immediate disclosure of any conflicts of interest; (V) environmental protection; (VI) protection of competition; (VII) safety of the working environment; (VIII) protection of individual personality and physical integrity of individuals; (IX) protection of privacy</p> <p>Defines the standards of conduct to be applied in business and in the workplace (e.g., in personnel selection and management or the protection of corporate assets)</p>	Somec Group	Supervisory Board		Company's website www.somecgruppocom/en/internal-controls
Whistleblowing	<p>Provides a secure and confidential reporting channel for employees and stakeholders to report: (I) suspected misconduct; (II) unethical behavior; (III) violations of law</p> <p>Ensures that all reports are: (I) thoroughly investigated; (II) handled with the utmost confidentiality</p> <p>Prohibits retaliatory or discriminatory acts against whistleblowers</p>	Top management, members of corporate bodies, employees, non-employees working on behalf of Somec and under its control/direction, all third parties	Legal / Supervisory Board	2019/1937 EU Whistleblowing Directive - Legislative Decree 24/2023 in Official Gazette March 15, 2023	Company's website www.somecgruppocom/en/internal-controls
Anti-bribery Policy	Regulates behaviors to be maintained and avoided within the departments most vulnerable to cases of active and passive corruption	Somec Group	Legal / Supervisory Board		Company's website www.somecgruppocom/en/governance-documents

General Disclosures (continued)

MDR-A

Actions and resources in relation to material sustainability matters

Actions related to relevant sustainability issues that have emerged are detailed within each topical ESRS, also refer to *ESRS 2* paragraph *SBM-1 Strategy, business model and value chain* for more information related to Somec Group's Sustainability Plan 2024-2030.

Metrics and targets

MDR-M

Metrics in relation to material sustainability matters

The metrics used are those defined by the various topical ESRSs. It is specified that the metrics have not been validated by an external body.

MDR-T

Tracking effectiveness of policies and actions through targets

The monitoring of the effectiveness of policies and actions through targets is entrusted to the relevant function under the supervision and coordination of the Group Sustainability Manager; the establishment of a Sustainability Committee to oversee the process and the stage of achievement of targets is planned for the future. Please also refer to *ESRS 2 SBM-1* for more information regarding the Somec Group's Sustainability Plan 2024-2030.

Within the individual topical ESRSs are the target and monitoring KPIs established by the Group with reference to each planned sustainability action.

Environment



EU Taxonomy

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

In line with the strategic objectives of the European Green Deal, the European Union has introduced a specific Taxonomy through Regulation (EU) 2020/852 (hereinafter the "Regulation" or "Taxonomy").

The Taxonomy establishes a European classification system for economic activities considered "environmentally sustainable" in relation to their material contribution to at least one of the six climate and environmental objectives defined in Article 9 of the Regulation:

1.

CCM

Climate Change Mitigation

Target: stabilisation of greenhouse gas concentrations in the atmosphere at the level that prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement

2.

CCA

Climate Change Adaptation

Target: substantially reduce the risk of adverse impact of the current climate and the expected future climate on that economic activity, people, nature or assets

3.

WTR

Water & Marine Resources

Target: achieve the good status of water bodies, including surface water and groundwater or prevent the deterioration of bodies of water that already have good status and/or achieve the good environmental status of marine waters and/or prevent the deterioration of marine waters

4.

CE

Circular Economy

Target: use natural resources more efficiently by reducing the use of primary raw materials and increasing the durability, reparability, upgradability or reusability and recyclability of products

5.

PPC

Pollution Prevention and Control

Target: reduce pollutant emissions into air, water or land, other than greenhouse gases, while minimising any adverse impact on human health and the environment

6.

BIO

Biodiversity and ecosystems

Target: protect, conserve or restore biodiversity and/or achieve the good condition of ecosystems, and/or protect ecosystems that are already in good condition

EU Taxonomy (continued)

According to Article 3 of the Regulation, an economic activity qualifies as environmentally sustainable ("aligned") when:

- **It contributes in a concrete way to at least one of the six objectives** defined in Article 9 of the Regulation
- **It does not have a significant negative impact (Do No Significant Harm - DNSH)** on any of the six objectives stated in Article 9
- **It is undertaken in compliance with the minimum guarantees for the protection of human and workers' rights**, provided for in Article 18 of the Regulation, and recognising the importance of international rights and standards (including OECD, UN, the International Labour Organisation and the International Charter of Human Rights).

The practical application of the EU Taxonomy Regulation, as well as the operational details required for its implementation, are set out in the following Delegated Regulations:

- Delegated Regulation (EU) 2021/2139 of 4 June 2021 as amended by Delegated Regulation (EU) 2023/2485 of 27 June 2023 - "Climate Delegated Act": it sets criteria for activities contributing to climate change adaptation and mitigation targets. These criteria define which economic activities qualify as sustainable for the reduction of greenhouse gas emissions and/or business adaptation to the effects of climate change
- Delegated Regulation (EU) 2021/2178 - "Disclosure Delegated Act": it regulates disclosure content and presentation and requirement in compliance with the EU Taxonomy Regulation
- Complementary Climate Delegated Act: establishes the economic activities in the Gas and Nuclear sectors that can play a role in the transition towards climate change mitigation and adaptation targets

- Delegated Regulation (EU) 2023/2486 of 2 June 2023 - "Environment Delegated Act": defines the technical criteria for determining the contribution of an activity to the targets of "Sustainable use and protection of water and marine resources", "Transition to circular economy", "Pollution prevention and reduction" and "Protection and restoration of biodiversity and ecosystems"
- Commission Delegated Regulation (EU) 2026/73, adopted by the European Commission on 4 July 2025 and published in the Official Journal of the European Union on 8 January 2026: this regulation streamlines reporting obligations by reducing data disclosure requirements and introducing the materiality threshold concept; it further amends certain technical screening criteria and revises several "Do No Significant Harm" (DNSH) criteria, specifically those pertaining to pollution prevention and control.

The EU Taxonomy Regulation stipulates that eligible activities identified against the relevant technical screening criteria must undergo an assessment to determine their alignment with the performance requirements established in the Delegated Acts. The procedure for providing such disclosure as required under Article 8 of the Taxonomy are set out in Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2026/73. For the financial year spanning 1 January to 31 December 2025, having the option to adopt the newly introduced simplified framework or adhere to the existing requirements, the Somec Group elected to maintain the reporting templates set out in the provisions of **Delegated Regulation (EU) 2021/2178**.

According to the provisions of the CSRD (Corporate Sustainability Reporting Directive) and Article 8 of the Taxonomy, companies listed on regulated markets in the European Union, which are required to draw up Sustainability Reports, are subject to the provisions of transparency regarding environmentally sustainable activities by publishing three key performance indicators (KPIs) in terms of Turnover, Capital Expenditure (CapEx) and Operating Costs (OpEx).

EU Taxonomy (continued)

Evaluation of eligible activities of the Somec Group

From a methodology perspective, the Somec Group conducted an analysis of the activities carried out by the business units and the individual subsidiaries. This analysis was used to identify which of these activities could fall under one or more activities included in the Delegated Regulations in view of the nature of the business or the applicable NACE code. The activities so identified were then related to their respective taxonomy targets to proceed with the assessment of possible alignment.

Based on the results of the eligibility analysis conducted, the following activities were found to be eligible for the 'Climate Change Mitigation' target with regard to certain Group companies:

3.5 Manufacture of energy efficiency equipment for buildings

7.3 Installation, maintenance and repair of energy efficiency equipment

6.5 Transport by motorbikes, cars and commercial vehicles

In relation to the activity "3.5 - Manufacture of energy efficiency equipment for buildings", the analysis showed that the companies shown below engage in sectors that can be related to the activity description:

- GICO, as it operates in the professional kitchen sector and in the manufacturing of professional ovens

- Pizza Group and Pizza Group USA, which manufacture professional appliances for bread and pizza making, including ovens, spiral mixers, dough moulders and dough rollers

- Fabbrica, Fabbrica Works and Bluesteel, in respect of which the production of windows, glazed envelopes and doors was assessed.

The analysis also showed that according to NACE (25.12) the business is, in principle, also attributable to Somec Navale. However, as the company engages solely in the boat sector and further in the light of the clarifications set out in point 18 of Commission Communication C/2023/305 ("Second Communication"), its activity was considered as not eligible.

Activity "7.3 - Installation, maintenance and repair of energy efficiency equipment" is carried out by the following Group companies:

- Fabbrica, Bluesteel and Bluesteel UK, engaging in the installation of windows, glazed envelopes and doors.

In relation to activity "6.5 - Transport by motorbikes, passenger cars and light commercial vehicles", investment made by the following Group companies was identified:

- Somec, Oxin, Mestieri, Pizza Group, Pizza Group USA, Budri, Gino Ceolin, Fabbrica Works and TSI, during the period under review they entered into rental and leasing contracts for motor vehicles in categories M1 and N1 for a total amount of 1,179 thousand Euro.

With reference to activity "6.12 - Retrofitting of sea and coastal freight and passenger water transport" (associated with NACE code 33.15 and identified within Somec Sintesi and Navaltech), and therefore deemed potentially eligible, the Group has assessed that these subsidiaries are not directly tasked with the execution of the activity itself, but rather act as suppliers to operators engaged in refitting operations.

Therefore, given the qualitative analysis of the business, there is no basis for determining, in the current wording of the business, the eligibility of their respective turnovers.

EU Taxonomy (continued)

Assessment of aligned activities of the Somec Group

To complete the analysis of the activities, the Group carried out an alignment analysis of the activities identified as eligible.

The assessment carried out entailed an in-depth examination of compliance with the technical screening criteria required under the delegated regulations in order to determine the effective contribution (known as substantial contribution) of the activities to one or more of the targets set forth in the EU Taxonomy (Article 9), compliance with the Do No Significant Harm - "DNSH" principle (Article 17) and the minimum safeguard guarantees under Article 18 according to the procedures set out in Article 3 of the Regulation.

Some Companies pointed out elements that could be instrumental in fulfilling the substantial contribution criteria, in particular with regard to the production of windows, glazed envelopes and doors for civil use.

However, the information currently available does not make it possible to rely on evidence to support, and consequently prove, compliance with the **Do No Significant Harm - "DNSH"** - principle pertaining to the climate change adaptation and biodiversity protection and restoration targets, in accordance with the provisions set out in Annexes (A) and (D) to the Regulation, respectively.

Furthermore, although compliance with the Minimum Social Safeguards (MSS) is considered to be included in the provisions set out in the Code of Ethics, the Policies disclosed at the Group level, and through a reporting system based on transparency whereby significant cases of violation are flagged, it was not formally supported by specific Ethics Audits.

The Group is considering the launch of a specific assessment process aimed at supporting compliance with the minimum safeguards.

In the light of the above, the Somec Group therefore assessed the activities included in the EU Taxonomy list as eligible only, without identifying any cases of alignment.

EU Taxonomy (continued)

Accounting Policy

In accordance with the directives outlined in Annex I of Delegated Act 2178/2021, the economic and financial data necessary for calculating and reporting Turnover, CapEx, and OpEx KPIs were retrieved from the Somec Group's general accounting and analytical accounting systems. This section explains how the indicators were calculated in accordance with the relevant Delegated Act.

In calculating the Turnover share, the ratio of the portion of net revenues obtained from the sale of products or services associated with eligible economic activities and/or aligned with the Taxonomy (numerator) to the Group's net revenues (denominator) was considered.

The revenues taken into account in determining the numerator and denominator figures comply with the requirements of IAS 1.82(a). In defining the revenues used to calculate the indicator, intercompany transactions were also written off to prevent them from being considered two or more times.

The calculation of the Capex indicator considered, on the denominator side, the investments made during the financial year and held under intangible assets, tangible assets and right-of-use assets in the consolidated financial statements before the related amortisation, depreciation, write-downs and/or write-ups, including those deriving from restatements and impairments, for the financial year under review, excluding changes in fair value.

On the numerator side, the shares of investments that met the following conditions were included:

- They are related to assets or processes associated with taxonomy eligible and/or aligned economic activities (Type A CapEx)
- They form part of a plan to expand taxonomy eligible and/or aligned economic activities or to enable eligible economic activities to be aligned with the Taxonomy (Type B CapEx)
- They are related to the purchase of products deriving from taxonomy eligible and/or aligned economic activities and to individual measures that enable the target activities to achieve low carbon emissions or greenhouse gas savings, with special reference to the activities listed under 7.3 to 7.6 of the Delegated Act on climate, as well as other economic activities listed in the Delegated Acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, provided that these measures are implemented and made operational within 18 months (Type C CapEx).

Furthermore, with regard to investments instrumental in the conduct of more than one activity included in the Turnover indicator – notably with reference to the manufacture and installation of windows, glazed envelopes and doors – the Group assessed that its CapEx was entirely instrumental in the conduct of the manufacturing activity.

The “Operating expenses (OpEx)” indicator takes into account, on the denominator side, the sum of the operating costs associated with research and development, building renovation and/or refurbishment measures, short-term leases, the daily maintenance of property, plant and equipment, whether carried out by the company or by third parties, necessary to ensure the continuous and effective functioning of these activities.

On the numerator side, the operating costs that met one of the following conditions were included:

- They are related to assets or processes associated with taxonomy eligible and/or aligned economic activities, including training and other human resource adaptation needs, as well as direct non-capitalised research and development costs

EU Taxonomy (continued)

- They are related to the purchase of products deriving from taxonomy eligible and/or aligned economic activities and to individual measures that enable the target activities to achieve low carbon emissions or greenhouse gas savings, as well as to individual building renovation measures identified in Delegated Acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852, provided that these measures are implemented and made operational within 18 months.

It is also specified that the following cost items were excluded from the calculation of the OpEx indicator, as set out in the FAQs published by the European Commission (ref. 2022/C 385/01):

- Allocation of indirect costs

- Costs for raw materials

- Labour costs for personnel involved in the operation of any machinery

- R&D project management costs

- Electricity, fluids or reagents required for the operation of property, plant and equipment.

To identify the costs falling under OpEx, an analysis of the Group's chart of accounts was performed. This analysis made it possible to identify specific line items that may be associated with the aforementioned cost items.

With regard to research and development endeavours, specific cost centres dedicated to these activities were identified through an analytical accounting analysis.

The main cost items in the R&D cost centres relate to employees. Any cost items that were already included in the line items considered at the chart of accounts level were excluded from the analysis.

It is also worth noting that the Group did not recognise development costs, as defined in IAS 38, as intangible assets during the financial year.

EU Taxonomy (continued)

Share of Turnover/Total Turnover

	Aligned to taxonomy by objective	Eligible for taxonomy by objective
CCM	0%	34%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

EU Taxonomy (continued)

Share of CapEx/CapEx totals

	Aligned to taxonomy by objective	Eligible for taxonomy by objective
CCM	0%	38%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Opex indicator

When calculating the indicator for operating expenses, the Group recognised a denominator of 7,345 thousand Euro and compared this figure with total operating costs of 353,356 thousand Euro. In view of the weight of the denominator value (i.e. less than 5%), it was not deemed necessary to proceed with a detailed reporting of Opex for the purposes of the EU Taxonomy, in accordance with paragraph 1.1.3 of Delegated Regulation (EU) 2021/2178.

The assessment was carried out on the basis of the provisions contained in Delegated Act 2021/2178 (paragraphs 1.1.3.1. "Denominator" and 1.1.3.2 "Numerator").

In addition, account was taken of the guidance provided in the European Commission's Communication C/2023/305 - Second Commission Communication - under paragraph 13.

Nuclear and fossil gas related activities

In compliance with the disclosure required by Article 8(6) and (7) of Delegated Regulation 2022/1214, which requires the use of the templates provided in Annex XII, the Template, Template 1 - Nuclear and fossil gas related activities follows.

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

E1 Climate change

Governance

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

Please refer to chapter *ESRS 2*, paragraph *GOV-3*, *Integration of sustainability-related performance in incentive schemes*.

Strategy

E1-1 Transition plan for climate change mitigation

The Somec Group did not prepare a transition plan for climate change mitigation in 2025.

However, targets that relate to *ESRS E1* set out in section *E1-4 Targets related to climate change mitigation and adaptation* are applicable.

The Group plans to prepare a Transition Plan by the end of the financial year 2026.

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

In 2025, the Somec Group assessed the potential climate-related impacts, risks, and opportunities as part of the double materiality assessment conducted in accordance with the Corporate Sustainability Reporting Directive (CSRD). The assessment considered both potential physical climate-related risks and transition risks, accounting for the Group's operational characteristics and the structure of its supply chain. Following the assessment, no material climate-related risks were identified for the Group, whether physical or transitional in nature.

Given the absence of material climate-related risks arising from the double materiality assessment, the Group did not undertake a formal analysis of the resilience of its strategy and business model to climate change during 2025.

Based on the information available and the qualitative assessments performed as part of the double materiality process, no factors were identified to suggest material vulnerabilities to the continuity of the business model over the short or medium term in relation to climate change.

The Group will continue to monitor the evolving regulatory and market landscape concerning the climate transition and will evaluate the appropriateness of undertaking more structured resilience analyses in future iterations of its double materiality assessment.

E1 Climate change (continued)

Impact, risk and opportunity management

IRO-1

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

Below are the IROs related to climate change that were identified during the double materiality assessment:

Impacts

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Climate change	Energy		Development of new products engineered to enhance energy efficiency (e.g., blast chillers and refrigerators, pizza ovens rated in energy classes A and B, and façade glazing featuring superior thermal transmittance coefficients), resulting in a reduction of greenhouse gas emissions in alignment with sustainability targets established at the European level and under major international agreements and treaties	P	A	D	Medium
			Insufficient and/or limited investment in renewables (reduced purchases from clean energy producers) and in energy-saving measures lead to negative impacts in terms of higher GHG emissions and global warming	N	A	D	Medium
	Climate change mitigation		Upstream steel supply: Negative impacts on climate change due to GHG emissions generated by activities along its own (upstream) steel supply chain (main raw material used in Horizons and Talenta business units)	N	A	I	Short
			Upstream aluminium and glass supply: Negative climate change impacts in terms of GHG emissions generated by activities along its aluminium (one of the main raw materials used by Horizons business unit) and glass supply chain	N	A	I	Short
			Upstream raw material supply: GHG emissions generated by transport necessary for the procurement and distribution of raw materials	N	A	I	Short
			Upstream cement supply: GHG emissions generated by transport required for cement procurement and production	N	A	I	Short

E1 Climate change (continued)

Risks and opportunities

The process used to identify environmental impact, risks and opportunities related to climate change is described in Chapter ESRS 2, section IRO-1 - Description of the processes to identify and assess material impact, risks and opportunities. In particular, to detect climate change impact, the Group's GHG emissions and energy consumption were analysed in relation to the type of production processes and the nature of the business, mainly consisting of assembly and installation and project management activities.

In addition, the activities of the Group's main strategic material suppliers were examined with regard to operations along the upstream value chain, chiefly metals and glass, which are the main raw materials used by Horizons, Talenta and Mestieri business units. With regard to climate-related transition risks, the Group performed a qualitative assessment of potential exposures over the short, medium, and long term, considering transition event examples commonly employed in international reference frameworks, including those proposed by the Task Force on Climate-related Financial Disclosures (TCFD).

The analysis examined the Group's principal assets, operating activities, and business units to establish potential exposure to factors such as regulatory developments, technological shifts, market dynamics, and stakeholder expectations associated with the climate transition.

With regard to climate-related physical risks, Somec has assessed the potential exposure of its operating activities and key value chain elements to climate hazards, in accordance with the classifications set out in Delegated Regulation (EU) 2021/2139 of the Commission. Specifically, the assessment considered the:

- Primary climate hazards potentially material over the short, medium, and long term
- Potential exposure and sensitivity of corporate assets and operations to such hazards, factoring in the geographical distribution of the Group's operational sites across Europe and the United States
- Potential impacts across the value chain, assessing any economic or operational dependencies that could give rise to indirect financial effects.

The assessment of climate-related risks was conducted using a qualitative approach – based on available information – the Group's operational characteristics, and the geographical distribution of its activities.

No specific climate projections were utilized within the scope of this assessment, as the double materiality assessment identified no material climate-related risks – whether physical or transitional – for the Group.

With regard to climate transition opportunities, the Group has identified the potential development of energy-efficient solutions and products; these are poised to reduce end-customers' energy consumption while simultaneously unlocking new commercial avenues and access to expanding markets.

The Group will continue to monitor the evolving regulatory, technological, and market landscape regarding the climate transition, periodically updating its assessments as part of future double materiality assessment cycles.

Topic	Sub-Topic	Sub-Sub Topic	Risk Opportunities	Risk (R) Opportunity (O)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Climate change	Energy		Diversification/integration of product portfolio oriented towards energy-saving products with consequent access to new market shares and higher revenues				Medium
			TALENTA BU Production of blast chillers and blast chillers/ pizza ovens class A and B	O	P	D	
			HORIZON BU (Fabbrica, Bluesteel and Somec) Production of glass façades for civil use and ship windows with improved thermal transmittance coefficients				

E1 Climate change (continued)

E1-2 Policies related to climate change mitigation and adaptation

Although there is no specific policy in place for climate change mitigation and adaptation, the Environmental Policy, the Sustainability Policy, and the strategies adopted are designed to ensure continuous improvement of the management of environmental aspects. The primary focus is on compliance with the Laws and Regulations of the countries in which the Group operates and based on the guidelines contained in international standards.

For more information, reference should be made to Chapter *ESRS 2*, section *MDR-P Policies adopted to manage material sustainability matters*.

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

The approach adopted by the Somec Group towards climate impact mitigation centres on rolling out initiatives aimed at enhancing energy efficiency and streamlining manufacturing processes. These initiatives form part of the broader strategy for managing and mitigating the greenhouse gas (GHG) emissions associated with the Group's operations.

While acknowledging that the Group's business model is not inherently energy-intensive compared to other industrial sectors, the organisation nonetheless maintains a proactive stance focused on curbing energy consumption and its associated emissions.

This commitment involves seeking technical and organisational solutions that favour reliance on the best available techniques (BAT) and the implementation of structured environmental management systems.

In this connection, the Group has started to progressively extend the ISO 14001 Environmental Management System — already established at Parent Company level — to its subsidiaries, the underlying goal being to increase environmental metrics monitoring, energy consumption management, and the continuous enhancement of environmental performance.

On the energy side, Talenta business unit achieved its target of 100% electricity supply from renewable sources.

Key initiatives further include the onsite generation of renewable energy. Specifically, several Group companies — including Budri, Gico, and Gino Ceolin — continued to generate a portion of their onsite electricity requirements throughout 2025 using photovoltaic systems installed at their production facilities, thereby reducing reliance on fossil fuels. At the same time, the Group promotes the procurement of renewable electricity by purchasing energy certified by Guarantees of Origin (GOs), which attest to its derivation from renewable sources.

This decision facilitates the progressive decarbonisation of the Group's indirect energy consumption. Renewable fuel consumption across our production sites stems primarily from biomass-generated electricity.

Underscoring our commitment to more efficient engines, the transition of the corporate fleet towards more sustainable mobility continued throughout 2025, with the introduction of six hybrid vehicles intended to phase out existing petrol and diesel models. These measures form part of a broader fleet renewal programme aimed at reducing the environmental footprint of corporate vehicles.

With respect to the Capex line item within the Taxonomy section — to which reference should be made for further detail — it should be noted that the investments associated with these measures are not classified as aligned.

E1 Climate change (continued)

Technical specifications of the Group's installed products and solutions further bolster climate change mitigation efforts. Specifically, a portion of the turnover generated by Fabbrica and Bluesteel stems from the assembly and installation of curtain walling. These systems feature low thermal transmittance, enhancing the energy efficiency of the host buildings while reducing overall heating and cooling demands.

From a production process standpoint, and as part of initiatives to cut down the organisation's carbon footprint, Talenta business unit has met its target of transitioning exclusively to low-impact refrigerants, phasing out those with a higher Global Warming Potential (GWP).

To date, the aggregate impact of these measures has yet to be assessed in terms of their specific contribution to greenhouse gas reduction.

A more granular assessment of the quantitative impact will be conducted during the development of the Group's climate transition plan, which will systematically align implemented actions with emission reduction targets.

Lastly, to bolster monitoring and reporting of climate-altering emissions, the Group has embarked on a significant refinement of its Scope 3 calculation methodology, effective from the 2025 reporting period.

This process entailed expanding the scope of activities and categories reported as well as revising certain prior estimates, underpinned by more granular data and enhanced methodological assumptions.

This methodological update enhances the accuracy and granularity of the Group's overall carbon footprint while facilitating the identification of further decarbonisation opportunities across the value chain.

E1 Climate change (continued)

Metrics and targets

E1-4

Targets related to climate change mitigation and adaptation

The Somec Group is aware of the deep interconnection between the environmental, social and economic dimensions of sustainability.

This is why it is sensitive to environmental issues and the management of the impacts associated with its activities. To this end, the Group maintains a keen focus on the specific operating contexts of its consolidated entities, encouraging the adoption of an increasingly holistic approach to environmental management.

Parent company Somec S.p.A. — Certified to ISO 14001 — acts as a blueprint for the group-wide rollout of environmental management systems and practices. With this in mind, Somec is committed to the progressive transfer and reinforcement of environmental culture and awareness across all Group companies, championing an increasingly informed and responsible approach to managing environmental impacts.

Target-related initiative	Target (MDR-T 80 b)	Baseline (MDR-T, 80d) and monitoring KPI	Target Year (MDR-T 80 e)	Perimeter (MDR-T 80 c) Horizons (H) Talenta (T) Mestieri (M)
<p>Initiative 1: Increase in turnover volumes glass facades with thermal transmission coefficient < 1 W/M2k compared to total turnover Horizon division (civil)</p> <p>Initiative 2: Increase in turnover volumes referring to products in energy class A and B compared to total turnover Talenta division</p> <p>Cold (Primax - Inoxtrend) 100 % New and positive cold range products (refrigerators, NOT freezers) in class A</p> <p>Warm: (GICO - Pizza Group) Evaluation of all Class A top sellers products according to test as per regulatory reference</p>	Development of new energy efficiency and emission reduction solutions for products and services	<p>December 2024</p> <p>Initiative 1: 35%</p> <p>Initiative 2: Feasibility study</p> <p>Cold Introduced polyol in Primax: based on testing conducted and self-declaration (no energy class validation required), products result in Class A (possibly extendable to cabinets)</p> <p>Warm Ongoing study</p>	<p>2026</p> <p>Achievement of the target is also related to the specific demands of the market, especially of civil orders</p>	H-T
Preparation of a climate transition plan	Reducing GHG emissions through new levers of decarbonization	December 2024	2026	H-T-M
<p>Fabbrica, Budri Reduction of 3/5% of kWh of hall/production area through building upgrades (re-lamping)</p> <p>Talenta, Budri, Fabbrica, Oxin Purchase of more efficient machinery</p>	Efficiency of production processes and incorporation of more energy-efficient machinery	December 2024	2026	H-T-M

E1 Climate change (continued)

Target-related initiative	Target (MDR-T.80 b)	Baseline (MDR-T.80d) and monitoring KPI	Target Year (MDR-T.80 e)	Perimeter (MDR-T.80 c) Horizons (H) Talenta (T) Mestieri (M)
Increasing renewable energy sources	Qualitative objective on/off: feasibility assessment (analysis and study) for installation of new renewable energy production facilities. Under evaluation installation of Somec Naval 2027 photovoltaic system	December 2024	2027	H-T
Reducing Scope 2 emissions by purchasing (100%) green energy from certified producers following feasibility study	100% electricity purchased from renewable sources/ total EE purchased	December 2024 Group: 56% electricity with guarantee of origin purchased from renewable sources/total EE purchased Talenta Division Target already achieved	Group-wide by 2030	H-T-M
Analysis, efficiency and rationalization of outbound transportation	Qualitative objective on/off: Analysis and study (Somec Naval) quantitative target not yet defined	December 2024	2026	H

The aforementioned targets align with the environmental and sustainability policies adopted by the Somec Group and contribute to the implementation of the principles and commitments defined therein. Specifically, targets relating to the development of high energy-efficiency solutions, the reduction of product and service-related emissions, the preparation of a climate transition plan, and the analysis of outbound logistics fall within the framework of the Sustainability Policy, which promotes environmental performance monitoring and the integration of sustainability criteria into operational and decision-making processes.

Targets relating to the energy efficiency of production processes, the reduction of energy consumption, the increased use of renewable energy, and the mitigation of Scope 2 emissions are directly addressed within the Environmental Policy. This document mandates a commitment to continuous improvement in environmental performance and the reduction of impacts arising from the Group's operations.

With reference to the identified targets, it should be noted that while these are collectively aimed at reducing greenhouse gas emissions through various levers — including the progressive substitution of high-emission materials, the energy efficiency of production processes, and the increasing use of renewable energy — no specific quantitative targets, expressed in terms of absolute tonnes of CO₂ equivalent or percentage emission reductions, have been defined at this stage.

Specific quantitative targets will be established as part of the climate transition plan's development, ensuring that such objectives remain consistent with the Group's decarbonisation trajectory.

It should also be noted that current targets were identified on the basis of internal assessments, taking into account the Group's operational characteristics and specific context, and were not defined through direct reliance on scientific evidence or specific external frameworks.

E1 Climate change (continued)

E1-5 Energy consumption and mix

The table below shows energy consumption and the energy mix:

MWh	2025	2024
Fuel consumption from coal and coal products	-	-
Fuel consumption from crude oil and petroleum products	2,134.6	2,501.3
Fuel consumption from natural gas	7,373.2	6,306.0 ⁽³⁾
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	2,339.3	2,150.2
Total fossil energy consumption	11,847.0	10,957.5
<i>Share of fossil sources in total energy consumption (%)</i>	78.5%	75.4%
Consumption from nuclear sources	289.2	99.1
<i>Share of consumption from nuclear sources in total energy consumption (%)</i>	1.9%	0.7%

MWh	2025	2024
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	2,904.5	3,443.7
The consumption of self-generated non-fuel renewable energy	52.9	39.3
Total renewable energy consumption	2,957.4	3,483.0
<i>Share of renewable sources in total energy consumption (%)</i>	19.6%	24.0%
Total energy consumption	15,093.6	14,539.6

The Group's energy consumption is monitored and reported in accordance with the ESRS E1-5 standard, ensuring transparency and accuracy in the management of energy resources.

The information provided gives a detailed view of the energy consumption mix, highlighting the different sources used and their impact on the company business.

Compared to 2024, total energy consumption rose by 3.8%, driven primarily by increased natural gas usage in line with production trends.

In 2025, the Group purchased approximately 2,904.5 MWh of renewable electricity, representing roughly 55% of its total electricity procurement.

This outcome was driven in part by the procurement of Guarantees of Origin (GOs) valid in Italy, which are widely adopted within the domestic market to certify the renewable provenance of energy.

Reliance on such certification is a cornerstone of the Group's decarbonisation strategy, enabling electricity consumption to be offset with renewable energy while fostering more sustainable procurement practices.

In addition to the purchase of certified renewable energy, some Group companies benefit from the independent production of solar energy. Specifically, Gico S.p.A., Gino Ceolin S.r.l., and Budri S.r.l. operate on-site photovoltaic systems at their respective facilities.

Notably, Gico S.p.A. is able to meet 100% of its needs if the amount of self-produced energy is added to that covered by Guarantees of Origin.

3. The 2024 comparative figure for natural gas consumption was restated (refer to Chapter ESRS 2 - BP-2). The figure previously reported was 5,391.23 MWh. The restatement required corresponding amendments to the aggregate values within this table, including total energy consumption from fossil fuels, total energy consumption, and the related percentage indicators.

E1 Climate change (continued)

Since the Group operates in a sector with a high climate impact, as it falls under NACE code 25.12 - Manufacture of doors and windows of metal, energy intensity was calculated as the ratio of total energy consumption to net revenues:

Energy intensity based on net revenue	2025	2024
Total energy consumption (MWh)	15,093.6	14,539.6
Net revenue (reconciliation with the financial statements) (€/000)	370.0	377.6
Energy intensity based on net revenue (MWh)	40.8	38.5 ⁽⁴⁾

4. Comparative figure restated following the revision of natural gas consumption (see previous note), resulting in an amendment to aggregate values and, consequently, energy intensity.

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

The table below shows greenhouse gas emissions:

	2025	2024
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions (tCO ₂ eq)	2,083.3	2,045.5 ⁽⁵⁾
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	1,570.3	1,472.7
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	907.2	981.2

5. Comparative figure restated following the revision of natural gas consumption (see previous note), resulting in an amendment to aggregate values and, consequently, of Scope 1 emissions.

6. The 2024 comparative figure for Category 2 - Capital Goods was restated (refer to Chapter ESRS 2 - BP-2). The figure previously reported was 7,308.06 tCO₂eq. The restatement resulted in a corresponding amendment to the aggregate Scope 3 emissions figure.

7. The 2024 comparative figure for Category 11 - Use of Sold Products was restated (refer to Chapter ESRS 2 - BP-2). The figure previously reported was 5,714.98 tCO₂eq. The restatement resulted in a corresponding amendment to the aggregate Scope 3 emissions figure.

	2025	2024
Significant scope 3 GHG emissions		
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	292,912.5	309,668.0
1 Purchased goods and services	135,159.4	149,691.4
2 Capital goods	1,008.5	707.0 ⁽⁶⁾
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	653.4	644.4
4 Upstream transportation and distribution	5,197.6	10,842.4
5 Waste generated in operations	368.4	304.7
6 Business traveling	398.4	413.5
7 Employee commuting	2,002.2	1,744.9
8 Upstream leased assets	0	0
9 Downstream transportation	2,340.5	2,852.9
10 Processing of sold products	0	0
11 Use of sold products	144,917.5	141,913.2 ⁽⁷⁾
12 End-of-life treatment of sold products	866.6	553.6
13 Downstream leased assets	0	0
14 Franchises	0	0
15 Investments	0	0

During the reporting period, the Group generated no biogenic CO₂ emissions, as its operations involve neither biomass nor other biogenic fuels. The following are the sources of the emission factors used:

- Emissions Scope 1:
 - UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2024; DESNZ, 2025)
- Emissions Scope 2:
 - Ecoinvent (3.11 and 3.12)
- Emissions Scope 3:
 - UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2024; DESNZ, 2025)
 - Ecoinvent (3.11 and 3.12)
 - EPA (2021, updated to 2024; 2022, updated to 2025).

Further details regarding emissions are provided below:

Scope 1:

- For car fleet emissions, using a conservative approach, long term-leased vehicles are considered as property assets as per Scope 1 accounting. For 2025, a more granular approach to consumption estimates was adopted: for vehicles assigned to employees for both business and private use,

E1 Climate change (continued)

70% of total consumption was recorded, while vehicles intended for exclusive corporate use were accounted for at 100%. This methodology increased the accuracy and granularity of emissions reporting associated with the corporate fleet

- Atmospheric refrigerant release was calculated as equivalent to the total volume of gases recharged into air conditioning and cooling systems during the reporting period. For Italy-based plants, data regarding refrigerant recharges is sourced from the “F-Gas Declaration”, a mandatory filing for equipment with a capacity exceeding 3 kg of refrigerants (Italian Presidential Decree 43/2012). GWP values were calculated based on the specific refrigerant composition and mixtures detailed in the maintenance reports.

Scope 2:

- Location-based method: emissions were calculated based on electricity consumption, applying national or regional average emission factors for the energy mix of the countries where the electricity is consumed
- Market-based method: emissions were determined using specific emission factors associated with the electricity purchased, as detailed in supply contracts or certifications (e.g. Guarantees of Origin).

Unless otherwise specified, other Scope 3 indirect emissions are reported for Somec Group as a whole and encompass the relevant categories identified in accordance with the GHG Protocol.

Scope 3:

● Category 1

Emissions arise from the procurement of goods and services essential to business operations and were estimated using a hybrid methodology. Purchased services were accounted for using a spend-based approach, whereby income statement data was mapped to emission factors sourced from the EPA database (2022) and adjusted to reflect the reporting year and geographic context. For raw materials, emissions were calculated based on the weight of volumes purchased, multiplied by emission factors sourced from the DESNZ database (2025). An exception to the above pertains to the “Other procurement” category, which were calculated using a spend-based approach and emission factors sourced from DESNZ (2025) and Ecoinvent (v. 3.12)

● Category 2

Category 2 emissions comprise indirect emissions associated with the production of capital goods purchased or acquired by the Group during the reporting period, such as plant, machinery, and other equipment. These emissions were estimated using a spend-based approach.

These values were mapped to specific emission factors, selected according to the nature of the expenditure and sourced from EPA databases, with adjustments made for inflation

● Category 3

Emissions comprise the indirect emissions associated with the production and distribution of fuel and energy purchased by the Group, not otherwise included in Scope 1 and 2 emissions. They were estimated by applying emission factors from DEFRA (2024), DESNZ (2025), and Ecoinvent (v. 3.11; 3.12), selected according to the various energy consumption types to ensure consistent and representative results

● Category 4

This category comprises emissions associated with inbound and outbound logistics managed by the Group, excluding shipments conducted under Ex Works terms and conditions. Emissions were assessed using a spend-based approach, underpinned by the “Inbound logistics” and “Outbound logistics” income statement line items. Specific emission factors — differentiated by transport mode (e.g. road, sea, air) — were applied to these line items, sourced from the EPA databases (2021/2022) and adjusted for inflation in the reporting year

● Category 5

This category encompasses emissions arising from the treatment and disposal of waste generated by the Group’s operations during the year. Emissions were estimated based on waste volumes produced, expressed in tonnes. Average emission factors sourced from the DEFRA (2024) and DESNZ (2025) databases were applied to these volumes, based on the specific waste treatment methods employed

● Category 6

Emissions arise from business trips and include journeys by train, car, air, and taxi, as well as hotel stays. Emissions were estimated using a distance-based approach derived from Somec’s business trip records, with DEFRA (2024) and DESNZ (2025) emission factors applied to the various modes of transport used

E1 Climate change (continued)

● **Category 7**

Employee commuting emissions were estimated using an activity-based approach, based on employees' residential postcodes and the Group's operational sites where employees are based. The distance between these locations was used to calculate total kilometres travelled, assuming a standard 250 working days per year where specific data was unavailable. Emissions were subsequently determined by applying DESNZ (2025) emission factors, differentiated by mode of transport. Where no detailed information regarding the vehicles used was available, an average emission factor representing a generic passenger car was applied

● **Category 9**

This category encompasses emissions from downstream transport and distribution of sold products not directly procured by the Group, such as sales on an Ex Works basis. The estimate was conducted using a spend-based approach. Specifically, emission factors sourced from EPA databases (2022) and adjusted for the reporting year were applied to "Outbound logistics" income statement line items, with differentiation by mode of transport

● **Category 11**

Emissions associated with the sold product use phase (Category 11) were estimated using a direct use-phase methodology, based on sales data and technical product specifications.

For references where granular information was available, energy consumption was estimated using standard operating parameters, such as usage time and service life. With regard to products not covered by detailed mapping, emissions were estimated by applying an average unit emission factor – derived from specifically analysed products – to the total number of units sold. Total consumption was converted into emissions using Ecoinvent emission factors (v. 3.12 and v. 3.11), adopting a market-based approach for electricity

● **Category 12**

Emissions associated with the end-of-life treatment of sold products (including packaging) were estimated using a waste-type-specific methodology. With regard to Gico and PizzaGroup, calculations were based on the tonnage of products sold, including packaging, with DESNZ (2025) emission factors applied.

For the remaining areas of the Group, where no detailed information was available, emissions were estimated by measuring materials destined for sale as the difference between inbound flows and waste generated, applying DEFRA (2024) and DESNZ (2025) emission factors.

End-of-life material treatment was assumed to align with the protocols set out in UNEP's Global Wa

The GHG Scope 3 gross emissions disclosure shows the GHG emissions, expressed in metric tonnes of CO2eq, of each significant category that is a priority for the company. The sum of scope 1, 2 and 3 GHG emissions is also reported. Total GHG emissions are notified in a disaggregated manner, distinguishing between location-based and market-based emissions. The following method was used to retrieve information on total GHG emissions:

Total location-based GHG emissions (tCO2eq) =

Scope 1 gross emissions +
Scope 2 location-based gross emissions +
Scope 3 gross emissions

Total market-based GHG emissions (tCO2eq)

Scope 1 gross emissions +
Scope 2 market-based gross emissions +
Scope 3 gross emissions

The Group's greenhouse gas emission intensity, resulting from the total of Scope 1, Scope 2 and Scope 3, analysed as both location-based and market-based, on total net revenues, corresponds to the following:

Emission Intensity based on net revenue	2025	2024⁽⁸⁾
Total Scope 1, Scope 2 Location Based, Scope 3 (T CO2e)	296,566.1	313,186.2
Total Scope 1, Scope 2 Market Based, Scope 3 (T CO2e)	295,903.0	312,694.7
Net revenue (reconciliation with the financial statements) (€/000)	370.0	377.6
Intensity of emissions (Scope 1, Scope 2 Location Based, Scope 3) by net revenue (T CO2e / €/000)	801.5	829.4
Intensity of emissions (Scope 1, Scope 2 Market Based, Scope 3) by net revenue (T CO2e / €/000)	799.7	828.1

During the reporting year, the Group began to take actions to reduce GHG emissions, which are currently not reported in terms of removal and storage of GHG in deriving tCO2e. For further details regarding the Group's targets, reference should be made to section E1-4 – Targets related to climate change mitigation and adaptation.

It should also be noted that Somec does not apply internal carbon pricing systems as this matter is not applicable to the Group.

8. Comparative figures restated following the revision of Scope 1 and 3 emissions (see previous notes), resulting in an amendment to aggregate values and, consequently, emission intensity.

E2 Pollution

Impact, risk and opportunity management

IRO-1

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

Below are the material impacts identified within the double materiality assessment with respect to Pollution:

Impacts

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Pollution	Pollution of air		Upstream glass supply: Negative impacts on the environment due to air pollution generated by activities along its glass supply chain (one of the main raw materials used by Horizons business unit - Somec Navale and Fabbrica). Polluting gases such as sulphur dioxide and carbon dioxide are released during the manufacturing process	N	A	I	Medium
			Upstream: steel supply: Air pollutants emitted by steel production activities along its supply chain: carbon monoxide, nitrogen oxides (NOx), sulphur and fine particulate matter, which have a considerable environmental impact on the environment	N	A	I	Short
	Pollution of water Pollution of living organisms		Upstream: aluminium supply: Bauxite transformation processes produce highly polluting and poisonous waste material (red mud) which, if not treated to become aluminium or steel in turn, pollutes watercourses, groundwater, and may lead to severe poisoning of animals	N	A	I	Short

E2 Pollution (continued)

Group companies primarily engage in assembly and mechanical machining activities which, by their nature, do not involve industrial processes with a high risk of air, water, or soil pollution. Manufacturing activities exclude primary metal smelting, complex chemical treatments, or the significant use of hazardous substances. However, within the upstream value chain, the Group utilises raw materials and semi-finished components primarily derived from aluminium, steel, and glass. The industrial processes required for the primary production and transformation of these materials can generate significant pollution impacts.

Specifically:

- Pollution of groundwater and surface water as a result of polluting waste material from bauxite processing; these negative impacts occur mainly in the Amazon basin in Brazil and West Africa
- Air pollution generated by iron ore reduction processes in blast furnaces for steel production; the negative environmental impacts of these activities are primarily concentrated in China, the world's leading producer, followed by India

- Pollution of the air downstream of glass production processes following the release of polluting gases such as sulphur dioxide and carbon dioxide: these negative impacts occur mainly in China, as the industry leader, Germany and the United States.

As part of the double materiality process, no direct consultations were conducted with communities potentially affected by pollution. However, the Group conducted a comprehensive and in-depth analysis of its value chain to identify and assess potential environmental impacts associated with its own operations and those of its suppliers.

E2-1

Policies related to pollution

At present, the Somec Group has not yet implemented a dedicated policy to manage impacts associated with pollution along the value chain. However, pollution risk management is currently integrated into existing environmental management systems and operating procedures, as well as supplier qualification and selection processes.

E2-2

Actions and resources related to pollution

While the double materiality assessment identified material pollution impacts, these are indirect in nature and primarily attributable to the value chain. At the reporting date of this disclosure, the Group had not yet defined specific mitigation actions nor allocated dedicated resources, given — among other things — the complexity associated with managing and monitoring such impacts across the value chain. The Group intends to progressively explore these aspects, including in the light of the evolution of its analytical tools and partner engagement strategies.

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E2-3

Targets related to pollution

The Group has not defined specific quantitative or qualitative targets dedicated to mitigating pollution-related impacts across the value chain.

E4 Biodiversity and ecosystems

Strategy

E4-1

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

At the reporting date of this sustainability statement, the Group had not adopted a transition plan dedicated to biodiversity and ecosystems. Furthermore, no structured assessment was conducted on the resilience of the strategy and business model regarding the risks and impacts related to these issues, with reference to both direct operations and the upstream and downstream value chain.

SBM-3

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

During the financial year, the Group conducted an analysis of its operating sites, including those under operational control, to verify their proximity to biodiversity-sensitive areas. The analysis was conducted by consulting official databases relating to the Natura 2000 network for the European perimeter. During 2026, the Company plans to extend this analysis to its facilities located outside the European Union, with a view to achieving a more comprehensive and granular mapping of its sites.

Local screening activities revealed that four of the Group's production sites are located within a few kilometres of protected areas designated for the conservation of natural habitats and animal and plant species of community or local interest. These sites include Somec S.p.A., Somec Sintesi S.r.l., and Oxin, which are located in proximity to the same protected area, as well as Lamp Arredo S.r.l., situated near another protected site.

Activities carried out at these facilities consist primarily of assembly and mechanical machining operations with low emission intensity, involving no land conversion, direct use of natural resources, significant industrial discharges, or emissions of a nature that would impact neighbouring habitats. No spillages, groundwater contamination, or noise emissions of such magnitude as to interfere with protected species or ecosystems have been identified.

Given the operational characteristics of the sites and their proximity to the identified sensitive areas, no significant direct negative impacts on biodiversity have been detected, nor were any effects on threatened species observed. However, as evidenced by the double materiality assessment, indirect impacts relating to land degradation and exploitation along the upstream value chain remain significant, particularly during the extraction and processing of raw materials.

E4 Biodiversity and ecosystems (continued)

Impact, risk and opportunity management

IRO-1

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

Below are the material impacts identified within the double materiality assessment with respect to biodiversity and ecosystems:

Impacts

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Biodiversity and ecosystems	Impacts on the extent and condition of ecosystems	Land degradation and desertification	Upstream: aluminium supply: Impacts along the aluminium supply chain: ecosystem damage and reduction of land for local agriculture generated by the creation of bauxite mines (Guinea has the largest bauxite deposits in the world) for aluminium production along its supply chain	N	A	I	Short
			Upstream glass supply. Impacts along the glass supply chain: environmental damage related to the extraction of materials such as silica sand, soda ash for glass production	N	A	I	Medium
			Upstream: wood supply Impact along the wood supply chain in terms of natural resource consumption and biodiversity	N	A	I	Short

E4 Biodiversity and ecosystems (continued)

In conducting the double materiality assessment, impacts, risks and opportunities arising from activities performed directly by Somec or operations along the value chain were considered. The assessment process primarily considered the Group's operations and the location of its production sites.

Then, the different types of raw materials used by the Group were evaluated, assessing their dependence on natural resources and the negative impacts their extraction and processing may cause on biodiversity and ecosystems. Similarly, an analysis of the customers' operations was conducted to establish how their production activities could potentially impact the natural areas in which they are located.

During the double materiality assessment, the affected communities were not consulted about the sustainability of shared biological resources and ecosystems.

For more information, reference should be made to Chapter *ESRS 2, sections SBM-1 Strategy, business model and value chain and SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model.*

All the Group's production sites are situated within areas designated for industrial use. Based on the analyses conducted and the nature of the activities carried out, as detailed in the preceding paragraph, the Group has concluded that the implementation of specific biodiversity mitigation measures is not currently required under the applicable regulatory framework (including Directives 2009/147/EC and 92/43/EEC, as well as Directive 2011/92/EU on Environmental Impact Assessment), given that no significant direct negative impacts or material pressures on protected habitats or species have been identified.

With regard to the value chain, both upstream and downstream, the Group has yet to complete a systematic mapping of the location of its partners' production sites in relation to biodiversity-sensitive areas.

Such analysis will undergo further scrutiny, with the aim to evaluate the need for remedial measures and to ensure incrementally comprehensive monitoring of potential indirect impacts.

E4-2

Policies related to biodiversity and ecosystems

The Somec Group has not currently adopted a specific policy dedicated to biodiversity and ecosystems. Environmental matters, including the principles of natural environmental protection and biodiversity conservation, are nonetheless incorporated into the Group Environmental Policy, which remains applicable group-wide. For further information, reference should be made to *Minimum disclosure requirement on policies and actions (MDR-P)*.

E4-3

Actions and resources related to biodiversity and ecosystems

The Group has not established specific actions or defined dedicated plans for managing and mitigating biodiversity and ecosystem-related impacts across the value chain and, as a consequence, has not allocated specific financial resources to such initiatives.

Consistent with its precautionary approach, the Group nevertheless conducts an annual monitoring exercise of its operating sites by consulting public and institutional databases to identify any updates regarding biodiversity-sensitive areas or significant environmental constraints.

This activity ensures continuous informational oversight of the local area in which the Group operates.

E4-4

Targets related to biodiversity and ecosystems

The Group has not established specific quantitative or qualitative targets for the mitigation of biodiversity and ecosystem-related impacts across the value chain. Given the nature of the Group's operations and the absence of significant direct impacts at its operating sites, oversight of this matter is currently maintained through periodic monitoring of the local area and compliance with the applicable environmental regulatory framework, without the adoption of specific targets.

The Group will evaluate the definition of specific targets should changes in the regulatory or operational landscape, or the findings of future analyses, so require.

E5 Resource use and circular economy

Impact, risk and opportunity management

IRO-1

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Below are the impacts identified in terms of resource use and circular economy:

Impacts

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Circular economy	Waste		(Non-hazardous) waste management not oriented towards circularity principles may lead to negative impacts on limited resources and environmental protection	N	P	D	Short
			Improper handling of hazardous waste (in particular, organic waste containing hazardous substances, packaging containing residues of hazardous substances, solvents or mixtures, hazardous sandblasting residues, waste paints and varnishes, lead batteries, etc.) could have a negative impact on the environment	N	P	D	Short
			Downstream customers and end users: Potential impact on the environment from the disposal of hazardous waste as part of end-of-life ships, such as metals and paints	N	P	I	Medium
			Downstream contractors and builders: Improper handling of waste generated by construction sites could generate impacts on the environment	N	P	I	Short
	Resources inflows, including resource use		Potential environmental impacts arising from the procurement of virgin and/or non-eco-friendly raw materials due to the decrease/availability/increase in the price of recycled raw materials (e.g. stainless steel or aluminium)	N	P	D	Medium

E5 Resource use and circular economy (continued)

The process for identifying impacts, risks and opportunities related to resource use and circular economy does not differ from that described for double materiality assessment in Chapter ESRS 2, section *IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities*, to which reference should be made for more information. Notably, the Group analysed its business processes and individual companies, fine-tuning the request for data on raw materials used in production processes and the end-of-life of its products.

The impact assessment process took into consideration the requirements and provisions of the regulations in force in relation to the geographical areas where the Group's companies operate. In addition, a comprehensive analysis of the production processes and operations at the worksites was conducted for each business unit with the support of the Heads of Functions to identify the risks and possible opportunities related to the circularity issue. The analysis also took into account industry Best Available Practices (BAT) and benchmarks.

Finally, waste produced by the Group and the value chain was considered, such waste mainly consisting of metal parts (aluminium, stainless steel and other metals), glass, wood, marble. Based on Somec's analysis, direct consultation with local communities in the supply areas was not deemed necessary.

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

The distinct characteristics of the companies within the Group result in a customised supply chain management approach for each business segment. The primary objective of this management is to ensure that supply processes are consistently subject to controls and restrictions, thereby requiring suppliers to comply with contractual and legal obligations.

Given the diversity of its business segments, the Group has not opted for a single, uniform policy for the selection, qualification, and evaluation of suppliers. Individual companies nonetheless ensure that their procurement processes take into account the quality of materials and workmanship provided, and that such processes remain consistent with the values and principles promoted by the Group.

The topic of waste management and responsible material consumption is governed by the Environmental policy, which applies to all Group companies and business partners. This policy promotes efficient waste management throughout operational activities and ensures that materials used are managed and disposed of responsibly, encouraging the use of recycling and reuse practices in line with circular economy principles.

Within the scope of this application, Group companies are required to ensure transparency in the selection of materials employed, guaranteeing compliance with quality standards and mitigation of environmental impacts.

The full list of Group policies is set out in chapter ESRS 2, section *Minimum disclosure requirement on policies and actions (MDR-P) - Policies adopted to manage material sustainability matters*.

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

Somec is mindful of the responsibility inherent in the use of resources required for its operations and the management of the ensuing environmental impact. Waste management is conducted in full compliance with the prevailing regulations in all countries where the Group's subsidiaries operate. Waste generation is directly linked to the Group's operations, with the quantities produced being periodically monitored and reported in accordance with European legislation and other applicable provisions. Collection, treatment, and disposal activities are entrusted to specialised and authorised third-party operators, so as to ensure compliant and responsible management.

A portion of metallic waste, specifically aluminium and steel, is transferred for recovery through sale to specialist entities, enabling the reintegration of such materials into production cycles and contributing to circular economy principles. Given the nature of the Group's operations and the management procedures adopted, potential negative environmental impacts associated with waste generation are managed and mitigated through specific operational and control measures, including proper classification, flow monitoring and disposal to authorised facilities, in compliance with applicable regulations.

The Group also closely monitors developments in the applicable regulatory framework to ensure long-term full compliance regarding waste management and circular economy. In recent years, the Group has launched and developed several actions with a view to promoting circular economy principles.

These initiatives, implemented by Group companies based on the specific nature of their respective business models, cover various areas, including: improving resource efficiency; programmes to increase the use of recycled materials; and the reduction of waste generation, alongside more efficient waste management.

E5 Resource use and circular economy (continued)

Below are some concrete examples of the efficiency actions taken by the Group:

- Replacing the polystyrene delivery packaging with a different, more environmentally friendly type of material in Talenta BU (civil area)

- Launching an inventory for purchases of single-use items and planning further replacement strategies leading to their reduction and/or reduced environmental impact and/or increased biodegradability

- Reducing and/or replacing environmentally harmful substances used in production processes with comparable, more environmentally sustainable materials

- Improving packaging management at worksites through efficient turnover and re-use of iron baskets, at the expense of wooden crates (non-reusable disposable material)

- Analysing packaging/pallet handling at worksites, increasing turnover and re-use

- Using flexible plastic pouches to replace traditional rigid plastic silicone cartridges, a solution that doubles the product quantity per packaging unit and significantly reduces waste generation

- Improving the system for recording quantities of waste produced per unit of measurement (KG/TON) through specific reports based on waste forms

- Study of the materials used with respect to production requirements and quality standards in order to increase the use of recyclable materials

- Defining rules and making arrangements for the separate management of waste produced in the office: wet, dry non-recyclable, plastic cans and glass

- Building a database detailing material components used in raw materials, semi-finished goods, finished products and purchased items – including bespoke or non-standard supplies – aimed at standardising units of measurement and defining appropriate conversion factors

- Building a database with the material components used in raw materials, semi-finished, finished and/or purchased products (glues, resins, silicones and substrates) with a view to assessing possible replacements/integrations with more eco-friendly materials

- Ensuring group-wide compliance with national and international environmental regulations to minimise and limit, to the extent as possible, the negative impacts of the materials used

- Rationalising the purchase of aluminium profiles that cannot be reused in other processes.

In line with initiatives to promote resource efficiency and sustainable material management, the Parent Company has initiated the analysis and development of logistics solutions aimed at reducing packaging waste.

These initiatives reflect the increasing focus on packaging management, encompassing both finished products and incoming raw materials and semi-finished goods for production processes.

Cross-functional collaboration between logistics, procurement, and R&D, coupled with the engagement of key suppliers, has facilitated the development of targeted feasibility studies.

Commencing in 2023, a number of these solutions have been progressively deployed, notably through the introduction of reusable packaging systems based on deposit-return schemes.

Regarding the progress of the aforementioned actions, and in line with the previous reporting period, the Group has maintained the implementation of identified initiatives, ensuring their operational continuity. At the reporting date, progress was viewed favourably on a qualitative basis. However, established quantitative indicators to measure progress are not yet available.

The aforementioned actions have not yet been set out in an official action plan whereby financial resources (CapEx and/or OpEx) are specifically allocated to a significant extent, as they are managed within the Group's ordinary operations and funded through current resources.

The Group intends to progressively strengthen its monitoring systems to enhance the level of disclosure in future reporting periods.

E5 Resource use and circular economy (continued)

Metrics and targets

The Group's objectives include increasing the use of recycled materials within production processes – subject to the technical specifications of individual contracts – thereby reducing reliance on virgin raw materials.

Further areas of intervention involve promoting packaging reuse, reducing waste generation, and enhancing waste management practices.

All Somec products are characterised by the high quality of the materials used and the workmanship, making them very resistant and durable.

Somec continues to strive to deliver products that meet these characteristics as a blueprint for its business. Finally, it should be noted that the targets were set on a voluntary basis and were not selected based on external scientific evidence, but rather on the basis of in-house assessments.

Below are the targets identified by the Group with respect to resource use and circular economy.

E5-3 Targets related to resource use and circular economy

The shared objective is to strengthen synergies both within and across the Group's three Business Units. To this end, a cross-company approach is encouraged – centred on primary shared material categories – to facilitate data exchange and evaluate potential joint procurement with key suppliers, whether current or prospective.

Target-related Initiative	Target (MDR-T 80 b)	Baseline (MDR-T 80d) and monitoring KPI	Target Year (MDR-T 80 e)	Perimeter (MDR-T 80 c) Horizons (H) Talenta (T) Mestieri (M)
Somec Navale 30% increase in reusable packaging Bluesteel 20% increase in reusable packaging Lamp Arredo Quantitative target being defined Fabbrica study-analysis on the feasibility of pallet re-use (qualitative target)	Increase the re-use rate of construction site packaging by reducing the use of non-reusable disposable materials	12/2024	2026	H-M
Somec Navale Production yield target on di.ba components - quantitative target being defined Bluesteel Production yield target on di.ba components - quantitative target being defined Oxin Production yield target on di.ba components - quantitative target being defined Lamp Arredo Production yield target on di.ba components - quantitative target being defined GICO Production yield target on di.ba components - quantitative target being defined	Reduce the amount of waste through the efficient use of resources and improved production yields	12/2024	2026	H-T-M
Somec Navale 5% reduction in purchase of single-use items Bluesteel 20% reduction in purchase of single-use items Oxin Reduction in purchase of single-use items (quantity target to be defined by purchasing department) Lamp Arredo Reduction in purchase of single-use items (quantitative target being defined) Skillmax Reduction in purchase of single-use items (quantitative target being defined)	Increase the use of raw materials that contain a percentage of recycled material and reduce reliance on single-use items	12/2024	2026	H-M

E5 Resource use and circular economy (continued)

Target-related initiative	Target (MDR-T.80.b)	Baseline (MDR-T.80d) and monitoring KPI	Target Year (MDR-T.80.e)	Perimeter (MDR-T.80.c) Horizons (H) Talenta (T) Mestieri (M)
Bluesteel, Oxin, Lamp Arredo Analysis of materials used and improvement of the waste management process	Increase the amount of waste sent for recycling and re-use	12/2024	2026	H-M
Somec Navale Recovery of approximately 1.5% of aluminium profiles annually Bluesteel Reduction =<5% of aluminium profiles scrapped	Improve efficiency in material consumption, notably by rationalising the purchase of aluminium profiles that cannot be reused in other processes	12/2024	2026	H

The targets set out in the table above have been defined in accordance with the Somec Group environmental policy and the established waste management guidelines.

With reference to the aforementioned targets, the Group monitors the progress of initiatives through periodic data collection using specific reporting templates; these are aggregated into databases managed via IT tools (e.g. spreadsheets), enabling year-on-year comparisons and the analysis of variances in waste generation and management volumes.

Specifically, for waste quantification purposes, monitoring is conducted through the systematic recording of volumes produced (in kg/tonnes) based on waste loading and unloading logs, thereby ensuring more robust and comparable data management. At the reporting date, this target was achieved and was in line with the established plan. Regarding the targets defined for Somec Navale, progress is monitored through metrics consistent with the nature of individual initiatives.

Specifically, as regards the target of achieving a 30% increase in reusable packaging, monitoring is conducted by analysing the percentage of reused packaging relative to the total volume of packaging deployed on site.

Regarding the target for the annual recovery of approximately 1.5% of aluminium profiles, monitoring is performed by recording volumes recovered relative to the total quantity of profiles used. At the date of reporting, both initiatives were ongoing and in line with the projected improvement trajectory.

Regarding the target for reducing single-use plastic materials and items (MACSI) as part of Oxin operations, the Group has initiated the analysis and classification of procurement, based on the same data collection templates, with a view to setting a quantitative target and the relative monitoring metrics.

Finally, regarding the target for analysing materials used and enhancing waste management processes (Bluesteel, Oxin, and Lamp Arredo), monitoring is conducted through the analysis of data collected via reporting templates, with specific reference to the volumes of waste sent for recycling and reuse relative to the total produced.

Activities are currently ongoing and in line with the established targets; at the reporting date, no significant variances from the planned trajectory were identified.

It should also be noted that, for those targets not achieved in 2025, the deadline was extended to 2026 to allow them to be completed.

For more information, please refer to chapter *ESRS 2*, paragraph *SBM-1 Strategy, business model and value chain*.

E5 Resource use and circular economy (continued)

E5-4 Resource inflows

The table below provides information on materials used in the production of goods and the provision of services, shown in tonnes.

Resource inflows	2025	2024
Overall total weight of products and technical and biological materials used during the reporting period (t)	18,344.5	19,032.6
Absolute weight of secondary reused or recycled components, and secondary intermediary products used to manufacture the undertaking's products and services (including packaging) (t)	0	0
Percentage weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	0%	0%
Percentage of biological materials that is sustainably sourced	0%	0%

As shown in the table, the total weight of incoming materials dropped 4% compared to 2024, reflecting a trend consistent with the Group's activity level throughout 2025, which remained virtually in line with the previous year. It should further be noted that neither bio-based nor recycled materials were used in 2025.

With regard to the mix of primary raw materials purchased by Group companies, aluminium accounts for 41% of total incoming materials, followed by glass (18%), steel (12%), marble (8%) and wood (6%). As a whole, these categories account for the vast majority of materials used. The remainder comprises miscellaneous materials, including plastics, paper and cardboard for packaging, as well as other ancillary materials used in the Group's operations.

The majority of incoming materials originates from Horizons business unit, which accounts for approximately 72% of the Group's total procurement. Within this business unit, Somec S.p.A. (the Parent Company) and Fabbrica LLC represent the primary sources of procurement, as their production scales necessitate a greater volume of raw materials.

Talenta business unit follows, contributing approximately 16% of incoming materials, while Mestieri business unit accounts for the remaining 12%. This distribution reflects the differing nature of the activities carried out by the individual business units and the related material requirements needed to support their respective production processes.

Material-related data were primarily determined through direct measurement, where available, leveraging information such as warehouse component weights, supplier-provided data, and details from transport documentation.

For a limited portion of purchased semi-finished goods, for which only quantities in units were available, estimates were used. These estimates were based on internal historical data, supplier engagement, and the application of average weights for components within the same material category.

Key assumptions underlying the estimates rely on representative average weights for uniform component categories (e.g., fasteners or similar technical components), cross-referenced, where possible, with available records or information provided by suppliers.

E5 Resource use and circular economy (continued)

E5-5 Resource outflows

The following tables show data (given in tonnes) on the amount of waste generated by the Group's own operations in the reporting period, broken down into **hazardous waste** and **non-hazardous waste**.

The increase in the total volume of waste not sent for recycling is primarily attributable to the 2025 growth in waste classified as “*mixed waste from construction and demolition activities*” at Fabbrica LLC.

t	2025			2024		
	Hazardous waste	Non-hazardous waste	Total	Hazardous waste	Non-hazardous waste	Total
Total amount by weight diverted from disposal						
Preparation for reuse	1.1	0	1.1	1.5	-	1.5
Recycling	0.6	293.4	294.0	0.8	102.9	103.7
Other recovery operations	9.2	1,934.3	1,934.5	8.8	2,300.3	2,309.1
Total	10.9	2,227.7	2,238.6	11.1	2,403.2	2,414.3
Total amount by weight directed to disposal						
Incineration	1.0	6.9	7.9	3.4	9.4	12.8
Landfill	1.7	-	1.7	2.8	-	2.8
Other disposal operations	15.0	678.8	693.8	4.3	547.2	551.5
Total	17.8	685.7	703.4	10.5	556.6	567.1
Total amount of non-recycled waste			703.4			567.1
% of non-recycled waste (%)			23.9%			19.0%
Total amount of waste generated			2,942.0			2,981.4

This increase is linked to the plant expansion activities carried out during the year, which resulted in the generation of a greater volume of this type of waste.

Waste-related data is collected throughout the year via dedicated logs recording the volumes generated for each EWC code, in compliance with applicable waste traceability regulations. Loading data is initially based on operational estimates and subsequently verified and updated against information from waste identification forms, which certify the quantities actually delivered and the weights recorded at the destination plants. Information regarding the final waste destination, including the distinction between recovery and disposal operations, is determined based on data provided by authorised waste management operators and set out in the relevant identification forms.

Waste management is conducted in compliance with the regulations in force across the countries where Group companies operate. Volumes generated are directly correlated to operating activities and are periodically monitored for the purposes of reporting requirements under European legislation and other applicable provisions. Collection, treatment, and disposal activities are outsourced to specialised and authorised third-party operators. A portion of metallic waste, specifically aluminium and steel, is diverted for recovery via specialised scrap dealers, ensuring these materials are fed back into production cycles.

The composition of waste generated by the Group reflects the nature of the activities carried out across the various business units. Specifically, companies within Horizons and Talenta business units, which run more resource-intensive production processes, primarily generate waste consisting of metals (notably aluminium, iron, and steel), glass from manufacturing, and wood predominantly associated with packaging.

Conversely, companies within Mestieri business unit — specialising in bespoke interiors and whose operations primarily involve assembly, logistics and warehousing — report a relatively higher proportion of waste related to packaging materials, including paper and cardboard, plastics, mixed packaging and wood. A number of Group entities also generate waste consisting of non-metallic mineral materials, such as marble, stone and sludge originating from stone-processing activities.

Overall, waste generated by the Group primarily comprises metals, non-metallic minerals, glass, plastics, wood, and paper and cardboard, in line with the typical flows of the industrial and material processing activities carried out by Group companies.

In 2025, hazardous waste accounted for approximately 0.97% of total waste generated, while no radioactive waste was generated.

Social



S1 Own workforce

Strategy

SBM-2

Interests and views of stakeholders

When defining its strategy and business model, the Somec Group considers the interests, opinions and rights of its own workforce, including respect for human rights, by collecting them through the employee desk for Italian companies and an email address for other companies. In addition, a survey was administered in 2025, with a view to assessing the most material ESG topics for the Somec Group, involving its entire workforce. The initiative was launched to support the company's commitment to incorporating employee feedback into corporate strategy, while also raising staff awareness of ESG matters.

For further details, reference should be made to section *Disclosure Requirement SBM-2 - Interests and views of stakeholders* in chapter *ESRS 2*.

SBM-3

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

Below are the material IROs identified as part of the double materiality assessment with respect to Own workforce:

Impacts

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	The absence of diversity and gender equality criteria (e.g. gender, disability) in the composition of staff and governing bodies could negatively affect the objective of ensuring equal opportunities for all within the organisation	N	P	D	Short
		Employment and inclusion of persons with disabilities					
		Diversity					
	Other work-related right	Privacy	Potential internal breaches (databreach, unauthorised access, disclosure of sensitive information) could undermine the privacy and data protection rights of the workforce itself	N	P	D	Short
Working conditions	Work-life balance	Welfare and work-life balance policies commensurate with the needs of staff contribute to generating positive effects on the well-being of workers and virtuous effects on their behaviour (e.g. decrease in absenteeism)	P	A	D	Short	
	Working time						
Equal treatment and opportunities for all		Social dialogue	Quality training with a view to career development, generates positive impacts on human capital for all employees	P	A	D	Short
		Training and skills development					

S1 Own workforce (continued)

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Own workforce	Working conditions	Health and safety	Site and factory activities can cause serious accidents to workers and permanent illness/health damage	N	P	D	Short
			Production activities in the Group's factories generate non-recurring accidents of medium/low severity to the Group's own workforce	N	A	D	Short
		Secure employment	Potential impact related to unfair practices towards its employees in terms of working conditions, in particular excessive working hours, utilitarian use of fixed-term employment contracts	N	P	D	Short
		Working time					

Risks and opportunities

Topic	Sub-Topic	Sub-Sub Topic	Risk Opportunities	Risk (R) Opportunity (O)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Own workforce	Equal treatment and opportunities for all	Training and skills development	Disruption of professional relationships between the Company and key figures/strategic executives could jeopardize the achievement of the Company's strategic and operational objectives with severe financial repercussions. Loyalty variables and levers include in particular the payment of appropriate salaries compared to the market or benefits or adequate welfare tools according to employees' expectations suitable to ensure their retention. Regarding the retention of strategic executives, the Group has a three-year variable incentive plan in place	R	P	D	Long
			Risk of infliction of penalties arising from breaches of site safety regulations and, ultimately, from project delivery delays caused by occupational accidents. Risk also extends to subcontracted activities, given that under Italian Legislative Decree 494/1996, the duty of care incumbent upon the employer also applies to the owner	R	P	D	Medium

S1 Own workforce (continued)

The aforementioned IROs form part of the Group's corporate strategy and business model. For more information, reference should be made to Chapter *ESRS 2*, section *SBM-1 Strategy, business model and value chain*.

Below is a list of the types of workers included in the Group's workforce that are or may be subject to the impacts identified during the double materiality assessment:

Employees:

- Blue collars in production activities
- Blue collars in worksite installation activities
- Administrative and technical staff within the individual company offices (VDT operators, etc.)

Non-employees:

- Leased staff
- Interns
- VAT-registered self-employed individuals
- Collaborators under open-ended contracts for employer-coordinated freelance work
- Workers leased from third-party recruitment and staffing agencies

The material impacts identified primarily concern the Group's operational workforce — particularly those involved in production and on-site installation — as these activities can result in greater exposure to occupational health and safety risks. To the extent as applicable, specific worker categories or workers operating in high-risk environments were included in the impact assessment, alongside any material risks or opportunities affecting specific groups.

It should be noted that impacts on sub-contractors carrying out work on-site are reported in Chapter *ESRS S2 Value chain workers*.

The specific nature of these impacts also stems from the diverse activities performed by the Group's companies. Specifically, Horizons and Talenta business units chiefly engage in manufacturing activities — including steel and metalwork (such as cutting, bending, and welding) or glass processing — alongside on-site installation. The bespoke interiors design and creation area encompasses marble, wood, and metalwork, as well as on-site installation activities.

The material negative impacts identified within the double materiality assessment are predominantly systemic, as they are inherent to the nature of the Group's activities, particularly across production sites and construction venues.

Certain negative impacts may also result from isolated events or incidents, such as workplace accidents or breaches of employee data privacy.

Positive impacts primarily arise from Group initiatives aimed at human capital development and organisational well-being, including training and capacity building programmes alongside welfare and work-life balance initiatives, which drive professional growth and strengthen employee retention.

The identified impacts also give rise to risks and opportunities for the Group. The main risks include the potential loss of key personnel or difficulties in retaining strategic expertise, which could impact the achievement of the Group's operational and strategic objectives.

Additional risks relate to occupational health and safety within production and construction sites, which could entail operational or reputational consequences for the organisation. Conversely, opportunities include the enhancement of internal expertise, increased employee engagement, and improved organisational well-being arising from training and welfare policies.

At present, the Group does not have an official environmental transition plan. As a result, no material impacts on the workforce arising from transition plans or decarbonisation initiatives have been identified.

Finally, given the Group's geographic footprint (primarily the European Union and the United States) and the policies in place, no activities were identified as posing a high risk of forced or child labour. In any event, the Group's Human Rights Policy prohibits the employment of individuals who do not meet the minimum age requirements under applicable law.

S1 Own workforce (continued)

Impacts, risks and opportunities management

S1-1

Policies related to own workforce

The Policies related to own workforce developed over the years and applicable to the entire corporate population, lay a solid foundation for the Group's growth and successful performance. The Human Rights Policy strongly states the commitment of the parent company and all subsidiaries to:

- Respect human rights, as well as prevent and mitigate negative impacts on those rights resulting from the company's business
- Value the diversity of all employees, opposing any form of discrimination, whether direct or indirect, on the basis of gender, marital status, sexual orientation, religious or political beliefs, trade union membership, ethnicity, nationality, social background, physical or mental disability

It should also be noted that the Human Rights Policy combats forced labour, human trafficking and child labour within the Group. The Group's Human Rights and Diversity and Inclusion policies are developed in accordance with leading international human rights and labour standards, including the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

In relation to the protection of diversity, the Group adopted its own Code of Ethics and approved a Workforce Diversity and Inclusion Policy where:

- The three founding elements of the policy are set out, namely diversity and equal opportunities, non-discrimination and meritocracy
- Differences in gender, age, race, disability, ethnicity, marital or family status, language, national origin, physical ability, political affiliation, religion, sexual orientation, socio-economic status are encouraged, making efforts to eliminate organisational actions and structures designed to oppress, exclude, limit or discriminate
- Respectful conduct among its employees is promoted, with a focus on the values of inclusion, encouraging the submission of reports to flag any discrimination observed within the company or in the performance of one's duties
- Diversity is valued in all of its forms, assessing any risks related to incidents of discrimination within the company

The Code of Ethics also governs privacy protection, stipulating that personal information be processed lawfully, fairly, and transparently, collected for specified, explicit, and legitimate purposes, and retained for no longer than necessary.

The Group is committed to ensuring the protection of personal data, preventing improper or unauthorised use to safeguard the dignity, reputation, and privacy of all individuals, and providing data subjects with adequate disclosure regarding data processing.

The Group is committed to implementing the aforementioned Policies and relies on a whistleblowing system and related procedure in the event that any incidents of discrimination are reported. This system enables workers to report potential human rights or policy violations and serves as a primary mechanism through which the Group ensures that the identified negative impacts are managed and, if necessary, remedied.

It should be noted that Somec does not identify any particularly vulnerable groups within its workforce.

The Group maintains an inclusive work environment and continuously monitors potential vulnerabilities, through both human resources management controls and whistleblowing channels.

In terms of the health and safety of its employees, Somec is committed to promoting and supporting all necessary measures to ensure full compliance with applicable regulations. A group-wide health and safety policy has been in place since 2021.

S1 Own workforce (continued)

It requires individual companies to comply with its principles while maintaining, for the time being, their own procedures and practices, which are partly determined by the different regulations in force in the countries in which they operate.

Finally, for companies subject to Italian legislation, the Group has begun a gradual process of consolidating and standardising health and safety practices with the aim of centralising the management of all aspects that at present are largely the responsibility of individual companies.

Please refer to chapter *ESRS 2*, paragraph *MDR-P Policies adopted to manage material sustainability matters* for more details on the above policies.

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

Somec recognises the importance of engaging its workforce in decision-making processes concerning the management of material impacts on workers. To this end, during 2025 the Group directly involved its employees in the update of the double materiality assessment. Through dedicated questionnaires, participants were asked to evaluate the topics identified by the Group as potentially material and to highlight any further aspects considered significant. The findings arising from this process help guide the Group's assessments in defining sustainability priorities and managing workforce-related impacts.

Other employee engagement processes consist of an ongoing dialogue with trade union associations, which over time has led to the signing of agreements, including second-level agreements, aimed at improving the working conditions of employees. For Italy-based companies, workers are involved in occupational health and safety risk assessment processes, including through designated safety management personnel and workers' safety representatives.

For further details on the processes for engagement of the Group's own workforce, reference should be made to Chapter *ESRS 2*, section *SBM-2 Interests and views of stakeholders*.

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

An "Employee Helpdesk" has been established within each of the Group's companies based in Italy to provide workers with a direct channel for communicating requests, clarifications, or work-related concerns. This initiative involves the monthly presence of Human Resources personnel to collect reports and needs submitted by employees, including any issues of common interest (e.g., company canteen, benefits, or workplace environmental conditions).

Requests concerning administrative, contractual, or regulatory matters are managed directly by the HR function. Should the involvement of other corporate functions or the employee's direct manager be required, the request will be followed up and addressed as promptly as possible. This process serves as one of the channels through which the Group collects and manages employee reports and monitors issues raised by its workforce. Employees can also report any non-compliant, unethical, or unlawful conduct through the whistleblowing channel, which is managed by the Supervisory Body.

Concerns may also be raised in respect of occupational health and safety matters or other potential violations of regulations and corporate policies. The whistleblowing system serves as one of the primary mechanisms for managing grievances and internal reports, enabling the company to identify and address any negative impacts on the workforce. The reports received are analysed by the Supervisory Body, which monitors their progress and any actions taken.

The protection and confidentiality of individuals using this reporting tool is governed by the Privacy Policies contained in Somec's Code of Ethics. In addition, with regard to companies that fall within the scope of Directive 2019/1937, the whistleblowing system also ensures confidentiality of both the reports and the whistleblower by establishing a channel with the Supervisory Body.

If a report meets the requirements, the Supervisory Body will start a preliminary investigation and notify the whistleblower of its receipt.

Within seven days of receipt of the report, the Supervisory Body informs the Board of Directors thereof. Following the outcome of the checks, the Supervisory Body will inform the whistleblower of the investigation findings and, subsequently, of the closing of the investigation.

S1 Own workforce (continued)

During the course of the investigation, supporting evidence will be requested and, if necessary, proof will be requested in order to consider any adverse impact found as resolved.

Reports are tracked by the Supervisory Body on a six-monthly basis through a Log listing the reports:

- Received during the reporting period

- Received in previous months, but not yet filed in the reporting period

- Filed away in the reporting period.

The Log shows the “status” of each report (e.g. received, open, proposed for filing away, filed away, under investigation/audit, etc.) and any actions taken.

For more information, reference should be made to Chapter *ESRS G1*, section *G1-1 Business conduct policies and corporate culture*.

The Company has organised specific whistleblowing training for the Parent Company, Somec S.p.A., and those Group companies that have adopted a 231 Organisational Model.

This training activity has enabled employees to gain a thorough understanding of the reporting channel and its procedures for use.

Regarding international offices, employees can submit any reports or requests via the dedicated email addresses of their respective HR functions. The Group is committed to ensuring that all workers, regardless of their location, have access to dedicated channels for voicing concerns or reporting potential issues.

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

Somec Group's personnel management is based on respect, equality, inclusiveness, merit empowerment and gender equality values. The Group strives to combat all forms of discrimination in the workplace by providing equal opportunities to all employees.

This commitment has been further bolstered by the adoption of the Group Code of Ethics and the Group Policy on workforce diversity and inclusion, as well as through specific safeguards regarding occupational health and safety and personal data privacy, consistent with the identified impacts, risks, and opportunities (IROs).

For details regarding the aforementioned policies and safeguards, reference should be made to the Social Information chapter, section *ESRS S1-1 - Policies related to own workforce*, and section *ESRS 2 - MDR-P Policies adopted to manage material sustainability matters*.

The Group's actions and initiatives are defined based on the results of the double materiality assessment and information gathered through the engagement of the workforce and other relevant stakeholders.

These actions are aimed at preventing and mitigating material negative impacts on the own workforce, generating positive impacts in terms of professional development and organisational well-being, as well as managing risks and seizing opportunities related to human capital management.

In this connection, the Group promotes initiatives aimed at attracting, developing, and retaining qualified professional expertise, a key driver for achieving strategic objectives and managing risks associated with the loss of core skills. To this end, Somec adopts a multidisciplinary approach to employer branding and talent attraction, forging partnerships with local schools, Higher Technical Institutes (ITS), and universities, while participating in career days, job fairs, and internship and guidance programmes. At the same time, the Group has digitalised part of its selection and recruitment processes, introducing dedicated tools to enhance the candidate experience and ensure seamless and inclusive selection processes.

S1 Own workforce (continued)

The selection process, governed by specific corporate procedures, is structured to ensure equal opportunities for all candidates, regardless of age, ethnicity, nationality, religion, gender, disability, sexual orientation, political affiliation, marital status, or socio-economic background.

Evaluations are conducted through individual interviews and, where appropriate, structured assessments aimed at evaluating both technical and soft skills.

Moreover, the Group promotes initiatives to enhance the employee experience and drive retention, such as meetings between managers and new hires during their initial months, alongside welfare and work-life balance schemes.

With regard to remuneration policies and incentive systems, the Group adopts a total reward approach aimed at attracting, retaining, and motivating qualified individuals that can contribute to the organisation's success and competitive advantage. Our approach to total remuneration involves a mix of components: fixed, short-term variable, long-term variable, benefits and intangible rewards, each conceived to impact specifically on staff motivation, involvement and retention.

Total reward systems are designed to ensure pay parity with roles and responsibilities, while incentivising individual performance in line with corporate goals.

In addition to remuneration policies, the Group promotes corporate welfare initiatives — including through second-level collective bargaining — aimed at enhancing employee well-being and increasing their sense of belonging to the organisation.

Under company- and local-level bargaining, where applicable, Corporate HR recognises benefits and productivity bonuses for the areas within its remit, with related tax and social security advantages, aimed at improving employees' work-life balance. In this context, management and trade union representatives have supplemented the relevant National Collective Labour Agreement with a range of welfare measures, including financial support for employees suffering from serious illnesses, incentives relating to parenthood, support measures for childcare, the establishment of a solidarity time bank, contributions recognising the academic achievements of employees' children, enhanced supplementary pension contributions, and performance-related bonuses linked to profitability, productivity and quality targets, with the option to convert those bonuses into welfare credit.

For certain Group companies, employees may also access employee benefits services through dedicated digital platforms, enabling them to take advantage of a range of goods and services, including vouchers for sporting and healthcare activities, educational services, family care support, cultural initiatives, and reimbursement of expenses for public transport, education and family care.

A further area of focus concerns capacity building and in-house expertise development. The Group considers continuous learning to be essential to supporting innovation, improving organisational performance and safeguarding employee wellbeing over time.

During 2025, training activities covered, among other areas, compliance, digital skills, technical skills, language skills, health and safety at work, and the development of soft skills. Among the main initiatives were technical and professional development programmes, language training delivered as part of the "Somec Group Language Program", training on privacy and cyber security, and courses focused on developing management and project management skills.

The Group monitors the effectiveness of its training activities by administering assessment questionnaires to participants during or upon completion of the training sessions. These tools make it possible to assess learning outcomes and gather useful feedback to improve the effectiveness of training programmes.

Special attention is also paid to safeguarding the health and safety of employees. The Group operates in compliance with the applicable legislation in the countries in which it operates and adopts all necessary measures to prevent and mitigate risks to the health and safety of its workforce. Notably, the Italian companies apply the provisions of Italian Legislative Decree 81/2008, while non-Italian companies operate in compliance with applicable local legislation. Certain Group companies have also adopted management systems certified to ISO 45001, with the aim of further strengthening their occupational health and safety safeguards.

S1 Own workforce (continued)

During 2024, the Group also developed the “Work smart. Work safe.” campaign, which was formally launched in 2025 with the aim of strengthening the safety culture in operational activities, particularly at shipyards.

The initiative stems from the recognition that these operational settings entail significant health and safety risks. The campaign includes training activities delivered directly at the shipyards, dedicated meetings and opportunities for dialogue with workers, with the aim of promoting greater awareness and preventing risk situations.

Further opportunities are also provided for listening to workers and gathering their feedback, with the aim of progressively improving safety practices and strengthening awareness of the risks involved and the measures that can be taken in operational settings.

The Group assesses the effectiveness of the measures implemented by monitoring specific internal indicators, including participation in training activities, trends in workplace accidents, engagement with welfare initiatives, and reports received through dedicated internal channels.

The initiatives described above are implemented primarily by the relevant corporate functions, in particular the Human Resources teams and the functions responsible for occupational health and safety. The resources required for their implementation are managed as part of the ordinary activities of the relevant functions.

The initiatives described are not covered by any formal action plans involving a specific and material allocation of financial resources (CapEx and/or OpEx). These activities are carried out as part of ordinary operational management and funded through the Group's current resources.

For more information please refer to *S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*.

S1 Own workforce (continued)

Metrics and targets

S1-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The targets identified by the Group for management of the workforce are shown below:

Target-related initiative	Target (MDR-T 80 b)	Baseline (MDR-T 80d) and monitoring KPI	Target Year (MDR-T 80 e)	Perimeter (MDR-T 80 c) Horizons (H) Talenta (T) Mestieri (M)
Group HR target Launch of a programme on a new company every year	To promote programmes to provide equal opportunities for all employees and foster diversity and inclusiveness within the Group	12/2024	2026	H-T-M
	To strengthen the Group's Diversity & Inclusion culture by ascribing value to what makes people different: age, gender, ethnic roots, religion, disability, sexual orientation, education or national origin	12/2024	2026	H-T-M
Fabbrica Increase in number of staff recruited from poor and run-down urban areas	Development of educational and social inclusion projects, especially for disadvantaged groups and those at risk of exclusion	12/2024	2026	H
Group HR target At least one initiative per year to raise awareness of occupational safety and reduce number of accidents "Work smart. Work safe" programme in the shipping sector	To improve occupational health and safety performance with a view to achieving "ZERO" accidents	12/2024	2026	H-T-M

S1 Own workforce (continued)

Target-related initiative	Target (MDR-T 80 b)	Baseline (MDR-T 80d) and monitoring KPI	Target Year (MDR-T 80 e)	Perimeter (MDR-T 80 c) Horizons (H) Talenta (T) Mestieri (M)
Group HR target Introduction and harmonisation of "near miss" reporting procedure throughout the Group, and subsequent reduction in reports through training and risk assessment	To improve and reduce number of "near miss" reports	12/2024 Somec Worksite Monitoring ->Somec Navale SAFETY PERFORMANCE INDICATORS (SPI)	2025-2027	H-T-M
Food Equipment, Oxin, Bluesteel, Lamp Arredo Higher budget to invest in safety measures related to goods handling (forklifts/transpallets)	To improve safety when using forklifts	12/2024	2025-2030	H-T-M
Group HR target To increase budget to invest in safety measures related to replacement of obsolete machinery	To raise the level of safety through investments to replace obsolete machinery	12/2024	2025-2030	H-T-M

The targets outlined above are consistent with the Group's policy framework for managing the identified impacts, risks and opportunities (IROs). In particular, the targets relating to the promotion of diversity and inclusion, the strengthening of the Group's culture in these areas, and the development of initiatives supporting social inclusion and equal opportunities are aligned with the Diversity and Inclusion Policy and the Human Rights Policy, as well as with the principles set out in the Code of Ethics.

The targets relating to occupational health and safety, including those concerning the reduction of workplace accidents (for example through "Work Safe" initiatives), the management and analysis of near-miss reports, and the improvement of operating conditions through safety-related investments, such as the replacement of machinery and the upgrading of equipment, are in turn aligned with the Group Health and Safety Policy.

Finally, matters relating to organisational conduct, reporting mechanisms and information management, including the protection of personal data confidentiality, are governed by the Group Code of Ethics.

It should also be noted that, for objectives originally due to be achieved by 2025 but not fully met within that timeframe, the deadline has been extended to 2026 in order to allow the Group to complete the necessary activities and achieve the intended results.

For more information and details on the targets, please refer to chapter *ESRS 2*, paragraph *SBM-1 - Strategy, business model and value chain*; it is stressed that company workers were involved in target-setting processes.

S1 Own workforce (continued)

S1-6 Characteristics of the undertaking's employees

The table below shows the total number of employees at the end of the reporting period, broken down by gender:

Number of employees (headcount) <small>(nr)</small>		
Gender	2025	2024
Female	225	236
Male	770	806
Other	0	0
Not reported	0	0
Total	995	1,042

As at 31 December 2025, the Group had a total of 995 employees, 225 women and 770 men. This difference is mainly attributable to the nature of Somec's core activities, entailing a considerable amount of manual labour, the technical and physical requirements of which are traditionally more suited to male labour. Compared with 2024, this figure reflects a 4.5% reduction.

This change mainly reflects an ongoing group-wide internal reorganisation to optimise resource allocation across the companies within the scope of consolidation, leading to a realignment of headcount.

The Group's workforce is distributed as follows: 56% across the companies in the Horizons business unit, 23% across those in the Talenta business unit and 21% across those in the Mestieri business unit.

Information on headcount is consistent with the data used to determine labour costs and is aligned with the information reported in the consolidated financial statements and the related notes.

Total number of employees by region <small>(nr)</small>		
Country	2025	2024
Italy	775	807
USA	165	164
Total	940	971

The table shows the breakdown of employees by region, for countries in which the company has 50 or more employees making up at least 10% of the total number of employees.

In terms of geographic distribution, 82.6% of the workforce is concentrated in Europe (Italy, France, Germany, Finland, Norway, Romania, Slovakia), and 17.4% in North America (USA and Canada).

The table below shows the total number of employees as at 31 December 2025 by type of contract and gender.

2025			
nr.	Female	Male	Total
Number of permanent employees	221	739	960
Number of temporary employees	4	31	35
Number of non-guaranteed hours employees	0	0	0
Total number of employees (headcount)	225	770	995
Number of full-time employees	192	760	952
Number of part-time employees	33	10	43

2024			
nr.	Female	Male	Total
Number of permanent employees	225	759	984
Number of temporary employees	10	46	56
Number of non-guaranteed hours employees	1	1	2
Total number of employees (headcount)	236	806	1,042
Number of full-time employees	206	798	1,004
Number of part-time employees	30	8	38

S1 Own workforce (continued)

The table below shows the total number of employees by type of contract and country.

2025						
nr.	EU	USA	UK	Canada	China	Total
Number of permanent employees	783	165	4	8	0	960
Number of temporary employees	35	0	0	0	0	35
Number of non-guaranteed hours employees	0	0	0	0	0	0
Total number of employees (headcount)	818	165	4	8	0	995
Number of full-time employees	777	163	4	8	0	952
Number of part-time employees	41	2	0	0	0	43

2024						
nr.	EU	USA	UK	Canada	China	Total
Number of permanent employees	804	163	4	13	0	984
Number of temporary employees	53	0	0	0	3	56
Number of non-guaranteed hours employees	1	1	0	0	0	2
Total number of employees (headcount)	858	164	4	13	3	1,042
Number of full-time employees	821	163	4	13	3	1,004
Number of part-time employees	37	1	0	0	0	38

An analysis of the data shows a clear predominance of open-ended contracts (96.5 %) over fixed-term (3.5%) contracts.

The table below shows the number of employees that left the company and the turnover rate:

Employee turnover (nr)	2025	2024
Total number of employees leaving the company	221	183 ⁽⁹⁾
Employee turnover rate	22.2%	17.6% ⁽¹⁰⁾

To calculate the employee turnover rate, the company considers the total number of employees who have left the company during the year, including voluntary terminations, dismissals, retirements and deaths in service.

This figure reflects the numerator of the indicator, while the denominator is the total number of employees at 31 December.

In 2025, the employee turnover rate increased by 23% compared with the previous year, mainly as a result of the organisational restructuring carried out during the year.

9. The 2024 comparative figure for the number of employees who left the company was restated (see ESRS 2 - BP 2). The figure previously reported was 193.
10. The 2024 comparative figure for the turnover rate was restated (see ESRS 2 - BP 2). The figure previously reported was 6.2.

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

In addition to employees, the Group continued to make use of a limited number of non-employee workers in 2025.

The table below shows the total number of non-employees, shown in headcount and based on the number recorded at the end of the reporting period:

Non-employee workers (nr)	2025	2024
Leased staff	69	73
Interns	1	2
Employer-coordinated freelance work (locally known as Co.co.co)	1	1
VAT-registered self-employed individuals	8	3
Workers for staff recruiting, selection and supply activities	0	0 ⁽¹¹⁾
Total	79	79

The data in the table above were compiled without the use of estimations.

11. The 2024 comparative figure for the number of workers engaged in staff recruitment, selection and supply activities was restated (see ESRS 2 - BP 2). The figure previously reported was 220.

S1 Own workforce (continued)

As regards self-employed VAT-registered workers who form part of the undertaking's workforce, account is taken of individuals who provide their services on a continuous basis and are integrated into the company's business processes:

- Contractors hired to perform work that would otherwise be performed by employees
- Contractors entrusted with work carried out in public spaces (e.g. on streets or roads)
- Contractors hired to provide services directly at the workplace of a client of the organisation.

S1-8 Collective bargaining coverage and social dialogue

The table below provides information on the coverage rate for collective bargaining and social dialogue for each country where the company has a significant level of employment, defined as at least 50 employees (number of persons) making up at least 10% of all Group employees in FY 2025.

2025			
Coverage Rate	Collective bargaining coverage		Social dialogue
	Employees - EEA (for countries with >50 empl. representing >10% total empl.)	Employees - Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0-19%		USA	
20-39%			
40-59%			Italy
60-79%			
80-100%	Italy		

With reference to collective bargaining, in 2025 the coverage of collective bargaining agreements was 82%, in line with the previous FY.

In particular, the National Collective Labour Agreement (CCNL) for employees in the private metalworking industry and plant installation sector is the reference collective agreement for the majority of employees working in Italy (86%).

A smaller proportion of employees is instead covered by the National Collective Labour Agreement for employees of companies in the tertiary, distribution and services sector (6%) and the National Collective Labour Agreement for employees in the wood, cork, furniture and furnishings industries and in the forestry sector (4%).

Executives are covered by the National Collective Labour Agreement for managers in industrial companies (2%). For permanent establishments and Group companies operating abroad, reference is made to the national collective agreements or applicable legislation in the respective countries, such as TIOF (Technological Industries of Finland) in Finland and the Slovak national collective agreement in Slovakia.

These contracts are designed to recognise production benefits and/or bonuses, including tax and contribution benefits, to improve people's living and working conditions and increase their sense of belonging to the Company.

For an illustrative list of measures taken, please refer to S1-4 - Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.

S1 Own workforce (continued)

S1-9 Diversity metrics

The table below shows the distribution by gender at senior management level:

Gender distribution at top management level	Female	Male	Total
2025			
Number	5	24	29
Percentage	17.2%	82.8%	100.0%
2024			
Number	4	22	26
Percentage	15.4%	84.6%	100.0%

The profiles considered in the definition of senior management are members of Board of Directors, Sole Directors and legal representatives of subsidiaries.

The composition of the Board of Directors meets gender requirements set forth in the applicable laws and regulations, the Articles of Association and the Corporate Governance Code.

The chairperson of the Board of Directors is not an executive of the organisation.

The table below shows the distribution of employees by age group:

Distribution of employees by age group	Under 30 years old	30-50 years old	Over 50 years old	Total
2025				
Employees	137	539	319	995
2024				
Employees	148	586	308	1.042

The 30-50 age group has the largest share of the company population, with 54% of employees, thus confirming its central role within the organisation.

They are followed by employees aged over 50, who account for 32% of the workforce, while those under 30 are the least represented group, at 14%.

S1-12 Persons with disabilities

The table below shows the percentage of employees with disabilities:

Persons with disabilities	Female	Male	Total
2025			
Percentage of persons with disabilities	5.3%	2.2%	2.9%
2024			
Percentage of persons with disabilities	3.8%	2.0%	2.4%

S1-13 Training and skills development metrics

The table below provides information on the percentage of employees involved in regular performance and career development reviews:

Percentage of employees that participated in regular performance and career development reviews	2025	2024
Male	17.9%	18.0%
Female	9.8%	11.0%
Other	-	-
Not reported	-	-
Total	16.1%	16.4%

S1 Own workforce (continued)

The table below shows the average number of training hours by gender:

Average training hours by gender	2025	2024
Male	7.2	7.6
Female	9.2	9.7
Other	-	-
Not reported	-	-
Total	7.6	8.1

Overall, 7,598 hours of training were provided in 2025, mainly to white collars (63%), followed by blue collars (29%), managers (5%) and executives (3%), with an average of 7.6 hours per employee.

With regard to training and development, the Group recognises the importance of strengthening and enhancing the know-how of its people by promoting initiatives aimed at the continuous development of skills and the acquisition of new professional capabilities.

Human capital development is a key factor in the organisation's success and long-term sustainability, as it helps to enhance individual and collective performance, foster innovation and strengthen the Group's ability to respond to a constantly evolving operating environment.

With this in mind, the Group promotes training and professional development initiatives designed to strengthen both technical and soft skills, with the aim of supporting people's growth and helping to achieve the Group's strategic business objectives.

S1-14 Health and safety metrics

The table below shows the number of deaths due to work-related injuries and illnesses:

	2025	2024
Number of recordable work-related accidents	30	23
Number of fatalities as a result of work-related injuries and work-related ill	0	0
Number of cases of recordable work-related ill health	0	1
Number of days lost due to work-related injuries and fatalities resulting from workplace accidents, work-related ill health and deaths from occupational disease.	657	773
Incident rate ⁽¹²⁾	16.56	12.03

As shown in the table, the incident rate increased. However, it should be noted that almost all recorded incidents were minor in nature, consisting mainly of superficial injuries, bruising and abrasions.

Each event was analysed by the relevant supervisors, who assessed its causes, circumstances and possible corrective measures in order to identify actions that could help prevent or reduce the occurrence of similar events in the future. Despite this increase, the Group continues to regard the health and safety of its workers as a priority and remains committed to implementing initiatives and targeted actions aimed at progressively improving safety conditions and reducing the number of accidents in the coming years.

In 2025 100% of the company's workforce was covered by the health and safety management system.

12. The incident rate is calculated as the ratio of the number of accidents recorded in the reporting year to the total number of hours worked by employees, multiplied by 1,000,000.

S1 Own workforce (continued)

S1-15

Work-life balance metrics

Group employees are entitled to parental leave to the extent recognised by the laws in force in the State where they work.

The Group discloses the extent to which employees are entitled to (and take) family leave.

	2025	2024
Employees entitled to take family-related leave	100.0%	99.6%
Entitled employees that took family-related leave		
Male	8.1%	10.7%
Female	16.0%	14.5%
Other	-	-
Not reported	-	-
Total	9.8%	11.6%

Employees eligible for family leave are those employees covered by regulatory provisions, organisational policies, agreements, contracts or collective agreements that provide for family leave entitlement and who have declared this right to the company.

S1-16

Remuneration metrics (pay gap and total remuneration)

In order to calculate remuneration metrics, the ESRS methodology was followed, taking into account fixed and variable remuneration (including bonuses and MBO bonuses) for the entire Group population. These values have not been adjusted for the different levels of purchasing power in the various countries in which the Group employs its workforce. In 2025, the gender pay gap between female and male employees stood at 21.3% in favour of men, up from 18.2% in 2024.

As regards the ratio between the total annual remuneration of the highest-paid individual and the median annual remuneration of all employees, excluding that individual, the indicator stood at 15.5 in 2025. In 2024, this figure stood at 14.8, showing an increase of 4.7%.

In compiling the information used to calculate the indicator, all elements of remuneration required under the applicable legislation were taken into account, whether monetary or non-monetary.

13. In compiling the information required under paragraph 97(a) on the pay gap between female and male employees (also referred to as the "gender pay gap"), the undertaking relies on the following methodology:
(a) Includes the gross hourly pay of all employees; and
(b) Applies the following formula to calculate the gender pay gap:
[(Average gross hourly pay of male employees - average gross hourly pay of female employees) / (Average gross hourly pay of male employees)] x 100

S1-17

Incidents, complaints and severe human rights impacts

It should be noted that no serious human rights incidents involving the undertaking's workforce were recorded during 2025.

During the specified period, a single report concerning discrimination, including harassment, was submitted through the company's internal whistleblowing channels. This report, concerning an alleged incident of harassment, is currently undergoing investigation and formal assessment.

During the same period, no fines, administrative penalties, or damages were inflicted or paid in connection with the aforementioned incidents.

S2 Workers in the value chain

Strategy

SMB-2

Interests and views of stakeholders

Although the Group's activities may influence the interests, opinions and rights of workers in the value chain, there is no formal mechanism for gathering and incorporating such considerations in corporate strategy.

SBM-3

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

Below are the material impacts identified in the double materiality assessment in respect of workers in the value chain:

Impacts

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Value chain workers	Working conditions	Secure employment	The high level of use of local suppliers generates positive impacts on the local area and the local production chain, especially in terms of employment and labour supply	P	A	D	Short
		Adequate wages					
		Health and safety	Accidents occurring to workers employed by subcontractors as part of on-site activities coordinated by the client (Horizons and Mestieri BUs)	N	A	I	Short
		Working time	Possible demands to supply products or services at the lowest cost or quick delivery could lead to the use of arrangements that put pressure on supply chain workers in terms of excessive working hours and inappropriate working conditions	N	P	D	Short
		Adequate wages					
		Collective bargaining					
	Work-life balance						
	Health and safety						
	Other work-related rights	Child labour	Upstream workers in the value chain: Cases of forced labour and/or child labour and/or inadequate housing allocation involving workers belonging to its upstream value chain (tier 2-3)	N	P	I	Medium
Forced labour							
Adequate housing							

S2 Workers in the value chain (continued)

The aforementioned impacts are integrated within the Group's corporate strategy and business model, for more information please refer to the chapter *ESRS 2* paragraph *SBM-1 Strategy, business model and value chain*.

Listed below are the types of workers in the Somec value chain that are or may be subject to the impacts identified during the double materiality assessment, identified on the basis of the activities carried out by the Group's three BUs (Horizons, Talenta and Mestieri) and through interviews with General Managers:

- Sub-contractors employed for installations at worksites
- Workers (particularly blue-collars) employed by outsourcers performing work on behalf of the Group
- Workers (particularly blue-collars) employed by the Group's raw material suppliers
- Workers employed at shipyards and civil shipyards by the Group's clients.

Somec primarily turns to suppliers operating in heavily regulated countries and markets, notably Italy, Germany, France and the United States, thereby mitigating the impact of inadequate working conditions and/or instances of forced labour and/or child labour along its upstream value chain.

However, given the nature of the Group's business activities, certain areas of the supply chain, such as the extraction of raw materials, may be more sensitive to the aforementioned conditions. In such contexts, particularly at the higher tiers of the supply chain (Tier 2 and Tier 3), potential risks may emerge regarding the infringement of fundamental labour rights — such as child labour, forced labour, or substandard housing conditions — which are typically associated with certain production environments within the raw materials supply chain.

The operations conducted by the various business units may expose subcontractors engaged in site installation activities to potential accident risks, specifically during material handling phases and the use of scaffolding and work equipment.

Furthermore, in the event of procurement requests for products or services under particularly tight schedules, workers within the supply chain may be subject to work-related stress, arising from factors such as extended working hours or suboptimal working conditions. It is stressed that the negative impacts identified are of a general nature.

The Group uses mainly local suppliers, generating positive impacts on the local area and production chain, especially in terms of employment and labour supply.

This aspect mainly benefits artisan workers, as well as workers employed in small and medium-sized enterprises that process the main materials (glass, steel, aluminium) used by the Group in its production processes.

Worker types in the value chain having special characteristics or working in specific contexts, and consequently exposed to a higher risk of harm, have been set forth in the description of impacts.

S2 Workers in the value chain (continued)

Impact, risk and opportunity management

S2-1

Policies related to value chain workers

While no specific policy for workers in the value chain currently exists, the Group maintains various policies and governance instruments incorporating principles and commitments applicable to workers employed throughout its supply chain.

Specifically, the Group's Environmental Policy fosters a responsible and sustainable approach throughout the value chain, encouraging business partners, suppliers, and contractors to adopt practices consistent with the principles of environmental protection and the responsible management of production activities. In this regard, the Group recognises the role of suppliers and partner companies in facilitating the dissemination of sustainable practices across the supply chain.

The Somec Code of Ethics, which is likewise applicable to suppliers and business partners, sets out the principles of integrity, fairness, and respect for individuals that must underpin commercial relations and activities conducted across the value chain.

Specifically, the Code requires suppliers to operate in compliance with prevailing labour, health, and safety regulations and to adopt conduct aimed at safeguarding the dignity of workers, by promoting fair working conditions and respect for fundamental rights.

The Human Rights Policy is likewise extended to the Group's supply chain, encouraging suppliers to adopt management models consistent with the respect for human rights across the entire value chain. In accordance with the provisions of this policy and, as pioneered by Somec itself, the Group acts in compliance with the main international human rights standards, including:

- The United Nations Universal Declaration of Human Rights
- The UN Convention on the Rights of the Child
- The International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and subsequent relevant Conventions
- The European Convention on Human Rights.

In particular, the Group declares its opposition to any form of labour exploitation, including child labour, forced or compulsory labour and any other form of abuse, including against workers employed along the supply chain, and strongly condemns all forms of human trafficking and exploitation.

Suppliers, as recipients of the Code of Ethics and Group policies, are therefore required to operate in compliance with such principles and to actively combat child labour and all forms of labour exploitation, including by refraining from entering into business relationships with third parties that fail to meet these standards.

For more information concerning Group policies please refer to chapter *ESRS 2*, paragraph *MDR-P Policies adopted to manage material sustainability matters for more details on the above mentioned policies*.

S2 Workers in the value chain (continued)

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

Somec recognises the vital importance of engaging workers throughout the value chain. For this reason, during 2024, a representative sample of suppliers from the Group's three business units (Horizons, Talenta, and Mestieri) was engaged as part of the impact materiality assessment.

Through dedicated interviews and questionnaires, participants were invited to assess the topics deemed material by the Group and to identify any additional issues not previously considered. Senior representatives of the organisations participated on behalf of the engaged suppliers, as they were deemed capable of conveying the perspective of workers throughout the value chain.

In 2025, this engagement exercise was not repeated, as the Group deemed the outcomes of the 2024 analysis as still valid and meaningful. Any further engagement activities involving suppliers and workers within the value chain may be undertaken in connection with future updates to the double materiality assessment.

The engagement process was coordinated by the Group Sustainability Manager, who is tasked with the operational responsibility for overseeing the process and ensuring that its outcomes are integrated into the Group's sustainability risk and impact assessment activities.

Further supplier engagement methods are integrated into the Group's procurement and supplier management processes. The supplier qualification process includes an initial screening phase to gather data for a preliminary assessment of financial stability and production capacity, followed by the management of the supplier relationship, from selection to final product delivery. Furthermore, where ISO 45001 certifications have been implemented, supplier qualification questionnaires incorporate specific questions regarding occupational health and safety matters.

The engagement process did not include specific consultation methods for potentially vulnerable or marginalised categories of workers (such as migrant workers, female workers, or workers with disabilities). However, such considerations are integrated into the social risk assessments conducted across the supply chain.

For further details on the processes of worker involvement in the value chain, please refer to chapter *ESRS 2*, paragraph *SBM-2 - Interests and views of stakeholders*.

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

The Somec Group is committed to mitigating the impacts on workers along its value chain, which is why it provides training on health and safety aspects at installation companies. Notwithstanding the employer's liability in the event of an accident, the Group participates in the assessment of the causes of any such occurrences, collaborating with the companies involved to identify potential corrective and preventive actions aimed at reducing the risk of similar incidents and mitigating negative impacts on workers within the value chain.

At present, the Group does not have any specific communication channels in place dedicated to workers within the value chain. However, these workers may utilise the reporting channels established under the whistleblowing procedure, which is operational across the majority of Group companies.

This procedure is also accessible to external parties maintaining relationships with Somec, including business partners, clients, suppliers, consultants under professional service agreements, collaborators, and, more broadly, any party with a vested interest in the Company.

This instrument makes it possible to report any non-compliant conduct, regulatory violations, or situations that may generate negative impacts, including those relating to working conditions across the value chain.

To date, there have been no reports from workers in the value chain.

For more information on the whistleblowing channel and the protection and confidentiality of persons who use this reporting tool, please refer to Chapter *ESRS S1 Own workforce*, paragraph *S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns*.

Please refer also to *ESRS Chapter S1 Own workforce*, paragraph *S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions*, where the project "Work safe. Work smart." is described, aimed not only at the Group's in-house units but also at companies in the value chain employed on worksites, in order to foster a shared approach to health and safety in the workplace, strengthening the culture of safety throughout the value chain.

S2 Workers in the value chain (continued)

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**

After having identified the main impacts along the value chain, the Group established a set of measures and actions to prevent, mitigate and reduce the potential negative effects arising from the nature of its activities.

These safeguards are primarily integrated into the selection, qualification, and monitoring processes for suppliers and subcontractors.

In this regard, the Group considers the adoption of management systems — such as the Organisation and Management Model pursuant to Italian Legislative Decree 231/2001 — and the possession of environmental, social, and safety certifications as preferential criteria in its supplier selection process. Somec S.p.A. also requires its suppliers to observe the principles established in the Code of Ethics, including compliance with health and safety regulations, as an essential condition for the establishment of a professional relationship.

The selection of subcontractors is conducted by ensuring the company's compliance regarding the social security, contractual, and insurance status of its personnel, as well as its adherence to statutory occupational health and safety obligations. Checking compliance with these requirements is a mandatory step of the supplier qualification process, as well as a prerequisite stipulated by the domestic and international clients awarding the contracts.

In 2023, the Parent Company launched the "Green Procurement" project, designed to assess suppliers' ESG performance across key areas such as occupational health and safety, supply chain management, and industrial relations. The information collected help reach decisions regarding supplier selection and qualification and serve as a monitoring tool for social risks across the value chain.

With subsidiaries having a range of specific traits and expertise, supply chain management varies for each business segment, with the ultimate aim of having supply processes that are always subject to controls and constraints, getting suppliers to fulfil legal obligations in terms of safety and working conditions.

The relevant corporate functions, including Procurement, Quality, and Safety, collaborate on identifying and implementing the most appropriate measures to prevent or mitigate potential adverse impacts on workers throughout the value chain. The above mentioned actions are designed to reduce the risk of work-related incidents along the value chain and ensure respect for working conditions and workers' rights.

The effectiveness of these measures is monitored through documentary audits as part of the supplier qualification and assessment processes, as well as via the periodic review of data gathered by the relevant corporate functions.

The Group also fosters the advancement of the local industrial fabric. The Group's supplier base is predominantly Italian, with a high concentration in Northern Italy. The subsidiary Fabbrica, which maintains its operational headquarters in Connecticut (USA), also employs a significant number of residents from economically disadvantaged areas or complex socio-cultural backgrounds, thereby fostering employment opportunities for the local community.

These initiatives generate positive outcomes for workers throughout the value chain while driving local economic development.

The Group closely monitors the level of concentration of its supplier base belonging to the local and/or district industrial fabric in which it operates through internal statistics prepared by its Purchasing Departments.

As reported above, no material risks were identified relating to the company's dependency on workers in the value chain.

With a view to proactive risk management, the Group maintains safeguards designed to mitigate potential supplier concentration and dependency; this is achieved by diversifying procurement sources and prioritising, where feasible, suppliers situated in close proximity to its operational sites.

By adhering to its Code of Ethics and the legislative requirements of the jurisdictions in which it operates, the Group adopts an approach designed to prevent adverse impacts throughout its value chain across procurement, sales, and data management activities.

S2 Workers in the value chain (continued)

Specifically, the Group refrains from sourcing from suppliers in developing countries for the purpose of securing price advantages or shorter lead times where such conditions could undermine the rights and working conditions of the personnel employed.

During 2025, there were no reported incidents or relevant violations related to human rights violations within the Group's value chain. Furthermore, no dedicated financial resources have been allocated to the management of the aforementioned actions, as such activities are integrated into the ordinary operational processes of the corporate functions involved.

The Group has not identified any negative material impacts along its value chain that need to be actively countered by leveraging established business relationships, or its bargaining powers. No specific training courses were provided to persons in the Group's value chain, with the exception of training sessions offered by quality departments to subcontractors working in shipyards.

The Group does not currently participate in sectoral or 'multi-stakeholder' initiatives to mitigate negative impacts along its value chain. In 2025 Somec received no reports of serious human rights issues or incidents along the value chain.

S2 Workers in the value chain (continued)

Metrics and targets

S2-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Below are the targets identified by the Group for sustainable supply chain management:

Target-related initiative	Target (MDR-T 80 b)	Baseline (MDR-T, 80d) and monitoring KPI	Target Year (MDR-T 80 e)	Perimeter (MDR-T 80 c) Horizons (H) Talenta (T) Mestieri (M)
Somec Navale ESG questionnaires for all Italian strategic suppliers Fabbrica Supplier assessment based on quality, price and ESG criteria	Launch of a programme to evaluate strategic suppliers based on ESG (Green Procurement) parameters	12/2024	Somec Navale: 2025 Fabbrica: 2025	H
Somec Navale 50% of Italian strategic sub-contractors audited Bluesteel 10% of Italian strategic sub-contractors audited Skillmax xx% of sub-contractors audited - quantitative target being defined	Promotion of subcontractor involvement initiatives on "Health and Safety" topics	12/2024	Somec Navale: 2030 Bluesteel: 2025-2026 Skillmax: 2030	H-M
Oxin, Somec, Skillmax Increase in no. of audits performed Bluesteel, Budri Launch of supplier auditing programme Group target Reducing no. of criticalities/non-conformities	Start-up/Extension of the monitoring of risks and critical issues arising from suppliers' activities, partly through audits	12/2024 Oxin, Somec and Skillmax have already conducted supplier audits	2025	H-T-M

S2 Workers in the value chain (continued)

The targets set out in the table above were defined consistent with the Somec Group's Human Rights Policy and Code of Ethics.

With regard to the aforementioned targets, it should be noted that several were formally achieved in 2025. Specifically, emphasis is placed on the launch — by Somec and Fabbrica — of a structured supplier assessment programme based on ESG criteria, alongside the expansion of supply chain risk monitoring activities through the conduct of on-site supplier audits by Budri.

Progress against these targets is monitored by verifying the effective implementation of the planned initiatives and, where applicable, by tracking the number of suppliers assessed against ESG criteria and the volume of audits conducted throughout the supply chain.

At the reporting date, the initiatives were completed as originally scheduled.

No material deviations from the defined targets were identified. The activities undertaken are to be viewed as the first steps towards the progressive development of a more structured approach to supply chain risk management and monitoring.

The Group intends to consolidate and expand these activities in subsequent years, further strengthening its analytical and monitoring framework over time.

During 2026, the Group intends to define further targets and improvement actions in this area, aimed at consolidating and expanding its supplier monitoring and assessment framework, while continuing its efforts in preventing, mitigating, and managing risks and opportunities related to material social issues throughout the supply chain.

For more information and details on targets, please refer to chapter *ESRS 2*, paragraph *SBM-1 - Strategy, business model and value chain*; it is noted that workers in the value chain were not involved in target-setting processes.

S4 Consumers and end-users

Strategy

Consequently, any end-user requirements, expectations, or concerns are primarily channelled through the Group's direct clients and business partners.

Where relevant, such factors are integrated into project management operations and the definition of technical and quality specifications agreed with clients, notwithstanding the current absence of structured channels for direct consumer or end-user engagement.

SBM-2

Interests and views of stakeholders

Although the Group's activities may influence the interests, views and rights of consumers and end-users, there is currently no formal mechanism for systematically gathering and incorporating these considerations in corporate strategy and business model.

Given the Group's business model, which is primarily based on B2B relationships and the execution of bespoke projects, the Group's principal counterparty is the client or contracting entity rather than the end user of the products or areas delivered.

SBM-3

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

Below are the material IROs identified within the double materiality Assessment in respect of consumers and end-users:

Impacts

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety	Violation of product safety regulations could lead to negative impacts on the safety of end consumers, with particular reference to the use of household/professional appliances (blast chillers, ovens, refrigerators, etc.) produced and sold	N	P	D	Short
		Security of a person	Violation of safety regulations with regard to the usability of spaces (e.g. risk of sharp edges)	N	P	D	Short
			Any breach of product safety regulations and/or technical specifications would result in adverse impacts on end-consumer safety, specifically regarding the safe accessibility of spaces and the quality and structural integrity of the materials used	N	P	D	Short

S4 Consumers and end-users (continued)

Risks and opportunities

Topic	Sub-Topic	Sub-Sub Topic	Risk Opportunities	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services	Opportunity related to the introduction of the Americans with Disabilities Act (ADA) in terms of new marketable products in the US market	O	P	D	Medium
	Personal safety of consumers and/or end-users	Health and safety	Potential damage to image and potential refunds arising from possible violations of regulations and/or health and safety non-compliance regarding the installation of industrial kitchens for civil and naval use (e.g. risk of sharp edges)	R	P	D	Short
		Security of a person	Potential damage to image and potential refunds arising from possible violations of regulations and/or health and safety non-compliance concerning on-site installations (assembly and/or strength of doors and windows, stair fixtures, etc.) with possible harm to end users/consumers	R	P	D	Short

The aforementioned IROs are integrated within the Group's corporate strategy and business model, for more information please refer to chapter *ESRS 2*, paragraph *SBM-1 Strategy, business model and value chain*.

Listed below, with respect to the three BUs, are the types of consumers and end-users that are or may be subject to the impacts identified in the double materiality assessment:

- Horizons: cruise ship passengers and crew members, as well as occupants of buildings and public areas featuring the Group's architectural systems and engineered solutions
- Talenta: catering and hospitality professionals and operators utilising professional kitchens, equipment, and food preparation systems designed and manufactured by the Group
- Mestieri: occupants and users of spaces created through high-end interior and contract projects, including hotel and cruise guests, museum visitors, retail clients, and private residents.

To identify the primary impacts on consumers and end-users, the Group conducted an analysis based on applicable industry regulations, product certification standards, and a benchmarking exercise against the sustainability disclosures of operators that engage directly with end users.

The analysis did not show any products or solutions having an inherently high level of risk during the use phase. Nevertheless, any breach of product safety regulations could lead to adverse impacts on the safety of end consumers.

Such adverse impacts are generally attributable to isolated incidents or product defects, rather than to systemic or widespread issues within the environments in which the Group operates.

S4 Consumers and end-users (continued)

More specifically:

- For Talenta business unit, potential impacts relate to the use of professional catering equipment and appliances
-
- For Horizons and Mestieri business units, potential impacts are primarily related to the safety of materials used and the usability of the spaces designed and delivered by the Group.

Moreover, any incidents could give rise to risks for the Group in terms of reputational damage and potential claims for damages. These risks are not associated with specific categories of consumers, but pertain generally to all users of the products and spaces delivered by the Group.

The analysis focused in particular on potentially vulnerable end users, including persons with disabilities, for whom regulations stipulate specific accessibility and usability requirements regarding both spaces and information.

In relation to these categories, the Group has further identified a potential opportunity to develop design solutions that meet advanced accessibility requirements, particularly within the cruise ship sector, also in accordance with the principles of the *Americans with Disabilities Act (ADA)*.

S4 Consumers and end-users (continued)

Impact, risk and opportunity management

S4-1

Policies related to consumers and end-users

As a general principle, the Somec Group is committed to ensuring high standards of safety and quality across its products and solutions. Compliance monitoring is entrusted to the Quality & Safety Function, which ensures adherence to applicable national and international regulations and manages any non-conformities relating to products and materials used.

At the reporting date, the Group had no specific policies addressing the management of impacts, risks, and opportunities relating to consumers and end-users. Nevertheless, these factors are managed through quality control systems, compliance with applicable safety regulations, and non-conformity management procedures, which are applied across all Group activities and are intended for the entire end-user base.

For further information on the policies adopted by the Group, reference should be made to Chapter *ESRS 2*, section *MDR-P - Policies adopted to manage material sustainability matters*.

S4-2

Processes for engaging with consumers and end-users about impacts

At the reporting date, Somec Group had no structured processes for direct consumer or end-user engagement regarding material impacts affecting them.

The Group is nonetheless considering potential methods to improve the processes for collecting and analysing such information as part of its operations. For further details on how the Group considers stakeholder interests and views, reference should be made to Chapter *ESRS 2*, section *SBM-2 - Interests and views of stakeholders*.

S4-3

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

The Group's companies operate through three business units and engage with consumers and end-users primarily in an indirect manner, through direct clients or contracting authorities. Any complaints, service requests, or issues regarding the products and spaces delivered thus emerge primarily through these counterparties, who interface with Group companies for maintenance, assistance, or warranty-related requests.

If a potential adverse impact on consumers or end users be identified, the Group companies will activate the relevant operational procedures, which may include technical interventions, repair or replacement activities, and other corrective actions. These situations are typically managed by dedicated personnel, such as project managers or technical and commercial staff, who are responsible for coordinating activities and providing customer support.

In addition, some Group companies maintain after-sales support channels or complaint collection systems, managed either directly or by third parties (such as cruise lines or retailers), through which any issues regarding the products or services provided may be reported.

S4 Consumers and end-users (continued)

Complaints and reports received are monitored and managed through internal non-conformity and complaint management procedures. In addition, the quality management system implemented across various Group companies in compliance with ISO 9001:2015 helps to monitoring customer satisfaction and managing reported issues through root cause analysis and corrective or improvement actions.

Given the nature of the channels used — many of which are managed by clients or involve direct communication between them and Group companies — no systematic assessment of consumer or end-user awareness and the effectiveness of these channels is currently performed.

The Group also provides internal and external stakeholders with a whistleblowing channel, ensuring whistleblower confidentiality and protection against retaliation.

The channel is public-facing and accessible to all stakeholders. However, the Group has not implemented structured frameworks to gauge stakeholder awareness regarding the existence and use of this tool.

For further information, please refer to chapter *ESRS S1 – Own workforce*, section *S1-3 – Processes for remediating negative impacts and channels for own workers to raise concerns*.

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

The Somec Group manages material impacts, risks and opportunities (IROs) related to consumers and end-users through organisational and operational processes integrated into the system for internal control and management of design, production and installation activities.

Responsibility for quality, product safety and regulatory compliance lies with the technical and operational functions of group companies; for the most significant matters, oversight is ensured by the Board of Directors, which receives periodic reports on key IRO management data and the progress of actions taken.

Potential adverse impacts identified primarily relate to the health and safety of the end users of products and solutions delivered by the Group's three operating divisions (Horizons, Talenta, and Mestieri).

To prevent or mitigate such impacts, the Group adopts an approach based on technical and engineering product design, regulatory compliance checks, quality controls during production, and inspections during the installation phases.

These activities are conducted in compliance with applicable national and international regulations, including, by way of example, IMO/MED certifications for marine equipment, USPHS requirements for health and hygiene safety in marine catering environments, and declarations of compliance regarding FCMs (Food Contact Materials).

Impact and risk management methods vary according to the nature of the activities carried out by the different divisions. Specifically, within the Horizons business unit, automated doors and windows and architectural solutions undergo laboratory testing and operational checks during production, through Factory Acceptance Tests (FAT) performed on each individual product. In the Talenta business unit, professional kitchen equipment undergoes internal testing to verify combustion quality, power output, and the absence of gas leaks in gas-powered products, as well as electrical and electromagnetic compatibility (EMC) testing for electrical appliances.

Production lines and certification processes are also subject to periodic audits by independent parties. Mestieri business unit integrates safety from the design phase through technical checks and structural calculations, while also conducting inspections during on-site installation to ensure compliance with design and regulatory requirements.

In addition to managing risks and impacts, the Group monitors evolving regulations and market requirements to identify business development opportunities. In this connection, Somec evaluates opportunities relating to the introduction of accessibility requirements under the Americans with Disabilities Act (ADA) in the United States, which may facilitate the development and marketing of design solutions and products compliant with such standards.

The Group monitors any non-conformities regarding product safety and quality through product and production process quality controls, regulatory compliance checks, internal and external audits, and the analysis of reports and feedback received from clients and general contractors.

S4 Consumers and end-users (continued)

These reports are analysed by the technical and quality functions to identify the root causes of any issues, define corrective actions, and implement preventive measures within the design, production, or installation processes.

The information gathered supports continuous process improvement, reducing potential adverse impacts on consumers and end users while mitigating business risks associated with reputational damage or compensation claims arising from product or installation defects and non-conformities.

During 2025, no material incidents or human rights violations involving consumers or end-users were reported.

The activities described above are primarily managed through the Group's existing organisational structures and operational functions — specifically within engineering, quality, production, and regulatory compliance — and did not require significant specific financial resources to be allocated during the reporting period.

The initiatives described are not covered by any formal action plans involving a specific and material allocation of financial resources (CapEx and/or OpEx).

These activities are carried out as part of ordinary operational management and funded through the Group's current resources.

S4 Consumers and end-users (continued)

Metrics and targets

S4-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Below are the targets identified by the Group with regard to consumers and end-users.

In 2025, Oxin achieved its target, i.e. implementing more stringent final inspections, in accordance with the original schedule. The target is monitored by identifying and analysing product non-conformities, which are then reflected in an annual report that maps all cases detected during the financial year.

Target-related initiative	Target (MDR-T 80 b)	Baseline (MDR-T 80d) and monitoring KPI	Target Year (MDR-T 80 e)	Perimeter (MDR-T 80 c) Horizons (H) Talenta (T) Mestieri (M)
Pizza Group (Talenta) To extend ISO 9001 certification	To ensure high product quality and safety standards through the extension of ISO 9001 quality certification	12/2024	2026	T
Bluesteel (Horizons) At least 10% of non-conformities investigated and tracked	To ensure high product quality and safety standards through constant monitoring of any non-conformities related to product health and safety	12/2024	2025	H
Oxin (Talenta) More stringent final checks for finish and sharp edges (quality target)			2026	T
Talenta (excluding Oxin) 100% non-conformities investigated and tracked			2026	T

The key metrics used relate to the number and type of non-conformities, as well as their trend over time. The information collected is reviewed by the relevant departments to identify the underlying causes and dynamics. Based on the findings, specific corrective actions are defined and implemented to improve the trend of non-conformities in subsequent periods.

At the reporting date, no material deviations from the defined targets were identified.

For more information and details on the targets, please refer to chapter *ESRS 2*, paragraph *SBM-1 - Strategy, business model and value chain*; it is emphasised that consumers and end-users were not involved in target-setting processes.

Governance



G1 Business conduct

Governance

GOV-1

The role of the administrative, supervisory and management bodies

The Board of Directors of Somec S.p.A. is the body charged with leading and overseeing the Group's ethical conduct, setting the strategic direction by ensuring legality, transparency and accountability in its actions, and considering social and environmental matters when taking business decisions in order to create long-term sustainable value.

It is up to the Board of Directors and internal board committees to oversee the implementation of codes of conduct, the functioning of risk management and control systems, and the proper implementation of ESG policies.

The governing body is also responsible for verifying the adequacy of the organisational, administrative and accounting set-up and the controls needed to monitor the Group's performance.

The Board of Directors is supported by the Control, Risk Management and Sustainability Committee (CCRS), which is entrusted with the task of assisting the Board of Directors in evaluations and decisions relating to the internal control and risk management system, and to the approval of periodic financial reports and analysis of ESG topics.

On this last issue, the CCRS has been assigned the task of verifying the adequacy of sustainability programmes further to a policy consistent with the values pursued by the Company, meeting on a regular basis with the ESG department and liaising with the department responsible for managing the activities in question, in order to outline planned interventions and ensure their optimal execution and reporting. It also has the task of assessing the consistent execution of set programmes for the purpose of drafting the Sustainability Report.

Completing the governance structure is the role of the supervisory body of the parent company and of the main subsidiaries that have adopted the organisational model pursuant to Legislative Decree No. 231/2001.

The supervisory board, composed of internal and external members, has the role of verifying and monitoring the effectiveness of and compliance with Organisational Model 231, reporting any breaches, anomalies and shortcomings, and, where appropriate, updating said Model.

For further information regarding the function and composition of corporate bodies, reference should be made to section *ESRS 2 GOV-1*. For further information about the policies adopted, please also refer to the 2025 Report on the Entity's Corporate Governance contained in the section *Reports* at <https://www.somecgruppo.com/en/governance-documents/>.

G1 Business conduct (continued)

Impact, risk and opportunity management

IRO-1

Description of the processes to identify and assess material impacts, risks and opportunities

The double materiality assessment led to the identification of the following IROs related to business culture and conduct.

Impacts

Topic	Sub-Topic	Sub-Sub Topic	Impact	Positive (P) Negative (N)	Actual (A) Potential (P)	Direct (D) Indirect (I)	Time horizon
Business conduct	Management of relationships with suppliers including payment practices		Failure to comply with agreed payment terms may adversely affect suppliers' liquidity, financial stability, and operational continuity — notably for SMEs — thereby undermining value chain relationship sustainability and partner trust	N	P	D	Short
	Protection of whistle-blowers		The absence or inadequacy of secure, confidential whistleblowing channels may expose workers to retaliation, prevent illicit conduct or fundamental rights violations from being reported, and compromise organisational trust, transparency and reputation	P	A	D	Short

For insights into the methodologies, assumptions, and tools used to identify and assess material impacts, risks, and opportunities across the value chain, reference should be made to section *ESRS 2 IRO-1* of this document.

G1 Business conduct (continued)

G1-1 Business conduct policies and corporate culture

The Somec Group embraces a corporate culture underpinned by integrity, transparency and compliance with applicable regulations, considering such principles essential to achieving strategic targets and safeguarding the Group's long-term reputation. Corporate culture is defined and championed through a framework of policies and governance tools designed to guide the conduct of Group companies, their employees, and all third parties engaging with the Group.

Group-wide policies are implemented across all subsidiaries, insofar as possible, to ensure consistent corporate conduct throughout. The primary reference is the Code of Ethics, which sets out the values, principles, and behavioural standards governing the Group's operations; it promotes compliance with applicable regulations, the protection of human rights, the prevention of corruption, and fair dealings with all stakeholders.

The Group has also adopted an Anti-Corruption Policy, which sets out the principles and guidelines to prevent active and passive bribery and ensure compliance with applicable anti-corruption laws. The Policy defines the standards of conduct to be observed in dealings with public officials and private parties. It applies to all Group companies, as well as to directors, officers, employees, consultants, agents, intermediaries, and other parties acting on Somec's behalf.

The parent company, Somec S.p.A., and its primary Italian subsidiaries have adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, aimed at preventing the offences set out in the decree while strengthening the internal control system. This framework also addresses the prevention of corruption, in accordance with the principles of major international conventions, including the United Nations Convention against corruption.

The Group has also adopted a whistleblowing procedure governing the reporting of unlawful conduct or breaches of the Code of Ethics, corporate policies, or applicable regulations.

This reporting system is accessible to employees and relevant external stakeholders, enabling them to report, inter alia, breaches concerning corruption, fraud, harassment, and procedural irregularities, as well as violations of applicable laws.

The system was developed in compliance with Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law.

Reports may be submitted via email or post to the Company's Supervisory Body, which is responsible for their receipt, analysis and management, as well as for the conduct of the ensuing investigations.

The Group guarantees the confidentiality of the whistleblower's identity and implements measures to prevent any form of retaliation or discrimination against individuals who file reports in good faith.

The Group promotes awareness of its whistleblowing system and anti-corruption policies through information initiatives intended for all parties involved in Group activities.

Furthermore, it provides specific training for employees and ensures the relevant documentation is published on the Group's website.

Additional information can be found in the *Whistleblowing Procedure* available in the section *Governance > Internal Controls* at: <https://www.somecgruppo.com/en/internal-controls>.

For an overview of the policies adopted, reference should be made to chapter *ESRS 2, Section MDR-P - Policies adopted to manage material sustainability matters*.

G1 Business conduct (continued)

G1-2 Management of relationships with suppliers

A preference for local suppliers continues to be considered an important factor in increasing efficiency, reducing time and waste, in part due to the possibility of implementing 'returnable'-style systems more easily.

This approach also makes a contribution in terms of related activities in affected communities as well as reducing or eliminating some packaging, and reducing CO2 emissions through shorter transport routes.

The search for local suppliers is a concrete measure shared not only by Italian subsidiaries but also by the Group's foreign branches.

In addition to strengthening ties with local suppliers, a trend that was maintained throughout the reporting period, the Group has long been committed to driving synergistic standardisation in the procurement of strategic raw materials, including stainless steel, glass, and aluminium.

At the same time, to mitigate supplier concentration risks and enhance supply chain resilience, the Group promotes the diversification of its supply base by seeking new trading partners and prioritising, where feasible, suppliers located within the relevant industrial clusters.

Furthermore, the Group adopts an approach designed to ensure fair and transparent commercial relations with its suppliers, committing to honour the agreed contract and payment terms and conditions. One of the aims of this approach is to avert late payments, with special emphasis being placed on small and medium-sized enterprises (SMEs), given the pivotal role they play within the Group's supply chain.

Starting with the parent company, the HQSE departments have progressively integrated ESG parameters into the supplier appraisal process across several Group companies, as part of a wider drive to strengthen green procurement practices. Notably, social and environmental information is collected during the supplier qualification process and relayed to procurement departments to ensure a more comprehensive appraisal of trading partners.

To this end, Somec also conducted a mapping of the primary sustainability risks associated with its supply chain (Tier 1) for 2025, ahead of the evolving European regulatory framework on value chain due diligence.

To date, the social and environmental information collected from prospective suppliers serves to complement the information available to buyers, although it does not yet considered a decisive factor in the selection process.

It should also be noted that the parent company has implemented a procedure whereby new suppliers are required to acknowledge and formalise their acceptance of the Group's Organisation Model and Code of Ethics, with a view to promoting integrity, transparency, and accountability across the supply chain.

G1 Business conduct (continued)

Metrics and targets

G1-6 Payment practices

The Group operates across a whole range of industrial sectors, each having its own specific practices and payment terms. For this reason, the Group has elected not to define a single standard group-wide payment policy. Contract terms and conditions are therefore determined by individual companies based on their respective sectors and the nature of their commercial relationships with suppliers.

Generally, payment terms agreed with suppliers range from 30 to 120 days from the invoice date, with more extended conditions typically applied within the naval sector, in line with prevailing market practices.

These periods are generally shorter for recurring suppliers and services, while being more extended for supplies linked to long-term contracts.

The Group's average payment period is estimated using the Days Payable Outstanding (DPO) indicator, calculated as the ratio of trade payables at the reporting date to the cost of goods sold, multiplied by 365 days. For the period ended 31 December 2025, this indicator stood at 99 days, reflecting an improvement over the 2024 figure (102 days).

The Group monitors compliance with payment terms as part of its administrative and treasury processes, with a view to ensuring fair and transparent commercial relations with its suppliers. No legal proceedings are pending pertaining to late payments.

The prevailing payment system is by bank transfer, only in some limited cases is the RiBa (commercial papers) payment system used.

Furthermore, a system of segregation of duties is in place across the Group to avert fraud risks in the discharge of administrative and treasury processes.

Specifically, within the procurement cycle, the responsibility for maintaining supplier master data rests with the purchasing department, while the treasury function prepares payments without however being entitled to modify such records.

Additionally, the parent company, Somec S.p.A., and several Group subsidiaries have implemented a dedicated treasury management system that interfaces the corporate ERP with the banking network.

This system enables payments to be submitted directly for approval to authorised signatories, such as the Chief Financial Officer or the Chief Corporate Officer, thereby strengthening internal controls over the payment process.

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FINANCIAL STATEMENTS

31 December 2025

The following Consolidated financial statements constitute a non-official version which is not compliant with the provision of the Commission Delegated Regulation (EU 2019/815).

For the official version please refer to the original Italian text.

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Consolidated Financial Statements

31 December 2025



Consolidated statement of financial position

Assets

€/000	Note	31.12.2025	31.12.2024
Non-current assets			
Property, plant and equipment	1	18,081	18,012
Intangible assets	2	39,831	46,012
Right-of-use assets	4	29,461	21,933
Investments in associates	5	321	289
Non-current financial assets	6	529	646
Deferred tax assets	7	5,111	5,666
Total non-current assets		93,334	92,558
Current assets			
Inventory and contract assets	8	33,810	44,836
Trade receivables	9	59,655	79,671
Other receivables	10	12,594	17,284
Tax receivables	11	5,566	5,537
Other current financial assets	12	27,728	28,149
Cash and cash equivalents	13	47,717	47,478
Total current assets		187,070	222,955
Total Assets		280,404	315,513

Liabilities and Shareholders' Equity

€/000	Note	31.12.2025	31.12.2024
Group net equity			
Share capital	14	7,282	6,900
Share premium reserve	14	23,653	18,173
Legal reserve	14	1,380	1,380
Other reserves and retained earnings	14	(9,177)	(12,773)
Total Group net equity	14	23,138	13,680
Non-controlling interests	14	2,817	4,011
Total net equity	14	25,955	17,691
Non-current liabilities			
Loans and financing	15	39,043	7,324
Other non-current financial liabilities	16	26,862	29,865
Other non-current liabilities		-	292
Provisions for liabilities and charges	17	3,382	1,095
Net defined-benefit obligations	18	5,374	5,884
Non-current tax liabilities	22	673	961
Deferred tax liabilities	7	5,029	6,043
Total non-current liabilities		80,363	51,464
Current liabilities			
Trade payables	19	72,193	79,994
Other current liabilities	20	17,154	17,428
Contract work in progress and customer advances	21	33,644	45,645
Loans and financing	15	38,639	88,869
Other current financial liabilities	16	7,636	8,467
Current tax liabilities	22	4,820	5,955
Total current liabilities		174,086	246,358
Total liabilities		254,449	297,822
Total Liabilities and Shareholders' Equity		280,404	315,513

Consolidated statement of comprehensive income

€/000	Note	31.12.2025	31.12.2024
Revenues from contracts with customers	23	365,975	377,627
Other revenues and income	24	4,046	5,196
Revenues		370,021	382,823
Raw materials and consumables		(131,429)	(161,348)
Employee benefit expenses	25	(69,867)	(67,609)
Depreciation, amortisation and other write-downs	26	(16,657)	(21,421)
Other operating costs	27	(135,403)	(124,283)
Operating profit (EBIT)		16,665	8,162
Financial expenses	28	(6,639)	(8,263)
Financial income	28	3,626	4,505
Other income (and expenses)	29	(1,582)	237
Income from associates	30	32	3
Profit/(loss) before tax (EBT)		12,100	4,644
Income taxes	31	(5,021)	(5,104)
Profit/(loss) for the period	14	7,079	(460)
Non-controlling interests	14	2,260	2,843
Group net result	14	4,818	(3,303)
Earnings per share (in Euro)	32	0.68	(0.48)
Diluted earnings per share (in Euro)	32	0.68	(0.48)

€/000	Note	31.12.2025	31.12.2024
Other comprehensive income/(losses) that may be subsequently reclassified within profit/(loss) for the period (net of tax)			
Exchange gains/(losses) arising on translation of foreign subsidiaries' financial statements	14	(1,108)	619
Net gains/(losses) on cash flow hedges	14	(192)	(807)
Total other comprehensive income/(losses) that may be subsequently reclassified within profit/(loss), net of tax	14	(1,300)	(188)
Other comprehensive income/(losses) that will not be subsequently reclassified within profit/(loss) for the period			
Gains/(losses) from remeasurement of defined benefit plans	14	205	8
Total other consolidated comprehensive income that will not be reclassified to net income/(losses), net of tax	14	205	8
Total other comprehensive income/(losses), net of tax	14	(1,095)	(180)
Total income/(loss) net of tax		5,984	(640)
Attributable to			
Equity holders of the Parent		4,414	(3,854)
Non-controlling interests		1,569	3,215

Consolidated statement of cash flows

€/000	Note	31.12.2025	31.12.2024
Result for the period		7,078	(460)
Reconciliation of net income to operating cash flow			
Income taxes	31	5,021	5,104
Depreciation and amortisation	26	12,931	14,821
Change in defined benefit obligations	14-18	(304)	51
Change in Put and Call option liabilities	16-28	(1,194)	(1,066)
Write-downs for impairment	2-3-26	2,580	4,749
Bad debt provision	9-26	515	1,251
Finance costs	28	4,782	6,405
Finance income	28	(574)	(1,581)
Net exchange rate changes		(3,933)	(632)
Income/(loss) for the period from associates	5-30	(32)	(3)
(Capital gains)/Capital losses on sale of assets		(60)	(11)
Net change in provisions for risks and charges	17	2,553	605
Costs for share-based payments	14-25	(176)	218
Change in operating assets and liabilities			
Decrease/(Increase) in inventory and contract assets	8	11,026	15,063
Increase/(Decrease) in liabilities for contract work in progress and customer advances	21	(12,001)	(3,407)
Decrease/(Increase) in trade receivables	9	18,951	(14,321)
Decrease/(Increase) in other receivables	10	4,690	(2,001)
Increase/(Decrease) in trade payables	19	(8,039)	5,090
Decrease/(Increase) in other current assets and liabilities		(840)	5,732
Income tax payments		(2,132)	(2,972)
(Use of provisions)	17	(194)	(608)
Interest received/(paid)		(3,044)	(4,583)
Cash flows from operating activities (A)		37,604	27,444

€/000	Note	31.12.2025	31.12.2024
Investing activities			
Investments in property, plant and equipment	1	(3,828)	(2,255)
Investments in intangible assets	2	(168)	(168)
Realisable price of property, plant and equipment		207	32
Settlement of price adjustment on business combination	16	(3,381)	(2,863)
Cash flows from investing activities (B)		(7,170)	(5,254)
Financing activity			
Loans and financing granted	15	897	-
(Repayments)	15	(7,148)	(22,588)
Lease liability payments	4-16	(7,508)	(6,492)
Increase/(Decrease) in short term bank loans	15	(12,380)	7,946
Dividends paid to minority shareholders	14	(3,065)	(1,569)
Cash flows from financing activities (C)		(29,204)	(22,703)
Increase (decrease) in cash and cash equivalents (A+B+C)		1,230	(513)
Cash and cash equivalents at the beginning of the period	13	47,478	46,962
Net effect of exchange differences		(990)	1,029
Cash and cash equivalents at the end of the period	13	47,718	47,478

Consolidated statement of changes in equity

as at 31.12.2025

€/000	Note	Share Capital	Share premium reserve	Legal reserve	Other reserves and retained earnings/(loss)	Net income/(loss) for the period	Group net equity	Minority interest capital and reserves	Minority net income/(loss)	Minority interest	Total net equity
01.01.2025		6,900	18,173	1,380	(9,470)	(3,303)	13,680	1,168	2,843	4,011	17,691
2024 result allocation											
Other reserves					(3,303)	3,303		2,843	(2,843)		
Dividends					(301)		(301)	(2,764)		(2,764)	(3,065)
Share capital increase		382	5,480				5,861				5,861
Change in scope of consolidation					(340)		(340)				(340)
Reserve for share-based payments					(176)		(176)				(176)
Other comprehensive income (OCI)											
	14										
Defined benefit plans					205		205				205
Change in currency translation reserve					(417)		(417)	(691)		(691)	(1,108)
Change in cash flow hedge reserve					(192)		(192)				(192)
Net income/(loss) for the period						4,818	4,818	2,260	2,260	2,260	7,078
31.12.2025		7,282	23,653	1,380	(13,994)	4,818	23,138	556	2,260	2,817	25,954

as at 31.12.2024

€/000	Note	Share Capital	Share premium reserve	Legal reserve	Other reserves and retained earnings/(loss)	Net income/(loss) for the period	Group net equity	Minority interest capital and reserves	Minority net income/(loss)	Minority interest	Total net equity
01.01.2024		6,900	18,173	1,380	2,105	(11,648)	16,910	1,475	1,273	2,748	19,658
2023 result allocation											
Other reserves					(11,648)	11,648	-	1,273	(1,273)	-	-
Dividends							-	(1,569)		(1,569)	(1,569)
Treasury share purchase reserve	14				324		324				324
Reserve for share-based payments	14				(106)		(106)				(106)
Acquisition of minority interests					383		383	(383)		(383)	-
Other changes					23		23			-	23
Other comprehensive income (OCI)											
	14										
Defined benefit plans					8		8			-	8
Change in currency translation reserve					247		247	372		372	619
Change in cash flow hedge reserve					(807)		(807)			-	(807)
Net income/(loss) for the period						(3,303)	(3,303)		2,843	2,843	(460)
31.12.2024		6,900	18,173	1,380	(9,470)	(3,303)	13,680	1,168	2,843	4,011	17,691

Explanatory notes

to the Consolidated Financial Statements as at 31 December 2025

General information

Publication of the Consolidated Financial Report of Somec S.p.A. and its subsidiaries ("Somec Group") for the period ended 31 December 2025, prepared using the ESEF (European Single Electronic Format), has been authorised by the Board of Directors, which approved the financial statements on 25 March 2026.

The Somec Group specialises in the engineering, design and deployment of complex turnkey projects in civil and naval engineering. As explained in greater detail in the Directors' Report, the Group operates through three business units (BUs)

Horizons: engineered systems for naval architecture and building façades

Talenta: professional kitchen systems and products

Mestieri: design and production of bespoke interiors.

Somec S.p.A. (hereinafter, "Somec" or the "Parent Company") is a public limited company that is incorporated and domiciled in Italy in Via Palù 30, San Vendemiano (TV) and is part of the Fondaco Group. Fondaco S.r.l. controls Somec S.p.A. indirectly via Venezia S.p.A. Fondaco S.r.l. and Venezia S.p.A. are not involved in the management and coordination of the company.

The company was listed on the Borsa Italiana S.p.A. Stock Exchange (Euronext Milan Market - EXM) on 4 August 2020.

Basis of preparation

The consolidated financial statements as at 31 December 2025 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), endorsed by the European Commission and applicable at the reporting date.

The consolidated financial statements have been prepared on a going concern basis, since the Directors have verified that there are no financial, operating or other types of indicators that might highlight significant uncertainties in the Group's ability to meet its obligations in the foreseeable future and particularly within the next 12 months.

For the purpose of comparison, the consolidated financial statements also include the statement of financial position as at 31 December 2024 and consolidated income statement figures for 2024.

The Consolidated Financial Report is composed of:

- A consolidated statement of financial position which shows current and non-current assets and liabilities on the basis of their realisation or settlement during the course of ordinary business operations within twelve months of the end of the previous financial year

- A statement of the profit (loss) for the period and other items of the consolidated statement of comprehensive income, which shows costs and revenues classified according to their nature, a method that most accurately represents Group's sector of business

- A consolidated statement of cash flows prepared using the indirect method of accounting

- A consolidated statement of changes in shareholders' equity

- The explanatory notes containing all information required under current legislation and according to International Financial Reporting Standards, which is appropriately presented and refers to the accounting schedules.

The reporting currency of the Consolidated Financial Report is the Euro, the functional currency adopted by the Parent Company in accordance with IAS 1.

All amounts are shown in thousands of Euro, including those presented in the explanatory notes, unless otherwise stated.

The Consolidated Financial Statements have been audited by the independent auditing firm, EY S.p.A., external auditing firm of the Parent Company and its main subsidiaries.

Please see the Directors' Report for further information on the Group's financial condition, its operating performance and income, both as a whole and in the various sectors of business. Details on costs, revenues and investments, in addition to information on the main events in the 2025 and the business outlook are provided.

Explanatory notes (continued)

The consolidated financial statements include the financial statements of the Parent Company, Somec S.p.A. as at 31 December 2025, and those of the following directly or indirectly controlled subsidiaries on the same reporting date:

Scope of consolidation

Company	Registered office	% ownership	Currency	Share Capital
Directly-owned subsidiaries				currency unit
3.0 Partners USA Inc.	New York (USA)	100%	USD	10,000
Bluesteel S.r.l.	Colle Umberto (TV)	100%	Euro	100,000
GICO S.p.A.	Vazzola (TV)	100%	Euro	120,000
Hysea S.r.l.	San Vendemiano (TV)	100%	Euro	100,000
Mestieri S.p.A.	San Vendemiano (TV)	100%	Euro	3,000,000
Navaltech LLC	Miami (USA)	100%	USD	1,000
Oxin S.r.l.	Codognè (TV)	100%	Euro	100,000
Pizza Group S.r.l.	San Vito al Tagliamento (PN)	100%	Euro	12,000
Somec Sintesi S.r.l.	San Vendemiano (TV)	100%	Euro	100,000
Somec Shanghai Co., Ltd	Shanghai (China)	100%	CNY	4,733,773
Sotrade S.r.o.	Piestany (Slovakia)	100%	Euro	92,380

Company	Registered office	% ownership	Currency	Share Capital
Indirectly-owned subsidiaries				currency unit
Atelier de Façades Montréal Inc.	Montréal (Canada)	70.90%	CAD	100
Bluesteel Group UK Ltd	London (UK)	100%	GBP	100
Bluesteel Group USA Inc.	New York (USA)	100%	USD	10,000
Budri S.r.l.	Mirandola (MO)	65% ⁽¹⁾	Euro	3,000,000
Budri London Ltd	London (UK)	65% ⁽¹⁾	GBP	10,000
Budri Switzerland SA	Lugano (CH)	65% ⁽¹⁾	CHF	100,000
Fabbrica LLC	Delaware (USA)	70.90%	USD	6,250,000
Fabbrica Works S.r.l.	San Biagio di Callalta (TV)	65.63% ⁽²⁾	Euro	100,000
Gino Ceolin S.r.l.	Mogliano Veneto (TV)	60% ⁽³⁾	Euro	50,000
Lamp Arredo S.r.l.	Quinto di Treviso (TV)	80% ⁽⁴⁾	Euro	100,000
Mestieri UK Ltd	London (UK)	100%	GBP	10,000
Mestieri USA Inc.	Delaware (USA)	100%	USD	10,000
Pizza Group USA LLC	Houston (USA)	100%	USD	10,000
Skillmax S.r.l.	San Biagio di Callalta (TV)	60% ⁽⁵⁾	Euro	500,000
Total Solution Interiors S.r.l.	San Biagio di Callalta (TV)	100%	Euro	100,000
Total Solution Interiors LLC	Miami (USA)	100%	USD	293,034
Associate subsidiaries				
Squadra S.r.l.	Pieve di Soligo (TV)	31.10%	Euro	41,500

Explanatory notes (continued)

On 8 April 2025, Mestieri UK Ltd was founded as a wholly owned subsidiary of Mestieri S.p.A., with the primary objective of expanding its high-end interior design and creation services into the British market.

It should be noted that during the first half of 2025, Somec S.p.A. became the sole shareholder of Bluesteel S.r.l., following the resolution of the subsidiary's Shareholders' Meeting held on 29 April 2025, whereby it was resolved to cover the losses and replenish the share capital, including the unopted portions of the previous minority shareholders. As a result, on 07 May 2025 Somec S.p.A. increased its majority stake in Bluesteel S.r.l. from 94% to 100% of the share capital.

As part of the reorganization and integration process of the Talenta business unit, on 1 August 2025 Inxtrend S.r.l. was merged by incorporation into Gico S.p.A.

Finally, on 20 October 2025, Mestieri S.p.A. finalised the exercise of the Call option on 20% of the share capital of Lamp Arredo S.r.l., thus reaching an equity interest of 80%.

No further events or changes concerning the Somec Group's scope of consolidation are reported.

(1)
The acquisition of Budri S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 35%. This option can be exercised: (i) in relation to 15% from the approval of the company's financial statements for the year ending 31 December 2025; (ii) in relation to the additional 20% from the approval of the company's financial statements for the year ending 31 December 2027. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.

(2)
Fabbrica Works S.r.l. is directly owned by Somec S.p.A. (16%) and Fabbrica LLC (70%). A Put and Call option is in place between the parties for the purchase of the remaining 14% minority interest to be exercised within 90 days of the approval of the company's financial statements for the year ending 31 December 2025. Minority interests are not recognised in the consolidated income statement in light of the put and call option in place.

(3)
The acquisition of Gino Ceolin S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. This option can be exercised within 90 days of the approval of the financial statements as of 31 December 2026. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.

(4)
The acquisition of Lamp Arredo S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 20%. This option can be exercised from the approval of the company's financial statements for the year ending 31 December 2026. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.

(5)
The acquisition of Skillmax S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. The option can be exercised starting from May 2027 and by April 2028. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.

Explanatory notes (continued)

Basis of consolidation

The main criteria used to prepare the consolidated financial statements are as follows:

- The financial statements of subsidiaries have been appropriately aligned and reclassified to bring them into line with the Group's accounting standards and valuation criteria, as per the provisions of the international IFRS accounting standards currently in force
- Subsidiaries are fully consolidated from the date of acquisition, or from the date on which the Group acquires control, and cease to be consolidated on the date on which control is transferred outside of the Group
- Control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee. Specifically, the Group has control only when it has power over the investee (or holds valid rights that enable it to manage the relevant activities of the investee), it is exposed or has rights to variable returns from its involvement with the investee, and it has the ability to use its power over the investee to affect the amount of the investor's returns.

Generally, it is presumed that ownership of the majority of voting rights grants control, even if the Group considers all relevant facts and circumstances to determine its control of an investee, including contractual arrangements with other holders of voting rights, rights deriving from contractual agreements and voting rights and potential voting rights of the Group

- The book value of investments in subsidiaries is offset against the related net equity based on the assumption that the assets and liabilities of subsidiaries are consolidated on a line-by-line basis
- Intercompany payables, receivables, income and expense are eliminated; profits and losses from intra-group transactions, including unrealised profit and losses, as well as all dividends paid/payable to Group entities, are eliminated
- Non-controlling interests are recorded separately under shareholders' equity; net income from non-controlling interests is reported separately in the consolidated income statement and in the consolidated comprehensive income statement.

Conversion to financial statements in foreign currency

On the reporting date, the assets and liabilities of foreign subsidiaries have been converted into Somec Group's reporting currency (Euro) at the exchange rate on the same date, and their income statements have been converted using the average exchange rate for the period, which is deemed as representative of the exchange rates at which the related transactions were carried out.

Exchange rates applied to determine the Euro-denominated value of the items of the subsidiaries 3.0 Partners USA Inc., Atelier de Façades Montréal Inc., Bluesteel Group UK Ltd, Bluesteel Group USA Inc., Budri London Ltd, Budri Switzerland SA, Fabbrica LLC, Mestieri UK Ltd, Mestieri USA Inc., Navaltech LLC, Pizza Group USA LLC, Somec Shanghai Co. Ltd and Total Solution Interiors LLC are as follows:

Currency

	31.12.2025		31.12.2024	
	Average	Final	Average	Final
Canadian Dollar	1.5788	1.6088	1.4821	1.4948
US Dollar	1.1299	1.1750	1.0824	1.0389
Swiss Franc	0.9370	0.9314	0.9526	0.9412
Chinese Renminbi	8.1169	8.2262	7.7875	7.5833
Pound Sterling	0.8568	0.8726	0.8466	0.8292

Explanatory notes (continued)

Summary of main accounting standards

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments and contingent liabilities which are recognised at fair value.

→ Current/non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when:

- It is realised, or is held for sale or consumption, in the Group's normal operating cycle

- It is held primarily for the purpose of trading

- It is expected to be realised within twelve months of the reporting date

- It consists of cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the Group's operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within twelve months of the reporting date.

The terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification as current or non-current.

The Group classifies all other liabilities as non-current.

Tax assets and liabilities are classified as non-current assets and liabilities.

→ Statement of cash flows

According to the provisions of IAS 7, the Group has prepared the statement of cash flows as follows:

- The cash flow statement has been prepared on the basis of the indirect method

- Net profit/(loss) for the year has been reconciled with the net cash flows from operating activities

- The Group has opted to treat interest received and paid as cash flows from operating activities.

→ Property, plant and equipment

Property, plant and equipment (hereinafter also "tangible assets") are recognised at historical cost and are shown in the financial statements excluding the relative depreciation and any accumulated impairment losses. In particular, the cost of a property plant or equipment whether purchased or self-constructed, includes directly attributable charges and all costs necessary to bring the asset to the condition necessary for it to be capable of operating in the intended manner.

This cost includes the replacement costs for some equipment or plants when they are incurred, if they comply with the recognition criteria.

Each part of an item of PP&E with a cost that is significant in relation to the total cost of the item should be depreciated separately based on the specific useful life. Similarly, where major repairs and maintenance are required, the cost is included in the book value of the plant or equipment as in the case of replacement, when recognition criteria can be met.

Maintenance and repair costs, other than incremental expenditures, are recognised in the net result for the period.

Tangible assets with a finite useful life are depreciated each financial year over their potential residual life. Depreciation commences when the asset is available and ready for use.

Assets are depreciated on a straight-line basis at a uniform rate until the end of their useful life. When the asset being depreciated is made up of distinctly identifiable parts, whose useful life differs significantly from that of the other parts, each part is depreciated separately, based on the component approach.

Explanatory notes (continued)

The depreciation rates are as follows:

Category	Rate
Lightweight constructions	10.00%
Plant and equipment	5.00% - 10.00%
Large plant and machinery	15.50%
Small tools and equipment	25.00% - 35.00%
Furniture and office equipment	12.00%
Electronic office equipment	15.00% - 20.00% - 33.33%
Transport vehicles	20.00%
Cars	25.00%

Land is not depreciated. The useful life of tangible assets and their salvage value are reviewed and updated where necessary, at least at the end of each financial year.

The book value of property, plant and equipment items and any significant component initially recognised is eliminated once the asset is sold (i.e. the date on which the buyer gains control of the asset) or when no future economic benefit is expected from its use or disposal. The gain/loss generated when the asset is derecognised (calculated as the difference between the net book value of the asset and the consideration received) is charged to the income statement when the item is eliminated.

For further information on the criteria adopted to identify and determine any impairment of property, plant and equipment, please see the paragraph on "Impairment of non-financial assets".

→ Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration, measured at fair value on the date of acquisition, and the amount of the minority interest in the acquired asset. For each business combination, the Group establishes whether to measure the non-controlling interest in the newly acquired asset at fair value or in proportion to the share of the minority stake in the net identifiable assets of the acquired company. Acquisition costs are expensed during the year and classified under administrative expenses.

When the Group acquires a business, it classifies or designates the financial assets acquired or the liabilities assumed in accordance with the contractual terms, economic conditions and other relevant conditions in place on the acquisition date. This includes establishing whether an embedded derivative should be separated from the host contract.

Any contingent consideration to be paid is recognised by the buyer at fair value on the acquisition date. A contingent consideration classified as equity is not subject to remeasurement and its subsequent payment is accounted for within shareholders' equity. Changes in the fair value of the contingent consideration classified as an asset or liability, as a financial instrument that is subject of IFRS 9 - Financial Instruments, must be recognised in the income statement in accordance with IFRS 9. A contingent consideration that does not fall within the scope of IFRS 9 is measured at fair value on the reporting date and changes in fair value are recognised in the income statement.

Goodwill is initially recognised at cost, represented by the difference between the total consideration paid and the amount recorded for minority interests compared to the identifiable net assets acquired and the liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group again establishes whether it has correctly identified all assets acquired and liabilities assumed and reviews the procedures applied to determine the amounts to be recognised at the acquisition date.

If the new valuation still shows that the fair value of the net assets acquired is higher than the consideration paid, the difference (gain) is recognised in the income statement.

Following initial recognition, goodwill is designated at cost excluding accumulated impairment losses.

In order to conduct an impairment test, the goodwill acquired in a business combination is allocated from the acquisition date to each cash generating unit of the Group (Cash Generating Unit or CGU) or to the CGU that is expected to benefit from the synergies from the business combination, regardless of whether other assets or liabilities of the acquired entity are allocated to these units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of the said unit, the goodwill associated with the divested business is included in the carrying amount of the asset when calculating the profit or the loss on the sale.

The goodwill associated with the divested business is determined on the basis of the relative values of the divested business and the retained assets of the cash-generating unit.

Explanatory notes (continued)

→ Intangible assets

Intangible assets are non-monetary assets that cannot be physically measured, are under the Group's control and are able to generate future economic benefits.

Intangible assets acquired separately are recognised at cost, while those acquired in business combinations are designated at fair value at the acquisition date. Following initial recognition, intangible assets are entered at cost less the related amortisation and any accumulated impairment losses. Internally generated intangible assets, with the exception of development costs, are not capitalised and are recognised in the net income for the year at the time they are incurred. Development costs are incurred as part of a plan or project for the production of new or substantially improved products or processes.

These expenses are capitalised only if the cost can be reliably measured, the technical and commercial feasibility of the product or process can be established, the asset is likely to generate future economic benefits, and the Group intends and is able to complete the development and use or sell the intangible asset.

The useful life of intangible assets is classified as finite or indefinite.

Intangible assets with a finite life are amortised on a straight-line basis over their useful life and are subject to an assessment of the recoverable amount whenever there are signs of possible impairment.

The amortisation period and method applied are reviewed at the end of each financial year or more frequently where necessary. Changes in the expected useful life or in the way in which any future economic benefits arising from the intangible asset are rendered by the Group are recognised by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The gain or loss from the retirement or disposal of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in net income for the year upon disposal.

The Group does not record intangible assets with an indefinite useful life in the financial statements, with the exception of goodwill.

In addition to goodwill, intangible assets include concessions, licences, trademarks and similar rights, non-patented technology (know how), order backlog and customer relationships acquired in business combinations (please refer to the relevant paragraph for more details).

Concessions, licences, trademarks and similar rights and customer relationships are amortised over the expected useful life of such relationships (respectively 5-15 years and 5-10 years). The order backlog represents the expected residual value of existing orders on the acquisition date and is amortised on a straight-line basis based on the expected useful life of the orders. Their useful life is reassessed at the end of each year based on recorded and forecast customer turnover (churn rate).

The amortisation rates that reflect the useful life attributed to intangible assets with a finite life are determined as follows:

Category	Useful life
Development costs	5 years
Licensed software	3 years
Concessions, licences, trademarks and similar rights	5 - 15 years
Non-patented technology (know how)	5 - 10 years
Order backlog	contract duration (less than 3 years)
Customer relationships	5 - 10 years

→ Right-of-use assets

When signing a contract, the Group assesses whether it is, or contains, a lease. In other words, whether or not the contract grants the right to use an identified asset for a period of time in exchange for a fee.

The Group adopts a single recognition and measurement model for all leases, with some exceptions relating to short-term leases and leases of low-value assets. The Group recognises lease liabilities and the right-of-use asset that represents the right to use the asset underlying the contract.

Right-of-use assets

The Group recognises right-of-use assets on the commencement date (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated amortisation and impairment, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of recognised lease liabilities, the initial direct costs incurred and the lease payments made at or before the commencement date, less any incentives received. Right-of-use assets are amortised on a straight-line basis from the commencement date to the end of the useful life of the underlying asset.

Explanatory notes (continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, the lessee must amortise the right-of-use asset from the commencement date until the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of lease payments that have not been paid at that date.

Payments comprise fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be payable by the lessee under residual value guarantees. Lease payments also include the exercise price of a purchase option that the Group is reasonably certain to exercise, and payments of penalties for terminating the lease early, if the lease term reflects the Group exercising the option to terminate the lease itself.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of the lease liabilities, the Group uses the incremental borrowing rate at the commencement date.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Furthermore, the carrying amount of the lease liabilities is remeasured if there is a modification or a change in the lease term for a change in the lease payments. It is also remeasured if there is a change in the assessment of the option to purchase the underlying asset or changes to future payments resulting from a change in an index or rate used to determine such payments.

Lease liabilities are presented as Other financial liabilities, distinguishing between current and non-current liabilities

Short-term leases and leases of low-value assets

The Group applies the exemption provided for by IFRS 16 for recognition of short-term leases and leases of low-value assets.

For these contracts, lease payments are recognised as expenses in the income statement on a straight-line basis over the lease term.

→ Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If there is such an indication or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the greater of an asset or CGU's fair value less costs to sell, or its value-in-use. The recoverable amount is determined for individual assets, unless an asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If the carrying amount exceeds the recoverable amount, the asset is described as impaired. The carrying amount of the asset must be reduced to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators.

The Group bases its value-in-use calculation on the latest budgets and forecast calculations, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. Budgets and forecasts generally cover a three- or five-year period. A long-term growth rate is calculated to forecast future cash flows beyond the third or fifth year.

Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset. For assets other than goodwill, the Group assesses at the end of each reporting period whether there is any indication that a previously recognised impairment loss has reversed. If this is the case, the carrying amount of the asset or CGU is increased to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

Explanatory notes (continued)

A reversal of an impairment loss for an asset other than goodwill is recognised in the income statement, unless the asset is carried at revalued amount, when it is treated as a revaluation increase.

Goodwill is subject to an annual impairment review or more frequently when there is an indication that the carrying amount exceeds the recoverable amount.

Goodwill impairment is determined by assessing the recoverable amount of the CGU or relevant group of CGUs that gave rise to the goodwill. An impairment loss is recorded when the recoverable amount of the CGU is less than the carrying amount of the CGU to which goodwill has been allocated. Goodwill impairments cannot be reversed in future years.

→ Investments in associates

An associate is an entity over which the Group has significant influence over the strategic decisions of the enterprise, or the power to participate in the financial and operating policy decisions of the investee, but does not have control or joint control. Where an entity holds 20% to 50% of the voting power at the shareholders' meeting (directly or through subsidiaries) on an investee, it is presumed that the investor has significant influence, also considering the potential voting rights that are exercisable or convertible on the reporting date.

Investments in associates are required to be accounted for using the equity method. Initially recognised at cost, the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Goodwill from the associate is included in the carrying amount of the investment and is not subject to a separate impairment test.

→ Financial instruments

Financial instruments held by the Group are recognised in the following line items:

- Investments in associates:
accounted for using the equity method

- Non-current financial assets:
include non-current loans and receivables and non-current derivative assets

- Current financial assets:
include accounts receivable, short term loans, marketable securities, and other current financial assets (including the positive fair value of derivative financial instruments)

- Cash and cash equivalents:
include bank accounts, highly liquid investments that can be readily converted into cash and present minimal risk of changes in value

- Financial liabilities:
include loans, other financial liabilities, negative fair value of derivative financial instruments, trade payables and other liabilities.

Non-current financial liabilities, other than equity investments, are accounted for in accordance with IFRS 9, as in the case of current financial assets and liabilities.

All financial assets that fall within the scope of IFRS 9 are initially recognised at fair value and must subsequently be recognised at amortised cost or at fair value based on the Group's business model for financial assets and the asset's contractual cash flow characteristics. More specifically:

- Assets held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost

- Assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value. Any changes are recognised in other comprehensive income (FVOCI - Fair Value Through Other Comprehensive Income)

Explanatory notes (continued)

- All other financial assets and investments in equity instruments are measured at fair value and changes are recognised at fair value through profit and loss (FVTPL – Fair Value Through Profit and Loss).

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Loans and receivables, which include trade receivables and other receivables, are measured at amortised cost.

Having said that, the Group can make the following irrevocable election at initial recognition:

- At initial recognition, the Group has the irrevocable option to present the subsequent changes in the fair value of investments in equity instruments, which are neither held for trading, nor a contingent consideration gained by a buyer in a business combination, in other comprehensive income

- The Group has the irrevocable option to designate an investment in debt instruments that meets the amortised cost or FVTOCI criteria at fair value, with subsequent changes in profit (loss) for the year (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets with no set ending or expiration date are measured at cost. Interest-free loans or loans below-market interest rates are discounted using the prevailing market rate.

Regular assessments are made in order to establish whether there is an indication that an asset, or group of assets, may be impaired. If any indication exists, the impairment loss must be recognised as an expense in the income statement for the period. Trade receivables are initially recognised at their fair value and are subsequently presented net of bad debt provisions required to adjust the assets according to impairment criteria introduced by IFRS 9 (expected losses model). Bad debt provisions are recorded in the income statement. Impaired accounts receivable are written-off when they are deemed to be uncollectible.

Receivables sold to a factor on a without recourse basis are eliminated when the contract provides for the transfer of ownership of the receivables, as well as ownership of the cash flows, risks and benefits generated by the asset itself. Financial liabilities are initially recognised at fair value plus or minus directly attributable transaction costs, in the case of mortgages, loans and payables.

With the exception of derivative financial instruments, financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

→ Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to the interest rate risk on some existing loans.

All derivative financial instruments are measured at fair value, in accordance with IFRS 9.

In compliance with IFRS 9, derivative financial instruments are recognised using the hedge accounting method when at inception of the hedging relationship there is formal designation and documentation of the hedging relationship and it meets all of the hedge effectiveness requirements based on an assessment of the “economic relationship” between the hedged item and the hedging instrument.

When financial instruments qualify for hedge accounting, the following accounting treatments apply:

- Fair value hedge: when a derivative financial instrument is designated as a hedge against exposure to fluctuations in the fair value of an asset or a liability in the financial statements attributable to a particular risk that can impact the income statement, the gain or loss arising from

subsequent fair value measurement of the hedging instrument is recognised in the income statement. The gain or loss on the hedged item, attributable to the hedged risk, changes the carrying amount of the item and is recognised in the income statement

- Cash flow hedge: if a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, that could impact the income statement, the effective part of any gain or loss on the derivative financial instrument is recognised as in equity. The accumulated profit or loss is reversed from equity and recognised in the income statement during the same period in which the economic effect of the hedged transaction is recognised. The profit or loss associated with a hedge (or part of a hedge) that has become ineffective, is recognised in the income statement. If a hedging instrument or a hedging relationship has expired but the hedged transaction has not yet occurred, any accumulated gains or losses, recognised in shareholders' equity until then, are recorded in the income statement when the transaction takes place. If the hedge transaction is no longer expected to take place, any related cumulative gain or loss outstanding in equity will be recognised in the income statement

Explanatory notes (continued)

If hedge accounting cannot be applied, the gains or losses deriving from the fair value measurement of the derivative financial instrument are immediately recognised in the income statement.

→ Put and Call options over non-controlling interests

In the case of put options granted to minority shareholders, the Group records a financial liability at the present value of the strike price of the option. Upon initial recognition of the liability, this value is reclassified from shareholders equity, reducing the minority interest if the terms and conditions of the put option already grant the Group access to the economic benefits arising from the shareholding. The Group then books this interest as if it had already been acquired.

The liability is subsequently remeasured at each reporting date, in accordance with IFRS 9. The Group determined the value of these liabilities by discounting the estimated purchase price for the minority interests based on (i) the expected performance as reflected in the companies' approved plans and (ii) the variables set forth in the individual acquisition agreements.

→ Earnout

Earnout related to business combinations is recognised at the acquisition date as part of the consideration transferred at the estimated fair value. Following initial recognition, if the earnout is a financial liability, it will be measured at fair value at each reporting date through profit or loss.

Estimated changes in fair value reflect changing expectations of contract terms and conditions.

The Group determines the value of these liabilities by discounting the estimated outlay related to:

- The expected performance as reflected in the companies' approved plans
- The variables set forth in the individual acquisition agreements.

→ Inventory

Inventory is measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price less the estimated costs of completion and disposal.

The cost of inventory of raw materials and consumables, and finished goods and goods for resale is determined using the average weighted cost.

Production costs include raw materials, direct labour costs and other production expenses (based on ordinary operating capacity). Financial charges are not included in inventory valuation.

Slow-moving materials or those that are no longer reusable in the ordinary production cycle are written down accordingly to align the value with the net realisable value.

→ Net defined benefit obligations

Defined benefit plans are based on the working life and salary received by the employee over a defined period of service.

Severance indemnity ("trattamento di fine rapporto" - "TFR") is included under defined benefit plans. The amount recorded in the financial statements is subject to an actuarial assessment using the projected unit credit method.

The discount rate reflects the market return on securities that vest at the same time as the obligation. The calculation includes severance indemnity pay already accrued for years of service already rendered without taking account of estimated future salary increases. Following amendments to "TFR" regulations introduced by Law 296 of 27/12/2006, the conditions required to consider future salary increases in actuarial assumptions no longer exist.

Any actuarial gains or losses are recorded directly under "Other reserves" in shareholders' equity and recognised in the comprehensive income statement.

Explanatory notes (continued)

→ Share-based payments

The Group offers additional benefits to some Group executives through stock option plans in the form of share-based payments. These plans are accounted for in accordance with IFRS2 – Share-Based Payments.

According to the provisions of IFRS 2, these plans are a pay component of the beneficiaries.

Therefore, the cost is represented by the fair value of these instruments on the date they are assigned, and is recognised in the income statement among “Employee benefits expenses” in the period between the date of assignment and that of accrual (so-called vesting period), with an equal amount being recognised in a shareholders’ equity reserve called “Share-based payments reserve”.

Changes to the fair value occurring after the assignment date shall have no effect on the initial valuation. At the end of each year, the estimate of the number of options accrued up to maturity is updated. The change in the estimate is recorded as an adjustment to the item “Share-based payment reserve”, and an equal amount is recorded in “Employee benefits expenses”.

→ Provisions for liabilities and charges

Provisions for liabilities and charges are intended to cover losses or debts, the nature of which is clearly defined and which at the reporting date are either likely to be incurred, or certain to be incurred but uncertain as to the amount or as to the date on which they will arise.

Provisions are recognised when:

- The entity has a present legal or constructive obligation as a result of a past event

- It is probable that an outflow or economic benefits will be required to settle the obligation

- Reliable estimate can be made of the amount of the obligation.

If the Group has an onerous contract in place, the current obligation under the contract is recognised as a provision. Nonetheless, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to the contract.

A contract in which the unavoidable costs (i.e. the costs the company cannot avoid because of the contract’s existence) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The unavoidable costs under a contract reflect the lowest net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

The Group, aided by its consultants and experts in legal and tax matters, recognises provisions for risks when it believes that a financial outlay is likely to occur and when the amount of the resulting liability can be reasonably estimated.

The amount of provisions recognised in the financial statements for these risks represents the best estimate made by management at the reporting date. This estimate considers the information available and is based on assumptions that are linked to factors that may change over time.

Where a financial outlay is deemed possible but cannot be determined, it shall be disclosed in the notes to the financial statements.

If the effect of the time value of money is material, the provision for an onerous contract is discounted at a pre-tax rate that reflects the specific risks of the asset, where appropriate.

When a liability is discounted, the increase in the provision due to the passage of time is recognised as a financial expense.

→ Revenue from contracts with customers - Contract assets - Contract liabilities for work in progress and customer advances

Revenue from contracts with customers is stated in the accounts based on the following five steps:

- Identify the contract with a customer

- Identify the performance obligations in the contract

- Determine the transaction price

- Allocate the transaction price to the individual performance obligations in the contract

- Recognise revenue when the Group satisfies a performance obligation.

Revenue from contracts with customers is recognised on the basis of the temporary transfer of control of goods and/or services to the customer. Revenues are recognised “over time” when control is transferred as the work is performed or services are provided, i.e. as the Group performs its obligations. Revenues are recognised “at a point in time” when control is not transferred as the work is performed or services are provided, i.e. upon final delivery of the goods or services.

Explanatory notes (continued)

The Group's main revenue streams are as follows:

- Revenues from contract work, with reference to the companies operating in the Group's three business units ("Horizons: Engineered systems for naval architecture and building façades", "Talenta: Professional kitchen systems and products" and "Mestieri: design and production of bespoke interiors")

- Revenues from the production and sale of products, i.e. revenues of some companies operating in the "Talenta: Professional kitchen systems and products" business unit.

Contracted project work represents an obligation to perform work over time. During performance of contracted project work according to specific customer requirements, the Group applies the cost-to-cost input method, whereby revenues are accounted for on the basis of the input (costs) required to meet the performance obligations in proportion to the total expected input to complete the job (contract budget).

The valuation is a best estimate of the cost of the project on the reporting date. The Directors base their estimates on information deriving from the Group's internal reporting and forecasting system. Estimated costs and revenues are measured and, when necessary, revised at various stages of completion. Any economic effects are reported in the year in which adjustments are made.

When it is probable that the total cost exceeds the total contract revenue, the expected loss is recognised immediately in the income statement. Revenue from production and sale of "Talenta: Professional kitchen systems and products" goods represents performance obligations at a point in time. Revenue from the sale of products is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Transfer of control coincides with the transfer of ownership or possession of the asset to the buyer and therefore generally upon the delivery or completion of the service.

For contracts with costs expressed in a currency other than the functional currency, revenue generated by the reporting date is converted into the functional currency, in the absence of hedging transactions, at the actual exchange rate (for invoiced work) and at the exchange rate at the end of the period (for work that has yet to be invoiced). Holdbacks retained by the customer but subject to release are not acquired outright per the terms of the contract given that they are contingent on performance of obligations after delivery.

The Group generally receives short-term advances from its customers. If the interval between transfer of the promised goods or services and payment by the customer is expected to be less than twelve months, a significant financing arrangement does not affect the transaction price and so no adjustment for the time value of money is made.

The items are reported as follows:

- Contract assets: the right to consideration in exchange for goods or services that the Group has transferred to a customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, excluding any amounts presented as a receivable. Contract assets are tested for impairment at the reporting date in compliance with IFRS 9

- Receivables: are recognised when the Group's right to consideration is unconditional. The right to consideration is unconditional when only the passage of time is required before payment of the consideration is due. Impairment is measured in accordance with IFRS 9 at the end of the reporting period

- Contract liabilities for work in progress and advance payments: the obligation to transfer goods or services to a customer for which the Group has received consideration. If a customer pays consideration before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when payment has been made.

Contract assets and liabilities are presented net at the individual contract level in the consolidated statement of financial position:

- Amounts due from customers for contract work in progress are shown as contract assets, when they exceed the sum of advances received

- Advance payments received for contract work are shown as liabilities for contract work in progress and advances, when they exceed the amount due from customers.

This analysis is performed on a project-by-project basis.

→ Costs of obtaining a contract

Costs incurred to fulfil a contract are recognised as an asset if all of the following criteria are met:

- The costs relate directly to a contract or a specific identified contract

- The costs generate or enhance resources that will be used in satisfying performance obligations in the future

- The costs are expected to be recovered.

Capitalised costs incurred to fulfil a contract are amortised on a systematic basis consistently with the transfer of the goods or services to which the asset relates.

Explanatory notes (continued)

→ Dividends

Dividends from subsidiaries are recognised in the income statement when:

- The Group's right to receive payment is established
- It is probable that the economic benefits associated with the dividend will flow to the Company
- The amount of the dividend can be measured reliably.

Distribution of dividends to shareholders of the Parent Company is recognised as a liability in the consolidated financial statements once authorised by the Shareholders.

→ Financial income and expenses

Financial income includes interest on investments, gains on changes in the fair value of derivatives and gains on hedging instruments recognised in profit and loss. Interest income is recognised through profit or loss on an accruals basis using the effective interest rate method.

Financial expenses include interest on liabilities measured at amortised cost, losses on changes in the fair value of derivatives, losses on hedging instruments recognised in profit and loss, cash discounts, as well as factoring expenses.

Costs arising from liabilities measured at amortised cost are recognised in profit and loss using the effective interest rate method.

The Group did not report any capitalised financial charges among the asset items.

→ Costs

Costs are recognised on an accruals basis.

→ Grants

Government grants are recognised only when there is reasonable assurance that the Group will comply with any conditions attached to the grant and the grant will be received.

Government grants for property, plant and equipment are recognised as unearned income under "Other non-current liabilities".

Unearned income is recognised in the income statement on a straight-line basis determined based on the useful life of the asset to which the grant is directly attributable.

Grants other than those related to assets are recognised in the income statement under the item "Other revenues and income".

→ Income tax

Income tax for the year is the sum of current and deferred tax items. Income tax is reported in the income statement, except for that arising from transactions recognised immediately as equity. Current tax is an estimate of the amount of income taxes due on taxable income for the year, determined by applying the tax rates in force in the relevant country or essentially in force on the reporting date and any adjustments to the amount due from previous years.

Deferred tax assets are calculated on the temporary differences between the book value and tax value of assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the assets can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the tax benefit will be realisable.

Explanatory notes (continued)

Taxes payable include an estimate of the risks associated with uncertainties in the tax treatments relied upon to determine income taxes in accordance with IFRIC 23.

Such uncertainties may arise from:

- Unclear or complex tax rules
- Changes in tax rules or clarifications by tax authorities
- Ongoing tax audits and/or litigation
- Public information on ongoing tax audits and/or litigation involving other entities.

Somec S.p.A., as the Parent company, has exercised the option for the Group taxation regime known as the “Consolidato Fiscale Nazionale” (National Tax Consolidation Scheme), as under Articles 117 to 129 of the Consolidated Income Tax Act pursuant to Presidential Decree No. 917/1986 (“TUIR”), which allows corporate income tax (IRES) to be calculated on a taxable base corresponding to the sum of the positive and negative taxable amounts of the individual participating companies.

The tax consolidation scheme was entered into with the subsidiaries Hysea, Gico, Budri, Bluesteel, Gino Ceolin, Total Solution Interiors, Skillmax, Pizza Group, Oxin, Somec Sintesi, Mesteri and Lamp Arredo.

→ Earnings per share

Basic earnings per share is calculated by dividing the result attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the result attributable to equity holders of the Parent by the weighted average number of shares outstanding during the period plus the effects of all potential dilutive ordinary shares.

→ Treasury shares

Treasury shares that are repurchased are deducted from shareholders' equity. The cost of treasury shares held is presented under the item “Treasury shares reserve”. Voting rights related to treasury shares and the right to receive dividends are cancelled. The difference between the purchase value and the sale price, in the event of reissue, is recognised in the share premium reserve.



New accounting standards, interpretations and amendments adopted by the Group

Below is an overview of the accounting standards, amendments and interpretations issued by the IASB, for which mandatory application is required from the 2026 financial year or subsequent years. The Group has not opted for the early adoption of any standards, interpretations or amendments that have been issued but are not yet effective.

In April 2024, the IASB issued the new standard IFRS 18 – Presentation and Disclosure in Financial Statements, aimed at providing investors with more transparent and comparable information regarding corporate financial performance.

The standard introduces three primary areas of change: enhanced comparability within the income statement, greater transparency for management-defined performance measures, and more effective aggregation of information within the financial statements. The new standard applies to all entities preparing financial statements in accordance with IFRS and will replace IAS 1 – Presentation of Financial Statements (the main provisions of which will be incorporated into IFRS 18). IFRS 18 is effective for financial years beginning on or after 1 January 2027. However, early adoption is permitted. The Group is currently assessing the potential impact of adopting IFRS 18.

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures. These amendments are aimed, inter alia, at regulating the derecognition of financial liabilities settled through electronic payment systems and clarifying the assessment of contractual cash flow characteristics for financial assets, including those with clauses linked to environmental, social, and governance (ESG) factors.

Furthermore, the amendments introduce changes to disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income, along with new disclosure requirements for financial instruments with contingent features not directly attributable to typical lending risks and costs. These amendments are effective for financial years beginning on or after 1 January 2026. However, early application is permitted. The Group is currently assessing the impact arising from their adoption.

In July 2024, the IASB published the document “Annual Improvements to IFRS Accounting Standards – Volume 11”. This includes amendments to five accounting standards issued as part of its annual improvements project (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).

These amendments are effective for financial years beginning on or after 1 January 2026. However, early application is permitted.

Standards issued but not yet effective

With reference to the international accounting standard IFRS 18 - Presentation and Disclosure in Financial Statements, it should be noted that this standard has been issued but will enter into force on 1 January 2027.

The Group is currently assessing the potential impact that its future application may have on the financial statements.



Discretionary measurements and significant accounting estimates

When preparing the financial statements, Directors are required to make discretionary assessments, estimates and assumptions that influence the reported amounts of revenue, costs, assets and liabilities and related information, as well as contingent liabilities. Estimation uncertainty risks causing outcomes that require material adjustments to the carrying amounts of assets and/or liabilities in future years. As for the Group's business sectors, below are the categories of items most affected by the use of estimates and discretionary judgements and for which changes in the conditions underlying the assumptions used may have a significant impact on financial results.

Revenues from contracts with customers, contract assets/liabilities for work in progress

For revenues from contracts with customers for contract work and assets and liabilities for contract work in progress, the application of the cost-to-cost input method requires that a prior estimate of the total cost of the individual projects is made and updated on each reporting date, based on the use of assumptions by the Directors.

The profit margins for the entire project upon completion are recognised in the income statements for each year based on the stage of completion; accordingly, correct recognition of work in progress and margins on contracts that have not yet been completed requires management to make a careful estimate of the final costs and expected increases as well as delays, extra costs and penalties that could reduce the expected margin.

The Company has adopted contract management and risk analysis methods designed to identify, monitor and quantify the risks associated with performance of such contracts. The amounts shown in the financial statements represent management's best estimates at the reporting date.

These facts and circumstances make it difficult to estimate the cost of completing projects and, consequently, to estimate the value of the contract assets or liabilities for contract work in progress at the reporting date.

When it is probable that the total contract costs will exceed the total revenues expected to be earned over the life of the contract, the potential loss is promptly recognized in the income statement.

Deferred tax assets (prepaid taxes)

Deferred tax assets are recognised based on the assumption that the company will generate taxable income in future years. Projections of future taxable income for the purposes of deferred tax asset recognition depend on factors that may vary over time and have a significant impact on the recoverability of deferred tax assets. The book value of deferred tax assets is shown in note 7 Deferred tax assets and liabilities.

Provisions for liabilities and charges

The Directors make estimates to measure liabilities and charges. More specifically, the Directors use estimates and assumptions to determine the probability that an actual liability will arise, and, if the risk is deemed probable, to determine the amount of provisions required to offset this risk.

Impairment of non-financial assets

The Group's tangible and intangible assets are subject to impairment tests at least once per year if they have an indefinite useful life, or more frequently if there is any indication that their carrying amount is not recoverable.

Directors may use accounting discretion to determine the amount of asset impairment to be recognised in the financial statements. Directors estimate the potential impairment of fixed assets and equity investments in relation to the future cash flows attributable to the assets.

The recoverable amount is heavily influenced by the discount rate used in the discounted cash flow model. Identification of Cash Generating Units (CGU) is also affected by management's judgement, which can affect the recoverability of the carrying amounts.

Further details on Goodwill are shown in note 2 and note 3 Impairment test.

Discretionary measurements and significant accounting estimates (continued)

Put and call option liabilities

At the end of each reporting period, the Group measures the present value of the strike price of options written over non-controlling interest. It estimates the discount rate and assesses the terms of the Put and Call options envisaged with minority shareholders, including the estimates of prospective values underlying the measurement of the options based: i) on expected performance, as reflected in the business plans approved by the company; ii) on the variables set forth in the individual acquisition agreements. The effect of remeasurement of the NCI put/call liability is recognised in profit or loss. For more details, please see note 16 on Other financial liabilities.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease and therefore applies the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

When no data exists or interest rates must be adjusted to reflect the terms and conditions of the lease, the Group must estimate its incremental borrowing rate. The Group estimates the incremental borrowing rate based on observable data (such as market interest rates) where available, as well as making specific considerations regarding its credit profile.

Significant judgements required to determine the lease term of contracts that contain an extension option

The Group estimates the lease term of its contracts which include a renewal option. The Group's assessment of the existence or otherwise of reasonable certainty that it will exercise the option affects the estimate of the lease term, significantly impacting the amount of the lease liability and the recognised right-of-use assets.

The Group analysed all its lease agreements and defined the lease term for each one, provided by the "non-cancellable" period and the effects of any extension or early termination clauses which it determined it was reasonably certain to exercise. More specifically, assessments of property leases considered the specific circumstances of each asset.

As for other categories of assets, mainly company cars and equipment, the Group generally determined that it was not likely to exercise any extension or early termination options, in line with normal Group policy. Please see note 4 Right-of-use-assets for more details.

Determination of useful life of assets

The Group determines the useful life of the items Property, plant and equipment, intangible assets with a finite useful life, as well as right-of-use assets. To estimate useful life, including that of assets arising from business combinations (order backlog, customer list, know-how and trademarks), management applies widely used valuation methods, based on experience and knowledge of the sector. Useful life is reviewed at the end of each reporting period.

Employee benefit plans

The carrying amount of defined benefit plans is determined using actuarial assumptions based on estimated discount rates, expected interest rates, future salary increases, mortality rates and future pension increases.

The Group considers the discount rate for the actuarial valuation on the reporting date to be fair, but future significant changes in rates may have substantial effects on the liability recognised in the financial statements. Please see note 18 Net defined-benefit obligations for more details.

Share-based payments - Medium/long-term incentive plan

The fair value of the shares that can be assigned through the incentive plan and the measurement of rights accrued are subject to estimates linked to expectations of the Group's results and achievement of the targets that potential beneficiaries are set.

The Group estimates the likelihood of achieving these results based on forecasts contained in the business plan adopted by the Board of Directors.

Operating segment reporting

For the purposes of application of IFRS 8, the Group defines three Business Units (BUs), consistent with the management and control model used to date, as shown below:

Horizons

Engineered systems for naval architecture and building façades.

Complete construction projects of naval enclosures and glazing and architectural solutions for large cruise ships, complete construction projects of curtain walls and glazed enclosures for civil engineering

Talenta

Professional kitchen systems and products.

Professional kitchen systems integrated with on-board facilities of cruise ships, large customised professional kitchen systems for catering and hospitality, monoblocs and customised cooking suites, professional products for vertical cooking and the cold chain

Mestieri

Design and production of bespoke interiors.

Design and production of interiors for a whole range of sectors, including hospitality, catering, luxury retail, high-end residential property, cruise ships and superyachts.

The aforementioned BUs were identified on the basis of the following considerations:

- They represent revenue- and cost-generating activities whose operating results are reviewed on a regular basis at the highest operational decision-making level, in order to assess the performance of each segment and allocate the relevant resources
- They are subject to internal reporting disclosure
- Separate financial disclosures are available
- The BUs are entirely independent of each other

Segment result is identified by net profit/(loss) before taxes and other financial gains and losses and represents one of the main indicators used by the Chief Operating Decision Maker (CODM) as defined by IFRS 8 - Operating Segments.

The following tables show the revenues and result of the Group's operating segments for the periods ended 31 December 2025 and 31 December 2024.



Operating segment reporting (continued)

Results by operating segment as at 31.12.2025

€/000	Horizons: engineered systems for naval architecture and building façades	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors	Total segments	Adjustments and eliminations	Consolidated
Revenues from contracts with customers	215,894	61,319	93,905	371,118	(5,143)	365,975
Other revenues and income	3,980	1,182	1,429	6,591	(2,545)	4,046
Intra-segment revenues	24,595	2,172	6,255	33,022	(33,022)	-
Revenues	244,469	64,673	101,589	410,731	(40,710)	370,021
Raw materials and consumables	(75,047)	(30,590)	(28,906)	(134,543)	3,114	(131,429)
Employee benefit expense	(43,049)	(12,595)	(14,271)	(69,916)	48	(69,867)
Depreciation, amortisation and other write-downs	(8,590)	(3,337)	(4,730)	(16,657)	-	(16,657)
Other operating costs	(81,138)	(14,383)	(44,000)	(139,976)	4,573	(135,403)
Income from associates	32	-	-	32	-	32
Adjustments and eliminations	(24,595)	(2,172)	(6,255)	(33,022)	-	-
Segment net result	12,082	1,140	3,427	16,649	(4,549)	12,101

It should be noted that, as at 31 December 2025, Depreciation, amortisation and write-downs includes the impairment of goodwill relating to the Professional Cooking Equipment CGU amounting to 1 million Euro.

Results by operating segment as at 31.12.2024

€/000	Horizons: engineered systems for naval architecture and building façades	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors	Total segments	Adjustments and eliminations	Consolidated
Revenues from contracts with customers	235,414	58,315	86,587	380,316	(2,689)	377,627
Other revenues and income	3,660	659	3,041	7,360	(2,164)	5,196
Intra-segment revenues	22,918	3,736	14,687	41,341	(41,341)	-
Revenues	261,992	62,710	104,315	429,017	(46,194)	382,823
Raw materials and consumables	(98,658)	(30,710)	(32,803)	(162,171)	823	(161,348)
Employee benefit expense	(41,350)	(12,272)	(14,054)	(67,676)	67	(67,609)
Depreciation, amortisation and other write-downs	(9,932)	(6,369)	(5,120)	(21,421)	-	(21,421)
Other operating costs	(73,658)	(11,821)	(42,759)	(128,238)	3,955	(124,283)
Income from associates	3	-	-	3	-	3
Adjustments and eliminations	(22,918)	(3,736)	(14,687)	(41,341)	-	-
Segment net result	15,479	(2,198)	(5,108)	8,173	(3,529)	4,644

Operating segment reporting (continued)

Adjustments and eliminations

It should be noted that financial income and expenses, other revenues and gains and losses arising from the fair value measurements of some financial assets and liabilities are not allocated to an individual sector, since the underlying instruments are managed at Group level.

These items are included in adjustments and eliminations for the purpose of segment reporting.

Reconciliation of income

€/000	2025	2024
Segment net income	16,649	8,173
Financial expenses	(6,640)	(8,263)
Financial income	3,626	4,505
Other income (and expenses)	(1,582)	237
Net effect of eliminations between segments	47	(8)
Profit/(loss) before tax	12,100	4,644

Assets and liabilities by operating segment

The following table shows the Group's assets and liabilities by operating segment as at 31 December 2025 and 31 December 2024:

€/000	Horizons: engineered systems for naval architecture and building façades	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors	Segments total	Adjustments and eliminations	Consolidated
Segment assets						
as at 31/12/2025	130,461	58,100	81,165	269,726	10,678	280,404
as at 31/12/2024	162,613	50,204	91,492	304,309	11,204	315,513
Segment liabilities						
as at 31/12/2025	(152,612)	(37,756)	(52,232)	(244,600)	(9,849)	(254,449)
as at 31/12/2024	(184,140)	(29,934)	(72,872)	(286,946)	(10,876)	(297,822)

Revenues by geographical area

The following table shows revenues by geographical area as at 31 December 2025 and 31 December 2024:

€/000	2025	2024
Italy	116,447	103,477
UE	94,550	87,270
Non-UE	159,024	192,076
Total	370,021	382,823

Operating segment reporting (continued)

The following table shows **clients whose revenues (turnover and change in contract work in progress) account for over 10% of Group revenues and income** on the reporting dates:

2025			
€/000	Operating segment	Revenues	Incidence on revenue (%)
Total Revenues		370,021	100.0%
Client 1	Horizons: engineered systems for naval architecture and building façades	81,778	22.1%
	Talenta: professional kitchen systems and products		
	Mestieri: design and production of bespoke interiors		
Client 2	Horizons: engineered systems for naval architecture and building façades	53,787	14.5%

2024			
€/000	Operating segment	Revenues	Incidence on revenue (%)
Total Revenues		382,823	100.0%
Client 1	Horizons: engineered systems for naval architecture and building façades	75,282	19.7%
	Talenta: professional kitchen systems and products		
	Mestieri: design and production of bespoke interiors		
Client 2	Horizons: engineered systems for naval architecture and building façades	65,984	17.2%

Financial highlights

NOTE 1

Property, plant and equipment

The following table provides a detailed breakdown of the item and the changes in tangible assets as a result of acquisitions, sales/disposals, depreciation for the period, any write-downs or write-backs, and any effects arising from extraordinary transactions.

€/000	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Unscheduled maintenance of leased assets	Assets under construction and advances	Total
Historical cost	13,181	21,821	6,429	7,666	5,139	60	54,296
Accumulated depreciation	(3,289)	(16,458)	(5,623)	(5,907)	(3,910)	-	(35,187)
Net Book Value as at 01.01.2024	9,892	5,363	806	1,759	1,229	60	19,109
Changes in 2024							
Investments	92	466	186	319	53	1,139	2,255
Net disposals	-	(15)	(5)	(1)	-	-	(21)
Other changes / reclassifications	-	286	109	26	-	(35)	386
Amortisation	(444)	(1,739)	(375)	(552)	(738)	-	(3,848)
Exchange differences	7	75	-	18	31	-	131
Closing Net Book Value	9,547	4,436	721	1,569	575	1,164	18,012
Historical cost	13,283	22,680	6,522	7,810	5,476	1,164	56,935
Accumulated depreciation	(3,736)	(18,244)	(5,801)	(6,241)	(4,901)	-	(38,923)
Net Book Value as at 31.12.2024	9,547	4,436	721	1,569	575	1,164	18,012

The investments made in financial year 2025 are geared towards maintaining the efficiency and production capacity of the Group's plants. Notably, new production machinery was purchased to the extent of 1,747 thousand Euro during the period under review.

€/000	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Unscheduled maintenance of leased assets	Assets under construction and advances	Total
Changes in 2025							
Investments	221	1,747	390	492	867	111	3,828
Net disposals	(4)	(90)	(2)	(3)	(43)	(5)	(147)
Other changes / reclassifications	-	(20)	8	4	20	(210)	(198)
Amortisation	(448)	(1,511)	(355)	(545)	(369)	-	(3,228)
Exchange differences	(13)	(114)	-	(29)	(23)	(8)	(187)
Closing Net Book Value	9,303	4,448	762	1,488	1,027	1,052	18,081
Historical cost	13,437	23,017	6,882	8,005	5,539	1,052	57,968
Accumulated depreciation	(4,170)	(18,569)	(6,120)	(6,517)	(4,512)	-	(39,888)
Net Book Value as at 31.12.2025	9,303	4,448	762	1,488	1,027	1,052	18,081

It should be noted that at 31 December 2025, there were no impairment indicators for Property, Plant and Equipment.

Financial highlights (continued)

NOTE 2

Intangible assets

The following table provides detailed information on the breakdown of the item and the changes in intangible assets due to acquisitions, amortisation for the period, any write-downs or write-backs, and any effects deriving from extraordinary transactions.

€/000	Goodwill	Development costs	Patents and know how	Concessions, licences, trademarks and similar rights	Other intangible assets	Intangible assets in progress and advances	Total
Historical cost	37,423	1,455	29,800	2,169	22,823	425	94,096
Accumulated depreciation	-	(1,050)	(21,426)	(822)	(15,655)	-	(38,953)
Net Book Value as at 01.01.2024	37,423	405	8,374	1,347	7,168	425	55,143
Changes in 2024							
Investments	-	-	131	22	-	15	168
Depreciation	(4,749)	-	-	-	-	-	(4,749)
Other changes / reclassifications	-	1	(1)	(2)	(1)	-	(3)
Amortisation	-	(174)	(2,983)	(223)	(1,814)	-	(5,194)
Exchange differences	389	-	18	-	240	-	647
Closing Net Book Value	33,063	232	5,539	1,144	5,593	440	46,012
Historical cost	33,063	868	29,937	2,190	22,985	440	89,483
Accumulated depreciation	-	(636)	(24,398)	(1,045)	(17,392)	-	(43,471)
Net Book Value as at 31.12.2024	33,063	232	5,539	1,144	5,593	440	46,012

€/000	Goodwill	Development costs	Patents and know how	Concessions, licences, trademarks and similar rights	Other intangible assets	Intangible assets in progress and advances	Total
Changes in 2025							
Investments	-	310	196	18	952	235	1,711
Depreciation	(1,082)	-	(490)	(1,008)	-	-	(2,580)
Other changes / reclassifications	-	-	(1)	-	(2)	(343)	(346)
Amortisation	-	(235)	(1,873)	(74)	(1,592)	-	(3,774)
Exchange differences	(752)	-	(31)	-	(410)	-	(1,193)
Closing Net Book Value	31,229	307	3,339	81	4,541	332	39,830
Historical cost	31,229	1,177	28,145	2,209	23,344	332	86,476
Accumulated depreciation	-	(871)	(24,864)	(2,127)	(18,802)	-	(46,646)
Net Book Value as at 31.12.2025	31,229	307	3,339	81	4,541	332	39,831

Financial highlights (continued)

Goodwill

Goodwill acquired through business combinations carried out by Somec Group in previous years amounted to a total of 31,229 thousand Euro as at 31 December 2025 (33,063 thousand Euro as at 31 December 2024).

In order to determine the recoverable value, said goodwill has been allocated to the related cash generating units (CGUs) of individual Group companies, with the exception of goodwill for the Professional Cooking Equipment CGUs (GICO S.p.A., Pizza Group S.r.l. and Pizza Group USA LLC) and Mestieri (CGU Budri S.r.l., CGU Gino Ceolin S.r.l., CGU Lamp Arredo S.r.l., CGU Mestieri S.p.A., CGU Skillmax S.r.l. and CGU Total Solution Interiors S.r.l.), for which the Directors decided that their performance benefits from group synergies, and consequently tested goodwill effects on the group CGUs.

The breakdown of goodwill of the CGUs in the two periods is as follows:

CGU		
€/000	31.12.2025	31.12.2024
Mestieri CGU Group	18,149	18,149
CGU Fabbrica	5,737	6,489
CGU Professional Cooking Equipment	1,658	2,658
CGU Oxin	5,685	5,685
CGU Bluesteel	-	82
Total Goodwill	31,229	33,063

For comparison purposes, the details of CGU goodwill in the Mestieri CGU Group at 31 December 2025 and 31 December 2024 are shown below.

Mestieri CGU Group		
€/000	31.12.2025	31.12.2024
CGU TSI	6,379	6,379
CGU Budri	5,603	5,603
CGU Skillmax	2,837	2,837
CGU Lamp Arredo	1,962	1,962
CGU Gino Ceolin	1,368	1,368
Total Goodwill	18,149	18,149

The change during the period is mainly due to:

- The write-down of the goodwill of the Bluesteel CGU following impairment test
- The write-down of the goodwill of the Professional Cooking Equipment CGU following impairment test
- Exchange effects on the goodwill in the functional currency of Fabbrica LLC

An overview of the change in the period relating to goodwill is provided in the following table:

Goodwill	
€/000	
Net Book Value as at 31.12.2024	33,063
Goodwill write-down of the Bluesteel CGU	(82)
Goodwill write-down of the Professional Cooking Equipment CGU	(1,000)
Exchange differences	(752)
Net Book Value as at 31.12.2025	31,229

For other CGUs and verifying the presence of impairment indicators, reference is made to the paragraph "Discretionary measurements and significant accounting estimates" again in these explanatory notes.

For applicability of impairment indicators and to gain an insight into the results of the tests carried out, reference should be made to note 3 below.

Development costs

Development costs amounted to 307 thousand Euro at 31 December 2025 (232 thousand Euro at 31 December 2024), referring to projects for the development of new products in the sector "Talenta: Professional Kitchen Systems and Products".

Capitalization was based on a careful reporting and analysis of expenses incurred, taking into account estimated future usefulness.

Financial highlights (continued)

Patents and know-how

“Patents and know-how”, totalling 3,339 thousand Euro at 31 December 2025 (5,539 thousand Euro at 31 December 2024) include know-how under intangible assets, i.e. the ability to perform in the sector in which they operate, recognised at the time of allocation of the price paid for the acquisition of:

- Fabbrica LLC and Primax S.r.l. (company merged by incorporation into Pizza Group S.r.l. during the previous financial year) which took place in 2018
- Total Solution Interiors S.r.l. in 2019
- Skillmax S.r.l., which took place in 2020
- Bluesteel S.r.l., Budri S.r.l. and Lamp Arredo S.r.l. which took place during 2022
- Gino Ceolin S.r.l. which took place in 2023.

The net book value of the know-how at 31 December 2025 amounted to a total of 2,939 thousand Euro (5,055 thousand Euro at 31 December 2024).

The change in know-how is summarised in the following table:

Know how	
€/000	
Net Book Value as at 31.12.2024	5,055
Amortisation	(1,627)
Write-down of the Bluesteel CGU	(489)
Net Book Value as at 31.12.2025	2,939

At the reporting date, the Directors did not identify any impairment indicators attributable to know-how, with the exception of the impairment of the item under review for the Bluesteel CGU, amounting to 489 thousand Euro.

Concessions, licences, trademarks and similar rights

The item “Concessions, licences, trademarks and similar rights”, amounting to 81 thousand Euro as at 31 December 2025 (1,145 thousand Euro as at 31 December 2024) includes the fair value of the GICO brand (Professional Cooking Equipment CGU), recognised as a tangible asset with a finite useful life attributed in the purchase price allocation for the acquisition of the company.

The Directors have attributed a time horizon of five years to the value of the trademark.

At the reporting date, the Directors identified impairment indicators attributable to the Bluesteel trademark and elected to write down the entire amount, totalling 1,008 thousand Euro.

An overview of changes in this item during the year is shown in the table below:

Concessions, licences, trademarks and similar rights	
€/000	
Net Book Value as at 31.12.2024	1,145
Investments	18
Write-down	(1,008)
Other changes	(74)
Net Book Value as at 31.12.2025	81

Financial highlights (continued)

Other intangible assets

The item “Other intangible assets”, amounting to 4,541 thousand Euro as at 31 December 2025 (5,593 thousand Euro as at 31 December 2024), refers to the amount recognised as customer relationships following the acquisitions of Fabbrica LLC, Total Solution Interiors S.r.l. and Pizza Group S.r.l., which occurred in previous years.

An overview of changes in Customer Relationships is shown in the table below:

Customer relationships

€/000

Net Book Value as at 31.12.2024	5,537
Amortisation	(1,447)
Exchange differences	(373)
Net Book Value as at 31.12.2025	3,717

On the reporting date, the Directors have identified no impairment indicators for relationships with customers.

“Other intangible assets” include costs capitalised during the year to the amount of 819 thousand Euro, pertaining to the contract cost assets of subsidiary Fabbrica LLC., amortised based on the project’s progress status.

Finally, this item includes intangible assets under development and advances (312 thousand Euro) mainly related to research and development projects underway in some companies of the Talenta: Professional Kitchens Systems and Products BU.

NOTE 3

Impairment test

On 19 March 2026, the Directors of the Parent Company approved the impairment tests on the carrying amounts of goodwill recognised in the Somec Group consolidated financial statements for the year ended 31 December 2025 and on the value of equity investments recognised in the Parent Company’s separate financial statements as at the same date.

The results of such impairment tests for the purposes of the consolidated statements were based on the Enterprise Value figures of the different CGUs, compared with the corresponding figures of net invested capital, including goodwill and other assets recognised in connection with the business combinations. With regard to the forward-looking economic data, reliance was made on the 2026-2028 plans of the Group companies, specifically the 2026-2030 plans for the companies comprising the Professional Cooking Equipment CGU. Choosing an explicit cash flow projection over a five-year horizon for the Professional Cooking Equipment BU is consistent with the development and integration plan currently in progress.

The current investment levels and the integration drive currently underway imply a payback period of more than three years.

In discounting the cash flows from the plans, the Directors identified a WACC (Weighted Average Cost of Capital) discount rate for each of the CGUs, with account being taken of their specific characteristics. The normalised cash flow of last year’s projections was considered for the estimation of the terminal value, for the quantification of which the Directors considered a “g” growth rate of 1%, which rate was deemed to reflect on average the expected growth for the Group in the CGUs/sectors in which it operates.

A summary is provided below for each CGU or CGU group regarding the assumptions underlying the impairment tests conducted at 31 December 2025 and the conclusions reached by the Directors.

Scope and definition of CGUs and redefinition for subsequent financial years

The impairment test for goodwill for the current financial year was conducted in a manner consistent with the previous year.

With reference to the Oxin and Professional Cooking Equipment CGUs, it should be noted that, in light of the increasing integration between all companies within the Talenta BU, the definition of a single Group CGU was deemed necessary.

Financial highlights (continued)

It should be noted that, as of the end of 2025, decisions concerning industrial planning, resource allocation, capital expenditure and brand development have been taken at the business unit level. Similarly, management and operational decisions are coordinated on a unified basis within the Talenta BU.

The Group management has therefore elected to adopt a single Group CGU for impairment testing purposes across the Professional Kitchen Systems and Products BU, effective from 1 January 2026. This approach is consistent with the provisions of IAS 36 and the BU's current economic and management structure, ensuring a more reliable recoverable amount measurement that is aligned with the way cash flows are generated.

Fabbrica CGU impairment test

The Fabbrica CGU comprises Fabbrica LLC (a subsidiary of the sub-holding 3.0 Partners USA Inc.), the Canadian subsidiary Atelier de Façades Montréal Inc., and the Italian subsidiary Fabbrica Works S.r.l. These companies operate in the market for the bespoke design, custom production and installation of façades and external envelopes. To assess the recoverability of the capital invested in the CGU, the expected future cash flows from the 2026-2028 plan prepared by management were discounted using a rate representing the weighted average cost of capital (WACC) of 10.03% (compared to 10.43% in the previous financial year).

In addition to the explicit cash flows in the plan, a terminal value (perpetual income) was considered, based on the NOPAT (Net Operating Profit Less Adjusted Taxes) for the final year of the plan as the reference cash flow and by applying a growth rate (g) of 1%, consistent with the previous financial year.

The analyses performed indicated a recoverable amount significantly in excess of the carrying amount of the Fabbrica CGU, including the allocated goodwill.

The sensitivity analysis was performed by determining, respectively, the increase in the discount rate (WACC) and the percentage reduction in EBITDA (across all years of the plan, including the terminal value) beyond which an impairment loss would be identified. The break-even WACC — representing the discount rate at which the headroom is reduced to zero — stood at 13.66%. Headroom is reduced to zero by a 22.4% reduction in EBITDA compared to forecasts.

Oxin CGU impairment test

The Oxin CGU comprises Oxin S.r.l., which operates in the production of turnkey solutions for marine catering business.

To assess the recoverability of the capital invested in the CGU, the expected future cash flows from the 2026-2028 plan prepared by management were discounted using a rate reflecting the weighted average cost of capital (WACC) of 9.16% (compared to 9.13% in the previous financial year). Cash flows beyond the plan period were determined based on the NOPAT (Net Operating Profit Less Adjusted Taxes) for the final year of the plan as the reference cash flow and by applying a growth rate (g) of 1%, consistent with the previous financial year.

The analyses performed indicated a recoverable amount significantly in excess of the carrying amount of the Oxin CGU, including the allocated goodwill.

The sensitivity analysis was performed by determining, respectively, the increase in the discount rate (WACC) and the percentage reduction in EBITDA (across all years of the plan, including the terminal value) beyond which an impairment loss would be identified. The break-even WACC — representing the discount rate at which the headroom is reduced to zero — stood at 52.21%. Headroom is reduced to zero by a 72.68% reduction in EBITDA compared to forecasts.

Professional Cooking Equipment CGU impairment test

The Professional Cooking Equipment CGU comprises GICO S.p.A., Pizza Group S.r.l., and Pizza Group USA LLC, which operate in the manufacture of professional catering equipment. It should be recalled that the merger of Inoxtrend S.r.l. into GICO S.p.A. took place in financial year 2025.

To assess the recoverability of the capital invested in the CGU, the expected future cash flows from the 2026-2030 plan prepared by management — determined by aggregating the multi-year plans of the companies within the CGU — were discounted using a rate reflecting the weighted average cost of capital (WACC) of 10.90% (compared to 10.85% in the previous financial year), including an additional risk premium of 4% for the purpose of calculating the cost of equity.

Cash flows beyond the plan period were determined based on the NOPAT (Net Operating Profit Less Adjusted Taxes) for the final year of the plan as the reference cash flow and by applying a growth rate (g) of 1%, consistent with the previous financial year.

Financial highlights (continued)

The tests carried out showed a permanent impairment loss of capital invested in the Professional Cooking Equipment CGU to the extent of 1,049 thousand Euro, which was entirely allocated to goodwill and recognised in the income statement under Depreciation, Amortisation and Write-downs.

The total value of goodwill referring to the CGU in question at 31 December 2025 therefore amounted to 1,609 thousand Euro (2,658 thousand Euro at 31 December 2024).

As the impairment test indicated an impairment loss, no sensitivity analysis was conducted.

Mestieri Group CGU impairment test

The Mestieri CGU group is made up of the CGUs Budri S.r.l. CGU, Gino Ceolin S.r.l. CGU, Lamp Arredo S.r.l. CGU, Mestieri S.p.A. CGU, Skillmax S.r.l. CGU and Total Solution Interiors S.r.l. CGU, which implement complex interior design projects and iconic architecture in the residential, retail, hospitality and naval sectors.

To assess the recoverability of the capital invested in the CGU group, the expected future cash flows from the 2026-2028 plan prepared by management were discounted using a rate reflecting the weighted average cost of capital (WACC) of 9.87% (compared to 9.95% in the previous financial year). In addition to the explicit cash flows in the plan, a terminal value (perpetual income) was considered, based on the NOPAT (Net Operating Profit Less Adjusted Taxes) for the final year of the plan as the reference cash flow and by applying a growth rate (g) of 1%, consistent with the previous financial year.

The analyses performed indicated a recoverable amount significantly in excess of the carrying amount of the Mestieri Group CGU, including the allocated goodwill.

The sensitivity analysis was performed by determining, respectively, the increase in the discount rate (WACC) and the percentage reduction in EBITDA (across all years of the plan, including the terminal value) beyond which an impairment loss would be identified.

The break-even WACC — representing the discount rate at which the headroom is reduced to zero — stood at 15.10%. Headroom is reduced to zero by a 31.81% reduction in EBITDA compared to forecasts.

Bluesteel CGU impairment test

With reference to the Bluesteel CGU, and consistent with the reduction in business volumes, the recoverable amount was estimated by reference to the carrying amount of net working capital, including the surplus value attributable to the building, as supported by a specific independent appraisal.

In this context, under the reasonable assumption that the current value of assets and liabilities is aligned with their respective carrying amounts, the recoverable amount of the CGU was deemed to be equal to its carrying amount.

The assessment performed consequently resulted in the impairment of the following assets:

- Trademark: 1,008 thousand Euro

- Know-how: 489 thousand Euro

- Goodwill: 82 thousand Euro.

Financial highlights (continued)

NOTE 4

Right-of-use assets

The following shows the book values of right-of use assets and changes in the item during the period:

€/000	Land and buildings	Plant and machinery	Cars and vheicles	Other assets	Total
Historical cost	30,694	4,042	3,161	431	38,328
Accumulated depreciation	(11,001)	(1,664)	(1,472)	(255)	(14,392)
Net Book Value as at 01.01.2024	19,693	2,378	1,689	176	23,936
Changes in 2024					
Additions	2,667	331	766	108	3,872
Other changes / reclassifications	52	(291)	(58)	(1)	(298)
Amortisation	(4,229)	(690)	(759)	(100)	(5,778)
Exchange differences	198	-	1	2	201
Closing Net Book Value	18,381	1,728	1,639	185	21,933
Historical cost	33,081	3,310	3,306	503	40,200
Accumulated depreciation	(14,700)	(1,581)	(1,667)	(319)	(18,267)
Net Book Value as at 31.12.2024	18,381	1,728	1,639	185	21,933

€/000	Land and buildings	Plant and machinery	Cars and vheicles	Other assets	Total
Changes in 2025					
Additions	17,424	1,247	1,179	30	19,880
Other changes / reclassifications	(6,226)	-	(53)	-	(6,279)
Amortisation	(4,319)	(648)	(831)	(71)	(5,869)
Exchange differences	(239)	-	-	35	(204)
Closing Net Book Value	25,021	2,327	1,934	179	29,461
Historical cost	36,577	4,335	3,661	314	44,907
Accumulated depreciation	11,557	(2,028)	(1,726)	(134)	(15,445)
Net Book Value as at 31.12.2025	25,021	2,327	1,934	179	29,461

Financial highlights (continued)

The lease and rental agreements currently in place do not allow for variable payments that are index linked. On the reporting date, the Group has no agreements in place with guarantees on the residual value or commitments for contracts not yet in place. The Group has no sublet agreements in place. The Group did not carry out any sale and leaseback transactions during the period.

It should be noted that the increase in Land and Buildings primarily reflects the transfer of the lease agreement for the property used as the parent company's headquarters. This transfer occurred as part of the share capital increase during the 2025 FY, resulting in an equivalent rise in shareholders' equity, amounting to 6,110 thousand Euro. More details are provided in Note 14.

As a direct result of the aforementioned transfer, the "Other changes" line item includes 3,900 thousand Euro relating to the early termination by Somec S.p.A. of the property lease agreement entered into with Vis S.r.l., with the remainder attributable to the early termination of lease contracts.

Other increases relate to the execution of:

- A new lease agreement entered into for the production plant of the subsidiary Oxin S.r.l.
- Property lease agreements for the plants located in the United States by the subsidiary Fabbrica LLC to the extent of 3,000 thousand Euro and, to a lesser extent
- Property leases for the renewal of the plants of the subsidiaries Skillmax and Gico S.p.A.

The following table shows the amounts recognised in the statement of consolidated income:

€/000	2025	2024
Depreciation of right-of-use assets	5,869	5,778
Interest payable on leases	801	701
Expenses - short term leases	4,343	2,513
Total recognised in the income statement	11,013	8,992

Total cash flows used for leases recognised in compliance with IFRS 16 amounted to 7,508 thousand Euro as at 31 December 2025 (6,492 thousand Euro as at 31 December 2024).

Financial highlights (continued)

NOTE 5

Investments in associates

The following table shows the changes in the year 2025 of the item Investments in associates, referring to the company Squadra S.r.l.

Associates	
€/000	
Net book value as at 31.12.2024	289
Write-ups/(write-downs)	32
Net book value as at 31.12.2025	321

NOTE 6

Non-current financial assets

The item is composed as follows:

€/000	31.12.2025	31.12.2024
Securities and investment funds	331	323
Derivative instrument assets	194	320
Other financial assets	4	3
Total Non-current financial assets	529	646

Derivative assets reflect the non-current portion of the fair value at the reporting date of IRS derivatives hedging the interest rate risk of loans.

NOTE 7

Deferred tax assets and liabilities

The following table shows changes in deferred tax assets, the nature of the items and the timing differences.

€/000	31.12.2025		31.12.2024	
	Timing differences	Tax effect	Timing differences	Tax effect
Bad debt provision	3,106	745	3,199	766
Maintenance	93	22	90	22
Unpaid Directors' compensation	366	88	171	41
Inventory write-offs	1,141	299	1,434	374
Warranty provisions	1,170	282	955	230
Trademark amortisation	810	226	834	233
Provisions for contract risks	-	-	712	171
Derivative financial instruments	115	28	254	61
Tax losses	11,930	2,863	6,416	1,540
Provisions for liabilities and charges	20	5	20	5
Adjustment of unrealised intragroup margins	218	61	595	166
Ancillary cost adjustments for equity investments	496	138	486	135
Start-up and expansion costs	130	36	51	14
Adjustment of software costs	402	112	876	244
Right-of-use assets	1,275	305	1,323	321
Employee benefits	3,370	809	2,510	602
Exchange losses	154	37	547	131
Interest payable	505	121	505	121
Trademark write-down	1,008	242	-	-
Other	2,482	536	2,000	489
Total Deferred tax assets		6,953		5,666

Financial highlights (continued)

To determine deferred tax assets (prepaid taxes), we applied the tax rates in force in the various countries of Group operations.

Deferred taxes calculated on tax losses that can be carried forward, amounting to 2,863 thousand Euro at 31 December 2025, refer mainly to tax losses generated in 2025 and in previous years by some subsidiaries. Taking into account the multiannual plans prepared by the Group, this will be recovered in future years. Given that the tax loss carry forwards are mainly attributable to Italian companies, there are no issues with carrying forward of tax losses over time. The Group recognises deferred tax assets up to the amount for which it considers it likely that they will be recovered in future periods and over a time horizon consistent with the time horizon outlined in the estimates of management.

Certain Italian subsidiaries, jointly with the parent company Somec S.p.A., have exercised the option for the group taxation regime known as the "Consolidato Fiscale Nazionale" (National Tax Consolidation Scheme), as under Articles 117 to 129 of the Consolidated Income Tax Act pursuant to Presidential Decree No. 917 dated 22 December 1986 and Decree of the Ministry of Economy and Finance dated 1 March 2018.

As at 31 December 2025 the Group has additional tax loss carry-forwards amounting to 10,228 thousand Euro for which no deferred tax assets have been allocated.

Derivatives that are defined as cash flow hedges and measured at fair value directly in equity imply that the related taxes are charged directly to equity and not to the income statement. Net deferred tax liabilities recognised to equity amounted to 58 thousand Euro.

The table below shows deferred tax liabilities, the nature of the items and temporary timing differences.

€/000	31.12.2025		31.12.2024	
	Timing differences	Tax effect	Timing differences	Tax effect
Depreciation and amortisation	6	1	6	1
Derivative financial instruments	358	86	719	173
USA retained earnings	3,094	835	2,148	580
Right-of-use assets	419	107	525	139
Employee benefits	3,789	909	2,706	649
Increase in value allocated to contract assets (interim)	161	39	238	57
Increase in value allocated to land and buildings	3,634	1,106	4,149	1,157
Increase in value allocated to plant and machinery	207	58	259	72
Increase in value allocated to know-how	2,939	820	5,055	1,410
Increase in value allocated to customer relationships	3,717	1,017	5,538	1,513
Increase in value allocated to trademarks	-	-	59	17
Adjustment of unrealised intragroup margins	-	-	777	217
Other	194	50	227	58
Total Deferred tax liabilities		5,029		6,043

Financial highlights (continued)

NOTE 8

Inventory and contract assets

The item is composed as follows:

€/000	31.12.2025	31.12.2024
Raw materials and consumables	12,837	13,174
Work in process and semi-finished goods	1,648	2,162
Contract work in progress	14,773	24,940
Finished goods and goods for resale	2,653	2,244
Advances and payments on account to suppliers	1,899	2,316
Total Inventory and contract assets	33,810	44,836

Raw materials and consumables are mainly composed of profiles, steel sheets, and glass used during the manufacturing process and are recognised at the weighted average purchase cost.

Contract work in progress refers to orders normally lasting more than one year, in progress at the end of the reporting date. The item includes work in progress, the value of which is higher than the amount billed to the client. Work in progress is determined by the costs incurred plus recognised margins, net of any expected losses.

The net amount of contract assets and liabilities relating to orders are shown in the statement of financial position, i.e. the amount owed by clients for contract work in progress is recognised as an asset, under the item Contract assets (when it exceeds the related advances received), whereas advances received on contract work in progress are recorded as liabilities under the item Liabilities for contract work in progress and customer advances (when they exceed the associated amount owed by clients).

The item Advances and payments on account to suppliers amounting to 1,899 thousand Euro, refers to advance payments to suppliers for the purchase of raw materials and supplies that have yet to be delivered.

Inventory is shown net of the related provision amounting to 1,982 thousand Euro.

NOTE 9

Trade receivables

Trade receivables amounting to 59,655 thousand Euro as at 31 December 2025 (79,671 thousand Euro as at 31 December 2024) originate from the billing of completed orders and the status of those still in progress on the reporting date, as well as normal sales transactions.

The breakdown of gross accounts receivable by expiry date as at 31 December 2025 is as follows:

€/000	Not yet expired	Expired 0 - 90 days	Expired by 90 - 180 days	Expired by more than 180 days	Total
Gross book value of trade receivables as at 31.12.2025	49,648	8,880	533	4,786	63,846
Gross book value of trade receivables as at 31.12.2024	67,109	11,505	479	4,490	83,583

Trade receivables are recognised net of the related bad debt provision, which represents the estimated reduction in the value of doubtful debts, such as those subject to legal disputes, and judicial and extra-judicial proceedings due to insolvency of debtors.

Doubtful receivables refer to specific accounts, the collection of which is deemed uncertain. Provisions for doubtful receivables were carried on the basis of best estimates made by management based on the analysis of the schedule of payments and in relation to the solvency status of customers having a longer outstanding debt record or who are subject to enforced recovery proceedings.

The amount of the allowance and the changes in 2025 are shown below:

€/000	
Balance as at 01.01.2024	3,049
Provisions	1,251
Allocations	(370)
Releases	(34)
Exchange differences	16
Balance as at 31.12.2024	3,912
Provisions	515
Allocations	(105)
Releases	(91)
Exchange differences	(40)
Balance as at 31.12.2025	4,191

Financial highlights (continued)

NOTE 10

Other receivables

Other receivables include the following:

€/000	31.12.2025	31.12.2024
Indirect tax receivables	7,921	8,503
Other receivables	1,263	2,438
Advance payments to suppliers	1,359	1,674
Prepaid expenses	959	1,108
Down-payments	429	483
Employee advances	71	19
Labour insurance and social security receivables	176	215
Other tax receivables	416	2,844
Total Other receivables	12,594	17,284

The item Indirect tax receivables amounting to 7,921 thousand Euro (8,503 thousand Euro as at 31 December 2024) mainly refers to a VAT credit. The sizeable amount of the credit is due to the fact that some Group companies are unable to charge VAT on sales, which prevents them from fully reclaiming VAT paid on purchases.

NOTE 11

Tax receivables

The item includes the following:

€/000	31.12.2025	31.12.2024
Corporation tax receivable (IRES)	1,127	1,468
Regional business tax receivable (IRAP)	98	162
Foreign tax credit	3,635	3,281
Other income tax receivables	706	626
Total Tax receivables	5,566	5,537

The item Foreign tax credit refers mainly to credit on taxes paid abroad, referring in particular to foreign branches through which Somec operates at international shipyards.

NOTE 12

Other current financial assets

The following table shows the breakdown of the item:

€/000	31.12.2025	31.12.2024
Current financial assets	26,687	27,197
Derivative instrument assets	453	493
Securities	247	219
Prepaid interest and other financial items	341	240
Total Other current financial assets	27,728	28,149

Current financial receivables include amounts due from factoring companies for claims assigned without recourse and not yet collected at year-end. Derivative assets reflect the current portion of the fair value at the reporting date of IRS derivatives hedging the interest rate risk of loans.

NOTE 13

Cash and cash equivalents

Cash and cash equivalents are broken down as follows:

€/000	31.12.2025	31.12.2024
Bank and postal deposits	47,671	47,413
Cash on hand	46	65
Total Cash and cash equivalents	47,718	47,478

Cash and cash equivalents at the end of the period refer to the balance of current accounts held with various banks on which there are no restrictions or constraints.

Financial highlights (continued)

NOTE 14

Net equity

Details of consolidated shareholders' equity are shown in the following table:

€/000	31.12.2025	31.12.2024
Share capital	7,282	6,900
Share premium reserve	23,653	18,173
Legal reserve	1,380	1,380
Other reserves and retained earnings	(9,177)	(12,773)
Group net equity	23,138	13,680
Minority interest capital and reserves	557	1,168
Income from minorities	2,260	2,843
Minority interest	2,817	4,011
Total Net equity	25,955	17,691

The share capital (fully paid-in) amounts to 7,282 thousand Euro as at 31 December 2025 (6,900 thousand Euro as of 31 December 2024) and is composed of 7,281,875 shares of no par value, inclusive of 968 treasury shares.

It should be noted that on 23 May 2025, the Board of Directors of Somec S.p.A. approved a paid, non-divisible capital increase, totalling 6,110 thousand Euro, including share premium. The capital increase in kind was part of the majority shareholder's plan to bolster the Group's assets. It is included in the agreement amending the existing loan agreement between Somec, BNL BNP Paribas, Intesa Sanpaolo, and UniCredit.

This agreement, which was finalised on 27 March 2025, would be effective only if the capital increase in kind was completed by 30 June 2025. The capital increase in kind was allocated for subscription to VIS S.r.l., a company wholly owned by Venezia S.p.A., the Company's reference shareholder. The capital was fully paid up through the contribution of a lease agreement previously held between VIS S.r.l. and BCC Leasing S.p.A., related to the property used as the headquarters of the parent company. The capital increase in kind, which took effect on 30 June 2025, resulted in the issuance of a total of 381,875 ordinary shares, with no par value, representing 5.53% of Somec's capital prior to the increase.

These shares carry regular dividend rights and have the same characteristics as currently outstanding shares, with an issue price of 16.00 Euro per share. The new shares were admitted to trading on the EuroNext Milan market.

At 31 December 2025, the share premium reserve stood at 23,653 thousand Euro (compared to 18,173 thousand Euro at 31 December 2024). This increase was the result of two events:

- The initial public offering (IPO) when the Company was listed on the Euronext Growth Milan (EGM) market in April 2018
- The subsequent share capital increase during the first half of 2025.

The legal reserve includes the amount of the provisions made by the Parent Company, totalling 1,380 thousand Euro, according to the Italian Civil Code.

Below are the main components making up the item Other reserves and retained earnings:

- Extraordinary reserve, amounting to 5,066 thousand Euro, to which profits in excess of the portion allocated to the legal reserve and dividend distribution are allocated
- Cash flow hedge reserve, which receives the variation in the effective hedging component of derivative instruments at the fair value, which at 31 December 2025 had a balance of 185 thousand Euro (377 thousand Euro at 31 December 2024)

- IFRS first-time adoption reserve established on the date of transition of the consolidated financial statements to the international accounting standards (1 January 2018), with the convergence of all changes introduced compared to Italian accounting standards (negative balance of 133 thousand Euro)

- Treasury share reserve, established during the Parent Company's treasury share buyback programmes, which as at the end of the period comprised 968 treasury shares, accounting for 0.01% of the share capital, with a total value of 31 thousand Euro

- Conversion reserve of 1,119 thousand Euro, relating to exchange rate differences from conversions into Euro of the balance sheets of Group companies operating in non-Euro areas

- Result attributable to the Parent Company, which at 31 December 2025 amounted to a result of 4,818 thousand Euro, compared to a negative result of 3,303 thousand Euro at 31 December 2024.

Financial highlights (continued)

Shareholders' equity pertaining to minority shareholders almost entirely pertained to minority shareholders of Fabbrica LLC and changed mainly due to:

- The normal trend of the translation reserve (-691 thousand Euro)
- The distribution of dividends to minority shareholders of Fabbrica LLC (2,753 thousand Euro)
- The attribution of the result for the period (2,263 thousand Euro).

Net gains/(losses) included in the other components of the statement of comprehensive income are shown below.

€/000	Other comprehensive income components in 2025	Other comprehensive income components in 2024
Exchange differences on translation of foreign operations	(1,108)	619
Effective portion of gains/(losses) on cash flow hedge instruments	(192)	(807)
Gains/(losses) on remeasurement of defined benefit plans	205	8
Total Other components of net comprehensive income	(1,095)	(180)

NOTE 15

Loans and financing

The item is composed as follows:

€/000	31.12.2025	31.12.2024
Non-current repayments on medium/long-term loans	38,975	7,324
Other financial liabilities	67	-
Total Non-current loans and financing	39,043	7,324
Instalments of medium/long term loans falling due within one year	7,716	45,567
Advance payments on invoices and contracts	18,111	28,239
Other loans payable	11,625	13,959
Overdrafts	874	743
Interest and charges on bank loans and overdrafts	313	361
Total Current loans and financing	38,639	88,869
Total Loans and financing	77,682	96,193

It should be noted that during the 2022 fiscal year the Parent Company signed a medium to long-term syndicated loan agreement with three leading banking institutions.

This loan requires compliance with economic/financial parameters, or covenants, to be calculated annually based on the results of the consolidated financial statements (specifically: net financial debt/EBITDA and net financial debt/equity).

As at 31 December 2024, the debt-to-equity ratio requirement was not met, while that related to the debt-to-EBITDA ratio requirement was met. The Company, as part of an agreement signed in March 2025 with the lenders, obtained a one-time waiver in respect of the financial requirement not met. It should also be noted that as part of the negotiations between Somec and the aforementioned lenders, an agreement was signed to amend the original loan agreement.

In addition to the release of the aforementioned waiver, the agreement includes the rescheduling of certain loan repayment terms, a change in the financial requirement in relation to the debt-to-equity ratio for the next financial years, as well as certain amendments aimed at providing the Parent Company with greater financial flexibility.

Financial highlights (continued)

Finally, underpinning these commitments, a capital base strengthening operation was completed in the first half of 2025 – for a total amount of 6,110 thousand Euro – through a capital increase in kind reserved for the leading shareholder, as already mentioned above. At 31 December 2025, the financial covenants on all outstanding loans were met.

It should be noted that during FY 2025, loans in the amount of 7 million Euro were repaid.

Other loans payable refers to non-recourse factoring agreements with the factoring company Ifitalia.

NOTE 16

Other financial liabilities

The item includes the following:

€/000	31.12.2025	31.12.2024
Non-current lease liabilities	17,602	17,736
Strike price of options on purchase of non-controlling interest	9,217	11,964
Derivative liabilities	43	165
Total Other non-current financial liabilities	26,862	29,865
Current lease liabilities	5,159	4,712
Earn out payment for non-controlling interest	2,036	3,565
Derivative liabilities	72	89
Strike price of options on purchase of non-controlling interest	369	101
Total Other current financial liabilities	7,636	8,467
Total Other financial liabilities	34,498	38,332

Lease liabilities

Lease liabilities refer to the present value of lease payments due, in accordance with the provisions of IFRS 16.

Strike price of options on purchase of non-controlling interest (non-current portion)

This item refers to the fair value of options to minority shareholders of:

- Skillmax S.r.l. (1,960 thousand Euro), exercisable from 1 May 2027 until 30 April 2028
- Budri S.r.l. (5,476 thousand Euro), exercisable in respect of 20% of the share capital from the date of approval of the financial statements for the year ending 31 December 2027
- Lamp Arredo S.r.l. (829 thousand Euro), exercisable in respect of 20% of the share capital from the date of approval of the financial statements for the year ending 31 December 2026
- Gino Ceolin S.r.l. (952 thousand Euro), exercisable in respect of 40% of the share capital from the date of approval of the financial statements for the year ending 31 December 2026.

Financial liabilities depend on the respective contractual terms, normally referring to the development of EBITDA multipliers for future periods approaching the option exercise date, less the net financial position expected for the investment, also estimated around the exercise date.

The amounts, appropriately discounted in consideration of the estimated exercise dates, have been updated as at 31 December 2025 on the basis of the most recent financial forecasts prepared by the management for each of the indicated investments, recognising the adjustment of each liability in the income statement as financial income or expense.

Re-measurement of the fair value of options for minority shareholders led to the recognition as of 31 December 2025 of a financial income totalling 1,194 thousand Euro (net income of Euro 1,066 thousand at 31 December 2024).

For more details regarding impact on the income statement, please refer to Note 28 - Financial income and expenses.

Financial highlights (continued)

Earn out payment for non-controlling interest and strike price of options on purchase of non-controlling interest (current portion)

This item reflects the discounted liability for the payment of earn out amounts: i) due to the minority shareholders of Fabbrica LLC, accrued during 2025 FY, amounting to 1,736 thousand Euro as at 31 December 2025; ii) due to the minority shareholders of Budri S.r.l., accrued during 2024 FY, for a total amount of 300 thousand Euro.

With reference to the item Strike price of options on purchase of non-controlling interest, the liability includes the valuation of the 15% put option to purchase the minority interests in the subsidiary Budri S.r.l., calculated as of December 31, 2025.

Derivative liabilities

Derivative financial liabilities to the total amount of 115 thousand Euro as at 31 December 2025 reflect the fair value measurement of derivative instruments outstanding on the reporting date.

The Group has entered into Interest Rate Swap and Interest Rate Cap contracts aimed at hedging against interest rate risk stemming from some of its medium/long-term loans.

NOTE 17

Provisions for liabilities and charges

Provisions for liabilities and charges, amounting to 3,382 thousand Euro at 31 December 2025 (1,095 thousand Euro at 31 December 2024).

€/000	31.12.2025	31.12.2024
Provision for cost-operating contract costs	908	501
Product warranty provision	576	475
Other provisions for liabilities and charges	1,899	119
Total Provisions for liabilities and charges	3,382	1,095

The movements of the year were as follows:

€/000	Provision for cost-operating contract costs	Product warranty provision	Other provisions for liabilities and charges	Total provisions for liabilities and charges
Balance as at 01.01.2024	947	25	114	1,086
Provisions	150	450	5	605
Allocations	(608)	-	-	(608)
Exchange differences	12	-	-	12
Others	-	-	-	-
Balance as at 31.12.2024	501	475	119	1,095
Provisions	417	240	1,897	2,554
Allocations	(10)	(139)	(45)	(195)
Exchange differences	-	-	(72)	(72)
Balance as at 31.12.2025	907	576	1,899	3,382

Financial highlights (continued)

NOTE 18

Net defined-benefit obligations

The item refers to severance indemnity reserve (TFR), and showed the following changes during the period being compared:

€/000	31.12.2025	31.12.2024
Balance at the beginning of the year	5,884	5,841
Provisions	1,115	2,459
Interest	156	153
Other changes	44	(216)
Actuarial (gains)/losses	(270)	(6)
Uses for indemnities settled and advance payments made	(1,553)	(2,347)
Balance at the end of the year	5,374	5,884

As at 31 December 2025, there are no other types of pension plans that qualify as defined benefit plans in place. The amount stated in the accounts is subject to actuarial calculations using the projected unit credit method, at an interest rate that reflects the market yield of securities with maturity dates in line with the expected maturity of the debt.

More specifically, the assumptions were as follows:

	31.12.2025	31.12.2024
Economic assumptions		
Increase in living costs	2.00%	2.00%
Discount rate	3.96%	3.38%
Severance indemnity growth rate	3.00%	3.00%
Real wage growth rate	1.00%	1.00%
Demographic assumptions		
Probability of death	Disability and Death Probability Tables published by Italian General Accounting Office	Disability and Death Probability Tables published by Italian General Accounting Office
Probability of disability	National Social Security Institute (INPS) tables by age and gender	National Social Security Institute (INPS) tables by age and gender
Probability of resignation	5.00%	5.00%
Probability of advance on severance indemnity	2.00%	2.00%

Below is a sensitivity analysis for each relevant actuarial assumption at the reporting date, showing the effects that would have occurred as a result of changes in the reasonably likely actuarial assumption at that date, in absolute terms.

€/000	31.12.2025	31.12.2024
Turnover rate +1%	4,309	4,908
Turnover rate -1%	4,250	4,878
Inflation rate +0.25%	4,345	4,974
Inflation rate -0.25%	4,219	4,815
Discount rate +0.25%	4,201	4,794
Discount rate -0.25%	4,364	4,997

Below are the estimated future payments for the coming years from the severance indemnity reserve.

€/000	Expected payments
Within 1 year	512
Between 1 and 2 years	386
Between 2 and 3 years	443
Between 3 and 4 years	528
Between 4 and 5 years	685
Total	2,554

NOTE 19

Trade payables

Trade payables totalled 72,193 thousand Euro at 31 December 2025, compared to 79,994 thousand Euro at 31 December 2024.

Trade payables are due within 12 months, do not bear interest and are normally settled within between 30 and 120 days.

At 31 December 2025, the Group reflected trade payables to factoring companies related to obligations pertaining to the supply of goods and services used in the normal operating cycle. The Group relied on indicators to establish whether these payables continued to qualify as trade payables or were to be held as loans. It should be noted that at 31 December 2025 these payables met the criteria whereby they could be held as trade payables.

Financial highlights (continued)

NOTE 20

Other current liabilities

The item is composed as follows:

€/000	31.12.2025	31.12.2024
Social security and pension fund liabilities	3,318	3,530
Deferred employee compensation liabilities	7,045	6,041
Payables to directors and statutory auditors	492	341
Indirect tax and withholding tax liabilities	3,849	5,071
Other liabilities	1,384	1,671
Accrued expenses and deferred income	1,065	774
Total Other current liabilities	17,153	17,428

Social security and pension fund liabilities mainly include amounts payable by Group companies and employees to the National Social Security Institute, or other entities, in relation to salaries for the month of December 2025 and contributions based on assessments at the end of the period.

The item Deferred employee compensation liabilities reflects the effects of provisions for unused holiday leave, deferred compensation, Performance bonuses and Management By Objectives (MBO) as at 31 December 2025.

NOTE 21

Liabilities for contract work in progress and customer advances

This item, amounting to 33,644 thousand Euro as at 31 December 2025 (45,645 thousand Euro as at 31 December 2024) includes work in progress of a lower value than the amount billed to the client.

Work in progress is determined by the costs incurred plus recognised margins, net of any expected losses. The item Customer advances refers to orders not in progress on the reporting date.

NOTE 22

Non-current and Current tax liabilities

The item is composed as follows:

€/000	31.12.2025	31.12.2024
Other income tax payables	673	961
Total Non-current tax liabilities	673	961

Non-current tax liabilities relate entirely to taxes from previous financial years which will be settled beyond the current year.

The item is composed as follows:

€/000	31.12.2025	31.12.2024
Corporation tax payable (IRES)	1,591	2,395
Regional business tax payable (IRAP)	403	299
Foreign taxes payable	1,781	2,021
Other income tax payable	1,045	1,240
Total Current tax liabilities	4,820	5,955

Taxation consists of current tax liabilities, net of advance tax payments and residual tax liabilities from the previous year and include estimates of the risks associated with uncertainties in the tax treatments relied upon to determine income taxes in accordance with IFRIC 23.

Key income statement items

NOTE 23

Revenues from contracts with customers

Revenues from contracts with customers amount to 365,975 thousand Euro as at 31 December 2025 (377,627 thousand Euro as at 31 December 2024), broken down as follows by operating segment:

€/000	2025		2024	
	Revenues from contracts with customers	Change in contract work in progress	Revenues from contracts with customers	Change in contract work in progress
Horizons: engineered systems for naval architecture and building façades	214,836	717	230,022	3,717
Talenta: professional kitchen systems and products	64,299	(3,144)	54,111	4,070
Mestieri: design and production of bespoke interiors	89,674	(407)	103,217	(17,510)
Total Revenues from contracts with customers	368,809	(2,834)	387,350	(9,723)

Typically, “variable considerations” do not have a significant impact on the Group, except for contract additions agreed with customers.

The breakdown of revenues by geographical area is as follows:

€/000	Italy	UE	Extra UE	Total
Revenues from contracts with customers 2025	119,541	93,083	153,351	365,975
Revenues from contracts with customers 2024	99,181	87,820	191,175	377,627

Below is a breakdown of Revenues “over time” that are recognised on the basis of the temporary transfer of control of goods and/or services to the customer and Revenues “at a point in time” upon final delivery of the goods or upon completion of the supply of the service.

€/000	Revenues over time	Revenues at a point in time	Total revenues from contracts with customers
Revenues from contracts with customers 2025	341,377	24,598	365,975
Revenues from contracts with customers 2024	351,535	26,092	377,627

NOTE 24

Other revenues and income

Other revenues and income are broken down as follows:

€/000	2025	2024
Grants	243	148
Insurance claim settlements	141	220
Other income	2,579	3,579
Contingent assets	1,083	1,249
Total Other revenues and income	4,046	5,196

NOTE 25

Employee benefit expenses

Employee benefit expenses is broken down as follows:

€/000	2025	2024
Wages and salaries	55,000	53,049
Social security costs	12,246	11,665
Defined benefit obligations	2,434	2,309
Other personnel expenses	187	586
Total Employee benefit expenses	69,867	67,609

Key income statement items (continued)

Personnel expenses represent total costs incurred for employees, including wages and salaries, social security and pension contributions and severance indemnity reserve.

The average number of employees per category as at 31 December 2025 and 31 December 2024 is shown in the following table:

	2025	2024
Directors	22	22
Managers	59	39
Office staff	493	481
Operational workers	498	500
Total	1,072	1,042

NOTE 26

Depreciation, amortisation and other write-downs

Depreciation, amortisation and write-downs are as follows:

€/000	2025	2024
Depreciation of property, plant and equipment	3,228	3,848
Amortisation of intangible assets	3,776	5,194
Depreciation of right-of-use assets	5,869	5,779
Write-down of goodwill	1,082	4,749
Impairment of other intangible assets	1,531	-
Provision for bad debt	237	1,251
Other provisions for liabilities and charges	934	600
Total Depreciation, amortisation and other write-downs	16,657	21,421

The provision for bad debt includes an allowance to align trade receivables with their expected realisable value.

NOTE 27

Other operating costs

Other operating costs are composed as follows:

€/000	2025	2024
Outsourced manufacturing	20,139	32,976
Installation	51,641	32,366
Transport	8,201	8,929
Director and auditor remuneration	3,270	2,924
Audit fees	786	704
Other general expenses	13,974	14,521
Rental and lease costs relating to short-term	4,343	2,513
Other costs	33,049	29,350
Total Other operating costs	135,403	124,283

It should be noted that Other Costs refer mainly to expenses for services, utilities, commercial expenses and miscellaneous operating expenses.

Pursuant to Article 149-duodecies(2) of the Consob Issuers' Regulations, it is noted that the consideration for the 2025 fiscal year for audit services performed by EY S.p.A. amounted to 562 thousand Euro, plus 187 thousand Euro for related services and mandatory auditing activities, entered in the item "Other costs".

For further details, please refer to Note 33, "Remuneration paid to the independent auditors".

Key income statement items (continued)

NOTE 28

Financial income and expenses

The item includes the following:

€/000	2025	2024
Interest payable on bank loans and borrowings	(2,766)	(3,911)
Interest payable on lease liabilities	(801)	(701)
Interest payable on defined benefit plans	(156)	(153)
Interest payable to third parties	(512)	(876)
Interest paid for factoring services	(324)	(435)
Other financial charges	(142)	(300)
Remeasurement of financial liabilities (put option)	(1,857)	(1,858)
Write-down of financial assets	(81)	(29)
Total Financial expenses	(6,639)	(8,263)
Other financial income	176	1,097
Other interest	310	391
Revaluation of financial assets	89	93
Remeasurement of financial liabilities (put option)	3,051	2,924
Total Financial income	3,626	4,505
Total Financial income and expenses	(3,013)	(3,758)

The item Financial income and expenses as at 31 December 2025 had a negative balance of 3,013 thousand Euro (3,758 thousand Euro at 31 December 2024). The item includes the remeasurement of the fair value of options to minority shareholders, amounting to a net income of 1,194 thousand Euro at the closing date of the financial year (net income of 1,066 thousand Euro at 31 December 2024).

NOTE 29

Other income (and expenses)

The item Other income and expenses is composed of the balance of positive and negative exchange rate differences, amounting to a negative balance of 1,582 thousand Euro as at 31 December 2025 (237 thousand Euro as at 31 December 2024).

NOTE 30

Income from associates

The item, amounting to 32 thousand Euro as at 31 December 2025, includes the effect of using the equity method of accounting for the associated company Squadra S.r.l.

NOTE 31

Income taxes

Income taxes recognised in the income statement are as follows:

€/000	2025	2024
<i>Current tax:</i>		
- Corporation tax (IRES)	(3,251)	(1,756)
- Regional business tax (IRAP)	(1,048)	(677)
- Other current tax for foreign subsidiaries	(2,738)	(2,376)
Income tax prior years	(480)	(2,297)
Deferred tax liabilities	(733)	1,219
Deferred tax assets	(1,761)	783
Total Income taxes	(5,021)	(5,104)

Key income statement items (continued)

Below is the reconciliation of the theoretical and the actual tax burden for both periods.

€/000	2025	2024
IRES theoretical rate	24%	24%
Pre-tax result	12,100	4,644
Theoretical taxes (*)	2,904	1,115
Actual taxes	5,021	5,104
Difference explained by:	(2,117)	(3,990)
1) Different rates in other countries	(499)	832
2) Permanent differences	501	(1,118)
IRAP and other local taxes	(1,106)	(772)
non-deductible items		(533)
taxes in previous years	(480)	(2,297)
other	(137)	(101)
Total difference	(2117)	(3,990)

* Theoretical taxes calculated by applying the Parent Company's IRES rate

NOTE 32

Earnings per share

The item earnings per share is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding. Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period, adjusted by the effect of dilutive shares.

The net income and number of ordinary shares used to calculate the basic and diluted earnings per share, determined according to the methodology required by IAS 33, are shown below:

	2025	2024
Earnings/(Loss) per share (Euro)	0.68	(0.48)
Diluted earnings/(Loss) per share (Euro)	0.68	(0.48)
Weighted average number of outstanding shares:		
basic	7,280,907	6,895,156
diluted	7,280,907	6,895,156

NOTE 33

Fees paid to the auditing firm

The following table shows the fees relating as at 31 December 2025 for audit, certification and other services provided by EY S.p.A. and other auditors to the Parent Company and its subsidiaries.

2025 amount in Euro			
Type of services	Service provider	Recipient	Fees
Auditing	EY S.p.A.	Parent Company Somec S.p.A.	255,991
	EY S.p.A.	Subsidiaries	306,399
	Other auditors	Subsidiaries	169,222
Services related to auditing activities	EY S.p.A.	Parent Company Somec S.p.A.	171,209
	EY S.p.A.	Subsidiaries	16,200
Other services	Other auditors	Subsidiaries	30,320

Information pursuant to Article 149-duodecies of CONSOB Issuers' Regulations

Financial risk management: objectives and criteria

The Board of Directors reviewed and agreed on the policies to manage the key financial risks described below.

Credit risk

Credit risk is the possibility of a financial loss resulting from the failure of a customer or one of the financial instrument counterparties to repay a loan or meet contractual obligations and derives mainly from trade receivables.

The Group is not particularly exposed to the risk that its customers may delay or default on their payment obligations according to the agreed terms and methods, partly thanks to the fact that it operates with shipbuilders and shipowners of the highest standing and unquestionable solvency. Furthermore, for business purposes, the Group has adopted policies and procedures to guarantee the creditworthiness and solvency of its customers and limit exposure to credit risk by assessing and monitoring its clients.

Finally, all receivables are regularly analysed for each customer. Receivables are written down/off when a potential impairment is detected.

The book value of financial assets represents the Group's exposure to credit risk:

€/000	31.12.2025	31.12.2024
Non-current financial assets	529	646
Trade receivables	59,655	79,671
Other receivables	12,594	17,284
Current financial assets	27,782	28,149
Cash and cash equivalents	47,717	47,478
Total	148,277	173,228

Please see Note 9 Trade receivables for the exposure to credit risk at the end of the period deriving from trade receivables by geographic area and changes in the related allowance for doubtful accounts.

Market risk

Market risk refers to fluctuations in the value of assets and liabilities due to changes in market prices (mainly exchange rates and interest rates) which, in addition to modifying the expected cash flows, can generate an unexpected increase in costs and financial expenses.

Exchange rate risk

The Group is exposed to exchange rate risk mainly on the portion of the Group's assets and liabilities denominated in a currency other than the Euro.

More specifically, the Group is exposed to currency translation-related risk. Although the Group prepares its consolidated financial statements using the Euro as the currency of account, it controls companies with financial statements denominated in currencies other than the Euro (i.e. US dollar). Therefore, the Group is exposed to the risk that any exchange rate fluctuations when converting the non-Euro denominated financial statements of the controlled company into its own functional currency could have a significant impact on the consolidated financial statements. The Group is also exposed to exchange "settlement" risk as it also conducts its business in countries outside the Eurozone and, therefore, the revenues, costs and equity components of some of the Group's assets are denominated in currencies other than the Euro, particularly the US dollar (USD).

The table below shows sensitivity analysis to a reasonably possible change in the US dollar exchange rate for the main American subsidiaries of the Group, Fabbrica LLC, Mestieri USA Inc. and Navaltech LLC, with all other variables kept constant, showing the overall effect on the operating result as at 31 December 2025.

Changes in the USD exchange rate		Effect on operating result as at 31 December 2025	
(+)	(-)	(+)	(-)
+5%	-5%	(1,128)	1,247
+10%	-10%	(2,154)	2,632

Transactions carried out in other currencies, other than the US dollar, are not significant at the closing date of these financial statements.

Interest rate risk

The risk of interest rate fluctuations essentially arises from medium-long term floating-rate loans. Any interest rate fluctuations may therefore have a negative impact on Group results. So far, interest rate risk management has essentially been aimed at reducing cost of funding and stabilising cash flows. The Group has also converted most of its floating-rate loans into fixed-rate loans by means of derivative financial instruments for cash flow hedging purposes.

For this reason, at the closing date of these financial statements, the potential effect on the income statement of the increase and decrease in interest rates (sensitivity analysis) is not significant.

Financial risk management: objectives and criteria (continued)

Liquidity risk

Liquidity risk is when the Group is unable to meet its debt obligations. As things stand, the Group believes that its healthy cash flow generation levels, readily available funds, and prudent debt management strategy offer it enough stability to guarantee business continuity.

Liquidity risk management is mainly based on the strategy of reducing debt, self-funding and maintaining financial stability.

The following table analyses the breakdown and maturities of commercial, financial and other liabilities as at 31 December 2025 in comparison with same items as at 31 December 2024.

Finally, some active medium to long-term loan agreements require compliance with economic/ financial parameters (covenants) to be calculated annually based on the results reported in the consolidated financial statements (i.e. net debt/EBITDA and net debt/equity).

For more details on compliance with these parameters, please refer to Note 15, "Loans and financing".

2025					
€/000	31.12.2025	On demand	Within 1 year	Between 1 and 5 years	Over 5 years
Loans and financing	39,043	-	-	39,043	-
Other non-current financial liabilities	26,862	-	-	21,410	5,452
Other non-current liabilities	673	-	-	673	-
Non-current tax liabilities	-	-	-	-	-
Total non-current liabilities	66,578	-	-	61,126	5,452
Trade payables	72,193	-	72,193	-	-
Other current liabilities	17,154	-	17,154	-	-
Loans and financing	38,639	30,923	7,716	-	-
Other current financial liabilities	7,636	-	7,636	-	-
Current tax liabilities	4,820	-	4,820	-	-
Total current liabilities	140,442	30,923	109,519	-	-
2024					
€/000	31.12.2024	On demand	Within 1 year	Between 1 and 5 years	Over 5 years
Loans and financing	7,324	-	-	7,112	213
Other non-current financial liabilities	29,865	-	-	24,894	4,971
Other non-current liabilities	1,253	-	-	1,253	-
Non-current tax liabilities	961	-	-	961	-
Total non-current liabilities	39,404	-	-	34,220	5,184
Trade payables	79,994	-	79,994	-	-
Other current liabilities	17,428	-	17,428	-	-
Loans and financing	88,869	43,302	45,567	-	-
Other current financial liabilities	8,467	-	8,467	-	-
Current tax liabilities	5,955	-	5,955	-	-
Total current liabilities	200,713	43,302	157,411	-	-

Financial risk management: objectives and criteria (continued)

Risks relating to the worldwide geopolitical situation

The global economic backdrop remains unstable and unpredictable. Geopolitical tensions in the Middle East, along with the ongoing Russia-Ukraine conflict, are creating an increasingly uncertain environment, making it challenging to predict reliable outcomes.

The global economy has been significantly impacted by supply chain difficulties, rising raw material prices, increased inflation, and restrictive monetary policies by central banks. In addition, the variability of trade tariffs poses a risk that could trigger further pressure on costs and international competitiveness.

Although the Group operates marginally in the most affected areas, it is nevertheless impacted by the indirect effects arising from this situation, particularly in terms of supplies and operating margins. However, the strong order book and the streamlined, efficient organisational structure are mitigating factors, providing a competitive edge.

Risks related to climate change

The Group is committed to ensuring a transition to business management with a lower environmental impact, trying to reduce the generation of greenhouse gas emissions. An integral part of this path is the determination of the transition risks and physical risks that could have an impact on company processes, in particular production processes.

Group assets might also be affected by natural events (floods, droughts, fires and so on) generated by the effects of climate change.

The Group's industrial strategy is oriented towards continuously raising the efficiency of production processes and the product sold to reduce energy consumption and air emissions. Its market positioning makes it a partner of excellence for leading US players in the sphere of research, development and implementation of innovative solutions that have a low environmental impact and actively combat climate change.

The Group has taken out specific insurance coverage to guard against possible consequences deriving from disastrous climatic and natural events.

In order to mitigate these risks, the Group is committed to integrating sustainability issues in its business plan and incentive tools, monitoring relevant elements through "what-if" analyses.

Fair value measurement and hierarchy

The following table shows a comparison by individual class between the book value and the fair value of the financial instruments held by the Group, excluding those whose book value is roughly in line with the fair value:

€/000	31.12.2025		31.12.2024	
	Book value	Fair value	Book value	Fair value
Interest Rate Swaps				
Assets	647	647	813	813
Liabilities	(115)	(115)	(254)	(254)
Call options on acquisition of non-controlling interest	(9,586)	(9,586)	(12,065)	(12,065)
Earn out payment for non-controlling interest	(2,036)	(2,036)	(3,565)	(3,565)
Total	(11,090)	(11,090)	(15,071)	(15,071)

The Directors established that the fair values of cash and cash equivalents, trade receivables and payables, current financial assets and liabilities and other current liabilities are approximately in line with their book values given the short-term maturity of these instruments.

As for financial instruments recognised at fair value, according to IFRS 7 these amounts are classified on the basis of a hierarchy that reflects the materiality of the inputs used to determine the fair value.

The following levels can be seen:

- Level 1 - quoted prices for identical assets or liabilities in an active market
- Level 2 - inputs other than the quoted prices referred to in the previous point, which are observable directly (prices) or indirectly (derived from prices) on the market
- Level 3 - inputs that are not based on observable market data.

It is worth noting that all assets and liabilities measured at fair value as at 31 December 2025 can be classified as level 2, with the exception of the options for the purchase of non-controlling minority interests and earn out payment for non-controlling interest, which can be classified as level 3 assets.

Moreover, during 2025 no assets were transferred between Levels 1, 2 and 3.

Related-party transactions

Pursuant to IAS 24, the Group's related parties are defined as follows: associated undertakings, members of the Board of Directors, Statutory Auditors, key management personnel of the Parent Company and their family members, as well as some members of the Board of Directors and Executives vested with strategic responsibility of other Group companies and their family members.

The Group conducts business with the Parent Company Venezia S.p.A., affiliated companies and other related parties. The transactions are carried out on an arm's length basis, taking into account the characteristics of the goods and services provided. It should be noted that all transactions with related parties are concluded in the interests of the Company and the Group.

Financial and economic relations with related parties during the year 2025 are summarized in the balance sheet and income statement below.

Statement of financial position

31.12.2025					
€/000	Trade receivables	Trade payables	Other non-current liabilities	Other non-current financial liabilities	Other current financial liabilities
2.0 Partners LLC	-	-	-	-	(7)
Fondaco S.r.l.	82	-	-	-	-
Budri Gian Marco	-	(1)	-	-	-
GMB S.r.l.	140	(1)	(300)	(5,476)	(669)
Marmo Elite S.r.l.	69	-	-	-	-
Squadra S.r.l.	12	(183)	(192)	-	-
Venezia S.p.A.	2	(19)	-	-	-
Vis S.r.l.	10	(127)	-	(1,645)	(244)
Total	315	(331)	(492)	(7,121)	(920)

Other financial liabilities to GMB S.r.l. refer to the liability for options and earnout for the purchase of minority interests.

31.12.2024					
€/000	Trade receivables	Trade payables	Other current liabilities	Other non-current financial liabilities	Other current financial liabilities
2.0 Partners LLC	-	-	-	-	(745)
Fondaco S.r.l.	127	-	-	-	-
GMB S.r.l.	-	-	(300)	(8,243)	(2,633)
Marmo Elite S.r.l.	27	(177)	-	-	-
Squadra S.r.l.	-	(345)	-	-	-
Venezia S.p.A.	5	(19)	-	-	-
Vis S.r.l.	6	(573)	-	(6,139)	(886)
Total	165	(1,114)	(300)	(14,382)	(4,264)

Related-party transactions (continued)

Income statement

31.12.2025					
	Revenues	Other revenues	Raw materials and consumables	Other operating costs	Financial expenses
€/000					
2.0 Partners LLC	-	-	-	-	(30)
Budri Gian Marco	-	-	-	(6)	-
Fondaco S.r.l.	241	-	-	-	-
Gicotech S.r.l.	34	-	-	-	-
GMB S.r.l.	352	-	-	(5)	-
Marmo Elite S.r.l.	78	-	-	-	-
Squadra S.r.l.	-	-	(2,300)	(138)	-
Venezia S.p.A.	-	2	-	-	-
Vis S.r.l.	-	3	-	(148)	-
Total	705	5	(2,300)	(297)	(30)

31.12.2024					
	Revenues	Other revenues	Raw materials and consumables	Other operating costs	Financial expenses
€/000					
2.0 Partners LLC	-	-	-	-	(32)
Fondaco S.r.l.	1,033	-	-	-	-
GMB S.r.l.	21	-	-	(6)	-
Marmo Elite S.r.l.	49	-	(350)	-	-
Squadra S.r.l.	-	-	(2,063)	(65)	-
Venezia S.p.A.	-	2	-	-	-
Vis S.r.l.	-	3	-	(7)	-
Total	1,103	5	(2,413)	(78)	(32)

It should be noted that, during 2025 FY, there were no other transactions with related parties that significantly impacted the Company's financial position or results. Furthermore, there were no changes or developments in the transactions with related parties described in the previous annual report that had a significant effect on the Group's financial position or results, except for the capital increase allocated for subscription to VIS S.r.l., through the transfer of the lease agreement for the property used as the Parent Company's headquarters, as previously highlighted in these notes.

Related-party transactions (continued)

Compensation of Directors, Statutory Auditors, and Executive Officers

Below is the remuneration paid to members of the governing and control bodies and to managers with strategic responsibilities during 2025.

31.12.2025				
€/000	Compensation	Non-cash compensation	Bonus and other incentives	Other compensation
Board of Directors	1,493	23	223	59
Board of Statutory Auditors	83	-	-	-
Key management personnel	496	16	102	570
Total	2,072	39	325	629
31.12.2024				
€/000	Compensation	Non-cash compensation	Bonus and other incentives	Other compensation
Board of Directors	1,562	21	188	24
Board of Statutory Auditors	87	-	-	-
Key management personnel	484	18	97	265
Total	2,133	39	285	289

Financial debt

The following shows financial debt as defined by the new ESMA Guidelines dated 4 March 2021 (see Consob Notice No. 5/21 of 29 April 2021).

€/000		31.12.2025	31.12.2024
A.	Cash	47,718	47,478
B.	Cash equivalents	-	-
C.	Other current financial assets	27,275	27,656
D.	Total liquidity (A+B+C)	74,993	75,134
E.	Current financial liabilities (including debt instruments, excluding the current portion of non-current financial liabilities)	(38,558)	(51,769)
F.	Current portion of long-term debt	(7,716)	(45,567)
G.	Current financial debt (E+F)	(46,274)	(97,336)
H.	Current net financial debt (G+D)	28,791	(22,202)
I.	Non-current financial liabilities (excluding current portion and debt instruments)	(65,905)	(37,189)
J.	Debt instruments	-	-
K.	Trade payables and other non-current liabilities	-	-
L.	Non-current financial debt (I+J+K)	(65,905)	(37,189)
M.	Total financial debt (H+L)	(37,186)	(59,391)

Current debt and non-current financial position include financial liabilities on rental agreements. It should be noted that by adding the fair value of current and non-current derivative assets, equal to 647 thousand Euro, to the financial debt shown above, the net financial position at 31 December 2025 amounts to 36,539 thousand Euro (58,578 thousand Euro as at 31 December 2024).

Commitments and risks

Commitments and guarantees not reported on the statement of financial position are shown in the following table:

€/000	31.12.2025	31.12.2024
Contract sureties	172,813	214,711
Other guarantees	1,575	1,574
Total	174,388	216,286

Contract sureties are issued by banks to third parties on behalf of some Group companies as a guarantee of performance of contractual obligations relating to orders.

The amount also includes guarantees on orders signed by the Horizons: Engineered systems for naval architecture and building façades division for the North American market, the related amount decreases according to the work in progress and the backlog revision.

Significant events after year end 2025

No significant events have occurred since the end of the financial year.

San Vendemiano (TV), Italy
25 March 2026

The Chairman of the Board of Directors
Oscar Marchetto

Management representation of the consolidated financial statements

Management representation on the Consolidated Financial Statements pursuant to art. 81-ter of Consob regulation 11971 dated 14 May 1999 and subsequent amendments and additions

1. The undersigned Oscar Marchetto, in his capacity as Executive Officer, and Federico Puppin, as Manager Responsible for Preparing Financial Reports of Somec S.p.A. ("Somec"), with reference to the requirements of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated 24 February 1998, hereby represent:

- the suitability in relation to the business's organization and,
- the effective application of the administrative and accounting processes for the preparation of the Consolidated Financial Statements during the year 2025.

2. In this regard, there are no significant aspects to report.

3. The undersigned also represent that:

3.1 the Consolidated Financial Statements at 31 December 2025:

- a) have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Union under Regulation (EC) 1606/2002 of the European Parliament and the Council dated 19 July 2002;
- b) correspond to the underlying accounting records and books of account;
- c) are able to give a true and fair view of the assets, liabilities, financial position and results of operations of the issuer and the group of companies included in the consolidation.

3.2 The Directors' Report on Operations includes a reliable analysis of the performance and results of operations, as well as the situation of the issuer and of all the companies included within the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

25 March 2026

Oscar Marchetto
Executive Officer

Federico Puppin
Manager Responsible for
Preparing Financial Reports

Management representation of the consolidated sustainability report

Statement on the Consolidated Sustainability Statements pursuant to art. 154-Bis comma 5-ter of Legislative decree 58/98 as amended and supplemented

The undersigned Oscar Marchetto, in his capacity as Executive Officer, and Federico Puppin, as Manager Responsible for Preparing Financial Reports of Somec S.p.A. ("Somec"), certify, in accordance with Article 154-bis of Legislative Decree 58 of 24 February 1998, paragraph 5-ter, that the Sustainability Statement included in the Consolidated Report has been drawn up:


- a) in accordance with the reporting standards applied pursuant to directive 2013/34/EU of the European Parliament and the Council of 26 June 2013 and Legislative Decree of 6 September 2024, No. 125;
- b) with the specifications adopted pursuant to Article 8, paragraph 4 of regulation (EU) 2020/852 of the European Parliament and the Council of 18 June 2020.

25 March 2026

Oscar Marchetto
Executive Officer


Federico Puppin
Manager Responsible for
Preparing Financial Reports

Independent auditor's report of the consolidated financial statements



Somec S.p.A.
Consolidated financial statements as at December 31, 2025

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, and article 10 of EU Regulation n. 537/2014



EY S.p.A.
Viale Applani, 20/b
31100 Treviso
Tel: +39 0422 358811
Fax: +39 0422 433029
ey.com

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Somec S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Somec Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the explanatory notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Somec S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.


EY S.p.A.
Sede Legale: Via Marsaglia, 12 - 20123 Milano
Sede Secondaria: Via Lombarda, 31 - 00187 Roma
Capitale Sociale Euro 3.000.000 i.v.
Società alla S.p.A. del Registro delle Imprese presso la CCIAA di Milano Minuta B12424 L01
Codice Fiscale e numero di iscrizione IVA: 02404090564 - numero R.E.A. di Milano: 5057108 - P. IVA: 00891237003
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We identified the following key audit matters:

Key Audit Matter	Audit Response
<p>Valuation of goodwill</p> <p>The consolidated financial statements include, within intangible assets, goodwill for Euro 31.2 million, allocated to the cash generating units of the Group (CGU) or to groups of CGUs.</p> <p>Processes and methods for evaluating and determining the recoverable amount of each CGU or groups of CGUs, including the related goodwill, in terms of value in use, sometimes based on complex assumptions which, by their nature, imply the use of the judgment of the Directors, in particular with reference to future cash flows included in the plans prepared for each of the CGU or groups of CGUs and approved by the Board of Directors on March 19, 2026, the determination of the normalized cash flows at the basis of terminal value's estimation, the determination of the long-term growth rates and the discount rates applied to future cash flows.</p> <p>Considering the required judgment and the complexity of the assumptions used in estimating the recoverable amount of goodwill, we considered that this issue represents a key audit matter.</p> <p>Disclosures in the consolidated financial statements relating to the valuation of goodwill are reported in Note 2 "Intangible assets", in Note 3 "Impairment test" which describes the process of determining the recoverable amount of each CGU or group of CGUs, as well as the assumptions used and the sensitivity analysis on the main assumptions adopted, as well as in the paragraph "Summary of main accounting standards" and in the paragraph "Discretionary measurements and significant accounting estimates".</p>	<p>Our audit procedures related to the key audit matter included, among others:</p> <ul style="list-style-type: none"> the analysis of the process and key controls implemented by the company in connection to the valuation of the recoverable amount of goodwill; the assessment of the adequacy of the CGU identification, the allocation of the carrying amount of the assets and liabilities to the individual CGU or groups of CGUs and the comparison with the value in use arising from the impairment test; the analysis of the reasonableness of the main assumptions adopted for the future cash flows forecasts, by obtaining information from the Management and by comparing the historical forecasts with the actual data; verification of the mathematical accuracy of the model adopted to determine the value in use of the CGU or groups of CGUs, including the methodology used to estimate the terminal value; the assessment of the determination of long-term growth rates and discount rates. <p>Our procedures were performed with the support of our experts in valuation techniques, who performed an independent recalculation and performed a sensitivity analysis on the key assumptions, in order to determine the changes in the assumptions that could significantly impact the valuation of the recoverable amount.</p> <p>Lastly, we assessed the adequacy of the disclosure provided in the explanatory notes to the consolidated financial statements with reference to the intangible assets.</p>



Key Audit Matter	Audit Response
<p>Recognition of revenues from contracts with customers, of the related contract assets and contract liabilities for work in progress</p> <p>The consolidated financial statements include, within revenues from contracts with customers, revenues recorded over time for Euro 341.4 million. Within inventory and contract assets, contract work in progress for Euro 14.8 million, and within contract work in progress and customer advances, advances received from customers when they exceed the associated amount owed by clients for Euro 33.6 million.</p> <p>Revenues from contracts with customers are recorded within profit and loss according to the percentage of completion of the work in progress, based on the proportion between actual costs and the estimated total costs to complete each project (cost to cost input method), the application of the cost-to-cost method requires estimate of the total cost to complete each project and the related recurring updating, through the use of estimates by the Directors.</p> <p>The Directors base their estimates on the information deriving from the internal reporting system, forecasting and reporting of the order, furthermore they examine and, where necessary, revise the estimates of revenues and costs at the various stages of completion of the projects. When it is probable that total contract costs exceed the total of the corresponding total revenues, the potential loss is promptly recognized in the profit and loss.</p> <p>Considering the economic and financial impact of the contract work in progress, the complexity of the assumptions used in forecasting the costs to complete the projects and the potential magnitude of the changes in estimates on the result of the year, we considered that this issue represents a key audit matter.</p> <p>The consolidated financial statements disclosure relating to contract assets for contract work in</p>	<p>Our audit procedures related to the key audit matter included, among others:</p> <ul style="list-style-type: none"> the analysis of the process and key controls put in place by the Group in the planning and control of projects, including the verification of the criteria for the revenues recognition; <p>For a sample of contracts, we performed the following procedures:</p> <ol style="list-style-type: none"> Analysis of the main contractual terms and conditions to verify that they were appropriately considered in the valuations performed by Management; Assessment of the key assumptions used in forecasting the costs to complete the contract and to determine total revenues, through sample-based verification of project reporting, and interviews with management control personnel and project managers; Comparative analysis of the main changes in contract results compared to the initial estimates, including a look-back analysis aimed at retrospectively assessing the reasonableness of the estimates made by Management; Verification of the costs incurred during the year and their allocation to contracts in progress. <p>Lastly, we assessed the adequacy of the disclosure provided in the explanatory notes to the consolidated financial statements with reference to the evaluation of the work in progress.</p>

Independent auditor's report of the consolidated financial statements (continued)

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Key Audit Matter	Audit Response
<p>progress, contract work in progress and customer advances and revenues from contracts with customers is included respectively in Notes 8, 21 and 23, as well as in the paragraph "Summary of main accounting standards" and "Discretionary measurements and significant accounting estimates".</p>	<p>Our audit procedures in response to this key audit matter included, among others:</p> <ul style="list-style-type: none"> Analysis of acquisition agreements, which detail the regulation mechanisms, determination of put and call options, and the definition of price adjustments (earn-outs); Assessment of the understanding of the process adopted by Management for estimating the value of the options granted to minority shareholders of the subsidiaries; Reasonableness analysis of the main assumptions used to forecast future cash flows, through industry analysis, obtaining information from Management, and comparing historical forecasts with actual results; Examination of variances between expected cash flows of the acquired businesses from previous periods and the actual results, in order to assess the accuracy of the estimation process adopted; Verification of the determination of the discount rates applied.
<p>Valuation of the Strike price of options on purchase of non-controlling interest and of the Earn-out payment for non-controlling interest</p>	<p>As part of our procedures, we also involved our valuation specialists, who performed an independent recalculation and sensitivity analysis on the assumptions that could significantly impact the valuation.</p>
<p>The consolidated financial statements include, under Other Financial Liabilities, the liabilities related to Strike price of options on purchase of non-controlling interest amounting to Euro 9.6 million, referring to put and call options granted to minority shareholders as part of business combinations carried out by the Group. The item Other Financial Liabilities also includes Earn out payment for non-controlling interest amounting to Euro 2 million, relating to price adjustments recognized to minority shareholders.</p>	<p>Finally, we reviewed the disclosures provided in the notes to the consolidated financial statements relating to the valuation of the exercise price of options for the purchase of</p>
<p>These financial liabilities are recognized in accordance with IFRS 9 at each reporting date.</p>	
<p>The Parent Company's Directors determined the value of these liabilities by discounting the estimated price for the acquisition of minority interests based on the expected performance reflected in the approved business plans of the companies and the variables defined in the individual acquisition agreements. This methodology is characterized by a high degree of complexity and the use of estimates that are inherently uncertain and subjective, particularly with reference to the following elements:</p> <ul style="list-style-type: none"> The expected cash flows from the plans, determined taking into account general economic conditions and the relevant industry, the actual cash flows recorded in recent years, and projected growth rates; The financial parameters used to determine the discount rate. <p>For these reasons, we considered the valuation of financial liabilities related to options granted to minority shareholders to be a key audit matter.</p>	

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Key Audit Matter	Audit Response
<p>Note 16 "Other current and non-current financial liabilities" of the consolidated financial statements as of December 31, 2025, discloses the methods used to determine the financial liabilities related to options granted to minority shareholders and the related impacts on the consolidated financial statements.</p>	<p>minority interests and the earn-out recognized for the acquisition of minority interests</p>

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Somec S.p.A. or to cease operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

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intentional omissions, misrepresentations, or the override of internal control;

- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Somec S.p.A., in the general meeting held on April 29, 2020, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

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We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the Control, Risk and Sustainability Committee ("Comitato Controllo, Rischio e Sostenibilità") in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Somec S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2025 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2025 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Somec S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Somec Group as at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

- We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion on the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of

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Independent auditor's report of the consolidated financial statements (continued)



Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of Somec Group as at December 31, 2025.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.


Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Treviso, April 9th, 2026

EY S.p.A.
Signed by: Stefano Marchesin, Auditor

As disclosed by the Directors on page 33 the accompanying consolidated financial statements of Somec S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Independent auditor's report of the consolidated sustainability report



EY S.p.A.
Viale Appiani, 20/b
31100 Treviso
Tel: +39 0422 358811
Fax: +39 0422 433026
ey.com

Independent auditor's report on the Limited Assurance of the consolidated sustainability report in accordance with Article 14-bis of Legislative Decree No. 39 of January 27, 2010
(Translation from the original Italian text)

To the Shareholders of
Somec S.p.A.

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of September 6, 2024 (hereinafter also referred to as the "Decree") on the consolidated sustainability report of Somec S.p.A. and its subsidiaries (hereinafter "Group" or "Somec Group") for the year ended on December 31, 2025, prepared in accordance with Article 4 of the Decree, included in the specific section of the Directors' Report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report for the year ended on December 31, 2025, has not been prepared, in all material aspects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter also referred to as "ESRS").
- the information included in the paragraph "EU Taxonomy" of the consolidated sustainability report has not been prepared, in all material aspects, in accordance with Article 8 of European Regulation No. 852 of June 18, 2020 (hereinafter also referred to as "Taxonomy Regulation").

Elements Underlying the Conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di Sostenibilità") - SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "Auditors' responsibility for the Assurance on the consolidated sustainability report" of this report.


We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the consolidated sustainability report according to Italian law.

Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

EY S.p.A.
Sede Legale: Via Marsigliese, 12 - 20123 Milano
Sede Secondaria: Via Lombardina, 31 - 00187 Roma
Capitale Sociale Euro 3.000.000 i.r.
Società alla S.p.A. del Registro delle Imprese presso la CCIAA di Milano Montedison Società Ltd
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Responsibility of the Directors and the Board of Statutory Auditors of Somec S.p.A. for the consolidated sustainability report

The Directors are responsible for the development and implementation of procedures used to identify the information included in the consolidated sustainability report in accordance with the requirements of the ESRS (hereinafter referred to as the "Relevance assessment process") and for the description of such procedures in the paragraph "IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities" of the consolidated sustainability report.

The Directors are also responsible for the preparation of the consolidated sustainability report, which contains the information identified through the Relevance assessment process, in accordance with the requirements of Article 4 of the Decree, including:

- compliance with the ESRS;
- compliance with Article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "EU Taxonomy".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the consolidated sustainability report in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Intrinsic Limitations in the Preparation of the consolidated sustainability report

As indicated in the paragraph "E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions" of the consolidated sustainability report, the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.


Auditors' responsibility for the Assurance of the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the consolidated sustainability report is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the consolidated sustainability report.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the sustainability reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di Sostenibilità") - SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

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- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the consolidated sustainability report and assuming full responsibility for the conclusions regarding the consolidated sustainability report.

Summary of the Work Performed


An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the consolidated sustainability report were based on our professional judgment and included interviews, primarily with the Somec S.p.A. personnel responsible for preparing the information included in the consolidated sustainability report, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the consolidated sustainability report, including the analysis of the reporting perimeter;
- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the consolidated sustainability report;
- identifying the information for which there is a likelihood of a significant error risk;
- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
 - for the information collected at the Group level:
 - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
 - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;
 - for the information collected at the site level, conducting site visits for the following companies: Somec S.p.A. and Fabbrica LLC, which were selected on the basis of their activity and contribution to the metrics of the consolidated sustainability report. We conducted in-

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- person interviews with the management responsible and acquired documentary feedback regarding the determination of metrics;
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the consolidated sustainability report;
- cross-checking the information reported in the consolidated sustainability report with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the consolidated sustainability report in accordance with the ESRS;
- obtaining the representation letter.

Treviso, 9th April 2026

EY S.p.A.

Stefano Marchesin
(Statutory Auditor)

This report has been translated into the English language solely for the convenience of international readers.

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For further information about the contents of this Annual Report, please contact us directly at the following e-mail address:

investorrelations@somecgroup.com

Somec SpA
Via Palù, 30
31020 San Vendemiano
(Treviso) – Italy

SOMECGRUPPO.COM