Consolidated financial statements of

BELTRAME GROUP 2025

BELTRAME GROUP

AFV Acciaierie Beltrame S.p.A. and subsidiaries
Viale della Scienza 81, 36100 Vicenza - (Italy)
Share capital fully paid in:
€ 113,190,480.00
Tax identification number and Vicenza Company's
Register No.: 13017310155

Registered office and Headquarters:
Viale della Scienza, 81
36100 Vicenza (Italy)

gruppobeltrame.com

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2025 REPORT ON OPERATIONS

01

A. HIGHLIGHTS

	2025	2024	2023
Revenues from sales	1,597,881	1,613,667	1,747,890
VALUE ADDED	263,778	186,589	232,094
%	16.51%	11.56%	13.28%
EBITDA	92,380	5,973	52,656
EBITDA (adjusted)	97,748	14,854	51,786
%	6.12%	0.92%	2.96%
OPERATING PROFIT (LOSS)	23,110	(98,247)	(60,760)
NET PROFIT (LOSS)	(14,639)	(129,633)	(86,884)
Number of employees as at 31 December	2,307	2,533	2,883
Fixed assets	786,540	779,183	752,082
Net working capital	(38,035)	(103,141)	(59,741)
Shareholders' equity	542,586	558,273	695,666
Net financial position	160,972	74,646	(47,998)
Operating cash flow (in thousands of Euro) - net of changes in stocks	52,367	(50,294)	74,331
Operating cash flow (in thousands of Euro) - changes in stocks	(44,153)	53,777	102,002
Cash flow for technological investments	(110,094)	(98,072)	(151,549)

The values shown herein are expressed in thousands of Euro, while the original data are recorded and consolidated by the Group in Euro.

It is highlighted that, to better represent the operating performance of the Group and to provide more consistent comparative information relating to the results of the previous periods, in the table providing the summary data and in the Report on Operations, in addition to the value of EBITDA, the value of adjusted EBITDA was also reported, which mainly takes into account the following non-recurring elements, which impacted some items in the financial statements as at 31 December 2025:

- the company Stahl Gerlafingen A.G., following the decision to definitively stop the production of the rolling line intended for the production of merchant bars and beams, formalised in May 2024, reorganised its production structure and, in 2025, incurred non-recurring charges, recorded under the operating components of the income statement, for a total of Euro 3,086 thousand;
- the company Donalam S.r.l. incurred non-recurring expenses related to the activities carried out for the management of non-operating production departments, recorded by nature under the operating components of the income statement, for a total of Euro 942 thousand.

The economic-financial performance of the Group is measured also on the basis of some indicators not defined in the accounting standards promulgated by Organismo Italiano di Contabilità, including the EBITDA, EBITDA adjusted and the net financial position, which could therefore not be directly comparable to the indicators used by the other operators of the same industry.


Plant of Vicenza, Italy

B. CORPORATE BODIES

BOARD OF DIRECTORS

Antonio Beltrame
Chairman
and Managing Director

Patrizia Beltrame
Deputy Chairman
and Chief Executive Officer

Barbara Beltrame Giacomello
Deputy Chairman
and Chief Executive Officer

Alain Cretur
Managing Director

Raffaele Ruella
Managing Director

Carlo Beltrame
Director

Carlo Carraro
Director

BOARD OF STATUTORY AUDITORS

Andrea Valmarana
Chairman

Dario Semenzato
Standing Auditor

Primo Ceppellini
Standing Auditor

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

C. MANAGEMENT AND COORDINATION

AFV Acciaierie Beltrame S.p.A. is not subject to management and coordination activities by the majority shareholder Beltrame Holding S.p.A., inasmuch as the parent company does not have an adequate structure to manage the subsidiary and to set up a system of synergies among the different companies of the Beltrame Group, nor does it have any significant commercial or financial relationship with them.

D. GROUP STRUCTURE

Holding Company: AFV Acciaierie Beltrame S.p.A.
with headquarters and plant in Vicenza, Italy

98.33%
Donalam S.r.l.
based in Călărași, Romania

75.00%
Donalam Siderprodukte A.G.
based in Zurich, Switzerland

80.23%
Laminés Marchands Européens S.A.S.
based in Trith Saint Léger, France

86.47%
Stahl Gerlafingen A.G.
based in Gerlafingen, Switzerland

50.00%
Alternative Energy Innovation S.r.l.
based in S.G.Lupatoto (VR), Italy

50.00%
Sipro Beltrame A.G.
based in Zurich, Switzerland

Compared to the previous year, we point out that the Company Laminoirs du Ruau S.A. was excluded from the scope of consolidation as it is no longer considered significant.

E. ECONOMIC SCENARIO

International macroeconomic trends

In 2025, the global economy recorded a positive expansion but a slight deceleration compared to 2024, in a context marked by the intensification of trade uncertainty and divergent economic trajectories between the main areas. Global growth stood at around 3.3%, in line with the previous year. Despite the persistence of downside risks, growth was supported by the adoption of more accommodating fiscal and monetary policies in the major economies and intense investments in artificial intelligence (AI) technologies, factors that have helped the global cycle maintain a certain degree of resilience.

In this context, the United States alternated between falling GDP in the first quarter, attributable to the exceptional increase in imports in anticipation of the new tariffs, and a subsequent recovery, despite a gradual deterioration in labour market conditions; on average for the year, private demand continued to be the main source of support of activities, while the foreign channel made a negative contribution in the phases of reabsorption of the front-loading.

China continued on a growth path below historical averages, held back by the weakness of domestic demand, the continuation of the real estate crisis and the decline in manufacturing investments. The trend in activity was primarily supported by exports, with a recomposition of flows that offset the contraction in sales to the United States with an expansion to Asia, Latin America and Europe, as well as indirect shipments through third countries. The economic policy stance remained cautious, with selective monetary and credit support. In parallel, significant uncertainty linked to the US tariff regime continued throughout the year, only partially easing in the second part following suspensions and temporary agreements; the average duties applied by the United States on Chinese exports have, in any case, stayed at a historically high level, with implications for the import prices of advanced economies and on a broader reallocation of value chains.

International trade showed a weak trend after the transitional impetus linked to the front-loading of US purchases in the first part of the year. The subsequent contraction in US imports affected global volumes, with differentiated effects in terms of distribution: the more pronounced decline in bilateral flows with China was partially offset by the increase in supplies from other Asian countries and, for some segments, from the European Union, while the persistence of a high tariff differential continued to impact aggregate trade. At the same time, for most of the year, qualitative indicators on foreign orders remained below the expansion threshold in manufacturing and close to stagnation in services, reflecting the increase in commercial brokerage costs and a context of regulatory uncertainty. Although some bilateral agreements - including the one with the European Union - have partly mitigated the effects, the actual level of tariffs remained higher than at the end of 2024, and the policy uncertainty remained considerable, also due to legal disputes initiated in the United States that, while challenging the legitimacy of some measures, did not result in their full elimination.

Brent prices fell to levels close to 63-66 dollars per barrel in several phases of the year, reflecting weaker demand prospects and the decision of OPEC+ to increase supply; prices were only temporarily affected by tensions in the Middle East and the tightening of sanctions on selected producers. In Europe, natural gas prices (TTF) decreased markedly after the winter highs, while continuing to be extremely volatile due to the interaction between storage levels below the recent average, the normalisation of LNG flows and climate factors.

Commodity prices generally exerted moderate pressure during the year, acting as a stabilising factor for inflation, whose upside risks remained anchored to uncertainty over trade policies and possible pressures on manufacturing input costs resulting from the reconfiguration of supply chains.

Specifically, inflation in 2025 in the main advanced economies continued a progressive, albeit irregular, slowdown, in a scenario still influenced by trade tensions, fluctuations in commodities and the dissimilar nature of national monetary policies. In the United States, the trend in consumer prices showed signs of recovery during the central part of the year, reaching 2.9% in August, and then decelerating to 2.7% in December. This evolution was affected by the marked tightening of tariffs, which reached an effective rate close to 20% in August, although their direct impact on price growth was initially limited. At the same time, more moderate inflation expectations and the weakening of the labour market prompted the Federal Reserve to initiate a cycle of cuts to reference rates.

Monetary policies have taken on a more accommodating stance, but differentiated between areas. The Federal Reserve made gradual rate cuts in the second half of the year, maintaining a prudent attitude in relation to the delayed effects of financial conditions and uncertainty on the trade picture. China's position remained cautiously expansionary, with policy rates and reserve requirements unchanged to support the supply of credit.

While, on the one hand, the interaction between disinflation, monetary easing and normalisation of energy prices has facilitated an environment of slowly falling rates, with the alleviation of financial charges, on the other, policy uncertainty, commodity volatility and the dissimilar nature of national cycles suggest prudence in 2026 too as regards the assessment of macro-financial risks, in particular for cyclical sectors and economies dependent on foreign demand and global value chains.

Euro Area

During the 2025 financial year, the Eurozone economy exhibited a trend characterised by moderate growth and a gradual stabilisation of the inflationary scenario, albeit against the backdrop of marked heterogeneity among the main member states. After a better-than-expected start to the year, which benefited significantly from the front-loading of exports to the United States in anticipation of future tariff increases, activity recorded a net deceleration in the spring months. This slowdown was partially reabsorbed in the third quarter, with growth encouraged by the recovery of investments and the dynamism of the services sector, in particular those linked to the digital transition and tourism. Overall, GDP grew by 1.4% on an annual basis. From a sector perspective, while manufacturing continued to be affected by weak foreign demand and the instability of supply chains, the tertiary sector was the main driving force for expansion, a trend that continued also in the final part of the year.

Eurozone inflation gradually stabilised at around 2%, with the harmonised index of consumer prices reaching this level in December, marking a slight decline compared to previous months. The inflationary trend eased thanks to the sharp drop in energy prices - supported by the fall in wholesale gas and crude oil prices - and to the competitive pressures stemming from the growing influx of imported goods, in particular from China, also favoured by the appreciation of the Euro. This context contributed to the reduction of industrial goods prices and a gradual deceleration of core inflation.

The trend in investments showed signs of recovery only in the second half of the year, concentrated on capital goods and intangible assets, in contrast to persistent stagnation in the residential construction sector, adversely impacted by high construction costs and the previous tightening of lending conditions.

In terms of monetary policy, in the first half of the year, the ECB completed the easing cycle started in 2024, bringing the deposit rate to 2%, a level then maintained at subsequent meetings. The pass-through to bank rates was reflected in a decline in borrowing costs in the first half of the year, which subsequently remained stable. The demand for loans from businesses remained prudent, with a preference for short and medium-term loans also due to global trade tensions.

The institutional and tax framework saw the activation of important governance mechanisms. The European Union has strengthened its orientation towards common defence and security policies, advancing instruments such as ReArm Europe and SAFE, while several countries have used the safeguard clause of the Stability Pact to support strategic investments. The fiscal policy has therefore selectively contributed to the area's resilience in a difficult year from a geopolitical point of view.

In summary, the Eurozone closed 2025 with a stabilised but fragile macroeconomic scenario, supported by services, gradually falling inflation and less restrictive financial conditions. However, elements of uncertainty remain - from developments in the trade war to geopolitical tensions - which will continue to affect growth prospects and financial planning for 2026.

Trend in oil and natural gas prices

During 2025, the trend in oil and natural gas prices was heavily influenced by the international context, characterised by significant geopolitical instability and a gradual deterioration in the global economic outlook. Trade tensions between the United States, China and Europe, combined with crises in the Middle East, have generated recurring fluctuations on the energy markets, resulting in a price trend marked by temporary increases but set, in general, against the backdrop of weakening global demand.

As regards oil, the year began with a downward phase compared to the peaks recorded in January: as early as April, Brent had fallen to around 63 dollars per barrel, the lowest level since 2021, mainly reflecting the fragility of international demand, shaped by economic uncertainty and the slowdown in global trade. At the same time, supply continued to be abundant, as OPEC+ announced higher production increases than initially expected, exerting further downward pressure on prices. In the second quarter, however, there was a brief reversal of the trend: the outbreak of the conflict between Iran and Israel temporarily pushed prices up to a daily peak of 79 dollars per barrel, but the subsequent cease-fire brought price levels back to more moderate values. Entering the second part of the year, the bearish push started to be prevalent again. The OPEC+ supply, supported by the production increases announced for the whole of 2025, continued to further squeeze prices. Geopolitical tensions, including US sanctions against Iran and attacks on Russian oil infrastructure, were not enough to reverse this trend, only marginally impacting the market.

The natural gas market also experienced a year marked by pronounced volatility, with an initial phase characterised by substantial increases and a subsequent decrease. In the first few weeks of 2025, the price of European gas traded on the TTF market touched 60 euros per megawatt-hour, almost double the levels of the previous year. This increase was caused by a combination of factors: the reduction in LNG supplies, due to both higher Asian demand and breakdowns in US liquefaction plants, the interruption of Russian gas flows passing through Ukraine and the decrease in electricity production from renewable sources in Europe, caused by unfavourable weather conditions. These elements generated a temporary tightening of supply just as the continent was facing an increase in consumption, linked to the cold spells at the beginning of the year.

However, starting from the end of February, the market began to gradually normalise. The resumption of Norwegian supplies, the increase in LNG flows attracted by high prices and an improvement in climatic conditions have helped prices gradually return to Euro 35 per megawatt-hour. During the second quarter, the price of the TTF continued to fluctuate around Euro 34 per megawatt-hour, still affected by the low levels of European stocks and sustained Chinese demand, favoured by the temporary suspension of tariff increases between the United States and China. Tensions in the Middle East also contributed to the persistence of a certain degree of market uncertainty, albeit with a more reduced impact than oil, given Middle Eastern supplies account for a lower proportion of the European gas mix.

During the summer and early autumn, the gas market started a sharper downward trajectory. As early as the beginning of October, prices had fallen to around Euro 32 per megawatt-hour, despite inventories being around 15 percentage points lower than in 2024. The reduction in prices was facilitated by the healthy levels of available LNG stocks and the lower electricity demand for gas, thanks to the abundant renewable production.

Overall, 2025 confirmed that the energy markets were highly sensitive to geopolitical and commercial dynamics, but also showed a gradual reabsorption of tensions, with prices returning to levels more in line with fundamentals characterised by moderate global demand and a particularly abundant supply.

Plant of Vicenza, Italy

Us duties and the effects on global trade

In 2025, US trade policy experienced a profound turning point, shifting towards protectionism, with far-reaching and immediate effects on global trade. The US administration announced and then introduced a broad package of tariff increases, with minimum increases of 10 percentage points and much more substantial rises vis-à-vis countries with which Washington has a large trade deficit. China was the main target of these measures, with actual tariffs exceeding 100% and subsequently settling at around 40% during the agreed suspension periods. However, the new tariff regime has also directly or indirectly involved other global partners: from the European Union, to Japan, to India, to the countries of South-East Asia and Latin America.

The effects on global trade flows were immediate and had a heavily distorting impact. Front-loading was observed as early as the first months of 2025, i.e. bringing forward of purchases by US importers to avoid, as far as possible, tariff increases. This has generated a temporary surge in US imports and, as a result, an acceleration in world trade. However, once the new measures came into force, imports from the United States fell sharply, particularly with respect to China, where the decline was close to 40% in the second quarter alone. This decrease had a negative impact on global trading volumes, which started to drop after the temporary winter rebound.

In response to the closure of the US market, China quickly redirected a significant part of its exports to other outlets: Asia, Latin America and, increasingly, the European Union. This change in the geography of flows has fuelled greater competitive pressure in third-party markets, with repercussions on the prices of imported goods, often decreasing, and on the structure of global value chains. The use of indirect shipments - through countries such as Vietnam or South Korea - has also been a channel for avoiding tariffs, forcing the United States to further expand the scope of protectionist measures.

The European Union responded on the diplomatic level, reaching an agreement with Washington that led to a base tariff level of 15%, lower than the 30 percentage points initially envisaged but in any case much higher than in 2024. This agreement mitigated the potential direct damage on European exports, but did not eliminate the indirect consequences, linked to prolonged uncertainty and the less buoyant foreign demand. The EU itself was faced with increasing competition from Chinese goods redirected to the European market, with disinflationary effects but potential negative pressures on continental manufacturing producers.

The effects on inflation were mixed: in the United States, tariffs exerted slight upward pressure on prices, albeit still with limited impacts in 2025, while disinflationary pressures were observed in the economies that suffered from the slump in foreign demand. The uncertainty linked to US trade policy - also amplified by legal disputes within the US - remained high throughout the year, negatively affecting the global economic climate and holding back investments.

In summary, the increase in US tariffs in 2025 had a two-fold effect: first an artificial and temporary acceleration of global trade, then a marked contraction in international trade, accompanied by a redistribution of flows that changed the global economic geography. The tensions generated by these policies have affected the confidence, investments, prices and competitiveness of companies in the main economic blocs, painting a picture of growing fragmentation and instability in international trade relations.

National macroeconomic trend

During 2025, the Italian economy showed a complex economic profile, characterised by alternating phases of moderate expansion and weakening, in an international context marked by geopolitical and trade tensions and a generalised slowdown in global trade. Overall, Italian GDP grew by 0.5% in 2025.

After a positive start to the year, helped by the recovery in industrial activity and the significant contribution of exports to the United States - supported by the front-loading of purchases in view of the increase in tariffs - the trend in GDP showed signs of fragility in the spring months, when the elimination of the front-loading effects led to a marked decline in foreign sales and a negative contribution of net foreign demand to growth. GDP therefore fell slightly in the second quarter, mainly reflecting the contraction in exports, while domestic demand continued to provide support thanks to the resilience of investments and the solid performance of the construction sector, fuelled by the progress of works financed through the National Recovery and Resilience Plan.

In the second half of the year, economic activity began to expand again, albeit moderately. The tertiary sector was confirmed as the main driver of the recovery, driven by the growth in business services - favoured by digitalisation and energy transition processes - and by the dynamic trend of the tourism, logistics and hospitality sectors. Construction maintained a positive trend, especially in non-residential infrastructural works related to the National Recovery and Resilience Plan. On the contrary, manufacturing was affected by the persistent weakness of international demand, the under-utilisation of plants and the intensification of Asian competition, aggravated by the reorganisation of trade flows resulting from US tariff policies. Industrial production showed an irregular profile, alternating between short recovery phases and periods of contraction.

Investments have continued to play a key role in the resilience of the economic cycle. After a slowdown in the central quarters of the year, capital accumulation benefitted from progressively more relaxed financial conditions, the tax incentives linked to the Transition 4.0 and 5.0 programmes and the demand resulting from the works set out in the National Recovery and Resilience Plan. Investments in machinery and equipment recorded growth in several phases of the year, while those in intangible assets and in non-residential construction confirmed a general expansionary trend. Spending on capital goods was affected by international uncertainty, but was supported in the third quarter by the sharp increase in lease agreements and the approaching expiry of the incentives linked to the energy transition.


Plant of Vicenza, Italy

Foreign trade showed marked volatility. After the increase in sales in the first few months of the year, largely due to the extraordinary component of front-loading vis-à-vis the US market, exports decreased in the second quarter and only partially recovered in the final part of the year. Sales of goods were primarily affected by the weakness of US demand and the tightening of tariffs, which affected sectors such as automotive, food and part of the mechanical sector. By contrast, the services component provided a more solid contribution. On the imports front, a fluctuating trend was noted, with increases in services and decreases in goods, in line with the evolution of domestic production and investments.

Despite the weakness in trade, Italy maintained a significant current account surplus. This result is attributable to the improvement in the balance of non-energy goods, the reduction of the energy deficit and a positive contribution of the balance of primary incomes, also favoured by the fall in official ECB rates.

Inflation remained low throughout 2025, reaching a significantly lower value than the euro area average in December. This trend reflects the decline in the prices of energy goods and moderate growth in the prices of services and non-energy industrial goods. Core inflation stabilised at values close to 1.8%. Source pressures eased, with production prices of industrial goods recording negative changes or no change towards the end of the year.

The macroeconomic projections of the Bank of Italy for January 2026 converge towards a moderate growth profile for the coming years, with an estimated GDP increase of 0.5% in 2025 and an acceleration to 0.7% in 2026 and 2027. Economic growth would continue to rely on domestic demand, with consumption expected to gradually strengthen and investments still supported by the National Recovery and Resilience Plan projects and better financing conditions. Exports, on the other hand, would continue to be constrained by international trade tensions and the appreciation of the euro. Inflation is expected to be low, with values around 1.5% in the two-year period 2025-2026 and a temporary increase in 2027 linked to the launch of the new European emission trading system ETS2. However, the forecast scenario remains exposed to downside risks linked to the evolution of global trade policies, the volatility of financial markets and possible new pressures on international supply chains.

The recent outbreak of the conflict in Iran has also led to an increase in factors of uncertainty in the international geopolitical context, with immediate repercussions on the price of energy components, whose effects are currently not predictable in the short and medium term.

(var. and percentage points)	2025	forecast 2026
GDP		
World	**3.3**	**3.3**
Advanced countries	**1.7**	**1.8**
of which: Eurozone	1.4	1.3
Japan	1.1	0.7
U.K.	1.4	1.3
U.S.A.	2.1	2.4
Emerging countries	**4.4**	**4.2**
of which: Brazil	2.5	1.6
China	5.0	4.5
India	7.3	6.4
Russia	0.6	0.8
Italy	0.5	0.7

Source: International Monetary Fund - January 2026

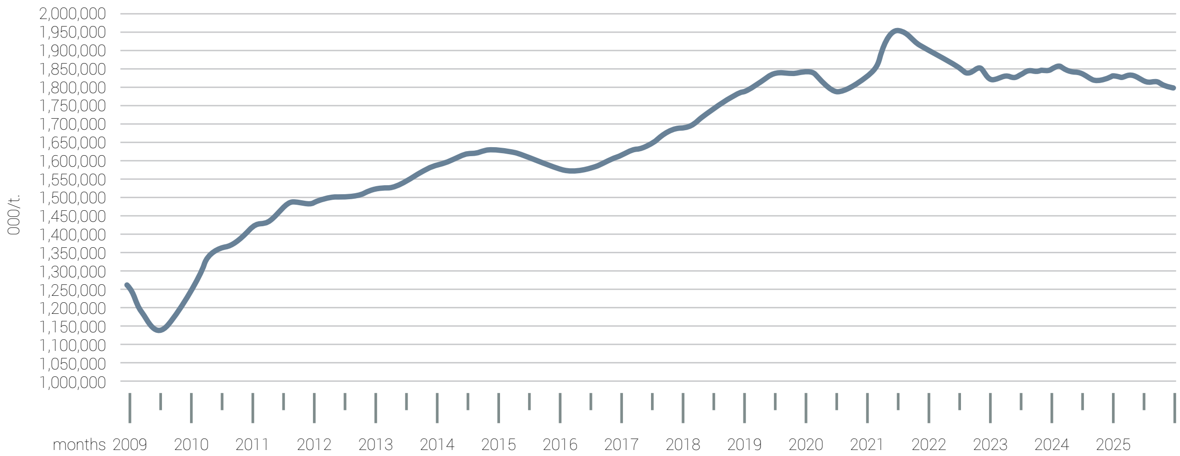

Worker at the Gerlafingen plant, Switzerland

F. PERFORMANCE OF THE STEELMAKING SECTOR

In 2025, worldwide steel production, according to the most recent indications published by the World Steel Association, amounted to 1,849 million tonnes, down by 2.0% compared to the previous year.

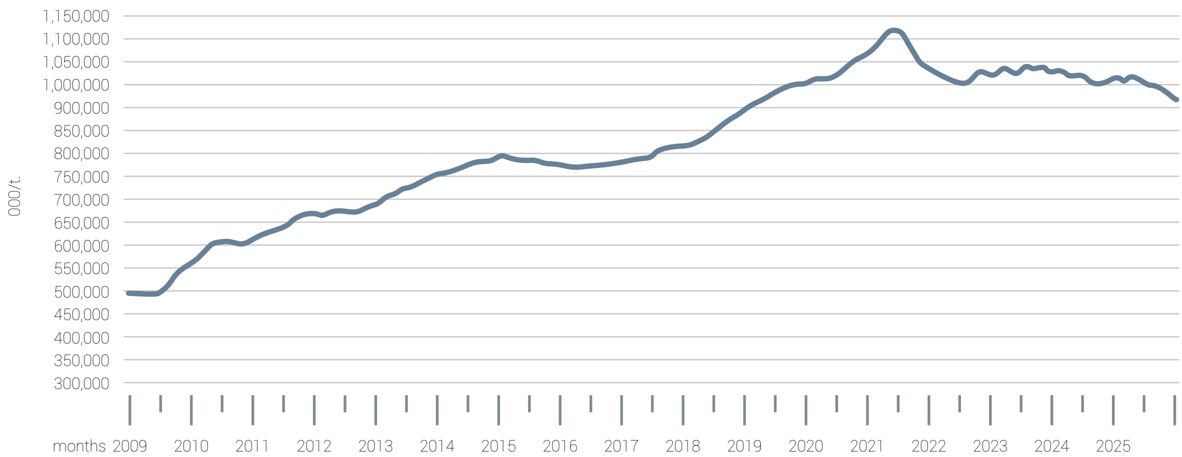
China confirmed its position as the world's leading producer, with a total output of 961 million tonnes, a 4.4% decrease compared to the previous year.

World Steel Production



Source: World Steel Association

Steel Production in China



Source: World Steel Association

(milions of tons)	2025	2024	variat.
Steel production			
World	**1,849.4**	**1,886.8**	**-2.0%**
Asia and Oceania	**1,324.5**	**1,357.1**	**-2.4%**
of which: China	960.8	1,005.1	-4.4%
India	164.9	149.4	10.4%
Europe	**250.3**	**257.8**	**-2.9%**
of which: EU (27)	126.2	129.6	-2.6%
CIS	81.3	85.0	-4.4%
North America	**107.4**	**106.7**	**0.7%**
of which: U.S.A.	82.0	79.5	3.1%
South America	**41.5**	**42.0**	**-1.2%**
Africa	**23.2**	**22.4**	**3.8%**
Middle East	**56.9**	**54.5**	**4.3%**

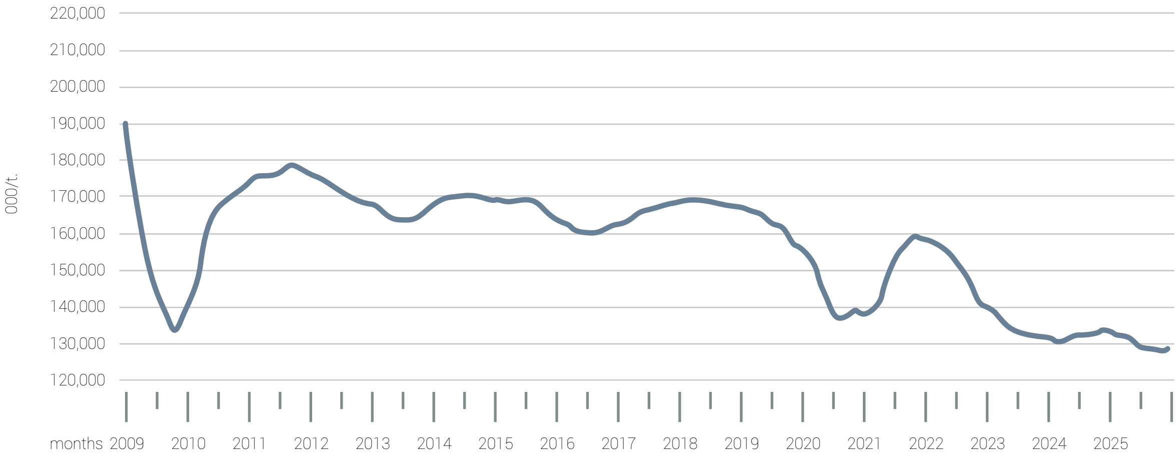
Source: World Steel Association

(milions of tons)	2025	2024	variat.
Steel production			
EU (27)	**126.2**	**129.6**	**-2.6%**
of which: Germany	34.1	37.3	-8.6%
Italy	20.7	20.0	3.6%
Spain	12.0	11.9	0.7%
France	9.8	10.8	-8.7%
Austria	7.6	7.1	5.9%
Poland	7.2	7.1	0.8%
Belgium	7.2	7.1	0.5%
Holland	6.5	6.4	1.4%
UK	**2.5**	**4.0**	**-37.6%**

Source: World Steel Association

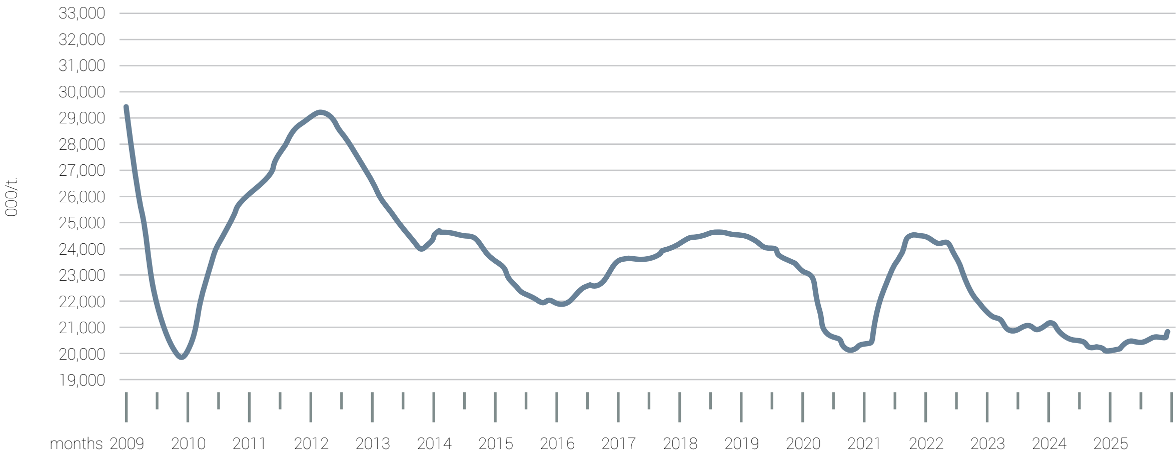
The European Union (EU27) reported an overall production of 126.2 million tonnes, down by 2.6% compared to the previous year. Germany and Italy were confirmed as the main European producers, with 34.1 million tonnes (-8.6% compared to 2024) and 20.7 million tonnes (+3.6% compared to 2024), respectively.

Steel production in the EU (including UK)



Source: World Steel Association

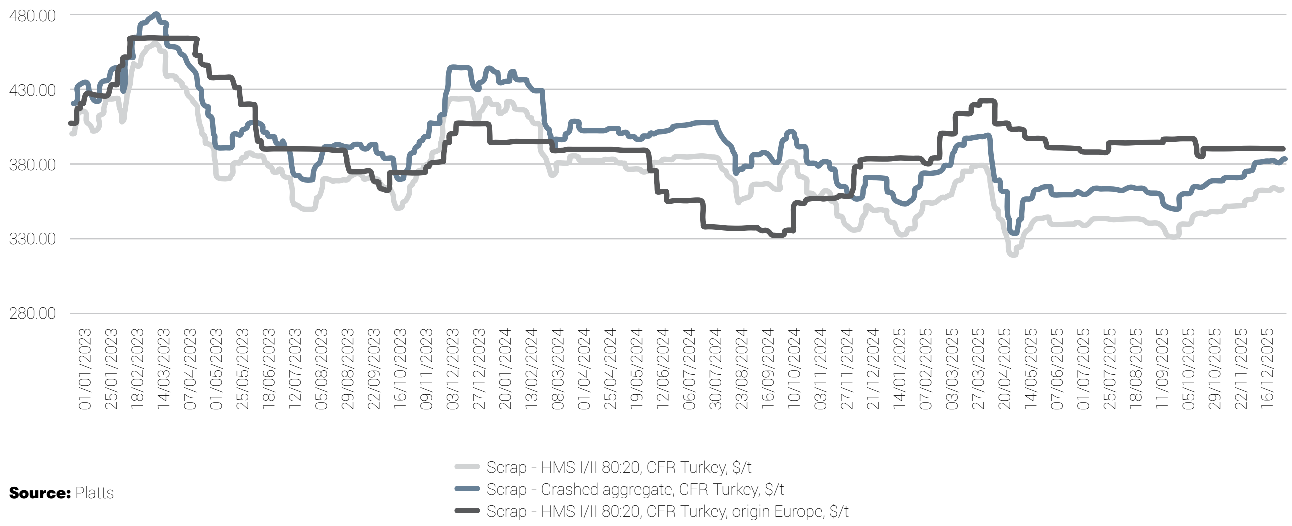
Steel production in Italy



Source: World Steel Association

During 2025, the prices of ferrous scrap remained substantially unchanged. After increasing in the first few months, prices fell, returning in December to slightly higher levels than at the end of 2024.

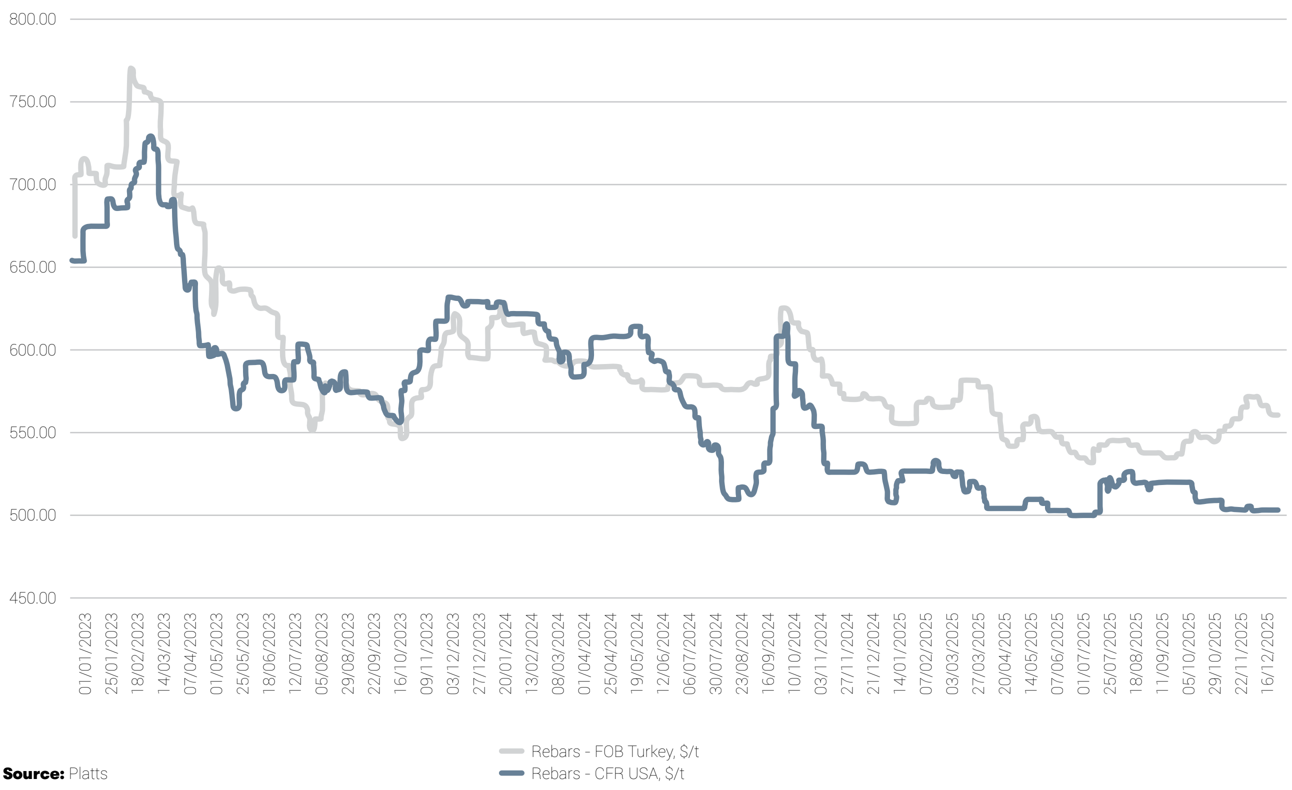
Scrap prices



Source: Platts

The sale prices of finished products continued on a slightly downward trajectory throughout 2025. Also with regard to the prices of finished products, after an increase in the first few months of the year, prices then dropped, within a context characterised by a prolonged decline in apparent consumption for the main user sectors.

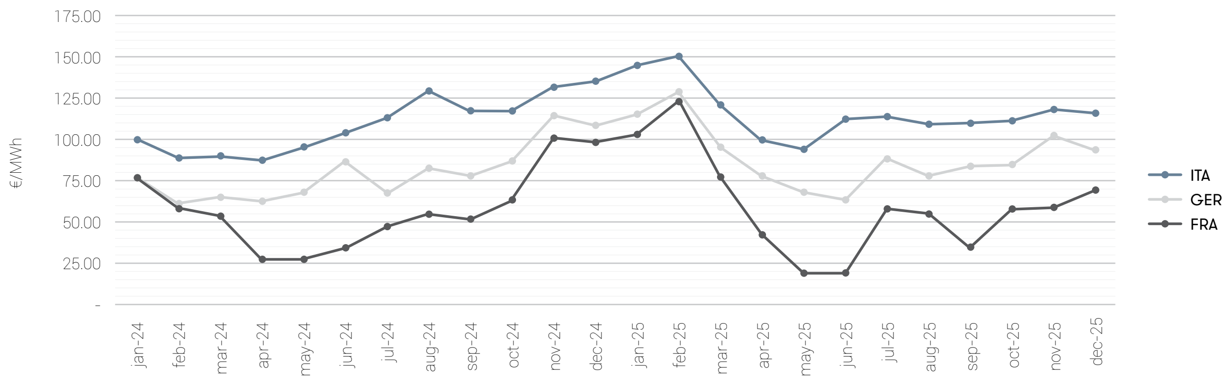
Prices of rebars



Source: Platts

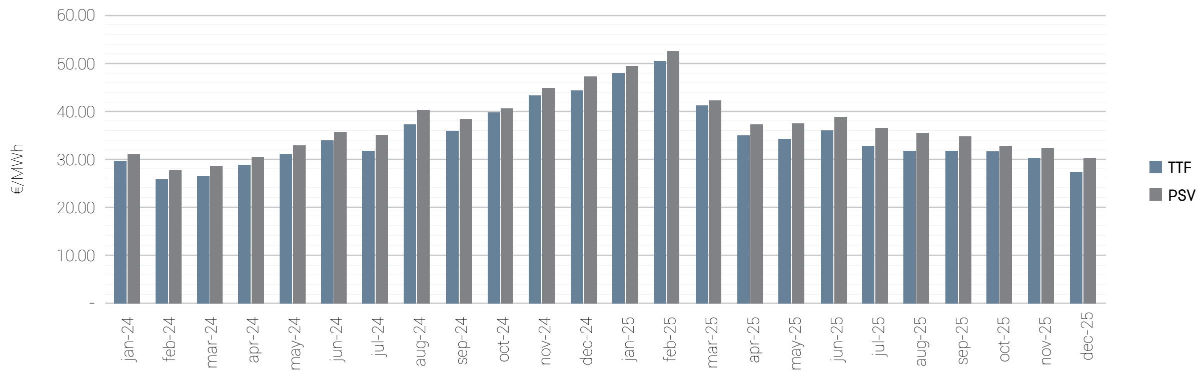
During 2025, energy and gas prices, despite a falling trend compared to the final part of the previous year, maintained historically high prices and remained at significantly higher levels than in the period prior to the outbreak of the geopolitical tensions that led to Russia's invasion of Ukraine.

EE ITA GER FRA 2024-2025



Source: Eikon database

GAS TTF PSV 2024-2025



Source: Eikon database

During 2025, the steel sector showed a complex trend, characterised by persistent weakness in demand and significant macro-geopolitical uncertainty that continues to compress both apparent and real steel consumption.

The trend in apparent consumption showed a slight increase, after falling for three consecutive years, with a recovery concentrated in the second part of the year. Volumes remain well below pre-pandemic levels; in addition, the destocking cycle remains at historically high levels, with the replenishment of stocks along the distribution chain not expected before the second half of 2026. However, the recovery remains uncertain and modest, also due to the impact of trade tensions and US tariffs.

According to Eurofer's estimates, apparent steel consumption increased by 2.4% overall, with a total volume YoY of 130 million tonnes.

Domestic deliveries reflected the general market performance, recording a contraction especially in the first part of 2025. This trend shows that domestic demand continued to suffer, after the significant drops in 2023 and 2024.

At the same time, imports - which also include semi-finished products - rose further in 2025, with growth concentrated above all in the last quarter of the year (Eurofer estimates an overall increase of 14% YoY), in a context, however, characterised by weak demand. Therefore, in 2025 the share of imports on apparent consumption remained considerably high in historical terms (29%), showing that the European market continued to rely on foreign flows in a context of depressing domestic demand. The main countries of origin of imports of finished imports were Turkey, South Korea, Indonesia, China, India, Ukraine and Taiwan.

Exports, for their part, recorded a significant decrease, negatively affected by the growing restrictions on global trade (Eurofer estimates an overall decrease of 12% YoY). The main destinations were the United Kingdom, the United States, Turkey, Switzerland and India.

Overall, the steel sector had to contend with a number of challenges during 2025, including weak demand, geopolitical tensions and economic uncertainty. The sector-based dynamics have greatly influenced both apparent and real steel consumption, leading to a contraction in overall volumes in the first part of the year and, according to the latest Eurofer indications, a recovery in the last few months.

As a result of this uneven trend, the economic activity of the European user sectors recorded an overall decrease of 0.3% on an annual basis.

User sectors	**Share of consumption**	**Q1 25**	**Q2 25**	**Q3 25**	**Q4 25**	**Year 2025**
Construction	37.0%	0.1%	0.6%	1.6%	0.5%	0.7%
Automotive	19.0%	-11.3%	-4.2%	1.0%	-1.0%	-4.3%
Mechanical engineer	12.0%	-3.0%	-1.0%	0.6%	0.0%	-0.8%
Metal articles	13.0%	-1.8%	-1.5%	0.2%	2.0%	-0.1%
Oil & Gas	11.0%	-2.9%	-0.7%	3.8%	0.5%	0.2%
Appliances	3.0%	0.3%	-0.7%	0.7%	1.0%	0.5%
Other transports	3.0%	0.2%	-1.3%	4.8%	1.5%	2.3%
Others	2.0%	0.0%	2.2%	3.8%	2.5%	2.5%
Total	**100.0%**	**-3.2%**	**-1.0%**	**1.5%**	**0.5%**	**-0.3%**

Source: Eurofer march 2026 - quarterly internal rev

The construction sector, which represents the largest share of total steel consumption in the European Union, continued to show signs of weakness in 2025, with a marginal recovery compared to 2024.

The difficulties in the construction sector were confirmed, above all, due to the weakness of residential investments, on which the effects of the reduction in interest rates have not yet materialised. This economic situation led to substantial stability in demand for steel, both in terms of volumes destined for new constructions and those linked to the maintenance and renovation of existing facilities.

Overall, during 2025, the construction sector recorded an increase of 0.7% in economic activity. Growth of 2.4% is expected for 2026.

The mechanical engineering sector experienced a further slowdown, primarily due to increasing restrictions on global trade and a reduction in industrial investments across the board. In this sector, the production of machinery, equipment and components fell further.

The economic activity of the sector remained exposed to several downside risks, including the prolonged impact of the Russian invasion of Ukraine, the increase in global geopolitical tensions and the continuous deterioration of the economic and industrial prospects. These factors contributed to a climate of uncertainty that weighed on demand and investments in the sector.

Overall, the mechanical engineering sector recorded a 0.8% reduction in economic activity in 2025. Growth of 1.4% is expected for 2026.

The automotive sector experienced a further significant contraction in the first half of 2025, followed by a slight recovery in the second part of the year, when the comparison with particularly low volumes of the previous year favoured marginal percentage increases.

Several factors contributed to this negative performance, including: uncertainties regarding the production standards of electric vehicles and the necessary infrastructures, challenges on the demand front, such as the decline in household disposable income, weakness in the manufacturing sector, low consumer confidence and the impact of US duties.

Overall, during 2025, the automotive sector recorded a reduction in economic activity of 4.3%. A modest recovery is expected in the future (0.9% in 2026), whose intensity will depend on several factors, including the evolution of restrictions on global trade and, in general, external demand from important markets such as the United States and China, and the policy commitment at EU level towards the full adoption of electric vehicles by 2035.

Plant of Gerlafingen, Switzerland

G. REGULATORY DEVELOPMENTS

The European regulatory framework has represented a turning point for the ecological and industrial transition; a complex system of regulations that aims to radically redesign the continent's production and environmental paradigms.

The genesis of this complex regulatory framework is rooted in the growing global climate alarm and in the awareness that the European Union must be at the forefront in the fight against climate change.

The regulatory evolution of the European Union on environmental sustainability has undergone a significant acceleration in recent years, influenced by initiatives such as the European Green Deal and related legislative packages.

CSRD

In recent years, the European sustainability reporting framework has shifted from a fragmented system, based on voluntary or sector-based initiatives, to an organic regulatory platform focused on the Corporate Sustainability Reporting Directive (CSRD - Directive (EU) 2022/2464) and on European Sustainability Reporting Standards (ESRS) adopted under Delegated Regulation (EU) 2023/2772. In fact, companies are required to build an integrated information system that links governance, strategy, risk management and ESG indicators along the entire value chain.

In the original version, the CSRD had greatly expanded the scope of obliged companies, replacing the Non-Financial Reporting Directive (NFRD) with a reporting system separated into four time phases (known as "waves"):

- Wave 1: entities already subject to NFRD (large public interest companies), first-time application to 2024 financial statements (2025 report);
- Wave 2: other large EU companies (non-NFRD), with first-time application to 2025 financial statements (2026 report);
- Wave 3: listed SMEs, 2026 financial statements (2027 report, with opt-out options);
- Wave 4: non-EU companies with a significant presence in Europe, with more deferred timing.

The original directive had introduced four structural pillars:

1. double materiality - joint assessment of the company's impacts on the environment and people (impact materiality, inside-out view) and assessment of ESG risks and opportunities with financial effects on the company (financial materiality, outside-in view);
2. mandatory standards (ESRS) - exceeding voluntary frameworks (GRI, SASB, etc.) in favour of a European standard setter (EFRAG) aligned with the Green Deal;
3. external assurance - "limited" audit obligation (with a view to moving to "reasonable") on sustainability disclosures, integrated in the financial statements;
4. extension of valuations to the value chain - coverage, where materially significant, of impacts and risks along the entire value chain (upstream + downstream) and therefore not only for own operations.

For wave 2 companies, this would have meant entering a new reporting method already with the 2025 financial statements, with a very narrow time-frame to redesign ESG governance, processes, data acquisition and controls.

To respond to concerns regarding the competitiveness of the industrial system, in 2025 the Commission activated the first step of the Omnibus 2025: the "Stop-the-clock Directive" - Directive (EU) 2025/794, in force since 17 April 2025.

For wave 2 companies, the first CSRD application was postponed by two years (no longer 2025 financial statements, but 2027); similarly, listed SMEs (wave 3) saw their application date postponed to the 2028 financial statements, while wave 1 companies remained linked to the original timeline (2024 financial statements).

For wave 2 companies, a two-year window of preparation and adaptation was opened to define or strengthen sustainability governance (roles, delegations, committees, reporting lines), to structure the double materiality process and the related documentation in a robust manner, map gaps on environmental, social and supply chain data and set up an alignment roadmap, integrating the CSRD perspective with other obligations or opportunities (ESG risk management, taxonomy analysis).

In Italy, the Stop-the-clock Directive was implemented with Italian Decree Law 95/2025 ("Economy Decree") of 30 June 2025, which adapts the national calendar for the implementation of the CSRD to the new European timescales.

Alongside the Stop-the-clock, the Commission has tabled - and subsequently discussed with the Council and the Parliament - a package of more profound changes to the CSRD/ ESRS architecture, known as "Omnibus I".

In a nutshell, the guidelines are:

1. a revision of the CSRD application thresholds, with application envisaged only for companies with more than 1,000 employees and Euro 450 million in net turnover, based on cumulative criteria. This has drastically reduced the number of obligated parties;
2. postponement/cancellation of sector-based ESRSs and revision of the existing set to reduce the number of items of information to be reported (data points) and their complexity.

In parallel, based on a mandate from the Commission, EFRAG has worked in recent months on a structural review of the standards, initially in the form of an "Amended ESRS" Exposure Draft (summer 2025) and then, recently, through the transmission to the Commission of its "technical advice" on the "simplified ESRS drafts".

The main points, taken from the official statement, are:

- 61% reduction in mandatory data points (if material) compared to 2023, with the elimination of all voluntary disclosures, concentrating the information perimeter on what is considered truly useful, with a view to correct reporting;
- radical simplification of materiality, in terms of the aspects of clarity and pragmatism on the definition and documentation of double materiality, with an emphasis on the actual usefulness of information for users and the market;
- greater freedom of use of estimates and related variables for the assessment of IROs along the value chain, despite companies continuing to be responsible for the quality of the assumptions.

The ESRSs were also reorganised to improve readability, make them less redundant and more easily integrated into existing reporting systems.

The next step, expected in the first months of 2026, will consist of the transposition by the European Commission of the contents of the EFRAG technical advice into a new Delegated Act revising the first ESRS set, coordinating it with the changes to the CSRD, as envisaged by the Omnibus.

Taxonomy

EU Regulation 2020/852 introduced taxonomy of eco-friendly economic activities into the European regulatory system; a classification of activities that can be considered to be sustainable based on their alignment with the European Union's environmental objectives and compliance with certain social clauses.

To be eco-sustainable, an activity must meet the following criteria:

1. make a "substantial contribution" to at least one of the six environmental objectives:
   - climate change mitigation;
   - climate change adaptation;
   - sustainable use and protection of water and marine resources;
   - transition to a circular economy;
   - pollution prevention and control;
   - protection and restoration of biodiversity and ecosystems.
2. "Do No Significant Harm" (DNSH) to any of the environmental objectives;
3. be carried out in compliance with minimum social guarantees (for example, those envisaged by OECD guidelines and United Nations documents);
4. comply with the technical screening criteria set by the European Commission.

CPR - Construction products regulation

The entry into force of the new Construction Products Regulation (CPR) (EU) 2024/3110 and the Ecodesign for Sustainable Products Regulation (ESPR) (EU) 2024/1781 does not represent a simple update, but a systemic change in relation to product standards.

Compliance for products such as structural profiles, merchant bars and rebars evolves from merely verifying technical performance to a model that integrates sustainability, circularity and digitalisation as essential structural aspects. In fact, the regulations introduce tools and requirements that redefine the very concept of "construction product", imposing an increasingly advanced level of transparency.

The most tangible new feature of the CPR is the establishment of the Declaration of Performance and Compliance (DoPC), which replaces the previous DoP by expanding its content.

The DoPC elevates environmental information to a regulatory compliance requirement, requiring the mandatory clarification of indicators relating to the product life cycle through the LCA (Life Cycle Assessment) analysis, starting from the more well-known Global Warming Potential (GWP), which actually represents the carbon footprint of the product. This figure must be calculated with harmonised methodologies such as EN 15804+A2, transforming the information from voluntary (such as that reported in the environmental product declaration - EPD) to a mandatory parameter pursuant to a standard. Traceable circularity requirements are also introduced, which require the declaration of the recycled content of products and requirements for durability and reusability and recyclability at the end of their life.

To complement this vision, future compliance with the ESPR will involve the disclosure of ecodesign requirements directly applicable to steel as a high priority intermediate material. Through future delegated acts of the European Commission, the ESPR will establish mandatory minimum levels of recycled content for specific steels, transforming this parameter into a performance constraint (already present in the recently updated construction CAMs). In addition, rules for the intrinsic durability of the material will be defined and restrictions on substances of concern will be introduced, with a direct impact on procurement processes and quality management.

The ultimate goal of this process is the active management of the GWP, a commitment that will soon also be formalised by the certification according to ISO 14068-1 (Carbon Neutrality Management), which provides the framework for the management and demonstration of climate neutrality.

These requirements are unified by the Digital Product Passport (DPP), the common digital infrastructure that will require dynamic and upgradeable traceability of LCA and supply chain data, guaranteeing interoperability between the CPR (construction products) framework and the ESPR (materials) framework, hopefully also acting as the primary data source for the CBAM (Carbon Border Adjustment Mechanism) and for voluntary standards.

The calendar of application of the two regulations is asynchronous. Although the CPR has been in force since July 2024, the obligation to adopt the new DoPC is subject to the publication of the new harmonised standards (hEN). Until then, the steel sector will continue to apply the hENs in force.

However, the preparation of steel companies must be based on the ESPR calendar, which is more stringent. Steel is classified as a priority in the 2025-2027 ESPR Work Plan, with delegated acts expected to be adopted between 2026 and 2028. These ESPR requirements (e.g. DPP and potential minimum amounts of recycled content) will come into effect when the delegated act enters into force, therefore potentially before the full application of the new CPR, effectively obliging the industry to accelerate the implementation of the new requirements, to be ready for reporting.

Green Steel

The search for a harmonised definition for low-emission steel is a regulatory imperative for the European Union, aimed at supporting the objectives of the Green Deal. What is at stake is the creation of credible lead markets and the prevention of greenwashing in a sector characterised by the coexistence of two types of production with structurally different climate footprints and transition challenges: primary cycle (BF-BOF), with the use of iron ore and coal and secondary cycle (EAF), which mainly uses recycled ferrous scrap and electricity.

The current dialogue between organisations and institutions, in particular in relation to the Steel and Metals Action Plan and future regulations such as the Industrial Accelerator Act (IAA), focuses on criteria to be used to assign a classification and a labelling of steel products, with respect to carbon intensity and, above all, the role of scrap in this calculation.

Producers who rely on the primary cycle, which are the largest responsible for the sector's total emissions, support a definition of "green steel" that rewards the decarbonisation effort instead of the absolute carbon intensity; with this in mind, they have promoted valuation methodologies that introduce the "scrap sliding scale", raising the allowable CO_2 threshold for a "green" product based on the percentage of scrap used.

In contrast to this position is the proposal of the producers of steel made with electric furnace (EAF), which is authoritatively represented by the Global Steel Climate Council (GSCC), a global coalition of important international players that has promoted a global standard based solely on objective climate results and the actual carbon footprint of products.

The pillars of the GSCC position are in fact:

a) emphasis on absolute carbon intensity per tonne of steel, as it represents the only credible metric for a representative product label. This approach is technologically neutral because it assesses the final product, not the performance developments of the production process;
b) opposition to the "scrap sliding scale", considering it a distortion of the market in favour of primary producers. The key argument is that it negates the effectiveness of the circular economy principle, penalising EAF companies that are already low-carbon. The comparative assessments carried out show that the sliding scale can classify a BF-BOF product with emissions up to five times higher than an EAF product in the same "green" category;
c) priority to European circularity: for European and Italian EAF producers, the sliding-scale methodology would be especially penalising as it would fail to recognise their leadership in steel recycling and low-carbon production - areas for which there is growing market demand.

The two fundamental requirements of the standard are the definition and quantification of the CASEI and SBET parameters:

- CASEI is the central quantitative metric of the GSCC Standard, which measures the carbon footprint of the final product. It represents the absolute intensity of CO_2 equivalent emissions per tonne of steel, includes direct process emissions (Scope 1) and indirect emissions deriving from the purchase of electricity (Scope 2) and is technologically neutral as it is based exclusively on the absolute emission result.
- SBET is the governance requirement that ensures the company's credibility and long-term commitment, requires the company to set a medium-long term emissions target (usually 2030), validated to be aligned with the maintenance of global warming within 1.5°C (according to the Paris Agreement targets) and ensures that the commitment to decarbonisation is not only a theoretical exercise, but translates into the company's strategic commitment to the net-zero condition.

The solution promoted by the EAF producers within the EU institutions represents a two-level system, which would guarantee fairness and transparency by identifying:

1. a product label, based on the CO_2 emissions per tonne of steel (carbon footprint of the product), without any reference to the quantity of scrap used, in order to objectively reward the product with the lowest climate footprint;
2. a possible, parallel certification based on decarbonisation efforts and progress with respect to a specific baseline for each technological process (BF-BOF or EAF), in order to guide EU incentives and funding, supporting continuous improvement for both routes without distorting the final market.

This approach has been expressly promoted in numerous letters sent to the Commission and the competent Directorates and is fully aligned with the European Parliament Resolution of 19 June 2025, which calls for labels that "should reflect carbon performance rather than process characteristics".

Safeguard measures

Safeguard Measures represent an extremely sophisticated legal instrument for trade defence. These are not simply protective barriers, but mechanisms that allow European industries to gradually adapt to global competitive challenges in response to sudden increases in imports that threaten to upset the economic balance of entire production sectors.

In response to the tariff increases applied by the United States on steel imports as from May 2018, the European Community adopted a number of countermeasures, including protection, to impose quantitative limits on steel imports and to offset its inflow caused by trade diversion resulting from the US measures.

The final measures, which were introduced on 2 February 2019 and were due to expire at the end of June 2021, were subject to two annual reviews, in October 2019 and July 2020, which resulted in some changes in quota management. The exit of the United Kingdom from the EU led to a significant change in the territorial scope of the protection, necessitating a recalculation of quotas and a reduction in their volumes as from 1 January 2021.

The measure was extended until 30 June 2024 with Regulation 2021/1029 and subsequently until 30 June 2026 with Regulation 2024/1782.

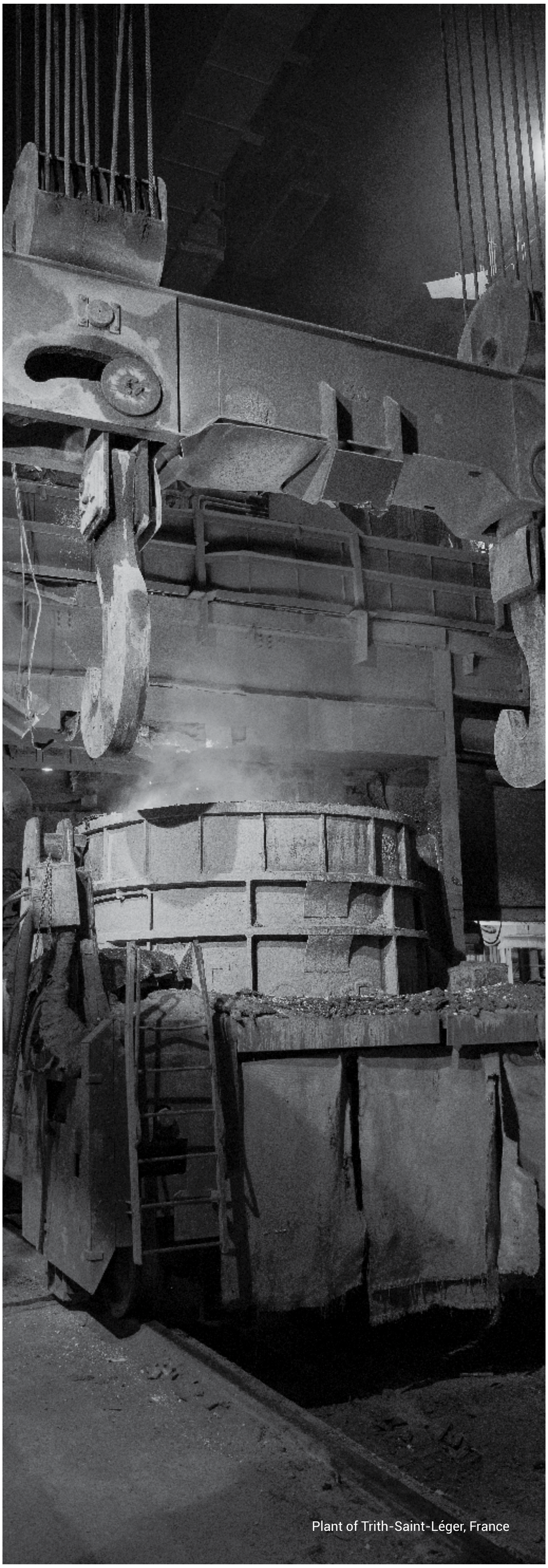
The expiry of the Global Safeguard Measures for steel would expose the EU steel industry to the negative impact on trade of global structural overcapacities, which have increased rather than decreased in recent years.

On 27 January 2026, with 36 votes in favour, 2 against and 5 abstentions, the deputies of the International Trade Commission adopted their position on the proposed regulation aimed at counteracting the negative effects on trade of the global steel production surplus on the European Union market.

The approved text makes provision for lower import quotas than the current Safeguard Measures, limiting import volumes exempt from duties to 18.3 million tonnes per year, a reduction of 47% compared to the 2024 quotas. A customs duty of 50% would also be applied to imports over the quota and to steel products not included in the quota.

The draft regulation also aims to strengthen the traceability of imported steel products by clarifying the evidence that importers must provide on the origin of their steel.

The International Trade Commission immediately commenced negotiations with the Council, with the aim of reaching an agreement on the final version of the bill in the spring.



Plant of Trith-Saint-Léger, France

FIT FOR 55

The "Fit for 55" package presented by the European Commission on 14 July 2021 aims to translate the ambitions of the Green Deal into legislation and consists of a series of proposals to revise climate legislation. This package has been the subject of several negotiations, with provisional agreements that have not yet been finally approved.

The main aim of "Fit for 55" is to accelerate the decarbonisation of European companies, with a 2030 target of 55 per cent, or even 62 per cent, reduction in emissions compared to 1990 levels. The main changes in the "Fit for 55" package include the revision of the EU-ETS emission trading mechanism and the impact of the CBAM (Carbon Border Adjustment Mechanism).

EU-ETS

The Emission Trading System represents the most innovative element of the new regulatory framework as it introduces an economic approach to the environmental issue, effectively creating an emissions market.

The EU-ETS mechanism, currently in its fourth phase (2021-2030), is one of the most important policies for reducing EU greenhouse gas emissions. The ETS works according to the 'Cap & Trade' principle, with a cap on emissions for the actors involved and the possibility of trading between the actors involved.

Gradual reduction of the cap determines a need to reduce own emissions and define a route to decarbonisation for all European companies, beyond the annual compliance needs that can be met by accessing the CO_2 emission allowances market (EUA). Furthermore, the reduction of the 'cap' translates into the reduction of free allocations, which are indexed by a benchmark mechanism at the performance of the ten best European companies.

CBAM (Carbon Border Adjustment Mechanism)

CBAM is a border carbon price adjustment mechanism that clearly addresses the risk of business relocation and carbon emissions (carbon leakage) resulting from the EU's increased climate ambition level.

The purpose of this mechanism is to prevent EU emission reduction efforts from being offset by increased emissions outside the EU, through the relocation of production or increased imports of products with a lesser climatic cost at source.

The CBAM is operational from 2026, alongside the gradual reduction in the percentage of free ETS allowances (phase-out of free allowances).

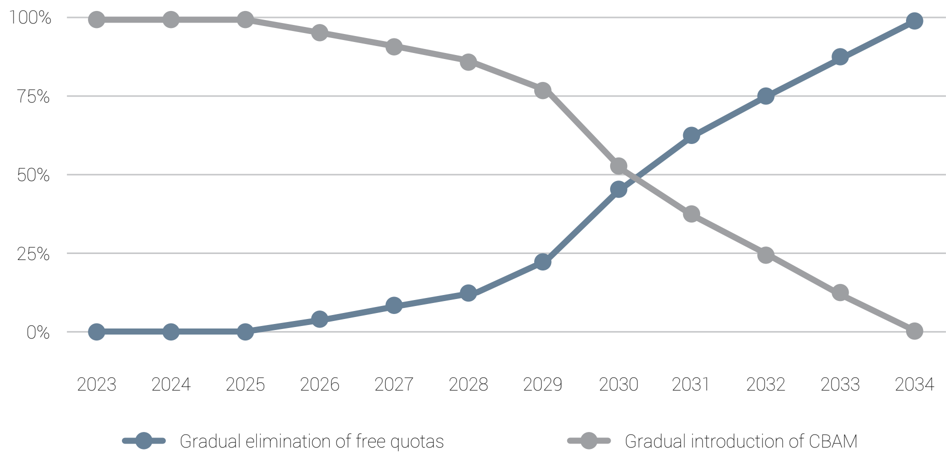
As far as the steel sector is concerned, all materials under the heading 'pig iron, iron and steel' in Annex I of Regulation (EU) 2023/1773 are subject to the CBAM, with the exception of scrap and certain ferroalloys. Among the latter, only ferrochromium, ferromanganese and ferronickel are considered.

The CBAM requires importers to declare the emissions embedded in products imported from non-EU third countries, using default values or specific calculations for each product. These emissions will have to be offset through the purchase of CBAM certificates, the price of which will reflect that of the European ETS allowances.

Regulation (EU) 2023/956 originally defined a two-phase architecture:

- transitional phase (October 2023 - December 2025), in which importers of CBAM goods (cement, iron and steel, aluminium, fertilisers, electricity, hydrogen) were required to report on embedded emissions on a quarterly basis, but not on the purchase of CBAM certificates;

EU-Trilogue agreement on phase-out of free carbon allowances
with concurrent phase-in of CBAM



Source: European Parliament, Chart: Britta Weppner/Table.Media

- definitive phase (from 1 January 2026), in which, for each tonne of goods imported, operators will have to purchase and return CBAM certificates, whose price will be linked to the average value of the ETS allowances. The quantity of certificates to be returned will be reduced according to any carbon prices paid in the countries of origin, according to criteria that the Commission will define in the implementing acts.

Some significant operational criticalities that emerged in the transitional implementation phase favoured and accelerated the adoption, in 2025, of a simplification package, known as "Omnibus I", formally adopted in October 2025.

The key elements of the Omnibus package already in place are therefore:

a) introduction of an annual exemption threshold of 50 tonnes of CBAM goods per importer, replacing the original criterion based on the value of the good. Below this threshold, the importer is not required to produce the CBAM authorisation, submit periodic declarations or to purchase CBAM certificates. This amendment exempted about 80–90% of importers from CBAM requirements, although more than 95% of the emissions embedded in goods imported from outside the EU, handled by a limited number of large operators, were covered by CBAM;
b) deferral and simplification of procedures in the start-up phase, including the possibility of deferring the obligation to purchase CBAM certificates for 2026, allowing importers to make purchases by September 2027, more streamlined authorisation procedures for importers above the threshold and the possibility of using default values for embedded emissions, under certain conditions.

In parallel with the simplification, on 2 July 2025 the Commission announced the launch of a public consultation on the possible extension to downstream products and on anti-circumvention measures, with particular attention to "re-routing" practices and minor transformations in third countries.

From a European steel industry perspective, the CBAM in its original form has a series of potential gaps (called loopholes) that risk weakening its effectiveness and creating competitive distortions.

In May 2025, EUROFER listed the main critical points and the necessary corrections:

- the "melted and poured" principle, which should provide that the origin of CBAM steel goods is defined at the site where the source material was melted and poured, regardless of subsequent processing in other countries. In the absence of this principle, it would be possible to produce carbon-intensive steel in one country, transfer it for simple rolling or finishing in another and import it into the EU with a different origin, reducing transparency on the real carbon footprint;
- compensation for indirect CO_2 costs, which companies request to maintain;
- adequate and consistent benchmarks and default values for steel products, as the proposals circulated do not always reflect the best climate practices, especially for long products, with cases in which the default values for some categories of imported products would be lower than the actual emissions, generating implicit aid for the most carbon-intensive sources and penalising the most efficient European producers.

Initial impacts and variables still to be stabilised

With the introduction of the Carbon Border Adjustment Mechanism (CBAM), starting from 1 January, European steel buyers begin to accrue real costs linked to the CO_2 emissions embedded in imported products.

The principle behind the mechanism is simple, but its operational implications are less so. The system can be summarised with an apparently advantageous formula: importing today, paying tomorrow.

In practice, European steel importers will have to deal with a complex regulatory framework that makes provision for:

1. registration as authorised CBAM registrants and submission of annual declarations;
2. the timely traceability of each shipment;
3. the purchase of CBAM certificates to cover the embedded emissions;
4. the return of the certificates within the set deadlines.

The first CBAM certificates will be put on sale starting from February 2027, with prices that will reflect the average price of the EU ETS allowances recorded in 2026. Importers must submit the annual declaration and deliver the corresponding certificates by 30 September 2027. Furthermore, from 2027, authorised registrants will have to hold CBAM certificates equal to at least 50% of the embedded emissions as early as the end of each quarter.

Although the deferred payment mechanism may seem, on paper, favourable to importers, in reality it tends to generate a highly prudent approach and risk aversion. In fact, starting from 2027, companies will be required to make significant cash outlays very quickly, with a direct impact on liquidity.

This financial pressure will be further accentuated by the uncertainty linked to the complexity of the calculations, which makes accurate planning difficult. Companies will have to set aside significant resources without the certainty of having correctly estimated costs, with the risk of ex post revisions or sanctions.

The method for calculating carbon costs on imports was only published in December 2025, finally clarifying how to estimate carbon costs. Importers essentially have two options:

1. use verified data on the actual emissions of the plants from which the exports originate;
2. rely on the default values established by the European Commission.

The choice between actual data and default values is a decisive factor in estimating the potential impact on market prices. In fact, in many cases, the predefined values can lead to very high CO_2 costs for importers, with median estimates in the order of 100 €/t for carbon steel products.

In an ideal context in which global plant-level emissions data were readily available, the CBAM verification process was a simple formality and the relations between buyers and exporters were based on long-term relationships and mutual trust, concerns linked to default values would be minimal. Exporters would quickly certify their plants and buyers could safely order based on actual values, facing low CBAM costs and without the risk of sanctions in 2027. This scenario remains difficult to achieve in 2026.

The certification of plants in the field is destined to be a complex process. The number of accredited auditors will be limited and, in some geographical areas, local resistance is likely to emerge, slowing the process further. Many plants may not be certified in time, increasing costs and uncertainty. The decision of the European Commission to gradually introduce the 30% markup on default values, starting from a more contained 10% increase in 2026, implicitly recognises these capacity limits. This approach also suggests that, at least in the short-term, a significant number of importers will be forced to rely on default values.

In addition, the use of actual values is far from simple, especially for complex products such as steel. It requires the collection of verified data along the entire value chain, including prior materials and processes, an often long and costly exercise.

Finally, the time factor remains crucial: the final verification processes and methodologies will not be fully consolidated before 2027.

Below are a couple of example tables that illustrate, on the basis of the specific default factors of the different countries, the cost associated with the emissions embedded in goods imported from non-EU countries.

CASE A) CN 72142000: Iron or non-alloy steel; bars and rods

Country	Default Value [tCO_2/t]	Cost* [€/t]
China	3.486	+194
Algeria	3.300	+177
Turkey	2.541	+109

CASE B) CN 72249038: Semi-finished products of alloy steel

Country	Default Value [tCO_2/t]	Cost* [€/t]
China	6.721	+467
Algeria	3.751	+199
Turkey	7.095	+500

*CO_2 price: Euro 80/t


64481
4300

H. GROUP PERFORMANCE

During 2025, the Group recorded a decrease in sales volumes compared to the previous year, equal to a total of 1.1%, in a context characterised by persistent weakness in demand and a series of uncertainty factors that had an impact on both apparent and real consumption of European steel.

The prices of ferrous scrap remained substantially stable. After increasing in the first few months, prices fell, returning in December to slightly higher levels than at the end of 2024.

The sale prices of finished products continued on a slightly downward trajectory throughout 2025. Also with regard to the prices of finished products, after an increase in the first few months of the year, prices then dropped, within a context characterised by a prolonged decline in apparent consumption for the main user sectors.

Energy and gas prices, despite a falling trend compared to the final part of the previous year, maintained historically high prices and remained at significantly higher levels than in the period prior to the outbreak of the geopolitical tensions that led to Russia's invasion of Ukraine.

The countries where the Group's production activities are located have reacted differently to the general manufacturing activity contraction, both in terms of the overall stability of the economy, and in particular of the construction sector, and in terms of industrial policy, with particular reference to support for energy-intensive companies heavily affected by the rise in energy prices.

Italy and France supported energy-intensive companies with suitable tools to reduce the impact of the energy component, while Switzerland and Romania did not follow this policy, leading to significant effects on our plants' production costs.

In Switzerland, a reduction in network costs was approved for 2025 to support energy-intensive sectors. The cost of energy nonetheless remained at a significantly higher level than that recorded for the Group's activities in Italy and France.

Sales of merchant bars, produced in Italian and French plants, fell by 0.6% compared to the previous year (in the previous year an increase of 4.3% compared to 2023), maintaining the leadership in the merchant bars segment in the main domestic markets. The Italian and French plants continued the process of continuous improvement in efficiency and maintained excellent levels of industrial performance.

Overall, the business in said countries achieved an adjusted EBITDA of Euro 86.7 million.

Sales of steel for construction produced at the Gerlafingen plant (rebar and its derivatives) showed a decrease of 2.6% compared to the previous year (an increase of 1.5% in volumes was recorded in the previous year when compared to 2023).

The implementation of the measures envisaged in the Business Plan, with particular reference to the reduction of operating and personnel costs, and the consolidation of the effects of reducing network costs, set forth in the legislation approved in December 2024 to support energy-intensive sectors, have enabled a significant improvement in results. However, specific elements remain that negatively influenced Stahl Gerlafingen's results: the appreciation of the Swiss franc against the euro, with a consequent increase in the weight of the component of fixed costs denominated in local currency and, therefore, of the competition of producers located in the Eurozone, and the higher cost of energy compared to that recorded for energy-intensive companies in the main European manufacturing nations.

As part of the activities to redefine the overall production flows of the plant, following the closure of the Profile rolling line, which occurred last year, in May 2025 Stahl Gerlafingen transferred ownership of a property complex used for the finishing of steel products for construction, recording a capital gain totalling Euro 22.3 million.

Also as a result of this capital gain, Stahl Gerlafingen recorded a total adjusted EBITDA of Euro 11.7 million in 2025.

Sales of special large steel rebars (SBQ) produced at the Călărași plant rose by 1.9% compared to the previous year (a decrease of 4.3% was recorded in the previous year compared to 2023).

The Târgovişte plant, acquired in 2022, completed the preliminary phase of inspection and certification of finished products and started the production of rebar rolling lines for reinforced concrete and special steel rebars during 2023, and increased the sales volumes to a total of 109 thousand tonnes in 2024 and to a total of 130 thousand tonnes in 2025.

Despite the reduction in the traditional flows of procurement of semi-finished steel products due to the interruption of supplies from Russia and Ukraine following the outbreak of the conflict between the two countries, the availability of these products on the national and international market made it possible, however, to use alternative European and non-European suppliers and to re-establish adequate supply flows during the year.

The implementation of the measures envisaged in the Business Plan, with particular reference to the reduction of operating and personnel costs, enabled a significant improvement in results. In 2025, Donalam recorded a negative adjusted EBITDA of Euro 0.6 million, a significant improvement compared to the previous year.

For more information on the performance of the Group companies, please refer to section I "Economic and financial data and indicators" below.

The economic performance achieved by the Group in 2025 can be summarised as follows:

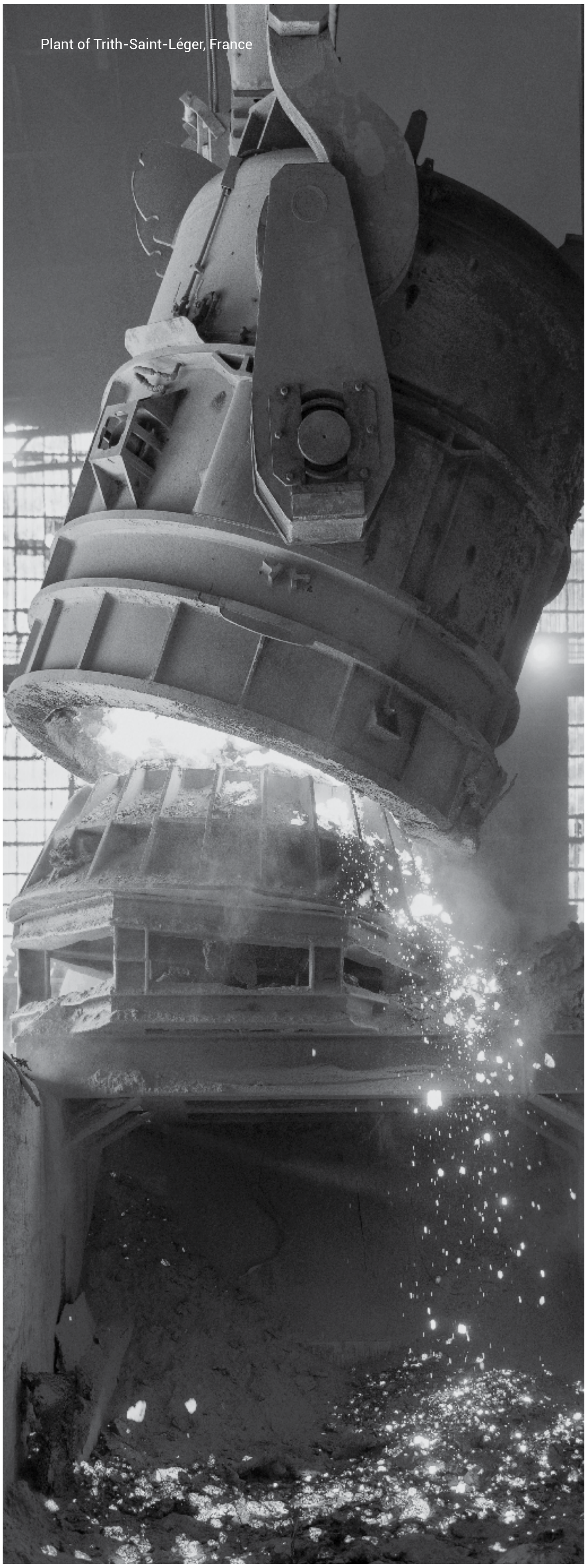
- net revenues decreased from Euro 1,614 million in 2024 to Euro 1,598 million in 2025, marking a decrease of 1%; sales volumes fell from 2,145 thousand tonnes in 2024 to 2,122 thousand tonnes in 2025;
- adjusted Ebitda amounted to Euro 97.7 million (Euro 14.9 million in 2024), up considerably compared to the previous year in all business lines;
- depreciation, amortisation, allocations, and write-downs totalled Euro 69.3 million (Euro 104.2 million in 2024);
- the operating profit amounted to Euro 23.1 million (loss of Euro 98.2 million in 2024);
- financial charges amounted to Euro 29.4 million (Euro 28.6 million in 2024);
- the net result was negative for Euro 14.6 million (negative for Euro 129.6 million in 2024).

The net financial position was a negative Euro 161 million as at 31 December 2025 (negative Euro 74.6 million as at 31 December 2024.

During the year, the net cash flow shows a negative cash generation totalling Euro 86.3 million (negative for Euro 122.6 million in 2024). More specifically, this result was achieved by a positive operating cash flow of Euro 8.2 million (Euro 3.5 million in 2024) absorbed by outlays for net investments in property, plant and equipment and intangible assets of Euro 85 million (Euro 100.8 million in 2024), and the payment for the acquisition of financial fixed assets of Euro 9.2 million (Euro 20.5 million in 2024). No dividends were distributed in 2024 and 2025.

Investments in property, plant and equipment paid in 2025 amounted to a total of Euro 110.1 million. The main initiatives were aimed at implementing the measures set out in the Business Plan, including primarily the diversification of the production of the Vicenza site and increased activity of the Târgovişte site, increasing product quality and optimising the energy consumption of steel production plants, improving efficiency and reducing natural gas consumption of rolling mills, developing finishing lines and product verticalisation, for the gradual expansion of the production range and enlargement of the offer in higher-margin market segments, and strengthening logistics infrastructures within the production sites. Investment projects developed during the year are also aimed at maintaining high plant and safety/environmental standards.

The value of property, plant and equipment and intangible assets was subject to an impairment test. The recoverable amount of each facility was determined based on the value in use obtained by discounting expected cash flows for the period from 2026 to 2030. For more information on the impairment tests carried out, please refer to the explanatory notes.



Plant of Trith-Saint-Léger, France

I. ECONOMIC AND FINANCIAL DATA AND INDICATORS

1 THE GROUP

Income Statement (in thousands of Euro)	2025	2024
Revenues from sales (A.1 + A.5)	1,597,881	1,613,667
Value of operating production (A.1 + A.2 + A.3 + A.4)	1,601,537	1,526,498
- External operating costs (B.6 + B.7 + B.8 + B.11 + B.14)	1,397,266	1,377,876
VALUE ADDED	263,778	186,589
%	16.51%	11.56%
- Personnel costs (B.9)	171,398	180,616
EBITDA	92,380	5,973
Adjusted EBITDA	97,748	14,854
%	6.12%	0.92%
- Amortisation, depreciation and allocations to provisions (B.10 + B.12 + B.13)	69,270	104,220
OPERATING PROFIT (LOSS)	23,110	(98,247)
+/- Profit (loss) from the financial area (C + D)	(29,395)	(28,638)
GROSS PROFIT (LOSS)	(6,285)	(126,885)
- Income taxes	(8,354)	(2,748)
NET PROFIT (LOSS)	(14,639)	(129,633)

Statement of Financial Position (in thousands of Euro)	2025	2024
Property, plant and equipment and intangible fixed assets	763,587	756,528
Financial fixed assets	22,953	22,655
Trade receivables	47,640	48,349
Trade payables	493,297	493,425
Closing balances of warehouse facility	437,740	394,109
Other current assets and liabilities	(30,118)	(52,174)
Net working capital	**(38,035)**	**(103,141)**
Provisions for risks and charges and severance indemnity	44,947	43,123
Capital resources, net	**703,558**	**632,919**
Shareholders' equity	542,586	558,273
Net financial position	**160,972**	**74,646**

Indicators	2025	2024
Operating cash flow (in thousands of Euro) - gross of changes in stocks	52,367	(50,294)
Operating cash flow (in thousands of Euro) - changes in stocks	(44,153)	53,777
Cash flow for technological investments (in thousands of Euro)	(110,094)	(98,072)
Equity/fixed assets ratio (E/Fa)	0.69	0.72
Equity plus consolidated liabilities/fixed assets ratio [(E + Conl)/Fa]	0.95	1.04
Debt to equity ratio [(Conl + Cl)/E]	1.67	1.58
Debt (long-term interest bearing) to equity ratio (Nfp/E)	0.30	0.13
Current assets/current liabilities ratio (Ca/Cl)	0.95	1.06
Deferred liquidity + immediate liquidity/Current liabilities ratio	0.32	0.43
Adjusted Ebitda/net revenues	6.12%	0.92%
Financial charges, net/net revenues	(1.81%)	(1.50%)
Labour cost/net revenues	0.11	0.11
Nfp/Adjusted EBITDA	1.65	5.03

Key:
E: Equity
Fa: Fixed assets
Conl: Consolidated liabilities
Cl: Current liabilities
Nfp: Net financial position
Ca: Current assets

Plant of Vicenza, Italy

2 THE PARENT COMPANY AFV BELTRAME S.P.A.

Income Statement (in thousands of Euro)	2025	2024
Revenues from sales (A.1 + A.5)	756,424	805,628
Value of operating production (A.1 + A.2 + A.3 + A.4)	737,515	743,395
- External operating costs (B.6 + B.7 + B.8 + B.11 + B.14)	643,412	653,156
VALUE ADDED	126,363	113,741
%	16.71%	14.12%
- Personnel costs (B.9)	67,880	63,582
EBITDA	58,483	50,159
Adjusted EBITDA	59,823	51,783
%	7.91%	6.43%
- Amortisation, depreciation and allocations to provisions (B.10 + B.12 + B.13)	36,934	44,848
OPERATING PROFIT (LOSS)	21,549	5,311
+/- Profit (loss) from the financial area (C + D)	(22,478)	(134,899)
GROSS PROFIT (LOSS)	(929)	(129,588)
- Income taxes	(4,080)	(1,014)
NET PROFIT (LOSS)	(5,009)	(130,602)

Statement of Financial Position (in thousands of Euro)	2025	2024
Property, plant and equipment and intangible fixed assets	408,790	407,181
Financial fixed assets	212,393	223,643
Trade receivables	38,950	58,836
Trade payables	224,712	243,601
Closing balances of warehouse facility	189,498	179,988
Other current assets and liabilities	(32,405)	(50,200)
Net working capital	**(28,669)**	**(54,977)**
Provisions for risks and charges and severance indemnity	36,009	38,747
Capital resources, net	**556,505**	**537,100**
Shareholders' equity	476,018	480,579
Net financial position	**80,487**	**56,521**

Indicators	2025	2024
Operating cash flow (in thousands of Euro)	54,929	34,319
Cash flow for technological investments (in thousands of Euro)	(68,031)	(47,580)
Equity/fixed assets ratio (E/Fa)	0.77	0.76
Equity plus consolidated liabilities/fixed assets ratio [(E + Conl)/Fa]	1.10	1.16
Debt to equity ratio [(Conl + Cl)/E]	1.30	1.30
Debt (long-term interest bearing) to equity ratio (Nfp/E)	0.17	0.12
Current assets/current liabilities ratio (Ca/Cl)	1.20	1.27
Deferred liquidity + immediate liquidity/Current liabilities ratio	0.74	0.79
Adjusted Ebitda/net revenues	7.91%	6.43%
Financial charges, net/net revenues	(1.74%)	(1.03%)
Labour cost/net revenues	0.09	0.08
Nfp/Adjusted EBITDA	1.35	1.09

Key:
E: Equity
Fa: Fixed assets
Conl: Consolidated liabilities
Cl: Current liabilities
Nfp: Net financial position
Ca: Current assets

Revenues from sales, totalling Euro 756,424 thousand, showed a decrease compared to the previous year (6.1% compared to 2024) as a result of the decline in shipment volumes and in the prices of steel products. The shipment volumes of finished products stood at 872 thousand tonnes (898 thousand tonnes in 2024).

The Italian plants have increased their leadership in the merchant bars segment in the main markets of Southern Europe and have continued the process of continuous improvement of efficiency, increasing the levels of industrial performance.

These conditions allowed a significant improvement in EBITDA and in the operating result.

The negative result of the financial area was affected by the write-down of the equity investment held in the subsidiary Donalam.

The most significant information about the Parent Company's currently active production units is provided below:

Vicenza (VI):

- electric steel plant comprising electric furnace, ladle furnace, two continuous casting systems for blooms and billets;
- rolling plant composed of a continuous rolling mill for medium products with 19 stands for sections/small beams;
- rolling plant composed of a continuous rolling mill for small products with 21 stands for small sections;

San Didero (TO):

- rolling mill comprising continuous mill for mid-size products with 19 stands for sections/small beams;
- rolling mill comprising continuous mill for small products with 24 stands for small sections, rebar for reinforced concrete.

San Giovanni Valdarno (AR):

- rolling mill comprising continuous mill with 18 stands for small sections.

Energy production plants through hydroelectric plants:

- located in Piedmont, namely the Montecrestese, Ceretti, Cipata, Pontetto and Agrasina sites, located in the municipality of Montecrestese in the province of Verbania, with a total average annual production of approximately 84 GWh;
- located in Veneto, i.e. in the sites of Valstagna S. Gaetano and Collicello, located in the municipality of Valbrenta (VI), Debba in the municipality of Vicenza, Colzè in the municipality of Longare and Carturo in the municipality of S. Giorgio in Bosco (PD) with a total average annual production of approximately 60 GWh.

The main strategies envisaged by the Business Plan for AFV concern (i) the consolidation of the market leadership position, (ii) the diversification of production and (iii) the maintenance of a balanced warehouse level from the point of view of the supply of market and capital absorption.

The final results of AFV in 2025 confirm the forecasts contained in the Business Plan in terms of EBITDA and profit for the year. In 2026, further growth in revenues is expected, with an improvement in EBITDA and in the net financial position.

3 THE SUBSIDIARY LAMINÉS MARCHANDS EUROPÉENS S.A.S.

As reported above in point D. "Structure of the Beltrame Group", the Parent Company owns 80.23 per cent of the company's share capital. The minority interest is held by ARCELORMITTAL - Luxembourg.

The values shown below differ from those of the company's filed financial statements because they were adapted for consistency with Italian accounting standards, used to prepare the consolidated financial statements.

Income Statement (in thousands of Euro)	2025	2024
Revenues from sales (A.1 + A.5)	402,896	374,235
Value of operating production (A.1 + A.2 + A.3 + A.4)	406,474	362,548
- External operating costs (B.6 + B.7 + B.8 + B.11 + B.14)	342,052	314,942
VALUE ADDED	66,266	53,066
%	16.45%	14.18%
- Personnel costs (B.9)	39,419	39,562
EBITDA	26,847	13,504
Adjusted EBITDA	26,847	13,533
%	6.66%	3.62%
- Amortisation, depreciation and allocations to provisions (B.10 + B.12 + B.13)	13,599	14,341
OPERATING PROFIT (LOSS)	13,248	(837)
+/- Profit (loss) from the financial area (C + D)	(1,450)	(1,309)
GROSS PROFIT (LOSS)	11,798	(2,146)
- Income taxes	(2,675)	250
NET PROFIT (LOSS)	9,123	(1,896)

Statement of Financial Position (in thousands of Euro)	2025	2024
Property, plant and equipment and intangible fixed assets	118,724	115,798
Financial fixed assets	2,229	2,401
Trade receivables	5,800	6,193
Trade payables	85,783	92,637
Closing balances of warehouse facility	72,131	73,974
Other current assets and liabilities	(1,474)	(19)
Net working capital	**(9,326)**	**(12,489)**
Provisions for risks and charges and severance indemnity	13,033	12,202
Capital resources, net	**98,594**	**93,508**
Shareholders' equity	171,364	162,241
Net financial position	**(72,770)**	**(68,733)**

Indicators	2025	2024
Operating cash flow (in thousands of Euro)	19,226	15,288
Cash flow for technological investments (in thousands of Euro)	(15,361)	(13,868)
Equity/fixed assets ratio (E/Fa)	1.42	1.37
Equity plus consolidated liabilities/fixed assets ratio [(E + Conl)/Fa]	1.42	1.38
Debt to equity ratio [(Conl + Cl)/E]	0.66	0.74
Debt (long-term interest bearing) to equity ratio (Nfp/E)	(0.42)	(0.42)
Current assets/current liabilities ratio (Ca/Cl)	1.45	1.39
Deferred liquidity + immediate liquidity/Current liabilities ratio	0.81	0.77
Adjusted Ebitda/net revenues	6.66%	3.62%
Financial charges, net/net revenues	(0.36%)	(0.35%)
Labour cost/net revenues	0.10	0.11
Nfp/Adjusted EBITDA	(2.71)	(5.08)

Key:
E: Equity
Fa: Fixed assets
Conl: Consolidated liabilities
Cl: Current liabilities
Nfp: Net financial position
Ca: Current assets

Revenues from sales, totalling Euro 402,896 thousand, showed an increase compared to the previous year (7.7% over 2024) due to growth in the shipment volumes of finished and semi-finished products, in a context characterised by the decline in the prices of steel products. The shipment volumes stood at 516 thousand tonnes (499 thousand tonnes in 2024).

The French plant has increased its leadership in the merchant bars segment in the main markets of Northern Europe and has continued the process of continuous improvement of efficiency, increasing the levels of industrial performance.

These conditions allowed a significant improvement in EBITDA and in the operating result.

The most significant information about the Company's production units is provided below:

- electric steel plant comprising electric furnace, ladle furnace, continuous casting system for billets/blooms;
- rolling mill comprising TGP continuous mill with 21 stands for sections/beams;
- rolling mill comprising TPP continuous mill with 20 stands for small sections.

The main strategies envisaged by the Business Plan for LME concern (i) the increase in production and sales volumes, thanks to the expansion of the range to products with higher added value, and (ii) the reduction in the incidence of labour costs by product unit, thanks to the rationalization of the production structure and the growth in volumes produced, also as a result of the investments made.

The final results of LME in 2025 confirm the forecasts contained in the Business Plan in terms of EBITDA and profit for the year. In 2026, further growth in revenues is expected, with an improvement in EBITDA and in the net financial position.


Plant of Trith-Saint-Léger, France

4 THE SUBSIDIARY STAHL GERLAFINGEN A.G.

As reported above in point D. "Structure of the Beltrame Group" above, the Parent Company owns 86.47 per cent of the company's Share Capital. The minority interest is held by SIMEST S.p.A..

The values shown below differ from those of the company's filed financial statements because they were adapted for consistency with Italian accounting standards, used to prepare the consolidated financial statements.

Income Statement (in thousands of Euro)	2025	2024
Revenues from sales (A.1 + A.5)	356,959	384,742
Value of operating production (A.1 + A.2 + A.3 + A.4)	335,123	362,179
- External operating costs (B.6 + B.7 + B.8 + B.11 + B.14)	303,142	353,389
VALUE ADDED	58,239	15,330
%	16.32%	3.98%
- Personnel costs (B.9)	49,632	59,524
EBITDA	8,607	(44,194)
Adjusted EBITDA	11,693	(39,793)
%	3.28%	(10.34%)
- Amortisation, depreciation and allocations to provisions (B.10 + B.12 + B.13)	10,195	41,121
OPERATING PROFIT (LOSS)	(1,588)	(85,315)
+/- Profit (loss) from the financial area (C + D)	(3,811)	(6,997)
GROSS PROFIT (LOSS)	(5,399)	(92,312)
- Income taxes	-	-
NET PROFIT (LOSS)	(5,399)	(92,312)

Statement of Financial Position (in thousands of Euro)	2025	2024
Property, plant and equipment and intangible fixed assets	98,956	104,535
Financial fixed assets	2,020	1,733
Trade receivables	4,793	1,984
Trade payables	85,272	80,623
Closing balances of warehouse facility	67,058	64,779
Other current assets and liabilities	4,902	33
Net working capital	**(8,519)**	**(13,827)**
Provisions for risks and charges and severance indemnity	2,897	2,595
Capital resources, net	**89,560**	**89,846**
Shareholders' equity	32,948	37,979
Net financial position	**56,612**	**51,867**

Indicators	2025	2024
Operating cash flow (in thousands of Euro)	5,801	(35,491)
Cash flow for technological investments (in thousands of Euro)	(10,439)	(20,502)
Equity/fixed assets ratio (E/Fa)	0.33	0.36
Equity plus consolidated liabilities/fixed assets ratio [(E + Conl)/Fa]	0.35	0.86
Debt to equity ratio [(Conl + Cl)/E]	5.57	3.76
Debt (long-term interest bearing) to equity ratio (Nfp/E)	1.72	1.37
Current assets/current liabilities ratio (Ca/Cl)	0.64	0.83
Deferred liquidity + immediate liquidity/Current liabilities ratio	0.27	0.11
Adjusted Ebitda/net revenues	3.28%	(10.34%)
Financial charges, net/net revenues	(1.07%)	(1.82%)
Labour cost/net revenues	0.14	0.15
Nfp/Adjusted EBITDA	4.84	N/A

Key:
E: Equity
Fa: Fixed assets
Conl: Consolidated liabilities
Cl: Current liabilities
Nfp: Net financial position
Ca: Current assets

Revenues from sales, totalling Euro 356,959 thousand, showed a decrease compared to the previous year (7.2% over 2024) as a result of the significant drop in the shipment volumes of finished products and prices of steel products. The volumes of steel shipments for construction stood at 521 thousand tonnes (532 thousand tonnes in 2024). During 2025, the sale of profiles and beams was completed following the decision to definitively stop the Profile rolling line in 2024.

The implementation of the measures envisaged in the Business Plan, with particular reference to the reduction of operating and personnel costs, and the consolidation of the effects of reducing network costs, set forth in the legislation approved in December 2024 to support energy-intensive sectors, have enabled a significant improvement in results. However, specific elements remain that negatively influenced Stahl Gerlafingen's results: the appreciation of the Swiss franc against the euro, with a consequent increase in the weight of the component of fixed costs denominated in local currency and, therefore, of the competition of producers located in the Eurozone, and the higher cost of energy compared to that recorded for energy-intensive companies in the main European manufacturing nations.

As part of the activities to redefine the overall production flows of the plant, following the closure of the Profile rolling line, which occurred last year, in May 2025 Stahl Gerlafingen transferred ownership of a property complex used for the finishing of steel products for construction, recording a capital gain totalling Euro 22.3 million.

In this context, the Swiss plant has stabilised its leadership in the segment of rebars in the domestic market and has continued the process of continuous improvement of efficiency and industrial performance.

These conditions have led to a significant improvement in EBITDA and in the operating result.

The most significant information about the Company's production units is provided below:

- electric steel plant comprising electric furnace, with 80 t nominal capacity, ladle furnace, continuous casting system for billets and blooms;
- 1 continuous rolling mill for bars, rebars and wire rods;
- 1 plant for the production of meshes;
- 6 rewinding plants.

The main strategies envisaged in the Business Plan for Stahl Gerlafingen concern (i) a strong focus on reducing operating expenses, also through the reorganisation of shiftwork and the reduction of the workforce, (ii) an adjustment of the production mix, focusing on products with higher added value and (iii) the increase in productivity as a result of recent investments.

With regard to the reduction in operating expenses, starting from January 2025, a significant reduction in personnel costs was implemented, both by reducing the units and through the use of the temporary lay-off scheme.

With regard to the cost of energy sources in 2025, the effects of reducing network costs envisaged by the legislation approved in December 2024 to support the Swiss energy-intensive sectors were consolidated.

The final results of Stahl Gerlafingen in 2025 confirm the forecasts contained in the Business Plan in terms of EBITDA and profit for the year. Based on the forecasts of the Business Plan, also thanks to the actions described above, the company recorded further improvement in EBITDA during 2026, net of the capital gain deriving from the sale of the area used for finishing works in 2025.

5 THE SUBSIDIARY DONALAM S.R.L.

As reported above in point D. "Structure of the Beltrame Group" above, the Parent Company owns 98.33 per cent of the company's Share Capital. The minority interest is held by FINEST S.p.A..

The highlights from the consolidated financial statements of Donalam S.r.l. and of its subsidiary Donalam Siderprodukte A.G. (Switzerland) are summarised below.

The values shown below differ from those of the company's filed financial statements because they were adapted for consistency with Italian accounting standards, used to prepare the consolidated financial statements.

Income Statement (in thousands of Euro)	**2025**	**2024**
Revenues from sales (A.1 + A.5)	167,556	167,225
Value of operating production (A.1 + A.2 + A.3 + A.4)	202,151	170,064
- External operating costs (B.6 + B.7 + B.8 + B.11 + B.14)	194,568	174,286
VALUE ADDED	12,956	4,414
%	7.73%	2.64%
- Personnel costs (B.9)	14,476	17,942
EBITDA	(1,520)	(13,528)
Adjusted EBITDA	(578)	(10,702)
%	(0.35%)	(6.40%)
- Amortisation, depreciation and allocations to provisions (B.10 + B.12 + B.13)	8,928	11,454
OPERATING PROFIT (LOSS)	(10,448)	(24,982)
+/- Profit (loss) from the financial area (C + D)	(10,038)	(7,274)
GROSS PROFIT (LOSS)	(20,486)	(32,256)
- Income taxes	(1,525)	(1,830)
NET PROFIT (LOSS)	(22,011)	(34,086)

Statement of Financial Position (in thousands of Euro)	**2025**	**2024**
Property, plant and equipment and intangible fixed assets	137,266	128,354
Financial fixed assets	68	64
Trade receivables	10,228	12,551
Trade payables	106,089	99,425
Closing balances of warehouse facility	109,053	75,368
Other current assets and liabilities	(2,213)	(2,439)
Net working capital	**10,979**	**(13,945)**
Provisions for risks and charges and severance indemnity	1,415	195
Capital resources, net	**146,898**	**114,278**
Shareholders' equity	45,520	69,146
Net financial position	**101,378**	**45,132**

Indicators	2025	2024
Operating cash flow (in thousands of Euro) - gross of changes in stocks	(2,533)	(6,189)
Operating cash flow (in thousands of Euro) - changes in stocks	(35,879)	(4,874)
Cash flow for technological investments (in thousands of Euro)	(17,356)	(19,303)
Equity/fixed assets ratio (E/Fa)	0.33	0.54
Equity plus consolidated liabilities/fixed assets ratio [(E + Conl)/Fa]	0.33	0.54
Debt to equity ratio [(Conl + Cl)/E]	5.00	2.25
Debt (long-term interest bearing) to equity ratio (Nfp/E)	2.23	0.65
Current assets/current liabilities ratio (Ca/Cl)	0.60	0.62
Deferred liquidity + immediate liquidity/Current liabilities ratio	0.12	0.13
Adjusted Ebitda/net revenues	(0.35%)	(6.40%)
Financial charges, net/net revenues	(5.99%)	(4.35%)
Labour cost/net revenues	0.09	0.11
Nfp/Adjusted EBITDA	N/A	N/A

Key:
E: Equity
Fa: Fixed assets
Conl: Consolidated liabilities
Cl: Current liabilities
Nfp: Net financial position
Ca: Current assets

Revenues from sales, totalling Euro 167,556 thousand, are in line with the previous year. Finished products shipment volumes amounted to 220 thousand tonnes (196 thousand tonnes in 2024); the sales volumes of the Târgovişte plant amounted to 130 thousand tonnes.

On 11 March 2022 the company acquired the assets of a steel plant in Târgovişte (Romania), formerly COS Târgovişte S.A., covering a total area of 1,327,337 square metres and, in addition to the properties, mainly include an electric furnace steel plant and two rolling lines, in addition to all the related underground services and utilities. Following the acquisition, Donalam started a process of modernisation, improvement and efficiency of these plants, which allowed the rolling lines to be put into operation in September 2022 following a preliminary phase of testing and certification of the finished products. Investments and further interventions are still underway in order to allow the full restart of the steel plant and to improve the equipment efficiency.

The implementation of the measures envisaged in the Business Plan, with particular reference to the reduction of operating and personnel costs, enabled a significant improvement in EBITDA and the operating result.

The most significant information about production units is provided below:

Călărași:

- rolling plant with continuous 4-stand rolling mill for large sections and bars.

Târgovişte:

- electric steel plant comprising electric furnace, with 80 tonne nominal capacity, ladle furnace, VD plant and continuous casting system for billets and blooms;
- 1 continuous rolling mill for small products: rounds, rebars and reinforcing round bars for construction industries, and wire rods;
- 1 continuous rolling plant for medium products: round, flat and hexagonal products.

The main strategies envisaged by the Business Plan for Donalam concern (i) a strong focus on reducing operating expenses, also through the reduction of the workforce (ii) as regards the Târgovişte site, the enhancement and completion of investments relating to the rolling mill to increase the share of reinforced concrete rebar market in Eastern Europe and the restart of the steel plant (iii) with regard to the Călărași site, the switch of the portfolio towards the range with greater added value, also through the development of strategic partnerships with leading operators and suppliers of European semi-finished products.

The final results of Donalam in 2025 confirm the forecasts contained in the Business Plan in terms of EBITDA and profit for the year. Based on the forecasts of the Business Plan, also thanks to the actions described above, Donalam recorded further improvement in EBITDA during 2026.

6 THE SMALLER COMPANIES

Sipro Beltrame A.G. (registered office in Zurich - Switzerland)

(in thousands of Euro)	2025	2024
Current assets	4,805	9,930
Total assets	4,805	9,930
Liabilities	3,890	8,700
Shareholders' equity	915	1,230
Revenues	41,330	44,689
Net profit (loss)	186	84

The Company carries out trading activities in some Central European countries of the merchant bars produced by the Parent Company and the subsidiaries Stahl Gerlafingen A.G. and Laminés Marchands Européens S.A.S..

Laminoirs du Ruau S.A. (registered office in Mongeau sur Sambre - Belgium)

(in thousands of Euro)	2025	2024
Current assets	252	329
Total assets	505	581
Liabilities	6,526	5,443
Shareholders' equity	(6,021)	(4,862)
Net profit (loss)	(988)	(22)

The Company, wholly owned by the subsidiary LME S.A.S., owns the industrial site, where production ceased definitively in 2011. Currently, the only activities pertain to in-depth studies of the environmental issues connected with the future use of the site, to maintaining the residual assets and seeking potential buyers for the industrial site.

Ferriera Sider Scal S.r.l. in liquidation (registered office in Vicenza and site in Villadossola - Verbania Cusio-Ossola)

(in thousands of Euro)	2025	2024
Current assets	1,801	2,215
Total assets	1,801	2,215
Liabilities	5,264	5,488
Shareholders' equity	(3,463)	(3,273)
Net profit (loss)	(190)	(1,024)

The company owns a production facility in Villadossola (VB), which, in 2008, ceased definitely its production. The rolling mill was definitely dismantled and sold in 2017.

The production site, active since the end of the 19th century, was purchased by the company in October 2001. Previously, for the period that goes from March 2000 to October 2001, it was operated by another subsidiary of the Parent Company, which then was merged into this by incorporation.

Currently, the company is engaged in the management of three environmental issues.

In the first case, it is the presence of polluting materials within the production site for which, in March 2023, the approval of the additions made to the operational reclamation project was obtained. In the first few months of 2024, remediation activities were launched as per the approved project, which continued during 2025 and which we expect to be completed in the first half of 2026, also under the supervision of ARPA Piemonte, to subsequently obtain the certificate of completed reclamation and the relative total clearance of the area.

The second issue is related to areas outside the plant, in particular to the bed of a canal, which crosses the site, and to lands located downstream of the site, where contaminated materials were found. The plan for the characterisation and investigation of the soils is in progress, with delays accumulated due to the foreclosure of access to areas of third parties, recently resolved with a TAR (Regional Administrative Court) ruling. It should be noted that one of these third-party owners challenged the resolution of the services conference that approved the investigation plan whose completion times cannot be estimated at present, given the pending proceedings initiated by the third party and despite the fact that a subsequent services conference confirmed the investigation plan.

The third environmental issue concerns the contamination by PCBs found in the owned area called "Substation Ovesca", which was subject to mitigation actions through operational safety measures carried out in 2010/2011, which is still enforceable.

Within the industrial production site, the planned demolition works of most of the buildings were completed and field surveys were planned to proceed with the cadastral management of the areas.

A second demolition phase is being assessed relating to some buildings still present on the area (scrap yard, collapsed warehouses), aimed at a possible development of the area by the Parent Company.

The loss for the year 2025 mainly refers to interest expense recognised in the income statement for the year in question for the loan that the company has from the parent company.

Metal Interconnector S.c.p.A.
(registered office in Milan)

Metal Interconnector is a joint-stock Consortium Company, established by companies in the steel manufacturing segment and in other energy-intensive sectors of the Italian industry, such as the non-ferrous metallurgy, but also including companies in other segments (including wood, paper, chemistry, concrete and glass). This consortium was established in the second half of 2014. Metal Interconnector represents energy-intensive companies with a high impact of electricity consumption on their production. It includes little less than 70 per cent of companies that took part in the Terna bids, as envisaged by Art. 32 "Fostering the creation of a single energy market through the interconnector development and the involvement of energy-intensive end customers" of Italian Law no. 99 of 2009.

The consortium is intended to be an instrument to fund the electric interconnection lines between Italy and other countries, which will permit other shareholder companies involved to use the same lines, as soon as operational and in proportion to the level of investment made.

Three initiatives are currently being implemented/made operational by the investee companies:

- Interconnector Italia S.c.p.A. - The company holds 100% of the shares of Piemonte Savoia S.r.l., which has created an 'Italy-France' direct current interconnection between the Piossasco (IT) and Grande Ile (FR) nodes. The work has made the electricity frontier with France the most important for our country, increasing the cross-border interconnection capacity by 1,200 MW, of which 350 MW already available in exemption to the Selected Entities, which will increase from the current approximately 3 GW to over 4 GW. The work entered into operation in November 2022;
- Interconnector Energy Italia S.c.p.A. - The company holds all the shares of Monita Interconnector S.r.l., which has built a 500 kV direct current interconnection between the stations of Villanova (IT) and Lastva (ME) with a route, partly in submarine cable and partly in terrestrial cable, of about 445 kilometres. The first interconnection module became operational on 28 December 2019, creating an interconnection capacity of 600 MW. 200 MW, out of the 600 MW associated with the first module, were made available free of charge to the Selected Entities;
- Interconnector Energy Italia S.c.p.A. - The company holds 92.64% of the shares of RESIA Interconnector S.r.l., which has built a 150 MW direct current interconnection on the Austrian border. The work was built and entered into operation in December 2023.

The 2024 financial statements of Metal Interconnector S.c.p.A. were approved by the Shareholders' Meeting on 27 June 2025 and show a positive result of Euro 329 thousand.
The consolidated financial statements as at 31 December 2024 of Metal Interconnector S.c.p.A. show a group profit of Euro 14,506 thousand.

Consorzio Valbel
(registered office in Vicenza)

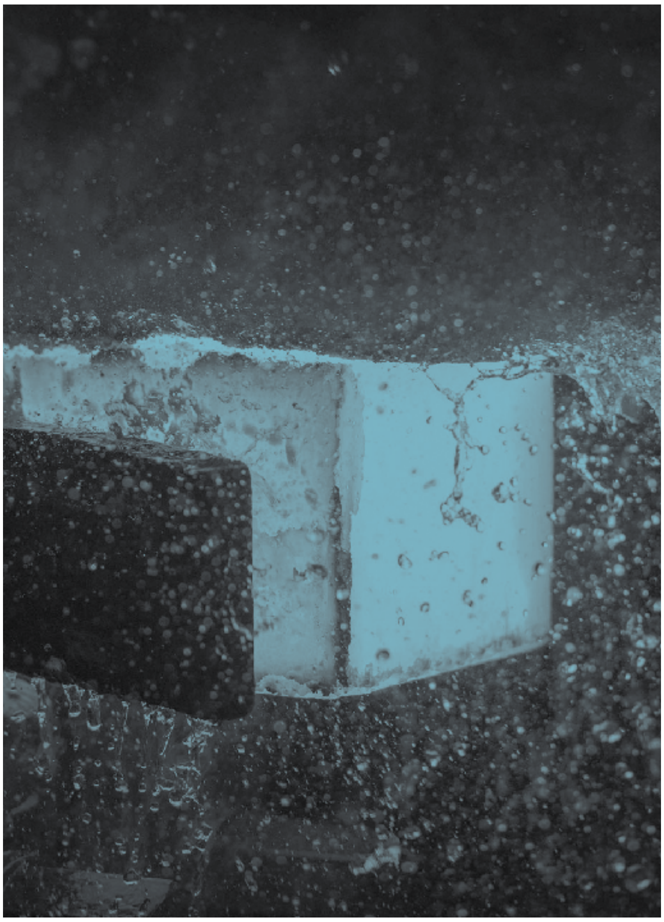
The Company's corporate purpose is a) the design, coordination, performance and organisation of the business activity of the shareholders relating to the procurement of natural gas, including through the development and management of natural gas storage infrastructures and all other goods and services necessary for the activities of the consortium members; b) services carried out in favour of the National Electricity System such as the interruption of loads.

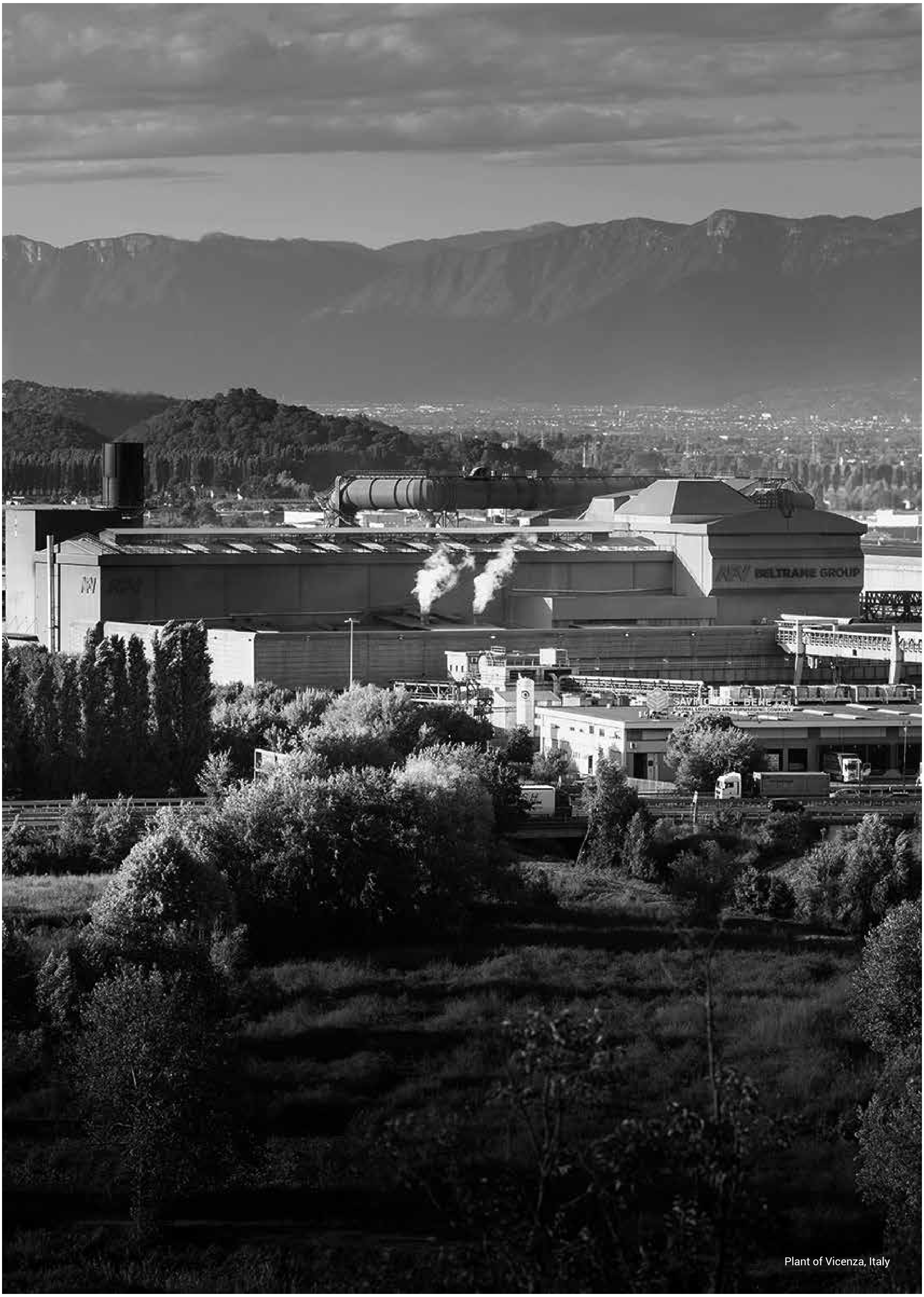
Alternative Energy Innovation S.r.l.
(registered office in San Giovanni Lupatoto - Verona)

The Company's corporate purpose is to carry out transactions relating to the energy sector. In 2022, the purchase of land and the authorizations currently held by the transferors was finalised with the aim of developing the construction of plants for the production of energy.

Renewability S.c.a.r.l.
(registered office in Monza)

The corporate purpose of the company is to aggregate the electricity consumption of the consortium members through supply contracts from owned or third-party renewable production plants. Transactions also include purchases on the wholesale spot markets or with future delivery.

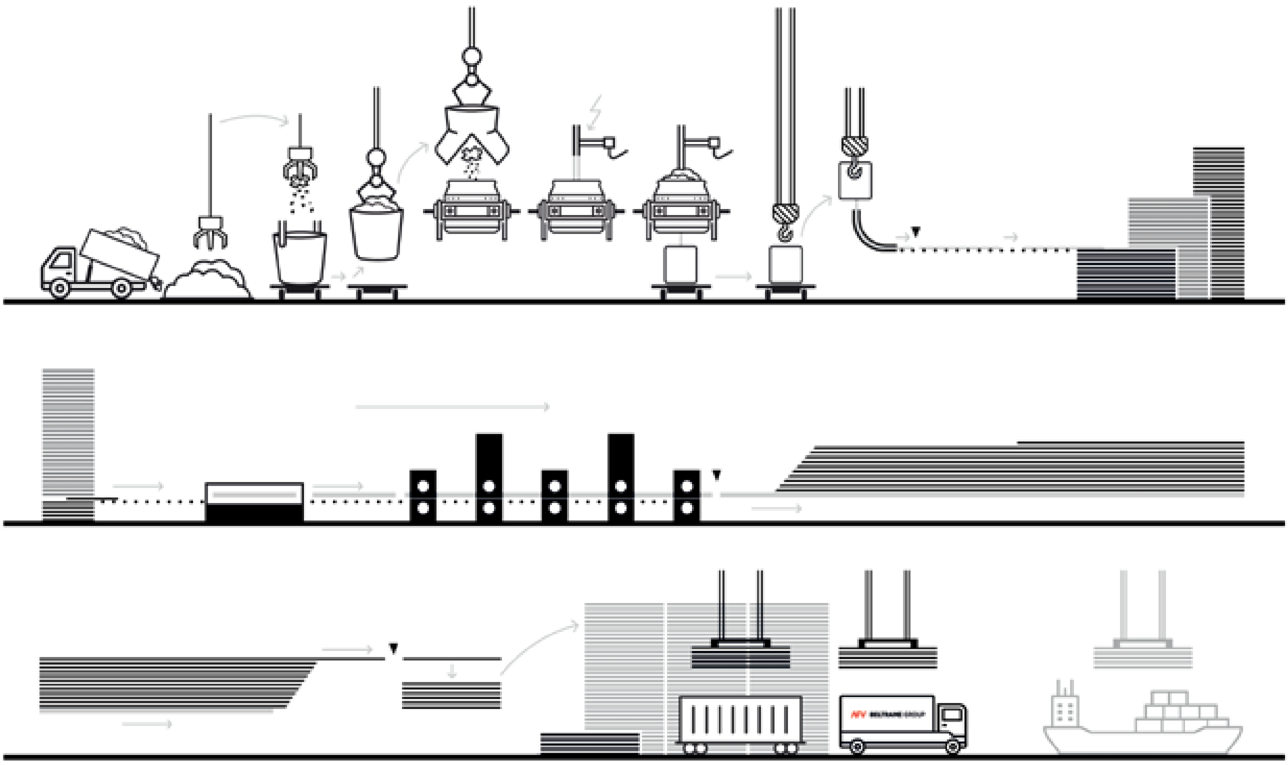




Plant of Vicenza, Italy

J. PRODUCTIONS

1 THE PRODUCTION PROCESS



The first stage of the production process entails melting the raw material consisting of scrap iron in the Electric Arc Furnace (EAF), at a temperature of approximately 1,600°C. The operation is carried out through the electric arc of the graphite electrodes inserted in the furnace. Once melting is completed and the chemical and temperature analyses are carried out, the unimproved liquid steel is drawn through an opening located in the lower part of the furnace into a container (ladle) and transferred to the ladle furnace where ferroalloys are added as necessary to obtain the desired steel quality and where the cast is purified with the removal of the extraneous elements that are typically present.

The container (ladle) containing the liquid steel is carried from the improvement furnace to the "continuous casting machine". At this point the liquid steel is moved to a container coated with refractory material (tundish) which feeds multiple solidification lines for the semi-product billet (steel parallelepipeds with square or rectangular cross section and variable length from 4 metres to 12 metres) and cut to measure by oxy-fuel cutting.

The billet still at temperature can be used immediately for the rolling process or cooled and stored.

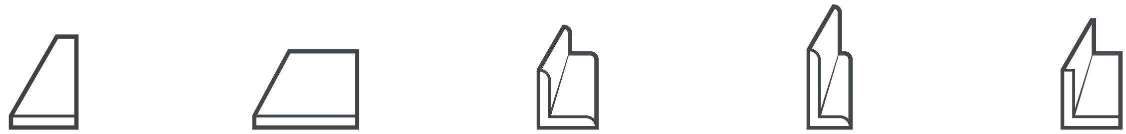
The final stage of the process, called rolling, takes place in the unit called "rolling mill", where the semi-finished product, before being worked over, is brought to a temperature of approximately 1,050 °C.

In this unit, the semi-finished product is plastically deformed in consecutive steps by making it pass through pairs of opposed rollers until obtaining the desired section and subsequently cut by a flying shear, before it enters (at approximately 950°C) the cooling plate with moving blades and lastly it is introduced into the product storage warehouse.

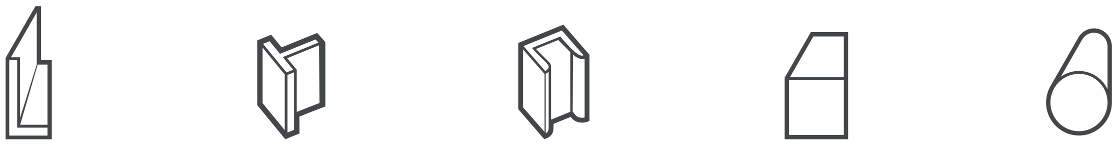
2 PRODUCTS

The following sections are manufactured at the Group's plants:

Merchant bars

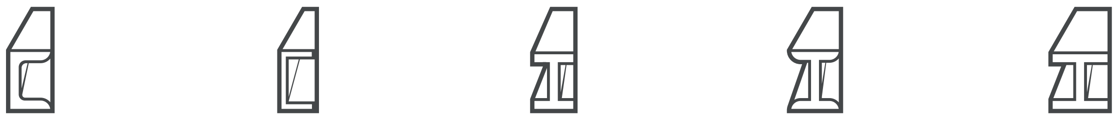


Flat bars	Universal flats	Equal angles	Unequal angles	Sharp edged equal angles



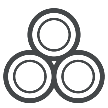
Sharp edged unequal angles	T bars	Small U-channels	Squares	Rounds

Beams



Rolled beams UPN	Rolled beams UPE/UAP	Rolled beams IPE	Rolled beams IPN	Rolled beams HE

Special steel SBQ



Special bar quality SBQ

Reinforcing steel

Reinforcing bars topar-S 500C	Reinforcing bars topar-Rc in compact rings	Wire rod	Stock meshes, connecting system, distance cones

K. EHS SYSTEM MANAGEMENT - ENVIRONMENT, HEALTH AND SAFETY

Environmental, Health and Safety management: principles, strategies and results

The Group recognises sustainable development and continuous improvement as key elements for the protection of the environment and human health, principles that represent an essential condition for guaranteeing the rights and well-being of future generations. This vision translates into a structured and systematic commitment to fully integrate environmental, health and safety issues into decision-making and management processes.

The approach adopted by the Group is based on the inclusion of the EHS principles as an integral part of the corporate governance model, ensuring that all operational activities are consistent with the values of responsibility, transparency and fairness outlined in the Code of Ethics. This integration is not only a formal requirement, but a genuine strategic approach that guides business policies, investments, risk management and organisational development.

From this perspective, sustainability is not considered an accessory element, but an enabling factor of the Group's overall performance, supporting competitiveness, industrial resilience and the creation of value in the long-term.

Governance of Environmental Management and Health and Safety

The central office in Vicenza, as headquarters, plays a strategic role in the definition, harmonisation and coordination of Group EHS strategies, ensuring the constant monitoring of the implementation of guidelines in the various plants. Within each production site, qualified staff are dedicated to the management of environmental, safety and sustainability areas, ensuring the adoption of the highest operating standards.

The Group undertakes to:

- structurally integrate environmental, health and safety issues into the company management system, promoting an organic and systemic approach;
- carry out a preventive analysis of the risks for each work activity, implementing proactive measures to prevent accidents and occupational diseases and minimise the likelihood and severity of accidents;
- ensure full compliance with current regulations and the voluntary commitments undertaken, through constant updates and a structured system for verifying compliance with the obligations;
- strengthen dialogue with all stakeholders (employees, customers, suppliers, public bodies and local communities), by promoting training and awareness-raising on EHS issues, with the aim of raising the level of awareness and a sense of shared responsibility;
- constantly monitor and improve environmental performance and residual health and safety risks, through advanced control tools and monitoring systems;
- periodically assess performance through predefined indicators, represented in the "sustainability dashboard", in line with the relevant pillars for the Group's sustainable development;
- promote the development and consolidation of the safety culture among all operators.

Strategic objectives and improvement programmes

Based on these principles, the Group has developed programmes aimed at continuously improving the effectiveness and efficiency of its processes. The strategic objectives include:

- the reduction of the risks of accidents and occupational diseases, strengthening the protection of workers and systematically promoting the development of a safety culture;
- minimising significant environmental impacts through the reduction of atmospheric emissions, the containment of waste production and the optimisation of water consumption;
- the streamlining of the production cycle, through energy saving initiatives and the use of secondary materials, thus helping reduce the use of natural resources.

The Group constantly monitors technological innovations and invests heavily in both advanced systems and in the development of internal skills, promoting a sustainability-oriented corporate culture and continuous improvement.

Certifications and reference standards

In 2025, the Group consolidated its approach to quality, health, safety, environmental and energy management, adopting recognised international standards such as ISO 9001, ISO 14001 and ISO 45001, which concern all Group plants, and ISO 50001, valid for all plants excluding Târgovişte, Călărași and Gerlafingen. Particular emphasis was placed on the company context and on the involvement of internal and external stakeholders, to ensure continuous improvement of management systems, aligning with best practices in the environmental, energy and safety fields.

Analysis of the context and management of risks and opportunities

As part of the systemic approach to corporate management, the Group periodically carries out an in-depth analysis of the operating context, assessing both internal and external factors that may influence the achievement of the set objectives. The following were considered, among others:

- the impacts, current or potential, positive or negative, that the activities carried out by the Group, along its value chain, may generate externally from an "inside-out" perspective;
- market performance and the local and global economic context;

- the influence of geopolitical, financial and macroeconomic factors;
- the role of corporate reputation and the perception of stakeholders.

The risk analysis conducted in this way leads to the implementation and updating of targeted strategies to mitigate threats and enhance opportunities, through specific projects that optimize the resilience of the company management system.

Results obtained in 2025

In 2025, the Group significantly consolidated its path towards an industrial model attentive to sustainability issues, resilient and fully compliant with the highest EHS standards. The results achieved demonstrate concrete progress along all the main environmental, health and safety guidelines, further strengthening the Group's ability to integrate sustainability into operational and strategic management.

An initial significant area of progress concerns the structural strengthening of prevention and protection policies in the workplace. The adoption of an approach increasingly geared towards cultural and behavioural development has made it possible to raise the levels of risk awareness, promoting safe behaviour and the dissemination of a culture of safety fully rooted in all company functions. This cultural change is now one of the cornerstones of the Group's EHS strategy.

At the same time, the Group has further consolidated a waste management system based on the enhancement and recovery of materials, in line with the principles of the circular economy. The increase in recovery percentages led to a significant reduction in the use of virgin raw materials, with benefits both on the environmental front and on the overall efficiency of production processes.

Another strategic area is the sustainable management of water resources, enhanced through initiatives aimed at reducing consumption, rationalising water systems and developing technologies for the reuse of secondary flows. These projects have enhanced the resilience of production sites to climate change, at the same time reducing the pressure on natural resources.

In parallel, 2025 saw significant progress in energy efficiency strategies, supported by increasingly advanced monitoring systems, high-efficiency technological projects and stricter control of energy carriers. This made it possible to maintain optimal energy performance, making a concrete contribution to reducing emissions and achieving the decarbonisation targets set by the Group.

Overall, these results confirm the Group's ability to evolve towards a high value-added operating model, capable of combining industrial competitiveness and environmental responsibility, and of structurally integrating the EHS and sustainability principles into its long-term strategy.

Renewability photovoltaic plant, Abruzzo, Italy

1 ENVIRONMENTAL MANAGEMENT

The steel industry represents a fundamental pillar for economic development, but it is also one of the industrial activities with the greatest environmental impact. The intensive consumption of natural resources, high levels of atmospheric emissions and the generation of large quantities of waste require targeted strategies to mitigate their impact. To meet these challenges, the Group has embarked on a path of transition towards sustainable production models, implementing advanced technological solutions and adopting circular economy principles.

This chapter focuses on the main environmental issues subject to attention by the Group: management of water resources, energy efficiency, waste management, reduction of atmospheric emissions and management of radiometry.

1.1 Water resource sustainable management

Water management is one of the most delicate challenges for the steel industry, as the resource is used in the cooling processes of the plants.
In the Group, all plants have adopted a set of structural measures to reduce consumption, increase recirculation and also improve resilience to extreme weather events.

Optimisation of internal water systems

In the Vicenza and Trith plants, a complete overhaul of the cooling systems and water distribution networks was carried out, with the introduction of some dedicated flow metres for precise diagnostics, works on the evaporation towers to improve energy and water efficiency and strategies for reducing widespread losses.

Rainwater as a resource

The Group's Italian plants have taken a significant step towards reducing water consumption by installing a system for collecting and treating rainwater, supported by a physical-chemical treatment plant for the collected rainwater. This now allows part of this water to be fed into the process circuits, thereby reducing the amount of water drawn from wells and the volume discharged into the sewerage system.

The Trith plant has completed the installation of a rainwater collection basin at the steel plant site and will conduct tests for its possible reuse in 2026. It has also achieved a significant reduction in drinking water consumption, thanks to careful checks on pipes to prevent water leaks.

In 2025, the Gerlafingen plant completed the preliminary study phase and the drafting of the technical project for the separation of wastewater, in collaboration with the Environment Agency of the Canton of Solothurn, in which the main engineering, operational and economic solutions were defined. It is estimated that the project will enable a significant reduction in the volumes sent for external purification, contributing to a structural improvement in operating costs and regulatory compliance.

1.2 Energy efficiency and use of renewable energies

With regard to energy consumption, also in 2025, the Group continued to adopt an approach consistent with its policies for reducing specific consumption, confirming the implementation of efficiency projects and the consolidation of best practices in production processes. All plants are equipped with monitoring systems that make it possible to assess plants' energy performance in real time.

During the reporting period, the energy performance indicators showed generally positive results, with several plants recording considerable improvements in their performance, in particular the Trith and Gerlafingen sites. For the Vicenza plant, there was a slight increase in energy consumption, mainly due to the start-up phase and the gradual commissioning of the new continuous slab casting machine. In any case, the Group is continuously raising awareness and involving operators on energy efficiency issues, in line with the requirements of the ISO 50001 standard, adopted in the Group's plants in Italy and France.

In continuity with what has already been described in previous years, the Group continues to consolidate its energy efficiency initiatives and optimise production processes. This includes the commissioning of the reheating furnaces in the Trith, Gerlafingen and Călăraşi plants and the adoption of advanced technological solutions, such as the new burners for heating and drying the ladles at the steel mill in Gerlafingen and the increase in the efficiency of the EAF furnace in the Trith plant, which contributed to a significant reduction in natural gas consumption in the process concerned.

The Group continues to commit efforts to increasing the share of energy procured from renewable sources intended for self-consumption, also through proprietary plants. During the reference period, this initiative focused mainly on optimising the investments already made in previous years: 2025 was the first calendar year of full operation and production for the Renewability photovoltaic plants. In addition, during the year, the third rooftop photovoltaic system was put into operation at the Gerlafingen plant; with an installed capacity of 2 MW, the plant became operational in July and is entirely dedicated to meeting the energy needs of the production site.

With regard to hydroelectric energy, in line with the strategy of consolidating energy supply from renewable sources, the Group continues to manage the 12 hydroelectric plants distributed over 10 sites between Piedmont and Veneto. The plants, divided into reservoir and flow plants, maintained high levels of efficiency and availability, thanks to careful planning of routine and scheduled maintenance. In 2025, hydroelectric production levels, after the exceptional previous year, stood at values closer to the historical average.

1.3 Waste management and valorisation of by-products

One of the areas the Group focussed heavily on in 2025 was the recovery of secondary flows of material deriving from industrial processes. All the companies have worked together towards a production model that is as circular as possible, in which most process residues are recovered, regenerated or converted into resources, achieving a recovery rate of over 92% of the total input.

Enhancement of black slag

The management of black slag, a material typically produced by the EAF process, is now organised as a fully-fledged internal workflow. After melting, the slag is subjected to controlled cooling and subsequently to an industrial process consisting of crushing, screening, magnetic separation and granulometric classification.
This process makes it possible to obtain a certified industrial aggregate (commercially known as Beltreco for AFV and Ruvido for Stahl Gerlafingen), stable and suitable for multiple uses.

The applications implemented in 2025 include:

- drainage works for biogas treatment and production plants;
- industrial and infrastructural building sub-bases;
- components for flooring in production contexts.

The increasing use of this aggregate makes it possible to replace natural materials, reducing quarrying and contributing to a significant reduction in the environmental footprint of the building cycle.

Recovery of white slag

The white slag, residual of the ladle refining phase, is historically complex to manage due to its chemical nature. In 2025, thanks to the commissioning of the dedicated system, at the Vicenza plant, it was possible to transform it in a stable manner from waste to internal by-product. The material, which has been suitably processed through crushing and metal separation, is reintroduced into the production cycle as a secondary component, thereby reducing both external waste disposal and the need for virgin raw materials.

At the Trith plant, the material was sent to cement production plants, partially replacing clinker, having also kept inventories under control, despite the slowdown in the construction market.

LME also actively participates in the funded European projects "Slag2Build" and "CrossCut", to support the transformation of white slag into building materials and the reduction of the use of coal in production processes, with the help of alternative secondary materials, which will be tested during the financed project.

Regeneration of refractories

A further significant project concerns the recovery of magnesian-based refractories, used in furnaces and ladles. The process adopted involves the selective demolition, the separation of the different components and the regeneration of the recovered material in a suitable form for new applications, including for internal use.

This has led to multiple benefits, including a decrease in industrial waste transferred, with economic and logistical savings.

1.4 Reduction of atmospheric emissions

The fume treatment plants of the factories are subject to continuous maintenance, with the replacement of the filter bags, including preventively, depending on the responses to the ongoing monitoring in place.

Similarly, the systems for the injection of activated carbon into the fumes are kept efficient, to guarantee compliance with the limit values set by the specific authorisations.

Pontetto Hydroelectric Power Station, Montecrestese, Italy

1.5 Management of radiometric aspects: strategies, monitoring and future developments

The control and management of radioactive risk issues are essential to protect personal and environmental safety and ensure full compliance with current regulations. With this in mind, the Group has developed a highly structured radiological prevention system, based on continuous and multi-level monitoring that accompanies the entire process of handling and use of scrap and the phases following the melting of scrap.

Phases of radiometric monitoring of scrap

This approach makes provision for constant checks in the various phases of the production chain - from preliminary checks at suppliers, to automatic monitoring at the entrance to the plants, to close controls in the unloading areas and final checks before loading in the furnace - ensuring maximum timeliness in the detection of any anomalies. The phases subsequent to the actual melting process are also constantly monitored, through tests on the metal specimens of each casting and environmental monitoring on the furnace plancher and on the conveyor belts of the fumes abatement.

This integrated model makes it possible to prevent any risk of radiological contamination and to keep plants and operations in line with the highest international radiation protection standards.

During the 2025 financial year, in particular, the Group continued and strengthened the activities dedicated to the radiometric monitoring of metal scrap, which constitute an essential control to prevent the entry of discarded radioactive sources or contaminated materials in the steel transformation phases, guaranteeing at the same time, the protection of workers, the environment and plants.

The control system implemented is divided into a multi-level process that covers the entire scrap management chain, from the procurement phase to the loading of materials into the furnace.

The first line of verification is represented by the radiometric checks carried out directly by the suppliers before the loads leave the warehouses. The Scrap Procurement Office periodically carries out sample checks at suppliers to confirm compliance with regulatory and contractual obligations.

A second phase of control is guaranteed by the radiometric portals installed at the entrance of all the Group's plants, whose full functionality is constantly monitored.

For the internal transfers of scrap (from the Group's Italian plants to Vicenza), a third control phase is in place, carried out through the passage of vehicles through the exit portals of the plants. A similar system is in operation at the Birsfelden scrap yard, managed by Ultrabrag for the service at the Gerlafingen site, for which an audit of the control procedures was conducted in 2024, successfully passed.

In addition to the automatic monitoring, a fourth line of control is carried out by the classification staff, in charge of carrying out close measurements of the scrap in the unloading bays using portable monitors. This system makes it possible to identify any anomalies and promptly activate the search procedures through qualified personnel.

Lastly, the safety system was further enhanced with the installation - completed and tested in the Vicenza, Trith and Gerlafingen plants - of radiometric control equipment positioned near the passage of the charging baskets intended for the furnace. This additional preventive barrier makes it possible to identify possible anomalous sources immediately before entering the melting phase, thus guaranteeing the highest level of operational and plant safety.

1.6 Sustainability dashboards

To fully integrate sustainability into strategic decisions and operating activities, the Group has established a dedicated organization structured across two decision-making and operational levels:

Group Sustainability Steering Committee, a strategic committee responsible for developing the corporate sustainability strategy, defining priority areas and supporting improvement projects and initiatives.

Country Sustainability Operational Committee, present in each country, coordinated by Country Sustainability Managers with the support of the Country Manager, aimed at:

- ensuring the integration of the sustainability strategy into operating processes;
- monitor the progress of KPIs;
- assessing the performance of the projects;
- identifying new opportunities and initiatives;
- supervising the search for grants and loans.

As part of its sustainability-oriented corporate strategy, the Group, through the structure described, has identified five key areas (pillars) on which to focus its efforts to ensure an increasingly responsible and environmentally friendly production model. These pillars represent the founding elements of the Group's sustainability policy and set measurable targets for reducing environmental impact and improving safety and operational efficiency.

The five pillars of sustainability identified are:

1. decrease in the index of accidents at work and days lost;
2. reduction of electricity and natural gas consumption and greater use of energy from renewable or non-fossil sources;
3. reduction of industrial water consumption;
4. reduction of the organisation's carbon footprint (on scopes 1 and 2);
5. optimal waste management, favouring waste recycling and recovery.

01 Decrease in the index of accidents at work and days lost

02 Reduction of electricity and natural gas consumption and greater use of energy from renewable or non-fossil sources

03 Reduction of industrial water consumption

04 Reduction of the organisation's carbon footprint (on scopes 1 and 2)

05 Optimal waste management, favouring waste recycling and recovery

1. Workplace safety - Reduction in the accident rate with lost working days

The Group adopts a proactive approach to protect the health and safety of workers, through concrete initiatives aimed at reducing accidents and occupational diseases. The SHARP ("Safety, Health and Risk Prevention") program promotes a corporate culture based on prevention and awareness, increasing training, communication and discussion between the different organizational levels. The goal is to ensure a safe working environment, with increasingly high standards in terms of employee protection and well-being.

2. Energy Efficiency - Use of renewable or non-fossil sources

Energy efficiency is a strategic pillar for the Group, which has constantly invested in advanced technologies to optimize consumption and reduce production costs. The main initiatives undertaken include:

- modernization of gas heating furnaces to enhance energy performance;
- implementation of heat recovery systems to reduce thermal waste and maximize process efficiency;
- adoption of digital control systems for real time monitoring of energy consumption and optimization of industrial operations.

3. Water resource sustainable management and reduction of consumption

Reducing the use of water in production processes is a priority for the Group, which has implemented advanced solutions to improve water efficiency, including:

- optimization of cooling systems to minimize industrial water consumption;
- improvement of rainwater collection and treatment systems for their reuse within the production cycle;
- adoption of innovative technologies for the treatment and recycling of water, reducing the withdrawal from natural sources.

4. Reduction of CO_2 emissions

The Group has adopted an ambitious decarbonisation plan with a 2030 horizon, aiming to reduce Scope 1 and Scope 2 CO_2 emissions by 40% compared to 2015 levels. Key actions to achieve this goal include:

- optimization of production processes to reduce energy consumption and improve efficiency;
- development of sustainable energy supply strategies, with an increase in the use of renewable sources;
- introduction of innovative technologies to reduce direct and indirect emissions.

5. Circular Economy and Waste Management

The Group promotes a circular approach to the management of waste materials, with the aim of maximizing the recovery and reuse of resources within the production process. In particular, the focus is on:

- improving the quality of scrap and secondary raw materials to increase the recycling rate;
- implementing strategies for the reuse of production waste, reducing the need for disposal;
- achieving a waste recovery rate of more than 92 per cent, as already achieved in 2024.

The sustainability indicators are monitored monthly in all Group plants and aggregated in a "Sustainability Dashboard", which allows dynamic management of activities and related projects. This dashboard is regularly presented and discussed in management meetings and operational committees, fostering greater awareness of management on sustainable efforts and ensuring the involvement of both managers and operational staff in achieving common goals.

Thanks to this structure, the Group can constantly monitor progress with respect to the sustainability strategy, assessing positive and negative impacts through defined KPIs. The approach adopted is bottom-up: the Country Sustainability Managers monitor the KPIs at local level and report to the respective Country Sustainability Committees. These, in turn, transmit the information at Group level through the Group Sustainability Manager or the Group Decarbonisation Manager. Lastly, the Sustainability Steering Committee receives and analyses these data during periodic meetings, then reporting them to the highest corporate governance body.

Some of these indicators are also analysed by credit institutions, as a contribution to the definition of the conditions of access to credit of the Group.

1.7 Environmental authorisations

The Group remains strongly committed to environmental sustainability and complies with the latest European regulations. In particular, the plants operate in line with Directive (EU) 2024/1785, which amended the previous Directive 2010/75/EU on industrial emissions (IED). This new directive aims to strengthen the integrated prevention and reduction of pollution from industrial activities, extending its scope and introducing more stringent requirements to ensure a high level of protection of human health and the environment.

In Switzerland, environmental permits are issued by Amt für Umwelt (AFU), the responsible body at national level. The plants located in Italy, France and Romania also operate within the framework of the IED Directive and are subject to regular checks by the relevant bodies.

During 2025, inspections conducted by these agencies confirmed compliance with current regulations.

Directive (EU) 2024/1785, which entered into force on 4 August 2024, makes significant changes to the previous Directive 2010/75/EU on industrial emissions (IED), with particular attention to the application of Best Available Techniques (BAT) in the ferrous metalworking and iron and steel production sectors.

The updated directive reinforces the importance of adopting Best Available Techniques (BAT) to improve the environmental performance of plants. In particular, for ferrous metal processing plants and iron and steel production plants, the directive emphasizes the implementation of advanced techniques to reduce emissions and optimize resource efficiency. This includes the adoption of innovative and sustainable technologies that contribute to decarbonisation and the circular economy.

According to Directive (EU) 2024/1785, integrated environmental permits (IPPC) must be periodically reviewed to ensure alignment with the most recent BAT conclusions, as outlined in the reference documents (BREF). In particular, the directive establishes that competent authorities must update the authorisation conditions within four years from the publication of new conclusions on the relevant BATs. This process ensures that plants operate in accordance with the most advanced techniques available, promoting a continuous reduction in environmental impact.

In compliance with these provisions, the Group has initiated a process to assess and adapt its facilities, to verify that all operations are in line with the new BAT and the requirements of Directive (EU) 2024/1785.

With reference to the BAT for rolling plants, as part of the document concerning the ferrous metal processing industry (FMP - Ferrous Metal Processing BREF), the assessment of the compliance of the Group's facilities with these BATs led to the confirmation of the adequacy of the techniques used. This process, which will be completed within the current year, underlines the Group's constant commitment to aligning itself with the most advanced environmental practices.

The Călărași and Târgoviște plants have recently renewed the IPPC authorisation in compliance with this BREF.

Plant of Vicenza, Italy

Plant of Gerlafingen, Switzerland

1.8 Allocation of CO_2 quotas

The balance of the CO_2 quotas allocated, returned or purchased on the market, concerning the European ETS - Emission Trading System, relating to the Group's Italian, French and Romanian facilities is shown in the following table.

	2023			2024			2025		
	AFV	LME	DON*	AFV	LME	DON*	AFV	LME	DON*
Allocations	97,892	58,159	12,796	98,565	59,022	12,796	76,956	58,159	12,796
Purchase of quotas	0	0	0	0	0	0	0	0	0
Sale of quotas	0	0	0	122,000	50,000	0	0	0	0
Emissions	116,824	72,416	16,553	121,429	68,386	11,754	129,771	75,456	13,570

Note:
(*) The value does not consider the contribution of the Târgovişte plant.

It is noted that pursuant to the MiFID2 directive, the CO_2 emission allowances (EUAs) were considered as equivalent to a financial instrument.

The Gerlafingen plant does not come within the scope of the ETS (Emission Trading System) and is subject to the obligations prescribed by Swiss Law no. 641.71 "Federal law on the reduction of CO_2 emissions". Estimated emissions in 2025 amounted to 71,372 tonnes. In 2025, no sales of CO_2 (CHU) quotas were made.

The European Commission published Directive (EU) 2023/959 on the establishment and operation of a market stabilising reserve for the trading of issue allowances and amended Regulation (EU) 2019/331, which provides for changes to the bonus issue, through some mechanisms, such as a review of the benchmarks for certain production plants and the introduction of conditions for allocation, relating to compliance with the recommendations set out in the energy audit and the drafting of a climate neutrality plan for the most emission-intensive plants. The final annual volume of the allowances allocated free of charge must be reduced by 20% if the operator is not able to demonstrate that all the recommendations on energy efficiency have been implemented (pursuant to Article 8, Directive 2012/27/EU), i.e. when emissions exceed 80% of the issue levels for the relevant product metrics in the years 2016 and 2017 (unless a specific climate neutrality plan is submitted).

During 2025, the analysis of the impact of this legislation on Group companies was again carried out, confirming the absence of negative conditions and the favourable new approach towards steel plants, for which the fuel/electricity interchangeability criterion has been eliminated, with forecasts of higher free allocations.

	2026			2027			2028			2029			2030		
	AFV	LME	DON*	AFV	LME	DON*	AFV	LME	DON*	AFV	LME	DON*	AFV	LME	DON*
Allocations	154,296	83,132	8,139	150,341	81,000	7,931	142,426	76,739	7,515	122,645	66,082	6,474	81,499	43,917	4,303

Note:
(*) The value does not consider the contribution of the Târgovişte plant.


Plant of Vicenza, Italy

2 SAFETY AND HEALTH MANAGEMENT IN WORKPLACES

Activities relating to the protection of health and safety in the workplace are among the main priorities of the Group. The commitment and worker information, instruction and training, the evolution of plant and work environments, the constant improvement of the company's Health and Safety Management have been used to achieve their maximum optimisation. Activities regarding the protection of occupational health and safety continued throughout 2025, with increasing emphasis on activities that promote the development of a culture of safety and situational awareness.

2.1 Injuries and occupational diseases

The data relating to accidents in 2025 include the Hydroelectric Power Plants, located both in Piedmont and Veneto, acquired by the AFV Italia group at the beginning of 2025. The plants closed 2025 with zero injuries.

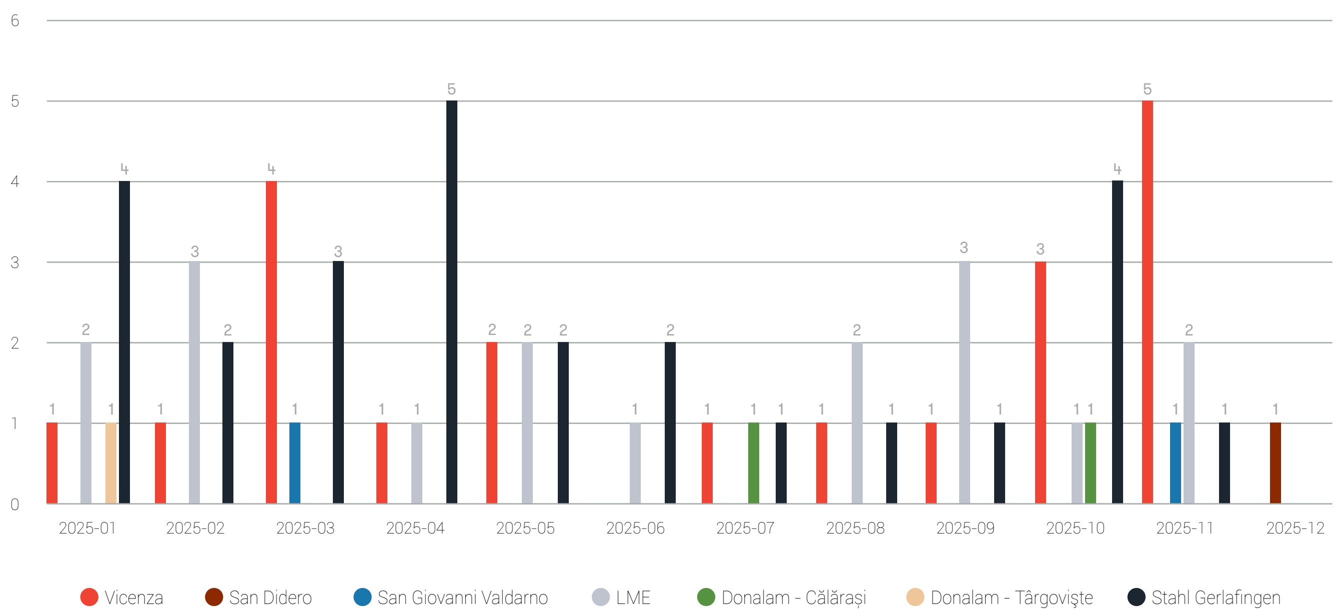
With regard to injuries, we point out that the Group recorded progressive improvement in terms of injuries in recent years, in terms of the frequency index (LTIFR), even though 2024 saw an increase.

LTIFR is the parameter that includes all accidents that have resulted in absence from the workplace of at least one day.

In 2025, 69 injuries were recorded, compared to 105 in the previous year.

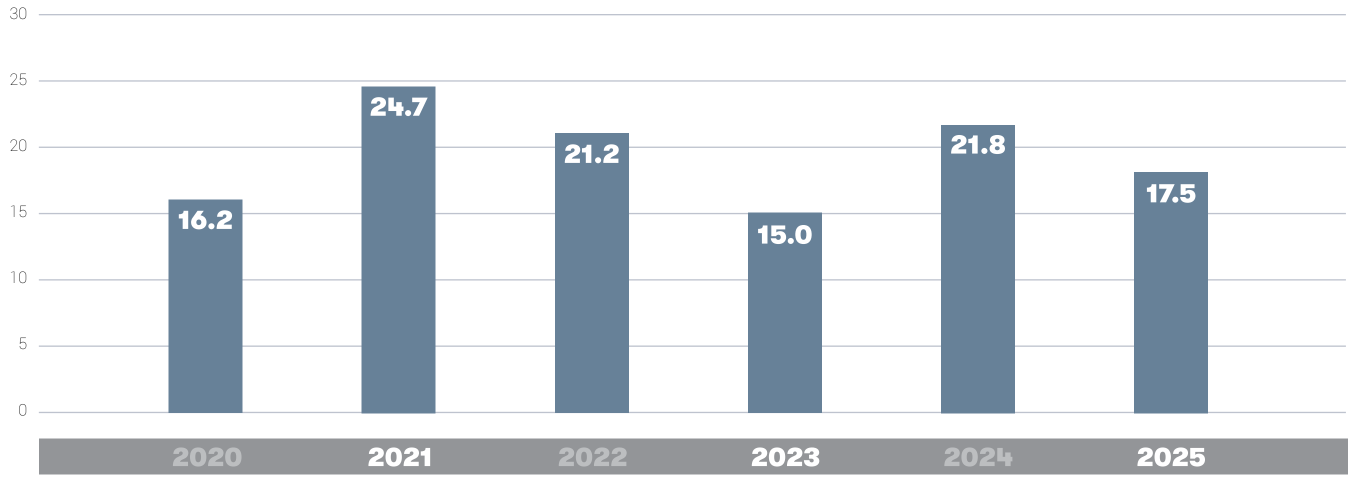

Workers at the plant of Gerlafingen, Switzerland

Number of LTIs



The frequency index at Group level was 17.5, compared to 21.8 in the previous year.

Frequency index trend (LTIFR)



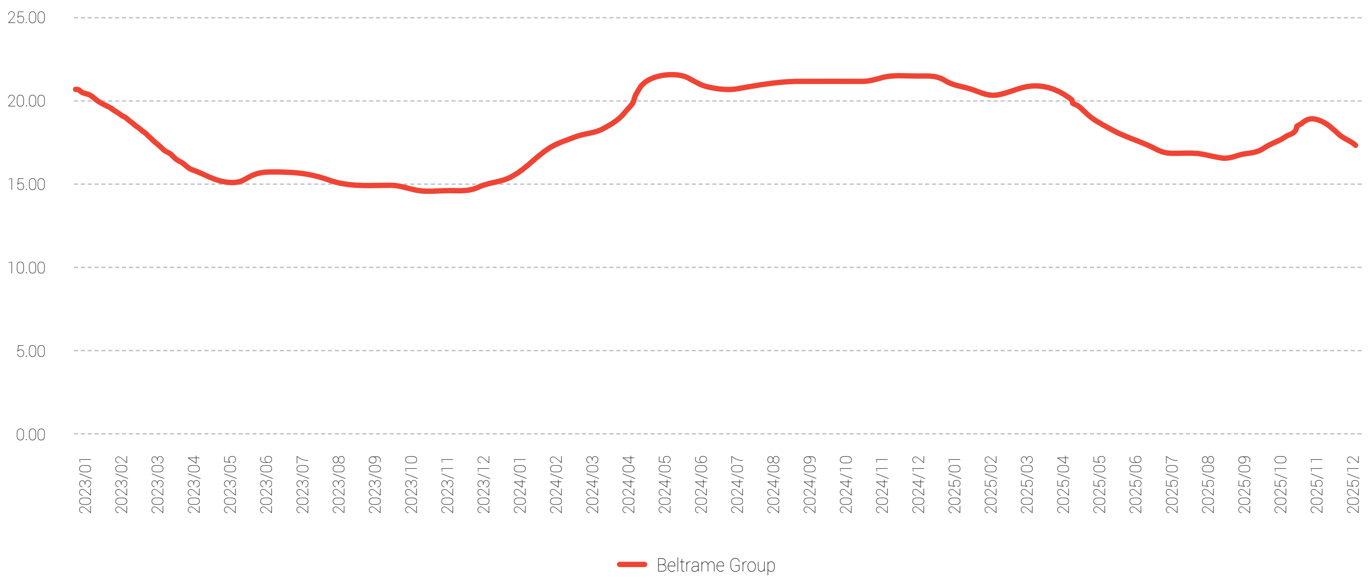
When comparing the years 2025 and 2024, we notice a counter-trend from an injury severity point of view of, i.e. an increase in this value compared to 2024.

- The number of injuries with a prognosis of more than 30 days stands at the absolute values of 2024, although it has increased in percentage terms.
  - 2024: 105 LTI, of which 18 > 30 days, corresponding to 17% of the Total LTI for the year.
  - 2025: 69 LTI, of which 19 > 30 days, corresponding to 28% of the Total LTI for the year.
- The average number of days lost due to injuries in 2025 doubled, while the average relating to injuries involving over 30 days of absence rose by 78%.

The above situation is due to injuries with a prognosis of more than 180 days; while in 2024 no injury exceeded the 180-day prognosis, in 2025 there were 4:

- two were caused by tripping, resulting in a fall from a height of less than 50 cm, leading to a fracture of the ankle or knee;
- one is due to contact by projection of molten steel from a welding operation, resulting in burns;
- one relates to entanglement in rotating mechanical parts resulting in a serious injury to 2 fingers of one hand.

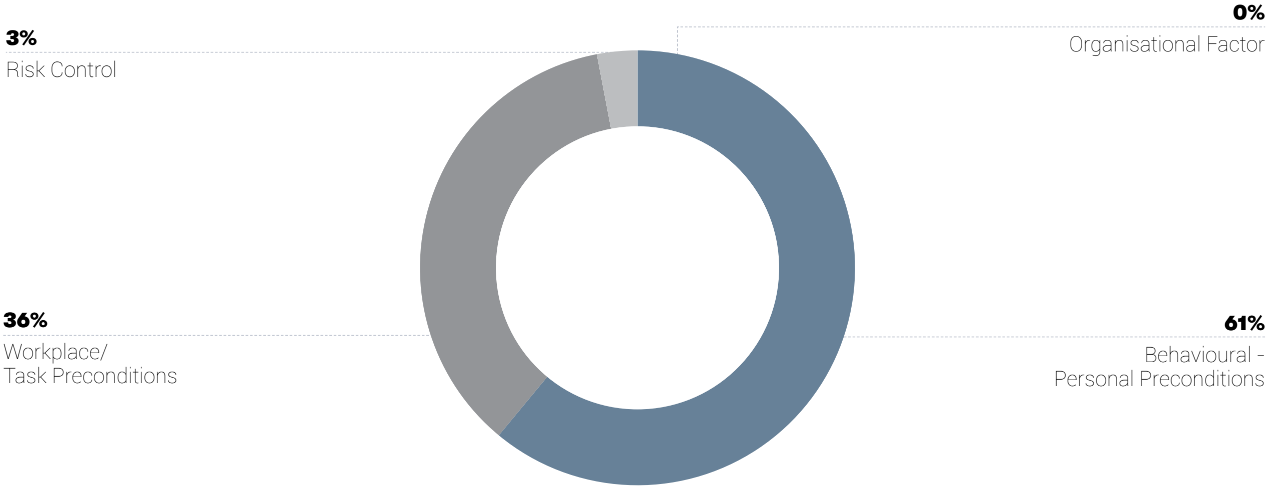
LTIFR - Rolling 12M/1Y



The analysis of the causes of injuries (LTI) shows that the main causes are:

- behavioural or personal pre-existing conditions accounted for 61% of the cases (down compared to 2024);
- pre-existing conditions of the work environment or job in 25% of cases (stable value);
- risk control factors in 3% of cases (down compared to 2024);
- organisational gaps not present in 2025 (down compared to 2024).

Primary cause of accidents



The main types of injuries that occurred in 2025 were related to contusions, crushing injuries (up compared to 2024), sprains and burns (up compared to 2024), due to collisions/impacts, falls (many on flat ground) which involved the upper and lower limbs accounted for approximately 67% of all accidents, equally distributed.

All the events were analysed and discussed also with the injured party on their return to work, with the aim of identifying the causes, implementing remedial actions and increasing awareness of a safe approach to the various work phases. These meetings are attended by the DDL (Delegated Employer), a representative of the Management, the direct managers of the department to which the injured party belongs and a legal representation of the RLS (Workforce Safety Representatives). This last aspect is significant since about 75% of the accidents occurred during routine activities (up significantly compared to 60% in 2024).

2.2 Main interventions

2025 saw a consolidation of some activities related to the Crash Program, introduced in May 2024, given the anomalous trend in the first months of the year. In October 2025, the Călărași plant in Romania entered a Crash Program light, following an accident.

Some initiatives, resumed in the Crash Program, are inspired by the activities present in the SHARP project, launched in 2022, with the aim of increasing safety awareness and culture at all levels, favouring communication and sharing of different safety aspects.

Ad hoc meetings were held by the Group's H&S Department with the management of each plant, to understand the perceived level of safety in the area of relevance.

The feedback allowed the identification of targeted actions aimed at reversing the negative accident trend.

The Crash Program activities consolidated and maintained during 2025 were as follows:

1. execution of focus on safety or short "safety pills" or training breaks in the departments during work shifts delivered by managers/supervisors, dealing with specific topics or contingent issues in relation to a safe approach to department activities;

Crash Program focus: the Safety Pills have been increased in quantity (from 30/month/plant to 1/day/team). Emphasis was given to reports of events (both accidents and near misses) and discussion on dynamics and solvability.

2. organisation of safety meetings in production departments, involving EHS with shift managers and department managers, for a periodic examination of accidents that have occurred and their causes, near-misses, reports received on dangerous situations or behaviours;

Crash Program focus: the organizational approach of these meetings was changed: if at the beginning these meetings were managed by the H&S function, the baton was passed to the department managers. This involvement has led to greater awareness and synergy in dealing with the various topics presented and discussed.

3. preparation of an accurate and timely analysis of accidents and near-misses with the functions concerned, identifying the root causes of the event by means of specific methodologies (RCA). Approach to any cause identified with radical and targeted action, without neglecting any element that may have contributed to the event;

Crash Program focus: the method for carrying out the RCA has been standardized, highlighting not only behavioural, technical or organizational causes, but also pre-existing conditions relevant to the characterization of the RCA.

4. dissemination of communications and brochures on significant events, i.e. accidents but also near misses, sharing causes and possible common actions between Group sites;

Crash Program focus: on significant events, the Group H&S Department has established the Good Practice to carry out dedicated calls within 48 hours after the event. Invitations are extended not only to the H&S representatives of the various sites but also to members of the organisation (e.g., Department Managers, Maintenance Manager, ...) which can make a significant contribution to both the analysis of the event and the benchmarking of Best Practices.

5. planning of periodic interactive visits to the production departments by corporate management with EHS representatives, to make it clear that the priority on safety belongs to all hierarchical levels and organisational functions (VFL: Visible Felt Leadership);

6. resumption and strengthening of interactive visits (SWAT) through an observational approach and the direct involvement of the operators met;

2025 saw the French plant as Best in Class, having optimised the VFL with Gemba aimed at discussing proposals with employees and supervisors involved in significant events in the current or previous month. In this way, employees realise that the Top management is not only aware of what is happening in the plant, but takes direct action so that nothing is overlooked, ensuring that it does not happen again or that the outcome is at least reduced to an acceptable residual risk. This modus operandi will be replicated in all the other plants of the group during 2026.

7. assessment and taking charge of the reports that come from workers with resolution plans and feedback to the reporters;
8. dissemination of safety slogans, by installing panels containing safety messages in work areas;

9. periodic review of work procedures with respect to technical-organisational changes and correct application in the field;
10. definition of a medium-term training programme on behavioural safety and awareness-raising according to international standards.

Crash Program focus: a project was launched in the Italian plants that follows the principles of Mindfulness and Brainfulness, mainly aimed at Supervisors and which aims to increase situational awareness, based on cognitive biases.

2.3 Application of Group standards

In 2025, the monitoring programme for the application of the centrally defined standards on specific safety issues continued in all Group factories.

Among ten standards defined, applied and monitored, 2025 focused on points 1-4-5, reported below:

1. H&S Reporting and Investigation and Environmental reporting (management of reports relating to incidents and accidents and reports relating to the monitoring of environmental parameters);
2. Mobile Equipment (mobile vehicles and risk of pedestrian/vehicle interference);
3. Work at height;
4. Housekeeping and 5s implementation (order/organisation and cleaning in the workplace);
5. Contractor Safety Management (safe management of contractors);
6. EHS Audit - EHS Scorecard (audit of the different companies);
7. Energy Isolation and LO.TO.TO. (isolation of energy sources before maintenance operations);
8. Liquid steel (risk management related to liquid steel and slag in all phases of handling and transport);
9. SWAT programme (behavioural audit);
10. JSA - Job Safety Analysis (risk assessment analysis of non-routine operations).

Meetings were held dedicated to the definition of specific improvement plans for each site (with specific focus on EHS issues) with the involvement of local committees and the supervision and coordination of Group management.

Worker at the plant of Vicenza, Italy

2.4 Health, safety and environment investments

The main investment projects for the management of the environment, health and safety concerned and continue to concern:

- improvement of plants and machine tools safety (MASAI - Machine Safety Improvement Project);
- general arrangement of accesses to work areas, parking areas for operating personnel and changing rooms;
- development of crane management/manoeuvring systems (e.g. LME and VIC scrap yard; LME casting cranes);
- optimisation of under-hook lifting equipment;
- progress of the programme to upgrade the radiometric monitoring equipment at all sites;
- rationalisation of internal traffic plans to reduce vehicle-pedestrian interference and refurbishment of roadways both inside and outside the plants;
- upgrading of electrical equipment, following an update of the risk assessment;
- installation of redundant protections on machinery.

3 THE QHSEE INTEGRATED MANAGEMENT SYSTEM

To guarantee the principles of the code of ethics and of the quality, health and safety, and environment policies (QHSEE), the Group has adopted an Integrated Management System.

The purpose of this system is to facilitate the process for the identification, registration and measurement of QHSEE results, in order to drive the continuous improvement process. The attainment of third-party certification is the logical step to implement a management system. The target is to obtain a credited and independent acknowledgement of the Group's commitment.

Regulations adopted at Group level:

- ISO 9001:2015 - Quality management systems;
- ISO 14001:2015 - Environmental management systems - Requirements and user guide;
- ISO 45001:2018 - Occupational health and safety management systems - Requirements;
- ISO 50001:2018 - Energy management systems - Requirements with guidance for use.

The obtaining of certifications has allowed the evolution of performance, thus facilitating the measurement of the same and ensuring the control of corporate processes.

The table below shows the situation of the certifications obtained by the Group's plants as at the ending date of the 2025 financial year.

In particular, in 2025 the Group has:

- renewed the certifications relating to the environmental management system (ISO 14001), the safety management system (ISO 45001) and the quality management system (ISO 9001) at the Târgovişte site;
- confirmed the certification of the Environmental Management System (ISO 14001) for all sites, including the San Giovanni Valdarno plant;
- confirmed the certification of the Safety Management System (ISO 45001) for all sites;
- extended the certification of the Quality Management System (ISO 9001) for all sites;
- confirmed the certification for the Energy Management System in accordance with the ISO 50001 standard for the three Italian sites and the certification of compliance with the same standard at the Trith Saint Léger site;
- the preliminary analysis was carried out for the extension of the certifications relating to the environmental management system (ISO 14001), the safety management system (ISO 45001) and the quality management system (ISO 9001) in the hydroelectric plants of Piedmont and Veneto. A preliminary visit by the certification body is expected in 2026.

The standards taken as a reference belong to a high-level system (HLS-High Level Structure), which are integrated into a single management system.

This approach involves the analysis of the context in which the company operates, as well as that of the needs and expectations of the parties involved, in this case presenting similarities with the requirements of the approach to sustainability identified by the ESG (Environment, Social, Governance) issues.

The purpose of this approach is essentially to understand the most important aspects that can influence the way in which the company deals with its responsibilities in terms of health and safety. The assessment of risks and consequent opportunities is the tool that the Group has adopted to guide, both at strategic and operational level, its efforts in the implementation and continuous improvement of the safety management system. The standard also makes clear reference to the importance of management awareness and leadership skills and a strong drive towards consultation and participation of workers in issues concerning the safety management system, which the Group has put in place through constant contact with trade unions and workers' safety representatives.

Company	Site	Quality Management System	Environmental Management System	Health and Safety Management System	Energy Management System
		EN ISO 9001	EN ISO 14001	EN ISO 45001	EN ISO 50001
AFV Acciaierie Beltrame S.p.A.	Vicenza (VI)	x	x	x	x
	San Didero (TO)	x	x	x	x
	San G. Valdarno (AR)	x	x	x	x
Stahl Gerlafingen A.G.	Gerlafingen (CH)	x	x	x	-
Laminés Marchands Européens S.A.S.	Trith Saint Léger (FR)	x	x	x	x
S.C. Donalam S.r.l.	Călărași (RO)	x	x	x	-
	Târgovişte (RO)	x	x	x	-

4 EPD® - ENVIRONMENTAL PRODUCT DECLARATION

EPD - Environmental Product Declaration

The Group attributes a central role to transparency and the objective measurement of the environmental performance of its products. In said domain, the Group has developed and published numerous Environmental Product Declarations (EPD®), validated by independent third party bodies for its merchant bar profiles, for rebar, for SBQ (Special Bar Quality) profiles and for the Beltreco industrial aggregate.

The EPDs represent a voluntary product certification scheme developed in compliance with ISO 14025 (Type III environmental labels) and according to the rules of the International EPD System programme. These statements describe the environmental impacts associated with the entire life cycle of the products, determined using the LCA - Life Cycle Assessment methodology, guaranteeing transparency, objectivity and comparability of the environmental information disclosed to the market.

The table below summarises the Environmental Product Declarations currently available.

The certification process of a new EPD for the Donalam rebar product at the Târgovişte site is underway, confirming the Group's commitment to gradually extending the coverage of environmental declarations to the various plants and to the main product lines.

EPD - Product	AFV Beltrame Group plant	Date of issue
Merchant bar	Vicenza	2023
Beltreco inert aggregate	Vicenza	2023
Merchant bar	San Didero	2023
Merchant bar	San Giovanni Valdarno	2023
Merchant bar	Stahl Gerlafingen	2022
Rebars	Stahl Gerlafingen	2022
Merchant bar	LME	2023
Rebars	LME	2023
Special steels - SBQ Bars	Donalam - Călărași	2021 (rev. 2025)
Special steels - SBQ TRT Bars	Donalam - Călărași	2025
Rebars	Donalam - Târgovişte	Brand new - currently being drafted

The EPD declarations of the Group's products have been validated and registered within the main international schemes (International EPD® System and IBU - Institut Bauen und Umwelt).

Content of recycled material and enhancement of circularity

A distinctive element of the electric furnace-based steel supply chain (EAF) is the high content of recycled material in the finished products. This information is reported in the EPD in the "Additional environmental information" section and is certified by an independent third party in compliance with the standard UNI EN ISO 14021.

Also for the year 2025, the percentage of material from recovery cycles used in the laminate production process is confirmed to be above 95%. This figure allows the Group's products to fully meet the requirements of the CAM and to support designers and economic operators in demonstrating compliance with the environmental criteria required in the construction sector.

Climate Declaration and product carbon footprint

For the EPDs published or renewed more recently, the relative Climate Declaration was also prepared, which shows the GWP - Global Warming Potential (kg CO_2eq) calculated on the basis of verified LCA results.

The analysis of the environmental indicators deriving from the EPDs is also an operational tool for continuous improvement: the results obtained make it possible to identify areas of intervention along the production process, the supply chain and the distribution phases, contributing to the progressive reduction of the carbon footprint of the products.

The environmental declarations of the Group's products are recorded in the main international schemes and constitute a recognised tool in support of requests from the construction market. In Italy, compliance with UNI EN 15804 and ISO 14025 makes it possible to meet the requirements of the Minimum Environmental Criteria (Building CAM) for public tenders.

Ecobalance data for the Swiss construction sector

The Gerlafingen plant completed the eco-balance study relating to rebar, in accordance with the rules laid down by the KBOB (Conference for the Coordination of Construction Bodies and Real Estate of Swiss Public Purchasers) for the definition of sustainable steel.

The resulting values, after validation by an external certification body, were recorded in the official KBOB database. The data on the carbon footprint of Gerlafingen's products are lower than the standard reference values in the database, contributing to the promotion of sustainable building practices and the reduction of the environmental impact of public buildings in Switzerland.

Environmental declarations for the French market - FDES

In 2025, the French plant of Trith-Saint-Léger obtained the certification and publication of four FDES (Fiches de Déclaration Environnementale et Sanitaire) relating to its finished products intended for the French market: beams (IPE, UPN), welded plates, angular and round laminates.

FDES, equivalent to EPDs but compliant with specific French regulations, meet the requirements of the RE2020 regulation for sustainable construction and cover the entire life cycle of products according to the cradle to grave approach, including the transport, installation and end-of-life phases.

The statements were developed in collaboration with EVEA Scop SA and with the CTICM (Centre Technique Industriel de la Construction Métallique), which oversaw the analysis of the impacts in the downstream phases. The FDES are published in the official INIES database, the French national reference for environmental declarations of building materials, and can also be consulted on the Group's website.

The steels produced in France, obtained from recycled scrap using an electric furnace (EAF), have a significantly reduced carbon footprint and represent a competitive advantage in sustainable construction projects. As a further guarantee of traceability and origin, the products bear the official "Fabriqué en France" trademark, a distinctive element with respect to foreign competitors.

The Group continues to carefully monitor the evolution of the regulatory framework, both within the sector and across the industries, systematically assessing the resulting risks and opportunities. To strengthen this activity, a dedicated organisational structure was defined starting from 2022, further consolidated over time to ensure constant monitoring and effective internal coordination.

During 2025, the Strategic Committee continued the periodic analysis of the progress of the decarbonisation objectives set in 2022, assessing the performance achieved and updating the lines of action necessary to achieve the targets in the coming years.

The growing attention of stakeholders and the continuous evolution of the regulatory context confirm that the reduction of CO_2 emissions represents a strategic factor of competitiveness. Access to future markets will increasingly be linked to the ability of companies to integrate sustainability into their business models, transforming the climate transition into a development opportunity.

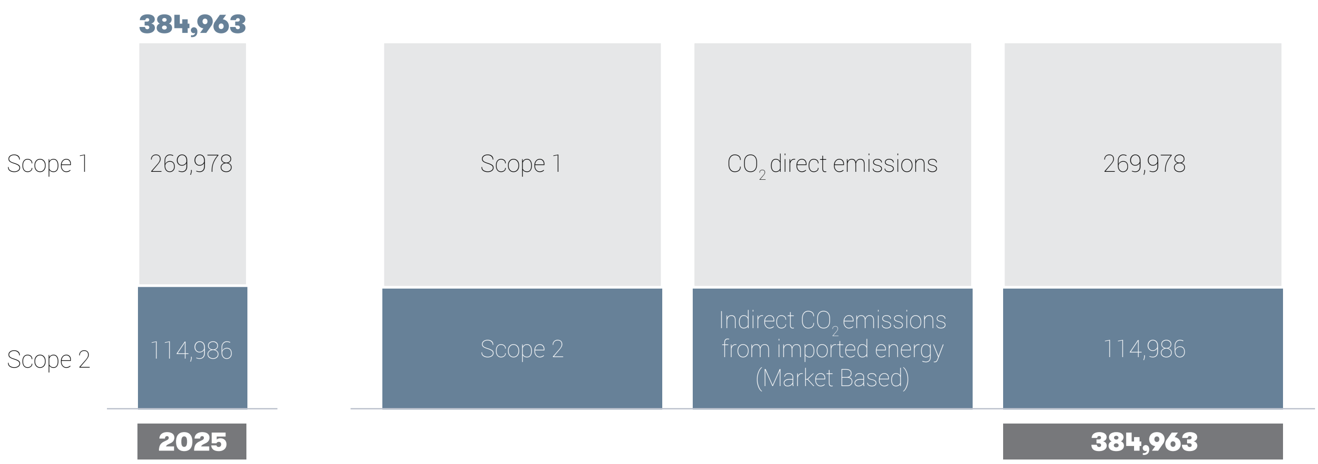
In line with the path outlined in the Group's decarbonisation plan, for 2025 the KPI relating to Scope 1 + Scope 2 emissions stands at 0.19 tCO_2/t of product. The performance of the indicator is mainly influenced by:

- production volumes (endogenous variable), which positively affect the emission intensity as production increases;
- electricity emission factors (exogenous variable), linked to the national energy mix;
- increase in the percentage of electricity production from renewable sources.

CO_2 emissions are managed through a structured and responsible approach, divided into three fundamental phases: measurement, monitoring and definition of continuous improvement actions.

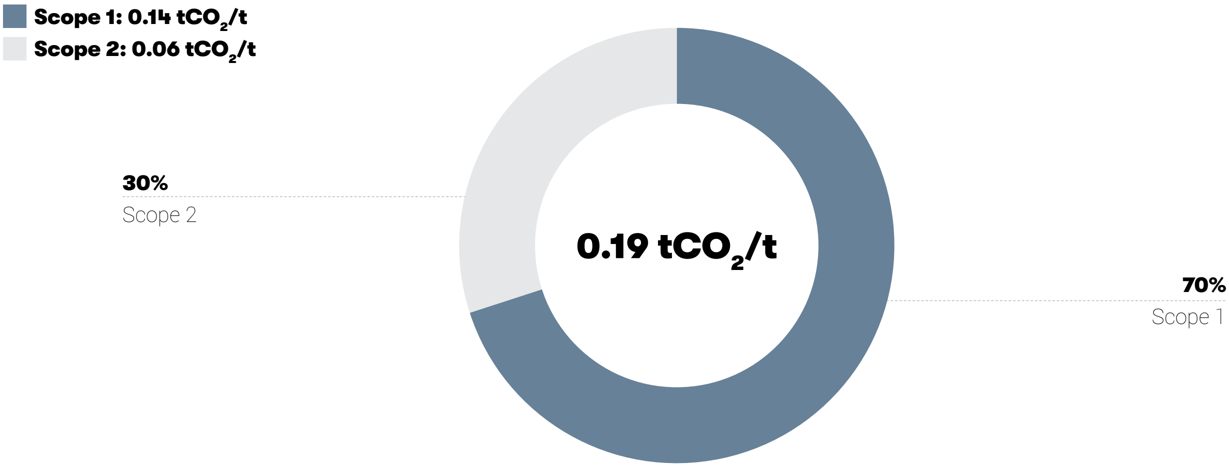
In the steel sector, emissions can be represented both in absolute terms and through carbon intensity, expressed in tonnes of CO_2 per tonne of finished product. The latter method allows a more effective assessment of environmental performance, as it relates emissions to production volumes.

The values at Group level of Scope 1 and Scope 2, referring to the year 2025, are shown below.



Notes:
Scope 1 does not include the following emissions outside the ETS scheme: fuel combustion from company cars and fugitive emissions;
Scope 2 is calculated by applying a market-based approach, using the AIB 2024 residual mix factors by country. Scope 1 and Scope 2 data do not include the Târgovişte plant.

The CO_2 emission intensity, again referring to Scope 1 + 2 emissions for steel mills and rolling mills, referring to 2025 and expressed in tCO_2/t of finished steel product is shown in the following diagram.



Notes:
Scope 1 does not include the following emissions outside the ETS scheme: fuel combustion from company cars and fugitive emissions;
Scope 2 is calculated by applying a market-based approach, using the AIB 2024 residual mix factors by country. Scope 1 and Scope 2 data do not include the Târgovişte plant. The values have been rounded to two decimal places.

Plant of San Didero, Italy

Also for 2025, the Group completed the calculation of its carbon footprint along the entire value chain, including Scope 1, Scope 2 and Scope 3 (upstream) for all steel mills and rolling mills, with average production indicators. The quantification of Scope 1 + 2 + 3 (upstream) emissions was validated by the RINA accredited Certification Body in compliance with the ISO14064-1 standard.

The Group's specific emissions are lower than both the global average of the steel sector and the European average relating to the production of steel through electric arc furnaces (EAF), confirming the effectiveness of the production model adopted.

The Group renews its commitment to reducing its carbon footprint through a decarbonisation plan extended to all subsidiaries, which makes provision for concrete and measurable actions. The goal is to reduce Scope 1 and Scope 2 emissions by 40% by 2030 compared to 2015 levels.

The Group's plan of activities is divided into four main areas of action, consistent with the decarbonisation process of the "cradle-to-gate" value chain and with the European regulatory and industrial framework.

A) Production efficiency

The continuous improvement of production efficiency is a structural pillar of the emission reduction strategy, with initiatives aimed at energy optimisation and the progressive reduction of the use of fossil fuels in steel processes.

In addition to the main heating furnaces reaching full operational capacity (revamping carried out in 2023) and the replacement of the ladle heating and drying burners in Stahl Gerlafingen, as well as the efficiency activities of the EAF furnace in LME, it includes the European project CROSSCUT (Carbon Reduction in production routes Operations based on Smart Carbon Usage and digitalisation Techniques), active in the period 2025-2028, which involves LME with the aim of testing and demonstrating the replacement of hard coal with Secondary Carbon Carriers (SCCs).

B) Circular economy and enhancement of materials

The circular economy is a fundamental element of the Group's production model.

Production is entirely based on the use of ferrous scrap as a raw material: over 95% of the iron used comes from recycled material. This approach allows for a significant reduction in the carbon footprint compared to integral cycles.

The main lines of action include:

- improvement of the quality of scrap and secondary raw materials;
- reuse and internal enhancement of steel mill slag through the production of certified industrial aggregates;
- progressive replacement of hard coal with carbon-rich secondary materials (in synergy with the CROSSCUT project): SCCs - such as biomass, biochar, rubber and other carbon-rich secondary materials - can partially or fully replace the fossil fuels used as a reducing agent and fuel, particularly in the electric arc furnace (EAF);
- integration of renewable energy sources such as biomethane, obtained from the use of agricultural waste and organic waste.

In particular, the Group is defining partnership agreements for the procurement of biomethane in Italian plants, with the aim of:

- reducing direct CO_2 emissions;
- guaranteeing production continuity with a fuel compatible with existing infrastructures;
- mitigating exposure to the volatility of fossil gas prices.

C) Renewable energy supply and energy transition

The increase in the share of renewable energy represents a strategic axis for the reduction of indirect Scope 2 emissions.

In 2025, the Group consolidated its sustainable procurement strategy, obtaining a total production of more than 140 GWh from the 12 hydroelectric plants located between Piedmont and Veneto, covering approximately 30% of the energy needs of Italian plants and reducing annual CO_2 emissions by roughly 40,000 tonnes.

In 2025, photovoltaic energy production reached around 20 GWh, thanks to the full operations of the plants that came into service in 2024, in addition to around 6 GWh from the Swiss site of Gerlafingen.

The construction of a 1.5 MW photovoltaic plant at the San Didero site (expected entry into operation in 2026), the study of two new plants for the Vicenza site (approximately 6 MW in total) and technical-economic assessments for further installations are also in progress.

As part of the energy transition, AFV Acciaierie Beltrame S.p.A. joined the Energy Release 2.0 mechanism promoted by the GSE. In November 2025, the company was assigned a volume of renewable energy equal to approximately 30% of Italian annual electricity consumption, through contracts for difference (CfD) with a controlled price in addition to the share covered by the production of renewable energy through owned plants/PPA.

The mechanism makes provision for the subsequent creation of new renewable capacity equal to at least double the anticipated energy, taking the form of a structural tool for developing green plants and boosting industrial competitiveness.

D) Innovative technological solutions and integration of new energy carriers

The Group integrates medium/long-term technological solutions into its strategy, aimed at gradually reducing dependence on fossil fuels.

The rolling mills are already set up to use hydrogen mixed with natural gas. The use of green hydrogen represents a long-term vision, subject to availability on an industrial scale and the economic sustainability of the supply chain.

Biomethane is a solution that can be implemented immediately for hard-to-abate sectors such as the steel industry, allowing a reduction in direct emissions without substantial changes to existing plants, thanks to the impetus given by the recent Agriculture Decree Law.

In the Vicenza area, the Group is collaborating with AGSM AIM (now MAGIS) for the development of the Vicenza district heating project, aimed at extending the city network and recovering waste heat from steel processes. When fully operational, the heat recovered will be able to cover more than 30% of the energy distributed by the network and contribute to an estimated reduction of around 16,000 tonnes of CO_2 per year, integrating with renewable sources and high efficiency solutions.

2025 marked a further step forward in the refinement of the data relating to indirect Scope 3 emissions, which continue to account for the bulk of the Group's overall emissions. The most up-to-date international coefficients (Ecoinvent 3.11 and GLEC v3.1) were used in the calculation of Scope 3 emissions and, where available, the specific factors provided by the main suppliers for the most impacting categories of raw materials in terms of CO_2, such as lime, carbon, electrodes, iron/steel, ferroalloys and refractories.

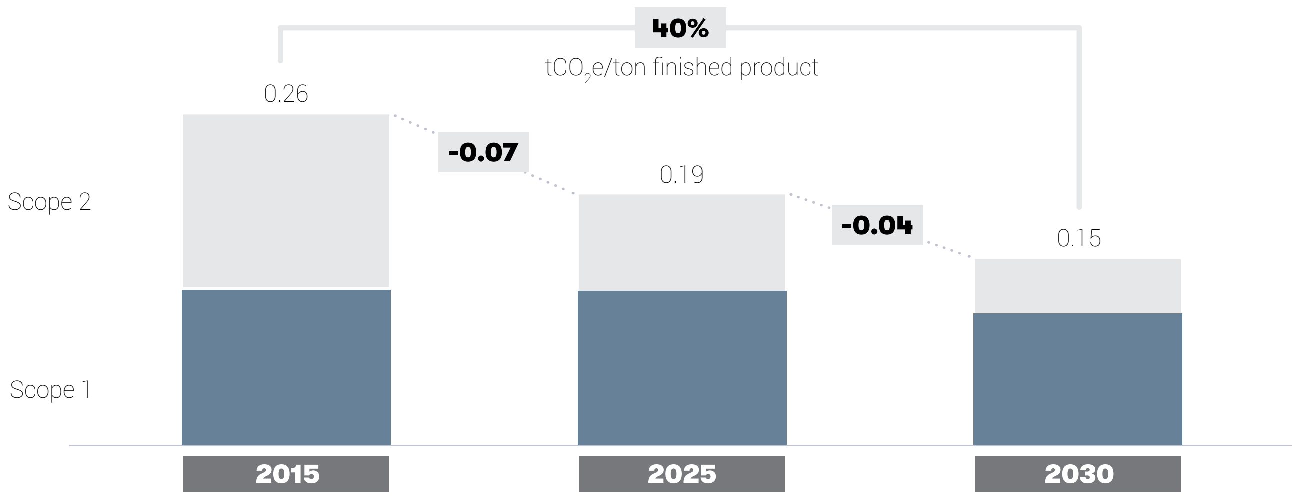
To consolidate the quality of the data and investigate the carbon footprint of the supply chain, an updated questionnaire was sent to suppliers in 2025, aimed at collecting more precise primary data and information useful for reporting emissions. The feedback from suppliers will be analysed and, if necessary, reviewed in depth through interviews or face-to-face meetings, with the aim of assessing the level of awareness of suppliers on sustainability and decarbonisation issues, verifying the availability of specific data (e.g. CO_2 emissions), the calculation methods adopted and any certifications (ISO14064-1, EPD) and promote the environmental awareness of suppliers and evaluate possible future strategic collaborations.

The initiative aims to improve the inventory of GHG emissions, favouring primary data and specific emission factors over average database values, thus strengthening the transparency and accuracy of reporting along the entire value chain.

In addition to the improvement activities on raw material suppliers, in 2025 the Group further perfected the collection and processing of data relating to CO_2 emissions from upstream (mainly scrap) and downstream transport. The internal database has been enhanced, allowing a more precise mapping of transported volumes, transport methods and the breakdown of routes, each with its own specific mileage. This refinement greatly improves data quality, a crucial step in defining and implementing targeted policies to reduce transport emissions.

With a view to improving stakeholder engagement, the Group has established a strategy that is developed along several lines, as part of a logistics management aimed at maintaining economic sustainability and guaranteeing a high level of customer service.

The following chart shows the reduction target by 2030 (compared to 2015) of Scope 1 + 2 as the Group's target (tCO_2/t of the finished product).



6 TRANSITION FROM PAS 2060 TO ISO 14068-1

In the context of increasing regulatory and social attention to climate issues, the reference framework for the declaration and management of carbon neutrality was recently updated with the introduction of the ISO 14068-1:2023 standard, which replaces the previous PAS 2060 international reference standard. The PAS 2060, published in 2010 as the British National Technical Specification (BSI), was in fact officially withdrawn in 2025. Although a transitional period of 2–3 years is allowed, organisations that intend to continue or strengthen their climate neutrality paths are called upon to adopt the new ISO standard, characterised by more robust, verifiable and globally recognised criteria.

ISO 14068-1 introduces a more rigorous approach to carbon neutrality, consistent with the Net Zero principles, based on a mandatory hierarchy of mitigation actions that privileges the reduction of emissions, followed by the removal of residual emissions and, only residually, offsetting. The use of offsets is permitted only for emissions that cannot be further reduced and in compliance with more stringent requirements in terms of quality, transparency and communication, with the obligation of independent verification by a third party.

The Group has completed the adaptation to the new standard, leveraging an already structured environmental management system, with ISO 14001 certification for all production sites and quantification of greenhouse gas emissions according to ISO 14064-1.

In line with ISO 14068-1, science-based medium- and long-term emission reduction targets were also defined and certified, consistent with the GSCC standard and aligned with the Paris Agreement targets. To monitor these aspects, the Group has prepared the documentation required to support the carbon neutrality certification, which describes the dedicated organisational structure and reports the main technical contents, including the reporting scope, the methodology for calculating emissions, the actions undertaken and the use of offsetting instruments.

The certification process concluded with the issuance of the audit opinion by a third party at the end of 2025, valid for the entire Group (with the exception of the Târgovişte site, excluded from the scope of the decarbonisation plan) and subject to supervision annually until the expiry in 2028.

Lastly, the Group updated the Chalibria certificate, relating to the declaration of carbon neutrality of steel, adapting it to the new requirements of the ISO 14068-1 standard and strengthening the disclosure relating to offsetting projects, confirming the commitment to transparency and credibility of information communicated to stakeholders.

Plant of Vicenza, Italy

7 CHALIBRIA - CARBON NEUTRAL STEEL

Chalibria is the carbon neutral steel of the AFV Beltrame Group in relation to Scope 1 + 2 + 3 emissions (upstream) along the "cradle-to-gate" value chain, whose quantification has been verified by the accredited certification body RINA in compliance with the ISO14064-1 standard (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals).

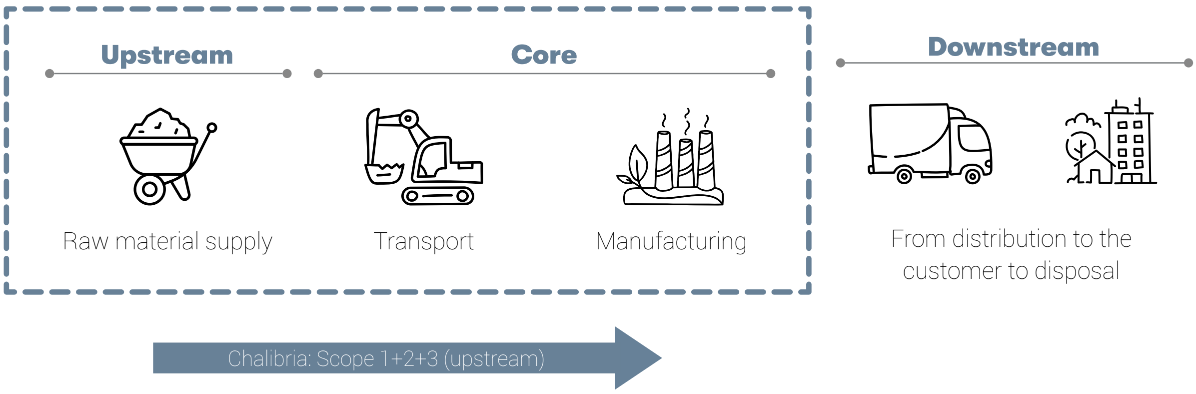
In a context of increasing regulatory and social attention to climate change, carbon neutrality is now regulated by the ISO 14068-1:2023 standard, which has replaced the PAS 2060 as an international reference, introducing more robust, verifiable and globally recognised criteria.

At the beginning of December 2025, Chalibria was certified carbon neutral according to ISO 14068-1, thus completing the transition from the PAS 2060 standard to the new international reference. Scope 1+2+3 emissions (upstream) are verified by RINA according to ISO 14064-1, guaranteeing a robust, transparent reporting system that complies with the highest international standards.

The Group also uses the RINA proprietary digital platform "DIAS" (Data Integrity Audit Services platform), that supports audit activities and guarantees the traceability, integrity and transparency of data along the "cradle-to-gate" value chain for Chalibria steel.

The boundaries of Chalibrian carbon neutrality include Scope 1, Scope 2 and Scope 3 (upstream) emissions generated along the cradle-to-gate value chain.

Chalibria offset boundaries: Scope 1+2+3 (upstream)



For the CO_2 emissions that the Group is not yet able to reduce through the projects included in the decarbonisation plan, Chalibria's carbon neutrality is obtained by offsetting through the purchase of carbon credits on a voluntary basis, in line with the ISO 14068-1 requirements. The investments set out in the decarbonisation plan will allow the gradual reduction of emissions of the "cradle-to-gate" value chain and, consequently, the decreasing purchase of carbon credits.

The Group carefully selects the projects that generate carbon credits, basing its procurement process on rigorous quality and integrity criteria, in particular:

1. procurement of CO_2 credits from Program Operators included in the IETA-ICROA code of conduct (e.g. VCS - Verified Carbon Standard, CDM - Clean Development Mechanism, GS - Gold Standard), validated and verified by independent and reliable third-party bodies;
2. selection of projects that meet the minimum eligibility criteria (additionality, permanence, no-double counting), with preference given to those supported by robust emissions (reduction and/or removal) quantification systems;
3. ensuring that projects contribute not only to the reduction of CO_2 emissions, but also to wider positive impacts on the environment, local communities and sustainable development goals (SDGs).

Carbon neutrality is validated through a certificate issued by RINA in accordance with the ISO 14068-1 standard and sent to all customers who purchase Chalibria steel. Each supply is accompanied by a certificate stating the quantities purchased and the total neutralised carbon footprint, indicating the offsetting project used and the carbon credit compliance audit issued by RINA.

8 CERTIFICAZIONE GSCC

In a constantly evolving regulatory context characterised by an increasing level of complexity, the Group confirms its commitment to tackling climate change, continuing to be a member of the Global Steel Climate Council (GSCC), an organisation that promotes decarbonisation solutions based on technological neutrality, which has promoted a global standard based solely on objective climate results and the actual carbon footprint of products. By certifying science-based objectives, established under the 2015 Paris Agreement, and promoting transparent and verifiable carbon accounting, the GSCC allows steel producers and consumers to pursue, monitor and certify the achievement of their decarbonisation objectives.

In 2025, the Group obtained certification from the GSCC of its organisation-specific emissions (CASEI - Corporate Average Steel Emissions Intensity) and of the medium and long-term reduction objectives (SBETs - Science-Based Emissions Targets), which is valid for three years.

This important recognition further confirms the Group's tangible commitment to the decarbonisation of the steel industry.

The certification, issued following a rigorous independent audit conducted by a third party, covers two fundamental aspects:

1. certification of the organizational carbon footprint at Group level (CASEI - Corporate Average Steel Emissions Intensity): defined as 0.57 tonnes of CO_2e per tonne of hot-rolled steel, with base year 2021 relating to Scope 1, 2 and 3 emissions upstream;
2. validation of the medium and long-term decarbonisation objectives (SBETs - Science-Based Emissions Targets), set at:
   - 0.46 tonnes of CO_2e per tonne of steel by 2030;
   - 0.12 tonnes of CO_2e per tonne of steel by 2050.

These objectives are fully aligned with both the GSCC Climate Standard for the steel sector, and with the commitments undertaken internationally under the Paris Agreement, aimed at reducing the average global temperature increase to within 1.5°C of pre-industrial levels.

The achievement of the certification allows the Group to continue, in a structured manner, in the process of reducing specific carbon dioxide emissions (tCO_2e/t finished product), including in the scope of analysis the direct and indirect emissions along the value chain (Scope 1, 2 and 3 upstream).

In compliance with the requirements of the GSCC Climate Standard and in order to maintain its effectiveness, in mid-2025, the Group conducted an internal audit aimed at calculating the emission intensity values referring to the latest available year, and sent to the GSCC a self-declaration demonstrating compliance with the certification parameters. The outcome of the audit confirmed that the company remains within the limits established by the standard, certifying the consistency of the process of reducing specific emissions and the correct application of the criteria for calculating the carbon footprint.

9 SUSTAINABILITY REPORT

In continuity with the last few years, the European Union confirms its commitment to climate neutrality to be achieved by 2050, by issuing a series of guidelines aimed at creating an increasingly sustainable economic-financial system, in order to make companies more responsible for their impact on the planet.

In this context, the Group has launched numerous preparatory activities to achieve the climate objectives set by the regulations. In particular:

- the company structure dedicated to sustainability was confirmed, consisting of an internal cross-functional working group that explored ESG reporting needs in compliance with the new ESRS (European Sustainability Reporting Standards);
- the method for carrying out the materiality analysis was updated, based on the requirements defined by the CSRD regulations for the so-called "Double materiality". This principle requires companies to assess sustainability issues, relating to environmental, social and governance aspects, from two perspectives: the impact determined by the company on the environment and society (inside-out) and the risks/opportunities generated by external factors linked to sustainability issues on company financial performance (outside-in). Specifically, keeping the criteria defined by the ESRS standards as a starting point, the following were identified and assessed:
  - the positive/negative, current/potential impacts on the environment and society caused by the company, already assessed by the responsible internal stakeholders, and subsequently subject to the assessment of the main categories of external stakeholders (i.e. customers, suppliers, trade union representatives, employees);
  - the risks and opportunities generated on the company's financial performance by external factors linked to sustainability issues and subject to assessment by both the internal stakeholders responsible and the representatives of the finance function.

  The aggregation of the results of the assessments conducted on the two areas described above led to the identification of the Material "IROs" (Impacts, Risks, Opportunities), subsequently linked to the ESRS sub-topics, i.e. the list of material topics covered by the latest version of the Sustainability Report. The sustainability reporting obligation, in compliance with the ESRS standards set forth in the CSRD Directive, will enter into force from 2028, with the first reporting relating to FY 2027. Therefore, the Group has decided to anticipate the adoption of some key principles, in particular the concept of Double Materiality, which will be formally reported according to the GRI (Global Reporting Initiative) standards currently used for the voluntary Sustainability Report;
- a specific value chain mapping activity is in progress, which provides for the clear identification of the external stakeholders who participate, upstream and/or downstream, in the organisation's business processes;
- the continuous support of specialised external consultants is used to carry out targeted gap analysis activities in order to ensure an appropriate understanding and knowledge of the updating activities resulting from the evolution of reporting standards.

In line with the material IROs approved by the Board of Directors of the Parent Company, the Group is committed to promoting sustainable development through concrete and transparent actions. Below is a list of the material topics related to the IROs mentioned above, subject to sustainability reporting.

ESRS sub-topic	ESRS topic
Climate change adaptation	
Energy	E1 - Climate change
Climate change mitigation	
Air pollution	E2 - Pollution
Substances of very high concern	
Waters	E3 - Water and marine resources
Impacts on the extension and condition of ecosystems	E4 - Biodiversity and ecosystems
Inflows of resources, including the use of resources	
Outflows of resources related to products and services	E5 - Resource use and circular economy
Waste	
Other work-related rights	
Working conditions	S1 - Own workforce
Equal treatment and opportunities for all	
Working conditions	S2 - Workforce in the value chain
Equal treatment and opportunities for all	
Economic, social and cultural rights of communities	S3 - Affected communities
Active and passive corruption	
Corporate culture	G1 - Business conduct
Entity specific - Cybersecurity	

L. CONTINUOUS IMPROVEMENT - THE CONTINUOUS IMPROVEMENT PROGRAMME

In 2016, the Beltrame Group launched the Continuous Improvement Programme, with the introduction of two main project management modes: the APC (Action Plan & Control) and OpEx (Operational Excellence).

The APC applies to projects with known and defined actions and for this reason the main focus is on the efficiency of their implementation. In parallel with these, OpEx projects are developed, which start from a problem (usually unclear and shared) and, thanks to the application of the DMAIC methodology, the best solution is implemented to achieve the expected results. The APC methodology ensures that the plans are shared and respected for each activity, while the OpEx has the additional objective of training effective and efficient project leaders, able to carry out complex projects independently, following each of the phases that characterise the DMAIC: definition of the problem, measurement of the process, subsequent research and analysis of the root causes that lead to the definition and implementation of shared solutions and finally the inevitable control/monitoring of the results achieved.

These two management methods are the pillars of the programme and find their adequate application in the top-down support of strategic management activities through the application of Lean-Six-Sigma methodologies aimed at reducing variability (Six-Sigma) and improving the flows (Lean Manufacturing) of business processes.

Since the start of the Continuous Improvement Programme, over 500 improvement projects have been completed, which have allowed the company to achieve significant results in terms of cost reduction, and much more. In fact, most of the completed projects not only ensured the achievement of the expected economic results but made it possible to achieve "soft" benefits, i.e. related to improvements in safety and/or working conditions.

In support of this, specific shopfloor management activities have also been applied directly in the production departments, such as the 5S+ construction sites, which represent a genuine workplace management and organisation strategy, the visual boards or department notice boards, which play a crucial role in facilitating communication, collaboration and coordination between the people in the various department teams.

Continuous improvement is certainly based on the support of the aforementioned shopfloor management projects and activities, but it is also thanks to training and coaching that the programme aims to achieve operational excellence in processes year after year.

In fact, customised training programmes, resulting in the attainment of Belt certifications, recognised internationally by the British Quality Foundation, are consistently provided to Group personnel.

Considering all the countries of the Beltrame Group, during the course of 2025, 74 people took the Yellow Belt course while 4 people took the Green Belt course. In addition, a total of 6 people obtained the Green Belt certification having proactively completed a project of corporate interest through a process improvement.

From 2016 to 2025, the number of people who learned project management and Lean Six-Sigma techniques continued to increase, since the objective remained the same: ensuring the widespread dissemination of continuous improvement and creating a self-sustainable culture.

The function definitely aims to achieve the excellence of each process, through small and constant incremental improvements, to create a corporate culture that makes "kaizen" (from Japanese 'change for the better') a daily activity for everyone, at every level.

This management can be summarised in the term "Change management", i.e. a structured approach to change in individuals, groups, organisations and companies, which makes it possible to transition from a current structure to a desired future structure.

To welcome change, each individual goes through five stages: denial, resistance, resignation, acceptance and integration. Each of these stages corresponds to different emotions initially linked to rejection, anger, and sadness up to acceptance and continuation of change.

Within the Group, different approaches to change emerge: some plants show a greater propensity for gemba activities, focusing on 5S+ construction sites and on small daily improvements; others, on the other hand, direct their efforts towards more strategic initiatives, aimed at increasing the effectiveness and efficiency of all departments.

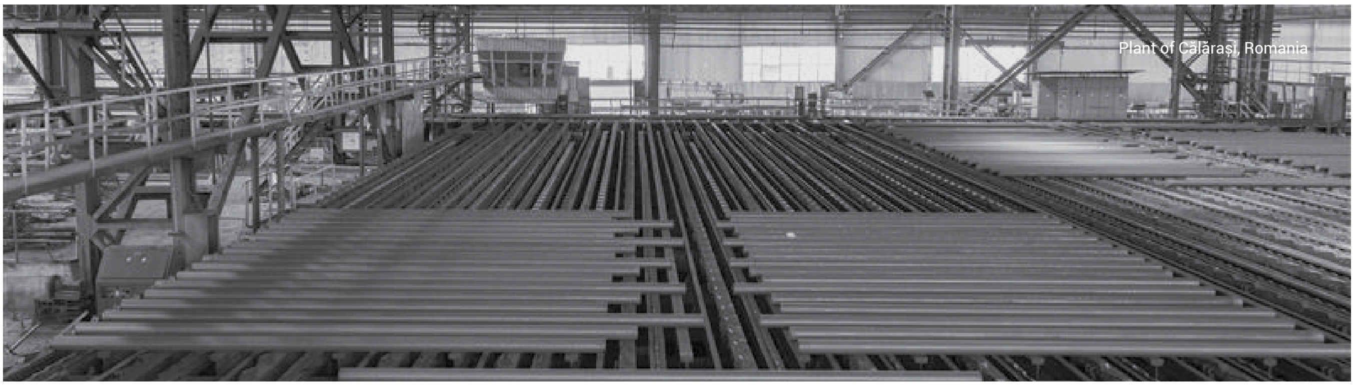
What remains common to all the people who are part of the Group's continuous improvement programme is the focus on people: it starts with training, continuing with dedicated coaching up to the coordination of working groups.

To date, more than 40% of the Group's personnel are involved in continuous improvement activities.

The creation of this vast and diverse network was possible thanks to the organisation of the function that finds figures dedicated to continuous improvement at each site, who act as facilitators between the departments, especially in the development of projects and are committed to disseminating the results achieved. The Group's central structure supports colleagues at the various production sites in promoting best practice projects and is responsible for aligning management's requirements.

In order to have an overview of the performance of the function, as it has to achieve targets established at Group level, starting from 2022, roadmaps have been introduced for each country that present, in a simple and explanatory format, the planning of the main activities in the relevant year. These make it clear which company areas are directly involved in the improvement programme and which are the economic results (and which are not) that are expected.

Continuous improvement activities are firmly integrated into the Group's strategies and directly involved in all high-potential strategic projects, working across all processes.


Plant of Călărași, Romania

M. ADOPTION OF THE MODEL PURSUANT TO ITALIAN LEG. DECREE 231/2001

The Board of Directors of the Parent Company, to assure the best conditions of correctness, transparency and lawfulness in the execution of its own corporate functions, adopted, with the Board of Directors' resolution of 15 December 2008, the Organisation, Management and Control Model under Italian Legislative Decree no. 231/2001, which governs the company's administrative liability for unlawful acts by top managers or employees or contractors in the interest or for the benefit of the company.

An integral part of the Organisational Model is the Code of Ethics, approved concurrently with the model, which contains the principles and rules of behaviour guiding the Group's activity.

Considering that the Code of Ethics references principles of behaviour (including lawfulness, integrity and transparency) suitable also to prevent the unlawful behaviours under Italian Legislative Decree no. 231/2001, this document acquires relevance for the purposes of the model and, therefore, it is complementary thereto.

OBJECTIVES

The purpose of the model is the construction of a structured, organic system of control procedures and activities, such as to allow, through a monitoring action on areas of activity at risk, to intervene promptly to prevent or contrast the perpetration of the types of offences contemplated by Italian Legislative Decree no. 231/2001.

REVISIONS

Through the years, the Model was revised in view of the new offences taken into consideration by the lawmakers as requirements for the enforcement of Italian Legislative Decree no. 231/2001.
Lastly, on 21 February 2025, the company's Board of Directors approved the updated Organisation, Management and Control Model, which includes the organisational regulations and amendments intervened since the previous versions of the model, the last of which was approved on 9 February 2024, with special attention to the merger by incorporation of Idroelettriche Riunite S.p.A..

VIGILANCE OVER THE MODEL AND OVER THE OTHER INTERNAL CONTROL ACTIVITIES

The company appointed the Supervisory Committee to oversee the operation and compliance of the Organisational Model. The Supervisory Committee is vested with autonomous powers of initiative, expense and control and reports directly to the Board of Directors.

N. RISK MANAGEMENT

International trade and tariffs announced by the United States

On 2 April 2025, in a decisive shift from previous policy, the Trump administration announced a new package of tariffs. The measures apply to almost all goods and provide for a minimum increase of 10 percentage points, with increase beyond this threshold differentiated by country, more marked for economies with a commercial surplus compared to the United States, such as China, South East Asia, Japan and the European Union.

To determine the rate applied to each country, the US administration adopted a criterion based on the ratio between the US bilateral deficit with each country and the value of imports from that country, without considering the actual differential between US tariffs and those imposed by trading partners.

On 9 April, the measure was partially suspended for a period of three months, during which a reduced rate of 10% was applied to all trading partners of the United States, except for China. With regard to the latter, in fact, tariffs were raised well above 100 per cent, as a result of the almost symmetrical retaliation introduced by it.

During the summer, the US administration started reciprocal negotiations with the main trade partners, which led to the definition of a new list of reciprocal tariffs differentiated country by country, with rates between 10% and 41% on 95 states. The European Union saw a minimum duty of 15% applied to all goods that were previously subject to a lower rate.

The situation changed in February 2026, when the US Supreme Court intervened, declaring the imposition of customs duties unlawful. As a result, all duties lapsed on 24 February 2026, forcing the administration to rapidly reformulate the tariff framework.

To avoid a regulatory vacuum, the White House immediately activated a new regulatory instrument, thus leading to the entry into force of a global surcharge of 10% on almost all imports, destined to remain in force for 150 days.

The introduction of these new tariffs, together with the uncertainty also on the actual application of the same and on the possible countermeasures of the partners, could have profound and negative repercussions on trade and more generally on the prospects of recovery of economic activities.

Conflicts in the Middle East

Any disruptions in global value chains following the outbreak of the conflict in Iran, stemming in particular from the blockade of shipping traffic in the Persian Gulf and the Red Sea, or from increases in energy prices constitute significant risks whose effects cannot currently be quantified in the short and medium term. In particular, March 2026 saw a significant increase in the price of gas and oil, which had immediate direct and indirect effects on the cost structure of European manufacturing firms, with particular reference to energy-intensive companies.

The objectives and policies for the management of the risks to which the companies of the Group are subject are indicated below:

<u>Risks connected with the Group's activity, strategy and operations</u>

The Group's profitability depends on reaching determined minimum sale volumes. Any reduction in sales would compromise the operating results and the financial situation of the Group because of the significant incidence of fixed costs. In addition, the Group is constantly engaged in the implementation of actions directed at containing costs and hence mitigating this risk.

<u>Risks connected with the performance of global financial markets, with the economy in general</u>

The economic results and financial position of the Group, with particular reference to investment projects and growth objectives in production and sales, are inherently risky and uncertain because they depend on the occurrence of future events and macroeconomic developments, mainly the evolution of the geopolitical situation, the future evolution of demand, supply and prices of steel products, changes in energy and raw material prices, particularly in the Eurozone.
In general, demand in the steel manufacturing segment has historically been subject to high cyclicity and tends to reflect the performance of the economy, in most cases anticipating it and amplifying it. This tendency leads to a lack of predictability concerning product demand and consequently production volumes.

<u>Risks connected with trends in commodity markets</u>

The Group is affected to a significant extent by commodity prices, in particular scrap iron, electrodes, ferroalloys and energy costs, which represent the most important expenditure items. In case of significant price increases, the impact on the operating results and on the financial situations of the Group could be significantly negative. The Group constantly monitors the evolution of these cost factors on international markets and promptly adopts, if necessary, special procurement measures or hedging instruments available and deemed effective for its business model. The Group's commercial strategy is directed at reflecting these higher costs on sale prices and hence to the mitigation of this risk.

<u>Risks associated with price fluctuations and the availability of energy resources</u>

The steel sector in which the Group operates is significantly exposed to risks linked to price volatility and the availability of energy resources such as electricity and gas. International tensions and regulatory developments related to the transition to renewable energy sources have significantly increased these risks in recent years.

The Group has implemented a strategy based on increasing the self-production of electricity from renewable sources (hydroelectric and photovoltaic) in order to mitigate price and supply risks and has defined a flexible production planning model in order to adapt its activities to market fluctuations by concentrating production in the periods when the cost is lower and planning any interruptions consistently.

Risks connected with changes in purchase and sale prices

The risks of changes in purchase and sale prices, in particular against commitments assumed, are mitigated by the short-term operating cycle. The volatility of such prices, which are often correlated but not synchronised, leads however to a significant residual risk to the inventory value and income margins in the short term.

Risks connected with international markets

The Group operates mainly in the markets of Europe and North Africa. The outbreak of hostilities in Iran and the Russia-Ukraine conflict have affected and will continue to negatively impact European economic development. A further deterioration of the situation in these areas could cause negative effects on the entire European economy and consequently on the Group.

The presence of extra-European producers with significant excess production, which benefit from support policies by their countries, could create distorting effects on the European market, which is the Group's reference market.

Risks deriving from the high level of competition

The sector where the Group's companies operate is characterised by a high level of competition where a limited number of significant producers is accompanied by numerous small entities (principally in the transformation of semi-finished products into finished products).
The steel manufacturing sector is also characterised by significant overcapacity. To date, the plant shutdowns by lower-performance producers have only partly reabsorbed the excess output.

Risks associated with laws and regulations that limit greenhouse gas emissions

The electric steel industry produces fewer greenhouse gas emissions than the integrated cycle, but meeting the new environmental obligations in this regard may require additional capital expenditure, changes in operating practices and additional reporting obligations.

The European legislative framework of climate policies is subject to continuous discussion and proposals inspired by the principles of the Green Deal. From 2020 onwards, several innovations have been proposed regarding the mechanisms that guarantee sustainable growth, while respecting natural resources, biodiversity and people, in accordance with the climate neutrality goal by 2050, with a growing commitment to greenhouse effect gas reduction.

The European Commission presented the "Fit for 55" package, intended to accelerate the reduction of emissions in 2030, to -55 per cent or even -62 per cent compared to 1990, with the aim of achieving climate neutrality by the end of 2050 (as envisaged in 2019 by the EU Climate Law).

The proposals envisage, among other aspects, a reform of the current emissions trading system ("EU-ETS"), and the introduction of a carbon price adjustment mechanism at the borders ("CBAM") to prevent the carbon leakage.

For EU-ETS entities at risk of carbon leakage, the package provides for an increase in the annual reduction rate of free allowances (over 4 per cent) and the total phase-out of the allocation by 2034.

These regulations could have a negative effect on the Group's production levels, income and cash flows. In particular, the further reduction of the free allocation of CO_2 emission rights could entail additional costs and require significant investments.

In addition, having not yet established regulations on greenhouse gases, many non-European nations could introduce less stringent rules, leading to a competitive disadvantage with respect to imports, a disadvantage that will only be partially offset by the CBAM active from 2026, and which in any case will guarantee competition only within the European market.

In the context of sustainable finance, on 28 November 2022 the European Council also definitively approved the "Corporate Sustainability Reporting (CSRD) Directive". This envisages the adoption of European standards for sustainability reporting and will entail the obligation for large companies to include issues related to sustainability performance in their financial statements starting from 2028 (with reference to 2027), based on new developments following the publication of the Omnibus package.

The classification of taxonomic activities and these standards will influence the considerations of financial institutions or other stakeholders and will make it more competitive to obtain funding for less "green" sectors or non-aligned companies.

Lastly, the European Central Bank has introduced climate risk among the indicators on which the banking system is subject to stress tests. This will drive banks to reduce credit in favour of energy-intensive companies, unless they demonstrate that they are on the path of transitioning to low or zero carbon solutions.

The Group monitors its emissions and has adopted a short- and medium-long term decarbonisation strategy in line with best practices and that of the main players in the sector and has implemented it into measures to reduce its carbon footprint with investments for energy efficiency and other initiatives that will lead to a significant reduction in emissions. The overall impact of these new regulations on the Group's operations will depend on the timing of implementation and the progress of the projects.

Risks related to the definition of sustainable steel products

The regulatory context towards the definition of sustainable steel has not yet led to the definition of a standard that is applied at global level. Nevertheless, the demand from customers is growing and will develop significantly in the coming years.

The Group monitors the evolution of regulations, joined the Global Steel Climate Council (GSCC), by defining its decarbonisation strategy to address these issues in a structured way, and defined the launch of its carbon neutral product Chalibria to offer its customers a new range of low-emission products.

Risks deriving from regulations and government policies

A significant part of the employees of the Group's companies are represented by unions and are subject to collective employment agreement and safeguarded by current labour regulations which can limit the Group's ability to rapidly reorganise activities and reduce costs in response to changes in market conditions. These limitations could negatively influence the ability to promptly adapt the Group's structures, as in the case of other competitors, subject to less rigid regulations.

Risks deriving from the Management's ability to operate effectively

The Group's results are tied, to a large extent, to the top executives' and the management's ability to operate effectively. If the Group were not able to provide adequate incentives or to replace these persons with internal or external resources, the activities, the financial situation and the operating results could suffer from negative impacts. While there are no situations in these areas that may originate critical issues, the Group had implemented training and experience paths, which may make it possible to overcome the occurrence of such events.

Risks associated with IT systems

A significant portion of the Group's activities are managed using IT systems. The failure or partial operation of the IT systems for a significant period of time could have a negative impact on the generality of the activities.

In addition to the risks related to malfunctions or human errors, we highlight those related to cyber-security for breaches/theft of sensitive data or interruption of services. The risk linked to cyber-security has increased in relation to the strong impulse given to smart-working, and the consequent external connections to central IT systems. In order to deal with the risks linked to cyber-security, the Group has increased its investments in sophisticated security systems, adapted its protocols and further strengthened the training activities of employees aimed at increasing awareness of the risks associated with IT risks.

Risks related to pollution from radioactive sources

The risk linked to the presence of radioactive sources in ferrous scrap in the entry, storage and melting stages, could lead to emissions into the atmosphere as well as significant damage to plants and production stoppages.

The Group has adopted a structured and articulated approach to radioactivity monitoring, while implementing a multi-level control system aimed at preventing the risk of radiological contamination, guaranteeing compliance with international standards.

Risks related to waste disposal

The optimal management of the waste produced in steel processes represents a fundamental pillar of the environmental sustainability strategy and its incorrect execution could entail significant costs both in economic and reputational terms.

To minimize these risks, the Group has defined a strategy aimed at maximizing the recovery and enhancement of the waste produced, consolidating an industrial model focused on sustainability and reducing the overall ecological footprint.

Risks related to the health and safety of workers

The risks related to the health and safety of workers deriving from the failure to adopt adequate safeguards for operating practices and the failure to make plants and workplaces safe, can cause accidents, occupational diseases, damages to plants and production stoppages. The Group could also incur administrative sanctions and damage to its image.

Activities regarding the protection of workers' health and safety in the workplace are a priority for the Group, which is reflected in training, information and coaching for workers, developments in plant and work environments, and continuous improvement of the company's Health and Safety Management System, certified according to the ISO 45001 standard.

Credit risk

Credit risk represents the risk that one of the parties in a financial instrument does not fulfil an obligation causing a financial loss to the counterparty. The Group presents different degrees of credit risks in relation to the different markets; however, this is mitigated by the fact that the credit risk is subdivided over a large number of counterparties and customers, almost 86 per cent of which are located in the European Union. The remaining part of receivables are mainly relative to subjects resident in Switzerland.
The financial activities are shown in the financial statements net of the allowance calculated on the basis of default risk, considering the available information on the solvency of the customers and of the counterparties in general, and considering historical

data. In most cases loans are subject to insurance guarantees, transfers without recourse, bank guarantees or other procedures suitable to limit the risk.

Risks connected with changes on currency exchange rates

The risk deriving from fluctuations in currency rates seems small, inasmuch as the vast majority of the activities is carried out in Euro.
In the case of the Swiss subsidiary Stahl Gerlafingen A.G., it should be noted that revenues from sales and purchase costs of scrap are expressed in local currency but strictly related to the price in Euro expressed by European markets.
Transactions denominated in other currencies are systematically monitored and generally hedged using specific financial instruments.

Risks connected to interest rate changes

The risk of variation of interest rates, mainly connected to the medium term financial debt whose interest rates are linked to the Euribor, is constantly monitored and generally managed through appropriate hedging instruments.

Risks deriving from limitations in cash and cash equivalent and from limited access to loans

The Group's companies could have a need to obtain additional loans in order to finance investment programmes or to address contractions in sales, which would have negative effects on working capital and on liquidity. The financial structure and the availability of additional credit facilities also enable the Group to mitigate this risk.

Risks deriving from disputes

The Group's companies are involved directly or through subsidiaries in disputes relating to the environment, concerning employees, and other disputes. The financial statements of the company report allocations that, in view of the uncertainty on the quantification and on the actual possibility that expenditures may manifest themselves, reflect the estimate of the aforesaid liabilities. The negative outcome of these disputes is not individually deemed significant, but the negative outcome of the disputes as a whole would in fact be significant. The Group's companies constantly monitor the evolution of the disputes, also with the aid of outside advisors.

Cash flow risk

Cash flow risk represents the risk that future cash flows will fluctuate due to a change in the market interest rates.
The Group covers the cash flow risk, mainly related to medium-term debts linked to the Euribor, through hedging instruments. Further comments on financial debts subject to risk hedging and hedging instruments used for such risk hedging were provided in the Notes to the financial statements.

Plant of Vicenza, Italy

O. ATYPICAL AND UNUSUAL TRANSACTIONS AND RELATED-PARTY TRANSACTIONS

Atypical and unusual transactions

No atypical and/or unusual transactions are noted, including intercompany transactions, nor any transactions, which fall outside of the usual activities carried out by the Group or which could influence in a significant way the Group's financial position, results of operations and cash flows.

Transactions with subsidiaries, affiliates, the Parent Company and with related parties

The Company carries out significant commercial and financial transactions with the subsidiaries, settled at arm's length conditions. The details, by macro-class, are shown in the following tables:

Income statement values (in thousands of Euro)	Revenues from sales	Services and other revenues	Financial income (expenses)	Purchase of goods and services	Total
Retrone Recycling S.r.l.	-	1	-	43,360	43,360
Ferriera Sider Scal S.r.l. - in liquidation	-	9	173	-	182
Beltrame Holding S.p.A.	-	9	(21)	-	(12)
Consorzio Valbel	12,289	4	4	27	12,324
Sirio S.r.l.	-	-	8	-	8

Loans disbursed by the Parent Company (in thousands of Euro)	Balance as at 31 December 2024	2025 disbursements	Refunds/Waiver 2025	Balance as at 31 December 2025
Disbursed				
Ferriera Sider Scal S.r.l. - in liquidation	3,012	750	147	3,615
Renewability S.c.a.r.l.	489	-	-	489
Sirio S.r.l.	348	-	83	265

We also note that the company did not hold treasury shares or shares of parent companies.


Plant of San Giovanni Valdarno, Italy

P. BUSINESS OUTLOOK

International Monetary Fund projections for the Euro zone indicate substantial stability in GDP in 2026 (1.2%, from 1.3% in 2025), which is expected to be followed by a slight acceleration in 2027 (1.4%).

According to projections, inflation in the area is expected to be 1.9% in 2026 and 1.8% in 2027.

A possible tightening of trade policies is a significant risk that could negatively affect the international economic scenario. Economic growth could be particularly affected by any retaliatory measures, further increase in uncertainty, as well as prolonged tensions on the financial markets, which could result in a slowdown in demand and a deterioration in the confidence of households and businesses.

This context also incorporates the recent outbreak of the conflict with Iran, which is having immediate repercussions on the price of energy components, and the related geopolitical implications, including possible restrictions in trade policies, which could lead to interruptions to supply chains and logistical difficulties and the introduction of sanctions on the countries involved, leading to a significant increase in uncertainty related to the macroeconomic context, with possible indirect impacts that are difficult to assess. The Group remains committed to carefully monitoring market trends and production factors, in terms of availability and prices, in order to be able to take appropriate mitigation actions.

Excluding these new factors of uncertainty that could significantly change the macroeconomic context and therefore influence the sector in which the Group operates, in 2026, considering a more favourable evolution of industrial prospects and an increase in demand, a recovery in apparent consumption of steel is expected to gradually take hold from the second quarter of the year.

The year 2026 is set to mark the beginning of a profoundly different cycle for European steel, supported by a structural change in European policies, both in the dynamics of costs and in the balance between supply and demand.

The real turning point is represented by the new combination of instruments adopted by the European Commission: the reform of import quotas and the full implementation of the CBAM.

With regard to the quota reform, which will have to replace the current Safeguard Measures regime, expiring on 30 June 2026, based on the proposals of the European Commission, a halving of the duty-free quotas and the application of a 50% tariff on excess volumes is envisaged. The effects of this new commercial rule will begin to emerge gradually during 2026 in relation to the actual timing of entry into force. The expected reduction in imports, estimated by analysts at around 25% in 2026, would free up around 9 million tonnes for European domestic production, allowing for an increase in volumes of around 10% and a significant improvement in plant utilisation, which could be close to 75-80%.

At the same time, by imposing a price on emissions embedded in imported steel, the CBAM will increase the cost of products from non-EU countries, which overall accounted for around 27%, in terms of volume, of apparent European consumption, with low and barely profitable prices.

The overall trend expected for 2026 stems from the combination of unprecedented trade protection and the introduction of carbon costs on imports. In this scenario, the European steel sector is expected to recover volumes and improve plant efficiency, supported by a more balanced market and a finally more solid and competitive domestic supply.

The most immediate impact will be a recovery in production volumes within the European Union, where European steel operators have operated for years with levels of use well below the economic efficiency threshold, and this will create a context in which the sector can recover more balanced margins with respect to its cost structures.

The overall evolution of steel demand is expected to move towards a phase of gradual recovery during 2026, although it remains characterised by a context of significant uncertainty. Apparent consumption is estimated to return to growth on an annual basis (1.3%), supported by an improvement in the industrial scenario, although overall volumes remain lower than pre-pandemic levels.

The production of user sectors should benefit in 2026 from a more visible recovery of the industrial cycle, with an overall increase of 1.9%, after the slight contraction recorded in 2025. The improvement is expected to spread progressively between segments, supported by the easing of monetary conditions and a moderate recovery in confidence, despite the presence of a geopolitical and trade context that is still unstable.

Economic activity in the construction sector is expected to strengthen in 2026, with an overall growth of 2.4%. The dynamics of the sector will continue to be driven mainly by civil engineering projects and infrastructural works, thanks to the contribution of public investments and the acceleration of expenditure linked to the NextGenerationEU programmes, while the recovery of the residential sector continues to be affected by the transmission times of the monetary policy.

After the contractions recorded in 2024 and 2025, the mechanical engineering sector is expected to return to a growth path in 2026, with an estimated increase of 1.4%. The improvement in industrial outlook and the gradual recovery of investments should support the sector, despite a still prudent demand framework.

After the sharp reduction recorded in 2024 and 2025, the automotive sector should record a partial recovery in 2026 (increase of 0.9%). However, the demand for motor vehicles remains fragile and highly dependent on the evolution of global trade, tariff tensions and adaptation to regulations on the transition to electric mobility. The main foreign markets will continue to be a key factor for the sector's outlook, in a context that remains exposed to risks and uncertainties in general.

User sectors	Share of consumption	Q1 26	Q2 26	Q3 26	Q4 26	Year 2026	Year 2027
Construction	37.0%	1.4%	2.0%	2.9%	3.1%	2.4%	2.8%
Automotive	19.0%	3.5%	1.0%	0.0%	-1.2%	0.9%	1.7%
Mechanical engineer	12.0%	0.5%	1.0%	2.3%	1.9%	1.4%	1.9%
Metal articles	13.0%	2.3%	2.9%	3.7%	2.8%	2.9%	2.5%
Oil & Gas	11.0%	2.6%	-0.8%	0.2%	1.2%	0.8%	1.5%
Appliances	3.0%	2.1%	0.3%	2.1%	1.4%	1.5%	0.9%
Other transports	3.0%	2.8%	2.7%	3.1%	2.8%	2.9%	2.3%
Others	2.0%	1.8%	2.5%	-0.3%	1.1%	1.3%	1.7%
Total	**100.0%**	**2.3%**	**1.5%**	**2.1%**	**1.7%**	**1.9%**	**2.2%**

Source: Eurofer march 2026.

The implementation of the measures envisaged in the Business Plan, with particular reference to the reduction of operating and personnel costs of the Swiss and Romanian subsidiaries, and the consolidation of the effects of reducing network costs in Switzerland, set forth by the legislation approved in December 2024 to support energy-intensive sectors, enabled a significant improvement in results during 2025.

The update to the economic and financial forecasts, in line with the strategic lines set out in the Plan, shows a consolidation of EBITDA in 2026 and a gradual return to a positive net result in 2027, thanks to the actions taken and planned, with particular reference to the Swiss and Romanian subsidiaries, as described in section I "Economic and financial data and indicators".

With reference to the main variables that affect the operating performance, it should be noted that, during the first few months of 2026, energy and gas prices remained high and substantially in line with those recorded in the second half of the previous year. The recent outbreak of the conflict in Iran has also led to an increase in factors of uncertainty, with particular reference to the prices of energy raw materials, with effects that are currently difficult to predict.

The price of scrap in the first few months of 2026 remained high, up compared to the last part of the previous year.

The sale prices of finished products rose slightly, remaining on the whole at values that are not yet fully satisfactory in relation to the cost of production factors but, in any case, higher than the last part of the previous year.

Market and macroeconomic conditions are still not particularly favourable and are subject to significant and difficult to predict factors of uncertainty, which, as noted above, worsened with the outbreak of the conflict in Iran.

The implementation of the main actions envisaged by the strategies of the Business Plan are underway and are proceeding with the utmost attention and rigour. The results are substantially aligned with the defined objectives.

The Group's profitability in the first few months of 2026 was influenced by these trends, recording an EBITDA in line with the forecasts. The merchant bars business confirms the healthy results recorded in 2025 and the companies Stahl Gerlafingen and Donalam show further improvement in profitability. The generation of operating cash and the financial position are in line with expectations.

The Board of Directors constantly assesses the assumptions and profiles of uncertainty underlying the achievement of the objectives set out in the Plan, including the assumptions underlying the performance in the costs of production factors and sales prices, and monitors the performance of operations and updates periodically the economic and financial forecasts in light of the evolution of the market and the implementation of the company strategy. On the basis of the results of this constant activity, in consideration of the performance of the first few months of the current year and of the forecasts developed, while highlighting that the Group's profitability is closely linked to the market performance and that it is particularly uncertain in terms of its future developments, the Board believes that, in 2026, the Company and the Group can achieve further improvement in terms of profitability and operating cash generation in line with the results envisaged in the Plan.

AFV Acciaierie Beltrame S.p.A.
The Chairman of the Board of Directors
Mr Antonio Beltrame

Vicenza, 27 March 2026

Plant of Trith-Saint-Léger, France

CONSOLIDATED BALANCE SHEET, INCOME STATEMENT, STATEMENT OF CASH FLOWS

02

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2025 AND 2024

ASSETS	2025	2024
A - AMOUNTS DUE FROM STOCKHOLDERS FOR SHARE SUBSCRIBED BUT NOT CALLED	**0**	**0**
B - FIXED ASSETS		
I - INTANGIBLE FIXED ASSETS		
1) Start-up and expansion costs	2,597	2,597
3) Industrial patents and intellectual property rights	1,172,707	442,906
4) Concessions, licenses, trademarks and similar rights	65,180	73,491
5) Goodwill	25,132,984	31,476,956
6) Assets under construction and advances	4,135,913	6,279,253
7) Others	15,461,602	18,085,081
Total I - Intangible assets	45,970,983	56,360,284
II - TANGIBLE FIXED ASSETS		
1) Land and buildings	228,060,049	200,880,621
2) Plant and machinery	349,919,214	315,063,151
3) Industrial and commercial equipment	22,312,702	23,343,025
4) Other assets	3,817,131	4,538,323
4-bis) Assets subject to reversion free of charge	4,746,749	5,415,102
5) Construction in progress and advances	108,759,911	150,927,357
Total II - Tangible fixed assets	717,615,756	700,167,579
III - FINANCIAL FIXED ASSETS		
1) Equity investments in:		
a) subsidiaries	10,000	10,000
b) associated companies	132,808	219,067
d bis) others	6,202,131	6,202,131
2) Receivables:		
d bis) from others	16,608,533	16,224,278
Total III - FINANCIAL FIXED ASSETS	22,953,472	22,655,476
TOTAL B - FIXED ASSETS	**786,540,211**	**779,183,339**
C - CURRENT ASSETS		
I - INVENTORIES		
1) Raw, ancillary and consumable materials	87,306,058	94,015,559
2) Work in progress and semi-finished products	123,302,896	81,028,664
4) Finished products and goods	227,098,515	219,019,723
6) Plant and machinery held for sale	32,500	45,000
Total I - Inventories	437,739,969	394,108,946

ASSETS	2025	2024
II - RECEIVABLES		
1) From suppliers	46,519,580	42,693,120
2) From subsidiaries		
- for trading operations	99,433	221,637
- for loans	3,615,036	3,012,249
3) From associated companies		
- for trading operations	574	8,325
- for loans	753,863	836,863
4) From parent company		
- for trading operations	1,124,611	5,677,816
5-bis) Tax receivables	6,282,459	10,637,931
5-ter) Deferred tax assets	14,913,651	17,278,315
5-quater) From others	34,583,793	16,651,325
Total II - Receivables	107,893,000	97,017,581
III - FINANCIAL ASSETS NOT REPRESENTING FIXED ASSETS		
5) Derivative financial instruments assets	30,574	1,169,303
6) Other investments	168,500	168,500
Total III - Financial assets not representing fixed assets	199,074	1,337,803
IV - LIQUID FUNDS		
1) Bank and post office accounts	108,761,485	164,347,474
3) Cash on hand	14,051	18,081
Total IV - Liquid funds	108,775,536	164,365,555
TOTAL C - CURRENT ASSETS	**654,607,579**	**656,829,885**
D - ACCRUED INCOME AND PREPAID EXPENSES		
I - PREPAYMENTS AND ACCRUED INCOME		
1) due within one year	9,787,332	2,545,722
2) due beyond one year	65,105	1,168,594
TOTAL D - ACCRUED INCOME AND PREPAID EXPENSES	**9,852,437**	**3,714,316**
TOTAL ASSETS	**1,451,000,227**	**1,439,727,540**

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2025 AND 2024

LIABILITIES	2025	2024
A - SHAREHOLDERS' EQUITY		
I - SHARE CAPITAL	113,190,480	113,190,480
II - SHARE PREMIUM RESERVE	0	0
II - SHARE PREMIUM RESERVE FOR SHARES TO BE REDEEMED	4,014,685	4,014,685
III - REVALUATION RESERVES	0	0
IV - LEGAL RESERVE	22,638,096	22,638,096
V - STATUTORY RESERVES	0	0
VI - OTHER RESERVES		
a) Extraordinary reserve and other reserves	302,032,249	432,578,969
b) Tax suspension reserve	515,391	515,391
b-2) Tax-deferred reserves - Italian Law 244/2007	1,241,811	1,241,811
b-3) Tax-deferred reserves from revaluations - Italian Decree Law 104/2020	64,219,609	64,219,609
VII - RESERVE FOR CASH FLOW HEDGING	(951,249)	(1,398,801)
VIII - PROFIT (LOSS) CARRIED FORWARD	0	0
IX - GROUP PROFIT (LOSS)	(16,548,806)	(129,332,712)
X - NEGATIVE RESERVE FOR TREASURY SHARES IN PORTFOLIO	0	0
SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP	490,352,266	507,667,528
MINORITY INTERESTS IN SHAREHOLDERS' FUNDS	50,324,026	50,905,374
CONSOLIDATED NET PROFIT (LOSS) PERTAINING TO MINORITY SHAREHOLDERS	1,909,585	(299,916)
CONSOLIDATED NET EQUITY PERTAINING TO MINORITY SHAREHOLDERS	52,233,611	50,605,458
TOTAL A - TOTAL SHAREHOLDERS' EQUITY	**542,585,877**	**558,272,986**
B - RESERVE FOR RISKS AND CHARGES		
1) For retirement benefits and similar obligations	452,151	466,315
2) For taxes, also deferred	11,401,384	11,430,990
3) Derivative financial instruments liabilities	1,652,007	1,340,479
4) Other	19,950,932	17,588,141
TOTAL B - TOTAL RESERVE FOR RISK AND CHARGES	**33,456,474**	**30,825,925**
C - RESERVE FOR EMPLOYEE SEVERANCE INDEMNITY	**11,490,646**	**12,297,513**

LIABILITIES	2025	2024
D - AMOUNTS PAYABLE		
4) Payables to banks		
1) due within one year	117,151,677	37,112,148
2) due beyond one year	152,970,046	200,542,220
5) Payables to other lenders		
1) due within one year	1,772,224	2,336,935
2) due beyond one year	2,390,950	3,038,075
6) Advance payments		
1) due within one year	103,702	251,482
7) Trade payables		
1) due within one year	470,061,482	492,744,794
2) due beyond one year	255,349	0
9) Payables to subsidiaries		
1) due within one year	5,522	0
10) Due to associated companies		
- for trading operations	201,287	105,967
11) Payables to parent companies		
- for trading operations and other	358,221	573,994
11 bis) Payables to companies subject to the control of parent companies		
- for trading operations	22,415,034	0
12) Tax payables		
1) due within one year	6,337,456	6,316,877
2) due beyond one year	0	134,094
13) Social security payables		
1) due within one year	9,577,360	8,344,124
14) Other payables		
1) due within one year	23,062,958	29,225,510
2) due beyond one year	46,488,034	48,654,700
TOTAL D - TOTAL PAYABLES	**853,151,302**	**829,380,920**
E - ACCRUED EXPENSES AND DEFERRED INCOME		
I - ACCRUED EXPENSES AND DEFERRED INCOME		
1) due within one year	4,433,964	5,819,907
2) due beyond one year	5,881,964	3,130,289
TOTAL E - TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	**10,315,928**	**8,950,196**
TOTAL LIABILITIES	**1,451,000,227**	**1,439,727,540**

CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2025 AND 2024

	2025	2024
A - VALUE OF PRODUCTION		
1) Revenue from sales and services	1,538,373,866	1,575,700,746
2) Changes in work in progress, semifinished and finished products inventories	53,498,570	(62,004,078)
4) Additions to internally produced fixed assets	9,664,729	12,801,398
5) Other income and revenues		
- current year grants	20,211,798	4,179,059
- others	39,295,275	33,787,386
Total value of production	**1,661,044,238**	**1,564,464,511**
B - COST OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods	1,043,315,823	1,054,498,891
7) Services	325,066,293	310,820,046
8) Leases and rentals	11,729,411	10,633,988
9) Personnel costs		
a) Wages and salaries	128,312,487	134,298,840
b) Social security costs	36,987,881	37,407,197
c) Employment severance indemnity	2,678,066	3,550,347
e) Other costs	3,419,881	5,359,206
Total 9 - Personnel costs	171,398,315	180,615,590
10) Amortisation, depreciation and write-downs		
a) depreciation of intangible fixed assets	9,395,133	9,021,545
b) depreciation of tangible fixed assets	53,993,553	67,441,782
c) write-down of tangible and intangible fixed assets	1,952,929	24,468,152
d) write-down of receivables included under current assets and liquid funds	2,544,692	3,043,362
Total 10 - Amortisation, depreciation and write-downs	67,886,307	103,974,841
11) Changes in raw materials, ancillary and consumable materials and goods	6,747,620	(8,414,009)
12) Provisions for risks	758,319	245,043
13) Other provisions	625,561	0
14) Other operating expenses	10,406,811	10,336,998
TOTAL COST OF PRODUCTION	**1,637,934,460**	**1,662,711,388**
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	**23,109,778**	**(98,246,877)**

	2025	2024
C - FINANCIAL INCOME AND EXPENSES		
15) Investment income		
a) from subsidiaries	36,942	0
16) Other financial income		
d) sundry financial income - from third parties	199,096	408,020
- from subsidiaries	253,799	169,937
- from associates	8,206	8,325
17) Interests and financial charges - from third parties	26,651,404	23,879,016
- from subsidiaries	27,734	19,389
- from parent company	20,580	96,151
17 bis) Profit (loss) on exchange rates	(2,740,493)	(733,900)
Total financial income and expenses	**(28,942,168)**	**(24,142,174)**
D - ADJUSTMENT TO FINANCIAL ASSETS AND LIABILITIES		
18) Revaluations of:		
c) securities recorded under current assets	0	0
19) Write-downs of:		
a) equity investments	189,817	1,023,653
b) financial fixed assets which do not constitute equity investments	66,937	3,000,000
d) financial derivative investments	196,530	472,556
Total adjustment to financial assets and liabilities	**(453,284)**	**(4,496,209)**
PROFIT (LOSS) BEFORE TAX	**(6,285,674)**	**(126,885,260)**
22) Income taxes		
a) current	6,409,820	3,356,231
b) deferred	(30,987)	(26,311)
c) prepaid	1,974,714	(582,552)
Total 22 - Income taxes	8,353,547	2,747,368
23) Profit (loss) for the year	(14,639,221)	(129,632,628)
Group profit (loss)	**(16,548,806)**	**(129,332,712)**
Profit (loss) pertaining to minority interest	**1,909,585**	**(299,916)**

CONSOLIDATED CASH FLOW STATEMENT AS AT 31 DECEMBER 2025 AND 2024

	2025	2024
A. Financial flows from operating activities		
- Profit (loss) for the year	(14,639,221)	(129,632,628)
- Income taxes	8,353,547	2,747,368
- Interest expense/(interest income)	26,238,617	23,408,274
- Dividends	0	0
- Capital gains from the sale of assets, net	(22,005,965)	(117,871)
1 Profit (loss) for the year before income taxes, interest, dividend income and capital gains/losses on disposal	(2,053,022)	(103,594,857)
Adjustments for non-monetary items that did not have a balancing entry in the working capital		
- Allocations to provisions	10,428,259	5,904,812
- Depreciation of fixed assets	63,388,686	76,463,327
- Write-downs for accumulated impairment losses	2,209,683	28,491,805
- Other adjustments to non-monetary items	969,850	1,582,912
Total adjustments to non-monetary items	76,996,478	112,442,856
2 Cash flow before changes in working capital	**74,943,456**	**8,847,999**
Changes in working capital		
- Decrease (increase) in inventories	(44,153,415)	53,777,446
- Decrease (increase) in trade receivables	(3,097,659)	1,447,793
- Increase (decrease) in trade payables	32,466,987	(37,001,692)
- Decrease (increase) in prepayments and accrued income	(6,092,848)	4,105,144
- Increase (decrease) in accrued expenses and deferred income	(1,061,429)	(21,712)
- Other changes in working capital	(12,547,809)	2,336,677
Total changes in working capital	(34,486,173)	24,643,657
3 Cash flow after changes in working capital	**40,457,283**	**33,491,656**
Other adjustments		
- Interest collected/(paid)	(22,958,936)	(21,315,942)
- Income taxes (paid)	(3,064,734)	(3,966,062)
- Dividends received	0	0
- Use of provisions	(6,219,187)	(4,726,911)
Total other adjustments	(32,242,857)	(30,008,915)
Cash flow from operating activities (A)	**8,214,426**	**3,482,740**

	2025	2024
B. Cash flows from investment activities		
Tangible fixed assets		
(Investments)	(110,094,334)	(98,071,800)
Sale price of disinvestments	27,591,619	547,590
Intangible fixed assets		
(Investments)	(2,461,030)	(3,297,608)
Sale price of disinvestments	0	0
Financial fixed assets		
(Investments)	(9,501,747)	(20,486,318)
Sale price of disinvestments	283,059	10,000
Current financial assets		
(Investments)	0	0
Sale price of disinvestments	0	0
Acquisition or sale of subsidiaries or business units net of cash and cash equivalents		
Cash flow from investment activities (B)	**(94,182,433)**	**(121,298,136)**
C. Cash flows from financing activities		
Third- party funds		
Increase (decrease) in short-term payables to banks	59,446,960	(25,682,221)
Opening of loans	6,257,979	113,567,462
Loans to subsidiaries, parent company and associates	(1,052,238)	(1,512,605)
Repayment of loans	(35,235,946)	(16,479,046)
Charges incurred for new loan	0	(30,000)
Disposal (purchase) of treasury shares	0	(5,000,000)
Share capital increase against payment	0	0
Closing of derivatives	0	0
Dividends (and advances on dividend income) paid	(294,836)	(79,686)
Cash flow from financing activities (C)	**29,121,919**	**64,783,903**
Translation differences	1,256,069	(454,084)
Increase (decrease) in cash and cash equivalents (A +/- B +/- C)	(55,590,019)	(53,485,577)
Cash and cash equivalents at the beginning of the year	164,365,555	217,851,132
Cash and cash equivalents at the end of the year	108,775,536	164,365,555

Consolidated financial statements of Beltrame Group 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

03

1. FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Beltrame Group consist of the AFV Acciaierie Beltrame S.p.A. financial statements as at 31 December 2025 (hereinafter also referred to as the "Parent Company") and those of the following companies directly or indirectly controlled by the Parent Company:

Name	% Interest held DIRECT	% Interest held INDIRECT
Donalam S.r.l. - steel manufacturing company Călărași (RO) - Share capital Leu 589,918,700	98.33	-
Donalam Siderprodukte A.G. - trading company Zurich (CH) - Share capital CHF 300,000	-	73.75
Laminés Marchands Européens S.A.S. - steel manufacturing company Trith Saint Léger (F) - Share capital Euro 32,300,345 (hereafter also LME S.A.S.)	80.23	-
Sipro Beltrame A.G. - trading company Zurich (CH) - Share capital CHF 300,000	50.00	-
Stahl Gerlafingen A.G. - steel manufacturing company Gerlafingen (CH) - Share capital CHF 61,001,000	86.47	-
Alternative Energy Innovation S.r.l. - energy industry S.G.Lupatoto (I) - Share capital Euro 10,000	50.00	-

The financial statements were prepared by consolidating the financial statements of the above-mentioned companies on a line-by-line basis. Compared to the previous year, we point out that the Company Laminoirs du Ruau S.A. was excluded from the scope of consolidation as it is no longer considered significant.

The Parent Company and its subsidiaries have a majority holding or exercise significant influence on the following companies:

Name	% Interest held DIRECT	% Interest held INDIRECT
Ferriera Sider Scal S.r.l. in liquidation - steel manufacturing company Vicenza - Share capital Euro 100,000	100.00	-
Laminoirs du Ruau S.A. - steel manufacturing company Monceau sur Sambre (B) - Share capital Euro 10,000,000 (hereafter also RUAU S.A.)	-	80.23
Consorzio Valbel - service company Vicenza - Share capital Euro 70,000	14.28	-
Laminados Industriales S.A. - steel manufacturing company Villa Constitution (RA) - Share capital Pesos 846,782,317 (hereafter also LISA)	5.37	-
Metal Interconnector S.c.p.A. - financial company Milan - Share capital Euro 162,750,424	5.16	-
Renewability S.c.a.r.l. - energy company Trento - Share capital Euro 160,000	31.25	-
Consorzio CEIP - service company Milan - Share capital Euro 60,000	8.33	-
Sirio S.r.l. - energy industry Carmignano di Brenta (PD) - Share Capital Euro 345,034	24.00	-

Ferriera Sider Scal S.r.l., in liquidation was not consolidated as it was considered immaterial.

The consolidated financial statements, comprised of the balance sheet, the income statement, the statement of cash flows and the notes to the financial statements, have been prepared in accordance with the criteria stated by the Italian Law Decree 127/91, as well as being supplemented with the accounting principles prepared by "Organismo Italiano di Contabilità - OIC" and, where deficient and inasmuch as they are not in contrast with the Italian accounting rules and standards, by the International Accounting Standard/International Financial Reporting Standards.

The financial statements of the consolidated companies are those prepared by the Board of Directors for approval. They have been adjusted, where necessary, in order to conform to the valuation criteria of Art. 2426 of the Italian Civil Code, uniformly applied within the Group, as well as being interpreted and integrated with the accounting principles issued by Organismo Italiano di Contabilità - OIC and, where deficient, by the International Accounting Standard / International Financial Reporting Standards. These notes to the consolidated financial statements fulfil the function of providing an illustration, an analysis, and, in certain cases, a supplement to the financial statements. They also contain the information required by Articles 2427 and 2427 bis of the Italian Civil Code, other provisions of Italian Legislative Decree no. 127/1991, or other laws. Moreover, they contain all the relevant information deemed necessary in order to provide a true and fair view, even if not required by specific provisions of the law.
The Balance Sheet, the Income Statement and the Statement of Cash Flows contain values expressed in units of Euro, while in these notes to the consolidated financial statements, except where indicated otherwise, values are expressed in thousands of Euro.
In compliance with Art. 2423 ter of the Italian Civil Code, the sub-captions of the Balance Sheet and of the Income Statement identified by a capital letter and an Arabic number respectively have been omitted, as the amount was zero for both the financial years.
Amounts to be settled beyond twelve months have been separately shown in the Balance Sheet.

For an analysis of the nature of the activity and of the significant events occurred after 31 December 2025, of the business outlook and of any other information pertaining to the financial statements of the year, please refer to the Report on Operations.

The reconciliation between shareholders' equity and net income of AFV Acciaierie Beltrame S.p.A. as at 31 December 2025, of the previous year and those reflected in the consolidated financial statements of the same dates is detailed in the following table (in thousands of Euro):

	2025		2024	
	Shareholders' equity	**Result for the year**	**Shareholders' equity**	**Result for the year**
Statutory financial statements of the Parent Company	476,018	(5,009)	480,579	(130,602)
Group's share of the adjusted shareholders' equity of the consolidated companies	199,642	(8,614)	217,838	(126,827)
Carrying value of the consolidated companies	(192,765)	-	(199,289)	123,822
Translation difference of the financial year	(1,036)	203	(2,714)	(1,120)
Intercompany profit	-	-	-	218
Dividend collected from the consolidated companies	-	(368)	-	-
Adjustment for write-down of minority interest	8,407	(2,541)	10,948	5,396
IR/IDRA merger	86	(220)	306	(220)
Consolidated Group financial statements	490,352	(16,549)	507,668	(129,333)

2. CRITERIA

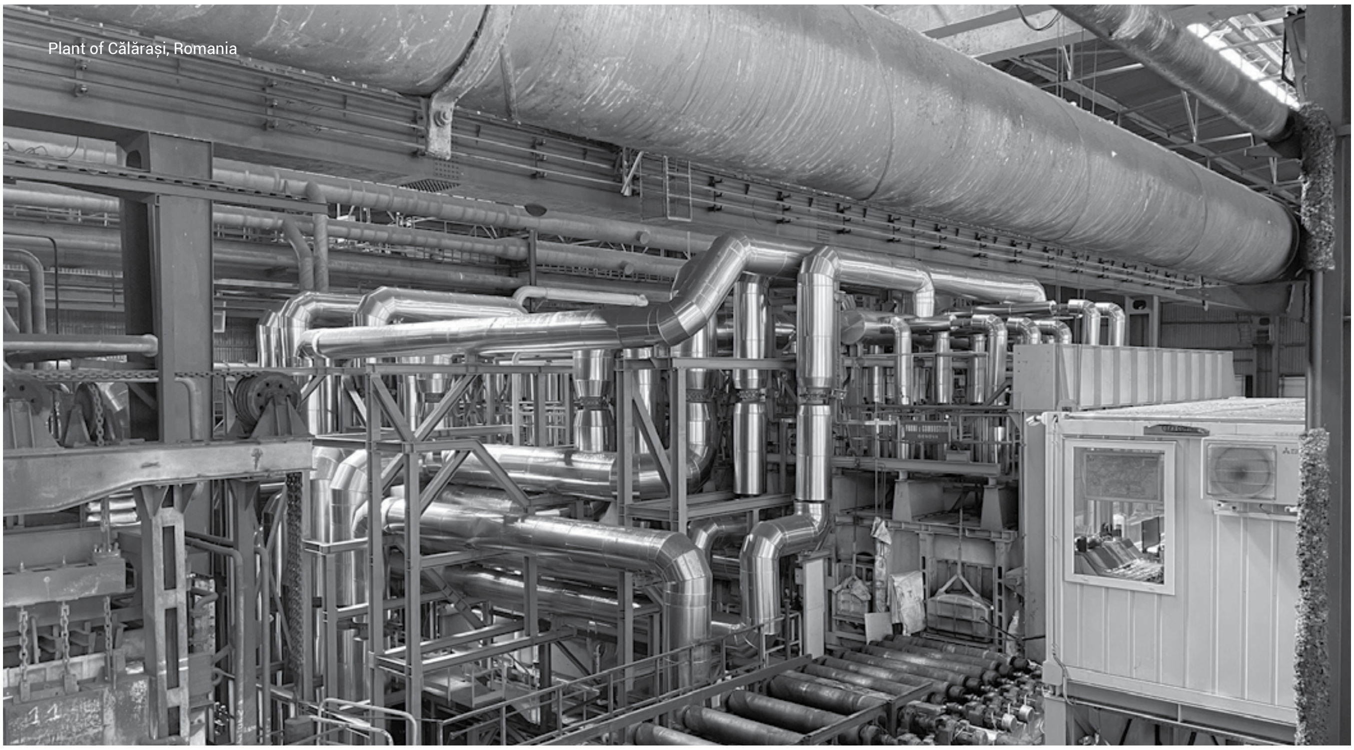
Consolidation criteria

The most relevant consolidation criteria adopted for the preparation of the consolidated financial statements, which do not differ from those used in the previous financial year, are as follows:

a) the assets and liabilities, income and expenses of the consolidated companies are consolidated on a line-by-line basis, eliminating the carrying amounts of the equity investments against the subsidiaries' shareholders' equity regardless of the percentage owned;
b) the difference between the acquisition cost and the shareholders' equity of the investees is allocated to the specific assets and liabilities on the basis of their fair value at the acquisition date. Any excess amount is posted as the goodwill between the intangible fixed assets net of the related amortisation calculated estimating their expected future benefit;
c) the lower price paid at the time of the acquisition of equity investments compared to the related shareholders' equity is allocated in the consolidated shareholders' equity as "Consolidation reserve" or, when the lower price paid is due to a forecast of unfavourable results, as a liability to the line item "Consolidation provision for risks and future charges";
d) receivables, payables, revenues and expenses, as well as unrealised profit deriving from transactions between Group consolidated companies are derecognised;
e) dividends received from Group companies are derecognised from the consolidated income statement;
f) minority interests in consolidated subsidiaries are separately indicated as well as income attributable to minority shareholders;
g) adjustments and provisions accounted for in application of tax laws only are derecognised;
h) the translation into Euro of the financial statements of foreign subsidiaries denominated in other currencies is made using the year-end exchange rates for balance sheet items, historic rates for the shareholders' equity reserves, while the average exchange rate for the year has been used for the income statement. The exchange rate differences caused by the translation have been accounted for directly within a shareholders' equity reserve.

The following exchange rates were applied for the preparation of these financial statements:

	CHF	Leu
Exchange rate as at 31 December 2024	0.9412	4.9743
Average exchange rate in the financial year 2025	0.9370	5.0424
Exchange rate as at 31 December 2025	0.9314	5.0968


Plant of Călărași, Romania

Valuation criteria

Taking account of the difficulties and uncertainties that characterise the macroeconomic scenario and the sector in which the Group operates, as well as the operating performance reported in 2025, as described in the Report on Operations, the Directors paid special attention to the management and financial aspects that affect the going concern, in order to adequately support the adoption of the accounting standards of an operating company to which they referred while preparing the consolidated financial statements as at 31 December 2025. Some relevant information in this regard is provided below.

The implementation of the measures envisaged in the Business Plan approved by the Board of Directors in February 2025, with particular reference to the reduction of operating and personnel costs of the Swiss and Romanian subsidiaries, and the consolidation of the effects of reducing network costs in Switzerland, set forth by the legislation approved in December 2024 to support energy-intensive sectors, enabled a significant improvement in results during 2025.

The update to the economic and financial forecasts, in line with the strategic lines set out in the Plan, shows a consolidation of EBITDA in 2026 and a return to a positive net result in 2027, thanks to the actions taken and planned, with particular reference to the Swiss and Romanian subsidiaries, as described in section I "Economic and financial data and indicators" reported in the Report on Operations.

With reference to shorter-term planning, the 2026 and 2027 financial years were the subject of financial planning that incorporates the details used for the preparation of the 2026 Budget and the Business Plan. This analysis makes it possible to detect the monthly changes in the cash flow profile in relation to both ordinary and non-recurring operating and financial commitments.
This planning was subjected to a series of sensitivity analyses on some key assumptions aimed at quantifying the margins of flexibility and manoeuvring in relation to the financial structure, highlighting the stability of the financial position with respect to reasonably conceivable changes in the aforementioned assumptions.

With reference to the main variables that affect the operating performance, it should be noted that, during the first few months of 2026, energy and gas prices remained high and substantially in line with those recorded in the second half of the previous year. The recent outbreak of the conflict in Iran has also led to an increase in factors of uncertainty, with particular reference to the prices of energy raw materials, with effects that are currently difficult to predict.
The price of scrap in the first few months of 2026 remained high, up compared to the last part of the previous year.
The sale prices of finished products rose slightly, remaining on the whole at values that are not yet fully satisfactory in relation to the cost of production factors but, in any case, higher than the last part of the previous year.

Market and macroeconomic conditions are still not particularly favourable and are subject to significant and difficult to predict factors of uncertainty, which have become more acute, as mentioned above, due to the outbreak of the conflict in Iran.

The implementation of the main actions envisaged by the strategies of the Business Plan are underway and are proceeding with the utmost attention and rigour. The results are substantially aligned with the defined objectives.
The Group's profitability in the first few months of 2026 recorded an EBITDA in line with the forecasts. The merchant bars business confirms, in particular, the healthy results recorded in 2025 and the companies Stahl Gerlafingen and Donalam show further improvement in profitability. The generation of operating cash and the financial position are in line with expectations.

The Directors therefore assessed the profiles of uncertainty related to the achievement of the objectives set out in the 2026 Budget and the Business Plan, including the assumptions underlying the performance of the costs of the production factors and the sales prices, the realisation of the assumptions underlying the financial planning for the next 12 months. In consideration of the performance of the first few months of the current year, the forecasts drawn up and the financial structure of the Group, they considered it appropriate to use the going concern assumption in preparing the consolidated financial statements as at 31 December 2025.


Plant of Gerlafingen, Switzerland

The most significant valuation criteria adopted for the preparation of the consolidated financial statements are the following:

Intangible fixed assets

Intangible fixed assets are accounted for at acquisition or realisation cost. The cost of intangible fixed assets with finite life is systematically amortised over the residual useful life, generally of five years.

In the cases where, irrespective of the amortisation already accounted for, a long-term loss of value resulted, the fixed assets are correspondingly impaired. If in following years the assumptions of the impairment no longer hold true, then the original value will be restated, to the limit of the net book value that the asset would have had, had the impairment not been accounted for.

Tangible fixed assets

Tangible fixed assets are recorded at acquisition or production cost, adjusted in order to take into account the higher purchase price paid compared to the tangible fixed asset carrying amounts held by the acquired companies. In any case, the carrying amounts are within the limits of the corresponding market value and/or value in use of the assets.

Acquisition cost includes ancillary costs. The cost of production includes all costs directly referred to the fixed asset. It may also include other costs, for the portion that can be reasonably referred to the asset during the manufacturing period until the asset can be used.

Depreciation for finite life fixed assets is calculated every financial period on a straight-line basis in relation to their residual useful lives.

Group companies periodically commission a specialised company to update the estimate of the useful life and residual life of the main tangible fixed assets in order to obtain input to determine the correct depreciation period. As a consequence of the update occurred in 2025, useful and residual life of the following asset categories were redefined:

	useful life	**residual life as at 31.12.2025**
Large specific plants	18	7
Generic plants	18	7
General and specific equipment	12	5

For those assets, at the reference date of the estimate depreciation was calculated allocating residual value over residual life. For newly acquired assets, depreciation was calculated allocating historic cost over useful life.

For those categories of tangible fixed assets, which were not included in the study, the depreciation rates and criteria, which had previously been applied, remained in place and are shown hereafter:

Industrial buildings	3.0 - 5.0%
Office furniture and equipment	12.0 - 20.0 - 25.0%
Means of transport	20.0 - 25.0%

In the year 2020, as permitted by Italian Law Decree 104/2020, the Parent Company revalued and estimated the useful and residual life of the buildings, plants and machinery of the Vicenza site already in place as at 31 December 2019. The activity, entrusted to independent experts, allowed the recognition of higher values for a total amount of Euro 66,414 thousand. This revaluation, as required by the afore-mentioned Italian Law Decree, was defined after the recognition of the 2020 depreciation of the assets subject to revaluation and the higher depreciation amounts were allocated starting from the 2021 financial year. In 2025, the estimate of the useful and residual life of the main tangible fixed assets of all the production sites of the Parent Company and of the subsidiaries Laminés Marchands Européens S.A.S. and Donalam S.r.l. was updated.

Newly acquired assets are considered conventionally entered into the production process at mid-year; for this reason, depreciation is reduced by 50%.

It should be noted that for some specific plants, depreciation began from the actual date of entry into the production process.

In the cases where, independently of the depreciation already accounted for, a long-term loss of value resulted, the fixed assets are correspondingly impaired. If in following years the assumptions of the impairment no longer hold true, then the original value will be restated.

The carrying amount of the tangible fixed assets cannot exceed the recoverable amount. The recoverable amount is defined as the higher between the market value (the amount that can be obtained from the disposal of the tangible fixed asset in an arm's length transaction between knowledgeable willing parties, net of costs to sell) and its value in use (present value of the future cash flows expected to be derived from or attributable to the continuous use of the asset, including the amount recoverable from its disposal at the end of its useful life).
The valuation of the value in use implies forecasting future positive and negative cash flows derived from its operations and eventual disposal and by applying appropriate discount rates to the estimated cash flows.
Ordinary repair and maintenance expenses are charged in the income statement as incurred.
Leased assets have been accounted for following the financial method, which requires the assets and residual liabilities to be included into the balance sheet, while amortisation and financial expenses are to be shown in the income statement.

Financial fixed assets

Equity investments in unconsolidated subsidiaries and associates are measured at equity. If the value of the equity investment is not significant, it is valued at cost, represented by the value of the underwriting or the acquisition price. The cost is reduced in case of impairment that is when the subsidiaries incurred losses and insufficient profits to absorb those losses are expected in the near future. The original value is reinstated in future years if the reasons for such impairment no longer apply.

Inventories

weighted average cost method, and the corresponding market value (replacement cost for raw material and net realisable costs for finished and semi-finished goods).
Manufacturing costs include the cost of raw materials, labour and both direct and indirect production costs attributable to the finished products.
Manufacturing cost is determined assuming normal capacity of the production facilities. The normal capacity is defined as the production expected to be achieved by the production facilities assuming reasonable levels of efficiency.
Inventories are written down due to obsolescence and/or slow moving stock.

Receivables and Payables

Receivables and payables are recognised in the financial statements according to the amortised cost criterion. The amortised cost criterion is not applied when effects are scarcely significant or if receivables are short term (i.e. with due date of less than 12 months). Receivables are stated at their estimated realisable value by means of an adequate allowance for doubtful accounts.

Securities reported in working capital

Securities reported in working capital are valued at the lower of purchase costs inclusive of ancillary costs and the realisable value obtained from the market.

Accruals and Prepayments

The caption prepayments and accrued income details the revenues of the current financial year whose consideration is due in successive financial years, as well as those costs incurred before year-end but accrued in subsequent financial years. The caption accrued expenses and deferred income lists the costs of the financial year that are due in successive financial years and the revenues whose consideration is collected before year-end and related to successive financial years. The amounts are determined on a time basis.

Provisions for risks and charges

The provisions for risks and charges include provisions to cover losses or liabilities whose existence is certain or that are likely to be incurred, but where uncertainty remains as to the amount or date when this will happen. Provisions reflect the best estimate of losses to be incurred based on the information available. Contingent liabilities are disclosed in the notes, without allocation to a provision for risks and charges.

Allowance for pensions and severance indemnity

The allowance reflects the liabilities to all employees of the Group companies, determined on the basis of laws and labour contracts in force in the countries in which the companies included in the consolidation area operate.
With regard to the Parent Company, starting from January 1, 2007, as a result of the pension reform introduced by the 2007 National Budget, the severance indemnity accrued from that date onwards is transferred monthly to private pension funds or to a treasury fund held by INPS, based on the employees' choice. The allowance reflects the liabilities up to December 31, 2006, net of the advances paid, for current employees and revalued in compliance with the law.
In the case of the foreign subsidiaries, the provisions are discounted once a year on the basis of a rate matching that of low-risk bonds, on average retirement age, on average time of employment with the company, on life expectancy and on salary increases.

Derivative financial instruments

Derivative financial instruments are assets and liabilities recognised at fair value.
Derivatives are classified as hedging instruments only when, at the start of the hedge, there is a close, documented correlation between the characteristics of the hedged element and those of the hedging instrument and such hedging relationship is formally documented and the effectiveness of the hedge, verified periodically, is high.

When hedging derivatives cover the risk of change in the fair value of the hedged instruments (fair value hedge) they are recognised at fair value through profit or loss; consistently, the hedged items are adequate to reflect fair value changes associated with the hedged risk.
When the derivatives cover the risk of changes in the future cash flows of the hedged instruments (cash flow hedge), the effective portion of the gains or losses on the derivative financial instrument is suspended in the shareholders' equity. The gains and losses associated with a hedge for the ineffective portion are recognised in the income statement. At the time the related transaction is realised, the accumulated gains and losses, recorded in shareholders'

equity until that time, are recognised in the income statement (as an adjustment or supplement of the income statement item impacted by the hedged cash flows). Therefore, changes in the fair value of hedging derivatives are allocated:

- in the income statement, under items D18 or D19 in the case of fair value hedge of an asset or liability recorded in the financial statements, as well as fair value changes of the hedged items (if the fair value change of the hedged item has a higher absolute value than the fair value change of the hedging instrument, then the difference is recognised in the income statement entry affected by the covered item);
- in a dedicated shareholders' equity reserve (in item AVII "Reserve for hedges of expected cash flows") in the case of cash flow hedge in such a way as to offset the effects of the hedged flows (the ineffective component, as well as the change in the time value of options and forwards, is classified under items D18 and D19).

For derivatives classified as held for trading, inasmuch as, though they were stipulated to hedge the interest rate risk, they were not designated in hedge accounting, fair value changes are recognised in the balance sheet and allocated to the income statement under items D18 or D19.

The derivative instruments embedded in other financial instruments also have to be measured at fair value. An embedded derivative is separated from the primary contract and accounted for as a derivative financial instrument if, and only if:

- the economic characteristics and the risks of the embedded derivative are not closely correlated to the economic characteristics and the risks of the primary contract. There is a close correlation in the cases in which the hybrid agreement is stipulated according to market practices;
- all the elements of the definition of derivative financial instruments, as defined by OIC 32.11, are satisfied.

The provisions of Article 2426, paragraph 11-bis), of the Italian Civil Code, by express indication contained in the article itself, shall not apply if the following conditions are concurrently met:

- the contract was executed and is maintained to meet the needs expected by the company that prepares the financial statements for the purchase, sale or utilisation of the goods;
- the contract was intended for this purpose since its execution;
- performance of the contract is expected to take place through the delivery of the goods.

<u>Revenues and Costs</u>
Revenues from the sale of goods are recognised when the substantial and non-formal transfer of ownership has occurred, assuming the transfer of risks and benefits as the reference parameter for the substantial transfer.
Revenues from the sale of products and goods or the provision of services relating to ordinary operations are recognised net of returns, discounts, allowances and bonuses, as well as taxes directly connected with the sale of products and the provision of services.
Purchase costs are accounted for on an accrual basis. In the case of goods where a transfer of ownership has taken place, this generally coincides with the transfer of risks and benefits.

<u>Operating grants</u>
Operating grants are accounted for in the income statement taking into account the disbursement resolutions of the supplying entities and the accrual principle.

<u>Dividends</u>
Dividends are recorded in the period in which their distribution is approved by the shareholders.

<u>Taxes</u>
Income taxes are accrued by each consolidated company in the year to which they relate on the basis of the taxable income, taking into account the due tax credits.
Deferred tax assets and liabilities are accounted for on the temporary difference between assets and liabilities recorded in the financial statements and the related values recognised for tax purposes. Moreover, they are recorded on the consolidated adjustments, wherever applicable.
Deferred tax assets on tax losses carried forward are recorded when their utilisation in the short term becomes reasonably certain. This is due to future taxable incomes that will absorb the tax losses before their expiry dates, in compliance with tax laws. On the other hand, deferred tax liabilities are accounted for on all temporary differences. Deferred tax liability on reserves under tax suspension regimes are not recorded if it is highly unlikely the reserves will be distributed to the shareholders.

Amendment to accounting standard OIC 25 "Income taxes"
As a result of the consultation launched in 2023, on 18 March 2024 the OIC published some amendments to accounting standard OIC 25 which concern specific disclosure to be provided in the financial statements as part of Pillar Two; following these amendments, the following amendments to accounting standard OIC 25 apply:

a) the temporary exception to the recognition of deferred tax assets and liabilities related to the application of the Pillar Two provisions;
b) the disclosure obligation in relation to the portion of taxes deriving from the application of Pillar Two pertaining to own income and to the portion of income of other companies belonging to the same group.

<u>Foreign currency balances</u>
Foreign currency costs and revenues are converted into Euro at the exchange rates at the relevant transaction date. For sale or purchase agreements of goods in currencies other than the Euro, with deferred delivery and a related hedging instrument, the exchange differences since the contractual date are classified as an adjustment to the underlying commercial transaction.
The exchange differences between the transaction and the balance sheet date for receivables, payables and foreign currencies held in cash not classified as long term, are recorded in the income statement.

Guarantees and commitments
Guarantees, commitments and third-party assets held by the company, excluding guarantees given and commitments made for events recognised in the financial statements or entailing additional risks that are deemed remote, are described in point 5.20 below.

Recognition of assets and liabilities at amortised cost in the balance sheet
Receivables and payables present in the balance sheet are recognised using the amortised cost criterion. The initial recognition value is the nominal value minus any bonuses, discounts, rebates, transaction costs, fee income and expenses and every difference between initial value and nominal value at maturity. At the end of each year following the year of recognition, the book value is aligned to the present value of future cash flows at the effective interest rate.

Detection of greenhouse gas emission quotas
In the event of greenhouse gas emissions higher than those assigned free of charge to the Group companies, there is an obligation to recognise, on an accrual basis, the cost necessary to cover the payable to the national Authority under the item "Other operating expenses". The allocation is made at the market value of the emission allowances at the end of the year, under the balance sheet liability item "Other payables".
If the Group companies have previously purchased allowances exceeding those necessary to cover the higher emissions, the surplus of emission allowances purchased and not sold at the end of the year is recorded, at purchase cost, under the item "Accruals and deferrals" of the Balance Sheet.
If the allowances assigned free of charge during the year are lower than actual emissions, any residual allowances assigned free of charge from previous years, purchased allowances with a defined expiry date and lastly purchased allowances without a defined expiry date are used in sequence, using the last purchased ones as a priority.
Any contingent assets or liabilities deriving from the purchase or sale of the emission allowances after the end of the year are recorded, respectively, under the item "Other revenues" and "Other operating expenses" in the Income Statement.

Plant of Gerlafingen, Switzerland

3. OTHER INFORMATION

Dispensations with reference to the 5th paragraph of Art. 2423 of the Italian Civil Code
It is also stated that no dispensation was used with reference to the 5th paragraph of Art. 2423 of the Italian Civil Code.

4. COMMENTS ON THE PRINCIPAL ITEMS OF THE BALANCE SHEET

Comments on the economic environment and Beltrame Group operations as well as comparison between the current financial year figures against the previous one are made in the "Report on Operations".


Plant of Trith Saint Léger, France

4.1 INTANGIBLE FIXED ASSETS

Intangible fixed assets, net of amortisation, consist of the following:

(in thousands of Euro)	Rights, patents, and intellectual property	Concessions, licenses, trademarks and similar rights	Goodwill	Under construction	Other Fixed assets	Total
Balance as at 31 December 2023	324	82	37,821	16,888	6,657	61,772
Increases	227	-	-	1,649	1,609	3,485
Translation differences	-	-	-	1	(1)	-
Reclassification and others	79	-	-	(12,259)	12,305	125
Amortisation	(187)	(9)	(6,344)	-	(2,482)	(9,022)
Balance as at 31 December 2024	443	73	31,477	6,279	18,088	56,360
Increases	965	-	-	469	-	1,434
Translation differences	-	-	-	2	(3)	(1)
Reclassification and others	175	-	-	(885)	253	(457)
Write-downs	-	-	-	(1,729)	(241)	(1,970)
Amortisation	(410)	(8)	(6,344)	-	(2,633)	(9,395)
Balance as at 31 December 2025	1,173	65	25,133	4,136	15,464	45,971

The increases for the year amounted to Euro 1,434 thousand (Euro 3,485 thousand in 2024) and are mainly represented by the purchase and configuration of software related to production, security, and administrative and financial management.
During the previous year, increases were mainly composed of rights to receive and consume electricity produced with renewable sources acquired at a price that guarantees economic savings over the useful life of the plants for a total amount of Euro 1,303 thousand.

The amortisation of the intangible fixed assets in 2025 was Euro 9,395 thousand (Euro 9,022 thousand in the previous year). The most significant values refer to amortisation:

- of the goodwill recognised following the first consolidation of Idroelettriche Riunite S.p.A. and IDRA S.r.l. for Euro 3,351 thousand (unchanged compared to the previous year), subsequently incorporated by the Parent Company through the merger by incorporation with an effective date of 31 December 2023 for statutory, accounting and tax purposes;
- of the goodwill recognised for the consolidation of Nuova Ferrosider S.r.l. for Euro 2,993 thousand (unchanged compared to the previous year), subsequently incorporated by the Parent Company in 2021;
- of the customer portfolio that the Parent Company acquired in 2021 from Feralpi Profilati Nave S.r.l. for Euro 1,260 thousand (unchanged compared to the previous year).

4.2 TANGIBLE FIXED ASSETS

Most of the tangible fixed assets consist of items owned by the Parent Company and by its subsidiaries with manufacturing operating activities. The changes that occurred during the year, compared to the previous one, are summarised as follows:

(in thousands of Euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Revertible assets and others	Work in progress and advances	Total
Historical cost	400,711	1,386,568	96,739	48,967	112,532	2,045,517
Allocation of difference	43,886	35,941	-	-	-	79,827
Revaluation	17,890	46,408	1,857	51	-	66,206
Accumulated depreciation	(262,416)	(1,102,380)	(73,836)	(37,398)	-	(1,476,031)
Provisions for impairment	(692)	(39,559)	(398)	-	(7,647)	(48,296)
Balances as at 31 December 2023	199,379	326,977	24,362	11,620	104,885	667,223
Increases	5,299	29,713	7,559	336	86,512	129,419
Disposals and other changes, net	(38)	(645)	(3)	(11)	(105)	(802)
Classification to asset for initial operation/ Reclass.	5,852	32,453	843	685	(39,958)	(125)
Uses/Reclassifications of provision for impairment	-	331	19	(677)	22	(305)
Allocations to provision for impairment	(16)	(24,162)	-	-	(290)	(24,468)
Translation differences	(451)	(1,505)	(182)	(1)	(139)	(2,278)
Reclass. of accum. depreciation	-	(1,054)	-	-	-	(1,054)
Depreciation	(9,144)	(47,045)	(9,255)	(1,998)	-	(67,442)
Historical cost	409,713	1,435,217	101,154	49,730	158,842	2,154,656
Allocation of difference	43,885	35,941	-	-	-	79,826
Revaluation	17,890	45,964	1,839	51	-	65,744
Accumulated depreciation	(269,938)	(1,138,712)	(79,301)	(39,235)	-	(1,527,186)
Provisions for impairment	(669)	(63.347)	(349)	(592)	(7,915)	(72,872)
Balances as at 31 December 2024	200,881	315,063	23,343	9,954	150,927	700,168

(in thousands of Euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Revertible assets and others	Work in progress and advances	Total
Increases	8,388	26,158	2,955	597	41,557	79,656
Disposals and other changes, net	(4,303)	(867)	-	(86)	(302)	(5,557)
Classification to asset for initial operation/ Reclass.	33,732	46,384	1,412	395	(81,892)	31
Uses/Reclassifications of provision for impairment	-	-	-	-	-	-
Allocations to provision for impairment	-	-	-	-	(119)	(119)
Translation differences	(374)	(409)	50	(20)	(1,412)	(2,165)
Reclass. of accum. depreciation	-	(150)	-	-	-	(150)
RUAU deconsolidation	(253)	-	-	-	-	(253)
Depreciation for the year	(10,012)	(36,260)	(5,447)	(2,276)	-	(53,994)
Historical cost	421,327	1,496,562	101,810	50,554	116,794	2,187,047
Allocation of difference	43,882	35,473	-	-	-	79,355
Revaluation	17,890	45,706	1,805	51	-	65,452
Accumulated depreciation	(254,409)	(1,164,674)	(80,956)	(41,533)	-	(1,541,572)
Provisions for impairment	(631)	(63,148)	(346)	(508)	(8,034)	(72,667)
Balances as at 31 December 2025	228,060	349,919	22,313	8,564	108,760	717,616

In the year 2020, as permitted by Italian Law Decree 104/2020, the Parent Company revalued and estimated the useful and residual life of the buildings, plants and machinery of the Vicenza site already in place as at 31 December 2019. The activity, entrusted to independent experts, allowed the recognition of higher values for a total amount of Euro 66,414 thousand. This revaluation, as required by the afore-mentioned Italian Law Decree, was defined after the recognition of the 2020 depreciation of the assets subject to revaluation and the higher depreciation amounts were allocated starting from the 2021 financial year. In 2025, the estimate of useful and residual lives previously prepared for the Vicenza site was updated for the sites of the Parent Company and of the subsidiaries Laminés Marchands Européens S.A.S. and Donalam S.r.l..
The net book value of buildings, plants, machinery and production equipment of the sites, whose operations were halted and that are therefore held for sale, totalled Euro 18,404 thousand, of which Euro 404 thousand related to the Parent Company and Euro 18,000 thousand related to the Swiss subsidiary Stahl Gerlafingen A.G..
Tangible fixed assets included assets under construction that, as at 31 December 2025, were equal to Euro 108,760 thousand (Euro 150,927 thousand in the previous year). These fixed assets are classified in their pertinent categories when they start operating.
The 2025 additions in tangible fixed assets (including the assets which were not already operational by the year end) amounted to Euro 79,656 thousand (Euro 129,419 thousand in the previous year). The main initiatives were aimed at implementing the measures set out in the Business Plan, including primarily the diversification of the production of the Parent Company and increased activity of the Târgovişte site of the subsidiary Donalam S.r.l., increasing product quality and optimising the energy consumption of steel production plants, improving efficiency and reducing natural gas consumption of rolling mills, developing finishing lines and product verticalisation, for the gradual expansion of the production range and enlargement of the offer in higher-margin market segments, and strengthening logistics infrastructures within the production sites. Investment projects developed during the year are also aimed at maintaining high plant and safety/environmental standards.

The divestments carried out in the year in question mainly relate to the sale of production equipment and, in most cases, referring to assets for which the depreciation process was almost completed. As part of the disposals, following the closure of the Profile rolling line, which took place during the previous year, in May 2025 the subsidiary Stahl Gerlafingen A.G. transferred ownership of a property complex used for finishing activities for steel products for construction, recording a capital gain totalling Euro 22,272 thousand.

The book value of the net invested capital of the four CGUs ("Cash Generating Units") of the Group represented by the main operating companies (AFV, LME, Stahl, Donalam), was tested for impairment.
The recoverable amount was mainly determined by comparing the net book value of the assets with the value in use calculated according to the Discounted Cash Flow (DCF) method on the basis of the cash flows forecast. The reference time-frame for the estimated future cash flows is a period of five years, from 2026 to 2030.
Hereafter the growth rate applied to the terminal value is shown, together with discount rates used. The discount rates (WACC - weighted average cost of capital) vary depending on the country where the subsidiary is located; the range is provided below:

	2025	**2024**
Terminal value growth rate	1.23-2.00%	1.30-1.90%
Discount rate	8.52-11.38%	9.66-11.97%

The recovery of the property, plant and production equipment is subject to the uncertainties connected in particular with the market environment in which the Group operates, described in the "Report on Operations".
As a result of the impairment test, it was not necessary to carry out any write-down of invested capital.
Write-downs of property, plant and equipment carried out in previous years amounted to Euro 72,667 thousand as at 31 December 2025 (Euro 72,872 thousand in the previous year).
Based on the test results, a sensitivity analysis was developed on the difference between the recoverable value and the book value of the Net Invested Capital of the individual CGUs and of the Group, varying some of the basic metrics of the estimate carried out (WACC, terminal value EBITDA, "g" growth rate).

In the 2025 consolidated financial statements, the book value of the land is higher than the value for taxation purposes by Euro 47,446 thousand (unchanged compared to the previous year), because of the allocation to the category of merger deficits deriving from transactions carried out by companies incorporated by the Parent Company in the 2003 and 2004 financial years.
The fixed assets carrying amounts, which include the allocation of the merger differences completed both in the current and in previous financial years and higher acquisition costs compared to the carrying amount of the fixed assets held by the acquired companies, do not exceed their market value and/or their value in use.

4.3 FINANCIAL ASSETS

The carrying value of equity investments amounted to Euro 6,345 thousand (Euro 6,431 thousand in the previous year), and is mainly referable to the companies:

Metal Interconnector S.c.p.A. - entry value Euro 6,142 thousand
Metal Interconnector is a joint-stock consortium company, established by companies in the steel manufacturing segment and in other energy-intensive sectors of the Italian industry, such as the non-ferrous metallurgy, but also including companies in other segments (including wood, paper, chemistry, concrete and glass). This consortium was established in the second half of 2014. Metal Interconnector represents energy-intensive companies with a high impact of electricity consumption on their production. It includes little less than 70% of companies that took part in the Terna bids, as envisaged by Art. 32 "Fostering the creation of a single energy market through the interconnector development and the involvement of energy-intensive end customers" of Italian Law no. 99 of 2009.
The consortium is intended to be an instrument to fund the electric interconnection lines between Italy and the other Countries, which will permit other shareholder companies involved to use the same lines, as soon as operational and in proportion to the level of investment made.
Three initiatives are currently being implemented/made operational by the investee companies:

- Interconnector Italia S.c.p.A. - The company holds 100% of the shares of Piemonte Savoia S.r.l., which has created an 'Italy-France' direct current interconnection between the Piossasco (IT) and Grande Ile (FR) nodes. The work has made the electricity frontier with France the most important for our country, increasing the cross-border interconnection capacity by 1,200 MW, of which 350 MW already available in exemption to the Selected Entities, which will increase from the current approximately 3 GW to over 4 GW. The work entered into operation in November 2022;

- Interconnector Energy Italia S.c.p.A. - The company holds all the shares of Monita Interconnector S.r.l., which has built a 500 kV direct current interconnection between the stations of Villanova (IT) and Lastva (ME) with a route, partly in submarine cable and partly in terrestrial cable, of about 445 kilometres. The first interconnection module became operational on 28 December 2019, creating an interconnection capacity of 600 MW. 200 MW, out of the 600 MW associated with the first module, were made available free of charge to the Selected Entities;
- Interconnector Energy Italia S.c.p.A. - The company holds 92.64% of the shares of RESIA Interconnector S.r.l. , which has built a 150 MW direct current interconnection on the Austrian border. The work was built and entered into operation in December 2023.

The 2024 financial statements of Metal Interconnector S.c.p.A. were approved by the Shareholders' Meeting on 27 June 2025 and show a positive result of Euro 329 thousand.
The consolidated financial statements as at 31 December 2024 of Metal Interconnector S.c.p.A. show a group profit of Euro 14,506 thousand.

Consorzio Valbel - book value Euro 10,000
The Company's corporate purpose is a) the design, coordination, performance and organisation of the business activity of the shareholders relating to the procurement of natural gas, including through the development and management of natural gas storage infrastructures and all other goods and services necessary for the activities of the consortium members; b) services carried out in favour of the National Electricity System such as the interruption of loads.
The decrease in the book value derives from the sale during the year of the share of Euro 10 thousand in order to restore the equity balance between the members of the Consortium.

Sirio S.r.l. - book value Euro 82,808
The Company's corporate purpose is to carry out transactions relating to the energy sector, with the aim of developing photovoltaic plants for the production of renewable energy. The decrease in the book value derives from the sale during the year of the 25% share amounting to of Euro 86 thousand.

Consorzio CEIP - book value Euro 50,000
The Company's corporate purpose is the design, organisation, coordination and execution of the shareholders' business activities relating to development and/or feasibility aimed at exploring possible investment and/or purchase opportunities abroad in relation to the procurement of direct reduced iron.

Renewability S.c.a.r.l. - book value Euro 50,000
The corporate purpose of the company is to aggregate the electricity consumption of the consortium members through supply contracts from owned or third-party renewable production plants. Transactions also include purchases on the wholesale spot markets or with future delivery.

Laminados Industriales S.A. - book value zeroed out in previous financial years
The company owns a plate rolling mill in Santa Fe (Argentina). Production, started in 2012, was repeatedly slowed and shut down because of the company's financial hardship, of the weakness of Argentine domestic consumption and, more in general, of the country as a whole. The situation described above led the company to apply for a "concurso preventivo", i.e. bankruptcy protection procedure, as allowed by Argentine Law 24.522. The procedure started on 10 February 2014. On this basis, the Directors, in previous years, had deemed that the investee had suffered an impairment loss and adjusted the carrying amount of the equity investment to zero.

Ferriera Sider Scal S.r.l. - in liquidation, book value zeroed out in 2018
The company owns a production facility in Villadossola (VB), which, in 2008, ceased definitely its production. The rolling mill was definitely dismantled and sold in 2017.
The production site, active since the end of the 19th century, was purchased by the company in October 2001. Previously, for the period that goes from March 2000 to October 2001, it was operated by another subsidiary of the Parent Company, which then was merged into this by incorporation.
Currently, the company is engaged in the management of three environmental issues.
In the first case, it is the presence of polluting materials within the production site for which, in March 2023, the approval of the additions made to the operational reclamation project was obtained.
In the first few months of 2024, remediation activities were launched as per the approved project, which continued during 2025 and which we expect to be completed in the first half of 2026, also under the supervision of ARPA Piemonte, to subsequently obtain the certificate of completed reclamation and the relative total clearance of the area.
The second issue is related to areas outside the plant, in particular to the bed of a canal, which crosses the site, and to lands located downstream of the site, where contaminated materials were found. The plan for the characterisation and investigation of the soils is in progress, with delays accumulated due to the foreclosure of access to areas of third parties, recently resolved with a TAR (Regional Administrative Court) ruling. It should be noted that one of these third-party owners challenged the resolution of the services conference that approved the investigation plan whose completion times cannot be estimated at present, given the pending proceedings initiated by the third party and despite the fact that a subsequent services conference confirmed the investigation plan.
The third environmental issue concerns the contamination by PCBs found in the owned area called "Substation Ovesca", which was subject to mitigation actions through operational safety measures carried out in 2010/2011, which is still enforceable.
Within the industrial production site, the planned demolition works of most of the buildings were completed and field surveys were planned to proceed with the cadastral management of the areas.
A second demolition phase is being assessed relating to some buildings still present on the area (scrap yard, collapsed warehouses), aimed at a possible development of the area by the Parent Company.
The loss for the year 2025 mainly refers to interest expense recognised in the income statement for the year in question for the loan that the company has from the parent company.

The other receivables included within the financial fixed assets, which amount to Euro 16,609 thousand (Euro 16,224 thousand in 2024) include:

- shareholders' loans granted by the Parent Company to its investee company Metal Interconnector S.c.p.A., interest-free, in the amount of Euro 4,768 thousand, unchanged compared to the previous year, which can be allocated, partially or entirely, according to the decisions to be made by the Board of Directors, to the subscription of shares held by the latter, to capital increases, and/or to the disbursement of interest-free loans;
- a guarantee fund paid by the Parent Company to Terna S.p.A., amounting to Euro 6,754 thousand (Euro 6,220 thousand in 2024), against the commitment to finance the construction of electricity transport works and to be paid each year until each interconnector comes into service;
- receivables from public bodies for residential construction of the subsidiary LME S.A.S. of Euro 1,623 thousand (Euro 1,791 thousand in 2024);
- loans from Credit Suisse for a time deposit account of the subsidiary Stahl Gerlafingen A.G. of Euro 2,020 thousand (Euro 1,733 thousand in 2024);
- a security deposit lodged by the subsidiary LME S.A.S. with a French bank for Euro 506 thousand, unchanged compared to the previous year, against the objection raised by the company against a tax assessment, currently awaiting settlement.

The receivables are deemed to be entirely collectable.

4.4 INVENTORIES

Inventories consist of the following:

(in thousands of Euro)	**2025**	**2024**
Finished products	227,099	219,020
Semi-finished products	123,303	81,029
Raw materials	29,347	34,640
Consumable materials	45,010	44,128
Ancillary materials	12,949	15,247
Plants and machineries held for sale	32	45
Total	**437,740**	**394,109**

Plant of Târgoviște, Romania

Change in inventories are analysed below with reference to the main categories:

- finished goods, with reference to the previous year's scope of consolidation, increased by 14% in quantities and fell by 10% in unit values (decreased by 20% in quantities and by 4% in unit values in 2024 compared to 2023);
- semi-finished products increased in quantities by 71% and decreased in unit values by 13% (in the financial year 2024 compared to the financial year 2023, quantities rose by 13% and unit values fell by 7%). The increase in quantities is mainly due to greater supplies of material in the last months of the year in anticipation of the entry into force of the CBAM;
- raw materials decreased in quantities by 16% and in unit values by 3% (in the financial year 2024 compared to the financial year 2023, quantities increased by 7% and unit values fell by 5%).

The value of inventories was adjusted, during the year and in previous years, mainly in the cases:

- of stock materials and spare parts and subsidiary materials of Euro 7,825 thousand to take into account in some cases technical obsolescence and in others a lack of use in recent years;
- of finished and semi-finished products of Euro 7,846 thousand. The adjustment was made to align the manufacturing cost with the corresponding market value (replacement cost for raw materials and net realisable value for finished and semi-finished goods);
- of raw materials for Euro 500 thousand to take into account the market value at the end of the year;
- of plants intended for sale as they are not used at the sites owned by the company for Euro 1,816 thousand.

At the closing date of these financial statements, finished products and semi-finished products were stored to a limit of Euro 10,334 thousand in a warehouse at the company from which the Parent Company acquired the company Nuova Ferrosider S.r.l., incorporated on 1 October 2021 and which currently carries out its processing activities on behalf of the Parent Company. As a partial guarantee of the residual deferred instalments for the payment of the company Nuova Ferrosider S.r.l., recorded in the item "Other payables" in these financial statements and amounting to Euro 6,310 thousand, the Parent Company has established a revolving pledge of Euro 1,500 thousand on part of its products in deposit.

4.5 TRADE RECEIVABLES

Trade receivables, net of the allowance for bad debt, whose change is detailed below, went from Euro 42,693 thousand in the previous financial year to Euro 46,520 thousand in 2025. The level of trade receivables increased mainly due to seasonality.
Trade receivables from customers include the amounts related to trade relations of the Parent Company with the investee company Consorzio Valbel for Euro 7,577 thousand (Euro 5,589 thousand in the previous financial year).
Trade receivables have been aligned to their realisable value, through an allowance for bad debt whose changes are shown below:

(in thousands of Euro)	2025	2024
Opening balance	4,833	2,313
Allocations during the year	2,012	3,044
Uses during the year	(317)	(289)
Translation differences	(111)	(12)
Amounts recovered from bankruptcy and other minor proceedings	-	(223)
Closing balance	**6,417**	**4,833**

During the year, there was an increase in the bad and doubtful debt provision of Euro 5,437 thousand, recognised on the basis of the estimated possibility of recovery of trade receivables of the subsidiary Donalam S.r.l..
Please note that the Group companies have insurance contracts in place to cover risks deriving from insolvency on trade receivables and have their own structures dedicated to the management of this risk. As a result of these factors, the amount of insolvency relating to transactions carried out in recent years was not significant.
The receivables due within the next financial year, of which approximately 86% (84% in 2024) are from customers within the European Union, following the write-downs applied are substantially aligned with their estimated realisation value.

4.6 RECEIVABLES FROM UNCONSOLIDATED ASSOCIATES AND SUBSIDIARIES

The amount of Euro 4,469 thousand (Euro 4,079 thousand in the previous year) refers to values recognised in the financial statements of the Parent Company for transactions with:

- its subsidiary Ferriera Sider Scal S.r.l. - in liquidation for:
  - ✓ loans of Euro 3,615 thousand (Euro 3,012 thousand in the previous year);
  - ✓ trade receivables of Euro 99 thousand (Euro 222 thousand in the previous year);
- the associate Renewability S.c.a.r.l. for a loan of Euro 489 thousand (unchanged with respect to the previous year);
- the associate Sirio S.r.l. for a loan of Euro 265 thousand and Euro 1 thousand for related interest (Euro 349 thousand and Euro 8 thousand in the previous year respectively).

4.7 RECEIVABLES FROM ULTIMATE PARENT COMPANY

The receivables, recognised in the financial statements of the Parent Company from its parent company refer to:

- Euro 1,106 thousand (Euro 5,669 thousand in the previous year) from advance payments on behalf of the consolidator for IRES taxes under the tax consolidation scheme and higher than the final charge;
- Euro 19 thousand for administrative services (Euro 9 thousand in the previous year).

4.8 TAX RECEIVABLES

Tax receivables amounted to Euro 6,282 thousand (Euro 10,638 thousand in the previous year). The most significant amounts refer to:

- VAT for Euro 2,658 thousand (Euro 4,846 thousand in 2024);
- IRES receivables recognised in the financial statements of the Parent Company for Euro 1,657 thousand (Euro 1,100 thousand in 2024) and usable for offsetting;
- tax receivables for investments in capital goods recorded in the Parent Company's financial statements for Euro 641 thousand (Euro 1,445 thousand in the previous year). The receivables, which arose in 2020, 2021, 2022 and 2023 following the enactment:
  - ✓ of Italian Law 160/2019 for Euro 695 thousand, used for Euro 580 thousand;
  - ✓ of Italian Law 178/2020 for Euro 3,374 thousand, used for Euro 2,941 thousand;
  - ✓ of Italian Law 160/2019 and 178/2020 for Euro 93 thousand in 2021;
- VAT credit of Euro 163 thousand (Euro 409 thousand in the previous year) recognised by the Parent Company for insolvency proceedings for which, at the end of the year, the procedure envisaged by current tax regulations for the recovery of VAT in monthly instalments had not been completed.

  In the previous year, payments on account during the year for direct taxes higher than the final charge for Euro 2,928 thousand were recorded.

Plant of Târgoviște, Romania

4.9 DEFERRED TAX ASSETS

Deferred tax assets, recorded at Euro 14,914 thousand (Euro 17,278 thousand in 2024), derived from temporary increases in taxable income and the valuation of tax losses. The breakdown is analysed in the following table.

	Opening balance	Restatement due to rate change	Re-absorption / Recl. 2025	Increases 2025	Final balance
Write-down of non-deductible assets and materials	2,856	67	(68)	596	3,451
Prepaid taxes on goodwill redemption	1,149	-	(383)	-	766
Prepaid taxes on IR goodwill redemption	5,009	-	(501)	-	4,508
Allocations to provisions for risks and charges	1,472	34	(412)	849	1,943
Adjustment of the book value of the inventory	1,012	23	(1,035)	945	945
Amortisation/depreciation deductible in subsequent years	959	-	(182)	109	886
Membership and other unpaid contributions	5	-	(5)	5	5
Time differences on goodwill amortisation	874	20	(894)	-	-
Write-down of receivables recognised under non-current financial assets	720	-	-	16	736
Write-down of taxed receivables	152	-	(57)	-	95
Valuation of derivative instruments	442	-	(150)	10	302
Change from valuation of derivative instruments in the Income Statement	113	-	(113)	-	-
Provisions for write-downs of other financial assets and costs deductible in subsequent years	240	-	-	-	240
Write-down of assets, transferable works and assets intended for resale	714	17	(33)	-	698
Valuation of the tax loss of previous years	1,235	-	(1,231)	1	5
Contribution Law no. 25 of 28/03/2022 and other minor contributions	326	8	-	-	334
Total	**17,278**	**169**	**(5,064)**	**2,531**	**14,914**

Deferred tax assets are accounted for in compliance with the principle of prudence and with the reasonable certainty of sufficient future taxable income that would allow their recovery.
Deferred tax assets, recognised for Euro 4,508 thousand against the redemption of the goodwill generated by the merger of Idroelettriche Riunite S.p.A. and IDRA S.r.l. into the Parent Company, relate to the payment made in 2024 (substitute tax), the benefits of which will be recognised by the company for accounting purposes only in future years through the tax deductibility of residual amortisation of goodwill starting from the current year.

4.10 OTHER RECEIVABLES

Other receivables include the following:

(in thousands of Euro)	2025	2024
Transfer, contributions and refunds to be received on energy consumption	31,827	11,991
Insurance reimbursements to be received	1,352	1,319
Receivables from social security and employees	576	2,143
Advances to suppliers	495	1,056
Others	334	142
Total	**34,584**	**16,651**

The grants to be received on electricity consumption, recognised in the financial statements of the Parent Company and the subsidiaries LME S.A.S. and Stahl Gerlafingen A.G., are recognised by their respective national authorities. The increase compared to the previous year is mainly due to the contribution recognised by the Parent Company relating to the Energy Transition Fund in the industrial sector for Euro 11,682 thousand, and to the receivable from the GSE relating to the participation in the Energy Release 2.0 programme for Euro 8,324 thousand.
The receivables relating to the Energy Transition Fund contribution in the industrial sector and the Energy Release 2.0 programme are expected to be collected by the first quarter of 2026.

Payments on account to suppliers refer, in the amount of Euro 495 thousand to payments on account by the subsidiaries LME S.A.S., Stahl Gerlafingen A.G. and Donalam S.r.l..
Insurance reimbursements to be received, recorded for Euro 1,352 thousand, refer to the subsidiary LME for Euro 1,278 thousand and to the Parent Company for Euro 41 thousand.

4.11 DERIVATIVE FINANCIAL INSTRUMENTS ASSETS

Financial instruments (assets), recognised in the financial statements of the Parent Company refer entirely to hedging transactions, amounting to Euro 31 thousand (Euro 1,169 thousand in the previous year). These are interest rate hedges on the bank loan in place for the Parent Company.
In the previous year, Euro 1,063 thousand was recorded in the subsidiary Donalam S.r.l. relating to currency hedges on purchases in foreign currency of semi-finished products.

4.12 OTHER SECURITIES AND OTHER FINANCIAL ASSETS

With regard to the Parent Company, as a result of the merger of Idroelettriche Riunite S.p.A., securities were incorporated to cover a guarantee issued by Banca Intesa S.Paolo and amounting to Euro 169 thousand (unchanged compared to the previous year).

4.13 LIQUID FUNDS

The amount recognised of Euro 108,776 thousand (Euro 164,366 thousand in 2024) derives almost entirely from funds in the current accounts and, for the remaining part, from the cash on hand of the companies as at the end of the respective financial years.
The amounts shown can be converted promptly into cash and are not subject to significant risk of changes in value.
The change in available funds is analysed in the cash flow statement.

4.14 PREPAYMENTS AND ACCRUED INCOME

The amount recognised of Euro 9,852 thousand (Euro 3,714 thousand in 2024), refers primarily to:

- Euro 7,805 thousand for reimbursements to be received from the subsidiary Stahl Gerlafingen A.G. for grants given to companies belonging to energy-intensive sectors;
- Euro 1,042 thousand (Euro 1,224 thousand in 2024) for software licences pertaining to the following year;
- Euro 263 thousand (Euro 327 thousand in 2024) for interest on factoring transactions carried out by the Parent Company;
- Euro 167 thousand (Euro 173 thousand in 2024) for interest credited to customers on advance payments in favour of the Parent Company with original maturities after the reporting date.

In the previous year, Euro 1,322 thousand was recorded in relation to the valuation using the criterion of the cost incurred by the Parent Company and its subsidiary LME for the valuation of greenhouse gas emission quotas, freely tradable in the market.

4.15 SHAREHOLDERS' EQUITY

The subscribed and paid-in share capital of the Parent Company amounts to Euro 113,190,480 and is represented by 217,674 ordinary shares with a nominal value of Euro 520 each.
Shareholders' equity includes deferred tax reserves for a total of Euro 74,849 thousand (unchanged compared to the previous year), mainly deriving from the revaluations present in the shareholders' equity of the Parent Company. If these reserves are distributed, they would be subjected to the payment of an adjustment surplus.
There are no restricted reserves pursuant to Article 2426, paragraph 5) of the Italian Civil Code.


Plant of Gerlafingen, Switzerland

(in thousands of Euro)	**Share capital**	**Share premium reserve**	**Legal reserve**	**Other reserves**	**Reserve for cash flow hedging**	**Group profit (loss)**	**Consolidated Shareholders' equity**	**Minority interest**	**Sharehold-ers' equity as at 31 December**
Balance as at 31 December 2023	113,190	4,015	22,638	591,001	(1,582)	(89,583)	639,679	55,987	695,666
Allocation of the profit for the year	-	-	-	-	-	-	-	-	-
To reserve	-	-	-	(89,583)	-	89,583	-	-	-
To shareholders	-	-	-	-	-	-	-	-	
Capital increase made by minority interest	-	-	-	-	-	-	-	-	-
Purchase of minority interest	-	-	-	-	-	-	-	(5,000)	(5,000)
Allocation to minority shareholders of shareholders' equity	-	-	-	-	-	-	-	-	-
Use/allocation to derivatives reserves	-	-	-	-	183	-	183	-	183
Distribution of reserves	-	-	-	-	-	-	-	(80)	(80)
Reclassifications, translation difference and others	-	-	-	(2,861)	-	-	(2,861)	(2)	(2,863)
Profit (loss) for the year	-	-	-	-	-	(129,333)	(129,333)	(300)	(129,633)
Balance as at 31 December 2024	113,190	4,015	22,638	498,557	(1,399)	(129,333)	507,668	50,605	558,273
Allocation of the profit for the year	-	-	-	-	-	-	-	-	-
To reserve	-	-	-	(129,333)	-	129,333	-	-	-
To shareholders	-	-	-	-	-	-	-	-	-
Capital increase made by minority interest	-	-	-	-	-	-	-	-	-
Purchase of minority interest	-	-	-	-	-	-	-	-	-
Allocation to minority shareholders of share-holders' equity	-	-	-	-	-	-	-	-	-
Use/allocation to derivatives reserves	-	-	-	-	448	-	448	-	448
Distribution of reserves	-	-	-	-	-	-	-	(295)	(295)
Reclassifications, translation difference and others	-	-	-	(1,215)	-	-	(1,215)	14	(1,201)
Profit (loss) for the year	-	-	-	-	-	(16,549)	(16,549)	1,910	(14,639)
Balance as at 31 December 2025	113,190	4,015	22,638	368,009	(951)	(16,549)	490,352	52,234	542,586

The changes pertaining to transactions on the capital of Group companies are illustrated in the previous point "Structure and content of the consolidated financial statements".

4.16 DEFERRED TAX LIABILITIES

Deferred tax liabilities amounted to Euro 11,401 thousand (Euro 11,431 thousand in the previous financial year) and referred to the Parent Company, which made allocations in view of:

- the higher values of Euro 47,446 thousand (unchanged with respect to the previous year) attributed to land at the time of the allocation of deficits in the years 2002 and 2003, not paid, for Euro 11,387 thousand (unchanged compared to the previous year);
- instalments of capital gains on fixed assets disposed of for Euro 5 thousand (Euro 32 thousand in the previous financial year).

The breakdown is analysed in the following table.

	Rate	Initial balance	2025 Reabsorptions	2025 Increases	Final balance
Deferred taxes on allocations not paid	24.00%	11,387	-	-	11,387
Capital gains in instalments	27.90%	32	(27)	-	5
Others	24.00%	12	(4)	1	9
Total		**11,431**	**(31)**	**1**	**11,401**

Worker at the Trith-Saint-Léger plant, France

4.17 OTHER PROVISIONS

The breakdown of this item is as follows:

(in thousands of Euro)	2024	Allocations	Uses/ Reclass.	Trans. Diff.	2025
Provision for adjustment of value of equity investments	3,273	4,241	(541)	-	6,973
Provision for risks and future charges	4,475	3,015	(1,196)	(2)	6,292
Provision for environmental charges	6,383	2,118	(3,132)	17	5,386
Derivative liabilities	1,340	843	(522)	(9)	1,652
Provision for charges for restoration of assets subject to reversion free of charge	1,300	-	-	-	1,300
Retirement provision	466	16	(30)	-	452
Provision for restructuring	1,358	-	(1,358)	-	-
Provision for tax litigation	800	-	(800)	-	-
Total	**19,395**	**10,233**	**(7,579)**	**6**	**22,055**

The provision for the adjustment of the book value of equity investments was allocated for:

- Euro 3,463 thousand by the Parent Company to take account of a negative value occurred in the shareholders' equity of the subsidiary Ferriera Sider Scal S.r.l. – in liquidation. The negative value of the shareholders' equity mainly derives from the allocation of provisions and costs incurred for the decontamination of the subsidiary's site and the low amount of structural expenses anticipated over the period for these initiatives;
- Euro 3,510 thousand allocated by the subsidiary LME to take into account the emergence of a negative value of the shareholders' equity of the subsidiary Laminoirs du Ruau S.A.. The negative value of the shareholders' equity mainly derives from the allocation of provisions and costs incurred for the decontamination of the subsidiary's site and the structural expenses anticipated over the period for these initiatives.

Provision for risks and future charges was accounted for due to liabilities that could emerge from the unfavourable evolution of issues currently being reviewed relating to both actual and potential litigation, mainly of labour and trade (bankruptcy claw back, disputes and other).
The provision for environmental charges was allocated by the Parent Company and the subsidiaries Stahl Gerlafingen A.G. and LME S.A.S. to take into account liabilities the companies may incur. The provision includes the estimated expense for the treatment of processing residues of the Parent Company and the subsidiaries Stahl Gerlafingen A.G. and LME S.A.S.. The decrease compared to the previous year is due for Euro 1,770 thousand to the deconsolidation of the subsidiary Laminoirs du Ruau S.A..
The provision for derivative liabilities refers to transactions to hedge interest rates on the bank loan that the Parent Company has in place and to transactions to hedge the currency risk on purchases in foreign currency of semi-finished products that the subsidiary Donalam S.r.l. has in place.
The provision for charges for restoration of assets subject to reversion free of charge derives entirely from the first consolidation and subsequent incorporation of the company Idroelettriche Riunite S.p.A.
The Retirement provision was allocated by the Parent Company and it is related to the allowance due to the agents who collaborate with the company, in compliance with the "Accordo Economico Collettivo" (general labour agreement).
The decrease in the provision for restructuring is due to the deconsolidation of the subsidiary Laminoirs du Ruau S.A..
The provision for tax litigation, allocated by the Parent Company in previous years, was used following the definition of the tax audit relating to the 2021 and 2022 tax periods. Point 4.26 below provides a brief description of the tax position of the Parent Company and of the main consolidated companies.

4.18 PERSONNEL AND SEVERANCE INDEMNITY

The breakdown of the changes in the severance indemnity is detailed as follows:

(in thousands of Euro)	2025	2024
Opening balance	12,298	12,996
Uses/discounting during the year	(1,767)	(1,388)
Allocations during the year	1,045	708
Ruau deconsolidation	(90)	-
Translation differences	5	(18)
Closing balance	**11,491**	**12,298**

The item includes the severance indemnity of the Parent Company and the pension funds of the foreign entities of the Group, updated, if necessary, with actuarial calculations and monetary revaluations in compliance with the appropriate legal requirements.

The provisions for severance indemnity refer mainly for:

- Euro 6,826 thousand to the subsidiary LME S.A.S. (Euro 6,989 thousand in 2024);
- Euro 3,564 thousand to the Parent Company (Euro 4,085 thousand in 2024);
- Euro 923 thousand to the subsidiary Stahl Gerlafingen A.G. (Euro 938 thousand in 2024).

With regard to the subsidiary LME S.A.S., the most significant amounts refer to the IRUS fund of Euro 1,992 thousand (Euro 1,833 thousand in the previous year) relating to employees as at 31 December 1989, who benefit, upon retirement, from a supplement to the pension paid to other retirees, and a fund for category employee severance indemnity, amounting to Euro 3,428 thousand (Euro 3,676 thousand in the previous year).

4.19 BORROWINGS FROM BANKS

Payables to banks totalled Euro 270,122 thousand (Euro 237,654 thousand in 2024) and include the use of the following technical loan forms:

(in thousands of Euro)	2025	2024
Bank overdraft facilities, having effect on the single portfolio and short-term financing account	65,575	6,035
Medium and long-term loans - due within the following financial year	51,577	31,077
Total short-term payables to banks	117,152	37,112
Medium and long-term loans - due beyond the following financial year	152,970	200,542
Total payables to banks	**270,122**	**237,654**

Medium and long-term loans, including the short-term part, amounted to Euro 204,547 thousand (Euro 231,619 thousand in 2024).

The Parent Company:

On 22 December 2022, the Parent Company entered into an agreement with the banking sector ("Pool" Loan) that involved the repayment of the medium and long-term loans existing at that date and the disbursement of a new loan divided into the following two lines of credit:

- ***Refinancing Line*** for a total amount of Euro 116 million; repayment is envisaged in twelve half-yearly instalments on 30 June and 30 December of each year, the first eight instalments of Euro 6 million, the subsequent two instalments of Euro 9 million and the last two instalments of Euro 10 million and Euro 40 million respectively, the latter maturing on 22 December 2028;
- ***Capex line*** for a total amount of Euro 104 million to finance its own investments and those of the subsidiaries. The availability period of 30 months from the date of signing and the repayment plan envisaged in seven six-monthly instalments with the first instalment expiring on 31 December 2025 and last instalment expiring on 22 December 2028.

The "Pool" loan agreement provides for compliance with two "Financial Covenants" calculated on financial statement ratios as at 31 December and 30 June of each year, on a consolidated basis.
The contract also provides for two KPIs relating to ESG sustainability performance measured annually starting from 31 December 2023: upon reaching specific targets defined by the contract, an interest rate reduction is envisaged.
As at 31 December 2025, the credit lines were used for the entire amount granted, the residual face value balance of which is equal to Euro 169 million.

In December 2021, the Parent Company signed a loan agreement with Banca Intesa San Paolo S.p.A. for Euro 5 million, with a 6-year maturity, 2 years of pre-amortisation and 4 years of straight-line amortisation with half-yearly repayments. This contract is aimed at financing the share capital increase resolved by the subsidiary Stahl Gerlafingen A.G. and whose remaining nominal balance is equal to Euro 1,111 thousand. The loan benefits from an interest subsidy.

On 19 June 2023, the Parent Company signed a loan agreement with Crédit Agricole Italia S.p.A. for Euro 45,000 thousand, divided into the following two lines:

- ***Amortising Line*** for an aggregate principal amount of Euro 35 million, with due date on 30 June 2029, aimed at financing investments. This line has an availability period that ends on 31 March 2026 and is paid off through eight equal deferred half-yearly instalments of Euro 4,375 thousand due on 30 June and 31 December, with the first repayment date on 31 December 2025.
- ***Revolving Line*** for a total principal amount of Euro 10 million intended to finance the company's working capital. The availability period ends on 30 June 2025 and the line offers the possibility of uses over one, three or six months, on a revolving basis, for a minimum amount of Euro 3 million.

The loan agreement envisages compliance with two "Financial Covenants" and two KPIs relating to the ESG sustainability performance, all in line with those defined in the "Pool" Loan.
During the year, the Parent Company used the remaining Euro 5 million available on the Amortising loan line, bringing its total use to Euro 35 million.
As at 31 December 2025, the residual debt relating to the Amortising line amounted to Euro 30,625 thousand.
In addition, the Parent Company uses the Revolving line for an amount of Euro 10 million.

On 29 May 2024, the Parent Company signed a new loan agreement with Banco BPM S.p.A. for Euro 25,000 thousand, divided into the following two lines:

- ***Amortising Line*** for an aggregate principal amount of Euro 5 million, with due date on 30 June 2030, aimed at supporting business financial needs. This line is paid off through eight equal deferred half-yearly instalments of Euro 625 thousand due on 30 June and 31 December, with the first repayment date on 31 December 2026.
- ***Revolving Line*** for a aggregate principal amount of Euro 20 million. The availability period ends on 29 April 2025. The line provides for the possibility of making uses within the limits of the maximum amount granted.

As at 31 December 2025, the Parent Company used the Amortising line for Euro 5 million and the Revolving line for Euro 20 million.
The loan agreement envisages compliance with two KPIs relating to the ESG sustainability performance, all in line with those defined within the "Pool" Loan.

At the date of preparation of these financial statements, for all outstanding loan agreements, the financial covenants and ESG KPIs were duly complied with as at 31 December 2025.

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With regard to medium and long-term loans, the following table shows the relation between amounts (determined by applying the amortised cost method) and maturity terms in place in the financial statements under evaluation compared with the previous year.

(in thousands of Euro)	Balance as at 31 December 2025	Balance as at 31 December 2024	Change in cash flows
Initial amount	258,122	149,079	
Interest rate	variable	variable	
Payment of interest	half-year	half-year	
Balance as at 31 December	263,122	258,122	5,000
2021 disbursements	5,000	5,000	-
2022 disbursements	114,678	114,678	-
2023 disbursements	30,000	30,000	-
2024 disbursements	109,000	109,000	-
2025 disbursements	5,000	-	5,000
Amortised cost accrued in 2025	-	-	-
2023 reimbursements	12,816	12,816	-
2024 reimbursements	12,857	12,857	-
2025 reimbursements	32,140	31,471	669
2026 reimbursements	51,938	50,705	1,233
2027 reimbursements	57,519	56,282	1,237
2028 reimbursements	89,604	88,366	1,238
2029 reimbursements	5,623	5,000	623
2030 reimbursements	625	625	-

The above details show values recorded according to the amortised cost criterion.

4.20 PAYABLES TO OTHER LENDERS

The amount of Euro 4,163 thousand (Euro 5,375 thousand in 2024) refers to residual payments due to the acquisition of tangible fixed assets, made by the subsidiaries Stahl Gerlafingen A.G., in the amount of Euro 3,795 thousand (Euro 5,246 thousand in 2024) and LME S.A.S., in the amount of Euro 368 thousand, through financial leasing agreements and accounted for using the financial method.

4.21 ADVANCES

The advances recognised in the financial statements of the present year, i.e. Euro 104 thousand (Euro 251 thousand in the previous year), refer to amounts received from the Parent Company for deliveries of products which the company will carry out in the initial months of the following year and for which sale prices have been set.

4.22 TRADE PAYABLES

Trade payables amounted to Euro 470,317 thousand (Euro 492,745 thousand in 2024), of which Euro 255 thousand due beyond the next year. The majority is represented by suppliers of raw materials.
The item included trade payables of Euro 89,391 thousand (Euro 89,172 thousand in 2024) to suppliers not located in European Union countries. Most of the amount refers to the trade payables recognised in the financial statements of the subsidiaries Stahl Gerlafingen A.G. and Donalam S.r.l..

4.23 PAYABLES TO SUBSIDIARIES AND ASSOCIATES

Payables to associates are recognised for Euro 57 thousand (Euro 55 thousand in the previous year) to the associate Sirio S.r.l., and for Euro 144 thousand (Euro 51 thousand in the previous year) to the associate Renewability S.c.a.r.l. and refer to the supply of electricity from renewable sources.
Payables to subsidiaries recognised for Euro 6 thousand (not present in the previous year), derive from interest accrued in relation to the Group VAT payment procedure in place with the subsidiary Ferriera Sider Scal S.r.l. - in liquidation.

4.24 PAYABLES TO PARENT COMPANY

The payable of Euro 358 thousand (Euro 574 thousand in the previous year) is recognised:

- for Euro 355 thousand (Euro 555 thousand in 2024) for the losses used by the Parent Company, recognised as part of the National Tax Consolidation Regime and not yet remunerated;
- for Euro 3 thousand (Euro 19 thousand in 2024) against interest accrued on transactions recognised as part of the National Tax Consolidation Regime.

4.25 PAYABLES TO COMPANIES SUBJECT TO THE CONTROL OF PARENT COMPANIES

The payable to the company subject to the control of the parent company, amounting to Euro 22,415 thousand, relates to the supply of raw materials needed for the Company's production process.

4.26 TAX PAYABLES AND TAX EXPOSURE

The breakdown of this item is as follows:

(in thousands of Euro)	**2025**	**2024**
Withholdings on employees and self-employed contractors	2,334	2,168
Income taxes and Minimum Turnover Tax	1,462	820
Value Added Tax (VAT)	1,269	1,685
Tax on salaries	63	360
Property taxes	414	414
Substitute tax	134	313
Other	661	691
Total	**6,337**	**6,451**

The liability for employee withholding taxes of a total of Euro 2,334 thousand is attributable to the Parent Company in the amount of Euro 2,005 thousand.
The VAT payable to the Tax Authorities of Euro 1,269 thousand refers for Euro 546 thousand to the Parent Company, for Euro 638 thousand to the subsidiary Donalam S.r.l. and for Euro 85 thousand to the subsidiary Donalam Siderprodukte.
The payable relating to the Minimum Turnover Tax is related to the subsidiary Donalam S.r.l. and calculated according to the Romanian tax rules.
The substitute tax liability recognised by the Parent Company refers to the redemption of the surplus value recognised on capital goods at the time of the merger by incorporation of the companies Idroelettriche Riunite S.p.A. and Idra S.r.l..
Payables related to income taxes refer to the disbursement expected taking account of tax liabilities related to previous years, prepaid taxes, withholding taxes and effects resulting from the adhesion of the Group tax consolidation scheme.

As at the date of preparation of these notes to the consolidated financial statements:

- the Parent Company received a number of complaints relating to the 2016, 2017, 2018, 2019 and 2020 tax year. These disputes mainly concern the definition of the calculation basis relating to ACE (Aid to Economic Growth) subject to appeal for all years. It should be noted that during the current year the hearing was held to discuss the appeal in second instance relating to the ACE (aid for economic growth) dispute for the 2016 tax period where the Company's appeal was upheld, cancelling the notice of assessment relating to the ACE 2016 and ordered the Tax Authority to reimburse the costs of both first and second instance proceedings;
- the subsidiary Donalam S.r.l., following an audit started in 2019, received some challenges. Some of the disputes were appealed, while in other cases the tax losses carried forward were adjusted; however, the related tax benefit had not been recorded in the financial statements;
- in 2025, the subsidiary LME S.A.S. settled some disputes received following a tax audit.

The Group believes that no allocation to the provision for risks is necessary for the settlement of existing tax disputes with respect to the assessment of the risk of being the losing party.
As of the date of preparation of this document, the Parent Company's direct and indirect taxes have been settled up to the 2021 financial year.

For the other main companies, direct taxes are settled as follows:

- Laminés Marchands Européens S.A.S. up to financial year 2025;
- Stahl Gerlafingen A.G. up to financial year 2020;
- Donalam S.r.l. up to financial year 2020.

4.27 SOCIAL SECURITY PAYABLES

Social security payables increased from Euro 8,344 thousand to Euro 9,577 thousand. The amounts reported include receivables that the Group companies hold against the respective Social Security Institutes for advances paid to employees.

4.28 OTHER PAYABLES

The item Other payables, all falling due within the next financial year, with the exception of the payables deriving from the acquisition of Nuova Ferrosider S.r.l., Idroelettriche Riunite S.p.a. and IDRA S.r.l., is composed as follows:

(in thousands of Euro)	**2025**	**2024**
Payable deriving from the acquisition of the companies Idroelettriche Riunite and IDRA	42,250	42,250
Payable deriving from the acquisition of the company Nuova Ferrosider S.r.l. - Discounted value	6,310	15,056
Due to employees, Directors and withholdings for the supplementary severance fund for employees	15,624	12,193
Payables to customers	3,598	6,345
Lease payables	963	984
Insurance premium balance	192	283
Other	614	769
Total	**69,551**	**77,880**

The payable in the financial statements of the Parent Company deriving from the acquisition of the companies Idroelettriche Riunite S.p.A. and Idra S.r.l. was recognised for Euro 42,250 thousand, due beyond the next year and equal to the capital portion envisaged in the deed of purchase net of the first portion paid at the time of closing. Pursuant to Art. 2423, paragraph 4, of the Italian Civil Code, the payable was not recognised at amortised cost as the effects would have been irrelevant with respect to the un-discounted value, since the effective interest rate established by the contract is not significantly different from the market interest rate.

The debt deriving from the acquisition of Nuova Ferrosider S.r.l. was recognised for Euro 6,310 thousand (of which Euro 4,238 thousand is due beyond the next financial year) according to the amortised cost criterion.
The amount, recorded against payables accrued to employees, is principally related to December wages and to the allocation made for holidays accrued, but not yet taken and compensation tied to performance.

4.29 ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income consist of the following:

(in thousands of Euro)	**2025**	**2024**
Accrued interest on payable for IR and IDRA acquisition	5,538	3,324
Deferred income on grants for capital expenditure	4,569	5,581
Accrued interest on financing	209	45
Other	-	-
Total	**10,316**	**8,950**

In the current year, the accrual of Euro 5,538 thousand (Euro 3,324 thousand in the previous year) was recognised for the Parent Company for the correct allocation of interest expense on the acquisition of the companies Idroelettriche Riunite S.p.A. and Idra S.r.l..
Grants on capital expenditure are mainly accounted for and referable by the production companies of the Parent Company and of the subsidiary LME.


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5. COMMENTS ON THE PRINCIPAL ITEMS OF THE INCOME STATEMENT

Comments on the economic environment and Beltrame Group operations as well as comparison between the current financial year figures against the previous one are made in the "Report on Operations". Particularly significant effects are linked to reduced product prices compared to the previous year, the weakness of demand, the uncertainty of energy prices, methane gas and the generally of raw materials mainly deriving from the geopolitical tensions.

5.1 REVENUES FROM SALES AND SERVICES

The apportionment of revenues is summarised in the table below:

(in thousands of Euro)	2025	2024
Merchant bars	953,290	940,744
Ribbed bars for construction industries	406,845	426,183
Semi-finished products	90,611	83,672
Special steel bars	83,239	113,126
Wire rod	1,092	11,155
Raw materials	1,852	-
Other	1,445	821
Total	**1,538,374**	**1,575,701**

The Report on Operations provides broader disclosure on the reference market.
The change in product sales revenues is due to an approximately 0.4% increase in volumes compared to the previous financial year and 3% decrease in unit prices.
The disposals of semi-finished products, carried out by the Parent Company and the subsidiary LME, are mainly done in order to increase the production level of the respective steel production departments.
It should be highlighted that in the 2025 financial year, 73% of revenues were generated from sales in European Union countries (74% in the previous year).

5.2 CHANGES IN SEMI-FINISHED AND FINISHED GOODS INVENTORIES

The increase in the value of inventories during the financial year was equal to Euro 53,499 thousand (decrease of Euro 62,004 thousand in 2024). The analysis of the change is illustrated in point 4.4 above.

5.3 INCREASES IN INTERNALLY MANUFACTURED FIXED ASSETS

The recorded amount, equal to Euro 9,665 thousand (Euro 12,801 thousand in 2024), refers to the capitalisation of personnel, materials and ancillary costs incurred to carry out the capital expenditure plans described in point 4.2 above.
The most significant amount of Euro 4,826 thousand (Euro 6,582 thousand in the previous year) refers to activities carried out at the Târgovişte production site by the subsidiary Donalam S.r.l..

5.4 OTHER REVENUES AND INCOME

Other revenues and income include:

(in thousands of Euro)	2025	2024
Capital gains on assets disposal	22,523	233
Operating grants	20,212	4,179
Sale of electricity, related services and sale of CO_2 quotas	6,564	26,521
Compensation and various reimbursements	3,715	1,048
Third parties due to lower processing yields	1,229	1,142
Release/Use of provisions	1,173	965
Grants on investments	805	1,186
Refunds for energy consumption	468	1,166
Non-recurring income	424	90
Rent	384	384
Services rendered by employees	147	360
Other	1,863	692
Total	**59,507**	**37,966**

The capital gains relate for Euro 22,272 thousand to the sale of a property complex used for the finishing of steel products for construction by the subsidiary Stahl Gerlafingen A.G..

Operating grants amounted to Euro 20,212 thousand (Euro 4,179 thousand in 2024) and refer for Euro 11,682 thousand (Euro 3,402 thousand in 2024) to a disbursement obtained by the Parent Company from the Energy Transition Fund in the Industrial Sector to offset indirect costs relating to CO_2 emissions. The Parent Company also recognised Euro 7,302 thousand (not present in the previous year) relating to the contribution recognised following the participation by the Company in the Energy Release 2.0 programme, introduced by art. 1 of Law Decree no. 181 of 9 December 2023, converted with amendments by Law no. 11 of 2 February 2024. This contribution was recognised net of the costs incurred for joining and managing the mechanism.

Sales of electricity, revenues for services connected with the distribution of electricity in the Târgovişte area (Donalam) and revenues for the sale for consideration of excess CO_2 quotas refer, in the amount of Euro 2,817 thousand, to the Parent Company and, in the amount of Euro 3,747 thousand, to the subsidiary Donalam S.r.l..

Compensation and various reimbursements are recognised for a total of Euro 3,715 thousand (Euro 1,048 thousand in 2024) and relate to the subsidiary Stahl Gerlafingen A.G. for Euro 2,588 thousand for the cantonal portion of the contributions granted to companies belonging to energy-intensive sectors.

The recasts received from third parties recorded for Euro 1,229 thousand (Euro 1,142 thousand in 2024) mainly refer to minor returns on processing of semi-finished goods into finished products commissioned by the Parent Company to third parties.

The contributions on investments recognised by the Parent Company for Euro 805 thousand (Euro 1,186 thousand in the previous year) are mainly recognised against new subsidised capital goods following the enactment of Italian Laws 160/2019 and 178/2020 or for which compliance has been certified with respect to the requirements established by the regulations relating to transformation processes defined by the national Industry 4.0 plan.

5.5 COSTS FOR RAW, ANCILLARY AND CONSUMABLE MATERIALS AND PRODUCTS

The breakdown of these costs can be summarised as follows:

(in thousands of Euro)	**2025**	**2024**
Raw materials	748,666	790,518
Semi-finished products	155,491	122,868
Ancillary materials	105,192	105,652
Consumables and maintenance materials	30,908	31,448
Packaging	2,711	3,376
Products	348	637
Total	**1,043,316**	**1,054,499**

The purchase volumes of raw materials increased by 7% with respect to those recorded in the previous year, while unit prices fell by 11%. The purchase of semi-finished products is mainly attributable to the subsidiary Donalam S.r.l. which, as it does not have a steel production department, purchases the semi-finished product from third parties.

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5.6 SERVICE COSTS

Details of the principal items are listed below:

(in thousands of Euro)	2025	2024
Electricity and methane	149,300	137,601
Logistics	82,217	77,418
Maintenance charges	24,892	28,085
Legal, administrative, technical and IT charges	10,460	9,485
Charges for the disposal of production by-products and other environmental costs	10,103	9,875
Production outsourcing	8,708	6,786
Processing of semi-finished goods through third parties	6,431	5,138
Directors and Statutory Auditors compensation	4,541	4,570
Insurance	4,076	4,415
Sales and purchase commissions	3,443	3,222
Bank charges	2,233	2,613
Canteen	2,163	2,275
Security	1,513	1,465
Employee training costs	1,369	2,327
Travel expenses	1,239	1,272
Warehouse handling services	1,052	1,069
Cleaning expenses	1,007	1,168
Advertising	735	485
Phone and post expenses	523	526
Audit	498	460
Other	8,563	10,565
Total	**325,066**	**310,820**

In accordance with the resolution of the Authority for Electricity and Gas, directed at creating a single energy market for the whole of the European Union, the Parent Company was selected, amongst other entities, to finance the planning and development of facilities to strengthen infrastructure to connect the electricity grid with others abroad. In view of the outlay, the Parent Company will be entitled to use the infrastructure, as soon as operational, in proportion to the level of investment made.
During the planning and development phase of the infrastructure, the Parent Company was entitled to purchase definitive quantities of electricity from abroad, therefore sourcing energy from both the national grid as well as importing it and thus making considerable savings.
Electricity costs, recognised over the year, increased compared to those reported in the previous year due to greater consumption.
There was an increase in the quantities used compared to the previous year of approximately 5% for electricity and 4% for methane gas.

Logistics costs refer mostly to the sale of finished and semi-finished products.
The change recorded in logistics costs is primarily linked to tariff increases deriving from specific factors relating to the sector.
Maintenance activity is derived from planned systematic checks for ensuring the maintenance of efficiency levels of structures, plants and machinery present at the Group's production sites. The activity is generally carried out through preventive maintenance work, based on predetermined schedules.
Charges for the disposal of production by-products are incurred mainly in steel production sites. During the melting process, some waste materials are reusable (only the iron part after a mechanical screening process can be sent for melting once again) and others are moved to authorised landfills.
Third-party processing refers to the transformation of semi-finished products into finished products commissioned by the company to a leading national steel producer.

5.7 LEASES AND RENTAL COSTS

Lease and rental costs totalling Euro 11,729 thousand (Euro 10,634 thousand in 2024), refer largely to fees for hydroelectric concessions, the lease of buildings and machinery by the Parent Company and the subsidiaries LME S.A.S. and Stahl Gerlafingen A.G..

5.8 PERSONNEL COSTS

Personnel costs in the financial year under review totalled Euro 171,398 thousand (Euro 180,616 thousand in 2024). The decrease compared to the previous year is mainly due to the reorganisation process of the subsidiaries Stahl Gerlafingen A.G. and Donalam S.r.l., through a reduction in the workforce combined with the use of social shock absorbers.
The numbers of employees of the Group companies at the end of the financial year and at the end of the prior financial year are provided below, along with the average number:

	Factory Staff	Office Staff	Managers
31 December 2024	1,850	624	59
2025 average number	1,733	591	58
31 December 2025	1,682	567	58

5.9 AMORTISATION, DEPRECIATION AND WRITE-DOWNS

Amortisation of intangible fixed assets
The amount allocated in the financial year came to Euro 9,395 thousand (Euro 9,022 thousand in 2024). The value refers for Euro 7,604 thousand to:

- the amortisation of Euro 3,351 thousand of the goodwill of Euro 33,510 thousand recognised for the first consolidation of Idroelettriche Riunite S.p.A. and IDRA S.r.l., subsequently incorporated by the Parent Company;
- the amortisation of Euro 2,993 thousand of the goodwill of Euro 14,965 thousand relative to the acquisition of the total equity investment in Nuova Ferrosider S.r.l.;
- the amortisation of Euro 1,260 thousand of the customer portfolio of Feralpi Profilati Nave S.r.l. acquired in 2021 for Euro 6,300 thousand.

Depreciation of tangible fixed assets
The amount was equal to Euro 53,994 thousand (Euro 67,442 thousand in 2024). The decrease mainly derives from the redetermination of the useful lives and residual lives carried out by the Parent Company and by the subsidiaries Laminés Marchands Européens S.A.S. and Donalam S.r.l..

Other write-downs of fixed assets
During the year under review, the Parent Company applied write-downs amounting to Euro 1,953 thousand (Euro 657 thousand in the previous year), primarily referable to assets that are no longer used for production. The recoverability of the value of tangible and intangible assets was verified by means of an impairment test carried out primarily with the Discounted Cash Flow (DCF) method, using the expected cash flows, defined over the explicit period of five years (2026-2030). Following this verification, no write-down was necessary during the year. In the previous year, the subsidiary Stahl Gerlafingen A.G. carried out a write-down amounting to Euro 23,812 thousand.

Write-down of current trade receivables
Write-downs of receivables included in current assets amounted to Euro 2,545 thousand (Euro 3,043 thousand in the previous year).

5.10 CHANGES IN RAW MATERIALS, ANCILLARY AND CONSUMABLE MATERIALS INVENTORIES

The decrease in the value of the inventories during the financial year was equal to Euro 6,748 thousand (increase of Euro 8,414 thousand in 2024). The analysis of the change is illustrated in point 4.4 above.

5.11 ALLOCATIONS FOR RISKS

Allocations for risks are recognised for Euro 758 thousand and refer mainly to the financial statements of the Parent Company and its subsidiary LME S.A.S. for Euro 267 thousand and Euro 491 thousand, respectively (Euro 245 thousand in the previous year).

5.12 OTHER ALLOCATIONS

The amount recognised during the year, equal to Euro 626 thousand, refers to the subsidiary LME S.A.S.. No allocation was recognised in the previous year.

5.13 OTHER OPERATING EXPENSES

The item "other operating expenses" consists of the following:

(in thousands of Euro)	**2025**	**2024**
Use of greenhouse gas emission quotas	3,628	4,312
Property tax	2,061	2,053
Various taxes calculated on personnel costs	1,451	1,517
Territorial economic contribution	1,020	772
Other taxes	607	432
Capital loss derived from fixed assets disposal	517	351
Association fees	337	313
Non-recurring loss on operating activities	202	184
Other	584	403
Total	**10,407**	**10,337**

The use of CO_2 quotas, valued at Euro 3,628 thousand (Euro 4,312 thousand in the previous year), derives from the final calculation of the emissions for the year that were higher than the free allocations received.
Property tax and the territorial economic contribution refer mainly to the Parent Company, Laminés Marchands Européens S.A.S. and Donalam S.r.l.
Various taxes calculated on personnel costs are reported by Laminés Marchands Européens S.A.S..

5.14 FINANCIAL INCOME

Income from equity investments, recognised for Euro 37 thousand, refers to the capital gain deriving from the partial sale of the equity investment of the company Sirio S.r.l recognised during the year by the Parent Company.
No income from equity investments was recognised in the previous year.

Financial income comprises:

(in thousands of Euro)	2025	2024
Interest on loans granted to subsidiaries, unconsolidated companies and ultimate parent company	262	178
Bank interest	134	352
Interest on loans granted to related parties	61	55
Other interest income	-	1
Other	3	-
Total	**461**	**586**

The interest charged to the subsidiaries refers to interest-bearing loans at normal market conditions, disbursed:

- to the subsidiary Ferriera Sider Scal S.r.l. - in liquidation, for Euro 201 thousand (Euro 164 thousand in 2024);
- to the subsidiary Ruau S.A. for Euro 48 thousand;
- to the associate Sirio S.r.l. for Euro 8 thousand (Euro 8 thousand in the previous year);
- to the associate Consorzio Valbel for Euro 5 thousand (Euro 6 thousand in the previous year).

Plant of San Didero, Italy

5.15 INTEREST AND OTHER FINANCIAL CHARGES

Interest and other financial charges are classified as follows:

(in thousands of Euro)	2025	2024
Interest charges on medium and long-term loans	13,153	8,517
Charges on receivables transferred without recourse	4,242	5,990
Interest to customers for advance payments	2,791	3,061
Interest on purchases Equity investment Idroelettriche Riunite and IDRA	2,214	2,491
Financial charges on short-term bank loans	2,453	2,398
Amortised cost on purchase of equity investment	125	223
Interest on loans from parent company and subsidiary	48	116
Other financial charges	1,674	1,199
Total	**26,700**	**23,995**

Interest on medium and long-term loans increased in 2025 compared to the previous year due to the increase in debt to the banking sector and higher interest rates.
The recognition of the payable, recognised by the Parent Company using the amortised cost method, deriving from the acquisition of the company Nuova Ferrosider S.r.l., payable by 2028, entailed the recognition of financial expenses of Euro 125 thousand (Euro 223 thousand in the previous year).

5.16 GAINS AND LOSSES ON EXCHANGE RATES

Gains and losses on exchange rates amounted to Euro 8,269 thousand and Euro 11,009 thousand, respectively (Euro 7,113 thousand and Euro 7,847 thousand in 2024).

5.17 ADJUSTMENTS TO FINANCIAL ASSETS

The value recorded under adjustments to financial assets of Euro 190 thousand refers to the equity investment held by the Parent Company in the subsidiary Ferriera Sider Scal S.r.l. - in liquidation (Euro 1,024 thousand in the previous year). Given the full zeroing of the book value carried out in previous years, the above amounts were recognised as an increase of an allocation already made among the Provisions for Risks and Charges of Euro 3,273 thousand.
As regards the reasons that led to the recognition of the write-downs, please refer to the previous note 4.3.
In addition, with regard to the Parent Company, the following should be noted:

- the write-down of long-term loans for Euro 67 thousand;
- the write-down of IRCAP derivative instruments for Euro 197 thousand.

5.18 INCOME TAXES

Current taxes, debited to the income statement, amounted to Euro 6,410 thousand (Euro 3,356 thousand in 2024) and refer mainly to IRES and IRAP accounted for in the financial statements of the Parent Company respectively at Euro 1,684 thousand and Euro 1,246 thousand (Euro 689 thousand and Euro 767 thousand in 2024) and to income taxes allocated by the subsidiaries LME S.A.S and Donalam S.r.l. respectively for Euro 1,693 thousand and Euro 1,489 thousand.
Deferred taxes, credited for Euro 31 thousand (26 thousand in the previous year), refer to the Parent Company. The nature of the allocations and of the uses for deferred taxes is described in detail in the table shown in point 4.16 above.
Deferred tax assets debited for Euro 1,975 thousand (credited for Euro 583 thousand in the previous year), derive mainly from allocations and uses, recognised by the Parent Company and the subsidiary LME S.A.S. over the year, which generate temporary differences in tax deductibility.
The nature of the allocations and of the uses for deferred tax assets is described in detail in the table shown in point 4.9 above.
With effectiveness from 1 January 2024, the Beltrame Group, as a Multinational Group that exceeds the revenue threshold of Euro 750 million, for two of the four previous years, falls within the scope of application of Pillar Two income taxes provided for by Directive 2022/2523, adopted in Italy by Legislative Decree 209/2023 ("the Legislative Decree"), aimed at ensuring a minimum global level of taxation for multinational groups of companies.
As required by OIC 25, the Parent Company applied the temporary derogation to the recognition of deferred tax assets and liabilities related to the application of the Pillar Two provisions, as set forth by the same accounting standard.
On the basis of the information known or reasonably estimated, the exposure of the Beltrame Group to Pillar Two income taxes as at 31 December 2025 is assumed to be zero based on the processing of the latest financial data available (as at 31 December 2025).

Pontetto hydroelectric power station, Montecrestese, Italy

5.19 DIRECTORS AND STATUTORY AUDITORS COMPENSATION

The amounts debited to the consolidated income statement for the remuneration due to the Directors and Statutory Auditors of the Parent Company for carrying out their responsibilities, also in the companies included within the area of consolidation, are detailed below:

(in thousands of Euro)	2025	2024
Directors	4,282	4,331
Statutory Auditors	86	106
Auditing company for services provided to the Parent Company	196	153
Auditing company for the services provided to other companies within the scope of consolidation	284	290
Total	**4,848**	**4,880**

In this financial year, as in the previous one, no additional compensation has been assigned to Directors on the destination of the annual result. Expenses related to activities carried out by external auditors different from the ones used by the Parent Company are not included here.

5.20 COMMITMENTS NOT REPORTED IN THE BALANCE SHEET

For the acquisition of the company Nuova Ferrosider S.r.l., in relation to the deferred payment envisaged in the contract, the company issued a pledge in favour of the transferor on the product inventories in the warehouse at Ospitaletto (BS) up to the value of Euro 1.500 thousand, unchanged from the previous year.
While subscribing shares, in years 2020 and 2021, the Parent Company signed, with the minority shareholder of the subsidiary Donalam S.r.l., a put and call options agreement to acquire the minority interest. The exercise price of the option is connected to the market value of the equity investment at the same date; the agreement provides an indication of the cap and floor values. The minimum valuation at year end of the presumed value of the contractual commitment is equal to Euro 2,462 thousand, of which:

- Euro 1,231 thousand maturing on 31 October 2027 (capital contribution year 2020);
- Euro 1,231 thousand maturing on 11 November 2028 (capital contribution year 2021).

At the time of signing the share capital increase of the subsidiary Stahl Gerlafingen A.G., paid in by SIMEST S.p.A. in the previous year, the Parent Company entered into agreements with the same that envisage the commitment of the parties for the purchase and sale of the equity investment held by the latter through put and call options. The exercise price of the option is connected to the market value of the equity investment at the same date; the agreement provides an indication of the cap and floor values. The minimum valuation at year end of the presumed value of the contractual commitment is equal to Euro 15.3 million.

5.21 TRANSACTIONS WITH ASSOCIATES, AFFILIATES, THE PARENT COMPANY AND COMPANIES CONTROLLED BY THEM

Transactions with the parent company and the subsidiaries, carried out at arm's length conditions, are referable to the receivables described in points 4.6, 4.7, 4.23, 4.24, 4.25, 5.4, 5.5, 5.6, 5.14 and 5.15.

Related-party transactions, identified in compliance with the IAS 24 international accounting standard, are essentially related to the rendering of services, exchanging of goods and providing disbursement or reimbursement of loans within subsidiaries and associates. All of these transactions are within the normal business activities, and are carried out at arm's length.
All transactions are carried out in the best interest of the companies.
In accordance with Art. 2427 of the Italian Civil Code, we specify that there are no receivables and payables with a duration exceeding five years, except as specified in point 4.19 and 4.28.

Further information on Group operations and significant post balance sheet events has been provided in the Report on Operations.

5.22 TRANSPARENCY OF PUBLIC FUNDING

With reference to the provision pursuant to Article 1, paragraph 125 and 125-bis, of Italian Law no. 124 of 4 August 2017 - in the continuing uncertainty of interpretation and application of the aforementioned regulatory provision, in particular following the recent extension, by Article 22-bis paragraph 1 of Italian Law Decree no. 198 of 20/12/2022 (so-called Milleproroghe Law Decree), as at 1 January 2024 of the provisions contained in paragraph 125-ter below on the sanction regime - the following table shows the amounts and information relating to grants, subsidies, benefits, contributions or aid, in cash or in nature, not of a general nature and without consideration, remuneration or compensation nature, actually disbursed (cash principle) to the Parent Company by public administrations in the year 2025, part of which already indicated in the National Aid Register (NAR).

Year	Grantor	Type of subsidy	Amount
2025	Acquirente Unico S.p.A.	Aid to companies in certain sectors to offset the increase in electricity prices deriving from the integration of the costs of greenhouse gas emissions in application of the EU ETS	11,681,604
2025	Veneto Region - Training and Education Department	Aid for sustainability and digital innovation regarding the enhancement of production and environmental capacities	67,380
2025	Veneto Region - Labour Department	2021-2027 European Social Fund Plus as part of the "Investments for employment and growth" objective	46,634
2025	Fondimpresa	Regulation for inter-professional funds for continuous training for the concessions of state aid exempted pursuant to EC regulation no. 651/2014 and under the de minimis regime pursuant to EC regulation no. 1407/2013	7,186
2025	Vicenza Chamber of Commerce	Veneto Chamber of Commerce system for the granting of aid to companies in the region through the use of Regulation (EU) no. 651/2014 - year 2025	2,500

Part of the above amounts are published in the "National Aid Register".

5.23 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

With reference to significant events after the end of the year, please refer to the Report on Operations.

Vicenza, 27 March 2026

AFV Acciaierie Beltrame S.p.A.
The Chairman of the Board of Directors
Mr Antonio Beltrame

Worker at the plant of Vicenza, Italy

Consolidated financial statements of Beltrame Group 2025

INDEPENDENT AUDITORS' REPORT

04

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

To the Shareholders of
AFV Acciaierie Beltrame S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of AFV Acciaierie Beltrame S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

- express an opinion on the consistency of the report on operations with the consolidated financial statements;

- express an opinion on compliance with the law of the report on operations;

- make a statement about any material misstatement in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of AFV Acciaierie Beltrame Group as at 31 December 2025.

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

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

DELOITTE & TOUCHE S.p.A.

Signed by
Cristiano Nacchi
Partner

Padua, Italy
20 April, 2026

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