

EGLA

Laminations & Cores for E-Motors | Generators | Transformers

Integrated Annual Report

2024

This document is an additional version of the official version compliant with Delegated Regulation (EU) 2019/815 of the European Commission (ESEF Regulation - European Single Electronic Format) published on the website at https://www.eglagroup.com/financialinformation Investor Section.
This is an English translation of the original Italian document “Relazione Annuale Integrata 2024”.
In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails.
The Italian original is available on https://www.eglagroup.com/financialinformation Investor Section.

EXTRACT FROM THE NOTICE OF CALL OF THE ORDINARY SHAREHOLDERS’ MEETING (Pursuant to article 125-bis, paragraph 1, legislative decree 58/1998)

The Shareholders of EuroGroup Laminations S.p.A. (“EuroGroup” or the “Company”) entitled to attend and exercise their voting rights are called to the Ordinary Shareholders’ Meeting, in accordance with the procedures set forth in the notice of call thereof, on 5 May 2025 at 02:00 PM, in a single call, to discuss and resolve on the following:

AGENDA

1. Separate Financial Statements and Consolidated Financial Statements as at December 31, 2024.
   1.1. Approval of the Financial Statements of EuroGroup Laminations S.p.A. as at December 31, 2024 and presentation of the Consolidated Financial Statements as at December 31, 2024, accompanied by the Directors’ Report on Operations for the year 2024, including the Sustainability Report prepared in accordance with the Corporate Sustainability Reporting Directive (Directive 2022/2464/EU), the Report of the Board of Statutory Auditors and the Reports of the Independent Auditors; related and consequent resolutions.
   1.2. Allocation of the result for the financial year ended December 31, 2024 and distribution of available reserves. Related and consequent resolutions.
2. Report on the remuneration policy and compensation paid pursuant to Article 123-ter, paragraphs 3-bis and 6, of Italian legislative decree no. 58/1998:
   2.1. Binding resolution on the first section of the remuneration policy prepared pursuant to Article 123-ter, paragraph 3, of Italian legislative decree no. 58/1998;
   2.2. Non-binding resolution on the second section on the paid compensation prepared pursuant to Article 123-ter, paragraph 4, of Italian legislative decree no. 58/1998.
3. Proposal to authorise the purchase and disposal of treasury shares; related and consequent resolutions;
4. Approval of a plan for the free assignment of shares of the Company called “*Performance Shares Plan 2025-2027*”.

Pursuant to Article 10 of the company’s bylaws, participation and the exercise of voting rights at the Assembly by entitled parties will occur exclusively through the designated representative as per Article 135-undecies.1 of Legislative Decree 58/1998, to whom a proxy must be granted. The Company has designated Computershare S.p.A. – with registered office in Milan, via Mascheroni n. 19, 20145 – as the **Designated Representative**.

For information regarding the share capital, as well as details concerning the methods and deadlines for (i) participation in the Assembly and the exercise of voting rights (it is specified that the record date is April 23, 2025), (ii) granting proxies and/or sub-proxies to the Designated Representative; (iii) exercising the right to add items to the agenda, the right to present new resolution proposals, and the right to ask questions on the items on the agenda; (iv) the availability of documentation related to the items on the agenda and the related resolution proposals, please refer to the full text of the notice of call, which, along with the documentation related to the Assembly, will be published within the legal deadlines on the Company’s website www.eglagroup.com (Section Investors/ Governance/ Shareholders’ Meetings) and available at the authorized storage mechanism 1info (www.1info.it).

On behalf of the Board of Directors
The Chairman Sergio Iori

Contents

Letter to The Shareholders 4

Shareholding Structure 6

MANAGEMENT REPORT 8

1 Corporate bodies composition 10

2 Group Structure 12

3 Summary of Group results 14

4 EGLA on the stock exchange 20

5 Group Activities 22

6 Macroeconomic scenario 34

7 Significant events that occurred during the period 38

8 Group management performance 42

9 Parent Company operating performance 51

10 Operating Performance of the Group's Main Companies 56

11 Business outlook 60

12 Research and development activities 62

13 Main risks and uncertainties 64

14 Human resources 74

15 Environment, safety and health 76

16 Related party transactions 78

17 Other information 78

18 Disclosure on key intangible assets 81

19 Significant events after the end of the period 82

20 Sustainability Statement 84

CONSOLIDATED FINANCIAL STATEMENTS 194

Consolidated Statement of Financial Position 196

Consolidated Income Statement 197

Consolidated Statement of Comprehensive Income 198

Consolidated Cash Flow Statement 199

Consolidated Statement of changes in Equity 200

Explanatory Notes to the Consolidated Financial Statements 201

Notes to the items in the Consolidated Statement of Financial Position 226

Notes to items in the Consolidated Income Statement 248

Notes to items in the Consolidated Cash Flow Statement 259

Other information 260

Significant events after the end of the period 276

Certificate pursuant to art. 154 Bis of Italian Legislative Decree no. 58 of 24 February 1998 277

Independent Auditors' Report 278

SEPARATE FINANCIAL STATEMENTS 286

Statement of Financial Position 288

Income Statement 289

Statement of Comprehensive Income 290

Cash Flow Statement 291

Statement of Changes in Equity 292

Explanatory Notes to the Financial Statements 293

Explanatory Notes to the items in the Statement of Financial Position 309

Explanatory Notes to the items of the Income Statement 326

Explanatory Notes to the items of the Cash Flow Statement 332

Other information 333

Certificate pursuant to art. 154 bis of Italian Legislative Decree no. 58 of 24 February 1998 347

Board of Statutory Auditors' Report 348

Independent Auditors' Report 355

LETTER to the Shareholders

Dear Shareholders,

We present to you the Integrated Annual Report with the Sustainability Information of Euro-Group Laminations S.p.A. ("EGLA") as of December 31, 2024.

In 2024, EGLA continued to grow and strengthen its global position, with Group revenues increasing by 4% compared to the previous year and EBITDA aligning with 2023, demonstrating resilience in a challenging year for the automotive sector and the industrial sector in Europe.

The growth of the EV & Automotive segment more than offset the lower revenues in the Industrial sector, attributable to the weakness of the European market, primarily due to deflationary effects on prices compared to those recorded in the early months of 2023, as well as weaker demand throughout the year.

In the EV & Automotive sector, the growing global demand for electrification confirms an ongoing and irreversible trend, albeit with differing speeds geographically. In Europe, for example, the sale and production of electric vehicles (BEVs, battery electric vehicles) and plug-ins (PHEVs, plug-in hybrid electric vehicles) experienced a slowdown in 2024 mainly due to regulatory uncertainties, the expiration of electric vehicle purchase incentives in key countries like Germany at the end of 2023, and high purchase prices.

In the United States, the electric vehicle market grew in 2024 but at a less sustained pace than in 2023, due to a slowdown in demand, anticipated less favourable policies from the new presidential administration, and the evolution of emission standards set by the Environmental Protection Agency.

Nonetheless, in terms of market share, EGLA grew in both Europe and the USA in 2024, maintaining competitiveness thanks to the innovative content of its offerings and established business relationships.

In this complex context, the strategy of diversifying production and geographic destination markets proved to be a fundamental growth driver for the Group, particularly through the development of the EV & Automotive segment in China. In 2024, we achieved a year-over-year growth of 138% in China and recently strengthened our presence by acquiring minority shares in the Joint Ventures with Marubeni-Itochu Steel. This operation will help further stimulate growth in the Chinese market, increasing commercial penetration locally, especially with Chinese electric vehicle manufacturers.

The Asian region continues to be dynamic and offers the greatest opportunities for development. This is why, with the same goal of diversification into key markets for our sector, in 2024, we entered the Indian market through the acquisition of Kumar Precision Stampings Private Limited. This operation, in addition to strengthening our international presence in the Industrial sector, will allow us to enter the transformer segment, a growing sector that can further expand through our commercial synergies with clients and suppliers.

2025 shapes up to be a year of new challenges and opportunities. The global scenario continues to evolve rapidly, with intensified global competition, ongoing inflationary pressures in Europe and the United States likely affecting consumption, and significant uncertainties in the trade policies of key reference markets.

To navigate this scenario effectively, we have outlined a medium-term strategy with the 2025-2028 Strategic Plan, which takes into account the rapid evolution of the market while focusing on cash generation and return on invested capital, ensuring sustainable growth and targeting expansion in markets with greater potential.

Specifically, the Group estimates to achieve revenue growth in the 2025-28 plan period in a range between 10% and 15%, with an Adjusted EBITDA margin of about 13%. We also anticipate a positive Operating Free Cash Flow starting in 2025, thanks to a selective approach and investment stabilization, along with careful working capital management.

Thus, in 2025 we are committed to capitalizing on the solid foundations built in 2024, maintaining our leadership in the EV & Automotive segment, and laying the groundwork for optimizing internal efficiency and cash generation.

With these objectives, we aim to face the challenges of a competitive market, creating value for all our stakeholders.

On these premises, the demand for electrification, not limited to the automotive sector, continues to guide our future initiatives. It is with deep and renewed gratitude toward all the employees and partners of the Group for their constant commitment to the path undertaken together, and toward the shareholders who continue to support us, that we want to undertake new initiatives and opportunities for EGLA's growth, determined to achieve new goals with determination, a sense of responsibility, and confidence.

Yours sincerely,

Chief Executive Office
Marco Stefano Arduini



Shareholding Structure

The share capital of *EuroGroup Laminations* S.p.A. (hereinafter "EGLA" or the "Company") is equal to Euro 6,111,941, for a total number of shares equal to 167,693,345, divided into 94,016,319 ordinary shares listed on Euronext Milan and 73,677,026 unlisted multiple-voting shares, with no indication of nominal value, corresponding to a total of 315,047,397 voting rights that can be exercised at the Shareholders' Meeting.

Each ordinary share entitles the holder to one vote at the Company's ordinary and extraordinary general meetings, and each multiple-voting share entitles the holder to three votes at the Company's ordinary and extraordinary general meetings.

By virtue of the authorisation resolution obtained by the Shareholders' Meeting on 20 July 2023, on 28 September 2023 the Company's Board of Directors initiated a programme for the purchase of treasury shares for a number not exceeding 5,030,800 ordinary shares of the Company (equal to 3.0% of the share capital), which ended with the purchases made on 19 June 2024, and following which, as of 31 December 2024, the Company held, and holds as at the date of this document, 5,030,800 Treasury Shares, equal to 3.00% of the share capital.

Authorisation to purchase and dispose of own shares was granted by the Shareholders' Meeting of 20 July 2023 for the following purposes:

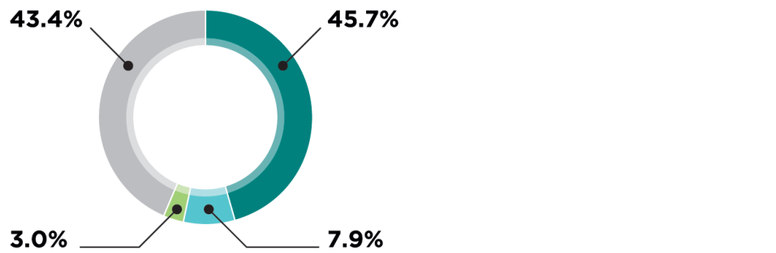
a) to carry out corporate/financial transactions of an extraordinary nature, including, but not limited to, acquisitions, mergers, capital transactions, transfers, contributions, exchanges, financing transactions or other transactions, in relation to which the assignment or other act of disposal of treasury shares is necessary or appropriate;

b) to fulfil obligations arising from existing or future stock option plans, stock grants or other incentive programmes, whether for consideration or free of charge, in favour of corporate officers, employees or associates of the Company or its subsidiaries;

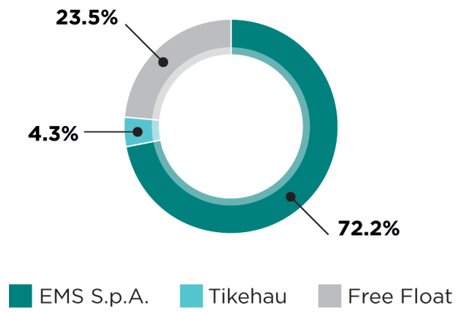
c) to support the liquidity of the stock in order to facilitate the regular conduct of trading and avoid price movements out of line with market performance.

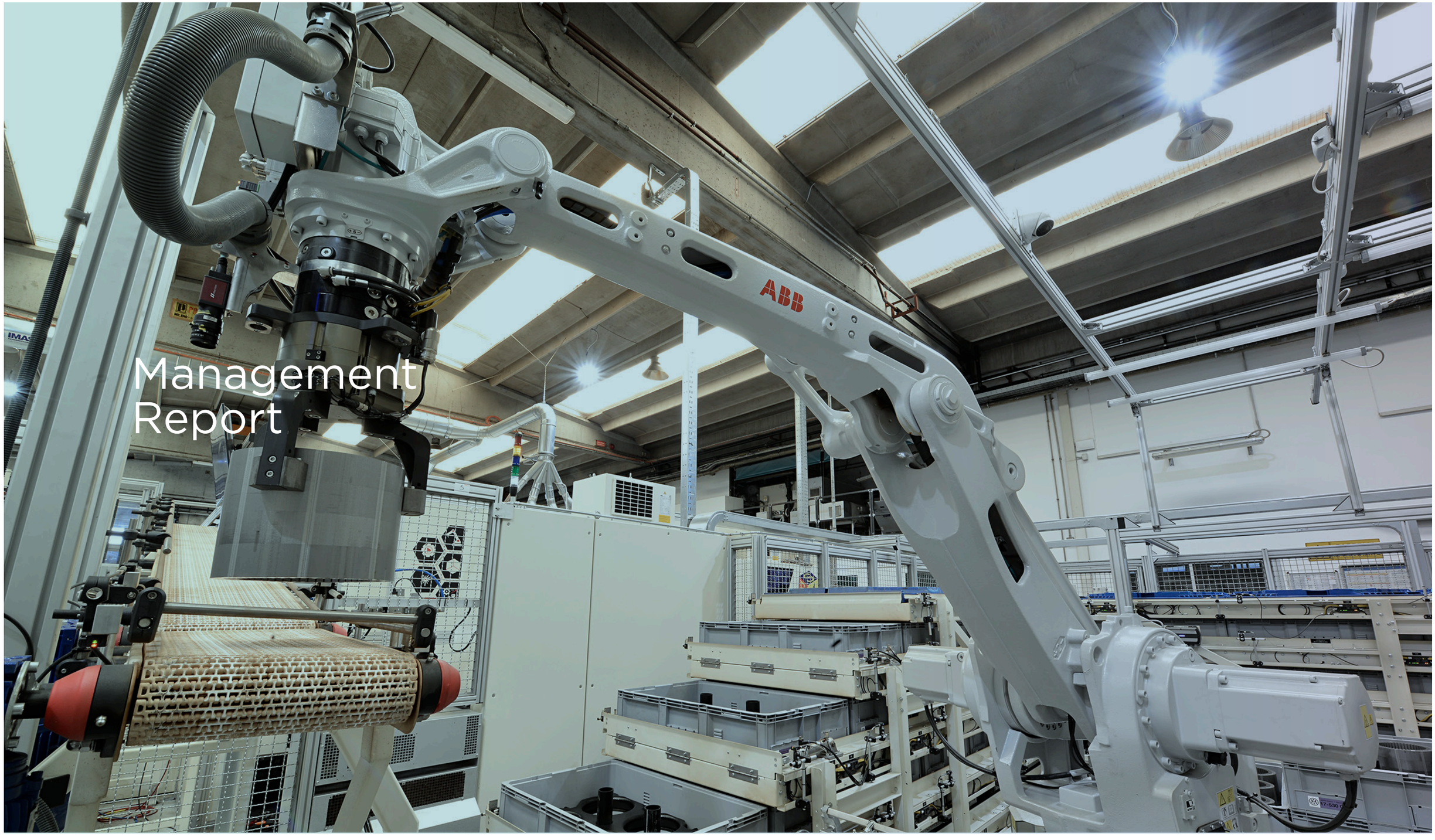
The chart below shows the Company's shareholding structure as of 31 December 2024 and as of the date of this document.

Shareholding structure based on number of shares held



Shareholding structure based on voting rights





Management Report

01 | Corporate Bodies Composition

BOARD OF DIRECTORS

Name and Surname	Position
Sergio Iori	Non-Executive Chairman
Isidoro Guardalà	Executive Vice Chairman
Marco Stefano Arduini	Chief Executive Officer
Axel Volker Dill	Executive Director [1]
Leonardantonio Franchini	Executive Director
Jean-Marc Pierre Gales	Non-Executive Director
Roberto Francesco Quagliuolo	Non-Executive Director
Gunter Beitinger	Non-Executive Director[2]
Alessandra Bianchi	Non-Executive Director[2] [3]
Maria Giovanna Calloni	Non-Executive Director[2]

(1) On 24 January 2024, the executive director Axel Volker Dill replaced the previous executive director Gianluca Umberto Maria Bertocchi.
(2) Independent director in accordance with art. 147-ter, paragraph 4, and art. 148, paragraph 3 of Italian Legislative Decree no. 58 of 24 February 1998 and art. 2 of the Corporate Governance Code
(3) Lead Independent Director ai sensi del Codice di Corporate Governance

Since 10 February 2023, the following have also been established:

- a Control, Risk and Sustainability Committee, pursuant to Articles 1 and 6 of the Corporate Governance Code composed of Alessandra Bianchi (Chairperson, independent), Maria Giovanna Calloni (independent) and Roberto Quagliuolo;
- an Appointments and Remuneration Committee, in accordance with Articles 4 and 5 of the Corporate Governance Code composed of Alessandra Bianchi (Chairperson, independent), Maria Giovanna Calloni (independent) and Jean-Marc Pierre Gales;
- a Related Party Transactions Committee, in accordance with the Related Parties Regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended with resolution no. 22144 of 22 December 2021, composed of Maria Giovanna Calloni (Chairperson, independent), Alessandra Bianchi (independent) and Gunter Beitinger (independent).

To support its Internal Control and Risk Management System, the Company has established, starting from the trading start date, the Internal Audit function as indicated in Recommendation 36 of the Corporate Governance Code, appointing the consultancy firm Protiviti S.r.l. under an outsourcing arrangement, with the favourable opinion of the Board of Statutory Auditors.

BOARD OF STATUTORY AUDITORS

The following table shows the members of the Company's Board of Statutory Auditors, in office from the start date of trading until the approval of the financial statements as at 31 December 2025:

Name and Surname	Position
Luigi Emilio Garavaglia	Chairman the Board of Statutory Auditors
Pietro Ebreo	Standing Auditor
Maria Venturini	Standing Auditor
Giancarlo Gandola	Alternate Auditor
Roberta Sironi	Alternate Auditor

MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S ACCOUNTING DOCUMENTS

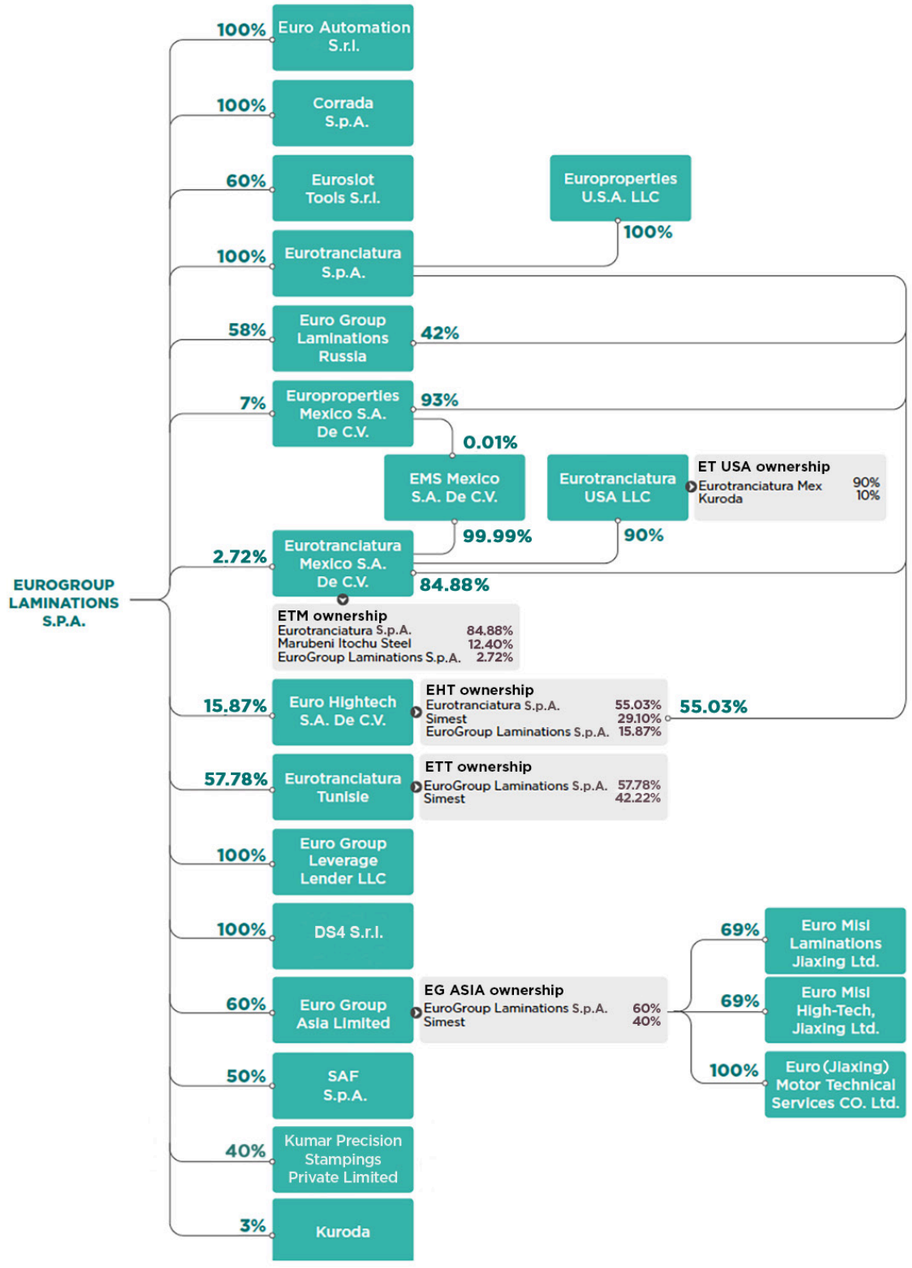
On 13 May 2024, the Board of Directors appointed Matteo Perna as Group Chief Financial Officer and new Manager responsible for preparing the accounting documents of *EuroGroup Laminations* S.p.A. to replace Isidoro Guardalà, who took on the role of Deputy Group Chief Executive Officer.
On 19 March 2025, the Control, Risk and ESG Committee approved the "Group Procedure for the preparation and approval of the sustainability report", which shows that the Manager responsible for preparing the accounting documents is responsible for examining and certifying the sustainability information section.

INDEPENDENT AUDIT FIRM

Deloitte & Touche S.p.A., appointed by the Shareholders' Meeting on 18 November 2022, on the reasoned proposal of the Board of Statutory Auditors, for the nine-year period 2022-2030 and, therefore, until the approval of the Financial Statements as at 31 December 2030.

02 | Group Structure

The following graph illustrates the structure of the Group as at 31 December 2024, with an indication of the subsidiaries of the Group and the investment held by the Company, directly or indirectly, in each of them.



The following table gives an overview of the Group's subsidiaries as at 31 December 2024. The central column indicates the percentage of capital held, directly and indirectly, both in terms of economic and voting rights.

Subsidiary	%	Jurisdiction
Corrada S.p.A.	100.00%	Italy
Euroslot Tools S.r.l.	60.00%	Italy
SAF S.p.A.	50.00%	Italy
Euro Automation S.r.l.	100.00%	Italy
DS4 S.r.l.	100.00%	Italy
Eurotranciatura Tunisie S.a.r.l.	100.00%	Tunisia
Euro Group Laminations Russia L.L.C.	100.00%	Russia
Eurotranciatura México S.A. de C.V.	87.60%	Mexico
Euro High Tech México S.A. de C.V.	100.00%	Mexico
Europroperties México S.A. de C.V.	100.00%	Mexico
Euro Management Services México S.A. de C.V.	87.60%	Mexico
Euro Group Leverage Lender L.L.C.	100.00%	United States
Europroperties USA L.L.C.	100.00%	United States
Eurotranciatura USA L.L.C.	78.84%	United States
Euro Group Asia Ltd	100.00%	Hong Kong (China)
Euro Misi Laminations, Jiaxing Co. Ltd	69.00%	China
Euro Misi High Tech, Jiaxing Co. Ltd	69.00%	China
Euro (Jiaxing) Motor Technical Services Co. Ltd.	100.00%	China
Kumar Precision Stampings Private Limited	40.00%	China

On 14 November 2024, the parent company *EuroGroup Laminations* S.p.A. finalised the acquisition of Kumar Precision Stampings Private Limited, Indian company among the main local operators in the production and distribution of stators and rotors for electric motors for various industrial and domestic applications (including HVAC, railway, home appliances, pumps and generators).

The transaction aligns with *EuroGroup Laminations*' growth strategy in Asia, and the strategic objectives of the acquisition are multiple:

- to further expand and strengthen the positioning of the Group's Industrial business unit in Asia;
- to access to the Indian market, which is strategic for the Group, experiencing strong growth and offering multiple development opportunities;
- to access to the rapidly expanding transformer market, particularly in India.

The total investment, amounting to Euro 19,902 thousand, involved the acquisition of 40% of the shares of the Indian company for Euro 13,896 thousand and a simultaneous capital increase of Euro 6,006 thousand.

As *EuroGroup Laminations* has the power to direct the *relevant activities*, influence the returns of Kumar Precision Stampings Private Limited, and is exposed to variable returns from its participation in business decisions — while exercising control through the majority in the governing body — the Group fully consolidates its investment in the Indian company despite holding only a 40% stake.

03 | Summary of Group Results

The Group uses some alternative performance indicators, which are not identified as accounting measures under IFRS, to allow for a better evaluation of the Group's performance. Therefore, the determination criteria applied by the Group may not be consistent with that adopted by other groups, and the resulting balance may not be comparable to that determined by these other groups.

These alternative performance indicators are constructed solely from historical data of the Group and determined in accordance with the Guidelines on Alternative Performance Indicators issued by ESMA/2015/1415 and adopted by CONSOB with communication no. 92543 of 3 December 2015. They refer only to the performance of the accounting period subject to this Annual Financial Report and the periods compared and not to the expected performance of the Group, and they should not be considered as a substitute for the indicators provided by the reference accounting principles (IFRS).

The Alternative Performance Indicators are not subject to audit review.

Below are the definitions of the Alternative Performance Indicators used in the Financial Report:

EBIT: calculated as profit for the period, gross of income taxes, exchange gains/losses, financial income and financial expense.

EBIT margin: calculated as the ratio of EBIT to revenue for the period under review.

EBITDA: calculated as profit for the period, before income tax, foreign exchange gains/losses, financial income, financial expense and amortisation.

Adjusted EBITDA: represents a unit of measurement for the assessment of the Company's operating performance. Adjusted EBITDA is calculated as the algebraic sum of profit for the year gross of taxes, financial income and charges including foreign exchange gains/losses, amortisation and the effects of certain events and transactions that Management considers unrelated to the Group's operating performance.

EBITDA margin: calculated as the ratio of EBITDA to revenue for the period under review.

Adjusted EBITDA margin: calculated as the ratio of adjusted EBITDA to revenue for the period under review.

Net Trade Working Capital: calculated as the sum of inventories and trade receivables, less trade payables.

Net Working Capital: calculated as the sum of inventories and trade receivables, tax receivables, other current assets and receivables, less trade payables, other current liabilities and current tax liabilities.

Return On Capital Employed (ROCE): calculated as the ratio between operating profit (EBIT) for the period under review and the Net Invested Capital.

Return On Equity (ROE): calculated as the ratio between Profit for the period and Equity.

Net Financial Debt: calculated as the sum of total financial liabilities, net of cash and cash equivalents and current financial assets. The composition of Net Financial Debt is determined as required by CONSOB Communication DEM/6064293 of 28 July 2006 as amended by Communication no. 5/21 of 29 April 2021 and in accordance with the ESMA recommendations contained in Guidelines 32-382-1138 of 4 March 2021.

Gearing Ratio: calculated as the ratio of Net Financial Debt to Equity.

Investments (CAPEX): calculated as the sum of increases in intangible assets and tangible assets.

Other non-current assets and liabilities: includes the items "Deferred tax assets", "Other non-current assets", "Non-current receivables and financial assets", "Liabilities for employee benefits", "Provisions for non-current risks and charges", "Other non-current liabilities" and "Deferred tax liabilities"

Trade and other current liabilities: includes the amount related to payables to shareholders for dividends within twelve months

The following table provides the calculation of these indicators for the financial years ending 31 December 2024 and for the comparative period ending 31 December 2023.

(In thousands of Euro unless otherwise indicated)	2024	2023
Revenues	869.389	835.942
EBIT	65.693	80.327
EBIT margin	7.6%	9.6%
EBITDA	110.287	114.057
EBITDA adjusted[1]	116.021	115.983
EBITDA margin	12.7%	13.6%
Adjusted EBITDA margin	13.3%	13.9%
Return On Capital Employed (ROCE)	9.0%	14.1%
Return On Equity (ROE)	7.3%	8.4%

(In thousands of Euro unless otherwise indicated)	2024	2023
Net invested capital	726,735	569,973
Net working commercial capital	232,705	179,140
Net Financial Debt	(225,521)	(110,786)
Gearing Ratio	0.4	0.2
Investment (CAPEX)	86,487	95,820

In 2024, **revenues** of Euro 869.4 million were recorded, up by 4% compared to the previous year 2023 (Euro 835.9 million). The increase is due to the combined effect of the solid growth of the EV & Automotive segment (17.8%), especially in Asia, and the contraction of the Industrial segment (-14.3%) due to the reduction in the price of steel and adverse conditions in the reference markets.

The EV & Automotive segment recorded total revenues of Euro 562.2 million, up 17.8% compared to 31 December 2023 (Euro 477.3 million), mainly due to the significant increase in sales volumes in the EV segment by the Chinese subsidiaries; during the year, the Group confirmed its leadership in the reference markets.

The Industrial segment recorded revenues of Euro 307.2 million, compared to Euro 358.6 million in the previous year (-14.3%). The decline in revenues is mainly due to the reduction in raw material prices. Regarding the volumes, lower consumption in Europe was offset by growth in the Asian area.

Group EBITDA at the end of 2024 was Euro 110.3 million, down 3.3% compared to 31 December 2023 (Euro 114.1 million). The EBITDA margin stood at 12.7% compared to 13.6% in 2023.

The reconciliation of EBITDA with net income is provided below:

(In thousands of Euro)	2024	2023
Profit for the year	36,535	38,608
Taxes	10,268	16,834
Financial expenses	31,344	24,199
Financial income	(6,394)	(5,746)
Exchange gains (losses)	(6,060)	6,432
Depreciation and amortisation of non-current assets	44,594	33,730
EBITDA	**110,287**	**114,057**

In 2024, **EBITDA** of the EV & Automotive segment was up compared to the previous year, standing at Euro 78.6 million (Euro 71 million in 2023), with a margin of 14.0% (14.9% in 2023). EBITDA in the Industrial segment decreased to Euro 31.7 million (Euro 43 million in 2023), but with an increased margin up to 10.3% (12.0% in 2023).

In 2024, **Adjusted EBITDA** was Euro 116.0 million, in line with the previous year (Euro 116.0 million), with an Adjusted EBITDA of 13.3%, down compared to 13.9% recorded in 2023. The Group believes that the adjustment was made in order to represent the operating performance of the Group, net of the effects of certain events and transactions. This adjustment relating to certain charges and income was necessary in order to ensure better comparability of the historical data relating to the periods in question, as they include cost and revenue items related to company phenomena not attributable to the Company's normal business operations, mainly related to the costs associated with professional services for M&A transactions and costs incurred for the first phase of implementation of the new ERP in the company Eurotranciatura S.p.A.

(In thousands of Euro)	2024	2023
EBITDA	110,287	114,057
Professional services for business combinations	3,430	565
Extraordinary expenses for organisational efficiency	1,181	354
Expenses for implementing new company ERP	1,123	-
Costs for listing and additional expenses	-	1,007
ADJUSTED EBITDA	**116,021**	**115,983**

EBIT for 2024 was Euro 65.7 million, down by 18.2% compared to Euro 80.3 million in 2023, with the EBIT Margin decreasing from 9.6% in 2023 to 7.6% in 2024. The reduction in EBIT is adversely impacted by the increase in amortisation, which went from Euro 33.8 million in 2023 to Euro 44.6 million in 2024, mainly due to the progress of the investment plan to support business growth in the EV & Automotive segment.

Net financial debt as at 31 December 2024 amounted to Euro 225.5 million, compared to Euro 110.8 million as at 31 December 2023, with a consequent worsening of the leverage (2.0x as at 31 December 2024, compared to 1.0x as at 31 December 2023). This increase is mainly attributable to significant investments, equal to Euro 86,5 million, mainly attributable to investments in greater production capacity to meet the expected increase in volumes of the EV & Automotive BU, and the increase in net working capital. Net of the effects of the buyback, dividend payments and the acquisition in India, the net financial debt would be Euro 178.3 million.

The Group's current financial indebtedness is equal to Euro 47.2 million (down by Euro 49.7 million compared to Euro 96.9 million as at 31 December 2023), while the Group's non-current financial indebtedness is equal to Euro 272.7 million (up by Euro 65.0 million compared to Euro 207.7 million as at 31 December 2023). The Group's Gearing Ratio is equal to 0.4 (up by 0.2 compared to 0.2 as at 31 December 2023). This increase is mainly attributable to significant investments, mainly attributable to the increase in production capacity to meet the expected increase in volumes of the EV & Automotive BU, and the increase in net working capital.

Net **Invested Capital** was Euro 726.7 million as of 31 December 2024 and Euro 570.0 million as of 31 December 2023. The change is mainly due to the combined effect of the 2024 investments, the acquisition of Kumar Precision Stampings Private Limited and the increase in net working capital.

Net Trade Working Capital stood at Euro 232.7 million as of 31 December 2024 and Euro 179.1 million as of 31 December 2023. The increase in Net Trade Working Capital of Euro 53.6 million is mainly attributable to the increase in trade receivables and the increase in stocks needed to support important EV & Automotive projects in the ramp-up phase in Europe, Mexico and China expected in 2025.

The Return on Capital Employed (ROCE) as at 31 December 2024 was 9.0%, compared to 14.1% as at 31 December 2023. The decrease is influenced by the increase in net invested capital.

The Return on Equity (ROE) as at 31 December 2024 stood at 7.3% compared to 8.4% as at 31 December 2023. The slight decrease is mainly due to the increase in Shareholders' Equity following the acquisition of Kumar Precision Stampings Private Limited.

In 2024, net investments (CAPEX) totalled Euro 86.5 million, a decrease of 9.7% compared to the same period of the previous year (Euro 95.8 million), and are aimed at supporting the Group's expansion plans, mainly related to the EV & Automotive segment (approximately 80% of total investments made).

The order portfolio of the EV & Automotive segment remains solid at Euro 5.3 billion[1], in addition to Euro 4.8 billion in the pipeline[2].

(1) Calculated at the end of February 2025
(2) Aggregate revenues expected from orders awarded by customers starting from February 2025 for the following 70 months



04 | EGLA on the Stock Exchange

The tables show some data relating to the performance of the EGLA share in terms of price and volumes traded during the period from 2 January 2024 to 30 December 2024.
The market capitalisation as at 30 December 2024 (last trading day of the year) amounted to approximately Euro 469.2 million.
The average stock market capitalisation of the Company in 2024 was Euro 594.9 million.
It should be noted that the consolidated shareholders' equity of the EGLA Group as of 31 December 2024 amounts to Euro 501.2 million.
It should be noted that the share capital as of 31 December 2024 consisted of 167,693,345 shares, divided into 94,016,319 listed ordinary shares (ISIN IT0005527616) and 73,677,026 unlisted multiple-vote shares (ISIN IT0005527624).
The free float, excluding treasury shares, amounts to 72,780,245. The Company holds 5,030,800 treasury shares in the portfolio, equal to 3.00% of the share capital.

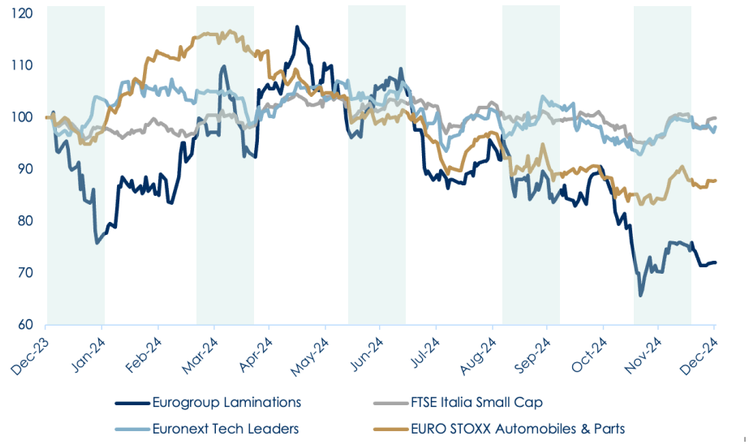
SHARE PRICE (Euro)	2024
Minimum price (20/11/2024)*	2.550
Maximum price (15/05/2024)*	4.562
Average price **	3.548
Closing date of 30/12/2024	2.798

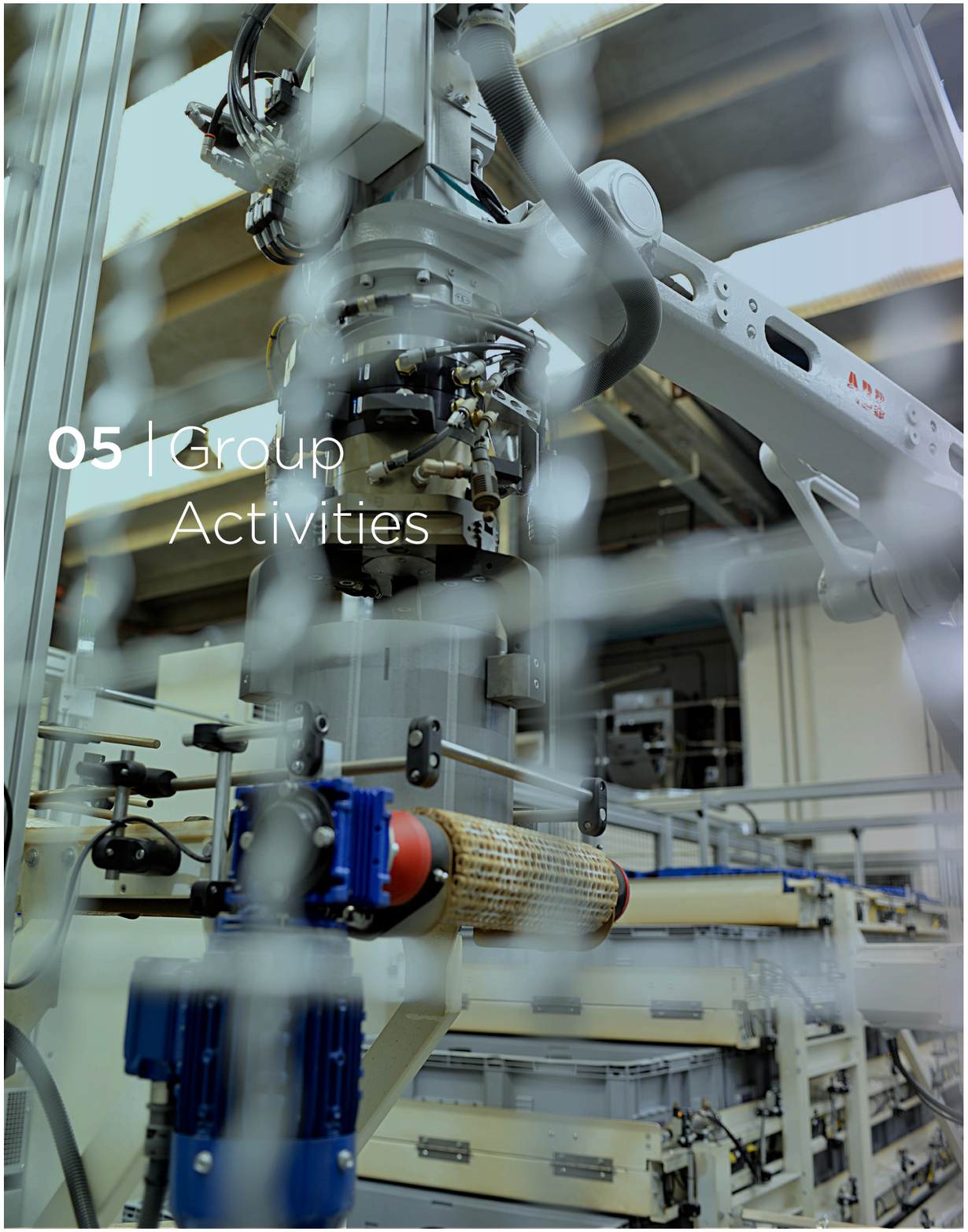
*The minimum and maximum price are relative to the official closing prices for the days in question.
** The average price is calculated as the arithmetic average of the closing prices from 02/01/24 to 30/12/24..

DAILY VOLUMES EXCHANGED	2024
Minimum in Euro (16/10/2024)	147,223
Minimum in shares (16/10/2024)	45,383
Maximum in Euro (12/03/2024)	12,455,682
Maximum in shares (12/03/2024)	3,446,481
Average volume in Euro	1,493,140
Average volume in shares	412,438

The following chart shows the comparison between the daily performance of the EGLA share and the main reference indices of the share, the FTSE Small Cap index of Euronext Milan, the Euronext Tech Leaders index and EURO STOXX Automobiles & Parts.

EuroGroup Laminations share price trend vs. FTSE Small Cap, Euronext Tech Leaders and EURO STOXX Automobiles & Parts (base 100)..





05 | Group Activities

EuroGroup Laminations is a world leader in the design, production, and distribution of stators and rotors for electric motors and generators. The stator is the fixed mechanical component of the motor that generates a magnetic field, into which the rotor (the rotating component) is inserted, allowing the rotation of the motor shaft.

The Group's activities are organised into two segments: (i) EV & AUTOMOTIVE, engaged in the design and production of motor cores (i.e., stators and rotors) for electric motors used for the traction of electric vehicles, as well as a wide range of non-traction automotive applications. The order book for EV &Traction is worth around Euro 5.3 billion[2] with an additional backlog of orders worth around Euro 4.8 billion. (ii) INDUSTRIAL, the segment designs and manufactures products used in various applications, including industrial, home automation, HVAC equipment, wind energy, logistics and pumps. The Group is also vertically integrated in the design and manufacture of stamping dies and casting dies used in the manufacture of its own products, which are also supplied to third parties.

EuroGroup therefore operates in sectors that benefit from a number of important trends, including: (i) greater attention at a global level to sustainability and zero-carbon objectives (ii) an ongoing energy transition leading to greater use of renewable energy (iii) a regulatory framework geared towards the increasing adoption of electric vehicles (iv) ever greater energy efficiency requirements for the Industrial segment, as well as the transition from hydraulic or pneumatic devices to electric devices.

The Group operates worldwide and serves customers in approximately 40 countries. In particular, it is present in 6 countries through 15 production facilities, 8 of which are in Italy and 7 abroad (2 in Mexico, 2 in China, 1 in the United States, 1 in India and 1 in Tunisia).

Operations are organised in the following three geographical areas, each with its own production facilities and offices: (i) EMEA, which generated 46.3% of the Group's revenues for the financial year 2024 (54.6% for the financial year ended 31 December 2023); (ii) North America, which generated 38.7% of the Group's revenues for the financial year 2024 (39.3% for the financial year ended 31 December 2023); and (iii) Asia, which generated 15% of the Group's revenues for the financial year 2024 (6.1% for the financial year ended 31 December 2023).

EuroGroup stands out from its competitors in that (i) it is a specialised operator in the electric motor and generator sector and (ii) it enjoys a position of leadership in the global market for the production of motor cores, a key component of any electrical machine, thanks to a unique series of competitive advantages in terms of innovation, technology, process and scale built up over more than 55 years of history, which have allowed the creation of a solid customer base with which the Company has long-standing relationships (iii) it operates with a team of qualified managers and with the support of a proprietary structure that has always been oriented towards growth.

(2) Aggregate revenues expected from orders awarded by customers starting from February 2025 for the following 70 months.

Group history

The Group has been operating for over 55 years in the production of stators and rotors with a wide range of applications and end markets.

Foundation and technological and market leadership in Italy

The Group began its activity in 1967 with the establishment of Eurotranciatura S.p.A. in Baranzate (Milan), a company that produces and sells laminated electrical steel rotors and stators for rotating electric machines (motors and generators), and continued in the 1980s with the opening of Alcast, an aluminium foundry specialising in the die-casting of rotor packs produced by Eurotranciatura S.p.A.

Growth and technological and market leadership in Europe

In 1987, the activity expanded with the acquisition of Corrada S.p.A., a company founded in 1933 that designs and produces dies for the stamping of laminations in electrical steel for motors, generators, transformers, and electric meters.

In the 2000s, the Group began to expand its business in Europe by establishing relationships with new customers located in different European countries and further consolidating relationships with existing ones. This made it possible to improve market share and significantly expand the customer base. During the same period, a partnership was established with SAF S.p.A., a company specialising in the production of laminations and stamped components for small electric collectors and induction motors, and with the Euroslot division, specialising in the stamping of electrical steel laminations for the production of large electric motors and generators.

Expansion and global leadership in market and technology

The internationalisation strategy continued in 2006, with expansion into the North American market, through the opening in Mexico of the first production plant outside Italy, and subsequently into North Africa in 2011, with the opening of a production plant in Tunisia. In 2012 the Company began to expand into the Chinese market, through the establishment of a joint venture, first only commercial and then also for production, Euro Misi Laminations Jiaxing Co. Ltd, with the Japanese partner Marubeni-Itochu Steel Inc., one of the world's largest traders of steel, including electrical. Subsequently, in 2014, the Group initiated a partnership with Kuroda Precision Industries Ltd, a Japanese manufacturer of dies for electric motors and generators. At the same time, also in 2014, EuroGroup purchased a production plant in the US state of Tennessee, sealing the partnership with Kuroda, which acquired a stake in the American company, while EuroGroup in turn acquired a 3% stake in Kuroda Precision Industries Ltd., a company listed on the Tokyo Stock Exchange.

The growing internationalisation has allowed the Group, inter alia, to diversify market risks in multiple geographic areas and consolidate its presence as an important international player.

As regards the dies segment, in 2010 Euroslot Tools S.r.l. was established, a company dedicated to the production and commercialisation of composite dies, carving tools, and die-casting dies.

Leadership in the transition to electric mobility

An important turning point in the history of the Group was in 2016 when the production of stators and rotors for electric vehicle traction began, and EuroGroup surpassed the two main competitors to become the world leader in the production and distribution of the motor core.[4] After the "Dieselgate" scandal in 2015, the use of electric vehicles rapidly increased in all global markets. In 2016, the Group launched a new project for a leading OEM in the production and commercialisation of electric drive vehicles in the United States.

In 2018, the acquisition of Galvanins S.r.l., a company specialised in the design and production of moulds for cold working of sheet metal and the production of small, high-precision metal parts, was completed and later merged by incorporation into SAF S.p.A. in 2019.

In 2020, the French private equity fund Tikehau Capital entered the Group's share capital by acquiring a minority stake of 30%. The transaction was finalised through a capital increase to support growth, with a particular focus on expanding the electric mobility business in Italy and abroad.

Also in 2020, Marubeni Itochu Steel Inc. sold to Euro Group Asia Ltd., a sub-holding of the Group that manages operations in Asian markets, 9.32% of the share capital held by Marubeni in Euro Misi Laminations Jiaxing Co. Ltd. After the transfer, both Marubeni Itochu Steel Inc. and Euro Group Asia Co. Ltd. subscribed to a capital increase, as a result of which Euro Group Asia Co. Ltd. now holds 69% of Euro Misi Laminations Jiaxing Co. Ltd.

Furthermore, following changes made to the shareholder agreement relating to SAF S.p.A., on 25 June 2021, the Group acquired control of SAF S.p.A.

On 10 February 2023 *EuroGroup Laminations* S.p.A. was listed on the Euronext Milan stock exchange with a price set at Euro 5.5 per share, and a total amount raised (following the exercise of the over-allotment option) of approximately Euro 409 million, including a capital increase of approximately Euro 250 million, with the objective of allocating the proceeds from the capital increase to expand production capacity (including the construction of new production facilities), develop new technologies, strengthen the capital structure, and further expand the company's geographical presence, including pursuing growth opportunities through acquisitions. At the end of the IPO, the total number of shares held by the market was equal to 42.6% of the Company's share capital.

On 26 May 2023, the parent company *EuroGroup Laminations* S.p.A. established Euro Automation S.r.l. by subscribing and paying up the entire share capital of Euro 100,000. The new entity operates in the field of design and construction of technologically advanced systems for dimensional checks and ancillary post-cutting processing of the rotor-stator pack, supported where necessary by artificial intelligence systems. On the one hand this has made it possible to improve the working conditions of employees by simplifying human-machine interaction, with positive repercussions on worker safety; on the other hand it has increased efficiency in the various processing phases and in the simulation, diagnostic and predictive maintenance processes.

(4) Source: Figures based on IHS market data of June 2022

On 2 August 2023, *EuroGroup Laminations* anounced the acquisition of the entire share capital of DS4 S.p.A., active in the design and construction of custom-made software and hardware with applications in the field of industrial automation, the acquisition of which was completed on 9 October 2023. The transaction has enabled *EuroGroup Laminations* to acquire strategic skills in industrial automation, that are key to support, also through the digitisation of industrial processes, the future growth envisaged at the Group level, and has provided DS4 with the access to *EuroGroup Laminations*' consolidated platform of know-how and customers. Furthermore, it is worth emphasising the high level of operational synergies achieved thanks to the transaction.

On 14 November 2024, *EuroGroup Laminations* finalised the closing relating to the acquisition of 40% of the share capital of Kumar Precision Stampings Private Limited ("Kumar"), an Indian company among the main local operators in the production and distribution of stators and rotors for electric motors for various industrial and domestic applications (including HVAC, railway, home appliances, pumps and generators), in execution of the investment agreement signed and communicated to the market on 1 August 2024. The transaction marks an important step in EGLA's growth strategy in Asia, where EuroGroup aims to further expand and strengthen the positioning of its Industrial business unit, which is already present globally. India, in particular, is characterised as a strategic market, with strong growth and multiple development opportunities. The transaction enables the Company to begin operating in the transformer market, which is rapidly expanding due to the growing market demands, particularly in India, within key sectors of electrification.

Distinctive factors of the Group

EuroGroup Laminations is a world leader in the design, production and distribution of motor cores for electric motors and generators.
It is in fact a supplier directly, or indirectly through its Tier-1 customers, of key BEV and PHEV platforms for 3 of the top 5 OEMs globally, according to the aggregate Battery Electric Vehicle (BEV) production forecast for the period 2025-2029. In addition, over 60%[5] of the current Order Book will be supplied directly to OEMs.
The Group also benefits from significant synergies between the EV & Automotive and Industrial segments, sharing expertise, technology and process automation. It also benefits from strong relationships (with an average tenure of over 10 years for the five largest clients) with key global industrial customers operating across all major end markets, including Energy, Pumps, HVAC, Logistics, Home and Industrial Applications.

Innovation, technology, process and scale

Over more than 55 years, the Group has acquired significant experience and know-how in the processes of steel laminations punching and production of the core part of electric motors and generators, with key innovations, technology, processes, and competitive advantages of scale, making it able to win and retain contracts and be chosen as a true development partner by customers.

Through the Research and Development department, the Group has developed several innovations, including: (i) in the assembly technology with glue thanks to the Glue Fastec® technology (developed by the strategic partner Kuroda, which holds the intellectual property rights and has granted the Group an exclusive licence until 2030), which is the unparalleled bonding technology, a leader in North America and Europe with growing usage in Asia; and (ii) Corpack® technology, which reduces production costs and mechanical stresses. The Group has a long tradition of innovation, with around 80 patents on products and technologies, over 10 new products developed since 2017 and 9 new processes developed since 2020, as well as a detailed innovation roadmap for 2025-2027. In particular, the Group will focus on materials, including new electric steel alloys, assembly technologies, zero waste, industry 4.0, and product technologies, including glue, IoT, and other technologies. The Group's customised products are often co-developed with customers, implying close interaction between the Group and their Research and Development departments, to identify the solutions that may best meet their needs. Additionally, the Group maintains collaborations with prestigious universities to further improve its processes and technologies.

The markets served by the Group are characterised by demanding specifications for the core of the engine, including better insulation, lower noise, reduction of mechanical stress, and reduction of losses. Electric vehicle OEMs have even higher requirements, given their continuous commitment to improving the performance and efficiency of new motors. The Group is able to meet such demands thanks to the technological and production know-how acquired over the past decades.

The Group's global presence with 15 strategically located plants in 6 countries allows it to efficiently organise production, satisfy customers' needs in a timely fashion, and capitalise on new opportunities, as well as maximise delivery speed thanks to the proximity to target markets. The Group maintains strong bargaining power with a diversified and high-quality supplier base, being the world's largest volume purchaser of electrical steel, processing about 400,000 tonnes of electrical steel per year, and purchasing large volumes from major global suppliers, having developed long-term partnerships with many of them. As a result, EGLA benefits from consolidated supply relationships for various types of electrical steel for automotive and industrial applications and believes it can offer better sales conditions to customers than its competitors.

(5) Source Group estimate based on internal data, S&P Global Mobility, Production based Powertrain Forecast, February 2025, Kearney.

Group Operations

Group segments and product lines
As previously described, the Group is organised into two segments, each with its own portfolio of specific products and services: *EV & Automotive* e *Industrial*.

EV & AUTOMOTIVE SEGMENT

The EV & Automotive segment produces high-value-added stators and rotors for numerous automotive applications and is composed of two product lines:

- **EV TRACTION**, which specifically deals with the production of stators and rotors used in electric vehicle traction systems. The stator is the fixed part of the electric motor that generates the magnetic field while the rotor is inserted into the stator and rotates the shaft. The stators and rotors (the core of the motor or "motor core") account for 15-20% of the overall cost of the electric motor. The products of the EV Traction product line are highly customised to meet customer needs. Thanks to its organisational structure and considerable know-how developed over more than 55 years of history, since 2016 the Group has been able to offer its customers dedicated solutions that stretch along the entire value chain, from product development (which is often managed together with the customer in a joint co-development process) to post-sales support, where required. Furthermore, when requested by customers, the Group is able to offer them dedicated production lines for specific stators and rotors. The main customers of the Group's EV Traction product line are some of the major automobile manufacturers and the main Tier 1 suppliers of components for automobile manufacturers.
- **NON-TRACTION**, which produces stators and rotors for a wide range of automotive applications connected to non-traction devices. Most of the Non-traction product line's products are intended for use on both traditional motor vehicles (gasoline, diesel, or other traditional fuels) and electric-powered vehicles, and therefore, in the Group's opinion, these products will not be negatively affected by the transition to the use of electric vehicles. The main products of the *non-traction* line include, among others, stators and rotors used for the manufacture of starter motors, electric turbochargers, electric window lifters, windshield wiper motors, alternator stator cores, ventilation system motors, electric power steering motors, engine cooling motors, ABS system motors, electric power steering motors, and electric sunroof motors. The main customers of the Group include the main Tier 1 suppliers of components for automobile manufacturers.

The EV & Automotive segment plants cover a total area of approximately 91,400 square metres (27,800 in EMEA, 33,600 in North America and 30,000 in Asia) and use 90 presses (41 in North America, 33 in EMEA and 16 in Asia). This makes it possible to process around 200,000 tonnes of electrical steel per year (87,000 in EMEA, 94,000 in North America and 39,000 in Asia).

The contractual relationships between the Group and customers in the EV & Automotive segment are governed by general conditions and framework agreements that regulate the main terms and conditions of each project. Framework agreements typically provide for a weekly estimate of the number of pieces to be delivered to the customer and also require the customer to notify the Group on a weekly basis of any deviations from the expected number of pieces. Although the forecasted number of pieces to be produced is not binding for customers, historically orders have been substantially consistent with the forecasts contained in the framework agreements. While the responsibility for product design remains with the customer, products are often designed jointly with customers. Therefore, the greater the number of pieces produced by a supplier, the greater the degree of production efficiency (in terms of production times and costs). The prices of supplied products are usually periodically redefined. Depending on the type and duration of the contract, the parties may agree on price adjustment mechanisms to partially offset the risk of volatility associated with raw material prices. In addition, some framework agreements require the Group to maintain a certain production capacity and impose penalties in case of a violation of such obligation. It should be noted that with reference to the order book of the EV & Automotive segment, customers are not contractually committed to specific volumes and the related contracts can be terminated, even if the Group is not in breach of such contracts. Furthermore, purchase orders are not binding and there are no guaranteed minimum quantities, and as a result, customers can reduce or cancel their orders with the need to renegotiate the conditions on a case-by-case basis.

INDUSTRIAL SEGMENT

The Industrial segment manufactures and sells products used in a variety of applications to customers in a wide range of industries, including generators, fans, pumps, home automation and appliances, transportation, industrial motors, power tools and transformers.

The Industrial segment is divided into the following product lines:

- **ENERGY** which includes stators and rotors, including large ones, for use in power generation processes. The products are for the power generation industry including large generators and large power plants including wind farms, and domestic, commercial and industrial backup generators. The Group's customers are represented by the main producers of generators for the energy production market..
- **HVAC** (Heating, Ventilation and Air Conditioning) which includes stators and rotors for use in the manufacturing processes of ventilation and air handling systems and air conditioning/heating systems (heat pumps). The Group's customers are represented by the main manufacturers of air conditioning and air quality control systems.
- **PUMPS** which includes stators and rotors intended for use in the manufacturing processes of pumps for water and other liquids for, among other uses, heating systems, water distribution systems, waste water collection systems and petroleum plants it's gas. The Group's customers are represented by the main manufacturers of various types of pumps.

- **HOME** which includes stators and rotors used for the production of small and large appliances and home automation systems. Some products in the Home line are subject to slight seasonality, largely compensated by the global reach of the Group's customers' activities. The products of the Home line are used for the production, among other things, of electric shutters and gates, household appliances (including washing machines and dishwashers, food processors, mixers, etc.), solar and motorised awnings. The Group's customers are represented by the main manufacturers of household appliances, solar and motorised awnings and other applications (motorized gates, etc.).

- **LOGISTICS** which includes stators and rotors for use in the manufacturing processes of motors used in cargo handling, particularly motors for forklift trucks (including self-driving forklift trucks) and gear motors for conveyor belts. The Group's customers are represented by companies active in the market for the production of motors for lift trucks and gearmotors for conveyor belts.

- **INDUSTRIAL APPLICATIONS** which include all other stators and rotors manufactured by the Industrial product line for a wide variety of applications, including machine tools for working wood and other materials, electric motors for marine, railway and aerospace industries, motors for winches and lifts, earth moving machines and agricultural machines. The main customers of the Group are represented by global companies active in the production of these machines.

- **TRASFORMATORI** which includes laminations and assembled cores, intended for use in the processes of transformation of electricity from generation to consumption. The products are intended for power and distribution transformers. The Group's customers are represented by the main producers of transformers for the electrification market. The Group's entry into this new sector is linked to the acquisition of the Indian company Kumar Precision Stampings Private Limited.

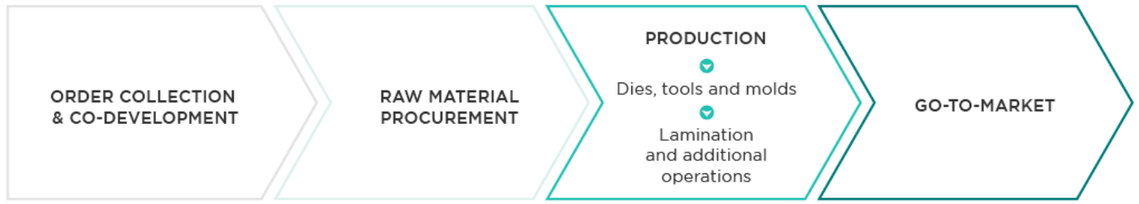
The strategy of the Industrial segment is based on the exploitation of the opportunities related to the energy transition and a growing electrification under way in various sectors, on product innovation aimed at consolidating the existing long-standing relationships with the main customers of the Group and on acquiring new customers, on geographical and product diversification and on increasing production efficiency aimed at improving profitability and competitiveness on the market.

The factories used by the Industrial segment cover a total area of approximately 178,000 square metres (102,500 in EMEA, 33,000 in North America and 42,500 in Asia) and operate 166 presses (50 in North America, 73 in EMEA and 43 in Asia) which allow the Group to process approximately 183,000 tons of electrical steel per year (102,000 in EMEA, 51,200 in North America and 29,800 in Asia).

The Group sells industrial sector products through different types of contracts, including framework agreements that define the main terms and conditions of the individual purchase orders that customers must place. These agreements, which are common to large customers, generally include a forecast of the estimated number of pieces, which however is not binding on customers. Historically, the estimated number of pieces has been consistent with the provisions of the framework agreements. In other circumstances, typically with small and medium-sized customers, customer relationships are governed by annual and multi-year direct sales contracts.

Group Business Model

The Group's business is capital intensive and requires significant current investment for new projects, while revenues are generated over a longer period. The Group has developed a business model that allows it to play a key role in all the main phases of the product life cycle, from design to after-sales assistance. The following graph illustrates the main phases of the Group's business model.



The same customers increasingly require the Group's participation in the product development phase through co-development. This process requires that the Group's R&D function interfaces with the customer's similar internal R&D function to offer the process and product know-how suitable for improving the design and the innovative component of the product.

Obtaining orders/executing supply contracts

The Group sells both catalogue products and customised products, which typically represent the majority of the Group's revenues. The products in the catalogue, sold exclusively by the Industrial segment and only in Europe, are mainly purchased by customers active in the household appliances and power tools sector. These products are purchased by customers based on their needs, usually in large quantities. The Group's catalogue includes over 15,000 codes of stators and rotors based on proprietary moulds. Custom-made products, usually purchased for high supply volumes, are made using moulds created ad hoc according to customer needs (with customers usually retaining ownership of the moulds). Purchase orders for such products are placed on the basis of detailed long-term delivery schedules. The most complex custom products are used for the production of high-tech electric motors. The manufacture of such products requires specific investments in dedicated shearing plants and the use of superior quality electrical steel. These products are generally designed together with customers, who purchase them through long-term contracts.

The collection of orders and the execution of contracts for customised products are characterised by a significant interaction and collaboration between the Group and the customers' engineering services in the phases of purchasing plants, equipment and raw materials, in the creation of dedicated moulds, the development of prototypes and samples and their validation, the methodical planning of production, based on the forecasts of the purchase orders and corrected in case of any changes in the number of parts to be delivered based on the customer's production needs.

Procurement of raw materials

The Group's main raw material is electrical steel, which represents at least 60% of the product cost. The quality and electrical resistance of electrical steel are determined by the silicon content. Through its centralised procurement function at the Italian headquarters, the Group purchases electrical steel from major suppliers worldwide and, according to management estimates, is the world's largest buyer of electrical steel, with long-term partnerships. In particular, the Group has developed relationships with many suppliers located in different geographical areas in order to ensure proximity to its plants, reduce delivery times and costs, as well as mitigate, to some extent, the effects of sanctions and import restrictions.

Among the other raw materials purchased by the Group are aluminium (used for the production of die-cast rotors), resin (used for overmoulding processes), and for the EV & Automotive segment, glue and primer (used for bonding processes) and magnets (used for overmoulding processes).

The Group maintains long-term relationships with its suppliers through the adoption of specific business strategies based on mutual trust, promoting interactions between its customers and steel producers to ensure that raw materials are suitable for customer needs. The co-design of new materials and processes with steel mills for specific projects allows the Group to strengthen both customer and electrical steel supplier relationships.

Thanks to its supply chain, the Group is able to support operations worldwide, based on both local supplies and imported materials, benefit from flexibility in terms of quantity and quality, have different alternatives in case of material shortages, and benefit from competitive and negotiating advantages thanks to supplier diversification, even for the same project. In addition, the Group is constantly looking for new suppliers to mitigate potential electrical steel shortages. The availability of high-quality raw materials from suppliers and the respect of delivery deadlines are key factors for the Group's ability to timely deliver products to its customers and, consequently, strengthen commercial relationships with them.

Regarding procurement, it should be noted that the sanctions imposed against Russia following the invasion of Ukraine have hindered and may continue to hinder the global procurement of raw materials and energy and have caused significant price increases. However, the contracts that the Group enters into with its customers contain price adjustment clauses linked to variations in raw material and energy prices that allow the Group to cope with increases in raw material and energy prices.

The Group has long-standing relationships with several trusted suppliers located in major geographical areas. It should be noted in particular that in 2012 the Group established a strategic partnership with Marubeni-Itochu Steel Inc., one of the world's leading electrical steel suppliers, for the supply of this component to the Group's plants located in Mexico and China. Marubeni-Itochu Steel Inc. holds a 12.40% stake in Eurotranciatura México SA de C.V. and a 31% stake (as at 31 December 2024) in the Chinese companies Euro Misi Laminations Jiaxing Co. Ltd. and Euro Misi High Tech, Jiaxing Co Ltd.

Production

The Group's products are manufactured according to the following production process:

PRESSES: Electric steel plates are sheared using specific presses that vary primarily according to speed (measured in number of strokes per hour) and die size. The useful life of the presses is approximately 20 years. For particularly complex products or projects, the Group installs specific production lines and presses for the customer. According to management, the Group is the largest operator in the sector by number of installed presses, with over 195 presses and 53 die-casting presses.

MOULDS: to perform the desired shearing, specific moulds are mounted on the presses, designed and manufactured according to the specific requests of the customer. The subsidiaries Corrada S.p.A. (which owns 39 patents, including the Corpack® technology) and Euroslot Tools S.r.l., together with the Japanese partner Kuroda Precision Industries Ltd., are dedicated to the production of moulds for the production of stators and rotors in order to allow the Group to offer its customers end-to-end solutions. These companies and the technological partner, which, unlike their competitors, also produce moulds for customers outside the Group, represent strategic centres of technical know-how for the entire Group. The integrated structure of the Group, which also includes the production of moulds, offers considerable advantages; in fact, customers have the opportunity to negotiate with a single company the supply of moulds and the production of stators and rotors, production volumes are guaranteed, there is greater control over delivery times, the know-how acquired in the production of moulds can be used to increase production efficiency and, furthermore, the sale of moulds also to third parties allows the Group to be constantly updated on the most recent techniques and technologies available on the market.

PROCESSI_DI_PRODUZIONE: stators and rotors are produced through a shearing process carried out with specific machines. The laminations are then normally assembled into stator and rotor packs. The number of laminations in each package can vary based on various engine characteristics, including design, horsepower, size, and type of application..

Post sale services

The Group sells the products to its customers directly through its own logistics and commercial organization. In particular, although each plant has its own sales structure, relations with the main customers from all over the world are managed at a corporate level. Thanks to the recognised technological leadership and the wide range of solutions, the Group has developed long-term relationships with its customers, for which it often represents the preferred provider. Most of the Group's revenues derive, as previously described, from long-term contracts, based on indicative volumes and prices indexed to the prices of electric steel.
The Group's offer also includes after-sales services mainly consisting of the maintenance, for a certain period of time, of the dies used for the production of the product. If the customer needs spare parts and/or additional parts, the Group is able to restart production immediately.



06 | Macroeconomic scenario

The global macroeconomic environment has been characterised by ongoing geopolitical tensions and conflicts in Ukraine and the Middle East.

The most recent estimates from the International Monetary Fund (IMF), updated in January 2025[6], projected global growth in 2024 to be broadly stable compared to 2023, at +3.2%, but below the pre-pandemic historical average (+3.7% during the 2000-2019 period).

The IMF's estimates highlighted a particular slowdown in the recovery of the Eurozone, which shows an increasing divergence from the US. Growth in the Eurozone has been weaker compared to the US, estimated at around +1%, down from +1.5% in 2023, with a stronger-than-expected slowdown towards the end of the year, particularly in the manufacturing sector. This trend is attributed to increased political uncertainty and persistently high inflation, especially due to energy prices, which, despite a significant reduction compared to 2022, remain high, particularly affecting countries like Germany. Inflation in Europe in 2024 was estimated at around +2.4%, down from +5.3% in 2023, thanks to the European Central Bank (ECB) adopting a restrictive monetary policy. Towards the end of the year, the ECB began gradually reducing interest rates to support weak economic growth.

Among European countries, Germany saw a second consecutive year of economic contraction at -0.2% (-0.3% in 2023), with weak domestic and external demand due to the ongoing inflationary effects of the energy crisis and the resulting manufacturing sector crisis. Italy recorded a modest recovery, with GDP growing by +0.6% (+0.8% in 2023).

In the United States, growth was +2.8%, slightly higher than in 2023, reflecting moderate economic expansion supported by strong consumer and investment spending, despite the impact of the Federal Reserve's restrictive monetary policies.

In China, GDP growth was estimated at +4.8% (compared to +5.3% in 2023), driven by public investments and domestic demand, but hindered by a slowdown in the real estate sector, which continued to show signs of weakness, weaker external demand from key markets such as Europe and the United States, and less aggressive government incentive policies compared to 2023, more focused on structural measures rather than short-term interventions.

(6) Source: IMF, "World Economic Outlook Update, January 2025"

EV & Automotive Market

The EGLA Group operates with an international presence in four key markets (Europe, USA, Mexico, China) in the automotive electrification sector, producing stators and rotors for automotive applications, with two product lines: “traction” and “non-traction”.

Looking at the automotive market as a whole, although light vehicle sales have not yet returned to pre-COVID 2019 levels (around 90.3 million units sold), 2024 was still a year of growth—albeit moderate—continuing the steady recovery trend that began in 2022. According to S&P Mobility estimates from December 2024[7], global light vehicle sales in 2024 totaled 88.2 million units, up by +1.7% compared to 2023. This growth was particularly concentrated in China, the world’s largest car market, followed by the USA, and to a lesser extent, Europe.

While global sales increased by +2% year-over-year, in 2024 global production of light vehicles—both electric and non-electric—declined by 1% compared to 2023, dropping to 89.4 million vehicles produced (from 90.5 million in 2023). This comes after two consecutive years (2022 and 2023) during which the easing of semiconductor supply restrictions had led to increased production and consequently higher inventories—largely driven by electric vehicles, which have accounted for a growing share of automakers’ production.

The slowdown in 2024 was concentrated in the EMEA region (-6% YoY, or -1.1 million vehicles) and to a lesser extent in the USA. China, on the other hand, recorded an increase in production of +1.1 million vehicles, supported by the momentum of local players. Chinese OEMs increased global production by +3 million units, while Western OEMs—particularly European ones—saw a contraction, adjusting production to meet reduced European demand. The second half of the year, in particular, saw production fall short of expectations. European OEMs not only slowed production to align with demand—held back in Europe by high interest rates and ongoing macroeconomic uncertainty—but also implemented more cautious inventory management.

When it comes to electrified vehicles (BEV - Battery Electric Vehicles, PHEV - Plug-in Hybrid Electric Vehicles, HEV - Hybrid Electric Vehicles, and MHEV - Mild Hybrid Electric Vehicles), both sales and market penetration increased compared to 2023, although with significant differences by region and segment.

The transition toward electrification continued to drive production, with strong growth in electrified vehicles. According to S&P Mobility[8] estimates, electrified vehicle production in 2024 reached 33.2 million units, up by 16% compared to 2023

(7) https://press.spglobal.com/

(8) S&P Mobility Sales forecast January 2025.

In particular, global production of electric vehicles (EVs, meaning BEVs + PHEVs) grew by 19% year-over-year, reaching 15.9 million units produced worldwide. This growth was driven by China, which more than offset the production decline seen in Europe and the USA, where barriers such as raw material prices—especially those affecting battery costs—continue to make the transition to electric vehicles more expensive.

Electric vehicle production in China, the world’s leading e-mobility market, hit a record 11.6 million units produced in 2024—up 32% compared to 2023—supported by government incentive programs that further boosted domestic demand. Notably, BEV production in China alone accounted for nearly 67% of global BEV output, rising to 7.7 million units.

Electric vehicle production in Europe, on the other hand, saw a decline of about 6% compared to 2023, with around 2.8 million units produced. The phase-out of consumer subsidies in Germany at the end of 2023 had a significant impact, despite a slight uptick recorded in December compared to the previous year. Emission regulations encouraged the production of electrified vehicles in order to meet emissions targets, but this focus was mostly on MHEVs and HEVs. BEV production, however, fell from around 2 million units in 2023 to 1.8 million units in 2024.

In North America, the electric vehicle market saw a 7.7% drop in production in 2024, due to slowing demand and expectations of less favorable policies for electric vehicles. The USD 7,500 federal tax credit played a key role in supporting EV sales, but the outlook remains uncertain given the potential political changes under the Trump administration and the evolving emissions standards set by the Environmental Protection Agency.

07 | Significant events that occurred during the period

New Eurotranciatura México plant

On 12 January 2024 - *EuroGroup Laminations* strengthened its international presence and unveiled a new production plant in Querétaro, the headquarters of Eurotranciatura Mexico.
After the start-up investment for production for the EV segment in 2016, which also saw the plant adopt Industry 4.0 standards, the sustained growth recorded in the e-mobility market prompted the Group to activate an additional programme for the development of the site: approximately 10,000 square meters for the EV & Automotive segment, in addition to the existing 21,000 square meters, with an expansion of 43% of the covered area. The new plants were built according to the highest standards of innovation and sustainability, with a particular emphasis on decarbonisation, circular economy and education, leveraging the Group's consolidated experience as a market leader.
The new Querétaro site will enrich the *EuroGroup Laminations* production park at global level, and will be central to the fulfilment of the Group's order book for the EV & Automotive segment.
The expansion also testifies to the strategic nature of the North American region for the Group's activities.

"SME" qualification

On 17 January 2024 - *EuroGroup Laminations* S.p.A., pursuant to art. 2-ter of the regulation adopted with Consob resolution no. 11971 of 14 May 1999 ("Issuers' Regulation"), acquired the status of "SME" (Small and Medium-sized Enterprise) pursuant to art. 1, paragraph 1, letter w-quater.1) of Italian Legislative Decree no. 58 ("Consolidated Finance Act") of 24 February 1998. Consequently, for the purposes of the disclosure obligations of significant investments, pursuant to art. 120 of the Consolidated Finance Act, the 5% threshold is now applied instead of 3%.

Participation in the Global Compact

On 18 January 2024 - *EuroGroup Laminations* announced its participation in the United Nations Global Compact, the largest strategic corporate citizenship initiative in the world.
The Global Compact invites companies around the world to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption, and to take action in support of the objectives of the United Nations, including the Sustainable Development Goals (SDGs). Launched in 2000, to date over 17,000 companies and other entities from 160 countries around the world participate, including over 500 in Italy.
The stators and rotors produced by EuroGroup represent a crucial and enabling element for the energy transition, in particular in automation and electrification processes. By participating in the United Nations Global Compact, EuroGroup emphasises how the value of sustainability is central to all business processes. In particular, EuroGroup is committed to operating responsibly and in compliance with the universal principles of sustainability, guaranteeing regular and transparent reporting of both the actions taken and the results obtained. The Group also aims to transfer its commitment to protecting sustainability also at local level, promoting a positive impact in all the territories in which it operates.

Executive Director appointed

On 24 January 2024, the Board of Directors of *EuroGroup Laminations* S.p.A. co-opted, pursuant to art. 2386 of the Italian Civil Code and art. 13.4 of the Articles of Association, Axel Volker Dill as the new executive director, with the role of CEO of the Industrial business unit, previously held by Gianluca Bertocchi. He will also hold the position of key executive. The appointment takes place following the resignation of Gianluca Bertocchi, executive director of the Company, submitted on 24 January 2024, with immediate effectiveness, to pursue other professional objectives.

Non-repayable grant from MIMIT

Last February, the Ministry of Enterprises and Made in Italy (MIMIT) and Invitalia rewarded the growth and innovation momentum of *EuroGroup Laminations* by approving the proposal (subject to the successful completion of verification and preliminary activities) for a non-repayable grant of up to a maximum of Euro 13.3 million.
The "Development and Innovation Project in support of electric vehicles" for *EuroGroup Laminations* aims to strengthen a Made in Italy supply chain dedicated to the production of the most important components of electric motors intended for electric-powered cars, enhancing their efficiency and competitiveness.
Given the significant orders portfolio, the programme is focused on the industrial expansion of Italian activities to expand its production capacity and respond to the market in a flexible manner by reducing production costs also with a view to greater sustainability. This will be possible thanks to the inclusion of new, more efficient and environmentally friendly technologies and the use of materials with high magnetic efficiency capable of improving the performance of electric motors.
The benefits granted by MIMIT will allow a further enhancement of the Group's R&D activities to develop experimental and patented technological solutions aimed at increasing competitiveness in the production of stators and rotors for electric motors.

Approval of the integrated annual report

On 28 March 2024 - the Board of Directors of *EuroGroup Laminations* S.p.A. approved the final results and the integrated annual report for 2023, and also resolved to submit to the approval of the Shareholders' Meeting the proposed distribution of a dividend of Euro 0.042 per share, equal to approximately Euro 6.8 million in total.

Eurotranciatura Tunisie share capital increase

On 4 April 2024 – the general meeting of the company Eurotranciatura Tunisie S.a.r.l. resolved the share capital increase for 4,355,000 Tunisian dinars (consequently bringing the value of the entire share capital to 31,500,000 Tunisian dinars), fully subscribed and paid by *EuroGroup Laminations* S.p.A., through the waiver of a loan previously taken out.

Approval of the Financial Statement and distribution of dividends

On 6 May 2024 – the Shareholders' Meeting of *EuroGroup Laminations* S.p.A. was held, which approved all the proposals on the agenda, including the Financial Statements of the Parent Company, the proposal for the allocation of profit with relative distribution of dividend income and the first section of the Remuneration Report, and expressed a favourable opinion on the second section of said Report. It also approved the updated Shareholders' Meeting regulations.

New company roles

On 6 May 2024, the Shareholders' Meeting confirmed the appointment of the new director Axel Volker Dill.

On 13 May 2024 - The Board of Directors of *EuroGroup Laminations* S.p.A. appointed Isidoro Guardalà Deputy Group Chief Executive Officer and Matteo Perna Group Chief Financial Officer in order to strengthen the organisation of EGLA for the next phase of development.

Loan of Euro 140 million to support growth

On 27 June 2024 – the Group announced the subscription of four loan agreements with Intesa Sanpaolo – IMI/CIB Division, UniCredit, BNL BNP Paribas and Deutsche Bank, respectively, for a maximum total amount, in aggregate, equal to Euro 140 million. These loans are in line with the Company's broader growth and expansion strategy, particularly at international level. Thanks to them, EuroGroup will be able to rely on greater financial flexibility, as well as on the resources needed to further bolster its growth path in the medium and long term, including externally. At the same time, the contracts signed allow EuroGroup to optimise its financial structure, making it more efficient thanks to a centralised management of credit and debt lines at the parent company level and increasing the average life of the latter.

The agreements entered into have made available to the Company: (i) four term credit facilities for a total aggregate maximum amount of Euro 65 million, maturing on 30 June 2029; (ii) four term credit facilities backed by a SACE Green Guarantee for a total aggregate maximum amount of Euro 40 million, maturing on 30 June 2029; and (iii) four revolving credit facilities for a total aggregate maximum amount of Euro 35 million, maturing on 30 June 2027. As at 31 December 2024, Euro 105 million had been disbursed.

Preliminary agreement for a strategic partnership with the Chinese Hixih Rubber Industry Group

On 1 August 2024, EuroGroup signed a preliminary Memorandum of Understanding for a strategic partnership with the Chinese Hixih Rubber Industry Group, a leader in automotive components in China. The agreement was signed at the Ministry of Enterprises and Made in Italy's headquarters in Rome, in the presence of Minister Adolfo Urso. The deal commits the parties to work on an industrial partnership based on a joint venture controlled by EGLA, aimed at further stimulating growth in the Chinese market with local electric vehicle manufacturers. It also includes the creation of a new research and development centre for innovative technologies within Hixih Group's industrial area in Shandong, designed to protect intellectual property and support all co-development activities and partnerships with local clients. A new high-tech industrial facility dedicated to the production of motor cores for New Energy Vehicle manufacturers will also be established in the same area, with investments supported by dedicated incentive programmes.

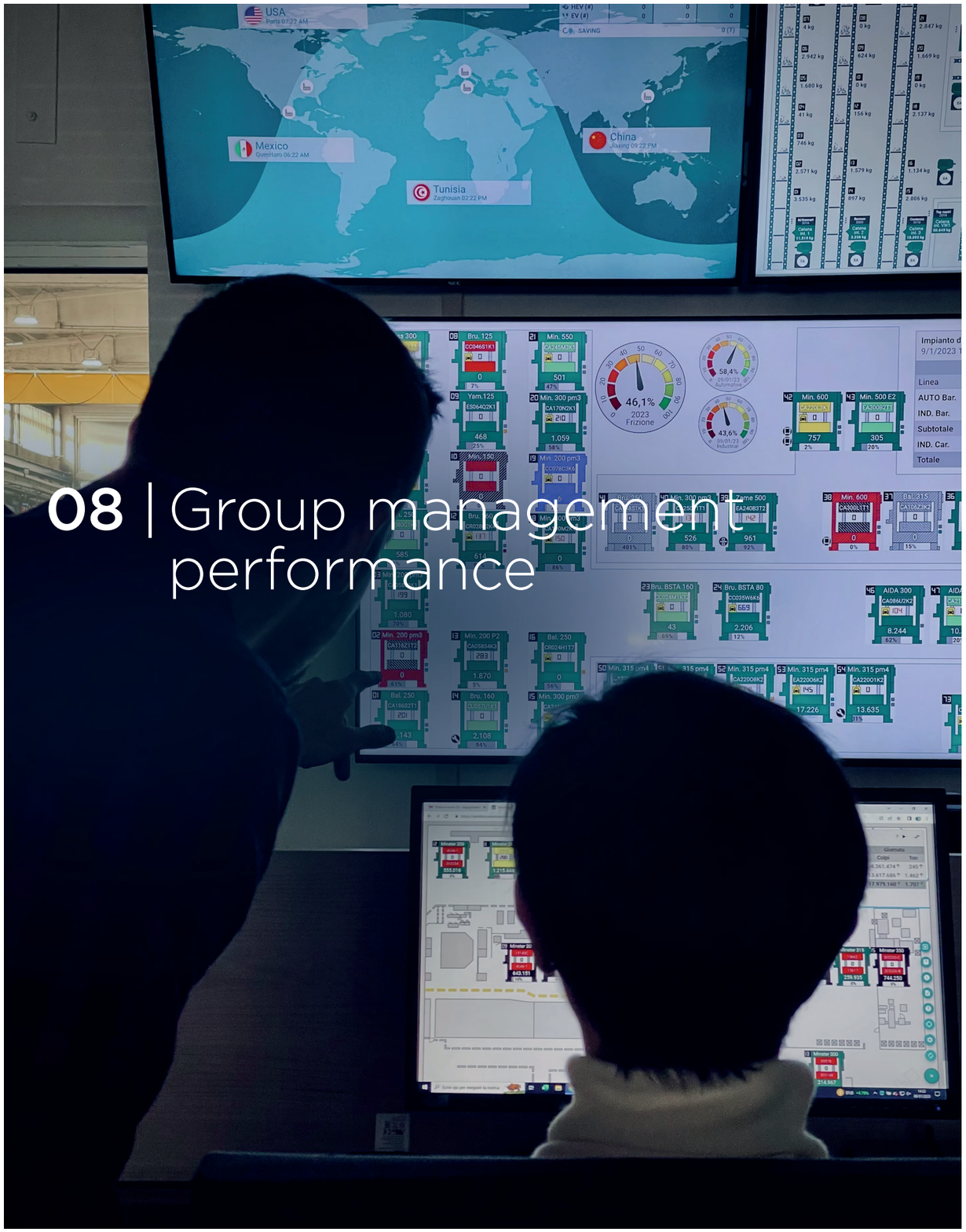
Agreement for the acquisition of 40% of the capital and control of Kumar Precision Stampings Private Limited

On 1 August 2024, the Group announced the acquisition of 40% of the capital of the Indian company Kumar Precision Stampings Private Limited, finalising its closing on 14 November 2024. The company, which is a leader in the production and distribution of stators and rotors for electric motors for various industrial and domestic applications (including HVAC, railway, home appliances, pumps and generators), is also active in the Transformer business. Through this transaction, EGLA further strengthens its Industrial Business Unit by entering the rapidly growing local market and expanding into the transformer lamination business, thereby broadening its customer base and reinforcing its global position in the sector.

The total investment, equal to Euro 19.9 million, included the purchase of a portion of the shares held by Kumar's shareholders for Euro 13.9 million and a simultaneous capital increase of Euro 6 million. The consideration was fully financed through the use of EGLA's cash and cash equivalents and is not subject to adjustments. As part of the transaction, a shareholders' agreement was signed governing, among other things, the company's governance structure and granting EGLA the power to direct the relevant activities, thereby allowing for line-by-line consolidation in accordance with IFRS 3.

Agreement for the sale of the assets of the company Euro Group Laminations Russia

On 5 November 2024, *EuroGroup Laminations* S.p.A signed an agreement for the sale of the assets of the company Euro Group Laminations Russia with a Russian buyer and on 19 December 2024 the National Authority UAMA at the Ministry of Foreign Affairs granted authorisation for the transaction. In February 2025, the Russian subsidiary proceeded with the disposal of the assets.



08 | Group management performance

Group Income Statement

The table below shows the consolidated income statement for 2024 compared with the previous year.

(In thousands of Euro)	2024	2023
Revenues	869,389	835,942
Other revenues and income	6,652	4,006
Changes in inventories of finished and semi-finished products	16,143	24,436
Raw material costs	(554,937)	(545,895)
Costs for services	(108,389)	(94,596)
Personnel costs	(119,049)	(107,821)
Other operating expenses	(2,031)	(2,015)
Reversal of impairment of non-current assets	2,509	-
Depreciation and amortisation of non-current assets	(44,594)	(33,730)
Operating profit	**65,693**	**80,327**
Financial income	6,394	5,746
Financial expenses	(31,344)	(24,199)
Exchange gains (losses)	6,060	(6,432)
Profit before tax	**46,803**	**55,442**
Taxes	(10,268)	(16,834)
Profit (loss) for the year	**36,535**	**38,608**
Profit attributable to the Group	31,137	34,057
Profit attributable to third parties	5,398	4,551
Basic and diluted earnings per share	0.19	0.21

The revenues of the EV & Automotive segment in 2024 amounted to Euro 562,159 thousand (Euro 477,294 thousand in 2023), an increase of Euro 84,865 thousand (increase of 17.8%) compared to the previous year. This increase is mainly attributable to the greater sales volumes in the EV segment by the Chinese subsidiary. During the current financial year, the Group confirmed its leadership in the reference markets.
The revenues of the Industrial segment for 2024 amounted to Euro 307,230 thousand (Euro 358,648 thousand in 2023), a decline of Euro 51,418 thousand (decrease of 14.3%) compared to the previous year. The decline in revenues is mainly due to the contraction in the prices of raw materials and the reduction in volumes due to a weak market in all geographical areas. Entry into the Indian market, which took place in November 2024, will strengthen the Industrial segment during 2025.

The Group's revenues are generated in three geographic areas: EMEA, North America and Asia. The breakdown of revenues by geographical area is shown below:

					Change	
(In thousands of Euro)	2024	%	2023	%	2024 vs 2023	%
EMEA	402,123	46.3%	456,323	54.6%	(54,200)	(11.9%)
of which in Italy	*393,646*	*45.3%*	*449,111*	*53.7%*	*(55,465)*	*(12.3%)*
North America	336,839	38.7%	328,245	39.3%	8,594	2.6%
of which in Mexico	*285,402*	*32.8%*	*273,617*	*32.7%*	*11,785*	*4.3%*
of which in the United States	*51,437*	*5.9%*	*54,628*	*6.6%*	*(3,191)*	*(5.8%)*
Asia	130,427	15.0%	51,374	6.1%	79,053	153.9%
of which in China	*122,306*	*14.1%*	*51,374*	*6.1%*	*70,932*	*138.1%*
of which in India	*8,121*	*0.9%*	-	-	*8,121*	-
Revenues	**869,389**	**100.0%**	**835,942**	**100.0%**	**33,447**	**4.0%**

Revenues in the EMEA area amounted to Euro 402,123 thousand (Euro 456,323 thousand in 2023) and were down by 11.9%, mainly due to the negative growth attributable to lower demand from the reference markets of the Industrial segment and the reduction in the price of steel.

Revenues in the North American area came to Euro 336,839 thousand (Euro 328,245 thousand in 2023) and were up by 2.6%, mainly due to the reduction in the price of steel with regard to the Industrial segment, partially offset by higher revenues generated by the EV & Automotive segment.

Revenues in Mexico totalled Euro 285,402 thousand (Euro 273,617 thousand in 2023). The increase, equal to Euro 11,785 thousand, is attributable to the growth of the EV & Automotive segment. Revenues from the United States (which are entirely related to the Industrial segment) amounted to Euro 51,437 thousand (Euro 54,628 thousand in 2023). The reduction is attributable to the slump in steel prices, partially offset by the growth in volumes (1.47%).

Revenues in Asia amounted to Euro 130,427 thousand (Euro 51,374 thousand in the 2023 financial year) and are significantly up by 153.9%, thanks to the consolidation and the start of production of important new projects for the EV & Automotive segment by the Chinese subsidiaries and the entry of Kumar Precision Stampings Private Limited into the Industrial segment starting from November 2024.

Other revenues and income, amounting to Euro 6,652 thousand (Euro 4,006 thousand in 2023), mainly relate to the closure of the New Market Tax Credit (NMTC) programme for Euro 2,666 thousand, government grants received for investments in various geographical areas for Euro 1,885 thousand, and realised and unrealised exchange rate differences on commercial transactions for Euro 1,288 thousand. The NMTC programme, signed by the Group in 2017 through its subsidiary Eurotranciatura USA LLC, enabled the company to benefit from government financial support under US tax laws. The mechanism of the transaction allowed Eurotranciatura USA LLC to be exempt from repaying a portion of the QLICI B loan amounting to Euro 2,666 thousand, upon the occurrence of certain conditions (recapture period), which were met during the first half of 2024.

The **Change in inventories** of finished and semi-finished products amounted to Euro 16,143 thousand (Euro 24,436 thousand in 2023) and is mainly attributable to the increase in inventory of finished products of Eurotranciatura S.p.A. and Euro Misi Laminations Jiaxing.

Raw material costs, net of the change in inventories for raw materials, amounted to Euro 554,937 thousand (Euro 545,895 thousand in the 2023 financial year). The increase in costs for the purchase of raw materials (+1.7%) is in line with the increase in revenues (+4.0%). The slightly less than proportional increase is mainly attributable to the decrease in the price of steel.

Costs for services amounted to Euro 108,389 thousand (Euro 94,596 thousand in the 2023 financial year) and increased by Euro 13,793 thousand (14.6% increase) compared to the previous financial year mainly due to: (i) an increase of Euro 6,182 thousand in transport costs, mainly in the Asian area due to a significant increase in the volumes of the EV & Automotive BU to the European market, (ii) an increase of Euro 3,903 thousand in legal, notary and administrative expenses mainly due to extraordinary transactions, (iii) an increase of Euro 2,157 thousand in commission costs, mainly due to higher royalties due to the increase in sales turnover of the EV & Automotive BU, (iv) an increase in consultancy expenses of Euro 1,571 thousand mainly due to costs related to the completion of the first phase of implementation of the new ERP in the company Eurotranciatura S.p.A. The increase is partially offset by the decrease in maintenance costs and in personnel recruitment and selection costs, due to greater efficiency and increased internal knowledge.

Personnel costs amounted to Euro 119,049 thousand (Euro 107,821 thousand in 2023) and are up by Euro 11,228 thousand (increase of 10.4%) compared to the previous year. The increase in personnel costs is mainly attributable to: (i) an increase in the number of employees, (ii) an increase in inflation-adjusted salaries, (iii) the negative effect caused by the adverse change in the Mexican Peso/Dollar exchange rate, and (iv) the assignment of stock options to the managers of the various companies.

Other operating costs amounted to Euro 2,031 thousand (Euro 2,015 thousand in 2023) and increased by Euro 16 thousand (increase of 0.8%) compared to the previous year. The change is mainly due to the combined effect of the increase in costs for non-deductible VAT, incurred by *EuroGroup Laminations* S.p.A., for Euro 502 thousand and the release, again by the Company, of the risk provision linked to the tax audit for the 2016 financial year for Euro 375 thousand. The item also includes the benefit deriving from the timely and careful management of collections, noting the combined positive effect of provisions and the release of the provision for doubtful accounts for Euro 244 thousand.

Reversal of impairment of non-current assets amounted to Euro 2,509 thousand and relates to the revaluation of tangible fixed assets, fully written down in 2022 following the start of the war in Ukraine and the EU sanctions, which made business in Russia unviable. The reversal was made possible by the sale agreement, signed in November 2024 and completed in February 2025, involving plant, machinery, dies and inventory, as well as the application of IFRS 5, which requires assets held for sale to be measured at the lower of fair value and original cost. For further details, please refer to note (13) "Assets held for sale" in the notes to the consolidated financial statements.

Depreciation and amortisation of non-current assets amounted to Euro 44,594 thousand (Euro 33,730 thousand in the 2023 financial year), representing an increase of Euro 10,864 thousand (a 32.2% rise) compared to the previous year. This increase is mainly attributable to the amortisation relating to the significant investments made to support the growth plan of the EV & Automotive BU and the amortisation on new lease contracts signed during the period.

Financial income amounted to Euro 6,394 thousand (Euro 5,746 thousand in 2023) and increased by Euro 648 thousand (increase of 11.3%) compared to the previous year. The increase is mainly attributable to the returns generated from liquidity investment operations (i.e. 12-month time deposits, government bonds and other financial instruments) and positive differentials recognised on interest rate hedging derivative transactions.

Financial expense amounted to Euro 31,344 thousand (Euro 24,199 thousand in 2023) and increased by Euro 7,145 thousand (increase of 29.5%) compared to the previous year. The increase is mainly attributable to interest expense relating to the four new loans taken out by *EuroGroup Laminations* S.p.A. in June 2024 for a value of Euro 105 million.

Exchange gains (losses) amounted to Euro 6,060 thousand (Euro (6,432) thousand in 2023). The balance refers primarily to unrealised exchange differences on intercompany loans. The profit for the period mainly derives from the positive effect of the Euro/Dollar exchange rate.

Taxes amounted to Euro 10,268 thousand (Euro 16,834 thousand in 2023) and decreased by Euro 6,566 thousand compared to the previous financial year; the more than proportional reduction compared to the decrease in pre-tax profit is mainly due to the better results of the Chinese companies for which no taxes were recorded as they were able to benefit from previous losses and to the realization of partially exempt income by EuroGroup Laminations.

As a result of the above-mentioned trends, the **Profit for the year** amounted to Euro 36,535 thousand (Euro 38,608 thousand in financial year 2023) and decreased by Euro 2,073 thousand (decrease of 5.4%) compared to the previous year. In FY 2024, Profit attributable to the Group amounted to Euro 31,137 thousand (Euro 34,057 thousand in 2023), while Profit attributable to third parties amounted to Euro 5,398 thousand (Euro 4,551 thousand in 2023).

Earnings per share came to Euro 0.19 (Euro 0.21 in the previous year). The slight decrease is primarily due to the combined effect of the reduction in the Group's share of the result and the change in the weighted average number of shares, as described in Note (35) "Basic and diluted earnings per share" of the explanatory notes to the consolidated financial statements.

Statement of financial position of the Group

The following table shows the reclassified consolidated statement of financial position as at 31 December 2024 compared with the data as at 31 December 2023.

	In thousands of Euro	2024	2023	Change
1	Goodwill	28,420	10,543	17,877
2	Intangible assets	14,752	7,517	7,235
3	Tangible assets	352,081	269,341	82,740
4	Rights of use	57,959	61,122	(3,163)
5	**Fixed assets 1+2+3+4**	**453,212**	**348,523**	**104,689**
6	Other non-current assets and liabilities	(15,697)	(3,206)	(12,491)
7	**Net fixed assets 5+6**	**437,515**	**345,317**	**92,198**
8	Inventories	375,391	357,044	18,347
9	Trade receivables	144,237	117,544	26,693
10	Trade payables	(286,923)	(295,448)	8,525
11	**Net Trade Working Capital 8+9+10**	**232,705**	**179,140**	**53,565**
12	Other current assets and receivables	82,553	69,898	12,655
13	Other current liabilities	(26,038)	(24,382)	(1,656)
14	**Net working capital 11+12+13**	**289,220**	**224,656**	**64,564**
15	**Net invested capital 7+14**	**726,735**	**569,973**	**156,762**
16	**Equity**	**501,214**	**459,187**	**42,027**
17	Non-current financial liabilities	232,428	167,589	64,839
18	Financial liabilities from non-current leased assets	40,293	40,117	176
19	**Non-current financial debt 17+18**	**272,721**	**207,706**	**65,015**
20	Current financial liabilities	186,108	147,303	38,805
21	Financial liabilities from current leased assets	7,717	11,178	(3,461)
22	Trade and other current payables	193	171	22
23	Current financial assets and receivables	(53,995)	(50,736)	(3,259)
24	Cash and cash equivalents	(187,223)	(204,836)	17,613
25	**Current net financial debt 20+21+22+23+24**	**(47,200)**	**(96,920)**	**49,720**
26	**Net financial debt 19+25**	**225,521**	**110,786**	**114,735**
27	**Total Equity + Net financial debt 16+26**	**726,735**	**569,973**	**156,762**

Fixed assets increased during the year from Euro 348,523 thousand as at 31 December 2023 to Euro 453,212 thousand as at 31 December 2024. This result is mainly due to investments in tangible assets made in 2024 as detailed in Note (3) “Tangible assets” in the notes to the consolidated financial statements.
Inventories amounted to Euro 375,391 thousand as at 31 December 2024 and Euro 357,044 thousand as at 31 December 2023. The increase in inventories of Euro 18,347 thousand is mainly due to: (i) an increase in inventories of finished products and work in progress for Euro 17,937 thousand due to an increase in production in the EV & Automotive segment and the related safety stocks required by customers (mainly OEMs and Tier1); (ii) an increase in inventories of semi-finished products for Euro 2,384 thousand, again due to the increase in production in the EV & Automotive segment.

Trade receivables increased in the year from Euro 117,544 thousand as of 31 December 2023 to Euro 144,237 thousand as of 31 December 2024. The increase in the item is mainly due to the higher turnover in the EV & Automotive segment in the last quarter of 2024 and the entry into the Group of the company Kumar.
Trade receivables are stated net of the allowance for doubtful accounts, which amounted to Euro 9,543 thousand as at 31 December 2023 and Euro 9,598 thousand as at 31 December 2024.

Trade payables amounted to Euro 295,448 thousand as at 31 December 2023 and Euro 286,923 thousand as at 31 December 2024. This item includes amounts due for supplies of production materials, debts for expenses incurred in the purchase of assets and debts for services received. The Group has no reverse factoring and/or supplier financing operations.

Other current assets and receivables amounted to Euro 69,898 thousand as at 31 December 2023 and Euro 88,553 thousand as at 31 December 2024. The increase of Euro 12,655 thousand is primarily due to the rise in VAT receivables (mainly in the Asia region) by Euro 7,376 thousand and tax receivables (mainly in Mexico) by Euro 5,478 thousand, as well as the inclusion of the assets held for sale, including plant, equipment and inventory of the Russian subsidiary, amounting to Euro 2,449 thousand. This increase is offset by the decrease in other tax receivables related to investments, for which interconnection occurred in previous financial years, amounting to Euro 3,160 thousand.

Other current liabilities amounted to Euro 26,038 thousand and mainly include payables to employees for Euro 11,358 thousand, VAT payables for Euro 4,377 thousand, payables for other taxes for Euro 3,231 thousand, accruals and deferrals for Euro 3,443 thousand and payables to social security institutions for Euro 2,954 thousand.

Non-current financial payables increased from Euro 167,589 thousand as at 31 December 2023 to Euro 232,428 thousand as at 31 December 2024. Current financial payables rose from Euro 147,303 thousand to Euro 186,108 thousand. The increase in non-current financial payables, equal to Euro 64,839 thousand, is mainly due to four new loans granted, on 27 June 2024, to *EuroGroup Laminations* S.p.A. for Euro 105 million.

Liabilities for current and non-current leased assets include loans payable for leased assets. Liabilities for leased assets decreased by Euro 3,285 thousand, mainly due to the redemption of a financial lease related to the Caronno property and the early termination of several operating leases.

Cash and cash equivalents amounted to Euro 187,223 thousand as at 31 December 2024 and Euro 204,836 thousand as at 31 December 2023. For more details on the movement in cash and cash equivalents during the period, please refer to the Consolidated Statement of Cash Flow.

Current financial credits amounted to Euro 53,995 thousand and mainly relate to receivables for investments in time deposits for Euro 51,222 thousand and BTP and other securities for Euro 2,773 thousand.

The item “Other non-current assets and liabilities” includes the balance sheet items “Deferred tax assets”, “Other non-current assets”, “Non-current financial assets and receivables”, “Liabilities for employee benefits”, “Provisions for non-current risks and charges”, “Other non-current liabilities”, “Deferred tax liabilities” and decreased from Euro (3,206) thousand as at 31 December 2023 to Euro (15,697) thousand as at 31 December 2024. The decrease is mainly due to the reduction in deferred tax assets for Euro 4,737 thousand as a result of the reversal of statutory revaluations of the tangible assets of the Italian subsidiaries and the increase in deferred tax liabilities for Euro 5,322 thousand mainly recognised against the purchase price allocation for the acquisition of Kumar Precision Stampings Limited.

The item “Other non-current assets” amounted to Euro 1,636 thousand as of 31 December 2024 and Euro 2,241 thousand as of 31 December 2023. This item consists of other non-current tax credits, for Euro 1,277 thousand, that relate to the portion of tax credit (for investments in plant and equipment made during the years) that will be available for use in future years, and other non-current receivables amounting to Euro 359 thousand as of 31 December 2024.

The item “Trade and other current payables” includes exclusively the amount related to payables to shareholders for dividends resolved and that will be paid out within 12 months.

Group Cash Flow Statement

The main items that influenced the trend of cash flows in the periods under review are summarised below.

(In thousands of Euro)	31 December 2024	31 December 2023
Cash flow from operating activities (A)	60,599	47,254
Cash flow from investing activities (B)	(100,125)	(153,398)
Cash flow from financing activities (C)	26,325	191,238
Increase (decrease) in cash and cash equivalents (A+B+C)	**(13,201)**	**85,094**
Cash and cash equivalents at the beginning of the year	**204,836**	**116,503**
Effect of changes in exchange rates	(4,412)	3,239
Cash and cash equivalents at the end of the year	**187,223**	**204,836**

Net financial flow generated/absorbed by operating activities

The operating activity carried out in 2024 generated resources of Euro 60,599 thousand compared to the previous year of Euro 47,254 thousand. The cash flow generated during the year is mainly due to the amount generated before changes in net working capital, for Euro 116,789 thousand (Euro 108,854 thousand in 2023), partly offset by the change in net working capital, for Euro 69,963 thousand (Euro 67,133 thousand in 2023).

Net cash flow generated/absorbed by investing activities

The cash flow absorbed by investing activities amounted to Euro 100,125 thousand compared to Euro 153,398 thousand in the previous financial year. The cash flow absorbed during the year is mainly attributable to investments in property, plant and equipment for Euro 85,073 thousand and the net cash outlay for the purchase of Kumar for Euro 13,896 thousand.

Net cash flow generated/absorbed by financing activities

The cash flow generated by financing activities amounted to Euro 26,325 thousand compared to Euro 191,238 thousand in the previous financial year. The cash flow generated in the year is mainly attributable to the net change in the taking out/repayment of bank loans and other financing.

09 | Parent Company operating performance

EuroGroup Laminations S.p.A. is the Group's holding company that performs the role of support, industrial, technical and commercial coordination, supervision, and development for all controlled companies. The Company achieved a profit of Euro 7,420 thousand in FY 2024 (Euro 4,591 thousand in FY 2023).
During the fiscal year under review, the company consolidated its organisational structure by introducing new professional figures to support the Group's growth. The increase in profit is mainly linked to the positive effect of financial management and the positive exchange rate differences on loans granted to subsidiaries.

During the financial year under review, the Company continued its growth trajectory in new geographical markets and the consolidation of its organisational structure.
To this end, it obtained four new external loan lines with BNL BNP Paribas, Intesa Sanpaolo, UniCredit, and Deutsche Bank, respectively, for a total amount of Euro 105,000 thousand.
In addition, the Company acquired 40% of the share capital of the Indian company Kumar Precision Stampings Private Limited.

The financial performance for the year is presented below:

Amounts in Euro	2024	2023
Revenues	13,736,208	9,756,344
Other revenues and income	48,030	242,394
Management costs	(17,950,631)	(10,953,547)
Depreciation and amortisation of non-current assets	(527,023)	(231,031)
Operating profit	**(4,693,416)**	**(1,185,840)**
Financial expenses	(6,072,186)	(1,064,866)
Financial income	13,513,951	9,174,477
Exchange gains (losses)	4,465,174	(1,887,348)
Profit before tax	**7,213,523**	**5,036,423**
Taxes	206.258	(445,096)
Profit for the year	**7,419,781**	**4,591,327**

The following table provides the calculation of the main indicators:

Amounts in Euro	2024	2023
Revenues	13,736,208	9,756,344
Profit before tax	7,213,523	5,036,423
Return On Equity (ROE)	2.62%	1.57%

Amounts in Euro	2024	2023
Net invested capital	227,526,089	163,026,487
Net working commercial capital	10,110,578	1,143,622
Net Financial Debt	55,232,059	129,297,911
Gearing Ratio	(0.20)	(0.44)
Investment (CAPEX)	276,987	813,927

Revenues, amounting to Euro 13.736 million, relate to management consulting services charged to all the Group's operating companies under the service agreements signed between the parties, as well as ad hoc services provided by the Company for specific activities benefiting certain companies.
The increase compared to the previous year is attributable to the increase in overhead costs subject to reversal.

The increase in **Operating costs**, amounting to Euro 17.951 million (Euro 10,953 thousand in the previous year), is driven by higher consultancy expenses related to market expansion projects and the acquisition of a stake in the subsidiary Kumar Precision Stampings Private Limited, as well as the rise in personnel costs following the consolidation of the organisational structure.

Depreciation and amortisation of non-current assets amounted to Euro 527 thousand (Euro 231 thousand in the 2023 financial year), representing an increase of Euro 295 thousand compared to the previous year.

Financial expense amounted to Euro 6,072 thousand (Euro 1,064 thousand in the 2023 financial year), representing an increase of Euro 5,007 thousand compared to the previous year.
The increase is attributable to the interest accrued on the new loan lines obtained during the year and to the negative change in the fair value of the derivative instruments.

Financial income amounted to Euro 13,514 thousand (Euro 9,175 thousand in 2023) and increased by Euro 4,340 thousand (increase of 47%) compared to the previous year.
The increase is attributable to the rise in interest income from subsidiaries, driven by new loans granted to Eurotranciatura Mexico and the growth in interest rates, as well as higher dividends from subsidiaries (rising from Euro 1,227 thousand in 2023 to Euro 2,028 thousand in 2024).

Exchange gains (losses) amounted to Euro 4,465 thousand (Euro (1,887) in 2023). The balance refers primarily to unrealised exchange differences on intercompany loans. The profit for the period mainly derives from the positive effect of the Euro/Dollar exchange rate.

Taxes amounted to Euro 206 thousand (Euro (445) in 2023), down by Euro 651 thousand compared to the previous year. This reduction is mainly due to the release of provisions for taxes from previous years, lower current and deferred tax payables and income from tax consolidation.

Statement of financial position of the Parent Company

The following table shows the reclassified statement of financial position as at 31 December 2024 compared with the data as at 31 December 2023.

	Amounts in Euro	2024	2023	Change
1	Intangible assets	316,410	645,154	(328,744)
2	Tangible assets	153,275	191,422	(38,147)
3	Rights of use	210,332	205,134	5,198
4	Investments	100,209,258	78,775,356	21,433,902
5	**Fixed assets 1+2+3+4**	**100,889,275**	**79,817,066**	**21,072,209**
6	Other non-current assets and liabilities	114,663,640	81,737,477	32,926,163
7	**Net fixed assets 5+6**	**215,552,915**	**161,554,543**	**53,998,372**
8	Trade receivables	18,145,948	3,991,809	14,154,139
9	Trade payables	(8,035,370)	(2,848,187)	(5,187,183)
10	**Net Trade Working Capital 8+9**	**10,110,578**	**1,143,622**	**8,966,956**
11	Other current assets and receivables	3,504,816	2,860,298	644,518
12	Other current liabilities	(1,642,220)	(2,531,976)	889,756
13	**Net working capital 10+11+12**	**11,973,174**	**1,471,944**	**10,501,230**
14	**Net invested capital 7+13**	**227,526,089**	**163,026,487**	**64,499,602**
15	**Equity**	**282,758,148**	**292,324,399**	**(9,566,251)**
16	Non-current financial liabilities	106,050,284	14,158,824	91,891,460
17	Financial liabilities from non-current leased assets	130,972	148,349	(17,377)
18	**Non-current financial debt 16+17**	**106,181,256**	**14,307,173**	**91,874,083**
19	Current financial liabilities	14,331,334	1,242,801	13,088,533
20	Financial liabilities from current leased assets	76,586	56,273	20,313
21	Current financial assets and receivables	(107,841,479)	(90,233,919)	(17,607,560)
22	Cash and cash equivalents	(67,979,756)	(54,670,240)	(13,309,516)
23	**Current net financial debt 19+20+21+22**	**(161,413,315)**	**(143,605,085)**	**(17,808,230)**
24	**Net financial debt 18+23**	**(55,232,059)**	**(129,297,912)**	**74,065,853**
25	**Total Equity + Net financial debt 15+24**	**227,526,089**	**163,026,487**	**64,499,602**

Fixed assets increased during the year from Euro 79,817 thousand as at 31 December 2023 to Euro 100,889 thousand as at 31 December 2024. This result is mainly due to the investments in equity investments made in 2024 as detailed in note (3) "Investments in subsidiaries" of the explanatory notes to the separate financial statements.

Trade receivables increased in the year from Euro 3,992 thousand as of 31 December 2023 to Euro 18,146 thousand as of 31 December 2024. The increase in the item is mainly attributable to the invoicing of management consulting services, which took place in a single tranche in December 2024.

Trade payables amounted to Euro 2,848 as at 31 December 2023 and Euro 8,035 as at 31 December 2024. Payables to suppliers increased due to consultancy costs invoiced at the end of the year and relating to the closing of M&A transactions. Payables to subsidiaries are mainly to Eurotranciatura S.p.A. for an annual consultancy services invoice. The Company has no factoring reverse and /or supplier financing operations.

Other current assets and receivables amounted to Euro 2,860 thousand as at 31 December 2023 and Euro 3,505 thousand as at 31 December 2024. The increase of Euro 644 thousand is mainly due to the increase in VAT receivables, for withholdings and tax receivables for IRES and IRAP.

Other current liabilities amount to Euro 1,642 thousand and mainly include payables to employees for Euro 924 thousand, payables to the parent company for tax consolidation for Euro 384 thousand, payables to social security institutions for Euro 217 thousand, other payables for Euro 49 thousand, other tax payables for Euro 42 thousand, accruals and deferrals for Euro 26 thousand. The change is due to the release of various tax liabilities previously set aside and the payment of other liabilities resulting at the end of the previous financial year as detailed in note (16) "Other current liabilities" of the explanatory notes to the separate financial statements.

Non-current financial payables increased from Euro 14,159 thousand as at 31 December 2023 to Euro 106,050 thousand as at 31 December 2024. Current financial payables rose from Euro 1,243 thousand to Euro 14,331 thousand. The increase in financial payables is mainly due to four new loans granted to the Company, on 27 June 2024, for Euro 105 million.

Liabilities for current and non-current leased assets include loans payable for leased assets. The change in this item is due to the signing of new lease agreements for Euro 108 thousand, the repayment of principal amounts for Euro 73 thousand and the remeasurement of the present value of a lease contract for residential properties for which early termination was requested, amounting to Euro 31 thousand.

Cash and cash equivalents amounted to Euro 67,980 thousand as at 31 December 2024 and Euro 54,670 thousand as at 31 December 2023. For more details on the movement in cash and cash equivalents during the year, please refer to the Statement of Cash Flow.

Current financial receivables amount to Euro 107,841 thousand and mainly relate to receivables for centralised treasury management (Euro 76,735 thousand) and receivables for investments in time deposits (Euro 31,106 thousand).

The item "Other non-current assets and liabilities" includes the balance sheet items "Deferred tax assets", "Non-current financial assets and receivables", "Liabilities for employee benefits", "Provisions for non-current risks and charges", "Other non-current liabilities", "Deferred tax liabilities" and increased from Euro 81,737 thousand as at 31 December 2023 to Euro 114,664 thousand as at 31 December 2024. The increase is mainly due to the new loans granted during the year to Eurotranciatura Mexico for USD 37,500 thousand and to the closure of the loan to Eurotranciatura Tunisia for Euro 6,012 thousand through the conversion of the loan into a share capital increase of the company for Euro 1,292 thousand, and to the partial redemption of Euro 4,720 thousand.

Parent Company Cash Flow Statement

The main items that influenced the trend of cash flows in the periods under review are summarised below.

Amounts in Euro	December 31 2024	December 31 2023
Cash flow from operating activities (A)	(9,278,582)	(5,334,904)
Cash flow from investing activities (B)	(2,351,853)	(52,755,995)
Cash flow from financing activities (C)	29,400,249	104,239,083
Increase (decrease) in cash and cash equivalents (A+B+C)	**17,769,814**	**46,148,184**
Cash and cash equivalents at the beginning of the year	**54,670,240**	**8,522,056**
Effect of changes in exchange rates	(4,460,298)	-
Cash and cash equivalents at the end of the year	**67,979,756**	**54,670,240**

Net cash flow generated/absorbed by operating activities

The activity carried out during the period absorbed resources of Euro 9,279 thousand, compared to Euro 5,335 thousand in the corresponding period of 2023. The cash flow absorbed during the financial year is mainly due to the positive flow generated before changes in net working capital, equal to Euro 931 thousand (negative flow of Euro 2,660 thousand in 2023), offset by the negative flow deriving from the change in net working capital equal to Euro 9,112 thousand (Euro 4,414 thousand in 2023) and income taxes paid, equal to Euro 166 thousand (Euro 721 thousand in 2023).

Net cash flow generated/absorbed by investing activities

The cash flow absorbed by investing activities amounted to Euro 2,352 thousand compared to Euro 52,756 thousand in the corresponding period of 2023. This change is attributable to investments in equity interests in subsidiaries amounting to Euro 19,917 thousand (primarily Euro 19,902 thousand relating to Kumar Precision Stampings Private Limited), offset by disinvestments in time deposits of Euro 10,000 thousand, dividend income of Euro 2,116 thousand and financial income of Euro 5,715 thousand.

Net cash flow generated/absorbed by financing activities

The total cash flow generated by financing activities amounted to Euro 29,400 thousand compared to Euro 104,239 thousand in the corresponding period of 2023. During the period, loans were granted to Group companies for Euro 51,765 thousand, treasury shares were purchased for Euro 10,873 thousand, bank and other borrowings were repaid for a total of Euro 1,365 thousand, dividends of Euro 6,837 thousand were distributed to shareholders, and interest payments of Euro 4,675 thousand were made. Cash inflows mainly relate to the taking out of four new loans totalling Euro 105,000 thousand.



10 | Operating Performance of the Group's Main Companies

Comments on the operating performance of the Group's main companies are provided below in compliance with the IAS/IFRS standards.

Eurotranciatura S.p.A. (Italy)

Eurotranciatura S.p.A. is the Group's most significant Italian subsidiary in terms of revenue, headquartered in Baranzate. In FY 2024, it generated revenues of Euro 368,257 thousand (Euro 420,364 thousand in FY 2023), recording EBITDA of Euro 42,664 thousand (Euro 54,553 thousand in FY 2023).
The reduction in turnover is mainly attributable to the reduction in volumes of the Industrial segment, which was also adversely impacted by the reduction in the price of steel. Organisational actions aimed at increasing the efficiency and cost-effectiveness of various production processes continued during the year.

Eurotranciatura México S.A. de C.V. (Mexico)

Eurotranciatura México S.A. de C.V. is a Mexican company headquartered in Santiago de Querétaro. In FY 2024, it generated revenues of Euro 285,743 thousand (Euro 273,617 thousand in FY 2023), recording EBITDA of Euro 28,187 thousand (Euro 25,811 thousand in FY 2023). The growth in terms of revenues and EBITDA is mainly attributable to the growth of the EV & Automotive segment with the transition to production of projects started in previous years. The percentage growth of EBITDA is higher than the percentage growth of revenues due to ongoing efficiency improvements across various production processes.

Eurotranciatura USA LLC (United States)

Eurotranciatura USA LLC is a US-based company located in Paris, Tennessee, and operates exclusively within the Industrial BU. In FY 2024, it generated revenues of Euro 52,130 thousand (Euro 54,486 thousand in FY 2023), recording EBITDA of Euro 6,536 thousand (Euro 5,367 thousand in FY 2023). The company, which operates only in the Industrial segment, was affected by the downturn in the reference market and worked during 2024 to make the production process more efficient.

Euro Misi Laminations Jiaxing Co. Ltd. (China)

Euro Misi Laminations Jiaxing Co. Ltd. is a Chinese company headquartered in Jiaxing. In FY 2024, it generated revenues of Euro 143,820 thousand (Euro 83,688 thousand in FY 2023), recording EBITDA of Euro 1,529 thousand (Euro 2,798 thousand in FY 2023). The significant growth in revenues and EBITDA is mostly attributable to the strong growth recorded by the EV & Automotive segment for which the company sells the products purchased from Euro Misi High Tech to the end customer.

Euro Misi High Tech, Jiaxing Co Ltd.
Euro Misi High Tech, Jiaxing Co Ltd. is a Chinese company headquartered in Jiaxing. In FY 2024, it generated revenues of Euro 110,432 thousand (Euro 29,942 thousand as at 31 December 2023), recording EBITDA of Euro 12,952 thousand (Euro 3,209 thousand as at 31 December 2023). The significant growth in revenues and EBITDA is attributable to the strong growth recorded by the EV & Automotive segment.

SAF S.p.A. (Italy)
SAF S.p.A. is an Italian company based in Muscoline (BS), engaged in the production of laminations and components for small electric motors used in household appliances. In FY 2024, it generated revenues of Euro 25,334 thousand (Euro 30,591 thousand in FY 2023), recording EBITDA of Euro 8,265 thousand (Euro 10,625 thousand in FY 2023).

Eurotranciatura Tunisie S.a.r.l. (Tunisia)
Eurotranciatura Tunisie S.a.r.l. is a company under Tunisian law, based in Zriba, engaged in the production and marketing of rotors and stators for electric motors used in automation and home automation for residential and commercial buildings. In FY 2024, it generated revenues of Euro 15,415 thousand (Euro 13,549 thousand in FY 2023), recording EBITDA of Euro 1,149 thousand (Euro 3,480 thousand in FY 2023).

Corrada S.p.A. (Italy)
Corrada S.p.A. is a joint-stock company, based in Lainate (MI), active in the design and construction of progressive dies for sheet metal blanking. In FY 2024, it generated revenues of Euro 17,122 thousand (Euro 21,236 thousand as at 31 December 2023), recording EBITDA of Euro 2,421 thousand (Euro 3,075 thousand as at 31 December 2023).

Euroslot Tools S.r.l. (Italy)
Euroslot Tools S.r.l. is a limited liability company with operational headquarters in Melzo (MI), active in the design and construction of block moulds for punching and die casting. In 2024, it achieved revenues of Euro 6,754 thousand (Euro 6,502 thousand as at 31 December 2023), recording EBITDA of Euro 838 thousand (Euro 849 thousand as at 31 December 2023).

Euro Automation S.r.l. (Italy)
Euro Automation S.r.l. is a limited liability company based in Milan. The company's purpose is the research, development, production and marketing of innovative products or services with high technological value.
In FY 2024, it achieved revenues of Euro 2,618 thousand, recording EBITDA of Euro 362 thousand. It should be noted that the company was established in May 2023 and became fully operational in 2024.

DS4 S.r.l. (Italy)
DS4 S.r.l is a limited liability company, based in Pedrengo (BG), specialised in the creation of high-tech automation systems.
In FY 2024, it achieved revenues of Euro 8,469 thousand, recording EBITDA of Euro 2,427 thousand. It should be noted that the company entered the scope of consolidation in October 2023.

Kumar Precision Stampings Private Limited (India)
On 14 November 2024, *EuroGroup Laminations* finalised the closing relating to the acquisition of 40% of the share capital of Kumar Precision Stampings Private Limited ("Kumar"), an Indian company among the main local operators in the production and distribution of stators and rotors for electric motors for various industrial and domestic applications (including HVAC, railway, home appliances, pumps and generators), in execution of the investment agreement signed and communicated to the market on 1 August 2024.
Since the acquisition date, the company has achieved revenues of Euro 8,121 thousand, recording an EBITDA of Euro 824 thousand.

Euro Group Laminations Russia LLC, (Russia)
Euro Group Laminations Russia LLC, as previously reported, suspended its industrial and commercial activity following the conflict in Ukraine.

All other companies included in the consolidation area provide support to the operating companies or make available industrial properties and other assets they own, or provide specific services, without carrying out activities towards third parties.

Reconciliation between the Parent Company's result and Shareholders' equity and the values of the Group

In thousands of Euro	Profit for the year	Equity
Profit (loss) for the year/shareholders' equity of *EuroGroup Laminations* S.p.A.	7,420	282,758
Consolidation adjustments:		
Equity of consolidated companies and allocation of their results	*33,941*	*336,323*
Elimination of equity investments	*(333)*	*(164,397)*
Elimination of intercompany dividends	*(3,736)*	*-*
Elimination PPA (Purchase Price Allocation) effects	*(756)*	*41,059*
Exchange rate differences	*-*	*(5,473)*
Shareholders' equity and result for the year attributable to minorities	*(5,398)*	*(57,682)*
Total consolidation adjustments	**23,717**	**160,774**
Pertaining to the Group	**31,137**	**443,532**
Pertaining to third parties	**5,398**	**57,682**
Profit (loss) for the year/shareholders' equity of EuroGroup Laminations Group	**36,535**	**501,214**

11 | Business outlook

2025 opened against a backdrop of continued geopolitical tensions, with ongoing conflicts in Ukraine and the Middle East. Added to this are uncertainties surrounding economic policies and international relations driven by the new US administration and the stance the European Union will take in response.

This environment is fuelling persistent economic uncertainty, compounded by renewed concerns over inflation and recession. As a result, financial markets have experienced heightened volatility in the early months of the year, prompting major economic institutions to adopt cautious outlooks for both the US and European economies in 2025.

EV & Automotive Market

Industry analysts widely recognise that 2025 is shaping up to be a highly challenging year for the automotive sector in general.

According to S&P Global Mobility's latest forecast, in 2025 global light vehicle production is expected to remain broadly flat at 89 million units — a slight decline of 0.4% compared to 2024. The slowdown is anticipated across all major markets, with Europe expected to be hardest hit, followed by the US.[9] China is forecast to post modest growth, further strengthening its competitive position against Western markets.

In contrast, the e-mobility sector is set for strong growth in 2025. Global production of electric vehicles (BEVs and PHEVs) is forecast to rise by 23% in 2025 compared to 2024.

China will remain the global leader in e-mobility, with production expected to surpass 14 million vehicles (BEVs and PHEVs combined), representing 21% growth year-on-year and accounting for over 70% of global BEV and PHEV output.

Europe, the second-largest EV market, is projected to see robust production growth of over 30% in 2025, reaching approximately 3.7 million BEV and PHEV units. Following the production downturn in 2024, the reaffirmation of the internal combustion engine phase-out by 2035 — albeit with greater flexibility for car manufacturers announced by the EU in March 2025 to adapt to the new requirements — will be a key driver for electric vehicle production. European manufacturers will also need to navigate increased competition from Chinese players entering the market. Notably, the EU's decision includes plans to channel further investments into charging infrastructure and battery production in Europe, both critical for supporting sustainable growth in EV sales.

(9) Source: S&P Global Mobility, Production based Powertrain Forecast, February 2025

In the USA — currently less developed than Europe but with significant growth potential — BEV and PHEV production is expected to rise by 26% in 2025, reaching approximately 1.7 million units. However, uncertainties remain due to signals from the Trump administration regarding potential cuts or removal of existing incentives for EV production and consumption.

Against the reference scenario described, and taking into account the high uncertainty of the market, the Company estimates that it will be able to achieve growth in Revenues of approximately 10% in 2025, with an adjusted EBITDA margin of approximately 12%.

In light of a gradual reduction in investments expected to start from 2025, estimated at around Euro 70 million for the year, and careful management of working capital, the Company also anticipates a positive operating free cash flow in 2025.

2025-2028 STRATEGIC PLAN APPROVED

The Board of Directors has approved the **2025-2028 Strategic Plan**, which foresees double-digit revenue growth and the optimisation of invested capital, thanks to a reduction in required investments and a focus on improving working capital efficiency.

The medium-term guidance envisages:

- Revenues expected to grow with a CAGR of 10-15% between 2025 and 2028
- Average EBITDA margin during 2025-2028 of approximately 13%
- Capex intensity[10]: between 4% and 5% on average
- ROCE (Return on Capital Employed)[11] between 15% and 20% in 2028
- Positive operating free cash flow from 2025

It is also highlighted that, in order to better represent the new framework, starting from January 1, 2025, the EV & Automotive segment will be renamed "E-Mobility Solutions" to encompass the expansion of technological options aimed at the electrification of mobility. The Industrial segment will be renamed "Home & Industrial Solutions" to better represent the main target markets, including the new business of "Infrastructure Solutions," which will focus on the transformer sector, driven by the energy transition.

(10) Capex on Revenue
(11) ROCE gross of taxes

12 | Research and development activities

The markets served by the Group are characterised by highly demanding specifications for the "motor core", including improved energy efficiency which translates into a reduction in losses of the motor core, lower noise, a reduction in size, improved mechanic stability, greater compatibility with cooling systems, cost limitation; maintaining a high level of quality also for large-scale production, at international level.

In addition, the traceability of CO2 consumption and the improvement of sustainability are becoming increasingly important.

Therefore, each production phase is highly complex. The Group has a highly specialised R&D team that is mainly dedicated to the development of the Group's products, also in response to customer requests and needs and making production processes more efficient.

The Group's research and development activity focuses on the study, design and implementation of new technical and technological solutions for the production of high-efficiency stators and rotors and the design of innovative stacking and cutting systems for thinner laminations. This function is fundamental to guarantee the quality and reliability of the Group's products and to identify technical solutions suitable to meet future customer needs. Thanks to the research and development function, the Group is able to constantly improve processes, efficiency and product performance, as well as to maintain the same standards globally, further increasing entry barriers.

The Group's customers increasingly request the development of products through a co-development process, through which the Group designs products and tools to be used in the production process together with customers' research and development functions. During this process, the Group's R&D function supports the customer's internal R&D function by providing the Group's process and product know-how to increase innovation and improve product design.

During 2024, the Group invested in research and development activities, for around 1.5% of its revenues during the period.

More specifically, the Group supports its customers and its activities through research and development laboratories located on 3 continents: Asia, Europe and America. These laboratories are equipped with design and prototyping solutions, measurement and evaluation systems, proprietary simulation solutions that guarantee responsiveness and a high level of skills and quality control. The Group also works in collaboration with research centres and universities.

In addition to the innovation of products and processes relating to the Industrial and EV & Automotive Business Units, through the companies Euro Automation S.r.l. and DS4 S.r.l., the Group works to accelerate the development of new production solutions. The goal is to improve efficiency, quality, technology and respect for new environmental requirements, accentuating differentiation and competitiveness.

Research programmes are integrated at Group level and centrally coordinated, contributing to the creation of a project portfolio that management considers balanced between the development of new products and processes and the optimisation of existing products and processes.

In recent years, the Group's R&D function has been crucial in the development of Corpack® technology, for which the Group holds a patent and a registered trademark. In addition, thanks to the Glue Fastec® technology, exclusively licensed to the Group by Kuroda Precision Industries Ltd. in June 2014 and renewed at the end of the term for a further 8 years, the Group is able to acquire unique experience in the field of Glue Fastec® bonding technology that allows highly efficient performance.

In the period 2025-2029, the Group intends to continue investing approximately 1.5% of its revenues each year in research and development activities to create more efficient processes and solutions and continue to have dedicated employees working in collaboration with research centres and universities.

The Group considers its trademarks, patents, licences, know-how, domain names, and similar intellectual property rights important to its success and future growth. To this end, it relies on trademark and patent law and confidentiality, licensing, and intellectual property rights agreements with its employees, customers, suppliers and others to protect its intellectual property rights. The patents of the Group - and in particular the Glue Fastec® technology - have proven crucial in obtaining important projects from new customers and strengthening relationships with existing ones. The development of new technologies is a key factor for the Group to maintain its competitive advantage.

The Group owns more than 30 domain names, around 80 patents on products and technologies mainly related to cutting dies, laminated articles for electrical use, circuit elements for electric machines, high-strength rotors and heat dissipating stators and rotors. In addition, the Group holds a patent registration for about 42 patents currently being evaluated by the relevant authorities. Only one of the Group's patents expires in the next 3 years, with the majority expiring after 2032. With regard to plant innovation, the Group is currently developing fully automated plants in Mexico, Italy and China. The Group also has a patent from the University of Padua concerning a new technology based on electrical steel rolling.



13 | Main risks and uncertainties

On November 18, 2022, the Company's Board of Directors, in compliance with the recommendations on corporate governance contained in the Corporate Governance Code, resolved to set up a Control, Risk and Sustainability Committee, pursuant to Articles 1 and 6 of the Corporate Governance Code, as of the trading start date, and approved its operating rules.

The Control, Risk and Sustainability Committee, in assisting the Board of Directors, in accordance with the provisions of Article 6 of the Corporate Governance Code, has the function, among other things, of (i) assessing the correct use of accounting standards; (ii) assessing the suitability of periodic financial and non-financial information to correctly represent the business model, strategies, the impact of its activities and the results achieved; (iii) expressing opinions on specific aspects relating to the identification of the main corporate risks and supporting the Board of Directors' decisions regarding risk management; (iv) examining periodic reports prepared by the Internal Audit function; (v) reporting to the Board of Directors, at least at the time of approval of the annual and six monthly financial reports, on the activities performed as well as on the adequacy of the internal control and risk management system. Additionally, the Control, Risk and Sustainability Committee supports the Board of Directors in sustainability assessments and decisions.

In support of the Group's internal control and risk management system, in addition to the Control, Risk and Sustainability Committee, Recommendation 32 of the Corporate Governance Code stipulates that the Chief Executive Officer is responsible for setting up and maintaining the internal control and risk management system. On 18 November 2022, the Company's Board of Directors appointed the Chief Executive Officer Marco Stefano Arduini, effective as of the start date of trading, to the position of director in charge of the internal control and risk management system to perform the functions listed in Recommendation 34 of the Corporate Governance Code, which include, among other things, identifying the main corporate risks and periodically submitting them to the Board of Directors, designing, implementing and managing the internal control and risk management system in accordance with the guidelines defined by the Board of Directors and providing timely information to the Control, Risk and Sustainability Committee regarding problems and critical issues that arise in the performance of his duties or of which he is otherwise aware, so that the committee can take appropriate initiatives.

On 18 November 2022, again in support of the internal control and risk management system, the Company established the internal audit function, as of the start date of negotiations, as indicated in Recommendation 36 of the Corporate Governance Code. On that date, the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, appointed Protiviti S.r.l. as the fully outsourced Internal Audit.

The types of risks identified are as follows:

- **EXTERNAL RISKS**
- **STRATEGIC RISKS**
- **OPERATIONAL RISKS**
- **FINANCIAL RISKS**

The following are the main risks for the Group for each of the types of risks listed above. The order in which they are listed does not imply any classification, either in terms of the likelihood of their occurrence or in terms of possible impact.

EXTERNAL RISKS

Country risk

The Group operates in 6 countries with 15 production facilities, located in Italy, Mexico, the United States, China, India and Tunisia, including research centres (excluding the Russian plant, where activities have been suspended due to sanctions imposed against Russia in the context of the conflict between Russia and Ukraine). Additionally, the Group serves customers in approximately 40 countries. In consideration of the Group's structure in Europe, North Africa, North America and Asia, there is a country risk, which is believed to be mitigated by the diversification of the businesses by geographical area, and by the fact that the Group generally operates at the service of the local markets in which it produces, with less exposure to factors such as the increase in customs barriers between different countries. The Group constantly monitors the evolution of risks (political, economic/financial, and security) related to countries whose general political-economic context and tax regime could potentially become unstable in the future, in order to adopt any measures aimed at mitigating their potential risks.

Demand

The Group's activity is influenced by the performance of the sectors in which the Group's customers operate. In particular, the Group relies on the development of the automotive industry, as its activity is increasingly based on the production of components used in the manufacture of vehicles. Changes in macroeconomic and socio-political environments could damage the Group's operations. GDP and industrial production growth are significant factors in the end markets where the Group's customers operate. In particular, demand and prices for the Group's products are sensitive to actual or expected changes in GDP and industrial production growth. A decline in GDP and slowdowns in industrial production could lead to a decrease in the volume and prices of products sold by the Group. Any crisis or adverse trend in one of the Group's main final markets could have a significant negative impact on the Group's business, financial conditions and operating results. Additionally, growing protectionist tendencies could lead to significant changes in terms of customs, tax and regulatory policies, and reduce the importance of current free trade zones.

Climate change

Since COP21 (the United Nations Conference on Climate Change in 2015) adopted the Paris Agreement in December 2015, the issue of climate change has become a global priority for businesses in all countries and regions. Although this objective provides the Group with business opportunities, climate change is also represents a source of business risks, such as transition risks, which arise from increasingly stringent environmental regulations (e.g. carbon emission reductions and energy efficiency requirements). These may result in additional costs or investments related to the adaptation of the Group's production facilities. There are also physical risks, stemming from potential damage to company assets or personnel and consequent production interruptions caused by natural events linked to climate change (such as temperature shifts, wind, and precipitation) or extreme weather events. Climate change can also cause direct losses in the event of natural disasters caused by the effects of climate change and extreme events related to weather conditions (such as floods, cyclones, and storms) that disrupt production and cause delays in shipping to customers and loss of activity. Such circumstances could increase the Group's costs or liability in environmental matters, resulting in higher costs for environmental prevention and remediation measures.

Also thanks to the establishment of the Control, Risk and Sustainability Committee and an appropriate internal structure in charge, the Group adopts a holistic approach to the management of this type of risk, in particular by examining and identifying the points in which it could be exposed to risks. The Group's commitments on this issue are formalised through the preparation of internal policies, the adoption of management systems, the use of energy from renewable sources and attention to the manufacturing of products with a lower environmental impact. Progress is also being made on the path that will lead, in 2025, to the definition of a Climate Transition Plan aimed at mitigating climate change, which will include emission reduction targets aligned with science-based approaches. In fact, the trends linked to the energy transition, with particular reference to the transition to mobility based on electric motors whose core component is produced by the Group, are elements steering the formulation of the company strategies and their future implementation.

For more information, please refer to the paragraph on Sustainability disclosure.

Customs duties

The evolution of international trade policies, including any changes to customs duties, could impact the cost of raw material procurement and the export/import flows of the Group's products, with potential effects on competitiveness and profitability. In particular, any restrictions on strategic materials used in the production of rotors and stators could affect the supply chain and industrial planning. The Group is closely monitoring these developments in order to take timely and appropriate mitigating actions.

STRATEGIC RISKS

Innovation

The market for electric vehicles is becoming increasingly demanding in terms of efficiency, product complexity, reduced design times, price competitiveness, and a high level of service, and is characterised by a constant technological evolution aimed at ensuring reliable engine performance. In particular, to offer innovative and competitive products to the market, the Group must quickly and fully understand the needs of its customers and continuously train its personnel. Similarly, the products of the Group's industrial segment are used in a wide range of applications, including industrial engines, fluid and gas transfer devices, ventilation systems, home appliances, and wind turbines, whose markets are driven, among other things, by increased government regulation relating to carbon emissions reduction. Furthermore, the ongoing transition towards the adoption of electric vehicles and electrification in general in all sectors, triggered by the fight against climate change, could encourage OEMs to enter the market by producing rotors and stators internally and attracting other new operators to the market, resulting in a significant increase in competition within the sector.
Through its Research & Development activity, the Group maintains an adequate level of product innovation, limiting the ability of competitors to offer products similar to those of the Group, thereby defending its technological competitive advantage.

Capital expenditure

The Group's activity is capital-intensive and requires significant investment for the realisation of new projects. In particular, since most of the products in the EV & Automotive segment and a substantial part of the products in the Industrial segment are customised and developed according to specific customer requirements, the Group has to design the products, as well as the moulds for the manufacture of these products, produce or purchase and install the moulds, organise production in one of its plants and secure the necessary raw materials before production can begin. These activities, which require a significant amount of financial resources, usually take place one or two years before production begins, while revenue from product sales is generated only later. Furthermore, to grow its business, the Group will need to increase its production capacity. The Group's ability to design, build equipment and operate production plants and new presses (or expand existing plants) is subject to risks inherent in the development and construction of new plants.

OPERATIONAL RISKS

Supply chain

For the production of its products, the Group uses a variety of raw materials such as electrical steel, aluminium, and various types of resin, primer, and glue. The quality of the Group's products depends significantly on the availability of high-quality raw materials (mainly electrical steel, resin, primer and glue), which the Group purchases from suppliers located mainly in the United States, Germany, Japan, Mexico and China, and the components required for the assembly process. This concentration of suppliers is due to the high quality of raw materials required for the production of stators and rotors for electric motors and the need for suppliers to undergo specific selection and accreditation procedures, as required by the Group's major customers. In the short term, therefore, the Group may have difficulty replacing its suppliers, particularly the supply of high-quality electrical steel. If the Group's suppliers were to incur any defaults or provide low-quality or defective products, the Group may incur additional costs and suffer damage to its image or relationships with customers.
In addition, the price and availability of the raw materials used by the Group depend mainly on factors beyond the Group's control, such as changes in law and regulation, exchange rate fluctuations, changes in demand in relevant markets, allocations of suppliers to competitors, the application of new duties, interruptions in production cycles or supplier delivery orders, and delays in the delivery of components by suppliers. Further delivery delays could result from current wars or conflicts.

In order to reduce supply chain risks, the Group has defined internal procedures that it constantly applies and monitors:

- procedure for the selection and monitoring of suppliers;
- signing of the 'Supplier Manual' by the supplier, which also describes the supplier's obligations and commitments;
- definition of strategies for crisis management and business recovery;
- monitoring of regulatory and geopolitical events;
- specific training for personnel.

Product Quality

The Group must deal with potential product liability relating to product defects or improper use of equipment, malfunctions and failures. Any widespread malfunction of any finished product incorporating the Group's products can lead to dissatisfaction, recalls, and consumer legal action. The automotive, household appliance, commercial and industrial engine and other spare parts markets in which the Group operates are subject to strict regulatory safety standards required by the public, as the malfunctioning of vehicles, equipment or machinery could cause serious damage and, if attributable to defects in Group products, result in reputational damage. The Group may also be subject to adverse regulatory actions, face significant legal claims or disputes with customers, and be subject to administrative and/or criminal sanctions.

To mitigate the risks described above, the Group works diligently and systematically across all geographic areas to raise awareness of quality. Each customer complaint is analysed, and corrective actions are defined to prevent recurrence of the issue.

Each company in the Group uses APQP (Advanced Product Quality Planning), a structured process employed to ensure constant control over the different stages of a product's life-cycle. The goal is to monitor the product from design through production and post-production to meet customer expectations and prevent quality issues.

The APQP process is divided into five main stages:

5. **planning and programme definition**: the project objectives, customer requirements, necessary resources and potential risks are established.
6. **product design and development**: in this phase, the product design is developed, including the definition of materials, processes and necessary tests to ensure quality.
7. **process design and development**: the production processes are planned, quality controls are defined and performance monitoring plans are established.
8. **product and process verification and validation**: tests and checks are conducted to ensure the product and process meet the defined requirements.
9. **production and feedback**: production begins, and quality is continuously monitored, with feedback collected for future improvements.

Information Technology

The Group uses a wide range of its own and third-party IT systems which may be subject to network failures, errors, defects, deficiencies, interruptions, viruses, malfunctions, data breaches, unauthorized access or security incidents; such events could cause disruptions, compromise business continuity and damage the Information Technology (IT) and Operational Technology (OT) systems, destroy data and information (even of a confidential nature) or allow them to be stolen and therefore have a negative effect on the Group, on the financial situation, on the economic and operational results and on its reputation.
Information Technology systems periodically require upgrades, maintenance and/or replacement with newer and more advanced systems and technologies to support business growth and be compliant with applicable laws, rules and regulations.
These activities, together with those related to systems aimed at blocking cyber threats - carried out by its employees and/or third parties - require significant investments and integration with existing systems and could expose the Group to risks, due to human errors, misconduct, failures or violations of its own or third party systems or infrastructures.
These systems are exposed to the risk of power outages due to natural events which could lead to data loss or the disclosure of confidential or proprietary information.
Attacks or significant breaches of privacy could damage reputation and have a material adverse effect on the Group, its financial condition and operating results. In addition, the Group may incur additional costs in the future related to the implementation of additional security measures to block new threats related to data availability, integrity, confidentiality and privacy violations.

Moreover, the level of risk has increased in light of the international presence of the Group, together with the growing diffusion of remote working, which results in a wider use of Virtual Private Networks; at the same time, significant IT incidents increased both in Italy and globally in the last 3 years.
The implementation and testing tasks linked to the controls of the Group's IT systems, the monitoring of security and the maintenance and training of the personnel necessary for the operation of its systems involve significant recurring investments and costs.
Furthermore, the Group may not have adequate insurance coverage to compensate for losses resulting from a major cyber incident or interruption.
In light of the above, there is no guarantee that the measures undertaken by the Group to improve its IT security processes and its management and disaster recovery systems will be effective and that the operational IT and technological systems will be safe from cyber attacks or failures.

Nonetheless, in order to address and prevent the above-mentioned risks, the Group is equipped with a response and remedy plan for Cybersecurity and data breach incidents coordinated by the Chief Information Security Officer (CISO) and the Data Protection Officer (DPO), with the support of the Security Operations Center (SOC) which includes:

- The definition of strategies and plans to achieve security objectives based on the evolution of threats and available market solutions;
- The promotion of a culture of security within the organization through collaboration with other functions in order to pursue the integration of cybersecurity policies into company processes;
- The development of training and awareness plans on IT & cybersecurity for employees, in collaboration with the HR division;
- The assessment and monitoring of exposure to IT risks, the identification of remediation actions and related priorities;
- The development of a security audit plan
- Periodic reporting to the Group Deputy CEO on cybersecurity plans and initiatives, risk exposure and potential security incidents;
- Risk mitigation.

The CISO and DPO available at Group level are critical resources dedicated to managing incidents to minimize impact and meet compliance requirements with laws and regulations.
Eurotranciatura SpA obtained Automotive Tisax recertification in December 2024.
The latest training activity on cybersecurity and privacy with effectiveness tests and VA/PT tests was completed in the last quarter of 2024 for EuroGroup and Eurotranciatura Italy, the training will be extended to the remaining legal entities by 2025.
An advanced platform of XDR (Xtended Detection & Response) solutions supported by SOC are available for prevention, detection, correlation, investigation and response to cybersecurity threats in addition to antivirus capabilities. The system is able to detect/block the majority of cyber threats.

Legal and compliance

The Group and its products and activities are subject to regulations and the related compliance risks, including the effects of changes in laws, regulations, policies, codes of conduct, accounting principles and interpretations in Italy and other countries where the Group operates and sells its products. In particular, these regulations, both local and international, concern, among other things, data protection, antitrust, corruption, anti-terrorism, intellectual property, consumer protection, taxation, export regulation, tariffs, foreign trade control and exchange control. Failure to comply with such laws and regulations can result in fines, sanctions, claims, injunctions, public enforcement, damage to reputation and forced interruption of operations. Additionally, the Group may be subject to Italian legislation on the golden power, according to which there may be prohibitions or restrictions, among other things, on the acquisition of stakes in companies with activities and relationships in strategic sectors or resolutions involving companies with activities and relationships in such strategic sectors that entail a change in ownership, control, possession, or intended use of such activities or relationships.
In the course of its ordinary business, the Group may be involved in proceedings, including tax proceedings, that could give rise to obligations to pay damages and/or impose sanctions on the Group.
Furthermore, under certain circumstances, the Group›s production and industrial activities may be hazardous to the environment and to health and safety in the workplace (e.g., moving loads, handling carcinogenic, corrosive, and flammable liquid and gaseous substances, as well as exposure to noise and mechanical vibrations). These circumstances subject the Group to extensive regulation in Italy, in the European Union, as well as in the various countries where it operates. In this regard, the Group monitors the adequacy of its structures and invests regularly in order to maintain its activities in compliance with the various regulations concerning the environment, health and safety in the workplace.
The mitigation actions undertaken by the Group are considered to significantly reduce the exposure to risk scenarios and are aimed at spreading a culture of compliance globally through the definition of specific ethical and behavioural principles, in addition to constant monitoring of regulatory developments. It should be noted in this regard that the Company and its Italian subsidiaries have adopted the model 231 in accordance with Italian Law Decree No. 231/2001, which introduced a system of corporate liability for various types of criminal offences committed in the corporate interest and for the benefit of the entity concerned by administrators, executives and employees. However, it provides that an entity is not liable if it demonstrates that it has effectively adopted and implemented an organisational, management and control model aimed at preventing the commission of such offences.

FINANCIAL RISKS

The Group is exposed to financial risks that are primarily associated with the ability of customers to meet their obligations (credit risk), the ability to raise funds in the market (liquidity risk), fluctuations in interest rates (interest rate risk), and fluctuations in foreign currency exchange rates (exchange risk). Further details are provided in the explanatory notes to the consolidated financial statements in the paragraph “Risk management policy”.

Credit risk

The Group is exposed to the credit risk that customers may delay or fail to meet the agreed payment terms and that internal procedures adopted with regard to credit risk assessment and customer solvency may not be sufficient. To mitigate this risk, the Group controls the quality of third-party credit based on internal or external ratings and sets credit limits subject to regular monitoring. It should be noted that the Group uses factoring instruments (mainly without recourse) that allow the immediate collection and deconsolidation of a portion of trade receivables.

The Group presents a risk of customer concentration in the EV Automotive sector, as a significant share of the turnover is generated by a limited number of customers. However, this risk is mitigated by the consolidated nature of commercial relations with the main operators in the sector and by the stipulation of multi-year contracts, which guarantee stability and predictability of revenue flows. In addition, the Group continues to diversify its customer base and develop new business opportunities, in order to reduce exposure to specific parties and strengthen its competitive position in the market.

Liquidity risk

The Group is exposed to the risk of not being able to find new financial resources on the market and not being able to obtain better or equal conditions than those in force on existing loans. In addition, any failure to comply with the covenants in place on existing loan agreements could result in the activation of cross default clauses and, therefore, the forfeiture of the benefit of the term on other loans.

Considering the net financial position and the ability to generate positive cash flows from operating activities, liquidity risk is assessed as limited. The Group has lines of credit granted by the banking system, adequate for its operational needs and investment plans.

The Group’s cash flows, financing requirements, and liquidity are carefully monitored and managed in order to:

- maintain an adequate level of available liquidity;
- diversify the methods used to increase financial resources;
- provide adequate credit structures;
- monitor prospective liquidity conditions in relation to the corporate planning process.

The factors that mainly influence the Group’s liquidity are the resources generated or absorbed by current operating and investment activities, the possible distribution of dividends, the maturity or refinancing of debt, and the management of cash surpluses. The liquidity requirement or surpluses are monitored daily by the Group to ensure effective procurement of financial resources or adequate investment of excess liquidity.

Negotiation and management of credit lines are coordinated by the Group to meet the short and medium-term financing needs of individual Group companies based on efficiency and cost-effectiveness criteria. It has always been the Group’s policy to maintain relationships with different banks and diversify the total amount of credit lines in a manner consistent with the Group’s needs, in order to be able to dispose of the necessary liquidity at any time to meet and comply with all financial commitments at the established economic conditions, as well as to ensure the availability of an adequate level of operational flexibility for any expansion programme.

Market risk – Exchange rates

The Group also operates in countries outside the so-called Eurozone. Furthermore, the balance sheets of non-EU foreign subsidiaries are prepared in the local currency and converted into euro. The Group is therefore exposed to the risk of significant fluctuations in exchange rates: (i) the so-called economic exchange rate risk, which is the risk that revenues and costs expressed in currencies other than the euro will assume different values from the time when price conditions were defined; (ii) the so-called conversion exchange rate risk, arising from the fact that the Group, in preparing its financial statements in euro, holds controlling interests in companies that prepare their financial statements in currencies other than the euro and, therefore, carries out transactions to translate assets and liabilities expressed in currencies other than the euro.

In February 2025, the Group introduced a Group Hedging Strategy that defines the exchange risk management processes, the characteristics of the hedging derivatives, the counterparties and the duration of these transactions, and the guidelines for the Group companies. Furthermore, as an additional exchange rate risk management tool, the Group carries out purchase and sale transactions in the same local currency through bank accounts opened in individual countries.

Market risk – Interest rate

The Group is subject to the risk of fluctuations in the interest rate on debt. Any change in interest rates (EURIBOR) could have an effect on increasing or decreasing financing costs.

The Group introduced a Group Hedging Strategy in February 2025 that defines the processes for managing interest rate risk: the Group constantly monitors the interest rate market situation in order to identify opportunities to hedge interest rate risk that may arise over time, through the definition and subscription of (non-speculative) hedging derivative financial instruments such as IRS, CAP and Collars.

Market risk – Price of commodities

The Group’s production costs are influenced by the prices of raw materials, mainly electrical steel, aluminium and various types of resin, primer and glue. The related risks are connected both to fluctuations in prices on the reference markets (which are quoted in USD) and to exchange rate fluctuations, given that the main suppliers are primarily located in Asiatic area.

Fluctuations in the availability and price of the aforementioned materials can be significant, depending on various factors, including the economic cycles of the reference markets, supply conditions and other factors that are beyond the Group’s control and difficult to predict.

To manage these risks, the Group continuously monitors the availability of raw materials in the market, as well as the trend of their prices, in order to promptly identify situations of shortages in raw material availability. Additionally, the Group, in addition to negotiating fixed prices in supply contracts, provides for a periodic automatic adjustment of sales prices based on the trend in raw material prices.

14 | Human resources

Group personnel

The staff of the Group constitutes a fundamental pillar on which constant attention and investment are focused. This is concretised by ensuring health and safety in the workplace, stability of the employment relationship, presence of benefits and incentivising mechanisms, personal and professional growth, and respect for diversity and equal opportunities.
For this reason, over the years, various policies and procedures have been adopted that all employees are required to respect, in order to build and maintain a safe environment for the staff.
In its everyday activities, the Group promotes and puts into practice its shared values, which consist of guaranteeing respect for diversity, protecting freedom of association and ensuring equitable working conditions. The staff of the Group operates fully aware of their responsibilities, following work practices that respect human rights and protect the environment. The shared values and overall responsibility towards the Group are constantly reinforced through ad hoc training programmes and the promotion of the principles of the Code of Ethics.

Employee acquisition, development, and retention

The Group considers the professional development of all its employees a key element in improving overall performance and increasing employee retention. To this end, in 2018 Eurotranciatura S.p.A. established the Euro Academy programme, which was transformed in 2024 into the EGLA Academy, marking an important step in the evolution of its training offering. This rebranding coincided with an expansion of the training programmes, increasingly tailored to meet the needs of employees and business functions.
Since the establishment of Euro Academy (now EGLA Academy), training and refresher courses have been organised, with external expert lecturers providing input on various topics related to business functions, including environmental emergency management and fire prevention.
Around 30% of the Group's training programmes focus on health and safety issues, including specialised courses on the handling, loading and unloading of hazardous materials, first aid, fire emergencies, and forklift truck operation. Additionally, new hires receive specific training, which includes information on the Group's Code of Ethics.
In 2024, the Group embarked on a significant evolution of its training programme: an executive development path for middle management, the "Advanced Program in Business Administration", was designed in collaboration with the Politecnico di Milano (POLIMI) and is set to launch in 2025. This programme aims to train the company's current and future management, addressing the growing demands for leadership and innovation.
Also in 2024, a pilot coaching programme was launched for managerial staff, focusing on targeted support for leadership skills growth and development. This programme, which involved a selected group of managers, will be expanded in 2025 with new editions and a broader group of participants, starting with those in managerial roles closest to production.
At the same time, the Group initiated discussions in 2024 to implement a Group-wide Learning Management System (LMS) to optimise the management and accessibility of training programmes. Implementation of this system will begin in the last quarter of 2025, with the aim of making training more accessible and structured for all employees.
Alongside these global initiatives, the Group has always maintained a strong commitment at the local level, collaborating with universities and schools in the areas where it operates. An example of this strategy is the partnership launched by Eurotranciatura México S.A. de C.V. in 2017 with the Centro de Bachillerato Tecnológico Industrial y de Servicios of Corregidora, for a dual education Technological Baccalaureate programme that integrates productive work, academic training and technological innovation. In 2021, the first MBA programme was launched, with the delivery of the first 12 degrees.
In Italy, the Group has strengthened its partnerships over the years with universities and technical secondary schools to ensure a continuous flow of young talent, as well as to enhance the Group's image as an employer of choice in the region.
The Group continuously monitors training programmes, evaluating key performance indicators (KPIs) related to training hours. This allows for the setting of annual objectives to ensure continuous improvement in both the quality and frequency of the courses offered.

Health and safety in the workplace

The Group considers the health, safety, and environment (HSE) of people to be one of its main priorities and is committed to continuously improving its environmental, health, and safety management systems in line with the highest technical standards and certifications.
The Group focuses on reducing accidents, occupational illnesses, and other accidental events through the implementation of appropriate preventive measures and the verification of the adequacy and effectiveness of internal policies and management systems. The Group identifies and constantly updates the internal procedures and requirements applicable to health and safety aspects.
Each entity's Top Management, through this HSE management system, has the primary goal and responsibility to define and inform its staff and all parties involved about the goal of implementing and maintaining the abovementioned safety standards.
The Group's commitment is to identify all legal requirements, or those subscribed to by the company, applicable to each environmental and health and safety aspect, providing adequate managerial and economic resources to maintain full compliance with legal requirements and subscribed standards over time, providing safe and healthy working conditions, eliminating hazards and/or reducing risks associated with its activities. The Group's commitment is also directed towards constant consultation and participation of workers. Furthermore, the Group assumes responsibility for informing, instructing, and training its personnel and the employees of external companies present in the plant regarding the health and safety consequences and environmental impact caused by any deviations from the norms and procedures defined.
Specific technical training is provided to employees working in the production lines and to new hires participating in the onboarding programmes.
To monitor the progress of health and safety management processes, monthly reports are generated with HSE key performance indicators, including "near misses", which are presented by the HSE managers in dedicated monitoring meetings.

Corporate culture and human rights

The Group expresses its responsibility in ensuring a fair and sustainable work environment, respecting international labour and human rights standards. As a contribution to the respect of human rights, the Group has directed its commitment within the Sustainability Manual towards the areas listed below:

- Child labour
- Freedom of association and the right to collective bargaining
- Discrimination
- Promotion of diversity
- Dignity at work
- Diversity and inclusion
- Dialogue with employees

More information, including numerical evidence, on the subject matter of this paragraph is available in the specific section of the Sustainability Report.

15 | Environment, safety and health

Environment

Environmental factors are central to the Group's values and strategy and represent a long-term commitment that the Group intends to strengthen through various initiatives and projects.

The Group conducts its business in an ethical and transparent manner and invests in the development of sustainable technologies that drive economic growth through careful management of natural resources and the use of clean energy.

The Group is committed to pursuing the continuous reduction of its environmental impact as an integral part of its activity and as a strategic commitment, and to constantly monitor compliance with current laws and regulations on environmental protection. To this end, the Group: (i) is involved in mobility transformation towards the most sustainable forms; (ii) engages in prudent energy management and is committed to the transition to renewable energy; (iii) is climate change and emissions aware (evaluating its carbon footprint, having taken an inventory of emissions); (iv) focuses on waste and material management, capable of recycling approximately 170,000 tonnes of metal material per year; and (v) some of the Group's manufacturing companies adopt a certified environmental management system to ensure the Group's environmental risk management.

In addition, the Group has six loans in place backed by SACE guarantees for a total residual amount of Euro 61.25 million at 31 December 2024. In particular, on 22 December 2021, Eurotranciatura S.p.A. entered into a loan agreement with Crédit Agricole Italia S.p.A., maturing on 30 June 2027, and a loan agreement with Banca Nazionale del Lavoro S.p.A., maturing on 22 December 2028, both guaranteed by SACE S.p.A. The purpose of both loans is the development of investment projects for the production of components (rotors and stators) intended exclusively for vehicles classified as light and low-emission. Furthermore, in June 2024, *EuroGroup Laminations* S.p.A. took out four new loans, backed by SACE S.p.A. and maturing on 30 June 2029. These loans took place through the stipulation of contracts with four banks listed below: Banca Nazionale del Lavoro S.p.A., Deutsche Bank S.p.A., Unicredit S.p.A. and Intesa Sanpaolo S.p.A.

With regard to the certifications of the Management Systems, the following table shows the certifications obtained by the various subsidiaries:

	ISO 9001	ISO 14001	ISO 45001	IATF16949
Eurotranciatura S.p.A.	X	X	X	X
Corrada S.p.A.	X			
SAF S.p.A.	X			X
Eurotranciatura Mexico S.A. de C.V.	X	X		X
Eurotranciatura USA L.L.C.	X			
Euro Misi Laminations Jiaxing Co. Ltd.	X	X		X
Euro Misi High Tech Co. Ltd.	X			X
Kumar Precision Stamping Pvt. Ltd.	X	X	X	X

Since 2020, the Group has monitored its corporate carbon footprint annually. Furthermore, in March 2022, Eurotranciatura S.p.A. was awarded the Ecovadis gold medal for the sustainability of its activities, and in December 2023, the silver medal which was also reconfirmed in the October 2024 rating.

In addition, the group received two national recognitions related to sustainability in 2024. The first is inclusion in the "Sustainability Leaders" list. This list, published by "Il Sole24ore" with methodological support from Statista, features companies that have demonstrated careful management and oversight of sustainability issues throughout 2023. The second recognition was the award from the think tank "CEO for Life" for the "SiGreen" project in the Environment-Mobility category. The SiGREEN project, a technological platform from Siemens, was presented at COP28 in Dubai in 2023. This platform allows companies to calculate their carbon footprint across all stages of their supply chain and serves as an important tool for key production industries facing the collective challenges of climate change.

The Group's facilities and their production activities are subject to the laws and regulations in force regarding the environment in every jurisdiction in which the Group operates.

These laws and regulations govern, among other things, the release of pollutants into the air, water, and soil, the use, storage, and disposal of hazardous substances and waste, and the remediation of contaminated areas.

For further details, please refer to the following paragraph on Sustainability Disclosure.

16 | Related party transactions

On 18 November 2022, the Board of Directors of the Company adopted a Procedure for Related Party Transactions in accordance with the Related Party Regulation adopted by Consob resolution no. 17221 of 12 March 2010, as subsequently amended by resolution no. 22144 of 22 December 2021, with effect from the start of negotiations.

The Group has relationships with related parties, particularly with the controlling company E.M.S. S.p.A., with whom it has commercial relationships related to lease contracts for properties owned by the parent company.

Furthermore, under IAS 24, all entities and individuals able to exercise control, joint control or significant influence over the Group and its subsidiaries are identified as related parties of the Group. In addition, members of the Board of Directors, executives with strategic responsibilities, and their close family members are considered related parties.

Please refer to the explanatory notes to the Consolidated Financial Statements for a detailed analysis of the transactions with Related Parties.

It should be noted that during the period under review, no unusual or atypical transactions were carried out with related parties and that transactions with related parties occurred under terms consistent with normal market values.

17 | Other information

Transactions deriving from atypical and/or unusual operations

The EuroGroup Laminations S.p.A. Parent Company and the Group have not carried out any atypical and/or unusual transactions, meaning transactions that due to their significance and/or relevance, nature of the counterparties, object of the transaction, transfer pricing determination methods and timing of the event, may raise doubts about the correctness and/or completeness of the information in the financial statements, conflicts of interest, safeguarding of the company's assets and protection of minority shareholders.

Treasury shares and shares of parent companies

In accordance with Article 2428 of the Italian Civil Code, it is stated that:
as at 31 December 2024, treasury shares in the portfolio stood at 5,030,800. For more information on the authorisation to purchase and dispose of treasury shares, please refer to the decision of the Shareholders' Meeting of 20 July 2023 and the periodic press releases with updates on the purchases made.

Waiver of the obligation to publish disclosure documents

In accordance with the provisions of Article 70, paragraph 8, and Article 71, paragraph 1-bis, of Consob Regulation No. 11971/1999 ("Issuers' Regulation"), the Company has waived the obligation set forth in Article 70, paragraph 6, and Article 71, paragraph 1, relating to the publication of a disclosure document drawn up in accordance with Annex 3B of the Issuers' Regulation, on the occasion of significant mergers, spin-offs, capital increases by contribution in kind, acquisitions and significant disposals.

Subsidiaries established and governed by the law of non-EU states

It should be noted that as at 31 December 2024, the subsidiaries incorporated and governed by the laws of non-European Union countries that are relevant pursuant to Article 15, paragraph 1, of Consob Regulation no. 20249 of 28.12.2017 (the "**Market Regulations**") are the following: (i) Eurotranciatura México S.A. de C.V.; (ii) Eurotranciatura U.S.A. L.L.C.; and (iii) Euro Misi Laminations Jiaxing Co. Ltd., (iv) Euro Misi High Tech Jiaxing Co. Ltd and (v) Kumar Precision Stampings Private Limited.

For companies established and governed by the laws of countries outside the European Union, the requirements set forth in paragraph 1 of said article are met.

Adoption of Model 231

On 2 October 2022, by resolution of the Board of Directors, the Company adopted the organisational and management model indicated in Italian Legislative Decree no. 231/2001 ("Model 231") for the purpose of creating a regulatory system aimed at preventing unlawful acts that may be considered potentially significant in application of this decree, and consequently established, also on that date, a multi-subject supervisory body ("Supervisory Body" or "SB") as indicated in Article 6, paragraph 1, letter b) of Italian Legislative Decree no. 231/2001.
The Company's Model 231 aims to:

- **prevent the commission of offences** in the interest or to the benefit of the Company, thereby reducing the risk of administrative liability
- **ensure transparency and fairness** in business processes, promoting an ethical and compliance-driven culture.

The SB consists of 2 members, Rita Crobe and Paolo Terzi. The SB satisfies the applicable requirements of autonomy, independence, professionalism and continuity of action. The SB is responsible, among other things, for: (i) monitoring the adequacy of Model 231, ensuring that the conduct implemented within the Company corresponds to Model 231, also by carrying out periodic checks, and verifying that Model 231 is consistent with (a) the Company's procedures constituting its implementation and (b) the Code of Ethics; (ii) assessing the effectiveness of Model 231, namely verifying, also in consideration of the evolution and changes that have occurred at the company level, that the prepared Model 231 is actually capable of preventing the commission of the offences covered by Italian Legislative Decree no. 231/2001, as subsequently updated; and (iii) assessing the advisability of proposing updates or modifications to Model 231, in order to adapt it to changes in the company structure and regulatory changes, including through periodic monitoring of the areas at risk.
Model 231, which has also been adopted by the Italian subsidiaries Eurotranciatura S.p.A., Corrada S.p.A., Euroslot Tools S.r.l. and SAF S.p.A., is supplemented by the Company's Code of Ethics, which identifies its reference values, establishes the rules of conduct, and highlights the rights, duties and responsibilities of all those who, in any capacity, work or collaborate with the Company.

Market abuse

The Company adopted a resolution of the Board of Directors on 18 November 2022, effective as of the date of commencement of trading:

- on inside information concerning the Company, the "*Internal procedure for the management and processing of inside information and for the external communication of documents and information" and the "Procedure for the keeping, management and updating of the register of persons with access to inside information",* aimed at regulating the management and processing of inside information by the Company and its subsidiaries, as well as the creation and maintenance by the Company of the register of persons who, on the basis of their work or professional activities or functions performed, have access to inside information in accordance with Articles 7, 17 and 18 of the MAR Regulation;
- on internal dealing, the *"Internal dealing procedure"* referred to in Art. 19 of the MAR Regulation and 114, paragraph 7, of the Consolidated Law on Finance and 152-quinquies 1 et seq. of the Issuers' Regulation for the purpose of defining (i) the rules for fulfilling the obligations to inform Consob and the market of transactions on financial instruments issued by the Company, or other financial instruments linked to them, carried out on their own account even indirectly, by relevant persons, i.e. persons who, by virtue of the position held within the Company, have decision-making power or significant knowledge of the Company's strategies, such as to benefit them in investment decisions on the Company's financial instruments, as well as (ii) the related restrictions.

Shares held by Directors, Auditors, and Executives with strategic responsibilities

For information regarding shares held by Directors, Statutory Auditors and Executives with strategic responsibilities, please refer to the Report on the policy for remuneration and compensation paid in accordance with article 123-ter of the Consolidated Law on Finance, prepared in accordance with article 84-quater and Annex 3A, Template 7-bis and 7-ter of the Issuers' Regulation and article 5 of the Corporate Governance Code, which can be consulted on the Company's website at https://www.eglagroup.com/governance.

Compliance with corporate governance provisions

In light of the corporate governance measures described above, as of the date of commencement of trading, the Company's corporate governance system complies with the relevant provisions contained in the TUF and the Corporate Governance Code and, more generally, with the laws and regulations applicable to listed companies in Italy.

Stock option plan

On 18 November 2022, the Ordinary Shareholders' Meeting decided to adopt a stock option plan aimed at aligning the interests of the Company with those of the Directors and key executives in the medium to long term ("Stock Option Plan" or "SOP"), effective from the start of trading. The SOP, which provides for the assignment of option rights granting the right to subscribe ordinary shares, has the following objectives: i) to align the interests of the beneficiaries (identified by the Board of Directors, after consultation with the Appointments and Remuneration Committee) with those of shareholders and investors and with the Group's strategic plan as a whole; and ii) to incentivise the long-term retention of the beneficiaries of the plan. Pursuant to the SOP, the rules of which were approved by the Board of Directors on 18 January 2023, the beneficiaries will be entitled to receive up to a certain number of option rights free of charge, each of which confers the right to subscribe one ordinary share at a certain price. In particular, the SOP, which has a duration of five years, is structured into three cycles with possible maturity of the rights and allocation of shares in 2026, 2027, and 2028. At the end of each cycle, the beneficiary has the right to exercise one third of the options granted by paying the strike price; in addition, the options that the beneficiary has the right to exercise give the right to subscribe shares in the Company at a ratio of 1/1 and in total for a maximum number of shares corresponding to a maximum percentage of 2% of the Company's share capital. The exercise of options under the SOP is not linked to the achievement of performance targets, being instead linked to the retention of beneficiaries. To implement the SOP, on 18 November 2022, the Extraordinary Shareholders' Meeting decided, among other things, to grant the Board of Directors, effective from the start of trading and for five years from the date of the resolution, the power to increase the share capital in accordance with Article 2443 of the Italian Civil Code to serve future incentive plans relating to the Company's ordinary shares, whose beneficiaries will be identified by the Board of Directors, for a maximum amount of Euro 22,000 thousand, through the issuance of new ordinary shares without nominal value, with exclusion of the pre-emption rights in accordance with Article 2441, fifth and eighth paragraph of the Italian Civil Code.

18 | Disclosure on key intangible assets

The Group acknowledges the importance of certain intangible assets that are not reflected in the financial statements, but which represent significant sources for the value creation process. These include:

- intellectual and organisational capital, with its implicit knowledge and know-how;
- human capital, meaning the skills, expertise and experience of the workforce, as well as the sharing of the Group's distinctive ethical values and the ability to understand, develop and implement the business strategy;
- the relational capital, which has allowed the Group to establish itself as a leader in its reference market.

Intellectual capital is essential to generate value for stakeholders, as is human and relational capital. Product innovation, advanced technical characteristics and commercial strength have fuelled growth, further strengthening the Group's leadership position.

Human capital plays a crucial role for the growth of the Group and for the continuous generation of value. People, with their know-how, consolidated skills, managerial capabilities, motivation and strong sense of belonging, are at the heart of business activities and must be protected and safeguarded in their rights. Personal and professional well-being and growth are priority objectives for the Group.

Essential intangible resources represent a distinctive value of the Group and form its foundation and identity.



19 | Significant events after the end of the period

In **January 2025**, the subsidiary Eurotranciatura USA LLC launched the New Market Tax Credit (NMTC) programme for the period 2025–2031, enabling it to benefit from federal financial support available for investments in economically disadvantaged areas, as provided for under US tax law.
The NMTC programme requires compliance with certain federal government requirements over a seven-year period, from 2025 to 2031. The gross benefit is calculated with the following rates: 5% for the first three years and 6% for the next four years, amounting to a total of 39% of the estimated investment, which is approximately 25 million dollars. The net benefit at the end of the transaction is estimated at approximately 4.7 million dollars, gross of taxes.

On **13 February 2025**, the Group introduced a Group Hedging Strategy that defines the exchange risk management processes, the characteristics of the hedging derivatives, the counterparties and the duration of these transactions, and the guidelines for the Group companies, as well as the processes for managing interest rate risk.

On **10 March 2025**, EuroGroup Laminations S.p.A. announced that the subsidiary Euro Group Asia Limited ("EGLA Asia") has signed an agreement for the purchase of the minority interests held by the partner Marubeni-Itochu Steel Inc. ("MISI") in the joint venture Euro Misi High-tech Jiaxing Co. Ltd and Euro Misi Laminations, Jiaxing Co. Ltd, both equal to 31% of the share capital of these companies. The transaction is aimed at consolidating the two Chinese joint ventures, with a view to strategic strengthening of the Group in the region. Under the terms of the agreements, EGLA Asia is expected to purchase shares from MISI corresponding to 30% of the capital of each of the two joint ventures, for a total price of 100 million RMB (equal to approximately Euro 12.7 million). The remaining 1% of the capital of the two companies will be subject to reciprocal purchase and sale options between Marubeni and EGLA Asia, exercisable at market values within four years of the closing of the purchase transaction. The transaction closed in the first quarter 2025. The total disbursement for the transaction was fully financed through the use of the Group's cash and cash equivalents and was not subject to adjustments.

20 | Sustainability Statement

General Disclosures 85
1.1 ESRS 2 General Disclosures 85
1.1.1. Basis for preparation 85
1.1.2 Governance 87
1.1.3 Strategy 95
1.1.4. Impact, risk and opportunity management 113
Impact materiality 114
Financial materiality 115

Environmental Disclosure 119
2.1 EU Taxonomy 119
2.2 ESRS E1 Climate change 129
2.2.1 Strategy 129
2.2.2. Impact, risk and opportunity management 130
2.2.3 Metrics and targets 132
2.2 ESRS E2 Pollution 133
2.2.1. Impact, risk and opportunity management 133
2.2.2 Metrics and targets 134
2.4 ESRS E5 Circular economy 140
2.4.1. Impact, risk and opportunity management 140
2.4.2 Metrics and targets 142

Social Disclosures 144
3.1 ESRS S1 Own workforce 144
3.1.1 Strategy 144
3.1.2. Impact, risk and opportunity management 145
3.2 ESRS S2 Workers in the value chain 161
3.2.1 Strategy 161
3.2.2. Impact, risk and opportunity management 162
3.2.3 Metrics and targets 165
3.3 ESRS S3 Affected communities 165
3.3.1 Strategy 165
3.3.2. Impact, risk and opportunity management 166
3.3.3 Metrics and targets 169
3.4 ESRS S4 Consumers and end-users 169
3.4.1 Strategy 169
3.4.2. Impact, risk and opportunity management 170
3.4.3 Metrics and targets 172

Governance Disclosures 173
4.1 ESRS G1 Business conduct 173
4.1.1 Impact, risk and opportunity management 173
4.1.2 Corporate culture and business conduct policies 173
4.1.3 Metrics and targets 176

General Disclosures

1.1 ESRS 2 General Disclosures

This Sustainability Disclosure (or simply "Disclosure" or "Reporting") provides a description of the environmental and social impacts deriving from the work of EuroGroup Laminations (hereinafter also the Company, the Group or EGLA), including the effects on staff, respect for human rights and the measures that have been taken in place to prevent corruption and bribery. The document also offers a detailed view of the main risks and opportunities linked to the Group's business activities and the results obtained, as well as its sustainability performance.
As an organisation already subject to the non-financial reporting obligation pursuant to Italian Legislative Decree 254/2016, EuroGroup Laminations meets the obligations deriving from the new EU Directive 2022/2464 ("CSRD Directive") starting from fiscal year 2024. Since the Integrated Annual Report 2023 , EGLA has integrated information relating to sustainability.

1.1.1. Basis for preparation

BP-1 – General basis for preparation of sustainability statements
(5 a,b)
The Sustainability Statement is drawn up on a consolidated basis by EuroGroup Laminations S.p.A. and the Group companies. The reporting perimeter of the sustainability information reported below is the same as the Group's Consolidated Financial Statements and consists of EuroGroup Laminations and the companies consolidated on a line-by-line basis cited in the paragraph in the Group Structure section), including the Indian company Kumar, acquired in November 2024. About the latter, only the data for the last two months referring to the own staff were considered, as environmental data were not considered relevant at this time.
Environmental data and information only take into consideration EuroGroup Laminations's production plants, since the offices are not considered material. It should also be noted that Euro Group Laminations Russia LLC, as a result of the conflict in Ukraine, has suspended the industrial and commercial activities and therefore only its personnel data were taken into account..
All sustainability information included in this document has been assessed as material according to the dual materiality assessment (or Double Materiality Assessment, "DMA" for short) conducted for the first year by the Group or is mandatory according to the ESRS standards.
(5.c) The information provided in this Sustainability Disclosure is prepared so as to include and consider information on the material impacts, risks and opportunities associated with the Group through its direct and indirect business relationships in the upstream and/or downstream value chain.
(5.d) EuroGroup Laminations has chosen not to report sensitive information of a strategic nature linked to the products, ensuring in any case that the global relevance of the reporting is not compromised. The Group complies with the disclosure obligations, providing all other information requested and having made every reasonable effort to ensure that the omission does not prejudice the completeness and relevance of the report.
(5.e) In addition, EuroGroup Laminations has made use of the disclosure exemption of "information concerning upcoming developments or issues under negotiation" pursuant to Article 19 bis, paragraph 3 and Article 29 bis, paragraph 3 of Directive 2013/34/EU.]

BP-2 – Disclosure in relation to specific circumstances
(9.a,b) In preparing the sustainability report, the Group consider the short, medium or long-term horizons as stated in ESRS 1 section 6.4, consistent with the specific characteristics of the sector, such as cash flows and business cycles on the basis of which the users of the sustainability statements base their assessments, and the scheduling times generally used for decision-making processes[1].
The definitions of the time horizon defined by the aforementioned standard are shown below:

- Short term: the period adopted by the Company as the reference period of its financial statements (i.e., one year);
- Medium term: up to five years from the end of the reference period of the short term;
- Long term: over five years.

10) This Sustainability Disclosure has taken into consideration the information on the entire value chain of EuroGroup Laminations, specifically product supply, development and production, logistics and sales to customers. In addition, the Dual Materiality Analysis exercise was conducted through an analysis and assessment of the Impacts, Risks and Opportunities (IRO) applicable to the parties and activities upstream and downstream of the value chain. Regarding Scope 3 GHG emissions data, they have inherent limitations related to the limited availability and relative accuracy of the information used to define quantitative and qualitative aspects related to the value chain.
Indeed, different calculation approaches were applied for quantification depending on the category. However, given the complexity of the data collection process, some categories (use of products sold (category 11) and end-of-life treatment of products sold (category 12) are based on estimates derived from industry benchmarks, supplier data, and life cycle assessments. The methodology follows international best practices to ensure completeness, accuracy and consistency, while recognizing the need to refine the data as more precise information becomes available. In this regard, Eurogroup Laminations is committed to embarking on a path of continuous improvement and refinement of the calculation methodology, as well as establishing, based on these quantifications, an ambitious climate transition plan to set and achieve concrete GHG emission reduction targets.
Moreover, if other estimates have been made for the quantification of the data, although not characterised by a high level of uncertainty, an appropriate indication is always provided at the bottom of the relevant data, within the relevant section.
(11) In the case there have been estimates have been made to quantify the data, even if these do not present a high degree of uncertainty, an explanatory note is provided next to the specific data in the relevant section.
13) It should be noted that the application of the new standards for the first year envisaged the adoption of metrics and related reporting methods that do not make a data comparison with the previous year possible, nor the consequent assessment of any significant errors and the introduction of replacement metrics or other changes.
(16) See Appendix B for the list of Data Requirements for which incorporation by reference was referenced.
(17) For this reporting, the possibility of exemptions, as provided for in ESRS2 Standard Appendix C, has been exercised with respect to Expected Financial Effects of Significant Physical and Transition Risks and Potential Opportunities (E1-9) and Expected Financial Effects of Significant Pollution-Related Risks and Opportunities (E2-6) and Expected Financial Effects of Significant Risks and Opportunities Related to Resource Use and the Circular Economy (E5-6).

1 Specifically, the Group adopts a medium-term time horizon corresponding to 2-5 years.

1.1.2 Governance

GOV-1 – The role of the administrative, management and supervisory bodies
EuroGroup Laminations is committed to maintaining and improving its governance with regard to ethics, integrity and accountability. To safeguard the process of creating value for its customers, employees, partners, suppliers and shareholders, the Group is committed to putting in place rules and procedures governing the processes of decision-making, control and monitoring of business activities. The Group's governing bodies and instruments aim to spread ethics and integrity as a corporate culture among all employees. In particular, the Board of Directors, the CEO, and the Audit and Risk and ESG Committee play a key role in overseeing corporate sustainability practices.
Presented below is the composition of the Group's Board of Directors, which is composed of 10 members, 80% of whom are men and the weighted average ratio of women to men is 25% (calculated as the ratio of women to men); in addition, 30% of the Board members are found to be independent.

Board fo Directors

Role	Board member	Age	Genre	Executive/non executive	Indipendence	Other roles	
President	Sergio Iori	>50	M	Non-executive	NO	0	Founder of the Group has more than 50 years of experience in rotor and stator manufacturing. He has chaired the board of directors of EGLA since 2023.
Vice- President	Isidoro Guardalà	>50	M	Executive	NO	0	He worked in several multinational companies in the information technology sector before coming to the Group where he worked first as General Manager of Eurotranciatura and then as CFO of EGLA
CEO	Marco Stefano Arduini	>50	M	Executive	NO	0	He holds a degree in Business Administration before joining the Group in 2008 and worked in several multinational companies in different sectors (management consulting, Horeca, consumer goods) in different geographic areas (United States, Hong Kong e United Kingdom).
Administrator	Axel Dill	>50	M	Executive	NO	0	He holds a graduation in Business Administration, he first worked as sales manager of Eurotranching's Industrial Business Unit and then later was appointed CEO of EGLA's Industrial Business Unit.

Administrator	Leonardantonio Franchini	>50	M	Executive	NO	0	Graduated in Civil Engineering after serving 8 years in the Italian Army. He holds a doctorate in Technology Management and Innovation. He has held senior positions in companies in the manufacturing sector for more than 30 years. He currently holds the position of CEO of EGLA's Automotive Business Unit.
Administrator	Jean-Marc Pierre Gales	>50	M	Non Executive	NO	0	Graduated in Mechanical Engineering, he has more than 30 years of experience in the European automotive industry.
Administrator	Roberto Francesco Quagliuolo	30-50	M	Non Executive	NO	0	Graduated in Management Engineering after several experiences, since 2018 he joined Tikehau Capital where he currently holds the role of Deputy Head of Private Equite and Co-Head of the Italian division. He currently holds other director roles in different companies.
Indipendent administrator	Gunter Beitinger	>50	M	Non Executive	Yes	1	Graduated with a degree in Industrial Engineering and joined Siemens in 1999 where he has had increasing responsibilities until currently holding the position of Senior Vice-President of the Manufactoring Division and Director of the Factory Digitalisation and Product Carbon Footprint Division.
Indipendent administrator	Maria Giovanna Calloni	>50	F	Non Executive	Yes	4	Graduated in Business Administration worked as a business analyst in Italy, England and the United States. She obtained an MBA and was the Director of the Equity Capital Markets Division at the investment bank Merrill Lynch. Upon returning to Italy she was involved in investments in several companies concerning the renewable and techno finance sectors. She currently sits as an independent director on several boards of directors
Indipendent administrator	Alessandra Bianchi	30-50	F	Non Executive	Yes	1	Graduated in Business Adminisration, she worked as an analyst in several companies in the Equity capital markets sector. She later worked as a portfolio manager in several investment funds. Since 2017, she has held the role of CEO of Calcio Padova spa. She currently serves as an independent director on several boards of directors.

Italian regulations do not provide for the representation of employees and other workers within the Board of Directors.
By a resolution of November 18, 2022, the Board of Directors appointed the members of the Audit, Risk and ESG Committee, identifying independent director Alessandra Bianchi as Chair, flanked by independent director Maria Giovanna Calloni and director Roberto Francesco Quagliuolo, the latter as a nonexecutive director. The weighted average ratio of women to men is 40% (calculated as the ratio of women to men).
The Control Risk and ESG Committee represents the reference body for sustainability issues, performing support and advisory functions for the Board of Directors. In particular, the Committee contributes to the definition of the Company's strategies and initiatives on sustainable development along the entire value chain, examines the sustainability report and non-financial disclosures relevant to the internal control and risk management system, and evaluates sustainability policies to ensure the creation of value in the medium to long term for shareholders and stakeholders. It also analyzes sustainability-related guidelines, objectives, and processes, overseeing annual reporting on the subject, including the approval of the sustainability report by the Board of Directors.
The Control, Risk and ESG Committee involves various bodies in the oversight of impacts, risks and opportunities. In particular, the Board of Directors sets the guidelines and assesses the adequacy of the internal control and risk management system, supported by the Audit, Risk and ESG Committee with investigative and propositional activities. The Chief Executive Officer plays a key role in the implementation of the system, while the head of the Internal Audit function verifies its operation and adequacy.

Board of Auditors

Role	Members	Age	Gender	Indipendence	Other roles	
President	Luigi Emilio Garavaglia	>50	M	Yes	14	Graduated in the Catholic University of Milan, he has been a partner in Biscozzi Law and Tax Firm since 1997. He has consolidated his professional experience in the areas of tax consulting, listing acquisition projects. He currently holds the position of auditor in several listed companies
Effective auditor	Maria Venturini	>50	F	Yes	19	Graduated in Business Economics. She is a civil mediator and managing partner of Studio Colombo Commercialisti Associati and currently serves as a board member, chairman of the board of statutory auditors and auditor in both legal and accounting in several Italian companies.
Effective auditor	Pietro Ebreo	>50	M	Yes	13	He is a certified public accountant since 1990, he founded Studio Ebreo & Partners. He is an adjunct professor of corporate taxation at MIP Politecnico di Milano. He deals with reorganization and tax planning of corporate and family assets, tax litigation and pre-litigation, assistance in tax audits, due diligence and management of tax pathologies, taxation of internationalization processes, and specialized tax and corporate consulting.

Alternate auditor	Giancarlo Gandola	>50	M	Yes	33	Since 1988 he has been a partner in Studio Colombo Commercialisti Associati, where he has been involved in national and international tax law and litigation before provincial and regional tax commissions, as well as business valuation, corporate reorganization projects and extraordinary transactions. He has served as an auditor of local governments and as a director and liquidator of several companies, as well as a member of arbitration panels.
Alternate auditor	Roberta Sironi	30-50	F	Yes	10	Graduated in 2004 in Business Economics from the Università Cattolica del Sacro Cuore di Milano in Milan, where she also earned a master's degree in business economics and legislation in 2006. She holds the position of senior associate at Studio Biscozzi Nobili Piazza, where she carries out her professional activity in the field of tax consulting for multinational companies and groups (including listed ones), operating in different sectors.

In conclusion, the Board of Auditors supervises the effectiveness of the control system. Confirming the Company's commitment in this regard, on February 28, 2024, the Board of Directors approved the Audit Plan for 2024, with the favourable opinion of the Control, Risk and ESG Committee and the involvement of the CEO and the Board of Auditors.

(22.b) The Board of Directors of the parent company has appointed a Control, Risk and ESG Committee, composed of a majority of independent directors; which makes proposals and performs advisory functions for the Board of Directors in order to promote the integration of ESG issues in the governance of EuroGroup Laminations S.p.A. and its subsidiaries in their respective corporate strategies.
In particular, as far as monitoring is concerned, the Committee performs a function of education and support to the Board of Directors on sustainability/ESG-related risks and specifically especially on the possible consequences of environmental risks and the effects of climate change that may affect the company's business. In addition to monitoring activities, it also cyclically verifies the efficiency of risk safeguards and related control procedures. Committee meetings are also attended by the members of the Board of Auditors in addition to the Executive in charge of drafting documents and the heads of control functions.

(23.a,b) The administrative, management, and supervisory bodies rely on the support of the ESG Department to monitor key issues. Specifically, the ESG Department, which reports directly to the CEO, coordinates the ESG working group. This working group is in charge of analysing trends in key indicators regarding impacts, risks and opportunities and implementing action plans aimed at increasing the company's safeguards on major issues.
In addition, regarding particular issues that refer to potential impacts, risks and opportunities that may affect the company"s business, the ESG Department organizes informational and training meetings about the issue in question and its impact on the company"s activities. All heads of Group functions (C-level), their direct reports and all contact persons on the specific issue are invited to attend these meetings.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
(26.a) The Control, Risk and ESG Committee is the competent body for sustainability, which provides support and advisory functions to the Board of Directors on sustainability issues, meaning the processes, initiatives and activities aimed at overseeing the commitment of
the Company for sustainable development along the entire value chain. The Committee also examines the contents of the sustainability disclosure for the purposes of the internal control and risk management system and examines and assesses the sustainability policies aimed at ensuring the creation of value over time in general for shareholders and for all other stakeholders in the medium-long term horizon in compliance with the principles of sustainable development, as well as the guidelines, objectives, and consequent processes of sustainability and sustainability reporting submitted annually to the Board of Directors.
Another control function is Internal Audit, which is the independent Assurance and Assessment activity on the various business functions, with the task of improving the effectiveness and efficiency of business processes. In particular, in 2024, the ESG function underwent Assessment that led to the definition of an improvement plan, the actions described in which were implemented in 2024.

(26.b) During the year, the Control, Risk and ESG Committee met nine times, then reporting the material sustainability aspects and the related impacts, risks and opportunities directly to the Board of Directors. During these meetings, the progress with respect to the pre-established targets and the actions taken with regard to the sustainability strategy are presented. In particular, as part of significant transactions, such as acquisitions, investments or significant strategic changes, the Board of Directors takes sustainability aspects into consideration, assessing environmental, social, and governance impacts in order to ensure a balance between the creation of short-term value and long-term sustainability.

(26.c) Please see section SBM-3 for the list of impacts, risks and opportunities that emerged as material from the dual materiality analysis conducted in 2024 and addressed by the administrative, management and supervisory bodies during the reference period.

GOV-3 – Integration of sustainability-related performance in incentive schemes
(29.a) EGLA adopted a Remuneration Policy in 2024 upon the proposal of the Appointments and Remuneration Committee, through which it pursues the creation of sustainable value in the medium to long term for the Company and its Shareholders by balancing fixed and variable remuneration.
In particular, each year the Nomination and Remuneration Committee prepares the report describing the company's policy regarding the issue of remuneration of members of the board of directors, general managers and executives with strategic responsibilities. In addition, the compensation paid during the reporting year in any capacity and in any form by the company and by subsidiaries and affiliates is described analytically.
The remuneration of all executive directors consists of: a fixed annual component, determined to a significant extent and consistent with the position and commitment required (broken down as follows: a Gross Annual Remuneration for the role held; a Compensation for the office held at the Parent Company; a Compensation for the offices held at the Subsidiaries, where applicable), a short-term component (MBO); a medium/long-term variable component (LTIP), represented by the stock option plan ("The Plan") - in relation to the beneficiaries identified by the Board of Directors. The remuneration of the ESRs (meaning executives with strategic responsibilities, directly or indirectly responsible for the planning, management and control of the Company's activities) is composed of: a Total Fixed Compensation, determined to a significant extent, consistent with the position and commitment required, and in any case such as to be sufficient to remunerate the service if the variable component is not disbursed due to the failure to achieve the expected performance targets; a short-term variable component (MBO) linked to performance objectives defined on an annual basis, as summarised in

the Executive Summary; a medium/long-term variable component (LTIP) - represented by the stock option Plan. ESRs, in fact, are included among the Plan Beneficiaries, as identified by the Board of Directors.
(29b,c,d) The main MBO payout criteria are linked to financial performance objectives and ESG, identified from year to year by the Company in coordination with the Appointments and Remuneration Committee. Depending on the role held, the reference for the ESG KPI may be consolidated (Group ESG) or the sector-specific KPI (BU/Local Entity). The inclusion of an ESG KPI in the short-term incentive plan aims to raise awareness and further empower management regarding the enforcement of sustainability policies for the Group and for all employees. For 2024, the KPI entered relates to the working conditions and human rights pillar with a specific focus on employee health and safety. For the MBO of the CEO and CFO, the achievement of the ESG target accounts for 15% of the total KPIs at Group level, while for the ESRs it accounts for between 10% and 15% at the Local Entity level.
(29.e) The main individuals and bodies of EuroGroup Laminations involved in the preparation and approval of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors, the Appointments and Remuneration Committee and the Board of Statutory Auditors. The report on the remuneration policy and the remuneration paid is submitted to the non-binding advisory vote of the Shareholders' Meeting.

GOV-4 Statement on due diligence
Within this document, EuroGroup Laminations provides the main information collected on environmental, social issues - both inside and outside the company - and governance, considering both the approach towards consumers/end-users and company conduct.
The Group adopts due diligence[2] and undertakes to identify, prevent and mitigate the impacts related to its activities and its value chain through the preparation of Group Policies and obtaining and reviewing ISO management system certifications for impacts, risks and opportunities considered material. EuroGroup Laminations has also endorsed the UN Global Compact since 2024 and pursues the 10 key principles in the areas of human rights, labour, environmental sustainability and anti-corruption, to achieve the Sustainable Development Goals (SDGs).
The due diligence for sustainability issues introduced by the Company is summarised in the following mapping of disclosures. The Group, however, sees these activities as a starting point for due diligence that will be expanded in the coming years

2 Due diligence is the process by which companies identify, prevent, mitigate and report on how they address actual and potential negative impacts on the environment and on people related to their business.

Fundamental elements of due diligence	Paragraphs of the Consolidated Sustainability Statement
a) Integrate due diligence into governance, strategy and the business model	Incorporation by reference: Incorporation by reference : Relevant facts occuring in the reporting period Research and Development activities Major risks and uncertainties *1.1.3 SBM-1 – Strategy, Business model and value chain* *1.1.2 GOV-2 Information provided to end sustainability matters adressed by the undertaking's administrative, management and supervisory bodies.* *1.1.2 GOV-3 Integration of sustainability-related performance in incentive schemes.* *4.1.2 G1-3 – Prevention and detection of corruption and bribery.* *1.1.4 MDR-P Policies adopted to manage material sustainability matters.*
b) Involve stakeholders in all key phases of due diligence	*1.1.3 SBM-2 – Interests and views of stakeholders.* *3.1 S1 Own workforce* *3.2 S2 Workers in the value chain* *3.3 S3 Affected communities* *3.4 S4 Consumers and end-users*
c) Identify and assess negative impacts	*1.1.4 Managing of impacts, risks and opportunities*
d) Take action to address negative impacts	*1.1.4 Managing of impacts, risks and opportunities* *2.2.2 Managing of impacts, risks and opportunities* *2.3.1 Managing of impacts, risks and opportunities* *2.4.1 Managing of impacts, risks and opportunities* *3.1.2 Managing of impacts, risks and opportunities* *3.2.2 Managing of impacts, risks and opportunities* *3.3.2 Managing of impacts, risks and opportunities* *3.4.2 Managing of impacts, risks and opportunities* *4.1.2 Managing of impacts, risks and opportunities*
e) Monitor the effectiveness of interventions and communicate	*1.1.2 GOV-2 Information provided to end sustainability matters adressed by the undertaking's administrative, management and supervisory bodies.* *2.2.3 Targets and metrics* *2.3.2 Targets and metrics* *2.4.2 Targets and metrics* *3.1.3 Targets and metrics* *3.2.3 Targets and metrics* *3.3.3 Targets and metrics* *3.4.3 Targets and metrics*

GOV-5 – Risk management and internal controls over sustainability reporting
(36 a) During 2024, EuroGroup Laminations embarked on a process to develop an Internal Control System on Sustainability Reporting (ICSR), which aims to ensure the reliability, accuracy and timeliness of sustainability information, integrating perfectly into the broader Internal Control and Risk Management System of the Company.
(36.b) The ICSR envisages a risk assessment based on the reporting principles outlined by the ESRS, aligned with the financial reporting standards and the CoSO - ICSR guidelines. The scope of the ICSR is supported by a structured process to determine the relevance of the disclosure requirements included in the Sustainability Statement and the identification of the Group's legal entities to be considered within the ICSR. This process includes both quantitative and qualitative perspectives. Subsequently, the main risks associated with sustainability reporting were identified, together with the related key controls, formalised within control matrices. The control system also includes procedures aimed at preparing and sharing sustainability information in a manner consistent with reporting standards, as well as a continuous monitoring process to assess the effectiveness of controls through periodic reviews and improvement plans. From a governance perspective, a structured reporting flow was implemented to provide regular updates to the Board of Directors, the Control and Risk Committee and the ESG Committee, ensuring

transparency in monitoring activities. The system also includes a certification process, which requires the administrative bodies and the heads of the Group functions to confirm the completeness and reliability of the relevant information flows. An external certification is also carried out through statements issued by the Financial Reporting Manager, in compliance with Article 154-bis of the Consolidated Law on Finance. To maintain a high level of internal expertise, the Company has introduced a continuous training programme on sustainability reporting processes for the CSRD Focal Points, key figures responsible for maintaining and developing the control and reporting system.
(36.c) As mentioned, the scope of the ICSR was defined in 2024 through an analysis based on the risk of reporting errors, using both quantitative and qualitative criteria. Starting from the dual materiality analysis, limits were defined to determine the priority of the most significant disclosure requirements. Additional qualitative factors were also considered, including alignment with the Group's strategic sustainability objectives, the rating of periodic ESG reports, the presence of MBOs linked to ESG KPIs, and further qualitative assessments by the Sustainability Function based on its professional judgement.
(36.d) This analysis made it possible to classify the disclosure requirements included in the Sustainability Statement into five risk levels and to identify the legal entities of the Group with the greatest impact on sustainability reporting. The main reporting risks identified include inaccuracy and incompleteness of data, errors in the calculations of key indicators and misalignment with ESRS requirements. To mitigate these risks, specific controls have been introduced at the process level.
(36.e) The Financial Reporting Manager plays a central role in the system's management, maintaining contact with the corporate bodies to ensure the correct functioning of the system. He reports annually to the Board of Directors, the Control and Risk Committee and the ESG Committee on the results of the control activities, highlighting any critical issues and remedial actions taken. In urgent situations, he informs the Chief Executive Officer directly. Finally, a summary report is prepared, which consolidates the main monitoring results and any identified control weaknesses.
The formalisation and implementation of the ICSR components described above will be fully completed by 2025.

1.1.3 Strategy

SBM–1 Strategy, business model and value chain
(40.ai, ii) For descriptions of the product groups offered and the significant customer/market groups, please see the chapter "Group activities".
(40.a.iii) The headquarters of EGLA is based in Italy, but has 15 plants (of which seven in Italy and eight abroad) in five countries on four continents with employees in:

- Italy (1072)
- China (303)
- United States (172)
- India (401)
- Mexico (1015)
- Tunisia (104)

For more details, please see paragraph "S1-6 - Characteristics of company employees".

(40b) The table below shows revenues categorized by business segment of the Group. For further details, please refer to Revenues (point 22) in the Notes to the Consolidated Income Statement.

(Amounts in thousands of Euro)	31 december 2024
Description	
EV & Automotive	562.159
Industrial	307.230
Revenues	869.389

(40e,f,g) The Group is a catalyst for the energy transition, which sees the electrification of processes as the cornerstone for achieving global carbon neutrality. In fact, EGLA is the main supplier of companies in the following industrial sectors: geared motors, traction motors, HVAC (Heating, Ventilation and Air Conditioning), technologies for generating electricity from renewable sources, pumps, home automation, motors for the traction of electric and hybrid cars, auxiliary engines for the automotive sector. As already described, the Group is present on four continents, guaranteeing its supplies to all the major global consumer markets (North America, EMEA, Asia). Thanks to its consolidated presence in the places where it operates, the Group has long-term relationships with public institutions, educational institutions and training and research centres aimed at the constant implementation of technological innovation factors focused on reducing its negative externalities on the local area and increasing the positive ones through the selection and the recruitment of young local talents.
The Group's strategic role has been recognised in the context of the European Taxonomy, which has seen an increase in the percentage of revenues deriving from activities considered eligible according to the criteria established by the European Commission.

To further strengthen its commitment to ESG, the Company has strengthened the team dedicated to sustainability and improved the communication of the targets and results achieved. Despite a complex market context, the Group has confirmed its position as a world leader in the design, production and distribution of stators and rotors for electric motors and generators.

The electrification of both industrial processes and daily activities is currently one of the greatest challenges at global level for achieving climate goals. EGLA counts among its customers major industrial groups that produce applications and technologies aimed at energy efficiency and major car manufacturers that produce electric and hybrid vehicles. These industrial companies are at the forefront of providing markets around the world with energy-efficient machinery and low-emissions private mobility vehicles.

Through the continuation of the SiGreen project, in particular in the legal entity Eurotranciatura Mexico Sal de C.V., the Company is consolidated as a reference point in the measurement of emissions along the value chain. This project supports the Group's strategy in monitoring its products and production processes, ensuring that every phase of production is aligned with quality and sustainability standards. As the Company's products are marketed globally, it is essential that all players in the production chain comply with ESG regulations, ensuring a sustainable and responsible supply chain.

As further confirmation of its commitment to sustainability, the Group is committed to annually reporting ESG progress, in constant compliance with the United Nations Global Compact (UNGC) requirements that monitor the performance of signatory companies.

In addition to updating its Code of Ethics, the Company has implemented a series of governance policies and tools to further strengthen its approach to sustainability. The initiatives adopted include: Sustainability Policy, which defines the Group's environmental and social strategies; DEI Policy (Diversity, Equity & Inclusion), aimed at promoting an inclusive work environment that respects diversity; Anti-Corruption Policy, to prevent unfair practices along the value chain and ensure transparency in commercial relations; Water Management Guidelines, to promote the responsible and sustainable use of water resources.

The objective of these initiatives is to harmonise ESG policies in all of the Group's legal entities, creating a common regulatory framework and strengthening employee awareness and engagement. In this manner, EuroGroup Laminations is committed to spreading a corporate culture based on sustainability and ethics, ensuring that these values are concretely integrated into the Company's daily activities.

EGLA believes it is essential to extend its ESG commitment to the entire value chain, promoting collaboration with strategic suppliers and partners. Starting from February 2025, the Company officially approved the Code of Conduct for Suppliers, strengthening the sustainability standards required of its partners. In parallel, it will continue to develop and update the ESG qualification and assessment programme for suppliers, ensuring compliance with the principles of environmental, social and governance responsibility throughout the supply chain.

This programme will be supported by the periodic dissemination of an ESG survey, which will allow the Company to monitor the environmental, social and governance performance of suppliers. The objective is twofold: on the one hand, to ensure that partners operate in compliance with the Group's ethical and environmental standards, and on the other, to identify areas for improvement and promote a sustainable transition of the entire production ecosystem.

EGLA will constantly update these tools according to regulatory developments and industry best practices, thereby consolidating its role as a leader in sustainability and strengthening its collaboration with suppliers committed to responsible growth.

Also for 2024, EuroGroup Laminations confirmed the adoption of ESG KPIs to ensure the constant monitoring of its environmental, social and governance performance, maintaining a high level of engagement of all stakeholders. The Company will continue to integrate ESG objectives into company strategy, strengthening its long-term commitment and encouraging greater awareness and participation by employees, suppliers and other players in the value chain. Alignment with industry best practices and international standards will ensure an increasingly structured and transparent approach, supporting EGLA in achieving concrete and sustainable results.

The Group will adopt a Sustainability Plan in 2025, within which there will be a particular focus on the decarbonisation of its processes. With regard to the individual initiatives, particular emphasis will be given to those for tracking carbon dioxide emissions in the various phases of product processing and throughout the value chain (i.e., the calculation of the product's carbon footprint). In addition, in terms of energy, the purchase of Guarantees of Origin will be incentivised to cover a portion of the energy needs of production processes with energy produced from renewable sources.

(42.a,b,c) For descriptions of its business model and value chain, please see the chapter "Group activities".

SBM-2 – Interests and views of stakeholders

EuroGroup Laminations recognises that sustainable business practices generate long-term value for all stakeholders, including those who influence or are directly involved in the Company's operating activities. In compliance with ESRS 2 SBM-2, the Company ensures that stakeholder engagement is a structured and continuous process, facilitating the identification and prioritisation of sustainability issues.

(45 a,b) For EuroGroup Laminations, it is essential to connect and communicate with its stakeholders, in order to identify and prioritise their concerns. For this reason, the Group aims to establish active, constant dialogue with all of its stakeholders, with the goal of promoting stable and long-lasting relationships based on the values of transparency, trust and consensus in decisions. This is based on the belief that a constant dialogue with all Stakeholders ensures a continuous feedback mechanism that allows the Group to control the impacts of the company activities on the environment and society. Moreover, stakeholder engagement provides opportunities to further align EuroGroup Laminations business practices with societal needs and expectations, helping to drive long-term sustainability.

To establish constant and mutually beneficial dialogue, the Group applies a stakeholder mapping process to identify the relevant stakeholders, whose contribution is essential for the sustainability strategy and the corporate decision-making process. In the first year of reporting according to the CSRD and ESRS standards, the materiality analysis focused mainly on internal stakeholders, in particular the Group's employees. However, the Company plans to gradually expand its engagement with external stakeholders in future materiality assessments, ensuring a broader and more representative analysis.

To ensure effective and constructive dialogue, the Company has defined two fundamental activities:

- the identification of key stakeholders, with whom to promote regular engagement initiatives.
- The selection of the most appropriate interaction methods, suited to the specific needs and expectations of each stakeholder group.

The Group adopts various engagement tools to foster structured dialogue with stakeholders, based on regular and targeted interaction.
Some of the main methods used include:

- Employees and trade union representatives, the Group recognises that dialogue with employees and trade unions is essential for the achievement of corporate and sustainability objectives. To this end, the following are organised:
  - Periodic meetings with trade unions at Eurotranciatura S.p.A. to discuss second-level contracts, training plans and issues relating to plant safety.
  - Extraordinary meetings in case of need, to address specific business and operating needs.

- Media and communication: communication with the media is considered a strategic leverage for transparency and corporate reputation. For this reason, EuroGroup Laminations has established a dedicated Communication Office, responsible for managing interactions with the press, television and other information channels. Some activities include:
  - Use of social media such as LinkedIn to expand visibility and strengthen the Company's attractiveness for new talents.
  - Support for business growth through targeted communication strategies.
- Supervisory and control authorities: the Group maintains regular, open dialogue with the supervisory authorities of the financial market (for example, CONSOB, Italian Stock Exchange) to guarantee the highest levels of integrity, fairness and transparency towards the investors community and stakeholders.
  In this context, EuroGroup Laminations:
  - Ensures full compliance with current regulations, actively interacting with regulatory authorities
  - Participates in regulatory updating initiatives to strengthen its commitment to responsible governance.

(45 c) The information collected through stakeholder engagement plays a key role in the definition of sustainability policies, risk management and the strategic decision-making process. The main areas of integration include:

- Materiality assessments - prioritisation of sustainability issues based on impact materiality and financial materiality.
- ESG risk management - identification of risks and opportunities related to environmental, social and governance impacts.
- Governance structures - strengthening of internal policies to align with stakeholder expectations and regulatory requirements.

(45 d) To ensure that the opinions of stakeholders are effectively integrated into the corporate decision-making process, EuroGroup Laminations has set up formal reporting mechanisms, aimed at informing the administrative, management and supervisory bodies on the main sustainability issues. The Sustainability Statement is presented to the Board of Directors, which includes periodic updates on the impacts, stakeholder expectations and the main risks and opportunities linked to sustainability. Periodic briefings for the Control, Risk and ESG Committee, where there is a focus on sustainability strategies and their implementation; and monitoring of ESG performance, to assess the impact of corporate decisions in relation to environmental, social and governance issues. Through these tools, EuroGroup Laminations ensures that the opinions of stakeholders are systematically integrated into company decision-making processes, strengthening its commitment to transparent, responsible and sustainable management.

SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
EuroGroup Laminations, in line with the new reporting requirements of the Corporate Sustainability Reporting Directive (CSRD), has adopted for the first time a dual materiality approach that assesses both the effects of company activities on sustainability, and the influence of risks and opportunities related to sustainability on the Company.
The following table shows the results of the Dual Materiality analysis, separating the results according to the reference ESRS.
For each material IRO, the associated material topic, the description of the IRO, the correlation to the value chain, the reference time horizon and the distinction (for Impacts) between Actual and Potential are identified.
EuroGroup Laminations' business strategy takes into account these IROs and, as indicated in the section "Risk management and internal controls over sustainability reporting" Board of Directors through the Control, Risk and ESG Committee monitors and manages identified risks, impacts and opportunities.

E1– Climate change					
Material topic	**IRO**	**Value chain**	**Time horizon**	**IRO Description**	**Actual/Potential**
Energy	Negative impact	Upstream, Operations	Medium - Long Term	Impact on climate change deriving from greenhouse gas emissions generated by the Group's suppliers (Scope 3)	Actual
Energy	Negative impact	Upstream	Medium - Long Term	Impact on climate change generated by the purchase of energy from non-renewable sources	Actual
Energy	Negative impact	Operations, Downstream	Medium - Long Term	Impact on climate change deriving from greenhouse gas emissions generated by the Group (Scope 1, 2)	Actual
Energy	Risk	Upstream, Operations	Short - Medium - Long Term	Increasingly stringent environmental regulations, such as those relating to the reduction of carbon emissions and energy efficiency, may impose additional costs linked to the adjustments of production facilities	/
Energy	Opportunity	Operations	Short - Medium - Long Term	The transition to renewable energy sources, such as solar, wind or hydroelectric power, offers the opportunity to reduce dependence on fossil fuels and invest in energy self-production plants or sign long-term purchase contracts (PPA), stabilising energy costs	/
Climate change mitigation and adaptation	Positive impact	Operations, Downstream	Medium - Long Term	Positive impact on climate change mitigation through the contribution to the SiGreen software presented at COP28 (which allows the calculation of the Product Carbon Footprint, tracking the amount of CO2 emitted per component along the entire production chain), with which EuroGroup aims to contribute to the reduction of CO2 emissions linked to the life cycle of electric vehicles	Potential
Climate change adaptation	Risk	Upstream, Operations, Downstream	Medium - Long Term	Damage caused to company assets/people and interruption of production due to natural events associated with climate change, including risks deriving from changes in temperature, wind and precipitation	/
Climate change adaptation	Risk	Upstream, Operations, Downstream	Medium - Long Term	Extreme weather events (such as storms, floods, heat waves) can cause logistical problems with suppliers, including delays in deliveries or unavailability of raw materials, which lead to repercussions on sales volumes and turnover	/
Climate change adaptation	Risk	Upstream, Operations, Downstream	Short - Medium - Long Term	Increased costs in resilient infrastructure investments to reduce the risks associated with climate impacts, such as advanced drainage systems, renewable energy plants, or environmental impact reduction technologies	/
Climate change adaptation	Opportunity	Upstream, Operations	Medium - Long Term	Per adattarsi ai cambiamenti climatici, l'azienda potrebbe dover sviluppare tecnologie/processi/prodotti innovativi, con opportunità di posizionamento più competitive rispetto a concorrenti che hanno adottato tecnologie meno sostenibili e resilienti	/
Climate change adaptation	Opportunity	Upstream, Operations	Breve – Medio – Lungo Termine	Collaborazioni con fornitori virtuosi in termini di impegno di efficienza energetica che possono rafforzare la reputazione aziendale e attrarre nuovi clienti	/

E2 – Pollution					
Material topic	**IRO**	**Value chain**	**Time horizon**	**IRO Description**	**Actual/Potential**
Air pollution	Risk	Upstream, Operations, Downstream	Long Term	Any introduction of regulations relating to permitted emission limits could lead to repercussions on company business lines with consequent increase in costs	/
Air pollution	Risk	Upstream, Operations	Medium - Long Term	Any sanctions, restrictions or need for improvement of the systems to reduce air pollution could cause operational interruptions, with consequent delays in the production and delivery of products to the customer	/
Substances of concern	Risk	Upstream, Operations, Downstream	N/A	Increase in costs due to the need for Euogroup to replace and minimise the use of substances of concern and gradually abandon substances of very high concern	/

E5 – Resource use and circular economy					
Material topic	**IRO**	**Value chain**	**Time horizon**	**IRO Description**	**Actual/ Potential**
Waste	Positive impact	Downstream	Medium - Long Term	Positive impact on resource savings thanks to scrap activities that allow 95% of waste to be collected, sorted and resold to foundries	Effettivo
Waste	Risk	Operations	Medium - Long Term	More stringent regulations on the waste generated could lead the Group to optimise production processes, increasing operating expenses.	/
Waste	Opportunity	Operations, Downstream	Short - Medium - Long Term	The recycling and sale of waste material represent an opportunity to increase revenues, while improving corporate reputation	/
Waste	Opportunity	Operations, Downstream	Long Term	Through the adoption of waste minimisation practices and more efficient treatment technologies from market stimuli, EuroGroup Laminations can reduce the costs associated with transport and disposal in landfills or other waste management services	/
Inflows of resources including the use of resources	Risk	Upstream	Short - Medium - Long Term	The most recent geopolitical tensions, and the strengthening of environmental and social regulations can lead to procurement difficulties, in particular on critical and strategic materials, with consequent operational and sales repercussions	/

Inflows of resources including the use of resources	Opportunity	Upstream, Operations	Short - Medium - Long Term	The increase in circular economy regulations represents an opportunity for EuroGroup Laminations to improve its reputation by adopting more sustainable procurement policies. The Company can achieve financial benefits, positioning itself as a leader in the sustainability sector and attracting customers and investors sensitive to ESG criteria	/
Inflows of resources including the use of resources	Risk	Upstream, Operations, Downstream	Short - Medium - Long Term	EuroGroup Laminations has a risk of dependence on the procurement of raw materials necessary for production operations. Any interruption in availability, increase in costs, or limitation in access to these resources could have significant financial effects, including higher operating expenses, reduced profit margins and negative impacts on the Company's competitiveness.	/
Inflows of resources including the use of resources	Risk	Operations	Short - Medium - Long Term	Increasingly stringent environmental regulations at international and national level to reduce the use of non-renewable resources and CO2 emissions could lead the Group to comply with regulations that limit the use of certain resources or impose more expensive practices	/
Outflows of resources related to products and services	Risk	Upstream, Operations	N/A	Exchange rate fluctuations can affect the Group's outflows of economic resources: a strengthening of the local currency compared to that of foreign markets can increase the Company's operating expenses, in particular for the purchase of raw materials or the export of its products	/

S1 – Own workforce					
Material topic	**IRO**	**Value chain**	**Time horizon**	**IRO Description**	**Actual/Potential**
Working conditions	Positive impact	Operations	Short Term	Positive impact on workplace safety due to innovation projects that aim to increase the automation of specific production processes, to the point of allowing employees to reduce their workload on repetitive and risky activities.	Actual
Equal pay and opportunities for all	Positive impact	Operations	Short - Medium - Long Term	Positive impact on employee satisfaction and on their cognitive abilities due to investments in training	Actual
Working conditions	Positive impact	Operations	Short Term	Positive impact on the workforce due to investments in adequate salaries	Actual
Equal pay and opportunities for all	Positive impact	Operations	Short Term	Positive impact due to the creation of an inclusive environment by promoting diversity in governance bodies and among employees	Potential
Working conditions	Positive impact	Operations	N/A	Positive impact on its workforce due to the correct implementation of strong and responsible employment policies	Potential
Equal pay and opportunities for all	Positive impact	Operations	Short - Medium - Long Term	Positive impact on employee satisfaction and growth due to collaboration with colleagues of different abilities, promoting the development of relational skills, such as empathy and communication	Potential
Working conditions	Negative impact	Operations	N/A	Potential impact on own workforce deriving from unbalanced and flexible working hours	Potential
Working conditions	Negative impact	Operations	N/A	Potential impact due to excessive workload or rigid working hours that can lead to stress and burnout among employees, affecting their mental and physical health	Potential
Equal pay and opportunities for all	Opportunity	Operations	Short - Medium - Long Term	Fair recruitment, appointment and promotion processes, regardless of gender, cultural or ethnic diversity, can lead to better financial performance for the Group	/
Equal pay and opportunities for all	Opportunity	Operations	Short - Medium - Long Term	The Company's commitment to improving the skills of its employees and creating an attractive and stimulating work environment can attract new skills from the reference market with positive repercussions on turnover	/
Equal pay and opportunities for all	Risk	Operations	Long Term	Non-compliance with labour inclusion regulations: failure to comply with these laws, such as Law 68/99 in Italy (on targeted placement), may expose EuroGroup Laminations to administrative sanctions, fines or lawsuits.	/
Equal pay and opportunities for all	Opportunity	Operations	Short - Medium - Long Term	Diversification of skills: the inclusion of people with disabilities allows the Company to access a pool of diversified talents, with unique experiences and perspectives. People with disabilities can bring technical skills, creativity and problem-solving skills that enrich the entire team and contribute to innovation.	/

Equal pay and opportunities for all	Risk	Operations	Long Term	Civil and criminal liability: if the Company fails to prevent cases of violence or harassment at work, it may be called upon to respond in civil or criminal proceedings. This could include lawsuits by victims, who could claim moral or material damages suffered as a result of the Company's lack of protection.	/
Equal pay and opportunities for all	Risk	Operations	Long Term	Negative corporate culture: if measures against violence and harassment are not implemented effectively or are perceived as insufficient, a toxic or hostile corporate culture may develop. A work environment characterised by a lack of respect, fear or intimidation can lead to penalties or reputational damage with significant repercussions on company costs	/
Equal pay and opportunities for all	Risk	Operations	Long Term	If the Company fails to create an inclusive environment in which all employees feel valued and respected, there could be an increase in turnover among talent from minority groups, with consequent reputational damage	/
Equal pay and opportunities for all	Opportunity	Operations	Short - Medium - Long Term	Employees from different countries and cultures can help EuroGroup Laminations to better understand the needs and preferences of customers in international markets, helping to expand the Company's presence and improve its competitiveness.	/
Equal pay and opportunities for all	Opportunity	Operations	Short - Medium - Long Term	Diversity and inclusion are key factors in ESG metrics, which more and more investors consider fundamental. EuroGroup Laminations can improve its credentials in terms of social sustainability, attracting investors and stakeholders attentive to these metrics and expanding market opportunities	/
Working conditions	Risk	Upstream, Operations, Downstream	N/A	Reputational risk due to violations of workers' rights with regard to freedom of association	/
Working conditions	Risk	Operations	Short - Medium - Long Term	Serious and repeated health and safety incidents involving employees can have operational and reputational repercussions	/
Working conditions	Risk	Operations	Short - Medium - Long Term	Inadequate working conditions with regard to safe employment can cause an increase in staff turnover with consequent loss of productivity and strategic figures such as employees with technical skills, to the detriment of business continuity	/
Working conditions	Risk	Operations	Short - Medium - Long Term	Inadequate working conditions with regard to working hours can cause an increase in staff turnover with consequent loss of productivity and strategic figures such as employees with technical skills, to the detriment of business continuity	/
Working conditions	Risk	Operations	Short - Medium - Long Term	Inadequate salaries can lead to an increase in staff turnover that moves towards more attractive job opportunities, with a consequent loss of productivity and of strategic figures such as employees with technical skills, to the detriment of business continuity	/
Working conditions	Risk	Operations	Short - Medium - Long Term	The potential non-compliance with collective bargaining can give rise to higher costs (e.g., cost for consultancy/ external collaborators/temporary agencies) as well as possible legal actions/ sanctions and protests or strikes to the detriment of the corporate reputation	/
Working conditions	Risk	Operations	Short - Medium - Long Term	The poor work-life balance can cause an increase in staff turnover, with a consequent loss of productivity and strategic figures such as employees with technical skills, to the detriment of business continuity	/
Other work-related rights	Risk	Upstream, Operations	N/A	The potential involvement of EuroGroup Laminations in child labour practices, directly or through its supply chain, can lead to serious legal consequences, including fines, suspension of activities and criminal sanctions.	/
Other work-related rights	Risk	Upstream, Operations	N/A	The potential involvement of EuroGroup Laminations in forced labour practices can lead to serious legal sanctions, fines and even prison sentences for responsible managers.	/
Other work-related rights	Risk	Operations	N/A	Any attacks related to cybersecurity can undermine the security of workers' data and cause an increase in turnover, as well as reputational damage with negative consequences on business relationships	/

S2 – Workers in the value chain					
Material topic	**IRO**	**Value chain**	**Time horizon**	**IRO Description**	**Actual/Potential**
Working conditions	Positive impact	Upstream, Operations	Short - Medium Term	Positive impact on workers in the value chain due to the activation of constant dialogue between the parties	Actual
Equal pay and opportunities for all	Positive impact	Upstream, Operations	Short - Medium Term	Positive impact on suppliers' diversity and inclusiveness deriving from a selection of suppliers based on ESG criteria	Actual
Working conditions	Negative impact	Upstream, Operations	Short - Medium Term	Potential impact on workers in the value chain due to possible non-compliance with regard to health and safety that lead to the occurrence of potential serious injuries or occupational diseases to the detriment of workers (e.g., exposure to substances of concern, noise,...)	Potential
Working conditions	Risk	Upstream	Short - Medium - Long Term	Health and safety risks related to exposure to potentially toxic materials can lead to the arrangement of prevention measures for workers along the value chain with repercussions on company costs	/
Working conditions	Risk	Upstream, Operations	Short - Medium - Long Term	The absence of safe employment for workers in the value chain can lead to delays in the supply of goods, with a consequent increase in costs for EuroGroup	/
Working conditions	Risk	Upstream, Operations	Short Term	If suppliers face trade union conflicts or strikes due to insufficient wages, EuroGroup could experience interruptions in the production and supply of goods and services with consequent repercussions on normal operations	/
Working conditions	Opportunity	Upstream, Operations	Medium - Long Term	A constructive social dialogue can contribute to building stronger and more resilient relationships with suppliers, making EuroGroup less vulnerable to disruptions in the supply chain, with positive repercussions on operations	/
Working conditions	Opportunity	Upstream, Operations, Downstream	Medium - Long Term	Suppliers that implement positive collective bargaining practices can benefit from more motivated and satisfied workers, improving the quality of products and services provided to EuroGroup, with positive effects on sales volumes to end-users	/
Working conditions	Opportunity	Downstream	Medium - Long Term	Supporting work practices that promote work-life balance among suppliers can improve EuroGroup's reputation as a responsible Company that cares about the well-being of workers, consequently increasing the demand for products from consumers and end-users.	/
Other work-related rights	Risk	Upstream, Operations, Downstream	N/A	The potential involvement of EuroGroup Laminations value chain workers in forced labour practices can lead to serious legal sanctions and fines, as well as exclusion from the Group's sales market.	/
Other work-related rights	Risk	Upstream, Operations	N/A	The potential involvement of EuroGroup Laminations value chain workers in child labour practices can lead to serious legal sanctions and fines, as well as exclusion from the Group's sales market.	/
Other work-related rights	Risk	Upstream, Operations	N/A	Any attacks related to cybersecurity verified in the supplier companies can undermine the data security of workers in the value chain and cause reputational damage with negative consequences on the commercial relationship with the Group	/
Equal pay and opportunities for all	Opportunity	Upstream, Operations	Medium - Long Term	Employees of the value chain who are offered frequent training, who acquire greater skills and capabilities, can make a difference in the commercial relationships that these companies have with the Group, increasing market opportunities	/
Equal pay and opportunities for all	Opportunity	Upstream, Operations, Downstream	Short - Medium - Long Term	Respect for issues such as diversity and inclusion within companies in the value chain, key factors in ESG metrics that more and more investors consider fundamental, acts positively on EuroGroup's reputation, attracting investors and stakeholders attentive to these metrics and expanding its market opportunities	/

S3 – Affected communities					
Material topic	**IRO**	**Value chain**	**Time horizon**	**IRO Description**	**Actual/Potential**
Economic, social and cultural rights of communities	Positive impact	Upstream, Operations, Downstream	Short - Medium Term	Positive impact on the affected communities through job opportunities offered by the Company	Actual
Civil and political rights of communities	Opportunity	Downstream	Medium - Long Term	A company that promotes freedom of expression and civil rights in communities is seen as responsible and respectful of human values. This can improve the public perception and positioning of EuroGroup Laminations as an ethical and sustainable company, increasing the demand for products from consumers and end-users.	/
Civil and political rights of communities	Risk	Downstream	N/A	Reputational risk: if EuroGroup Laminations is perceived as a company that does not respect the freedom of association in the communities in which it operates, it could suffer damage to its image with consequent repercussions on operations	/
Civil and political rights of communities	Opportunity	Operations	Medium - Long Term	ESG investors are looking for companies with a solid policy of respect for human rights. By promoting freedom of association, EuroGroup Laminations can attract capital from funds that favour socially responsible companies, increasing growth opportunities. The reception of these investments could improve production and sales activities	/
Civil and political rights of communities	Opportunity	Downstream	Medium - Long Term	Respecting the rights of human rights defenders reduces the legal risks associated with human rights cases. This avoids penalties, disputes and reputational damage that could affect the company's activities, with possible opportunities for increased demand for the product by consumers and end-users.	/

S4 – Consumers and end-users					
Material topic	**IRO**	**Value chain**	**Time horizon**	**IRO Description**	**Actual/Potential**
Personal safety of consumers and/or end-users	Positive impact	Downstream	Short - Medium - Long Term	Positive impact on consumers due to a quality standard of health and safety in products and services that increases consumers' protection, reducing the possibility of accidents and illnesses.	Actual
Social inclusion of consumers and/or end-users	Positive impact	Downstream	Short - Medium - Long Term	Positive impact on consumers and/or end-users due to the promotion of social inclusion and the reduction of the gender gap in the sponsorship of the use of the products sold	Actual
Social inclusion of consumers and/or end-users	Negative impact	Downstream	Medium Term	Potential impact on consumers or end-users due to possible exchange rates of strategic suppliers that could compromise the quality of the finished product	Potential
Impacts related to information for consumers and/or end-users	Positive impact	Downstream	Short - Medium - Long Term	Positive impact on consumers and/or end-users due to access to clear and transparent information that allows consumers to make informed decisions, increasing their autonomy and confidence in their purchases	Potential
Impacts related to information for consumers and/or end-users	Risk	Downstream	Short - Medium - Long Term	Risks related to cybercrime and hacker attacks can generate unavailability of IT systems and the loss of sensitive data (e.g., customer data), with consequent reputational damage and repercussions on commercial activities	/
Social inclusion of consumers and/or end-users	Opportunity	Upstream, Operations, Downstream	Short - Medium - Long Term	New needs dictated by external pressures (market, regulatory changes, climate change) can lead to a diversification of the offer of products and services with possible new market opportunities	/
Social inclusion of consumers and/or end-users	Opportunity	Operations	Short - Medium - Long Term	Investments in research, development and innovation to anticipate market dynamics, the development of green and innovative technologies can have potential positive repercussions on market opportunities	/
Social inclusion of consumers and/or end-users	Opportunity	Upstream, Operations	Short - Medium - Long Term	Creation of strategic partnerships that focus on sustainable solutions with positive repercussions on new business opportunities	/
Social inclusion of consumers and/or end-users	Risk	Upstream, Operations	Short - Medium - Long Term	Risk of the introduction of new regulations related to sustainability (ESG) that may impact company operations	/
Social inclusion of consumers and/or end-users	Risk	Upstream	Short - Medium - Long Term	Reputational risks associated with high costs for the purchase of products during periods of crisis can lead to negative repercussions on turnover	/
Impacts related to information for consumers and/or end-users	Opportunity	Operations	Short - Medium - Long Term	Investing in advanced technologies for the protection of information can stimulate innovation and position the Company as a technological leader, increasing the added value of its products and bringing positive effects on new business opportunities	/

Impacts related to information for consumers and/or end-users	Opportunity	Downstream	Short - Medium - Long Term	A commitment to respect for freedom of expression can improve the image of EuroGroup Laminations, attracting potential customers and investors and increasing commercial opportunities.	/
Impacts related to information for consumers and/or end-users	Risk	Downstream	Short - Medium - Long Term	In many markets, there are stringent regulations that require the provision of accurate and complete information to protect consumers. The dissemination of misleading information could result in fines and penalties with economic burdens for EuroGroup.	/
Impacts related to information for consumers and/or end-users	Opportunity	Operations	Short - Medium - Long Term	The adoption of high standards in communication can lead to certifications that attest to quality and transparency, favouring the attractiveness of EuroGroup Laminations for partners and investors, with positive repercussions on commercial relationships.	/
Personal safety of consumers and/or end-users	Risk	Downstream	Short - Medium - Long Term	If the products or components produced have defects or do not comply with safety standards, consumers could run the risk of injury or physical damage, which can lead to potential complaints to EuroGroup. This is particularly material for electrical or mechanical components that must comply with specific safety standards.	/
Personal safety of consumers and/or end-users	Opportunity	Downstream	Short - Medium - Long Term	High product safety standards allow the Company to comply with strict regulations, facilitating access to regulated markets, bringing commercial benefits.	/
Personal safety of consumers and/or end-users	Risk	Downstream	Short - Medium - Long Term	Components with defects or which are non-compliant with safety standards can damage the reputation of the products and commercial performance of EuroGroup and undermine sales.	/
Personal safety of consumers and/or end-users	Opportunity	Operations	Short - Medium - Long Term	Investments in research and development aimed at improving product safety stimulate technological innovation and make it possible to create advanced solutions for personal safety, favouring access to innovative markets and bringing commercial benefits.	/
Social inclusion of consumers and/or end-users	Risk	Downstream	Long Term	Non-compliance with anti-discrimination laws, such as non-compliance with diversity and inclusion in access to products or in communication, can lead to sanctions and legal proceedings with repercussions on the Group's costs, especially in markets where regulations are strict.	/
Social inclusion of consumers and/or end-users	Risk	Downstream	Long Term	Some markets strictly regulate commercial practices to ensure consumer protection. EuroGroup Laminations could incur legal sanctions if it does not comply with these regulations, especially when they aim to protect vulnerable groups.	/

G1 - Business conduct					
Material topic	**IRO**	**Value chain**	**Time horizon**	**IRO Description**	**Actual/Potential**
Corruption and bribery	Positive impact	Operations	Short - Medium - Long Term	Positive impact due to proper training on ethical and integrity issues that involves employees, making them more aware and responsible in their daily behaviour	Actual
Corporate culture	Positive impact	Upstream, Operations, Downstream	Short - Medium - Long Term	Positive impact on stakeholders due to the dissemination of a corporate culture based on ethics, integrity, fairness, non-discrimination and respect for human rights by management, employees and business partners	Actual
Protection of whistle-blowers	Positive impact	Operations	Short - Medium - Long Term	Positive impact on employees linked to facilitating dialogue with trade unions and workers' representatives, promoting collaborative relationships	Actual
Political commitment and lobbying activities	Positive impact	Upstream, Operations, Downstream	Short - Medium - Long Term	Positive impact on stakeholders due to collaboration with government bodies and industry associations, which can stimulate research and innovation projects, increasing the value created for the local area	Potential
Management of relations with suppliers, including payment practices	Positive impact	Upstream, Operations	Short - Medium - Long Term	Positive impact due to effective communication with suppliers that helps to optimise supply chain planning and management, reducing delays and interruptions and encouraging correct behavioural practices externally	Potential
Corporate culture	Opportunity	Upstream, Operations, Downstream	Short - Medium - Long Term	The increased demand for sustainability and social responsibility can encourage EuroGroup to develop a culture that values these issues, with the opportunity to attract new customers, partnerships and talents sensitive to these issues	/
Corporate culture	Risk	Operations	Long Term	The growing expectations of society in terms of diversity and inclusion can put pressure on the Company to change its culture, risking to lose credibility and therefore suffer reputational damage	/
Protection of whistle-blowers	Opportunity	Operations, Downstream	Short - Medium - Long Term	A strong commitment to the protection of whistleblowers can attract investors and customers sensitive to ethical practices, activating new market opportunities	/
Management of relations with suppliers, including payment practices	Opportunity	Upstream, Operations	Short - Medium - Long Term	Negotiating advantageous payment practices can help reduce operating expenses (especially in the case of procurement) and improve liquidity.	/
Management of relations with suppliers, including payment practices	Opportunity	Upstream, Operations	Short - Medium - Long Term	Good supplier management allows EuroGroup to quickly adapt to market fluctuations and customer needs with positive repercussions on commercial relationships	/
Management of relations with suppliers, including payment practices	Risk	Upstream, Operations, Downstream	Short - Medium - Long Term	If suppliers do not comply with quality standards, the Company could suffer loss of reputation and additional costs to solve the problems	/

Corruption and bribery	Opportunity	Operations, Downstream	Short - Medium - Long Term	The introduction of stricter regulations against corruption offers EuroGroup the opportunity to develop robust compliance practices, improving its reputation with positive repercussions on business relationships	/
Corruption and bribery	Risk	Downstream	Medium - Long Term	Social expectations regarding business ethics are evolving, and a failure to adapt can lead to criticism and loss of trust from stakeholders as well as exposure to legal disputes	/
Corruption and bribery	Opportunity	Downstream	Short - Medium - Long Term	The increasing public attention on corruption offers EuroGroup the opportunity to position itself as an ethical leader, improving its reputation.	/

1.1.4 Impact, risk and opportunity management

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

The process adopted to identify and assess impacts, risks and opportunities (IRO) is based on the methodological dual materiality approach, as required by the CSRD regulations and supported by EFRAG IG 1: Materiality Assessment Implementation Guidance.

This approach allows to integrate the analysis of the company's effects on people and the environment with the assessment of risks and opportunities that may influence financial results. The material topics identified were integrated into the company strategy, investment plans and operating processes. The Group uses this information to optimise the allocation of resources and to guide business decisions in a sustainable manner. The dual materiality assessment was supported by a sound database, including sector benchmarks, regulatory analyses (CSRD, EU Taxonomy) and financial models and internal risk assessment. These sources allowed to refine the assessment methodology and ensure alignment with the best practices in the sector.

(par. 53 a-h) *EuroGroup Laminations* has developed a structured approach to ensure compliance with the ESRS framework, while maintaining alignment with corporate strategy and risk management.

The process was divided into the following phases:

10. **Understanding the context and mapping the Group's value chain**, with the aim of identifying the interconnections between company activities, stakeholders and impacts along the value chain. This phase also included a geographical and dependency analysis.
11. **Identification of Impacts, Risks and Opportunities (IRO)** based on the information collected during the context analysis, a complete long list of IROs was identified, taking as a methodological reference the breakdown of the main topics, sub-topics and sub-sub-topics (as detailed in Application Requirement 16 of the ESRS).
12. **Assessment of the IROs** by the contact persons identified through questionnaires, broken down into:
    - **Impact materiality**, assessed based on the likelihood of occurrence and the severity of the impact, with the latter divided into scale, scope and irremediability.
    - **Financial materiality**, analysed considering the probability of likelihood and the magnitude of the economic effects expected from the risks and opportunities linked to sustainability.

    To ensure consistency and comparability, a quantitative scoring system has been adopted. The impact materiality assessment criteria included the likelihood and severity of the impact, while for financial materiality, metrics were defined based on the scale of the potential economic impact. A materiality threshold was then established to determine which topics had strategic materiality for the Company and therefore required priority attention in reporting.
13. **Validation and finalisation of the IROs** by the Risk Control Committee, which validated the analysis and approved the list of material topics, ensuring compliance with the regulatory framework of the ESRS

IMPACT MATERIALITY

(53 b) The analysis of the impact materiality focused on the actual and potential impacts that *EuroGroup Laminations*' activities may have on people, the environment and society, both directly and through the value chain.
The assessment followed a structured process that included:

- **Mapping current and potential impacts**, with an in-depth analysis of company relations and external agencies.
- The application of a **qualitative model**, with defined metrics to measure the likelihood and severity of the impact.
- **Stakeholder engagement** in the assessment process, through targeted consultations with employees, to validate the classification of the most material issues.

- The impacts, distinguished between positive and negative, as well as between current and potential, were analysed using a parametric scale structured on five levels, assessing their materiality and likelihood of occurrence. The assessment was conducted according to the criteria of scale, scope and irremediability, in compliance with the ESRS and the IG1 Materiality Assessment Implementation Guidance. Through the impact materiality assessment process, **26 material impacts** were identified, of which **7 negative** and **19 positive**, in relation to the ESG issues identified. This analysis made it possible to define the sustainability priorities for *EuroGroup Laminations* in 2024, considering the impact materiality perspective. In addition, each topic was linked to the relevant ESRS Topic of reference (SBM-3).

The analysis made it possible to classify the material topics into three main sustainability dimensions:

14. **Governance**, including aspects of business ethics, risk management and regulatory compliance.
15. **Environment**, with a focus on emissions, circular economy, pollution and energy efficiency.
16. **Social**, including human rights, working conditions and impacts on the community.

FINANCIAL MATERIALITY

(par. 53 c) The financial materiality assessment process consists of identifying information on sustainability that could influence the decisions of the primary users of company financial statements, in particular investors, lenders and other financial stakeholders. The analysis focuses on the materiality of this information, assessing whether its omission, misrepresentation or lack of clarity could reasonably affect the choices of resource allocation by stakeholders, in compliance with the requirements of the ESRS. The financial materiality assessment analysed how risks and opportunities related to sustainability can influence the economic performance of *EuroGroup Laminations*, with particular attention to cash flows, operating expenses and investment strategies.
The financial materiality assessment was managed in cooperation between the ESG Division and the Financial Division, with the aim of identifying and analysing the most material sustainability risks and opportunities for the Group and its main business areas.
Each risk and opportunity was analysed according to a scoring system that assessed the likelihood and magnitude of the financial impact. The definition of a **materiality threshold** made it possible to determine which issues had material economic implications and should be integrated into the Company's financial planning. The financial materiality process identified **44 material risks** and **33 opportunities** linked to sustainability issues.

The results of the assessment were discussed with the **Risk Control Committee**, to ensure that sustainability considerations were an integral part of corporate decisions.
EuroGroup Laminations will continue to actively monitor the evolution of sustainability-related risks and opportunities, integrating them into business processes to ensure responsible and transparent management.

MDR-P - Policies adopted to manage material sustainability matters
Il Gruppo ha adottato una serie di politiche per gestire le questioni di sostenibilità rilevanti.
The Group has adopted a series of policies to manage material sustainability issues.
In line with the minimum disclosure obligation, the table below brings together the set of policies and management systems of *EuroGroup Laminations* in order to prevent, mitigate and correct actual and potential impacts, address risks and pursue opportunities.

Policy	Description of the main contents	Scope of application	Maximum management level in the organisation of the company responsible for its implementation	References to third-party regulations or initiatives that the company undertakes to respect through policy implementation	Accessibility of the policy
Sustainability Policy 2024	• Energy and emissions: EuroGroup Laminations is committed to a gradual reduction of its energy consumption and working towards an increased transition to renewable energy. The Group keeps track of its annual energy consumption using an internal reporting system, where the total energy consumption in terms of total CO2 emissions is monitored. • Waste, materials and water management: EuroGroup Laminations manages its waste production by optimising the use of source materials in its production processes and implementing responsible disposal practices. The biggest part of waste produced by the Group is recycled through the selling of steel scraps. This should be seen as a concrete implementation of a circular economy model. The Group recognises the importance of water in its operations. • Working conditions and human rights: The Group's fundamental principles are aligned with the most rigorous international standards on working conditions and protection of human rights. • Business ethics: the Group is committed to conducting its operations with unwavering integrity by constantly adhering to ethical, professional and legal standards.	It applies to: subjects who have a subordinate employment relationship with the Group (including on a fixed or part-time basis), internship or apprenticeship (employees); parties that have agency or commercial representation contracts with the Group or other types of collaboration relationships that involve the provision of coordinated and continuous services (collaborators); each person responsible for one or more group units or departments (managers); the members of the Board of Directors, the members of the Board of Statutory Auditors and the General Managers of the Group (Group representatives); persons or public or private entities independent of the organisation (third parties); an external public or private entity with which the organisation has, or intends to establish, some form of business relationship (for example, customers, joint venture partners, business partners, consultants, contractors, subcontractors, suppliers, sellers, consultants, target companies in the event of mergers and acquisitions, brokers, agents, distributors, representatives, investors, certifying bodies, insurance companies, other parties in the context of intellectual property rights, etc. (commercial counterparties))	Group CEO	• UN Global Compact • Universal Declaration of Human Rights (1948) and European Convention for the Protection of Human Rights and Fundamental Freedoms (1950); • ILO (International Labour Organisation) Tripartite Declaration on Multinational Enterprises and Social Policy (1997) and ILO Declaration on the Fundamental Principles and Rights at Work (1998); • OECD (Organisation for Economic Cooperation and Development) Guidelines for Multinational Enterprises (2000); • UN Convention against corruption (2005); • The 2030 Agenda for Sustainable Development adopted by all United Nations Member States (2015).	EuroGroup publishes the Sustainability Policy on its official website and intranet.
Guideline for water management 2024	• Meet the monitoring and disclosure requirements reported by the Global Reporting Initiative (GRI) in the standard "GRI 303: Water and Effluents" • reduce water consumption and optimise performance in terms of the water management of Company sites; • minimise the organisation's impacts on water resources.	It applies to all sites of the organisation, in relation to the global perimeter.	Group CEO	• Italian Legislative Decree 152 of 3 April 2006, Environmental regulations - Part three: regulations on soil protection and the fight against desertification, protection of water from pollution and management of water resources. • Italian Legislative Decree 18 of 23 February 2023 - Implementation of Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption.	EuroGroup publishes the Guideline for Water management on its official website and intranet
Code of Ethics 2024	• General principles of conduct • Relations with commercial counterparties and third parties • Conflicts of interest • Use of corporate assets • Management of information • Protection of the environment, health and safety in the workplace	Applies to employees, collaborators, corporate representatives and third parties, including EuroGroup's commercial counterparties	Group CEO	Laws and regulations of the legal system of each country in which the Group operates.	EuroGroup publishes the Code of Ethics on its official website and intranet
Diversity, Equity and Inclusion Policy 2024	• Anti-discrimination and Diversity • Fairness • Inclusion • Work-life balance	Applies to the conduct of all Group employees, collaborators, executives and representatives.	Group CEO	Laws and regulations of the legal system of each country in which the Group operates.	EuroGroup makes the Diversity, Equity and Inclusion Policy available on the Group's website and Intranet and on the Group's social media account
Anti-Corruption Code	• Conflicts of interest • Sensitive areas and rules of conduct • Training and awareness-raising • Reporting	Applies to all EuroGroup Laminations staff; to public or private third parties who have relations with EuroGroup Laminations or who in any case act on its behalf or to promote its commercial interests (e.g., consultants, suppliers, agents, etc.)	Group CEO	• OECD Convention on combating corruption of Foreign Public Officials in international business transactions; • UN Convention against corruption; • Organisation for Economic Cooperation and Development (OECD), "Convention on Combating Bribery of Foreign Public Officials in international Business Transactions" of 1997; • United Nations Organisation (hereinafter, "United Nations" or "UN"), "Convention Against Corruption", adopted with resolution 58/4 of 31 October 2003; • Council of Europe, "Criminal Law Convention on Corruption" and "Civil Law Convention on Corruption" of 1999; • Council of the European Union, "Framework Decision 2003/568/JHA of the Council of 22 July 2003 on the fight against corruption in the private sector" of 2003; • The Wolfsberg Group, "Wolfsberg-Anti Corruption Guidance" of 2011; • International Chamber of Commerce, "ICC Rules on Combating Corruption" of 2011; • Transparency International, "Business Principles for Countering Bribery, a MultiStakeholder Initiative led by Transparency International" of 2013; • G-20, "2015-16 G20 Anti-Corruption Implementation Plan" of 2014; • Principle 10 of the UN Global Compact, "Businesses should work against corruption in alli its forms, including extortion and bribery"	EuroGroup makes the Anti-Corruption Code available on its official website and on the intranet

Whistleblowing Management Procedure	• Scope of application • Internal and external reporting • Guarantees and protection measures for the whistleblower	Applies to all own workers and third parties	Group CEO	• Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of individuals who report breaches of EU law. • EU Regulation 2016/679 on privacy and subsequent provisions (GDPR) and national privacy regulations • Italian Legislative Decree no. 24 of 10 March 2023 on "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of individuals who report breaches of EU law and laying down provisions concerning the protection of individuals who report breaches of the national regulatory provisions". • Italian Legislative Decree no. 231/2001 containing "Regulation on the administrative liability of legal persons, companies and associations, including those without legal personality, in accordance with Article 11 of Italian Law no. 300 of 29 September 2000". • Organisational Model: Organisation, Management and Control Model adopted pursuant to Italian Legislative Decree 231/2001, aimed at preventing the commission of particular types of offences in relation to business	The procedure is made available and can be consulted in the following ways: • through display in the workplace; • through the company intranet (https://intranet.eurotranciatura.it/documents/), for employees and collaborators; • through the company website (https://www.euro-group.it/governance), for all interested parties.
Remuneration Policy 2024	• Governance Model • Structure of remuneration for different members of the governance bodies	Directors, the Chief Executive Officer, the other Executive Directors, and the other ESRs of EuroGroup and, if necessary, of similar key figures present in other companies belonging to the Group	Group CEO	Legislation in force in the countries in which the Group is present	EuroGroup publishes the Remuneration Policy on its website
Policy on Environment, Health and Safety in the Workplace	• Key principles of the Group • Implementation of the policy • Awareness raising	It applies to all sites of the organisation, in relation to the global perimeter.	Group CEO	"Consolidated Law on Health and Safety" (Italian Legislative Decree no. 81 of 2008), "Environmental Regulations" (Italian Legislative Decree no. 152 of 2006) and the Criminal Code	EuroGroup publishes the Policy on Environment, Health and Safety in the Workplace on its website

IIRO-2 - ESRS disclosure requirements covered by the company's sustainability statement

The table listing the ESRS disclosure requirements that guided the preparation of the 2024 Sustainability Statement of Eurogroup Laminations is provided in the Appendix.

Environmental Disclosure

2.1 EU Taxonomy

In the field of sustainable finance, the European Union has defined the Taxonomy of environmentally sustainable activities in order to protect private investors from "greenwashing" and help companies become less impactful on the climate, directing investments where they are most needed to take an important step towards the green transition and achieve the EU's environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and reduction;
6. Protection and restoration of biodiversity and ecosystems.

The Taxonomy framework is structured through the following body of rules:

- EU Regulation 852/2020, which establishes the Taxonomy of environmentally sustainable activities;
- EU Delegated Regulation 2021/2139, defining the list of activities and criteria relating to the first two climate objectives and subsequent amendments published on 27 June 2023, which defined additional activities in relation to these objectives;
- EU Delegated Regulation 2022/2178, which specifies information disclosure obligations;
- EU Delegated Regulation 2023/2486, which defines the list of activities and criteria for the remaining four environmental objectives.

A partire dalle Dichiarazioni non finanziarie Starting from the Non-Financial Statements for the previous reporting period, with the publication of the Environmental Delegated Act by the European Commission in June 2023, non-financial companies were called upon to carry out their analyses on the six objectives, providing disclosures on the eligibility and alignment of its activities with respect thereto. To be classified as aligned, eligible activities must:

- Contribute substantially to the achievement of at least one of the six environmental objectives;
- Do no significant harm (DNSH) to any of the other environmental objectives;
- Respect the minimum protection clauses related to human and labour rights, corruption, taxation and fair competition.

For each economic activity mentioned in the delegated acts, the EU legislator has defined a series of specific technical screening criteria in order to assess the alignment of the eligible activities with reference to the six environmental objectives.
The result of the analyses leads companies to identify eligible and aligned activities for each reporting year, in relation to which it must provide three summary KPIs by filling in specific standardised table formats on revenues, CapEx and OpEx related to the activities themselves.

Based on the provisions of Delegated Regulation 2021/2178, which sets out the modalities and obligations for the disclosure of information relating to the Taxonomy, *EuroGroup Laminations* has updated its analysis in order to identify which of the Group's activities can contribute to the six environmental objectives, with reference to the list of environmentally sustainable activities contained in Delegated Acts 2021/2139 and 2023/2486.
The Group compared its activities and investments with the activities defined in the relevant technical documentation. These analyses were based on the interpretation and understanding of the requirements of the applicable regulations, including the Q&As officially published by the European Commission

from 2021 to 2024. During these evaluations, the segments of *EuroGroup Laminations* that were analysed deal with the manufacture of Electric Vehicle traction systems for the Automotive Business Unit, or rather the key components of electric car traction motors, and the segment that deals with the production of stators essential for the assembly of wind turbines for the Industrial Business Unit. The analysis conducted therefore showed that activity 3.18 "Manufacture of automotive and mobility components," which contributes to the Climate Change Mitigation objective (as of its inclusion in the amendment published in June 2023), and activity 3.01 "Manufacture of renewable energy technologies", which contributes to the Climate Change Mitigation and Adaptation objectives, can be considered eligible. In particular, in evaluating activity 3.01 for both objectives, in consideration of the nature of the activity itself, the Group considered its eligibility with respect to the objective of Mitigation of climate change (European Commission FAQ of 19 December 2022).

The analysis carried out on the economic data for the taxonomy was based on the following considerations: for the quantification of the numerator, the starting point was the analysis of the activities carried out by EuroGroup Laminations, identifying those attributable to the list of economic activities included in Delegated Acts 2021/2139 and 2023/2486. For the allocation of amounts relating to turnover, CapEx and OpEx for eligible activities, the information in the Group's accounting systems was used. The KPI denominator is constructed in a manner consistent with the numerator, but referred to the perimeter of the total economic activities of the consolidated Group.
Below are the principles used to construct the economic KPIs for the activities found eligible for the Taxonomy.

Turnover

The share of eligible turnover, as referred to in Article 8 paragraph 2 (a) of European Regulation 852/2020, corresponds to the portion of consolidated net revenue generated from the sale of products or servicesassociated with economic activities eligible for the taxonomy out of total net revenue as shown under the item "Revenue" in the consolidated income statement for the year ended 31 December 2024, in compliance with IAS 1.82(a). Revenues from the sale of rotors and stators in the Auto Traction sector for hybrid and electric cars and of stators for generators used in renewable energy plants were therefore taken into consideration.

CapEx

The share of eligible CapEx referred to in Article 8 paragraph 2 (b) of European Regulation 852/2020 is calculated as the part of capital expenditures associated with eligible activities and defined in accordance with the criteria set out in paragraph 1.1.2.2 of Delegated Act 2021/2178 over the total amount of CapEx from the Group's consolidated balance sheet, defined in accordance with the criteria set out in paragraph 1.1.2.1 of Delegated Act 2021/2178. CapEx incurred and directly connected to the Auto Traction sector attributable to hybrid and electric cars related to Activity 3.18 were considered as eligible

OpEx

The share of eligible OpEx, referred to in Article 8 paragraph 2 (b) of European Regulation 852/2020 includes the portion of non-capital expenditures associated with eligible activities and defined in accordance with the criteria set out in paragraph 1.1.3.2 of Delegated Act 2021/2178 over the total the total amount of OpEx from the Group's consolidated balance sheet, defined in accordance with the criteria set out in paragraph 1.1.3.1 of Delegated Act 2021/2178. Specifically, raw material costs, staff costs, amortisation, leasing and taxes were excluded. OpEx related to the Auto Traction sector attributable to hybrid and electric cars related to Activity 3.18 were considered as eligible. As with the CapEx KPI, the share of eligible OpEx attributable to Activity 3.01 is estimated on the basis of the relative share of eligible turnover.

Results

To date, therefore, for the climate change mitigation objective, the percentage of the Group's eligible turnover for the 2024 reporting period, considering activities 3.01 "Manufacture of renewable energy technologies" and 3.18 "Manufacture of automotive and mobility components", is 64.2%, a 7% increase compared to 2023. This increase is due to the increasing market demand for hybrid and electric cars, which led to a 9% increase in revenues in the Auto Traction sector. Specifically, the increase in the incidence of turnover from the Auto Traction sector on total Group revenues is attributable to the strong growth in the Auto Traction sector of the Chinese subsidiary and the slight growth in the Auto Traction sector by the Italian subsidiary Eurotranciatura and the Mexican subsidiary Eurotranciatura Mexico.

The percentage of eligible CapEx stands at 65,8% and the percentage of eligible OpEx is 61,7%. For the period 2023, the percentage of eligible Capex stood at 78.5 % and the percentage of eligible Opex was 56.6%.

Turnover:

Financial year N	Year		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic activites (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
Text		Currency	%	Y; N; N/EL; (b) (c)	Y; N; N/EL; (b) (c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0,00%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0	%							N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of renewable energy technologies	3.01 CCM	46.013	5,3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								50,48%		
Manufacture of automotive and mobility components	3.18 CCM	512.533	59%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6,80%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		558.546	64,25%	64,2%	0%	0%	0%	0%	0%								57,29%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		558.546	64,25%	64,25%	0%	0%	0%	0%	0%								57,29%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		310.843	35,8%																
TOTAL		**869.389**	**100%**																

ClimateTarget	Aligned Taget	Eligible Target
CCM	0%	64,25%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Capex:

Financial year N		Year		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic activites (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
Text		Currency	%	Y; N; N/EL; (b) (c)	Y; N; N/EL; (b) (c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0%	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	%	E	
Of which transitional		0	0%							N	N	N	N	N	N	N	%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of renewable energy technologies	3.01 CCM	2.128	2,1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3,31%		
Manufacture of automotive and mobility components	3.18 CCM	64.141	63,7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		66.269	65,8%	65,8%	0%	0%	0%	0%	0%								78,48%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		66.269	65,8%	65,8%	0%	0%	0%	0%	0%								78,48%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		34.480	34,2%																
TOTAL		**100.748**	**100%**																

ClimateTarget	Aligned Taget	Eligible Target
CCM	0%	65,8%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Opex:

Financial year N	Year		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm) (h)									
Economic activites (1)	Code (a) (2)	OpEc (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
Text		Currency	%	Y; N; N/EL; (b) (c)	Y; N; N/EL; (b) (c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	%	E	
Of which transitional		0	0%							N	N	N	N	N	N	N	%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of renewable energy technologies	3.01 CCM	944	5,8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of automotive and mobility components	3.18 CCM	9.083	55,9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								49,62%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10.027	61,7%	0%	0%	0%	0%	0%	0%								56,58%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		10.027	61,7%	0%	0%	0%	0%	0%	0%								56,58%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		6.229	38,3%																
TOTAL		**16.256**	**100%**																

ClimateTarget	Aligned Taget	Eligible Target
CCM	0%	61,7%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

With reference to the disclosure in accordance with Article 8, paragraphs (6) and (7) of Delegated Regulation (EU) 2021/2178, which provides for the use of the templates provided in Annex XII for the reporting of nuclear and fossil gas activities.

Activites related to neuclear energy

1.	The company conducts, finances, or has exposures toward research, development, demonstration, and implementation of innovative power generation facilities that produce power from nuclear processes with a minimum amount of fuel cycle waste.	NO
2.	The companyconducts, finances, or has exposures toward the construction and safe operation of new nuclear power generation or process heat plants, including for purposes of district heating or for industrial processes such as hydrogen production, and improvements in their safety, using the best available technologies.	NO
3.	The companyconducts, finances or has exposures toward the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating for industrial processes such as hydrogen production from nuclear energy, and improvements in their safety.	NO

Activites related to gas fossil

4.	The company conducts, finances or has exposures to the construction or operation of power generation facilities using fossil gaseous fuels.	NO
5.	The company conducts, finances, or has exposures toward the construction, redevelopment, and operation of combined heat/cool and power generation facilities that use gaseous fossil fuels	NO
6.	The company conducts, finances, or has exposures toward the construction, upgrading, and operation of heat generation facilities that produce heat/cool using gaseous fossil fuels.	NO

2.2 ESRS E1 Climate change

ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes
At present, EGLA has not included GHG emission reduction targets in the incentive schemes for specific climate-related incentive systems in the remuneration of members of the administrative, management and supervisory bodies. For descriptions regarding sustainability performance in incentive schemes, please see the chapter dedicated to ESRS 2 GOV-3.

2.2.1 Strategy

E1-1 – Transition plan for climate change mitigation
As a leading global supplier of key components for electric motors and generators, *EuroGroup Laminations* understands the impacts and potential risks of climate change. Therefore, the Group is ready to take the necessary actions to reduce and mitigate the impacts that climate change can have across its value chain, in the communities and territories where it operates. In this context, *EuroGroup Laminations* is in the process of defining specific objectives to reduce emissions of greenhouse gases (GHG), focusing on increasing the consumption from renewable energy and developing innovative products that enable clean energy solutions. Progress is also underway on the path that will allow, in 2025, the definition of a Transition Plan for Climate Change Mitigation that includes emission reduction targets consistent with science-based approaches.

The Transition Plan for Climate Change Mitigation, in line with international frameworks, will outline a structured strategy to reduce GHG emissions and align with global decarbonisation goals, such as the Paris Agreement. A fundamental step will be the development of a scenario analysis adapted to the business context, guaranteeing ambitious but achievable reduction objectives based on science. This will lead to the definition of short, medium and long-term decarbonisation objectives, based on a reference emissions assessment, and a multi-year action plan built on an analysis of emission reduction initiatives.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
(18) The process of identifying IROs is described in paragraph 1.1.4 Management of impacts, risks and opportunities.
With specific reference to ESRS E1, the dual materiality analysis identified four material impacts, four risks and three opportunities, elements that can be found in the table in paragraph SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model. In the materiality analysis, two physical risks and two climate-related transition risks were identified.
Climate change entails risks and opportunities for the Company, which can be divided into physical and transition risks. Physical risks concern direct impacts on assets, infrastructure and people, and can be acute, when they derive from extreme and sudden events such as hurricanes or floods, with possible damage to plants and consequences on staff safety, or chronic, related to gradual phenomena such as the increase in global average temperatures, which could affect the efficiency of thermoelectric plants and the availability of renewable sources. Furthermore, the change in rainfall and windiness could affect energy production, while rising temperatures could change energy demand, with a reduction in consumption for heating in winter and an increase in that for cooling in summer. The transition risks instead derive from the evolution of environmental regulations, the development of technologies for decarbonisation and changes in market preferences, leading to possible additional costs for

regulatory compliance and for investments in resilient infrastructures.
(19) To date, the Group has not yet defined a specific formal strategy to address climate change and to ensure its resilience with respect to these challenges. For more information, please refer to Section SBM-3 - Significant Impacts, Risks and Opportunities and their Interaction with the Strategy and Business Model.

2.2.2 Impact, risk and opportunity management

E1 IRO-1 - Description of the processes to identify and assess climate-related material impacts, risks and opportunities
The process of identifying IROs is described in paragraph 1.1.4 Management of impacts, risks and opportunities. The dual materiality analysis conducted by *EuroGroup Laminations* identified four impacts, three of which were negative, linked to the use of energy from non-renewable sources and the consequent generation of emissions, and one positive, resulting from the adoption of emissions monitoring tools, which facilitate more efficient reduction. The four risks identified are divided into two transition risks, relating to increasingly stringent regulations on energy efficiency and emission reduction, as well as the need to acquire resilient infrastructures to mitigate climate impacts, with a consequent increase in costs for the adjustments of production plants. Added to these are two physical risks, linked to the intensification of extreme weather events, which could have repercussions on company assets and on the safety of people, causing logistical delays with suppliers and customers, as well as possible shortages of raw materials, with negative impacts on sales volumes and turnover.

E1-2 – Policies related to climate change mitigation and adaptation
(25) EGLA has adopted policies at Group level for the management of IROs related to climate change mitigation and adaptation, such as the Sustainability Policy s and the Environment, Health and Safety in the Workplace Policy. These documents express the Group's commitment to environmental protection through an accurate analysis of environmental risks and the adoption of preventive measures to reduce these risks. EGLA also works to minimise environmental impacts by improving the energy efficiency of its plants, promoting energy savings and using renewable energy sources. The Group is committed to progressively reducing energy consumption, with an increasing focus on the use of renewable energy, monitoring consumption annually through an internal system that tracks total CO2 emissions. In addition, it is defining specific objectives to reduce greenhouse gas emissions, aiming at increasing renewable energy and developing innovative solutions for cleaner energy. EGLA is also involved in the decarbonisation of its production processes, participating in pilot projects in the automotive industry. Finally, the Group promotes the use of environmentally friendly vehicles as part of its commitment to reducing its overall environmental impact.
For more information, please refer to chapter 1.1.4 Policies adopted to manage material sustainability matters.

E1-3 – Actions and resources in relation to climate change policies
During 2024, the Group increased the percentage of procurement from renewable sources for the electricity used in all its production processes. In addition, again in the energy sector, in 2025 some of its plants are expected to strengthen the capacity of electricity self-production through the construction of photovoltaic systems.
Still in the field of renewable energy, EGLA plans to increase the portion allocated to the purchase of Guarantees of Origin (GO) which will allow the Company to increase its commitment to the use of electricity from renewable sources, reducing its carbon footprint related to Scope 2 emissions.
Inside the buildings of most of the Group's offices, the old lighting systems are gradually being replaced with LEDs, with the aim of gradually implementing a smart lighting system in all its plants.
In addition, as early as the end of 2023 and then throughout 2024, EGLA launched a plan to convert its company fleet at corporate level, replacing thermal engine cars with full electric cars and hybrid cars.
Further energy and process efficiency actions were undertaken in 2024 to meet the requirements of the ISO 14001 certifications that are present in most plants.
Below is a summary table of the certifications held by the production sites in the relative Legal Entities.

Certification	LE - Production Site	% Coverage
ISO 9001 (Standard for Quality Management)	Eurotranciatura S.p.A, Euroslot, Alcast, Corrada S.p.A, SAF S.p.A, Eurotranciatura Mexico S.A de C.V, Eurotranciatura USA, Euro-MISI Laminations Jianxing Co., Euro-MISI High Tech Jiaxing Co., KUMAR Precision Stamping Pvt. Ltd.	72
ISO 14001 (Standard for Environmental Management)	Eurotranciatura S.p.A, Euroslot, Eurotranciatura Mexico S.A de C.V, Euro-MISI Laminations Jianxing Co., KUMAR Precision Stamping Pvt. Ltd.	36
ISO 45001 (Standard for Occupational Health and Safety)	Eurotranciatura S.p.A, Euroslot, Alcast, KUMAR Precision Stamping Pvt. Ltd.	29
IATF 16949 (Standard for global quality management system for automotive industry)	Eurotranciatura S.p.A, SAF S.p.A, Eurotranciatura Mexico S.A de C.V, Euro-MISI Laminations Jianxing Co., Euro-MISI High Tech Jianxing Co., KUMAR Precision Stamaping Pvt. Ltd.	43

Lastly, with regard to the development and eco-sustainable design of products, the Group establishes co-creative relationships with its customers during the product development phases. Product design is studied in order to use the right amount of raw material and reduce the production of waste to a minimum. With regard to raw materials, for several years now the Group has defined a series of connections with the world's major steel mills to analyse the possibility of introducing new types of steel into the production chain that have an increasingly lower carbon footprint while maintaining the same mechanical and magnetic characteristics. In addition, the Group is closely monitoring the future application of the European Steel Action Plan of the European Commission, which envisages: implementing a plan to reduce energy costs and promote the use of green hydrogen for European steel companies, creating a labelling system that envisages the possibility of distinguishing "green" steel from steel made according to classic techniques, promoting the use of green steel in both automotive and civil sectors.

2.2.3 Metrics and targets

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

EGLA has always been committed to reducing its carbon footprint, as also demonstrated by the recognition received from the national newspaper "Corriere della Sera" which, in collaboration with the data analysis company "Statista", has included the Group on the list of most climate-conscious companies, publishing the ranking in January 2025.
This recognition was received after an analysis of EGLA's reduction in emissions in the three-year period 2021, 2022 and 2023.
EuroGroup Laminations adopted the Sustainability Policy at Group level in February 2024, which contains the main values, objectives and indications related to the Company's positions on this topic.
Among them, the Group is focusing on the the reduction of Scope 1 and 2 emissions by implementing the actions described in paragraph E1-2 and as they fall more within the Company perimeter.

In addition, there are various initiatives at company level related to the reduction of indirect emissions due to the purchase and production of electricity.

At present, the Company has not yet defined specific targets of environmental sustainability. However, at the beginning of 2025, the Group began developing a Sustainability Plan, through which it will establish and publish measurable targets throughout the year that are based on defined KPIs, referring to all ESG issues (environmental, social and governance).

E1-5 – Energy consumption and mix[3]

Energy consumption from fossil sources E1-5		
Energy consumption	**Uom**	**2024**
Total energy consumption from fossil sources	MWh	180.518
Fuel consumption from coal and coal-based products	MWh	0
Fuel consumption from crude oil and petroleum products	MWh	9.939
Fuel consumption from natural gas	MWh	99.785
Fuel consumption from other fossil sources	MWh	8.575
Consumption of electricity, heat, steam or cooling from purchased or acquired fossil sources	MWh	62.219

Consumption of energy from nuclear sources		
Energy consumption	**Uom**	**2024**
Total consumption from nuclear sources	MWh	-

Energy consumption from renewable sources		
Energy consumption	**Uom**	**2024**
Fuel consumption from renewable sources, including biomass (including industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources	MWh	-
Consumption of electricity, heat, steam and cooling from purchased or acquired renewable sources	MWh	952
Consumption of self-produced non-combustible renewable energy	MWh	504
Total energy consumption from renewable sources	MWh	

(3) Data reported does not include data on Kumar company

Total energy consumption			
Energy consumption	**Uom**	**2024**	**%**
Total energy consumption	MWh	180.518	1
Total energy consumption from fossil sources	MWh	180.518	1
Total consumption from nuclear sources	MWh	-	-
Total energy consumption from renewable sources	MWh	-	-

Energy production		
Energy production	**Uom**	**2024**
Energy production from non-renewable sources	MWh	-
Energy production from renewable sources	MWh	504

E1-6 – Gross Scope 1, 2, 3 and Total GHG emissions[4]

The carbon footprint calculation (Scope 1, 2, and 3) was performed on all consolidated legal entities except Kumar, which was acquired on 11/14/2024. This entity was excluded from the 2024 reporting year to allow for the collection of relevant data, ensuring its integration in the next reporting cycle. Quantification of Scope 3 emissions was done in accordance with the GHG Protocol, starting with a materiality analysis to identify significant emission categories. The categories were evaluated based on size, influence, risk, stakeholder impact, industry guidance, and data availability, considering the current stage of data collection within the company.

Based on this analysis, the following categories were included in the inventory: Upstream: purchased goods and services, capital goods, fuel and energy-related activities. Downstream: use of products sold and end-of-life treatment.

(4) Data reported does not include data on Kumar company

	N
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO2eq)	21.503
Percentage of Scope 1 GHG emissions covered by regulated emission trading systems (%)	0%
Scope 2 GHG emissions	
GHG emissions location-based (tCO2eq)	36.749
Gross Scope 2 GHG emissions market-based (tCO2eq)	41.038
Scope 3 GHG emissions	
Total indirect GHG emissions (Scope 3) (tCO2eq)	1.743.717
Category 1	699.356
Categroy 2	24.133
Cateogry 3	12.898
Category 11	1.004.126
Category 12	3.204
Total GHG emissions	
Total GHG emissions (location-based) (tCO2eq)	1.801.970
Total GHG emissions (market-based) (tCO2eq)	1.806.259

GHG Intensity relative to revenues	
GHG Intensity (Scope 1 and Scope 2 location-based) for net revenues (tCO2/ (Million di €)	68
GHG Intensity (Scope 1 and Scope 2 market-based) for net revenues (tCO2/ (Million di €)	73

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
The Group does not currently carry out activities aimed at permanently removing or actively supporting the removal of greenhouse gas (GHG) emissions from the atmosphere. These initiatives will be the subject of future in-depth analyses and assessments, which will take place after the completion of the systematic and detailed monitoring of consumption and its environmental footprint, in order to identify the priority areas of intervention from an environmental and energy point of view.

E1-8 – Internal carbon pricing
In 2024, EGLA did not invest in greenhouse gas (GHG) emission mitigation projects financed through carbon credits for the removal and storage of climate-changing emissions, nor did it adopt internal carbon pricing systems. These initiatives will be the subject of future in-depth analyses and assessments, which will take place after the completion of the systematic and detailed monitoring of consumption and its environmental footprint, in order to identify the priority areas of intervention from an environmental and energy point of view.

2.3 ESRS E2 Pollution

2.3.1 Impact, risk and opportunity management

E2 IRO-1 - Description of the processes to identify and assess pollution-related material impacts, risks and opportunities
The process of identifying IROs is described in paragraph 1.1.4 Management of impacts, risks and opportunities. During the process of identifying impacts, risks and opportunities, *EuroGroup Laminations* identified three main risks. These concern the possible introduction of more restrictive regulations on permitted emissions limits, the imposition of restrictions or sanctions and the need to adapt plants to reduce air pollution. In addition, the need to minimise the use of substances of concern and to see to their gradual elimination was identified. These factors could have negative repercussions on the Company's business lines, leading to an increase in costs for the Group and possible delays in the delivery of products to customers. To ensure a rigorous analysis of the impacts, risks and opportunities, *EuroGroup Laminations* thoroughly examined the production operations carried out in each plant owned by the Group. Through an in-depth analysis of the value chain, the type of processing of each site was traced, making it possible to precisely identify those most responsible for the generation of pollutants and substances of concern in relation to the activities carried out.

E2-1 – Policies related to pollution
(15) EGLA has adopted various policies at Group level for the management of IROs related to pollution, such as the Sustainability Policy and the Environment, Health and Safety in the workplace Policy and the Water Management Guidelines. Through these, EGLA is committed to mitigating the negative impacts related to air, water and soil pollution and to avoiding accidents that may have an impact on people and the environment. In particular, the policies aim to implement actions regarding the prevention and rapid mitigation of possible cases of non-compliance.
For more information, please see chapter 1.1.4 Policies adopted to manage material sustainability matters

E2-2 – Actions and resources related to pollution
(19a) In line with the policies adopted and to respect its values, the Group implements various actions related to water, air and soil pollution, including:
The Company applies its UNI EN ISO 14001 Environmental Management System for the companies Eurotranciatura S.p.A., Eurotranciatura Mexico S.A. de C.V., Kumar Precision Stampings PVT.LTD., Euro Misi Laminations Jiaxing Co. Ltd.
In addition, the Group is committed to replacing and minimising the use of substances of concern and gradually abandoning substances of very high concern, especially in the case of non-essential uses for society and in consumer products. To demonstrate this, EGLA keeps its databases constantly updated with the declarations of compliance with national and supranational regulations that it periodically requests from its suppliers. Specifically, reference is made to the following acronyms that correspond to European and international standards: REACH, ROHS, TSCA, CMRT, EMRT, POPs, PFAS.

2.3.2 Metrics and targets

E2-3 – Targets related to pollution
For 2024, the Group has not defined specific targets and metrics. However, the Group's activities follow the limits and directives set at all levels of legislation. In particular, as regards air pollution, specialised companies carry out fume sampling during the year to control the concentration of pollutants. With regard to water pollution, EGLA adopted "Water Management Guidelines" in 2024, which provide a systematic and structured approach through a series of management and technical interventions aimed at fully satisfying the requirements of monitoring the resource.

E2-4 - Air, water and soil pollution[5]

(30b,c,) The group relies on third-party companies to measure the quantities of these substances. Specifically, each legal entity establishes business relationships with specialized firms in each geographical area. These firms periodically in accordance with the substance to be tracked, conduct data collection campaigns. The results of these analyses are sent to the company through the preparation of action reports that provide the measured values. Subsequently, HSE (health, safety and environment) teams process the data and monitor trends over time.

Pollutant emitted	UoM	2024		
		Air	Water	Total
Volatic Organic Components (VOC)	t	637,81	-	637,81
Particolate matters (PM)	t	1,6	-	1,6
Acylates	t	0,00	-	0,00
Non-methane Hydrcarbon components (NMHC)	t	0,25	-	0,25
Total Suspended Particolate (TSP)	t	0,06	-	0,06
Chemical Oxygen Demand (COD)	t	-	0,22	0,22
Chemical Oxygen demand non-dichromate (CODcr)	t	0,14	-	0,14
Ammoniacal Nitrogen (NH3-N)	t	0,01	-	0,01
SOX	t	0,06		0,06
SO2	t	0,02		0,02
NOX	t	6,44		6,44
Non-methane organic volatile componenets (NMVOC)	t	7,69	-	7,69
Harmflul atmospheric pollutant (HAP)	t	349,87		349,87
Nitrogen oxide (N2O)	t	0,01	-	0,01
Total nitrogen	t	-	1,88	1,88
Total Phosphorus	t	-	0,23	0,24
Cadmium	t	-	0,00010	0,00
Lead	t	-	0,002	0,00
Zinc	t	-	0,03	0,03

(5) Data reported does not include data for the following companies: Kumar, SAF.

E2-5 – Substances of concern and substances of very high concern

EuroGroup Laminations evaluates Substances of Concern (SoCs) as Substances of Very High Concern (SVHCs) on the latest ECHA Candidate List 2024, dated November 7, 2024, in accordance with Article 59 of the REACH Regulation applicable at the European level, Substances with Harmonized Classification (Annex VI, Part 3, CLP - Regulation 2008/1272 and its amendments) that meet the requirements for specific health and environmental hazards, and Persistent Organic Pollutants (according to the POPs Regulation - Regulation 2019/1021 and its amendments).
The Group is gearing up to identify a comprehensive list of substances of concern, particularly for Group-wide Substances of Very High Concern, with the aim of identifying and preventing possible impacts on environmental matrices and human health. These substances may be present in raw materials used in production processes, or in purchased items that make up final goods. For the purpose of this reporting, *EuroGroup laminations* has tried to collect the necessary information from its suppliers in order to report the quantities of Substances of Concern (SoCs) and Substances of Very High Concern (SVHCs), but the task has been difficult, since in order to find this information along its value chain, it is necessary to involve third-party contacts even in countries outside Europe. In addition, preparing an estimate did not yield reasonable results because it was not possible to take into account all the variables that characterize the semi-finished products used in finished products. For this reason, EuroGroup Laminations uses the transitional provision in ESRS 1, Article 10-2, paragraph 133(b), which allows reporting on such information from subsequent years.
However, at the time of the update of each Regulation, the Group ensures that new certifications are requested from suppliers of raw materials and semi-finished products in order to verify that its supply chain is aligned with the new standards required by national and supranational bodies.
The data collection process is currently being improved and will be further refined for next year's declaration. The Group is working together with its partners along the value chain to collect all relevant information on Substances of Concern (SoCs) and Substances of Very High Concern (SVHCs).

2.4 ESRS E5 Circular economy

2.4.1 Impact, risk and opportunity management

E2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The process of identifying IROs is described in paragraph 1.1.4 Management of impacts, risks and opportunities.

Through the dual materiality analysis, *EuroGroup Laminations* has identified a positive and actual impact linked to resource savings. In particular, three opportunities have emerged: the recycling and sale of waste materials, the reduction of waste through the use of more efficient technologies and the improvement of corporate reputation through the adoption of more sustainable procurement practices. These elements contribute to environmental protection and generate benefits in both economic and reputational terms. However, five main risks were also identified: increasingly stringent regulations on waste management, possible supply difficulties linked to geopolitical tensions, dependence on the availability of raw materials, environmental regulations that require a reduction in the use of non-renewable resources and fluctuations in exchange rates, which may affect the Group's cash flows. These factors could lead to business interruptions, including temporary ones, operational changes and a consequent increase in costs and losses. To ensure an accurate analysis of the impacts, risks and opportunities, *EuroGroup Laminations* conducted an in-depth assessment of its business lines and operating activities, the materials used in the production processes and the main categories of waste generated. This process allowed to precisely place these elements along the value chain, tracing a detailed mapping thereof.

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

In 2024, the Group adopted a new Sustainability Policy, which establishes objectives and guidelines for addressing environmental issues, further consolidating its commitment to responsible waste management and the promotion of minimal environmental impact.

EuroGroup Laminations manages responsibly its waste production by optimising the use of source materials in its production processes and adopting disposal practices that seek to reduce pollution. Most of the waste is recycled by selling steel scraps, confirming a circular economy model. In addition, many of the Group's customers require material management certifications, in compliance with REACH, ROHS, Conflict Minerals and other standards, reflecting *EuroGroup Laminations*' commitment to responsible and ethical procurement practices, as well as the adequate management of resources. All residual scrap metal is sold, as its proper management also represents an economic opportunity, ensuring compliance with regulations related to the management and export of "dual-use" goods and components. In 2024, the Group adopted a new Sustainability Policy, which establishes objectives and guidelines for addressing environmental issues, further consolidating its commitment to responsible waste management and the promotion of minimal environmental impact.

E 5-2 – Actions and resources in relation to resource use and circular economy

Over 90% of the Group's waste is steel scrap deriving from raw material blanking. This waste scrap is collated in collection tanks located next to the production buildings. Several times a day, lorries of companies specialised in the collection of these materials, collect and transport the scrap to their premises where, appropriately divided and broken down, it is sold to foundries that reuse this steel to produce other products of the same material. However, in the US plant, the scrap is collected by the Group and resold to local steel mills, consequently generating a pure circularity of the material.

Other types of recyclable waste (paper, plastic) are collected by other specialised companies which, once all the material has been picked up and sorted, send it to the most correct form of recovery. The collection of waste materials complies with national and international regulations. Each type of material is collected in special recovery containers in which it is identified by reference codes (such as the EWC code for Europe) and the actions to be taken with the different types of waste are described.

In particular, Eurotranciatura has adopted internal policies to communicate the best practices to reduce waste production to staff. This policy is applicable to both the staff employed in the offices and that employed in production.

2.4.2 Metrics and targets

E5-3 - Targets related to resource use and circular economy
EGLA does not have set targets for resource use in terms of circular economy, although its business is already oriented towards recycling its main raw material, steel, and in general to reduction of waste production. Although it does not have defined specific targets, the Group is constantly committed to the search for raw materials that have a high amount of recycled material therein. Moreover, thanks also to the approval of the Supplier Code of Conduct at the beginning of 2025, *EuroGroup Laminations* encourages its suppliers to adopt virtuous behaviours and practices to constantly improve the environmental performance of their activities, thereby building an increasingly sustainable supply value chain. Moreover, the Group also monitors and keeps track of the presence or absence of conflict minerals in the raw material it receives, inviting its suppliers to fill in and periodically update the document made available by the "Responsible Minerals Initiatives".

E5-4 – Inflows of resources[6]

Inflows of resources 2024		
Type of inflows of resources	**UoM**	**Total weight of products**
Steel	t	342.422
Carbide	t	148
Ferrite	t	186
Resin	t	72
Aluminium[7]	t	12.726
Cardboard	t	45
Lubricant	t	142
Adhesive	t	19
Primer	t	10
Copper and iron	t	20.636
Plastica (PVC/POM/Nylon/Polycarbonizer/Polyzene)	t	558
Brass and bronze	t	45
Semi-finished products	t	144
Machinery	t	1.210
Total	t	378.123

(6) Data reported does not include data for the following companies: Kumar, SAF, EuroAutomation
(7) The aluminium category includes alloys with aluminium content of 90%, with the addition of smaller percentages of silicon, magnesium and manganese

E5-5 - Outflows of resources[8]

Waste produced		
	Uom	**2024**
Not intended for disposal		
Total	t	163.091
Hazardous waste	t	1.503
Preparation for reuse	t	2
Recycling	t	636
Other recovery operations	t	865
Non-hazardous waste	t	161.587
Preparation for reuse	t	38
Recycling	t	152.565
Other recovery operations	t	8.984
Intended for disposal		
Total	t	6.733
Hazardous waste	t	1.211
Incineration	t	18
Disposal in landfills	t	1.000
Other disposal operations	t	193
Non-hazardous waste	t	5.521
Incineration	t	-
Disposal in landfills	t	4.468
Other disposal operations	t	1.053
Non-recycled waste	t	16.622
Percentage of non-recycled waste	%	10%
Total waste produced	t	169.823

(8) Data reported does not include data for the following companies: Kumar, DS4, EuroAutomation

Social Disclosures

3.1 ESRS S1 | Own workforce

3.1.1 Strategy

ESRS 2 SBM-2 – Interests and views of stakeholders
(12) *EuroGroup Laminations* orients its strategy and business model by taking into consideration the interests, views and rights of all categories of workers that make up the Group's workforce.
In fact, the Group orients its business model to ensure full respect for the rights of all workers, operating with absolute integrity, fully adhering to ethical, professional and legal standards, and respecting international labour and human rights standards, as outlined in its Code of Ethics. To meet the needs of the workforce, it values diversity by ensuring equal opportunities for growth and development, promotes open dialogue, monitors and prevents all forms of discrimination and protects the rights of employees, including freedom of association and collective bargaining. In addition, the Group's strategy is oriented towards the continuous improvement of health, safety and environmental conditions, ensuring the well-being of workers in line with international standards and the certifications adopted. More information about stakeholder involvement can be found in "SBM-2 - Stakeholder Interests and Opinions."

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
With reference to ESRS S1, the dual materiality analysis identified eight material impacts, fourteen risks and five opportunities, which can be found in the table in paragraph SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model.
All workers on which the Group could have material impacts are included in the scope of disclosure pursuant to ESRS 2, as they fall within the scope of application of the Group's policies and actions. Specifically, the Group's workforce is made up of different categories of workers: employees, including those permanent, temporary, full and part-time basis, traineeships or apprenticeships, collaborators with agency contracts or other forms of ongoing collaboration; managers responsible for units or departments, third parties independent of the Group, and commercial counterparties such as customers, partners, consultants, suppliers and their workers.
The material negative impacts identified, such as unbalanced working hours that can lead employees to stressful conditions, are of a potential nature and attributable to the nature of the production business in which the Group operates. The activities that generate positive material impacts are described in detail in the following sections of the capital S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions, divided based on reporting obligations.
However, the Group has identified a risk of forced, coercive or child labour, mainly concentrated in countries such as China, India and Mexico, especially in production plants. In the dual materiality analysis, the Group considered the risks for the workforce on the basis of the different categories of employees, taking into account the specific characteristics of the contexts in which they operate. In particular, the geographical limits were assessed in which there is a greater likelihood of accidents related to human and workers' rights, harassment and discrimination, inadequate wages, collective bargaining and working hours that do not comply with the envisaged standards, due to national laws that are less stringent than European standards. To reduce the likelihood of such negative impacts and risks occurring, *EuroGroup Laminations* has implemented a series of preventive and mitigation actions. These include the adoption and dissemination of the Code of Ethics, the Diversity, Equity and Inclusion Policy, and the Sustainability Policy, with particular attention to the workforce and respect for human rights. In addition, the Group has activated the Whistleblowing reporting channel to ensure transparency and protection, and has launched certification processes in companies that do not already have it in order to certify the correct management of health and safety at work. Lastly, it has developed management systems dedicated to training, the enhancement of skills and diversity, as well as inclusion and protection from any form of discrimination.
For more information, please refer to Section "SBM-3 - Significant Impacts, Risks and Opportunities and their Interaction with the Strategy and Business Model".

3.1.2 Impact, risk and opportunity management

S1-1 – Policies related to own workforce
The Group has adopted various policies such as the Code of Ethics, the Diversity, Equity and Inclusion Policy, the Anti-Corruption Code of Conduct, the Sustainability Policy and its related section concerning the workforce and respect for human rights, and finally the implementation of the Whistleblowing reporting channel.
These policies reaffirm that one of the Group's fundamental points is respect for human and workers' rights; this is also underlined by EGLA's endorsement of the UN Global Compact, the most important association of companies that promote respect for human rights and of workers.
For this reason, EGLA committed to upholding international labour and human rights standards. The Group's fundamental principles are aligned with the international standards on working conditions and protection of human rights. *EuroGroup Laminations* is constantly committed to creating an equal and inclusive working environment in which the entire company population can feel free to express their ideas and inclinations. The Group requires its employees, collaborators, corporate representatives and commercial counterparties to recognise and respect the principles and values of their codes of conduct at a global level.
In addition to the national legislation of the individual countries, as further set out in its Codes of Conduct, *EuroGroup Laminations* follows the provisions of the following treaties and recommendations:

- Universal Declaration of Human Rights (1948) and European Convention for the Protection of Human Rights and Fundamental Freedoms (1950);
- ILO (International Labour Organisation) Tripartite Declaration on Multinational Enterprises and Social Policy (1997) and ILO Declaration on the Fundamental Principles and Rights at Work (1998);
- OECD (Organisation for Economic Cooperation and Development) Guidelines for Multinational Enterprises (2000); UN Global Compact Principles (2004);
- UN Convention against corruption (2005);
- The 2030 Agenda for Sustainable Development adopted by all United Nations Member States (2015).

Operating in full compliance with national and international laws, EGLA condemns all forms of forced, coerced and child labour.
Furthermore, the Group does not tolerate any episodes of workplace discrimination or harassment. Diversity is extremely important for EGLA, as it enriches and promotes the conceptualisation of new ideas through the combination of people from different cultures, social and generational backgrounds, as well as different talents, skills and experiences. All these characteristics represent a distinctive value, as they provide multiple perspectives and insights into the needs and stimuli of customers and stakeholders of all backgrounds and increase the Company's tolerance, flexibility and adaptability to the changing needs of the environment. The Group has a zero-tolerance policy for any form of direct or indirect discrimination based on age, disability, gender/gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion or belief, sex, or sexual orientation. This commit-

ment extends to all aspects of employment, including recruitment, terms and conditions, career progression, training, transfers, and dismissals.
In fact, the Group believes that Diversity means Plurality, acceptance and authentic appreciation of everything that makes us unique and unparalleled, and that meeting people with different backgrounds and experiences is the key to building a high-level organisation capable of adapting to the environment and effectively achieving its objectives. The Group's commitment to becoming a high-performance organisation is strengthened by recognising and leveraging the natural talents of each employee, transforming them into valuable assets. In this regard, the Group is committed to: allocating time and resources to encourage diversity throughout the organisation; being transparent about diversity in all interactions, updating and documenting the progress of diversity practices through specific KPIs; reviewing and implementing diversity initiatives based on the evolution of its organisation, the external environment and the sector in which it operates.

The Company complies with all types of prescriptions and regulations regarding workplace health and safety, preventively managing any form of threat to workers' health and safety. In addition, if cases of non-compliance occur, the internal procedures call for an analysis that can identify the root cause. This consequently makes it possible to eliminate it. In addition, an extension of the analysis is carried out, which includes the identification of similar risk situations, defusing those which are non-compliant in a preventive manner.
In 2025, the Company approved the Health, Safety and Environment (HSE) Policy, consolidating the commitment to health and safety issues for every person involved in the corporate activities.
In particular, the Group pursues the objective of "zero accidents" in the workplace and adopts the methodology defined as the "Deming cycle" or PDCA (Plan-Do-Check-Act) for the continuous identification of areas for improvement, together with carrying out constant maintenance and control of the plants. In addition, particular emphasis is given to providing training and information to staff and third parties. Specifically, EGLA informs staff and commercial counterparties on the necessary preventive measures to be implemented in order to eliminate or mitigate the risks and critical issues of the processes and activities in which they are involved, periodically organises specific training courses for all staff and encourages them to take care of their own health and safety and that of other people in the workplace. Going further into detail, staff are required to identify risks and dangers in a preventive manner, wear the personal protective equipment provided, pay the utmost attention in carrying out work activities and correctly use all the equipment that is in the workplace.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts
EuroGroup Laminations considers dialogue with its employees and trade union representatives an essential element in guaranteeing constant feedback, which makes it possible to monitor corporate impacts and align operating practices to the needs of workers. A Continuous monthly basis dialogue with staff contributes to creating a positive working environment that serves the achievement of the Group's economic and sustainability objectives. To this end, regular meetings are organised with trade unions, generally monthly, in particular at Eurotranciatura S.p.A., to discuss issues such as second-level contracts, training and safety in the plants. In addition to the scheduled meetings, scheduled and manged by the Group HR Manager, extraordinary meetings are planned to address specific needs and contingent situations, with the direct involvement of the HR Function and Top Management.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns
Processes that remedy negative impacts occur by applying the principles of the Code of Ethics, the Diversity, Equity and Inclusion policy and the Sustainability policy that are observed by all Group companies, while always taking into account specific legislative requirements.
In accordance with the pertinent Italian legislation, this section is exclusively applicable to the Group's subsidiaries headquartered in Italy.
As regards the Italian perimeter, pursuant to Decree 231/2001, an internal channel was created which allows employees, collaborators, corporate representatives, third parties, including commercial counterparties to report any irregularities of which they may have become aware of in the exercise of their function, as well as the prohibition of discrimination and a disciplinary system capable of sanctioning non-compliance with the measures indicated in the models in question.
The Group has implemented a software system that enables the above-mentioned subjects, Italian and foreign (employees, contractors, corporate officers, third parties, business counterparties) to send reports on possible illicit conduct relevant under Decree 231/2001, violations or well-founded suspicions of violations of the model or of organisation, management and control measures, as well as violations of any additional national or European Union legislative dispositions that are detrimental to the public interest or the integrity of the private entity (with a few exclusions specified in the Decree), according to the procedures and through the channels foreseen by the "Whistleblowing Report Management Procedure" and ensuring that they are substantiated and based on precise and concordant elements of fact.

Verification as to whether the circumstances represented in the report are well-grounded is entrusted to an appointed Reporting Committee, which is comprised of the members of the Supervisory Board of EuroGroup Lamination S.p.A. and the Head of the Human Resources Department of *EuroGroup Laminations* S.p.A.
The Committee is the sole recipient of the reports and is required to carry out a timely and thorough investigation, in accordance with the principles of impartiality, fairness and confidentiality. The Reporting Committee must respect the confidentiality of the whistleblower, the reported person, those involved in the report and the content thereof. In any case, all the information shall be deleted within a maximum of five years, without prejudice to the need for further preservation in the event of an ongoing legal action. All documentation shall be kept confidential, to the extent permitted by the law, and no form of reprisal shall be tolerated against individuals making reports.
The reported person must always be assured the opportunity to be heard and to provide any possible and necessary clarification with respect to the facts alleged against him/her.
If the verification activity carried out allows to ascertain the merits of the report, the Committee drafts a report summarising the investigations carried out and the evidence that emerged and shares it with the corporate functions involved based on the subject of the report, in order to define the possible intervention plans and actions to be taken to protect the Group.
Any disciplinary measures imposed following the ascertainment of the merits of the facts reported will be commensurate with the seriousness of the same. If, on the other hand, the outcome of the checks reveals the absence of sufficiently substantiated elements or, in any case, the groundlessness of the facts referred to in the report, the latter must be dismissed, together with the relevant reasons.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
(38.a) The material negative impacts identified by *EuroGroup Laminations* on its workforce are potential, and are reported in section SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model. In order to prevent or mitigate these impacts relating to the sphere of work-life balance and well-being, *EuroGroup Laminations* has adopted a series of actions to improve employee satisfaction.
(38.b-d) Although no material current negative impacts on the workforce have been identified, *EuroGroup Laminations* has established a whistleblowing procedure that makes it possible to report any violations through de-

dicated channels. All staff are encouraged to report attempts, suspicions or actual cases of violations, with the guarantee that no form of retaliation will be exercised against those who make a report in good faith.
(39) *EuroGroup Laminations* adopts a structured approach to identify and manage negative actual and potential impacts on its workforce in the form of the materiality analysis. This process is essential not only to define sustainability-related priorities, but also to define the most suitable actions to mitigate potential negative impacts, following a risk-based approach.
(40-41) The Group also faces risks related to diversity, inclusion and well-being, promoting ethical and human rights protection policies, in line with its Code of Ethics and Sustainability Policy. These initiatives are disseminated through training sessions to ensure full understanding and application within the Group. To further strengthen its commitment to these issues, in 2024 the Group introduced an ESG parameter on workplace safety in the new Remuneration Policy, thus further incentivising improvement in this regard. The risk of non-compliance with collective bargaining is mitigated through constant dialogue with workers' representatives, encouraging constructive discussion on contractual issues and working conditions. With regard to cybersecurity, the Group adopts procedures aimed at guaranteeing the safe and efficient management of IT processes, regularly updating its systems for company operations. The effectiveness of these measures is monitored through periodic checks.
The opportunities identified by the Group are mainly linked to employee diversity, and are fully integrated into the regular performance of the Group's activities. Starting from the recruitment process based exclusively on skills, without discrimination of gender or ability, up to the enhancing of the cultural diversity of the employees of the various Group companies in the various countries in which it has offices, EuroGroup Laminations promotes an inclusive and stimulating work environment. Furthermore, the growth of skills and professional enrichment deriving from this diversity represent a key element for fostering innovation and corporate competitiveness in the long term.
(38.c) The actions carried out in 2024 are detailed in the following sections, broken down according to the respective reporting obligations. (43) The resources allocated by the Group to manage the negative impacts identified are described in the following paragraphs.

S1-5 - Targets related to managing relevant negative impacts, enhancing positive impacts, and managing relevant risks and opportunities
The Group has long initiated a series of actions aimed at reducing the number of workplace accidents. In this regard, thanks in part to the adoption of a Group policy on health and safety, EGLA has already started constant and timely monitoring of non-compliance situations since the end of 2023. This monitoring aims to identify which procedures are the most critical from a safety perspective by consequently adopting standards that limit and reduce their negative effects. In addition, the results of the monitoring are shared in periodic meetings among all legal entities in order to extend the analyses on these issues to all the Group's production entities. Finally, the medium-term goal is to bring the number of health and safety nonconformities to close to zero.

S1-6 Characteristics of the undertaking's employees

Employee information is disclosed in headcount.

Number of employees	Men	Women	Other	Not reported	Total
Italy	916	160	-	-	1.076
Tunisia	75	29	- -	- -	104
Mexico	638	377	- -	- -	1.015
United States of America	138	34	-	-	172
China	229	73	-	-	302
India	367	34	-	-	401
Russia	1	2	-	-	3
Total	2.364	709	-	-	3.073

S1-6 Characteristics of company employees: Total number of employees by number of people and by gender and country

	Men	Women	% Men	% Women	Other	Not reported	Total
50. a) Total employees	**2.364**	**709**	**76,93%**	**23,07%**	**-**	**-**	**3.073**
50. b) Permanent employees	2.360	701	76,80%	22,81%	-	-	3.061
50. b) Temporary employees	4	8	0,13%	0,26%	-	-	12
50. b) Non-guaranteed hours	-	-	0%	0%	-	-	-
52. Optional - Total employees	**2.364**	**709**	**76,93%**	**23,07%**	**-**	**-**	**3.073**
52. a) Optional - Full-time employees	2.324	679	75,63%	22,10%	-	-	3.003
52. b) Optional - Part-time employees	40	30	1,30%	0,98%	-	-	70

S1-6 Characteristics of company employees: Total number of employees broken down by gender and contract type

	Value
Number of employees	3.073
50. c) Number of departed employees	987
50. c) Employee turnover rate	32%

S1-6 Characteristics of company employees: Total number of employees who left the company and employee turnover rate

The significant prevalence of employees with permanent contracts is proof of this, which represent 99,6% of the total workforce both in Italy and in the other countries where the Group operates. This trend is also seen in the widespread use of full-time contracts, which re-present 97,7% of the total at Group level.

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

	Men	Women	Total
55. a) Total number of non-employee workers	665	86	751

S1-7 - Characteristics of non-employee workers in the undertaking's own workforce: Total number of non-employees in the undertaking's own workforce

During the year, the Group worked with a total of 751 non-employee workers, including 665 men and 86 women. The employment of these resources takes place mainly through staff leasing contracts, although the way non-employee workers are employed is subject to regulatory specificities in the different countries in which the Group operates. These professionals are mainly employed in the Group's companies with a production vocation, with a strategic role in supporting activities during periods of greater operational intensity.

S1-8 Collective bargaining coverage and social dialogue

EuroGroup Laminations protects and promotes the freedom of association and trade union participation of its employees, guaranteeing them the right to freely join legal representation organisations. The Group undertakes not to interfere in any way with the establishment, operation or management of trade unions and collective bargaining processes. Employees are given the choice of whether they want to belong to a trade union. Trade unions represent a structured channel for expressing opinions, addressing staff-related issues and resolving any critical issue not managed through other internal tools. Moreover, they guarantee an official legal representation system, helping to protect workers' rights and well-being. All employees are protected with a grievances system for both internal employees and external workers for reporting any actions that opposed the shared values expressed in the Code of Ethics.

[9]	Value
Number of employees covered by collective bargaining agreements	1.651
Number of employees	3.073
60. a) Percentage of the total number of employees covered by collective agreements	54%

S1-8 – Collective bargaining coverage and social dialogue: Total number and percentage of employees covered by collective agreements

	Value
Number of employees covered by workers' representatives	771
Number of employees	3.073
63. a) Social dialogue coverage	25%

S1-8 - Collective bargaining coverage and social dialogue: Total number and percentage of employees covered by workers' representatives

	Collective bargaining coverage		Social dialogue
Coverage rate	**60. b) Employees - EEA[10] (for countries with > 50 employees representing > 10% of total employees)**	**60. c) Employees - Non-EEA (estimate for regions with > 50 employees representing > 10% of total employees)**	**63. a) Workplace representation (EEA only) (for countries with > 50 employees representing > 10% of total employees)**
0-19%		USA China India	Italy
20-39%			
40-59%		Mexico	
60-79%			
80-100%	Italy	Tunisia	

In a certain geographical area of the Group, there are no unions present within the company. Specifically, the presence of workers' associations in the company is a widespread phenomenon mainly in Italy and Mexico, while they are absent in countries such as India, China and the United States.
Employees who are not covered by collective labour agreements enter individual contracts with the company. The coverage rate related to non-employees falling within a collective bargaining agreement are not known because the information is held by the employing agency.

S1-9 Diversity metrics

EuroGroup Laminations promotes diversity and is committed to guaranteeing equal employment opportunities, professional growth and personal development to all staff, based exclusively on skills, qualifications, suitability for the role and growth potential.
The Group recognises the value of diversity and believes that the presence of people with different backgrounds can foster new ideas and innovative approaches, improving the effectiveness and efficiency of work processes. In fact, *EuroGroup Laminations* adopts a zero-tolerance policy towards any form of discrimination, direct or indirect, and this principle applies to all phases of the employment relationship. The Group considers the responsibility of each employee to be fundamental in promoting an inclusive environment, actively contributing to the creation of an open and respectful corporate culture in which all forms of discrimination are prevented and combated.

(9) Data reported does not include data for the company Euro Kirov
(10) European Economic Area

EuroGroup Laminations is committed to promoting diversity and guaranteeing equal opportunities for professional and personal growth to all employees, enhancing their skills, qualifications and suitability with respect to the corporate context. Each Group entity is actively involved in the development and recruitment of a growing number of women in management and white-collar roles.

In 2024, the company has 3,073 employees, of whom 2,364 are men (77 percent) and 709 are women (23 percent). The workforce is predominantly male, with a higher concentration among blue-collar workers (45 percent), while the female component is more significant among white-collar (15 percent)). The age distribution shows a substantial presence of young people under 30 (857 employees, about 28 percent), while the most represented age group is between 30 and 50 (1,575 employees, or 51 percent). 21 percent of the workforce is over 50 years old, with a higher incidence among blue-collar (67 percent) and white-collar (19 percent) workers.

Number	< 30 years	30-50 years	> 50 years	Total
Executives	-	26	33	59
Middle Management	85	259	55	399
White collar workers	244	429	121	794
Blue collar workers	528	861	432	1.821
Total	**857**	**1.575**	**641**	**3.073**
Percentage	**< 30 years**	**30-50 years**	**> 50 years**	**Total**
Executives	0%	1%	1%	2%
Middle Management	3%	8%	2%	13%
White collar workers	8%	14%	4%	26%
Blue collar workers	17%	28%	14%	59%
Total	**28%**	**51%**	**21%**	**100%**

S1-9 Diversity metrics: Distribution of employees by age group

	Number	Percentage
Men	2.364	77%
Women	709	23%
Other	0	0%
Not reported	0	0%
Total employees	**3073**	**100%**

S1-9 Diversity metrics: Gender distribution in number and percentage at top management level

S1-10 - Adequate wages[11]

Remuneration and contractual classification (qualification and level) are governed by collective bargaining, in Italy in particular by the National Collective Labour Agreement for the Metalworking Industry, Commerce (for Corporate functions) and Industry Executives. Similarly, for Group companies operating in other countries, the local regulations in force are applied, ensuring remuneration levels that are not only compliant with the minimum wages envisaged, but significantly higher. As a result, 100% of non-worker employees receive an adequate salary, in line with the applicable metrics, in this case of a geographical nature. To monitor the correct remuneration of all employees, at the proposal of the Appointments and Remuneration Committee, *EuroGroup Laminations* adopted a Remuneration Policy in 2024 aimed at creating sustainable value for the Group and its stakeholders through the balance between the fixed and variable component of remuneration.

S1-12 Persons with disabilities

[12]	Number	Percentage
79. Persons with disabilities present among employees, subject to legal restrictions on data collection	57	2%

S1-12 Persons with disabilities: Percentage of persons with disabilities among employees

The Group employs 57 employees with disabilities, including 43 men and 14 women. Although not all countries in which the Group operates have regulations encouraging or mandating the hiring of people with disabilities, 47 percent of Group companies include such resources in their workforce, thus promoting an inclusive and diversity-conscious work environment.

(11) Data reported does not include data for the company Euro Kirov
(12) Data reported does not include data for the company Euro Automation.

S1-13 – Training and skills development metrics[13]

EuroGroup Laminations recognises training and professional development as strategic levers for improving corporate performance and strengthening employee loyalty. For this reason, the Group constantly invests in targeted training programmes aimed at increasing the skills of staff and promoting a corporate culture oriented towards excellence. With this in mind, Eurotranciatura S.p.A. launched Euro Academy in 2018, a continuing education initiative. Over the years, Euro Academy has organised refresher courses with qualified external teachers. These courses cover various company areas, including issues such as environmental emergency management and fire prevention, and has launched a project in collaboration with a specialised supplier for the implementation of the new ERP "HR Infinity", aimed at optimising the human resources management and introducing more advanced tools.

At Group level, a significant part of the training programmes is focused on occupational health and safety, including specific courses on the handling of dangerous goods, first aid, management of fire emergencies and the use of forklifts. New hires also participate in training courses that include sessions on the Code of Ethics, in line with the values and commitments of *EuroGroup Laminations*. The Group constantly monitors the effectiveness of training through specific KPIs, measuring the number of hours provided and defining objectives to improve both the quality and frequency of training activities.

An important initiative in the area of employee development is the project launched by Eurotranciatura México, which has implemented a Technological Baccalaureate programme based on the dual training model since 2017. Thanks to the collaboration with the Centro de Bachillerato Tecnológico Industrial y de Servicios of the Municipality of Corregidora, this course integrates work experience, academic training and technological innovation. In 2021, the first MBA programme started with an initial class of 12 graduates. These initiatives aim to provide employees with both professional and personal growth, combining humanistic and scientific skills to foster continuous learning and better integration in the work, social and cultural context.

The performance assessment system of the Italian companies of *EuroGroup Laminations* uses a dedicated form within the Zucchetti platform, which makes it possible to monitor and manage employee performance in a structured and effective manner. Starting from June/July 2025, the performance assessment process will be further strengthened through integration with the new ERP for staff management. This update will improve the analysis of individual and collective performance, providing more advanced tools for monitoring objectives and supporting strategic decisions. From a quantitative point of view, the system will make it possible to assign and monitor specific objectives for managers, in line with consolidated performance management models, such as MBO and LTI. In parallel, an advanced Human Capital Management system is being implemented. It envisages the creation of a personal dossier for each employee, integrating key information relating to career, skills and training. Currently available only for employees, this tool is the subject of a pilot project aimed at extending its application to external workers, with the aim of optimising the overall management of human resources and guaranteeing a more structured approach to the enhancement of human capital.

(13) Data reported does not include data for following companies: Corrada, EuroAutomation, Euro Kirov

	Number of training hours	Average training hours
Men	12.918	5,5
Women	1.937	2,7
Other	-	-
Not reported	-	-
Total	**14.855**	**4,8**

S1-13 - Training and skills development metrics: Average number of training hours per employee and gender

S1-14 Health and safety metrics

EuroGroup Laminations prioritises health and safety and is committed to continuously improving its management systems, adopting advanced technical standards and international certifications. The objective is to reduce injuries, occupational diseases and accidental events through effective preventive measures and constant monitoring of internal policies. The Group regularly updates its health and safety procedures, ensuring compliance with regulatory requirements and industry standards. The management of each entity is responsible for implementing and maintaining the safety standards defined in the HSE management system, actively involving employees and stakeholders. In particular, Eurotranciatura S.p.A. has implemented and optimised its Occupational Health and Safety Management System, obtaining ISO 45001 certification for all its production facilities. This system is subject to periodic audits by independent bodies to ensure compliance with international regulations. Eurotranciatura México has also launched a plan to obtain ISO 45001 certification, integrating it with the already existing ISO 14001.

EuroGroup Laminations guarantees full compliance with safety regulations, providing adequate economic and management resources to ensure safe and healthy work environments, eliminating or reducing risks related to business activities. The Group actively promotes the involvement of workers, ensuring continuous training and sensitisation on the risks related to safety and environmental impacts. This commitment also extends to the employees of external companies operating in the Group's plants. To ensure constant monitoring, *EuroGroup Laminations* prepares annual reports with key HSE performance indicators, including near misses. The Board of Directors carries out a periodic review of HSE performance, identifying areas for improvement and defining action plans for each plant. Moreover, *Eurotranciatura S.p.A*. performs annual HSE risk assessments for each production site and process.

The most common minor accidents within the Group include wounds, cuts, bruises and crushing, which are constantly monitored to improve workplace safety.

The Group continues to strengthen its commitment to ensuring a safe working environment compliant with the highest international standards. In the last two years, and in particular since last year, the involvement of production departments in the reporting of 'near miss' events has been encouraged, with a 60% increase in reports. These are collected through the shift managers, who send specific forms with a detailed description of the event. The reports are then analysed to identify possible improvement measures. With regard to the management of injuries, the Group has implemented a structured process that includes the collection of information related to the logistics, verification and investigation of the event, and the subsequent compilation of a form sent to the staff office, which activates the necessary procedures. All data is recorded in a dedicated file that includes details on incidents, prognosis days, causes and dynamics.

Health and safety training plays a central role, which includes mandatory courses for all employees, periodic updates, specific courses for managers and sessions dedicated to safety procedures. Training is an area in continuous evolution, with room for improvement and in which the Group actively invests.
Among the strategic objectives for the coming years, the Group has set itself a 30% reduction in the number of accidents. This objective is being assessed for inclusion in the MBO system, as part of a three-year roadmap that aims to minimise injuries to a level close to zero. In addition, an advanced health, safety and environmental data management system is being developed, aimed at ensuring greater consistency and reliability in recording information, in synergy with the systems already adopted by Human Resources.

	Employees	Non-employees	Total[14]
88. a) Percentage of own workers covered by the company health and safety management system on the basis of legal requirements and/or recognised standards or guidelines	100%	100%	100%
88. b) Number of fatalities due to work-related injuries and illnesses	0	0	0
88. c) Number of recordable work-related injuries	89	16	105
Hours worked	10.278.857,8	697.393,58	10.976.251,38
88. c) Rate of recordable work-related injuries	**8,66**	**22,96**	**9,57**
88. d) Indicate the number of cases concerning recordable work-related illnesses, subject to legal restrictions on data collection	0	0	0
88. e) Number of days lost due to work-related injuries and deaths due to work-related injuries, work-related illnesses and deaths as a result of illnesses	1.269,91	139	1.409

S1-14 Health and safety metrics: Percentage of workers covered by the health and safety management system, number of fatalities, number and rate of work-related injuries, number of work-related illnesses, and number of workdays lost

(14) Data reported does not include data for following companies: Euro Kirov and Kumar

S1-15 Work-life balance metrics

Group employee access to leave for family reasons is governed by the regulations in force in the various countries in which the Company operates. Although in many contexts this leave is envisaged in compliance with the reference National Collective Labour Agreement, the differences between national laws may lead to changes in the rights granted to workers. Despite these differences, the Group is committed to promoting policies that favour employee well-being, guaranteeing fair and inclusive conditions in the different contexts in which it operates.
In the broader context of employee well-being, *Eurotranciatura S.p.A.* uses a welfare platform that can be used by all employees for various purposes, ranging from leisure time to sports and travel. The services available cover a wide range of needs, including healthcare, social security, reimbursements for school expenses, language courses, wellness centres and cultural activities. With regard to health benefits, collective agreements guarantee coverage such as life insurance and medical assistance. Moreover, additional insurance policies are available for expatriate employees. A recent trade union agreement in line with the National Collective Labour Agreement for the sector envisages the disbursement of a performance bonus linked to the targets achieved. The definition of these targets aims to encourage a corporate culture oriented towards a proactive approach and the active participation of staff. The bonus is established collectively, and each worker has the option of converting part of the amount into goods, services or activities.
Lastly, *Eurotranciatura S.p.A.* has planned an initiative for the psychological well-being of its employees, which includes individual coaching sessions. They consist of a package of hours that can be used by employees and not only relating to work-related issues but also for the personal sphere.
The Group also invests in employee skills development: in addition to training programmes, *Eurotranciatura USA* has partnered with a local college, fully covering the university fees for selected employees, offering them the opportunity to obtain a degree and increase their own skills.
Finally, to promote employee well-being and engagement, various initiatives are organised in the annual calendar of *Euro Misi High Tech* and *Euro Misi Laminations*, including sporting events, Women's Day celebrations, sitcom competitions in English and team building events designed to improve morale and strengthen team spirit.

	Women	Men	Other	Not reported	Total[15]
94. If all company employees are entitled to leave for family reasons by virtue of social policy and/or collective agreements, it is sufficient to communicate this figure for the obligation referred to in paragraph 93, letter a) to be met.					
Number of employees who are entitled to take leave for family reasons	604	1747	-	-	2.351
Number of entitled employees who took leave for family reasons	247	299	-	-	546
93. a) Percentage of employees who are entitled to take leave for family reasons	84%	74%	-	-	76%
93. b) Percentage of entitled employees who took leave for family reasons	41%	17%	-	-	23%

S1-15 - Work-life balance metrics: Percentage of employees who are entitled to family-related leave and percentage of entitled employees who took family-related leave by gender

(15) Data reported does not include data on Euro Kirov

S1-16 Remuneration metrics

EuroGroup Laminations guarantees, as expressed in the Diversity, Equity and Inclusion Policy, a work environment that promotes fairness and social justice, ensuring that every employee has access to the same opportunities for professional growth and development. This commitment is also expressed in relation to remuneration, where the principles of fairness and equal opportunity are applied. In particular, every employee has access to the same company resources and growth opportunities, which are structured to reward merit and ensure fair and competitive compensation. The Group's approach thus contributes to the overall well-being of all workers.

	Average gross hourly remuneration[16]	
	Women	Men
Total	11,44	16,10
97. a) Pay gap between women and men	28,9%	
97. b) Ratio between the total annual remuneration of the person receiving the highest remuneration and the median total annual remuneration of all employees (excluding this person)	27,02	

S1-16 Remuneration metrics: Gender pay gap and ratio between the total annual remuneration of the person receiving the highest salary and the median total annual remuneration of all employees

S1-17 Incidents, complaints and severe human rights impacts

EuroGroup Laminations accepts its responsibility to ensure an equal and sustainable workplace, operating in compliance with international labour and human rights standards. This commitment is formalised in the *Sustainability Policy*, which defines the priority areas on which the Group focuses its actions. In particular:

Protection of minors
EuroGroup Laminations is committed to protecting minors and young workers, ensuring that they are not exposed to situations that are hazardous to their physical or mental health or their development. The Group does not employ minors in its activities or along the supply chain.

Fight against discrimination
People are the heart of the company's business and represent a fundamental resource for the growth of the Group, which is committed to offering equal opportunities in all phases of the employment relationship. To this end, the Group monitors any episodes of discrimination and the effectiveness of the actions taken to address them.

Dignity at work
EuroGroup Laminations promotes a working environment based on respect and dignity of people. If any harassment is reported, management undertakes to conduct timely investigations and take the necessary measures to adequately address the situation.

(16) Data reported does not include data on EuroAutomation

	Value[17]
104. a) Number of serious human rights incidents related to the company's workforce in the reference period:	0
Cases of non-compliance with the UN Guiding Principles on Business and Human Rights,	0
Cases of non-compliance with the ILO Declaration on Fundamental Principles and Rights at Work	0
Cases of non-compliance with the OECD Guidelines for Multinational Companies	0
Total	**0**
104. a) If no serious human rights incidents related to the company's workforce have occurred, the company shall provide evidence of this.	0
104. b) Total amount of fines, penalties and compensation for damages for accidents	0
104. b) Provide a reconciliation of the monetary amounts indicated with the most relevant amount recognised in the financial statements; and	0

S1-17 Incidents, complaints and severe human rights impacts

(17) Data reported does not include data on Euro Kirov

3.2 ESRS S2 Workers in the value chain

3.2.1 Strategy

ESRS 2 SBM-2 – Interests and views of stakeholders
Robust and structured supply chain management is an essential element in ensuring high product quality standards and maximizing customer satisfaction, while supporting increased production volumes. From the demand planning stage, the Group adopts strict criteria in selecting suppliers, evaluating their quality, price competitiveness, adoption of Digital Manufacturing technologies, time to market (TTM) and delivery reliability. As part of its sustainability strategy, *EuroGroup Laminations* recognizes the central role of workers in the value chain and is committed to promoting positive impacts throughout the entire business ecosystem. To ensure high standards of responsibility and integrity, the Group extends its policies and procedures, including its Code of Ethics and Anti-Corruption Code of Conduct, to the entire supply chain, ensuring adherence to its values and principles. In addition, starting in 2025, the implementation of the Supplier Code of Conduct will further reinforce this commitment by defining clear criteria for compliance with national and international regulations on health and safety, decent working conditions, and environmental protection. For more information about stakeholder engagement, please refer to the section *"SBM-2 - Stakeholder Interests and Views"*.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
With reference to ESRS S2, the dual materiality analysis identified three material impacts, six risks and five opportunities, which can be found in the table in paragraph *SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model*.
For more informations about the process of identifying IROs can be found in Section SBM-3 - Relevant Impacts, Risks, and Opportunities and their Interaction with the Strategy and Business Model.

For *EuroGroup Laminations*, workers along the entire value chain represent a central element in defining the strategy and business model, fully falling within the scope of application of the disclosure pursuant to ESRS 2. In particular, attention is paid to upstream workers in the supply chain, where the main risks of human rights violations are associated with mining activities in countries such as China, India and Mexico. The only material negative impact identified is potential, and concerns possible health and safety shortcomings, a cross-cutting issue that requires constant monitoring by every company. On the other hand, the material positive impacts include dialogue between the parties and the promotion of diversity and inclusion between suppliers, objectives pursued through the integration of social and environmental criteria in the selection processes and through the local-to-local supply chain, which consists of positioning suppliers in close proximity to key customers, ensuring the inclusion of suppliers from different countries. In recent years, the Group has implemented significant sustainability improvements along the entire value chain, ensuring a fair and impartial assessment of the offers received from suppliers. To this end, employees are required to comply with the internal procedures established for the selection and allocation of contracts to suppliers, ensuring transparency and consistency with corporate commitments regarding social and environmental responsibility.

3.2.2 Impact, risk and opportunity management

S2-1 – Policies related to value chain workers
In order to manage the material impacts on workers in the value chain, as well as the material risks and opportunities associated therewith, *EuroGroup Laminations* has adopted the Code of Ethics and the Anti-Corruption Code of Conduct, which contain the guidelines of conduct for the Company and for all parties that have relations with it.
Specifically, the Code of Ethics contains specific paragraphs dedicated to relations with commercial counterparties and third parties, which in turn explore issues such as fair competition, anti-corruption, anti-laundering, principles on trade, relations with commercial counterparties and conflicts of interest.
The Group expects commercial counterparties upstream and downstream of the supply chain to comply with all applicable laws and share the values and principles summarised in the Code of Ethics, committing to comply with all applicable laws, respect the prohibition of corruption, the fundamental human rights of workers and laws on the prohibition of child labour.

To demonstrate its commitment to business ethics and conducting activities globally on four continents, EGLA approved and published its Anti-Corruption Code of Conduct in the summer of 2024. The purpose of the Code is to investigate the issue of corruption already mentioned in the Code of Ethics and establish rules and procedures to reduce the risk of corrupt practices.
Specifically, it aims to consolidate the Group's position that prohibits any form of corruption or bribery, direct or indirect, by anyone, in favour of the Group or to the detriment thereof, without any exceptions, supporting the guiding principle of zero tolerance.

After an analysis carried out within the perimeter of its business activities, *EuroGroup Laminations* identified specific areas that are sensitive to the potential commission of corrupt conduct and defined the related standard rules of conduct to be applied to prevent and mitigate the commission of corrupt acts.

The sensitive areas identified are listed below:

- Relations with Public Officials;
- Relations with commercial counterparties;
- Relations with the media and analysts;
- Scrap management;
- Human resources management;
- Gifts,
- Hospitality and Entertainment;
- Donations,
- Sponsorships,
- Political contributions;
- Facilitation Payments and Extortion Payments;
- Accounting records;
- Relations with banks and financial transactions.

Any suspected or known violation of the Anti-Corruption Code or anti-corruption regulations in force in the countries in which the Group operates must be immediately communicated through the dedicated channels, listed in the applicable Whistleblowing Procedure.
Lastly, the content of the Code also includes the measures and sanctions applicable when a violation is identified and reported.

Aware of the importance of the involvement of the entire value chain, in the last months of 2024 and with subsequent approval in 2025, EGLA worked on drafting the Supplier Code of Conduct. In addition to the two objectives mentioned above, this Code aims to guarantee ethical and responsible practices, define clear principles of integrity, transparency and legality for all suppliers, guarantee compliance with national and international labour and safety, anti-corruption and environmental protection laws, promote decent working conditions; promote environmental sustainability by imposing standards for the reduction of environmental impact, the responsible use of resources and waste management; improve occupational safety by requiring compliance with health and safety standards to ensure safe working environments, monitoring and verifying compliance and strengthening trust between the Group and its suppliers, aiming to build business relationships based on integrity, reliability and mutual respect.

S2-2 – Processes for engaging with value chain workers about impacts
During 2024, the Group expanded and strengthened supplier engagement through the introduction of a specific survey aimed at collecting in-depth and detailed information and opinions on environmental, social and governance issues. This initiative became necessary in the face of increasing demands from customers, who are more and more attentive to sustainability along the entire value chain. Through these questionnaires, the Company collects key data on issues such as CO2 emission management, resource consumption, working conditions, human rights, corporate ethics and regulatory compliance, allowing a structured assessment of supplier engagement in the ESG field.

To support this activity, in February 2025 EGLA approved a new Supplier Code of Conduct, strengthening the requirements on sustainability and ethical responsibility, and establishing clear standards that all partners must comply with. In addition, to ensure continuous alignment with regulatory developments, the Company periodically updates the ESG survey based on new legislative provisions and industry best practices. This approach makes it possible to identify areas for improvement, promote more sustainable practices and strengthen collaboration with suppliers who share the same values of transparency and responsibility. In doing so, the Company responds to the needs of the market, improving its competitiveness and contributing to the construction of a more ethical and sustainable production chain.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns
EuroGroup Laminations adopts a proactive approach in preventing, managing and combating any violation of the principles enshrined in the Code of Ethics and the Anti-Corruption Code of Conduct. To this end, the Group promotes an environment of integrity and transparency, supporting initiatives that encourage reporting any non-compliant behaviour.

The Group has established the Whistleblowing channel as a grievance mechanism, in addition to the procedures for managing Whistleblowing reports. The aforementioned channel extends to employees and stakeholders in the chain and is accessible to everyone through the Group's online website. Through this tool, workers, suppliers and local communities can report situations of exploitation, discrimination, dangerous working conditions or negative impacts on the environment without fear of retaliation. In addition, the reporting channel allows the Company to promptly identify any problems along the production chain, thereby strengthening the monitoring of compliance with ethics principles and current regulations. Whistleblowing therefore not only protects the rights of the people involved, but also contributes to creating a more transparent, fair and sustainable production system, improving mutual trust between the Company and local communities.

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

To generate positive impacts on workers along the value chain, *EuroGroup Laminations* implements a series of initiatives permanently integrated into the Group's operational management. The only material impact identified is of a potential nature and concerns any non-compliance in relation to health and safety. To mitigate this impact, as well as the risks related to the violation of human rights, precarious employment situations and the risk of supply delays caused by strikes, the Group carefully selects suppliers, assessing them on the basis of specific social criteria, including compliance with ISO 45001 certification for occupational health and safety management, and environmental certification, including compliance with 14001 certification. The positive impacts are instead manifested mainly in strengthening dialogue between the parties and in the promotion of inclusiveness between suppliers, aspects supported and guided by the Group's Sustainability Policy and monitored by the Code of Ethics.

At the same time, several opportunities have been identified, including the promotion of constructive social dialogue and collective bargaining, again supported by the Sustainability Policy, the improvement of work-life balance, investment in training and the development of initiatives aimed at fostering diversity and inclusion.

3.2.3 Metrics and targets

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

Already a member of the UN Global Compact since 2024, at the beginning of 2025 EGLA approved a Supplier Code of Conduct in which it is explicitly required suppliers to ensure that the working environment is free from all types of harassment, mistreatment, abuse and discrimination (based on race, colour, age, gender, sexual orientation, gender identity, ethnicity, disability, pregnancy, religion, political affiliation, trade union membership or marital status), ensuring equal opportunities and fair treatment for all staff. In addition, the Group's supplier companies must provide a safe and anonymous channel for reporting any violations in order to guarantee respect for human rights and workers' rights. In compliance with national and/or local laws, suppliers must guarantee respect for workers' rights and trade union responsibilities, such as freedom of association and collective bargaining, including the rights for workers to join trade unions, freely choose their representatives and represent other workers, join company worker committees and participate in collective bargaining. Finally, EGLA supplier companies must refrain from any discrimination against employees who act as workers' representatives and may not attempt to influence employees to join a specific trade union, nor dismiss employees because of their affiliation therewith.

With regard to equal pay, suppliers are required to pay their staff wages and benefits that comply with the laws in force in each country or region and must carry out operations by limiting overtime to a level that guarantees humane and productive working conditions and complies with local legal requirements. They are also required to maintain a transparent and reliable system for recording working hours, wages and overtime.

3.3 ESRS S3 Affected communities

3.3.1 Strategy

ESRS 2 SBM-2 Interests and views of stakeholders

The local communities and the territory in which EGLA operates are given particular attention when defining the Group's strategy and business model. Over the years, the Group has consolidated a significant bond with local communities and territories, characterised by strong and constantly strengthened relationships, with the aim of fully understanding the context and enhancing it, taking into account the risks and opportunities associated therewith. For more information about stakeholder involvement, please refer to section *"SBM-2 - Stakeholder Interests and Opinions".*

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

With specific reference to ESRS S3, the dual materiality analysis identified one material impact, one risk and three opportunities, elements that can be found in the table in paragraph 1.1.3 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model.

EGLA identifies the local communities that live near the production plants as the categories of stakeholders most affected by the impacts, risks and opportunities identified. Although no material negative impacts have been identified on local communities, *EuroGroup Laminations* has identified a positive impact that contributes to the social and economic context in which it operates, deriving from its re-

cruitment programmes aimed at fostering the inclusion and development of local communities. In particular, initiatives of this type have been implemented at *Eurotranciatura* S.*p*.A. and *Eurotranciatura USA*, where the Group has actively promoted job opportunities for categories of people who may encounter greater difficulties in accessing the labour market. Specifically, the beneficiaries of these programmes are people with hearing disabilities and convicts, who find new opportunities for personal and professional growth through their employment. These initiatives are further detailed in the paragraph *S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions*. For more information, please refer to Section *SBM-3 - Significant Impacts, Risks and Opportunities and their Interaction with the Strategy and Business Model*.

3.3.2 Impact, risk and opportunity management

S3-1 – Policies related to affected communities
EuroGroup Laminations has adopted the Code of Ethics to support local communities, with the aim of promoting sustainable and responsible development in the territories in which it operates. Through this commitment, the Company assumes the responsibility of contributing to the social, economic and environmental well-being of local communities, promoting initiatives for inclusion, education, environmental protection and economic growth. The Code of Ethics defines clear principles of transparency, fairness and collaboration, ensuring that company activities generate a positive and lasting impact on the territory, while respecting human rights and the needs of local populations.
To ensure a positive impact along the entire value chain, in the first few months of 2025 the Company also approved the Supplier Code of Conduct, ensuring that its business partners also respect the same principles of social responsibility and protection of local communities.
The implementation of a Supplier Code of Conduct on human rights is fundamental to prevent labour exploitation, ensuring that suppliers respect decent working conditions, prohibiting child, forced or underpaid labour. Ensuring the safety and well-being of workers is of fundamental importance for the Group, promoting safe working environments and preventing discrimination and abuse. In addition, EGLA is committed to promoting the social and economic growth of local communities, seeking to encourage responsible procurement practices that generate sustainable development opportunities in the territories where suppliers operate. Through these tools, the Company is committed to operating in an ethical and responsible manner, concretely contributing to the improvement of the living conditions of local communities and to the construction of a fairer and more sustainable business model.

S3-2 – Processes for engaging with affected communities about impacts
EGLA maintains constant dialogue with the communities where it is located, also collecting inputs on the impact of its activities both in the economic-financial sphere and in the field of sustainability.
The Group actively dialogues with university training institutions that represent excellence in the area, for collaborations in the area of talent attraction and the offer of training and internships to profiles of excellence. Aware of the important role also played at the local level, structured dialogues and collaborations have been initiated with local technical institutes, also in order to strengthen the skills of students entering the world of work.
The Group is aware of the role it can play in supporting the local communities where it operates, beyond mere work and employment opportunities, and as such is committed to dialogue with various local NGOs to promote the values of art and sport. Moreover, the Group dialogues both with employees, who are encouraged to submit proposals for support to the communication and human resources departments, and with representatives of local associations in order to selectively support, with direct financial support and indirect communication support, the most deserving initiatives that are in line with the corporate values.
Lastly, numerous calls and discussions with shareholders concerning the sustainability of *EuroGroup Laminations* were held during the 2024 financial year, with shareholder feedback and recommendations being exchanged. Interactions with investors are aimed at dialogue and communication about the Company's economic and financial performance, as well as information on involvement and efforts carried out to improve the Group's sustainability profile. On the other hand, as regards dialogue and interactions with the media, a special Communication Office has been established. The office is responsible for managing, also with the internal support of business and staff functions, communications of a non-strictly financial nature with external parties such as newspapers and television, also making use of new forms of communication like the use of social media such as LinkedIn, as well as in order to support the Group in business development and talent attraction activities.

S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
In order to produce positive impacts on local communities, *EuroGroup Laminations* implements a series of actions that are now included in the regular management of the Group's activities. A significant example is represented by the *Eurotranciatura S.p.A*. programme, which since 2004 has encouraged the integration of hearing-impaired workers at the Baranzate site in Italy. To ensure an inclusive work environment that allows for effective activities, interpreters were introduced to facilitate training, and sign language lessons were organised for employees. In addition, specific workplace safety measures have been implemented, such as the use of high-visibility orange shirts and warning lights. At the same time, *Eurotranciatura USA* has also developed initiatives with a strong social impact such as the job reintegration program for convicts. The project has not only contributed to improving the prospects of convicts' reintegration, but also to fostering their economic stability, allowing them to accumulate savings and keep a job once their sentence is over. In addition to these two high-impact programmes, *Eurotranciatura USA* actively supports the local community through various initiatives, such as sponsorship of high school activities, support for the traditional "Fish Fry" event and the donation of engines to Tennessee College.
The Group's commitment also extends to Mexico, where *Eurotranciatura México* promotes the well-being of the community by supporting educational and social action programmes. In particular, the Company makes donations for educational, scientific, artistic and cultural purposes, as well as for social and humanitarian causes. All the contributions are disbursed in a transparent manner, ensuring knowledge of the beneficiary and the specific allocation of resources, with the guarantee that the funds are used for ethical and declared purposes. These initiatives testify to *EuroGroup Laminations*' approach in being not only an economic player, but also a responsible reference point attentive to the needs of the communities in which it operates.
EuroGroup Laminations adopts a structured approach to identifying and managing actual and potential negative impacts on its workforce in the form of the materiality analysis. This process is essential not only to define sustainability-related priorities, but also to define the most suitable actions to mitigate potential negative impacts, following a risk-based approach.
In the context of local communities, the main risk identified concerns the possible misperception of *EuroGroup Laminations* as a company that does not respect the freedom of association in the territories in which it operates. To mitigate this risk and strengthen its commitment to workers' rights, the Group has adopted and disseminated its Sustainability Policy, which affirms the full right to and encourages freedom of association, refraining from any interference in the creation and management of workers' organisations and in collective bargaining processes. Through this policy, the Group reaffirms its commitment to guaranteeing a working environment that is inclusive and respectful of the rights of all workers. The opportunities identified concern the protection and promotion of civil and human rights, areas in which the Group is actively engaged. In support of this commitment, *EuroGroup Laminations* has adopted a series of policies and strategic initiatives, detailed in paragraph *S3-1 - Policies related to affected communities*, aimed at ensuring the respect and enhancement of fundamental rights in all its activities.
Moreover, interactions with investors are regulated by a special "Policy for Managing Dialogue with General Shareholders and the Financial Community" published on the Group's website, which establishes the methods with which the dialogue with shareholders takes place, including with regard to issues related to sustainability.

3.3.3 Metrics and targets

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.
EGLA has not currently formalised quantitative metrics and targets regarding the objectives related to the management of impacts, risks and opportunities in the affected communities. Despite this, qualitatively, the Group is committed to minimising the environmental and social externalities of its activities, guaranteeing respect for human rights and adopting measures to prevent the exploitation of labour and the degradation of the local ecosystem. Furthermore, it seeks to promote local economic development initiatives, support education and professional training programmes, and encourage responsible sourcing practices that involve local suppliers.
Finally, for the effective management of risks and opportunities, the Company can adopt mechanisms for dialogue and consultation with communities, implement monitoring systems and developing partnerships with local authorities and NGOs to maximise shared value.

3.4 ESRS S4 Consumers and end-users

3.4.1 Strategy

ESRS 2 SBM-2 Interests and views of stakeholders
EuroGroup Laminations orients its strategy and business model by taking into consideration the interests, opinions and rights of consumers. For example, in 2024 the Group benefited from strong positive growth trends for the EV Traction product line that focuses on the automotive sector, especially in the Chinese market, thanks to a regulatory framework favourable to the adoption of electric vehicles, associated with increasing acceptance by consumers. However, the recipients of the Group's products, identifiable among the automotive sector actors, including car manufacturers (OEM - Original Equipment Manufacturers), which use these components for the production of electric vehicles (EVs) and hybrids (HEVs), as well as Tier 1 suppliers, which develop electric propulsion systems for these applications. A key segment is that of traction motors for electric vehicles (EV Traction Motors), in which blanking laminations are essential to improve the efficiency, performance and range of vehicles. Regarding hybrid vehicles (HEV and PHEV), the electric motor plays a fundamental role in reducing emissions and optimising fuel consumption. In mild hybrid systems (MHEV), the electric motor supports the internal combustion engine during acceleration and energy recovery during braking. In full hybrids (HEVs), the electric motor can operate autonomously for short distances, improving the overall efficiency of the vehicle. In plug-in hybrids (PHEV), the electric component is even more material, allowing a longer range in electric mode and further reducing dependence on fossil fuel.
As well as the automotive sector, EGLA's steel products are used in numerous industrial sectors, such as the sector of pumps and compressors used in plumbing, chemical and petrochemical systems, and in HVAC (Heating, Ventilation and Air Conditioning) systems for the air conditioning of commercial and residential buildings. Other strategic customers are the businesses operating in home automation, with motors for shutters, locks and smart home devices, and manufacturers of power tools such as drills, screwdrivers and electric saws. The laminations are also used in industrial ventilation and refrigeration, in particular for the construction of motors for extractor hoods, cooling systems and precision air conditioning systems. The customers served by the Group therefore include a diversified ecosystem of companies located in around 40 countries, all united by the need for high-performance components to improve the energy efficiency and sustainability of their products.

More information about stakeholder involvement can be found in *"SBM-2 - Stakeholder Interests and Opinions."*

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
With specific reference to ESRS S4, the dual materiality analysis identified four material impacts, eight risks and eight opportunities, elements that can be found in the table in paragraph SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model.
With reference to the impacts identified, consumers affected by the high levels of quality standards of the products offered, which limit the possibility of accidents and require access to clear and transparent information that can ensure an informed purchase choice, are taken into consideration. These types of impacts are to be considered directly linked to the business model and are always taken into consideration in the continuous process of adjustment and improvement of operating practices. EuroGroup also recognises a strong business relationship with its strategic suppliers that can compromise the quality of the finished product in the event of changes in supply and create a negative impact on customers.
For more information, please refer to Section *SBM-3 - Significant Impacts, Risks and Opportunities and their Interaction with Business Strategy and Model*.

3.4.2 Impact, risk and opportunity management

S4-1 – Policies related to consumers and end-users
The application of EuroGroup Laminations' Code of Ethics is not limited to the Company's internal activities, but extends its guidelines to the entire value chain, involving suppliers, partners, customers and consumers. In particular, the Business Ethics standards described in its Code of Ethics must also be respected by customers, integrating with the environmental and social standards for which the Company already has interactions and collaborations. This approach ensures that fundamental principles such as integrity, transparency, commercial fairness and respect for human rights are applied in all phases of the business, from production to distribution. In addition to environmental aspects, the Company requires its customers adopt responsible corporate governance practices, fight corruption and comply with international regulations. The Code of Ethics thus becomes the strategic tool for consolidating a sustainable and responsible industrial ecosystem, strengthening the value shared among all the players involved in the value chain. In order to have greater dissemination, the Code of Ethics can be found on the company website in both English and Italian.

S4-2 – Processes for engaging with consumers and end-users about impacts
The Group's customers in the segments Industrial and Automotive are increasingly engaged in sustainability issues, and in interactions they increasingly ask for greater evidence of the group's commitment in this area. Sensitivity on these issues is greater for large industrial groups, which are focused on key aspects such as respect for human rights and CO2 emissions analyses (footprint analysis), as certified by specialised ESG rating agencies such as EcoVadis. Within the framework of these interactions, EuroGroup Laminations always makes available, among other things, its Code of Ethics, Sustainability Policy and ISO certifications, and actively responds to enquires.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
EGLA is a "B2B" company, meaning that it has other companies as customers and does not come into direct contact with end consumers. Despite this, there is a communication channel through which consumers can express any concerns or reports, which can use the whistleblowing channel that is confirmed to be an important tool for transparency and active accountability along the entire value chain. The Group, through this tool provides the opportunity to identify and address possible misconduct by partners, suppliers or distributors, which could have a negative impact on the end-user experience. Through this tool, consumers can report abnormal situations, such as defective products, deceptive business practices, or ethical violations in the supply chain. In addition, a well-designed whistleblowing system enables the company to quickly identify critical issues, protect its reputation, and strengthen trust among all stakeholders, thereby promoting ever-higher standards of quality and integrity. The Group uses its website to be able to interact and publish information regarding its activities. In addition, complying with regulations, it periodically publishes reports and documents that can be accessed by any person who accesses the webpage. Finally, EGLA has a regular dialogue with its customers who can consequently collect all the alerts they activate from end customers and interact accordingly with the entire value chain.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
To ensure the high efficiency of the products sold to client companies, the various legal entities have adopted policies regarding product quality. The objective of the policies is the implementation of action plans that aim to make significant improvements in energy savings, optimising the supply chain with the aim of improving energy efficiency, reducing inefficiencies in production processes and production waste and other non-quality expenses (NQE) for the Group and its partners, and finally to define and apply policies and rules to ensure the sustainability of the Company by carefully analysing the possible impacts on all environmental and social aspects. In addition, there are "Quality Management Systems" which, based on a risk-based approach, aim to continuously improve the performance and impact of their products. Lastly, the Group is continuously looking for innovative solutions aimed at the best performance of both the product and the production process, also with a view to greater efficiency in the use of raw materials and the lower production of waste deriving therefrom.
Furthermore, in relation to the impacts identified and in order to guarantee and improve customer satisfaction, EGLA tries to prevent any malfunctioning of any final product that could lead to consumer dissatisfaction and possible accidents that impact customers' health, as well as recalls and lawsuits. In 2024, the Group had no product recalls concerning health and safety, as in the previous year.
In order to identify the most suitable solutions to meet customer needs, the Group's customised products are often co-developed with them, which implies a close interaction between the Group and their Research and Development departments. 72% of EGLA's production sites have ISO 9001 certification to guarantee the quality and safety of their products. The Group complies with all the obligations established by the GDPR (General Data Protection Regulation) and carries out internal controls to ensure that all personal data are recorded in such a way as to ensure the accuracy and confidentiality of such information. In addition, as also required by current regulations, a Data Protection Officer has been appointed. In 2024, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data recorded by the Group.
Furthermore, in relation to the identified impacts and in order to ensure and improve customer satisfaction, EGLA seeks to prevent any malfunction of any end product that could lead to consumer dissatisfaction and possible customer health incidents, recalls and lawsuits. In 2024, as in the previous year, the Group had no product recalls related to health and safety.
In order to identify the most appropriate solutions to meet customers' needs, the Group's customized products are often co-developed with customers, which involves close interaction between the Group and their R&D departments. In order to guarantee the quality and safety of its products, EGLA has obtained ISO 9001 certification for 72% of its production sites. The Group then complies with all the obligations set out in the GDPR (General Data Protection Regulation), implementing internal controls to ensure that all personal data is recorded in a way that guarantees the accuracy and confidentiality of this information. In addition, the Company has appointed a Data Protection Officer, as also required by the applicable regulations. In 2024, there were no substantiated complaints regarding breaches of customer privacy and losses of customer data recorded by the Group.

3.4.3 Metrics and targets

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
As at 2024, the Group has not formalised specific targets complete with KPIs, time horizon and dedicated budget relating to the identified impacts related to its final users.

Governance Disclosures

4.1 ESRS G1 | Business conduct

GOV-1 The role of the administrative, management and supervisory bodies
For information on the role of the administrative bodies regarding business conduct, please see the chapter "The Group".

4.1.1. Impact, risk and opportunity management

G1 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities
The process of identifying IROs is described in paragraph 1.1.4 Management of impacts, risks and opportunities. With specific reference to ESRS G1, the dual materiality analysis identified five material impacts, three risks and six opportunities, elements that can be found in the table in paragraph SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model.

4.1.2 Corporate culture and business conduct policies

G1-1 – Corporate culture and business conduct policies
EuroGroup Laminations is committed to maintaining and improving its corporate governance with regard to ethics, integrity and accountability. To safeguard the value creation process for its customers, employees, partners, suppliers and shareholders, the Group is committed to putting in place rules and procedures governing the decision-making, control and monitoring processes of its business activities. The Group's governing bodies and instruments aim to spread ethics and integrity as a corporate culture among all employees.
The Board of Directors of the parent company has appointed a Control, Risk and ESG Committee, composed of a majority of independent directors; the Committee makes proposals and performs advisory functions for the Board of Directors in order to promote the integration of ESG issues in the governance of EuroGroup Laminations S.p.A. and its subsidiaries in their respective corporate strategies. To achieve these objectives, the main tools used by the Group include: the Organization and Management Model pursuant to Legislative Decree. 231/2001, adopted to ensure fairness and transparency in the management of corporate activities and to prevent crimes committed in the interest or to the benefit of the Company; a system of risk analysis and management and the implementation of procedures and measures aimed at preventing/reducing the impact or occurrence of risks, integrated into operations; a high standard of corporate governance through the maintenance of the independence of members of the Board of Directors; the adoption of policies on ethics, corruption and human rights; and reporting aligned with best practices.

To identify, assess, manage and remedy its material impacts, risks and opportunities related to business conduct issues, EGLA has adopted the following: Code of Ethics, Organisational Model pursuant to Italian Legislative Decree 231, Anti-Corruption Code of Conduct, Whistleblowing Report Management Procedure. For more information, please refer to chapter 1.1.4 Policies adopted to manage material sustainability matters.

G1-2 – Management of relationships with suppliers

(14) Although EuroGroup Laminations does not currently have a Group Policy to avoid late payment to its suppliers, including SMEs, each Group Company has implemented transparent procedures for the payment of its suppliers, with the objective of ensuring compliance with contractual arrangements and preventing payment delays. This is aimed at not compromising the financial balance of suppliers, in particular SMEs, in commercial relations with larger companies.

(15a) The Group's main raw material is electrical steel, which represents at least 60% of the product cost. Through its centralised procurement function at the Italian headquarters, the Group purchases electrical steel from major suppliers worldwide and, according to management estimates, is the world's largest buyer of electrical steel, with long-term partnerships. In particular, the Group has developed relationships with many suppliers located in different geographical areas in order to ensure proximity to its plants, reduce delivery times and costs, as well as mitigate, to some extent, the effects of sanctions and import restrictions.

The Group is formalising its Supplier Code of Conduct through which it intends to share the process of building a sustainable supply chain from a social, environmental and economic point of view with its suppliers. Within this scope, EGLA requires all suppliers comply with environmental laws and regulations, as well as with applicable national and international industry requirements. In addition, it requires suppliers pre-emptively identify and assess the risks related to workplace health and safety in order to prevent and manage them, implementing suitable prevention and protection tools.

In addition, EuroGroup Laminations joined the UN Global Compact on 8 January 2024 to demonstrate its commitment to achieving the objectives of sustainability and the defence of human rights within its activities and the supply chain both in Italy and abroad.

G1-3 - Prevention and detection of corruption and bribery and G1-4 - Confirmed incidents of corruption or bribery

(18 a) To safeguard corporate ethics and minimise corruption and money laundering risks, EuroGroup Laminations has implemented rules and procedures aimed at governing its decision-making, control and business activity monitoring processes. The main instruments used by the Group include:

- Organisation and Management Model pursuant to Italian Legislative Decree 231/2001, adopted to ensure fairness and transparency in the management of company activities and to prevent the commission of crimes in the interest or to the advantage of the Company;
- Code of Ethics
- Whistleblowing Report Management Procedure
- risk analysis and management system and the enforcement of procedures and measures aimed at preventing/reducing the impact or occurrence of risks, integrated into operations;
- high standard of corporate governance through the maintenance of independence of the members of the Board of Directors;
- adoption of the Anti-Corruption Code of Conduct;
- reporting aligned with best practices.

The Group has also established several confidential whistleblowing channels, managed by the Supervisory Board (SB), through which each person may at any time communicate with the SB, in the knowledge that this communication channel guarantees the confidentiality of the identity of the reporter and the communication transmitted.

(18b) The Supervisory Board that deals with the reports and resolution of disputes and violations of the Codes of Conduct consists of the Group HR Manager and two legal figures, for which a lawyer is chairman.

(18 c) The Group ESG Manager reports annually to the Control, Risks & ESG Committee and to the Board of Directors of EuroGroup Laminations S.p.A. on the results of the activities carried out in relation to the Anti-Corruption Code of Conduct. In addition, the Group HR Manager promptly reports on all ascertained violations of the Anti-Corruption Code of Conduct.

(20) The anti-corruption procedures adopted by the Group are made available for consultation through display in the workplace; via the company Intranet for employees and collaborators; and through the company website for all interested parties.

(21a,b,c) EuroGroup Laminations undertakes to ensure that all its staff are adequately informed of the applicable anti-corruption laws and the Anti-Corruption Code of Conduct. To raise awareness and train staff with respect to the Code of Conduct and anti-corruption regulations, and in line with the endorsement of the Ten Principles of the UN Global Compact, the Group organises and promotes specific training courses and periodic updates on anti-corruption.

The training activities are structured in periodic sessions, aimed primarily at those professionals who, by virtue of the nature of their duties, are more exposed to situations potentially sensitive to corrupt behaviour. Training sessions can also be extended to third parties involved with the Company, so that the anti-corruption culture spreads beyond the internal borders of the organisation. In 2024, 113 participants were selected from functions at risk, along with executives. Delivered to 88 participants (34 executives and 54 employees of the functions considered at risk), the course was held virtually to ensure participation by all the functions involved in all Italian and foreign Group companies. At the end of the course a non-binding test was administered, focused on the main concepts.

(24.25) During 2024, as in 2023, no episodes of corruption were ascertained.

4.1.3 Metrics and targets

G1-6 - Payment practices

The Company has adopted procedures and processes for the management of suppliers and external company relations, committing to guarantee fair practices in all phases of the procurement process, from the selection and contracting of supplies to the execution of payments.
It should be noted that during 2024, the average payment days were 106 from the receipt of the invoice. For the calculation of this indicator, the Company Eurotranciatura S.p.A. was taken into account, which represents a significant sample of payment practices and commitment to meeting these deadlines. For small and medium-sized companies, payments have a shorter timeframe to ensure their operations.
At present, Group companies have no pending legal proceedings due to late payments.

The standard payment terms of EGLA provide that the balance to the suppliers be paid following receipt of the invoice. It should also be noted that of the 1,888 payments made in 2024, the services received were paid on average within 104 days of invoice receipt. The Company divides the payment terms according to the different categories of suppliers with which it works and these are shown in the table below:

Payment practices		
Average time taken to pay an invoice from the date on which the contractual or legal payment term begins to be calculated	**Number of days**	**Percentage of payments aligned with standard terms**
Raw material suppliers	97	100%
Capital goods suppliers	97	100%
Service providers	126	100%

However, it should be noted that for this first year of reporting of this indicator, only the Company Eurotranciatura S.p.A. was taken into consideration. The Group undertakes to provide a figure including all the Companies starting from the next Statement.
At present, the Group companies do not have any pending legal proceedings due to late payments.

Appendix

ESRS 2- IRO2- ESRS Disclosure requirements covered by the undertaking's sustainability statement

The following tables list all the ESRS disclosure requirements in ESRS 2 and in the eight topical standards considered material for EuroGroup Laminations, which guided the preparation of the Sustainability Statement.

EuroGroup Laminations opted for the "application of the gradual adaptation", envisaged by data point 10.4: "Transitional provision: List of phased-in disclosure requirements" and outlined in Appendix C of Delegated Regulation (EU) 2023/2772. The reference to the disclosure requirements, which the organisation will omit according to what is possible per the transitory provisions, is reported in the "Notes" column of the following table.

Cross-cutting standards	Disclosure requirement	Section	Notes
ESRS 2 - General disclosures			
BP-1	General basis for preparation of sustainability statements	1.1.1 Basis for preparation	
BP-2	Disclosures in relation to specific circumstances	1.1.1 Basis for preparation	
GOV-1	The role of the administrative, management and supervisory bodies	1.1.2 Governance	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.1.2 Governance	
GOV-3	Integration of sustainability-related performance in incentive schemes	1.1.2 Governance	
GOV-4	Statement on due diligence	1.1.2 Governance	
GOV-5	Risk management and internal controls over sustainability reporting	1.1.2 Governance	
SBM-1	Strategy, business model and value chain	1.1.3 Strategy 3.1.2 Impact, risk and opportunity management	
SBM-2	Interests and views of stakeholders	1.1.3 Strategy	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.1.3 Strategy	**Phase in:** For FY 2024, the Company omitted the information required by ESRS 2 SBM-3, paragraph 48, letter e, as set forth in Appendix C (ESRS 1) of Delegated Regulation (EU) 2023/2772.
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.1.4 Impact, risk and opportunity management	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	1.1.4 Impact, risk and opportunity management Appendix	
MDRT-P	- Policies adopted to manage material sustainability matters	1.1.4 Impact, risk and opportunity management	

Environmental Disclosure	Disclosure requirement	Section	Notes
ESRS E1- Climate change			
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	2.2 ESRS E1 Climate change	
E1-1	Transition plan for climate change mitigation	2.2.1 Strategy	
ESRS 2, SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.2.1 Strategy	
ESRS 2, IRO 1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2.2.2 Impact, risk and opportunity management	
E1-2	Policies related to climate change mitigation and adaptation	2.2.2 Impact, risk and opportunity management	
ESRS 2 MDR-P	ESRS 2 MDR-P - Policies adopted to manage material sustainability matters	2.2.2 Impact, risk and opportunity management 1.1.4 Impact, risk and opportunity management	
E1-3	Actions and resources in relation to climate change policies	2.2.2 Impact, risk and opportunity management	
ESRS 2 MDR-A	ESRS 2 MDR-A Actions and resources in relation to material sustainability matters	2.2.3 Metrics and targets	
E1-4	Targets related to climate change mitigation and adaptation	2.2.3 Metrics and targets	
ESRS 2 MDR-T	ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets	2.2.3 Metrics and targets	
E1-5	Energy consumption and mix	2.2.3 Metrics and targets	
E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	2.2.3 Metrics and targets	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	2.2.3 Metrics and targets	
E1-8	Internal carbon pricing	2.2.3 Metrics and targets	
ESRS 2 MDR-M	ESRS 2 MDR-M Metrics in relation to material sustainability matters	2.2.3 Metrics and targets	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	/	**Phase in:** Per il FY 2024 la società ha omesso le informazioni prescritte dall'ESRS E1-9, così come previsto nell'Appendice C (ESRS 1) del Regolamento Delegato (UE) 2023/2772.
ESRS E2 - Pollution			
ESRS 2, IRO 1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	2.3.1 Impact, risk and opportunity management	
E2-1	Policies related to pollution	2.3.1 Impact, risk and opportunity management	
ESRS 2 MDR-P	ESRS 2 MDR-P - Policies adopted to manage material sustainability matters	2.3.1 Impact, risk and opportunity management	
E2-2	Actions and resources related to pollution	2.3.1 Impact, risk and opportunity management	
ESRS 2 MDR-A	ESRS 2 MDR-A Actions and resources in relation to material sustainability matters	2.3.1 Impact, risk and opportunity management	
E2-3	Targets related to pollution	2.3.2 Metrics and targets	
ESRS 2 MDR-T	ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets	2.3.2 Metrics and targets	
E2-4	Pollution of air, water and soil	2.3.2 Metrics and targets	
E2-5	Substances of concern and substances of very high concern	2.3.2 Metrics and targets	
ESRS 2 MDR-M	ESRS 2 MDR-M Metrics in relation to material sustainability matters	2.3.2 Metrics and targets	
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	/	**Phase in:** For FY 2024, the Company omitted the information required by ESRS E2-6, as set forth in Appendix C (ESRS 1) of Delegated Regulation (EU) 2023/2772.
ESRS E5– Resource use and circular economy			
ESRS 2, IRO 1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	2.4.1 Impact, risk and opportunity management	
E5-1	Policies related to resource use and circular economy	2.4.1 Impact, risk and opportunity management	
ESRS 2 MDR-P	ESRS 2 MDR-P - Policies adopted to manage material sustainability matters	2.4.1 Impact, risk and opportunity management 1.1.4 Impact, risk and opportunity management	
E5-2	Actions and resources related to resource use and circular economy	2.4.1 Impact, risk and opportunity management	
ESRS 2 MDR-A	ESRS 2 MDR-A Actions and resources in relation to material sustainability matters	2.4.1 Impact, risk and opportunity management	
E5-3	Targets related to resource use and circular economy	2.4.2 Metrics and targets	
ESRS 2 MDR-T	ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets	2.4.2 Metrics and targets	
E5-4	Resource inflows	2.4.2 Metrics and targets	
E5-5	Resource outflows	2.4.2 Metrics and targets	
ESRS 2 MDR-M	ESRS 2 MDR-M Metrics in relation to material sustainability matters	2.4.2 Metrics and targets	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	/	**Phase in:** For FY 2024, the Company omitted the information required by ESRS E5-6, as set forth in Appendix C (ESRS 1) of Delegated Regulation (EU) 2023/2772.

Social Disclosures	Disclosure requirement	Section	Notes
ESRS S1- Own workforce			
ESRS 2, SBM 2	Interests and views of stakeholders	3.1.1 Strategy	
ESRS 2, SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1.1 Strategy	
S1-1	Policies related to own workforce	3.1.2 Impact, risk and opportunity	
ESRS 2 MDR-P	ESRS 2 MDR-P - Policies adopted to manage material sustainability matters	3.1.2 Impact, risk and opportunity 1.1.4 Impact, risk and opportunity management	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1.2 Impact, risk and opportunity	
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	3.1.2 Impact, risk and opportunity	
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.2 Impact, risk and opportunity	
ESRS 2 MDR-A	ESRS 2 MDR-A Actions and resources in relation to material sustainability matters	3.1.2 Impact, risk and opportunity	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.2 Impact, risk and opportunity	
ESRS 2 MDR-T	ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets	3.1.2 Impact, risk and opportunity	
S1-6	Characteristics of the undertaking's employees	3.1.2 Impact, risk and opportunity	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	3.1.2 Impact, risk and opportunity	
S1-8	Collective bargaining coverage and social dialogue	3.1.2 Impact, risk and opportunity	
S1-9	Diversity metrics	3.1.2 Impact, risk and opportunity	
S1-10	Adequate wages	3.1.2 Impact, risk and opportunity	
S1-11	Social protection	/	**Phase in:** Per il FY 2024 la società ha omesso le informazioni prescritte dall'ESRS S-11, così come previsto nell'Appendice C (ESRS 1) del Regolamento Delegato (UE) 2023/2772.
S1-12	Persons with disabilities	3.1.2 Impact, risk and opportunity	
S1-13	Training and skills development metrics	3.1.2 Impact, risk and opportunity	
S1-14	Health and safety metrics	3.1.2 Impact, risk and opportunity	
S1-15	Work-life balance metrics	3.1.2 Impact, risk and opportunity	
S1-16	Compensation metrics (pay gap and total compensation)	3.1.2 Impact, risk and opportunity	
S1-17	Incidents, complaints and severe human rights impacts	3.1.2 Impact, risk and opportunity	
ESRS 2 MDR-M	ESRS 2 MDR-M Metrics in relation to material sustainability matters	3.1.2 Impact, risk and opportunity	
ESRS S2 Workers in the value chain			
ESRS 2, SBM 2	Interests and views of stakeholders	3.2.1 Strategy	
ESRS 2, SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.2.1 Strategy	
S2-1	Policies related to value chain workers	3.2.2 Impact, risk and opportunity	
ESRS 2, MDR-P	ESRS 2 MDR-P - Policies adopted to manage material sustainability matters	3.2.2 Impact, risk and opportunity 1.1.4 Impact, risk and opportunity	
S2-2	Processes for engaging with value chain workers about impacts	3.2.2 Impact, risk and opportunity	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2.2 Impact, risk and opportunity	
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2.2 Impact, risk and opportunity	
ESRS 2, MDR-A	ESRS 2 MDR-A Actions and resources in relation to material sustainability matters	3.2.2 Impact, risk and opportunity	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.3 Metrics and targrets	
ESRS 2, MDR-T	ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets	3.2.3 Metrics and targrets	
ESRS 2 MDR-M	ESRS 2 MDR-M Metrics in relation to material sustainability matters	3.2.3 Metrics and targrets	
ESRS S3 - Affected communities			
ESRS 2, SBM 2	Interests and views of stakeholders	3.3.1 Strategy	
ESRS 2, S BM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.3.1 Strategy	
S3-1	Policies related to affected communities	3.3.2 Impact, risk and opportunity management	
ESRS 2, MDR-P	ESRS 2 MDR-P - Policies adopted to manage material sustainability matters	3.3.2 Impact, risk and opportunity management 1.1.4 Impact, risk and opportunity management	
S3-2	Processes for engaging with affected communities about impacts	3.3.2 Impact, risk and opportunity management	
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	3.3.2 Impact, risk and opportunity management	

ESRS 2, MDR-A	ESRS 2 MDR-A Actions and resources in relation to material sustainability matters	3.3.2 Impact, risk and opportunity management
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3.3 Metrics and targets
ESRS 2, MDR-T	ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets	3.3.3 Metrics and targets
ESRS 2 MDR-M	ESRS 2 MDR-M Metrics in relation to material sustainability matters	3.3.3 Metrics and targets
ESRS S4 - Consumers and end-users		
ESRS 2, SBM 2	Interests and views of stakeholders	3.4.1 Strategy
ESRS 2, SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.4.1 Strategy
S4-1	Policies related to consumers and end-users	3.4.2 Impact, risk and opportunity management
ESRS 2 MDR-P	ESRS 2 MDR-P - Policies adopted to manage material sustainability matters	3.4.2 Impact, risk and opportunity management 1.1.4 Impact, risk and opportunity
S4-2	Processes for engaging with consumers and end-users about impacts	3.4.2 Impact, risk and opportunity management
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.4.2 Impact, risk and opportunity management
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.4.2 Impact, risk and opportunity management
ESRS 2, MDR-A	ESRS 2 MDR-A Actions and resources in relation to material sustainability matters	3.4.2 Impact, risk and opportunity management
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4.3 Targets and metrics
ESRS 2, MDR-T	ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets	3.4.3 Targets and metrics

Governance Disclosures	Disclosure requirement	Section	Notes
ESRS G1 - Business conduct			
ESRS 2, GOV-1	The role of the administrative, management and supervisory bodies	4.4.1 ESRS G1 Business conduct 1.1.2 Governance	
ESRS 2, IRO 1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	4.1.1 Impact, risk and opportunity management 1.1.2 Governance	
G1-1	Corporate culture and business conduct policies and corporate culture	4.1.2 Corporate culture and business conduct policies	
ESRS 2, MDR-P	ESRS 2 MDR-P - Policies adopted to manage material sustainability matters	4.1.2 Corporate culture and business conduct policies 1.1.4 Impact, risk and opportunity management	
G1-2	Management of relationships with suppliers	4.1.2 Corporate culture and business conduct policies	
ESRS 2, MDR-A	ESRS 2 MDR-A Actions and resources in relation to material sustainability matters	4.1.2 Corporate culture and business conduct policies	
G1-3	Prevention and detection of corruption and bribery	4.1.2 Corporate culture and business conduct policies	
G1-4	Confirmed incidents of corruption or bribery	4.1.2 Corporate culture and business conduct policies	
G1-6	Payment practices	4.1.3 Metrics and targets	
ESRS 2, MDR-T	ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets	4.1.3 Metrics and targets	
ESRS 2 MDR-M	ESRS 2 MDR-M Metrics in relation to material sustainability matters	4.1.3 Metrics and targets	

Appendice B: Datapoint derivati da altre normative UE

La tabella seguente riporta tutti i punti dati derivati da altre normative dell'UE, come specificato nell'appendice B dell'ESRS 2. Per ogni datapoint sono indicati il riferimento all'interno del nostro report (nelle colonne "Sezione" e "Pagina/e"), oltre a quelli considerati "Non rilevanti".

Disclosure Requirement	Data Point		SFDR Reference[18]	Third pillar reference[19]	Reference regulation on benchmarks[20]	EU climate regulation reference[21]	Section
ESRS 2 GOV-1	21-d	Board's gender diversity	×		×		1.1.2 Governance
ESRS 2 GOV-1	21-e	Percentage of board members who are independent			×		1.1.2 Governance
ESRS 2 GOV-4	30	Statement on due diligence	×				1.1.2 Governance
ESRS 2 SBM-1	40-d-i	Involvement in activities related to fossil fuel activities	×	×	×		Not relevant
ESRS 2 SBM-1	40-d-ii	ESRS 2 SBM-1 Involvement in activities related to chemical production	×		×		Not relevant
ESRS 2 SBM-1	40-d--iii	Involvement in activities related to controversial weapons	×		×		Not relevant
ESRS 2 SBM-1	40-d-iv	Involvement in activities related to cultivation and production of tobacco			×		Not relevant
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				×	2.2.1 Strategy
ESRS E1-1	16-g	Undertakings excluded from Paris-aligned benchmarks		×	×		2.2.1 Strategy
ESRS E1-4	34	GHG emission reduction targets	×	×	×		2.2.3 Metrics and targets
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	×				Not relevant
ESRS E1-5	37	Energy consumption and mix	×				2.2.3 Metrics and targets
ESRS E1-5	da 40 a 43	Energy intensity associated with activities in high climate impact sectors	×				Not relevant
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	×	×	×		2.2.3 Metrics and targets
ESRS E1-6	Da 53 a 55	Gross GHG emissions intensity	×	×	×		2.2.3 Metrics and targets
ESRS E1-7	56	GHG removals and carbon credits				×	2.2.3 Metrics and targets
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks				×	Phase-in
ESRS E1-9	66-a; 66-c	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk			×		Phase-in
ESRS E1-9	67-c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes			×		Phase-in
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities				×	Phase-in
ESRS E2-4	28	Amount of each pollutant listed in Appendix II of the E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and soil	×				2.2.3 Metrics and targets
ESRS E3-1	9	Water and marine resources	×				Not relevant
ESRS E3-1	13	Dedicated policy	×				Not relevant
ESRS E3-1	14	Sustainable oceans and seas	×				Not relevant
ESRS E3-4	28-c	Total water recycled and reused	×				Not relevant
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	×				Not relevant
ESRS 2 IRO-1 – E4	16-a-i		×				Not relevant
ESRS 2 IRO-1 – E4	16-b		×				Not relevant
ESRS 2 IRO-1 – E4	16-c		×				Not relevant
ESRS E4-2	24-b	Sustainable land/agriculture practices or policies	×				Not relevant
ESRS E4-2	24-c	Sustainable oceans/seas practices or policies	×				Not relevant
ESRS E4-2	24-d	Policies to address deforestation	×				Not relevant
ESRS E5-5	37-d	Non-recycled waste	×				2.4.2 Metrics and targets
ESRS E5-5	39	Hazardous waste and radioactive waste	×				2.4.2 Metrics and targets
ESRS 2 – SBM3 – S1	14-f	Risk of incidents of forced labour	×				3.1.1 Strategy
ESRS 2 – SBM3 – S1	14-g	Risk of incidents of child labour	×				3.1.1 Strategy
ESRS S1-1	20	Human rights policy commitments	×				3.1.2 Impact, risk and opportunity management

(18) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (SFDR) (OJ L 317 of 9.12.2019, page 1).
(19) Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for supervisory purposes for credit institutions and amending Regulation (EU) 648/2012 (Regulation on capital requirements) (OJ L 176 of 27.6.2013, page 1)
(20) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending directives 2008/48/EC and 2014/17/EU and Regulation (EU) no. 596/2014 (OJ L 171 of 29.6.2016, page 1).
(21) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) no. 401/2009 and Regulation (EU) 2018/1999 ('European climate legislation') (OJ L 243 of 9.7.2021, page 1).

ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8		×	3.1.2 Impact, risk and opportunity management
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	×		3.1.2 Impact, risk and opportunity management
ESRS S1-1	23	Workplace accident prevention policy or management system	×		1.1.4 Impact, risk and opportunity management
ESRS S1-3	32-c	Grievance/complaints handling mechanisms	×		3.1.2 Impact, risk and opportunity management
ESRS S1-14	88-b; 88-c	Number of fatalities and number and rate of work-related accidents	×	×	3.1.2 Impact, risk and opportunity management
ESRS S1-14	88-e	Number of days lost to injuries, accidents, fatalities or illness	×		3.1.2 Impact, risk and opportunity management
ESRS S1-16	97-a	Unadjusted gender pay gap	×	×	3.1.2 Impact, risk and opportunity management
ESRS S1-16	97-b	Excessive CEO pay ratio	×		3.1.2 Impact, risk and opportunity management
ESRS S1-17	103-a	Incidents of discrimination	×		3.1.2 Impact, risk and opportunity management
ESRS S1-17	104-a	Non-respect of UNGPs on Business and Human Rights and OECD	×	×	3.1.2 Impact, risk and opportunity management
ESRS 2 SBM-3 – S2	11-b	Significant risk of child labour or of forced labour in the labour chain	×		3.2.1 Strategy
ESRS S2-1	17	Human rights policy commitments	×		3.2.2 Impact, risk and opportunity management
ESRS S2-1	18	Policies related to value chain workers	×		1.1.4 Impact, risk and opportunity management
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	×	×	3.2.2 Impact, risk and opportunity management
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8		×	1.1.2 Governance 3.2.2 Gestione degli impatti, dei rischi e delle opportunità
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	×		3.2.2 Impact, risk and opportunity management
ESRS S3-1	16	Human rights policy commitments	×		3.2.2 Impact, risk and opportunity management
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	×	×	3.2.2 Impact, risk and opportunity management
ESRS S3-4	36	Human rights issues and incidents	×		3.3.2 Impact, risk and opportunity management
ESRS S4-1	16	Policies related to consumers and end-users	×		1.1.4 Impact, risk and opportunity management
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	×	×	3.4.2 Impact, risk and opportunity management
ESRS S4-4	35	Human rights issues and incidents	×		3.4.2 Impact, risk and opportunity management
ESRS G1-1	10-b	United Nations Convention against Corruption	×		4.1.2 Corporate culture and business conduct policies
ESRS G1-1	10-d	Protection of whistle-blowers	×		4.1.2 Corporate culture and business conduct policies
ESRS G1-4	24-a	Fines for violation of anti-corruption and anti-bribery laws	×	×	4.1.2 Corporate culture and business conduct policies
ESRS G1-4	24-b	Standards of anti-corruption and anti-bribery	×		4.1.2 Corporate culture and business conduct policies

CERTIFICATION PURSUANT TO ARTICLE 81-TER, PARAGRAPH 1, OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED

The undersigned, Marco Arduini, Chief Executive Officer, and Matteo Perna, Manager Responsible for the preparation of the company's financial reports of EuroGroup Laminations S.p.A., certify that the Sustainability Disclosure, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

a. has been prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and Legislative Decree No. 125 of September 6, 2024;
b. has been prepared in accordance with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020.



Deloitte.

Deloitte & Touche S.p.A.
Via Santa Sofia, 28
20122 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
EuroGroup Laminations S.p.A.

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (the "Decree"), we have carried out a limited assurance engagement on the sustainability statement of the EuroGroup Laminations Group (the "Group") for the year ended 31 December 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the sustainability statement of the EuroGroup Laminations Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");

- the information included in the paragraph "2.1 EU Taxonomy" of the sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement.

Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the sustainability statement* of this report.

We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the sustainability statement.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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

Deloitte.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The sustainability statement for the year ended 31 December 2024 contains, in the specific paragraph "2.1 EU Taxonomy", the comparative information for the year ended 31 December 2023, which has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Eurogroup Laminations S.p.A. for the sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the sustainability statement in accordance with the ESRS (the "double materiality assessment process") and for disclosing this process in "1.1.4 Impact, risk and opportunity management" of the sustainability statement.

The Directors are also responsible for the preparation of the sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;
- compliance of the information included in the paragraph "2.1 EU Taxonomy" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Inherent limitations in the preparation of the sustainability statement

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain, as indicated in the paragraph "1.1.1 Basis for preparation".

Deloitte.

Auditor's responsibilities for the limited assurance of the sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of sustainability statement.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the sustainability statement. We remain solely responsible for the conclusion on the sustainability statement.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the sustainability statement, including an analysis of the reporting perimeter;

Deloitte.

- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;

- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the estimates and to the complexity of the related calculation methods, as well as qualitative and quantitative factors related to the nature of such information;

- design and performance of procedures, based on the professional judgment of the auditor of the sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte specialists, with reference to specific environmental information;

- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the sustainability statement;

- comparison of the information reported in the sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature;

- verification of the structure and presentation of the information included in the sustainability statement in accordance with ESRS, including the information related to the materiality assessment process;

- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.,

Signed by
Matteo Bresciani
Partner

Milan, Italy
April 14, 2025

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.



Consolidated Financial Statements

Consolidated Statement of Financial Position

(Amounts in thousands of Euro)	Notes	31 December 2024	of which with related parties	31 December 2023	of which with related parties
Goodwill	(1)	28,420		10,543	
Intangible assets	(2)	14,752		7,517	
Tangible assets	(3)	352,081		269,341	
Rights of use	(4)	57,959	27,800	61,122	29,706
Non-current financial assets and receivables	(5)	1,942		3,649	
Deferred tax assets	(6)	16,073		20,810	
Other non-current assets		1,636		2,241	
Total non-current assets		**472,863**		**375,223**	
Inventories	(7)	375,391		357,044	
Trade receivables	(8)	144,237	38	117,544	150
Cash and cash equivalents	(9)	187,223		204,836	
Other current assets and receivables	(10)	70,923		66,710	
Current financial assets and receivables	(11)	53,995		50,736	
Tax receivables	(12)	9,181		3,188	
Total current assets		**840,950**		**800,058**	
Assets held for sale	(13)	2,449		-	
TOTAL ASSETS		**1,316,262**		**1,175,281**	
Share capital		6,112		6,112	
Share premium reserve		270,288		270,288	
Other reserves		(8,905)		(4,016)	
Retained earnings		176,037		151,966	
Total Group's equity		**443,532**		**424,350**	
Total equity of third parties		**57,682**		**34,837**	
Total equity	**(14)**	**501,214**		**459,187**	
Non-current financial liabilities	(15)	232,428		167,589	
Non-current financial liabilities from rights of use	(16)	40,293	24,894	40,117	26,888
Employee benefits	(17)	4,667	104	4,657	119
Provisions for risks and charges	(18)	173		637	
Deferred tax liabilities		23,133		17,811	
Other non-current liabilities	(19)	7,375		6,802	
Total non-current liabilities		**308,069**		**237,613**	
Current financial liabilities	(15)	186,108		147,303	
Current financial liabilities from rights of use	(16)	7,717	3,810	11,178	3,518
Trade payables	(20)	286,923		295,448	1,448
Tax liabilities		460		999	
Other current liabilities	(21)	25,771	983	23,553	586
Total current liabilities		**506,979**		**478,481**	
Total liabilities and shareholders' equity		**1,316,262**		**1,175,281**	

Consolidated Income Statement

(Amounts in thousands of Euro)	Notes	31 December 2024	of which with related parties	31 December 2023	of which with related parties
Revenues	(22)	869,389	322	835,942	289
Other revenues and income	(23)	6,652		4,006	
Changes in inventories of finished and semi-finished products	(24)	16,143		24,436	
Raw material costs	(25)	(554,937)		(545,895)	
Costs for services	(26)	(108,389)	(3,024)	(94,596)	(3,034)
Personnel costs	(27)	(119,049)	(4,279)	(107,821)	(3,280)
Other operating expenses	(28)	(2,031)	(18)	(2,015)	(1)
Reinstatement of non-current assets value	(29)	2,509		-	
Depreciation and amortisation of non-current assets	(30)	(44,594)	(3,905)	(33,730)	(4,547)
Operating profit		**65,693**		**80,327**	
Financial expenses	(31)	(31,344)	(574)	(24,199)	(716)
Financial income	(32)	6,394		5,746	12
Exchange gains (losses)	(33)	6,060		(6,432)	
Profit before tax		**46,803**		**55,442**	
Taxes	(34)	(10,268)		(16,834)	
Profit for the year		**36,535**		**38,608**	
Profit attributable to the Group		31,137		34,057	
Profit attributable to third parties		5,398		4,551	
Earnings per share	(35)	0.19		0.21	

Consolidated Statement of Comprehensive Income

(Amounts in thousands of Euro)	Notes	31 December 2024	31 December 2023
Profit for the year		**36,535**	**38,608**
Other profit/(loss) of the comprehensive income statement that will be reclassified to the income statement net of the fiscal effect		**5,552**	**(3,258)**
Gains/(losses) in currency resulting from the conversion of currency transactions	(14)	5,755	(2,459)
Gains/(losses) from the measurement at fair value of equity instruments before tax	(14)	(145)	(732)
Tax effect of gains/(losses) from the fair value measurement of equity instruments	(14)	(22)	26
Gains/(losses) from the fair value measurement of hedging derivatives before tax	(14)	(47)	(123)
Tax effect of gains/(losses) from the fair value measurement of hedging derivatives	(14)	11	30
Other profit/(loss) of the comprehensive income statement that will not be reclassified to the income statement net of the fiscal effect		**134**	**(231)**
Actuarial gains/(losses) on employee benefits before tax	(14)	176	(304)
Tax effect of actuarial gains/(losses) on employee benefits	(14)	(42)	73
Other components of the comprehensive income statement for the year		**5,686**	**(3,489)**
Allocation:			
Pertaining to the Group		36,017	31,205
Pertaining to third parties		6,204	3,914
Total profit for the year		**42,221**	**35,119**

Consolidated Cash Flow Statement

(Amounts in thousands of Euro)	Note	31 December 2024	31 December 2023
Profit for the year		**36,535**	**38,608**
Income taxes	(34)	10,268	16,834
Depreciation and amortisation of non-current assets	(30)	44,594	33,730
Difference between pension contributions paid and pension charges		365	(500)
Financial income	(32)	(6,394)	(5,746)
Financial expenses	(31)	31,344	24,199
Capital (gains)/losses from the disposal of non-current assets		(89)	(71)
Net changes in provisions for risks and charges		(2)	(275)
Provision for bad debts	(8)	457	702
Inventory write-down	(7)	1,286	1,100
Share-based compensation expenses	(26)	874	273
Reinstatement of assets value		(2,449)	-
Cash flow before changes in Net Working Capital		**116,789**	**108,854**
(Increase)/decrease in trade receivables	(8)	(21,795)	35,225
(Increase)/decrease in inventories	(7)	(11,420)	(20,016)
Increase/(decrease) in trade payables		(12,585)	(46,002)
Increase/(decrease) in tax liabilities		(8,726)	5,162
(Increase)/decrease in other receivables	(10)-(11)	6,728	(14,936)
Increase/(decrease) in other payables		972	(1,154)
Cash flow after changes in Net Working Capital		**69,693**	**67,133**
Income taxes paid		(9,364)	(19,879)
Cash flow from operating activities (A)		**60,599**	**47,254**
(Investments) in tangible assets	(3)	(85,073)	(94,245)
Realisation price, or reimbursement value, of tangible assets		236	300
(Investments) in intangible assets	(2)	(1,414)	(1,576)
(Investments)/divestments in current financial assets	(11)	(2,156)	(50,603)
(Investments)/disinvestments in other medium or long-term assets	(4)-(5)	(2,993)	(945)
Business combinations		(13,896)	(12,041)
Interest collected		5,138	5,669
Dividends received		33	43
Cash flow from investing activities (B)		**(100,125)**	**(153,398)**
Equity increase	(14)	-	243,750
Purchase of treasury shares	(14)	(10,873)	(6,511)
New bank loans and other lenders	(15)	121,947	37,442
Repayment of bank loans and other lenders	(15)	(51,308)	(32,773)
Increase in current financial liabilities	(15)	51,069	32,951
Repayment of current financial liabilities	(15)	(39,478)	(57,605)
Collection of financial receivables		-	6,641
Repayments of financial liabilities arising from rights of use	(16)	(12,515)	(10,821)
Dividends paid		(8,085)	(1,002)
Interest paid		(24,432)	(20,834)
Cash flow from financing activities (C)		**26,325**	**191,238**
Increase (decrease) in cash and cash equivalents (A+B+C)		**(13,201)**	**85,094**
Cash and cash equivalents at the beginning of the year		**204,836**	**116,503**
Effect of changes in exchange rates		(4,412)	3,239
Cash and cash equivalents at the end of the year		**187,223**	**204,836**

Consolidated Statement of changes in Equity

			Other reserves									
(Amounts in thousands of Euro)	Share capital	Share premium reserve	Legal reserve	First time adoption (FTA) reserve	Translation reserve	Other comprehen-sive income	Stock option plan	Negative reserve for treasury shares in the portfolio	Retained earnings	Total Group's equity	Total third-party equity	Total equity
31 December 2022	**6,112**	**34,410**	**796**	**(3,875)**	**2,349**	**5,693**	**-**	**-**	**118,020**	**163,505**	**32,120**	**195,625**
Allocation of the profit	-	-	111	-	-	-	-	-	(111)	-	-	-
Share capital increase	-	235,878	-	-	-	-	-	-	-	235,878	-	235,878
Dividends distributed	-	-	-	-	-	-	-	-	-	-	(1,197)	(1,197)
Stock Option Plan	-	-	-	-	-	-	273	-	-	273	--	273
Treasury shares	-	-	-	-	-	-	-	(6,511)	-	(6,511)	-	(6,511)
Profit (loss) for the year	-	-	-	-	-	-	-	-	34,057	34,057	4,551	38,608
Actuarial gains/ (losses)	-	-	-	-	-	(221)	-	-	-	(221)	(10)	(231)
Gains/(Losses) from the fair value measurement of equity instruments	-	-	-	-	-	(753)	-	-	-	(753)	47	(706)
Gains/(Losses) from the fair value measurement of hedging derivatives	-	-	-	-	-	(93)	-	-	-	(93)	-	(93)
Exchange differences	-	-	-	-	(1,785)	-	-	-	-	(1,785)	(674)	(2,459)
Comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**(1,785)**	**(1,067)**	**-**	**-**	**34,057**	**31,205**	**3,914**	**35,119**
31 December 2023	**6,112**	**270,288**	**907**	**(3,875)**	**564**	**4,626**	**273**	**(6,511)**	**151,966**	**424,350**	**34,837**	**459,187**
Allocation of the profit	-	-	230	-	-	-	-	-	(230)	-	-	-
Change in consolidation area	-	-	-	-	-	-	-	-	-	-	17,912	17,912
Dividends distributed	-	-	-	-	-	-	-	-	(6,836)	(6,836)	(1,271)	(8,107)
Stock Option Plan	-	-	-	-	-	-	874	-	-	874	-	874
Treasury shares	-	-	-	-	-	-	-	(10,873)	-	(10,873)	-	(10,873)
Profit (loss) for the year	-	-	-	-	-	-	-	-	31,137	31,137	5,398	36,535
Actuarial gains/ (losses)	-	-	-	-	-	127	-	-	-	127	7	134
Gains/(Losses) from the fair value measurement of equity instruments	-	-	-	-	-	(120)	-	-	-	(120)	(47)	(167)
Gains/(Losses) from the fair value measurement of hedging derivatives	-	-	-	-	-	(36)	-	-	-	(36)	-	(36)
Exchange differences	-	-	-	-	4,909	-	-	-	-	4,909	846	5,755
Comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**4,909**	**(29)**	**-**	**-**	**31,137**	**36,017**	**6,204**	**42,221**
31 December 2024	**6,112**	**270,288**	**1,137**	**(3,875)**	**5,473**	**4,597**	**1,147**	**(17,384)**	**176,037**	**443,532**	**57,682**	**501,214**

Explanatory Notes to the Consolidated Financial Statements

ACCOUNTING POLICIES AND EVALUATION CRITERIA

General information

EuroGroup Laminations S.p.A. (hereinafter "Company", "Parent Company" or "EuroGroup Laminations") is a public limited company registered in Italy. The registered office address is Via Stella Rosa 48, Baranzate (Milan, Italy).

The main activities of the Company and its subsidiaries (collectively referred to as 'the Group') are organised into two segments: (i) EV & AUTOMOTIVE, engaged in the design and production of motor cores (i.e., stators and rotors) for electric motors used for the propulsion of electric vehicles, as well as a wide range of non-propulsion automotive applications; and (ii) INDUSTRIAL, the segment which designs and produces products used in various applications, including industrial, home automation, HVAC equipment, wind power, logistics, and pumps. The Group is also vertically integrated in the design and manufacture of stamping dies and casting dies used in the manufacture of its own products, which are also supplied to third parties.

CRITERIA FOR PREPARING THE FINANCIAL STATEMENTS

Declaration of conformity and basis of preparation

The consolidated financial statements of EuroGroup Laminations for the year ended at 31 December 2024 were prepared in accordance with the International Accounting Standards ("International Financial Reporting Standards") issued by the International Accounting Standards Board (IASB) and approved by the European Union. The term "International Financial Reporting Standards" also refers to all revised International Accounting Standards (IASs) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SICs).

Furthermore, the financial statements have been prepared on a going concern basis in accordance with paragraphs 25 and 26 of International Accounting Standard (IAS) 1, as the Directors have assessed the absence of financial, operational or other indicators that could signal issues regarding the Group's ability to meet its obligations in the foreseeable future. The risks and uncertainties related to the business are described in the relevant sections of the Management Report.

The financial statements have been prepared based on the historical cost principle, except for the measurement at fair value of certain financial instruments, in accordance with IFRS 2, 9 and 13, as well as the assets subject to the provisional Purchase Price Allocation process, in accordance with IFRS 3.

These Consolidated Financial Statements were approved and authorised for publication by the Board of Directors on 24 March 2025.

Financial statement content and formats

The consolidated financial statements are presented in Euro, which is the functional currency of the Parent Company and of the subsidiaries in which the Group mainly operates, rounding the amounts to the nearest thousand, and are compared with the consolidated financial statements of the previous year prepared in accordance with the criteria.

The Consolidated Financial Statements include the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of change in Equity and the explanatory notes (the "Consolidated Financial Statements").

In the Consolidated Statement of Financial Position, the Group presents its current and non-current assets and current and non-current liabilities separately. Current assets are those intended to be realised, sold or consumed in the normal operating cycle of the Group; current liabilities are those for which redemption is expected in the normal operating cycle of the Group or in the twelve months following the end of the period.
The Group presents the consolidated Income Statement according to a classification method based on the nature of costs, as it is representative of the way in which management prepares internal reporting for the evaluation of business operations and is able to provide reliable information to investors.

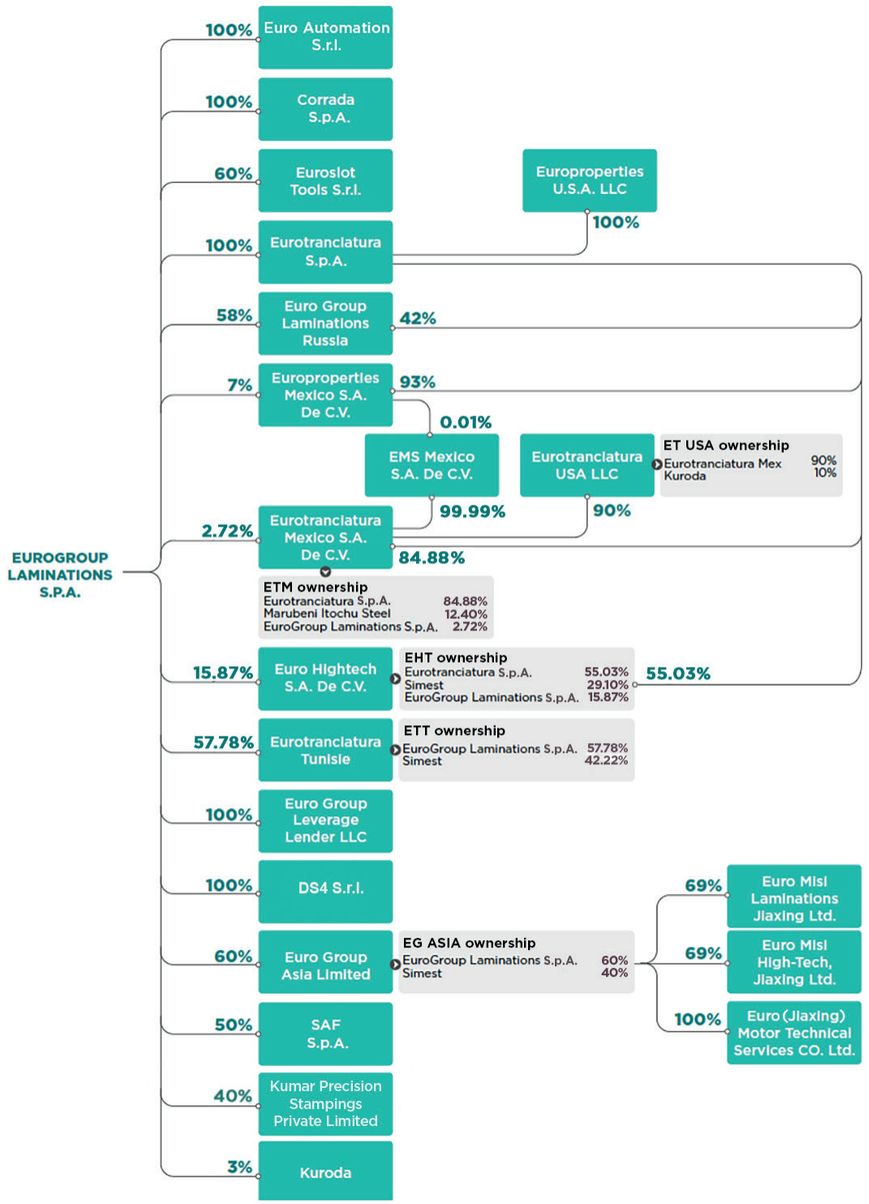
The consolidated Statement of Comprehensive Income is presented separately and, in addition to the economic components recognised directly in the consolidated Income Statement during the period, it presents the components of profit and/or loss not recognised in the Income Statement which transition directly into equity as required or permitted by the International Financial Reporting Standards.

The Group presents its consolidated Statement of Cash Flow according to the indirect method, as permitted by IAS 7 — Statement of Cash Flows ("IAS 7"), and presents cash flows from operating, investing and financing activities.

PRINCIPLES FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidation area

The Group's Consolidated Financial Statements include the annual figures of the Parent Company and its directly and indirectly controlled subsidiaries, as derived from the financial statements approved by the respective Boards of Directors, appropriately adjusted, where necessary, in order to align them with the IAS/IFRS accounting standards adopted by the Group ("Reporting Package") in the preparation of the consolidated financial statements.



The central column indicates the percentage of capital held, directly and indirectly, both in terms of economic and voting rights.

Subsidiary	Jurisdiction	%	Share capital in Euro
Eurotranciatura S.p.A.	Italy	100.00%	4,270,000
Corrada S.p.A.	Italy	100.00%	1,000,000
Euroslot Tools S.r.l.	Italy	60.00%	100,000
SAF S.p.A.	Italy	50.00%	312,000
Euro Automation S.r.l.	Italy	100.00%	100,000
DS4 S.r.l.	Italy	100.00%	50,000
Eurotranciatura Tunisie S.a.r.l.	Tunisia	100.00%	11,088,978
Euro Group Laminations Russia L.L.C.	Russia	100.00%	125
Eurotranciatura México S.A. de C.V.	Mexico	87.60%	29,545,300
Euro High Tech México S.A. de C.V.	Mexico	100.00%	16,644,064
Europroperties México S.A. de C.V.	Mexico	100.00%	3,613,228
Euro Management Services México S.A. de C.V.	Mexico	87.60%	4,263
Euro Group Leverage Lender L.L.C.	United States	100.00%	8,780,374
Europroperties USA L.L.C.	United States	100.00%	420,794
Eurotranciatura USA L.L.C.	United States	78.84%	4,517,120
Euro Group Asia Ltd	Hong Kong (China)	100.00%	18,115,756
Euro Misi Laminations, Jiaxing Co. Ltd	China	69.00%	21,538,254
Euro Misi High Tech, Jiaxing Co. Ltd	China	69.00%	24,294,952
Euro (Jiaxing) Motor Technical Services Co. Ltd.	China	100.00%	177,350
Kumar Precision Stampings Private Limited	India	40.00%	111,787

Pursuant to IFRS 10, companies are considered subsidiaries when the Company simultaneously possesses the following three elements: (a) power over the company; (b) exposure, or rights, to variable returns deriving from involvement with the same; (c) the ability to use its power to influence the amount of such variable returns. Subsidiaries are consolidated from the date on which control begins until the date on which control ceases.

The changes in the scope of consolidation during the year are listed below.

Acquisition of Kumar Precision Stampings Private Limited

Kumar Precision Stampings Private Limited is an Indian company and one of the main local operators in the production and distribution of stators and rotors for electric motors for various industrial and domestic applications (including HVAC, railway, home appliances, pumps and generators).

The transaction, announced to the market on 1 August 2024, was finalised on 14 November 2024 and is consistent with EuroGroup Laminations' growth strategy in Asia.

Simultaneously with the conclusion of the Investment Agreement, a Shareholders' Agreement was signed to regulate the relationships between the various shareholders regarding the company's governance, enabling EuroGroup Laminations to obtain control. The shareholders' agreement grants EuroGroup Laminations S.p.A., among other rights, the ability to appoint the majority of the governing body and the power to direct the relevant activities, influence the returns of Kumar Precision Stampings Private Limited, and be exposed to variable returns arising from its participation in business decisions.

The acquisition was carried out directly by the parent company, EuroGroup Laminations S.p.A. The total investment, amounting to Euro 19,902 thousand, included the purchase of 40% of the shares of the Indian company for Euro 13,896 thousand and a simultaneous capital increase of Euro 6,006 thousand.

In light of the above, in accordance with IFRS 10, paragraph 7, the Group fully consolidates its investment in the Indian company despite holding only a 40% stake.

The strategic objectives of the acquisition are multiple:

- to further expand and strengthen the positioning of the Group's Industrial business unit in Asia;
- access to the Indian market, which is strategic for the Group, experiencing strong growth and offering multiple development opportunities;
- to the rapidly expanding transformer market, particularly in India.
- Kumar Precision Stampings Private Limited was included in the consolidated financial statements from the date of the transaction, consolidating two months of income statement as of 31 December 2024. With regard to the acquisition, it should be noted that, in accordance with IFRS 3, the cost of the business combination must be allocated to the assets, liabilities and intangible assets not recognised in the acquired company's financial statements, up to their fair value. Any remaining balance after this allocation must be recognised as goodwill.

Due to the complexity of this process, which involves assessing the fair value of the numerous and diverse assets and liabilities of the acquired company, international accounting standards (IFRS 3) allow the final allocation of the acquisition cost to be completed within twelve months from the acquisition date. The Group has provisionally completed the purchase price allocation process as of 31 December 2024, focusing its analysis for determining the fair value of the acquired assets on tangible and intangible assets.

The values allocated following the provisional purchase price allocation process, and thus subject to fair value measurement, are:

- tangible assets, primarily industrial buildings and production facilities, whose fair value at the transaction date exceeded their carrying amount by Euro 5,795 thousand, generating deferred tax liabilities of Euro 1,738 thousand. This valuation was supported by an independent expert's appraisal commissioned by the Group.
- the Customer Relationship, with a fair value of Euro 8,766 thousand as of 31 October 2024, generating deferred tax liabilities of Euro 2,630 thousand.

Furthermore, the acquisition of Kumar Precision Stampings Private Limited resulted in additional costs of approximately Euro 3,354 thousand, which were recognised in the income statement under "Costs for services".

For details on goodwill determined at the acquisition date, please refer to note (1) "Goodwill".

Eurotranciatura Tunisie share capital increase
On 4 April 2024, the company EuroGroup Laminations S.p.A. subscribed, waiving part of the loan, and paid in the share capital increase in Eurotranciatura Tunisie, bringing its investment from 51% to 57.78%.
The profits or losses and all components of the comprehensive income statement are allocated to the Group and to non-controlling interests. The total income of subsidiaries is attributed to the Group and to non-controlling interests, even if this results in a negative balance for non-controlling interests.

Consolidation criteria

The figures used for the consolidation are taken from the income statement and balance sheet approved by the Directors of the individual subsidiaries. These figures have been appropriately adjusted and reclassified, where necessary, to align them with international accounting standards and the uniform classification criteria adopted within the Group.

The criteria adopted for the consolidation are as follows:

a. the assets, liabilities, income and expenses of the financial statements consolidated using line-by-line consolidation are included in the Group's financial statements, regardless of the percentage of ownership. The carrying amount of investments is eliminated against the corresponding portion of shareholders' equity of the subsidiaries.
b. receivables/payables, income/expenses of consolidated companies and unrealised profits or losses from intra-group transactions, are eliminated. Similarly, dividends and write-downs of investments recorded in the financial statements are eliminated;
c. the share of net equity and profit or loss attributable to minority shareholders is presented in specific items in the consolidated statement of financial position and income statement;
d. closing inventories of goods purchased within the Group are adjusted for unrealised intra-group margins, as they have not yet been realised with respect to third parties;
e. gains on intra-group sales of intangible and tangible assets are eliminated, net of any related depreciation recorded on these gains.

Conversion in Euro of financial statements prepared in foreign currencies

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which they operate (functional currency). For the consolidated financial statements, the Reporting Package of each foreign entity is expressed in Euro, which is the functional currency of the Parent Company and the Group's presentation currency.

The conversion of the financial position items in the Reporting Packages expressed in a currency other than the Euro is carried out using the exchange rates in effect at the end of the financial year. Income statement items, on the other hand, are converted at the average exchange rates for the year. Translation differences arising from the comparison between the opening net equity converted at the current exchange rates and the same net equity converted at the year-end exchange rates, as well as the difference between the net result expressed at average exchange rates and that expressed at year-end exchange rates, are recognised under the shareholders' equity item "Translation Reserve".

The exchange rates used to convert the financial statements of foreign subsidiaries, prepared in local currency, into Euro are shown in the following table:

Currency	Exchange rate as at 31 December 2024	Average exchange rate 2024	Exchange rate as at 31 December 2023	Average exchange rate 2023
US Dollar	1.0389	1.0824	1.1050	1.0813
Chinese Renminbi	7.5833	7.7875	7.8509	7.66
Russian Rouble	117.7273	100.3912	98.6703	92.4986
Indian Rupee	88.9335	89.3661	-	-

Statement of reconciliation between the shareholders' equity and the result for the year of the parent company and the shareholders' equity and the consolidated result for the year

(In thousands of Euro)	Profit for the year	Equity
Description		
Profit (loss) for the year/shareholders' equity of EuroGroup Laminations S.p.A.	7,420	282,758
Consolidation adjustments:		
Equity of consolidated companies and allocation of their results	*33,941*	*336,323*
Elimination of equity investments	*(333)*	*(164,397)*
Elimination of intercompany dividends	*(3,736)*	*-*
Elimination PPA (Purchase Price Allocation) effects	*(756)*	*41,059*
Exchange rate differences	*-*	*(5,473)*
Shareholders' equity and result for the year attributable to minorities	*(5,398)*	*(57,682)*
Total consolidation adjustments	**23,717**	**160,774**
Pertaining to the Group	**31,137**	**443,532**
Pertaining to third parties	**5,398**	**57,682**
Profit (loss) for the year/shareholders' equity of EuroGroup Laminations Group	**36,535**	**501,214**

ASSESSMENT CRITERIA

Goodwill and business combinations

Business combinations are recognised according to the acquisition method. Under this method, the consideration transferred in a business combination is measured at fair value, calculated as the sum of the fair values of the assets transferred and liabilities assumed by the Group at the acquisition date, as well as the equity instruments issued in exchange for control of the acquired company. At the acquisition date, identifiable assets acquired and liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is determined as the excess of the sum of the fair value of the consideration transferred in the business combination, the value of the net equity attributable to non-controlling interests, and the fair value of any previously held interest in the acquired company over the fair value of the net assets acquired and liabilities assumed at the acquisition date. The portion of net equity attributable to non-controlling interests at the acquisition date is measured at the pro-rata share of the recognised fair value of the net assets of the acquired company, except in the case of the Kumar Precision Stampings Private Limited acquisition, where non-controlling interests were measured directly at fair value.

With regard to acquisitions prior to the date of adoption of the IFRS, the Group exercised the option envisaged by IFRS 1 not to apply IFRS 3 relating to business combinations to acquisitions that took place before the transition date. Consequently, goodwill arising from past acquisitions was not remeasured and was recognised at the value determined under the previous accounting standards, net of amortisation recorded up to 31 December 2022 and any impairment losses.

For more information, please refer to the following paragraph “Impairment of assets”.

Intangible assets

Other intangible assets are recognised as assets, in accordance with IAS 38, when it is probable that their use will generate future economic benefits and when the cost of the asset can be reliably measured. If these future economic benefits no longer exist, the related development costs are written down in the period in which this circumstance is identified.

These assets are measured at acquisition or production cost and are amortised on a straight-line basis over their estimated useful life, provided they have a defined useful life. In this regard, investments in software are amortised over a period of five years.

Customer list

The Group has identified customer relationships as a Primary Intangible Goodwill Asset (PIGA) through the purchase price allocation process for the Italian company DS4 (acquired in October 2023) and the one provisional of Indian company Kumar Precision Stampings Private Limited (completed in November 2024). The DS4 customer relationship is amortised over five years, while the Kumar customer relationship is amortised over 16 years.

Development costs

Development costs incurred for projects related to the production of new products or components are recognised as assets only if: (i) the costs can be reliably measured, (ii) the Group has the intention and the available resources to complete the activity, (iii) there is the technical feasibility to complete the project and make it available for use, and (iv) expected volumes and prices indicate that the costs incurred during the development phase will generate future economic benefits.

Capitalised development costs include only expenses that can be directly attributed to the development process.

Capitalised development costs are amortised on a systematic basis, starting from the moment the project output is available for use, over the estimated useful life of the product or process, which has been assessed as five years. Any other development costs that do not meet the above criteria, as well as related research costs, are recognised as expenses in the income statement when incurred.

Intangible assets are eliminated at disposal, or when no future economic benefit is expected from use or disposal. Gains or losses arising from the disposal of an intangible asset are accounted for as the difference between net disposal income and the carrying amount of the asset and are recognised in the income statement when the asset is disposed.

Tangible assets

Tangible assets are initially recognised at cost, which includes the purchase price, any charge directly attributable to the transport of the goods to the place and to the conditions necessary to operate in the manner foreseen by the management, capitalised borrowing costs and possible initial estimate of the costs of dismantling and removing the asset and the restoration of the site where the asset is located.

Land and buildings held for use in the production or supply of goods or services for rental to others, or for administrative purposes, are shown in the consolidated financial balance sheet at cost net of any accumulated amortisation and provisions for impairment losses. The land is not amortised.

Plant, machinery, equipment and accessories are recorded at cost net of accumulated amortisation and provisions for impairment losses. During the period of commissioning, in which it is not possible to operate at normal levels due to the need to test machinery and equipment or to ensure its proper functioning, the costs directly attributable to such circumstances, supported in order to achieve full functionality and which generally refer to physical preparation for use, are included in the carrying amount of plant or equipment.

Amortisation is determined in such a way as to depreciate the cost of goods (other than land and property under construction) minus their residual value over their useful life, using the straight-line method, on the following basis:

Description	Amortisation rate
Buildings	1.5% - 3%
Plants and machinery	5% - 17.5%
Commercial and industrial equipment	5% - 25%
Other tangible assets	5% - 25%

Routine maintenance costs are charged to the income statement in the year in which they are incurred, whereas costs that increase the value or useful life of an asset are capitalised and amortised in relation to the remaining useful life of the assets to which they relate.

If there are indicators of impairment, tangible assets are subject to an impairment test. The test carried out is described in the section “Impairment of assets”. Any impairment losses may be subsequently reversed if the reasons that led the Group to adjust these assets no longer exist. Reversals of impairment losses will be recognised up to the limit of the value that the asset would have had if the impairment adjustment had never been recorded.

Land is not subject to depreciation.

For more information, please refer to the following paragraph “Impairment of assets”.

Rights of use

The Group evaluates whether a contract contains a lease at the inception date.

The Group recognises a right of use and a corresponding lease liability for all lease agreements in which it is a lessee, except for current leases (defined as leases with a period of 12 months or less) and low-value leases (e.g. tablets and personal computers, small office furniture and phones with a fair value of less than Euro 5,000). For these contracts, the Group recognises lease payments as a constant operating cost over the lease period.

The right of use includes the initial measurement of the corresponding lease liability, lease payments made within or before the date of the start of the lease, less any incentives received and any costs directly attributable to the lease initially incurred. These assets are then measured at the cost net of the amortisation fund and the revaluation fund.

The right of use is amortized over the shortest period between the duration of the lease and the useful life of the asset. If a lease transfers ownership of the underlying asset or the right of use reflects that the Group expects to exercise a purchase option, the right of use is amortized over the life of the underlying asset. Amortisation begins at the start date of the lease.
Improvements in leased assets are amortized over the rental period or the estimated useful life of assets, whichever is shorter.

The right of use is presented in a separate line in the consolidated balance sheet.
Lease liabilities are initially measured at the present value of lease payments that have not already been paid at the start date of the lease, the lease liabilities are discounted using the implied rate of the contract, or, if this is not easily determinable, using the tenant's incremental financing rate. The incremental financing rate depends on the duration, currency and start date of the lease and is determined on a number of factors, including: risk-free rate based on government bond rates; country-specific risk adjustment; a risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the same, which enters into the contract, is different from that of the Group and the lease does not benefit from a Group guarantee.

Lease payments include: (1) fixed payments minus any receivable incentives, (2) variable lease payments that depend on an index or rate, (3) amounts that are expected to be paid as a guaranteed residual value, (4) the price of a purchase option when the exercise of the option is reasonably certain to occur, and (5) any early penalties for termination.

Lease liabilities are measured at amortised cost using the effective interest rate method. Initial charge values are revised if there is a change in the following factors: future lease payments resulting from a change in an index or rate used, residual guarantee, lease term, certainty of a purchase option, and termination penalties. When adjusting a liability arising from a lease contract, an adjustment is made to the corresponding asset of the right of use, or in the income statement if the carrying amount of the right of use is fully devalued.

Liabilities arising from leasing contracts are presented in a separate line in the consolidated statement of financial position.

The Group applies IAS 36 – "Impairment of Assets" in order to identify any impairment losses.

In the consolidated statement of cash flows, the Group divides the total amount paid between principal (recognised in the cash flow from financing activities) and interest (recognised in the net financial expenses paid, contained in the cash flow from operating activities).

Impairment of assets

At least annually, the Group reviews the carrying value of goodwill and its intangible and tangible assets to determine if there are any indications that these assets have suffered impairments. If such indications exist, the recoverable amount of these assets is estimated to determine the impairment amount. When it is not possible to estimate the recoverable value of an asset individually, the Group estimates the recoverable value of the cash-generating unit ("CGU") to which the asset belongs.

In particular, the recoverable value of the cash-generating units is verified through the determination of the value in use. In determining the value in use, future cash flows, net of taxes, estimated based on past experience, are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset. The key assumptions used in the calculation of the value in use concern the discount rate, the growth rate, the expected changes in sales prices and the trends in direct costs during the period assumed for the calculation. The growth rates applied are based on forecasts of growth in the relevant sectors. Changes in sales prices are based on past experience and future market expectations. The Group prepares forecasts of operating cash flows derived from the Strategic Plan prepared by the Parent Company's Management and approved by the Parent Company's Board of Directors on 24 March 2025, and determines the terminal value (present value of perpetual income) based on a medium- and long-term growth rate in line with the relevant sectors.

If the recoverable value of an asset (or a cash-generating unit) is estimated to be lower than its carrying amount, the carrying amount of the asset is reduced to the lower recoverable value, with the impairment loss being immediately recognised in the income statement. Subsequently, if the impairment of an asset decreases or is reversed, the carrying amount of the asset (or the cash-generating unit), excluding goodwill, is increased to the new value resulting from the estimate of its recoverable value, but not exceeding the carrying amount that the asset would have had if no impairment had been recognised. The reversal of impairment is immediately recognised in the income statement.

Inventories

Inventories are measured at the lower of purchase or production cost, determined using the weighted average cost method, and the corresponding market value, represented by the replacement cost for purchased materials and the estimated realisable value for finished and semi-finished products. This estimated value takes into account any manufacturing costs as well as direct selling costs still to be incurred Inventory costs include incidental expenses and direct and indirect production costs to the extent that they can be reasonably attributed to the inventories. Obsolete and slow-moving stock is written down based on its usability or realisable value. Inventory write-downs are reversed in subsequent periods if the reasons for the write-down no longer exist.

Trade receivables

Receivables are initially recognised at fair value.

Subsequently, they are measured using the amortised cost method based on the effective interest rate, which is the rate that equates the present value of expected cash flows to the initial carrying amount at the time of recognition. In accordance with IFRS 9, trade receivables are classified as Held to Collect and Held to Collect and Sell. Their value is adjusted at the end of the reporting period to reflect the estimated recoverable amount and is written down in case of impairment, assessing the expected credit loss over the entire lifetime of the receivable. This assessment also considers the creditworthiness of individual debtors, taking into account the specific characteristics of the underlying credit risk and all available information.

Receivables sold through factoring transactions are derecognised from the balance sheet only if the risks and rewards associated with their ownership have been substantially transferred to the transferee.

Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amount is expected to be recovered primarily through a sale transaction rather than through continued use.

Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value, less costs to sell. Selling costs refer to additional costs directly attributable to the sale, excluding financial charges and taxes. The condition for classification as held for sale is met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its current condition. The actions required to complete the sale should indicate that significant changes to the sale or its cancellation are unlikely. Management must be committed to the sale, which should be expected to be completed within one year from the date of classification.

Depreciation of property, plant, and equipment and amortisation of intangible assets cease once they are classified as available for sale. Assets and liabilities classified as held for sale are presented separately under current items in the financial statements.

Assets held for disposal are excluded from operating results and are presented in the statement of profit or loss as a single line item as net profit/(loss) from assets held for disposal.

Treasury shares

Treasury shares are recognised as a reduction of shareholders' equity. The book value of treasury shares and the capital gains deriving from any subsequent sales are recorded as movements in net equity.

Loans

Loans are initially measured at cost, which corresponds to the fair value of the consideration received, net of additional charges acquisition costs. After initial recognition, loans are recorded using the amortised cost method, calculated by applying the effective interest rate.
The effective interest method is used to calculate the amortised cost of a financial liability and to allocate interest expenses over the relevant period. The effective interest rate is the rate that discounts future payments (including all fees, transaction costs and any premiums or discounts) over the duration of the financial liability or, where more appropriate, over a shorter period. For floating-rate loans, the Group updates cash flows based on the forward curves of reference interest rates at each reporting date.

Loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade payables and other liabilities

Trade payables, other payables and other liabilities are initially recognised at fair value, including any transaction-related costs. Subsequently, they are recognised at nominal value, as no discounting or separate recognition of explicit or imputed interest expenses is deemed necessary, given the expected payment terms.

Derivative financial instruments and hedging transactions

Derivatives are initially recognised at fair value at the date the derivative contract was concluded and are subsequently revisited at fair value at each reporting date. The accounting of subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, on the nature of the underlying.
Contractual agreements that contain an obligation to purchase minority interests (such as a put instrument determined on third-party interests) are treated as derivatives of the Company's equity in the consolidated financial statements and consequently give rise to a financial liability measured at the present value of the amount of the repayment. Subsequently, the financial liability is measured at amortized cost with any change in the liability recognised in the income statement. When an agreement confers a shareholding to the Company, the instruments are fully recognised as a financial liability and no minority interests are recognised. According to this approach, any dividends paid to other shareholders are recognised as cost in the consolidated financial statements, unless they represent a repayment of the liability.

Cash flow hedges

Cash flow hedges are used to cover the Group's exposure to cash flow variability attributable to particular risks associated with recognised assets or liabilities or to an undertaking that could affect the income statement. Actual gains or losses determined by the hedging instrument are recognised in other comprehensive income through the cash flow hedge reserve, while the ineffective part is recognised in the income statement. The amounts recognized in equity are transferred from equity and included in the valuation of the hedging transaction when the intended transaction occurs.

Cash flows hedges are regularly tested for effectiveness, both retrospectively and prospectively, to ensure that each cover is highly effective and continues to be designated as cash flow coverage. If the planned transaction no longer occurs, the amounts recognised in equity will be transferred to the income statement.

If the hedging instrument is sold, extinguished, expires, or is exercised without replacement or roll-over, or if the hedging becomes ineffective and no longer constitutes a designated hedge, the amounts previously recognised in equity are transferred to the income statement.

The fair value of financial instruments listed in an active market is based on market prices at the reporting date (level 1). The fair value of instruments not listed in an active market is determined using specific measurement techniques, as described later in these notes (Level 2: defined as factors other than prices quoted in active markets which can be observed directly or indirectly, such as prices quoted for similar instruments in active markets or prices quoted for identical or similar instruments in markets that are not active; level 3: defined as unobservable factors in which there are little or no market data, which therefore require an entity to develop its own assumptions, such as valuations derived from assessment techniques in which one or more significant factors or significant value determining factors are not observable).

In some circumstances, the inputs used to measure fair value could be classified into different levels of the fair value hierarchy. In these cases, the fair value measurement is categorized in its entirety into the fair value hierarchy based on the lowest level input that is significant for measuring fair value.

Provision for risks and charges

Provisions for risks and charges represent probable liabilities of uncertain amount and/or timing arising from past events, the settlement of which will require a financial outflow. Provisions are recognised only when there is a present legal or constructive obligation that necessitates the use of economic resources, provided that a reliable estimate of the obligation can be made. The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the best current estimate.

Where the financial outflow related to the obligation is expected to occur beyond normal payment terms and the effect of discounting is material, the provision amount is measured at the present value of the expected future payments required to settle the obligation.

Contingent assets and liabilities are not recognised in the financial statements; however, appropriate disclosures are provided where necessary.

Employee benefits

The Group's net obligations are determined separately for each defined benefit plan, estimating the present value of the future benefits that employees have accumulated in current and previous periods and deducting the fair value of the plan's assets.

The present value of the obligations deriving from employee benefits is measured using actuarial techniques and the benefits are determined using the unit credit projection method and relate to periods in which there is an obligation to provide post-employment benefits. Actuarial assumptions are based on the best estimates of management. The cost components of defined benefits are recognised as follows:

- Service costs are recognised in the consolidated income statement under personnel costs;
- The net interest charge on the liability of employee benefits is recognised in the consolidated income statement under financial costs;
- The net debt remeasurement components, which include actuarial gains and losses, are recognised in other comprehensive income. These remeasured components are not reclassified in the consolidated income statement the following financial year.

The post-employment benefits include the obligation to pay the severance indemnity required by Italian law. The amount of the severance indemnity to which each employee is entitled, has to be paid when the employee leaves the Group and is calculated on the basis of the period of employment and taxable income of each employee. Under certain conditions, the right may be partially anticipated to an employee during his or her working life.

The severance indemnity is classified in the consolidated financial position under Employee Benefits, and the Group bears the related costs during the period in which the employee serves.

Share-based compensation

Incentive plans settled through the payment to beneficiaries of equity instruments of the Company are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details relating to the determination of the fair value of share-based transactions settled with equity instruments are reported in notes (26) and (27).
The fair value of the plan determined at the grant date is charged to the income statement on a straight-line basis over the vesting period as a balancing entry to an increase in equity (IFRS 2 reserve), based on the Group's estimate of the number of equity instruments that will vest. At each reporting date, the Group reviews the estimate of the number of equity instruments that are expected to vest as a result of non-market vesting conditions. The impact of any revision of the original estimates is recognised in the income statement so that the cumulative charge reflects the revised estimate, with a corresponding adjustment of the reserve.

Criteria for the conversion of foreign currency items

Receivables and payables originally denominated in foreign currencies are converted into Euro at the exchange rate on the date of the transaction that generated them. Exchange rate differences realised upon the collection of receivables or settlement of payables in foreign currency are recognised in the income statement. Income and expenses related to transactions in foreign currencies are recorded at the exchange rate prevailing on the date the transaction is carried out. At the end of the financial year, assets and liabilities denominated in foreign currencies are measured at the spot exchange rate at the reporting date, with any resulting exchange gains or losses recognised in the income statement. If the currency conversion results in a net gain, a corresponding non-distributable reserve is allocated until the gain is effectively realised.

Revenue recognition

Revenue is recognised when control of the promised goods or services is transferred to the customer. Revenue is reported net of returns, discounts, rebates and incentives, as well as any taxes directly related to the transaction. Contracts with customers generally include a single performance obligation, which is the sale of a good, typically fulfilled upon delivery to the customer. In the case of contract-related revenue, a single performance obligation is identified, with revenue recognised over time based on costs incurred relative to the total estimated costs required to complete the contract.

According to the Group's commercial policy, customers are granted the right of withdrawal up to a maximum of 36 months and in any case by assessing in case. This right allows them to receive a full or partial refund or alternatively, a new product.

Public grants

Public grants are not recognised until there is reasonable certainty that the Group will comply with the conditions for such grants and that the amounts relating to such grants will actually be received.

Public grants are recognised in the income statement on a systematic basis in periods when the Group recognises the related costs. For example, in the case of grants relating to an investment, both the investment and the grant are recognised at their nominal values and transferred progressively to the income statement on a systematic basis over the useful life of the related investment, decreasing the income initially deferred.

Public grants payable as compensation for costs or losses already incurred or for the purpose of providing immediate financial support to the Group without related future costs are recognised in the income statement during the period in which they become collectible.

Recognition of costs

Costs and expenses are recognised in the financial statements on an accrual basis.

Financial income and expenses

Financial income and expenses are recognised on an accrual basis and include: interest accrued on financial assets and liabilities using the effective interest rate method, changes in the fair value of derivatives and other financial instruments recognised at fair value with impact on income statement, foreign exchange income and expense and arising from financial instruments (including derivatives).

Dividends

Dividends received from companies other than subsidiaries, affiliates and joint ventures are recorded in the consolidated income statement on an accrual basis, i.e., in the year in which the related right arises, following the decision of shareholders to distribute dividends to the investee companies.

Income taxes

Income taxes include all taxes calculated on the taxable income of Group companies. Current and deferred taxes are recognised in the income statement, except where they relate to items recognised in other comprehensive income, in which case current and deferred taxes are also recognised in other comprehensive income and in equity, respectively.

Current taxes due are based on taxable income for the period. Taxable profit differs from the net profit recognized in the income statement and it excludes revenue or cost items that are taxable or deductible in other periods and also excludes items that are never taxable or deductible. The Group's liabilities for current taxes are calculated using tax rates that have been issued or substantially issued by the end of the reporting period.

Prepaid and deferred taxes are those that are expected to be chargeable or recoverable on the differences between the book values of the assets and liabilities entered in the financial statements and the corresponding tax bases used in the calculation of taxable income and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that taxable income is likely to be available for which deductible temporary differences may be used. Such assets and li-

abilities are not recognised if the temporary difference arises from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that does not affect taxable income or accounting profit. Moreover, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Prepaid and deferred taxes are calculated on the basis of tax rates that are expected to apply in the period in which the liability is settled or the asset is realised on the basis of laws and tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset when there is a legally applicable right to offset tax assets with tax liabilities and when they relate to income taxes levied by the same tax authority, and the Group intends to adjust its current tax assets and liabilities on a net basis.

The OECD "Global anti-base erosion model rules" tax reform introduced a two-pillar model, Pillar II, to address the tax problems stemming from the digitalisation of the economy. The model aims to limit tax competition by introducing a minimum global rate of 15% in each jurisdiction in which large multinationals operate. The Parent Company will be required to pay any supplementary tax, top-up tax, for subsidiaries that operate in low tax jurisdictions and for which the current tax is lower than the minimum threshold of 15% (the top-up tax is a current tax paid in the jurisdiction of the parent company - for more information, please refer to IAS 12 - Income taxes). The Company and the Group have continued to monitor the implementation of Pillar II developed by the OECD Inclusive Framework in all countries in which it operates.

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the Group's attributable profit for the reference period by the weighted average common share outstanding during the period.

USE OF ESTIMATES

The preparation of the consolidated financial statements and the related explanatory notes in accordance with IFRS requires Management to make estimates and assumptions that can significantly affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions are based on historical experience and on other external and internal factors deemed relevant by the Management. The actual results could differ from these estimates.

The underlying estimates and assumptions are reviewed periodically by the Management (at least annually). Any changes in the estimates are recognised prospectively starting from the period in which this estimate is revised.

In preparing the consolidated financial statements, no significant judgements were made during the process of applying the Group's accounting policies, except for those involving estimates that had a significant effect on the amounts recognised in the financial statements. The key assumptions regarding the future and the main sources of estimation uncertainty at the reporting date that pose a significant risk of leading to material adjustments to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Business combinations

The recognition of business combinations involves the need to determine the fair value of the acquired assets and liabilities upon obtaining control of the business. The Management has assessed, with the help of independent professionals, the fair value of the assets, liabilities and contingent liabilities, based on the information on facts and circumstances available at the acquisition date.
The determination of the fair value of the acquired assets and liabilities is subject to estimates and judgements by the Management. Possible changes in the estimation of the factors on which the fair value determination is based could lead to different valuations.
The analysis of each business combination is unique and requires the Management to use estimates and assumptions that are considered prudent and reasonable in relation to the specific circumstances.

Accounting of non-controlling interests

The Group has entered into several investment agreements with an investor, SIMEST S.p.A. (a financial institution controlled by the Italian Government that financially supports Italian foreign investments), on the basis of which, at the end of the contract, the Group is obliged to buy back the shares held by the investor for a predetermined amount. The agreements entitle the investor to receive a fixed remuneration during the period determined by the agreement, based on the investment made in the investee, and any dividends distributed shall be returned to the investee.

The Directors have considered the terms of the agreement to understand whether they are eligible to give the Group access to the returns associated with the shareholdings held by third parties (non-controlling interest).Factors that have been taken into account and which provide a reference to the presence of control include the determination of the prices of the amount to be reimbursed, voting rights and the decision-making process of such shares which is substantially limited and the right to dividends.
Following the assessment, the Directors concluded that the Group holds control of these companies and, as a result, the shares are accounted for as if they had been acquired by the Group. These conclusions also concern the possible indirect holding of the Group through its subsidiary.

On 28 May 2021 and 14 November 2024, through the conclusion of shareholders' agreements with the shareholders of SAF S.p.A. and Kumar Precision Stampings Limited, the directors concluded that the Group exercises a sufficiently dominant voting interest to direct the relevant activities and to influence the returns of both companies.

In light of these agreements, in accordance with the provisions of IFRS 10 para. 7, the Group fully consolidates the equity investments held in the companies SAF S.p.A. and Kumar Precision Stampings Limited, while holding 50% and 40%, respectively.
Recoverability of the value of goodwill, intangible assets and tangible assets.
The procedure for determining impairment of goodwill, intangible assets and property, plant and equipment described in the paragraph "Impairment of assets" involves - in estimating the value in use - the use of assumptions regarding: i) the forecasting of expected cash flows of the identified cash generating units ('CGUs'), with reference to the 2025-2028 Strategic Plan, approved by the Board of Directors on 24 March 2025 ii) the determination of an appropriate discount rate (WACC) and iii) the determination of a long-term growth rate (g-rate).

These assumptions are based on management's outlook, including steady revenue growth and capital optimisation, achieved through a more efficient allocation of investments. Specifically:

- Group Revenues are expected to grow with a CAGR of 10-15% between 2025 and 2028;
- The average EBITDA margin for the Group during 2025-2028 is estimated at approximately 13%;
- Group Capex is expected to average between 4% and 5%;
- Return on Capital Employed (ROCE) is projected to be between 15% and 20% by 2028;
- Operating free cash flow for the Group is expected to be positive from 2025 onwards.

These assumptions take into account an assessment of the potential impacts related to the ongoing geopolitical tensions (the Russia-Ukraine conflict and the situation in the Middle East), the effects of American protectionist policies, and phenomena or trends related to climate change or new regulations.

As required by International Accounting Standard IAS 36, since the CGUs (EV & Automotive and Industrial) include goodwill, the Group's Management has carried out an impairment test to ensure that the carrying amounts of the assets of the individual CGUs

are not greater than their recoverable value as of 31 December 2024. Specifically, the Group records goodwill in the consolidated financial statements as of 31 December 2024 amounting to Euro 28.4 million. This goodwill is allocated to two cash-generating units ("CGUs"): "EV & Automotive" for Euro 7.4 million and "Industrial" for Euro 21.0 million, to which are also allocated intangible assets with defined useful lives amounting to Euro 14.8 million, right-of-use assets for Euro 58.0 million and tangible assets for Euro 352.1 million.

For more information, please refer to the specific paragraph in note (1) "Goodwill".

Inventory obsolescence provision

The inventory obsolescence provision reflects the Directors' estimate of the expected losses of value from the Group, determined according to past experience and the historical and expected trend of the market of the raw materials (in particular of the price of the electric steel, and of the finished goods).

In the case of raw materials, subsidiary and consumable, the net realizable value is represented by the replacement cost. The main raw material purchased by the Group is electric steel, which represents over 60% of the Group's purchase costs and whose value represents the most significant component of inventories. Whereas, in the event of an increase in the prices of this raw material, the Group may avail itself of price adjustment clauses included in the main sales contracts, a significant decrease in the price of electric steel could, on the other hand, have a negative effect on estimating the realisable value of the inventories including electric steel previously purchased at higher prices.

In the case of finished goods and semi-finished products, the net value of which is presumed to be realized is the estimated selling price in the normal course of the business, taking into account the evolution of the price of raw materials and in particular of electric steel, net of the estimated costs of completion and of those necessary to carry out the sale.

The calculation of the net realizable value of the inventory is carried out taking into account also the phenomenon of obsolescence of the same, applying differentiated amortisation percentages for homogeneous bands, determined on the basis of the indices of rotation of the inventories, and their terms and conditions at the date of drawing up of the budget and their prospects for implementation. A deterioration in the general economic and financial conditions could lead to a further deterioration in market conditions compared with the deterioration already taken into account in the quantification of funds entered in the consolidated financial statements.

Allowance for doubtful accounts

The Group applies the simplified approach to measuring expected credit losses (ECL) for trade receivables. The ECL takes into account the historical credit losses, adjusted to take account of specific factors of creditors and the economic context and is based on the days due for each class of customers grouped in the various clusters showing similar historical loss trends. The matrix is based on the default percentages observed in the group. The Group balances the matrix to adjust historical loss data on receivables with forecast elements. The assessment of the correlation between historical default rates, projected economic conditions and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and expected economic conditions. Historical experience on the performance of losses on Group receivables and forecasts of future economic conditions may also not be representative of the actual insolvency of customers in the future.

Leasing

Lease agreements may include options to extend and terminate the lease period. When assessing whether the exercise of the option to renew a lease term is potentially secure, all relevant factors that create an economic incentive for the exercise of the option to renew or terminate the contract are considered. After the start date of the lease ("commencement date"), the lease period is reviewed if there is a significant event or change that affects the ability to exercise the option or not to renew or terminate the lease. The implicit interest rate of a lease is not easily determined. Therefore, the incremental debt rate ("IBR") is used to determine the present value of the lease costs. The same corresponds to the interest rate that would be paid for financing, with a similar duration and guarantee.

Estimate of the useful life of the goods

The Group, in the calculation of depreciation of the tangible assets, defined the useful life on the basis of a physical estimate of the obsolescence of the assets. The useful life could change significantly due to technical innovations or other events. Amortisation will increase when the useful life is less than the previously estimated life, or if technically obsolete or non-strategic assets are no longer used or are sold will be eliminated or devalued.

Impacts of climate change on the financial statements

Climate change is a burning issue for all industrial sectors, including the one in which the Group operates. Specifically, as regards the Group, greenhouse gas emissions are mainly linked to the organisation's indirect consumption, largely deriving from the use of electricity and the purchase of raw materials (steel).Also thanks to the establishment of the Control, Risk and ESG Committee, the Group adopts a holistic approach to risk management, in particular by examining and identifying possible negative externalities. In addition, an assessment is conducted on the likely positive and negative impacts regarding the Group's value chain, and estimating any financial effects with respect to the risks identified.

The Group's commitments on this issue are formalised through the preparation of internal policies, the adoption of management systems, the use of energy from renewable sources and attention to the manufacturing of products with a lower environmental impact. In addition, the Group has identified the guidelines to be included in a medium/long-term Sustainability Plan, which outline the main commitments on the environmental front and, specifically, in relation to climate change. The trends linked to the energy transition, with particular reference to the transition to mobility based on electric motors whose core component is produced by the Group, are elements steering the formulation of the company strategies and their future implementation. For this reason, it is believed that the impacts on the consolidated financial statements of climate risks, which could affect the financial statement items whose measurement depends on the production of future cash flows, and therefore subject to impairment, are not considered significant.

Risks, commitments, guarantees

The commitments and guarantees are indicated at their contractual value and the risks for which the manifestation of a liability is only possible, without the allocation of risk provisions.
The risks for which the manifestation of a liability is likely, are described in the explanatory notes and reported, according to criteria of congruities, in the risk provisions. Remote risks are not taken into account.

IFRS Accounting Standards, amendments and interpretations applied from 1 January 2024

The following IFRS Accounting Standards, amendments and interpretations have been applied for the first time by the Group as of 1 January 2024:

- On 23 January 2020, the IASB published an amendment called **"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"** and on 31 October 2022 published an amendment called "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". The purpose of these amendments is to clarify how to classify debts and other current or non-current liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer the settlement of a liability for at least twelve months is subject to compliance with certain metrics (i.e. covenants).
- On 22 September 2022, the IASB published an amendment called **"Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback".** The document requires the seller-lessee to assess the liability for the lease arising from a sale & leaseback transaction so as not to recognise any income or loss relating to the retained right of use.
- On 25 May 2023, the IASB published an amendment called **"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements".** The document requires an entity to provide additional information on reverse factoring agreements that allow users of the financial statements to assess how financial agreements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such agreements on the entity's exposure to liquidity risk.

- The adoption of these amendments did not affect the Group's consolidated financial statements.

IFRS Accounting Standards, amendments and interpretations endorsed by the European Union, not yet mandatory and not adopted in advance by the Group as at 31 December 2024

As of the reporting date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and standards described below. However, these standards are not mandatorily applicable and have not been adopted early by the Group as of 31 December 2024.

- On 15 August 2023, the IASB published **"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability".** The document requires an entity to use a methodology to be applied consistently in order to verify whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the information to be provided in the explanatory notes. The amendment will apply from 1 January 2025, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

IFRS Accounting Standards, amendments and interpretations not yet endorsed by the European Union

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

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

With these amendments, the IASB has also introduced additional reporting requirements with regard, in particular, to investments in equity instruments designated at FVOCI.

The amendments will apply from the financial statements for years beginning on or after 1 January 2026. The directors are currently assessing the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

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

The amendments will apply from 1 January 2026, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of these amendments on the Group's consolidated financial statements.

- On 18 December 2024, the IASB published the amendment **"Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7".** The document aims to support entities in reporting the financial effects of contracts for the purchase of electricity produced from renewable sources (often structured as Power Purchase Agreements). Based on these agreements, the quantity of electricity generated and purchased can vary based on uncontrollable factors such as the weather. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - a clarification regarding the application of the "own use" requirements to this type of agreement;
  - the criteria for allowing these agreements to be accounted for as hedging instruments; and,
  - new disclosure requirements to enable financial statement users to understand the effect of these agreements on an entity's financial performance and cash flows.

The amendment will apply from 1 January 2026, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

- On 9 April 2024, the IASB published a new standard, **IFRS 18 Presentation and Disclosure in Financial Statements** which will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of financial statements, with particular reference to the income statement. In particular, the new standard requires:
  - that revenues and costs be classified into three new categories (operating, investing and financing sections), in addition to the 'taxes' and 'discontinued operations' categories already present in the income statement;
  - that two new sub-totals be presented: the operating profit and the result before interest and taxes (i.e. EBIT).

  The new standard also:
  - requires more information on the performance indicators defined by management;
  - introduces new criteria for the aggregation and unbundling of information; and,
  - introduces some changes to the layout of the statement of cash flow, including the request to use the operating profit as a starting point for the presentation of the statement of cash flow prepared with the indirect method and the derecognition of some classification options of some currently existing items (such as for example interests paid, interests collected, dividend income paid and dividend income collected).

The new standard will enter into force from 1 January 2027, but early application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

- On 9 May 2024, the IASB published a new standard IFRS 19 Subsidiaries without Public Accountability: Disclosures. The new standard introduces some simplifications with reference to the information required by the IFRS Accounting Standards in the financial statements of a subsidiary company that complies with the following requirements:
  - it has not issued equity or debt instruments listed on a regulated market, nor is it in the process of issuing them;
  - its own parent company prepares consolidated financial statements in compliance with IFRS.

The new standard will enter into force from 1 January 2027, but early application is permitted. The directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.

- On 30 January 2014, the IASB published the standard IFRS 14 – Regulatory Deferral Accounts, which allows only first-time adopters of IFRSs to continue to recognise amounts related to rate-regulated activities under their previous adopted accounting standards. As the Group is not a first-time adopter, this standard is not applicable.

SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR

New Eurotranciatura México plant

On 12 January 2024 - EuroGroup Laminations strengthened its international presence and unveiled a new production plant in Querétaro, the headquarters of Eurotranciatura Mexico.
After the start-up investment for production for the EV segment in 2016, which also saw the plant adopt Industry 4.0 standards, the sustained growth recorded in the e-mobility market prompted the Group to activate an additional programme for the development of the site: approximately 10,000 square meters for the EV & Automotive segment, in addition to the existing 21,000 square meters, with an expansion of 43% of the covered area. The new plants were built according to the highest standards of innovation and sustainability, with a particular emphasis on decarbonisation, circular economy and education, leveraging the Group's consolidated experience as a market leader.
The new Querétaro site will enrich the EuroGroup Laminations production park at global level, and will be central to the fulfilment of the Group's order book for the EV & Automotive segment.
The expansion also testifies to the strategic nature of the North American region for the Group's activities.

"SME" qualification

On 17 January 2024 - EuroGroup Laminations S.p.A., pursuant to art. 2-ter of the regulation adopted with Consob resolution no. 11971 of 14 May 1999 ("Issuers' Regulation"), acquired the status of "SME" (Small and Medium-sized Enterprise) pursuant to art. 1, paragraph 1, letter w-quater.1) of Italian Legislative Decree no. 58 ("Consolidated Finance Act") of 24 February 1998. Consequently, for the purposes of the disclosure obligations of significant investments, pursuant to art. 120 of the Consolidated Finance Act, the 5% threshold is now applied instead of 3%.

Participation in the Global Compact

On 18 January 2024 - EuroGroup Laminations announced its participation in the United Nations Global Compact, the largest strategic corporate citizenship initiative in the world.
The Global Compact invites companies around the world to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption, and to take action in support of the objectives of the United Nations, including the Sustainable Development Goals (SDGs). Launched in 2000, to date over 17,000 companies and other entities from 160 countries around the world participate, including over 500 in Italy.
The stators and rotors produced by EuroGroup represent a crucial and enabling element for the energy transition, in particular in automation and electrification processes. By participating in the United Nations Global Compact, EuroGroup emphasises how the value of sustainability is central to all business processes. In particular, EuroGroup is committed to operating responsibly and in compliance with the universal principles of sustainability, guaranteeing regular and transparent reporting of both the actions taken and the results obtained. The Group also aims to transfer its commitment to protecting sustainability also at local level, promoting a positive impact in all the territories in which it operates.

Executive Director appointed

On 24 January 2024, the Board of Directors of EuroGroup Laminations S.p.A. co-opted, pursuant to art. 2386 of the Italian Civil Code and art. 13.4 of the Articles of Association, Axel Volker Dill as the new executive director, with the role of CEO of the Industrial business unit, previously held by Gianluca Bertocchi. He will also hold the position of key executive. The appointment takes place following the resignation of Gianluca Bertocchi, executive director of the Company, submitted on 24 January 2024, with immediate effectiveness, to pursue other professional objectives.

Non-repayable grant from MIMIT

Last February, the Ministry of Enterprises and Made in Italy (MIMIT) and Invitalia rewarded the growth and innovation momentum of EuroGroup Laminations by approving the proposal (subject to the successful completion of verification and preliminary activities) for a non-repayable grant of up to a maximum of Euro 13.3 million.
The "Development and Innovation Project in support of electric vehicles" for EuroGroup Laminations aims to strengthen a Made in Italy supply chain dedicated to the production of the most important components of electric motors intended for electric-powered cars, enhancing their efficiency and competitiveness.
Given the significant orders portfolio, the programme is focused on the industrial expansion of Italian activities to expand its production capacity and respond to the market in a flexible manner by reducing production costs also with a view to greater sustainability. This will be possible thanks to the inclusion of new, more efficient and environmentally friendly technologies and the use of materials with high magnetic efficiency capable of improving the performance of electric motors.
The benefits granted by MIMIT will allow a further enhancement of the Group's R&D activities to develop experimental and patented technological solutions aimed at increasing competitiveness in the production of stators and rotors for electric motors.

Approval of the integrated annual report

On 28 March 2024 - the Board of Directors of EuroGroup Laminations S.p.A. approved the final results and the integrated annual report for 2023, and also resolved to submit to the approval of the Shareholders' Meeting the proposed distribution of a dividend of Euro 0.042 per share, equal to approximately Euro 6.8 million in total.

Eurotranciatura Tunisie share capital increase

On 4 April 2024 – the general meeting of the company Eurotranciatura Tunisie S.a.r.l. resolved the share capital increase for 4,355,000 Tunisian dinars (consequently bringing the value of the entire share capital to 31,500,000 Tunisian dinars), fully subscribed and paid by EuroGroup Laminations S.p.A., through the waiver of a loan previously taken out.

Approval of the Financial Statement and distribution of dividends

On 6 May 2024 – the Shareholders' Meeting of EuroGroup Laminations S.p.A. was held, which approved all the proposals on the agenda, including the Financial Statements of the Parent Company, the proposal for the allocation of profit with relative distribution of dividend income and the first section of the Remuneration Report, and expressed a favourable opinion on the second section of said Report. It also approved the updated Shareholders' Meeting regulation.

New company roles

On 6 May 2024, the Shareholders' Meeting confirmed the appointment of the new director Axel Volker Dill.
On 13 May 2024 - The Board of Directors of EuroGroup Laminations S.p.A. appointed Isidoro Guardalà Deputy Group Chief Executive Officer and Matteo Perna Group Chief Financial Officer in order to strengthen the organisation of EGLA for the next phase of development.

Loan of Euro 140 million to support growth

On 27 June 2024 – the Group announced the closure of a loan for the subscription of four loan agreements with BNL BNP Paribas, Intesa Sanpaolo – IMI/CIB Division, UniCredit and Deutsche Bank, respectively, for a maximum total amount, in aggregate, equal to Euro 140 million. These loans are in line with the Company's broader growth and expansion strategy, particularly at international level. Thanks to them, EuroGroup will be able to rely on greater financial flexibility, as well as on the resources needed to further bolster its growth path in the medium and long term, including externally. At the same time, the contracts signed allow EuroGroup to optimise its financial structure, making it more efficient thanks to a centralised management of credit and debt lines at the parent company level and increasing the average life of the latter.
The agreements entered into have made available to the Company: (i) four term credit facilities for a total aggregate maximum amount of Euro 65 million, maturing on 30 June 2029; (ii) four term credit facilities backed by a SACE Green Guarantee for a total aggregate maximum amount of Euro 40 million, maturing on 30 June 2029; and (iii) four revolving credit facilities for a total aggregate maximum amount of Euro 35 million, maturing on 30 June 2027. As at 31 December 2024, Euro 105 million had been disbursed.

Preliminary agreement for a strategic partnership with the Chinese Hixih Rubber Industry Group

On 1 August 2024, EuroGroup signed a preliminary Memorandum of Understanding for a strategic partnership with the Chinese Hixih Rubber Industry Group, a leader in automotive components in China. The agreement was signed at the Ministry of Enterprises and Made in Italy's headquarters in Rome, in the presence of Minister Adolfo Urso. The deal commits the parties to work on an industrial partnership based on a joint venture controlled by EGLA, aimed at further stimulating growth in the Chinese market with local electric vehicle manufacturers. It also includes the creation of a new research and development centre for innovative technologies within Hixih Group's industrial area in Shandong, designed to protect intellectual property and support all co-development activities and partnerships with local clients. A new high-tech industrial facility dedicated to the production of motor cores for New Energy Vehicle manufacturers will also be established in the same area, with investments supported by dedicated incentive programmes.

Agreement for the acquisition of 40% of the capital and control of Kumar Precision Stampings Private Limited

On 14 November 2024, the parent company EuroGroup Laminations S.p.A. finalised the acquisition of Kumar Precision Stampings Private Limited, an Indian company among the main local operators in the production and distribution of stators and rotors for electric motors for various industrial and domestic applications (including HVAC, railway, home appliances, pumps and generators).

The transaction aligns with EuroGroup Laminations' growth strategy in Asia, and the strategic objectives of the acquisition are multiple:

- to further expand and strengthen the positioning of the Group's Industrial business unit in Asia;
- access to the Indian market, which is strategic for the Group, experiencing strong growth and offering multiple development opportunities;
- access to the rapidly expanding transformer market, particularly in India.

As part of the transaction, a shareholders' agreement was signed, which governs, among other aspects, the company's governance. This agreement grants EuroGroup Laminations the following powers: (i) the power to direct the relevant activities, (ii) the ability to influence the returns of Kumar Precision Stampings Private Limited by participating in business decisions and exercising control through a majority in the governing body, (iii) and exposure to variable returns derived from its shareholding. In light of this, the Group fully consolidates its investment in the Indian company despite holding only a 40% stake, pursuant to IFRS 10 par. 7.

The total investment, amounting to Euro 19,902 thousand, involved the acquisition of 40% of the shares of the Indian company for Euro 13,896 thousand and a simultaneous capital increase of Euro 6,006 thousand.

Agreement for the sale of the assets of the company Euro Group Laminations Russia

On 5 November 2024, EuroGroup Laminations S.p.A signed an agreement for the sale of the assets of the company Euro Group Laminations Russia with a Russian buyer and on 19 December 2024 the National Authority UAMA at the Ministry of Foreign Affairs granted authorisation for the transaction. In February 2025, the Russian subsidiary proceeded with the disposal of the assets.

Notes to the items in the Consolidated Statement of Financial Position

NON-CURRENT ASSETS

(1) Goodwill

Goodwill of Euro 28,420 thousand includes Euro 10,543 thousand relating to the acquisition of the company DS4 S.r.l. finalised by EuroGroup Laminations S.p.A on 9 October 2023, and Euro 17,877 for the acquisition of 40% of the company Kumar Precision Stampings Private Limited finalised by EuroGroup Laminations S.p.A on 14 November 2024.

(Amounts in thousands of Euro)	Goodwill
Balance as at 31 December 2023	**10,543**
Increase for the acquisition of 40% of Kumar Precision Stampings Private Limited	17,877
Balance as at 31 December 2024	**28,420**

The application of the accounting standards relating to the new acquisition required, when control was identified by the directors, the Group to recognise at fair value i) the total consideration transferred and ii) the investment previously held in Kumar Precision Stampings Private Limited.

(Amounts in thousands of Euro)	
Fair value of the consideration transferred:	
Consideration paid	19,902
Fair value of the investment previously held	-
Total consideration transferred	**19,902**

The provisional amounts recognised for the assets acquired and the liabilities assumed are those shown in the following table:

(Amounts in thousands of Euro)	Book values before acquisition	Fair value adjustments	Values recognised at acquisition
Current assets			
Inventories	8,214	-	8,214
Trade receivables	5,355	-	5,355
Cash and cash equivalents	6,006	-	6,006
Current financial assets and receivables	1,219	-	1,219
Other current assets and receivables	1,600	-	1,600
Total current assets	**22,394**	**-**	**22,394**
Non-current assets			
Tangible assets	7,176	5,795	12,971
Intangible assets	-	8,766	8,766
Non-current financial assets and receivables	199	-	199
Deferred tax assets	148	-	148
Total non-current assets	**7,523**	**14,561**	**22,084**
Current liabilities			
Trade payables	4,060	-	4,060
Tax liabilities	330	-	330
Current financial liabilities	12,366	-	12,366
Other current liabilities	217	-	217
Total current liabilities	**16,973**	**-**	**16,973**
Non-current liabilities			
Non-current financial liabilities	3,200	-	3,200
Deferred tax liabilities	-	4,368	4,368
Other non-current liabilities	-	-	-
Total non-current liabilities	**3,200**	**4,368**	**7,568**
Net assets acquired	**9,744**	**10,193**	**19,937**

The calculation of goodwill is shown in the following table:

(Amounts in thousands of Euro)	
Total consideration	19,902
Fair value quota minority share	17,912
Net assets acquired	19,937
Goodwill	**17,877**

(Amounts in thousands of Euro)	
Net cash and cash equivalents deriving from the acquisition:	
Consideration paid	(19,902)
Cash and cash equivalents acquired	6,006
Price paid net of cash acquired	**(13,896)**

Kumar Precision Stampings Private Limited contributed Euro 8,121 thousand to revenues and Euro 299.4 thousand to the Group's profit in the period between the acquisition date and the reporting date.

Impairment test

Pursuant to IAS 36, goodwill is not subject to amortisation, but to an impairment test at least annually, or more frequently, if specific circumstances arise that may require an immediate impairment test.

As regards the various impairment indicators, the Group considers the relationship between its market capitalisation and equity, which, as at 31 December 2024, does not show any impairment indicators.

Furthermore, considering that during 2024 certain external indicators have emerged, such as the performance of the Industrial sector in which the Group operates and the changed macroeconomic context that also affects the EV & Automotive sector, the Group has subjected the carrying amount of Net Invested Capital (NIC) including goodwill, to a recoverability test as at 31 December 2024.

For the purposes of the impairment test, goodwill was allocated to the two cash generating units (CGUs) identified in line with the operating segments identified according to IFRS 8.

In determining the recoverable value of these CGUs, identified as the value in use, which is the sum of the discounted future cash flows generated continuously by the NIC (Discounted Cash Flow method), the Management referred to the 2025 Budget and to the 2025-2028 Business Plan of the Group, approved by the Board of Directors of EuroGroup Laminations S.p.A. on 24 March 2025. The assumptions are detailed in the section "Recoverability of the value of goodwill, intangible assets and tangible assets.

The weighted average cost of capital calculated for the purpose of discounting cash flows is based on a weighting between the cost of debt and the cost of equity, calculated on the basis of the values of companies comparable to EuroGroup Laminations and therefore operating in the same sector of activity.

The values used in the calculation of the average cost of capital (extrapolated from the main financial sources) are as follows:

- financial structure of the sector: 13.36% (debt capital) and 86.64% (equity capital) for both CGUs, based on the average of a panel of comparable companies;
- relevered beta: 1.149 for the "EV & Automotive CGU" and 1.150 for the "Industrial CGU";
- risk-free rate: 3.87% for the "EV & Automotive CGU" and 3.50% for the "Industrial CGU" – determined based on the weighted average yield of government bonds issued by the countries in which the Group operates;
- risk premium: 5.50% (attributable to AAA-rated countries – source: Fernandez, 2024);
- gross cost of debt: determined based on the average yield of the 10-year Interest Rate Swap (IRS) (Source: Capital IQ).

For the purpose of determining the recoverable amount of Net Invested Capital, the cash flows were discounted using a discount rate (WACC) that takes into account the specific risks of the asset and reflects current market evaluations of the cost of capital. Two different WACCs were calculated, equal to 11.57% for the EV & Automotive CGU and 11.46% for the Industrial CGU.

The impairment tests carried out, approved by the Board of Directors of EuroGroup Laminations S.p.A. on 24 March 2025, did not reveal any loss in value, with the resulting value in use of the CGUs obtained always being higher than the book value.

As required by IAS 36, the Group has carried out a sensitivity analysis on the recoverable value of the above-mentioned CGUs, analysing the effect of a change in the discount rate used to discount the expected cash flows (WACC) and the g-rate, keeping the main assumptions underlying the plan unchanged.

These sensitivity analyses did not reveal any critical issues, confirming the results in terms of test resistance.

In addition, management proceeded to determine the break-even WACC and the EBITDA reduction (which equal Value in Use and Carrying Amount), obtaining the results reported below:

- increase in WACC (keeping all other plan assumptions unchanged) equal to approximately +4.91% for the EV-Automotive CGU and approximately +3.21% for the "Industrial CGU";
- reduction in EBITDA in the explicit Plan period and in Terminal Value (keeping all other plan assumptions unchanged) equal to -29.95% for the "EV-Automotive CGU" and -- 21.89% for the "Industrial CGU";

Finally, with reference to the impacts of the risks arising from climate change on the determination of the cash flows of the explicit plan period and the terminal value, prepared for the two CGUs for the purpose of the impairment test, it should be noted that:

- with regard to transition risks, it is not believed that there may be differential impacts compared to those envisaged in the plan approved by the Directors;
- with regard to physical risks, it is not believed that there may be differential impacts compared to those envisaged in the plan approved by the Directors.

Based on the impacts identified and arising from the climate change risk, no further sensitivity analyses are considered applicable.

(2) Intangible assets

The following table provides a breakdown of the intangible assets:

(Amounts in thousands of Euro)	Industrial patents, intellectual and similar property rights	Other intangible assets	Assets under construction	Total
Historical cost as at 31 December 2023	**8,941**	**4,712**	**1,478**	**15,131**
Increases	915	108	391	1,414
Reclassifications	66	1,121	(1,187)	-
Exchange differences and other changes	271	33	5	309
Write-down of intangible assets	-	-	(294)	(294)
Business combinations	-	8,766	-	8,766
Historical cost as at 31 December 2024	**10,193**	**14,740**	**393**	**25,326**
Accumulated amortisation as at 31 December 2023	**(7,357)**	**(257)**	**-**	**(7,614)**
Amortisation	(762)	(1,953)	-	(2,715)
Exchange differences and other changes	(213)	(32)	-	(245)
Accumulated amortisation as at 31 December 2024	**(8,332)**	**(2,242)**	**-**	**(10,574)**
Net book value as at:				
31 December 2023	**1,584**	**4,455**	**1,478**	**7,517**
31 December 2024	**1,861**	**12,498**	**393**	**14,752**

The increases in the item "Industrial patents and intellectual property rights and similar" for Euro 915 thousand, are mainly due to the purchase of new patents in EuroGroup Laminations S.p.A. and software in Eurotranciatura S.p.A.

The item "Other intangible assets" mainly relates to the valuation of the *Customer Relationship* of DS4 S.r.l. and Kumar Precision Stampings Private Limited. The change for the year is primarily attributable to the provisional Purchase Price Allocation process of Kumar Precision Stampings Private Limited, in accordance with the requirements of IFRS 3, for the identification and valuation of an intangible asset.

The value of the Customer Relationship of Kumar Precision Stampings Private Limited of Euro 8,766 thousand, gross of deferred taxes, was determined using the PIGA method. The main assumptions used are the following:

- Revenues: the revenues associated with the Customer Relationship were used (net of revenues from group companies) for the years 2025 to 2028; for the years after 2028, a value of revenues calculated using the long-term growth rate was considered;
- Estimated RUL(Remaining Useful Life): based on the benchmark analysis and given the current stage of the life cycle of Kumar Precision Stampings Private Limited, the RUL stood at 16 years;
- Churn Rate (customer churn rate, i.e. the percentage of consumers who have stopped using your products or services during a certain period of time): implicitly calculated on the basis of the RUL, equal to 6,25%;
- G-rate: standing at 4.00%, i.e. equal to the expected Italian inflation (source: IMF October 2024);
- Ebit Margin: derived from the data indicated in the Strategic Plan; for the years after 2027, the value was assumed to be 7.7%;
- Tax rate: 30% (India tax rate);
- WACC: equal to 13.7%, or the WACC of Kumar Precision Stampings Private Limited of 12.5% increased by a premium of 1.2%, considering the risk/return profile of an intangible asset measured from a stand-alone perspective.

These intangible assets were included in the impairment test as they were allocated to the two CGUs identified by Management. For further information, please refer to note (1) "Goodwill".

(3) Tangible assets

The following table reports a breakdown of the tangible assets:

(Amounts in thousands of Euro)	Land and buildings	Plants and machinery	Commercial and industrial equiment	Other tangible assets	Assets under construction	Total
Historical cost as at 31 December 2023	**36,896**	**380,891**	**94,843**	**25,212**	**41,103**	**578,945**
Increases	1,906	28,323	17,138	2,164	35,542	85,073
Decreases	(2)	(8,803)	(572)	(72)	-	(9,449)
Transfer from rights of use	3,831	5,115	-	-	-	8,946
Reclassifications	6,022	23,570	81	(198)	(29,475)	-
Exchange differences and other changes	1,863	9,524	1,566	524	1,433	14,910
Business combinations	7,419	9,256	-	2,561	149	19,385
Historical cost as at 31 December 2024	**57,935**	**447,876**	**113,056**	**30,191**	**48,752**	**697,810**
Accumulated amortisation as at 31 December 2023	**(13,575)**	**(209,105)**	**(68,077)**	**(18,847)**	**-**	**(309,604)**
Amortisation	(1,501)	(22,307)	(5,891)	(1,722)	-	(31,421)
Decreases	2	8,716	514	70	-	9,302
Transfer from rights of use	(34)	(2,567)	-	-	-	(2,601)
Exchange differences and other changes	(669)	(3,483)	(483)	(355)	-	(4,990)
Business combinations	(288)	(4,895)	-	(1,232)	-	(6,415)
Accumulated amortisation as at 31 December 2024	**(16,065)**	**(233,641)**	**(73,937)**	**(22,086)**	**-**	**(345,729)**
Net book value as at:						
31 December 2023	**23,321**	**171,786**	**26,766**	**6,365**	**41,103**	**269,341**
31 December 2024	**41,870**	**214,235**	**39,119**	**8,105**	**48,752**	**352,081**

The item "Land and buildings" covers mainly industrial sites and warehouses. The increases, amounting to Euro 1,906 thousand as at 31 December 2024, are mainly related to the completion of the new production site in Mexico by Europroperties Mexico for Euro 1,099 thousand and to investments in improvements to owned buildings by Eurotranciatura S.p.A. for Euro 565 thousand.
The item "Plant and machinery" includes the presses and other industrial machinery used for the production process. The increases, amounting to Euro 28,323 thousand as at 31 December 2024, are mainly related to the purchase of new presses and machinery, particularly by Eurotranciatura S.p.A. and Euro Misi High Tech Jiaxing.
The item "Commercial and Industrial Equipment" includes moulds and other industrial and commercial equipment. The increases amounted to Euro 17,138 thousand as at 31 December 2024 and refer mainly to the purchase of new moulds, in particular by Eurotranciatura S.p.A. and Euro Misi High Tech Jiaxing.
The item "Other tangible assets" includes furniture and furnishings for offices and warehouses, storage equipment, shelving, electronic office machinery, company vehicles and cars. The increases of Euro 2,164 thousand as at 31 December 2024 refer mainly to the purchase of new electronic office machines for Euro 1,414 thousand, and the purchase of new furniture and miscellaneous furnishings for Euro 509 thousand and of new company cars for Euro 242 thousand.
The Assets under construction are assets that are not yet available for use. The increases, equal to Euro 35,542 thousand as at 31 December 2024, are mainly due to assets under construction and payments on account for fixed assets (presses, moulds and fittings dedicated mostly to the EV & Automotive segment) of Eurotranciatura Mexico S.A. de C.V. for Euro 15,793 thousand and Eurotranciatura S.p.A. for Euro 14,306 thousand and payments on account on investments in moulds and fittings for new customers of the Industrial BU in Eurotranciatura USA for Euro 2,937 thousand.

The item “Decreases” mainly refers to the disposal of obsolete plant and machinery

The item “Transfer from rights of use” refers to the reclassification of plant and machinery following the exercise of the surrender option envisaged by the finance leases agreement and previously recorded under the item “Right of use”.

The item “Business combinations” relates to the valuation of properties and production plants, gross of deferred taxes, attributable to the provisional Purchase Price Allocation process of Kumar Precision Stampings Private Limited pursuant to the requirements of IFRS 3. The fair value of properties and plants is supported by the results of a valuation report issued by an independent expert appointed by the Group.

These tangible assets were included in the impairment test as they were allocated to the two CGUs identified by Management. For further information, please refer to note (1) “Goodwill”.

(4) Rights of use

The following table provides a breakdown of right-of-use resources:

(Amounts in thousands of Euro)	Land and buildings	Plants and machinery	Commercial and industrial equipment	Other tangible assets	Total
Historical cost as at 31 December 2023	**70,983**	**16,335**	**101**	**2,791**	**90,210**
Increases	13,036	27	-	1,198	14,261
Transfer to tangible assets	(3,831)	(5,115)	-	-	(8,946)
Decreases	(2,207)	(242)	-	(219)	(2,668)
Exchange differences and other changes	490	97	-	136	723
Historical cost as at 31 December 2024	**78,471**	**11,102**	**101**	**3,906**	**93,580**
Accumulated amortisation as at 31 December 2023	**(20,614)**	**(7,287)**	**(17)**	**(1,170)**	**(29,088)**
Amortisation	(7,505)	(1,584)	(26)	(1,049)	(10,164)
Transfer to tangible assets	34	2,567	-	-	2,601
Decreases	583	429	-	219	1,231
Exchange differences and other changes	(94)	(40)	-	(67)	(201)
Accumulated amortisation as at 31 December 2024	**(27,596)**	**(5,915)**	**(43)**	**(2,067)**	**(35,621)**
Net book value as at:					
31 December 2023	**50,369**	**9,048**	**84**	**1,621**	**61,122**
31 December 2024	**50,875**	**5,187**	**58**	**1,839**	**57,959**

During the year, rights of use were increased by Euro 14,261 thousand of which:

- Euro 13,036 thousand in land and buildings deriving mainly from the signing of new operating leases for production sites and offices at Euro Misi High Tech Jiaxing for Euro 11,646 thousand and to a new warehouse in Eurotranciatura Mexico S.A. de C.V. for Euro 1,090 thousand;
- Euro 1,198 thousand in company vehicles used for production activities and cars assigned to personnel.

The item “Transfer to tangible assets” refers to the reclassification of plant and machinery following the exercise of the surrender option envisaged by the finance leases agreement and previously recorded under the item “Right of use”.

These assets deriving from the right of use were included in the impairment test as they were allocated to the two CGUs identified by Management. For further information, please refer to note (1) “Goodwill”.

(5) Non-current financial assets and receivables

The following table gives a breakdown of non-current financial assets and receivables:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Investment in Kuroda	1,143	1,324
Miscellaneous guarantee deposits	276	327
Other non-current financial assets	270	270
Other securities	239	1,678
Derivative assets	14	50
Non-current financial assets	**1,942**	**3,649**

The item “Investment in Kuroda” includes the fair value of the minority interest held in the company Kuroda Precision Industries Ltd, listed on the Tokyo Stock Exchange. A reconciliation of the amount shown in the table above is reported below:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Number of shares held	168,600	168,600
Unit price as of 30 December 2024	6.78	7.86
Fair value (in thousands of Euro)	1,143	1,324

The change in the item “Other securities” relates to the reclassification from the item “Current financial assets and receivables” of securities held by DS4 and intended for sale/repayment within 12 months.

(6) Deferred tax assets and deferred tax liabilities

The following table provides a detailed analysis of deferred tax assets and deferred tax liabilities:

(Amounts in thousands of Euro)	31 December 2023	Recognised in the income statement	Recognised in OCI	Exchange difference and other	Business combinations	31 December 2024
Deferred tax assets arising from:						
Employee benefits	592	(496)	12	13	-	121
Tangible assets	8,146	(2,707)	-	199	148	5,786
Rights of use	303	88	-	(6)	-	385
Intangible assets	1,366	(690)	-	22	-	698
Financial assets	32	-	(32)	-	-	-
Inventory obsolescence provision	2,570	(815)	-	35	-	1,790
Allowance for doubtful accounts	2,641	126	-	4	-	2,771
Tax losses	1,692	805	-	142	-	2,639
Customer advances	1,134	(652)	-	45	-	527
Inventories	260	16	-	(145)	-	131
Other assets and liabilities	2,075	(886)	-	37	-	1,225
Total deferred tax assets	**20,810**	**(5,211)**	**(20)**	**346**	**148**	**16,073**
Deferred tax liabilities arising from:						
Employee benefits	27	(43)	55	-	-	39
Tangible assets	6,955	544	-	466	1,738	9,703
Rights of use	1,919	484	-	(22)	-	2,381
Intangible assets	1,238	(288)	-	-	2,630	3,580
Financial assets	35	-	(21)	-	-	14
Allowance for doubtful accounts	95	35	-	-	-	130
Share-based compensation	-	-	-	-	-	-
Inventories	5,652	(1,428)	-	(125)	-	4,099
Other assets and liabilities	1,890	1,130	-	167	-	3,187
Total deferred tax liabilities	**17,811**	**434**	**34**	**486**	**4,368**	**23,133**

The decrease in deferred tax assets recorded in 2024 is mainly attributable to timing differences: i) that emerged following the revaluation of tangible assets carried out by some Italian subsidiaries (pursuant to Law 126/2020), the effects of which were eliminated during the transition to International Accounting Standards, and ii) from the valuation of the inventory obsolescence provision.
The item "Tax Losses" refers to deferred tax assets on losses from the current or previous financial years related to Eurotranciatura México S.A. de C.V. and its subsidiaries, which the Group has recognised by assessing the likelihood of their future recoverability based on updated strategic plans.
The increase in deferred tax liabilities recorded in 2024 is mainly attributable, for a total of Euro 4,368 thousand, to the fair value measurement of tangible assets and the recognition of the "Customer Relationship" that emerged in the provisional Purchase Price Allocation process carried out by the Group following the acquisition of the equity investment in Kumar Precision Stampings Private Limited.

CURRENT ASSETS

(7) Inventories

The detailed description of inventories is reported below:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Raw materials	169,611	173,749
Semi-finished products	54,774	52,390
Finished products	151,611	135,072
Work in progress	8,076	6,678
Inventory obsolescence provision	(8,681)	(10,845)
Inventories	**375,391**	**357,044**

The following table reports the movement of the inventory obsolescence provision:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Inventory obsolescence provision at the beginning of the year	10,845	17,347
Provisions	2,902	2,561
Uses	(3,550)	(7,602)
Releases	(1,616)	(1,461)
Business combinations	100	-
Inventory obsolescence provision at the end of the year	**8,681**	**10,845**

The increase of Euro 18,347 thousand in inventories is mainly due to the increase in inventories of finished products and work in progress for Euro 17,937 thousand due to an increase in the production of the EV & Automotive segment and the related safety stocks required by customers (mainly OEMs and Tier 1).

The uses of the 2024 inventory obsolescence provision are primarily attributable, for Euro 2,994 thousand, to the scrapping of certain finished products carried out by Eurotranciatura S.p.A.

(8) Trade receivables

As at 31 December 2024, the balance of trade receivables is composed as follows:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Trade receivables	153,835	127,087
Allowance for doubtful accounts	(9,598)	(9,543)
Trade receivables	**144,237**	**117,544**

The increase in trade receivables, equal to Euro 26,693 thousand, is due to the higher turnover of the EV & Automotive BU.
The changes in the allowance for doubtful accounts as at 31 December 2024 and 31 December 2023 are shown below:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Allowance for doubtful accounts at the beginning of the year		
Description	**9,543**	**8,765**
Releases	758	880
Uses	(301)	(179)
Business combinations	(433)	-
Allowance for doubtful accounts at the end of the year	31	77
Allowance for doubtful accounts at the end of the year	**9,598**	**9,543**

The following table shows trade receivables broken down by geographical area, net of the provision for doubtful accounts:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
EMEA	59,994	66,989
• *of which in Italy*	*58,427*	*65,374*
NORTH AMERICA	49,388	36,834
• *of which in Mexico*	*46,392*	*32,974*
• *of which in the United States*	*2,996*	*3,860*
ASIA	34,855	13,721
• *of which in China*	*27,714*	*13,721*
• *of which in India*	*7,141*	-
Trade receivables	**144,237**	**117,544**

The reduction in receivables in the EMEA area of Euro 6,995 thousand is attributable to the slowdown in demand in the Industrial segment, while the increase in receivables in the North American area for Euro 12,554 thousand and the Asian area for Euro 21,134 thousand relate to the increase in sales of the EV & Automotive segment.

(9) Cash and cash equivalents

Cash and cash equivalents refers to current bank account deposits held at banks.

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Bank and postal deposits	187,205	204,815
Cash on hands	18	21
Cash and cash equivalents	**187,223**	**204,836**

The item includes cash and cash equivalents (Time deposit for Euro 50,000 thousand with maturity within 3 months) recognised in the consolidated financial statements. There are no restrictions on the use of cash and cash equivalents.
Cash and cash equivalents in non-EU countries refer mainly to the current accounts in Mexico, the United States, China, Tunisia and India of subsidiaries for a value of approximately Euro 37,928 thousand, Euro 9,345 thousand, Euro 38,081 thousand, Euro 3,044 thousand and Euro 5 thousand respectively, as at 31 December 2024.

(10) Other current assets and receivables

The following table gives a breakdown of the other current assets:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
VAT credits	35,637	28,309
Advances to suppliers	25,797	21,756
Other tax receivables	4,640	3,780
Prepaid expenses	3,023	8,250
Other receivables	1,820	4,607
Insurance claims	6	8
Other current assets	**70,923**	**66,710**

VAT credits increased by Euro 7,328 thousand, mainly due to the combined effect of the offsetting through F24 of the receivables as at 31 December 2023 and the sale to a factor of the 2023 VAT credit, requested for reimbursement by Eurotranciatura S.p.A. for Euro 3,800 thousand. This was offset by an increase in the VAT credit in Eurotranciatura Mexico due to higher investments compared to the previous year for Euro 8,574 thousand, as well as an increase in VAT credit in the Asian region of Euro 1,676 thousand, relating to investments aimed at consolidating existing projects and developing new projects in the EV & Automotive segment.
Advances to suppliers mainly refer to payments on account for the purchase of goods and services, and have increased due to higher advances paid for new activities in the EV & Automotive segment.
Other tax receivables are linked to investments whose interconnection during previous years was verified pursuant to Article 1, paragraphs 184-197, of Italian Law no. 160 of 27 December 2019 - for 2020; Article 1, paragraphs from 1051 to 1063, of Italian Law no. 178 of 30 December 2020 - for 2021 and 2022; Article 1, paragraph 44 of Italian Law no. 234 of 30 December 2021 - for 2023, and represent the portion that will be offset in the year after 2024.
Prepayments refer to costs incurred in the current period or in previous periods mainly for insurance, maintenance and factoring contracts but pertaining to the months after 31 December 2024. The reduction of Euro 5,277 thousand is mainly attributable to the deferrals recognised as at 31 December 2023 of costs incurred by Euro Misi High Tech relating to the EV & Automotive projects started in 2024.

(11) Current financial assets and receivables

The following table gives a breakdown of receivables and current financial assets:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Receivables for investments in time deposits	51,222	45,467
BTP and other securities	1,752	5,038
Other current financial assets and receivables	1,007	98
Derivative financial instruments measured at fair value	14	133
Current financial assets	**53,995**	**50,736**

The increase in current financial assets of Euro 3,259 thousand is mainly due to the increase of Euro 5,755 thousand in time deposit investments and the increase of Euro 909 thousand in other current financial assets, mainly for security deposits deriving from the acquisition of Kumar Precision Stampings Private Limited, offset by the decrease in the item "BTPs and other securities" of Euro 3,286 thousand related to: i) the repayment at maturity in April 2024 of the BTP held by SAF S.p.A. for Euro 5,000 thousand and ii) the increase of Euro 1,650 thousand due to the reclassification from the item "Non-current financial assets" of DS4 securities intended for sale/redemption within 12 months.

(12) Tax receivables

The following table provides a breakdown of tax receivables:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Foreign receivables for income taxes	6,326	573
Local receivables for income taxes	2,855	2,615
Tax receivables	**9,181**	**3,188**

The change in foreign tax credits for income taxes equal to Euro 5,753 thousand is mainly attributable to advance payments, calculated on a historical basis, made during 2024 by the Mexican companies. These credits will be used in full during the year 2025.

(13) Assets held for sale

In accordance with IFRS 5, which requires assets held for sale to be measured at the lower of fair value and original cost, the property, plant and equipment and inventories of Euro Group Laminations Russia LLC have been reclassified under assets held for sale.

The Russian subsidiary, active in the rotor and stator market for the industrial segment, since 2022, following the onset of the conflict between Russia and Ukraine and the resulting international economic sanctions, has ceased operations, and the Group has proceeded to impair its assets. In 2023, the Group began considering the possibility of a permanent exit from the Russian market. During the course of 2024, this eventuality materialised through a disinvestment project consisting of the sale of tangible assets owned by Euro Group Laminations Russia LLC to a local market operator.

With the support of a leading law firm specialised in international trade compliance and, in particular, regulations related to international economic sanctions, it was initially verified that the Russian buyer was not subject to any sanctions imposed by the United Nations, the European Union, the United States of America or the United Kingdom. Subsequently, on 5 November 2024, the sale and purchase agreement for the assets of the Russian company was signed.

Although the transaction involved only Russian legal entities (Euro Group Laminations Russia LLC and the Russian buyer), given the EU's decision on 24 June 2024 to include a new Article 8 bis in Regulation 833/2014, and considering that some of the assets involved in the sale could have been subject to restrictions under Articles 2 bis, 3 and 3 duodecies of Regulation (EU) no. 833/2014, approval was sought from the National Authority UAMA at the Ministry of Foreign Affairs to carry out the divestment under Article 12 ter, paragraph 1, of Regulation (EU) no. 833/2014.

The authorisation was granted on 19 December 2024, and in February 2025, the Russian subsidiary completed the sale of the assets for 276,934,000 roubles. The entire amount was collected by the Group in March 2025.

The amount recorded, totalling Euro 2,449 thousand, consists of: (i) plant, machinery and moulds for Euro 2,032 thousand, and (ii) raw materials and finished goods inventory for EUR 417 thousand.

The impact on the income statement is recognised for Euro 2,509 thousand for the revaluation of plant and machinery, see note (29) "Reversal of impairment of non-current assets" and for Euro (119) thousand for the write-down of the inventory of raw materials and finished products, see note (24) "Changes in finished and semi-finished products".

EQUITY

(14) Equity

Share capital

As at 31 December 2024, the share capital was fully subscribed and paid up and amounted to Euro 6,111,941. This is divided into 94,016,319 ordinary shares and 73,677,026 multiple voting shares, corresponding to a total of 315,047,397 voting rights.

The number of shares as at 31 December 2024 stood at 167,693,345 and was unchanged compared to 31 December 2023.

The following table shows the number of ordinary shares as of 31 December 2023 and 31 December 2024.

Number of shares at 31 December 2023	**167,693,345**
Number of shares as at 31 December 2024	**167,693,345**

Other reserves

Other reserves amount to Euro (8,905) thousand at 31 December 2024 (Euro 4,016 thousand at 31 December 2023) and are detailed as follows:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Legal reserve	1,137	907
First time adoption (FTA) reserve	(3,875)	(3,875)
Translation reserve	5,473	564
IFRS 2 reserve	1,147	273
Negative reserve for the purchase of treasury shares	(17,384)	(6,511)
Other comprehensive income	4,597	4,626
Of which:		
• *Actuarial gains/(losses) on employee benefits*	*(14)*	*(141)*
• *Gains/(losses) from fair value measurement of equity instruments*	*4,590*	*4,710*
• *Gains/(losses) from the fair value measurement of hedging derivatives*	*21*	*57*
Other reserves	**(8,905)**	**(4,016)**

As part of the plan for the purchase of treasury shares, approved by the Shareholders' Meeting on 20 July 2023 and concluded on 19 June 2024, treasury shares stood at 5,030,800 as at 31 December 2024 (Euro 17,384 thousand), representing 3.00% of the share capital of the company EuroGroup Laminations S.p.A..

Retained earnings

Retained earnings (Losses) amounted to Euro 176,037 thousand at 31 December 2024 (Euro 151,966 thousand at 31 December 2023).

Minority interests

Minority interests amounted to Euro 57,682 thousand (Euro 34,837 thousand as at 31 December 2023). The profit attributable to minority interests for the year was Euro 5,398 thousand (Euro 4,551 thousand in 2023). The increase in minority interests is mainly related to the change in the scope of consolidation due to the acquisition of Kumar Precision Stampings Private Limited (for further details, please refer to the paragraph "Scope of consolidation"), partially offset by the distribution of dividend income for a total of Euro 1,271 thousand.

NON-CURRENT LIABILITIES

(15) Financial liabilities

The following table shows the details of changes in liabilities arising from financing activities:

(Amounts in thousands of Euro)	Bank loans	Financing lines	Payables to factors	Payables to other investors	Derivatives	Total
Opening balance	197,958	71,033	34,344	29,721	-	333,056
Refunds	(32,773)	(23,261)	(34,344)	-	-	(90,378)
Increases	34,090	2,774	30,177	6,852	-	73,893
Other non-financial movements	(1,532)	(517)	-	(230)	599	(1,680)
31 December 2023	**197,743**	**50,029**	**30,177**	**36,343**	**599**	**314,891**
Of which:						
Non-current financial liabilities	**136,177**	**-**	**-**	**30,813**	**599**	**167,589**
Current financial liabilities	**61,566**	**50,029**	**30,177**	**5,530**	**-**	**147,302**

(Amounts in thousands of Euro)	Bank loans	Financing lines	Payables to factors	Payables to other investors	Derivatives	Total
Opening balance	197,743	50,028	30,177	36,343	599	314,890
Refunds	(45,425)	(9,301)	(30,397)	(5,883)	-	(91,006)
Increases	122,897	46,056	4,946	1,513	-	175,412
Other non-financial movements	719	2,192	287	(1,565)	2,040	3,673
Business combinations	3,094	9,562	-	2,911	-	15,567
31 December 2024	**279,028**	**98,537**	**5,013**	**33,319**	**2,639**	**418,536**
Of which:						
Non-current financial liabilities	**203,856**	**-**	**-**	**26,388**	**2,184**	**232,428**
Current financial liabilities	**75,172**	**98,537**	**5,013**	**6,931**	**455**	**186,108**

Payables to other investors are linked mainly to the investment agreements with Simest S.p.A. for Euro Group Asia Limited, Eurotranciatura Tunisie and Euro Hightech S.A. De C.V and with Marubeni-Itochu Steel Inc. for Euro Misi Laminations Jiaxing Ltd. The change in the year is due to:

- the settlement, in November 2024, of debts to the shareholders of Kumar Precision Stampings Private Limited for Euro 1.8 million,
- repayment of Euro 1 million owed to Simest by Euro Group Asia,
- payment of the portion for the purchase of DS4 for Euro 0.7 million,
- the settlement of the New Market Tax Credit ("NMTC") programme of the subsidiary Eurotranciatura USA LLC for Euro 0.6 million.

The item "Other non-financial changes", which amounts to Euro 3,673 thousand, is mainly composed of the change in the value of derivatives for Euro 2,040 thousand, exchange differences of Euro 2,326 thousand and a positive change in the amortised cost of Euro -693 thousand.

The current portion of payables to other investors mainly relates to:

- Euro 2.939 thousand for the current portion of the loan disbursed by Marubeni-Itochu Steel Inc. in favour of Euro Misi Laminations Jiaxing Ltd.;
- Euro 2.063 thousand for the current portion of the loan from Simest to Euro Group Asia;
- Euro 729 thousand for the current portion still to be paid for the purchase of the company DS4 S.r.l..

Net financial debt

As required by ESMA communication 32-382-1138 of 4 March 2021, the document "ESMA32-382-1138" and taken up by CONSOB in communication 5/21 of 29 April 2021, it is indicated that the Group's net financial debt is as follows:

Item	Description	31 December 2024	31 December 2023
A	Cash and cash equivalents	137,223	151,836
B	Cash equivalents	50,000	53,000
C	Current financial assets and receivables	53,995	50,736
D	**Liquidity (A+B+C)**	**241,218**	**255,572**
E	Other current liabilities	193	171
F	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	104,005	96,627
G	Current portion of non-current financial debt	89,820	61,854
H	**Current financial debt (E+F+G)**	**194,018**	**158,652**
I	**Net current financial debt (H-D)**	**(47,200)**	**(96,920)**
J	Non-current financial debt (excluding the current portion and debt instruments)	270,538	207,107
K	Non-current debt instruments	2,183	599
L	Trade payables and other non-current liabilities	-	-
M	**Non-current financial debt (J + K + L)**	**272,721**	**207,706**
N	**Financial debt (I + M)**	**225,521**	**110,786**

Covenants

Some of the Group's loan agreements require compliance with covenants that provide for the obligation to meet certain levels of financial indices.
In particular, the following covenants are present with the relative threshold not to be exceeded:

- Net financial debt/Adjusted EBITDA not exceeding 3.0x.
- Net financial debt/Total Net Equity not exceeding 1.0x.
- EBITDA/Net Financial Expenses not less than 6.0x.
- Shareholders' Equity not less than Euro 68,000,000.00.
- Net financial debt not exceeding Euro 290,000,000.00.

As of 31 December 2024, the Group has complied with all financial covenants and believes that it will continue to do so throughout 2025.

(16) Financial liabilities arising from rights of use

The following table provides a breakdown for current and non-current financial liabilities arising from rights of use:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Non-current financial liabilities arising from rights of use	40,293	40,117
Current financial liabilities arising from rights of use	7,717	11,178
Financial liabilities arising from rights of use	**48,010**	**51,295**

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Opening balance	**51,295**	**48,394**
Increases for new leases	9,780	14,632
Early termination of leases	(1,437)	(596)
Repayment of the liabilities arising from leasing	(11,244)	(10,821)
Exchange differences and other changes	(384)	(314)
Closing balance	**48,010**	**51,295**

The following table summarises the undiscounted contractual cash flows of lease liabilities by maturity date:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
1 year	7,717	11,178
2 years	7,098	6,967
3 years	7,773	5,745
4 years	6,138	6,283
Beyond	19,284	21,122
Financial liabilities arising from rights of use	**48,010**	**51,295**

(17) Employee benefits

The item includes the debt for the severance indemnity of the Group accrued by managers and employees of Italian and Mexican companies. The other foreign companies do not recognise benefits for employees or other components similar to benefits for employees.

The table below shows the movements of employee benefits:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Opening balance	**4,657**	**4,070**
Changes with impact to consolidated income statement	522	358
• *of which: Service cost*	*365*	*246*
• *of which: Financial expenses*	*157*	*112*
Benefits paid	(335)	(465)
Changes with impact on the consolidated statement of comprehensive income	(177)	303
Change in consolidation scope	-	391
Closing balance	**4,667**	**4,657**

The following table summarises the main financial assumptions used to determine the present value of the employee benefits:

	31 December 2024	31 December 2023
Description		
Representative termination rate	2.60%	2.60%
Mortality rate	ISTAT tables 2023	ISTAT tables 2022
Annual advance rate	3.00%	3.00%
Average advance rate	70.00%	70.00%
Annual rate of wage increase (including inflationary in-crease)	4.00%	4.00%
Annual discount rate	**3.109%**	**3.080%**

The following table shows a sensitivity analysis of the valuation of employee benefits as of 31 December 2024:

(Amounts in thousands of Euro)	Annual discount rate		Annual inflation rate		Annual turnover rate	
As at 31 December 2024	**0.50%**	**-0.50%**	**0.50%**	**-0.50%**	**0.50%**	**-0.50%**
31 December 2024	4,242	4,595	4,505	4,323	4,418	4,397
31 December 2023	4,268	4,664	4,566	4,355	4,503	4,409

(18) Provisions for risks and charges

The composition of the item is as follows:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Supplementary customer indemnity provision	155	134
Other provisions for risks and charges	18	503
Provisions for risks and charges	**173**	**637**

The supplementary customer indemnity provision refers to the lump-sum indemnity owed to agents in the event of the termination of the agency relationship.
Other provisions for risks and charges mainly refer to provisions for possible tax assessments.

The following table shows the movements of provisions for risks and charges:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Opening balance	**637**	**1,230**
Provisions for various risks	21	190
Uses	(87)	(318)
Releases	(398)	(465)
Closing balance	**173**	**637**

Provisions of Euro 21 thousand refer exclusively to allocations to the supplementary indemnity provision.
The utilisation for Euro 87 thousand refers to the amount paid following the conclusion of the assessment received by Eurotranciatura S.p.A. and EuroGroup Laminations S.p.A. concerning the deductibility for VAT, IRES and IRAP purposes of transactions with SIMEST S.p.A.
The releases refer (i) for Euro 23 thousand to the same assessment mentioned above and (ii) for Euro 375 thousand to the release of the amount set aside by the Company for a probable risk of extension of the tax assessment to subsequent financial years, which no longer exists.

(19) Other non-current liabilities

The following table provides a breakdown of other non-current liabilities

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Deferred income	7,133	6,651
Payables to directors	221	145
Other non-current payables	21	6
Other non-current liabilities	**7,375**	**6,802**

The item “Deferred income” mainly relates to grants for investments made during the year and previous years, for the purchase of plants which are deferred over the amortisation period of the underlying asset. This contribution will be recognised in the consolidated financial statements in the financial years in which the economic benefits deriving from these investments are realised, according to the useful life of these plants.

CURRENT LIABILITIES

(20) Trade payables

This item includes amounts due for supplies of production materials, debts for expenses incurred in the purchase of assets and debts for services received. The Group has no reverse factoring and/or supplier financing operations. The following table shows the trade payables by geographical area:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
EMEA	106,273	135,538
• *of which in Italy*	*105,370*	*133,087*
NORTH AMERICA	108,089	126,100
• *of which in Mexico*	*99,969*	*119,895*
• *of which in the United States*	*8,120*	*6,205*
ASIA	72,561	33,810
• *of which in China*	*69,139*	*33,810*
• *of which in India*	*3,422*	-
Trade payables	**286,923**	**295,448**

Trade payables decreased by Euro 8,525 thousand due to the combined effect of: (i) a decrease of Euro 29,265 thousand in the EMEA region and Euro 18,011 thousand in NORTH AMERICA, primarily driven by a reduction in raw material purchases, in line with volumes, along with a lower average market price, and (ii) an increase of Euro 38,751 thousand in the ASIA region, mainly due to higher raw material purchases to support increased volumes and the inclusion of Kumar Precision Stampings Private Limited in the consolidation scope.

(21) Other current liabilities

The following table provides the breakdown of the other current liabilities:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Payables to employees	11,358	11,252
VAT payables	4,377	3,325
Accrued expenses and deferred income	3,443	2,660
Payables for other taxes	3,231	3,098
Payables to social security institutions	2,954	2,277
Other debts	215	770
Payables for dividends	193	171
Other current liabilities	**25,771**	**23,553**

Notes to items in the Consolidated Income Statement

(22) Revenues

The Group generates revenues mainly from the sale of rotors, stators, moulds, spare parts and tools. The following table provides a breakdown of revenues by segment:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
EV & Automotive	562,159	477,294
Industrial	307,230	358,648
Revenues	**869,389**	**835,942**

The EV & Automotive segment reported revenues of Euro 562,159 thousand, an increase of 17.8% compared to the previous year (Euro 477,294 thousand), driven by higher production volumes on new projects and production ramp-up for stators and rotors for both PHEV and BEV vehicle traction. This growth is linked to the rising demand for EV products and the expansion of the EV & Automotive segment in the Asian market.

The Industrial segment recorded revenues of Euro 307,230 thousand, compared to Euro 358,648 thousand in the previous year (-14.3%). The decline in revenues is due primarily to the continuous reduction in volumes following the ongoing de-stocking process of the Group's customers in Europe, as well as the continued contraction in raw material prices, which intensified starting from the second quarter of 2023, and to the ongoing regulatory uncertainty for some sub-segments (e.g. heat pumps).

The Group's revenues by geographical location are shown below:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
EMEA	402,123	456,323
• *of which in Italy*	*393,646*	*449,111*
NORTH AMERICA	336,839	328,245
• *of which in Mexico*	*285,402*	*273,617*
• *of which in the United States*	*51,437*	*54,628*
ASIA	130,427	51,374
• *of which in China*	*122,306*	*51,374*
• *of which in India*	*8,121*	-
Revenues by geographic area	**869,389**	**835,942**

Information on major customers

Revenues from EV & Automotive include revenues of Euro 173,358 thousand (Euro 166,795 thousand in 2023) deriving from sales to the Group's largest customer.
In addition to the main customer indicated above, only one additional customer exceeded the 10% threshold (16%).

(23) Other revenues and income

The item other revenues and income, amounting to Euro 6,652 thousand (Euro 4,006 thousand in the previous year), mainly relates to the closure of the New Market Tax Credit (NMTC) programme for Euro 2,666 thousand, government grants received for investments in various geographical areas for Euro 1,885 thousand, and the recognition of realised and unrealised exchange rate differences on commercial transactions for Euro 1,288 thousand. The NMTC programme, signed by the Group in 2017 through its subsidiary Eurotranciatura USA LLC, enabled the company to benefit from government financial support under US tax laws. The mechanism of the transaction allowed Eurotranciatura USA LLC to be exempt from repaying a portion of the QLICI B loan amounting to Euro 2,666 thousand, upon the occurrence of certain conditions (recapture period), which were met during the first half of 2024.

(24) Change in inventories of finished and semi-finished products

The following table provides a detailed description of the item:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Change in inventories of finished products	17,201	20,558
Change in inventories of finished and semi-finished products	(1,058)	3,878
Change in inventories of finished and semi-finished products	**16,143**	**24,436**

(25) Raw material costs

The following table provides a breakdown of the cost for purchases:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Cost of raw materials, semi-finished products and finished goods	534,134	528,415
Cost of consumables	20,803	17,480
Raw material costs	**554,937**	**545,895**

The increase in costs for the purchases of raw materials, equal to Euro 9,042 thousand, is mainly attributable to the increase in sales of the Chinese companies, which led to a greater volume of purchases, and to the integration of Kumar Precision Stampings Private Limited in the scope of consolidation, with costs for raw materials from the acquisition date of Euro 3,883 thousand.

(26) Costs for services

The following table provides a breakdown of the costs for services:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Outsourced works	19,499	18,807
Transportation	17,516	11,334
Maintenance	16,065	16,444
Energy	13,729	13,896
Consultancy fees	7,240	5,669
Legal, notary and administrative expenses	7,050	3,147
Overheads	6,867	7,072
Fees	4,955	2,798
Remuneration of Directors	4,621	4,088
Personnel search and selection costs	2,310	3,271
Insurance	1,804	1,665
Rentals and leases	1,673	1,404
• *of which current*	*1,422*	*1,193*
• *of which low-value*	*251*	*211*
Other costs for services	5,060	5,001
Costs for services	**108,389**	**94,596**

In the 2024 financial year, there was an increase in service costs amounting to Euro 13,793 thousand, primarily due to: (i) an increase of Euro 6,182 thousand in transport costs, mainly in the Asian region, due to a significant rise in the volumes of the EV & Automotive BU to the European market; (ii) an increase of Euro 3,430 thousand in legal, notarial and administrative expenses, mainly due to business combinations; (iii) an increase of Euro 2,157 thousand in commission costs, primarily due to higher royalties resulting from the increased sales revenue of the EV & Automotive BU; (iv) an increase in consultancy expenses of Euro 1,123 thousand, mainly due to costs related to the completion of the first phase of the new ERP implementation at Eurotranciatura S.p.A. The increase was partially offset by a reduction of Euro 961 thousand in personnel recruitment and selection costs, due to the insourcing of the activity, and a decrease of Euro 378 thousand in maintenance costs, resulting from greater internal efficiency.

Other service costs mainly include security and cleaning costs, travel and marketing costs.

The cost of directors' fees includes the costs relating to the 2023-2025 stock option plan (the "Plan") for Euro 509 thousand. The regulation was approved by the Company's Board of Directors on 18 January 2023. The Plan aims to incentivise and retain individuals who play a key role in achieving the Group's objectives, as well as to align the interests between the remuneration objectives of these individuals and those of increasing sustainable value and return on investment for shareholders.

The beneficiaries identified by the Company's Board of Directors as at 14 April 2023 are: 1) Executive Directors 2) Key Management Personnel 3) Managers whose activities have a significant impact at the level of Business, Corporate Management and local entities.
The costs for services include the options granted to the first category of individuals. The total number of options granted to executive directors is 1,330,000.

The Plan, which has a duration of five years, is structured in three cycles each with a vesting period of three years from the relative date of assignment of the options to the beneficiary and therefore with possible vesting of the rights and assignment of the shares during 2026, 2027 and 2028. At the end of each cycle, the beneficiary has the right to exercise one-third of the options granted giving the right to subscribe shares in the Company according to the 1/1 ratio by paying the strike price equal to the IPO price for the beneficiaries already in the Group's workforce prior to the IPO, while for the other beneficiaries equal to the average price of the Company's shares in the 30 days prior to the assignment. Each beneficiary can decide whether or not to exercise his or her options until the expiration of the Plan; unexercised options will be cancelled.

In application of IFRS 2, the financial instruments underlying the Plan were measured at fair value at the time of assignment.

The determination of the fair value, which takes into account the current value of the share at the grant date, volatility, the expected dividend flow, the duration of the Plan and the risk-free rate, was entrusted to an independent external expert and was carried out using a binomial valuation model. The input data used in the valuation are as follows:

Assignment date	14 April 2023
Average residual life at the grant date (in months)	58
Expected volatility of the share price	28.12%
Risk-free interest rate	2.63%
% dividends expected	0%
Fair value of the share at the grant date (Euro)	4.91
Exercise price (Euro)	5.50

The expected volatility was determined on the basis of the volatilities of a panel of comparables operating in sectors adjacent to the Group. The expected life used in the model was determined based on the expectation of when the option will be exercised.

(27) Personnel costs

The following table gives a breakdown of personnel costs:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Wages and salaries	91,300	86,056
Social security charges	20,650	18,421
Other personnel costs	3,442	627
Provision for severance indemnity	3,305	2,717
Share-based compensation	352	-
Personnel costs	**119,049**	**107,821**

The increase in personnel costs, amounting to Euro 11,228 thousand, is mainly attributable to: (i) the growth in the number of employees, particularly in the Asian region, and the inclusion of DS4 and Euro Automation for the entire 2024 financial year (they were included pro-rata in 2023), as well as the inclusion of the company Kumar Precision Stampings Private Limited from 14 November 2024, (ii) salary increases adjusted for inflation, (iii) the allocation of stock options to executives, and (iv) the negative effect caused by the adverse exchange rate variation between the Mexican Peso and the US Dollar.
Other personnel costs mainly include expenses related to the reorganisation of certain areas in the European region amounting to Euro 1,181 thousand, and profit-sharing bonuses in the Mexican subsidiary, totalling Euro 1,132 thousand.
The item "share-based compensation" for Euro 352 thousand includes the costs relating to the 2023-2025 stock option plan (the "Plan") assigned to the categories "Executives with strategic responsibilities and Managers whose activities have a significant impact at the level of Business, Corporate management and local entities".
In the second half of 2024, a total of 2,006,000 options were assigned to the above categories. In application of IFRS 2, the financial instruments underlying the Plan were measured at fair value at the time of assignment.

The determination of the fair value, which takes into account the current value of the share at the grant date, volatility, the expected dividend flow, the duration of the Plan and the risk-free rate, was entrusted to an independent external expert and was carried out using a binomial valuation model. The input data used in the valuation are as follows:

Assignment date	17 July 2024
Average residual life at the grant date (in months)	43
Expected volatility of the share price	41.00%
Risk-free interest rate	2.90%
% dividends expected	0%
Fair value of the share at the grant date (Euro)	3.98
Exercise price (Euro)	5.50

The expected volatility was determined on the basis of the volatilities of a panel of comparables operating in sectors adjacent to the Group. The expected life used in the model was determined based on the expectation of when the option will be exercised.

The breakdown of average employees by type is provided below:

	31 December 2024	31 December 2023
Executives	75	46
Management	199	94
Employees	869	808
Workers	2,171	1,675
Average total	**3,314**	**2,623**

The change in the average number of employees is mainly due to the acquisition of Kumar Precision Stampings Private Limited, whose average number of employees as at 31 December 2024 was 625.

(28) Other operating expenses

The following table shows the details of the other operating expenses:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Other operating expenses	374	665
(Release)/Accrual to allowance for doubtful accounts	457	701
Other taxes and charges	1,104	394
Penalties	285	158
Capital losses on disposal of assets	125	44
Costs for the previous year	63	1
(Release)/Provision for risks	(377)	52
Other operating expenses	**2,031**	**2,015**

Other operating expenses mainly include:

i. Other taxes and duties, the increase of which is mainly due to the increase in costs for non-deductible VAT in EuroGroup Laminations S.p.A., for Euro 502 thousand.
ii. (Release)/Provision for risks, the change in which is mainly due to the release of the risk provision related to the tax audit for the 2016 financial year in EuroGroup Laminations S.p.A., amounting to Euro 375 thousand.
iii. (Release)/Allocation to doubtful debt provision: the timely and careful management of collections allowed for a lower allocation of Euro 122 thousand and higher releases of Euro 122 thousand compared to the previous year, despite the increase in trade receivables.

(29) Reinstatement of non-current assets value

Reinstatement of non-current assets value amounted to Euro 2,509 thousand and relates to the revaluation of tangible fixed assets, fully written down in 2022 following the start of the war in Ukraine and the EU sanctions, which made business in Russia unviable. The reversal was made possible by the sale agreement, signed in November 2024 and completed in February 2025, involving plant, machinery, dies and inventory, as well as the application of IFRS 5, which requires assets held for sale to be measured at the lower of fair value and original cost. For further details, please refer to note (13) “Assets held for sale” in the notes to the consolidated financial statements.

(30) Depreciation and amortisation of non-current assets

The following table provides a breakdown of the item “Depreciation and amortisation of non-current assets”:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Tangible assets	31,421	24,433
Rights of use	10,164	8,390
Intangible assets	3,009	907
Depreciation and amortisation of non-current assets	**44,594**	**33,730**

The item increased by Euro 10,864 thousand, mainly due to the significant investments in the EV & Automotive segment.

(31) Financial expenses

The following table shows a breakdown of the financial expenses:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Bank interest expenses	17,192	13,287
Interest expenses from factors	4,901	5,214
Other financial expenses	4,090	1,366
Derivative financial instruments measured at fair value	2,147	1,939
Financial charges from other investors	1,477	913
Interest payable for leases	1,272	1,260
Employee benefit expenses - Severance pay	157	112
Interest for derivative financial instruments	108	108
Financial expenses	**31,344**	**24,199**

The financial expenses item in 2024 recorded an increase compared to the previous year, mainly attributable to the interest expenses related to the four new loans signed by EuroGroup Laminations S.p.A. in June 2024, amounting to a total of Euro 105,000 thousand.
The increase in the item “Other financial charges”, equal to Euro 2,724 thousand, is mainly due to the recognition of commercial interest relating to the purchases of raw materials of the company Euro Misi Laminations, Jiaxing Co. Ltd for Euro 1,060 thousand, higher bank costs, linked to the opening of new loans and Buy Back transactions in EuroGroup Laminations for Euro 705 thousand, and the increase in fees on SACE guaranteed loans in Eurotranciatura S.p.A. for Euro 580 thousand.

(32) Financial income

The following table shows a breakdown of financial income:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Bank interest income	4,665	4,138
Revenue from derivative financial instruments	1,604	876
Other financial income	121	256
Financial income from other investors	4	464
Financial income from the Parent Company	-	12
Financial income	**6,394**	**5,746**

The financial income item in 2024 saw an increase of Euro 648 thousand compared to the previous year; the rise is mainly attributable to the returns generated from liquidity investment operations (i.e. 12-month time deposits, government bonds and other financial instruments) and positive differentials recognised on interest rate hedging derivative transactions.

(33) Exchange gains/(losses)

The following table provides a breakdown of exchange gains and losses:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Exchange losses	(2,507)	(9,384)
Exchange gains	8,567	2,952
Exchange gains/(losses)	**6,060**	**(6,432)**

Exchange gains/(losses) showed a significant improvement, from a loss of Euro 6,432 thousand as at 31 December 2023 to a gain of Euro 6,060 thousand as at 31 December 2024. This positive change is mainly attributable to the strengthening of the US dollar in 2024 compared to 2023, which generated a favourable impact on the revaluation of foreign currency items and on the Group companies that operate in this currency, resulting in an overall improvement in exchange rates management.

(34) Income taxes

The following table shows a breakdown of income taxes:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
IRES - Corporate income tax	3,067	3,281
IRAP – Regional tax on production activities	1,348	1,984
Income taxes of foreign companies	961	5,544
Taxes from previous years	(753)	55
Deferred tax assets/liabilities	5,645	5,970
Income taxes	**10,268**	**16,834**

The following table provides a reconciliation of actual income tax and theoretical income tax, the first being calculated on the basis of the applicable Group average tax rate of 25.93% for the financial year ending 31 December 2024 and 25.3% for the financial year ending 31 December 2023:

(Amounts in thousands of Euro)	31 December 2024	31 December 2023
Description		
Profit before tax	46,803	55,442
Theoretical Income Tax - Average Tax Rate	**(12,135)**	**(13,999)**
Tax effect:		
Taxes from previous years	753	(55)
Accrued/deferred tax	(5,645)	(5,970)
Effect of different tax rates of subsidiaries operating in other jurisdictions	8,107	5,173
Total tax charge, excluding IRAP	**(8,920)**	**(14,851)**
Average effective tax rate	19.06%	26.79%
Regional tax on productive activities (IRAP)	**(1,348)**	**(1,983)**
Income taxes	**(10,268)**	**(16,834)**

In order to facilitate an understanding of the reconciliation of tax rates presented above, tax charges net of other taxes paid abroad and IRAP have been reported. IRAP is calculated using financial data prepared according to Italian accounting standards. The IRAP rate applicable was 3.9% for the Italian consolidated companies, for each of the financial years ended 31 December 2024 and 31 December 2023.
The Group has monitored and continues to monitor the implementation of Pillar II developed by the OECD Inclusive Framework in all countries in which it operates. The Group also carried out analyses on the applicability of the simplified transitional regimes pursuant to art. 39 of Italian Legislative Decree no. 209 of 27 December 2023 (published in the Official Gazette no. 301 of 28 December 2023) and Ministerial Decree of 20 May 2024 with reference to the 2024 financial year, the first period of application of the regime, and acknowledged that art. 2 of the Ministerial Decree of 20 May 2024 was applicable, in relation to each of the jurisdictions in which the Group operates. The Group therefore intends to make use of the simplified transitional regimes by exercising the option envisaged by art. 2 of the Ministerial Decree of 20 May 2024. This option makes it possible to assume the additional taxation due to be equal to zero, including the additional taxation pursuant to art. 36 of Italian Legislative Decree no. 209 of 27 December 2023, in all jurisdictions in which the Group operates.
.

(35) Basic and diluted earnings per share

Basic and diluted earnings per share were calculated as the ratio between the Group's attributable profit and the Company's weighted average number of outstanding shares (base and diluted).
The following table summarises the amounts used to calculate the basic and diluted earnings per share:

Diluted earnings per share are the basic earnings per share as there have been no potentially dilutive instruments for the periods presented.
The minimal change in earnings per share as at 31 December 2024 compared to 31 December 2023 is due to the combined effect of the reduction in the result, and the change in the weighted average number of shares due to the own share purchase programme in force from September 2023 to June 2024.
The number of shares stands at 167,693,345, of which 162,662,545 are outstanding.

	Year ended 31 December 2024	
(Amounts in thousands of Euro and number of shares outstanding)	**2024**	**2023**
Description		
Result attributable to the Group (A)	31,127	34,057
Number of shares outstanding at the beginning of the period	165,861,615	122,238,800
Number of shares outstanding at the end of the period	162,662,545	165,861,615
Weighted average number of shares for the purpose of basic earnings (B)	163,057,224	162,456,384
Basic and diluted earnings per share (Euro) i=(A)/(B)	**0.19**	**0.21**

Notes to items in the Consolidated Cash Flow Statement

The main items that influenced the trend of cash flows in the periods under review are summarised below.

Net financial flow generated/absorbed by operating activities

Operating activities in the 2024 financial year generated resources of Euro 60,599 thousand compared to the previous financial year, which generated Euro 47,254 thousand. The cash flow generated during the year is mainly due to the positive cash flow generated before changes in net working capital, equal to Euro 116,789 thousand (Euro 108,854 thousand in 2023), which was partly offset by the negative cash flow deriving from the change in net working capital, equal to Euro 69,963 thousand (Euro 67,133 thousand in 2023).

Net cash flow generated/absorbed by investing activities

The total cash flow absorbed by investing activities amounted to Euro 100,125 thousand compared to Euro 153,398 thousand in the previous financial year. The cash flow absorbed during the year is mainly attributable to investments in property, plant and equipment for Euro 85,073 thousand and the net cash outlay for the purchase of Kumar Precision Stampings Private Limited for Euro 13,896 thousand.

Net cash flow generated/absorbed by financing activities

The total cash flow generated by financing activities amounted to Euro 26,325 thousand compared to Euro 191,238 thousand in the previous financial year. The cash flow generated in the year is mainly attributable to the net change in the taking out/repayment of bank loans and other financing.

Other information

DISCLOSURE BY BUSINESS SEGMENT

The Group has applied IFRS 8 in relation to segment reporting, which focuses on the internal reporting used by company management. This standard requires segment information to be based on the elements that management uses to make operational decisions.

The Group's Strategic Business Units (SBUs), as defined by IFRS 8, are identified by the business sectors that generate revenues and costs, the results of which are periodically reviewed by the highest decision-making level for performance evaluation and decisions regarding resource allocation. The Group's SBUs are as follows:

- **EV & Automotive:** EV & Automotive is a Business Unit introduced in recent years, it operates mainly in the electric automotive sector and in general in all applications related to the automotive sector.
- **Industrial:** Industrial is the Group's historical Business Unit and produces components mainly for the following product lines: home, logistics, energy, pumps, HVAC, tools and diversified industrial.

The **Earnings Before Interest, Taxes, Depreciation and Amortisation** ("EBITDA") is the key measure used by the Board of Directors to assess performance and allocate resources to the Group's operating segments, as well as to analyse operating trends and to carry out analytical and benchmark performance comparisons between periods and segments.

Below is an analysis of the Group's performance by segment in 2024 and 2023:

	EV & Automotive		Industrial		Consolidated	
(Amounts in thousands of Euro)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Revenues	562,159	477,294	307,230	358,648	869,389	835,942
EBITDA	**78,572**	**71,037**	**31,715**	**43,020**	**110,287**	**114,057**
Items in Reconciliation:						
Depreciation and amortisation of non-current assets	-	-	-	-	(44,594)	(33,730)
Financial income	-	-	-	-	6,394	5,746
Financial expenses	-	-	-	-	(31,344)	(24,199)
Exchange gains (losses)	-	-	-	-	6,060	(6,432)
Profit before tax	**-**	**-**	**-**	**-**	**46,803**	**55,442**
Income taxes	-	-	-	-	(10,268)	(16,834)
Profit for the year	**-**	**-**	**-**	**-**	**36,535**	**38,608**

The accounting policies of the reported segments are the same as those of the Group's accounting policies.

For the purpose of monitoring segment performance and resource allocation between segments, the Board of Directors monitors the total assets of each segment. All assets are allocated to the segments reported, with the exception of non-current financial assets, deferred tax assets and other non-current assets.

	Assets broken down by segments	
(Amounts in thousands of Euro)	**31 December 2024**	**31 December 2023**
EV & Automotive	273,386	214,530
Industrial	179,826	133,993
Assets broken down by segments	**453,212**	**348,523**
Unallocated assets:		
Deferred tax assets	16,073	20,810
Non-current financial assets	1,942	3,649
Other non-current assets	1,636	2,241
Non-current assets	**472,863**	**375,223**

Information relating to assets by geographical location is provided below:

(Amounts in thousands of Euro)	**31 December 2024**	**31 December 2023**
EMEA	194,994	180,030
• *of which in Italy*	*189,959*	*174,662*
NORTH AMERICA	125,724	108,227
• *of which in Mexico*	*95,472*	*79,531*
• *of which in the United States*	*30,252*	*28,696*
ASIA	132,494	60,266
• *of which in China*	*92,081*	*60,237*
• *of which India*	*40,388*	-
Assets broken down by geographical area	**453,212**	**348,523**

FINANCIAL RISK MANAGEMENT POLICY

IFRS 7 requires companies to provide additional information in the financial statements that allows users to evaluate:

- the relevance of financial instruments with reference to the equity and financial situation and the economic results of the companies themselves;
- the nature and extent of the risks arising from financial instruments to which the companies are exposed during the financial year and at the balance sheet date, and how these risks are managed.

The Group is exposed to financial risks associated with its operations, in particular relating to the following cases:

- credit risk, with particular reference to normal commercial relationships with customers;
- market risk (in particular exchange rate risk, relating to operations in currencies other than the functional currency; interest rate risk, relating to the Group's financial exposure; risk on the price of commodities, related to exposure to fluctuations in the price of raw materials);
- liquidity risk, which may manifest itself in the inability to obtain the financial resources necessary to guarantee the Group's operations.

The Group pursues the objective of minimising the market risk deriving from exposure to changes in interest rates through the use of hedging derivative instruments such as interest rate swaps and interest rate caps.

It should be emphasised that all derivative instruments have been entered into for the purpose of hedging the underlying risks; however, at the date of presentation of these financial statements, not all the requirements of IFRS 9 to treat these derivatives under hedge accounting rules are met. Therefore, the Group's Management has deemed it appropriate to treat these instruments as trading, not hedging, transactions.

It should be noted that, as reported in the paragraph "Significant events after the end of the period", on 13 February 2025, the Group approved the Group Hedging Strategy, defining risk management processes related to interest rates and exchange rates.

Categories of financial instruments

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amount of the financial instruments;
- fair value of financial instruments (except financial instruments whose carrying amount is close to their fair value);
- fair value hierarchy of the financial assets and liabilities for which fair value was applied.
-

The levels of the fair value hierarchy (1 to 3) are based on the degree of observability of the fair value:

- level 1 fair value measurements are those derived from prices quoted (unadjusted) in the asset markets for assets or liabilities identical to those subject to valuation;
- level 2 fair value measurements are those derived from factors other than the quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. price derivatives);
- level 3 fair value measurements are those derived from measurement techniques that include inputs for assets or liabilities that are not based on observable market data (non-observable factors).

The following table shows the financial assets and liabilities for the valuation methodology applied:

(Amounts in thousands of Euro)	Financial assets and liabilities				Levels of the fair value hierarchy		
31 December 2024	**Impact on income statement**	**Impact on comprehensive income**	**Amortised cost**	**Total**	**1**	**2**	**3**
Non-current financial assets	-	1,396	546	1,942	1,381	-	-
Trade receivables	-	-	144,237	144,237	-	-	-
Other assets	-	-	55,631	55,631	-	-	-
Cash and cash equivalents	-	-	187,223	187,223	-	-	-
Total financial assets	**-**	**1,396**	**387,637**	**389,033**	**1,381**	**-**	**-**
Financial payables	-	-	418,536	418,536	-	-	-
Financial liabilities arising from rights of use	-	-	48,010	48,010	-	-	-
Trade payables	-	-	286,923	286,923	-	-	-
Other liabilities	-	-	25,771	25,771	-	-	-
Total financial liabilities	**-**	**-**	**779,240**	**779,240**	**-**	**-**	**-**

(Amounts in thousands of Euro)	Financial assets and liabilities				*Levels of the fair value hierarchy*		
31 December 2024	**Impact on income statement**	**Impact on comprehensive income**	**Amortised cost**	**Total**	**1**	**2**	**3**
Non-current financial assets	-	3,051	598	3,649	3,051	-	-
Trade receivables	-	-	117,544	117,544	-	-	-
Other assets	-	-	52,977	52,977	-	-	-
Cash and cash equivalents	-	-	204,836	204,836	-	-	-
Total financial assets	**-**	**3,051**	**375,955**	**379,006**	**3,051**	**-**	**-**
Financial payables	-	-	314,892	314,892	-	-	-
Financial liabilities arising from rights of use	-	-	51,295	51,295	-	-	-
Trade payables	-	-	295,448	295,448	-	-	-
Other liabilities	-	-	23,553	23,553	-	-	-
Total financial liabilities	**-**	**-**	**685,188**	**685,188**	**-**	**-**	**-**

Credit risk

The Group is exposed to credit risk due to the fact that its customers may delay or fail to meet their payment commitments in the agreed terms and that the internal procedures adopted in relation to the credit risk assessment and the solvency of customers are not sufficient.
These risks could have a negative impact on the Group's economic, financial and capital situation.

To mitigate this risk, the Group controls the quality of third-party credit based on internal or external ratings and assigns credit limits that are constantly monitored. It should be noted that the historical levels of credit losses recorded were minimal even in the presence of the impacts of the pandemic.

The Group presents a risk of customer concentration in the EV Automotive sector, as a significant share of the turnover is generated by a limited number of customers. However, this risk is mitigated by the consolidated nature of commercial relations with the main operators in the sector and by the stipulation of multi-year contracts, which guarantee stability and predictability of revenue flows. In addition, the Group continues to diversify its customer base and develop new business opportunities, in order to reduce exposure to specific parties and strengthen its competitive position in the market.

With the aim of minimising credit risk, the Group made use of factoring instruments during the year.

The following table contains a breakdown of trade receivables by past due date:

(Amounts in thousands of Euro)	31 December 2024		31 December 2023	
Description	**Receivables**	**Allowance for doubtful accounts**	**Receivables**	**Allowance for doubtful accounts**
Not yet past due	112,972	(324)	94,577	(341)
0-60 days past due	20,881	(157)	13,607	(140)
60-180 days past due	4,443	(390)	5,620	(267)
> 180 days past due	15,539	(8,727)	13,283	(8,795)
Trade receivables	**153,835**	**(9,598)**	**127,087**	**(9,543)**

Liquidity risk

The Group is exposed to the risk of not being able to obtain new financing or renew existing loans on less attractive terms than those in place, and it may also fail to comply with the covenants entered into in existing financing contracts. Moreover, violation of covenants could in some cases lead (due to cross-default clauses) to the decline of the term benefit, compared to other financing agreements. The occurrence of these risks could have significant negative effects on the Group's economic and financial situation.

The main factors influencing the Group's liquidity are the resources generated or absorbed by current operating and investment assets, the possible distribution of dividends, the maturity of debt or any new subscriptions and the management of surplus cash. Liquidity needs or surpluses are monitored daily by the Parent Company in order to ensure an effective supply of financial resources or adequate investment of excess liquidity.

Given the net financial position, the level of capitalisation and the ability to generate positive cash flows from operating activities, the Group considers the liquidity risk to be adequately

mitigated, also taking into account the credit lines granted by the banking system, which are sufficient to meet operational and investment needs.
The Group's cash flows, financial requirements and liquidity are carefully monitored and managed in such a way as to:

- maintain an adequate level of liquidity;
- diversify the methods of obtaining financial resources;
- ensure adequate credit lines are available;
- monitor prospective liquidity conditions, in relation to the business planning process.

(Amounts in thousands of Euro)	31 December 2024	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
Non-current financial liabilities	232,428	232,428	-	232,428	-
Non-current financial liabilities arising from rights of use	40,293	40,293	-	26,627	13,666
Total non-current financial liabilities	**272,721**	**272,721**	**-**	**259,055**	**13,666**
Current financial liabilities	106,391	106,391	106,391	-	-
Current portion of non-current financial liabilities	79,717	79,717	79,717	-	-
Current financial liabilities arising from rights of use	7,717	7,717	7,717	-	-
Total current financial liabilities	**193,825**	**193,825**	**193,825**	**-**	**-**
Total financial liabilities	**466,546**	**466,546**	**193,825**	**259,055**	**13,666**

(Amounts in thousands of Euro)	31 December 2023	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
Non-current financial liabilities	167,589	167,589	-	159,510	8,079
Non-current financial liabilities arising from rights of use	40,117	40,117	-	18,995	21,122
Total non-current financial liabilities	**207,706**	**207,706**	**-**	**178,505**	**29,201**
Current financial liabilities	85,449	85,449	85,449	-	-
Current portion of non-current financial liabilities	61,854	61,854	61,854	-	-
Current financial liabilities arising from rights of use	11,178	11,178	11,178	-	-
Total current financial liabilities	**158,481**	**158,481**	**158,481**	**-**	**-**
Total financial liabilities	**366,187**	**366,187**	**158,481**	**178,505**	**29,201**

Interest rate risk

The Group is subject to the risk of interest rate fluctuations relating to debts. Any change in interest rates (EURIBOR) could have an effect on increasing or decreasing financing costs.
The main source of exposure to the risk in question for the Group derives from the financial indebtedness expressed almost entirely at floating rate. In order to manage the risk of exposure to fluctuations in interest rates associated with cash flows, the Group has entered into derivative instruments such as Interest Rate Swaps (IRS) and Interest rate caps (CAP).

Derivatives include the negative fair value of financial instruments hedging the interest rate: IRSs were stipulated on the Euribor at different maturities and with different banks at a weighted average rate of 2.71%.

The management of these instruments, with the exception of the provisions for the subsidiary company Corrada S.p.A, while substantially guaranteeing coverage of the mentioned risks, does not satisfy all the requirements of the IFRS 9 accounting standard for designation in Hedge Accounting and therefore their change in fair value is recognised in the Income Statement.

(Amounts in thousands of Euro)					
Type of instrument	**Identification number**	**EuroGroup Lamination S.p.A. parameters**	**Bank parameters**	**Maturity**	**Fair value as of 31 December 2024**
Interest Rate Swap	112956/2023	3.25%	Euribor 6m	30/09/2027	(159,457)
Interest Rate Swap	113757/2023	2.94%	Euribor 6m	29/12/2028	(221,146)
Interest Rate Swap	1179123	-0.32%	Euribor 3m	30/06/2026	52,928
Interest Rate Swap	1379467	0.20%	Euribor 3m	30/09/2026	31,302
Interest Rate Swap	L783232ML	0%	Euribor 6m	29/12/2026	27,616
Interest Rate Swap	K859202ML	0.10%	Euribor 3m	30/06/2026	38,821
Interest Rate CAP	549300TRUWO2CD2G5692	Euribor 6m - 2.50%	Euribor 6m	30/06/2028	(290,822)
Interest Rate Swap	32534478	3.17%	Euribor 3m	22/12/2028	(35,975)
Interest Rate Swap	32534464	3.17%	Euribor 3m	22/12/2028	(179,877)
Interest Rate Swap	30699462	3.21%	Euribor 6m	09/08/2028	(153,644)
Interest Rate Swap	98016017	3.19%	Euribor 6m	09/08/2028	(150,415)
Interest Rate Swap	549300TRUWO2CD2G5692	3.19%	Euribor 6m	09/08/2028	(148,145)
Interest Rate Swap	105546650	2.82%	Euribor 3m	28/06/2029	(452,097)
Interest Rate Swap	Y037518ML	2.68%	Euribor 3m	30/06/2029	(468,952)
Interest Rate Swap	549300TRUWO2CD2G5692	2.36%	Euribor 3m	30/06/2029	(79,554)
Interest Rate Swap	34855410	2.66%	Euribor 3m	30/06/2029	(420,658)
Total					**(2,610,076)**

With reference to floating rate financial liabilities as of 31 December 2024, the effect on financial expenses of a hypothetical 2% increase in interest rates is shown below:

	31 December 2024					
(Amounts in thousands of Euro)	Residual debt	% of Total	Within one year	% of Total	Over a year	% of Total
Total fixed rate financial liabilities	261,994	56.16%	53,166	27.43%	208,828	76.57%
Total variable rate financial liabilities	204,552	43.84%	140,659	72.57%	63,893	23.43%
Total financial liabilities	**466,546**	**100%**	**193,825**	**100%**	**272,721**	**100%**
Interest to be paid on the variable rate exposure not covered by derivatives	**8,554**		**5,273**		**3,281**	
Interest to be paid as a result of the change (+2%) in the basic reference rate	**11,183**		**7,176**		**4,007**	

	31 December 2023					
(Amounts in thousands of Euro)	Residual debt	% of Total	Within one year	% of Total	Over a year	% of Total
Total fixed rate financial liabilities	255,994	69.91%	92,267	58.22%	163,727	78.83%
Total variable rate financial liabilities	110,193	30.09%	66,214	41.78%	43,979	21.17%
Total financial liabilities	**366,187**	**100%**	**158,481**	**100%**	**207,706**	**100%**
Interest to be paid on the variable rate exposure not covered by derivatives	**5,756**		**3,335**		**2,421**	
Interest to be paid as a result of the change (+2%) in the basic reference rate	**7,989**		**4,688**		**3,301**	

Exchange rate risk

The Group is exposed to the risk of fluctuations in currency exchange rates considering that it prepares its consolidated financial statements in Euro, while it holds controlling equity investments in companies that prepare their financial statements in currencies other than the Euro (USD, RUB, CNY, INR). The Group is therefore exposed to the risk that fluctuations in the exchange rates used to convert the financial statements data of the subsidiaries, originally expressed in foreign currency, significantly affect both the results of the Group and the consolidated net financial debt, as well as the consolidated shareholders' equity. The main exposures are monitored, but are not part of the Group's current hedging policies.
There is no "transactional" exchange rate risk both for purchases of goods and materials from suppliers, and for sales to customers as the purchase and sale transactions are carried out in the same local currency through active bank accounts in the individual geographical areas.
The balance sheet values of the Group's foreign currency monetary assets and liabilities at the reporting date are as follows:

	31 December 2024				
(Amounts in thousands of Euro)	USD	CNY	RUB	JPY	Total
Total assets	**1,642**	**-**	**-**	**-**	**1,642**
Total liabilities	**21,134**	**1,394**	**-**	**5,792**	**28,320**

	31 December 2023				
(Amounts in thousands of Euro)	USD	CNY	RUB	JPY	Total
Total assets	**822**	**-**	**-**	**-**	**822**
Total liabilities	**7,640**	**-**	**-**	**17,594**	**25,234**

The following table shows the sensitivity analysis to an increase and a decrease of 10% in the exchange values of the currency units concerned. The sensitivity analysis includes only foreign currency items in circulation and adjusts their conversion at the end of the financial year for around 10% of foreign currency rates.

(Amounts in thousands of Euro)	2024		2023	
Description	**FX +10%**	**FX -10%**	**FX +10%**	**FX -10%**
USD - US Dollar	1,772	(2,166)	620	(758)
CNY - Chinese Renminbi (Yuan)	127	(155)	-	-
JPY - Japanese Yen	527	(644)	1,599	(1,955)
RUB - Russian Rouble	-	-	-	-
Total other currencies	**2,426**	**(2,965)**	**2,219**	**(2,712)**
Total effect on the Profit before tax	**2,426**	**(2,965)**	**2,219**	**(2,712)**

Price of commodities

The Group's production costs are influenced by the prices of raw materials, mainly electrical steel, aluminium and various types of resin, primer and glue. The related risks are connected both to fluctuations in prices on the reference markets (which are quoted in USD) and to exchange rate fluctuations, given that the main suppliers are primarily located in the United States, Germany and Japan.
Fluctuations in the availability and price of the aforementioned materials can be significant, depending on various factors, including the economic cycles of the reference markets, supply conditions and other factors that are beyond the Group's control and difficult to predict.
To manage these risks, the Group continuously monitors the availability of raw materials in the market, as well as the trend of their prices, in order to promptly identify situations of shortages in raw material availability. Additionally, the Group, in addition to negotiating fixed prices in supply contracts, provides for a periodic automatic adjustment of sales prices based on the trend in raw material prices.

RELATED PARTY TRANSACTIONS

In accordance with IAS 24, related parties are: a) companies that directly, or indirectly through one or more intermediary companies, control, or are controlled by, or are under common control with, the reporting company; b) associated companies; c) individuals who directly or indirectly have voting power in the reporting company that gives them a dominant influence over the company and their close family members; d) key management personnel, i.e. those who have the power and responsibility for planning, managing and controlling the activities of the reporting company, including directors and officers of the company and the close relatives of such persons; e) companies in which significant voting power is directly or indirectly held by any natural person described under c) or d) or over which such natural person is able to exercise significant influence. Case e) includes companies owned by the directors or major shareholders of the reporting company and companies that have a key manager in common with the reporting company.

The following table shows the list of Related parties with indication of the correlation type:

Related parties	Type and main correlation
EMS S.P.A.	Shareholder of the issuer
CORRADA S.P.A.	Company 100% owned by the issuer
DS4 S.r.l.	Company 100% owned by the issuer
EURO AUTOMATION S.r.l.	Company 100% owned by the issuer
EUROSLOT TOOLS S.r.l.	Company 60% owned by the issuer
EUROTRANCIATURA S.P.A.	Company 100% owned by the issuer
SAF S.P.A.	Company 50% owned by the issuer
EUROTRANCIATURA TUNISIE (*)	Company 57.78% owned by the issuer
EURO GROUP LAMINATIONS RUSSIA LLC	Company 100% owned by the issuer
EURO MANAGEMENT SERVICES MEXICO S.A. DE C.V.	Company 87.6% owned by the issuer
EURO HIGHTECH S.A. DE C.V.	Company 70.90% owned by the issuer
EUROPROPERTIES MEXICO S.A. DE C.V.	Company 100% owned by the issuer
EUROTRANCIATURA MÉXICO, S. A. DE C. V	Company 87.6% owned by the issuer
EUROGROUP LEVERAGE LENDER LLC	Company 100% owned by the issuer
EUROPROPERTIES USA LLC	Company 100% owned by the issuer
EUROTRANCIATURA USA LLC	Company 78.84% owned by the issuer
EURO (JIAXING) MOTOR TECHNICAL SERVICES CO. LTD.	Company 60% owned by the issuer
EURO GROUP ASIA LIMITED	Company 60% owned by the issuer
EURO MISI HIGH TECH JIAXING CO. LTD	Company 41.40% owned by the issuer
EURO MISI LAMINATIONS JIAXING CO. LTD	Company 41.40% owned by the issuer
KUMAR PRECISION STAMPINGS PRIVATE LIMITED	Company 40% owned by the issuer
SAFIM S.r.l.	Company 50% owned by the shareholder of the issuer

Related parties	Type and main correlation
Natural persons	
Sergio Iori	Chairman of the Board of Directors of the issuer appointed on 18 November 2022
Marco Stefano Arduini	CEO of the issuer, appointed on 18 November 2022
Isidoro Guardalà	Deputy Chairman of the issuer's Board of Directors appointed on 18 November 2022
Roberto Francesco Quagliuolo	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Jean-Marc Pierre Gales	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Axel Dill Volker (**)	Director of the Board of Directors of the issuer, appointed on 24 January 2024
Leonardantonio Franchini	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Gunter Beitinger	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Alessandra Bianchi	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Maria Giovanna Calloni	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Luigi Emilio Garavaglia	Member of the Board of Statutory Auditors in office appointed on 18 November 2022
Maria Venturini	Member of the Board of Statutory Auditors in office appointed on 18 November 2022
Pietro Francesco Ebreo	Member of the Board of Statutory Auditors in office appointed on 18 November 2022
Giancarlo Gandola	Member of the Board of Statutory Auditors in office appointed on 18 November 2022
Roberta Sironi	Member of the Board of Statutory Auditors in office appointed on 18 November 2022

(*) On 4 April 2024, the company EuroGroup Laminations S.p.A. subscribed, waiving part of the loan, and paid in the share capital increase in Eurotranciatura Tunisie, bringing its investment from 51% to 57.78%.
(**) On 24 January 2024, the executive director Axel Volker Dill replaced the previous executive director Gianluca Umberto Maria Bertocchi

The Group carries out transactions with Related parties on commercial terms consistent with the market, considering the characteristics of the goods or services in question.

The operations carried out by the Group with these Related parties are commercial and financial in nature and, in particular, concern:

Related parties	EMS S.p.A.	SAFIM S.p.A.	Other (*)	Total	Total financial statements item	Impact on financial statements item
(Amounts in thousands of Euro)						
Rights of use						
31 December 2024	22,464	5,336	-	27,800	57,958	47,96%
31 December 2023	23,493	6,213	-	29,706	61,122	48,60%
Trade receivables						
31 December 2024	38	-	-	38	144,237	0,03%
31 December 2023	150	-	-	150	117,544	0,13%
Non-current financial liabilities arising from rights of use						
31 December 2024	20,291	4,603	-	24,894	40,293	61,78%
31 December 2023	21,417	5,471	-	26,888	40,117	67,02%
Employee benefits						
31 December 2024	-	-	104	104	4,667	2,23%
31 December 2023	-	-	119	119	4,657	2,56%
Current financial liabilities arising from rights of use						
31 December 2024	2,942	868	-	3,810	7,717	49,38%
31 December 2023	2,666	852	-	3,518	11,178	31,47%
Trade payables						
31 December 2024	-	-	-	-	286,923	0,00%
31 December 2023	853	595	-	1,448	295,448	0,49%
Other current liabilities						
31 December 2024	-	-	983	983	25,771	3,81%
31 December 2023	-	-	586	586	23,553	2,49%
Revenues						
31 December 2024	322	-	-	322	869,389	0,04%
31 December 2023	289	-	-	289	835,942	0,03%
Costs for services						
31 December 2024	-	-	(3,024)	(3,024)	(108,389)	2,79%
31 December 2023	-	-	(3,034)	(3,034)	(94,596)	3,21%
Personnel costs						
31 December 2024	-	-	(4,279)	(4,279)	(121,809)	3,51%
31 December 2023	-	-	(3,280)	(3,280)	(107,821)	3,04%

Related parties	EMS S.p.A.	SAFIM S.p.A.	Other (*)	Total	Total financial statements item	Impact on financial statements item
(Amounts in thousands of Euro)						
Other operating expenses						
31 December 2024	(18)	-	-	(18)	(2,031)	0.89%
31 December 2023	(1)	-	-	(1)	(2,014)	0.05%
Depreciation and amortisation of non-current assets						
31 December 2024	(3,028)	(877)	-	(3,905)	(44,594)	8.76%
31 December 2023	(3,670)	(877)	-	(4,547)	(33,730)	13.48%
Financial income						
31 December 2024	-	-	-	-	6,394	0.00%
31 December 2023	12	-	-	12	5,746	0.21%
Financial expenses						
31 December 2024	(462)	(112)	-	(574)	(31,344)	1.83%
31 December 2023	(589)	(127)	-	(716)	(24,199)	2.96%

* other related parties include directors, key management personnel and statutory auditors.

Key management personnel

In accordance with IAS 24 – Related Party Disclosures, Group Related Parties are all entities and individuals capable of exercising control, joint control or significant influence over the Group and its subsidiaries. In addition, members of the Board of Directors, executives with strategic responsibilities, and their close family members are considered Related Parties. The following table summarises the remuneration of the directors, key executives with strategic responsibilities:

(Amounts in thousands of Euro)	2024			2023		
	Directors	Executives	Statutory Auditors	Directors	Executives	Statutory Auditors
Remuneration	4,111	4,087	148	3,952	3,280	154
Share-based compensation	509	192	-	273	-	-

Guarantees granted and other contractual commitments

The following table shows commitments, guarantees and contingent liabilities not arising from the balance sheet:

(Amounts in thousands of Euro)	31 December 2024
Bank guarantees granted in the interest of the Group companies	**87,584**

The guarantees of Euro 87,584 thousand refer mainly to bank guarantees issued in favour of the subsidiaries.

As at 31 December 2024, there are no financing arrangements for which a mortgage has been granted on the Group's properties.

Remuneration of directors and auditors

The Group has appointed the Board of Statutory Auditors pursuant to Article 2400 of the Italian Civil Code and has assigned to it only the functions provided for in Article 2403(1). The Board of Statutory Auditors' remuneration for 2024 was Euro 148 thousand.
As regards the emoluments allocated to the Directors in 2024, the remuneration paid amounted to Euro 4,111 thousand. In the year under review, the Group did not grant advances or credits to the Directors and members of the Board of Statutory Auditors or made any commitments on their behalf nor provided any warranties.

Fees to the external auditor

As required by art. 2427, paragraph 1 no.16 bis) of the Italian Civil Code and art. 149-duodecies of the Issuers Regulation, the fees payable to the audit firm for the audit of the Financial Statements and for the performance of services other than the audit of the Financial Statements are set out below:

Type of service (Amounts in thousands of Euro)	Recipient	Audit firm	Amount
Audit of the financial statements	Parent Company	Auditor of the Parent Company	182
	Italian subsidiaries	Auditor of the Parent Company	96
	Foreign subsidiaries	Network of the Parent Company's auditor	251
	Foreign subsidiaries	Other Auditors	133
Total Audit Services (a)			**663**
Non-audit services			
Limited certificate services of the Consolidated Sustainability Report	Parent Company	Auditor of the Parent Company	153
Other Services	Foreign subsidiaries	Network of the Parent Company's auditor	5
Total Non-Auditing Services (b)			**158**
Total fees (a)+(b)			**821**

Significant events after the end of the period

On **29 January 2025**, the subsidiary Eurotranciatura USA LLC launched the New Market Tax Credit (NMTC) programme for the period 2025–2031, enabling it to benefit from federal financial support available for investments in economically disadvantaged areas, as provided for under US tax law.
The NMTC programme requires compliance with certain federal government requirements over a seven-year period, from 2025 to 2031. The gross benefit is calculated with the following rates: 5% for the first three years and 6% for the next four years, amounting to a total of 39% of the estimated investment, which is approximately 25 million dollars. The net benefit at the end of the transaction is estimated at approximately 4.7 million dollars, gross of taxes.

On **13 February 2025**, the Group introduced a Group Hedging Strategy that defines the exchange risk management processes, the characteristics of the hedging derivatives, the counterparties and the duration of these transactions, and the guidelines for the Group companies, as well as the processes for managing interest rate risk.

On **10 March 2025**, EuroGroup Laminations S.p.A. announced that the subsidiary Euro Group Asia Limited ("EGLA Asia") has signed an agreement for the purchase of the minority interests held by the partner Marubeni-Itochu Steel Inc. ("MISI") in the joint venture Euro Misi High-tech Jiaxing Co. Ltd and Euro Misi Laminations, Jiaxing Co. Ltd, both equal to 31% of the share capital of these companies. The transaction is aimed at consolidating the two Chinese joint ventures, with a view to strategic strengthening of the Group in the region. Under the terms of the agreements, EGLA Asia is expected to purchase shares from MISI corresponding to 30% of the capital of each of the two joint ventures, for a total price of 100 million RMB (equal to approximately Euro 12.7 million). The remaining 1% of the capital of the two companies will be subject to reciprocal purchase and sale options between Marubeni and EGLA Asia, exercisable at market values within four years of the closing of the purchase transaction. The transaction closed in the first quarter 2025. The total disbursement for the transaction was fully financed through the use of the Group's cash and cash equivalents and was not subject to adjustments.

Certificate pursuant to art. 154 Bis of Italian Legislative Decree no. 58 of 24 February 1998

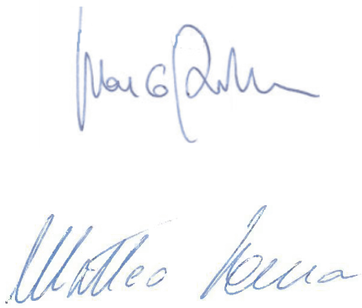
The undersigned Marco Arduini and Matteo Perna of EuroGroup Laminations S.p.A. hereby declare, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998:

- adequacy in relation to the characteristics of the enterprise;
- the effective application of administrative and accounting procedures for the establishment of consolidated financial statements during the period from 1 January to 31 December 2024.

No relevant points have been raised in this regard.

It is also certified that:
- the consolidated financial statements:
  - **a.** are drawn up in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
  - **b.** correspond to the entries in the books and records;
  - **c.** are suitable for providing a true and fair view of the assets and liabilities, profit and loss, and financial position of the issuer and the group of companies included in the consolidation.

The annual report shall include a reliable analysis of the performance and result of the operations, as well as the situation of the issuer and all the companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.



Deloitte.

Deloitte & Touche S.p.A.
Via Santa Sofia, 28
20122 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
EuroGroup Laminations S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of EuroGroup Laminations S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of EuroGroup Laminations S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment test – Recoverability of of goodwill, intangible asset, tangible asset and right of use

Description of the key audit matter

The consolidated financial statements as at 31 December 2024, include a value of tangible asset of Euro 352 million, right-of-use of Euro 58 million, goodwill of Euro 28 million, and intangible assets of Euro 15 million.

These assets, including goodwill, are allocated to the two cash-generating units (CGUs) identified consistently with the consolidated financial statement, which correspond to the Industrial and EV-Automotive operating segments.

In accordance with the provisions of IAS 36 – Impairment of Assets, which requires the recoverability of goodwill to be tested at least annually, and considering external indicators observed during 2024 such as the performance of the Industrial segment and the changes in the EV & Automotive macroeconomic environment, the Management performed an impairment test on the carrying amount of Net Invested Capital as at 31 December 2024.

As a result of this test, no impairment losses were recognized.

The impairment test, performed by Management regarding the recoverable amount of each CGUs measured on a value in use basis, is complex and based on assumptions regarding; (i) the expected cash flow forecasts for the CGUs Industrial and EV-Automotive included in the 2025 budget and the 2025–2028 consolidated EuroGroup Laminations Business Plan approved by the Board of Directors of EuroGroup Laminations S.p.A. on 24 March 2025, and (ii) the determination of appropriate discount rates (WACC), and long-term growth rates (g-rate).

Considering the judgment of the estimates used to determine the cash flow included in the test and the key assumptions of the impairment models, we considered the impairment test a key audit matter in the audit of the consolidated financial statements.

Deloitte.

The explanatory note paragraph “Use of Estimates” included in the “Accounting Policies” in the consolidated financial statements, and Note 1 “Goodwill”, provide disclosures on the impairment test and the sensitivity analyses performed by Management.

Audit procedures performed

As part of our audit procedures we have, among other things, carried out the following procedures, also involving the support of specialists from our *Network*

- examination of the rationale used by the Management to determine the value in use of the CGUs, analyzing the methods and assumptions used for the development of the impairment test;
- understanding of the relevant controls undertaken by the Group on the impairment test process;
- assessment of the reasonableness of the main assumptions adopted to develop cash flow forecasts and collection of other relevant information by Management;
- variance analysis of actual data in comparison with original business plans, in order to evaluate the nature of the variances and the reliability of the process of preparing the business plans;
- assessment of the methods for determining the discount rate (WACC) and analysis of the reasonableness of the long-term growth rate (g-rate);
- assessing the mathematical accuracy of the model used to determine the value in use of the CGUs Industrial and EV-Automotive;
- test of the correct determination of the carrying amount of the CGUs Industrial and EV-Automotive and their consistency with the methods for determining their value in use;
- comparison the recoverable amount of the CGUs Industrial and EV - Automotive with their carrying amount;
- assessment of the sensitivity analysis prepared by Management;
- assessment of the adequacy of the disclosure provided by the Group on the impairment tests with IAS 36 requirements.

Deloitte.

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

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

Deloitte.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of EuroGroup Laminations S.p.A. has appointed us on 18 November 2022 as auditors of the Company for the years from 31 December 2022 to 31 December 2030.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

Deloitte.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of EuroGroup Laminations S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at 31 December 2024, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

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 EuroGroup Laminations S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of EuroGroup Laminations Group as at 31 December 2024, including their consistency with the related consolidated financial statements and their 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 and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the consolidated financial statements;

- express an opinion on compliance with the law of the report on operations, excluding the section related to the sustainability disclosure, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;

- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

Deloitte.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of EuroGroup Laminations Group as at 31 December 2024.

In addition, in our opinion, the report on operations, excluding the section related to the sustainability disclosure, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are 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.

Our opinion on the compliance with the law does not extend to the section related to the sustainability disclosure. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Matteo Bresciani
Partner

Milan, Italy
April 14, 2025

As disclosed by the Directors on page 2, the accompanying consolidated financial statements of EuroGroup Laminations S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



Separate Financial Statements

Statement of Financial Position

(Amounts in Euro)	Notes	31 December 2024	of which with related parties	31 December 2023	of which with related parties
Intangible assets		316,410		645,154	
Tangible assets	(1)	153,275		191,422	
Rights of use	(2)	210,332		205,134	
Equity Investments	(3)	100,209,258	100,209,258	78,775,356	78,775,356
Non-current financial assets and receivables	(4)	115,072,929	113,908,744	82,261,985	80,915,960
Deferred tax assets	(5)	308,226		553,548	
Total non-current assets		**216,270,430**		**162,632,599**	
Current financial assets and receivables	(6)	107,841,479	76,734,747	90,233,919	49,355,521
Trade receivables	(7)	18,145,948	18,145,948	3,991,809	3,991,809
Cash and cash equivalents	(8)	67,979,756		54,670,240	
Other current assets and receivables	(9)	2,842,260	61,793	2,547,936	
Tax receivables		662,556		312,362	
Total current assets		**197,471,999**		**151,756,266**	
TOTAL ASSETS		**413,742,429**		**314,388,865**	
Share capital		6,111,941		6,111,941	
Share premium reserve		270,288,072		270,288,072	
Other reserves		(16,689,916)		(6,770,069)	
Retained earnings		23,048,051		22,694,455	
Total equity	**(10)**	**282,758,148**		**292,324,399**	
Non-current financial liabilities	(11)	106,050,284		14,158,824	
Employee benefits	(12)	717,295	10,824	660,083	30,893
Provisions for risks and charges	(13)			415,554	
Deferred tax liabilities	(5)	220		2,419	
Non-current financial liabilities from rights of use	(14)	130,972		148,349	
Total non-current liabilities		**106,898,771**		**15,385,229**	
Current financial liabilities	(11)	14,331,334		1,242,801	
Trade payables	(15)	8,035,370	2,065,421	2,848,187	552,024
Tax liabilities				98,144	
Other current liabilities	(16)	1,642,220	384,325	2,433,832	362,621
Current financial liabilities from rights of use	(14)	76,586		56,273	
Total current liabilities		**24,085,510**		**6,679,237**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**413,742,429**		**314,388,865**	

Income Statement

(Amounts in Euro)	Notes	31 December 2024	of which with related parties	31 December 2023	of which with related parties
Revenues	(17)	13,736,208	13,722,652	9,756,344	9,756,344
Other revenues and income		48,030	10,000	242,394	
Costs for services	(18)	(11,836,315)	(2,142,075)	(5,885,374)	(1,704,650)
Personnel costs	(19)	(5,886,429)	(1,235,550)	(5,000,346)	(1,621,170)
Other operating expenses	(20)	(227,887)	(1,248)	(67,827)	
Depreciation and amortisation of non-current assets	(1)-(2)	(527,023)		(231,031)	
Operating profit		**(4,693,416)**		**(1,185,840)**	
Financial expenses	(22)	(6,072,186)	236,865	(1,064,866)	(369,650)
Financial income	(21)	13,513,951	9,628,401	9,174,477	5,192,715
Exchange gains (losses)	(23)	4,465,174	4,464,866	(1,887,348)	(1,873,896)
Profit before tax		**7,213,523**		**5,036,423**	
Taxes	(24)	206,258		(445,096)	
Profit for the year		**7,419,781**		**4,591,327**	

Statement of Comprehensive Income

(Amounts in Euro)	Notes	31 December 2024	31 December 2023
Profit for the year		**7,419,781**	**4,591,327**
Other components of the statement of comprehensive income which will subsequently be reclassified into the profit/(loss) for the year:			
Change in fair value of equity instruments		(181,840)	(721,682)
Tax effect		2,182	8,660
Total other comprehensive profits/(losses) which will be subsequently reclassified into the profit/(loss) for the year	**(11)**	**(179,658)**	**(713,022)**
Other comprehensive profits/(losses) which will not be subsequently reclassified into the profit/(loss) for the year:			
Actuarial gains/(losses) on defined benefit plans		38,208	(41,681)
Tax effect		(9,170)	10,004
Total other comprehensive profits/(losses) which will not be subsequently reclassified into the profit/(loss) for the year	**(11)**	**29,038**	**(31,677)**
Total profit for the year		**7,269,161**	**3,846,628**

Cash Flow Statement

(Amounts in Euro)	Notes	31 December 2024	31 December 2023
Profit for the year		**7,419,781**	**4,591,327**
Income taxes	(24)	(206,258)	445,096
Depreciation and amortisation of non-current assets	(1)-(2)	527,023	231,031
Difference between pension contributions paid and pension charges		69,897	(107,416)
Financial income	(21)	(13,513,951)	(9,174,477)
Financial expenses	(22)	6,057,686	948,866
(Income)/Expensed from investments	(22)	14,500	116,000
Capital (gains)/losses from the disposal of non-current assets		(10,000)	-
Net changes in provisions for risks and charges	(13)	(62,065)	16,610
Share-based compensation expenses	(18)	634,505	272,857
Cash flow before changes in Net Working Capital		**931,118**	**(2,660,106)**
(Increase)/decrease in trade receivables	(7)	(13,953,872)	7,890,748
Increase/(decrease) in trade payables	(15)	5,187,183	(10,226,507)
Increase/(decrease) in tax payable		(200,569)	(625,681)
(Increase)/decrease in other receivables	(9)	(284,633)	1,314,167
Increase/(decrease) in other payables	(16)	(791,611)	(306,583)
Cash flow after changes in Net Working Capital		**(9,112,384)**	**(4,613,962)**
Income taxes paid		(166,198)	(720,942)
Cash flow from operating activities (A)		**(9,278,582)**	**(5,334,904)**
(Investments) in tangible assets	(1)	(7,055)	(184,967)
Realisation price, or reimbursement value, of tangible assets	(1)	10,000	-
(Investments) in intangible assets		(269,932)	(628,960)
(Investments) in owned companies	(3)	(19,916,676)	(16,284,838)
(Investments)/divestments in current financial assets	(6)	10,000,000	(40,878,398)
Interest collected	(21)	5,715,260	4,087,124
Dividends received		2,116,550	1,134,044
Cash flow from investing activities (B)		**(2,351,853)**	**(52,755,995)**
Equity increase	(10)	-	243,749,998
Purchase of treasury shares	(10)	(10,872,817)	(6,511,070)
Financing to Group companies and positions to members of the centralised treasury system	(4)-(6)-(11)	(51,764,828)	(137,212,929)
New bank loans and loans from other lenders	(11)	105,000,024	206,903
Repayment of bank loans and loans from other lenders	(11)	(1,364,918)	(460,544)
Collection of loan from parent company	(6)	-	5,684,000
Repayments of financial liabilities arising from rights of use	(14)	(85,037)	(33,022)
Dividends paid		(6,836,618)	-
Interest paid		(4,675,557)	(1,184,253)
Cash flow from financing activities (C)		**29,400,249**	**104,239,083**
Increase (decrease) in cash and cash equivalents (A+B+C)		**17,769,814**	**46,148,184**
Cash and cash equivalents at the beginning of the year		**54,670,240**	**8,522,056**
Effect of changes in exchange rates		(4,460,298)	-
Cash and cash equivalents at the end of the year		**67,979,756**	**54,670,240**

Statement of Changes in Equity

			Other reserves						
(Amounts in Euro)	Share capital	Share premium reserve	Legal reserve	First time adoption (FTA) reserve	Other comprehensive income	Stock Option Plan	Negative reserve for treasury shares in the portfolio	Retained earnings	Total equity
31 December 2022	**6,111,940**	**34,409,537**	**796,385**	**(1,134,894)**	**440,724**	**-**	**-**	**18,213,758**	**58,837,450**
Allocation of profit	-	-	110,628	-	-	-	-	(110,628)	-
Share capital increase	1	235,878,535	-	-	-	-	-	-	235,878,536
Stock Option Plan	-	-	-	-	-	272,857	-	-	272,857
Treasury shares	-	-	-	-	-	-	(6,511,070)	-	(6,511,070)
Profit (loss) for the year	-	-	-	-	-	-	-	4,591,327	4,591,327
Actuarial gains/ (losses)	-	-	-	-	(31,677)	-	-	-	(31,677)
Gains/(losses) from fair value measurement of equity instruments	-	-	-	-	(713,022)	-	-	-	(713,022)
31 December 2023	**6,111,941**	**270,288,072**	**907,013**	**(1,134,894)**	**(303,975)**	**272,857**	**(6,511,070)**	**22,694,455**	**292,324,399**
Allocation of profit	-	-	229,566	-	-	-	-	(229,566)	-
Dividends distributed	-	-	-	-	-	-	-	(6,836,618)	(6,836,618)
Equity increase	-	-	-	-	-	-	-	-	-
Stock Option Plan	-	-	-	-	-	874,023	-	-	874,023
Treasury shares	-	-	-	-	-	-	(10,872,817)	-	(10,872,817)
Profit (loss) for the year	-	-	-	-	-	-	-	7,419,781	7,419,781
Actuarial gains/ (losses)	-	-	-	-	29,038	-	-	-	29,038
Gains/(losses) from fair value measurement of equity instruments	-	-	-	-	(179,658)	-	-	-	(179,658)
31 December 2024	**6,111,941**	**270,288,072**	**1,136,579**	**(1,134,894)**	**(454,595)**	**1,146,880**	**(17,383,886)**	**23,048,051**	**282,758,148**

Explanatory Notes to the Financial Statements

ACCOUNTING POLICIES AND EVALUATION CRITERIA

General information

EuroGroup Laminations S.p.A. (hereinafter "Company", "Issuer" or "EuroGroup Laminations") is a public limited company registered in Italy. The registered office address is Via Stella Rosa 48, Baranzate (Milan, Italy).

The main activities of the Company and its subsidiaries (collectively referred to as 'the Group') are organised into two segments: (i) EV & AUTOMOTIVE, engaged in the design and production of motor cores (i.e., stators and rotors) for electric motors used for the propulsion of electric vehicles, as well as a wide range of non-propulsion automotive applications; and (ii) INDUSTRIAL, the segment which designs and produces products used in various applications, including industrial, home automation, HVAC equipment, wind power, logistics, and pumps. The Group is also vertically integrated in the design and manufacture of stamping dies and casting dies used in the manufacture of its own products, which are also supplied to third parties.

On 7 February 2023, the Company obtained the admission to trading of its Common Stock on Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A.

The separate financial statements were approved by the Board of Directors on 24 March 2025.

The separate financial statements at 31 December 2024 were audited by Deloitte & Touche S.p.A..

CRITERIA FOR PREPARING THE FINANCIAL STATEMENTS

Declaration of conformity and basis of preparation

The separate financial statements for the financial year ended 31 December 2024 were prepared in accordance with the International Accounting Standards ("International Financial Reporting Standards") issued by the International Accounting Standards Board (IASB) and approved by the European Union. The term "IFRS" also refers to all revised International Accounting Standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing interpretations Committee (SIC), as well as to the provisions adopted in implementation of Art. 9 of Italian Legislative Decree no. 38/2005.

Furthermore, the financial statements have been prepared on a going concern basis in accordance with paragraphs 25 and 26 of International Accounting Standard (IAS) 1, as the Directors have assessed the absence of financial, operational or other indicators that could signal issues regarding the Company's ability to meet its obligations in the foreseeable future. The risks and uncertainties related to the business are described in the relevant sections of the Management Report.

The financial statements have been prepared based on the historical cost principle, except for the measurement at fair value of certain financial instruments, in accordance with IFRS 2, 9 and 13, as well as the assets subject to the Purchase Price Allocation process, in accordance with IFRS 3.

These Financial Statements were authorised for publication by the Board of Directors on 24 March 2025.

Financial statement content and formats

The financial statements are presented in Euro, which is the Company's functional currency and are compared with the previous year's financial statements prepared in accordance with the same criteria.

The separate financial statements include the statement of financial position, the income statement, the statement of comprehensive income, the cash flow statement, the statement of change in equity and these explanatory notes (previously and hereinafter referred to as "separate financial statements").

In the Statement of financial position, the Company presents its current and non-current assets and current and non-current liabilities separately. Current assets are those intended to be realised, sold or consumed in the Company's normal operating cycle; current liabilities are those for which the Company's normal operating cycle or twelve months after the end of the period is expected to terminate.

The Company presents the income statement according to a classification method based on the nature of the costs, as it is representative of the way in which management prepares the internal reporting for the evaluation of the business operations and is able to provide reliable information to investors.

The statement of comprehensive income is presented separately and, in addition to the economic components recognised directly in the income statement during the period, it presents the components of profit and/or loss not recognised in the income statement which pass directly into equity as required or permitted by the International Financial Reporting Standards.

The Company presents its cash flows statement according to the indirect method, as allowed by IAS 7 — Statement of Cash flows ("IAS 7"), and presents the cash flows from the operating, investment and financing activity.

ASSESSMENT CRITERIA

Intangible assets

Other intangible assets are recognised as assets, in accordance with IAS 38, when it is probable that their use will generate future economic benefits and when the cost of the asset can be reliably measured. If these future economic benefits no longer exist, the related development costs are written down in the period in which this circumstance is identified.

These assets are measured at acquisition or production cost and are amortised on a straight-line basis over their estimated useful life, provided they have a defined useful life. In this regard, investments in software are amortised over a period of five years.

Development costs

Development costs incurred for projects related to the production of new products or components are recognised as assets only if: (i) the costs can be reliably measured, (ii) the Company has the intention and the available resources to complete the activity, (iii) there is the technical feasibility to complete the project and make it available for use, and (iv) expected volumes and prices indicate that the costs incurred during the development phase will generate future economic benefits.

Capitalised development costs include only expenses that can be directly attributed to the development process.

Capitalised development costs are amortised on a systematic basis, starting from the moment the project output is available for use, over the estimated useful life of the product or process, which has been assessed as five years. Any other development costs that do not meet the above criteria, as well as related research costs, are recognised as expenses in the income statement when incurred.

Intangible assets are eliminated at disposal, or when no future economic benefit is expected from use or disposal. Gains or losses arising from the disposal of an intangible asset are accounted for as the difference between net disposal income and the carrying amount of the asset and are recognised in the income statement when the asset is disposed.

Tangible assets

The tangible assets are initially recognised at the cost, which includes the purchase price, any charge directly attributable to the transport of the goods to the place and to the conditions necessary to operate in the manner foreseen by the management, capitalised borrowing costs and possible initial estimate of the costs of dismantling and removing the asset and the restoration of the site where the asset is located.

Amortisation is determined in such a way as to depreciate the cost of goods (other than land and property under construction) minus their residual value over their useful life, using the straight-line method, on the following basis:

Description	Amortisation rate
Other tangible assets	5% - 25%

Routine maintenance costs are charged to the income statement in the year in which they are incurred, whereas costs that increase the value or useful life of an asset are capitalised and amortised in relation to the remaining useful life of the assets to which they relate.

If there are indicators of impairment, tangible assets are subject to an impairment test. The test carried out is described in the section "Impairment of assets". Any impairment losses may be subsequently reversed if the reasons that led the Company to adjust these assets no longer exist. Reversals of impairment losses will be recognised up to the limit of the value that the asset would have had if the impairment adjustment had never been recorded.

For more information, please refer to the following paragraph "Impairment of assets".

Rights of use

The Company evaluates whether a contract contains a lease at the inception date.

The Company recognises a right of use and a corresponding lease liability for all lease agreements in which it is a lessee, except for current leases (defined as leases with a period of 12 months or less) and low-value leases (e.g. tablets and personal computers, small office furniture and phones with a fair value of less than Euro 5,000). For these contracts, the Company recognises lease payments as a constant operating cost over the lease period.

The right of use includes the initial measurement of the corresponding lease liability, lease payments made within or before the date of the start of the lease, less any incentives received and any costs directly attributable to the lease initially incurred. These assets are then measured at the cost net of the amortisation fund and the revaluation fund.

The right of use is amortised over the shortest period between the duration of the lease and the useful life of the asset. If a lease transfers ownership of the underlying asset or the right of use reflects that the Company plans to exercise a purchase option, the right of use is amortised over the life of the underlying asset. Amortisation begins at the start date of the lease.
Improvements in leased assets are amortised over the rental period or the estimated useful life of assets, whichever is shorter.

The right of use is presented in a separate line in the consolidated balance sheet.
Lease liabilities are initially measured at the present value of lease payments that have not already been paid at the start date of the lease, the lease liabilities are discounted using the implied rate of the contract, or, if this is not easily determinable, using the tenant's incremental financing rate. The incremental financing rate depends on the duration, currency and start date of the lease and is determined on a number of factors, including: risk-free rate based

on government bond rates; country-specific risk adjustment; a risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the same, which enters into the contract, is different from that of the Company and the lease does not benefit from a Company guarantee.

Lease payments include: (1) fixed payments minus any receivable incentives, (2) variable lease payments that depend on an index or rate, (3) amounts that are expected to be paid as a guaranteed residual value, (4) the price of a purchase option when the exercise of the option is reasonably certain to occur, and (5) any early penalties for termination.

Lease liabilities are measured at amortised cost using the effective interest rate method. Initial charge values are revised if there is a change in the following factors: future lease payments resulting from a change in an index or rate used, residual guarantee, lease term, certainty of a purchase option, and termination penalties. When adjusting a liability arising from a lease contract, an adjustment is made to the corresponding asset of the right of use, or in the income statement if the carrying amount of the right of use is fully devalued.

Liabilities arising from leasing contracts are presented in a separate line in the consolidated statement of financial position.

The Company applies IAS 36 – "Impairment of Assets" in order to identify any impairment losses.

In the statement of cash flows, the Company divides the total amount paid between principal (recognised in the cash flow from financing activities) and interest (recognised in the net financial expenses paid, contained in the cash flow from operating activities).

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are initially recorded at the cost of the consideration paid to acquire the investment or for its formation, including any ancillary costs directly attributable to the cost incurred and considered representative of the fair value at the time of acquisition or creation. The cost also includes any deferred fees that will be paid upon the occurrence of future events as provided for in the terms of the contract. The Company therefore records a liability equal to the present value of the deferred component; after the initial recognition, any subsequent changes in deferred consideration are accounted for in the income statement.

Investments in associates and joint ventures after initial recognition are measured with the Equity method. The application of this method implies that the purchase cost is subsequently adjusted as a result of changes in the value of the Company's share of the associate's company. The Company's share of the result of the associated company or joint venture is accounted for in a specific income statement item from the date of substantial influence and until it is lost. When the Company's share of losses exceeds the value of the investment, it is recognised if the Company has entered into legal obligations or implied to cover such losses.

The requirements of IAS 36 apply to determine whether an impairment loss should be recognised with respect to investments in subsidiaries, associates and joint ventures. When necessary, the entire carrying amount of the investment is tested, as a single asset, for impairment. This test, in accordance with IAS 36, is carried out by comparing its recoverable amount (the largest of value in use and fair value net of disposal costs) with its carrying amount. Any restoration of this loss of value is recognised in accordance with IAS 36, to the extent that the recoverable amount of the investment increases subsequently.

Financial assets

Financial assets are initially recognised at the fair value of the consideration paid. After initial accounting, financial assets are valued in relation to their use.
The classification of financial assets depends on the business model within which the financial instruments are held and on the contractual characteristics of cash flows, they are relevant to determine whether they are to be measured at amortised cost or fair value.
In particular, the Company measures its financial assets at amortised cost if, and only if, both of the following conditions are met:

- the asset is held within a business model whose objective is to collect the cash flows provided for in the contract; and
- the contractual conditions give rise to cash flows which are exclusively capital and interest payments.

Financial assets that meet the following conditions are then measured at fair value with impact in other comprehensive income:

- the asset is held within a business model whose objective is to collect the cash flows provided for in the contract and to sell the financial assets; and
- the contractual conditions give rise to cash flows which appear exclusively in capital and interest payments.

Financial assets at fair value through other comprehensive income mainly comprise equity investments that the consolidated entity intends to hold for the near future and that it irrevocably chose to classify them as such at the time of first recognition.

On a residual basis, all other financial assets are measured at fair value and recognised in the income statement.
Financial assets in currencies other than functional currency shall be registered in Euro at the spot exchange rate at the date of the transaction and subsequently converted at the reporting date with unrealised exchange differences recognised in the income statement.

Impairment of assets

At least annually, the Company reviews the carrying value of goodwill and its intangible and tangible assets to determine if there are any indications that these assets have suffered impairments. If such indications exist, the recoverable amount of these assets is estimated to determine the impairment amount. When it is not possible to estimate the recoverable value of an asset individually, the Company estimates the recoverable value of the cash-generating unit ("CGU") to which the asset belongs.

In particular, the recoverable value of the cash-generating units is verified through the determination of the value in use. In determining the value in use, future cash flows, net of taxes, estimated based on past experience, are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset. The key assumptions used in the calculation of the value in use concern the discount rate, the growth rate, the expected changes in sales prices and the trends in direct costs during the period assumed for the calculation. The growth rates applied are based on forecasts of growth in the relevant sectors. Changes in sales prices are based on past experience and future market expectations. The Group prepares forecasts of operating cash flows derived from the 2025-2028 Strategic Plan prepared by the Parent Company's Management and approved by the Parent Company's Board of Directors on 24 March 2025, and determines the terminal value (present value of perpetual income) based on a medium- and long-term growth rate in line with the relevant sectors.

If the recoverable value of an asset (or a cash-generating unit) is estimated to be lower than its carrying amount, the carrying amount of the asset is reduced to the lower recoverable value, with the impairment loss being immediately recognised in the income statement. Subsequently, if the impairment of an asset decreases or is reversed, the carrying amount of the asset (or the cash-generating unit), excluding goodwill, is increased to the new value resulting from the estimate of its recoverable value, but not exceeding the car-

rying amount that the asset would have had if no impairment had been recognised. The reversal of impairment is immediately recognised in the income statement.

Trade receivables

Receivables are initially recognised at fair value.

Subsequently, they are measured using the amortised cost method based on the effective interest rate, which is the rate that equates the present value of expected cash flows to the initial carrying amount at the time of recognition. In accordance with IFRS 9, trade receivables are classified as Held to Collect and Held to Collect and Sell. Their value is adjusted at the end of the reporting period to reflect the estimated recoverable amount and is written down in case of impairment, assessing the expected credit loss over the entire lifetime of the receivable. This assessment also considers the creditworthiness of individual debtors, taking into account the specific characteristics of the underlying credit risk and all available information.

Receivables sold through factoring transactions are derecognised from the balance sheet only if the risks and rewards associated with their ownership have been substantially transferred to the transferee.

Treasury shares

Treasury shares are recognised as a reduction of shareholders' equity. The book value of treasury shares and the capital gains deriving from any subsequent sales are recorded as movements in net equity.

Loans

Loans are initially measured at cost, which corresponds to the fair value of the consideration received, net of additional charges acquisition costs. After initial recognition, loans are recorded using the amortised cost method, calculated by applying the effective interest rate.

The effective interest method is used to calculate the amortised cost of a financial liability and to allocate interest expenses over the relevant period. The effective interest rate is the rate that discounts future payments (including all fees, transaction costs and any premiums or discounts) over the duration of the financial liability or, where more appropriate, over a shorter period. For floating-rate loans, the Company updates cash flows based on the forward curves of reference interest rates at each reporting date.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade payables and other liabilities

Trade payables, other payables and other liabilities are initially recognised at fair value, including any transaction-related costs. Subsequently, they are recognised at nominal value, as no discounting or separate recognition of explicit or imputed interest expenses is deemed necessary, given the expected payment terms.

Derivative financial instruments and hedging transactions

Derivatives are initially recognised at fair value at the date the derivative contract was concluded and are subsequently revisited at fair value at each reporting date. The accounting of subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, on the nature of the underlying.

Contractual agreements that contain an obligation to purchase minority interests (such as a put instrument determined on third-party interests) are treated as derivatives of the Company's equity in the financial statements and consequently give rise to a financial liability measured at the present value of the amount of the repayment. Subsequently, the financial liability is measured at amortised cost with any change in the liability recognised in the income statement. When an agreement confers a shareholding to the Company, the instruments are fully recognised as a financial liability and no minority interests are recognised. According to this approach, any dividends paid to other shareholders are recognised as cost in the consolidated financial statements, unless they represent a repayment of the liability.

Cash flow hedges

Cash flow hedges are used to cover the Company's exposure to the variability of cash flows attributable to particular risks associated with recognised assets or liabilities or a commitment that could affect the income statement. Actual gains or losses determined by the hedging instrument are recognised in other comprehensive income through the cash flow hedge reserve, while the ineffective part is recognised in the income statement. The amounts recognised in equity are transferred from equity and included in the valuation of the hedging transaction when the intended transaction occurs.

Cash flow hedges are regularly tested for effectiveness, both retrospectively and prospectively, to ensure that each cover is highly effective and continues to be designated as cash flow coverage. If the planned transaction no longer occurs, the amounts recognised in equity will be transferred to the income statement.

If the hedging instrument is sold, extinguished, expires, or is exercised without replacement or roll-over, or if the hedging becomes ineffective and no longer constitutes a designated hedge, the amounts previously recognised in equity are transferred to the income statement.

The fair value of financial instruments listed in an active market is based on market prices at the reporting date (level 1). The fair value of instruments not listed in an active market is determined using specific measurement techniques, as described later in these notes (Level 2: defined as factors other than prices quoted in active markets which can be observed directly or indirectly, such as prices quoted for similar instruments in active markets or prices quoted for identical or similar instruments in markets that are not active; level 3: defined as unobservable factors in which there are little or no market data, which therefore require an entity to develop its own assumptions, such as valuations derived from assessment techniques in which one or more significant factors or significant value determining factors are not observable).

In some circumstances, the inputs used to measure fair value could be classified into different levels of the fair value hierarchy. In these cases, the fair value measurement is categorised in its entirety into the fair value hierarchy based on the lowest level input that is significant for measuring fair value.

Provision for risks and charges

Provisions for risks and charges represent probable liabilities of uncertain amount and/or timing arising from past events, the settlement of which will require a financial outflow. Provisions are recognised only when there is a present legal or constructive obligation that necessitates the use of economic resources, provided that a reliable estimate of the obligation can be made. The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the best current estimate.

Where the financial outflow related to the obligation is expected to occur beyond normal payment terms and the effect of discounting is material, the provision amount is measured at the present value of the expected future payments required to settle the obligation.

Contingent assets and liabilities are not recognised in the financial statements; however, appropriate disclosures are provided where necessary.

Employee benefits

The Company's net obligations are determined separately for each defined benefit plan, estimating the present value of the future benefits that employees have accumulated in current and previous periods and deducting the fair value of the plan's assets.

The present value of the obligations deriving from employee benefits is measured using actuarial techniques and the benefits are determined using the unit credit projection method and relate to periods in which there is an obligation to provide post-employment benefits. Actuarial assumptions are based on the best estimates of management. The cost components of defined benefits are recognised as follows:

- service costs are recognised in the income statement under personnel costs;

- the net interest charge on the liability of employee benefits is recognised in the income statement under financial costs;
- the net debt remeasurement components, which include actuarial gains and losses, are recognised in other comprehensive income. These remeasured components are not reclassified in the income statement in the following financial year.

The post-employment benefits include the obligation to pay the severance indemnity required by Italian law. The amount of the severance indemnity to which each employee is entitled, has to be paid when the employee leaves the Group and is calculated on the basis of the period of employment and taxable income of each employee. Under certain conditions, the right may be partially anticipated to an employee during his or her working life.

The staff severance indemnity is classified in the balance sheet, under Employee Benefits, and the Company recognises the related costs during the period in which the employee is serving.

Share-based compensation

Incentive plans settled through the payment to beneficiaries of equity instruments of the Company are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details relating to the determination of the fair value of share-based transactions settled with equity instruments are reported in notes (18) and (19).
The fair value of the plan determined at the grant date is charged to the income statement on a straight-line basis over the vesting period as a balancing entry to an increase in equity (IFRS 2 reserve), based on the Company's estimate of the number of equity instruments that will vest. At each reporting date, the Company reviews the estimate of the number of equity instruments that are expected to vest as a result of non-market vesting conditions. The impact of any revision of the original estimates is recognised in the income statement so that the cumulative charge reflects the revised estimate, with a corresponding adjustment of the reserve.

Criteria for the conversion of foreign currency items

Receivables and payables originally denominated in foreign currencies are converted into Euro at the exchange rate on the date of the transaction that generated them. Exchange rate differences realised upon the collection of receivables or settlement of payables in foreign currency are recognised in the income statement. Income and expenses related to transactions in foreign currencies are recorded at the exchange rate prevailing on the date the transaction is carried out. At the end of the financial year, assets and liabilities denominated in foreign currencies are measured at the spot exchange rate at the reporting date, with any resulting exchange gains or losses recognised in the income statement. If the currency conversion results in a net gain, a corresponding non-distributable reserve is allocated until the gain is effectively realised.

Revenue recognition

Revenue is recognised when control of the promised goods or services is transferred to the customer. Revenue is reported net of returns, discounts, rebates and incentives, as well as any taxes directly related to the transaction. Contracts with customers generally include a single performance obligation, which is the sale of a good, typically fulfilled upon delivery to the customer. In the case of contract-related revenue, a single performance obligation is identified, with revenue recognised over time based on costs incurred relative to the total estimated costs required to complete the contract.

Public grants

Public grants are not recognised until there is reasonable assurance that the Company will comply with the conditions relating to them and that the amounts relating to the contributions will actually be received.
Public grants are recognised in the income statement on a systematic basis in periods when the Company recognises the related costs. For example, in the case of grants relating to an investment, both the investment and the grant are recognised at their nominal values and transferred progressively to the income statement on a systematic basis over the useful life of the related investment, decreasing the income initially deferred.

Public grants payable as compensation for costs or losses already incurred or for the purpose of providing immediate financial support to the Company without related future costs are recognised in the income statement during the period in which they become payable.

Recognition of costs

Costs and expenses are recognised in the financial statements on an accrual basis.

Financial income and expenses

Financial income and expenses are recognised on an accrual basis and include: interest accrued on financial assets and liabilities using the effective interest rate method, changes in the fair value of derivatives and other financial instruments recognised at fair value with impact on income statement, foreign exchange income and expense and arising from financial instruments (including derivatives).

Dividends

Dividends received from companies other than subsidiaries, associates and Joint ventures are recorded in the income statement on an accrual basis, i.e., in the year in which the related right arises, following the decision of shareholders to distribute dividends to the investee companies.

Income taxes

Income taxes include all taxes calculated on the Company's taxable income. Current and deferred taxes are recognised in the income statement, except where they relate to items recognised in other comprehensive income, in which case current and deferred taxes are also recognised in other comprehensive income and in equity, respectively.
Current taxes due are based on taxable income for the period. Taxable profit differs from the net profit recognised in the income statement and it excludes revenue or cost items that are taxable or deductible in other periods and also excludes items that are never taxable or deductible. The Company's liabilities for current taxes are calculated using tax rates that have been issued or substantially issued by the end of the reporting period.

Prepaid and deferred taxes are those that are expected to be chargeable or recoverable on the differences between the book values of the assets and liabilities entered in the financial statements and the corresponding tax bases used in the calculation of taxable income and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that taxable income is likely to be available for which deductible temporary differences may be used. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that does not affect taxable income or accounting profit. Moreover, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Prepaid and deferred taxes are calculated on the basis of tax rates that are expected to apply in the period in which the liability is settled or the asset is realised on the basis of laws and tax rates that have been enacted or substantively enacted at the reporting date.
Deferred tax assets and deferred tax liabilities are offset when there is a legally applicable right to offset tax assets with tax liabilities and when they relate to income taxes levied by the same tax authority, and the Company intends to adjust its current tax assets and liabilities on a net basis.

The OECD "Global anti-base erosion model rules" tax reform introduced a two-pillar model, Pillar II, to address the tax problems stemming from the digitalisation of the economy. The model aims to limit tax competition by introducing a minimum global rate of 15% in each jurisdiction in which large multinationals operate. The Parent Company will be required to pay any supplementary tax, top-up tax, for subsidiaries that operate in low tax jurisdictions and for which the current tax is lower than the minimum threshold of 15% (the top-up tax is a current tax paid in the jurisdiction of the parent company - for more information, please refer to IAS 12 - Income taxes). The Company and the Group have continued to monitor the implementation of Pillar II developed by the OECD Inclusive Framework in all countries in which it operates.

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the Company's attributable profit for the reference period by the weighted average Common Stock outstanding during the period.

USE OF ESTIMATES

The preparation of the separate financial statements and the related explanatory notes in accordance with IFRS requires Management to make estimates and assumptions that can significantly affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions are based on historical experience and on other external and internal factors deemed relevant by the Management. The actual results could differ from these estimates.

The underlying estimates and assumptions are reviewed periodically by the Management (at least annually). Any changes in the estimates are recognised prospectively starting from the period in which this estimate is revised.

In preparing the separate financial statements, no significant judgements were made during the process of applying the Company's accounting policies, except for those involving estimates that had a significant effect on the amounts recognised in the financial statements. The key assumptions regarding the future and the main sources of estimation uncertainty at the reporting date that pose a significant risk of leading to material adjustments to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Accounting of non-controlling interests

The Group has entered into several investment agreements with an investor, SIMEST S.p.A. (a financial institution controlled by the Italian Government that financially supports Italian foreign investments), on the basis of which, at the end of the contract, the Company is obliged to buy back the shares held by the investor for a predetermined amount. The agreements entitle the investor to receive a fixed remuneration during the period determined by the agreement, based on the investment made in the investee, and any dividends distributed shall be returned to the investee.

The Directors have considered the terms of the agreement to understand whether they are eligible to give the Company access to the returns associated with the shareholdings held by third parties (non-controlling interest).Factors that have been taken into account and which provide a reference to the presence of control include the determination of the prices of the amount to be reimbursed, voting rights and the decision-making process of such shares which is substantially limited and the right to dividends.
Following the assessment, the Directors concluded that the Company holds control of these companies and, as a result, the shares are accounted for as if they had been acquired by the Company. These conclusions also concern the possible indirect holding of the Group through its subsidiary.

On 28 May 2021 and 14 November 2024, through the conclusion of shareholders' agreements with the shareholders of SAF S.p.A. and Kumar Precision Stampings Limited, the directors concluded that the Company exercises a sufficiently dominant voting interest to direct the relevant activities and to influence the returns of both companies.

In light of these agreements, in accordance with the provisions of IFRS 10 para. 7, the Company fully consolidates the equity investments held in the companies SAF S.p.A. and Kumar Precision Stampings Limited, while holding 50% and 40%, respectively.

Recoverability of the value of equity investments

Equity investments in subsidiaries (along with long-term interests that, in substance, represent an additional net investment in subsidiaries), for which estimates are significantly used to determine potential impairments or value reinstatements, have been carefully analysed by the Company's Management to identify any possible impairment indicators.

Among the subsidiaries subject to an impairment test, the investments in EuroGroup Laminations S.p.A. have been included.

The impairment assessment process for Investments, described in the section "Impairment of assets", involves estimating the value in use based on assumptions regarding: i) the expected cash flows of the subsidiaries, referring to the 2025-2028 Strategic Plan, approved by the Board of Directors on 24 March 2025.

These plans were prepared by local management in collaboration with the Company's Management and subsequently incorporated into the 2025-2028 Strategic Plan, approved on 24 March 2025 by the Company's Management. The impairment test also considers the determination of an appropriate discount rate (WACC) and long-term growth rate (g-rate), net of the subsidiaries' financial position.

These assumptions are based on management's outlook, including steady revenue growth and capital optimisation, achieved through a more efficient allocation of investments. Specifically:

- Group Revenues are expected to grow with a CAGR of 10-15% between 2025 and 2028;
- the average EBITDA margin for the Group during 2025-2028 is estimated at approximately 13%;
- Group Capex is expected to average between 4% and 5%;
- Return on Capital Employed (ROCE) is projected to be between 15% and 20% by 2028;
- Operating free cash flow for the Group is expected to be positive from 2025 onwards.

Allowance for doubtful accounts

The Company applies the simplified approach to measuring expected credit loss (ECL) for trade receivables. The ECL takes into account the historical credit losses, adjusted to take account of specific factors of creditors and the economic context and is based on the days due for each class of customers grouped in the various clusters showing similar historical loss trends. The matrix is based on the default percentages observed in the group. The Company balances the matrix to adjust historical loss data on receivables with forecast elements. The assessment of the correlation between historical default rates, projected economic conditions and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and expected economic conditions. Historical experience on the performance of losses on Company receivables and forecasts of future economic conditions may not also be representative of the actual insolvency of customers in the future.

Leasing

Lease agreements may include options to extend and terminate the lease period. When assessing whether the exercise of the option to renew a lease term is potentially secure, all relevant factors that create an economic incentive for the exercise of the option to renew or terminate the contract are considered. After the start date of the lease ("commencement date"), the lease period is reviewed if there is a significant event or change that affects the ability to exercise the option or not to renew or terminate the lease. The implicit interest rate of a lease is not easily determined. Therefore, the incremental debt rate ("IBR") is used to determine the present value of the lease costs. The same corresponds to the interest rate that would be paid for financing, with a similar duration and guarantee.

Estimate of the useful life of the goods

In calculating the amortisation of tangible assets, the Company has defined the useful life on the basis of a physical estimate of asset obsolescence. The useful life could change significantly due to technical innovations or other events. Amortisation will increase when the useful life is less than the previously estimated life, or if technically obsolete or non-strategic assets are no longer used or are sold will be eliminated or devalued.

Impacts of climate change on the financial statements

Climate change is a burning issue for all industrial sectors, including the one in which the Company operates. Specifically, greenhouse gas emissions are mainly linked to the organisation's indirect consumption, mainly deriving from the use of electricity and the purchase of raw materials (steel). Also thanks to the establishment of the Control, Risk and ESG Committee, the Company adopts a holistic approach to risk management, in particular by examining and identifying possible negative externalities. In addition, an assessment is conducted on the likely positive and negative

impacts regarding the Group's value chain, and estimating any financial effects with respect to the risks identified.

The Company's commitments on this issue are formalised through the preparation of internal policies, the adoption of management systems, the use of energy from renewable sources and attention to the production of products with a lower environmental impact. In addition, the Company has identified the guidelines to be included in a medium/long-term Sustainability Plan, which outline the main commitments on the environmental front and, specifically, in relation to climate change. The trends linked to the energy transition, with particular reference to the transition to mobility based on electric motors whose core component is produced by the Group, are elements steering the formulation of the company strategies and their future implementation. For this reason, it is believed that the impacts on the consolidated financial statements of climate risks, which could affect the financial statement items whose measurement depends on the production of future cash flows, and therefore subject to impairment, are not considered significant.

Risks, commitments, guarantees

The commitments and guarantees are indicated at their contractual value and the risks for which the manifestation of a liability is only possible, without the allocation of risk provisions.
The risks for which the manifestation of a liability is likely, are described in the explanatory notes and reported, according to criteria of congruities, in the risk provisions. Remote risks are not taken into account.

IFRS Accounting Standards, amendments and interpretations applied from 1 January 2024

The following IFRS Accounting Standards, amendments and interpretations have been applied for the first time by the Group as of 1 January 2024:

- On 23 January 2020, the IASB published an amendment called **"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"** and on 31 October 2022 published an amendment called "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". The purpose of these amendments is to clarify how to classify debts and other current or non-current liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer the settlement of a liability for at least twelve months is subject to compliance with certain metrics (i.e. covenants).

- On 22 September 2022, the IASB published an amendment called **"Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback"**. The document requires the seller-lessee to assess the liability for the lease arising from a sale & leaseback transaction so as not to recognise any income or loss relating to the retained right of use.

- On 25 May 2023, the IASB published an amendment called **"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"**. The document requires an entity to provide additional information on reverse factoring agreements that allow users of the financial statements to assess how financial agreements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such agreements on the entity's exposure to liquidity risk.

- The adoption of these amendments did not affect the Company's financial statements.

IFRS Accounting Standards, amendments and interpretations endorsed by the European Union, not yet mandatory and not adopted in advance by the Group as at 31 December 2024

As of the reporting date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and standards described below. However, these standards are not mandatorily applicable and have not been adopted early by the Group as of 31 December 2024.

- On 15 August 2023, the IASB published **"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"**. The document requires an entity to use a methodology to be applied consistently in order to verify whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the information to be provided in the explanatory notes. The amendment will apply from 1 January 2025, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the Company's financial statements.

IFRS Accounting Standards, amendments and interpretations not yet endorsed by the European Union

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

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

With these amendments, the IASB has also introduced additional reporting requirements with regard, in particular, to investments in equity instruments designated at FVOCI.
The amendments will apply from the financial statements for years beginning on or after 1 January 2026. The directors are currently assessing the possible effects of the introduction of this amendment on the Company's financial statements.

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

The amendments will apply from 1 January 2026, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of these amendments on the Company's financial statements.

- On 18 December 2024, the IASB published the amendment **"Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7"**. The document aims to support entities in reporting the financial effects of contracts for the purchase of electricity produced from renewable sources (often structured as Power Purchase Agreements). Based on these agreements, the quantity of electricity generated and purchased can vary based on uncontrollable factors such as the weather. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - a clarification regarding the application of the "own use" requirements to this type of agreement;
  - the criteria for allowing these agreements to be accounted for as hedging instruments; and,
  - new disclosure requirements to enable financial statement users to understand the effect of these agreements on an entity's financial performance and cash flows.

The amendment will apply from 1 January 2026, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this amendment on the Company's financial statements.

- On 9 April 2024, the IASB published a new standard, **IFRS 18 Presentation and Disclosure in Financial Statements** which will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of financial statements, with particular reference to the income statement. In particular, the new standard requires:
  - that revenues and costs be classified into three new categories (operating, investing and financing sections), in addition to the 'taxes' and 'discontinued operations' categories already present in the income statement;
  - that two new sub-totals be presented: the operating profit and the result before interest and taxes (i.e. EBIT).

  The new standard also:
  - requires more information on the performance indicators defined by management;
  - introduces new criteria for the aggregation and unbundling of information; and,
  - introduces some changes to the layout of the statement of cash flow, including the request to use the operating profit as a starting point for the presentation of the statement of cash flow prepared with the indirect method and the derecognition of some classification options of some currently existing items (such as for example interests paid, interests collected, dividend income paid and dividend income collected).

The new standard will enter into force from 1 January 2027, but early application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the Company's financial statements.

- On 9 May 2024, the IASB published a new standard **IFRS 19 Subsidiaries without Public Accountability: Disclosures**. The new standard introduces some simplifications with reference to the information required by the IFRS Accounting Standards in the financial statements of a subsidiary company that complies with the following requirements:
  - it has not issued equity or debt instruments listed on a regulated market, nor is it in the process of issuing them;
  - its own parent company prepares consolidated financial statements in compliance with IFRS.

The new standard will enter into force from 1 January 2027, but early application is permitted. The Directors do not expect the adoption of this amendment to have a significant impact on the Company's financial statements.

- On 30 January 2014, the IASB published the standard **IFRS 14 – Regulatory Deferral Accounts**, which allows only first-time adopters of IFRSs to continue to recognise amounts related to rate-regulated activities under their previous adopted accounting standards. As the Company/Group is not a first-time adopter, this standard is not applicable.

Information on operating segments

Information on operating segments is given in the explanatory notes to the Group's consolidated financial statements.

SIGNIFICANT EVENTS THAT OCCURRED DURING THE PERIOD

Executive Director appointed

On 24 January 2024, the Board of Directors of EuroGroup Laminations S.p.A. co-opted, pursuant to art. 2386 of the Italian Civil Code and art. 13.4 of the Articles of Association, Mr. Axel Volker Dill as the new executive director, who will hold the role of CEO of the Industrial business unit, previously held by Mr. Gianluca Bertocchi, and who will also hold the position of key executive. The appointment takes place following the resignation of Gianluca Bertocchi, executive director of the Company, submitted on 24 January 2024, with immediate effectiveness, to pursue other professional objectives.

Eurotranciatura Tunisie share capital increase

On 4 April 2024 – the general meeting of the company Eurotranciatura Tunisie S.a.r.l. resolved the share capital increase for 4,355,000 Tunisian dinars (consequently bringing the value of the entire share capital to 31,500,000 Tunisian dinars), fully subscribed and paid by EuroGroup Laminations S.p.A., through the waiver of a loan previously taken out.

Approval of the Financial Statement and distribution of dividends

On 6 May 2024 – the Shareholders' Meeting of EuroGroup Laminations S.p.A. was held, which approved all the proposals on the agenda, including the Financial Statements of the Parent Company, the proposal for the allocation of profit with relative distribution of dividend income and the first section of the Remuneration Report, and expressed a favourable opinion on the second section of said Report. It also approved the updated Shareholders' Meeting regulations.

New company roles

On 6 May 2024 – the Shareholders' Meeting confirmed the appointment of the new director Axel Volker Dill.
On 13 May 2024 – the Board of Directors of EuroGroup Laminations S.p.A. appointed Isidoro Guardalà Deputy Group Chief Executive Officer and Matteo Perna Group Chief Financial Officer in order to strengthen the organisation of EGLA for the next phase of development.

Loan of Euro 140 million to support growth

On 27 June 2024 – the Group announced the subscription of four loan agreements with Intesa Sanpaolo – IMI/CIB Division, UniCredit, BNL BNP Paribas and Deutsche Bank, respectively, for a maximum total amount, in aggregate, equal to Euro 140 million. These loans are in line with the Company's broader growth and expansion strategy, particularly at international level. Thanks to them, EuroGroup will be able to rely on greater financial flexibility, as well as on the resources needed to further bolster its growth path in the medium and long term, including externally. At the same time, the contracts signed allow EuroGroup to optimise its financial structure, making it more efficient thanks to a centralised management of credit and debt lines at the parent company level and increasing the average life of the latter.
The agreements entered into have made available to the Company: (i) four term credit facilities for a total aggregate maximum amount of Euro 65 million, maturing on 30 June 2029; (ii) four term credit facilities backed by a SACE Green Guarantee for a total aggregate maximum amount of Euro 40 million, maturing on 30 June 2029; and (iii) four revolving credit facilities for a total aggregate maximum amount of Euro 35 million, maturing on 30 June 2027.

Agreement for the acquisition of 40% of the capital and control of Kumar Precision Stampings Private Limited

On 1 August 2024, the Group announced the acquisition of 40% of the capital of the Indian company Kumar Precision Stampings Private Limited, finalising its closing on 14 November 2024. The company, which is a leader in the production and distribution of stators and rotors for electric motors for various industrial and domestic applications (including HVAC, railway, home appliances, pumps and generators), is also active in the Transformer business. Through this transaction, EGLA further strengthens its Industrial Business Unit by entering the rapidly growing local market and expanding into the transformer lamination business, thereby broadening its customer base and reinforcing its global position in the sector.
The total investment, equal to Euro 19.9 million, included the purchase of a portion of the shares held by Kumar's shareholders for Euro 13.9 million and a simultaneous capital increase of Euro 6 million. The consideration

was fully financed through the use of EGLA's cash and cash equivalents and is not subject to adjustments. As part of the transaction, a shareholders' agreement was signed governing, among other things, the company's governance structure and granting EGLA the power to direct the relevant activities, thereby allowing for line-by-line consolidation in accordance with IFRS 3.

Agreement for the sale of the assets of the company Euro Group Laminations Russia

On 5 November 2024, EuroGroup Laminations S.p.A signed an agreement for the sale of the assets of the company Euro Group Laminations Russia with a Russian buyer and on 19 December 2024 the National Authority UAMA at the Ministry of Foreign Affairs granted authorisation for the transaction. In February 2025, the Russian subsidiary proceeded with the disposal of the assets.

Tax consolidation agreement

In November 2024, EuroGroup Laminations S.p.A., Eurotranciatura S.p.A., Corrada S.p.A., Euroslot Tools S.r.l., Euro Automation S.r.l., and DS4 S.r.l. entered into a tax consolidation agreement to adopt an optional tax regime governed by Articles 117 to 129 of the Italian Consolidated Income Tax Act (TUIR). This regime allows the parent company (EGLA) to determine a single taxable base as the algebraic sum of the taxable incomes of the participating group companies, thereby optimising the use of tax attributes such as tax losses, IRES credits or interest expense carry-forwards. The option for this regime has a three-year duration and is irrevocable. At the end of the first three-year period 2024-2026, the option is tacitly renewed for another three-year period.

Explanatory Notes to the items in the Statement of Financial Position

NON-CURRENT ASSETS

(1) Tangible assets

The following table shows the changes in the item "Tangible assets":

(Amounts in Euro)	Plants and machinery	Other tangible assets	Assets under construction	Total
Historical cost as at 31 December 2023	**125,163**	**723,078**	**14,500**	**862,741**
Increases	-	7,055	-	7,055
Decreases	(125,163)	-	-	(125,163)
Historical cost as at 31 December 2024	**-**	**730,133**	**14,500**	**744,633**
Accumulated amortisation as at 31 December 2023	**(125,163)**	**(546,156)**	**-**	**(671,319)**
Amortisation	-	(45,202)	-	(45,202)
Decreases	125,163	-	-	125,163
Accumulated amortisation as at 31 December 2024	**-**	**(591,358)**	**-**	**(591,358)**
Book value:				
31 December 2023	**-**	**176,922**	**14,500**	**191,422**
31 December 2024	**-**	**138,775**	**14,500**	**153,275**

The decrease in plant and machinery is attributable to the sale to Eurotranciatura S.p.A. of a fully depreciated press.

(2) Rights of use

The following table shows the changes in the item "Rights of use":

(Amounts in Euro)	Land and buildings	Other tangible assets	Total
Historical cost as at 31 December 2023	**179,556**	**94,846**	**274,402**
Increases	-	107,506	107,506
Decreases	(31,254)	-	(31,254)
Historical cost as at 31 December 2024	**148,302**	**202,352**	**350,654**
Accumulated amortisation as at 31 December 2023	**(25,498)**	**(43,770)**	**(69,268)**
Amortisation	(44,889)	(26,165)	(71,054)
Accumulated amortisation as at 31 December 2024	**(70,387)**	**(69,935)**	**(140,322)**
Net book value as at:			
31 December 2023	**154,058**	**51,076**	**205,134**
31 December 2024	**77,915**	**132,417**	**210,332**

The increases in Other tangible assets refer exclusively to the signing of operating lease contracts for cars.

The decrease, on the other hand, refers to the remeasurement of the present value of a lease contract for residential properties for which early termination has been requested with respect to the initially considered useful life.

(3) (Investments) in subsidiaries

The following table shows the movements under "(Investments) in subsidiaries":

Subsidiary companies	31.12.2023	Increases	Revaluations/ Amortisation of fixed assets	31.12.2024
Euro Group Asia LTD.	20,354,020	35,534	-	20,389,554
Kumar Precision Stamping Private Limited	-	19,902,176	-	19,902,176
DS4 S.r.l.	19,604,653	17,287	-	19,621,940
SAF S.p.A.	13,474,004	-	-	13,474,004
Eurotranciatura Tunisie S.A.R.L.	9,852,589	1,292,208	-	11,144,797
Euro Group Leverage Lender L.L.C.	8,756,073	-	-	8,756,073
Euro High Tech Mexico S.A. de C.V.	2,641,915	-	-	2,641,915
Eurotranciatura S.p.A.	2,314,942	149,153	-	2,464,095
Corrada S.p.A.	631,495	14,790	-	646,285
Eurotranciatura Mexico S.A. de C.V.	596,918	22,754	-	619,672
Europroperties Mexico S.A. de C.V.	238,747	-	-	238,747
Euroslot Tools S.r.l.	210,000	-	-	210,000
Euro Automation S.r.l.	100,000	-	-	100,000
Euro Group Laminations Russia L.L.C.	-	14,500	(14,500)	-
Total subsidiaries companies	**78,775,356**	**21,448,402**	**(14,500)**	**100,209,258**

The change in investments is due to:

- On 4 April 2024, the general meeting of the company Eurotranciatura Tunisie S.a.r.l. approved a share capital increase of 4,355,000 Tunisian dinars, equal to Euro 1,292,208, fully subscribed and paid by EuroGroup Laminations S.p.A., through the waiver of a previously granted loan;
- On 14 November 2024, the Company finalised the closing of the acquisition of 40% of the share capital of Kumar Precision Stampings Private Limited for Euro 19,902,176;
- On 5 December 2024, following the resolution of the shareholders' meeting of 29 November 2024 of Euro Group Laminations Russia, the Company and Eurotranciatura S.p.A. (shareholders of the Russian company) made a capital contribution to Euro Group Laminations Russia, for Euro 14,000.00 and Euro 10,500.00 respectively. At the same time, the Company wrote down the investment in consideration of the continuation of the Russian-Ukrainian conflict;
- Increase in the value of the shareholdings in Euro Group Asia Limited, DS4 S.r.l., Eurotranciatura S.p.A., Corrada S.p.A. and Eurotranciatura Mexico S.A. de C.V. in accordance with IFRS 2, due to the allocation of 1,247,000 stock options to employees of the subsidiaries.

The table below shows the values of share capital, equity and the result of the individual subsidiaries in Euro.

Subsidiary companies	Location	Share capital	Shareholders' equity 31.12.2024	Net profit/ (loss) 31.12.2024	Share owned directly	Investment value 31.12.2024	Pro-rata equity 31.12.2024
Euro Group Asia LTD (i)	Hong Kong – China	18,115,756	6,136,915	(887,116)	100%	20,389,554	6,136,915
SAF S.p.A. (ii)	Muscoline – Italy	312,000	37,293,667	4,240,043	50%	13,474,004	18,646,834
Eurotranciatura Tunisie S.A.R.L. (iii)	Zaghouan – Tunisia	11,088,978	14,088,033	32,023	100%	11,144,797	14,088,033
Euro Group Leverage Lender L.L.C.	Dover, Delaware USA	8,780,374	9,786,796	(3,403)	100%	8,756,073	9,786,796
Euro High Tech Mexico S.A. de C.V.	Querétaro - Mexico	16,644,064	28,834,238	1,714,559	15.87%	2,641,915	4,575,993
Eurotranciatura S.p.A.	Baranzate – Italy	4,270,000	117,244,379	11,085,663	100%	2,464,095	117,244,379
Corrada S.p.A.	Lainate – Italy	1,000,000	7,681,849	318,385	100%	646,285	7,681,849
Eurotranciatura Mexico S.A. de C.V.	Querétaro - Mexico	29,545,300	55,377,048	5,356,457	2.72%	619,672	1,340,134
Europroperties Mexico S.A. de C.V.	Querétaro – Mexico	3,613,228	5,027,234	274,213	7%	238,747	351,906
Euroslot Tools S.r.l.	Melzo – Italy	100,000	2,441,732	393,549	60%	210,000	1,465,039
Euro Group Laminations Russia L.L.C.	St. Petersburg - Russia	125	(1,692,146)	(827,395)	58%	-	(981,445)
Euro Automation S.r.l.	Milan - Italy	100,000	334,134	199,250	100%	100,000	334,134
DS4 S.r.l.	Pedrengo - Italy	50,000	7,131,787	1,639,598	100%	19,621,940	7,131,787
Kumar Precision Stampings Private Limited (iv)	New Delhi - India	111,787	10,200,340	34,577	40%	19,902,176	4,080,136

i. The Company holds 60% of the shares of Euro-Group Asia Limited, while the remaining 40% is held by another investor (Simest).The Company has stipulated a contractual agreement with the investor, which provides the obligation to purchase the investor's share; under this agreement, the Company recognised the entire share, including that held by third parties, as if the estimate of the amount to be paid for the purchase had already been acquired and recorded as a financial liability. At the same time, the investor Simest has provided two loans to the subsidiary ("Simest Partner financing") with an interest rate of IRS 5Y + 1,4% and a rate of 1%.

ii. On 25 June 2021, the Board of Directors of SAF S.p.A., in implementation of the shareholders' agreement signed by EuroGroup Laminations and the other investor, decided to introduce a change in the governance of the company. The agreement gives the Group, for a period of five years until its expiry, the right to appoint a majority of the members on the Board of Directors, giving them the power to define the Company's strategies, budgets and plans, approved by the Board of Directors, and to set up the activities suitable for their realisation and to reduce the capacity of the executive, appointed by the other investor, who is in charge of taking the necessary actions for the realisation of strategies and plans under the supervision of the directors appointed by the Group. After evaluating all the facts and circumstances described above, the Group concluded that it had the power to direct the relevant activities of SAF S.p.A., following the appointment of the directors by EuroGroup Laminations, on the basis of the shareholders' agreement.

iii. The Company holds 51% of the shares in Eurotranciatura Tunisie S.A.R., while the remaining 49% is held by another investor (Simest). The Company has stipulated a contractual agreement with the investor, which provides for the obligation to buy back the investor's share; under this agreement, the Company recognised the entire share, including that held by third parties, as if the estimate of the amount to be paid for the purchase had already been acquired and recorded as a financial liability.

iv. The Company holds 40% of the shares of Kumar Precision Stampings Private Limited but, under the shareholders' agreement signed between EuroGroup Laminations S.p.A. and the existing investors of Kumar Precision Stampings Private Limited, it has the power to direct the relevant activities. The agreement gives the Group, for a period of seven years until its expiry, the right to appoint a majority of the members on the Board of Directors, giving them the power to define the company's strategies, budgets and plans, approved by the Board of Directors, and to set up the activities suitable for their realisation and to reduce the capacity of the executive, appointed by the other investor, who is in charge of taking the necessary actions for the realisation of strategies and plans under the supervision of the directors appointed by the Group. After evaluating all the facts and circumstances described above, the Group concluded that it had the power to direct the relevant activities of Kumar Precision Stampings Private Limited, following the appointment of the directors by EuroGroup Laminations, on the basis of the shareholders' agreement.

Management assessed the recoverability of the carrying amount of investments as of December 31, 2024, identifying the following indicators of impairment: (i) a significant difference between the carrying amount of the investment in the statutory financial statements and the corresponding share of net equity; (ii) the performance of the Industrial sector in which some subsidiaries operate, and the changed macroeconomic environment, which also affects the EV & Automotive sector and the related investments.

With regard to the investment in Kumar Precision Stampings Private Limited, it was not deemed necessary to carry out an impairment test, considering that the company was acquired at the end of 2024, and the recorded value is therefore aligned with its fair value.

In determining the recoverable amount—identified as the value in use, calculated as the sum of the discounted future and ongoing cash flows net of the subsidiary's net financial position (the so-called DCF – Discounted Cash Flow – Equity side method)—Management referred to the 2025 Budget and the 2025–2028 Business Plan of the subsidiaries, prepared by local management in collaboration with the Company's Management, and subsequently included in the 2025–2028 Strategic Plan approved by the Company's Management on March 24, 2025.
For further details on the key variables considered in the cash flow forecasts, please refer to the previous section "Recoverability of the carrying amount of investments."
More specifically, in determining the recoverable amount of the investments tested, cash flows were discounted using a discount rate (WACC) that considers the specific risks of the investment and reflects current market assessments of the cost of capital. Different WACCs were calculated using the Risk-Free rates of the respective countries where the tested investments are based.

The impairment tests, approved by the Company's Directors on March 24, 2025, did not reveal any overall impairment losses. The carrying amounts of the investments in Corrada S.p.A. and Eurotranciatura Tunisie S.A.R.L were found to be substantially in line with their respective value in use.

Since the recoverable amount is based on projections, the Company's Management conducted sensitivity analyses, assessing the impact of changes in the discount rate (WACC), EBITDA, and g-rate, while keeping the main assumptions of the plan unchanged.

These sensitivity analyses broadly confirmed the results of the impairment test, while also highlighting a potential impairment risk for the investments in Corrada S.p.A. and Eurotranciatura Tunisie S.A.R.L in the event of even minor variations in the sensitivity parameters.

(4) Non-current financial assets

The following table gives a breakdown of non-current financial assets and receivables:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Financial receivables from subsidiaries	113,908,745	80,915,960
Investment in Kuroda	1,142,544	1,324,385
Guarantee deposits	20,340	20,340
Other investments	1,300	1,300
Non-current financial assets	**115,072,929**	**82,261,985**

The item "Financial receivables from subsidiaries" refers to loans from subsidiaries and changed by Euro 32,992,785.

The change compared to the previous year is attributable to:
- a loan of USD 25,000,000 granted to Eurotranciatura Mexico on 26 January 2024 at an interest rate of 5.90%;
- a loan of USD 2,500,000 granted to Eurotranciatura Mexico on 17 April 2024 at an interest rate of 5.90%;
- a loan of USD 5,000,000 granted to Eurotranciatura Mexico on 20 June 2024 at an interest rate of 5.90%;
- a loan of USD 5,000,000 granted to Eurotranciatura Mexico on 6 August 2024 at an interest rate of 5.90%;
- total closure of the loan to Eurotranciatura Tunisia for Euro 6,012,207 through:
  - the conversion of the loan into a capital increase of the investee company for Euro 1,292,208.18 (equal to TND 4,355,000) on 4 April 2025;
  - the partial redemption of Euro 4,719,999.

These loans were granted to support the development projects of the companies themselves as part of the 2025-2028 Strategic Plan approved by the Board of Directors.

The following table shows details of financial receivables from subsidiary companies.

Beneficiary company	Amount	Original currency	Amount in Euro	Date of signing
Euro Group Asia Limited	5,780,831	Euro	5,780,831	20/04/2021
Euro Group Asia Limited	650,000	Euro	650,000	23/12/2021
Euro Group Asia Limited	3,250,000	Euro	3,250,000	04/02/2022
Euro Group Asia Limited	100,000	Euro	100,000	25/02/2022
Euro Group Asia Limited	370,000	Euro	370,000	08/04/2022
Euro Group Asia Limited	100,000	Euro	100,000	07/09/2022
Euro Group Asia Limited	3,000,000	Euro	3,000,000	20/10/2022
Euro Group Asia Limited	15,930,000	Euro	15,930,000	12/10/2022
Euro Group Asia Limited	10,000,000	USD	9,625,565	12/10/2022
Eurotranciatura Mexico	10,000,000	USD	9,625,565	01/03/2023
Eurotranciatura Mexico	10,000,000	USD	9,625,565	23/03/2023
Eurotranciatura Mexico	11,499,092	USD	11,068,526	03/10/2023
Eurotranciatura Mexico	25,000,000	USD	24,063,915	26/01/2024
Eurotranciatura Mexico	2,500,000	USD	2,406,392	17/04/2024
Eurotranciatura Mexico	5,000,000	USD	4,812,783	20/06/2024
Eurotranciatura Mexico	5,000,000	USD	4,812,783	06/08/2024
Eurotranciatura USA Limited	9,024,737	USD	8,686,820	03/10/2023
Total			**113,908,745**	

The item “Investment in Kuroda” relates to the fair value of the minority interest held in Kuroda Precision Industries Ltd, listed on the Tokyo Stock Exchange.

The number of shares held and the fair value that can be inferred from the official listing of the securities at the reporting date are shown below:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Number of shares held	168.600	168.600
Unit price as of 30 December 2024	6,78	7,86
Fair value as of 31 December	1.142.544	1.324.385

(5) Deferred tax assets and deferred tax liabilities

The following table provides a detailed analysis of deferred tax assets and deferred tax liabilities:

(Amounts in Euro)	31 December 2023	Recognised in profit and loss	Recognised in OCI	Exchange rate differences and other	31 December 2024
Deferred tax assets arising from:					
Employee benefits	18,961	1,944	(9,170)	-	11,735
Rights of use	2,000	(876)	-	-	1,124
Intangible assets	467,501	(266,088)	-	-	201,413
Other temporary changes	65,086	36,202	-	(7,334)	93,954
Total deferred tax assets	**553,548**	**(228,818)**	**(9,170)**	**(7,334)**	**308,226**
Deferred tax liabilities arising from:					
Rights of use	14	(14)	-	-	-
Fair value measurement of equity instruments	2,405	(3)	(2,182)	-	220
Total deferred tax liabilities	**2,419**	**(17)**	**(2,182)**	**-**	**220**

The decrease in deferred tax assets in 2024 was mainly due to the time differences that emerged as a result of the reversal of start-up costs.

CURRENT ASSETS

(6) Current financial assets and receivables

La voce è composta come di seguito:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Financial receivables from subsidiaries	76,734,747	49,355,521
Receivables for investments in time deposits	31,106,732	40,878,398
Current financial assets	**107,841,479**	**90,233,919**

The item “Financial receivables from subsidiaries” refers mainly to the receivables for centralised treasury management due from the subsidiary Eurotranciatura in the amount of Euro 45,857,668 and due from Corrada S.p.A. for an amount of Euro 21,181,067, on which annual interest accrues at the 1-month EURIBOR + 1.5% spread, and interest on loans to subsidiaries not yet collected, totalling Euro 9,602,961.

Receivables for investments in time deposits refer for Euro 30,000,000 to the subscription of time deposits with a maturity between 3 and 12 months and for the remaining part to the interest accrued on the deposits.

(7) Trade receivables

Trade receivables include:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Receivables from subsidiaries	18,280,857	4,014,948
Receivables from parent companies	36,670	149,542
Trade receivables	1,102	-
Allowance for doubtful accounts	(172,681)	(172,681)
Trade receivables	**18,145,948**	**3,991,809**

Trade receivables from subsidiaries increased by Euro 14,265,451 due to the invoicing of management consulting services, which took place in a single tranche in December 2024.

The allowance for doubtful accounts refers entirely to the receivable due from the Russian subsidiary; the provision did not undergo any change during the year.

(8) Cash and cash equivalents

Cash and cash equivalents refers to current account deposits held at major banks.

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Bank and postal deposits	67,977,597	54,667,662
Cash on hands	2,159	2,578
Cash and cash equivalents	**67,979,756**	**54,670,240**

Exposed values can be converted into cash promptly and are subject to a risk of non-significant value change. The carrying amount of cash and cash and equivalents is considered to be representative of their fair value at the reporting date. There are no restrictions on the use of Cash and cash equivalents.
The increase in this item is mainly due to the cash flows deriving from the centralised treasury management.

(9) Other current assets and receivables

The following table gives a breakdown of the other current assets:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
VAT credits	1,419,290	1,247,012
Other tax receivables	887,817	776,140
Prepayments and receivables from others	473,360	520,881
Receivables from subsidiaries for tax consolidation	61,793	-
Advances to suppliers	-	3,903
Other current assets and receivables	**2,842,260**	**2,547,936**

The change in VAT credits for Euro 172,278 is attributable to the increase in VAT credits deriving from the purchase of more consultancy services for the development of new businesses and for the purchase of the shareholding in the company Kumar Precision Stampings Private Limited.
Receivables for tax consolidation include the receivable from Euro Automation S.r.l..

EQUITY

(10) Equity

As at 31 December 2024, the share capital was fully subscribed and paid up and amounted to Euro 6,111,941. This is divided into 94,016,319 ordinary shares and 73,677,026 multiple voting shares, corresponding to a total of 315,047,397 voting rights.
The number of shares as at 31 December 2024 did not change compared to 31 December 2023.

SHARE PREMIUM RESERVE

The share premium reserve as at 31 December 2024 amounted to Euro 270,288 thousand and was unchanged compared to 31 December 2023.

OTHER RESERVES

The other reserves amounted to Euro (16,689,916) as at 31 December 2024 (Euro (6,770,069) as at 31 December 2023) and are as follows:

(Amounts in Euro)	31 December 2024	31 December 2023
Legal reserve	1,136,579	907,013
First time adoption (FTA) reserve	(1,134,894)	(1,134,894)
IFRS 2 reserve	1,146,880	272,857
Negative reserve for the purchase of own shares	(17,383,886)	(6,511,070)
Other components of the statement of comprehensive income	(454,595)	(303,975)
Of which:		
• *Actuarial gains/(losses) on employee benefits*	32,703	3,665
• *Gains from fair value measurement of equity instruments*	(487,298)	(307,640)
Total other reserves	**(16,689,916)**	**(6,770,069)**

During 2024, the other reserves changed mainly due to:

- IFRS 2 reserve: deriving from the stock option plan approved on 14 April 2023, the reserve increased by Euro 874,023, of which Euro 492,071 for the portion relating to allocations in the previous year and Euro 381,952 for the portion deriving from new allocations;
- Negative reserve for the purchase of treasury shares: deriving from the decision of the Board of Directors of 9 June 2023. During the year, the company purchased 3,199,070 treasury shares. The purchase plan ended on 19 June 2024 and as at 31 December 2024, the number of treasury shares is 5,030,800, which represent 3.00% of the share capital of EuroGroup Laminations S.p.A..

RETAINED EARNINGS

Retained earnings (Losses) amounted to Euro 23,048,051 as at 31 December 2024 and Euro 22,694,455 as at 31 December 2023. During the financial year, the Shareholders' Meeting's resolution of 6 May 2024 was implemented, allocating the profit for the financial year 2023, as follows:

- Euro 229,566 to increase the legal reserve;
- Euro 4,361,761 as distribution of dividends to shareholders.

Furthermore, a further distribution of dividends equal to Euro 2,474,857 was approved, drawing from the retained earnings reserve.

Details of the origin, availability and use of the Equity items

The following is a detail of the origin, availability and use of the equity items:

(Amounts in Euro)				A summary of the uses made in the previous three exercises for other reasons	
Nature and description	**Amount**	**Possibility of utilisation (*)**	**Available Portion**	**for other reasons**	**to cover losses**
Share capital	6,111,941	-	-	-	-
Retained earnings	**(1,061,646)**	**-**	**-**	**-**	**-**
of which					-
Legal reserve	1,136,579	B	1,136,579	-	-
First time adoption (FTA)	(1,134,894)	-	-	-	-
Negative reserve for purchase of own shares	(17,383,886)	-	-	-	-
Stock Option Plan	1,146,880	-	-	-	-
Profit/loss from valuation to fair value	(454,595)	-	-	-	-
Retained earnings	15,628,270	A,B,C	15,628,270	-	-
Capital reserves	**270,288,072**	**-**	**-**	**-**	**-**
Share premium reserve (**)	270,288,072	A,B	-	-	-
Profit for the financial year 2024	**7,419,781**	**-**	**-**	**-**	**-**
Total	**282,758,148**	**-**	**-**	**-**	**-**

(*) Possibility of utilisation: A: for capital increase B: for loss cover C: for distribution to shareholders.

(**) The share premium reserve is only available if the legal reserve reaches the fifth of the share capital.

NON-CURRENT LIABILITIES

(11) Financial debts

The following table shows the details of changes in liabilities arising from financing activities:

(Amounts in Euro)	Bank loans	Payables to other lenders	Derivatives	Total
Opening balances	600,083	14,801,542	-	15,401,625
Refunds	(300,083)	(1,064,835)	-	(1,364,918)
Increases	105,000,024	150,768	-	105,150,792
Other non-financial movements	(676,262)	449,119	1,421,262	1,194,119
31 December 2024	**104,623,762**	**14,336,594**	**1,421,262**	**120,381,618**
Of which:				
Non-current financial liabilities	**91,198,738**	**13,607,942**	**1,243,604**	**106,050,284**
Current financial liabilities	**13,425,024**	**728,652**	**177,658**	**14,331,334**

The item Bank loans refers to unsecured loans with various credit institutions and the increase compared to 2023 refers to four new loans, granted on 27 June 2024, respectively by Intesa Sanpaolo, UniCredit, BNL BNP Paribas and Deutsche Bank, for a total amount of Euro 105,000,000, maturing on 30 June 2029. The transaction is described in the paragraph "Significant events during the period".

Payables to other lenders are linked to the investment agreements with Simest S.p.A. for Euro 11,507,942 and to the residual debt for the purchase of the subsidiary company DS4 for Euro 2,828,652.

Derivatives include the negative fair value of financial instruments hedging the interest rate: IRS on Euribor 3M have been stipulated, maturing 30 June 2029, with Intesa SanPaolo, Unicredit, BNL and Deutsche Bank at a weighted average rate of 2.71%.

Covenants

Some of the Company's loan agreements require compliance with covenants that provide for the obligation to meet certain levels of financial indices.
In particular, the following covenants are present with the relative threshold not to be exceeded:
Net financial debt/Adjusted EBITDA not exceeding 3.
Net financial debt/Total Net Equity not exceeding 1.2.

As at 31 December 2024, the Company met the financial covenants set out above.

Net financial debt

As required by ESMA communication 32-382-1138 of 4 March 2021, the document "ESMA32- 382-1138" and taken up by CONSOB in communication 5/21 of 29 April 2021, it is indicated that the Company's net financial debt is as follows:

Voce	Description	31 December 2024	31 December 2023
A	Cash and cash equivalents	17,979,756	4,670,240
B	Cash equivalents	50,000,000	50,000,000
C	Current financial assets and receivables	107,841,479	90,233,919
D	**Liquidity (A+B+C)**	**175,821,235**	**144,904,159**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	177,676	206,978
F	Current portion of non-current financial debt	14,230,244	1,092,096
G	**Current financial debt (E+F)**	**14,407,920**	**1,299,074**
H	**Net current financial debt (G-D)**	**(161,413,315)**	**(143,605,085)**
I	Non-current financial debt (excluding the current portion and debt instruments)	104,937,652	14,307,174
J	Debt instruments	1,243,604	-
K	Trade and other non-current payables	-	-
L	**Non-current financial debt (I+J+K)**	**106,181,256**	**14,307,174**
M	**Total financial debt (H+L)**	**(55,232,059)**	**(129,297,911)**

(12) Employee benefits

This item includes the debt for the severance indemnity accrued by the Company's managers and employees.

The table below shows the movements of employee benefits:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Opening balance	660,083	632,288
Changes with impact on income statement	128,622	89,645
Of which: Service cost	103,099	70,897
Of which: Financial expenses	25,523	18,748
Benefits paid	(33,201)	(103,533)
Changes with impact to the statement of comprehensive income	(38,208)	41,683
Closing balance	**717,296**	**660,083**

The following table summarises the main financial assumptions used to determine the present value of the severance indemnity:

	31 December 2024
Representative termination rate	2.60%
Mortality rate	ISTAT tables 2023
Annual advance rate	3.00%
Average advance rate	70.00%
Annual rate of wage increase (including inflationary increase)	4.00%
Annual discount rate	3.109%

The following table shows a sensitivity analysis of the valuation of employee benefits as of 31 December 2024:

(Amounts in Euro)	Annual discount rate		Annual inflation rate		Annual turnover rate	
As at 31 December 2024	**0.50%**	**-0.50%**	**0.50%**	**-0.50%**	**0.50%**	**-0.50%**
31 December 2024	786,109	857,449	835,836	805,430	814,120	828,474
31 December 2023	697,302	767,458	746,461	716,004	721,157	744,124

(13) Provision for risks and charges

The item consists of the provision for possible tax assessments.
The following table shows the changes in the provision for risks and charges:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Opening balance	**415,554**	**444,381**
Provisions	-	41,000
Uses	(18,000)	(45,437)
Releases	(397,554)	(24,390)
Closing balance	**-**	**415,554**

The uses refer to what was accounted for under taxes in previous financial years in the 2023 financial year for the closure of the assessment received on 7 March 2024 concerning the deductibility for VAT, IRES and IRAP purposes of transactions with SIMEST S.p.A. Following the notification, the Company submitted the related relevant tax settlement requests, contesting the findings made by the Italian Revenue Agency.

The releases amount to Euro 23,000 for the same assessment mentioned above and to Euro 374,554 for the release of the provision for risks related to the tax audit for the 2016 financial year. As of today, the elements and reasons that led to the provision are no longer present.

(14) Financial liabilities arising from rights of use

The following table provides a breakdown for current and non-current financial liabilities arising from rights of use:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Non-current financial liabilities arising from rights of use	130,972	148,349
Current financial liabilities arising from rights of use	76,586	56,273
Financial liabilities arising from rights of use	**207,558**	**204,622**

The change in this item is due to the signing of new car leasing contracts totalling Euro 107,506, the repayment of principal amounts for Euro 73,316, and the remeasurement of the present value of a lease contract for residential properties for which early termination was requested, amounting to Euro 31,254.

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Opening balance	**204,622**	**-**
Increases for new leases	107,506	237,644
Early termination of leases	(31,254)	-
Repayment of the liabilities arising from leasing	(73,316)	(33,022)
Closing balance	**207,558**	**204,622**

The following table summarises the discounted contractual cash flows of lease liabilities by maturity date:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
1 year	76,586	56,273
2 years	69,297	59,277
3 years	49,166	62,442
4 years	12,509	26,630
Financial liabilities arising from rights of use	**207,558**	**204,622**

CURRENT LIABILITIES

(15) Trade payables

As at 31 December 2024, the trade payables were composed as follows:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Trade payables	5,973,927	2,296,163
Payables to subsidiaries	2,061,443	552,024
Trade payables	**8,035,370**	**2,848,187**

The Company does not have any reverse factoring or supplier financing transactions in place. Payables to suppliers increased due to consultancy costs invoiced at the end of the year and relating to the closing of M&A transactions. Payables to subsidiaries are mainly to Eurotranciatura S.p.A. for an annual consultancy services invoice, paid regularly on the due date in January 2025.

(16) Other current liabilities

The following table provides details of the other current liabilities:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Debts to employees	923,851	670,194
Payables to subsidiaries for tax consolidation	384,325	-
Debts to social security institutions	217,309	189,751
Other debts	49,567	622,281
Tax liabilities other than current taxes	41,878	841,808
Accrued expenses and deferred income	25,290	109,798
Other current liabilities	**1,642,220**	**2,433,832**

The change in the item “Tax liabilities other than current taxes” is due to the complete release of the amount previously allocated for taxes of Euro 397,196 for the tax assessments described in note (13) and to the payment of regional surcharges for Euro 440,584.
The debts to employees are the debts for the remuneration of December 2024, paid in January, the allocations for holidays accrued and not taken and performance bonuses and MBO.
The change in other debts is mainly attributable to the payment of the contribution due to Consob following the listing on the stock exchange for Euro 581,035.

The debts to social security institutions include contributions relating to employee remuneration, performance bonuses and MBOs.

The payables for tax consolidation refer to the payables to the companies Eurotranciatura S.p.A., Corrada S.p.A., Euroslot Tools S.r.l. and DS4 S.r.l. which, as a result of their participation in the tax consolidation, contributed tax credits. Indeed, starting from the 2024 financial year, a tax consolidation agreement (pursuant to articles 117 et seq. of Italian Presidential Decree no. 917 of 22.12.1986) has been entered into between the consolidating company EuroGroup Laminations S.p.A. and the consolidated companies Eurotranciatura S.p.A., Corrada S.p.A., Ds4 S.r.l., Euroslot Tools S.r.l., Euro Automation S.r.l..

Explanatory Notes to the items of the Income Statement

(17) Revenues and income

The Company generates revenues from management and coordination services provided to subsidiaries. The following table provides a breakdown of revenue by business segment:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Management consultations according to the equity method	12,946,713	9,433,761
Services provided to subsidiaries	789,495	322,583
Revenues	**13,736,208**	**9,756,344**

(18) Costs for services

The following table provides a breakdown of the costs for services:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Consultancy fees	8,275,293	2,657,273
Remuneration of directors and statutory auditors	2,069,653	1,759,744
Travel and transfers costs	432,607	429,556
Advertising and entertainment expenses	425,034	381,363
Maintenance costs	312,818	250,896
Telephone expenses	126,868	117,715
Other costs for services	122,588	83,153
Personnel search and selection costs	30,497	160,876
Insurance	24,407	9,926
Rentals and leases	16,550	34,872
Costs for services	**11,836,315**	**5,885,374**

During the year, there was an increase in service costs of Euro 5,950,941, mainly due to an increase in consultancy expenses of Euro 5,618,020 incurred in projects to explore new geographical markets and for the purchase of the investment in the subsidiary company Kumar Precision Stampings Private Limited.
Other costs for services mainly include costs for cafeteria services (Euro 41,739), expenses for company car services (Euro 46,071) and expenses for personnel training (Euro 15,470).

The item remuneration of directors and statutory auditors includes the costs relating to the 2023-2025 stock option plan (the "Plan") for Euro 492,071 (Euro 272,857 at the end of the previous year).

The regulation was approved by the Company's Board of Directors on 18 January 2023. The Plan aims to incentivise and retain individuals who play a key role in achieving the Group's objectives, as well as to align the interests between the remuneration objectives of these individuals and those of increasing sustainable value and return on investment for shareholders.

The beneficiaries identified by the Company's Board of Directors as at 14 April 2023 are: 1) Executive Directors 2) Key Management Personnel 3) Managers whose activities have a significant impact at the level of Business, Corporate Management and local entities.
At the date of this report, the costs for services include the options granted to the first category of individuals. The total number of options granted to executive directors is 1,330,000.

The Plan, which has a duration of five years, is structured in three cycles each with a vesting period of 3 (three) years from the relative date of assignment of the options to the beneficiary and therefore with possible vesting of the rights and assignment of the shares during 2026, 2027 and 2028. At the end of each cycle, the beneficiary has the right to exercise one-third of the options granted giving the right to subscribe shares in the Company according to the 1/1 ratio by paying the strike price equal to the IPO price for the beneficiaries already in the Group's workforce prior to the IPO, while for the other beneficiaries equal to the average price of the Company's shares in the 30 days prior to the assignment. Each beneficiary can decide whether or not to exercise his or her options until the expiration of the Plan; unexercised options will be cancelled.

In application of IFRS 2, the financial instruments underlying the Plan were measured at fair value at the time of assignment.

The determination of the fair value, which takes into account the current value of the share at the grant date, volatility, the expected dividend flow, the duration of the Plan and the risk-free rate, was entrusted to an independent external expert and was carried out using a binomial valuation model. The input data used in the valuation are as follows:

Assignment date	**14 April 2023**
Average residual life at the grant date (in months)	58
Expected volatility of the share price	28.12%
Risk-free interest rate	2.63%
% dividends expected	0%
Fair value of the share at the grant date (Euro)	4.91
Exercise price (Euro)	**5.50**

The expected volatility was determined on the basis of the volatilities of a panel of comparables operating in sectors adjacent to the Group. The expected life used in the model was determined based on the expectation of when the option will be exercised.

(19) Personnel costs

The costs incurred for staff are divided as follows:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Wages and salaries	4,080,864	3,426,175
Social security charges	1,356,879	1,309,359
Staff severance indemnity provision	252,752	240,302
Other personnel costs	66,636	24,510
Share-based compensation	129,298	-
Personnel costs	**5,886,429**	**5,000,346**

The increase in personnel costs is due to the consolidation of the workforce, which began in 2023.
The item "share-based compensation" for Euro 129,298 thousand includes the costs relating to the 2023-2025 stock option plan (the "Plan") assigned to the categories "Executives with strategic responsibilities and Managers whose activities have a significant impact at the level of Business, Corporate management and local entities".
In the second half of 2024, a total of 759,000 options were assigned to the Company's employees in the above categories.
In application of IFRS 2, the financial instruments underlying the Plan were measured at fair value at the time of assignment.

The determination of the fair value, which takes into account the current value of the share at the grant date, volatility, the expected dividend flow, the duration of the Plan and the risk-free rate, was entrusted to an independent external expert and was carried out using a binomial valuation model. The input data used in the valuation are as follows:

Assignment date	**17 July 2024**
Average residual life at the grant date (in months)	43
Expected volatility of the share price	41.00%
Risk-free interest rate	2.90%
% dividends expected	0%
Fair value of the share at the grant date (Euro)	3.98
Exercise price (Euro)	**5.50**

The expected volatility was determined on the basis of the volatilities of a panel of comparables operating in sectors adjacent to the Group. The expected life used in the model was determined based on the expectation of when the option will be exercised.

The average number of employees of the Company, broken down by categories and compared with the previous year, was:

	31 December 2024	31 December 2023
Executives	13	10
Management	10	9
Employees	24	20
Annual average	**47**	**39**

(20) Other operating expenses

The following table shows the details of the other operating expenses:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
(Release)/Provision for risks	(397,554)	6,983
Other costs	625,441	60,844
Other operating expenses	**227,887**	**67,827**

The item (Release)/Provision for risks relates to what is described in note 13). Provision for risks and charges.
The increase in other operating expenses is attributable to the recognition of the cost relating to non-deductible VAT, equal to Euro 502,243.

(21) Financial income

The following table shows a detail of the financial income:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Interest from subsidiaries	7,600,465	3,953,309
Other financial income	3,537,687	3,981,762
Dividends from subsidiaries	2,027,936	1,227,209
Interest from parent companies	-	12,197
Interest for derivative financial instruments	347,863	-
Financial income	**13,513,951**	**9,174,477**

Interest from subsidiaries refers to interest accrued on loans granted to group companies, which increased as a result of new loans granted during the year and the increase in interest rates.

Other financial income was mainly due to the remuneration generated by the liquidity investment transactions (i.e. time deposits within 12 months).

(22) Financial expenses

The following table shows a detail of the financial expenses:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Interest on bank loans	2,903,903	66,161
Derivative financial instruments valued at fair value	1,421,262	-
Financial charges to other investors	947,527	522,268
Other financial expenses	759,694	106,787
Interest to subsidiaries	25,300	253,650
Write-down of investment	14,500	116,000
Financial expenses	**6,072,186**	**1,064,866**

The reduction in interest to subsidiaries is mainly attributable to the decrease in interest expense on cash pooling with the subsidiaries Eurotranciatura and Corrada.
Financial charges to other investors relate to interest accrued during the year on financial debt owed to Simest S.p.A., in accordance with contractual provisions, amounting to Euro 498,409, as well as the recognition of the financial charge arising from the revaluation of the debt at the current exchange rate for Euro 449,118.
The increase in interest on bank loans is mainly due to the taking out of four new loans, granted on 27 June 2024, respectively by Intesa Sanpaolo – IMI/CIB Division, UniCredit, BNL BNP Paribas and Deutsche Bank. Please refer to note (11) for further details.
The write-down of the equity investment relates to the company Euro Group Laminations Russia L.L.C. See note (3).
The increase in other financial charges is attributable to the increase in costs for banking services mainly linked to new loans granted during the year.

(23) Exchange gains/(losses)

The following table provides the details of exchange gains and losses:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Exchange losses	(15,078)	(2,065,092)
Exchange gains	4,480,252	177,744
Exchange gains/(losses)	**4,465,174**	**(1,887,348)**

Foreign exchange gains mainly refer to unrealised positive exchange differences on intercompany loans.

(24) Income taxes

This item shall consist of the following:

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Taxes from previous years	(353,489)	(266,046)
Income from tax consolidation	(86,323)	-
IRAP - Regional tax on production activities	4,753	224,587
Deferred tax assets/liabilities	228,801	486,555
Income taxes	**(206,258)**	**445,096**

The taxes relating to previous years amount to Euro 46,689 for the higher IRAP provision made at the end of the previous financial year, Euro 400,633 for the release of tax risk provisions for fiscal years 2016 and onwards and Euro 18,000 for the release of provisions made in the previous year for a tax assessment notice concerning transactions with SIMEST S.p.A. These are offset by IRES for the period 2018-2021 amounting to Euro 67,420 and withholdings on foreign interest of Euro 31,467.

The income from tax consolidation, equal to Euro 86,323, consists of remuneration for the tax losses transferred to the Group (calculated as the IRES rate multiplied by the amount of the transferred tax losses).

Deferred tax assets and deferred tax liabilities for the year mainly refer to taxes calculated on the differences between the book values of intangible assets and MBO bonuses and the corresponding tax bases used in the calculation of taxable income.

The Group has monitored and continues to monitor the implementation of Pillar II developed by the OECD Inclusive Framework in all countries in which it operates. The Group also carried out analyses on the applicability of the simplified transitional regimes pursuant to art. 39 of Italian Legislative Decree no. 209 of 27 December 2023 (published in the Official Gazette no. 301 of 28 December 2023) and Ministerial Decree of 20 May 2024 with reference to the 2024 financial year, the first period of application of the regime, and acknowledged that art. 2 of the Ministerial Decree of 20 May 2024 was applicable, in relation to each of the jurisdictions in which the Group operates. The Group therefore intends to make use of the simplified transitional regimes by exercising the option envisaged by art. 2 of the Ministerial Decree of 20 May 2024. This option makes it possible to assume the additional taxation due to be equal to zero, including the additional taxation pursuant to art. 36 of Italian Legislative Decree no. 209 of 27 December 2023, in all jurisdictions in which the Group operates.

Explanatory Notes to the items of the Cash Flow Statement

The main items that influenced the trend of cash flows in the periods under review are summarised below.

(Amounts in Euro)	31 December 2024	31 December 2023
Description		
Cash flow from operating activities (A)	(9,278,582)	(5,334,904)
Cash flow from investing activities (B)	(2,351,853)	(52,755,995)
Cash flow from financing activities (C)	29,400,249	104,239,083
Increase (decrease) in cash and cash equivalents (A+B+C)	**17,769,814**	**46,148,184**
Cash and cash equivalents at the beginning of the period	**54,670,240**	**8,522,056**
Effect of changes in exchange rates	(4,460,298)	-
Cash and cash equivalents at the end of the period	**67,979,756**	**54,670,240**

Net cash flow generated/absorbed by operating activities

The activity carried out during the period absorbed resources of Euro 9,278,582, compared to Euro 5,334,904 absorbed in the corresponding period of 2023. The cash flow absorbed during the financial year is mainly due to the positive cash flow generated before changes in net working capital, equal to Euro 931,118 (Euro (2,660,106) in 2023), which was more than offset by the negative cash flow deriving from the change in net working capital equal to Euro 9,112,384 (Euro (4,613,962) in 2023) and income taxes paid, equal to Euro 166,198 (Euro 720,942 in 2023).

Net cash flow generated/absorbed by investing activities

The cash flow absorbed by investing activities amounted to Euro 2,351,853 thousand compared to Euro 52,755,995 thousand in the corresponding period of 2023. This change is attributable to investments in equity interests in subsidiaries amounting to Euro 19,916,676 (primarily Euro 19,902,176 relating to Kumar Precision Stampings Private Limited), offset by disinvestments in time deposits of Euro 10,000,000, dividend income of Euro 2,116,550 and financial income of Euro 5,715,260.

Net cash flow generated/absorbed by financing activities

The total cash flow generated by financing activities amounted to Euro 29,400,249 thousand compared to Euro 104,239,083 thousand in the corresponding period of 2023. During the period, loans were granted to Group companies for Euro 51,764,828, treasury shares were purchased for Euro 10,872,817, bank and other borrowings were repaid for a total of Euro 1,364,918, dividends of Euro 6,836,618 were distributed to shareholders, and interest payments of Euro 4,675,557 were made. Cash inflows mainly relate to the taking out of four new loans totalling Euro 105,000,000.

Other information

FINANCIAL RISK MANAGEMENT POLICY

IFRS 7 requires companies to provide additional information in the financial statements that allows users to evaluate:
- the relevance of financial instruments with reference to the equity and financial situation and the economic results of the companies themselves;
- the nature and extent of the risks arising from financial instruments to which the companies are exposed during the financial year and at the balance sheet date, and how these risks are managed.

The Company is exposed to financial risks associated with its operations, in particular relating to the following cases:
- credit risk, with particular reference to normal commercial relationships with customers;
- market risk (in particular exchange rate risk, relating to operations in currencies other than the functional currency; interest rate risk, relating to the Company's financial exposure);
- liquidity risk, which may manifest itself in the inability to obtain the financial resources necessary to guarantee the Company's operations.

The Company pursues the objective of minimising the market risk deriving from exposure to changes in interest rates through the use of hedging derivative instruments such as interest rate swaps and interest rate caps.

It should be emphasised that all derivative instruments have been entered into for the purpose of hedging the underlying risks; however, at the date of presentation of these financial statements, not all the requirements of IFRS 9 to treat these derivatives under hedge accounting rules are met. Therefore, the Group's Management has deemed it appropriate to treat these instruments as trading, not hedging, transactions.

It should be noted that, as reported in the paragraph "Significant events after the end of the period", on 13 February 2025, the Group approved the Group Hedging Strategy, defining interest rate risk management processes.

Categories of financial instruments

The following table combines information about:
- classes of financial instruments based on their nature and characteristics;
- the carrying amount of the financial instruments;
- fair value of financial instruments (except financial instruments whose carrying amount is close to their fair value);
- fair value hierarchy of the financial assets and liabilities for which fair value was applied.

The levels of the fair value hierarchy (1 to 3) are based on the degree of observability of the fair value:
- level 1 fair value measurements are those derived from prices quoted (unadjusted) in the asset markets for assets or liabilities identical to those subject to valuation;
- level 2 fair value measurements are those derived from factors other than the quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. price derivatives);
- level 3 fair value measurements are those derived from measurement techniques that include inputs for assets or liabilities that are not based on observable market data (non-observable factors).

The following table shows the financial assets and liabilities for the valuation methodology applied:

(Amounts in Euro)		Financial assets and liabilities			Fair value level	
31 December 2024	**Impact on income statement**	**Impact on comprehensive income**	**Amortised cost**	**Total**	**1**	**2**
Non-current financial assets	-	1,142,544	113,930,385	115,072,929	1,142,544	113,930,385
Trade receivables	-	-	18,145,948	18,145,948	-	18,145,948
Other assets	-	-	107,841,479	107,841,479	-	107,841,479
Cash and cash equivalents	-	-	67,979,756	67,979,756	-	67,979,756
Total financial assets	**-**	**1,142,544**	**307,897,568**	**309,040,112**	**1,142,544**	**307,897,568**
Financial payables	-	-	120,381,618	120,381,618	-	120,381,618
Financial liabilities arising from leases	-	-	207,558	207,558	-	207,558
Trade payables	-	-	8,035,370	8,035,370	-	8,035,370
Other liabilities	-	-	2,383,490	2,383,490	-	2,383,490
Total financial liabilities	**-**	**-**	**131,008,036**	**131,008,036**	**-**	**131,008,036**

(Amounts in Euro)		Financial assets and liabilities			Fair value level	
31 December 2023	**Impact on income statement**	**Impact on comprehensive income**	**Amortised cost**	**Total**	**1**	**2**
Non-current financial assets	-	1,324,385	80,937,600	82,261,985	1,324,385	80,937,600
Trade receivables	-	-	3,991,809	3,991,809	-	3,991,809
Other assets	-	-	90,233,919	90,233,919	-	90,233,919
Cash and cash equivalents	-	-	54,670,240	54,670,240	-	54,670,240
Total financial assets	**-**	**1,324,385**	**229,833,568**	**231,157,953**	**1,324,385**	**229,833,568**
Financial payables	-	-	15,401,625	15,401,625	-	15,401,625
Financial liabilities arising from leases	-	-	204,622	204,622	-	204,622
Trade payables	-	-	2,848,187	2,848,187	-	2,848,187
Other liabilities	-	-	2,433,832	2,433,832	-	2,433,832
Total financial liabilities	**-**	**-**	**20,888,266**	**20,888,266**	**-**	**20,888,266**

Credit risk

The Company is exposed to a credit risk due to the fact that its customers (companies belonging to the Group) may delay or fail to meet their payment commitments in the agreed terms and that the internal procedures adopted in relation to credit risk assessment and customer solvency are not sufficient.
These risks could have a negative effect on the Company's economic, financial and capital situation.

(Amounts in Euro)	31 December 2024		31 December 2023	
Description	**Receivables**	**Allowance for doubtful accounts**	**Receivables**	**Allowance for doubtful accounts**
Not yet past due	12,416,093	-	1,293,035	-
0-60 days past due	48,440	-	900,343	-
60-180 days past due	30,791	-	108,935	-
> 180 days past due	5,823,305	172,681	1,862,177	172,681
Trade receivables	**18,318,629**	**172,681**	**4,164,490**	**172,681**

Liquidity risk

The Company is exposed to the risk of not being able to obtain new financing or renew existing loans on less attractive terms than those in place, and it may also fail to comply with the covenants entered into in existing financing contracts. Moreover, violation of covenants could in some cases lead (due to cross-default clauses) to the decline of the term benefit, compared to other financing agreements. The occurrence of these risks could have significant negative effects on the Group's economic and financial situation.

The main factors affecting the Company's liquidity are the resources generated or absorbed by operating activities and current investment, the possible distribution of dividends, the maturity or refinancing of debt, and the management of surplus cash. Liquidity needs or exceptions or surpluses are monitored on a daily basis in order to ensure the effective procurement of financial resources or adequate investment of excess liquidity.

Given the net financial position, the level of capitalisation and the ability to generate positive cash flows from operating activities, the Company considers the liquidity risk to be adequately mitigated, also taking into account the credit lines granted by the banking system, which are sufficient to meet operational and investment needs.

The Company's cash flows, financial requirements and liquidity are carefully monitored and managed in such a way as to:
- maintain an adequate level of liquidity;
- diversify the methods of obtaining financial resources;
- provide adequate credit lines;
- monitor prospective liquidity conditions, in relation to the business planning process.

(Amounts in Euro)	31 December 2024	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
Non-current financial liabilities	106,050,284	106,050,284	-	106,050,284	-
Non-current financial liabilities arising from leases	130,972	130,972	-	130,972	-
Total non-current financial liabilities	**106,181,256**	**106,181,256**	**-**	**106,181,256**	**-**
Current financial liabilities	177,682	177,682	177,682	-	-
Current portion of non-current financial liabilities	14,153,652	14,153,652	14,153,652	-	-
Current financial liabilities arising from leases	76,586	76,586	76,586	-	-
Total current financial liabilities	**14,407,920**	**14,407,920**	**14,407,920**	**-**	**-**
Total financial liabilities	**120,589,176**	**120,589,176**	**14,407,920**	**106,181,256**	**-**

(Amounts in Euro)	31 December 2023	Total cash flows	Less than 1 year	Between 1 and 5 years	> 5 years
Non-current financial liabilities	14,158,824	14,158,824	-	7,100,000	7,058,824
Non-current financial liabilities arising from rights of use	148,349	148,349	-	148,349	-
Total non-current financial liabilities	**14,307,173**	**14,307,173**	**-**	**7,248,349**	**7,058,824**
Current financial liabilities	206,911	206,911	206,911	-	-
Current portion of non-current financial liabilities	1,035,890	1,035,890	1,035,890	-	-
Current financial liabilities arising from rights of use	56,273	56,273	56,273	-	-
Total current financial liabilities	**1,299,074**	**1,299,074**	**1,299,074**	**-**	**-**
Total financial liabilities	**15,606,247**	**15,606,247**	**1,299,074**	**7,248,349**	**7,058,824**

Interest rate risk

The Company is subject to the risk of interest rate fluctuations in debt. Any change in interest rates (EURIBOR) could have an effect on increasing or decreasing financing costs.
The main source of exposure to the risk in question for the Company derives from the financial indebtedness expressed almost entirely at floating rate. In order to manage the risk of exposure to fluctuations in interest rates associated with cash flows, the Company has entered into derivative instruments such as Interest Rate Swaps (IRS) and Interest rate caps (CAP).

Derivatives include the negative fair value of financial instruments hedging the interest rate: IRSs were stipulated on the Euribor at different maturities and with different banks at a weighted average rate of 2.71%.

The management of these instruments, while substantially guaranteeing coverage of the mentioned risks, does not satisfy all the requirements of the IFRS 9 accounting standard for designation in Hedge Accounting and therefore their change in fair value is recognised in the Income Statement.

(Importi in migliaia di Euro)

Type of instrument	Identification number	EuroGroup Lamination S.p.A. parameters	Bank parameters	Maturity	Fair value as of 31 December 2024
Interest Rate Swap	105546650	2.82%	Euribor 3m	28/06/2029	(452,097)
Interest Rate Swap	Y037518ML	2.68%	Euribor 3m	30/06/2029	(468,952)
Interest Rate Swap	549300TRUWO2CD2G5692	2.36%	Euribor 3m	30/06/2029	(79,554)
Interest Rate Swap	34855410	2.66%	Euribor 3m	30/06/2029	(420,658)
Total					**(1,421,261)**

With reference to floating rate financial liabilities as of 31 December 2024, the effect on financial expenses of a hypothetical 2% increase in interest rates is shown below:

	31 December 2024					
(Amounts in Euro)	Residual debt	% of Total	Within one year	% of Total	Over a year	% of Total
Total fixed rate financial liabilities	103,867,895	86.13%	12,055,244	83.67%	91,812,651	86.47%
Total variable rate financial liabilities	16,721,281	13.87%	2,352,676	16.33%	14,368,604	13.53%
Total financial liabilities	**120,589,176**	**100%**	**14,407,920**	**100%**	**106,181,255**	**100%**
Interest to be paid on the variable rate exposure not covered by derivatives	621,780	-	88,905	-	532,875	-
Interest to be paid as a result of the change (+2%) in the basic reference rate	927,780	-	132,405	-	795,375	-

	31 December 2023					
(Amounts in Euro)	Residual debt	% of Total	Within one year	% of Total	Over a year	% of Total
Total fixed rate financial liabilities	15,006,164	96.15%	998,991	76.90%	14,007,173	97.90%
Total variable rate financial liabilities	600,083	3.85%	300,083	23.10%	300,000	2.10%
Total financial liabilities	**15,606,247**	**100%**	**1,299,074**	**100%**	**14,307,173**	**100%**
Interest to be paid on the variable rate exposure not covered by derivatives	33,366	-	16,683	-	16,683	-
Interest to be paid as a result of the change (+2%) in the basic reference rate	45,366	-	22,683	-	22,683	-

Exchange rate risk

In February 2025, the Company and the Group introduced a Group Hedging Strategy that defines the exchange risk management processes, the characteristics of the hedging derivatives, the counterparties and the duration of these transactions, and the guidelines for the Group companies. Furthermore, as an additional exchange rate risk management tool, the Group carries out purchase and sale transactions in the same local currency through bank accounts opened in individual countries.

RELATED PARTY TRANSACTIONS

In accordance with IAS 24, Related parties are: (a) companies which directly, or indirectly through one or more intermediate enterprises, control, or are controlled by, or are under common control with, the reporting enterprise; (b) related companies; (c) natural persons who have directly or indirectly a voting power in the reporting enterprise giving them a dominant influence over the enterprise and their immediate family members; (d) executives with strategic responsibilities, i.e. those who have the power and responsibility for the planning, management and control of the activities of the reporting enterprise, including directors and officers of the company and the close family members of those persons; (e) undertakings in which a significant voting power is held, directly or indirectly, by any natural person described under (c) or (d) or over which that natural person is able to exert a significant influence. Case (e) includes the enterprises owned by the Directors or major shareholders of the reporting enterprise and the enterprises that have an executive with strategic responsibilities in common with the reporting enterprise.

The following table shows a list of Related parties as of 31 December 2024, with the type of correlation:

Related parties	Type and main correlation
EMS S.P.A.	Shareholder of the issuer
CORRADA S.P.A.	Company 100% owned by the issuer
DS4 S.r.l.	Company 100% owned by the issuer
EURO AUTOMATION S.r.l.	Company 100% owned by the issuer
EUROSLOT TOOLS S.r.l.	Company 60% owned by the issuer
EUROTRANCIATURA S.P.A.	Company 100% owned by the issuer
SAF S.P.A.	Company 50% owned by the issuer
EUROTRANCIATURA TUNISIE (*)	Company 57.78% owned by the issuer
EURO GROUP LAMINATIONS RUSSIA LLC	Company 100% owned by the issuer
EURO MANAGEMENT SERVICES MEXICO S.A. DE C.V.	Company 87.6% owned by the issuer
EURO HIGHTECH S.A. DE C.V	Company 70.90% owned by the issuer
EUROPROPERTIES MEXICO S.A. DE C.V.	Company 100% owned by the issuer
EUROTRANCIATURA MÉXICO, S. A. DE C. V	Company 87.6% owned by the issuer
EUROGROUP LEVERAGE LENDER LLC	Company 100% owned by the issuer
EUROPROPERTIES USA LLC	Company 100% owned by the issuer
EUROTRANCIATURA USA LLC	Company 78.84% owned by the issuer
EURO (JIAXING) MOTOR TECHNICAL SERVICES CO. LTD.	Company 60% owned by the issuer
EURO GROUP ASIA LIMITED	Company 60% owned by the issuer
EURO MISI HIGH TECH JIAXING CO. LTD	Company 41.40% owned by the issuer
EURO MISI LAMINATIONS JIAXING CO. LTD	Company 41.40% owned by the issuer
KUMAR PRECISION STAMPINGS PRIVATE LIMITED	Company 40% owned by the issuer
SAFIM S.r.l.	Company 50% owned by the shareholder of the issuer
Natural persons	
Iori Sergio	Chairman of the Board of Directors of the issuer appointed on 18 November 2022
Arduini Marco Stefano	CEO of the issuer, appointed on 18 November 2022
Guardalà Isidoro	Deputy Chairman of the issuer's Board of Directors appointed on 18 November 2022
Quagliuolo Roberto Francesco	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Gales Jean-Marc Pierre	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Dill Axel Volker (**)	Director of the Board of Directors of the issuer, appointed on 24 January 2024
Franchini Leonardantonio	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Beitinger Gunter	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Bianchi Alessandra	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Calloni Maria Giovanna	Director of the Board of Directors of the issuer, appointed on 18 November 2022
Garavaglia Luigi Emilio	Member of the Board of Statutory Auditors in office appointed on 18 November 2022
Venturini Maria	Member of the Board of Statutory Auditors in office appointed on 18 November 2022
Ebreo Pietro Francesco	Member of the Board of Statutory Auditors in office appointed on 18 November 2022
Gandola Giancarlo	Member of the Board of Statutory Auditors in office appointed on 18 November 2022
Sironi Roberta	Member of the Board of Statutory Auditors in office appointed on 18 November 2022

(**) On 24 January 2024, the executive director Axel Volker Dill replaced the previous executive director Gianluca Umberto Maria Bertocchi.

As of 31 December 2024, the Company carried out transactions with related parties on commercial terms consistent with the market, taking into account the characteristics of the goods or services in question.
The transactions carried out by related parties are of a commercial and financial nature and are set out in the attached table:

(Amounts in Euro)

Description	EMS S.p.A.	Eurotrancia-tura S.p.A.	Eurotran-ciatura USA	Euro Group Asia LTD.	SAF S.p.A.	Euro Misi High Tech Jiaxing Co. LTD	Euro Misi Lamina-tions Co. LTD	Eurotran-ciatura Tunisie S.A.R.L.	Corrada S.p.A.	Euro Automation S.r.l.	DS4 S.r.l.	Eurotrancia-tura Mexico S.A. de C.V.	Europro-perties Mexico S.A. de C.V.	Euro Group Leverage Lender L.L.C.	Euroslot Tools S.r.l.	Euro High Tech Mexico S.A. de C.V.	Euro (Jiaxing) Motor Technical Service CO. LTD	Euro Group Laminations Russia L.L.C.	Kumar Preci-sion Stamp-ings Private Limited	Other (*)	Total	Total financial statements item	Impact on financial state-ments item
Equity Investments																							
31 December 2024	-	2,464,095	-	20,389,554	13,474,004	-	-	11,144,797	646,285	100,000	19,621,940	619,672	238,747	8,756,073	210,000	2,641,915	-	-	19,902,176	-	100,209,258	100,209,258	100%
31 December 2023	-	2,314,942	-	20,354,020	13,474,004	-	-	9,852,589	631,495	100,000	19,604,653	596,918	238,747	8,756,073	210,000	2,641,915	-	-	-	-	78,775,356	78,775,356	100%
Non-current financial assets and receivables																							
31 December 2024	-	-	8,686,820	38,806,396	-	-	-	-	-	-	-	66,415,528	-	-	-	-	-	-	-	-	113,908,744	115,072,929	99%
31 December 2023	-	-	8,167,183	38,230,605	-	-	-	6,012,207	-	-	-	28,505,965	-	-	-	-	-	-	-	-	80,915,960	82,261,985	98%
Current financial assets and receivables																							
31 December 2024	-	46,284,468	815,286	4,050,479	-	-	4,956	8,098	21,338,658	-	-	4,167,612	10,216	-	-	54,974	-	-	-	-	76,734,747	107,841,479	71%
31 December 2023	-	35,002,624	327,333	2,385,341	-	-	-	430,927	10,247,803	-	-	807,767	-	-	-	153,726	-	-	-	-	49,355,521	90,233,919	55%
Trade receivables																							
31 December 2024	36,670	6,265,592	993,684	539,783	-	2,448,841	736,358	255,061	526,244	43,942	94,870	5,863,612	-	-	149,695	169,853	20,641	-	-	1,102	18,145,948	18,145,948	100%
31 December 2023	149,541	603,594	198,146	537,348	-	-	60,000	1,015,801	324,922	-	-	841,006	-	-	90,838	159,759	10,854	-	-	-	3,991,809	3,991,809	100%
Other current assets and receivables																							
31 December 2024	-	-	-	-	-	-	-	-	-	61,793	-	-	-	-	-	-	-	-	-	-	61,793	2,842,260	2%
31 December 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,547,936	0%
Employee benefits																							
31 December 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,824	10,824	717,295	2%
31 December 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,893	30,893	660,083	5%
Trade payables																							
31 December 2024	-	1,700,791	776	-	-	-	-	-	245,559	-	-	24,584	-	-	-	-	93,711	-	-	-	2,065,421	8,035,370	26%
31 December 2023	-	353,575	10,283	-	-	-	-	-	-	-	-	188,166	-	-	-	-	-	-	-	-	552,024	2,848,187	19%
Other current liabilities																							
31 December 2024	-	30,243	-	-	-	-	-	-	239,486	-	96,244	-	-	-	18,352	-	-	-	-	-	384,325	1,642,220	23%
31 December 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	362,621	362,621	2,433,832	15%

(Amounts in Euro)

Description	EMS S.p.A.	Eurotrancia-tura S.p.A.	Eurotran-ciatura USA	Euro Group Asia LTD.	SAF S.p.A.	Euro Misi High Tech Jiaxing Co. LTD	Euro Misi Lamina-tions Co. LTD	Eurotran-ciatura Tunisie S.A.R.L.	Corrada S.p.A.	Euro Automation S.r.l.	DS4 S.r.l.	Eurotrancia-tura Mexico S.A. de C.V.	Europro-perties Mexico S.A. de C.V.	Euro Group Leverage Lender L.L.C.	Euroslot Tools S.r.l.	Euro High Tech Mexico S.A. de C.V.	Euro (Jiaxing) Motor Technical Service CO. LTD	Euro Group Laminations Russia L.L.C.	Kumar Preci-sion Stamp-ings Private Limited	Other (*)	Total	Total financial statements item	Impact on financial state-ments item
Revenues																							
31 December 2024	319,740	5,817,157	795,538	4,256	-	1,717,737	348,731	263,070	391,706	36,018	77,763	3,852,627	-	-	96,743	-	466	-	-	1,099.62	13,722,652	13,736,208	100%
31 December 2023	288,261	4,793,425	913,874	4,800	-	-	9,228	200,253	471,945	-	-	2,941,246	-	-	132,801	-	512	-	-	-	9,756,345	9,756,344	100%
Other revenues and income																							
31 December 2024	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	48,030	21%
31 December 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	242,394	0%
Costs for services																							
31 December 2024	-	(1,210,791)	(1,754)	-	-	518,845	24,120	4,773	(172,764)	-	-	409,377	-	-	9,441	-	(84,390)	-	-	(1,638,932)	(2,142,075)	(11,836,315)	18%
31 December 2023	-	(148,672)	258	-	-	-	-	-	-	-	-	(188,166)	-	-	-	-	-	-	-	(1,368,071)	(1,704,651)	(5,885,374)	29%
Personnel costs																							
31 December 2024	-	(123,169)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,112,381)	(1,235,550)	(5,886,429)	21%
31 December 2023	-	(915,394)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(705,776)	(1,621,170)	(5,000,346)	32%
Other operating expenses																							
31 December 2024	-	(2,358)	-	-	-	-	-	-	1,110	-	-	-	-	-	-	-	-	-	-	-	(1,248)	(227,887)	1%
31 December 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(67,827)	0%
Financial expenses																							
31 December 2024	-	(25,300)	-	-	-	212,165	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	236,865	(6,072,186)	(4%)
31 December 2023	-	(203,415)	-	-	-	-	-	-	(50,235)	-	-	-	-	-	-	-	-	(116,000)	-	-	(369,650)	(1,064,866)	35%
Financial income																							
31 December 2024	-	1,340,669	475,869	1,608,306	1,014,000	-	4,956	108,012	1,158,374	-	500,000	3,250,746	10,533	-	108,000	48,936	-	-	-	-	9,628,401	13,513,951	71%
31 December 2023	12,197	407,437	269,072	1,526,905	1,002,000	-	-	327,661	603,189	-	-	857,128	8,670	-	-	178,457	-	-	-	-	5,192,716	9,174,477	57%
Exchange gains (losses)																							
31 December 2024	-	-	531,721	629,288	-	-	-	-	-	-	-	3,295,383	-	736	-	7,738	-	-	-	-	4,464,866	4,465,174	100%
31 December 2023	-	-	(454,167)	(337,677)	-	-	-	-	-	-	-	(1,074,624)	-	-	-	(7,428)	-	-	-	-	(1,873,896)	(1,887,348)	99%

The related parties identified as “Other” are the directors of the company, the key management personnel and the auditors.

GUARANTEES GRANTED AND OTHER CONTRACTUAL COMMITMENTS

The following table shows commitments, guarantees and contingent liabilities not arising from the balance sheet:

Description	31 December 2024
Bank guarantees granted in the interest of the Group companies	87,583,884

The guarantees of Euro 87,583,884 refer mainly to guarantees issued in favour of the subsidiary Eurotranciatura S.p.A..

REMUNERATION OF DIRECTORS AND AUDITORS

The Company has appointed the Board of Statutory Auditors pursuant to Article 2400 of the Italian Civil Code and has assigned to it only the functions provided for in Article 2403(1). The Board of Statutory Auditors' remuneration for 2024 was equal to Euro 91,000.

As regards the emoluments allocated to the Directors in 2024, the remuneration paid amounts to Euro 1,152,174.

In the year under review, the Company did not grant advances or credits to the Directors and members of the Board of Statutory Auditors or made any commitments on their behalf or provided any guarantees.

FEES TO THE EXTERNAL AUDITOR

As required by art. 2427, paragraph 1 no.16 bis) of the Italian Civil Code and art. 149-duodecies of the Issuers Regulation, the fees payable to the audit firm for the audit of the Financial Statements and for the performance of services other than the audit of the Financial Statements are set out below:

Type of service (Amounts in thousands of Euro)	Recipient	Audit firm	Amount
Audit of the financial statements	Parent Company	Auditor of the Parent Company	182
Total Audit Services (a)			**182**
Non-audit services			
Limited certificate services of the Consolidated Sustainability Report	Parent Company	Auditor of the Parent Company	153
Total Non-Auditing Services (b)			**153**
Total fees (a)+(b)			**335**

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

In **January 2025**, the subsidiary Eurotranciatura USA LLC launched the New Market Tax Credit (NMTC) programme for the period 2025–2031, enabling it to benefit from federal financial support available for investments in economically disadvantaged areas, as provided for under US tax law.
The NMTC programme requires compliance with certain federal government requirements over a seven-year period, from 2025 to 2031. The gross benefit is calculated with the following rates: 5% for the first three years and 6% for the next four years, amounting to a total of 39% of the estimated investment, which is approximately 25,000 thousand dollars. The net benefit at the end of the transaction is estimated at approximately 4,743 thousand dollars, gross of taxes.

In **13 February 2025**, the Company and the Group introduced a Group Hedging Strategy that defines the exchange risk management processes, the characteristics of the hedging derivatives, the counterparties and the duration of these transactions, and the guidelines for the Group companies, as well as the processes for managing interest rate risk.

On **10 March 2025** - EuroGroup Laminations S.p.A. announced that the subsidiary Euro Group Asia Limited ("EGLA Asia") has signed an agreement for the purchase of the minority interests held by the partner Marubeni-Itochu Steel Inc. ("MISI") in the joint venture Euro Misi High-tech Jiaxing Co. Ltd and Euro Misi Laminations, Jiaxing Co. Ltd, both equal to 31% of the share capital of these companies. The transaction is aimed at consolidating the two Chinese joint ventures, with a view to strategic strengthening of the Group in the region. Under the terms of the agreements, EGLA Asia is expected to purchase shares from MISI corresponding to 30% of the capital of each of the two joint ventures, for a total price of 100 million RMB (equal to approximately Euro 12.7 million). The remaining 1% of the capital of the two companies will be subject to reciprocal purchase and sale options between Marubeni and EGLA Asia, exercisable at market values within four years of the closing of the purchase transaction. The transaction closed in the first quarter 2025. The total disbursement for the transaction was fully financed through the use of the Group's cash and cash equivalents and was not subject to adjustments.

INFORMATION PURSUANT TO ARTICLE 2427, PARA. 1, N.22-QUINQUES AND SEXIES OF THE ITALIAN CIVIL CODE

As required by art. 2427, para. 1, no.22- quinques and sexies of the Italian Civil Code, it is known that the Company is included in the consolidated financial statements of E.M.S., having its registered office in Via Trivulzio,1 20146 Milan (MI) whose consolidated financial statements are deposited at its registered office.

INFORMATION PURSUANT TO ITALIAN LAW 124/2017 OF 4-8-2017, PARAGRAPHS 125, 125-BIS AND 126

During the financial year, the Company did not receive grants, subsidies, benefits, contributions or aid, in cash or in kind, which were not of a general nature and without consideration, remuneration or compensation, disbursed by public administrations.

PROPOSED ALLOCATION OF OPERATING PROFIT

For the financial year ending 31 December 2024, the Board of Directors resolved to propose to the shareholders' meeting:

1. to allocate the profit for the year of EuroGroup Laminations S.p.A, amounting to Euro 7,419,781 (accounting value Euro 7,419,780.68) (i) for the portion required to reach an amount equal to 20% of the share capital, i.e. Euro 85,808.61, to the legal reserve, (ii) for Euro 4,444,325.71 to the non-distributable foreign exchange gains reserve until its utilization, (iii) Euro 1,755,615.95 to the negative reserve for the purchase of treasury shares (iv) for the remaining amount, equal to Euro 1,134,030.41, to the distribution of a dividend;

2. to distribute a total dividend equal to Euro 0.042 for each share entitled to profits, excluding, therefore, treasury shares held by the Company, in accordance with the provisions of Article 2357-ter, paragraph 2, of the Italian Civil Code, to be paid for Euro 1,134,030.41 from the profit for the 2024 financial year and for the residual amount, approximately Euro 5.72 million, through the use of sums deriving from the partial distribution of distributable reserves created, for their entire amount, with the share premium reserve. It should be noted, however, that any change in the number of treasury shares held in the Company's portfolio at the time of distribution will not affect the amount of the dividend per unit as established above, but will go to increase or decrease the additional paid-in capital reserve.

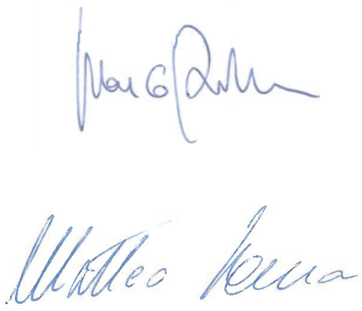
The dividend will be proposed for payment on May 21, 2025 (ex-dividend date 19 May 2025 and record date 20 May 2025).

Certificate pursuant to art. 154 Bis of italian legislative decree no. 58 of 24 February 1998

The undersigned, Marco Arduini, in his capacity as Chief Executive Officer, and Matteo Perna, in his capacity as Manager in charge of preparing the corporate accounting documents of EuroGroup Laminations S.p.A. hereby declare, pursuant to the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998:
- adequacy in relation to the characteristics of the enterprise; and
- the effective application of administrative and accounting procedures for the formation of the financial statements during the period from 1 January to 31 December 2024.

The assessment of the adequacy of the administrative and accounting procedures for the establishment of the financial statements at 31 December 2024 is based on a process defined by EuroGroup Laminations S.p.A. in line with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission representing a generally accepted international framework of reference. No relevant points have been raised in this regard.

It is also certified that:
- The financial statements:
  - **a.** are drawn up in accordance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
  - **b.** correspond to the results of the books and accounts;
  - **c.** are capable of providing a true and fair representation of the financial, economic and financial position of the issuer and of all the undertakings included in the consolidation.
- The annual report shall include a reliable analysis of the performance and result of the operations, as well as the situation of the issuer and all the companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.



Deloitte.

Deloitte & Touche S.p.A.
Via Santa Sofia, 28
20122 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
EuroGroup Laminations S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of EuroGroup Laminations S.p.A. (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter

Impairment test – Recoverability of investments in subsidiaries

Description of the key audit matter

The Company financial statements as at 31 December 2024, include a value of Investment in subsidiaries of Euro100 million, measured at cost.

In accordance with the provisions of IAS 36 – Impairment of Assets, considering the identified indicators of potential impairment as the significant difference between the carrying amount of investments in subsidiaries in the financial statements and the related recoverable amount, the performance of the Industrial segment and the changes in the EV & Automotive macroeconomic environment, Management performed the impairment test to determine whether the carrying amounts of investments in subsidiaries as at 31 December 2024, are recognised at a value not higher than their recoverable amounts. The impairment test was carried out for all investments except Kumar Precision Stampings Private Limited which was acquired in the latter part of the year and for which Management therefore assessed that the carrying amount is in line with the fair value of the same.

As a result of this test, no impairment losses were recognized.

The impairment test performed by Management regarding the recoverable amount of the investments in subsidiaries, measured on a value in use basis, is complex and based on assumptions regarding: (i) the forecast of expected cash flow of the investments, making reference to the 2025 Budget and the 2025 – 2028 Business Plan prepared by the subsidiaries' management with the support of Company's Management, and included in the EuroGroup Laminations Group consolidated Business Plan, approved by the Board of Directors of EuroGroup Laminations S.p.A. on 24 March 2025; and (ii) the determination of appropriate discount rates (WACC) and long-term growth rates (g-rate).

Considering the judgment of the estimates used to determine the cash flow included in the test and the key assumptions of the impairment models and the economics and financial performance of the subsidiaries, we considered the impairment test on investments in subsidiaries a key audit matter in the audit of the Company's financial statements.

Deloitte.

The explanatory note paragraph “Recoverability of Investments” and the paragraph “Use of Estimates” and Note 3 “Investments in Subsidiaries” provide disclosures relating to the impairment test and sensitivity analyses performed by Management.

Audit procedures performed

As part of our audit procedures we have, among other things, carried out the following procedures, also involving the support of specialists from our *Network*:

- examination of the rationale used by the Management to determine the recoverable amount of the investments, analyzing the methods and assumptions used for the development of the impairment test;
- understanding of the relevant controls undertaken by the Company on the impairment test process on the investments in subsidiaries;
- assessment of the reasonableness of the main assumptions adopted by the Management to develop cash flow forecasts and collection of other relevant information by Management;
- variance analysis of actual data in comparison with original business plans, in order to evaluate the nature of the variances and the reliability of the process of preparation of the business plans;
- assessment of the methods for determining the discount rate (WACC) and analysis of the reasonableness of the long-term growth rate (g-rate);
- comparison between the recoverable amount and the carrying amount of the investments in subsidiaries;
- assessment of the sensitivity analysis prepared by the Management;
- assessment of the adequacy of the disclosure provided by the Company on the impairment tests with IAS 36 requirements.

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

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Deloitte.

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern.

Deloitte.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of EuroGroup Laminations S.p.A. has appointed us on 18 November 2022 as auditors of the Company for the years from 31 December 2022 to 31 December 2030.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of EuroGroup Laminations S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the financial statements as at 31 December 2024, to be included in the annual financial report.

Deloitte.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at 31 December 2024 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

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 EuroGroup Laminations S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of EuroGroup Laminations S.p.A. as at 31 December 2024, including their consistency with the related financial statements and its their 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 and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section related to the sustainability disclosure, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of EuroGroup Laminations S.p.A. as at 31 December 2024.

In addition, in our opinion, the report on operations, excluding the section related to the sustainability disclosure, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are 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.

Our opinion on the compliance with the law does not extend to the section related to the sustainability disclosure. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Matteo Bresciani
Partner

Milan, Italy
April 14, 2025

As disclosed by the Directors on page 2, the accompanying financial statements of EuroGroup Laminations S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

EuroGroup Laminations S.p.A.
Registered Office at Baranzate (MI), 48, Via Stella Rosa
Equity fully subscribed and paid-up Euro 6,111,941.00
VAT No. Tax Code and registration number in the Companies Register of
Milan Monza Brianza Lodi 05235740965
Economic Industry Index MI-1805877

REPORT BY STATUTORY AUDITORS
TO THE SHAREHOLDER MEETING OF EUROGROUP LAMINATIONS S.P.A.
CONVENED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR 2024
PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/1998
AND ARTICLE 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE

Dear Shareholders,

this report outlines the activities carried out by the Board of Statutory Auditors of EuroGroup Laminations S.p.A. (hereinafter also referred to as the "Company," "Eurogroup," or "EGLA") for the financial year ended 31 December 2024.

The current Board of Statutory Auditors is composed of Dr. Luigi Emilio Garavaglia (Chairman), Dr. Maria Venturini (Standing Auditor), and Dr. Pietro Ebreo (Standing Auditor). The Board was appointed, in accordance with the applicable legal, regulatory, and statutory provisions, by the Shareholders' Meeting held on 18 November 2022. It took office on the date of EGLA's listing on the Euronext Milan market (10 February 2023) and will remain in office until the Shareholders' Meeting called to approve the financial statements as of 31 December 2025.

Pursuant to Article 153 of the D.Lgs. N. 58/1998 ("T.U.F."), also taking into account the guidelines provided by Consob in Communication DEM/1025564 of 6 April 2001, as subsequently amended and supplemented, as well as the provisions of Article 19 of Legislative Decree No. 39 of 27 January 2010 regarding the Internal Control and Audit Committee — which, in listed companies, corresponds to the Board of Statutory Auditors — we hereby report the following.

Supervisory activities on compliance with Laws and the By-laws

During the financial year ended 31 December 2024, the Board of Statutory Auditors of the Company carried out the supervisory activities required by law in accordance with the rules of conduct for boards of statutory auditors as recommended by the Italian National Council of Chartered Accountants and Accounting Experts. These activities included attending corporate body meetings, conducting periodic audits, and holding meetings to exchange information on activities and control programs with the representatives of the independent auditors Deloitte & Touche S.p.A. (the "Independent Auditors"), the members of the Supervisory Body established pursuant to Legislative Decree 231/2001 (the "Supervisory Body"), the members of the "Control, Risk and ESG Committee," the "Nomination and Remuneration Committee," and the "Related Parties Committee," as well as with key representatives of various corporate functions and the Executive in charge of financial reporting.

Specifically, during the 2024 financial year, the Board of Statutory Auditors met eight times, including meetings with the Independent Auditors and the Supervisory Body. In the 2025 financial year, seven meetings have been held to date. The Board of Statutory Auditors also took part, either collectively or through one of its members, in all meetings of the board committees: three meetings of the Related Parties Committee, nine meetings of the Control, Risk and ESG Committee, and ten meetings of the Nomination and Remuneration Committee.

In 2024, the Board of Statutory Auditors attended one Shareholders' Meeting and ten meetings of the Board of Directors, supervising compliance with the statutory, legal, and regulatory provisions governing the functioning of the Company's corporate bodies, as well as ensuring adherence to principles of sound management.

With regard to the annual Shareholders' Meeting held on 6 May 2024 in ordinary session, the Board notes that shareholders were allowed to participate exclusively through the designated representative, pursuant to Article 106 of Decree-Law No. 18/2020, subsequently converted into Law No. 27/2020, the effectiveness of which was extended until 31 December 2024 by Law No. 21 of 5 March 2024.

We monitored compliance with laws and the by-laws, as well as the consistency of the proposal for the distribution of dividends made by the Board of Directors on 24 March 2025. As the proposed dividend exceeds the freely distributable net income for the year, it includes the distribution of a portion of available reserves.

In line with the regulatory framework on market abuse, the Company has adopted a procedure for the management and disclosure of inside information and the establishment of an insider list, as well as an internal dealing policy regulating the terms and methods for disclosing to the market any transactions involving the purchase or sale of EGLA shares or other financial instruments linked to such shares, carried out by individuals identified by the policy as "relevant persons" of Eurogroup.

Throughout the year, we reviewed the periodic disclosures and press releases issued by the Company, as well as compliance with reporting obligations to Consob.

Supervisory activities on compliance with principles of proper management

We received, at appropriate intervals, information from the Directors regarding the general course of business, expected developments, activities carried out, and significant economic, financial, and equity transactions undertaken during the year — including those performed through subsidiaries. We verified that such transactions complied with the law and the by-laws, and that they were not manifestly imprudent or speculative, did not present potential conflicts of interest, were not in contrast with shareholders' resolutions, and did not compromise the integrity of the Company's assets. The Board of Statutory Auditors considers the information provided by the Directors in the Management Report — to which reference is made — to be adequate in representing the findings arising from our supervisory activities.

We did not find — nor were we informed by the Board of Directors, the board committees, the Independent Auditors, the Internal Auditor, or the Supervisory Body — of any atypical and/or unusual transactions carried out with third parties, Companies of the EuroGroup Laminations Group (the "Group"), or related parties.

Among the significant events mentioned in the Management Report, we highlight the following:

- On 17 January 2024, EuroGroup Laminations S.p.A., pursuant to Article 2-ter of the regulation adopted by Consob Resolution No. 11971 of 14 May 1999 ("Issuers' Regulation"), obtained the qualification of "SME" (Small and Medium Enterprise) under Article 1, paragraph 1, letter w-quater.1) of the TUF. As a result, for the purposes of disclosure obligations on significant shareholdings under Article 120 of the TUF, the threshold of 5% now applies instead of 3%;
- On 24 January 2024, the Board of Directors of EuroGroup Laminations S.p.A. appointed by co-option, pursuant to Article 2386 of the Italian Civil Code and Article 13.4 of the Company's by-laws, Dr. Axel Volker Dill as new executive director. He assumed the role of CEO of the Industrial Business Unit, previously held by Eng. Gianluca Bertocchi, and serve as a manager with strategic responsibilities. The appointment followed the resignation of Eng. Bertocchi, submitted on 24 January 2024 with immediate effect to pursue other professional goals. The appointment of Axel Volker Dill was confirmed by the Shareholders' Meeting on 6 May 2024;
- On 13 May 2024, the Board of Directors appointed Isidoro Guardalà as Deputy Group CEO and Matteo Perna as Group CFO, in order to strengthen the Company's organizational structure for the upcoming phase of development;
- On 27 June 2024, the Group announced the closing of a financing transaction and the signing of four financing agreements with Intesa Sanpaolo – IMI/CIB Division, UniCredit, BNL BNP Paribas, and Deutsche Bank, for a total maximum aggregate amount of €140 million. These loans align with the Company's broader growth and international expansion strategy. The agreements include: (i) four term credit lines for a maximum aggregate amount of €65 million, maturing on 30 June 2029; (ii) four term credit lines backed by SACE Green Guarantees for an aggregate maximum amount of €40 million, also maturing on 30 June 2029; and (iii) four revolving credit lines for a maximum aggregate amount of €35 million, maturing on 30 June 2027;
- On 1 August 2024, EuroGroup signed a preliminary Memorandum of Understanding in Rome at the Ministry for Enterprises and Made in Italy, in the presence of Minister Adolfo Urso, for a strategic partnership with the Chinese Hixih Rubber Industry Group, a leading supplier to the automotive industry in China. The agreement commits the parties to developing an industrial partnership based on a joint venture under EGLA's control to accelerate growth in the Chinese market with local EV manufacturers. It also provides for the creation of a new R&D center for innovative technologies in Hixih's industrial area in Shandong, aimed at protecting intellectual property and supporting co-development and partnerships with local customers. A high-tech industrial plant for the production of motor cores for New Energy Vehicles will also be built in the same area, with investments supported by dedicated incentive programs;
- Also on 1 August 2024, the Group announced the acquisition of a 40% stake in the Indian company Kumar Precision Stampings Private Limited, with closing finalized on 14 November 2024. The company is a leader in the production and distribution of stators and rotors for electric motors across various industrial and household applications (including HVAC, railway, home appliances, pumps, and generators), and is also active in the transformer business. With this acquisition, EGLA further strengthens its Industrial Business Unit by entering a high-growth local market and expanding its customer base and global position in the transformer laminations segment. The total investment amounted to €19.9 million, including the purchase of shares from Kumar's shareholders for €13.9 million and a €6 million capital increase. The entire consideration was financed using EGLA's available cash and is not subject to adjustment. As part of the transaction, a shareholders' agreement was signed, which, among other things, governs the company's governance structure, granting EGLA the power to direct the relevant activities, thereby allowing, in the opinion of the directors, full consolidation;

- On 5 November 2024, EuroGroup Laminations S.p.A. signed an agreement for the sale of the assets of its Russian subsidiary, Euro Group Laminations Russia, to a Russian buyer. On 19 December 2024, the UAMA National Authority at the Ministry of Foreign Affairs granted authorization for the transaction. In February 2025, the Russian subsidiary completed the asset disposal.

In the "Main Risks and Uncertainties" section of the Management Report, the Directors outlined the risk factors and uncertainties that may significantly impact the Group's business. In particular, the report presents the Group's objectives and policies regarding the management of the following risks:

- External risks**:** country risk; demand fluctuations; climate change; customs duties;
- Strategic risks: innovation; investments;
- Operational risks: supply chain; product quality; information technology; legal and compliance;
- Financial risks: credit risk, liquidity risk, exchange rate risk, interest rate risk, commodity price risk.

The Company, also on behalf of its subsidiaries, adopted a whistleblowing management procedure and launched the relevant platform in accordance with Legislative Decree No. 24 of 10 March 2023, implementing EU Directive 2019/1937.

Supervisory activities on the adequacy of the organizational structure

We have acquired knowledge of, and monitored within the scope of our responsibilities, the adequacy of the organizational structure in terms of its framework, procedures, competencies, and responsibilities, in relation to the size of the Company, the nature of its business, and the methods used to pursue its corporate purpose.

During periodic inspections, we met several times with Mr. Isidoro Guardalà and Mr. Matteo Perna, appointed respectively as Deputy Group Chief Executive Officer and Group Chief Financial Officer by resolution of the Board of Directors on 13 May 2024. The Group CFO was also appointed as the Executive Responsible for the preparation of corporate financial reports and as the person required to certify the sustainability reporting pursuant to Article 154-bis, paragraph 5-ter of the Consolidated Law on Finance (TUF). The appointment was made with the favorable opinion of the Board of Statutory Auditors pursuant to Article 154-bis of the TUF.

As reported in the Report on Corporate Governance and Ownership Structure, the Board of Directors, also in accordance with the Corporate Governance Code, carries out the following activities:

a) Defines strategic guidelines and examines and approves the Company's and the Group's multi-year industrial plan, including through analysis of matters relevant to long-term value creation;
b) Periodically monitors the implementation of the industrial plan and evaluates the general management performance, comparing actual results with targets;
c) Defines the nature and level of risk compatible with the Company's strategic objectives, including all relevant elements in the context of the Company's sustainable success;
d) Defines the Company's system of corporate governance and Group structure, and assesses the adequacy of the organizational, administrative, and accounting structure of the Company and any strategically significant subsidiaries, with particular regard to the internal control and risk management system;
e) Resolves on Company and subsidiary transactions that are of significant strategic, economic, equity or financial importance to the Company;
f) Adopts, upon proposal of the Chairperson in agreement with the CEO, a procedure for the internal management and external communication of documents and information relating to the Company, with particular reference to inside information.

On 5 October 2022, the Company adopted the Organizational Model provided for under Legislative Decree No. 231/2001 ("Model 231"), of which the Code of Ethics (updated in February 2024) is an integral part. The model is aimed at preventing the commission of offenses relevant under the Decree and, consequently, the attribution of administrative liability to the Company. During the year, the Board of Statutory Auditors met with the Supervisory Body to exchange information on the activities carried out and reviewed its annual report dated 6 February 2025, which did not highlight any reportable events or violations of the Model adopted by the Company, nor any acts or conduct in breach of Legislative Decree 231/2001.

Since March 2018, Group companies subject to Regulation (EU) 2016/679 (the General Data Protection Regulation – GDPR) have aligned with the provisions of the regulation, taking measures to ensure that their organization and processes comply with its requirements.

Supervisory activities on the adequacy of the internal control System

To the extent of our competence, and also pursuant to Article 19 of Legislative Decree No. 39/2010, we have gained knowledge of the internal control system, remaining constantly updated on the improvements made to it following the Company's listing. In this regard, we have monitored the activities carried out by the designated Officer, the adequacy of the administrative and accounting system, and its reliability in accurately representing management events, with particular reference to the procedures introduced pursuant to Law No. 262/2005. This was also achieved through obtaining information from the heads of the respective functions, examining corporate documents, and reviewing the work performed by the Audit Firm and the Internal Auditor.The collaboration and dialogue with the Control, Risk and ESG Committee — including the organization of joint meetings on shared areas of interest — allowed the Board of Statutory Auditors to complete its risk control and management assessment, gaining further insights beyond those obtained through meetings with the Internal Audit function, which is outsourced to the consultancy firm Protiviti. The function is deemed competent, impartial in its assessments, and equipped with adequate economic and operational resources.

The Board of Statutory Auditors specifically notes that during the meetings of the Control, Risk and ESG Committee, appropriate assessments were carried out in accordance with the Corporate Governance Code. These were regularly shared with the Board of Statutory Auditors, also in its role as the Internal Control and Audit Committee. We monitored, in particular, the adequacy and effectiveness of the Internal Control and Risk Management System in relation to the characteristics of the Company and the risk profile it has undertaken.

The Board of Statutory Auditors also notes that the Board of Directors, on 24 March 2025, acknowledged the internal audit activities carried out by the Company during the 2024 financial year — including the Risk Assessment — and approved the 2025 Internal Audit Plan. In this regard, the Board of Statutory Auditors also reviewed the Annual Report of the Head of Internal Audit, which included the following assessments:

- In line with the International Standards for the Professional Practice of Internal Auditing, the activities of the Internal Audit Function of EuroGroup Laminations are conducted with organizational independence, free from interference in the scope definition, execution of work, and communication of results;

- Based on the results of the Internal Audit activities carried out in 2024, the Internal Control and Risk Management System of EuroGroup Laminations is undergoing progressive strengthening — a natural process for an organization experiencing significant growth (including geographic expansion) and transformation;
- There is a need to continue raising awareness among employees, especially managers, regarding control culture, compliance, and risk management. In this context, timely implementation of post-audit action plans is essential;
- The process initiated by management is considered to be positively contributing to the overall adequacy of the Internal Control and Risk Management System of EuroGroup, although the initiatives undertaken still require time for full implementation.

Supervisory activities on the adequacy of the administrative and accounting system and on the statutory audit of the accounts

The statutory audit of the financial statement engagement for the financial years 2022–2030 was awarded to Deloitte & Touche S.p.A. by the Shareholders' Meeting held on 18 November 2022.

During the meetings held with the Independent Auditors pursuant to Article 150, paragraph 3, of the Consolidated Law on Finance (TUF), no material issues or matters requiring specific reporting emerged.

It is the responsibility of Deloitte & Touche S.p.A., as the appointed independent auditor, to express an opinion on the financial statements pursuant to Article 14 of Legislative Decree No. 39 of 27 January 2010. Since the Board of Statutory Auditors is not entrusted with a detailed audit of the contents of the financial statements, we monitored compliance by the Directors with procedural rules governing the preparation, approval, and publication of the draft financial statement.

We oversaw the legal and procedural legitimacy of the impairment test process governed by IAS 36, which was approved by the Board of Directors on 24 March 2025.

During the financial year, we monitored compliance with the thresholds set out in the early warning indicators pursuant to Article 3, paragraph 4, of the *Italian Code of Business Crisis and Insolvency*.

We acknowledged the publication of the Consolidated Half-Year Financial Report and the approval of the consolidated financial statements by the Board of Directors in accordance with the relevant legal provisions.

We acquired the specific certification pursuant to Article 154-bis, paragraph 5, of the Consolidated Law on Finance (TUF), issued in accordance with the model established by Consob regulation, and signed by the delegated administrative body and the designated officer. The certification relates to the statutory financial statements, the half-year financial report, and the consolidated financial statements, and attests to the accuracy of the process by which these documents were prepared.

On April 14, 2025, the Audit Firm issued, pursuant to Article 14 of Legislative Decree No. 39/2010 and Article 10 of EU Regulation 537/2014, the Audit Reports on the statutory and consolidated financial statements as of December 31, 2024. The reports expressed an unqualified opinion with no emphasis of matter or disclosure notes on both the Company's individual and consolidated financial statements. With regard to the section on "key audit matters," the Audit Firm identified as a significant issue, for the individual financial statements, the impairment test of equity investments in subsidiaries, and for the consolidated financial statements, the impairment test to assess the recoverability of goodwill, intangible and tangible assets, and right-of-use assets.

Regarding the opinions and certifications, the Independent Auditors:

- Expressed an opinion stating that the statutory and consolidated financial statements of EuroGroup Laminations S.p.A. provide a true and fair view of the financial position and results of operations and cash flows for the year ended 31 December 2024, in accordance with the International Financial Reporting Standards adopted by the European Union and with the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005;
- Issued a consistency opinion confirming that the Management Report accompanying the statutory and consolidated financial statements as of 31 December 2024, and certain specific disclosures contained in the "Corporate Governance and Ownership Structure Report" as required by Article 123-bis, paragraph 4, of the TUF — for which the Company's Directors are responsible — are consistent with the financial statements and were prepared in accordance with applicable legal requirements. The opinion does not extend to the section relating to sustainability reporting. Conclusions regarding the compliance of this section with the applicable reporting standards and with the disclosure obligations set out in Article 8 of Regulation (EU) 2020/852 are expressed in the assurance report issued pursuant to Article 14-bis of Legislative Decree No. 39/2010;
- Delivered to the Board of Statutory Auditors the Additional Report provided for under Article 11 of EU Regulation No. 537/2014, pursuant to Article 19 of Legislative Decree No. 39/2010. As stated in the opinions on the separate and consolidated financial statements included in the aforementioned audit reports, this Additional Report does not contradict the audit opinions but provides additional details on specific matters. Other than the key audit matter noted in the consolidated audit report, the Independent Auditors stated under the "significant deficiencies in the internal control system" section that they did not identify any deficiencies in the internal control system related to the financial reporting process;
- Declared that, based on the knowledge and understanding of the company and its environment obtained during the audit (as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39/2010), they have nothing to report regarding significant errors in the Management Report. This statement does not extend to the section relating to sustainability reporting. Conclusions regarding the compliance of that section with the applicable reporting standards and the fulfilment of the disclosure obligations set out in Article 8 of Regulation (EU) 2020/852 are expressed in the assurance report issued pursuant to Article 14-bis of Legislative Decree No. 39/2010;
- Stated that the consolidated financial statements were prepared in XHTML format and were marked, in all material respects, in compliance with the provisions of Delegated Regulation (EU) 2019/815. However, certain disclosures included in the notes, when extracted from XHTML into an XBRL instance, may not be identically reproduced due to technical limitations;
- Issued an opinion that the statutory financial statements as of 31 December 2024 were prepared in XHTML format in compliance with the provisions of Delegated Regulation (EU) 2019/815.

Throughout 2024 and into early 2025 up to the date of this Report, we received information from the Independent Auditors regarding their audit strategy, areas of focus, procedures performed and their outcomes, as well as key issues encountered in the course of their audit in accordance with Article 19 of Legislative Decree No. 39/2010 and Article 11 of EU Regulation No. 537/2014.

Based on the information received from the audit firm appointed to perform the statutory audit of the Group during the financial year ended December 31, 2024, and as disclosed in the annex to the notes to the financial statements pursuant to Article 149-duodecies of the Issuers' Regulation, the Company and its subsidiaries engaged Deloitte & Touche S.p.A. and the network of the Parent

Company's auditor for additional assignments beyond the statutory audit of the Company and the Group, for a total amount of €131 thousand. In any case, the Board verified that the services provided did not fall within those prohibited under Article 5 of Regulation No. 537/2014 and that the activities did not compromise the independence of the audit firm.We verified that these services did not fall within the prohibited services listed under Article 5 of EU Regulation No. 537/2014 and did not compromise the independence of the Independent Auditors.

We also received formal confirmation of the independence of Deloitte & Touche S.p.A. pursuant to EU Regulation 537/2014, which confirmed that no situations had arisen that would impair their independence or result in incompatibility.

Supervisory activities on the assurance of sustainability reporting

Pursuant to Article 14-bis of Legislative Decree No. 39/2010, it is the responsibility of the Independent Auditors to issue an assurance report expressing their conclusions on the compliance of the sustainability reporting with the provisions of Legislative Decree No. 125/2024, which governs the applicable reporting criteria, as well as compliance with the disclosure requirements set forth in Article 8 of Regulation (EU) No. 852/2020 of the European Parliament and of the Council of 18 June 2020.

Since the Board of Statutory Auditors is not responsible for an analytical review of the content of the sustainability report, it oversaw the Directors' compliance with procedural rules regarding the preparation, approval, and publication of the report, verifying its general compliance with legal requirements in terms of structure and format, and supervising the overall reporting process.

The Board of Statutory Auditors obtained a specific certification, pursuant to Article 154-bis, paragraph 5-ter, of the Consolidated Law on Finance (TUF), issued in the format established by Consob regulations, provided by the delegated administrative body and by the Executive in charge of sustainability reporting, attesting to the proper execution of the process underlying the preparation of the sustainability report.

On 14 April 2025, the Independent Auditors issued a limited assurance report without findings on the information included in the sustainability report, in accordance with the Sustainability Reporting Assurance Standard – SSAE (Italy), as required under Article 4 of Legislative Decree No. 125/2024 and Article 8 of Regulation (EU) No. 852/2020.

We received information from the Independent Auditors on their audit strategy, focus areas, procedures performed and related outcomes, as well as the key issues encountered during the assurance engagement of the sustainability reporting.

Supervisory activities on the effective Implementation of corporate governance rules

The Company adheres to the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee, which is promoted by Borsa Italiana S.p.A. along with ABI, Ania, Assogestioni, Assonime, and Confindustria. The Board of Statutory Auditors has monitored the effective implementation of the corporate governance rules set out in the aforementioned Code, to which the Company publicly declares its compliance, as described in detail in the 2024 Corporate Governance Report.

The Board of Directors, appointed by the Shareholders' Meeting on 18 November 2022 and effective from the date of trading on Euronext Milan, is composed of 10 members, including 4 executive directors and 3 independent directors. The composition complies with current legal and regulatory provisions on gender balance applicable to newly listed companies.

We verified the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of its members, based on the requirements of the law and the Corporate Governance Code.

It is noted that the Board of Directors assigned the following responsibilities to Dr. Matteo Perna, the Executive in charge of the preparation of the Company's financial reports:

i. To establish adequate administrative and accounting procedures for the preparation of the statutory and consolidated financial statements and any other financial disclosures;
ii. To issue written statements certifying that the acts and financial disclosures made available to the market correspond to the documents, books, and accounting records;
iii. To certify, jointly with the CEO and by means of a report drafted according to the model set out in Consob regulations and attached to the annual, interim, and consolidated financial statements:

- the adequacy and effective application of the procedures mentioned above under point i during the relevant reporting period;
- that the documents have been prepared in accordance with applicable international accounting standards as adopted by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002;
- that the documents correspond to the results of the books and accounting records;
- that the documents provide a truthful and fair representation of the Company's and the Group's financial, economic, and asset position;
- with reference to the statutory and consolidated financial statements, that the management report includes a reliable analysis of the business performance and results, the Company's situation, and that of the consolidated entities, along with a description of the principal risks and uncertainties faced;
- with reference to the condensed interim financial statements, that the interim management report provides a reliable analysis of the information referred to in Article 154-ter, paragraph 4, of Legislative Decree No. 58/1998.

The Executive in charge is also required to:

i. Attend Board of Directors' meetings that include financial matters on the agenda;
ii. Promptly report to the CEO, the Board of Directors — also through the Control, Risk and ESG Committee — any material issues that, if not corrected, should be disclosed in the certifications required under Article 154-bis of Legislative Decree No. 58/1998;
iii. Provide a report every six months on the activities carried out, either directly to the Board of Directors or through the Control, Risk and ESG Committee and the Board of Statutory Auditors.

We acknowledge the preparation of the Remuneration Report pursuant to Articles 123-ter of the TUF and 84-quater of the Issuers' Regulation, as well as in accordance with Article 5 of the Corporate Governance Code. We have no specific comments to make in this regard.

Supervisory activities on relations with subsidiaries and parent companies

We have reviewed the procedures relating to the instructions issued by the Company to its subsidiaries pursuant to Article 114, paragraph 2, of the TUF, based on information received from the heads of the relevant corporate functions and from the exchange of information with the Independent Auditors.

With regard to the reciprocal information flows between the Company and its subsidiaries established and operating under the laws of non-EU countries, the Board of Statutory Auditors — in collaboration with the audit firm — found that such companies have an administrative and accounting system that allows the timely transmission of the economic, equity, and financial data necessary for the preparation of the consolidated financial statements. No events or circumstances have arisen that would suggest the system is not compliant with the requirements of Article 15 of the Markets Regulation adopted by Consob Resolution No. 20249 of 28 December 2017.

We exchanged information with the control bodies of the main subsidiaries pursuant to Article 151 of Legislative Decree No. 58/1998, who stated that they had no remarks to report in relation to the approval of the financial statements of the respective subsidiaries..

Supervisory activities on related parties transactions

The Directors provided disclosures in the Management Report accompanying both the statutory financial statements of EuroGroup Laminations S.p.A. and the consolidated financial statements of the EuroGroup Group, as well as in the accompanying notes, regarding transactions carried out during the year with related parties or Group companies. For details on the parties involved and the economic and financial impacts of such transactions, reference is made to those documents.

The Board of Directors initially approved the "Procedure for Related Party Transactions of EuroGroup Laminations S.p.A." on 18 November 2022, and definitively on 13 March 2023, pursuant to Article 2391-bis of the Italian Civil Code and the regulation adopted by Consob with Resolution No. 17221/2010, as amended by Consob Resolution No. 21624 of 10 December 2020. The purpose of the related party transaction procedure is to establish the rules that the Company must follow to ensure the transparency and both substantive and procedural fairness of transactions with related parties, whether carried out directly or through subsidiaries. It also aims to define operational solutions that facilitate the identification and proper management of situations in which a director or statutory auditor has an interest on their own behalf or on behalf of third parties.

Omissions and reportable events

During the financial year, no complaints were received pursuant to Article 2408 of the Italian Civil Code, nor were any reports submitted by third parties. Furthermore, there were no omissions or delays by the Directors pursuant to Article 2406 of the Italian Civil Code.

Opinions issued

During the year, we issued, where required by law, the opinions that must be provided by the Board of Statutory Auditors.

Self-assessment

During the performance of its duties, the Board of Statutory Auditors carried out a verification of the independence, integrity, and professional qualifications of its members, as required by law. Based on the information provided and the statements made by each statutory auditor, the Board assessed that all standing members of the Board meet the independence requirements set out in Article 148, paragraph 3, of the Consolidated Law on Finance (TUF), as well as Recommendation No. 7 of the Corporate Governance Code.

At its meeting of 4 March 2025, the Board of Statutory Auditors confirmed the continued fulfillment of the independence requirements by its members, in accordance with legal provisions and the Corporate Governance Code. It also verified compliance with the limits on the accumulation of positions as set forth in the Company's By-laws and Article 144-terdecies of the Issuers' Regulation.

During the same meeting, the Board of Statutory Auditors conducted a self-assessment of the adequacy of both the individual standing members and the Board as a whole, in line with the "Rules of Conduct for Boards of Statutory Auditors of Listed Companies" issued by the National Council of Chartered Accountants and Accounting Experts. The assessment did not reveal any deficiencies, either in the individual members or in the overall composition of the Board, which also complies with the gender balance requirement set forth in Article 148 of Legislative Decree No. 58/1998 (TUF).

Proposals Regarding the Statutory Financial Statements and Their Approval

In light of the foregoing, we have not identified, within the scope of our responsibilities, any reasons to oppose the approval of the financial statements as of 31 December 2024, nor do we have any remarks on the proposed allocation of the net profit for the year, as prepared by the Board of Directors.

14 April 2025

The Board of Statutory Auditors,

Luigi Emilio Garavaglia (Chairmen)

Maria Venturini

Pietro Ebreo

EGLA

EUROGROUP LAMINATIONS

www.eglagroup.com