

2025 ANNUAL REPORT

CONSOLIDATED AND SEPARATE FINANCIAL REPORTS
OF THE PARENT COMPANY COMER INDUSTRIES S.P.A.



comer industries



comer industries

COMER INDUSTRIES S.P.A.

Headquarters and Administrative Offices:

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Reggio Emilia Business Register no. 07210440157

Authorized share capital 18,487,338.60 euros entirely subscribed and paid-up

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**LETTER FROM THE
PRESIDENT**

Dear shareholders,

What is certainly an extraordinary and dynamic moment also presents aspects that every day result in legitimate concerns. Everything is moving much more quickly. Geopolitical tensions, market volatility, natural events and rapid technological transformation are redefining the balances of individuals and businesses alike.

The time we are living in is both extraordinary and chaotic, one of those moments when great opportunities can arise.

In this complex scenario, the Group has managed not only to remain on its desired strategic path, but also to take a historic step for its development: the acquisition of the Hydraulic Equipment division of Nabtesco Corporation.

This is a truly transformational operation, which further expands the Group's technological scope by integrating excellent skills in the high-range hydraulic sector and considerably strengthening our industrial presence in Asia.

This acquisition places Comer Industries in a unique position in the international landscape, making it a premium-level integrated platform of mechanical, electrical and now hydraulic solutions.

Although the economic and financial results achieved in 2025 were affected by market trends, they confirm the Group's strength, its rigorous operations management and its ability to generate value even through periods of volatility. Further improvement in the net financial position bears witness to a disciplined approach to investments and working capital, preserving the flexibility required to take on new opportunities for development.

In 2025, we continued on our path of sustainability, already structurally integrated into the business model and strategic planning processes. The most evident recognition is the fact that, one year before expected in our road map, we obtained the EcoVadis gold medal, which places Comer Industries among the 5% of organizations with the best ESG performance evaluated globally.

These results are the fruit of the engagement of every one of our business functions in the sustainability development project and the structured management of governance, environmental and social impacts and risks.

Our Group pursues its goals by working on the various aspects of the decarbonization plan launched last year, through energy efficiency initiatives and the progressive increase in the share of electricity from renewable sources, which now represents 49% of overall electricity consumption.

Our sustainable procurement results were also particularly remarkable: we completed our ESG risk mapping throughout the supply chain, anticipating some of the requirements of the Corporate Sustainability Due Diligence Directive (CSDDD). In parallel, the alignment of the value chain with the Company's ethics principles was reinforced, with the formal adoption of the Supplier Code of Ethics by 96% of suppliers, thus consolidating shared standards of responsibility and integrity.



Today, Comer Industries is a broader, more integrated and more international group, with a portfolio of solutions encompassing mechanics, electronics and hydraulics in pursuit of an increasingly synergistic approach.

We look to 2026 with a sense of responsibility and confidence. International outlooks remain varied, but our business strategy - rooted in innovation, technological integration, operational excellence, sustainable growth and talent development - allows us to tackle the global scenario with awareness and a long-term vision.

We thank you for your renewed trust and for the support that you continue to provide us.

Matteo Storchi
President & CEO



Reggiolo, March 16, 2026

GENERAL INFORMATION

BOARD OF DIRECTORS

Matteo Storchi
President & CEO

Cristian Storchi
Vice President and Director

Giampiero Maioli
Vice President and Director

Francesca Bertani
Independent director

Arnaldo Camuffo
Independent director

Sergio Giglio
Independent director

Matteo Nobili
Director

Paola Pizzetti
Independent director

Marco Storchi
Director

BOARD OF STATUTORY AUDITORS

Luigi Gesaldi
Chair

Francesca Folloni
Standing Statutory Auditor

Massimiliano Fontani
Standing Statutory Auditor

RISK CONTROL, SUSTAINABILITY AND RELATED PARTIES COMMITTEE

Paola Pizzetti
Chair

Francesca Bertani
Member

Arnaldo Camuffo
Member

APPOINTMENT AND REMUNERATION COMMITTEE

Arnaldo Camuffo
Chair

Sergio Giglio
Member

Matteo Nobili
Member

FINANCIAL REPORTING OFFICER

Stefano Palmieri
Group Chief Financial Officer

AUDIT FIRM

Deloitte & Touche S.p.A.



DIRECTORS' REPORT

(MILLION EUROS)	12/31/2025	12/31/2024	CHANGE IN %
SALES REVENUES	893.7	942.4	-5.2%
EBITDA % of sales revenue	144.7 16.2%	157.5 16.7%	-8.1%
EBIT % of sales revenue	90.2 10.1%	99.3 10.5%	-9.2%
NET PROFIT % of sales revenue	61.3 6.9%	67.2 7.1%	-8.8%
ADJUSTED NET PROFIT ⁽¹⁾ % of sales revenue	76.6 8.6%	82.5 8.8%	-7.2%
EPS [NET PROFIT / NO. OF SHARES]	2.14	2.34	-
Adjusted EPS [Adjusted NET PROFIT / NO. OF SHARES] ⁽¹⁾	2.67	2.88	-
FREE CASH FLOW⁽²⁾	71.3	84.0	-
CASH CONVERSION RATE⁽²⁾	49.3%	53.3%	-
CAPEX % of sales revenue	40.4 4.5%	49.9 5.3%	-

(MILLION EUROS)	12/31/2025	12/31/2024	CHANGE IN %
COMMERCIAL WORKING CAPITAL % of sales revenue	194.8 21.8%	185.8 19.7%	4.8%
INVESTED CAPITAL	590.5	602.6	-2.0%
NET FINANCIAL POSITION	(28.9)	(58.4)	-50.5%
NET FINANCIAL POSITION / EBITDA	0.2 x	0.4 x	-
EBITDA / FINANCIAL EXPENSES	39.3	20.8 (*)	-
NET EQUITY	561.7	544.2	3.2%
NET FINANCIAL POSITION / NET EQUITY	5.1%	10.7%	-
ROI [EBIT / INVESTED CAPITAL (%)]	15.3%	16.5%	-
ADJUSTED ROE [Adjusted NET PROFIT / EQUITY (%) ⁽¹⁾	13.6%	15.2%	-

(1) Profit adjusted to exclude depreciation and amortization and related tax effects arising from the accounting of business combinations.

(2) The figure for 2024 does not include the cash absorption arising from the acquisition of the Rockford (USA) building for 21,557 thousand euros and from the payment of the LTIP bonus for 13,549 thousand euros, nor the cash generation arising from the sale of the Charlotte (USA) building for 11,561 thousand euros.

(*) figure restated according to the updated calculation method

As permitted by Article 40, paragraph 2-bis, of Italian Legislative Decree no. 127 of April 9, 1991, the Parent Company has prepared the Directors' Report as a single document for both the separate financial statements of Comer Industries S.p.A. and the Group's consolidated financial statements.

The year 2025 was characterized by global geopolitical uncertainty and the exacerbation of customs tariffs which weighed on the macroeconomic scenario and international trade.

The Group's reference segments saw a first half of the year with a downturn, in the wake of 2024, while starting from the second half, both benefited (although to differing extents) from the recovery in demand on the part of the main OEMs.

In this context of uncertainty, the Group continued with its strategic development policy and was able to complete, effective as of the start of 2026, another "transformational" acquisition and with a strong industrial drive, entering high-range hydraulic systems, thus expanding its technical know-how after becoming a leader in mechanical and electrical technologies.

The acquisition of the Hydraulic Equipment division of Nabtesco Corporation (Japan) - unique in the international landscape - made it possible to acquire a proprietary technological portfolio and further expand the Group's international presence in Asia, with the addition of four production facilities of which two in Japan, one in China and one in Thailand.

1.2.1 MACROECONOMIC SCENARIO

The global economy showed signs of resilience over the course of this year, despite concerns regarding a more serious slowdown following the increase in trade barriers and the significant geopolitical uncertainty at global level.

The projections of the Organization for Economic Cooperation and Development (OECD) indicate a slowdown in global GDP growth, from 3.3% in 2024 to 3.2% in 2025 and 2.9% in 2026, followed by a slight rally to 3.1% in 2027.

However, these outlooks remain fragile. Any further increase in trade barriers, particularly as concerns critical factors of production, could cause significant damage to supply chains and global production. High geopolitical uncertainty will continue to negatively impact domestic demand in many economies.

Growth trends varied in advanced economies throughout 2025. In the United States, private consumption growth indeed slowed down compared to 2024, in part likely due to the imposition of higher customs tariffs on imports. In the Euro area, the growth in business investments was weak on the whole. GDP growth was surprisingly resilience in many economies in the emerging markets. Chinese production as well as demand were stimulated by strong activity anticipated in early 2025 and the government program for replacing consumer goods, despite the ongoing negative correction in the real estate market.

	AVERAGE 2013-2019	2024	2025	2026	2027	2025 Q4	2026 Q4	2027 Q4
Real GDP growth ¹	%							
World ²	3.4	3.3	3.2	2.9	3.1	3.0	3.0	3.1
G20 ²	3.5	3.4	3.2	2.9	3.1	2.9	3.0	3.2
OECD ²	2.3	1.7	1.7	1.7	1.8	1.5	1.8	1.8
United States	2.5	2.8	2.0	1.7	1.9	1.8	1.6	1.9
Euro area	1.9	0.8	1.3	1.2	1.4	1.0	1.5	1.4
Japan	0.8	-0.2	1.3	0.9	0.9	0.5	1.3	0.7
Non-OECD ²	4.4	4.5	4.4	3.9	4.0	4.1	3.9	4.1
China	6.8	5.0	5.0	4.4	4.3	4.7	4.3	4.3
India ³	6.8	6.5	6.7	6.2	6.4	-	-	-
Brazil	-0.4	3.4	2.4	1.7	2.2	-	-	-

Source: OECD economic outlooks database - December 2025

The OECD expects growth to slow in the second half of 2026, with the anticipatory effect of activity coming to an end and the transfer of the higher actual tariffs on imports in the United States and China to company costs and the end prices of goods, thus slowing both investments and trade growth.

The main economies and regions have the following outlooks:

- In the United States, production growth is expected to slow down, with the full emergency of the effects of the substantial increase in effective tariffs on imports, should they remain confirmed, federal government staff cuts and the decline in net immigration. Once the peak of the impact has passed, although the most recent decisions concerning the legitimacy of the tariffs give rise to uncertainties about the effective evolution of that action, and thanks to the continued strength of investments linked to artificial intelligence and the continuation of the monetary easing policy, calendar year growth should resume in 2027. On an annual basis, GDP growth should be 1.7% in 2026 and 1.9% in 2027, against growth of 2.0% recorded in 2025.
- In the Euro area, growth is expected to slow slightly from 1.3% in 2025 to 1.2% in 2026, before increasing to 1.4% in 2027, with rising trade tensions offset by improving financial conditions, the continuous capital expenditures connected to Recovery and Resilience Facility funds and job market resilience. The fiscal expansion is expected to stimulate economic activity in Germany, reflecting higher spending on defense and infrastructure.
- In China, the slowdown in exports, the imposition of higher tariffs on exports to the United States, the continuous adjustment of the real estate sector and the easing of fiscal support should cause a decline in growth. Real GDP growth is expected to reach 5.0% in 2025, 4.4% in 2026 and 4.3% in 2027.
- In India, growth should be supported by an increase in real incomes, an easing of monetary policy and the strong growth in public capital expenditures, with 6.7% real GDP growth expected in 2025-26, 6.2% in 2026-27 and 6.4% in 2027-28.
- The Japanese economy is expected to grow at a moderate pace, supported by the expansive fiscal policy from 1.3% in 2025 to 0.9% in both 2026 and 2027.

1.2.2 REFERENCE MARKET

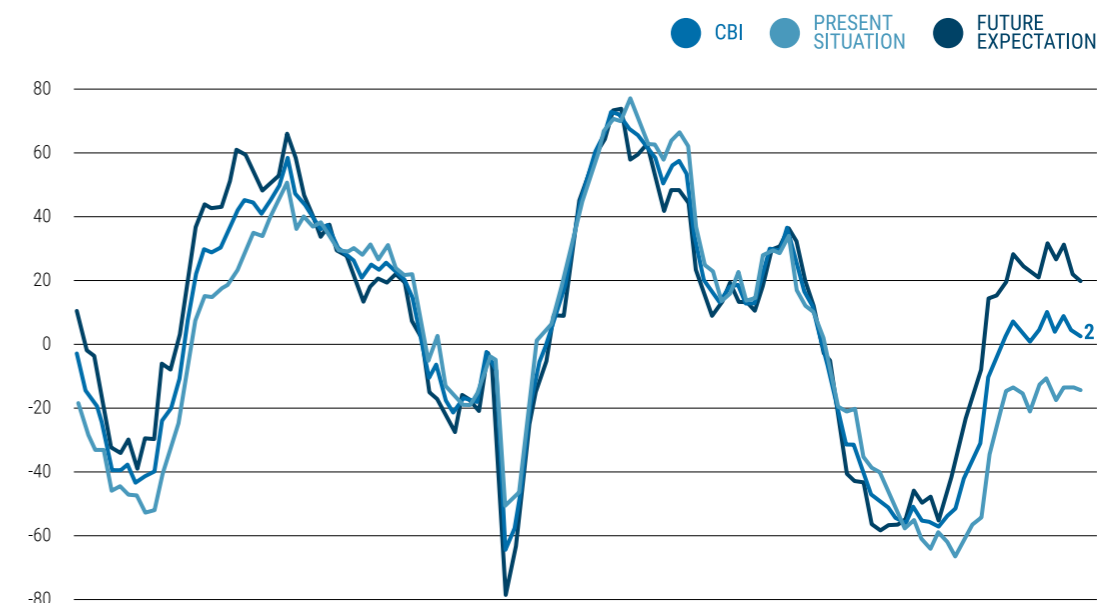
The Comer Industries Group operates in the design and manufacture of advanced engineering systems and mechatronics solutions for power transmissions and breaks its activities down into two main sectors, based on the use of the machines on which its products are installed: (i) agricultural and (ii) industrial, which includes all other sectors including wind power and electricity.

AGRICULTURAL SECTOR

After reaching a low in the economic cycle in the fall of 2024, the agricultural market saw a slow but steady recovery in demand for agricultural machinery.

The economic climate index for the agricultural machinery industry in Europe (the Group's main reference market) in December 2025 clearly underscores the trend underway, ending the year in positive territory, although very far from the highs reached during the market peak in 2023.

CEMA BUSINESS CLIMATE INDEX (CBI) - TOTAL

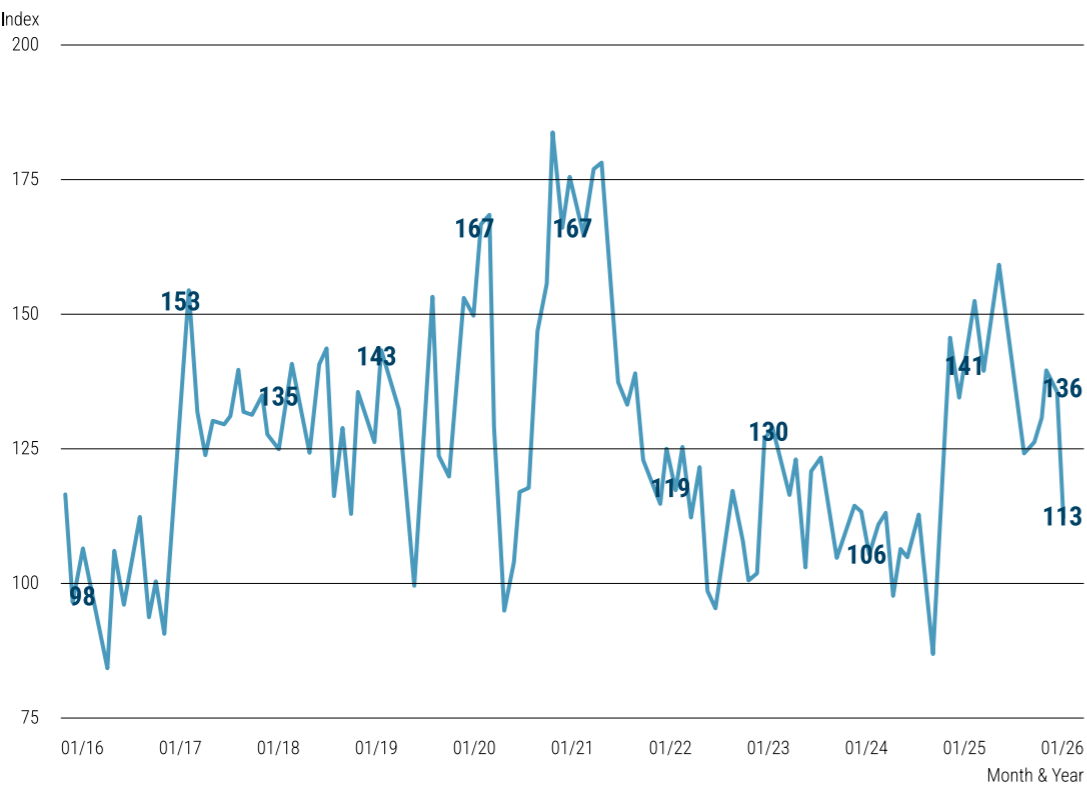


Source: CEMA Business Barometer - December 2025

CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectations; Index scale from -100 to +100; positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa; positive index for 2) = majority of respondents expects for the next six months an increasing turnover and vice versa (respectively compared to the previous year's level).

As regards the North American market, the Group's second reference market, the Purdue University (Indiana) indicator shows how the positive effect recorded in the wake of the US elections in November 2024 declined considerably in the course of 2025.

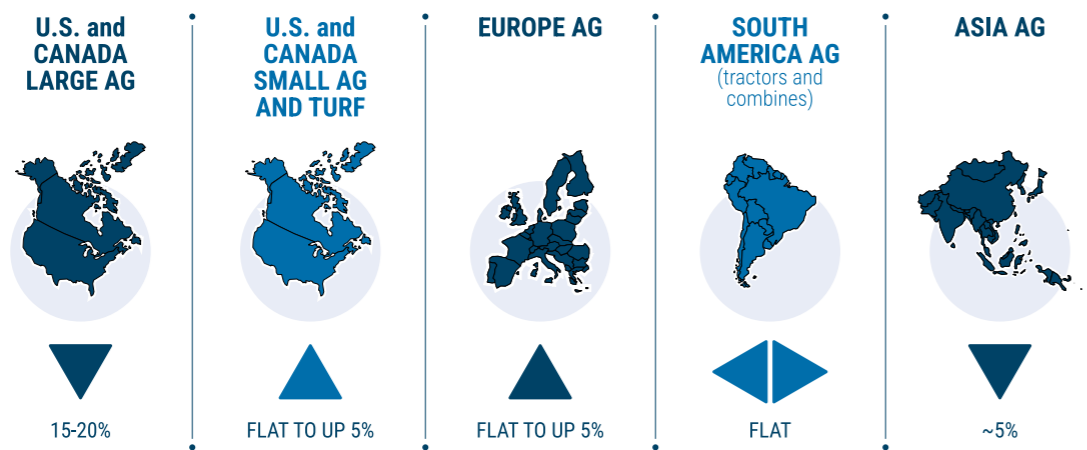
AG ECONOMY BAROMETER



Source: Purdue University Center for commercial agriculture, Producer survey - December 2025

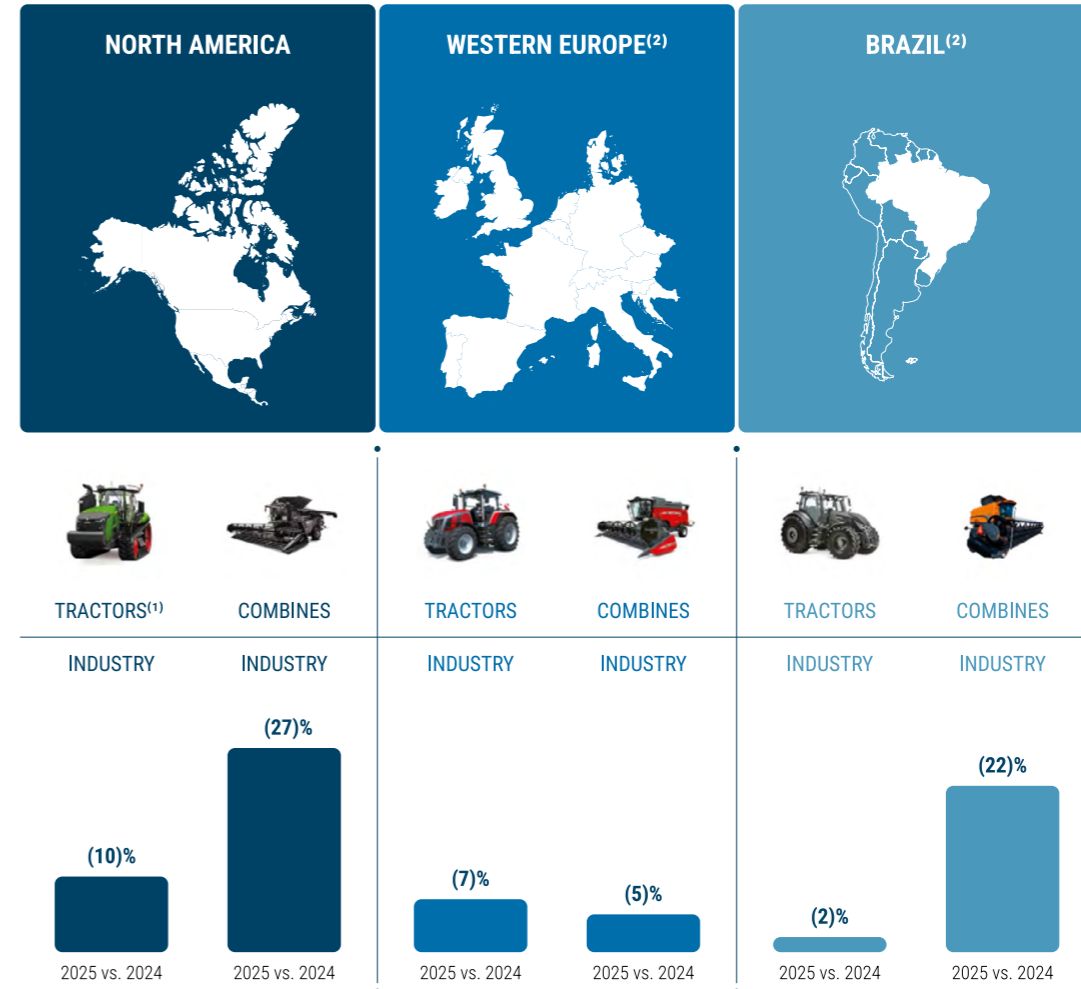
In their forecasts for 2026, leading agricultural OEMs are all cautious with respect to a market recovery. Specifically:

- In February of this year, **John Deere** expects a very different trend in demand in the different geographical areas: a continued decline of 15-20% for the “large tractors” market in America; growth between 0% and +5% for smaller tractors; growth between 0% and +5% in Europe and slightly negative between 0% and -5% in the other markets.



Source: Deere & Company Forecast as of November 2025

- In its annual report published in early February 2025, **AGCO** is basically aligned with its competitor for the North American market and slightly more pessimistic for the European market, which it expects to again post a slight decline.



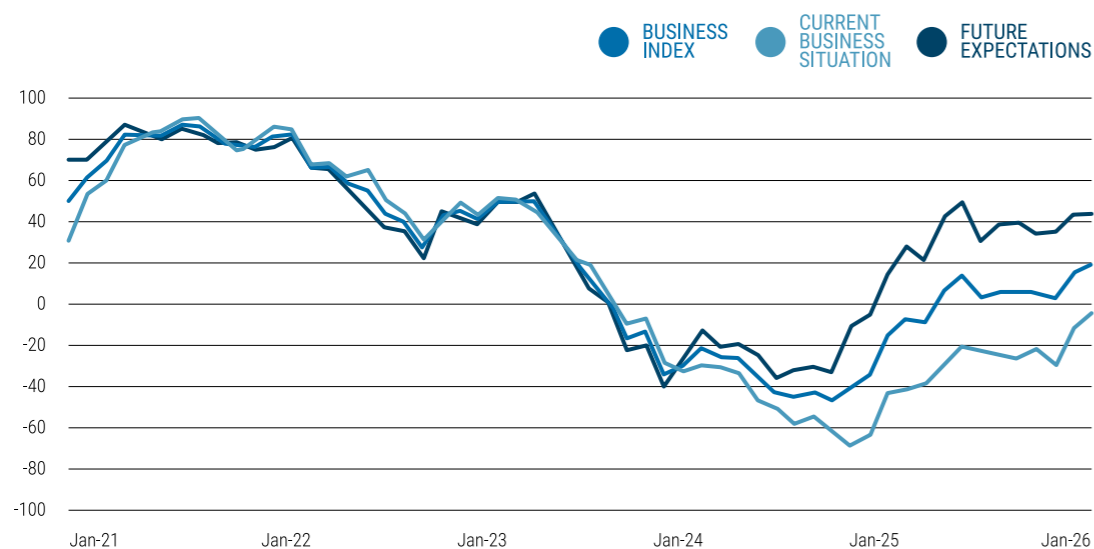
Source: AGCO Fourth Quarter and Full Year 2025 Financial and Operational Results

- In its annual report published in early February 2026, **CNH** paints a negative scenario for the American market and a slightly negative or limited growth scenario in other geographical areas.

INDUSTRY RETAIL DEMAND FORECAST ¹ (UNITS)		
	Tractors	Combines
North America	~ flat LHP (20)% - (15)% HHP	(10)% - (5)%
EMEA	flat - 5%	(5)% - flat
South America	(5)% - flat	(10)% - (5)%
APAC	(15)% - (10)%	flat - 5%

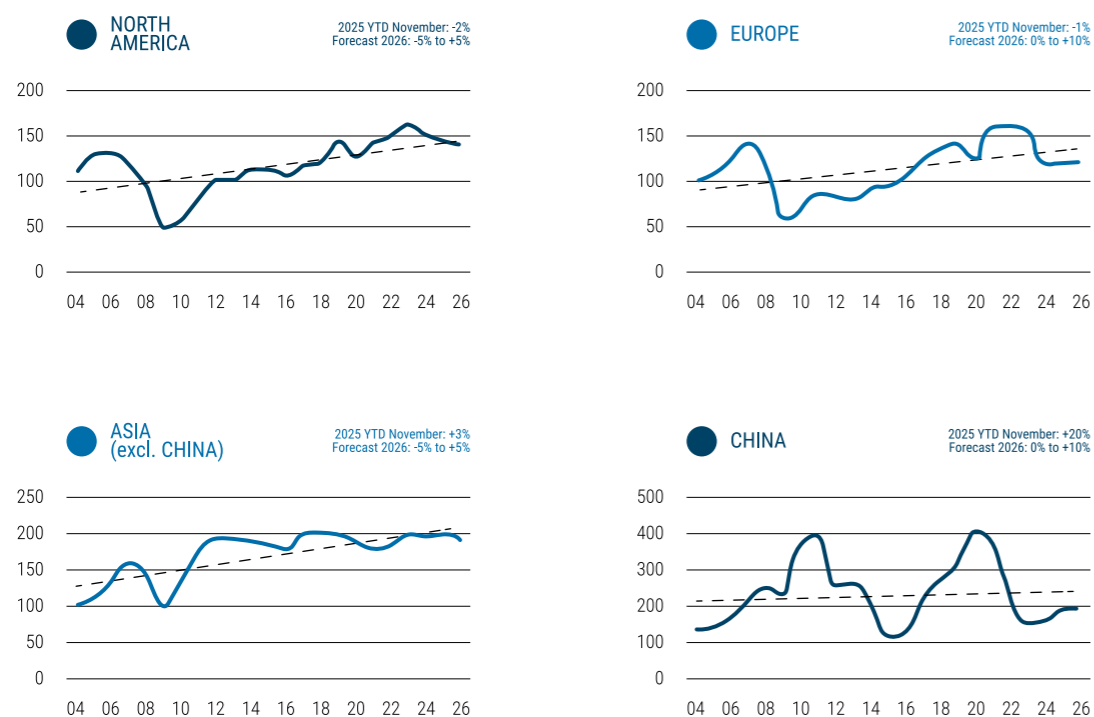
INDUSTRIAL SECTOR

The Business Index published by the Committee for European Construction Equipment (CECE) in January 2026 shows how the industrial sector, whose performance is most closely linked to economic conditions and interest rate trends that favor investment, after the recovery from the lows of 2024 stabilized in the second part of 2025, without providing a clear outlook of recovery for 2026.



Source: CECE Business Barometer January 2026

- The expectations of **Volvo**, one of the leading OEM players in the industry, point for the Construction Equipment division to a recovery in 2026 for the European and Chinese market within a range of between 0% and +10%; while trends in the North American and Asian (excluding China) markets are more uncertain, expected to be within a range of -5% to +5%.



Source: Volvo Fourth Quarter 2025

- Accordingly, **Caterpillar** instead announced sales for 2026 in line with previously reported growth targets.

Management uses certain performance indicators that are not identified as accounting measures under IFRS (non-GAAP measures) to enable a better assessment of the Group's economic, capital, and financial performance. The calculation performed by the Group may not follow the same method adopted by other groups, and therefore the indicators may not be comparable. These performance indicators, determined in accordance with the provisions of the Guidelines on performance indicators issued by ESMA/2015/1415 and adopted by Consob with Communication no. 92543 of December 3, 2015, refer only to the performance of the accounting period covered by this Consolidated Financial Report and the period compared. The performance indicators should be regarded as complementary and not as a substitute for information prepared in accordance with IFRS. Below is a description of the main indicators adopted.

The performance indicators used by the Group and disclosed in this report are based on the following definitions:

- "EBITDA"**: represents the value of Operating Profit (EBIT) adjusted by the amount of the following entries:
 - (+) Amortization, Depreciation and other write-downs of fixed assets, in particular:
 - Amortization of intangible fixed assets;
 - Depreciation of tangible fixed assets;
 - Other write-downs of fixed assets.
- "EBIT"**: indicates the Operating income line item in the consolidated income statement and in the Parent Company's separate income statement.
- "Net profit"**: indicates the result of the consolidated income statement and of the Parent Company's separate income statement.
- "Adjusted Net Profit"**: represents the Net Profit in the Consolidated Income Statement adjusted to exclude depreciation and amortization and related tax effects arising from the accounting of the business combinations executed until the end of 2025 (Walterscheid and e-comer).
- "Commercial Working Capital"**: indicates the algebraic sum of the following balance sheet items:
 - (+) current asset items:
 - Inventories;
 - Trade Receivables;
 - (-) current liability items:
 - Trade payables.
- "Invested capital"**: is the algebraic sum of the following items:
 - (+) Commercial working capital;
 - (+) Tangible (including Rights of use), intangible and financial fixed assets;
 - (+) Tax and deferred tax assets, current tax assets;
 - (+) Other short and long-term receivables, of a non-financial nature;
 - (-) Other short and long-term payables, of a non-financial nature;
 - (-) Current and deferred tax liabilities;
 - (-) Severance Indemnity Fund (TFR) and provisions for risks and charges.

- **"Net financial position"**: indicates the difference between cash and cash equivalents and debt of a financial nature as follows:

(+) Current Asset items (A):

- Other short-term financial receivables;
- Marketable securities at fair value;
- Cash and cash equivalents.

(-) Non-current and current liabilities (B):

- Long-term loans;
- Long-term derivative financial instruments;
- Short-term loans;
- Short-term derivative financial instruments;
- Other short- and long-term financial payables (including payables relating to lease contracts recognized in accordance with IFRS 16);
- Non-current trade payables.

The Net financial position, as represented, achieved the same results that would have been obtained according with recommendation reported in Reminder no. 5/21 of April 29, 2021 issued by Consob, which refers to ESMA Guideline 32-382-1138 of March 4, 2021.

With reference to the Parent Company Comer Industries S.p.A. separate financial statements, adjusted Net Financial Position means the difference between cash and cash equivalents, short-term financial receivables, and financial liabilities, determined by also including medium- to long-term financial receivables from subsidiaries in the calculation of Net Financial Position.

- **"Free cash flow"**: Indicates the algebraic sum of Cash flow generated (absorbed) by operations and from investing/disinvesting activities.
- **"Financial charges"**: indicates the algebraic sum of interest expense from financial debt included in the income statement item "Net financial income / (charges)".
- **"Cash conversion rate"**: represents the ratio of Free Cash Flow to EBITDA.
- **"CapEx"**: indicates the increase occurring in investments in tangible and intangible fixed assets (net of revaluations and capital grants) which, following International Accounting Standards, are recorded in the corresponding heading in equity, excluding the impacts related to the application of IFRS 16.
- **"ROI (Return on investment)"**: ratio of EBIT to invested capital.
- **"Adjusted ROE (Return on equity)"**: ratio of adjusted Net Profit to Net Equity.
- **"EPS (Earnings per share)"**: ratio of Net Profit to total number of shares outstanding at the reporting date.
- **"Adjusted EPS (Adjusted earnings per share)"**: ratio of adjusted Net Profit to total number of shares outstanding at the reporting date.

The Group and Parent Company prepare the income statement according to the nature of costs and the Cash flow statement with the indirect method.

1.4.1 COMMENTS ON GROUP INDICATORS

The Group's consolidated revenues amounted to 893.7 million euros, down -5.2% from the previous year, due to the decline in demand in the agricultural sector. Industrial sector revenues remained basically the same as in the previous year.

Revenues generated abroad represent more than 90% of the total.

The appreciation of the euro compared to all currencies had a negative impact of 16.3 million euros on revenues; this effect was particularly significant in relation to the Chinese yuan (CNY) and the US dollar (USD), due to the sales volumes denominated in those currencies.

With exchange rates being the same, revenues came to 910.0 million euros, a downturn of -3.4% compared to the previous year. During the year in question, in compliance with IAS 21, exchange rate differences of 11,104 thousand euros were suspended in net equity, net of the tax effect of 3,109 thousand euros, relating to the exchange difference on the loan between the parent company Comer Industries S.p.A. and the subsidiary WPG US Holdco LLC, which is considered a net investment in a foreign operation.

There were no changes in the scope of consolidation during the year.

Turnover in the agricultural sector declined by 10.5%. On the other hand, the industrial sector maintained the previous year's turnover levels (+0.9%), benefiting from a good acceleration in sales in the second half of the year, which offset the lackluster performance of the first half.

EBITDA came to 144.7 million euros, equal to 16.2% of revenues, down slightly compared to 16.7% in the previous year. It should be noted that the EBITDA recorded in 2024 was positively affected by the gain of 8.8 million euros deriving from the sale of the real estate in Charlotte (US).

Net income was 61.3 million euros, equal to 6.9% of revenues, down from 67.2 million (7.1%) in the previous year. Adjusted net income, which excludes depreciation and amortization and the related tax effects attributable to the accounting of business combinations, was 76.6 million euros with an 8.6% ratio to sales.

EPS (earnings per share) was 2.14 euros per share (2.34 euros per share in 2024), while adjusted EPS was 2.67 euros per share.

Adjusted ROE stood at 13.6% compared to 15.2% in the previous year.

The net financial position as of December 31, 2025 is shown below:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024	CHANGE
Cash and cash equivalents	109,720	89,508	20,212
Short-term financial assets	77,229	12,729	64,500
Short-term loans	(98,785)	(46,559)	(52,226)
Long-term loans	(88,493)	(76,971)	(11,522)
IFRS 16 financial payables	(28,526)	(37,108)	8,582
Net Financial Position	(28,855)	(58,401)	29,546

The net financial position shows a negative balance of 28.9 million euros, an improvement over the previous year of 29.5 million euros.

As shown in the table, if the net financial position is adjusted not to include IFRS 16 financial payables, the balance at the end of 2025 was basically zero (329 thousand euros).

The balance of the net financial position as of December 31, 2025 includes 109.7 million euros of cash, 77.2 million euros of short-term financial assets, 187.3 million euros of bank loans and 28.5 million euros of financial debt arising from the accounting treatment of leases in accordance with IFRS 16. The balance of short-term financial assets which reflects symmetrically on the increase in financial payables, is linked to financial transactions in preparation for the completion of the acquisition of Comtesco, described in the section on events subsequent to year-end. For more information, see Section 2.10.9 of the Notes to the financial statements.

The Group generated a Free Cash Flow of 71.3 million euros, which includes net investments of 40.4 million euros, corresponding to a cash conversion rate of 49.3%.

This compares with 53.3% in the previous year.

In 2025, the parent company Comer Industries S.p.A. distributed dividends of 22.9 million euros.

1.4.2 SUMMARY OF THE RESULTS OF THE PARENT COMPANY COMER INDUSTRIES S.P.A.

(MILLION EUROS)	12.31.2025	12.31.2024	CHANGE IN %
SALES REVENUES	257.7	287.0	(10.2%)
EBITDA % of revenues	31.5 12.2%	41.4 14.4%	(24%)
EBIT % of revenues	17.5 6.8%	28.6 10.0%	(38.7%)
NET PROFIT % of revenues	53.8 20.9%	65.8 22.9%	(18.2%)
COMMERCIAL WORKING CAPITAL % of revenues	67.6 26.2%	52.9 18.4%	27.8%
INVESTED CAPITAL	542.9	475.6	14.1%
ROI [EBIT on Invested Capital (%)]	3.2%	6.0%	(46.3%)
NET FINANCIAL POSITION	(167.5)	(126.2)	32.7%
NET FINANCIAL POSITION [Adjusted]*	(72.0)	(85.8)	(16.1%)
FREE CASH FLOW**	6.5	20.6	(68.7%)
CAPEX % of revenues	10.2 4.0%	10.1 3.5%	1.0%
NET EQUITY	375.5	349.7	7.4%
Net Financial Position / Net Equity	0.45	0.36	20.5%
ROE [Net profit / Net equity]	14.3%	18.8%	(23.8%)
EPS [Net profit / Number of shares]	1.9	2.3	(18.2%)
AVERAGE PERSONNEL EMPLOYED IN THE PERIOD	712	792	(10.1%)

(*) The Adjusted Net Financial Position is determined by also including in the calculation of Net Financial Position medium- to long-term financial receivables from subsidiaries.

(**) The figure for the year 2024 does not include the financial absorption from the payment of the LTIP bonus in the amount of 13,549 thousand euros.

1.4.3 COMMENTS ON THE INDICATORS OF THE PARENT COMPANY COMER INDUSTRIES S.P.A.

Revenues of Comer Industries S.p.A. stand at 257.7 million euros, down by 10.2% compared with the previous year (287 million euros). The reduction in revenues was caused by a general contraction in the markets in which the Company operates. Revenues generated abroad represent more than 80% of the total, in line with previous years.

The agricultural sector (61% of total turnover) continues to represent the driving sector, with a contraction during the year lower than that recorded in the industrial sector.

EBITDA came to 31.5 million euros, equal to 12.2% of revenues from 2025, down compared to the previous year in absolute value (-24%) and in terms of percentage of revenues (12.2% compared to 14.4% in 2024). The decline in EBITDA primarily derives from the reduction in revenues recorded during the year, which was significantly mitigated in terms of economic impacts thanks to targeted cost reduction and operational efficiency actions. Net income was 53.8 million euros, equal to 20.9% of revenues, down from 65.8 million (18.2%) in the previous year.

Earnings per share stand at 1.88 euros per share (2.29 euros per share in 2024).

ROE stood at 14.3% compared to 19% in the previous year.

The net financial position as of December 31, 2025 is shown below:

DESCRIPTION (THOUSAND EUROS)	12.31.2025	12.31.2024	CHANGE
Cash and cash equivalents	20,806	27,576	(6,769)
Short-term financial receivables	121,422	53,050	68,371
Short-term loans	(204,818)	(113,386)	(91,432)
Long-term loans	(91,960)	(76,779)	(15,181)
IFRS 16 financial payables	(12,969)	(16,680)	3,710
Net Financial Position	(167,520)	(126,219)	(41,301)
Long-term financial receivables	95,508	40,427	55,081
Net Financial Position [Adjusted]	(72,011)	(85,791)	13,780

The net financial position shows a negative balance of 167.5 million euros, a deterioration of 41.3 million euros compared to December 31, 2024. The adjusted net financial position shows a negative balance of 72 million euros, determined including 95.5 million euros in long-term financial receivables from subsidiaries, and improved by 13.8 million euros compared to December 31, 2024.

With regard to the short-term part of financial receivables, the increase was primarily caused by obtaining the sums intended to be used for the acquisition of the investment in Comtesco, which took place in early 2026. This amount includes the negative exchange rate spread of 4,996 thousand euros accounted for in the comprehensive income statement. This increase is reflected in the increase in financial payables.

The change in medium- to long-term financial receivables is attributable to the conversion of the cash pooling arrangement between the Company and the subsidiary WPG US Holdco LLC, previously classified as short-term.

In the course of 2025, the Company took out a new medium/long-term loan of 50 million euros maturing in December 2029, obtaining short-term loans of 30 million euros and lines for advance accounts of 15 million euros.

The free cash flow of Comer Industries S.p.A. amounted to 6.5 million euros, including investments made during the year of 10.2 million euros.

The Company distributed dividends in the amount of 22.9 million euros during the year. Net profit amounted to 53.8 million euros (equal to 20.9% of revenues, 22.9% in 2024), benefiting from dividend income from subsidiary companies equal to 45.1 million euros (41.9 million euros received in 2024). ROE, calculated on net profit, stood at 14.3% compared to 18.8% in the previous year. Earnings per share stand at 1.9 euros per share (2.3 euros in 2024).

In the course of 2025, at the Reggiolo plant the new assembly lines dedicated to the production of agricultural gearboxes became fully operational. The new vertical automated warehouses also began operating, which will make it possible to optimize logistics flows.

At the Matera plant, a new gearbox assembly line equipped with integrated production control systems became fully operational. Investments in logistics were also initiated to optimize internal flows with the introduction of new automated warehouses.

At the Monguelfo plant, a new assembly line integrated with vision systems to inspect production outputs became fully operational. The line is dedicated to the production of industrial power transmissions and is equipped with all of the most modern technological innovations regarding production process control and quality and productivity improvements.

In Germany, at the Lohmar plant, investments were made in building and general plant works in preparation for the entry into production of assembly lines and machine tools for producing transmissions previously located at the Hasselroth site, which was closed in the previous year. These lines and machine tools entered full production speed in the first half of this year. Also in Germany, at the Sohland plant, a new end-of-line test bench for hydraulic transmissions purchased in the previous year went into production.

New investments were made at the Jiaxing, China, and Bangalore, India, plants to continue the industrialization projects initiated in prior years for the local and international markets. Specifically, at the Bangalore plant, a new investment was launched to create a new transmission assembly line that will become fully operational in production in the first quarter of next year.

During the year in question, significant industrial investments were made in North America.

At the Rockford plant, a new semi-automated water-based painting plant for agricultural and industrial components – featuring best-in-class technologies – became fully operational in the first half of the year, in line with the green approach adopted for the Group's new technological solutions. Logistics investments were also made, including the acquisition of a new intensive warehouse and two vertical automated warehouses, with a view to boosting the logistical efficiency of operating activities.

Investments were also made in building works and general plants, in order to install new high-tech production assets. Among these, of particular note is a new assembly line for industrial transmissions equipped with AGVs for the handling of semi-finished products and a PLC supervision system. The line integrates advanced technologies such as cyber-physical systems, software for monitoring and managing production efficiency, and quality monitoring systems. The acquisition was also finalized of a test bench dedicated to transmissions, integrated within the production process through the same supervision system.

An additional high-tech assembly line entered production for the manufacture of agricultural transmissions. This line is also semi-automated and equipped with the most modern production technologies, including cyber-physical systems, software for monitoring and managing production efficiency, and integrated quality monitoring and process optimization systems. Test benches dedicated to transmissions integrated in the line thanks to the monitoring and supervision software also began operating.

Also in the US, a second semi-automated painting plant was acquired for painting industrial and agricultural transmissions, equipped with the most modern process and production control systems, including cyber-physical systems, supervision and management software and automations for the application of paint. This plant also uses water-based painting products, confirming the environmentally friendly approach of the technologies adopted by the Group. The new painting line will become operational in the first quarter of 2026.

The most significant IT investments are listed below, which, consistent with group objectives, were focused on operational continuity, strengthening of the cyber posture, completion of application standardizations and technological upgrading of owned infrastructure.

IT INFRASTRUCTURE

- Adaptations and reconfigurations of the network and core IT services at WPG and Comer sites to realign the architecture with the global footprint, while also improving security measures.
- Significant technological upgrading of the infrastructure present in the data center in Lohmar (DE), which provides IT services to other Group locations as well.

CYBERSECURITY

- Strengthening of the posture with the implementation of 2FA on VPN connections and the adoption of the XDR solution across the Group's entire scope.
- Completion of the Business Impact Analysis (BIA) started in 2024 on critical processes and services; drafting and updating of the new Group Disaster Recovery Plan (DRP).
- Cybersecurity Assessment aimed, across the Italian company scope, at identifying the technical and organizational measures to be implemented to achieve full compliance with the European NIS 2 directive by October 2026.

ENTERPRISE SOLUTIONS (ERP, GROUP APPLICATIONS)

- Group ERP Roadmap: Project in the US, to complete the installation of SAP in all Group companies and simultaneously streamline the local footprint.
- Treasury & Finance: continuation of the roll-out of new Treasury software in the Group's offices abroad.
- Implementation of OneStream, the new group EPM (Enterprise Performance Management) solution for consolidation processes.

OFFICE AUTOMATION & PRODUCTIVITY

- Initiatives aimed at reducing the time required for high-operational-involvement activities (customer portal per sales order entry).

These initiatives contributed to strengthening the Group's operational resilience, progressing in the post-acquisition integration and laying the groundwork for further application and security developments, also in view of the new significant M&A transaction completed in early 2026. Please recall that in early March 2025, Comer Industries identified a cyber security incident that caused slowdowns and, in certain cases, temporary interruptions in internal IT services. Thanks to its speedy response and the immediate

activation of the appropriate security measures, Comer Industries was able to mitigate the impact and rapidly restore the majority of company operations. This attack and the ensuing system interruption did not generate a significant impact on economic results.

The main research and development initiatives carried out during the year are listed below.

For the agricultural market, particularly for application on tractors, the test bench and field test validation phase was completed of the new axle size for machines up to 120 kW.

The supply of axles was acquired for one of the largest manufacturers of large-scale tracked tractors, to replace self-production. In this case, as the designs were provided by the customer, the activity focused on checking and critically reviewing the product's technical requirements and its industrialization starting from the development of the supply chain and through to the assembly and painting phase, which will take place at the Rockford (USA) plant. In order to validate the products manufactured with the new supply chain, a test bench campaign was set up at our testing facilities (Reggiolo and Lohmar), which began in the final quarter of 2025 and will continue until halfway through 2026.

In terms of industrial gearboxes, a number of projects were also developed for transmissions and devices dedicated to a range of applications (large packaging machines, forage harvesting machine heads, rake machines and agricultural tractors), with a view to supporting major industry manufacturers as they continuously seek to increase productivity and lower the consumption of machines.

The development and refinement of integrated continuously variable drive (ICVD) transmissions for agricultural machinery continued, with the definition of the second generation of the product that incorporates a number of technical upgrades as well as product optimization and cost reduction content. As regards agricultural power take-off (PTO) shafts, the integration of the Comer and Walterscheid ranges and the redefinition of the product catalog were completed.

Field tests were performed on clutches for large packaging machines, which led to the implementation of some modifications in the design to improve its reliability.

Prototypes of bidirectional torque limiter for application on high-speed transmission lines (1,000 rpm) were created and the test bench phase was initiated.

For the product line of tractor attachment systems (TAS), work was done to optimize several products (mechanical stabilizer) and cost reduction projects were carried out by means of design and production technology changes (attachment frame).

In the industrial realm, the development of the category 3 axle was completed for telescopic loaders, with successful field validations.

For the same axle size, the product configuration for application on aerial platforms has been released for mass production.

As far as planetary drives are concerned, the range of transmissions for excavators has been expanded, completing the development and production of prototypes for a rotation drive design for machines exceeding 100 tons, and initiating the test bench validation phase for a new size of rotation drive that uses an electric motor for application on electric excavators.

Also for application on construction equipment, some projects were developed for wheel units with an integrated hydraulic motor.

Lastly, validation was also initiated in the field for wheels with dynamic braking for self-propelled irrigation machines.

Research activities were initiated in the area of materials and technologies, with a view to checking the possibility of using more cost effective material (cast iron rather than steel), increasing its performance locally in the most stressed areas by adopting peening technology. This activity was carried out with the support of the University of Padua for the experimental characterization of the material, and will be applied to a practical case on a high-volume product, on which theory verification and test bench validation will be carried out in the course of 2026.

As regards cardan driveshafts for industrial applications, the project for transitioning to the new "Mechanics Synergy" product range continued, which streamlines and standardizes the product while also guaranteeing higher performance than conventional products.

In terms of products and integrated systems for electric transmissions and vehicles, a few projects were carried out in collaboration with e-comer S.r.l., including:

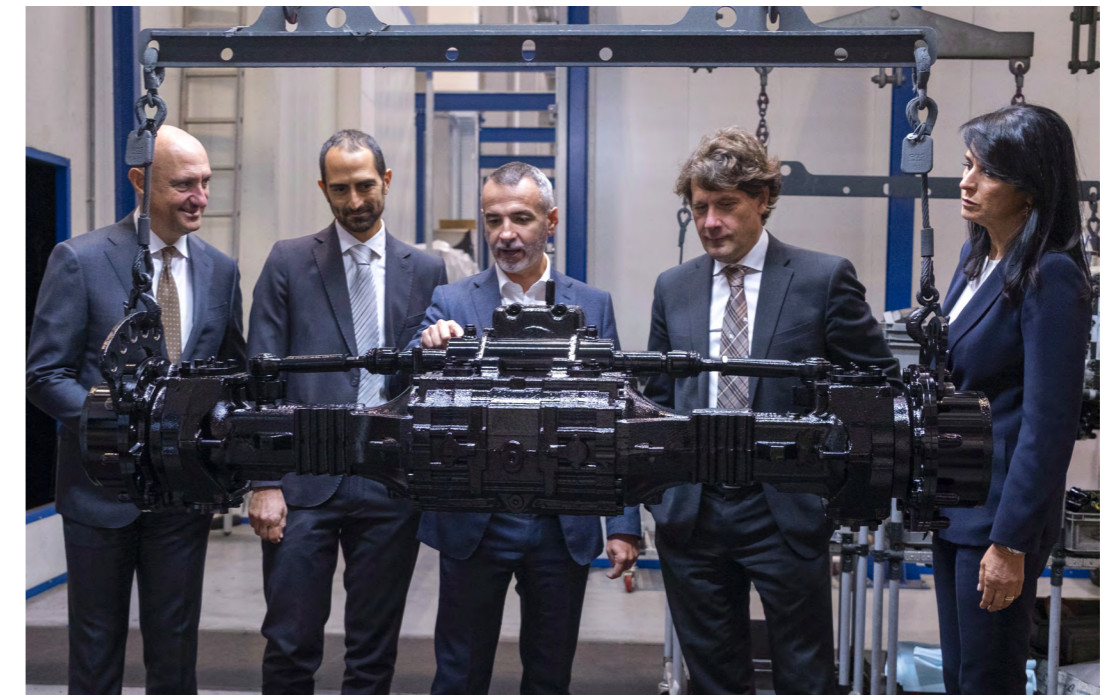
- electric rotation drive for excavator, of which a prototype was created which is currently in the application validation phase.
- axle for the transmission of commercial electric vehicles.

In the field of digitization, implementation of the new PLM (Product Lifecycle Management) system for the management of engineering processes and documents continued during 2025, which will be extended and standardized across all the Group's engineering offices by the end of 2026.

The project to unify three-dimensional CAD drawing systems also continues, which will result in having a single platform for all of the group's engineering departments by mid-2027.

Also in terms of engineering tools and systems, a plan has been set up for the replacement of all physical machines with virtual workstations, which will make it possible to optimize engineering infrastructure from the perspective of performance as well as compliance and IT security.

The advanced systems developed and produced by the Comer Industries group are conceived in design offices located in Italy, Germany and the United States, which are then validated and approved in four different specialized validation centers located in Reggiolo and Welsberg-Monguelfo in Italy, Lohmar in Germany and Rockford in the United States.



The Group recognizes in the areas and communities where it works not only its historical roots, but also the strategic places where it can construct a pathway of responsible and lasting growth, based on the creation of shared value for future generations. This is why it has incorporated into its operations a concrete commitment to generating a positive economic, social and cultural impact, consistent with its values, its purpose and the UN's Sustainable Development Goals.

At global level, it supports initiatives linked to health, education, innovation, environmental sustainability, diversity and community development, with a particular focus on education as a fundamental lever for local growth and spreading know-how. In this realm, after the creation of the "Il Linguaggio degli Ingranaggi" ["The Language of Gears"] Workshop at the Loris Malaguzzi international center in Reggio Emilia, it carried out the "Atelier a Palazzo" ["Workshop at the Palazzo"] project, born from its collaboration with the Municipality of Reggio, the Reggio Children Foundation and Azienda Servizi Bassa Reggiana, which led to the creation of recreational-educational spaces in Palazzo Sartoretti in Reggio, the headquarters of the Municipal Administration, dedicated to topics surrounding mechanics and more, which are visited every year by many schoolchildren from all over the world, contributing to promoting and enhancing the visibility of the Reggio Emilia area beyond national borders.

The process of leveraging the Reggio educational approach was further reinforced by the funding of an international industrial doctoral program in Reggio Childhood Studies, promoted by the Reggio Children's Foundation and the Department of Education and Human Sciences of the University of Modena and Reggio Emilia, confirming the commitment of Comer Industries to supporting academic research and the development of the Reggio Emilia Approach®, which is now internationally recognized as a benchmark educational model.

In parallel, the Company actively promotes the training and coaching of younger generations through ongoing collaborations with Italian and international universities and secondary schools, including the Universities of Modena and Reggio Emilia, Parma and Cologne and a number of technical institutes and high schools, focusing on training workshops, career days, meetings with students and thesis projects on various mechanics topics and technological innovation. In Germany, the ÜFA project has for years represented a virtuous example of training for very young people, offering them the opportunity to understand in person how a real company organization works, with real processes, concrete cash flows and the assumption of responsibilities, contributing to the development of professional skills, a spirit of entrepreneurship and organizational awareness. The social commitment of Comer Industries also extends to the international contexts in which the Company operates, like in India, where a project is in the works to renovate and expand a school for 200 young people from 6 to 13 years of age, which will be inaugurated in 2026.

Alongside education, the company is focusing particularly on health, as seen in its support to scientific research, during the Christmas holidays, by providing a financial donation to the Telethon Foundation, contributing towards funding research into rare genetic diseases and strengthening the Company's desire to transform a symbolic moment like Christmas into a tangible gesture of solidarity and social responsibility. Comer Industries also promotes a culture of open and shared innovation through its long-term partnership with Le Village by Crédit Agricole, a European ecosystem dedicated to the development of start-ups and contamination between consolidated companies and new businesses, favoring the exchange of skills, ideas and innovative technological solutions.

The Group's social responsibility is also expressed in its promotion of sports as a tool for inclusion, coming together and spreading values like fair play, team spirit and healthy lifestyles. This is where the partnership fits in between Comer Industries and U.S. Sassuolo Calcio, an Emilian sports team recognized at national and international level, with which the Company shares the values of excellence, innovation, a focus on young people and sustainability. The collaboration represents a concrete example

of supporting sports as a lever for local social and economic development, contributing towards strengthening the link with the local community and promoting a positive and inclusive sports culture. Alongside this partnership, Comer Industries supports local sports associations and organizations, which are recognized as an opportunity for the growth, inclusion and promotion of young entrepreneurs, including the Reggiolo Padel Club, which the company has supported since its foundation.

As far as environmental and organizational well-being are concerned, the Group incentivizes forms of sustainable mobility through the Jobbike project, active at the Lohmar site in Germany and currently under assessment for expansion to other facilities, contributing towards reducing environmental impact and improving employee quality of life. This commitment to the community is completed by its continuous support for the National Trust for Italy, to which Comer Industries S.p.A. has been a Corporate Golden Donor since 2019, bearing witness to the conviction that protecting artistic, cultural and landscape heritage represents an essential investment for the construction of a more knowledgeable, sustainable and inclusive future for communities and future generations.



A total of 48 injuries were recorded in 2025, with a significant decrease (around -10% compared to the previous year) in the frequency indicator, which stood at a value of 9.6. The Group places significant attention on accident prevention initiatives, through activities intended to promote the spontaneous reporting of hazards by all workers and to take prompt action for their removal with a structured management protocol. In this regard, the Group has centralized software extended to all production units to collect hazard reports and support the corrective action analysis and management phase and, as a strategic objective, aims to reduce response times to minimize risk exposure.

In 2025 initiatives were implemented aimed at reducing energy consumption and mitigating climate change in accordance with the provisions of the 2035 Sustainable Development Plan and the Decarbonization Plan. The initiatives were developed with a view to enhancing the efficiency of production processes and buildings and increasing the share of purchased electricity from renewable sources, which overall accounts for 49% of total electricity consumed.

The commitment in this sense has resulted in an over 8% reduction in the absolute values of Scope 1 and 2 (market based) emissions compared to 2024.

To round out the environmental performance snapshot, there were reductions in the values of the hazardous waste rate and water consumption in areas subject to water stress, as a result of the optimization of the resources used in processes.

No critical issues have emerged during the year with relation to the environment.

The issue of climate change, confirmed as a material topic for the Group in the double materiality analysis carried out in 2025, is also addressed in the related risk assessment, in relation to which the Group confirmed the results of the Climate Change Scenario analysis conducted in 2024, which brought to light no significant physical or transition risks.

Please see the 2025 Sustainability Reporting for a detailed description of the Group's reference standards and sustainability performance.

The Group has dealings with subsidiaries and other related parties at market conditions considered as normal in the respective reference market, taking account of the characteristics of the assets and the services provided. Transactions between Comer Industries S.p.A. and its consolidated subsidiaries, which are entities related to the Company, are eliminated in the financial statements.

DEALINGS WITH PARENT COMPANIES

The Group does not have commercial or financial dealings with the majority shareholder, Eagles Oak S.r.l.

RELATIONS WITH OTHER RELATED PARTIES

It is disclosed that the "Other operating costs" heading includes professional consultancy provided by two Directors of the parent company Comer Industries S.p.A. for non-significant amounts.

As of December 31, 2025, the Group is organized in a structure with Comer Industries S.p.A. at the top, possessing directly or indirectly 100% of 21 Italian and foreign subsidiaries that constitute the scope of consolidation.

The key figures of the consolidated subsidiary companies are summarized in the table below:

	COUNTRY	% OF OWNER-SHIP	MAIN ACTIVITY	SHARE CAPITAL AS OF 12/31/2025	TURNOVER 12/31/2025 €000	NET EQUITY 12/31/2025 €000	HEADCOUNT 12/31/2025
Comer Industries S.p.A.	Italy	parent company	Design, production and sales	€ 18,487,339	257,815	375,545	802
Comer Industries Components S.r.l.	Italy	100%	Production and sales	€ 7,125,000	120,909	34,644	365
e-Comer S.r.l.	Italy	100%	Design, production and sales	€ 1,000,000	18,020	68,167	84
WPG German HoldCo GmbH	Germany	100%	Holding company	€ 10,495,000	-	39,638	0
Walterscheid GmbH	Germany	100%	Design, production and sales	€ 17,895,000	270,084	103,200	966
Walterscheid Getriebe GmbH	Germany	100%	Design, production and sales	€ 25,600	33,361	8,829	190
Walterscheid Cardan GmbH	Germany	100%	Production and sales	€ 625,000	5,071	943	29
Comer Industries UK Ltd	UK	100%	Sales	£ 265,000	-	359	-
WPG UK HoldCo Ltd.	UK	100%	Holding company	£ 3,093,000	-	3,560	-
Powertrain Services UK Limited	UK	100%	Holding company	£ 14,231,000	-	3,462	-
Powertrain Services (UK Newco) Ltd.	UK	100%	Holding company	-	-	1,515	-
Powertrain Services France SAS	France	100%	Sales and after-sales service	€ 2,139,000	18,346	25,536	19
Comer Industries INC	United States	100%	Sales	\$ 13,281,000	63,899	18,475	25
WPG US HoldCo LLC.	United States	100%	Holding company	\$ 58,546,000	-	4,046	-
Walterscheid Inc. Woodridge	United States	100%	Production and sales	\$ 2,000,000	37,654	24,199	112
Powertrain Rockford Inc.	United States	100%	Design, production and sales	\$ 1,000	63,789	77,927	147
Comer Industries do Brasil EIRELI	Brazil	100%	Sales	BRL 6,112,000	17,040	1,216	7
Walterscheid Brasil Industria de Equipamentos Agrícolas Ltda.	Brazil	100%	Production and sales	BRL 52,300,000	5,974	2,776	60
Comer Industries (Jiaxing) Co Ltd	China	100%	Production and sales	CNY 161,792,892	166,870	111,801	295
Comer Industries (ShaoXing) Co Ltd	China	100%	Production and sales	CNY 13,621,168	2,051	22,283	-
Walterscheid Powertrain (China) Co. Ltd.	China	100%	Production and sales	CNY 2,000,000	-	2,337	-
Comer Industries India Pvt Ltd	India	100%	Production and sales	INR 145,090,000	35,874	18,041	125



ESRS 2 GENERAL DISCLOSURES

BP-1 GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

Comer Industries S.p.A. (hereinafter referred to as "Comer Industries," the "Company," or, together with its subsidiaries, the "Group," names referring to the parent company Comer Industries S.p.A., and all the companies under it as of December 31, 2025) is a company listed on the Euronext Milan Multilateral Trading Facility (MTF) regulated market of the Italian stock exchange.

In accordance with the provisions of Italian Legislative Decree no. 125/2024, as amended and supplemented (hereinafter also referred to as the "Decree," which transposes Directive (EU) 2022/2464, known as the "Corporate Sustainability Reporting Directive" or "CSRD"), Comer Industries prepares a Consolidated Sustainability Reporting (hereinafter also the "Statement" or "Sustainability Reporting"), which forms an integral part of its Directors' Report.

This Consolidated Sustainability Reporting relates to fiscal year 2025, from January 1 to December 31, 2025, and describes the Group's management approach, processes, objectives, and performance in relation to material sustainability matters. The reporting scope includes the parent company Comer Industries S.p.A. and all the subsidiaries consolidated on a line-by-line basis in the Group's Consolidated Financial Statements as of December 31, 2025. Accordingly, the reporting boundary of this Statement coincides with that of the Group's Consolidated Financial Statements and with that of the previous fiscal year.

In accordance with the requirements of the applicable standard, the Statement also includes information regarding the Group's upstream and downstream value chain. This information refers to policies and actions connected to impacts, risks, and opportunities identified as material along the supply chain¹, not to mention Scope 3 GHG emissions metrics.

In this Statement, Comer Industries does not exercise the option to omit certain specific information relating to intellectual property, know-how, and innovation outcomes, as well as imminent developments and matters under negotiation, in accordance with Articles 19a and 29a of Directive 2013/34/EU.

BP-2 DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

The ESRS introduce the principle of double materiality as a tool to identify information that is material for the Group and its stakeholders, in relation to both activities directly performed and those within the value chain. In accordance with ESRS 2 "General Disclosures," a sustainability matter is considered material and must be addressed in this Statement if it generates significant impacts on people and the environment and/or entails material risks or opportunities for the organization.

Consistent with this approach, the content of the Sustainability Reporting and the performance indicators adopted by the Group derive from a double materiality assessment that identified material topics related to the Group's activities, starting from the mapping of impacts, risks, and opportunities (IROs) connected to the sustainability matters referred to in AR 16 "Sustainability matters to be included in the materiality assessment" of ESRS 1 "General Requirements."

(1) For more information, see [SBM-1 Strategy, business model and value chain](#).

In preparing the Statement, Comer Industries considered the qualitative characteristics of information defined in ESRS 1 - "General Requirements":

- Fundamental characteristics, such as relevance and faithful representation.
- Enhancing characteristics, including comparability, verifiability, and understandability.

These aspects are governed by Appendix B "Qualitative characteristics of information" of the same standard, which is referenced in this document for further details.

Quantitative data relating to Scope 3 greenhouse gas emissions are based on estimates subject to a high level of uncertainty. For a description of the calculation methodologies adopted, see [E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions](#).

All estimated data are accompanied by appropriate supporting information enabling an understanding of the associated level of uncertainty.

It should be noted that no material errors were identified in the information relating to prior years, nor were there any changes in the preparation and presentation of information compared to the previous reporting period. In accordance with Commission Delegated Regulation (EU) 2025/1416, for fiscal year 2025 the Group also applied the phase-in provisions set out in Appendix C of ESRS 1.

All relevant and applicable ESRS disclosure requirements and related datapoints are included in this Statement, without reference to external documents. The detailed list of reported indicators is provided in the index presented in chapter [IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement](#), located at the end of the document.

Short-, medium-, and long-term time horizons are defined in accordance with ESRS 1, section 6.4 "Definition of short-, medium-, and long-term for reporting purposes," respectively as:

- Short term: within one year
- Medium term: between one and five years
- Long term: beyond five years

As a company subject to the obligation to prepare Consolidated Sustainability Reporting pursuant to Article 4 of Italian Legislative Decree no. 125/2024, Comer Industries also includes the disclosures required under the EU Taxonomy Regulation (Regulation (EU) 2020/852 and subsequent Delegated Regulations) relating to environmentally sustainable activities carried out by the Group. In particular, for 2025 Comer Industries reports EU Taxonomy disclosures in accordance with the regulatory simplifications introduced by Commission Delegated Regulation (EU) 2026/73 of July 4, 2025, amending Delegated Regulations (EU) 2021/2178, 2021/2139, and 2023/2486. The approach adopted for this analysis is prudent and based on the current interpretation of the applicable regulatory requirements.

The preparation process of the Statement involved the heads of the Group's various business functions, both in conducting the double materiality assessment and in preparing qualitative and quantitative content. The Statement was approved by the Board of Directors of Comer Industries S.p.A. on March 16, 2026.

The document is subject to limited assurance, in accordance with the Standard on Sustainability Assurance Engagement (SSAE²) – Italy, by the audit firm Deloitte & Touche S.p.A. The Independent Auditors' Report is included at the end of this document.

The Sustainability Statement is posted on Comer Industries' corporate website in the Sustainability section. For more information or comments on the document, please write to sustainability@comerindustries.com.

GOV-1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

The governance model adopted by Comer Industries is a traditional one and is structured around the following bodies: the Board of Directors (hereinafter, the "BoD"), responsible for strategic direction and the overall management of the Group; the Board of Statutory Auditors, tasked with overseeing the BoD's activities; the Supervisory Body and the Internal Auditor, with internal control and monitoring functions; and lastly the Audit Firm, responsible for the statutory audit of the accounts and accounting oversight.

The Board of Directors is the Governing Body that leads and manages the Company, except for activities in charge to Shareholders' Meeting. The BoD is responsible for defining strategic and organizational guidelines, verifying the adequacy of the organizational structure, and assessing the effectiveness of the control systems necessary to monitor business performance. The BoD consists of one executive member, serving as Chair, and eight non-executive members, 44% of whom are independent. The Board is also supported by two internal Committees: the Appointment and Remuneration Committee and the Control, Risks, Sustainability and Related Parties Committee ("CRSRPC"), whose compositions, set out below, reflect their respective mandates and the specific expertise of their members. At least every three years, and upon renewal, the BoD conducts an assessment of the size, composition, and competencies of the Board and its Committees, including sustainability-related competencies, whether held directly or through external experts, including the management of impacts, risks, and opportunities.

MEMBER	INDEPENDENT MEMBER	OFFICE ON THE BOARD OF DIRECTORS	IN OFFICE SINCE	COMMITTEES
MATTEO STORCHI	No	Chair	04/26/2018	-
CRISTIAN STORCHI	No	Vice President and Director	04/26/2018	-
GIAMPIERO MAIOLI	No	Vice President and Director	04/29/2025	-
MATTEO NOBILI	No	Director	02/25/2019	Appointment and Remuneration
ARNALDO CAMUFFO	Yes	Director	02/25/2019	Appointment and Remuneration (Chair) Control, Risk, Sustainability and Related Parties
MARCO STORCHI	No	Director	02/25/2019	-
PAOLA PIZZETTI	Yes	Director	05/20/2019	Control, Risk, Sustainability and Related Parties (Chair)
FRANCESCA BERTANI	Yes	Director	04/23/2024	Control, Risk, Sustainability and Related Parties
SERGIO GIGLIO	Yes	Director	04/23/2024	Appointment and Remuneration

(2) The standard in question, which came into effect on January 30, 2025, complements the ISAE 3000 revised standard governing assurance engagements on non-financial information, with specific requirements for Italy.

The Board of Statutory Auditors constitutes the Company's supervisory body and oversees the directors' activities, ensuring that management and administration are conducted in full compliance with the law, the bylaws, and principles of sound administration.

LUIGI GESALDI	Chair
FRANCESCA FOLLONI	Standing Statutory Auditor
MASSIMILIANO FONTANI	Standing Statutory Auditor

The Supervisory Body (SB) is appointed by the Board of Directors and is responsible for overseeing compliance with, effective implementation of, and updates to the 231 Model. It is structured as a collegial body and includes at least one internal and one external member, ensuring independence, autonomy, and professionalism. In addition to conducting periodic reviews, site visits, and analyses of information flows, the SB prepares a semi-annual report to the BoD on activities carried out and key findings identified.

TOMMASO ROTELLA	SB Chair Comer Industries S.p.A.
LUCA MAZZEI	Chair SB Comer Industries Components S.r.l. and External member SB Comer Industries S.p.A.
ANTONIO LATTARULO	Internal member SB Comer Industries S.p.A. and SB Comer Industries Components S.r.l.

In line with the provisions of the Corporate Governance Code, the **Internal Auditor** verifies the effectiveness and proficiency of the Group's internal control and risk management system, implementing an audit plan, approved by the Board of Directors and defined based on a risk analysis process. It also prepares and submits periodic reports to the governing and supervisory bodies regarding the adequacy and effective functioning of the system.

GIULIO GRAZIANI	Internal Auditor
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The following table schematically presents the composition of the administrative, management, and supervisory bodies:

BODIES	EXECUTIVE MEMBERS	NON-EXECUTIVE MEMBERS	WOMEN	MEN	WOMEN/MEN RATIO
BoD	1	8	2	7	29%
Board of Statutory Auditors	0	3	1	2	50%
SB	0	3	0	3	0%
Internal Auditor	0	1	0	1	0%

Currently there are no active employee representatives who are members of the governing and control bodies.

Members of the administrative, management, and supervisory bodies have significant experience³ at various levels gained in companies operating in international contexts, and cover the main geographic areas, sectors, and product lines in which the Group operates.

Within the CRSRPC, whose composition is presented at the beginning of this chapter, specific sustainability expertise is represented⁴. Thanks to this expertise, the Committee performs both advisory and supervisory functions regarding the sustainability development strategy, the double materiality assessment, and the management of impacts, risks, and opportunities.

THE GOVERNANCE OF SUSTAINABILITY

Comer Industries' sustainability governance structure places the Board of Directors at the top, responsible for setting and coordinating the sustainability strategy, as well as overseeing impacts, risks, and opportunities. The Board of Directors is supported by the Control, Risks, Sustainability and Related Parties Committee, a board committee with advisory and consultative functions, which also acts as a link between the BoD and the organization's operational functions. The Board of Directors delegates responsibility for managing the Group's impacts, risks, and opportunities across economic, environmental, and social dimensions to the Quality, Sustainability & Compliance function, in collaboration with other company functions. The function is responsible for conducting due diligence, including the double materiality assessment, and for implementing projects through which sustainability objectives are integrated into operations. Lastly, each year the Quality, Sustainability & Compliance function sets and updates goals related to impacts, risks, and opportunities in collaboration with other business functions, after consultation with the CRSRPC. Management procedures and related responsibilities are formalized in a company procedure and communicated internally. The BoD oversees this function through structured, periodic information flows during the fiscal year.

The CRSRPC performs advisory and informational functions for the BoD, which approves the material topics relating to impacts, risks, and opportunities and the corresponding objectives. All impacts, risks, and opportunities fall under the direct purview of the BoD and the Committee. For the complete list of material impacts, risks, and opportunities and related management approaches, see [SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#).

The outcomes of this analysis and the changing regulatory environment influence the short- and long-term sustainability strategy through a process of assessing the consistency of objectives with the main sustainability development drivers. In fact, from this perspective the Sustainable Development Plan was updated and approved by the BoD on February 17, 2025. For a detailed description of the strategy and the 2035 Sustainable Development Plan, see [SBM-1 Strategy, business model and value chain](#).

(3) As inferred from the curriculum vitae posted by each director on the Comer Industries website.

(4) As inferred from the curriculum vitae posted by each director on the Comer Industries website and documentation evidencing specific qualifications, training, activities, or publications.

GOV-2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The results of the sustainability development program are monitored by the Quality, Sustainability & Compliance function and communicated to management via an information flow formalized in the same corporate procedure, which includes specific quarterly reporting to the CRSRPC about the performance of key sustainability indicators against targets and other results related to sustainability due diligence processes. The CRSRPC, also considering the guidelines of the BoD through updates at frequencies agreed upon based on the financial calendar, issues recommendations and opinions to the Quality, Sustainability & Compliance function, which implements the necessary corrective actions in case of deviations.

In accordance with applicable provisions, the BoD is informed annually regarding impacts, risks, and opportunities included in the double materiality assessment and is responsible for approving the results.

The CRSRPC met five times in 2025 and twice in Q1 2026, placing the following subjects related to sustainability and related material topics on the agenda⁵:

SUBJECT	MATERIAL TOPIC	IMPACTS, RISKS, OPPORTUNITIES RELATED TO THE TOPIC
2025 Supervisory Body report and program	Business conduct	Impacts, risks, and opportunities pertaining to the sub-topic of company culture
Review of the contents of the 2024 Sustainability Report Progress on the 2035 Sustainable Development Plan Update of the climate risk assessment	All	All impacts, risks and opportunities identified
Review of sustainability KPIs for the first half of 2025 Presentation of benchmark analysis on the sustainability strategy	All	All impacts, risks and opportunities identified
Presentation of the new whistleblowing procedure	Business conduct Own workforce Workers in the value chain	Impacts, risks, and opportunities related to corporate culture, protection of reporting persons, protection of whistleblowers, equal treatment and equal opportunities for all, and other work-related rights
Analysis and approval of the double materiality study Revision of the materiality procedure Revision of the procedure on internal controls over non-financial reporting	All	All impacts, risks, and opportunities identified
2026 Supervisory Body report and program	Business conduct	Impacts, risks, and opportunities pertaining to the sub-topic of company culture
Examination of the contents of the 2025 Sustainability Statement Progress on the 2035 Sustainable Development Plan	All	All impacts, risks, and opportunities identified

(5) For ease of reference, only the correlation with material topics is presented here; for the association with the underlying IROs, see the table in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The remuneration system for the Chair of the BoD and executives with strategic responsibilities includes a sustainability performance parameter in the variable remuneration component with a weight of 10%. This parameter assesses achievement (on/off) of the greenhouse gas emissions reduction target, calculated as the ratio between Scope 1 and Scope 2 market-based emissions and the total number of hours worked. The same parameter linked to reducing the Group's greenhouse gas emissions impacts is extended to the variable incentive system for Executive, Manager, and Professional personnel who benefit from it.

Consistent with statutory and regulatory provisions and the adopted governance model, the Remuneration Policy was defined using a transparent, formal process involving the Shareholders' Meeting, the BoD, the Appointment and Remuneration Committee, and the Board of Statutory Auditors. Specifically:

- The Shareholders' Meeting resolves on the remuneration of Directors and Statutory Auditors.
- The BoD approves the Remuneration Policy, following consultation with the Appointment and Remuneration Committee.

The Policy was prepared pursuant to Article 123-ter of Italian Legislative Decree 58/1998 (Consolidated Law on Finance or TUF), in accordance with the Consob Issuers' Regulation, and is published in the "Governance" section of Comer Industries' website.

GOV-4 STATEMENT ON DUE DILIGENCE

To facilitate an understanding of the due diligence process, the table below provides a mapping of the points in the Sustainability Reporting where information about this process is provided:

	KEY ELEMENTS OF DUE DILIGENCE	SECTIONS IN THE SUSTAINABILITY STATEMENT
a)	Embedding due diligence in governance, strategy and business model	GOV-1 – The role of the administrative, management, and supervisory bodies GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies GOV-3 – Integration of sustainability-related performance in incentive schemes SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
b)	Engage stakeholders in all key stages of the due diligence process	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies SBM-2 – Interests and views of stakeholders
c)	Identifying and assessing adverse impacts	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities
d)	Take action to address adverse impacts	Disclosures are provided in the specific ESRS topical standards, where the set of measures – including actions and targets – through which impacts and risks are managed is disclosed.
e)	Monitor the effectiveness of actions and communicate	Disclosures are provided in the specific ESRS topical standards, where the set of measures – including actions and targets – through which impacts and risks are managed is disclosed.

GOV-5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

With a view to continuous improvement, Comer Industries has adopted a risk management model inspired by the “Risk Management” ISO 31000 standard. This process, formalized in a specific procedure, is coordinated by the CRSRPC, while the Risk Management function is entrusted with the task of translating the BoD’s guidelines on risk management into operation, in synergy with the other corporate functions and control bodies.

With reference to risk management and internal controls relating to Sustainability Reporting, Comer Industries has developed an internal control model aimed at identifying, assessing, and monitoring risks associated with the non-financial reporting process.

The procedure governing the information flows concerning qualitative and quantitative sustainability information also describes the internal control system in relation to Sustainability Reporting. Specifically, the Sustainability function conducts audits on the accuracy of the data and information collection processes through an analysis of the documentation or evidence underlying the construction of performance indicators and visits to the sites where the data originates.

The assessment and prioritization of risks associated with the sustainability reporting process were conducted through an analysis aimed at identifying and assessing risks that could compromise its reliability, completeness, and compliance with applicable regulatory requirements.

The Sustainability function is tasked with implementing a structured system of multilevel checks on Sustainability Reporting, carried out periodically and proportionate to the level of risk identified:

- Automated system checks with alerts in case of inconsistencies during data entry.
- Monthly completeness and consistency checks during consolidation of monthly KPIs.
- Quarterly reviews of data provided by local units, including documentary audits.
- Annual verification during final consolidation of indicators.
- Periodic verification of methodological compliance and source reliability through qualified external partners.

Any discrepancies are addressed through corrective actions aimed at aligning the data and information reported in sustainability reporting and preventing future errors.

The findings emerging from the checks are sent quarterly by the Sustainability function to the Global Integrated System, Sustainability and Compliance Manager, the Global Quality, Sustainability & Compliance Director, and the Control, Risk, Sustainability and Related Parties Committee, together with the trend of the main performance indicators.

As part of the annual audit plan, Internal Audit performs sampling and checks aimed at testing the adequacy of the Sustainability Reporting control system described above.

SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Comer Industries is a global leader in the design and manufacture of advanced power transmission systems and mechatronic solutions designed for applications in the agricultural, industrial, and renewable energy sectors. Established in 1970 and grown over the years, Comer Industries now has 11 manufacturing sites and several Aftermarket and sales locations around the world. As of December 31, 2025, the Group has 3,226 people, including 2,806 employees. The breakdown of employees by geographic area is provided in paragraph S1-6 of chapter *S1 – Own workforce*.



As of December 31, 2025, the Company consolidated total turnover of 893.7 million euros, as reported in the *Segment Reporting* section of the Consolidated Financial Statements.

Comer Industries is a global partner capable of developing advanced power transmission systems, combining technological innovation, operational efficiency, and sustainability, and addressing customer needs through mechanical, electrical, and hydraulic technologies. During serial production, supply is accompanied by ongoing dialogue with the customer aimed at collecting and analyzing feedback from the field and end users, with the objective of continuously improving the product and the service offered. Finally, through its Aftermarket and Services structure, the Group ensures customers ongoing support throughout the life cycle of the solutions provided.

There were no major changes to products or services offered during the reporting period⁽⁶⁾. No material changes were identified in the markets served or customer base.

(6) Some products made by Comer Industries fall within the scope of Regulation (EU) 833/2014, as amended, concerning restrictive measures in view of Russia’s actions destabilizing the situation in Ukraine, therefore their sale in Russia has been suspended.



AFTERMARKET PARTS DISTRIBUTION
To more than 130 distribution partners around the globe.

VALUE ADDED SERVICES
Repair, exchange, modification, customizing and engineering of shafts and drivetrain solutions.

FIELD SERVICE & DIGITAL SOLUTIONS
Field service, preventative and predictive maintenance, condition monitoring and technical consultancy.

SYSTEMS FOR THE AGRICULTURAL SECTOR

In the agricultural sector, Comer Industries' products play a key role in ensuring the efficiency of machines in farming. Transmissions and gearboxes are designed to support intensive working conditions and maximize productivity, while offering controlled power operation even in demanding environments. The robustness and reliability of these systems enable customers to operate continuously while minimizing downtime.

SYSTEMS FOR THE INDUSTRIAL SECTOR

For industrial applications, Comer Industries develops solutions to meet a diverse range of applications and complex needs. For example, planetary gearmotors and gearboxes used in machines operating in earthmoving, lifting, and material handling operations are designed to withstand particularly harsh operating conditions, such as high loads, intensive work cycles, and extreme environments. The design takes into account both mechanical performance and durability, ensuring extended component life and reducing maintenance costs. In addition to standard components, the company is able to develop customized solutions, meeting the demands of customers in highly specialized fields such as construction, mining, and industrial automation.

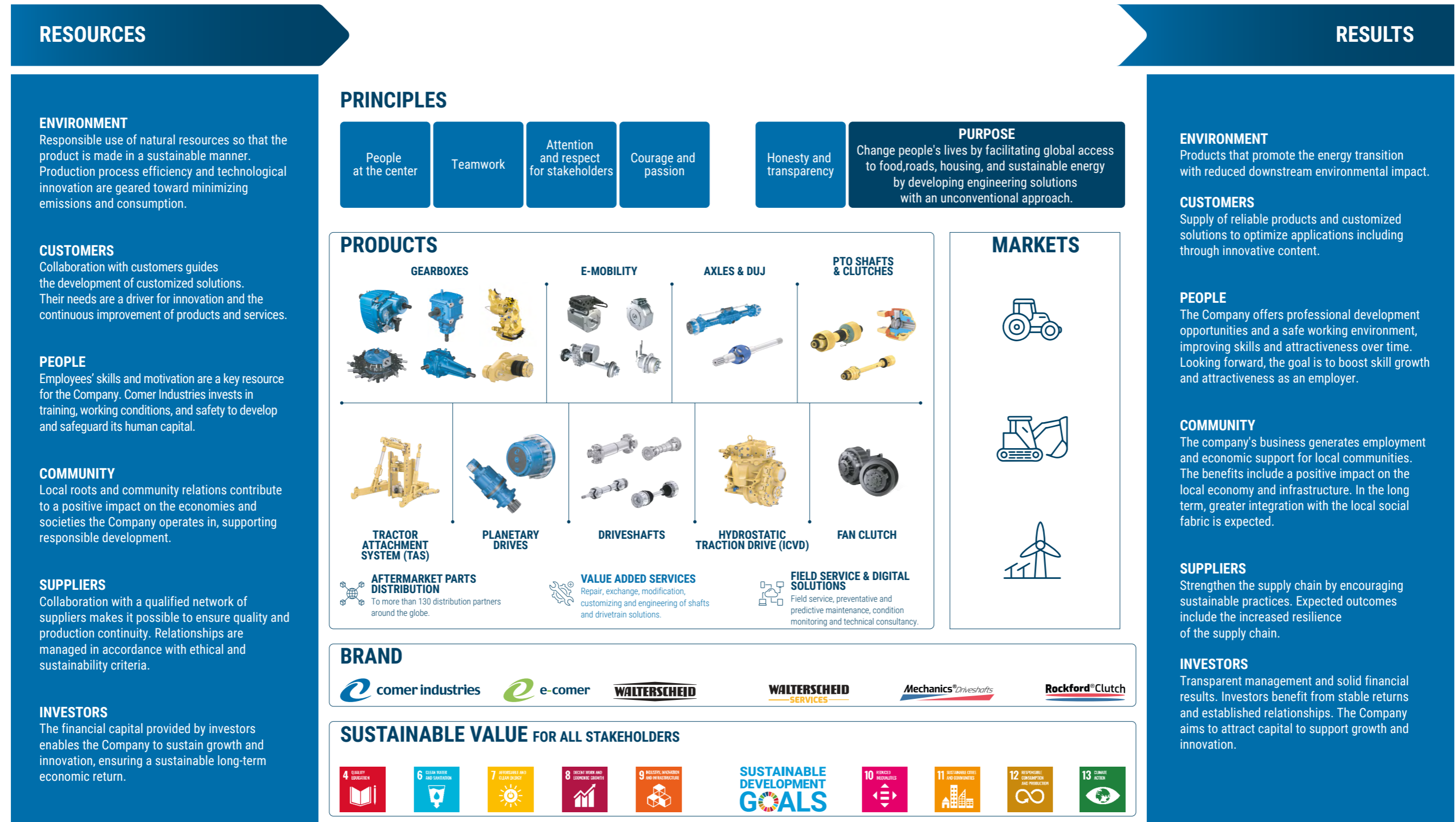
RENEWABLE ENERGY SOLUTIONS

Comer Industries operates in the renewable energy sector, developing products that support and maximize clean energy production. One example is gearboxes for wind applications, which are crucial components for turbine operation, even in extreme operating environments.



THE VALUE CHAIN

Comer Industries occupies a **central position in the value chain** as a manufacturer of highly specialized power transmission systems, connecting upstream component suppliers with downstream industrial customers. Technological innovation, a focus on sustainability, and the ability to proactively respond to market needs reinforce its role as a reliable strategic partner for all stakeholders.



Upstream, the value chain consists of a global network of suppliers selected to ensure the supply of components and services necessary for the production of systems for the various end markets. The main materials purchased are cast iron and steel.

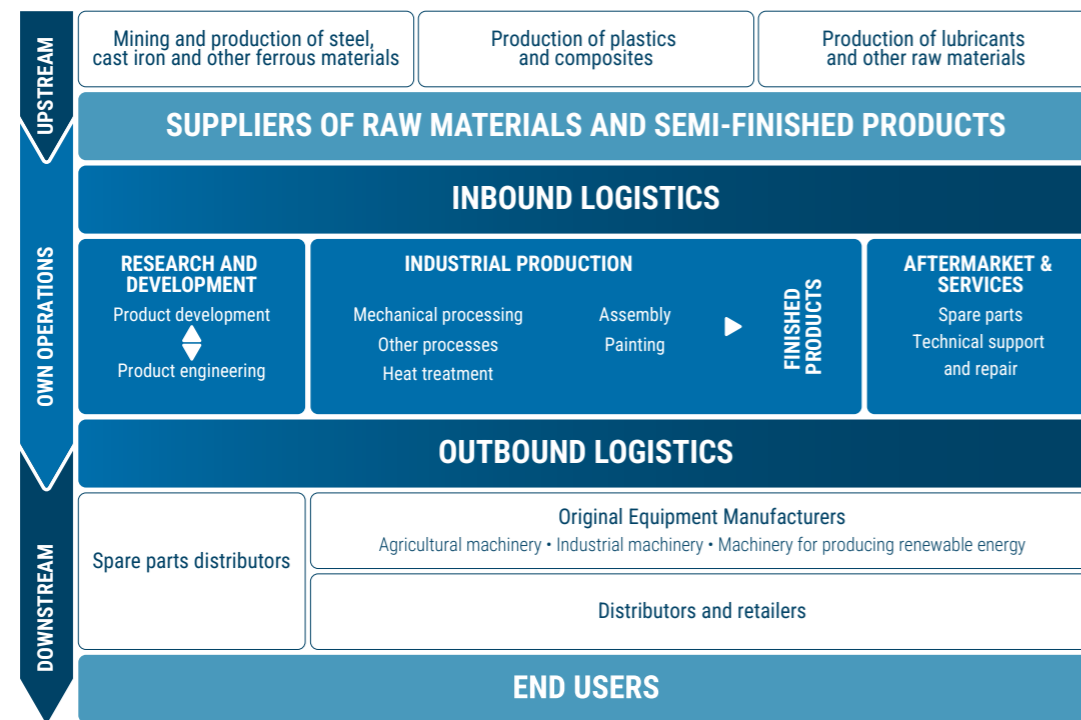
The Company builds solid relationships with strategic suppliers with the aim of reducing operational risks, optimizing supply management, and ensuring continuity in material availability. Although the supply network has an international distribution, Comer Industries also relies on partners located close to its production facilities in order to reduce transport times and costs and increase responsiveness to production needs.

The Group promotes active collaboration with its suppliers, supporting them in technological innovation processes and the development of solutions that contribute to the continuous improvement of end-product performance. Supply chain management involves continuous monitoring of performance, carried out through periodic evaluations and control systems to verify compliance with the required technical and quality standards.

Downstream, the value chain is represented by international customers in the agricultural, industrial, and wind power sectors that integrate Comer Industries' solutions into their end products. Distribution takes place through a network of subsidiaries, service centers, and logistics partners, ensuring an efficient flow aligned with the timing of downstream production chains, ultimately reaching the end user and meeting a wide range of applications.

Although the Comer Industries does not interact directly with end users, it contributes significantly to the operation and competitiveness of products in the market through the quality, reliability and innovation of its solutions.

The following diagram illustrates the Company's value chain, highlighting the main operational stages and the flow of activities from upstream suppliers to distribution to end customers, with a focus on internal operations, which include research and development, production processes, and aftermarket services.



THE SUSTAINABILITY STRATEGY

Starting in December 2019, Comer Industries formally launched "OUR BRIGHT IMPACT," a strategic program aimed at structurally and progressively incorporating the principles of sustainability and corporate responsibility into the business model, ensuring their full integration into decision-making processes, corporate governance structures, and operational activities. The program is based on the Company's commitment to contributing to the achievement of the Sustainable Development Goals (SDGs) defined under the United Nations 2030 Agenda, adopted as the reference framework for strategic direction and for defining ESG priorities.

On a periodic basis, the Company conducts an analysis of the alignment between its business model and the SDGs, assessing the relevance of each goal in light of the company strategy, reference values, and the characteristics of its products and processes.

This process makes it possible to identify and update strategic priorities, considering the impacts generated across the economic, environmental, and social dimensions, as well as the respect for and protection of human rights.

THE PATH OF SUSTAINABLE DEVELOPMENT

2019	Launch of the sustainable development program and commitment to the Agenda 2030 Sustainable Development Goals.	
2020	Publication of the first Sustainability Report (FY 2019).	
2021	Accession to the United Nations Global Compact. The first Non-Financial Statement (NFS) is published in accordance with Italian Legislative Decree no. 254/2016.	
2022	The First Non-Financial Statement is published, prepared in accordance with GRI Standards (FY 2021). EcoVadis awards Comer Industries a Silver rating for its sustainability performance.	
2023	The Risk Control, Sustainability and Related Parties Committee is established and approves the Sustainable Development Plan with a 2030 horizon. The Company is recognized by La Repubblica as one of the Italian companies most attentive to sustainability.	
2024	The first Integrated Report is published in accordance with the new ESRS standards. Comer Industries extends its sustainability road map to 2035 and updates its targets by adding new objectives. Its CDP rating improves, reaching level B for climate and water.	
2025	The Company receives the EcoVadis Gold medal and confirms the Carbon Disclosure Project ratings of B for climate change and water security. Commitment along the value chain increases, with the achievement of supply chain sustainability targets.	

To ensure consistency with the corporate strategy, sustainability development initiatives were redefined as part of a plan with a horizon of 2035, taking into account the company's priority sustainability goals, the elements of the internal and external context and the time horizons of EU targets.

Approved by the Board of Directors on February 17, 2025, the **2035 Sustainable Development Plan** constitutes the strategic reference framework for sustainability initiatives, outlining not only quantitative objectives to be achieved but also the main development levers and financial resources required for project implementation⁷.



The Plan serves as a bridge between sustainability policies and annual development plans, placing initiatives within a long-term strategic framework. The Plan's priorities derive from analysis of impacts generated on the environment and stakeholders, risks the Company is exposed to, and identified opportunities.

This approach ensures consistency and continuity in implementation of the strategy, as well as more effective monitoring of progress against commitments relating to the SDGs, performance targets, and impact and risk mitigation strategies.

Objectives are organized into four strategic pillars, closely linked to material topics and priority SDGs, which represent the Plan's development directions and guide implementation of the sustainability strategy over the long term.



















(7) Comer Industries' sustainability strategy does not include sustainability objectives defined by significant product and service groups, customer categories, geographic areas, or stakeholder relationships. However, the Group contributes to the energy transition through the production of advanced components for wind turbines and electric motors for industrial and mobile applications, supporting the achievement of the United Nations Sustainable Development Goals.

SCOPE	PILLAR	MATERIAL TOPIC	DRIVERS	STANDARD	SDGs
ENVIRONMENT	Climate change	Climate change	Efficient production Efficient buildings Renewable energy Electrification Ecodesign Procurement policies	ESRS E1	7, 13
	Circularity	Circular economy Water resources	Wastewater reduction Ecodesign	ESRS E5	6, 9, 11, 12
SOCIAL	Human capital	Own workforce Business conduct	Risk mitigation ESG commitment ESG awareness Sustainable procurement Working conditions	ESRS S1 ESRS S2	4, 8, 10, 11
GOVERNANCE	ESG Governance	Business conduct Workers in the value chain	Risk mitigation ESG commitment ESG awareness Sustainable procurement Working conditions	ESRS G1	8, 9, 10, 12

Within each pillar, objectives have been defined and articulated into qualitative and quantitative targets, monitored through specific performance indicators. Progress toward these targets is subject to structured monitoring, integrated into corporate performance evaluation processes and supported by periodic reporting to the Control, Risks, Sustainability and Related Parties Committee, and through the latter to the Board of Directors.

Annual Sustainability Reporting presents the achievement status of individual objectives as of the reporting year, enabling verification of the consistency and effectiveness of actions undertaken toward long-term objectives. For more details on targets and their progress, see the table presented in the paragraph [The 2035 Sustainable Development Plan](#), as well as chapters [E1 – Energy and climate change](#), [E2 – Pollution](#), [E3 – Water resources](#), [E5 – Resource use and circular economy](#), [S1 – Own workforce](#), and [S2 – Workers in the value chain](#).

THE 2035 SUSTAINABLE DEVELOPMENT PLAN

OBJECTIVES	GOALS	UNIT	BASE YEAR	BASELINE	PERFORMANCE 2025	TARGET VALUE	TARGET YEAR	SDGs
CLIMATE CHANGE								
Reduction of greenhouse gas emissions	30% reduction in emission intensity (Scope 1 & Scope 2 market-based tCO2eq)	tCO ₂ eq/machine hours	2022	100.3	85.0	70.2	2030	
	Reduction of Scope 1 and Scope 2 emissions by 63%	tCO ₂ eq	2023	29,274	19,365	10,831	2035	
	Reduction of Scope 3 emissions by 63%	tCO ₂ eq	2023	375,739	300,687	139,023	2035	
	30% reduction in energy intensity	Gj/machine hours	2022	138.9	139.0	97.2	2030	
	60% increase in consumption of electricity from renewable sources	% electricity from renewable sources	2022	33%	49%	53%	2030	
CIRCULARITY								
Optimization of resource use in the production process	20% reduction in the intensity of hazardous waste	tons/machine hours	2022	8.6	7.8	6.9	2030	
	10% reduction in water consumption intensity	m ³ /machine hours	2022	20	18.1	18	2030	
	15% reduction in water consumption intensity in high water stress areas	m ³ /machine hours	2023	14.3	16.4	12.2	2030	
Optimization of resource use in the product	Estimate the quantity of recycled materials inside the product	% of recycled content	2025	Not applicable	Project under way	-	2026	
HUMAN CAPITAL								
Strengthen equal opportunities and gender equality	30% increase in the female population	% of employees	2022	11.0	11.2	14.3	2030	
	25% increase in women in positions of responsibility	% of managers	2023	12.2	11.9	15.2	2030	
Increase and spread awareness of ESG issues	Achieve and maintain training commitment >93%	% of employees involved	2022	89%	93%	+93%	2030	
	20% increase in the number of ESG training hours per employee	Hours/employee	2022	5.3	3.5	6.36	2030	
Establish a zero-injury culture	Complete digitization of HSE reporting processes	%	2023	Partial - audit only	100%	100%	2025	
	50% increase in the speed of closing HSE reports	days	2025	49.2	49.2	24.6	2030	
Workers in the value chain	Due diligence of 75% of the supply chain (tier 1) using ESG criteria	% tier 1 suppliers	2024	54%	77%	+75%	2026	
ESG GOVERNANCE								
Strengthen the company's ESG commitment	Involve more than 95% of employees in training on the Code of Ethics	% employees involved	2024	4%	24%	+95%	2026	
ESG rating	EcoVadis "Gold" and CDP "B" ratings earned and maintained	Rating	2023	Silver; C	Gold; B	Gold; B	2026	
	EcoVadis "Platinum" and CDP "A" ratings earned and maintained	Rating	2023	Silver; C	Gold; B	Platinum; A	2030	
Sustainable procurement	Supply chain involvement: more than 95% of tier 1 suppliers comply with the Supplier Code of Conduct	% tier 1 suppliers	2024	Not applicable	96%	+95%	2026	

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SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

Comer Industries considers the opinions of stakeholders when defining the company's strategy and business model. The stakeholder categories identified in this document correspond to those identified in the previous reporting year.

STAKEHOLDERS	ENGAGEMENT ACTIVITIES AND CHANNELS	PURPOSE OF ENGAGEMENT	OUTCOMES TAKEN INTO CONSIDERATION
SHAREHOLDERS AND INVESTORS	Shareholders' Meeting Board of Directors ESG reporting on specific indicators	Activities aimed at updating the impact assessment Meet sustainability expectations and requirements and inform investment decisions Understand expectations and views on future challenges	Engagement activities enabled assessment of the Group's impacts. At the same time, they made it possible to identify areas where the Company can strengthen its commitment and areas where it can confirm its current approach. Understanding investor expectations informs and contributes to development and adjustment of the strategy.
BANKS AND CREDIT INSTITUTIONS	Specific survey on strategy and impacts Shareholders' meeting Investor Relations activities Periodic meetings and events Press releases ESG reporting on specific indicators Whistleblowing system	Meet sustainability expectations and requirements Activities aimed at updating the impact assessment Attraction of new financial resources Understand expectations and views on future challenges	Engagement activities enabled assessment of the Group's impacts. At the same time, they made it possible to identify areas where the Company can strengthen its commitment and areas where it can confirm its current approach.
EMPLOYEES	Ongoing dialogue with Management Workshops on impacts, risks, and opportunities Informal and institutional meetings Training meetings and events Company welfare initiatives Company intranet Performance evaluation process ESG reporting on specific indicators Whistleblowing system	Understand employee expectations and needs Ensure a safe, inclusive work environment and respect for human rights Activities aimed at updating the impact, risk and opportunity assessment Attraction and retention of employees	Engagement activities enabled assessment of impacts, risks, and opportunities, while identifying areas where the Group can strengthen its commitment and areas where it can confirm its current approach. Employee needs influence and contribute to development and modification of the strategy.
TRADE UNIONS WORKERS' REPRESENTATIVES	Periodic meetings and discussions with labor representatives ⁽⁸⁾ Periodic consultations with workers' safety representatives	Ensure a safe, inclusive work environment and respect for human rights Attraction and retention of employees	The activities enable identification of areas where the Group can strengthen its commitment and areas where it can confirm its current approach.
SUPPLIERS, PARTNERS AND COMMERCIAL AGENTS	Sustainability performance assessment survey Specific survey on strategy and impacts Definition and sharing of standards Sales meetings at the Company and at suppliers Qualification or compliance verification audits Communication portals Assessment tools and questionnaires Adherence to the Supplier Code of Ethics Whistleblowing system	Activities aimed at updating the impact assessment Understand expectations and views on future challenges Activities aimed at ensuring environmental and social regulatory compliance ⁽⁹⁾ Establish strategic partnerships	Engagement activities enabled assessment of the Group's impacts. At the same time, they made it possible to identify areas where the Company can strengthen its commitment and areas where it can confirm its current approach.
CUSTOMERS	Sales meetings and Company visits Specific survey on strategy and impacts Other dedicated communication channels (customer portals with ratings and scorecards) Performance assessment tools and questionnaires Audits and inspections	Activities aimed at updating the impact assessment Meet sustainability expectations and requirements Customer satisfaction Establish strategic partnerships	Engagement activities enabled assessment of the Group's impacts. At the same time, they made it possible to identify areas where the Company can strengthen its commitment and areas where it can confirm its current approach. Understanding customer expectations informs and contributes to the development and modification of the strategy.

(8) Meetings were held in the first quarter of 2025 and 2026 with employee representatives and human resources to present elements of the company's sustainability model and strategy, related risks and opportunities, goals and progress in relation to targets, and possible future developments.

(9) Note that the involvement of workers in the value chain is through engagement with key suppliers and not directly.

STAKEHOLDERS	ENGAGEMENT ACTIVITIES AND CHANNELS	PURPOSE OF ENGAGEMENT	OUTCOMES TAKEN INTO CONSIDERATION
PUBLIC ADMINISTRATION	National and local public bodies National and local authorities Supervisory and regulatory bodies: meetings and communications for compliance or specific requests	Ensure compliance with applicable laws and regulations Discuss any relevant regulatory developments	The activities enable identification of areas where the Group can strengthen its commitment and areas where it can confirm its current approach.
COMMUNITY AND TERRITORY	Meetings with representatives of local communities Company visits Whistleblowing system	Support the social and economic development of local areas Attraction of new resources	The activities enable identification of areas where the Group can strengthen its commitment and areas where it can confirm its current approach.
MEDIUM	Dissemination of press releases Social media ESG reporting	Business transparency Attraction of new resources	The activities enable identification of areas where the Group can strengthen its commitment and areas where it can confirm its current approach.

While maintaining an ongoing system of relationships that goes beyond materiality analysis, stakeholder engagement involves differentiated tools and channels of dialog for the different categories, based on the level of interdependence and influence on the organization and according to the peculiarities of the engagement plan of the reporting year.

As part of the stakeholder engagement process, the Group analyzed the interests and views of its main stakeholders, with particular reference to customers, employees, suppliers, and investors. The issues that emerged mainly concerned environmental, social, and governance topics already considered priorities in the current company strategy, as outlined in the 2035 Sustainable Development Plan.

An analysis of the inputs collected confirmed alignment between stakeholder expectations, the Group's business model, and the strategic direction already defined. In particular, the views expressed did not highlight the need for substantial changes to the business model, nor did they reveal risks or opportunities requiring strategic repositioning in the short term.

However, topics raised by stakeholders are subject to continuous monitoring and may contribute to future updates of the strategy and related initiatives, in line with evolving regulatory, market, and stakeholder expectations. Any adjustments will be assessed as part of periodic strategic review processes.

At the present date, no specific changes to the strategy or business model are expected to arise directly from stakeholder engagement activities. Initiatives planned for the coming years aim to strengthen implementation of already defined objectives and are not expected to lead to significant changes in the Group's relationships with stakeholders or in their views of the Company.

The Group's workforce constitutes a key set of stakeholders. Therefore, employees are involved in various ways, including informal and institutional meetings and events, a performance evaluation process, constant dialog with Management, and focus groups with interactive questionnaires. The involvement of this category of stakeholders is fundamental for Comer Industries, as it provides the necessary elements to gather insights into the company's strategy and business model, with particular attention to aspects regarding respect for human rights, consistent with what is expressed in the company's Code of Ethics.

Comer Industries believes that employees are affected by the strategy and business model through positive impacts and through the mitigation of negative impacts. In this regard, the Group's policies on health and safety, human rights, and ethical conduct are key safeguards for pursuing the corporate purpose and meet stakeholder expectations. In support of this, Comer Industries also considers it necessary to have constant discussions with worker representatives in order to identify, discuss, and mitigate any workforce issues and pursue potential positive impacts and opportunities.

The interests, opinions, and rights of workers in the value chain could be subject to significant indirect impacts by the Group. These issues were taken into account in the context of the materiality analysis that highlighted potential negative impacts on human rights, health, and safety. The Group's strategy and business model do not directly involve workers in the value chain and are not guided by their interests or opinions. However, Comer Industries is aware that taking this category of stakeholders into consideration is important for the conduct of an ethical business that respects human rights (forced labor, child labor, adequate housing). In fact, the Group has a policy governing respect for human rights and a Supplier Code of Ethics for which a signature is required upon activation of a supply relationship. An effort in this direction has also been made by means of human rights due diligence involving the supply chain, with particular focus on the fight against forced and child labor, as well as freedom of association and collective bargaining¹⁰.

Comer Industries' administrative, management, and supervisory bodies are regularly informed about these stakeholder opinions through periodic meetings between the Quality, Sustainability & Compliance function and the Risk Control, Sustainability and Related Parties Committee. The results of these consultations, including the priorities identified and challenges noted, are periodically presented to the Board of Directors in the form of reports that include sustainability-related impacts, providing the basis for integrating engagement findings into the company's strategy and business model.

In the coming years the Group will continue to engage stakeholders in an active dialog directed at updating the strategy and business model to effectively respond to emerging expectations. The opinions gathered will be monitored through social and environmental impact metrics and integrated into continuous improvement processes.

⁽¹⁰⁾ For more details see the chapter [S2 Workers in the value chain](#). Note that for this reporting exercise, the indirect involvement of workers in the value chain did not affect the content and objectives pursued by the Integrated Human Rights Policy and Supplier Code of Ethics. However, these aspects were analyzed by the designated team to identify any relevant elements that might affect the above documents.

SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The double materiality assessment represents a central element of the process of integrating sustainability into Comer Industries' corporate strategy. The analysis process is based on identification of impacts along the value chain¹¹ and of material risks and opportunities, supported by scenario analyses and information derived from management systems, the Company's Enterprise Risk Management (ERM), and ongoing stakeholder dialogue.

Below is a summary of the **list of IROs** that contributed to determining the material sustainability matters¹², and the related subtopics, on which the Group provides disclosure in the remainder of this Document¹³. The description of the process aimed at identifying IROs is provided in chapter [IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#).

ESRS TOPIC	SUBTOPIC	IRO ¹⁴	IRO DESCRIPTION	IMPACTED FACTOR / CAPITAL	TIME HORIZON	UPSTREAM	OWN OPERATIONS	DOWNSTREAM	RELATED DEPENDENCIES/IMPACTS ¹⁵
E1 - ENERGY AND CLIMATE CHANGE	CLIMATE CHANGE MITIGATION	Actual impact (-)	Generation of Scope 1, 2 GHG Emissions	Environment/Community	Short term		●		-
		Actual impact (-)	Generation of Scope 3 GHG Emissions	Environment/Community	Short term	●		●	-
		Risk	Acute or chronic extreme climate conditions	Natural	Long term		●		-
		Risk	Increase in operating costs and reputational risks due to regulatory developments	Production	Medium term		●		-
		Risk	Increase in energy costs, resulting in higher raw material costs	Production/Natural	Long term		●		-
		Opportunity	Sales opportunities from renewable energy and electrification solutions	Production and Natural	Medium term		●		-
	ENERGY	Actual impact (-)	Energy consumption from non-renewable sources	Environment/Community	Short term		●		-
		Opportunity	Resource and energy supply, self-generation of energy, sustainable operating practices	Production and Natural	Medium term		●		Correlation with relative impact of energy consumption from non-renewable sources
		Risk	Depletion of non-renewable resources	Production and Natural	Long term		●		Correlation with relative impact of energy consumption from non-renewable sources and dependence on non-renewable resources
E2 - POLLUTION	AIR	Potential impact (-)	Generation of air pollutant emissions by the value chain	Environment/Community		●			-
	SOIL	Potential impact (-)	Soil pollution by the value chain during raw material extraction and processing	Environment/Community	Long term	●			-
	WATER	Potential impact (-)	Emissions of pollutants into groundwater by the value chain during raw material extraction and processing	Environment/Community	Long term	●			-
	SUBSTANCES OF CONCERN	Potential impact (-)	Impacts on the environment and human health due to the production, use, distribution, sale, and import of substances of concern and very high concern by the value chain	Environment/Community	Long term	●		●	-
E3 - WATER RESOURCES	WATER	Actual impact (-)	Water consumption, with emphasis on water-stressed areas	Environment/Community	Short term		●		-

(11) The scope refers to the three segments of the value chain: "Upstream" - Upstream value chain, "Own operations" - Own activities, "Downstream" - Downstream value chain. Comer Industries' value chain is mainly located in the geographical areas of the Group's production sites (Italy, Germany, the United States, China, and India) in order to optimize trade and create value locally.
 (14) Potential and actual impacts are positive if followed by the icon (+) and negative if followed by the icon (-).

(12) All IROs listed are reported through the disclosure requirements set out in ESRS 2 "General Disclosures" and in the sector-agnostic standards E1, E2, E3, E5, S1, S2, and G1. There are no entity-specific IROs present, as no particular impacts, risks, or opportunities not covered by the topics and sub-topics proposed by the reference standard (ESRS 1 - AR 16) emerged in the analysis. All IROs are reported through the pertinent ESRS Disclosure Requirements.
 (13) The description in itself provides the nature of the risks and opportunities, along with their location in own operations and/or in the upstream and downstream value chain. Note, however, that since this is the outside-in perspective, risks and opportunities necessarily also reflect on the Group in economic and financial terms.
 (15) Describes the causal relationship whereby a risk originates as a consequence of a negative impact (actual or potential) that the Company causes, contributes to, or is directly linked to, along its operations or value chain.

ESRS TOPIC	SUBTOPIC	IRO ¹⁴	IRO DESCRIPTION	IMPACTED FACTOR / CAPITAL	TIME HORIZON	UPSTREAM	OWN OPERATIONS	DOWNSTREAM	RELATED DEPENDENCIES/ IMPACTS ¹⁵
E5 - CIRCULAR ECONOMY	RESOURCE INFLOWS	Actual impact (+)	Techniques for recycling and reusing products to reduce the consumption of virgin resources	Environment/Community	Short term		●		-
		Opportunity	Joint strategies with suppliers, promoting circularity	Production	Short term		●		Correlation with impact related to promoting a culture of circularity along the value chain
	RESOURCE OUTFLOWS	Actual impact (+)	Promotion of a culture directed toward circularity along the value chain	Environment/Community	Short term	●		●	-
	WASTE	Potential impact (-)	Improper disposal of waste produced	Environment/Community	Long term		●		-
		Risk	Litigation and fines caused by improper waste management	Natural	Medium term		●		Correlation with impact related to improper waste disposal
S1 – OWN WORKFORCE	WORKING CONDITIONS	Potential impact (-)	Accidents at work and occupational diseases	Workforce	Short term		●		
		Actual impact (+)	Secure employment, adequate wages, active dialog, freedom of association, worker consultation and participation, work-life balance, respect for working hours and possible overtime	Workforce	Short term		●		-
		Risk	Sanctions and litigation related to accidents, injuries and occupational diseases	Human	Medium term		●		Correlation with impact related to occupational accidents and dependencies on own workforce
	EQUAL TREATMENT AND OPPORTUNITIES	Actual impact (+)	Gender equality, employment and inclusion, valuing diversity	Workforce	Short term		●		-
		Actual impact (+)	Development of professional skills through training, creation of appropriate career paths, and periodic performance evaluations	Workforce	Short term		●		-
		Opportunity	Development of professional skills that improve business performance and innovation	Human	Medium term		●		Dependence on skilled resources and correlation with impact related to professional skill development
		Opportunity	Occupational health and safety training that increase trust	Human	Short term		●		Correlation with impact related to the occurrence of occupational accidents
		Risk	Sanctions and litigation related to incidents of discrimination	Human	Long term		●		-
		Risk	Concentration of specific expertise in the hands of a few individuals and absence of related backups	Intellectual and Human	Medium term		●		Dependence on skilled labor
		Other Worker Rights	Potential impact (+)	Business practices to ensure the security of personal data and internal information	Workforce	Short term		●	
	Other Worker Rights	Potential impact (-)	Forced and child labor	Workforce	Long term		●		-
	Other Worker Rights	Risk	Sanctions and litigation related to incidents of human rights violations	Human and Social	Long term		●		Correlation with impact related to forced and child labor

ESRS TOPIC	SUBTOPIC	IRO ¹⁴	IRO DESCRIPTION	IMPACTED FACTOR / CAPITAL	TIME HORIZON	UPSTREAM	OWN OPERATIONS	DOWNSTREAM	RELATED DEPENDENCIES/IMPACTS ¹⁵
S2 - WORKERS IN THE VALUE CHAIN	WORKING CONDITIONS	Potential impact (-)	Accidents at work and occupational diseases	Workforce in the value chain	Long term	●		●	-
		Potential impact (-)	Forced and child labor	Workforce in the value chain	Long term	●		●	-
	OTHER WORKER RIGHTS	Risk	Injuries at work and cases of occupational disease due to non-compliance with relevant regulations	Human	Long term			●	Correlation with impact related to occupational accidents
		Risk	Human rights violations with repercussions on reputation and procurement	Human and Social	Long term			●	Correlation with impact related to forced and child labor and dependence on suppliers operating in areas considered risky
		Risk	Non-compliance with company policies and codes	Human and Social	Short term			●	-
		Risk	Loss or dissemination of strategic business partner data	Human and Social	Medium term			●	-
G1 - BUSINESS CONDUCT	CORPORATE CULTURE	Actual impact (+)	Effective governance and dissemination of corporate ethical values	Environment / Community / Own workforce / Value chain workforce	Short term	●	●	●	-
		Opportunity	Transmission of cultural values and business ethics principles	Social	Medium term			●	Interdependence with impact related to dissemination of corporate ethical values
		Risk	Illegal conduct by employees		Medium term			●	-
	PROTECTION OF REPORTING PERSONS	Potential impact (+)	Increasing trust and whistleblowing reports by ensuring the protection of users of the channels	Environment / Community / Own workforce / Value chain workforce	Medium term	●	●	●	-
		Opportunity	Reporting channels that enable the prompt handling of the reports received	Production and Human	Medium term			●	Correlation with impact on whistleblowing reports and consequent protection of whistleblowers
	MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS, INCLUDING PAYMENT PRACTICES	Potential impact (+)	Ethics in dealing with suppliers through timely payment practices	Environment / Community / Own workforce / Value chain workforce	Medium term	●			-
		Potential impact (+)	Inclusion of local communities in the supply chain	Environment / Community / Own workforce / Value chain workforce	Short term	●		●	-
		Opportunity	New relationships with strategic suppliers	Social	Short term			●	Correlation with impact related to timely payment practices and dependence on qualified suppliers
	CORRUPTION AND BRIBERY	Opportunity	Prevention and detection of corruption through specific training	Human	Short term			●	Correlation with impact related to dissemination of corporate ethical values
		Risk	Sanctions and litigation related to corruption and bribery	Social	Medium term			●	-

All risks and opportunities identified have a financial impact. However, for the year under review, no significant financial effects were identified¹⁶.

Compared with the previous fiscal year, four negative impacts related to the topic of pollution in the upstream and downstream value chain were considered material:

- Generation of air pollutant emissions by the value chain during raw material extraction and processing phases, with potential effects on the environment and health.
- Pollution of soil attributable to value chain activities during raw material extraction and processing phases.
- Emissions of pollutants into groundwater by the value chain during raw material extraction and processing phases.
- Impacts on the environment and human health resulting from the production, use, distribution, sale, and import of substances of concern and very high concern along the value chain.

In addition, the risk of supplier non-compliance with company policies and the Supplier Code of Ethics was considered material, with potential negative impacts on working conditions and worker rights along the value chain, as well as on reputation, operational continuity, and regulatory compliance. No impacts, risks, or opportunities considered material in fiscal year 2024 were deemed non-material in this analysis.

Each impact, whether positive or negative, was identified by considering the nature of the activities carried out in Comer Industries in offices, production facilities, and business relationships maintained with suppliers and customers. These activities and relationships arise from the normal pursuit of the company's purpose and therefore occur in the ordinary course of business. For details of the products and services considered, the markets served, and the value chain actors that were included in this assessment, see the chapter [SBM-1 Strategy, business model and value chain](#).

The impacts, risks, and opportunities identified in the double materiality analysis guide the Group's strategy, defining the sustainability matters for which targets and objectives are set, and monitoring their performance. The latest revision of the Group's strategy, also based on the identified IROs, was carried out through the adoption of the **Sustainable Development Plan to 2035**¹⁷, for details of which see [SBM-1 Strategy, business model and value chain](#). To date there is no evidence that IROs significantly affect operations related to Comer Industries' business model, except indirectly through the definition of procurement policies. In fact, these are targeted in a way that mitigates reputational risks that could affect the Group's ability to create long-term value, while also evaluating and promoting suppliers that implement best practices from the perspective of compliance and environmental impact. See the specific disclosure in the chapters on climate change, pollution, circularity of production processes, and human capital for programs to respond to the IROs identified and how they are managed.

Given the characteristics of the strategy and business model, the Group has accrued a high degree of resilience to external events, which ensures a propensity to adapt, and to mitigate significant impacts/risks, taking into consideration the relevant time horizons and targets set. This assessment is expressed in detail in the chapter on climate change, in which a resilience analysis was conducted, through which the ability of the business model to adapt and respond to both physical and transitional climate risks was assessed.

⁽¹⁶⁾ Regarding the expected financial effects of the IROs, the Group is taking advantage of the phase-in period for disclosure of the information, as envisaged by the regulation.

⁽¹⁷⁾ In this regard note that positive impacts are related to sustainability goals falling within the Sustainable Development Plan, which in turn sets the direction for the mitigation of negative impacts.

IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Comer Industries updated its double materiality assessment to identify sustainability topics most significant for the Group and its stakeholders. This analysis represents a central element of the sustainability reporting process, as it identifies environmental, social, and governance aspects that generate—or could generate—material impacts on people and the environment, as well as financial effects for the Company. The double materiality assessment was structured according to the two perspectives envisaged in ESRS 1:

1. **Impact materiality** (inside-out): a matter is material when it has significant impacts – positive or negative, actual or potential – on people or the environment in the short, medium, or long term. These impacts can result from both the company's operations and its value chain, upstream or downstream.
 2. **Financial materiality** (outside-in): a matter is material if it can affect the company's current or future financial performance by generating risks or opportunities arising from past or future events.
- The two dimensions are related and interdependent, but a matter may be relevant in only one aspect or in both. Double materiality requires both perspectives to be considered, ensuring a comprehensive view of sustainability matters.

The entire Double Materiality assessment process was coordinated, managed, and overseen by the Quality, Sustainability & Compliance function. For this purpose, a specific company procedure was established to define roles and responsibilities. For more information on this see [GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies](#).

IMPACT MATERIALITY

To define material sustainability matters, Comer Industries identified and assessed the impacts the Group generates on its stakeholders and on the environment. The impact materiality assessment is developed through a process structured into three distinct phases:



REVIEW OF THE CONTEXT THE GROUP OPERATES IN

The review of the context the Group operates in consists of a systematic analysis of internal and external factors—regulatory, technological, socio-environmental, macroeconomic, and market-related—as well as evolving stakeholder expectations and the organizational structure, in order to ensure that the identification and assessment of material impacts remain up to date, relevant, and consistent with the Company’s operational reality. The main inputs considered in the activity involve the Group’s own operations carried out in the various geographical contexts where it operates,¹⁸ and likewise the main activities carried out by strategic suppliers and customers in their respective countries. This in order to fully intercept geographic or other factors that could lead to increased impact.

IDENTIFICATION OF ACTUAL AND POTENTIAL IMPACTS

Impacts were identified through a process that began with the prior year’s materiality assessment and with due diligence and stakeholder engagement activities. The aspects identified are attributable to the topics and sub-topics set out in Appendix A of ESRS 1, ensuring consistency with the European regulatory framework.

Comer Industries consults stakeholder and integrates their views and interests into the assessment of material impacts. In fact, it included the outcomes of engagement initiatives carried out in fiscal years 2024 and 2025 in the list of impacts.

For a detailed description of Comer Industries’ stakeholders and the engagement methods adopted, see the previous section, [SBM-2 – Interests and views of stakeholders](#).

Actual and potential impacts were identified based on due diligence procedures for business sustainability purposes, thus focusing on the specific activities carried out by the Group, its business relationships, value chain, and the location of production sites. The impacts identified were ultimately shared with and validated by function heads, resulting in the **long list** of impacts¹⁹. This includes both impacts the Company is involved in through its own activities and impacts arising from upstream and downstream business relationships.

MATERIALITY ASSESSMENT AND PRIORITIZATION OF IMPACTS

The long list of impacts was subsequently assessed using specific evaluation criteria involving the Group’s company functions²⁰.

The impact rating scales, structured across four levels, were developed in alignment with the Company’s risk assessment tools.

With regard to magnitude, different rating scales were used for positive and negative impacts. The magnitude of a positive impact was assessed in terms of materiality (benefit generated by the positive

(18) Specifically, geographic areas where production sites, sales offices, and Aftermarket sites are located were considered: Italy, Germany, France, Holland, Austria, Sweden, China, USA, India, Brazil.

(19) With particular reference to the identification of impacts related to the topics of climate change, water resources, and circular economy. For aspects considered in the process of identifying IROs related to company conduct (e.g., location, activity, industry, and structure), see the sections on governance and the business model.

(20) The functions involved in the materiality assessment process were identified through the study of the corporate structure in order to cover the totality of relevant sustainability areas.

impact) and scope (geographical or social spread of the positive impact). The magnitude of a negative impact is expressed through three drivers in an “and/or” logic:

- Materiality: severity of the impact
- Scope: geographical or social spread of the impact
- Remediability²¹: extent to which the impact can be remedied

Probability is assessed based on two drivers, one forward-looking and the other historical.

Several aspects were considered in the assessment, in line with the expressions of the relevant guidelines and the guidance of ESRS 2 - "General Disclosures."

- **Human rights:** in the case of potentially negative impacts related to this aspect, the logic of the prevalence of magnitude over probability was followed, assigning such impacts a maximum magnitude regardless of the likelihood of occurrence.
- **Time horizons:** the assessment was conducted by identifying the most significant time horizon for each impact—short-, medium-, or long-term—in line with what is specified in [BP-2 Disclosures in relation to specific circumstances](#).
- **Value chain:** specifies whether the impact originates upstream, downstream, or within Comer Industries’ own processes.
- **Impacted factor:** the impacted factors were considered. The relevant categories include: Environment, Workforce, Community, Suppliers, Workers in the value chain.

The Group assessed impacts based on the applicable magnitude drivers, as well as the likelihood of occurrence, assigning a level from 1 to 4 to each. Impact scale was then calculated as the product of likelihood and the average of the magnitude drivers, resulting in a value between 1 and 16. All impacts whose scale exceeded 25% of the maximum score were considered material²².

To consolidate and refine the impact assessment process, the Group involved two strategic stakeholders—one supplier and one customer—collecting their views through structured interviews with their respective sustainability representatives.

Stakeholders were asked to assess the various sub-topics under analysis based on the materiality of the associated impacts, using an informed judgment and a 1 to 4 rating scale supported by qualitative descriptions, to ensure a consistent understanding of the evaluation criteria.

Participants were also given the opportunity to indicate additional impacts, risks, or topics considered material, even if they had not emerged as material in the Group’s internal assessment.

The results that emerged from this activity were aggregated and integrated into the short list of material topics assessed from the perspective of impact materiality²³.

(21) Note that the degree of remediability was only applicable for negative impacts.

(22) Implementation Guidance, 3.6. "Deep dive into impact materiality - Setting thresholds"

(23) Note that the evaluations expressed by stakeholders were taken into account by providing for the same degree of materiality established for internal assessment evaluations, through a process of normalization.

FINANCIAL MATERIALITY

Comer Industries conducted identification and assessment of sustainability-related risks and opportunities with potential economic and financial impact on the Group.

The identification of risks and opportunities was supported by the Company's internal Enterprise Risk Management (ERM) system and by the Climate Change Risk Assessment²⁴. The ERM assesses the Group's overall risk profile based on a modular structure, that is, by aggregating the results of risk analyses for the various areas of business management and grouping them into four risk categories: strategic, compliance, operational, and financial. This process is formalized in a specific procedure and coordinated by the Control, Risk, Sustainability and Related Parties Committee²⁵. In particular, the assessment of risks and opportunities applicable to sustainability matters is entrusted to the Quality, Sustainability & Compliance function.

Once mapping of potential risks and opportunities was completed, the assessment phase was conducted by aligning the Group's ERM methodology with ESRS guidelines. The risk and opportunity assessment was carried out by involving the Group's business functions and applying specific evaluation criteria.

The impact rating scales, structured across four levels, were developed in alignment with the Company's risk assessment tools. Although the financial materiality perspective implies assessment of the financial effects of risks and opportunities, certain identified cases also require qualitative considerations to improve the evaluation process. Accordingly, for risks and opportunities the magnitude scale consists of three parameters, whose full or partial applicability depends on the type of risk or opportunity assessed:

- Financial: ability to influence the Company's revenues and/or profits
- Reputational: effect on stakeholder perception
- Operational: ability to influence production

Probability is assessed based on two drivers, one forward-looking and the other historical.

Risk and opportunity severity was calculated as the product of magnitude and likelihood of occurrence and then used as a criterion for prioritization in descending order. In order to carry out an assessment consistent with the methods already used internally by company managers, a "residual" mode of assessment of the risks and opportunities was used, i.e., net of the safeguards put in place within the Group. However, for climate change and human rights aspects, a precautionary approach was used, similar to the "gross" mode of assessment, as suggested by the relevant Implementation Guidance. Several aspects were considered in the assessment, in line with the expressions of the relevant guidelines and the guidance of ESRS 2 - "General Disclosures."

(24) With particular reference to the identification of risks and opportunities related to the topics of climate change, water resources, and circular economy. For aspects considered in the process of identifying IROs related to company conduct (e.g., location, activity, industry, and structure), see the sections on governance and the business model.
 (25) For details on ERM processes, including internal control systems, the types of risks assessed, and how they are analyzed, see the chapter [GOV-5 Risk management and internal controls over sustainability reporting](#).

- **Interdependencies:** any points of connection between mapped impacts, risks, and opportunities were appropriately considered during identification and assessment with the various function managers²⁶.
- **Time horizons:** the assessment was made by identifying the most significant time horizon for each impact, risk, and opportunity among short-, medium-, and long-term horizons. These are consistent with what is specified in [BP-2 Disclosures in relation to specific circumstances](#).
- **Impacted capital:** with regard to the financial materiality perspective, the types of impacted capital (financial, productive, intellectual, human, natural, relational and social) were considered.

The materiality threshold was identified in line with the available technical reference at the date of preparation of this document²⁷. The identification of the materiality threshold made it possible to define the short list of IROs, which were then aggregated into the relevant sustainability matters.

Following is the matrix of material sustainability matters for 2025 obtained as an output of the double materiality process. As mentioned above, for this reporting exercise the Group decided to use the ESRS Sector Agnostic technical nomenclature for its material topics.

IMPACT MATERIALITY		FINANCIAL MATERIALITY	
Ranking	Material topics	Ranking	Material topics
1	Climate change	1	Business conduct
2	Business conduct	2	Climate change
3	Own workforce	3	Circular economy
4	Circular economy	4	Own workforce
5	Workers in the value chain	5	Workers in the value chain
6	Water resources ²⁸		
7	Pollution ²⁹		

(26) Function managers were informed of the need to also consider the potential interconnections between certain impacts and risks and opportunities in order to make a true and complete assessment. This means that in order to calculate a score using these rating scales, for certain types of risks and opportunities the connection with impacts was also considered, thus allowing any intrinsic effects due to actual and potential impacts to be captured. Note also that, for certain topics, interdependencies between impacts and risks/opportunities are implicit, as the very existence of impacts on people, the environment, and the external context arising from production activities and business relationships generates risks and opportunities relating to those same topics. Examples include the impacts on people's health and safety that can generate the risk of exposure to litigation and penalties, with economic, financial, and reputational effects for the Group; the same is true for the impacts generated by the Group in terms of its contribution to climate change through the emission of GHGs, which are closely related to the physical risks associated with the occurrence of extreme weather conditions (temperature-related, wind-related, water-related, solid mass-related) that can have significant economic, financial, and operational impacts on the Group.
 (27) Implementation Guidance, 3.7. "Deep dive into financial materiality - Setting thresholds".
 (28) With specific reference to Standard E3 "Water and Marine Resources," note that the "Marine Resources" sub-topic was not found to be material downstream of the double materiality analysis process.
 (29) With specific reference to E2 - Pollution, note that the relevant topics are material exclusively in the upstream and downstream value chain. Therefore, pollution matters are disclosed only qualitatively in this document.

The process followed to define the list of seven material topics according to impact materiality thus originated from the identification of 23 impacts, of which 14 were negative and 9 positive, each of them associated with an ESRS Sector Agnostic topic. At the same time, according to the financial materiality perspective, 5 material topics were identified based on 16 risks and 9 opportunities, also associated with the above topics³⁰. Finally, ESRS Disclosure Requirements and related data points to be included in the 2025 Sustainability Statement were mapped, taking into consideration the topical relevance of each with respect to the identified IROs.

The results of the double materiality were viewed by the Control, Risk, Sustainability and Related Parties Committee, which gave a positive opinion, and subsequently approved by the Board of Directors of Comer Industries. This analysis is an annual process, and as such it will be renewed in 2026 as well. No significant changes were made to the double materiality process during the reporting period, except for the stakeholder engagement activities described above.

IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

As a further output of the double materiality analysis, sub-threshold sustainability matters were also identified, i.e., those for which Comer Industries does not provide disclosure in the 2025 Sustainability Statement. These refer to topics whose IROs did not exceed the materiality thresholds described in the previous section, namely impacts, risks, and opportunities relating to biodiversity, affected communities, consumers and end users, and related sub-topics envisaged in ESRS 1 AR 16. The sustainability matters listed can be traced back to ESRS Topic Standards E4, S3, S4 as well as the cross-cutting ESRS 2 data points³¹. Following is a description of the reasons for the exclusions mentioned:

- **E4 - Biodiversity:** in the course of evaluations by corporate functions, it was found that Comer Industries does not conduct its business in areas exposed to risk of biodiversity loss, nor do its products affect the health and integrity of ecosystems. The only site in the Group that could be exposed to risks to biodiversity is the Lohmar site, which is located near a protected area. However, the operation of the plant appears to be duly authorized by the relevant local authorities and operated in accordance with current regulations. All this led to IROs concerning biodiversity and ecosystems being assigned a very low rating, eventually bringing the related topics and sub-topics back below the minimum materiality threshold.
- **S3 - Affected Communities:** no sustainability matters related to affected communities were deemed so significant as to exceed the minimum materiality threshold. This assessment is consistent with the output of the 2024 materiality analysis, in which the topic was found to be below the minimum materiality threshold.
- **S4 - Consumers and End-users:** the business model of Comer Industries, which operates entirely within B2B markets, was explicitly considered in the course of the business function evaluations, and thus there is no interaction with consumers or end users as defined by the ESRS standards. The related sustainability matters were thus assessed as not material to the context of the Group and its partners.

(30) For a detailed disclosure on the process of defining and analyzing physical and transitional risks related to the "Climate Change" material topic as well as the related scenario analysis see the chapter E1_SBM-3 Impacts, risks and opportunities related to climate change and their interaction with strategy and the business model.
(31) For more details about the relevant sub-topics that emerged from the double materiality analysis, see the table mentioned above.



Statement of use	Comer Industries submitted a Sustainability Statement in accordance with the ESRS Standards for the period January 1, 2025 - December 31, 2025
ESRS 1 Standard	ESRS 1 – General Requirements – July 31, 2023
Pertinent ESRS industry standards	Not applicable

ESRS TOPIC	DUTY OF DISCLOSURE	PAGE	
ESRS2 – General Disclosures	BP-1	General basis for preparation of sustainability statements	33
	BP-2	Disclosures in relation to specific circumstances	33
	GOV-1	The role of the administrative, management, and supervisory bodies	35
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	38
	GOV-3	Integration of sustainability-related performance in incentive schemes	39
	GOV-4	Statement on due diligence	39
	GOV-5	Risk management and internal controls over sustainability reporting	40
	SBM-1	Strategy, business model and value chain	41
	SBM-2	Interests and views of stakeholders	52
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	56
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	63
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	68
	E1 – Energy and climate change	E1 GOV-3	Integration of sustainability-related performance in incentive schemes
E1-1		Transition plan for climate change mitigation	95
E1 SBM-3		Material impacts, risks and opportunities and their interaction with strategy and business model	90
E1 IRO-1		Description of the processes to identify and assess material climate-related impacts, risks and opportunities	94
E1-2		Policies related to climate change mitigation and adaptation	97
E1-3		Actions and resources in relation to climate change policies	99
E1-4		Targets related to climate change mitigation and adaptation	100
E1-5		Energy consumption and energy mix	102
E1-6		Gross Scopes 1, 2, 3 and Total GHG emissions	105
E1-7		GHG removals and GHG mitigation projects financed through carbon credits	109
E1-8	Internal carbon pricing	109	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The Group is taking advantage of the phase-in period ⁽³²⁾	
E2 – Pollution	E2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	109
	E2-1	Policies related to pollution	110
	E2-2	Actions and resources related to pollution	111
	E2-3	Targets related to pollution	112
	E2-4	Pollution of air, water, and soil	Not material

(32) For more details about the relevant sub-topics that emerged from the double materiality analysis, see the table mentioned above.

ESRS TOPIC	DUTY OF DISCLOSURE	PAGE	
E2 – Pollution	E2-5	Substances of concern and substances of very high concern	Not material
	E2-6	Anticipated financial effects from pollution-related risks and opportunities	The Group is taking advantage of the phase-in period ⁽³³⁾
E3 – Water and marine resources	E3 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	112
	E3-1	Policies related to water and marine resources	113
	E3-2	Actions and resources related to water and marine resources	114
	E3-3	Targets related to water and marine resources	115
	E3-4	Water consumption	116
	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	The Group is taking advantage of the phase-in period ⁽³⁴⁾
E5 – Circular economy	E5 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	117
	E5-1	Policies related to resource use and circular economy	118
	E5-2	Actions and resources related to resource use and circular economy	118
	E5-3	Targets related to resource use and circular economy	119
	E5-4	Resource inflows	120
	E5-5	Resource outflows	122
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	The Group is taking advantage of the phase-in period ⁽³⁵⁾	
S1 – Own workforce	S1 SBM-2	Interests and views of stakeholders	128
	S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	128
	S1-1	Policies related to own workforce	130
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	133
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	134
	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	135
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	136
	S1-6	Characteristics of the undertaking's employees	138
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	140	
S1-8	Collective bargaining coverage and social dialogue	140	

(33) In accordance with Commission Delegated Regulation (EU) 2025/1416, for fiscal year 2025 the Group also applied the phase-in provisions set out in Appendix C of ESRS 1.

(34) In accordance with Commission Delegated Regulation (EU) 2025/1416, for fiscal year 2025 the Group also applied the phase-in provisions set out in Appendix C of ESRS 1.

(35) In accordance with Commission Delegated Regulation (EU) 2025/1416, for fiscal year 2025 the Group also applied the phase-in provisions set out in Appendix C of ESRS 1.

ESRS TOPIC	DUTY OF DISCLOSURE	PAGE	
S1 – Own workforce	S1-9	Diversity indicators	141
	S1-10	Adequate wages	141
	S1-11	Social protection	141
	S1-12	Persons with disabilities	141
	S1-13	Training and skill development metrics	142
	S1-14	Health and safety metrics	143
	S1-15	Work-life balance indicators	145
	S1-16	Remuneration metrics (pay gap and total compensation)	145
	S1-17	Incidents, complaints and severe human rights impacts and incidents	146
S2 – Workers in the value chain	S2 SBM-2	Interests and views of stakeholders	147
	S2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	147
	S2-1	Policies related to workers in the value chain	149
	S2-2	Processes for engaging with value chain workers about impacts	150
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	151
	S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	151
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	153
G1 – Business conduct	G1 GOV-1	The role of the administrative, management, and supervisory bodies	155
	G1 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	155
	G1-1	Business conduct policies and corporate culture	156
	G1-2	Management of relationships with suppliers	159
	G1-3	Prevention and detection of corruption and bribery	160
	G1-4	Incidents of corruption or bribery	161
	G1-5	Political influence and lobbying activities	Not applicable
	G1-6	Payment practices	161

OUR PURPOSE

TO CHANGE PEOPLE'S LIVES MAKING EASIER THE GLOBAL ACCESS TO SUSTAINABLE FOOD, STREETS, HOUSES AND ENERGY DEVELOPING ENGINEERING SOLUTIONS WITH AN UNCONVENTIONAL APPROACH.

The following table makes a connection between the information prescribed by other regulations containing sustainability reporting obligations and the ESRS disclosure requirements that are detailed in the 2025 Sustainability Statement.

DUTY OF DISCLOSURE AND CORRESPONDING INFORMATION	SFDR REFERENCE	THIRD PILLAR REFERENCE	REFERENCE INDEX REGULATION	EU CLIMATE LAW REFERENCE	CHAPTER OF THE 2025 SUSTAINABILITY STATEMENT
Gender diversity on the Board ESRS 2 GOV-1 21 d)	Annex I, table 1, indicator no. 13		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS2 The role of the administrative, management, and supervisory bodies
Percentage of independent members of the board of directors ESRS 2 GOV-1 21 e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS2 GOV-1 The role of the administrative, management, and supervisory bodies
Statement on due diligence ESRS 2 GOV-4 30	Annex I, table 3, indicator no. 10				ESRS2 GOV-4 Statement on due diligence
Involvement in activities related to the fossil fuel sector ESRS 2 SBM-1 40 d) point i)	Annex I, table 1, indicator no. 4	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 - Qualitative information on environmental risk and Table 2 - Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
Involvement in activities related to the production of chemicals ESRS 2 SBM-1 40 d) point ii)	Annex I, table 2, indicator no. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
Involvement in activities related to controversial weapons ESRS 2 SBM-1 40 d) point iii)	Annex I, table 1, indicator no. 14		Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
Involvement in activities related to the cultivation and production of tobacco ESRS 2 SBM-1 40 d) point iv)			Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
Transition plan to achieve climate neutrality by 2050 ESRS E1-1 14				Article 2, paragraph 1, of Regulation (EU) 2021/1119	E1-1 Transition plan for climate change mitigation
Companies excluded from the benchmarks aligned with the Paris Agreement ESRS E1-1 16 g)		Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Article 12, paragraph 1, points d) to g), and paragraph 2, of Delegated Regulation (EU) 2020/1818		E1-1 Transition plan for climate change mitigation
GHG emission reduction targets ESRS E1-4 34	Annex I, table 2, indicator no. 4	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		E1-4 Targets related to climate change mitigation and adaptation
Fossil fuel energy consumption disaggregated by source (high climate impact sectors only) ESRS E1-5 38	Annex I, Table 1, indicator no. 5 and Annex I, Table 2, indicator no. 5				E1-5 Energy consumption and energy mix
Energy consumption and energy mix ESRS E1-5 37	Annex I, table 1, indicator no. 5				E1-5 Energy consumption and energy mix
Energy intensity associated with activities in high-impact climate sectors ESRS E1-5 40-43	Annex I, table 1, indicator no. 6				E1-5 Energy consumption and energy mix
Gross emissions of scope 1, 2, 3 and total GHG emissions ESRS E1-6 44	Annex I, Table 1, indicators nos. 1 and 2	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Article 5, paragraph 1, Article 6 and Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818		E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

DUTY OF DISCLOSURE AND CORRESPONDING INFORMATION	SFDR REFERENCE	THIRD PILLAR REFERENCE	REFERENCE INDEX REGULATION	EU CLIMATE LAW REFERENCE	CHAPTER OF THE 2025 SUSTAINABILITY STATEMENT
Intensity of gross GHG emissions ESRS E1-6 53-55	Annex I, table 1, indicator no. 3	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics	Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818		E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions
GHG removals and carbon credits ESRS E1-7 56				Article 2, paragraph 1, of Regulation (EU) 2021/1119	E1-7 GHG removals and GHG mitigation projects financed through carbon credits
Exposure of the benchmark index portfolio to physical climate-related risks ESRS E1-9 66			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		-
Disaggregation of monetary amounts for acute and chronic physical risk, ESRS E1-9 66 a) Significant amounts of the assets at material physical risk ESRS E1-9 66 c)		Article 449a of Regulation (EU) no. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453, Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk			-
Breakdown of the book value of its real estate assets by energy efficiency classes ESRS E1-9 67 c)		Article 449a of Regulation (EU) no. 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453, Template 2: Banking book - Indicators of potential climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			-
Degree of portfolio exposure to climate-related opportunities ESRS E1-9 69			Annex II of Delegated Regulation (EU) 2020/1818		-
Amount of each pollutant listed in Annex II of E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and soil ESRS E2-4 28	Annex I, Table 1, indicator no. 8; Annex I, Table 2, indicator no. 2; Annex 1, Table 2, indicator no. 1; Annex I, Table 2, indicator no. 3				Not material
Water and marine resources ESRS E3-1 9	Annex I, table 2, indicator no. 7				E3-1 Policies related to water and marine resources
Dedicated policy ESRS E3-1 13	Annex I, table 2, indicator no. 8				E3-1 Policies related to water and marine resources
Sustainability of the oceans and seas ESRS E3-1 14	Annex I, table 2, indicator no. 12				Not material
Total water recycled and reused ESRS E3-4 28 c)	Annex I, table 2, indicator no. 6.2				E3-4 Water consumption
Total water consumption in m ³ per net revenue on own operations ESRS E3-4 29	Annex I, table 2, indicator no. 6.1				E3-4 Water consumption
ESRS 2 IRO-1 – E4 16 a) point i)	Annex I, table 1, indicator no. 7				Not material
ESRS 2 IRO-1 – E4 16 b)	Annex I, table 2, indicator no. 10				Not material
ESRS 2 IRO-1 – E4 16 c)	Annex I, table 2, indicator no. 14				Not material
Sustainable agricultural/land use policies or practices ESRS E4-2 24 b)	Annex I, table 2, indicator no. 11				Not material
Sustainable sea/ocean use practices or policies ESRS E4-2 24 c)	Annex I, table 2, indicator no. 12				Not material
Policies to address deforestation ESRS E4-2 24 d)	Annex I, table 2, indicator no. 15				Not material
Unrecycled waste ESRS E5-5 37 d)	Annex I, table 2, indicator no. 13				E5-5 Resource outflows

DUTY OF DISCLOSURE AND CORRESPONDING INFORMATION	SFDR REFERENCE	THIRD PILLAR REFERENCE	REFERENCE INDEX REGULATION	EU CLIMATE LAW REFERENCE	CHAPTER OF THE 2025 SUSTAINABILITY STATEMENT
Hazardous waste and radioactive waste ESRS E5-5 39	Annex I, table 1, indicator no. 9				E5-5 Resource outflows
Risk of forced labor ESRS 2 – SBM3 – S1 14 f)	Annex I, table 3, indicator no. 13				S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
Risk of child labor ESRS 2 – SBM3 – S1 14 g)	Annex I, table 3, indicator no. 12				S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
Human rights policy commitments ESRS S1-1 20	Annex I, Table 3, indicator no. 9 and Annex I, Table 1, indicator no. 11				S1-1 Policies related to own workforce
Due diligence policies on matters covered by Core Conventions 1 through 8 of the International Labour Organization ESRS S1-1 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		S1-1 Policies related to own workforce
Procedures and measures to prevent human trafficking ESRS S1-1 22	Annex I, table 3, indicator no. 11				S1-1 Policies related to own workforce
Occupational injury prevention policy or management system ESRS S1-1 23	Annex I, table 3, indicator no. 1				S1-1 Policies related to own workforce
Mechanisms for handling complaints/reports ESRS S1-3 32 c)	Annex I, table 3, indicator no. 5				S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns
Number of deaths and number and rate of work- related injuries ESRS S1-14 88 b) and c)	Annex I, table 3, indicator no. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		S1-14 Health and safety metrics
Number of days lost due to injuries, accidents, fatalities or illnesses ESRS S1-14 88 e)	Annex I, table 3, indicator no. 3				S1-14 Health and safety metrics
Unadjusted gender pay gap ESRS S1-16 97 a)	Annex I, table 1, indicator no. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		S1-16 Remuneration metrics (pay gap and total compensation)
Excessive pay gap in favor of the chief executive officer ESRS S1-16 97 b)	Annex I, table 3, indicator no. 8				S1-16 Remuneration metrics (pay gap and total compensation)
Incidents related to discrimination ESRS S1-17 103 a)	Annex I, table 3, indicator no. 7				S1-17 Incidents, complaints and severe human rights impacts and incidents
Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD guidelines ESRS S1-17 104 a)	Annex I, Table 1, indicator no. 10 and Annex I, Table 3, indicator no. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		S1-17 Incidents, complaints and severe human rights impacts and incidents
Severe risk of child labor or forced labor in the labor chain ESRS 2 SBM-3 – S2 11 b)	Annex I, Table 3, indicators nos. 12 and 13				S2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
Human rights policy commitments ESRS S2-1 17	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				S2-1 Policies related to workers in the value chain
Policies related to workers in the value chain ESRS S2-1 18	Annex I, Table 3, indicators nos. 11 and 4				S2-1 Policies related to workers in the value chain
Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD guidelines ESRS S2-1 19	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		S2-1 Policies related to workers in the value chain
Due diligence policies on matters covered by Core Conventions 1 through 8 of the International Labour Organization ESRS S2-1 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		S2-1 Policies related to workers in the value chain

DUTY OF DISCLOSURE AND CORRESPONDING INFORMATION	SFDR REFERENCE	THIRD PILLAR REFERENCE	REFERENCE INDEX REGULATION	EU CLIMATE LAW REFERENCE	CHAPTER OF THE 2025 SUSTAINABILITY STATEMENT
Human rights issues and incidents in the upstream and downstream value chain ESRS S2-4 36	Annex I, table 3, indicator no. 14				S2-4 Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
Human rights policy commitments ESRS S3-1 16	Annex I, Table 3, indicator no. 9 and Annex I, Table 1, indicator no. 11				Not material
Failure to comply with UN Guiding Principles on Business and Human Rights, ILO principles, or OECD guidelines ESRS S3-1 17	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		Not material
Human rights issues and incidents ESRS S3-4 36	Annex I, table 3, indicator no. 14				Not material
Policies related to consumers and end-users ESRS S4-1 16	Annex I, Table 3, indicator no. 9 and Annex I, Table 1, indicator no. 11				Not material
Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD guidelines ESRS S4-1 17	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		Not material
Human rights issues and incidents ESRS S4-4 35	Annex I, table 3, indicator no. 14				Not material
United Nations Convention Against Corruption ESRS G1-1 10 b)	Annex I, table 3, indicator no. 15				G1-1 Business conduct policies and corporate culture
Protection of whistleblowers ESRS G1-1 10 d)	Annex I, table 3, indicator no. 6				G1-1 Business conduct policies and corporate culture
Fines imposed for violations of laws against bribery and corruption ESRS G1-4 24 a)	Annex I, table 3, indicator no. 17		Annex II of Delegated Regulation (EU) 2020/1816		G1-4 Incidents of corruption or bribery
Rules for combating bribery and corruption ESRS G1-4 24 b)	Annex I, table 3, indicator no. 16				G1-4 Incidents of corruption or bribery



EU TAXONOMY

DISCLOSURE PURSUANT TO ARTICLE 8 OF REGULATION 2020/852

As a company required to prepare the Consolidated Sustainability Statement pursuant to Directive EU 2022/2464 (implemented in Italy by Italian Legislative Decree no. 125/2024) as amended, in its sustainability reporting Comer Industries also includes the information required by Article 8 of Regulation EU 2020/852 on the Taxonomy (within this section also referred to as the "Taxonomy Regulation," "Taxonomy," or the "Regulation") and related Delegated Acts implementing the Regulation, taking into account the interpretative clarifications provided by the European Commission in recent years through Communications and Q&A information sessions.

Note that starting from the current reporting year, Comer Industries applies the simplifications and amendments introduced by Commission Delegated Regulation (EU) 2026/73 of July 4, 2025, which amends Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information relating to environmentally sustainable activities, as well as Delegated Regulations (EU) 2021/2139 (so-called "Climate Delegated Act") and 2023/2486 (so-called "Environmental Delegated Act") as regards the simplification of certain technical screening criteria, and Delegated Regulation (EU) 2023/2485, which introduced new economic activities not included in Delegated Regulation (EU) 2021/2139. Delegated Regulation (EU) 2026/73 introduces the concept of materiality of economic activities, establishing a threshold for activities that cumulatively account for less than 10% of the denominator of the taxonomy indicator (turnover, CapEx and OpEx), with the resulting possibility of omitting detailed information, without prejudice to the obligation to ensure transparency and methodological consistency in determining the thresholds applied.

The Taxonomy was introduced to direct investments and capital flows toward sustainable projects and activities by defining a shared classification terminology for economic activities. It establishes the requirements an economic activity must meet to be considered environmentally sustainable, defining a common, comparable language for all relevant operators—companies, investors, lenders, and customers—with the ultimate objective of increasing the transparency of financial markets regarding ESG investment choices.

Therefore, according to the Delegated Acts implementing the Regulations companies are required to verify and report whether their economic activities are "ineligible," "eligible," and/or "aligned." Starting from January 1, 2026, companies may exclude certain economic activities from the above classification if they are *non-material*, as defined in paragraphs 1a to 1c of Article 2 of Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2026/73.

"Non-eligible" economic activities	Economic activities that fall outside the scope of the Taxonomy Regulation because they are not mapped in the annexes to Delegated Regulations (EU) 2021/2139 and 2023/2486.
"Eligible" economic activities	Economic activities included in the annexes to Delegated Regulations (EU) 2021/2139 and 2023/2486, regardless of whether they meet the applicable technical screening criteria. Eligible economic activities are therefore those activities that have the potential to align with the technical screening criteria.
"Aligned" or "environmentally sustainable" economic activities	<p>"Eligible" economic activities that simultaneously meet three fundamental principles:</p> <ol style="list-style-type: none"> 1) Make a substantial contribution to at least one of the six environmental objectives³⁶ set out in the Taxonomy Regulation. 2) Do not cause significant harm to any of the remaining environmental objectives (i.e. "Do No Significant Harm" or "DNSH"). 3) Comply with minimum social safeguards³⁷ (i.e. MSS).
"Non-material" economic activities	<p>Economic activities related to turnover and/or capital expenditures (CapEx) that non-financial undertakings may choose not to subject to eligibility and alignment assessment when they cumulatively account for less than 10% of the denominator of the relevant Taxonomy KPI.</p> <p>With reference to operating expenditures (OpEx), non-financial undertakings may refrain from assessing eligibility and alignment where such expenditures are considered non-material to the undertaking's business model, subject to the conditions set out in points (a) and (b) of paragraph 1c of Article 2 of Regulation (EU) 2026/73. Where such expenditures are considered material, they may still be exempted from assessment if they cumulatively account for less than 10% of the denominator of the relevant Taxonomy KPI.</p> <p>For "non-material" economic activities, no judgment is expressed in terms of eligibility, non-eligibility, or alignment with the Taxonomy.</p> <p>Turnover, capital expenditures, and operating expenditures classified as "non-material" pursuant to paragraphs 1a to 1c of Article 2 of Delegated Regulation (EU) 2021/2178, as subsequently amended by Delegated Regulation (EU) 2026/73, are presented separately for transparency purposes.</p>

(36) There are six environmental objectives under the Taxonomy Regulation: 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.

(37) The MSSs refer to the provisions of Article 18, paragraph 1, of Regulation 852/2020, i.e., a set of principles and guidelines contained in international framework agreements and treaties such as the OECD Guidelines for Multinational Enterprises (OECD MNEs), UN Guiding Principles on business and human rights (UNGPs), the ILO Fundamental Principles and Rights at Work, and the International Bill of Human Rights. In practice, the areas that the MSSs refer to include: Human Rights, Competition, Taxation, and Corruption.

THE PROCESS OF IDENTIFYING AND ASSESSING ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

The economic activity analysis process adopted by Comer Industries is developed as set out below:



1. **MATERIALITY ASSESSMENT AND ELIGIBILITY SCREENING:** in the first step of the process, the economic activities carried out by the Group that are considered eligible with respect to the six environmental objectives defined in Article 9 of the Taxonomy Regulation are identified. This phase included an analysis of the NACE codes applicable to the entire Group, the types of activities carried out, and their applicability to various environmental objectives, and the investments made during 2025. Potential “non-material” economic activities (as defined above) are also identified in order to conduct preliminary screening for their exclusion from the assessment process described below (steps 2-5).
2. **SUBSTANTIAL CONTRIBUTION ANALYSIS:** in the second step, substantial contributions to the environmental objectives – contained in the annexes of the respective Delegated Acts – are analyzed for the activities judged eligible for the Taxonomy in the previous step.
3. **DNSH ANALYSIS:** in the third step, the DNSH technical screening criteria that pertain to eligible activities and that contribute substantially to an environmental objective are examined so that the activity carried out does not cause significant harm to any of the other objectives in Article 9 of Regulation (EU) 2020/852.
4. **MSS EVALUATION:** in the fourth step, the existence of procedures to ensure compliance with the treaties and framework agreements specified in Article 18, paragraph 1, of Regulation EU 2020/852 is assessed in order to certify compliance with minimum safeguards within the scope of the activities carried out. To analyze compliance with the Minimum Safeguards, a checklist³⁸ was defined based on the contents of the OECD Guidelines for Multinational Enterprises (OECD MNE), the UN Guiding Principles on business and human rights (UNGPs), and the ILO Fundamental Principles and Rights at Work and International Bill of Human Rights, verifying the existence of a set of safeguards related to the central topics of these treaties, such as human rights, corruption, competition, and taxation (examples of such safeguards are, for example, the Code of Ethics, the OCMC in accordance with Italian Legislative Decree no. 231/2001, the various ISO certifications, the Code of Ethics for Suppliers). At the end of the fourth step, Comer Industries’ activities that are aligned with the Taxonomy are identified.
5. **KPI CALCULATION:** the last step in the process is to extract the data of interest in order to calculate the key performance indicators in the manner prescribed by Delegated Regulation EU 2021/2178 as amended.

The process implemented made it possible to identify Taxonomy-eligible and Taxonomy-aligned activities, eligible but not aligned activities, non-eligible activities, and non-material activities, and to calculate the KPIs required by the Taxonomy Regulation.

⁽³⁸⁾ The MSS compliance analysis process involved two different types of assessments: one “positive” and one “negative.” During the “positive” assessment, the presence of a set of safeguards deemed relevant within Comer Industries is checked. In contrast, the “negative” assessment confirms the absence of any proceedings, litigation, or adverse events that could jeopardize compliance with OECD, UNGP, and ILO guidelines.

ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

TURNOVER

With regard to the climate change mitigation objective, once again for FY 2025 Comer Industries assessed the turnover³⁹ generated from the manufacture of planetary gearboxes for wind generators (**CCM 3.1**) and from the manufacture of electric drivetrain components for zero-emission personal mobility devices (**CCM 3.18**) as **eligible and aligned** with the Taxonomy. Note that in 2025, with regard to turnover, no activities were identified as eligible but not aligned with the European Taxonomy.

The activities under **CCM 3.1** are carried out at the Jiaxing and Matera sites. In contrast, activities falling under **CCM 3.18** are carried out at the Castelnovo di Sotto plant.

From the activity assessment process described in the previous section, it was found that both activities meet the technical criteria for substantial contribution to climate change mitigation and do not cause significant harm to any of the other objectives, thus also meeting the relevant DNSH criteria.

Indeed, the substantial contribution for the two economic activities under review can easily be demonstrated in relation to the intrinsic nature of the activities themselves: economic activity 3.1 “Manufacture of renewable energy technologies” is consistent with the production of planetary gearboxes for wind generators carried out at the Matera and Jiaxing sites; economic activity 3.18 “Manufacture of automotive and mobility components” is consistent with the manufacture of electric drivetrain components for zero-emission personal mobility devices carried out at the Castelnovo site.

Similarly, it was verified that the activities do not cause significant harm to any of the remaining environmental objectives.

CLIMATE CHANGE ADAPTATION

Comer Industries’ Climate Change Risk Assessment was developed in full compliance with the requirements of Appendix A of Delegated Regulation (EU) 2021/2139, assessing the exposure and vulnerability of assets to acute and chronic physical climate risks. The analysis considers short-, medium-, and long-term time horizons and internationally recognized climate scenarios. The methodology adopted ensures a robust, traceable analysis fully aligned with the standards of the EU Taxonomy.

SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES

The Group conducted an in-depth assessment of water-related risks and opportunities within the double materiality framework. The impact analysis identified the use of water resources in water-stressed areas as the only significant critical issue. Through the WRI Aqueduct tool, facilities located in such areas were identified and mitigation measures related to the associated risks were defined. The methodology adopted ensures a robust, traceable assessment consistent with international water risk management standards, demonstrating the Company’s attention to sustainability and the prevention of potential negative impacts related to water resource availability.

⁽³⁹⁾ For the calculation of aligned turnover and the denominator to be used for the KPI, the guidance provided in Annex I, point 1.1.1., of Delegated Regulation EU 2021/2178 as amended was taken into account.

TRANSITION TO A CIRCULAR ECONOMY

Comer Industries integrates circular economy principles, promoting waste reduction, reuse and recyclability of materials, with plants certified ISO 14001. Waste management plans, recyclability studies and procedures for chemical substances are implemented, ensuring full compliance with REACH and RoHS and an integrated approach to process and supply chain sustainability.

POLLUTION PREVENTION AND REDUCTION

The Company adopts a structured, proactive approach to pollution prevention, ensuring the absence of hazardous substances such as POPs and mercury and full compliance with RoHS and REACH. Practices adopted throughout the entire product life cycle demonstrate a concrete, traceable commitment to reducing environmental impacts and to the responsible management of resources.

PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

The Group adopts a structured, proactive approach to biodiversity protection, ensuring that its sites are not located in sensitive areas and that activities are carried out in full respect of surrounding ecosystems.

Based on these considerations, both Activity CCM 3.1 and Activity CCM 3.18 were found to be qualifying activities⁴⁰ under Article 16 of Regulation EU 2020/852. For neither of the two activities are there potential issues relating to double counting of amounts attributable to calculation of the relevant KPI, as internal information systems allow for easy extraction of the relevant data from total revenue and separation from other items generating revenue. With regard to the other environmental goals⁴¹, in 2025 there was no turnover related to Comer Industries activities classified as eligible for the Taxonomy.

(40) Enabling activities are defined as economic activities that do not contribute to the environmental objectives of the Taxonomy but directly support other economic activities in achieving the environmental objectives of the Taxonomy.
 (41) Some of Comer Industries' aftermarket turnover-generating activities could fall under categories "5.1 Repair, refurbishment and remanufacturing" and "5.2 Sale of spare parts" in Annex II to Regulation 2023/2486 (Transition to a circular economy). However, in FAQ no. 4 of Communication C/2025/1373 the European Commission clarified that activities included in points 5.1 to 5.6 under the Circular Economy objective are eligible under the Taxonomy where the undertaking subject to assessment falls within the NACE codes indicated by the regulation (which in this specific case are not merely indicative). Since the NACE Codes listed in Sections 5.1 and 5.2 of Annex II to Regulation 2023/2486 do not correspond to those applicable to the Group, Comer Industries did not extend the eligibility assessment to these two activities.

CAPEX

For a residual set of activities, for which total capital expenditures of 77,185 euros were incurred, representing 0.2% of the denominator⁴² of the CapEx KPI, the Company made use of the option not to proceed with the eligibility and alignment assessment under the Taxonomy in accordance with paragraph 1b of Article 2 of Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2026/73. The remaining capital expenditures analyzed and incurred by Comer Industries in 2025 relate to non-eligible operations, that is, operations not falling within the mapping of economic activities included in the delegated acts. This means that for fiscal year 2025 Comer Industries does not report Taxonomy-eligible or Taxonomy-aligned activities associated with the CapEx KPI.

CAPEX NOT VALUED CONSIDERED NOT RELEVANT (€000) ⁴³	DENOMINATOR OF THE CAPEX KPI (€000) ⁴⁴	SHARE OF CAPEX NOT VALUED CONSIDERED NOT RELEVANT
77.2	42,604.8	0.2%

CapEx amounts assessed were obtained from internal information systems through an extraction of projects whose expenditures were capitalized during 2025.

OPEX

With regard to operations associated with the operating expenditure KPI (OpEx), Comer Industries considers such expenditures not to be material with respect to the business carried out. In fact, when compared with the Group's turnover, the cost components would account for approximately 0.7%. These considerations are also supported by the overall amount of the OpEx KPI denominator,⁴⁵ which would amount to 5,970 thousand euros.

Based on these considerations, for fiscal year 2025 Comer Industries refrained from assessing whether the operating expenditures included in the OpEx denominator above are associated with Taxonomy-eligible or Taxonomy-aligned economic activities, in accordance with paragraph 1c of Article 2 of Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2026/73.

REPORTING TEMPLATES AND KPIS

Financial information was collected and extracted from the accounting system used by the Company for the preparation of the Consolidated Financial Statements as of 12/31/2025, prepared in accordance with IFRS. The data used to calculate the indicators required by the regulations were therefore derived from the relevant administrative flows.

The KPIs required by Regulation (EU) 2020/852 are presented below, in accordance with the presentation format required by Commission Delegated Regulation (EU) 2021/2178, Annex II, as subsequently amended and supplemented.

(42) For the calculation of the CapEx denominator to be used for the KPI, the guidance provided in Annex I, point 1.1.2.1., of Delegated Regulation EU 2021/2178 as amended was taken into account.
 (43) CapEx considered not material, as they account for less than 10% of the CapEx denominator.
 (44) The KPI denominator refers to additions to tangible and intangible assets according to the calculation methods set out in Delegated Regulation (EU) 2021/2178 point 1.1.2.1.
 (45) The percentage refers to type "A" CapEx estimated during the taxonomy analysis carried out as part of the FY 2024 Sustainability Reporting, to which reference should be made for further details.

TEMPLATE 1

Proportion of turnover and capital expenditures (CapEx) derived from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities.
Disclosure for 2025 (summary KPIs)

FISCAL YEAR 2025																
KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objective of Taxonomy-aligned activities						Proportion of enabling activities	Proportion of transitional activities	Non-assessed activities considered non-material	Taxonomy-aligned activities in the previous fiscal year (2024)	Proportion of Taxonomy-aligned activities in the previous fiscal year (2024)	
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity						
	€000	%	€000	%	%	%	%	%	%	%	%	%	%	€000	%	
Turnover	893,678	4.91%	43,883	4.91%	4.91%	0%	0%	0%	0%	0%	0%	4.91%	0%	0%	48,335	5.1%
CapEx	42,605	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.2%	1,222	1.7% ⁴⁶

TEMPLATE 2

Proportion of turnover derived from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities.
Disclosure for 2025 (breakdown by activity)

DISCLOSED KPI - REVENUE															
FISCAL YEAR 2025															
Economic activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy-eligible revenue)	Taxonomy-aligned KPI (monetary value of turnover)	Taxonomy-aligned KPI (proportion of Taxonomy-aligned turnover)	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned activities over total Taxonomy-eligible activities		
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity					
		%	€000	%	%	%	%	%	%	%	(A where applicable)	(T where applicable)	%		
Manufacture of renewable energy technologies	3.1. CCM	4.89%	43,716	4.89%	4.89%	0%	0%	0%	0%	0%	A		100%		
Manufacture of automotive and mobility components	3.18. CCM	0.02%	167	0.02%	0.02%	0%	0%	0%	0%	0%	A		100%		
Sum of alignment per objective					4.91%	0%	0%	0%	0%	0%					
Total turnover KPI		4.91%	43,883	4.91%	4.91%	0%	0%	0%	0%	0%	100%	0%	100%		

(46) The percentage refers to type "A" CapEx estimated during the taxonomy analysis carried out as part of the FY 2024 Sustainability Reporting, to which reference should be made for further details.

E1 – ENERGY AND CLIMATE CHANGE

E1 GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

For information on how the Company takes climate-related considerations into account in the remuneration of members of administrative, management, and supervisory bodies, in relation to the GHG emission reduction targets disclosed under E1-4, and on the percentage of remuneration recognized in the current period linked to such considerations, see [ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes](#).

E1 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In 2024, Comer Industries conducted a Climate Change Risk Assessment (CCRA) to evaluate potential risks the Group is exposed to and to assess business resilience in light of climate change. Based on what is defined in IFRS S2, an analysis was developed of different reference climate scenarios, corresponding to IPCC projections (Intergovernmental Panel on Climate Change) and IEA projections (International Energy Agency, IEA-Net Zero by 2050: A Roadmap for the Global Energy Sector). In the absence of significant changes in the Group's activities and business, the analysis remains valid for the current fiscal year⁴⁷.

PHYSICAL RISK SCENARIO ANALYSIS

For assessment of physical risks, three IPCC Representative Concentration Pathway (RCP) scenarios were used, representing different greenhouse gas concentration trajectories and global temperature increases by 2100. More specifically, the following climate scenarios were adopted:

- RCP 2.6 – Assumes significant reduction of greenhouse gas emissions, and consequently containment of the global temperature increase.
- RCP 4.5 – Reflects a partial mitigation pathway with a more moderate temperature increase.
- RCP 8.5 – Assumes high emission levels and a significant temperature increase, with more intense and widespread physical impacts.

TRANSITION RISK SCENARIO ANALYSIS

Transition risk analysis was also conducted using climate scenarios describing different levels of climate policy ambition and related economic and regulatory implications:

- Stated Policies Scenario (STEPS): reflects the evolution of measures already adopted or formally announced, providing a projection consistent with current trends.
- Announced Pledges Scenario (APS): considers the full implementation of commitments communicated by governments, outlining a more advanced emissions-reduction pathway.
- Net Zero by 2050 Scenario: represents the most ambitious trajectory, aimed at achieving climate

⁽⁴⁷⁾ Risk analyses only covered the Group's own operations. No analysis of physical and transition risks was conducted on the upstream and downstream value chain.

neutrality by 2050 and characterized by more profound implications for company strategies, business models, and investment decisions.

In light of these climate scenarios, the functions most concerned with climate change aspects were involved to understand the effects of acute physical risks, chronic physical risks, and transition risks. The Group assessed how as scenarios changed the impacts on the three selected categories varied, and what the implications were for the business in terms of both risk exposure and possible opportunities.

The analysis of physical and transition risks covered the entire Organization, including all production plants, sales offices, and Aftermarket sites.

PHYSICAL RISKS

Physical climate risk analyses aim to assess exposure of company assets to direct and indirect impacts of climate change, distinguishing between acute events, such as storms, floods, and wildfires, and chronic phenomena, such as the rise in sea level and temperature changes.

The first phase of the CCRA involved identifying potentially material climate risks in accordance with DNSH criteria, focusing on risks pertinent to the geographic context (floods, storms, wildfires) and excluding risks that do not apply. The analysis was based on internationally recognized climate indicators to ensure alignment with global standards.

For acute risks, Business Interruption Days (BID) were also estimated, representing potential days of operational disruption caused by external events such as blackouts or road closures, without considering direct asset damage. The methodology followed consists of five phases:

1. Identification of relevant acute and chronic physical risks, in line with the EU Taxonomy and DNSH principles.
2. Site-specific risk and vulnerability assessment using software developed in R language based on seven climate models.
3. Risk prioritization based on exposure level of individual sites.
4. Quantification of the financial impact derived from physical damage to assets.
5. Quantification of the financial impact generated by the BIDs.

PHYSICAL RISKS – CHRONIC

Comer Industries analyzed potential business impacts arising from chronic weather events, namely long-term climate changes that may affect operational continuity and the Group's production strategy. This analysis, conducted for the 2030, 2050, and 2080 time horizons, showed that the Bangalore site has the highest exposure to heat stress, while the Matera site is more vulnerable to drought risk. Overall, however, chronic physical risks were not considered significant for the 33 sites analyzed. Accordingly, no specific mitigation measures were planned, as these phenomena evolve gradually over time and do not entail immediate or extreme impacts on company activities.

PHYSICAL RISKS – ACUTE

Comer Industries conducted an in-depth analysis of potential business impacts from acute extreme weather events, such as storms, floods, wildfires, and heatwaves, which may cause direct asset damage and disruptions of the production cycle. The analysis was developed over three time horizons—2030, 2050, and 2080—focusing on 2030 for reporting purposes, considered the most reliable and representative for strategic planning.

Conducted using a damage function correlating the percentage of site impact with total asset value or revenue, the assessment identified higher exposure to asset damage risks from storms and floods at the Jiaxing, Haarlem, and Reggiolo sites, particularly under the most severe climate scenario (RCP 8.5). With regard to BIDs, the highest exposure was identified at the Bangalore and Jiaxing sites, exposed to storms, floods, and wildfires.

Based on the Group's financial materiality assessment, no site presents acute physical risks deemed material. However, Comer Industries has adopted several mitigation measures:

- Installation of flood barriers, evacuation devices, emergency power systems, and weather alert systems.
- Installation of air conditioning systems and introduction of breaks and flexible schedules to address heatwaves.
- At the Rockford plant, implementation of an emergency management plan with designated safety areas in case of tornado.

TRANSITION RISKS

Transition risks mainly include four categories: political and regulatory risks, technological risks, market risks, and reputational risks. Each of these categories carries potential impacts on business operations, cash flows, and long-term competitiveness.

Through forward-looking scenarios and systematic assessments, companies can anticipate the impact of these transformations and develop mitigation strategies. In addition to reducing risks, such analyses enable the identification of new growth opportunities, such as developing markets related to sustainability or leveraging technological innovation.

In particular, the analysis conducted by Comer Industries covered the entire Group. The risks analyzed and deemed impactful were market risk due to Guarantee of Origin (GO) price fluctuation and regulatory risk due to the introduction of carbon pricing such as the CBAM (Carbon Border Adjustment Mechanism) regulations.

MARKET EVOLUTION – PRICE OF GUARANTEES OF ORIGIN

With regard to energy, specific projections have been developed that perform the role of a risk control system related to price fluctuations. In the scenario where the demand for electricity from renewable sources certified with energy Guarantees of Origin is expected to surge, considerable increases in the supply price of GOs are expected.

REGULATION – CARBON PRICING

With regard to the regulatory regulations introduced, specific projections were developed regarding the Carbon Border Adjustment Mechanism (CBAM) tax in order to monitor potential impacts and risks on the business. The objective of the CBAM, in full compliance with international trade rules, is to prevent the EU's greenhouse gas emission reduction efforts from being offset by increased emissions outside its borders through the relocation of production to third countries (where policies adopted to combat climate change are less ambitious than those of the EU) or by increased imports of carbon-intensive products. The above measure, particularly in a Net Zero scenario, could affect market dynamics, trigger inflation (especially for complex manufacturing products), or impact the ability to attract financing. The scenarios considered for the analysis include:

1. STEPS - Stated Policies Scenario
2. APS - Announced Pledges Scenario
3. NET ZERO by 2050 Scenario

The specific emissions considered in this forecast were calculated using emission factors per ton of product provided by the European Commission⁴⁸. These factors represent the reference values for quantifying the emissions associated with the materials under analysis.

For a more accurate estimate of the economic impact associated with the CBAM system, it was necessary to consider the amount of emissions actually subject to payment, net of the free allowances allocated to manufacturers. The document prepared by the European Union – "Update of benchmark values for the years 2021-2025 of phase 4 of the EU ETS"⁴⁹ – provides guidance on €/ton values exclusively for product types covered by the current ETS system.

The total quantities of products imported by Comer Industries were used to calculate net emissions, i.e., those not covered by Free Allowances. This calculation was made by multiplying the product quantities by the net value of the residual emissions.

For each of the three scenarios analyzed (STEPS, APS, and NET ZERO), the previously calculated average annual price was applied. This price was used to estimate the cost of emissions from the production of the analyzed materials, and consequently the economic obligation from a CBAM perspective.

From the results of the analysis, it was found that the greatest financial impact develops in the NET ZERO scenario as a result of stricter regulatory mechanisms in an environment where countries and companies are rapidly adapting.

(48) The method used to estimate the CBAM was proposed by the European Commission, namely:
(Actual emissions - Emissions covered by free allocations) x Total tons of imported product
x (Average weekly ETS price - Carbon tax paid in the exporting country)
(49) [policy_ets_allowances_bm_curve_factsheets_en.pdf](#)

E1 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO ENERGY AND CLIMATE CHANGE

The double materiality assessment identified the following impacts relating to energy and climate change topics:

- **Negative impact – Contribution to climate change through the generation of greenhouse gas emissions in the conduct of company operations (Scope 1 and 2).** Company operations, including energy consumption and production processes, generate direct and indirect emissions contributing to climate change.
- **Negative impact – Contribution to climate change through the generation of greenhouse gas emissions along the value chain (Scope 3).**
- Upstream and downstream activities in the value chain generate indirect greenhouse gas emissions, mainly from material production, logistics, and product use, thereby contributing to global warming.
- **Negative impact – Reduced availability of energy resources due to intensive production processes.** The high energy demand of industrial processes may exert greater pressure on energy resources, reducing availability and affecting long-term sustainability of operations.

The double materiality assessment, together with climate risk analysis, identified the following risks and opportunities relating to energy and climate change topics:

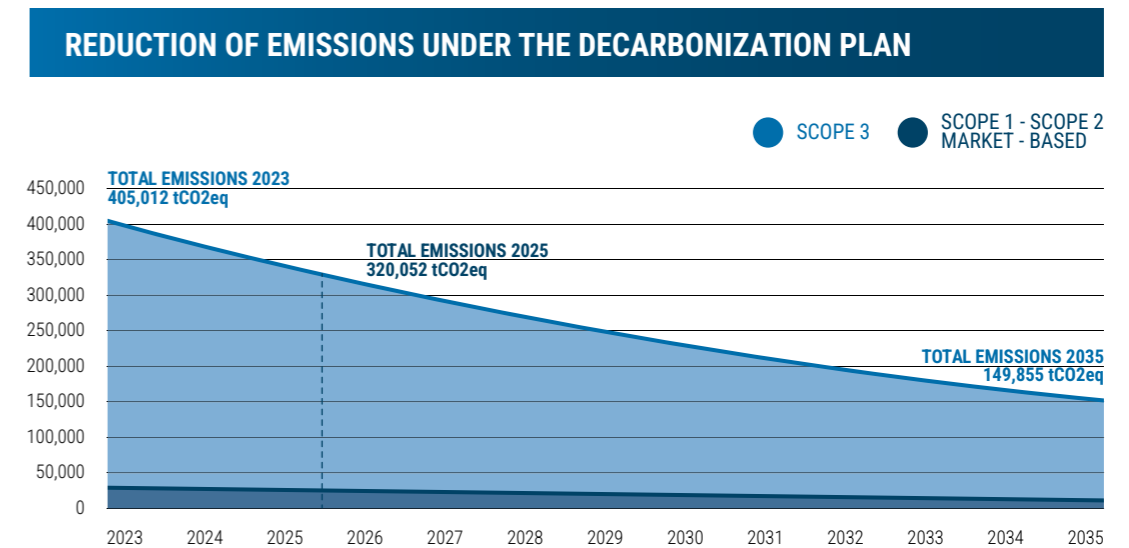
- **Risk – Physical risks linked to acute or chronic extreme climate events.** Weather events that may damage infrastructure, disrupt supply chains, and compromise operational continuity.
- **Transition risk – Increased operating costs and reputational risks due to regulatory developments.** Tightening environmental regulations may generate compliance challenges, economic impacts, and reputational risks for the Company.
- **Opportunity – Cost savings and increased organizational resilience through environmentally responsible operations.** The adoption of sustainable practices, such as energy efficiency, self-generation of energy, and responsible sourcing, enables reduction of operating costs and increased organizational resilience.
- **Opportunity – Sales opportunities from renewable energy and electrification solutions.** The energy transition and growing demand for low-emission solutions create new commercial and technological innovation opportunities.
- **Risk – Depletion of non-renewable resources and related supply risks.** Dependence on non-renewable energy sources and materials may create scarcity and price volatility risks, affecting production continuity.
- **Risk – Increase in energy costs, resulting in higher raw material costs.** Instability in energy markets may lead to increased production costs, with cascading effects on operating margins and competitiveness.

For more details on methodologies, assumptions, and tools used to identify and assess impacts, risks, and opportunities in operations and across the value chain, see sections [IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#) and [E1 SBM-3 Impacts, risks, and opportunities related to climate change and their interaction with strategy and business model](#).

E1-1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Comer Industries' Decarbonization Plan is the tool with which the company translates its commitment to contributing to the reduction of global emissions and combating climate change into concrete operations and planning⁵⁰. The Plan, integrated with the company strategy and relative financial planning, was presented to the Audit, Risk, Sustainability, and Related Parties Committee in December 2024 and approved by the BoD on February 17, 2025, at the same time as the 2035 Sustainable Development Plan, with which it is aligned in its objectives.

The Decarbonization Plan calls for reducing Scope 1 and Scope 2 market-based and Scope 3 absolute greenhouse gas emissions by 63% by 2035 compared to 2023⁵¹.



As also reported in section [E1-4 Targets related to climate change mitigation and adaptation](#), in addition to emission reduction targets, the Decarbonization Plan identifies the main decarbonization levers implemented in line with company strategy⁵² and technological developments:

(50) The Group currently has not formalized a climate transition plan aligned with ESRS definitions and requirements (ESRS E1 RA 1). Note however that the emission reduction targets posed by the Decarbonization Plan are consistent with the emission reduction trajectory set by the Net-Zero 2050 initiative. The Group will assess the possibility of defining a 2050 transition plan as part of future updates to the sustainability strategy.

(51) These targets, whose ambition was set using tools provided by the Science Based Targets initiative, are compatible with limiting global warming to 1.5°C in line with the Paris Agreement.

(52) In 2025 there were no goals or plans for making other economic activities aligned with the Taxonomy Regulations than those already detailed in the relevant chapter.

- **Efficient production:** optimization of production processes to reduce energy demand through efficiency improvements and machinery renewal⁵³.
- **Efficient buildings:** improvement of building energy efficiency through upgrades to heating, ventilation, and lighting systems⁵⁴.
- **Renewable energy:** increase in the share of electricity consumed from renewable sources through the installation of self-generation solutions or supply contracts with guarantees of origin.
- **Electrification:** replacement of fossil fuel-powered systems and equipment with electric solutions⁵⁵.
- **Procurement policies:** orientation toward suppliers and materials with a lower emission impact, with higher recycled content and local sourcing.
- **Ecodesign:** design of products and packaging with reduced material use or alternative low-emission materials.

For the description and details of projects implemented under the various decarbonization levers, see [E1-3 Actions and resources in relation to climate change policies](#), while for further information on progress under the Decarbonization Plan, see [E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions](#).

Each decarbonization lever helps reduce the emission footprint by contributing to the overall goals of reducing absolute emission values. To ensure full integration of the Decarbonization Plan within the business strategy and financial planning, the BoD of Comer Industries approved the goals, actions, and related financial resources for implementation of the Plan. Specifically, for the decade 2025-2035 the Company planned a commitment of resources totaling 6.5 million euros. With specific reference to the provisions of the Plan relating to FY 2025, while a total of 325 thousand euros was budgeted, actual costs only came to 100 thousand euros. The remaining amount will be incurred in subsequent years, in line with the updated planning of the initiatives envisaged.

Currently the strategy does not include specific targets or plans to increase the alignment of economic activities with the criteria set out in the European Commission's Delegated Regulation 2021/2139. However, the Group considers that these activities will see an increase proportional to the rise in CapEx and OpEx required to implement the Decarbonization Plan.

In addition to identifying key decarbonization levers, the Plan identified locked-in emissions, those greenhouse gas emissions that will be unavoidable in the future due to the energy infrastructure, technologies, and systems currently in use or planned. These emissions result from the fact that current infrastructure such as fossil fuel power plants, industrial plants, and heat-powered vehicles, are designed to last for many years and will continue to generate emissions until the end of their life cycle unless they are decommissioned or converted. A share of direct emissions is related to the consumption of natural gas for the painting and heat treatment of products. Notwithstanding plans to gradually electrify the production process, the equipment used in these stages has long life cycles that in the coming years instead of being replaced will undergo efficiency upgrades to decrease natural gas consumption.

In contrast, Scope 2 emissions have no particular limits on reductions other than biogenic⁵⁶ and land-use change emissions⁵⁷. Note that no biogenic emissions or emissions from land use changes were recorded in the reporting year.

(53) The leverage for 2025 falls within the non-material capital expenditures identified in the paragraph on the Taxonomy.

(54) The leverage for 2025 falls within the non-material capital expenditures identified in the paragraph on the Taxonomy.

(55) No capital expenditures aligned with the Taxonomy attributable to this leverage were incurred in 2025.

The value chain has emission categories with different degrees of locked-in emissions, determined by technological and regulatory developments:

- Emissions related to the purchase of goods have a locked-in share related to cast iron and steel components, regardless of whether the raw material is primary or from recycling.
- The entire category related to capital goods is considered locked-in given the complexity in exerting influence on manufacturers of production machinery.
- Despite the fact that emissions related to electricity grid losses can be greatly reduced, emissions related to the transportation of fuels such as natural gas and oil derivatives currently have no significant room for improvement.
- The transportation of raw materials and semi-finished and finished products are handled by third parties under contract to the Group. Emission trends in these emission categories are therefore linked to regulatory developments and global trends related to freight transportation.
- Similar to the transportation of goods, greenhouse gases attributed to business travel and employee commuting are also linked to regulatory changes in the countries where the Company operates. In the former case, the emissions that are most difficult to reduce are those from air travel, while in the latter case to the global spread of e-mobility.
- Emissions associated with the disposal of waste produced by the organization and end-of-life disposal of the product are highly dependent on the recycling and waste disposal chain in the countries where the goods are produced and distributed. As a result the Group has very little influence on a portion of the emissions, although the product and process are designed to reduce and recycle materials.

Comer Industries is not excluded from the EU Climate Transition Benchmark indices and the EU Paris Agreement Benchmark indices, not appearing within the list of activities excluded from the EU Paris Agreement Benchmark in Article 12 of Delegated Regulation (EU) 2020/1818.

E1-2 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Comer Industries adopts a structured approach to managing impacts, risks, and opportunities related to climate change and energy, promoting the reduction of greenhouse gas emissions and strengthening resilience to climate risks across the entire value chain.

The Company has formalized its commitments in the **Integrated Quality, Sustainability, and Product Responsibility Policy**, defining guiding principles and responsibilities to pursue reduction of environmental impacts of processes and products, promotion of renewable energy, and sustainable production and consumption models, in line with the Paris Agreement objective of limiting the increase in global average temperature to 1.5°C⁵⁸.

(56) Biogenic emissions are greenhouse gases released during the process of decomposition, combustion, or transformation of biological materials such as biomass, biogas, or biofuels. These materials are derived from organic renewable sources such as plants or organic waste, and are considered part of the natural carbon cycle. Unlike fossil fuel emissions, biogenic CO₂ emissions are generally considered "climate neutral" because the carbon released has previously been absorbed by the atmosphere during plant growth. These emissions may be associated with the consumption of electricity from biomass.

(57) Land-use change emissions refer to greenhouse gases released into the atmosphere due to alterations in land use or management. These changes include activities such as converting forests to farmland, logging, urbanization, draining peatlands, or restoring natural ecosystems. For some renewable energy sources (such as biomass), the impact of land-use change can affect the overall balance of emissions associated with purchased energy.

(58) The Quality, Sustainability, and Product Responsibility Policy does not include processes to manage impacts, risks, and opportunities related to climate change adaptation, but only processes related to mitigation.

INTEGRATED QUALITY, SUSTAINABILITY AND PRODUCT RESPONSIBILITY POLICY

The goal is to achieve the integration of a systematic approach to risk management into decision-making processes, streamlining operations, ensuring compliance with applicable regulations, and preventing environmental and safety incidents. The Company aims to continuously improve working conditions, design safe and reliable products, and reduce its environmental and social impact throughout the life cycle of its products. Particular emphasis is placed on climate change mitigation and the adoption of circular economy models, emphasizing the central role played by optimization of production inputs in achieving the goals of the Policy. In summary, the Policy contributes to the management of all impacts, risks, and opportunities relating to energy and emissions, water, pollution, resource inflows, products, and waste.

Scope of application

The Policy applies to all Group sites and to every employee or non-employee whose work is carried out within the Company. In line with the content and objectives defined therein, for specific areas the scope of application also extends to the entire value chain. Specifically, with reference to the upstream supply chain, the Company promotes the full involvement of suppliers in achieving objectives relating to quality, health and safety and the environment, integrating the principles of the Policy into procurement strategies and processes. The Policy also applies downstream in the value chain in the case of managing impacts, risks and opportunities relating to the use of extremely hazardous substances.

Responsibilities

The responsibility for defining the Policy rests with the President and CEO, while operational implementation and oversight is assigned to the Quality, Sustainability, and Compliance function.

Alignment with external standards

The Policy is based on recognized international standards, including ISO 9001, ISO 14001, ISO 45001, and ISO 31000, and aligns with the framework of the Paris Agreement to combat climate change. Moreover, the Company adheres to the principles of the Dodd-Frank Act, avoiding the use of "Conflict Minerals" and requiring suppliers to meet legal criteria and verify the origin of their materials.

Availability and communication

Published on the company intranet and on the Group's website.

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In defining and updating the Policy, stakeholder expectations are considered through a qualitative analysis of the main outcomes of engagement activities⁵⁹. The approach adopted is based on transparent communication and continuous monitoring of the needs of the relevant stakeholder groups. Suppliers and partners are also required to comply with the company principles set out in the document.

Comer Industries pursues the reduction of direct and indirect emissions (Scope 1 and Scope 2) arising from its operations through improved energy efficiency in production processes and increased use of renewable energy. The Company integrates assessment of climate risks—both physical and transition—and other environmental risks into its decision-making and strategic planning, promotes the measurement and monitoring of environmental performance through performance indicators, implements technical solutions aimed at reducing energy consumption and greenhouse gas emissions, and collaborates with customers and partners to develop innovative, safe, and lower environmental impact products.

⁽⁵⁹⁾ For more information on the main stakeholder categories and related engagement processes, see section SBM-2 Interests and views of stakeholders.

E1-3 ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

In 2025 Comer Industries implemented initiatives aimed at reducing energy consumption and mitigating climate change⁶⁰ in accordance with the provisions of the 2035 Sustainable Development Plan and the Decarbonization Plan⁶¹. Activities were carried out through capital investments and operating expenditures.

The main projects for decarbonization implemented during the reporting year, with an overall economic value of just over 100,000 euros, are detailed below:

- **Efficient production:** replacement and optimization of compressed air supply systems at the Reggiolo and Sohland plants. This activity resulted in a reduction in emissions of 12 tCO₂eq.
- **Efficient buildings:** optimization of the heating system at the Reggiolo site and the lighting system at the Rockford sites; implementation of measures to reduce thermal dispersion at the Monguelfo and Irxleben sites; adoption of a new high-efficiency generator at the Bangalore site. These actions resulted in emission reductions of 16 tCO₂eq in 2025.
- **Renewable energy:** increased share of electricity consumed from renewable sources by purchasing electricity from renewable sources through certificates of origin at the Reggiolo, Jiaxing, Sohland, Bangalore, and Matera plants. These activities resulted in emission reductions of 9,830 tCO₂eq.

The amounts are included among the non-material capital and operating expenditures reported in the chapter on the EU Taxonomy⁶². The amounts are part of the items "Tangible and intangible assets" (CapEx) and "Purchase and other operating costs" (OpEx), both of which can be found in the Notes to the Consolidated Financial Statements of Comer Industries.

At present, the implementation of planned actions does not include the use of sustainable financial instruments such as green bonds, social bonds, or green loans. The ability to implement the action plan does not depend on external preconditions such as grants of financial support or public policy and market developments, but depends solely on the availability of internal resources, thus ensuring financial autonomy and continuity of the actions planned. To implement the actions envisaged by the Decarbonization Plan, the Company has planned a total resource commitment of 6.5 million euros.

⁽⁶⁰⁾ No major climate change adaptation initiatives were carried out in 2025.

⁽⁶¹⁾ For details on the Decarbonization Plan, the main actions and levers, and the costs envisaged under the plan, see [E1-1 Transition plan for climate change mitigation](#).

⁽⁶²⁾ The operating expenses incurred for the purchase of renewable energy certificates of origin are not attributable to environmentally sustainable activities identified by Delegated Regulation (EU) 2021/2178.

E1-4 TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The commitments expressed in the Integrated Quality, Sustainability and Product Responsibility Policy are implemented through the 2035 Sustainable Development Plan and the Decarbonization Plan, in which the Group has formalized a series of targets aimed at mitigating the impacts of its operations and value chain on climate change.

With regard to energy consumption, the Company is committed to achieving the following targets:

- Increase the share of electricity from renewable sources to 60% of total electricity consumed.
- Reduce energy intensity relative to hours worked by 30%.

With regard to climate change and management of related impacts, risks, and opportunities, Comer Industries has adopted three measurable, time-bound targets, consistent with its decarbonization strategy and aligned with the global warming containment pathways defined by the Paris Agreement:

- Reduce Scope 1 and Scope 2 market-based greenhouse gas emissions per hours worked by 30%.
- Reduce absolute Scope 1 and Scope 2 market-based greenhouse gas emissions⁶³ by 63%.
- Reduce absolute Scope 3 greenhouse gas emissions⁶⁴ by 63%.

Progress toward the targets adopted is shown below:

GOAL	UNIT OF MEASUREMENT	BASELINE YEAR	BASELINE VALUE	PERFORMANCE 2025	TARGET VALUE	TARGET YEAR
60% increase in consumption of electricity from renewable sources	%	2022	33%	49%	53%	2030
30% reduction in energy intensity	Gj/machine hours	2022	138.9	139.0	97.2	2030
30% reduction in emission intensity (Scope 1 and Scope 2 market-based)	tCO ₂ eq/machine hours	2022	100.3	85.0	70.2	2030
63% reduction in absolute Scope 1 and Scope 2 market-based emissions	tCO ₂ eq	2023	29,274	19,365	10,831	2035
63% reduction in absolute Scope 3 emissions	tCO ₂ eq	2023	375,739	300,687	139,023	2035

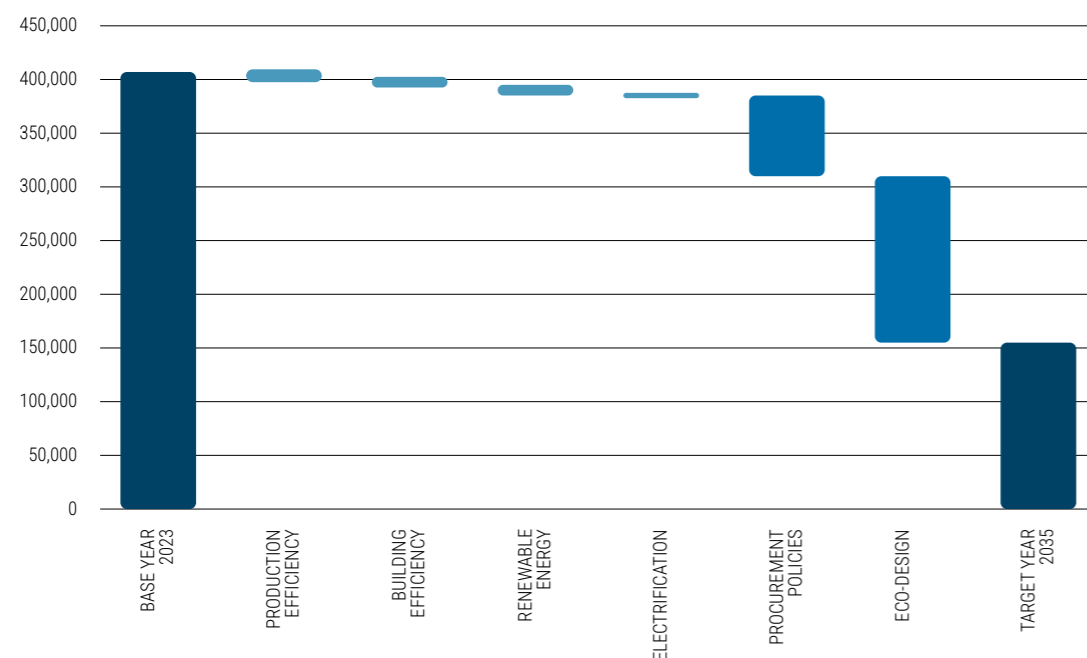
(63) The absolute target for reducing combined Scope 1 and Scope 2 emissions covers 100% of emissions for both scopes combined. The Scope 3 emissions target also covers the totality of emissions within the scope. Both targets will be reviewed every five years to ensure maximum consistency between the decarbonization target, applicability boundary (which includes the Group's GHG inventory) and base year for calculating the reduction required by scenario alignment.

(64) The absolute target for reducing combined Scope 1 and Scope 2 emissions covers 100% of emissions for both scopes combined. The Scope 3 emissions target also covers the totality of emissions within the scope. Both targets will be reviewed every five years to ensure maximum consistency between the decarbonization target, applicability boundary (which includes the Group's GHG inventory) and base year for calculating the reduction required by scenario alignment. The baseline for the decarbonization targets was set at 2023, as a year characterized by greater stability in production activity and the market in general than 2024, thus more representative for this purpose. Moreover, the baseline value refers to the entire Comer Industries perimeter and is expressed with reference to the emission categories in the section [E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions](#).

The level of ambition of the two absolute emissions reduction targets was determined using the Science Based Target Setting Tool (version 2.3), made available by the Science Based Targets initiative (SBTi) to define targets aligned with the decarbonization pathway established by the Paris Agreement, which aims to limit the increase in global temperature to 1.5°C. These targets guide the Decarbonization Plan, which identifies the necessary actions and related implementation timelines.

Comer Industries leverages various operational and technological levers to achieve its targets, in line with company strategy, the Decarbonization Plan, and ongoing innovation:

- **Efficient production:** reduction of energy requirements per unit processed, achieved through technological and management solutions aimed at making the production process more efficient (e.g., digital systems for monitoring energy consumption and any peaks/anomalies, systems for optimizing, subdividing, and automatically shutting down services supporting production such as the compressed air line, renewal of the machine fleet with more energy-efficient models). Contributed to the reduction of Scope 1 and 2 emissions by 17%.
- **Efficient buildings:** reduction of energy requirements for building management by installing devices for the improving the efficiency of summer and winter air conditioning and the lighting. Contributed to the reduction of Scope 1 and 2 emissions by 21%.
- **Renewable energy:** increased share of electricity consumed from renewable sources through installation of self-generation systems from renewable sources, or purchase of electricity from renewable sources through supply contracts and certificates of origin. Contributed to the reduction of Scope 1 and 2 emissions by 18%.
- **Electrification:** replacement of fossil-fueled systems with electrically powered solutions, such as company fleet vehicles, service or production facilities, and production machinery and equipment. Contributed to the reduction of Scope 1 and 2 emissions by 6%.
- **Procurement policies:** aimed at minimizing the emission impacts of supplies, directing procurement toward materials with higher recycled content and from local economies, in order to reduce the impact of the transportation of goods. Contributed to the reduction of Scope 3 emissions by 21%.
- **Ecodesign:** design choices aimed at reducing the quantities of materials used for components and packaging for the same functional and application capacity, or substitution with lower-emitting alternatives. Contributed to the reduction of Scope 3 emissions by 41%.



Targets relating to energy and climate change were developed without direct and structured stakeholder involvement. However, stakeholder expectations were considered during the definition phase through a qualitative analysis process based on ongoing dialogue with key stakeholder groups. In particular, the main stakeholders considered were customers, banks, and investors.

Relevant expectations were identified and integrated taking into account frequent interactions with these parties, including questionnaires, periodic meetings, specific requests for data and information, and meetings dedicated to sharing the Company's sustainability strategies. This approach enabled alignment of target setting with the issues raised, ensuring consistency with priorities expressed by key stakeholders.

E1-5 ENERGY CONSUMPTION AND ENERGY MIX

Focusing on the most energy-intensive processes, Comer Industries integrates efficiency practices into design and production phases, making them an integral part of its monitoring systems and continuous performance improvement processes.

The main energy resources on which optimization initiatives have been focused are electricity and natural gas, as they are the vectors with the greatest contribution to overall consumption.

Energy performance is continuously monitored through local measurement and data collection systems. Consumption analysis, aimed at identifying priority action areas, is supported by advanced digital tools capable of identifying the main sources of inefficiency. A digital dashboard aggregates and visualizes data in real time, flagging deviations from targets and enabling timely responses to optimize performance⁶⁵.

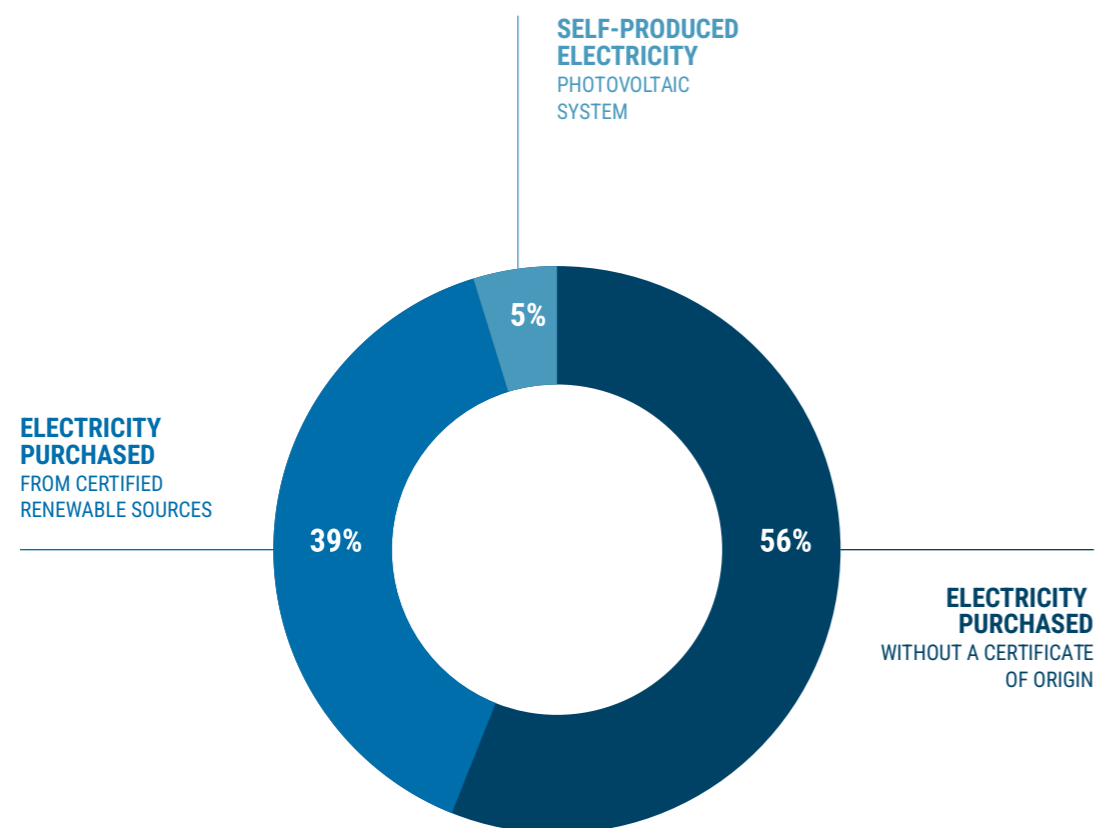
(65) As mentioned in the introduction, the Sustainability Report is subject to limited assurance by Deloitte & Touche S.p.A. Note that the metrics in this chapter are not validated by any other external body.

ENERGY CONSUMPTION (MWh) – LOWER HEATING VALUE	2025	2024
Consumption of fuel from coal and coal products (MWh)	0	0
Consumption of fuel from crude oil and petroleum products (MWh)	2,624	2,640
Consumption of fuel from natural gas (MWh)	38,329	37,595
Consumption of fuel from other non-renewable sources (MWh)	539	216
Consumption of electricity, heat, steam, and cooling from fossil sources, purchased or acquired (MWh)	24,948	26,588
Total energy consumption from fossil sources (MWh) (sum of rows 1 to 5)	66,440	67,040
Share of fossil sources in total energy consumption (%)	75.52	77.99
Consumption from nuclear sources (MWh)	0	0
Share of nuclear sources in total energy consumption (%)	0.00	0
Consumption of fuel for renewable sources, including biomass (also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
Consumption of electricity, heat, steam, and cooling from renewable sources, purchased or acquired (MWh)	19,362	16,780
Consumption of self-produced renewable energy without resorting to fuels (MWh)	2,172	2,140
Total energy consumption from renewable sources (MWh) (sum of rows 8 to 10)	21,534	18,921
Share of renewable sources in total energy consumption (%)	24.48	22.01
Total energy consumption (MWh) (sum of rows 6 and 11)	87,974	85,960
Total energy consumption of activities in high-impact climate sectors compared to net revenues from these activities (MWh/monetary unit)	87,974	85,960
Turnover from sales ⁶⁶	893,678	942,372
Energy intensity index	0.098	0.091

The distribution of the Group's energy consumption during the fiscal year was in line with previous years. Electricity accounted for 50% of total consumption, followed by district heating with 3%, while the remaining 47% was derived from the use of fuels, mainly natural gas, which accounted for 92% of total fuels. Natural gas was used both for room air conditioning and for manufacturing operations such as painting and heat treatment.

(66) All Comer Industries turnover derives from manufacturing of machinery and equipment, a high climate-impact sector as defined by Delegated Regulation (EU) 2022/1288 (Section C, NACE Code 28, Annex I to Regulation (EC) 1894/2006). This amount appears to be an integral part of the item "Turnover from sales" in the Notes to the Consolidated Financial Statements of Comer Industries.

Total electricity consumption was 43,890 MWh, of which 44% came from renewable sources, thanks to power generation from photovoltaic systems and the purchase of GO and I-REC certified electricity. A significant portion of the electricity from renewable sources was self-generated through five photovoltaic installations located at the Italian facilities in Reggiolo and Matera. With a total capacity of 2,172 kWp, these installations covered 5% of the Group's total electricity needs.



ENERGY PRODUCED (MWh)	2025	2024
Self-produced electricity – from renewable sources	2,447	2,446
Of which consumed for own use	2,172	2,140
Of which injected into the grid	275	305
Self-generated electricity – from non-renewable sources	0	0
Total self-produced energy	2,447	2,446

E1-6 GROSS SCOPE 1, 2, 3 AND TOTAL GHG EMISSIONS TOTAL GHG EMISSIONS

Combating climate change is a central area of Comer Industries' sustainability program. The Company's activities generate greenhouse gas emissions that require responsible management to limit their impact on the climate.

Direct emissions⁶⁷ (Scope 1) come mainly from the operation of plants and machinery owned or fully operated by the Company, such as thermal and production plants (painting and heat treatment) powered by natural gas.

SCOPE 1 GHG DIRECT EMISSIONS	2025	2024	24 VS. 25
Gross Scope 1 GHG emissions (tCO ₂ eq)	8,131	7,968	2%
Percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes (%)	0.00%	0.00%	-

The Group's overall direct emissions saw an overall rise of 2% compared to 2024, corresponding to an increase of 163 tCO₂eq. Deviations are mainly attributable to changes in the production mix, which required greater use of heat treatment on certain component categories, and to more severe climatic conditions that increased heating for work environments.

The calculation of Scope 2 indirect GHG emissions⁶⁸ is done using two distinct approaches: location-based and market-based⁶⁹. In keeping with its strategy of increasing the share of energy produced from renewable sources, the Company has chosen to monitor global performance using the market-based approach.

SCOPE 2 INDIRECT GHG EMISSIONS	2025	2024	24 VS. 25
Gross Scope 2 location-based GHG emissions (tCO ₂ eq)	13,454	14,214	-5%
Gross Scope 2 market-based GHG emissions (tCO ₂ eq)	11,234	13,260	-15%

Indirect emissions related to electricity consumption (Scope 2 market-based) showed a decrease, falling 15.3% in the year compared to the previous year. This performance is mainly attributable to the decision to increase the share of energy consumption from renewable sources.

Comer Industries calculates indirect emissions from its value chain⁷⁰ (Scope 3), with the dual aim of giving an increasingly complete and transparent representation of its emissions impact and including all areas involved in the Decarbonization Plan. The categories considered significant and their calculation methods are as follows:

(67) Source of emission factors: Scope 1: <https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs>. The calculation of Scope 1 emissions was performed in accordance with the GHG Protocol Corporate Standard.

(68) Scope 2 location-based: European sites (<https://www.aib-net.org>), USA (<https://www.epa.gov/egrid>), China, India, Brazil (Carbon Footprint Ltd). The calculation of Scope 2 location-based emissions was performed in accordance with the GHG Protocol Corporate Standard and the GHG Protocol Scope 2 Guidance.

Scope 2 market-based emission factors: European sites (<https://www.aib-net.org>, emissions are expressed in tons of CO₂eq, as the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions as inferred from the relevant technical literature), USA (<https://www.epa.gov/egrid>), China, India and Brazil (Carbon Footprint Ltd). The calculation of Scope 2 market-based emissions was performed in accordance with the GHG Protocol Corporate Standard and the GHG Protocol Scope 2 Guidance.

(69) The location-based method considers the average GHG emission intensity of the networks energy is consumed from. The market-based calculation considers emissions from electricity that an organization has intentionally and contractually chosen and includes the use of a residual mix if the organization's emissions intensity level is not specified in its contracts.

(70) The calculation of Scope 3 emissions was performed in accordance with the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011). For the source of emission factors see the relevant table. All emission categories were calculated using databases. Therefore primary data from the value chain was not used. The most recent global warming potential (GWP) values published by the IPCC based on a 100-year time horizon were used to calculate CO₂eq emissions of non-CO₂ gases.

- **Category 1 – Purchased goods and services:** calculated using the average data method, based on the weight of raw materials purchased. Emission factor sources are Ecolnvent and Defra 2025. A direct proportionality is assumed between emissions and the weight of materials purchased, without accounting for economies of scale or production-specific factors. For less significant items, or where information on unit weight was not available, the Spend-Based methodology was applied, in which the monetary value of the purchase was converted into emissions using EEIO factors corresponding to the NACE code of the purchased good.
- **Category 2 – Capital goods:** also estimated using the spend-based method, using Defra 2021 emission factors adjusted to 2025 inflation. This method based on sector averages does not consider technological differences or energy mix variations between producing countries.
- **Category 3 – Fuel- and energy-related activities:** calculated using the average data method, multiplying energy and fuel consumption by their respective average emission factors (Defra and Cadi). Transmission and distribution losses are assumed in line with national averages.
- **Category 4 – Upstream transportation and distribution:** estimated using the distance data method, based on distances between Tier 1 suppliers and Comer Industries. Emission factors are derived from Defra, excluding any transport prior to delivery.
- **Category 5 – Waste generated:** determined using the average data method, considering waste type and disposal method, using Defra factors. Average waste compositions are assumed.
- **Category 6 – Business travel:** estimated using the spend-based method, based on total business travel costs. Emission factor sources are Defra 2021 adjusted to inflation. The method reflects average market values and does not account for regional or seasonal variations.
- **Category 7 – Employee commuting:** calculated using the distance data method, using average distance between employees’ municipality of residence and workplace and Defra 2025 emission factors. This method does not consider actual residential addresses.
- **Category 9 – Downstream transportation and distribution:** also estimated using the distance data method, based on distance between Comer Industries and customers, with Defra 2025 emission factors. Shipments after delivery are not considered.

The categories not included in the GHG Inventory are as follows:

- **Category 8 – Upstream leased assets:** not applicable because the Group does not use assets under operating leases that are relevant to indirect GHG emissions.
- **Category 10 – Processes involving products sold:** this emission category is applicable but not significant for Comer Industries since the assembly of its products is mainly done manually or with the help of machine tools with low energy consumption. As a result, emissions associated with the processing of products sold are not material for the purpose of reporting indirect emissions. The Group nevertheless undertakes to carry out further analysis to more accurately assess the materiality of this category for reporting purposes.

- **Category 11 – Use of sold product:** applicable to Comer Industries only with reference to electric motors, which currently represent a marginal share of the Company’s business. Other products sold by the Group do not involve direct electricity consumption. The Group nevertheless undertakes to more accurately assess the materiality of this category for reporting purposes.
- **Category 12 – End-of-life product treatment:** the category is applicable but not significant for Comer Industries because the products are made from easily recyclable materials and have an established secondary market. Since the environmental impact from end-of-life treatment is small compared to other stages of the product life cycle, this category does not therefore represent a major part of Scope 3 emissions for the Company. The Group nevertheless undertakes to more accurately assess the materiality of this category for reporting purposes.
- **Category 13 – Downstream leased assets:** this category is not applicable for Comer Industries because the Group does not lease its assets to third parties. Consequently, there are no indirect emissions from the use of these assets by other parties, making this category irrelevant to Comer Industries’ emissions reporting.
- **Category 14 – Franchise:** the “Franchise” emission category is not applicable as the Company does not own or control any franchise network. Consequently, there are no indirect emissions from this emission category.
- **Category 15 – Investments:** the “Investments” emission category is not applicable to Comer Industries because the Company is not involved in investment activities that generate indirect emissions.

SCOPE 3 INDIRECT GHG EMISSIONS	2025	2024	24 VS. 25
Purchase of goods and services	262,308	211,804	+23.8
Capital goods	10,615	14,347	-26.0%
Activities related to energy and fuels	3,794	3,791	+0.0%
Upstream transport and distribution	12,157	14,798	-17.8%
Waste generated	504	538	-6.3%
Business travel	989	1,264	+21.7%
Employee commuting	6,275	6,107	+2.8%
Upstream leased assets	-	-	-
Downstream transport and distribution	4,045	3,198	+26.5%
Processes involving the goods sold	-	-	-
Use of the good sold	-	-	-
End-of-life product treatment	-	-	-

Considering Scope 1 and Scope 2 emissions combined, there was a 8.8% decrease in absolute emissions, in line with the targets set by the Decarbonization Plan (26,200 tCO₂eq for Scope 1 and Scope 2 combined and 318,361 tCO₂eq for Scope 3).

TOTAL GHG EMISSIONS	2025	2024
Total GHG emissions (location-based) (tCO ₂ eq)	322,272	278,029
Total GHG emissions (market-based) (tCO ₂ eq)	320,052	277,075
Turnover from sales ⁷¹	893.678	942.372
Market-based emissions intensity index	0.3581	0.2940
Location-based emissions intensity index	0.3606	0.2950

Below are the Scope 1 and Scope 2 emissions divided by Company.

COMPANY	% CONTROL	MAIN ACTIVITY	2025 SCOPE 1	2025 SCOPE 2 LB	2025 SCOPE 2 MB	2024 SCOPE 1	2024 SCOPE 2 LB	2024 SCOPE 2 MB
Comer Industries S.p.A	Parent company	Design, production and sales	1,488	1,963	0	1,460	2,216	2,834
Comer Industries (Jiaxing) Co.Ltd	100%	Production and sales	381	3,393	0	392	3,117	0
Comer Industries Components S.r.l.	100%	Production	820	2,434	2,246	895	2,797	2,619
Comer Industrias do Brasil EIRELI	100%	Sales	9	1	1	13	1	1
Comer Industries Inc.	100%	Sales	123	79	79	94	83	83
Comer Industries India Pvt Ltd.	100%	Production	34	513	0	26	443	0
Comer Industries U.K Ltd.	100%	Sales	0	0	0	7	2	2
e-Comer S.r.l.	100%	Design, production and sales	33	85	159	66	152	277
Off-Highway Powertrain Services Germany GmbH	100%	Sales and after-sales service	326	159	298	376	211	392
Powertrain Rockford Inc.	100%	Design, production and sales	439	580	580	467	973	0
Powertrain Services France SAS	100%	Sales and after-sales service	26	2	3	49	4	5
Powertrain Services UK Limited	100%	Holding company	79	31	89	80	43	43
Walterscheid Brasil Industria de Equipamentos Agrícolas Ltda	100%	Production and sales	4	44	44	3	44	47
Walterscheid Cardan GmbH	100%	Production	78	66	154	65	62	132
Walterscheid Getriebe GmbH	100%	Design, production and sales	187	526	0	163	641	0
Walterscheid GmbH	100%	Design, production and sales	3,609	3,020	7,023	3,400	2,959	6,358
Walterscheid Inc. Woodridge	100%	Design, production and sales	497	557	557	413	466	466

(71) This amount appears to be an integral part of the item Turnover from sales in the Notes to the Consolidated Financial Statements of Comer Industries.

E1-7 GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

Comer Industries does not purchase certificates in the EU ETS market or in similar markets because its companies and factories are not among those required to participate in such schemes, as they do not meet the regulatory criteria for inclusion. The Group has no GHG emissions removed or stored within its operations or along the value chain. There are also no initiatives to reduce greenhouse gas emissions financed through carbon credits, as these were not purchased in 2025.

E1-8 INTERNAL CARBON PRICING

As of December 31, 2025, Comer Industries has not adopted a carbon pricing scheme.

E2 – POLLUTION

E2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Despite the limited direct environmental impacts arising from the characteristics of production processes and products, the Company has identified pollution as a material topic, recognizing the importance of preventing and mitigating impacts relating to this issue across the value chain. The double materiality assessment identified the following impacts:

- **Negative impact – Soil pollution arising from extraction and processing of raw materials along the value chain:** extraction processes and material transformation operations may generate soil contamination due to dispersion of industrial residues, oils, heavy metals, or other harmful substances, with potentially lasting effects on local ecosystems and environmental quality.
- **Negative impact – Generation of air pollutant emissions along the value chain:** upstream activities, particularly in metal smelting, transport, and processing, may result in emissions of pollutants such as nitrogen oxides, particulate matter, and volatile organic compounds, contributing to deterioration of air quality and impacts on human and ecosystem health.
- **Negative impact – Emissions of pollutants into groundwater during extraction and processing of raw materials:** release of liquid or solid contaminants into groundwater may compromise the quality of water resources and negatively affect the water supply of local communities.

To identify impacts, risks, and opportunities related to pollution, the Group reviewed site locations and company activities and analyzed its upstream and downstream value chain.

This site-specific activity analysis was conducted using a two-level approach. First, a regulatory analysis was performed to verify compliance with applicable environmental obligations relating to pollution prevention and control. Second, an analysis of channeled and fugitive emissions was carried out, with particular reference to stacks and main emission points, to assess potential direct impacts on air, soil, and water. The results of these analyses did not identify any material direct environmental impacts attributable to the Company's operations.

With regard to the value chain, an analysis was carried out by reviewing upstream processes, particularly extraction, production, and processing of raw materials by key suppliers, and by assessing pollutants potentially released downstream in relation to products sold. This assessment was based on sector studies, technical and scientific literature, and analysis of main emission profiles associated with the types of materials and processes involved. All material impacts identified relate to upstream and downstream phases of the value chain rather than to Comer Industries' own operations. No risks or opportunities exceeding the materiality threshold were identified related to the topic *E2 - Pollution*. Considering the limited impacts of Comer Industries' operations on people and the environment, the Group did not organize dedicated engagement sessions with affected communities. For more details on methodologies, assumptions, and tools used to identify and assess impacts, risks, and opportunities in operations and across the value chain, see section [IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#).

E2-1 POLICIES RELATED TO POLLUTION

The main policies for managing impacts related to pollution are the Integrated Quality, Sustainability and Product Responsibility Policy (described in section [E1-2 Policies related to climate change mitigation and adaptation](#) in this document) and the Supplier Code of Ethics (described in section [S2-1 Policies related to value chain workers](#) in this document).

The Integrated Quality, Sustainability and Product Responsibility Policy expresses the Company's commitment to reducing negative impacts associated with its products throughout their life cycle by adopting technical solutions that improve performance and user safety⁷². This commitment translates into the objective of avoiding use of substances of very high concern for health or the environment⁷³ and implementing measures to mitigate negative effects related to air, water, and soil pollution.

To ensure responsible sourcing and facilitate the application of Policy principles across the value chain, suppliers are required to adhere to and fully comply with all applicable laws and regulations, as well as the Company's principles set out in the Supplier Code of Ethics. The implementation of this control also helps limit downstream value chain impacts by containing the use of substances of very high concern within products sold by the Company.

(72) The Group has not currently formalized a specific policy dedicated to managing negative impacts along the downstream value chain, which are indirectly overseen through the commitments described in the Integrated Quality, Sustainability and Product Responsibility Policy.
(73) The Policy does not explicitly govern the use of substances of concern, except for substances of very high concern, as defined by the criteria established in Article 57 of Regulation (EC) No. 1907/2006 (REACH), identified in accordance with Article 59(1) of that Regulation.

While not providing commitments or provisions for substitution and reduction of substances of concern and the phasing out of substances of very high concern, the Code requires each supplier to ensure full compliance with European REACH and RoHS regulations. Indeed, REACH (Regulation (EC) No. 1907/2006) governs the registration, evaluation, authorization, and restriction of chemicals, with the aim of ensuring a high level of protection of human health and the environment. The RoHS Directive (Directive 2002/95/EC) imposes strict limits on the use of hazardous substances such as lead, mercury, cadmium, and hexavalent chromium in electrical and electronic equipment.

The Code requires suppliers to ensure that all products supplied to the Company comply with these provisions and, during validation phases and whenever requested, to make available all relevant information regarding the chemical composition of the materials or components supplied. Suppliers are also required to extend these obligations throughout their own supply chain, ensuring that subcontractors comply with the same conditions. In this way, the Company aims to ensure the traceability and safety of the materials used, promoting responsible substance management and prevention of negative impacts on health and the environment.

E2-2 ACTIONS AND RESOURCES RELATED TO POLLUTION

Comer Industries has adopted a structured approach to preventing and mitigating negative impacts related to pollution by integrating the principles of the Corporate Sustainability Due Diligence Directive (CSDDD) and the German Supply Chain Act into its sustainability management system. The Company has implemented a due diligence process aimed at monitoring direct and indirect suppliers and ensuring that production and sourcing processes are conducted in line with mandatory environmental regulations.

Through the systematic collection of information from its business partners, Comer Industries analyzes potential environmental impacts, such as air, soil, and water pollution arising from extraction, processing, or treatment of materials in the supply chain. The environmental due diligence questionnaire enables the identification of potential issues related to waste management, air emissions, accidental spills, water consumption and discharge, use of hazardous substances, and regulatory compliance. The Group considers these actions to be ongoing activities and therefore intends to maintain significant levels of supplier engagement in future reporting periods⁷⁴.

In accordance with the 2035 Sustainable Development Plan, Comer Industries plans to allocate additional financial resources⁷⁵ between 2026 and 2035 for the purchase of performance and risk assessment tools linked to suppliers.

Note that in 2025 the Group did not implement actions aimed at mitigating downstream value chain impacts related to pollution.

(74) The Group is committed to engaging more than 75% of its suppliers in these activities.

(75) Not detailed as below the materiality threshold set at 3,500,000 euros in total for the decade 2025-2035.

E2-3 TARGETS RELATED TO POLLUTION

Due to its limited ability to influence the more distant parts of the supply chain and challenges related to data accessibility, Comer Industries does not currently have measurable, time-bound targets for reducing pollution in the upstream and downstream value chain.

However, Comer Industries is actively committed to mitigating environmental impacts linked to upstream production phases by requiring suppliers to comply with strict environmental standards through:

- The Supplier Code of Ethics, which addresses key aspects relating to air pollution and environmental responsibility.
- Supply chain due diligence on environmental compliance aspects related to pollution (Minamata Convention, POPs Convention, Rotterdam Convention Annex 3, Basel Convention, Montreal Protocol).

During fiscal year 2025, the Supplier Code of Ethics was signed by 96% of suppliers, ensuring a strong alignment of the entire supply chain with environmental protection expectations.

Given the absence of material impacts from its operations and no material risks or opportunities identified, Comer Industries does not currently plan to set additional targets related to pollution.

E3 - WATER RESOURCES

E3 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Despite the limited impacts on water resources resulting from process and product characteristics, the Company has identified water management as an issue of significance, recognizing its importance in a long-term perspective and in a context that goes beyond the company's boundary. The double materiality assessment identified the following impacts related to water resource management:

- **Negative impact – Impacts on water resources arising from the Group's water consumption (withdrawals and discharges), especially in water-stressed areas, in terms of availability of water resources.** This impact arises from water use in production processes, particularly painting and machining operations.
- **Negative impact – Impacts on water resources from value chain production operations in terms of water availability.** Upstream value chain operations such as metal smelting, machining, and component assembly may contribute to reduced water availability in general, especially in areas experiencing high water stress.

To identify facilities located in water-stressed areas⁷⁶, Comer Industries conducted an analysis based on the WRI Aqueduct – Baseline Water Stress tool. The results made it possible to identify nine plants in regions with water stress levels above 40%.

PLANT	COUNTRY	WATER SOURCE	WATER STRESS
Matera	Italy	Italy, East Coast	Extremely High
Nuremberg	Germany	Rhine	High
Hasselroth	Germany	Rhine	High
Sohland	Germany	Elbe	High
Jiaxing	China	China Coast	High
Bangalore	India	India East Coast	Extremely High
Cachoeirinha	Brazil	Uruguay - Brazil, South Atlantic Coast	High
Charlotte	USA	Gulf of Mexico, North Atlantic Coast	High
Rockford	USA	Mississippi - Missouri	High

Given the limited impacts of Comer Industries' operations on people and the environment, the Group did not conduct consultations, particularly with affected communities. For more details on methodologies, assumptions, and tools used to identify and assess impacts, risks, and opportunities in operations and across the value chain, see section [IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#).

E3-1 POLICIES RELATED TO WATER AND MARINE RESOURCES

The main policy of reference with regard to the management of impacts of water resources is the Integrated Quality, Sustainability, and Product Responsibility Policy⁷⁷, which expresses the Group's commitment to minimize the withdrawal of natural resources, with particular attention to withdrawals in water-stressed areas, and to reduce water consumption through process efficiency.

To facilitate compliance with the principles of the Policy throughout the entire value chain, suppliers are required to fully comply with all applicable laws and regulations and adopt the principles set forth in the Supplier Code of Ethics⁷⁸, which promotes the implementation of policies and procedures aimed at optimizing the use of water resources and environmental management systems, especially with regard to reducing water consumption in water stress areas.

The Policy does not directly refer to the downstream value chain, as Comer Industries products do not include characteristics specifically related to water use. Therefore, water efficiency is only a concern with respect to production while it does not apply to the product itself.

(76) Water stress refers to the ability or inability to meet the water demand, both from humans and from ecosystems as a whole. Water stress can refer to the availability, quality or accessibility of water. The World Resources Institute's Aqueduct Water Risk Atlas was used as a tool to assess water stress areas.

(77) For more information see E1-2 Policies related to climate change mitigation and adaptation.

(78) For more information see S2-1 Policies related to value chain workers.

Considering the small volumes withdrawn by factories located in high water stress areas, to date the Company has not incorporated an explicit commitment within its policies to reduce water consumption in these areas, but has set a specific reduction target in its strategy.

The Group has not adopted policies or practices related to the sustainability of oceans and seas, as the issue of "marine resources" was not found to be material by the double materiality analysis.

E3-2 ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

In 2025 Comer Industries continued to implement initiatives to reduce water consumption, in line with the commitment expressed in the company's policies for the responsible management of natural resources. The actions taken have focused on optimizing production processes, recovering and reusing water resources, and adopting advanced technologies to monitor and control consumption. Management actions involved all Group production sites, while new projects specifically concerned facilities in Lohmar (Germany), Welsberg (Italy), and Jiaxing (China). All these initiatives, began and completed during the reporting year, have helped reduce the overall water consumption of the operating units, improving water efficiency and reducing impacts in the areas where the Company operates.

At the Chinese plant, located in an area of high water stress, a project to treat wastewater from production processes has been implemented, enabling the recovery and reuse of water resources within processes, with a reduction in waste generated and overall consumption. At Welsberg, an investment was made to replace water dispensers, resulting in moderate water savings, while at Lohmar a project to upgrade the sewer system was initiated and will be completed in 2026.

The initiatives implemented in 2025 were carried out through capital expenditures (CapEx) and operating expenses that were not significant in amount. This amount is included in the item "Tangible and intangible assets" (CapEx) and the item "Purchase and other operating costs" (OpEx), both of which can be found in the Notes to the Consolidated Financial Statements of Comer Industries.

The 2035 Sustainable Development Plan includes a road map for achieving water consumption reduction targets, with resource use linked to those detailed in the chapter [E5 Resource use and circular economy](#). The resources required to finance these actions will be covered through ordinary corporate cash flows, and currently do not include the use of sustainable financial instruments such as green bonds, social bonds, or green loans.

The ability to implement planned actions does not depend on specific external conditions such as the provision of financial support or the development of public or market policies. This financial autonomy ensures the continuity of necessary works and the achievement of the goals set.

E3-3 TARGETS RELATED TO WATER AND MARINE RESOURCES

To mitigate impacts on water resources arising from the Group's water consumption, and in line with commitments expressed in its Policies, Comer Industries set two targets to reduce water consumption intensity aimed at improving efficiency across two scopes:

- Globally, considering the boundary of the entire Group, the Company is committed to reducing overall consumption by 10%.
- Locally, in those plants located in regions with high water stress – namely the German plants in Sohland, Nuremberg, and Hasselroth, the Italian plant in Matera, the Indian plant near Bangalore, the Brazilian plant in Cachoeirinha, the American sites in Charlotte, Rockford, and Woodridge, and finally the Chinese plant located in Jiaxing – the Group has approved a plan to reduce consumption by 15%.

The ambition level and scope to which the latter target applies were defined through comparison of three future scenarios⁷⁹ and scientific evidence provided by the Aqueduct Water Risk Atlas published by the World Resources Institute.

Both targets are expressed in terms of water consumption intensity, i.e., water consumed relative to machine hours worked, and do not include interim targets. The Company constantly monitors its results, setting annual internal goals to ensure alignment with the trajectories outlined by the two targets. Both goals were set on a voluntary basis, as they are not mandatory by law or regulation.

Progress toward the targets adopted is shown below:

GOAL	UNIT OF MEASUREMENT	BASELINE YEAR	BASELINE VALUE	PERFORMANCE 2025	TARGET VALUE	TARGET YEAR
10% reduction in water consumption intensity	m3/machine hours	2022	20	18.10	18	2030
Reduction of 15% in water consumption intensity in areas of high water stress	m3/machine hours ⁸⁰	2023	14.3	16.4	12.2	2030

Targets related to water resource management were developed without direct stakeholder involvement, although stakeholder expectations were considered during the definition phase.

(79) The scope of applicability of the target is consistent with the 2023 worst-case scenario with respect to the high water stress geographies the Group operates in. This scenario was chosen as a reference because the optimistic and business-as-usual scenarios identify no new water-stressed areas where the Group has production sites in 2030 different from those already present in 2023.
 (80) The data considered for the calculation of the indicator refer exclusively to plants located in areas with high water stress.

E3-4 WATER CONSUMPTION

The production processes with the highest water consumption are painting, especially in the preparation stages, and machining, for lubrication. In addition to production processes, water is used for civil purposes, such as showers, toilets, irrigation, and for fire-fighting systems. The metrics used to evaluate performance presented on the following pages are those defined by the reporting standards and refer to all IROs belonging to the material topic⁸¹.

All of the Group's production sites, regardless of size, processes, and local water availability, monitor water withdrawals on a monthly basis, both in absolute value and as withdrawal and consumption intensity.

The entire amount of water withdrawn in the production plants, except for the withdrawals at Lohmar and Monguelfo, is to be considered as consumed water, since almost all of it is used within the production process, mixed with degreasing or oily compounds, ultimately being disposed of as waste⁸². At the Monguelfo and Lohmar plants there was an additional use of water from wells amounting to 642,708 m³ solely for cooling the production machines, without any consumption or contamination. In fact, at these plants the water flows through a continuous, closed circuit that consists of drawing water from the well and subsequent discharge into the same reservoir.

The main method of supplying water to the Group's sites is extraction from surface aquifers (94%), while the remaining 6% of water comes from aqueducts. In 2025, almost all of the water withdrawn (99.5%) was classified as fresh water, except for a small amount of other types of water withdrawn by third parties in India (196 m³, or 0.5% of the total water withdrawn by the Group)⁸³.

The Company does not store representative volumes of water and does not recycle or reuse water. However, it does treat degreasing solutions and oily mixtures through purifiers installed within the production sites, allowing reuse of the substances output.

WATER WITHDRAWAL BY SOURCE (M ³)	2025		2024	
	Total	Water stress areas	Total	Water stress areas
Water withdrawn	683,944	17,558	704,113	20,673
of which from well/surface aquifer	645,669	976	665,543	1,584
of which from aqueduct/third parties	38,275	16,582	38,570	19,089
Water stored	0	0	0	0
Water discharges	642,708	0	662,283	0
Water consumed	41,236	17,558	41,830	20,673
Water consumption intensity relative to hours worked	18.10	16.40	18.11	17.89

(81) Note that these metrics are not validated by any external body other than the appointed auditor.

(82) The share of withdrawn water that is used for civil purposes is negligible compared to the water used for production. Therefore, for the purpose of calculating consumed water it is preferred to take a cautious approach and assume this share of withdrawal equal to consumption, approximating the discharge of this to zero.

(83) Other waters are defined as any water that has a concentration of dissolved solids greater than 1,000 mg/l.

Water consumption is mostly concentrated at the German site in Lohmar, the Chinese site in Jiaxing, and the Reggiolo sites, which together account for more than 60% of total withdrawals.

All water discharges are conveyed to the sewer systems the production sites are connected to. Water from production processes, on the other hand, is either collected in special containers such as underground tanks and managed as waste according to current regulations, or subjected to specific treatment on site. The commitment to the efficient and sustainable use of water resources also includes the assessment of contamination risks. To ensure control and reduce these risks, the company's management system has procedures and instructions outlining appropriate management of the resource in relation to production processes.

E5 - RESOURCE USE AND CIRCULAR ECONOMY

E5 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment identified the following impacts, risks, and opportunities related to resource use and circular economy topics:

- **Positive impact – Transition toward circular business models:** implementation of recycling, reuse, and material recovery techniques enables optimization of natural resource consumption, reduction of dependence on virgin raw materials, and promotion of more efficient material management throughout the product life cycle.
- **Negative impact – Consumption of large quantities of finite resources in production processes:** industrial activities, particularly those related to metalworking and mechanical component production, require extensive resource use, with effects on their gradual depletion.
- **Negative impact – Generation of hazardous and non-hazardous waste affecting land use:** production processes may generate waste and residues that, if not properly managed, pose risks of soil contamination, occupation of disposal areas, and potential damage to local ecosystems.
- **Risk – Exposure to litigation and penalties due to non-compliant waste management:** inadequate waste management along the value chain may expose the Company to legal and reputational risks, including fines, disputes, or reputational damage.
- **Opportunity – Cost reductions and new business opportunities arising from shared strategies with suppliers:** collaboration with supply chain partners in defining circular economy strategies can generate competitive advantages by reducing raw material procurement and waste management costs and supporting development of sustainable business models.

To identify potential impacts, risks, and opportunities related to resource use and the circular economy, Comer Industries considered all its production sites and the entire value chain, as described in ESRS 2 [IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#). Given the limited impacts of Comer Industries' operations on people and the environment, the Group did not conduct consultations, particularly with affected communities.

E5-1 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

According to the Integrated Quality, Sustainability, and Product Responsibility Policy the Group's priority is the pursuit of a circular development model, favoring the use of sustainable materials and optimizing the use of natural resources in production processes, thereby reducing the waste generated and the negative environmental impacts of its products⁸⁴. Like any other principle contained in the Integrated Policy, the commitment to the circular economy applies to all Comer Industries people and sites, and also extends to the supply chain through the Supplier Code of Ethics⁸⁵.

The guidelines in the Policies are translated into objectives, operational procedures, and actions developed along three vectors:

- Implementing technological and management solutions in the production environment aimed at reducing the use of resources per unit processed, as well as reusing them and reintegrating them into production processes.
- Integrating eco-design criteria into product design to reduce material and natural resources and minimize downstream environmental impacts from use to end of life.
- Implementing procurement policies that encourage cooperation with component and service suppliers with better performance in terms of recycled material and recyclability.

The pursuit of these goals enables the Company to seize new business opportunities arising from the elaboration of joint strategies with suppliers, while reducing the quantities of raw materials used, waste generated, and exposure to litigation and fines due to possible improper waste management. The transition to circular economy models also has positive repercussions on the ground and for stakeholders through the reduction of environmental impacts along the value chain and the promotion of awareness in the efficient use of resources.

E5-2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Throughout 2025, Comer Industries implemented a series of initiatives aimed at strengthening its commitment to the circular economy, with actions focused on the efficient management of raw material inputs, waste reduction, and improved sustainability throughout the supply chain.

(84) For more information see [E1-2 Policies related to climate change mitigation and adaptation](#).
(85) For more information see [S2-1 Policies related to value chain workers](#).

The actions implemented in 2025 at various production sites focused on reducing wastewater generated by industrial operations, optimizing ferrous waste management, and reducing solvent use in production processes. At the Jiaxing plant, a wastewater treatment system was installed, significantly reducing volumes. Other initiatives were implemented at the Reggiolo site through the installation of new systems for collecting ferrous waste to maximize recovery, while at the Lohmar site a project was developed to replace solvents in the painting area.

Furthermore, reusable packaging solutions were introduced for products made at the Rockford plant, seeking to reduce consumption of single-use materials such as cardboard and wood, supporting more sustainable supply management.

The initiatives implemented in 2025 did not require significant capital investments, nor were operating costs recognized, being mainly included in ordinary personnel costs, especially for the Research & Product Development and Purchasing functions.

This amount is included in the item "Tangible and intangible assets" (CapEx) and the item "Purchase and other operating costs" (OpEx), both of which can be found in the Notes to the Consolidated Financial Statements of Comer Industries.

The Group will follow up on these initiatives – especially in the area of hazardous waste treatment – in the next decade of 2025-2035 in keeping with the commitments made in the 2035 Sustainable Development Plan, dedicating the necessary financial resources⁸⁶.

To date, the actions taken and planned do not involve the use of sustainable financial instruments such as green bonds or green loans, nor do they depend on external conditions such as public financial support or the development of market policies.

E5-3 TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The policies are enacted through the implementation of procedures aimed at defining priority objectives and the processes necessary to ensure their achievement.

Qualitative and quantitative targets cover both input flows (raw materials) and output flows (products and waste) and include:

- **Reduction of hazardous waste intensity⁸⁷**: efforts on this front are focused on reducing the amount of waste generated by the Group's production processes, especially machining and painting, adopting practices to minimize the use of substances and implementing water treatment solutions, reducing the amount of hazardous waste generated by these processes relative to the machine hours of the manufacturing plants.
- **Increased recycled material in raw materials**: adopting a product life cycle perspective encourages the integration of recycled materials – mainly steel and cast iron – into final products, reducing their impact on emissions and potential biodiversity losses from metal mining. This initiative is

(86) Not detailed as below the materiality threshold set at 3,500,000 euros in total for the decade 2025-2035.

(87) Considering that a significant portion of hazardous waste is disposed of in landfills, the target is indirectly aimed at decreasing such amounts, which is the last step of the waste pyramid.

supported by collaboration with the value chain, where suppliers are encouraged to track the origin and characteristics of the materials used, increasing their recycled content.

The scope of applicability of these targets is extended to all Group activities and sites. To ensure their achievement, each year the Group breaks down these goals for each location into specific targets, set voluntarily as they are not required by law or regulation. The achievement of targets by the individual plants contributes directly to the achievement of the Group's overall targets. The goals assigned are reviewed annually, ensuring constant alignment with strategic priorities and continuous performance improvement.

Progress toward the targets adopted is shown below:

GOAL	UNIT OF MEASUREMENT	BASELINE YEAR	BASELINE VALUE	PERFORMANCE 2025	TARGET VALUE	TARGET YEAR
20% reduction in the intensity of hazardous waste	tonnes/machine hours	2022	8.6	7.8	70.2	2030
Estimate the effective quantity of recycled materials inside the product	-	2025	-	Project in progress	-	2026

The definition of the Group's targets follows an approach based on strategic and industrial priorities, benchmark studies at the sector level, the investment plan, and observations of the specific traits of each local reality, adopting a rationale of progressive construction of the macro-targets and thus making them robust and linked to both the strategy and actual operational dynamics⁸⁸.

E5-4 RESOURCE INFLOWS

Comer Industries has a significant consumption of raw materials, mainly steel, cast iron, aluminum alloys, plastics, and electronic components, as well as lubricating oils, auxiliary raw materials, and packaging. Steel is essential for making high-strength mechanical components, while aluminum, due to its light weight and resistance to corrosion, is used in parts that require low weight without compromising strength. Cast iron is used for the production of elements that require superior hardness and resistance to wear. The main production processes are machining, heat treatment, painting, and assembly, and are carried out using the company's own machines.

Comer Industries has a limited consumption of rare earths, which are essential for the production of some electronic products. The Group ensures responsible, tracked sourcing of these materials, selecting them based on criteria aimed at reducing the environmental footprint and minimizing the risks associated with their extraction and processing.

Packaging is mainly composed of wood, steel, and a small amount of plastic. These are selected to optimize functionality and minimize waste, favoring their reuse and recyclability.

(88) Note that a scenario analysis was not used to define the circularity targets. However, the targets were defined with the help of scientific evidence showing trends on waste and recycled materials over time, including Eurostat data and special waste reports issued by Ispra. The definition of the targets related to circularity did not involve stakeholders.

RESOURCE INFLOWS IN TONS ⁸⁹	2025	2024
Ferrous materials	84,583	87,753
of which steel	76,753	81,749
of which cast iron	7,619	5,832
of which aluminum	122	58
of which other ferrous raw materials	89	114
Plastics	849	422
Packaging	3,849	1,876
Other raw materials ⁹⁰	5,188	1,583
Total raw materials	94,469	91,633
Weight organic raw materials	0	0
% organic raw materials ⁹¹	0	0
Weight recycled raw materials	49,073	50,904
% recycled raw materials ⁹²	51.95	55.55

In its plants, Comer Industries employs highly specialized processes – from machining to heat treatment – and optimizes them to ensure high product quality while minimizing production waste, applying rigorous recovery and recycling programs. In order to make its production process more efficient and optimize the consumption of raw materials, the Group procures new machines and innovative industrial technologies that enable it to reduce the use of the resources needed for operations⁹³.

The adoption of circular economy schemes is a significant opportunity for Comer Industries, and generates positive impacts for the Group and its value chain. Such practices enable cost containment and access to new business opportunities arising from the establishment of joint strategies with suppliers, while limiting greenhouse gas emissions and promoting a culture of responsible resource management.

(89) The weight of raw materials shown in the table was calculated by multiplying the unit weight of each raw material by the quantity purchased in the relevant year. The data were then aggregated by raw material category (e.g., ferrous raw materials, plastics, packaging). To avoid double counting, any intercompany movements of raw materials between plants were excluded from the computations. Data are derived from direct measurements.

(90) The category includes raw materials such as lubricating oils, inks, and other chemical compounds. The data are derived from direct measurements. (91) The denominator used to calculate the indicator is the total weight of raw materials.

(92) The denominator used to calculate the indicator is the total weight of raw materials. (93) For its production processes, the Group relies on energy resources such as electricity and fuels as well as water. For a detailed explanation on the use of the latter, see the chapter [E3 Water resources](#).

E5-5 RESOURCE OUTFLOWS - PRODUCT CIRCULARITY

Comer Industries' products fall into several categories and are designed to meet the most complex technical requirements, ensuring functionality, precision, and reliability in multiple applications. The products offered mainly fall under nine categories:

- 1. Gearboxes.** Mechanical devices designed to transmit and modulate power by changing speed and torque. Available in different configurations, they are used in agricultural, industrial, and construction machinery.
- 2. PTO Shaft & Clutches.** Components that transfer mechanical power from the tractor to agricultural implements. Cardan shafts enable the transmission of rotational motion, while torque limiting devices protect the system from overloads or torque spikes.
- 3. Axles.** Load-bearing structures that connect the wheels to the vehicle chassis, transmitting power and supporting loads. Used in agricultural and industrial vehicles, they are designed to withstand high stresses.
- 4. Hydrostatic Traction Drives (ICVD).** Transmission systems that use fluids to transfer mechanical energy. They combine pumps and hydraulic motors to adjust speed and traction continuously and precisely.
- 5. Electric motors.** Drive units that convert electrical energy into mechanical energy. Designed for efficiency and versatility, these are used in agricultural and industrial machinery, especially for electrification.
- 6. Planetary drives.** Compact transmission systems using a planetary gear configuration to distribute torque. Characterized by a high ratio of transmitted torque to size, these are used in applications requiring high efficiency.
- 7. Tractor attachment system.** Structures designed to connect implements and accessories to tractors. They facilitate rapid assembly and disassembly, providing a stable interface between machine and equipment.
- 8. Drive shaft.** Component that transfers rotational power between two or more mechanical elements, usually motor and axle. Drive shafts are designed to withstand high torsion and vibration.
- 9. Fan clutch.** Devices used to control the speed of cooling fans. They enable regulated operation according to operating conditions, improving thermal management of the system.

Most of Comer Industries' products are composed mainly of ferrous and light alloys, with the addition of materials such as technopolymers. *Gearboxes, PTO Shafts & Clutches, Axles, Planetary Drives, Tractor Attachment Systems, Drive Shafts, and Fan Clutches are products with a high degree of recyclability, while Hydrostatic Traction Drives and Electric Motors contain a small portion of materials subject to product and supply chain constraints that limit their disposal.* The following detail table shows the main composition of the above products⁹⁴ and their packaging⁹⁵, specifying the recyclability of the individual raw material family.

(94) It is not possible to break down products based on circularity principles because as of 12/31/2025 the Group has not formalized the parameters that products must meet in order to be considered aligned with circularity design principles.

(95) All packaging is considered recyclable if properly separated, as it consists of single-material components made of wood, plastic, ferrous materials, paper, and cardboard.

PRODUCT FAMILIES	FERROUS ALLOYS	LIGHT ALLOYS	MAGNETS	COPPER	TECHNOPOLYMERS	EPOXY RESINS	FRICTION MATERIALS	OIL	GREASE	WOOD	PAPER/CARDBOARD	PLASTIC
GEARBOXES	●	●					●	●	●	●	●	●
PTO SHAFT & CLUTCHES	●		●		●		●	●	●	●	●	●
AXLES	●	●					●	●	●	●	●	●
HYDROSTATIC TRACTION DRIVES	●							●		●	●	
ELECTRIC MOTORS	●	●	●	●	●	●	●			●	●	●
PLANETARY DRIVES	●						●	●	●	●	●	●
TRACTOR ATTACHMENT SYSTEM	●	●	●	●				●	●	●	●	●
DRIVE SHAFTS	●				●				●	●	●	●
FAN CLUTCH	●	●		●			●	●	●	●	●	●
Recyclability	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes

The assessment of recycled content and recyclability of products was updated in 2025. In addition to the studies already conducted on planetary gearboxes for the wind sector (wind power turbines), double joints, electric motors, and drive shafts, the analysis was also extended to the product family of axles and to gearboxes and speed increasers.

PRODUCT	RECYCLABLE CONTENT ⁹⁶	RECYCLED CONTENT ⁹⁷
Wind Power Turbines	95%	26%
Double Joints	95%	28%
Drive Shafts	91%	52%
Electric Motors	87%	49%
Axles	97%	55%
Gearboxes	95%	54%
Average	93%	44%

(96) To estimate the recyclable content, it was conservatively assumed that all steel and cast iron components that exceed 2% of the total weight of the finished product would be considered as recyclable content because they have a long-established recycling stream. The percentage of total recycled content is the sum of these components with respect to the net weight of the finished product.

(97) The recycled content within the product was calculated as the estimated weight of secondary raw materials with respect to the net weight of the finished product. In order to estimate the amount of raw material for recycling in product components, it was assumed that all steel and cast iron components whose weight exceeded 2% of the weight of the finished product contained 76% secondary raw material in them. This percentage is consistent with the average amount of recycled steel from Eurostat databases.

Given the representativeness of the categories studied and the homogeneity of the results, it is reasonable to say that the percentages of 44% and 93% can be considered an approximate average indication of the input materials recycled and the level of recyclability of Comer Industries' products, respectively.

The products offer technical solutions with differentiated durability, adapting to specific application needs. The management of spare parts – handled by a specialized network – extends the Company's focus throughout the life cycle of its products. From the point of view of durability, the availability of spare parts is mainly ensured through:

- Distribution networks and the services of the machine manufacturer.
- Authorized dealers, especially for products such as drive shafts and tractor hitch systems.
- Internal sales channels and system integrators, as in the case of electric motors, which require more focused and specialized management.

PRODUCT FAMILIES	PRODUCT DURABILITY [HOURS]	SPARE PARTS ⁹⁸
GEARBOXES	1000-5000	Spare parts distribution network; service of the machine manufacturer
PTO SHAFT & CLUTCHES	500-3000	Dealer; machine manufacturer service
AXLES	5000-10000	Spare parts distribution network; service of the machine manufacturer
HYDROSTATIC TRACTION DRIVES	5000-10000	Spare parts distribution network; service of the machine manufacturer
ELECTRIC MOTORS	15000-20000	Spare parts sales channel: internal and via system integrator
PLANETARY DRIVES	5000-25000	Spare parts distribution network; service of the machine manufacturer
TRACTOR ATTACHMENT SYSTEM	5000-10000	Dealer; machine manufacturer service
DRIVE SHAFTS	5000-10000	Spare parts distribution network; service of the machine manufacturer
FAN CLUTCH	10000-20000	Spare parts distribution network; service of the machine manufacturer

The expected lifetime of Comer Industries products compared with the industry average is considered fully aligned, as the components and systems produced by the Group ensure a useful life in line with market averages.

(98) Product reparability is assessed qualitatively, without use of estimates or scoring systems.

E5-5 RESOURCE OUTFLOWS - WASTE MANAGEMENT

In managing the waste generated by its processes, the Company pursues the dual objectives of ensuring full compliance with national and EU regulations and reducing the amount of hazardous waste. A monitoring system implemented at all sites makes it possible to check progress and assess areas requiring action through an analytical dashboard, identifying priorities in terms of environmental and economic impact.

Comer Industries' production generates different types of waste, which is transported and disposed of properly in compliance with the national directives applicable to each plant where the Company operates, using disposal service providers authorized according to local regulations. The main types of waste include:

- **Metal and machining waste:** from metal cutting, turning, milling and grinding processes. These are generally recoverable and often recycled through remelting processes.
- **Electronic waste (WEEE):** used electronic components, electronic boards, and discarded equipment are part of electrical and electronic waste, which requires specific disposal or recovery because of the valuable materials and hazardous substances they contain.
- **Packaging:** materials such as cardboard, plastic, wood, and polystyrene are a significant component of company waste and can be recycled or reused whenever possible.
- **Hazardous waste:** spent oils, solvents, paints, and other chemicals used for painting and lubricating machines, which must be treated as hazardous waste because of their environmental impact.
- **Plastic waste:** waste, such as from protective components, which can be recycled or disposed of depending on its composition.
- **Generic and municipal waste:** includes waste generated by office work or service facilities within the plants.

The waste management procedure defines how to handle and dispose of all types of waste produced at the plants. The instructions in the procedure take into consideration the principles of the waste hierarchy, thus prioritizing prevention, reuse and recycling, recovery, and finally landfilling.

Comer Industries periodically verifies the validity of permits required to ensure compliance with current regulations, both centrally and at each site.

Machining and painting operations produce the most hazardous waste such as emulsions and aqueous solutions, and non-hazardous waste such as metal scrap. In 2025 the Group generated a total of 11,577 tons of waste, 15% of which was classified as hazardous⁹⁹, equal to 1,787 tons.

To normalize the amounts of waste generated and identify trends, in addition to absolute values the Company monitors intensity performance indicators that relate waste volumes to hours worked, to which they are directly related. Data regarding waste weights comes from records and invoices from disposal service providers, which specify the weight of each type of waste.

In compliance with current regulations, waste is separated at the various plants by type and routed to facilities that allow for the recovery of recyclable materials. This approach is also being applied to offices, with specific containers for toner, paper, and cardboard, and to common areas such as cafeterias and break rooms.

(99) Note that this category does not include radioactive waste, as the Group does not produce this type of waste.

Staff participate in regular training sessions and receive detailed guidance on proper waste separation, promoting reduction and recycling practices.

An analysis of the 2025 data reveals that more than 90% of the waste generated was recovered, while the remaining 10% was sent for disposal, with less than half of the latter going to landfills. The destination of waste that is not recycled or recovered depends on several factors. In some cases, technological and regulatory limitations prevent the recycling or recovery of certain materials due to their chemical composition or contamination. Moreover, the availability of waste treatment infrastructure varies by geographic area, making recovery not always feasible.

WASTE CATEGORY (+)	2025			2024		
	Hazardous	Non-Hazardous	Total	Hazardous	Non-Hazardous	Total
Recovery	1,280	9,160	10,440	1,426	9,762	11,188
of which Recycling	394	6,103	6,497	261	6,203	6,463
of which Preparation for reuse	0	0	0	0	0	0
of which Other recovery operations ⁽¹⁰⁰⁾	887	3,057	3,944	1,166	3,560	4,725
Disposal	507	630	1,137	466	677	1,143
of which Incineration without energy recovery	39	0	39	36	0	36
of which Incineration with energy recovery	10	160	170	11	152	162
of which Landfill	50	365	415	34	425	459
of which Other disposal operations ⁽¹⁰¹⁾	407	105	512	386	101	486
Total	1,787	9,790	11,577	1,892	10,439	12,331

(100) Recycling/recovery of other inorganic substances, regeneration or other reuse of oils, exchange of waste to submit it to one of the operations listed in R1 to R11, storage of waste to submit it to one of the operations listed in R1 to R12 (excluding temporary storage, prior to collection, at the place where it is generated).

(101) Anaerobic digestion, physical and chemical treatment resulting in compounds or mixtures disposed of according to one of the disposal methods listed in D1 to D12, land-based incineration, preliminary grouping prior to one of the disposal methods listed in items D1 to D12, preliminary storage prior to one of the operations listed in items D1 to D14.



S1 - OWN WORKFORCE

S1 SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

For information on how the interests, views, and rights of workers inform strategy and the business model, see [ESRS2 SBM-2 Interests and views of stakeholders](#).

S1 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Comer Industries recognizes the critical importance of people to the achievement of strategic goals, considering them a key resource for meeting global market challenges and promoting sustainable growth.

All workers at Comer Industries are considered in the identification of impacts, risks, and opportunities within the double materiality process, and are included in the scope of the disclosure in accordance with ESRS 2 standards. Workers in the Group's workforce are classifiable as direct employees and temporary workers. The double materiality assessment identified the following impacts, risks, and opportunities related to the workforce topic:

- **Positive impact – Workforce satisfaction through equality and inclusion:** promotion of gender and pay equity, inclusion of persons with disabilities, valuing diversity, and adoption of measures against violence and harassment contribute to creating a fair, respectful, and motivating work environment, supporting overall employee satisfaction and well-being.
- **Positive impact – Workforce satisfaction through fair, decent working conditions:** provision of stable employment, adequate wages, active social dialogue, freedom of association, rights to information and participation, and respect for work-life balance increase employees' sense of belonging and motivation.
- **Positive impact – Professional growth and employee satisfaction through skills development:** provision of training and creation of structured, transparent career paths strengthen technical and managerial skills, increasing productivity and internal satisfaction.
- **Positive impact – Protection of worker privacy and personal data security:** adoption of company practices focused on data and internal information protection ensures employee trust and contributes to a company environment based on integrity and respect.
- **Negative impact – Impacts on workforce health and safety due to accidents or occupational illnesses:** workplace accidents or job-related illnesses may have serious physical and psychological consequences for employees.
- **Negative impact – Violation of human rights of employees and contractors:** company conduct or practices not aligned with ethical principles may undermine worker rights and trust in the company.

- **Opportunity – Improved company performance through a healthy, safe, and inclusive work environment:** workforce satisfaction and development, together with training and continuous development programs, support productivity, innovation, and Comer Industries' competitiveness.
- **Risk – Exposure to penalties and litigation related to accidents, injuries, and occupational illnesses:** inadequate workplace safety management may result in legal consequences, penalties, and reputational damage.
- **Opportunity – Strengthening worker trust through promotion of a culture of health and safety:** ongoing training and awareness initiatives reinforce shared awareness and commitment to prevention of workplace risks.
- **Risk – Exposure to penalties and litigation arising from incidents of discrimination:** discriminatory behavior, even if isolated, may result in serious reputational damage and legal consequences, as well as undermine the internal climate.
- **Risk – Exposure to penalties and litigation for personal data breaches:** potential weaknesses in cybersecurity or handling of worker data may lead to regulatory violations and the loss of trust of business partners.
- **Risk – Loss of key resources and concentration of expertise:** dependence on a limited number of highly specialized roles may create operational vulnerabilities and challenges in retaining or attracting new talent in the absence of adequate succession plans.
- **Risk – Exposure to penalties and litigation related to human rights violations:** failure to comply with regulations and international human rights principles may result in significant legal, financial, and reputational impacts for the Company.

Negative impacts are systemic in nature and related to characteristics of the sector the Group operates in. Therefore negative impacts relating to individual incidents have been identified. With regard to material positive impacts, the activities that drive them are primarily concentrated on the topics of promoting diversity, working conditions, the development of professional skills, the creation of career paths, and the security of personal data and internal information. These impacts address Comer Industries' entire own workforce, not distinguishing by specific groups of workers.

Some identified risks correlate directly with impacts: for example, the risk of penalties and litigation related to health and safety or environmental incidents was determined on the basis of the related potential negative impact. Or, again, the positive impact on the development of internal professional skills and the creation of career paths with a well-designed performance appraisal system relates to the opportunity to more easily pursue goals and improve the Group's results as a direct result. In terms of dependencies on the company's own workforce, these aspects were considered qualitatively within the evaluation process involving the various company functions. In contrast, there is no correlation between the positive and negative impacts identified on the own workforce and the plans implemented to reduce negative environmental impacts.

In order to identify the main risks affecting the Group's own workforce, a human rights violation risk assessment, including forced and child labor, was conducted on the Group's operations, with a focus on the geographical areas at highest risk, that is, in Asia. The assessment found low risks even in potentially more exposed areas given the sociopolitical context, as in China and India. With regard to occupational health and safety risks, over the years the Group has put in place a series of safeguards aimed at mitigating these risks in the most exposed processes (process automation, equipment that is lightweight and easily handled, replacement of solvent-based paints with water-based paints). There are therefore no particular activities in Comer Industries' plants that can be considered at high risk of occupational injuries or occupational disease.

Ultimately, the risks and opportunities mapped do not concern specific types of workers, and their management methods – along with those of their impacts – are generalized and undifferentiated, that is, applying without distinction to all Comer Industries workers.

S1-1 POLICIES RELATED TO OWN WORKFORCE

To manage impacts, risks, and opportunities associated with its workforce, the Group has adopted a number of policies:

- **Integrated Human Rights Policy:** defines the core principles regarding the protection of people's fundamental rights, both within the organization and throughout the supply chain.
- **Integrated Diversity and Inclusion Policy:** promotes a management model based on inclusion and equal opportunity, ensuring a respectful, constructive work environment for every person.
- **Integrated Information Security Policy:** expresses the commitment and courses of action to protect the personal data of all corporate stakeholders through technical and managerial measures commensurate with the risk.
- **Integrated Quality, Sustainability and Product Responsibility Policy:** expresses the commitment to mitigating risks and impacts related to occupational health and safety¹⁰².

Through its Integrated Diversity and Inclusion Policy, together with dedicated procedures, the Group is committed to ensuring **equal treatment and equal opportunities** at every stage of its employees' professional lives, generating positive impacts on the workforce. This is implemented in several ways: through recruitment processes free from any form of direct or indirect discrimination related to age, gender, sexual orientation, health status, race, nationality, political opinions, or religious beliefs; a transparent and structured performance evaluation process that excludes any gender-based or other discrimination and ensures full respect for individual rights; and a **compensation policy** based exclusively on meritocratic criteria linked to skills demonstrated in the role and results achieved, regardless of gender or age.

(102) For more information see E1-2 Policies related to climate change mitigation and adaptation.

INTEGRATED POLICY ON DIVERSITY AND INCLUSION

This Policy expresses and summarizes the Group's desire to pursue a strategy of valuing diversity and a human resources management model based on equal opportunities and inclusion in all areas of company life.

The Company is committed to combating all forms of direct or indirect discrimination and lack of tolerance based on gender, age, sexual orientation, disability, nationality, political opinions, and religions in all company entities, in all production processes, in departments, and at all stages of the employment relationship, adopting an inclusive leadership style based on delegation at all functional levels and geared toward promoting the talent and growth of each person, ensuring that authority is exercised fairly and equitably in the management of relationships of a hierarchical nature. Together with the Code of Ethics and the Integrated Human Rights Policy, the Integrated Diversity and Inclusion Policy manages impacts, risks, and opportunities related to the own workforce topic, with particular reference to IROs under the sub-topic *"Equal treatment and equal opportunities for all."*

Scope of application

The Policy applies to all Group sites and to every employee or non-employee whose work is carried out within the Company.

Responsibilities

The responsibility for defining the Policies rests with the President and CEO, while operational implementation and oversight is assigned to the HR & Organization function.

Alignment with external standards

United Nations Universal Declaration of Human Rights, ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, OECD Guidelines for Multinational Enterprises, United Nations Global Compact Principles, International Bill of Human Rights.

Availability and communication

Published on the company intranet and on the Group's website.

Respect for **human rights** is a fundamental principle for Comer Industries that goes beyond legal requirements, permeating company ethics and practices. This topic, central to the Integrated Human Rights Policy, reflects the principles of the Universal Declaration of Human Rights and the Ten Principles of the Global Compact.

The Group safeguards the physical and moral integrity of its personnel, ensuring dignified, safe, and healthy working conditions. All forms of coercion, intimidation, threats, or conduct that may induce behavior contrary to the law, the Code of Ethics, Policies, or personal beliefs are strictly prohibited, as are any practices related to human trafficking or forced, compulsory, or child labor.

INTEGRATED HUMAN RIGHTS POLICY

The Integrated Human Rights Policy expresses the Group's explicit commitment to promoting and protecting respect for human rights in all areas of its activities, in line with company values and international standards of reference.

The Policy is the result of risk analyses carried out on the internal processes of all Group locations, with particular focus on areas considered most sensitive. It sets out the principles and actions undertaken to prevent, mitigate, and manage potential human rights violations both within the Company and along the value chain.

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The Group is committed to ensuring safe, fair working conditions that respect human dignity, combating all forms of exploitation, forced or child labor, discrimination, and human trafficking, while promoting inclusion, freedom of association, equal opportunities, well-being, privacy, and professional development, managing the IROs related to these topics both within Group operations and along the value chain.

Scope of application

The Policy applies to all Group companies, in every country it operates in, and concerns everyone who works for or with the Company, including employees, contractors, suppliers, business partners, and other stakeholders along the value chain.

Responsibilities

The responsibility for defining and updating the Policy rests with the Chair and CEO, while operational implementation and oversight are entrusted to the Quality, Sustainability & Compliance function, in collaboration with the HR & Organization function.

Alignment with external standards

The Policy is inspired by the main international references on human rights protection, including: (1) the Universal Declaration of Human Rights and subsequent international conventions; (2) United Nations conventions on women's rights, elimination of racial discrimination, and the rights of children and persons with disabilities; (3) the Declaration on Fundamental Principles and Rights at Work and the eight ILO Conventions; (4) the 2030 Agenda and the 17 United Nations Sustainable Development Goals; (5) the United Nations Global Compact's Ten Principles; (6) the OECD Guidelines for Multinational Enterprises; (7) the ILO Tripartite Declaration concerning Multinational Enterprises and Social Policy; (8) the UN Guiding Principles on Business and Human Rights implementing the "Protect, Respect and Remedy" framework; (9) the UK Modern Slavery Act; (10) IFC Performance Standard 5 on Environmental and Social Sustainability; (11) Directive (EU) 2024/1760 (CSDDD) on corporate sustainability due diligence.

Availability and communication

Published on the company intranet and on the Group's website.

Upon hiring, each employee is required to declare that they have read Comer Industries' Code of Ethics. The Organization and Management Model provides for sanctions for those who fail to comply with its principles. The Group also protects employee **privacy** by adopting standards that clearly define the personal data required and the methods of processing and storage, in compliance with applicable regulations in the countries where it operates.

INTEGRATED INFORMATION SECURITY POLICY

This Policy expresses the Group's commitment to protect data, information, and consequently the systems that handle them, especially those that are of strategic value to the company's business, employing security measures that are commensurate with their value and the risks they are subject to. The Company intends to protect information against all possible threats – internal or external, deliberate or accidental – and implements strategies, processes, roles, and responsibilities in order to ensure the security of strategic and personal data of all stakeholders: employees, customers, suppliers, and partners.

Scope of application

The Policy applies to all Group companies, in every country and operating site, and covers all data, information, and IT systems owned or managed by the Group, as well as those of customers, suppliers, and business partners.

Responsibilities

The responsibility for defining and approving the Policy is assigned to the Chair and CEO, while operational implementation and oversight are entrusted to the Quality, Sustainability & Compliance function, with support from the Information Technology and Cybersecurity functions.

Alignment with external standards

The Company voluntarily adopts and continuously evaluates the effectiveness of an Information Security Management System based on ISO/IEC 27001 standards.

Availability and communication

Published on the company intranet and on the Group's website.

The Policies do not distinguish specific groups within the workforce, but rather apply equally to all workers employed or whose work is controlled by the Company. The commitments expressed in the Integrated Policies are aligned within the Code of Ethics¹⁰³, which summarizes the commitments and responsibilities guiding the conduct of business and company activities across the Group, defining the principles of conduct to be adopted by all those acting in the name of or on behalf of the Company. Any changes or updates to company policies are periodically communicated to employees and non-employees, including through regular training courses. Comer Industries expects all employees, contractors, agents, business partners, and other stakeholders who work for the Company or take part in its projects, processes, events, or activities to contribute to creating and maintaining a work environment free from all forms of discrimination.

S1-2 PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Comer Industries takes a systematic and inclusive approach to employee engagement, ensuring clear, transparent communication through the use of tools such as the company intranet and regular meetings. In those places where there are worker representatives, the Company ensures that they are informed of and involved in issues envisaged by regulations or collective agreements through meetings held and communications issued with varying frequency depending on local needs and the relevance of the topics discussed and projects underway. The Human Resources function, under the operational responsibility of the Director of Human Resources, ensures a constant dialog and effective processes for engagement and implementation of the agreed actions¹⁰⁴. While there is no global framework agreement, Comer Industries strictly complies with the human rights regulations applicable in each country, as stated in the Integrated Human Rights Policy and the Integrated Diversity and Inclusion Policy. The Group is also committed to ensuring equal communication opportunities for all workers, regardless of gender, age, ethnicity, or disability, and to taking concrete measures against all forms of discrimination, promoting inclusiveness and respect at every stage of the employment relationship¹⁰⁵.

(103) For more information on the Code of Ethics, see G1-1 Corporate culture and business conduct policies.

(104) The Group has not put in place procedures for evaluating the effectiveness of its workforce engagement actions.

(105) The Group adopts the same people engagement processes for all employees, regardless of their exposure or vulnerability to impacts.

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51-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Following negative impacts affecting its workforce, Comer Industries adopts corrective measures based on an analysis of the specific cases, verifying the effectiveness of their resolution. To ensure that workers' concerns and needs can be expressed in a structured manner and addressed and handled properly and transparently, thus promoting ethical and respectful behavior, the Company has put in place a whistleblowing channel managed by an independent external company, which has a mandate to protect the identity of all who use it. The Group has made a whistleblowing channel available through its website and informs its personnel of any changes made to the grievance process.

The whistleblowing process is governed by a specific procedure to ensure proper follow-up and prompt handling of reports and the related corrective actions. All reports received are digitally tracked throughout the entire process, from receipt to all stages of investigation, and examined by qualified personnel to ensure maximum confidentiality and protect the whistleblower against any kind of retaliation.

The main steps for handling complaints are set out below:



Whistleblowers may request information, provide additional details, or monitor the progress of their report. Data is processed in accordance with local laws and kept for the period deemed strictly necessary to fulfill the purposes of the procedure. To promote awareness of the whistleblowing channel and strengthen workers' confidence, training sessions and targeted internal communications are organized¹⁰⁶. For more information on the whistleblowing channel, see [G1-1 Corporate culture and business conduct policies](#).

⁽¹⁰⁶⁾ During onboarding, employees are required to confirm that they have read the relevant policies and procedures, including the whistleblowing procedure.

51-4 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

The targets identified in the Sustainable Development Plan, together with the objectives expressed in the Integrated Policies and Group regulations, guide the definition of action plans to manage impacts, risks, and opportunities related to the workforce. Comer Industries takes a systematic approach to identifying necessary and appropriate actions in response to an actual or potential negative impact on the workforce. The first step in this process is the collection of data and information useful for understanding working conditions and identifying possible problems. Once an impact is identified, it is assessed to determine its severity and likelihood. Corrective or preventive actions are then defined. If the impact is immediate, rapid action is taken through structural or management measures. If the time horizon is longer, long-term programs are developed to prevent negative impacts. Using this process, the Group also evaluates actions in the dimension of impacts, risks, and opportunities on people and employees¹⁰⁷. In 2025, in line with commitments made in previous years, Comer Industries implemented several targeted initiatives aligned with strategic objectives to manage impacts, risks, and opportunities identified in the double materiality process:

IMPACTS, RISKS, AND OPPORTUNITIES	ACTIONS AND INITIATIVES TO MANAGE IMPACTS, RISKS, AND OPPORTUNITIES
Impacts on workforce health and safety due to accidents or occupational illnesses [Potential negative impact] Exposure to sanctions and litigation related to accidents, injuries and occupational diseases [Risk] Strengthening worker trust through promotion of a health and safety culture [Opportunity]	A number of projects were carried out in 2025 in various production plants of the Group ¹⁰⁸ through interventions on the physical and digital components of production processes. Of note is the installation of centralized and extended software for all Group production units to gather reports of hazards or injuries and support the analysis and management of corrective actions, with a digital dashboard capable of monitoring indicators and trends at the local and aggregate levels. In addition to these activities and initiatives, the Group provided training on occupational health and safety. The effectiveness of all these projects can be verified by monitoring key injury rates, such as frequency and severity.
Workforce satisfaction through equality and inclusion [Potential positive impact] Violation of human rights of employees and contractors [Potential negative impact] Exposure to penalties and litigation arising from incidents of discrimination [Risk] Exposure to penalties and litigation related to human rights violations [Risk] Strengthening worker trust through promotion of a health and safety culture [Opportunity]	The training project on Policies and Regulations continued, with the aim of covering the entire workforce by the end of 2026. This training program, which includes key topics such as human rights, diversity and equal opportunity, anti-corruption, cybersecurity, and environmental sustainability, is intended to become an integral part of the training package for new employees. The Company monitors the effectiveness of these measures by verifying the training hours per employee with respect to ESG topics.
Workforce satisfaction through fair and decent working conditions [Potential positive impact] Strengthening worker trust through promotion of a health and safety culture [Opportunity]	Comer Industries has maintained actions aimed at fostering the work-life balance and professional development of its employees, including working remotely and the granting of flexible hours, temporary part-time, and special leave. Finally, the Company has organized several international mobility projects, thus offering new opportunities for professional growth while at the same time spreading established skills and operating methods among the Group's sites. The outcome of these actions is monitored through the number of people involved. In 2025 Comer Industries also developed and promoted several actions aimed at strengthening workforce satisfaction and ensuring a healthy, safe, and inclusive work environment. To this end, a number of company events and meetings have been organized to build and strengthen relationships among co-workers and boost cooperation.

⁽¹⁰⁷⁾ The Group has not taken measures to mitigate negative impacts on its workforce deriving from the transition to a greener and climate-neutral economy, as such transitions do not have dependencies on negative impacts or risks to the workforce. At the double materiality study stage the Group also assessed that its practices did not cause or contribute to significant negative impacts on its own workforce.

⁽¹⁰⁸⁾ Initiatives at production sites in Reggio (Italy), Matera (Italy), Monguelfo (Italy), Cachoeirinha (Brazil), Lohmar (Germany), Sohland (Germany), Irxleben (Germany), Rockford (USA), Jiaying (China), and Bangalore (India).

IMPACTS, RISKS, AND OPPORTUNITIES	ACTIONS AND INITIATIVES TO MANAGE IMPACTS, RISKS, AND OPPORTUNITIES
Professional growth and employee satisfaction through skills development [Potential positive impact] Improved company performance through a healthy, safe, and inclusive work environment [Opportunity] Loss of key resources and concentration of expertise [Risk]	The Group provides training that begins at hiring and continues throughout workers' entire professional career. New hires benefit from an induction plan that requires them to work in the various functions to get acquainted more quickly with the company and gain an overview of the product, processes, and culture before moving into their own role. Comer Industries has continued to deliver targeted health and safety training programs throughout the year, as in previous years. With respect to training, the Group considers the percentage of employees who have received instruction to be an indicator of success.
Protection of worker privacy and personal data security [Potential positive impact] Exposure to penalties and litigation for personal data breaches [Risk]	In 2025, the Group significantly strengthened employee data protection by updating the privacy and cybersecurity Rule Book to incorporate industry best practices, reinforcing IT systems and security measures to prevent potential breaches, expanding the use of SharePoint and similar platforms for more secure information management, and conducting specific audits to verify the effectiveness of safeguards.

The 2025 projects were implemented through capital investments in the amount of about 225,000 euros. No significant operating expenses were recognized as they were mainly included in the cost of internal personnel qualified for training initiatives and support for operational management of worker health and safety.

The Company plans to continue these projects in the coming years and to support activities to achieve its own workforce goals within the framework of the 2035 Sustainable Development Plan through financial resources set aside for this purpose¹⁰⁹.

The financial resources currently allocated to the worker action plan come from ordinary business flows, and no sustainable financial instruments such as green bonds, social bonds, or green loans have been used. Moreover, the ability to implement the actions in the plan does not depend on specific external conditions such as public financial support or the development of market policies. This autonomy ensures the continuity of the actions planned and the achievement of the goals set. The plan currently has no dedicated non-financial resources.

The amounts presented are included in the item "Tangible and intangible assets" (CapEx) and the item "Purchase and other operating costs" (OpEx), both of which can be found in the Notes to the Consolidated Financial Statements of Comer Industries.

S1-5 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Comer Industries has defined measurable, results-oriented targets with clear deadlines to effectively manage negative impacts and risks while promoting positive impacts and capturing opportunities. In particular, the Group has committed to achieving the following two Diversity, Equity, and Inclusion targets related to gender representation within the organization:

- Female representation within the organization:** promote an increase in female representation to at least 30% of the total workforce by 2030 compared with the 2022 baseline.

(109) Not detailed as below the materiality threshold set at 3,500,000 euros in total for the decade 2025-2035.

- Women in leadership positions:** ensure a 25% increase in female representation in positions of responsibility¹¹⁰ by 2030 compared with the 2023 baseline.

In the area of talent development, career management, and employee training, the Group commits to achieving the following objectives:

- Promote a company culture that supports sustainability:** increase per-capita training hours on environmental, social, and governance topics by 20%.
- Ensure high training coverage:** achieve and maintain training coverage of 93% of the workforce.
- Dissemination and promotion of ethical business:** involvement of 95% of employees in training on the Code of Ethics.

Finally, in the area of occupational health and safety, Comer Industries commits to:

- Digitize event notification processes related to health, safety, and environment** through standardized applications across all Group sites.
- Increase the speed of closing health, safety, and environment reports by 50%.**

All these objectives are fully consistent with the principles and commitments set out in company policies on diversity and inclusion, health and safety, and employee training. They are defined through a careful analysis of the impacts, risks, and opportunities, and implemented through the 2035 Sustainable Development Plan, ensuring a proactive, structured approach to social responsibility issues. Their implementation is supported by a system of regulations and procedures. These targets apply across all Comer Industries sites.

Progress toward the targets adopted is shown below:

GOAL	UNIT OF MEASUREMENT	BASELINE YEAR	BASELINE VALUE	PERFORMANCE 2025	TARGET VALUE	TARGET YEAR
30% increase in the female population	% of employees	2022	11.0	11.2	14.3	2030
25% increase in women in positions of responsibility	% of managers	2022	12.2	11.9	15.2	2030
Achieve and maintain training commitment >93%	% employees trained	2022	89	93	93+	2030
20% increase in the number of ESG training hours per employee	Hours/employee	2022	5.3	3.5	6.34	2030
Involvement of 95% of employees in training on the Code of Ethics ¹¹¹	% employees trained	2024	4%	24%	95%	2026

(110) Women in positions of responsibility are defined as women in the categories of executive and manager.

(111) The objective aims to ensure that almost all of the company population has been exposed to the principles of the Code of Ethics at least once through a training activity. The target is considered achieved if at least 95% of employees have participated in at least one training on the topic during the reference period.

GOAL	UNIT OF MEASUREMENT	BASELINE YEAR	BASELINE VALUE	PERFORMANCE 2025	TARGET VALUE	TARGET YEAR
Complete digitization of HSE reporting processes ¹¹²	%	2023	Partial - only audit ¹¹³	100%	100%	2035
Increase in the speed of closing HSE reports by 50% ¹¹⁴	days	2025	49.2	49.2	24.6	2035

Note also that in defining targets, monitoring performance, and identifying areas of improvement, Comer Industries did not directly involve its workforce or worker representatives.

S1-6 CHARACTERISTICS OF EMPLOYEES

As of December 31, 2025, Comer Industries' total workforce consists of **3,226 people**, including 420 outsourced workers hired to meet seasonal production needs¹¹⁵. The Group has no workers who are on call.

The following disclosure provides details of the company workforce as of December 31, 2025. The numbers represent the number of employed and non-employed workers. The information in this chapter is free from estimates or assumptions.

Information on the number of employees by gender is presented below.

EMPLOYEE DISTRIBUTION BY GENDER	2025	2024
Men	2,492	2,597
Women	314	327
Other	0	0
Not communicated	0	0
Total employees	2,806	2,924

(112) Implementation of a digital platform for monitoring, reporting and managing health, safety and environmental hazards, aimed at ensuring the prompt handling of issues, the tracking of corrective actions and the rapid removal of potential sources of injury and damage to the environment. The completion percentage refers to the rollout of the platform across the Group's sites.

(113) As of December 31, 2023, the Group had partially implemented the application both in terms of geographical extension and in terms of software functionality. The latter, in fact, at that date only allowed the management of HSE checks, without details regarding the reports.

(114) The objective measures the effectiveness of the hazard reporting and management process by evaluating the timeliness of issue handling and resolution. Reducing response times helps limit risk exposure and the occurrence of undesirable events, in line with the hierarchy of actions in the field of health, safety and environment, which prioritizes prevention over the corrective management of injuries and damage to the environment. The performance indicator for this target is calculated as the average number of days elapsed between the opening of the report and the removal and resolution of the hazard.

(115) The number of people is consistent with what is described in section 2.10.12 "Liabilities for employee benefits" in the Notes to the Consolidated Financial Statements of Comer Industries.

The following table presents information on the number of employees in the main countries where the Company has at least 50 employees.

EMPLOYEE DISTRIBUTION BY COUNTRY	2025	2024
Italy	1,021	1,047
Germany	1,090	1,135
United States of America	273	320
China	222	224
Rest of the world	200	198

Information on the number of employees by contract type, broken down by gender, is presented below.

CONTRACT TYPES BY GENDER	2025			2024		
	Men	Women	Total	Men	Women	Total
Number of employees	2,492	314	2,806	2,597	327	2,924
Permanent employees	2,206	283	2,489	2,344	297	2,641
Fixed-term employees	286	31	317	253	30	283
Variable schedule employees	0	0	0	0	0	0
Full-time employees	2,482	270	2,752	2,588	284	2,872
Reduced-hour employees	10	44	54	9	43	52

The following table presents information on employees by contract type, broken down by country.

CONTRACT TYPES BY COUNTRY	2025						2024					
	IT	DE	US	CN	RW	Total	IT	DE	US	CN	RW	Total
Number of employees	1,021	1,090	273	222	200	2,806	1,047	1,135	320	224	198	2,924
Permanent employees	1,010	1,005	270	16	188	2,489	1,046	1,067	320	17	191	2,641
Fixed-term employees	11	85	3	206	12	317	1	68	0	207	7	283
Variable schedule employees	0	0	0	0	0	0	0	0	0	0	0	0
Full-time employees	1,000	1,060	272	222	198	2,752	1,028	1,105	320	224	195	2,872
Reduced-hour employees	21	30	1	0	2	54	19	30	0	0	3	52

During 2025, 220 employees were hired¹¹⁶ and 338 left¹¹⁷. This resulted in a reduction in the company workforce of 118 employees. Turnover rates are calculated as the number of people entering or leaving relative to the number of workers in force as of December 31, 2025. Of the total number of workers who left during the year, 203 resigned voluntarily (60% of those who left), while 135 left the Company due to involuntary termination.

S1-7 CHARACTERISTICS OF NON-EMPLOYEES IN THE OWN WORKFORCE

The Group uses non-employee workers whose work is nonetheless controlled by the organization in order to handle production peaks that do not require an increase in staffing levels. This category is represented in its entirety by temporary workers. The following table summarizes the number of these workers in terms of number as of December 31, 2025.

NON-EMPLOYEES BY GENDER - HEADCOUNT	2025	2024
Men	392	229
Women	28	18
Other	0	0
Not communicated	0	0
Total non-employee workers	420	247

S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Comer Industries ensures fair, clear management of employees, fully respecting human rights, without discrimination, guaranteeing a labor contract and freedom of association, in a healthy, safe environment. 90% of workers are covered by collective labor agreements. The percentage is 97% if only EEA countries are considered and 65% if only non-EEA countries are considered. As far as worker representatives are concerned, these cover 83% of the company's population. There is no representation by a European Works Council (EWC), a European Company (SE) Works Council or a European Cooperative Society Works Council.

EMPLOYEE WORKFORCE COVERAGE RATE	COLLECTIVE BARGAINING		SOCIAL DIALOG
	Employees – EEA	Employees - non-EEA	Workplace representation (EEA only)
0-19%		India	
20-39%			
40-59%		USA	
60-79%			
80-100%	Italy, Germany	Brazil, China	Italy, Germany

(116) Of which 40 female employees and 180 male employees.
 (117) Of which 53 female employees and 285 male employees.

S1-9 DIVERSITY INDICATORS

In 2025, the women in top management¹¹⁸ counted one employee in seven top managers, or 14% of the members of that class of workers. With regard to age distribution, 468 employees are aged 30 or under (16.7% of the workforce); 1,328 fall within the 31-50 age range (47.3%); and 1,010 employees are over 51, representing 36.0% of the total.

S1-10 ADEQUATE WAGES

Comer Industries sets the benchmark for adequate wages based on the legal minimum wage in each country. Where a country has more than one statutory minimum wage, all applicable amounts were considered. Where no statutory minimum wage is available, the minimum wage of an economically comparable country was used, or minimum wages set by collective bargaining agreements, where available¹¹⁹. Employee compensation consists of the sum of fixed annual base pay and guaranteed annual allowances. During the year, no Group employees were identified as being paid below the benchmark for adequate wages as defined above.

S1-11 SOCIAL PROTECTION

All Group employees are covered by social protection – through public programs or benefits offered by the Company – against loss of income due to illness, unemployment, occupational injury and acquired disability, parental leave, and retirement.

S1-12 PERSONS WITH DISABILITIES

There are 87 employees in the Group's workforce with disabilities¹²⁰, or 3% of the total.

(118) Top Management refers to the persons reporting directly to the Chief Executive Officer.
 (119) The principle of national minimum wage established by law is applicable to Poland, France, Germany, Belgium, the Netherlands, the United Kingdom, the United States, Brazil, China, and India. In these locations the Group complies with this threshold. In Italy, Sweden, Denmark, and Austria, since there is no minimum wage, collective bargaining agreements are respected in terms of minimum wages. In Germany, apprentice pay is regulated by sector collective agreements. Section 22 (MiLoG) of the Minimum Wage Act states that the law does not apply to apprentices, and compensation is subject to negotiation between the union and the employers' association.
 (120) Figure consistent with the legal definitions of disability in the various countries where the data was collected. Workers with disabilities are defined as people with enduring physical, mental, intellectual, or sensory impairments whose interactions with environmental and social barriers may hinder full, effective participation in society and work on an equal basis with others.

51-13 TRAINING AND SKILLS DEVELOPMENT METRICS

Training is structured on the basis of a comprehensive analysis of training needs and pursues a twofold objective: on the one hand, to develop skills at all levels, adapting them to the role and tasks of each resource with methods appropriate to the type of training proposed; on the other hand, to reduce the risk associated with the concentration of specific skills in just a few people, ensuring the presence of adequate backups.

The training courses cover different subject areas, with their own objectives and methods tailored to the audience, without neglecting lessons learned and best practices tested in the field. The company uses external vendors, technologically advanced e-learning platforms, and in-house instructors who share the skills and knowledge gained in the course of their work with co-workers.

The effectiveness of the training is measured through learning and satisfaction tests taken at the end of the training. The tests allow any corrective actions to be implemented promptly if participants have not achieved an adequate level of understanding and expertise. They also reveal strengths and areas needing improvement, including with respect to the organization of the class and the competence of the instructor. Mandatory training requirements concerning safety are managed through a computerized system that monitors deadlines, thereby ensuring compliance.

The Company provides a customized onboarding plan to new hires based on their areas of responsibility, whether in the office or related to production.

In 2025 the Company maintained its high level of commitment to the development of people's skills and expertise, providing a total of 34,283 hours of training, equal to 12.2 hours per person.

TRAINING BY GENDER	2025			2024		
	Men	Women	Total	Men	Women	Total
Number of hours of training	31,563	2,720	34,283	33,555	3,066	36,621
Average training hours per capita	12.7	8.7	12.2	9.4	12.9	12.5

During the year, training on the Code of Ethics and Integrated Policies continued. On the specific topic of corruption and bribery, training was provided covering all personnel in functions identified as at risk by the corruption risk assessment.

2025 also saw the launch of the performance evaluation system intended for all white collar workers in the Group, without any exclusion or differentiation, based exclusively on the achievement of quantitative and qualitative objectives.

The process provides that, at the beginning of each year, following an initial self-assessment of the employee relating to the previous year, managers provide a precise evaluation of performance and organizational conduct, then discuss and assign measurable, challenging objectives. This is a structured moment of discussion between manager and employee to provide targeted feedback and create opportunities to share questions, issues and professional development expectations.

This evaluation forms the basis of the annual compensation system, consisting of annual incentives (management by objectives) and a salary review applied consistently across all Group companies.

In 2025 the *Performance Management* process involved 25% of the company's entire workforce. Of the 712 employees who received an evaluation, 22% were women and the remaining 78% were men. As a result, 50% of the female population received a performance review while 22% of male employees were involved in the process. The number of performance evaluations coincides with the number of planned evaluations according to the criteria of the evaluation system.

EMPLOYEE PERFORMANCE EVALUATION	2025			2024		
	Men	Women	Total	Men	Women	Total
Number of performance reviews	556	156	712	601	166	767
Number of employees	2,492	314	2,806	2,597	327	2,924
% of employees who took part in the process	22.3%	49.7%	25.4%	23.1%	50.8%	26.2%
number of reviews planned	556	156	712	601	166	767
% of reviews conducted compared to planned	100%	100%	100%	100%	100%	100%

51-14 HEALTH AND SAFETY METRICS

Occupational health and safety is managed through a proactive approach and an ISO 45001:2018 compliant Health and Safety Management System certified by accredited bodies.

The Management System involves 86% of workers¹²¹ and is based on a logic of identifying and prioritizing risks, with the planning of systematic corrective actions. Risk assessment includes hazards related to production processes, environmental conditions and regulatory changes. Action plans are developed with the active involvement of workers through interdisciplinary working groups, adopting technical, organizational, and procedural prevention and protection measures. The actions follow a hierarchy that favors:

1. The elimination of hazards.
2. Replacement with less risky processes.
3. Technical design and organizational measures.
4. The use of personal protective equipment.

The monitoring of the effectiveness of these measures is carried out through performance indicators and periodic audits.

An inclusive approach to continuous improvement entails involving all workers in hazard identification, promoting awareness, and active participation. New hires follow a structured training program designed to establish a culture of safety. A warning system enables workers to identify potentially dangerous or near-miss situations. Each report is submitted to analysis by a technical team in order to implement mitigation actions and provide feedback. This approach has helped to progressively reduce injuries.

In the event of an injury or near miss, analytical methods are applied to identify and remove the root causes, preventing the recurrence of similar events. The solutions adopted are extended to other areas of the company when possible, with a view to prevention and sharing of best practices.

(121) 2,425 workers out of 2,806 as of December 31, 2025.

Visitors, suppliers, and temporary workers are also included in the Safety Management System. Before entering the company premises, they receive detailed training on safety hazards and regulations. While they remain there, company representatives monitor their compliance with procedures.

A total of 48 injuries were recorded during more than 5 million hours worked. Thanks to a constant preventive approach, no cases of occupational diseases were reported. The assembly process, identified as the area with the highest exposure, is managed by keeping risks at medium to low levels. No workplace fatalities were recorded in 2025.

INJURY RATES	2025	2024
Number of fatalities as a result of work-related injury	0	0
Of which employees	0	0
Of which non-employee workers	0	0
Number of high-consequence work-related injuries (excluding fatalities)	1	0
Of which employees	1	0
Of which non-employee workers	0	0
Number of no high-consequence work-related injuries	47	57
Of which employees	43	48
Of which non-employee workers	4	9
Number of recordable work-related injuries	48	57
Of which employees	44	48
Of which non-employee workers	4	9
Number of hours worked	5,025,729	5,344,014
Of which by employees	4,317,983	4,514,462
Of which by non-employee workers	707,747	829,552
Number of days lost due to injury ¹²²	1,444	1,906
Of which by employees	1,366	1,750
Of which by non-employee workers	78	156
Rate of fatalities as a result of work-related injury ¹²³	0	0
Rate of fatalities as a result of work-related accidents of employees	0	0
Rate of fatalities as a result of work-related accidents of non-employees	0	0
Rate of high-consequence work-related injuries (excluding fatalities) ¹²⁴	0.2	0
Rate of serious work-related injuries of employees	0.2	0
Rate of serious work-related injuries of non-employees	0	0
Rate of recordable injuries in the workplace ¹²⁵	9.6	10.7
Rate of employee work-related injuries	10.2	10.6
Rate of work-related injuries of employees	5.6	10.8

(122) Number of days lost due to injury including the first full day and the last day of absence. Calendar days were considered for the calculation
(123) (Number of fatalities / Number of hours worked) x 1,000,000.
(124) (Number of high-consequence work-related injuries / Number of hours worked) x 1,000,000.
(125) (Number of recordable injuries / Number of hours worked) x 1,000,000.

S1-15 WORK-LIFE BALANCE INDICATORS

In accordance with the labor laws of each territory and with the aim of creating a favorable work environment for the reconciliation of personal and professional life, whenever possible the Group has accommodated all employees' requests for part-time work, temporary schedule flexibility in connection with post-maternity/paternity family management, or contingent difficult situations, as well as guaranteeing all leave as envisaged in the regulations and collective bargaining.

Comer Industries recognizes the importance of supporting parents as a key element in fostering its employees' well-being and work-life balance. In accordance with current regulations in the various countries it operates in, the Company guarantees access to parental leave as a fundamental right, listening to and accommodating the needs of workers. In 2025, 98% of employees were eligible for parental leave. Of these, 9% took advantage of it during the year.

PARENTAL LEAVE	PERCENTAGE OF STAFF ENTITLED TO PARENTAL LEAVE		PERCENTAGE OF STAFF WHO TOOK PARENTAL LEAVE	
	2025	2024	2025	2024
Women	95%	95%	13%	13%
Men	99%	97%	9%	8%
Total workforce	98%	97%	9%	9%

In 2025 the Corporate Welfare plan continued through the use of the designated platform where employees were able to take advantage of an amount derived from different sources¹²⁶ for the purchase of goods and services to support personal and family necessities, with economic benefits related to the tax exemption of such expenses.

Remote working was available to Group employees again in 2025.

S1-16 REMUNERATION METRICS

The gender pay gap illustrates the difference in average pay between women and men, not adjusted for structural factors such as age, family situation, job level, or performance.

The indicator is calculated based on theoretical gross hourly pay¹²⁷ and includes annual base salary, guaranteed fixed payments, short- and long-term variable components, profit sharing, one-off payments, other allowances, as well as overtime pay and shift premiums. This annual amount is divided by the contractually agreed annual working hours per employee.

At Comer Industries, the gender pay gap—defined as the difference between the average pay of male employees and female employees, expressed as a percentage of the average pay of male employees—stands at -6.03% at the Group level.

(126) Amount stipulated by the relevant collective bargaining agreement, an *additional* amount established in the company supplementary agreement, a possible sum derived from the conversion of the balance of the performance bonus, and related conversion bonus.
(127) Calculated as the ratio between hypothetical annual gross pay and theoretical annual hours worked per employee, equal to 2,076.

This means that on average female employees receive annual pay that is 6% higher than that of male colleagues¹²⁸.

The total annual remuneration ratio is calculated by considering the ratio between the total annual remuneration received by the highest-paid individual within the Group and the median total annual remuneration of employees (excluding the highest-paid individual from the calculation).

In 2025 the ratio of the annual total pay of the highest paid individual¹²⁹ to the annual total median pay of all employees (excluding the highest paid individual)¹³⁰ was equal to 9.82.

S1-17 HUMAN RIGHTS AND FAIR LABOR PRACTICES

In 2025 Comer Industries did not record any incidents of discrimination, harassment, or serious human rights violations. During the year two reports were received through the whistleblowing channels made available to personnel to raise concerns; none were classifiable as violations of the United Nations Guiding Principles on Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. Accordingly, the Group did not receive any penalties, fines, or claims for damages against the Company. The Group also did not receive any complaints through the OECD National Contact Points for Multinational Enterprises.

(128) The final percentage is calculated in accordance with ESRS requirements, using the following formula: (average gross hourly pay of female employees - average gross hourly pay of male employees) / average gross hourly pay of male employees.

(129) The population of employees as of December 31, 2025 was considered for the calculation of the maximum total annual salary and the corresponding percentage increase.

(130) When calculating total annual remuneration, gross annual remuneration, allowances, fringe benefits, and individual annual target achievement awards are considered. Values in thousands of euros.

S2 – WORKERS IN THE VALUE CHAIN

S2 SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

For information on how the interests, views, and rights of workers in the value chain may be materially impacted by the Company, including with regard to respect for human rights, and how these inform the Company's strategy and business model, see [ESRS2 SBM-2 Interests and views of stakeholders](#).

S2 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The double materiality assessment identified the following impacts, risks, and opportunities in relation to workers in the value chain:

- **Negative impact – Effects on the health and safety of value chain workers due to accidents and occupational illnesses:** workplace injuries and illnesses related to production or logistics operations along the value chain may compromise workers' physical and psychological well-being.
- **Negative impact – Violation of the human rights of value chain workers and contractors:** failure to respect fundamental rights such as freedom of association, equal treatment, protection of dignity, and the absence of discrimination or coercion may generate significant social impacts.
- **Risk – Human rights violations along the value chain (child labor, forced labor, or other improper practices):** incidents of non-compliance in human rights matters, including at suppliers or business partners, may result in serious reputational repercussions for the Group, as well as potential supply difficulties and disruptions in the supply chain.
- **Risk – Workplace injuries and occupational illnesses affecting value chain workers:** failure by suppliers or subcontractors to comply with local and national health and safety regulations may result in accidents and occupational diseases, with consequent reputational, legal, and operational disruption risks for Comer Industries.
- **Risk – Non-compliance with Group policies and procedures, with particular reference to the Supplier Code of Ethics:** behaviors or practices not aligned with the ethical and sustainability standards defined by Comer Industries may generate non-compliance risks, with possible contractual and reputational consequences.
- **Risk – Loss or disclosure of strategic data along the value chain:** insecure information management by partners and suppliers may result in unauthorized disclosure of sensitive or confidential data, exposing the Group to legal disputes and reputational damage.

All workers in the value chain who could be significantly impacted by Comer Industries' activities were considered in the process of identifying IROs in the double materiality analysis and fall within the scope of the disclosure made in accordance with ESRS 2. Workers in the value chain include: workers who carry out their activities in the Group's facilities but who are not part of the Group's own workforce (who are not self-employed or temporary workers); workers at supplier companies that the Group does business with. Moreover, in accordance with the Integrated Policy on Diversity and Inclusion, in the

supplier assessment questionnaires limited knowledge is acquired about certain types of workers employed by suppliers, identifying their membership in particular categories potentially vulnerable to negative impacts such as youth and migrant workers.

Comer Industries conducts systematic supply chain monitoring to ensure compliance with the United Nations Guiding Principles on Human Rights, the ILO Declaration, and OECD guidelines. The main tool by which this monitoring is carried out is a due diligence assessment of direct and indirect suppliers built on the mandatory requirements of the German Supply Chain Act, one of the most advanced national human rights laws, also incorporating instances contained in the forthcoming EU Corporate Sustainability Due Diligence Directive (CSDDD). The main areas of focus include issues such as child labor, forced labor, anti-corruption, working conditions, freedom of association and collective bargaining, and the management of security personnel.

In parallel, Comer Industries conducts a supply chain risk assessment, collecting and analyzing information related to social sustainability with particular reference to child labor, forced labor¹³¹, freedom of association, decent wages, oversight of security personnel, and anti-corruption, and combining it with performance information through the Vendor Rating tool. The system makes it possible to identify strengths and critical areas, and, where necessary, to develop improvement plans in concert with suppliers. Evaluations are shared quarterly with suppliers using scorecards. Comer Industries incorporates supply chain risk assessment and mitigation into its ERM model, which considers financial, social, environmental, geopolitical, and health factors.

Due diligence and risk assessments make it possible to understand the characteristics and context of workers exposed to higher risks of indirect harm through Comer Industries' supply relationships. All negative impacts on workers in the value chain are potential and systemic in nature, i.e., not related to single incidents or accidents that led to their occurrence. During the double materiality process, no positive impacts associated with workers in the value chain were identified. Some of the risks identified are directly related to impacts: the risk of reputational repercussions and procurement issues emerges from the potential impact of human rights violations along the value chain, just as the risk of penalties related to health, safety, and environment incidents due to non-compliance with relevant local and national regulations relates to the potential impact on the same topic. The risks mapped in the double materiality process are generic and do not refer to specific groups of workers considered.

(131) The assessment considers both the country the supplier is located in and the nature of its activities. Each country is assigned a different risk coefficient based on its socioeconomic and regulatory context. India and China are classified as higher-risk areas. Similarly, the analysis also differentiates suppliers by sector, assigning a higher risk coefficient to activities in the steel industry.

S2-1 POLICIES RELATED TO WORKERS IN THE VALUE CHAIN

The main tools for mitigating the negative impacts and risks related to workers in the value chain are the Code of Ethics, the Supplier Code of Ethics (with which Comer Industries requires full, formal compliance), and the Integrated Human Rights Policy. These documents reflect Comer Industries' commitment to protecting the rights of all workers throughout the value chain, setting clear, binding standards to ensure decent, safe working conditions that comply with local, national, and international regulations throughout the supply chain.

The Code of Ethics prohibits any form of discrimination, labor exploitation, and the use of forced or child labor, promoting respect for the dignity and health of all employees and contractual partners. It applies to all employees, contractors, suppliers, and stakeholders, specifying that compliance with the principles is mandatory in every country and for any company activity, with no exclusions. While it does not directly refer to specific regulations, the Code promotes universal principles consistent with international standards, such as the protection of human dignity, non-discrimination, and the prohibition of forced or child labor¹³².

SUPPLIER CODE OF ETHICS

The Supplier Code of Ethics extends the principles set out in the Code of Ethics to suppliers and their subcontractors, requiring respect for basic labor rights, including freedom of association, collective bargaining, and compliance with local, national, and international labor practice regulations. This document represents a key tool to ensure that the value chain operates in alignment with company values and the highest international standards of responsible business conduct. Its adoption is a binding condition for establishing or maintaining contractual relationships with the Group. The Supplier Code of Ethics includes periodic audit mechanisms to verify compliance. In case of violations, corrective measures are envisaged until the business relationship is terminated. The document supports the management of impacts, risks, and opportunities related to the supply chain, with particular reference to human rights, working conditions, health and safety, responsible sourcing, energy and emissions, water, waste, and pollution.

Scope of application

The Code applies to all Group suppliers and business partners, regardless of country of origin, size, or sector, as well as to subcontractors.

Responsibilities

The ultimate responsibility for defining the Policies rests with the President and CEO, while operational implementation and oversight is assigned to the Purchasing function.

Alignment with external standards

It is based on the United Nations Guiding Principles, the OECD Guidelines for Multinational Enterprises, and the ILO Core Standards.

(132) For more information on the Code of Ethics, see [G1-1 Corporate culture and business conduct policies](#).

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Availability and communication

The Supplier Code of Ethics is published on the company intranet, the Group's website, and on the supplier portal, an IT tool made available by Comer Industries to register and qualify suppliers with active commercial relationships with the Company.

The Integrated Human Rights Policy consolidates these commitments by promoting due diligence processes to identify, prevent, and mitigate risks of human rights violations, with a focus on the most vulnerable geographic and social contexts. The Policy includes a systematic process that includes identifying risks, analyzing critical issues, and adopting mitigation plans such as audits and corrective actions to ensure compliance with these principles throughout the entire value chain¹³³. During 2025 no evidence of human rights violations along the upstream or downstream value chain was identified or reported.

S2-2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

The materiality analysis and engagement process described in chapter [SBM-2 Interests and views of stakeholders](#) allow relevant value chain issues to be integrated into company strategy. Comer Industries adopts structured engagement processes, collaborating with its business partners through quality and purchasing personnel for suppliers, and sales staff for customers.

The person assigned operational responsibility for value chain engagement is the Purchasing Director for suppliers and Sales Director for customers.

The Group does not directly survey the views of workers in the value chain except through their representatives. Through compliance requirements aligned with its ethical standards and annual supplier assessment processes, the Company is able to monitor impacts and risks affecting these workers. This approach enables the definition of actions aimed at improving the performance of business partners and, indirectly, the conditions of their workers, with particular attention to health and safety and the prevention of potential human rights violations. The protection of workers in the value chain is implemented through human rights due diligence, the application of the principles of the Supplier Code of Ethics, and engagement initiatives focused on sustainability. At this time the Group does not have any global framework agreements or understandings in place with international labor unions related to the rights of workers in the value chain. Adherence to ethical standards remains an essential prerequisite for collaboration with suppliers. Failure to accept them triggers the activation of contractual termination clauses. The Group assesses the effectiveness of value chain engagement by monitoring the progress of initiatives against the targets set in the 2035 Sustainable Development Plan¹³⁴. Downstream value chain monitoring has not yet been fully implemented¹³⁵.

(133) For more information on the Integrated Human Rights Policy, and in particular on the principles and standards it is based on, see [S1-1 Policies related to own workforce](#). The Integrated Human Rights Policy explicitly addresses human trafficking, forced or compulsory labor, and child labor.

(134) The due diligence process and sustainability screening are performed on an annual basis, while acceptance of the Supplier Code of Ethics takes place during the registration of the new supplier or in the event of substantial changes to the Code. No changes were made to the Supplier Code of Ethics in 2025.

(135) As of December 31, 2025, the Group does not monitor its customers through screening on sustainability issues, nor does it formally require them to comply with Comer Industries' Code of Ethics.

S2-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

Where potential negative impacts affecting value chain workers are identified, Comer Industries provides for the adoption of corrective measures defined following a detailed analysis of the individual case and its effectiveness. As part of its initiatives to mitigate potential negative impacts along the value chain, Comer Industries uses secure, confidential communication channels. The Group has set up a whistleblowing channel to enable the reporting of actions or conduct in conflict with the Code of Ethics, the Supplier Code of Ethics, company policies, internal procedures, or legal requirements, guaranteeing the protection of personal data and the confidentiality of the whistleblower. This tool is also available to workers in the value chain, allowing them to report violations in a secure, confidential manner.

To ensure the effectiveness of this tool, Comer Industries has defined a whistleblowing procedure applicable to all Group Companies that governs how to check the validity and substantiation of reports in order to take the necessary corrective and disciplinary actions. In its website Comer Industries publicly explains how to access the whistleblowing channel¹³⁶. The Group constantly monitors the reports it receives, ensuring that each case is investigated promptly, and providing full protection for the whistleblower and implementing remedies if necessary. The effectiveness of measures is assessed through direct dialogue with the reporting party and related follow-up, to verify that the solutions adopted have effectively resolved the issues identified. For more information on the whistleblowing channel, see [S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns](#) and [G1-1 Corporate culture and business conduct policies](#).

S2-4 TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS

To mitigate potential negative impacts and risks related to value chain workers, Comer Industries adopts an approach based on prevention, structured supplier assessment, and the availability of effective reporting and remedy mechanisms.

(136) The Group has not established a process to verify that workers in the value chain are aware of the whistleblowing channel.

These three pillars guide the activities carried out by the Group in 2025 and that will continue to be developed in the coming years:

ACTIONS AND INITIATIVES	MEASURES OF ACTION EFFECTIVENESS
Supply chain due diligence Suppliers are classified based on their level of risk, considering elements such as industrial sector, geographic area, type of materials or services provided, and previous ESG performance. They are then required to complete a self-assessment questionnaire built on the requirements of the CSDDD and the German Supply Chain Act regarding the duty of due diligence in the supply chain.	Effectiveness is measured based on the risk assessments carried out, the number of nonconformities with required ethical standards, and the number of suppliers that provided a response out of the total suppliers surveyed.
Acceptance of the Supplier Code of Conduct Comer Industries verifies adherence to its Supplier Code of Ethics, which defines minimum standards regarding human rights, working conditions, and ethical integrity.	The measure is assessed based on the number of suppliers adhering to the Code relative to the total number of suppliers.
Whistleblowing channel The Group makes a whistleblowing channel available to all stakeholders to report violations and non-compliance with laws and the principles set out in the Code of Ethics and the Supplier Code of Ethics.	Follow-up following actions taken to remedy actual impacts

The activities described in the previous table aim to mitigate both identified potential negative impacts, as well as the four material risks identified. The Company assessed that none of the negative impacts are directly caused by its own operations, but rather are attributable to upstream and downstream value chain activities. As no actual impacts on workers in the value chain occurred, no remedial measures were required. It is also specified that the double materiality process did not identify material positive impacts or opportunities. Therefore no initiatives were undertaken in this regard.

The Group identifies appropriate actions to mitigate negative impacts and risks, involving the Purchasing, Sales & Marketing, and Quality, Sustainability & Compliance functions in their definition, based on areas of responsibility and scope of impact. In general, where deviations from ethical-social expectations or violations of Group Policies are identified, an alignment plan is activated to meet the desired standards. In cases of serious violations or non-compliance, the Company applies a proportionality principle that may, depending on severity, lead to progressive disengagement up to suspension of collaboration, and ultimately contract termination.

During 2025 no issues or incidents related to human rights in the upstream or downstream value chain were reported. Therefore, no contract terminations were required with business partners due to human rights violations.

No significant financial resources were recorded for the implementation of the 2025 activities as they were mainly included in the cost of the personnel involved.

In accordance with the 2035 Sustainable Development Plan, Comer Industries plans to allocate additional financial resources¹³⁷ between 2025 and 2035 for the purchase of performance and risk assessment tools. Currently there are no plans to use sustainable financial instruments such as green or social bonds to finance these projects.

(137) Not detailed as below the materiality threshold set at 3,500,000 euros in total for the decade 2025-2035.

The ability to implement the actions planned does not depend on specific external preconditions such as access to public funding or changing market policies. This autonomy ensures the continuity and effectiveness of the initiatives undertaken, confirming the Group's commitment to promoting a sustainable, resilient value chain. Progress with respect to the 2035 Sustainable Development Plan targets pertaining to the value chain is the main indicator used by the Group to assess the effectiveness of the actions taken.

S2-5 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

While the negative impacts and risks identified are mainly related to health and safety issues, originate in the supplier's business, and do not directly result from Comer Industries' strategy and business model, the Group requires the actors in the value chain to respect worker's rights and continuously and systematically monitors the supply chain to ensure compliance with the United Nations Guiding Principles on Human Rights, ILO declarations, and OECD guidelines.

To give effect to the commitments expressed in the Policies and mitigate negative impacts and risks relating to value chain workers, the Group included the following targets within its Sustainable Development Strategy¹³⁸:

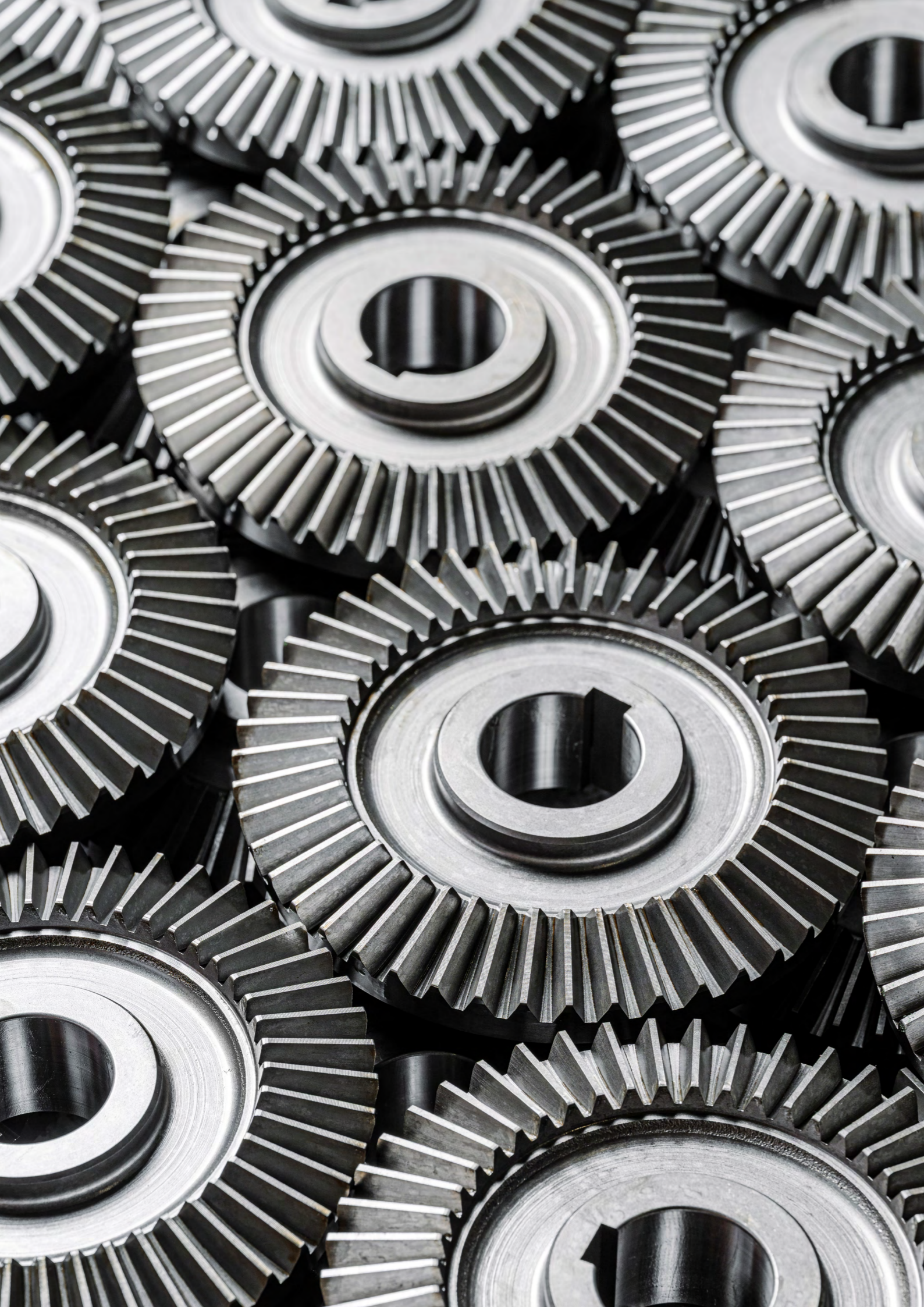
GOAL	UNIT OF MEASUREMENT	BASELINE YEAR	BASELINE VALUE	PERFORMANCE 2025	TARGET VALUE	TARGET YEAR
Supply chain engagement: more than 95% of tier 1 suppliers comply with the Supplier Code of Conduct	%	2024	-	96%	95%	2026
Due diligence ¹³⁹ of 75% of the supply chain (tier 1) using ESG criteria	%	2024	-	77%	75%	2026

Failure to comply with the criteria set forth in the due diligence and Supplier Code of Ethics will result in the implementation of corrective action plans, including the possibility of terminating the business relationship with suppliers that fail to fulfill the required obligations.

Targets were defined based on internal analyses of supplier management processes, available operational capabilities, and market best practices, assuming stability of the first-tier supplier perimeter.

(138) The process of setting targets did not involve value chain workers. The Group does not directly involve suppliers in communicating results on these targets, which are published annually in this Statement.

(139) The Due Diligence process is inspired by the provisions of the CSDDD, the German Supply Chain Act and the assessment of corporate ethics. The performance percentage is calculated as the ratio between spending associated with Tier 1 suppliers subject to Due Diligence and the total spending relating to those suppliers.



G1 – BUSINESS CONDUCT

G1 GOV-1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

For information on the role of administrative, management, and supervisory bodies and their expertise in business conduct matters, see [GOV-1 The role of the administrative, management and supervisory bodies](#).

G1 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment identified the following **impacts, risks, and opportunities** in relation to business conduct:

- **Positive impact – Increased trust among internal and external stakeholders through effective governance and a strong ethical culture:** adoption of transparent governance practices, combined with promotion of company values and ethical principles, strengthens Comer Industries' credibility and reputation among stakeholders.
- **Positive impact – Consolidation of trust among employees, contractors, and third parties through the responsible use of whistleblowing channels:** ensuring confidentiality and the protection of whistleblowers fosters a climate of trust and shared responsibility, promoting a company culture based on integrity and transparency.
- **Positive impact – Greater supplier satisfaction through ethical conduct and fair business relationships:** the ethical management of supplier relationships, including timely payments and transparent communications, helps consolidate long-term partnerships and boost the Group's reputation in the market.
- **Positive impact – Support for local community development through the inclusion of local suppliers:** promoting local entities within the supply chain generates positive effects on the economy and social fabric of the areas where Comer Industries operates, fostering shared value creation.
- **Opportunity – Targeted training on anti-corruption and compliance with the Code of Ethics:** the provision of targeted training to employees and contractors supports prevention and early detection of unlawful conduct, reducing corruption risks and strengthening compliance culture.
- **Opportunity – Strengthened relationships and attraction of strategic suppliers through ethical, financially sound management:** the ability to ensure timely cash flows and maintain proper business relationships increases the Group's competitiveness and reinforces its network of strategic partnerships.
- **Opportunity – Effective management of unethical conduct through structured reporting systems:** the implementation of efficient whistleblowing channels enables prompt identification and handling of nonconformities or misconduct, limiting legal and reputational impacts.

- **Risk – Exposure to penalties and litigation arising from corruption or bribery:** violations of anti-corruption laws may result in significant legal, financial, and reputational consequences for the Group.
- **Opportunity – Promotion of business ethics and integrity through dissemination of company values:** the Group's ability to consistently communicate its ethical and cultural principles helps consolidate a responsible, recognizable company identity, strengthening stakeholder and partner trust.
- **Risk – Possible non-compliant behavior by employees with respect to the Code of Ethics or applicable regulations:** failure to observe rules of conduct may generate operational risks, penalties, and reputational damage, undermining internal and external trust in the Group.

For the Company, the culture of integrity and compliance is a key factor for solid and lasting success. Believing that compliance is not only an obligation to be met but also an opportunity to create sustainable value, the compliance management model – fully integrated into the corporate culture and organizational models – is an expression of the company's policies on business conduct. For more details on methodologies, assumptions, and tools used to identify and assess impacts, risks, and opportunities, see section [IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#).

G1-1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

The guide and reference for conducting company activities for all employees, partners, and third parties having dealings with Comer Industries is the **Code of Ethics**. It is the foundation of the control model and underscores the principles underlying all Company activities: integrity, transparency, respect, legality, and confidentiality.

CODE OF ETHICS

The Code of Ethics is the primary reference of the system of values and principles guiding the conduct of the Group and its people. It defines the ethical commitments and shared responsibilities of all those acting in the name of or on behalf of the Company, promoting a culture based on integrity, transparency, respect, and legality across all company activities.

The document serves as a guidance and accountability tool aimed at consolidating the trust of customers, partners, employees, and external stakeholders, strengthening the Group's reputation as an essential intangible asset for long-term competitiveness and credibility.

The Code of Ethics is the result of a careful joint analysis of corporate values and strategy, the applicable regulatory framework, and the analysis of business risks and interests of internal and external stakeholders conducted by the Quality, Sustainability & Compliance function with the support of qualified external experts.

Consistent with other company Policies, the Code of Ethics contributes to managing impacts, risks, and opportunities related to ethical conduct and regulatory compliance, supporting a responsible, sustainable business model. The framework of values, principles, guidelines, and regulations contained in the Code of Ethics is reinforced by the Integrated Policies.

Scope of application

The Code applies to individuals forming part of the Company, including members of the Board of Directors (including the Chair and Chief Executive Officer), directors, executives, managers, employees, external workers, partners, and third parties, when performing activities and duties in the name or on behalf of the Company or its legal entities, whether or not directly employed by the Company. The Code of Ethics applies in every country where the Company operates and to anyone interacting with the Company, including contractors and consultants as well as other third parties such as suppliers, for whom compliance with its provisions and principles is binding for the conclusion of any type of contract with the Company, including temporary relationships.

Responsibilities

The Code of Ethics was approved by the Board of Directors, which also has the authority to make changes, additions, or updates based on recommendations made by the Global Compliance and Internal Audit functions or at the initiative of each director.

Alignment with external standards

Template 231

Availability and communication

The Code of Ethics is published on the company intranet and on the Group's website to ensure maximum accessibility to employees, contractors, partners, and external stakeholders.

The document is translated into the languages of the countries where the Group operates and is subject to dedicated training sessions. It is also updated periodically to ensure alignment with regulatory, organizational, and contextual developments.

The Code of Ethics defines the standards of conduct to be observed by all collaborators and prohibited behavior, with particular reference to areas where there is a potential risk of committing a crime.

In order to apply the company's ethical principles throughout the supply chain and implement the sustainable procurement policy, which is one of the Group's strategic objectives, Comer Industries produced a **Supplier Code of Ethics** containing the minimum set of requirements that every supplier of components or services is required to comply with for a solid, long-lasting partnership. All suppliers are required to sign the Supplier Code of Ethics, complying with its principles as an integral part of their contractual obligations.

The dissemination of an ethical business model across operations and along the value chain is incentivized through the definition of specific objectives and programmatic actions for their achievement, as detailed in the 2035 Sustainable Development Plan.

In fact, the Company prepared a training session on the Code of Ethics, setting the goal of involving the entire workforce in the initiative by 2026. In fact, working with the Quality, Sustainability & Compliance function, the Academy function launched a training plan for sustainability and compliance issues aimed at all Group staff, with a two-year development horizon and training sessions delivered through digital or in-person platforms. Topics covered include the Code of Ethics, Integrated Policies, anti-corruption¹⁴⁰, diversity and inclusion, human rights, and sustainable sourcing.

⁽¹⁴⁰⁾ With regard to anti-corruption, the Group assessed the (1) Human Resources, (2) Purchasing, and (3) Administration and Control functions as most exposed to risks of corruption and bribery. Additional specific training was therefore provided to fully cover the personnel employed in these three functions.

FOR MORE INFORMATION SCAN THE QR CODE



The effectiveness and proper functioning of the compliance and social responsibility management model is assessed through an **Internal Control System** fully integrated into the company's management model. It consists of a set of tools aimed at implementing control, prevention, and mitigation of risks of actions that conflict with the Company's ethical principles, its procedures, and compliance obligations, while also aiming to spread a culture based on integrity, ethical conduct, corporate responsibility, and compliance with the law.

The rules governing corporate life and the conduct of all business actors are formalized in a set of Regulations applicable to all Group Companies and the partners it collaborates with, consistent with the laws in force in each country. The Regulations are available on the Internal Portal and the Comer Industries website.

The **Organization and Management Model** (231 Model), which includes the Code of Ethics as an integral part, defines the rules and measures adopted to prevent behaviors that may represent offense pursuant to Italian Legislative Decree 231/2001 and spreading the culture of legality and awareness in all those who operate on behalf and in the interest of the Company. The governance structure envisages separate 231 Models for the Italian Companies.

The 231 Model is made up of a General Part and several Special Parts, drawn up in relation to the types of offenses whose commission is abstractly conceivable due to the activities carried out by Companies.

Other elements of the control system include the procedures governing operations in compliance with the principles of transparency and truthfulness and applicable European or national regulations.

Relevant guidelines, defined and approved by the Board of Directors, have been formalized in the **Procedure for related party transactions**, the **Procedure for internal dealing**,¹⁴¹ and the **Procedure for handling inside information**.

During the reporting year, no incidents occurred and no proceedings or legal action were initiated against the Company regarding violations of free competition, monopolistic practices, antitrust.

Company processes impacting Quality, Environment, Safety, Sustainability, Compliance, and Cybersecurity objectives are governed by **Integrated System Procedures**, which define activities and related responsibilities using an interdisciplinary approach, forming the core of the **Integrated Management System**. Procedures, operational tools, methods, and actions aimed at managing quality, sustainability, information security, and compliance converge in the system, placing risk management and process simplification at the foundation of the model. The goal is to further consolidate a multidisciplinary risk-based management model that is integrated into the business and able to respond effectively to rapid changes in the environment and to exploit synergies in business processes, supporting simplification and efficiency.

In compliance with European Directive 2019/1937¹⁴² on **whistleblowing**, transposed in national legislation with specific implementing regulations, including Decree 24/2023 in Italy, Comer Industries has established a dedicated communication channel to report actions or conduct in conflict with the company's Code of Ethics, policies, procedures or legal requirements, preserving the rights to personal data protection and confidentiality of the whistleblower. Moreover, it has defined a whistleblowing procedure, approved by the BoD and applicable in all Group Companies, to govern how to ascertain the validity and substantiation of reports and then take appropriate corrective and disciplinary action. The whistleblowing channel is made available and communicated through the corporate website and can also be used by partners outside the Group. From the time they join the company internal staff

(141) Transactions involving the purchase and sale of the securities of a listed company by its directors, auditors, or top managers.

(142) Comer Industries is subject to the legal obligations of Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law.

participate in periodic training sessions related to the methods and applicability of the whistleblowing procedure. Reports can also be submitted anonymously. In any case, Comer Industries protects good-faith whistleblowers from any kind of retaliation, including taking disciplinary measures against anyone who does so. The reports are taken up by the Internal Auditor function, which is trained to promptly, independently, and objectively investigate incidents concerning business conduct, including cases of corruption and bribery. The whistleblowing procedure is the sole procedure for investigating reports pertaining to business conduct, including incidents of corruption and bribery.

The same function is responsible for reporting periodically to the supervisory bodies about any incidents, especially the Board of Statutory Auditors and the Supervisory Body.

To proactively govern compliance and deadlines related to mandatory and contractual requirements, applicable regulations, and organizational standards, the Company uses a digital system to monitor applicable obligations according to the local specificities of the sites where the Group operates. The goal is to analyze compliance obligations to anticipate critical issues, monitor compliance execution, and evaluate performance. In addition to reducing sanction and business continuity risks, the measures taken enable transparent evidence of compliance – and thus good corporate governance – to all stakeholders. These tools also allow for the incorporation of new and updated developments in the applicable regulatory framework. The Company also uses qualified sources and newsletters with updates on other compliance issues (privacy, 231 Model, product regulations). Furthermore, it has a digital privacy management system in accordance with the regulations applicable in the countries where the Group operates and that is constantly updated based on the actual staffing structure.

Performance monitoring and compliance verification are enhanced by an **articulated auditing system** coordinated by the Quality, Sustainability & Compliance department, with periodic activities that cover all sites and business processes in the respective areas of compliance (quality, environment, health and safety, privacy, 231 Model predicate offenses).

G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

As a key element of the company's strategy and an essential factor for operational excellence, over time Comer Industries has built a network of suppliers based on a logic of long-term collaboration. The Group can rely on a global supply chain while still ensuring a local presence to optimize lead times, flexibility, and competitiveness over time. Relations with suppliers are characterized by practices and conduct based on mutual respect and transparency in the terms of agreements. In order to prevent delayed payments, especially with respect to small and medium-sized enterprises, each week Comer Industries' administration checks pending payments that are not formalized in a specific procedure, scheduling their execution according to the deadlines.

In addition to building strong and lasting relationships, the risk analysis contributes to strengthening the Company's resilience in an extremely complex and changing market. Based on analyses integrated into the Enterprise Risk Management model, Comer Industries implements and periodically updates a comprehensive assessment of risks that can impact the Company's continuity of supply or reputation. A variety of factors in the internal and external environment - whether financial, social, environmental, geopolitical or health-related - are considered and a joint risk mitigation plan is implemented.

The process of selecting suppliers and establishing purchasing conditions for goods and services is a crucial phase guided by scrupulous and balanced assessments. The selection criteria not only consider economic and financial parameters, but also incorporate assessments related to the ethical and sustainable conduct of the supplier. Acceptance of the Supplier Code of Ethics is mandatory in

order to initiate the relationship and enter into contractual agreements. Subsequent to the selection process, supplier qualification managed by the Supplier Development function is initiated through a timely analysis of the information collected. At the same time, audits are conducted to evaluate quality management systems, environmental, social, and health and safety aspects, along with verification of the technological capacity of suppliers.

G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

With the aim of preventing conduct that is inconsistent with ethical principles and anti-corruption laws in all the countries it operates in, the Company has adopted Anti-Corruption Regulations with the objective of providing a systematic framework of organizational and regulatory measures designed to prevent misconduct by employees, business partners, and anyone acting for or on behalf of Comer Industries. These Regulations are accessible through the Internal Portal and the Comer Industries website. They are consistent with the United Nations Convention Against Corruption and are an important addition to the Code of Ethics as well as a preventive protocol within the framework of the 231/2001 Model.

They are the result of a risk assessment inspired by the Principles of the United Nations Global Compact, conducted on the entire company boundary and on the activities of the organization by applying the methods and procedures of Enterprise Risk Management. The purpose of the corruption risk assessment is to enable Comer Industries to identify corruption risks, determine the extent to which the Company's control frameworks manage these risks, and measure the level of residual risk. In this regard, the business areas that have emerged as most exposed to corruption risks by virtue of the nature of the activities conducted appear to be the administration and control, human resources, and purchasing functions. Based on the results, the Regulations incorporate control measures to mitigate risks with particular reference to: (1) relations with authorities, (2) donations and sponsorships, (3) political contributions, (4) gifts and hospitality, (5) relations with suppliers and partners, (6) acquisitions, disposals, and joint ventures.

Any situation or behavior that does not comply with the requirements of the Regulations may be reported through the company's whistleblowing channel, in compliance with the requirements of protection and confidentiality of information and applicable laws. As described in the relevant section, any reports or confirmed cases of corruption or bribery are investigated within the whistleblowing process by the Internal Auditor function and are periodically reported to the oversight bodies, specifically the Board of Statutory Auditors and the Supervisory Body.

With regard to the topics of bribery and corruption, a specific course was made available on a digital platform addressed both to staff employed in the functions with the greatest exposure to risk (Human Resources, Purchasing, and Administration and Control) with 100% coverage and to some people in top positions (Executives). The course was offered in H1 2025 and also included a test. To date there are no plans to deliver the course to administrative and control bodies.

G1-4 INCIDENTS OF CORRUPTION OR BRIBERY

In 2025, as in previous years, there were no documented incidents related to corruption issues. Therefore there were no convictions or fines imposed for violations of laws against bribery and corruption or along the value chain that directly involved Comer Industries personnel.

G1-6 PAYMENT PRACTICES

Procurement processes are governed by contractual terms defined for each supply relationship and formalized in purchase orders. These terms provide for payment deadlines that in value terms are 12% within 30 days and 60% between 30 and 120 days¹⁴³. Therefore the supply category is not a significant differentiating factor in payment terms.

The average payment days in 2025 was 96.6 days¹⁴⁴. The calculation is given by the average number of days recorded for each invoice between the date from which payment terms begin to accrue and the actual date of payment, weighted by the invoice amount.

Comer Industries was not involved in any legal proceedings for late payments during the reporting year.

(143) This calculation was made based on payments of Comer Industries S.p.A. and Comer Industries Components S.r.l., representing 46% of the total payments made by the Group, considering the number of payments within the indicated range compared to the total payments made in the reporting period.

(144) This calculation considers the average number of days between the invoice date and the date the suppliers were paid. The average payment days in 2024 was 96.5.

On January 1, 2026, the closing of the transaction for the acquisition of 70% of the share capital of Comtesco Corporation - a newly established Japanese company ("NewCo") - resulting from the spin-off of the Hydraulic Equipment business unit (hydraulic products, components and accessories used in the production of construction equipment) of Nabtesco Corporation, took place, including the majority investments in the subsidiaries in China, Thailand and Germany.

Nabtesco Corporation in turn will continue to own the remaining 30% of the share capital of the NewCo, thus certifying the industrial alliance with Comer Industries. This transaction, which resulted in an outlay at the closing date of 14,217 million yen (equal to roughly 82.2 million euros), was financed with lines of credit made available by the banking system.

No other significant events occurred after year-end close.

The Group constantly monitors developments relating to geopolitical conflicts. As at the date of approval of the financial statements, the Group's direct exposure in areas impacted by conflicts is limited. Revenue generated from these regions represents less than 1% of total consolidated revenue.

As concerns the business outlook, Management expects 2026 sales performance to be basically in line with the forecasts of the market's major OEM players mentioned above, with increases deriving from the entry into operation of new projects during the year and with the positive contribution of the newly acquired group. On a like-for-like basis, profit margins should be aligned with those recorded in 2025. Again in 2026, the Group is expected to continue on its path of improving its net financial position thanks to the continuous generation of cash.

The Group is exposed to different types of business risk, as described in the Notes to this Consolidated Financial Report in Section 2.8. "Financial Risk Management" regarding financial risks and as described in the Sustainability Statement included in this document regarding climate change risks. The Group is also exposed to information technology risk as described below.

CYBER & INFORMATION TECHNOLOGY RISK

The Group considers the operational continuity of its IT systems to be of great importance and has implemented risk mitigation measures in this regard aimed at ensuring network connectivity, data availability, and data security, while at the same time guaranteeing the processing of personal data in compliance with the European GDPR regulation and the national regulations applicable in individual EU member states. To this end, it has implemented and continues to optimize an Information Security Management System (ISMS).

Cybersecurity is a strategic priority for Comer Industries, which operates in an increasingly digitalized and competitive environment.

The Group also periodically provides training to personnel on the risks linked to the use of the Internet, social media and email and a process for assessing threats and the degree of resilience of existing systems against cyber attacks, also by performing vulnerability testing.

PROPOSAL FOR THE ALLOCATION OF PROFIT

The Board of Directors proposes the Shareholder's Meeting to approve the distribution of a dividend of 0.85 euros for each share held at the date of approval. The dividend shall be payable on May 20, 2026 (the so-called payment date) with distribution date May 18, 2026 (the so-called ex-date). In this case, all those registered as Comer Industries S.p.A. shareholders at the end of the accounting day of May 19, 2026 (the so-called record date) will be entitled to the dividend.

The remaining portion of the profit for the year of the parent company Comer Industries S.p.A., amounting to 29,489,868.62 euros, will be allocated to the Extraordinary Reserve.

Reggiolo, March 16, 2026

For the Board of Directors

Matteo Storchi
(President & CEO)





CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

ASSETS	NOTES	12/31/2025	12/31/2024
Non-current assets			
Tangible fixed assets	2.10.1	237,631	247,044
Intangible fixed assets	2.10.2	352,428	369,210
Equity investments in other companies	2.10.3	2,163	1,915
Tax assets and deferred tax assets	2.10.4	26,744	38,126
Other long-term receivables	2.10.5	579	915
Total	-	619,546	657,210
Current assets			
Inventories	2.10.6	195,798	177,217
Trade receivables	2.10.7	189,831	161,209
Other short-term receivables	2.10.7	5,284	8,401
Current tax assets	2.10.8	24,878	17,053
Other financial assets	2.10.9	77,229	12,729
Cash and cash equivalents	2.10.9	109,720	89,508
Total	-	602,740	466,117
TOTAL ASSETS	-	1,222,285	1,123,327

NET EQUITY AND LIABILITIES (THOUSAND EUROS)	NOTES	12/31/2025	12/31/2024
Share capital and reserves			
Issued capital	-	18,487	18,487
Share premium reserve	-	187,881	187,881
Own shares in portfolio	-	(1,486)	(738)
Other reserves	-	50,957	69,980
Accumulated profit (loss)	-	305,834	268,558
Retained earnings	-	244,558	201,337
Net profit	-	61,275	67,221
Total	2.10.10	561,673	544,168
Portion pertaining to minority interests	-	-	-
Total equity	2.10.10	561,673	544,168
Non-current liabilities			
Long-term loans	2.10.9	87,397	74,812
Other long-term financial payables	2.10.9	20,229	32,847
Deferred tax liabilities	2.10.11	45,234	52,642
Liabilities for employee benefits	2.10.12	102,952	115,536
Other long-term payables	2.10.14	5,495	6,239
Long-term provisions	2.10.13	19,717	20,157
Total	-	281,023	302,233
Current liabilities			
Trade payables	2.10.14	190,786	152,589
Other short-term payables	2.10.14	42,076	29,851
Tax liabilities	2.10.15	7,773	2,949
Short-term loans	2.10.9	97,882	45,813
Short-term liabilities for employee benefits	2.10.12	9,056	8,027
Other short-term financial payables	2.10.9	10,297	7,168
Short-term provisions	2.10.13	21,720	30,529
Total	-	379,589	276,926
TOTAL LIABILITIES	-	1,222,285	1,123,327

2.1
CONSOLIDATED
INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (THOUSAND EUROS)	NOTES	12/31/2025	12/31/2024
Sales revenues	2.10.17	893,678	942,372
Other operating revenues	2.10.18	11,420	12,982
Change in inventories of semi-finished and finished goods	-	18,581	(49,380)
Purchase costs	-	(505,298)	(474,132)
Personnel costs	2.10.19	(196,863)	(195,946)
Other operating costs	2.10.21	(73,997)	(77,342)
Write-downs of receivables and other risk provisions	2.10.21	(2,780)	(1,038)
Amortization/depreciation	2.10.1 - 2.10.2	(54,565)	(58,196)
OPERATING RESULT	2.10.22	90,176	99,320
Net financial income / (charges)	2.10.23	(7,128)	(6,568)
Profit before Tax	-	83,048	92,752
Income taxes	2.10.24	(21,772)	(25,531)
NET PROFIT	-	61,275	67,221
of which pertaining to minority interests	-	-	-
of which pertaining to the Group	-	61,275	67,221
Basic earnings per share (in euros)	2.10.25	2.14	2.34

2.2
CONSOLIDATED COMPREHENSIVE
INCOME STATEMENT

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (THOUSAND EUROS)	NOTES	12/31/2025	12/31/2024
Net profit	-	61,275	67,221
Other components of the comprehensive income/(loss) statement that will be reclassified to the profit/(loss) in subsequent periods (net of taxes):			
Gain/(loss) from the change in fair value of hedging derivatives	2.10.10	(4,996)	-
of which fiscal effect	-	-	-
Translation differences on foreign financial statements		(13,776)	3,492
Translation effect on net investments in foreign operations	2.10.10	(11,104)	-
of which fiscal effect		3,109	-
Total other components of the comprehensive income/(loss) statement that may be reclassified to the profit / (loss) in subsequent periods, net of taxes	-	(26,767)	3,492
Other components of the comprehensive income/(loss) statement that will not be reclassified to the profit/(loss) in subsequent periods (net of taxes):			
Gain/(loss) on revaluation of defined benefit plans	2.10.12	10,513	5,155
of which fiscal effect	2.10.12	(3,409)	(1,683)
Total other components of the comprehensive income/(loss) statement that will not be reclassified to the profit / (loss) in subsequent periods, net of taxes	-	7,104	3,472
TOTAL COMPREHENSIVE PROFIT AFTER TAX	-	41,612	74,185

2.3
CONSOLIDATED
STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS (THOUSAND EUROS)	NOTES	12/31/2025	12/31/2024
Profit (Loss) for the year	-	61,275	67,221
Adjustments for:	-	-	-
Depreciation and amortization	2.10.1 - 2.10.2	54,565	58,196
Other non-monetary changes	-	3,138	(1,813)
Change in provisions	2.10.13	(7,233)	(5,388)
(Gains)/Losses from the sale of assets	-	(372)	(8,893)
Changes in provisions for personnel	2.10.12	(5,039)	(3,452)
Taxes for the year	-	21,772	25,531
Net financial charges	-	7,128	6,568
(Increase)/Decrease in trade receivables	2.10.7	(31,400)	45,974
(Increase)/Decrease in inventories	2.10.6	(20,441)	42,663
Increase/(Decrease) in trade payables	2.10.14	38,197	(46,252)
Increase/(Decrease) in other receivables and payables	-	15,230	(8,659)
LTIP bonus payment	-	-	(13,549)
Cash generated from operating activities	-	136,821	158,147
Interest paid	-	(2,753)	(4,661)
Income taxes paid	-	(22,317)	(43,108)
NET CASH GENERATED/(ABSORBED) BY OPERATIONS	-	111,751	110,378
Sale of building in Charlotte (USA)	-	-	11,561
Purchase Rockford (USA) building	-	-	(21,557)
(Increases)/Decreases in intangible assets	2.10.2	(4,559)	(4,396)
(Increases)/Decreases in property, plant and equipment	2.10.1	(35,871)	(35,515)
Sale/(Purchase) of other financial assets	-	-	-
NET CASH GENERATED/(ABSORBED) BY INVESTING	-	(40,430)	(49,907)
Free cash flow	-	71,321	60,471
Change in net equity	2.10.10	370	(1,792)
Dividends paid	2.10.10	(22,905)	(35,820)

CONSOLIDATED STATEMENT OF CASH FLOWS (THOUSAND EUROS)	NOTES	12/31/2025	12/31/2024
Borrowing/financing	2.10.9	80,096	100,000
Loan/finance repayments	2.10.9	(25,096)	(85,096)
Exchange differences on financial items	-	(11,743)	-
Change in other financial assets	2.10.9	(64,499)	(12,328)
Change in other financial payables and lease liability payments	2.10.9	(7,333)	(4,260)
NET CASH GENERATED/(ABSORBED) BY FINANCING	-	(51,109)	(39,296)
Net increase/(decrease) in cash and cash equivalents	-	20,212	21,175
Cash and cash equivalents as of January 1	-	89,508	68,333
Cash and cash equivalents as of December 31	-	109,720	89,508

2.3
CONSOLIDATED
STATEMENT OF CASH FLOWS

2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(THOUSAND EUROS)	SHARE CAPITAL	SHARE PREMIUM RESERVE	TREASURY SHARE RESERVE	LEGAL RESERVE	EXTRAORDINARY RESERVE	TRANSLATION RESERVE	IAS 21 RESERVE	IAS 19 RESERVE	F.T.A. RESERVE	STOCK GRANT RESERVE	C.F.H. RESERVE	CONSOLIDATION RESERVE	RETAINED EARNINGS	PROFIT/LOSS FOR THE YEAR	TOTAL NET EQUITY
Net equity at January 1, 2024	18,487	187,881	(147)	3,697	39,461	(5,132)	-	22,515	(5,923)	-	-	3,543	149,175	94,035	507,594
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	67,221	67,221
Income from other components of comprehensive income	-	-	-	-	-	3,492	-	3,472	-	-	-	-	-	-	6,964
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	-	-	(35,820)	-	(35,820)
Allocation of the previous year's result	-	-	-	-	4,854	-	-	-	-	-	-	-	89,181	(94,035)	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	(1,201)	-	(1,201)
Purchase of own shares	-	-	(591)	-	-	-	-	-	-	-	-	-	-	-	(591)
NET EQUITY AT DECEMBER 31, 2024	18,487	187,881	(738)	3,697	44,316	(1,640)	-	25,987	(5,923)	-	-	3,543	201,337	67,221	544,168
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	61,275	61,275
Income from other components of comprehensive income	-	-	-	-	-	(13,776)	(7,995)	7,104	-	-	(4,996)	-	-	-	(19,663)
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	-	-	(22,905)	-	(22,905)
Allocation of the previous year's result	-	-	-	-	-	-	-	-	-	-	-	-	67,221	(67,221)	-
Other changes	-	-	-	-	-	-	-	-	-	640	-	-	(1,093)	-	(453)
Purchase of own shares	-	-	(748)	-	-	-	-	-	-	-	-	-	-	-	(748)
NET EQUITY AT DECEMBER 31, 2025	18,487	187,881	(1,486)	3,697	44,316	(15,416)	(7,995)	33,091	(5,923)	640	(4,996)	3,543	244,558	61,275	561,673

2.4 STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

Comer Industries S.p.A., parent company of the Comer Industries Group, is an Italian company with headquarters and administrative offices in Via Magellano 27 in Reggiolo (RE), tax code and registration in the Business Register at no. 07210440157 with approved share capital of 18,487,338.60 euros entirely subscribed and paid-up as of December 31, 2024, subdivided into 28,678,090 shares. As of December 31, 2025, the Parent Company held 53,638 own shares equal to 0.19% of the share capital, purchased at a weighted average cost of 27.71 euros.

Comer Industries is the leading global player in the design and manufacture of advanced engineering systems and mechatronics solutions for power transmissions. The company operates in the sectors of agricultural machinery, construction, wind energy and engines and transmissions for electric vehicles. The Group is made up of 21 companies, including 13 production companies located in Italy, Germany, the United States, China, India, and Brazil, 6 commercial companies operating in Germany, France, the UK, China, Brazil, and the United States, and 5 holding companies.

The consolidated financial statements as at December 31, 2025, drafted on a going concern basis, with respect to which there are no aspects of uncertainty, were approved by the Board of Directors on March 16, 2026.

There were no changes in the scope of consolidation in 2025, with the exception of the liquidation of the company Walterscheid Russia LLC which, while part of the scope of consolidation, has been inactive since the beginning of 2022.

Note that Comer Industries U.K. Ltd. will be liquidated during the first quarter of 2026.

As of the date of these consolidated financial statements, the main shareholder of the parent company is Eagles OAK S.r.l. with a 51.05% stake in the share capital and 65.04% of the voting rights.

With regards to the description of economic-asset/liability relations with related parties of the Group, reference should be made to the details in the Director's Report.

The scope of consolidation as at December 31, 2025 includes the parent company and the following subsidiaries:

ENTITY NAME	HEAD-QUARTERS	CUR-RENCY	SHARE CAPITAL APPROVED	% CONTROL	PARENT COMPANY
Comer Industries S.p.A.	Reggiolo (RE) - Italy	KEUR	18,487	Holding Company	Eagles Oak S.r.l.
Comer Industries Inc.	Charlotte (NC) - USA	KUSD	13,281	100%	Comer Industries S.p.A.
Comer Industries U.K. Ltd.	Leicester - United Kingdom	KGBP	265	100%	Comer Industries S.p.A.
Comer Industries Components S.r.l.	Reggiolo (RE) - Italy	KEUR	7,125	100%	Comer Industries S.p.A.
e-comer S.r.l.	Reggiolo (RE) - Italy	KEUR	1,000	100%	Comer Industries S.p.A.
Comer Industries (Shaoxing) Co. Ltd	Shaoxing - P.R.C.	KCNY	61,793	100%	Comer Industries S.p.A.

ENTITY NAME	HEAD-QUARTERS	CUR-RENCY	SHARE CAPITAL APPROVED	% CONTROL	PARENT COMPANY
Comer Industries do Brasil EIRELI	Limeira (SP) - Brazil	KBRL	6,112	100%	Comer Industries S.p.A.
Comer Industries India Pvt Ltd	Bangalore - India	KINR	145,090	95%	Comer Industries S.p.A.
				5%	Comer Industries Components S.r.l.
Comer Industries (Jiaxing) Co. Ltd	Jiaxing - P.R.C.	KCNY	13,621	36.7%	Comer Industries (Shaoxing) Co. Ltd.
				63.3%	Comer Industries S.p.A.
WPG German Holdco GmbH	Lohmar, Germany	KEUR	10,495	100%	Comer Industries S.p.A.
WPG UK Holdco Ltd.	Leek, United Kingdom	KGBP	3,093	100%	Comer Industries S.p.A.
WPG US Holdco LLC.	Rockford, IL, USA	KUSD	58,546	100%	Comer Industries S.p.A.
Walterscheid GmbH	Lohmar, Germany	KEUR	17,895	100%	WPG German Holdco GmbH
Walterscheid Getriebe GmbH	Sohland, Germany	KEUR	26	89.8%	Walterscheid GmbH
				10.2%	WPG German Holdco GmbH
Walterscheid Brasil Industria de Equipamentos Agrícolas Ltda.	Cachoeirinha, Brazil	KBRL	8,410	16.2%	Comer Industries S.p.A.
				83.8%	Powertrain Services UK Limited
Walterscheid Powertrain (China) Co. Ltd.	Jiangsu, China	KCNY	2,000	100%	WPG UK Holdco Ltd.
Powertrain Services France SAS	Chanteloup-les-Vignes, France	KEUR	2,139	100%	Walterscheid GmbH
Powertrain Services UK Limited	Leek, United Kingdom	KGBP	14,231	100%	WPG UK Holdco Ltd.
Powertrain Services (UK Newco) Ltd.	Leek, United Kingdom	KGBP	-	100%	Powertrain Services UK Limited
Walterscheid Inc. Woodridge	Woodridge, IL, USA	KUSD	2,000	100%	WPG US Holdco LLC.
Powertrain Rockford Inc.	Rockford, IL, USA	KUSD	1	100%	WPG US Holdco LLC.
Walterscheid Cardan GmbH	Hohe Börde OT Irxleben, Germany	KEUR	625	100%	Walterscheid GmbH

2.7.1 DECLARATION OF COMPLIANCE WITH IFRS

The consolidated financial statements of Comer Industries S.p.A. have been drawn up in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board ("IASB") and approved by the European Union and in force at the balance sheet date, as well as in compliance with the provisions required by Consob (Commissione Nazionale per le Società e la Borsa), issued in implementation of art. 9 of Italian Leg. Dec. no. 38/2005 (resolutions 15519 and 15520) of July 27, 2006 and the DEM/6064293 communication of July 28, 2006, pursuant to art. 78 of the Issuers' Regulations, the EC document of November 2003 and, where applicable, the Italian Civil Code. "IFRS" also refers to the International Accounting Standards ("IAS") still in force, as well as all the interpretive documents issued by the IFRS Interpretations Committee, previously called the International Financial Reporting Interpretations Committee ("IFRIC") and before that, the Standing Interpretations Committee ("SIC").

2.7.2 CONTENTS AND FORM OF THE CONSOLIDATED FINANCIAL STATEMENTS

The unit of currency used is the euro, and all values are expressed in thousands of euro unless otherwise indicated.

The presentation layout for the consolidated balance sheet makes a distinction between current and non-current assets and liabilities, in which:

- non-current assets include balances of assets realizable after more than one year and include intangible, tangible and financial assets and deferred tax assets;
- current assets include the balances of assets realizable within 1 year;
- non-current liabilities include payables falling due after more than 1 year, including financial debts, provisions for risks and charges and liabilities for employee benefits and deferred tax liabilities;
- current liabilities include payables falling due within 1 year, including the short-term portion of medium-long-term loans and of provisions for risks and charges and liabilities for employee benefits.

The consolidated income statement is presented according to a classification of costs by nature with representation of operating income that does not include the effects of foreign exchange differences, as per the accounting policy historically adopted by the Group.

The cash flow statement has been drawn up on the basis of the indirect method and is presented in compliance with IAS 7, classifying cash flows between operating, investment and financing activities.

It should be noted that, with reference to Consob resolution no. 15519 of July 27, 2006 and the DEM6064293 communication of July 28, 2006, details of significant dealings with related parties are disclosed on the financial statements in order to provide more complete information.

2.7.3 RELEVANT ACCOUNTING STANDARDS

The Group adopted International Accounting Standards and International Financial Reporting Standards as of 2007, with the transition date to IFRS effective January 1, 2006.

Continuing these principles, the consolidated financial statements as of December 31, 2025, were

therefore drawn up according to the IAS / IFRS adopted by the European Union.

The consolidated financial statements are presented in thousands of euros. The financial statements are prepared on a cost basis, except for financial instruments that are measured at fair value.

The preparation of the financial statements in accordance with IFRS (International Financial Reporting Standards) requires judgments, estimates and assumptions that have an effect on the assets, liabilities, income and expenses. The actual results may differ from the results obtained using these estimates. The accounting policies have been applied consistently in all Group companies and for all periods presented.

2.7.4 PRINCIPLES OF CONSOLIDATION

I. SUBSIDIARIES

Companies are defined subsidiaries when the parent company has the authority, directly or indirectly, to conduct business so as to obtain benefits from such activities. In defining control, consideration is also given to potential voting rights that can currently be freely exercised or converted. These potential voting rights are not taken into account for the purposes of the consolidation process upon allocation to minority shareholders of the results of operations and the share of capital and reserves they are entitled to.

The financial statements of subsidiaries are consolidated from the date on which the Group gains control and de-consolidated from the date that this controlling interest ceases.

The global integration method is adopted for the consolidation of subsidiaries, involving undertaking the total amount of assets and liabilities and all costs and revenues, irrespective of the extent of the Group's interest. The book value of consolidated equity investments is therefore offset against any relative capital and reserves. The shares of capital and reserves and profits pertaining to minority shareholders are shown separately under a specific capital and reserve item and on a separate line of the consolidated income statement. Intercompany dividends distributed by foreign subsidiaries are eliminated in the consolidation process using the proportionate approach provided for by IAS 21, since, even in the case of distribution of profit reserves generated in previous years, the investor's percentage equity ownership is not considered to be affected.

II. RELATED COMPANIES

Related companies are those companies over which the Group has considerable influence but in which it does not exercise any control over the management. The consolidated financial statements include the accrued share of the profits and losses of related companies, measured using the equity method from the date on which any such significant influence on operation started until its termination. Similar to that described above for the subsidiaries, the acquisition of related companies is also recorded under the purchase method; in this case, any acquisition cost in excess of the Group's share of the fair value of net assets acquired is included in the value of the equity investment.

III. TRANSACTIONS ELIMINATED AS PART OF THE CONSOLIDATION PROCESS

Intercompany balances and profits and losses resulting from intercompany transactions are eliminated in the Consolidated Financial Statements. Profits arising from intercompany transactions with associated companies are eliminated as part of the valuation of the equity investment using the equity method. Intercompany losses are eliminated only if there is evidence that these were realized in detriment to third parties.

2.7.5 SEGMENT INFORMATION

Segment information is provided for the two business segments with reference to income data only, as the related balance sheet data are not monitored by the Group's Management. The information includes both costs directly attributable and costs allocated according to reasonable assumptions. General and administrative costs, ICT and HR services, fees for directors, statutory auditors and Group management departments, as well as costs relating to the global sourcing area (organized according to purchasing group of product category) have been allocated to sectors on the basis of revenues.

The Group operates in the following sectors:

AGRICULTURAL SECTOR

- Products mainly consists of speed increasers, speed reducers, bevel gearboxes, PTO driveshafts, wheel drives and axles for agricultural use, especially manufacturers of combine harvesters and tractors, haymaking, harvesting, irrigation and mixing, and land preparation and working machines.

INDUSTRIAL SECTOR

- This includes products such as i) modular planetary gearboxes, gearboxes for traveling and lifting, slewing, and rigid and steerable axles for manufacturers of construction and forestry machinery, from the shipbuilding industry to the airport and mining industries; ii) components for municipalities, for the Mining Industry and for the material handling sector; iii) products for the wind and renewable energy sector as well as for augers in biogas machines; iv) electric motors for stationary industrial applications, transaxles, and gearmotors for e-Mobility, construction, material handling, and logistics.

2.7.6 TREATMENT OF FOREIGN CURRENCY TRANSACTIONS

I. FOREIGN CURRENCY TRANSACTION

The functional currency and reporting currency adopted by the Group is the euro. Transactions in foreign currencies are converted into euro on the basis of the exchange rate at the transaction date. The monetary assets and liabilities are converted at the exchange rate on the balance sheet date. Any exchange rate differences arising out of conversion are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost are converted at the exchange rate at the transaction date. The monetary assets and liabilities measured under fair value are converted into euros at the exchange rate on the date the fair value was determined.

II. CONVERSION OF FINANCIAL STATEMENTS DRAWN UP IN FOREIGN CURRENCIES

The assets and liabilities of companies based in non-EU countries, including adjustments arising from the consolidation process, relating to goodwill and fair value adjustments arising from the acquisition of a non-EU company, are converted at the exchange rate prevailing on the closing date of the balance sheet. Revenues and costs of these companies are converted at the average exchange rate for the period, closest to the exchange rates on the dates on which the individual transactions took place. Foreign exchange differences arising from the translation process are recorded directly in a special provision under capital and reserve called the "Translation reserve".

Below is the table with the exchange rates applied for the conversion of financial statements:

EXCHANGE RATES				
	Spot exchange rates		Average period exchange rates	
	12/31/2025	12/31/2024	2025	2024
€/GBP	0.873	0.829	0.857	0.847
€/USD	1.175	1.039	1.130	1.082
€/CNY	8.226	7.583	8.119	7.787
€/BRL	6.436	6.425	6.307	5.828
€/INR	105.597	88.934	98.524	90.556

Source: Bank of Italy.

III. TRANSLATION DIFFERENCES ON FOREIGN OPERATIONS

Assets and liabilities of foreign operations are translated at the closing exchange rate at the reporting date. Income and expenses are translated at the average exchange rates for the period. Exchange differences arising from translation into the consolidated financial statements currency are recognized in other comprehensive income and accumulated in the translation reserve within consolidated equity until disposal or liquidation of the foreign operation, in accordance with IAS 21.48.

A monetary asset or liability with a foreign operation may be considered part of the net investment in the foreign operation when settlement is neither planned nor likely in the foreseeable future. In this case, exchange differences arising from such monetary item are recognized in other comprehensive income in the consolidated financial statements, in accordance with IAS 21.32-33.

2.7.7 ACQUISITIONS

Business combinations are recognized according to the acquisition method.

According to 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 the liabilities assumed by the Group at the acquisition date. Any transaction costs are recognized in the income statement at the time they are incurred.

Goodwill is determined as the excess of the sum of the consideration transferred in the business combination, the value of shareholders' equity pertaining to minority interests, and the fair value of any equity investment previously held in the acquired company over the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the date of acquisition exceeds the sum of the consideration transferred, the value of shareholders' equity pertaining to minority interests, and the fair value of any equity investment previously held in the acquired company, this excess is immediately recognized in the income statement as income from the transaction concluded. The portions of shareholders' equity of non-controlling interests at the date of acquisition may be measured at fair value or at the pro-rata value of the net assets recognized for the acquired company. The choice of valuation method is made on a transaction-by-transaction basis. If the initial values of a business combination are incomplete at the balance sheet date that the business combination occurred on, in its consolidated financial statements the Group reports the provisional values of the items for which recognition cannot be completed. These provisional values are adjusted during the measurement period to reflect new information gathered

about facts and circumstances existing at the acquisition date which, if known, would have affected the value of the assets and liabilities recognized at that date.

2.7.8 PROPERTY, PLANT AND EQUIPMENT

I. OWNED FIXED ASSETS

Property, plant and equipment are measured at historical cost and are reported net of depreciation (see next point *(iv)*) and impairment losses (see para. 2.7.10). The cost of fixed assets manufactured internally includes materials, direct labor and a share of indirect manufacturing costs. The cost of fixed assets, whether purchased externally or manufactured internally, includes incidental costs directly chargeable and necessary to operate the asset and, when relevant and subject to contractual obligations, the current value of the estimated cost for the dismantling and removal of fixed assets.

Financial charges relating to specific loans used for the acquisition of tangible fixed assets are charged to the income statement on an accruals basis. According to the provisions of IAS 20, any capital grants obtained as a result of investment incentives granted by the public administration are deducted from the historical cost of any related capitalized fixed assets, when put into operation.

No fixed assets are available for sale.

II. FIXED ASSETS UNDER FINANCE LEASES

Assets held by the Group under leasing contracts, including operating leases, in accordance with the IFRS 16 standard in force since January 1, 2019, are recognized as assets with a balancing entry in financial payables. In particular, assets are recognized at a value equal to the current value of future payments at the date of signing the contract, discounted using the applicable incremental borrowing rate for each contract.

III. SUBSEQUENT COSTS

The costs of replacing certain parts of the fixed assets are capitalized when it is probable that these costs will result in future economic benefits and can be reliably measured. All other costs, including the costs of maintenance and repairs, are attributed to the income statement as incurred.

IV. DEPRECIATION

Depreciation is charged to the income statement on a straight-line basis and on the estimated useful life of fixed assets and their residual possible use. Land is not depreciated. The estimated useful life results in the following depreciation rates by homogeneous category:

Buildings	2% - 3%
Light construction, general and specific equipment	6 - 14%
Equipment, models and molds	8 - 25%
Furniture and furnishings	25%
Electronic office equipment	20 - 25%
Motor vehicles and internal transport	25%

The estimated useful life of assets is revised annually and any changes in rates, where necessary, are made prospectively.

For assets purchased and/or that became operational during the year, depreciation is calculated using the rates set out above, but adapted *pro-rata temporis* to any such set-up date.

2.7.9 OTHER INTANGIBLE ASSETS

I. RESEARCH AND DEVELOPMENT COSTS

The costs of research with the aim of acquiring new technical knowledge are charged in the income statement when incurred.

The development costs incurred for the creation of new products, versions, accessories or new production processes are capitalized when:

- these costs can be reliably determined;
- these products, versions or processes are technically and commercially feasible;
- the expected volumes and realization values indicate that the costs incurred for development will generate future economic benefits;
- the resources to complete the development project exist.

The capitalized cost includes the materials and the mere cost of direct labor. Other development costs are charged to the income statement when incurred. The capitalized development costs are measured at cost, net of accumulated amortization, (see next point *(iv)*) and impairment losses (see paragraph 2.7.10).

II. OTHER INTANGIBLE FIXED ASSETS

Other intangible fixed assets, which all have finite useful lives, are measured at cost and are recorded net of accumulated amortization, (see next point *(iv)*) and impairment losses (see paragraph 2.7.10).

The use of software licenses is amortized over their period of use (3-5 years).

The costs incurred internally for the creation of trademarks or goodwill are charged to the income statement when incurred.

III. SUBSEQUENT COSTS

Subsequent costs incurred for intangible fixed assets are capitalized only if they increase the future financial benefits of the specific capitalized fixed asset, otherwise they are charged in the income statement as incurred.

IV. AMORTIZATION

Amortization is charged to the income statement on a straight-line basis based on the estimated useful life of the capitalized fixed assets. The estimated useful lives are as follows:

Patents and trademarks	5-10 years
Development costs	3-5 years
Licensing of software and technology	5-13 years
Relationships with customers	9-13 years

The useful life is reviewed annually and any changes in rates, where necessary, are made prospectively.

2.7.10 IMPAIRMENT OF ASSETS

The book values of the assets, except for stocks, financial assets regulated by IFRS 9 and deferred tax assets, are subject to review at the balance sheet date, in order to determine if any impairment indicators exist. If the assessment reveals the presence of such indicators, the estimated realizable value of the asset is calculated in the manner indicated below. Please note that the estimated realizable value of goodwill and intangible fixed assets not yet used is estimated at least once per year, or more frequently if events indicate the possibility of a loss of value.

A tangible or intangible asset, including rights of use (as defined by IFRS 16), suffers an impairment if it is not able to recover the book value at which the asset is recorded in the financial statements through the use or sale thereof. The purpose of the verification (impairment test) provided by IAS 36, is to ensure that tangible and intangible assets are not carried at a value higher than their realizable value, consisting of the net realizable value or value in use, whichever is higher.

The value in use is the current value of future financial flows that are expected to be generated by the asset or by the cash generating unit to which the asset belongs. Expected cash flows are discounted using a pre-tax discount that reflects the current market estimate of the cost of money reported at the time and risks specific to the asset. If the book value is higher than the realizable value, the assets or cash-generating unit to which they belong are written down to reflect the realizable value. These impairment losses are recognized in the income statement.

If the conditions that led to the impairment cease to exist, the assets previously written down are proportionally reversed until reaching at most the value that the assets would have had in the absence of previous impairments, net of amortization calculated on the historical cost. Restorations of value are recognized in the income statement.

The goodwill value previously written down can never be reinstated.

2.7.11 EQUITY INVESTMENTS

Equity investments in associates are measured using the equity method, as required by IAS 28.

If impairment with respect to the amount determined using the above method is detected, the equity investment is written down accordingly, with a balancing entry in the income statement.

2.7.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank and postal deposits and securities with an original maturity of less than three months.

2.7.13 CURRENT FINANCIAL ASSETS, RECEIVABLES AND OTHER ASSETS

Financial assets, as provided for by the new IFRS 9 – “Financial Instruments: recognition and measurement” (as revised in July 2014) which replaces IAS 39 - “Financial Instruments: Recognition and Measurement”, are classified, on the basis of the Group’s management methods and the related contractual cash flow characteristics, in the following categories:

- **Amortized cost:** financial assets held exclusively for the purpose of collecting the contractual cash flows are classified in the Amortized cost category. They are valued using the amortized cost method, recording the income in the income statement using the effective interest rate method.
- **Fair value through other comprehensive income (“FVOCI”):** financial assets whose contractual cash flows are represented exclusively by the payment of principal and interest and which are held in order to collect the contractual cash flows as well as the flows deriving from the sale of the same are classified in the FVOCI category. They are measured at fair value. Interest income, exchange rate gains/losses, impairment losses (and related write-backs) of financial assets classified in the category FVOCI, are recorded in the income statement; other changes in the fair value of assets are recorded among the other components of OCI. When these financial assets are sold or reclassified to other categories, due to a change in the business model, the cumulative gains or losses recognized in OCI are reclassified to the income statement;
- **Fair value through profit or loss (“FVTPL”):** the FVTPL category is residual in nature by collecting financial assets that do not fall under the Amortized cost and FVOCI categories, such as financial assets purchased for trading or derivatives, or assets designated as FVTPL by management at the date of initial recognition. They are measured at fair value. Gains or losses resulting from this measurement are recognized in the income statement;
- **FVOCI for equity instruments:** financial assets represented by equity instruments of other entities (i.e. investments in companies other than subsidiaries, associates and joint ventures), not held for trading purposes, can be classified in the FVOCI category. This choice can be made instrument by instrument and requires changes in the fair value of these instruments to be recognized in the OCI and not to be reversed to the income statement either on sale or on impairment of the same. Only dividends from these instruments will be recognized in the income statement. The fair value of financial assets is determined on the basis of quoted bid prices or through the use of financial models. The fair value of unlisted financial assets is estimated using specific valuation techniques adapted to the specific situation. Valuations are regularly carried out in order to verify whether there is objective evidence that a financial asset or group of assets may be impaired. If there is objective evidence, the impairment loss is recognized as a cost in the income statement for the period.

2.7.14 DERIVATIVE FINANCIAL INSTRUMENTS

If the Group holds derivative financial instruments that do not meet all the conditions for hedge accounting as per IFRS 9, the changes in the fair value of these instruments are recorded in the income statement as financial expenses and/or income.

Therefore, the derivative financial instruments are recorded in compliance with the hedge accounting regulations when:

- the hedge ratio is formally designated and documented at the beginning of the hedge;
- it is presumed that the hedge is highly effective;
- the effectiveness can be reliably measured and the hedge itself is highly effective during the designated periods.

The fair value of derivative financial instruments against exchange risks is their market value on the balance sheet date, which coincides with the discounted market value of the derivative instrument.

The accounting method for derivative financial instruments varies depending on whether or not the conditions and requirements of IAS 9 are met. Specifically:

I. CASH FLOW HEDGES

In the case of a derivative financial instrument for which the hedging ratio to variations in cash flows generated by an asset or liability or a future transaction (underlying hedged item) believed to be highly probable and that could affect the income statement is formally documented, the effective portion, originating from the adjustment of the derivative financial instrument to the fair value, is charged directly to a reserve under capital and reserves. When the underlying hedged cash flow occurs, any such reserve is removed from capital and reserves and assigned to the income statement as operating charges and revenues, while any non-effective portion or over hedging, portion is immediately allocated to the income statement as financial charges and/or income. When a hedging instrument reaches maturity, is sold or exercised, or the company changes the relationship with the underlying hedged item, and the forecast transaction, though it has yet to take place, is still considered likely, the resulting profits or losses originating from the adjustment of the financial instrument to the fair value remain under capital and reserves and are charged to income statement when the transaction takes place as described above. If the probability of the underlying transaction occurring is no longer likely, the related profits or losses from the derivative contract, originally recorded under capital and reserves, are immediately charged to the income statement.

II. HEDGES OF MONETARY ASSETS AND LIABILITIES (FAIR VALUE HEDGES)

Where a derivative financial instrument is used to hedge changes in value of monetary assets or liabilities already recorded in the financial statements that could affect the income statement, profits and losses related to changes in fair value of the derivative financial instruments are immediately recorded in the income statement. Likewise, the profits and losses relating to the hedged item modify the carrying amount of any such item and are recorded in the profit and loss account.

III. TRANSLATION DIFFERENCES ON BUSINESS COMBINATIONS WITH FOREIGN EXCHANGE RISK HEDGING

In the presence of a business combination involving a foreign entity, the translation difference relating to the acquisition consideration may be hedged by designating a financial instrument in a cash flow hedge relationship in accordance with IFRS 9. The effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income. Where the hedge is qualified as a hedge of a non-financial item, this component is included as an adjustment to goodwill at the time the business combination is completed. The ineffective portion is recognized immediately in profit or loss.

2.7.15 OWN SHARES

For purchases of own shares, the price paid, including any directly attributable ancillary charges, is deducted from the Company's Equity until the shares are canceled, reissued, or disposed of. When said own shares are resold or reissued, the price received net of any directly attributable ancillary charges and the related tax effect is accounted for as Company Equity. Therefore no gain or loss is recognized in the Income Statement with the purchase, sale, or cancellation of own shares.

2.7.16 INVENTORIES

Stocks are recorded, in each homogeneous category, at the purchase cost, including incidental and production costs and the corresponding net realizable or market value at year-end, whichever is lowest. The cost is determined according to the weighted average cost method.

As far as goods manufactured by the Company (semi-finished, work in progress and finished goods) are concerned, the cost of production includes all directly chargeable costs (raw materials, consumables, energy utilities, direct labor), and the cost of manufacturing (indirect labor, depreciation, etc.) in the amount reasonably attributable to the products.

Any stock impairment risks are hedged by the relevant stock depreciation allowance recorded as an adjustment to the corresponding assets item. Amounts thus obtained do not differ significantly from current costs on the closing date of accounts.

2.7.17 INTEREST-BEARING FINANCIAL PAYABLES

All interest-bearing financial liabilities are valued as per the amortized cost method; the difference between this value and the settlement value is charged to the income statement during the term of the loan.

2.7.18 LIABILITIES FOR EMPLOYEE BENEFITS

I. DEFINED CONTRIBUTION PLANS

The Group participates in public or privately defined contribution pension schemes on a mandatory, contractual or voluntary basis. The payment of contributions fulfills the Group's obligation towards its employees. The contributions are costs recognized in the period in which they are due.

II. DEFINED BENEFIT PLANS FOR EMPLOYEES FOR ITALIAN COMPANIES

The defined benefit plans for employees are payable on or after the termination of the period of employment in the Group. These mainly include the severance indemnities which are calculated separately for each plan using actuarial methods to estimate the amount of future benefit accrued to employees during the year and in previous years. The resulting benefit is discounted and recorded net of the fair value of any related assets. The interest rate used to calculate the present value of the obligation was determined in accordance with para. 78 IAS 19, of the Iboxx Corporate A index with duration 7-10 determined at the date of valuation. The yield with a comparable duration to that of the collective body of workers being valued was chosen for this purpose.

In the case of increases in plan benefits, the portion of the increase relating to the previous employment period is charged to the income statement on a straight line basis over the period in which the related rights will be acquired. If the rights are acquired immediately, the increase is immediately recorded in the income statement.

The expected present value of benefits payable in the future related to the length of employment in the current period, conceptually similar to the accrued share of the employee severance indemnity, is classified under personnel costs in the income statement while the implicit financial charges are reclassified in the applicable financial section.

III. EMPLOYEE DEFINED BENEFIT PLANS FOR GERMAN SUBSIDIARIES

Certain Group companies offer defined benefit, post-employment, and other long-term pension plans. The cost of providing benefits under the plan is determined using the projected unit credit method. The companies' net obligation is calculated separately for each plan by estimating the amount of future benefit that employees have accrued in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Measurements, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in the balance sheet, with a corresponding debit or credit to retained earnings, through comprehensive income for the period they occur in. Remeasurements are not reclassified to earnings in subsequent periods.

Costs for past services are recognized in earnings on the date of the plan amendment or reduction. Interest is calculated by applying the discount rate to the defined benefit liability.

The companies' obligation with respect to other long-term employee benefits is equal to the future benefit that employees have received in exchange for their current work and in prior periods. This benefit is discounted to determine its present value.

2.7.19 INCOME TAXES

Income taxes recognized in the income statement include current and deferred taxes. Income taxes are generally charged to the income statement, unless they relate to items recognized directly under capital and reserves. In this case, the income taxes are also charged directly to capital and reserves, as a variation to the amount recorded.

Current taxes are taxes calculated by applying the tax rate in effect on the balance sheet date and adjustments to prior year taxes to taxable income.

Deferred taxes are calculated using the so-called liability method on timing differences between the amount of assets and liabilities recorded in the financial statements and the corresponding values recognized for tax purposes. Deferred taxes are calculated according to the designated method of reversal of timing differences, on the basis of realistic estimates of financial charges resulting from the application of the tax legislation in force at the date in which the financial statements were prepared.

Deferred tax assets are recognized only if it is probable that sufficient taxable income will be generated in future years to realize these deferred taxes.

2.7.20 PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to costs and charges of a specific nature and certain or likely existence, the amount and date of occurrence of which are not known at the close of the period.

Provisions are recognized when:

- the existence of a pending liability arising from a past event is probable;
- it is likely that the obligation will be burdensome;
- the amount of the obligation can be estimated reliably.

Provisions are recorded at the value reflecting the best estimate of the amount the company would reasonably pay to settle the obligation or transfer it to third parties at the end of the period.

The costs that the Group expects to incur to carry out restructuring plans are recorded in the financial year the Company formally defines the plan and the interested parties have a valid expectation that the restructuring will happen.

The provisions are periodically updated to reflect any variations in estimates of costs and realization times. Revisions of the provision estimates are charged in the same income statement item that had previously held the provision.

The notes to the consolidated financial statements illustrate the contingent liabilities consisting of:

- possible, but not probable, obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly under the control of the company;
- present obligations arising from past events the amount of which cannot be reasonably estimated or the fulfillment of which will probably not be burdensome.

2.7.21 CURRENT FINANCIAL LIABILITIES, TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables, which mature within the normal commercial terms, are not discounted and are recognized at cost (identified by nominal value) reflecting their settlement value. Current financial liabilities include the short-term portion of borrowings, including payables for cash advances and other financial liabilities. Financial liabilities are measured at amortized cost by recording charges in the income statement using the effective interest rate method, with the exception of financial liabilities purchased for trading purposes or derivatives, or those designated as FVTPL by management at the date of initial recognition, which instead are measured at fair value through profit or loss (see the section on Derivative financial instruments).

2.7.22 DE-RECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

A financial asset is derecognized when:

- the rights to receive cash flows from the asset are extinguished;
- the Group retains the right to receive cash flows from the asset, but has assumed the contractual obligation to pay them in full and without delay to a third party;
- the Group has transferred the right to receive cash flows from the asset and has transferred substantially all risks and rewards of ownership of the financial asset or has neither transferred nor retained all risks and rewards of ownership of the asset, but has transferred control of the asset.

In cases where the Group has transferred the rights to receive cash flows from an asset and has neither transferred nor retained all the risks and benefits or has not lost control over it, the asset is recognized in the balance sheet to the extent of its residual involvement in the asset. The residual involvement that takes the form of a guarantee on the transferred asset is valued at the lower of the initial book value of the asset and the maximum amount that the Group could be required to pay.

In cases where the residual involvement takes the form of an option issued and/or purchased on the transferred asset (including options settled in cash or similar), the extent of the Group's involvement corresponds to the amount of the transferred asset that the Group may repurchase; however, in the case of a put option issued on an asset measured at fair value (including options settled in cash or similar), the extent of the Group's residual involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

FINANCIAL LIABILITIES

A financial liability is derecognized when the obligation underlying the liability is extinguished, canceled or discharged.

In cases where an existing financial liability is replaced by another from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially changed, this exchange or change is treated as a derecognition of the original liability and the recognition of a new liability, with any differences between the carrying amounts recognized in the income statement. In the case of changes to financial liabilities defined as non-substantial, the financial liability is not

derecognized and the value of the debt is recalculated keeping the original effective interest rate unchanged, discounting the modified cash flows, thus generating a positive or negative effect on the income statement.

2.7.23 REVENUE

SALES REVENUES

Revenues are recognized to the extent in which it is probable that the economic benefits will be achieved by the Group and the related amount can be reliably determined, regardless of the date of payment. Revenues are measured at the fair value of the amount received or to be received, taking into account the contractually defined payment terms and excluding taxes and duties.

Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the purchaser. Revenue is measured at the fair value of the consideration received or to be received, net of returns and rebates, commercial discounts and volume reductions.

2.7.24 COSTS

Costs are recognized when they relate to goods and services purchased and/or received during the period or by systematic allocation of an expense from which future benefits are spread over time.

2.7.25 FINANCIAL INCOME AND CHARGES

The financial income and charges are reported on an accrual basis based on the interest accrued to the net value of the related financial assets and liabilities by applying the effective interest rate. The financial income and charges include gains and losses on exchange and gains and losses on derivative instruments that must be recognized in the income statement if they fail to meet the requirements to be considered hedging (see sections 2.7.13 and following).

2.7.26 USE OF ESTIMATES

The preparation of the Financial Statements requires that the Directors apply accounting standards and methods that, in certain circumstances, are based on difficult and subjective valuations and estimates based on past experience and assumptions which are from time to time considered reasonable and realistic depending on the relative circumstances. The application of these estimates and assumptions affect the amounts reported in the financial statements, as well as the information provided. The final values of the accounting items for which these estimates and assumptions were used may differ from those reported in the financial statements due to uncertainties regarding the assumptions and the conditions on which the estimates are based. Estimates and assumptions are reviewed periodically and the effects of each variation recognized in the period in which the estimate is revised if the revision

affects only the current period, or even in subsequent periods if the revision affects the current period and those in the future. The financial statement items which, more than others, require a greater degree of discretion by the Directors when making estimates and for which a change underlying the assumptions used could have a significant impact on the financial statements are: defined benefit plans for employees, provision for bad debts, provisions for product warranty risks, other provisions for legal risks, the inventory write-down provision for semi-finished and finished products, the recoverable value of non-current assets with an indefinite useful life ("impairment") and the estimate of the fair value of the net assets acquired ("Purchase Price Allocation").

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS / PROVISIONS FOR EMPLOYEE BENEFITS

The related net financial assets, costs, and expenses are valued using an actuarial method that requires the use of estimates and assumptions to determine the net value of the obligation or asset. The actuarial method considers financial parameters such as for example the discount rate or expected long-term return on plan assets and payroll growth rates, and considers the probability of occurrence of potential future events through the use of demographic parameters, such as for example mortality rates. Specifically, the discount rates taken as reference are rates or rate curves of high quality corporate bond rates (euro Composite AA rate curve) in the respective markets of reference. Expected asset returns are determined based on various data provided by some experts on the long-term expectations of capital market returns, inflation, current bond yields, and other variables, and are adjusted as necessary to account for asset investment strategies. The rates of future pay increases reflect the Group's long-term expectations based on the relevant markets and inflation trends. Changes in any of these parameters could have effects on future contributions to the funds.

IMPAIRMENT TEST

The allocation of goodwill to cash-generating units, the determination of those units, and the forecasting of future cash flows involve making estimates.

The Group has based its estimates and assumptions on parameters available at the time of preparing the Consolidated Financial Statements. However, current circumstances and assumptions about future developments may change due to changes in the market or events beyond the Group's control. If they occur, such changes are reflected in the assumptions.

Note that with regard to this particular aspect, given its significance, a sensitivity analysis was also performed, for which please refer to section "2.10.2 Intangible fixed assets".

PROVISION FOR BAD DEBTS

The provision reflects the risks calculated on specific positions both in relation to insolvency proceedings in progress and cases for which legal action has been taken, or simply receivables outstanding for more than 360 days, as well as the estimate of expected losses on receivables, also in the absence of events that already indicate clear risks of loss, as provided for by international accounting standard IFRS 9.

PROVISION FOR PRODUCT WARRANTY RISKS

The provision includes amounts for both specific risks, estimated on the basis of specific technical analyses, and generic risks. The latter are calculated on the production values of single plants, using the average warranty costs as a percentage of turnover in the last 5 years applied to the turnover of the period.

The warranties granted are in line with legal provisions.

PROVISION FOR LEGAL RISKS

These refer to specific cases assigned to legal attorneys with relation to ongoing litigation.

INVENTORY WRITE-DOWN PROVISION

A generic amount has been set aside, calculated by applying a specific percentage write-down for bands of rotation indices in a systematic fashion, and a specific amount (especially for foreign subsidiaries) relating to the real possibility of disposal of the products.

2.7.27 PUBLIC GRANTS

Public grants are recognized when there is reasonable certainty that they will be received and that all the conditions referring to them have been satisfied. Grants relating to components of cost are recognized as revenues, but are systematically spread over a number of financial periods so as to match the recognition of the costs they are intended to offset. A grant relating to an asset is recognized as a revenue in constant amounts along the expected useful life of the asset in question.

If the Group should receive a non-monetary grant, the asset and the relative grant are recognized at nominal value and released in the income statement in constant amounts along the expected useful life of the asset in question.

Law 124 of 2017 provides for compulsory disclosure of subsidies, grants, appointments or economic advantages received from the Public Administration or, in any case, involving public resources.

From a systematic reading of the regulation, the facilitating measures aimed at all companies have not been included (by way of example but not limited to tax facilitating measures such as hyper-amortization, super-amortization, tax credit for research and development and facilitating measures such as the Wages Guarantee Fund) as these advantages are not aimed at a specific company.

During the year, the Group Italian companies only received State Aid that targeted all companies, and therefore for any details reference should be made to the National Register of State Aid.

2.7.28 SHARE-BASED PAYMENTS

In accordance with IFRS 2, equity-settled incentive plans are measured at fair value at the grant date, determined using an appropriate valuation model, taking into account market and non-market vesting conditions.

The total cost of the plan is recognized in profit or loss on a straight-line basis over the vesting period, with a corresponding entry in other comprehensive income for the equity component and in the statement of financial position for the cash component. At each reporting date, the estimate of the number of instruments expected to vest is revised with reference only to non-market conditions. The effect of the revision is recognized in profit or loss with a corresponding adjustment in other comprehensive income and in the statement of financial position for the cash component.

2.7.29 ACCOUNTING STANDARDS

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2025

The following IFRS accounting standards, amendments and interpretations have been applied for the first time by the Group starting from January 1, 2025:

- On August 15, 2023, the IASB published an amendment called "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability." The document requires an entity to identify a methodology to be applied consistently in order to ascertain 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 disclosure to be made in the notes to the financial statements. The adoption of these amendments has not had any effect on the Group's Consolidated Financial Statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT ADOPTED EARLY BY THE GROUP AS OF DECEMBER 31, 2025

As of the reporting date of this document, the relevant bodies of the European Union have completed the approval process necessary for the adoption of the amendments and standards described below, but these non-mandatory standards have not been early adopted by the Group as of December 31, 2025:

- On May 30, 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 certain problematic aspects that emerged from the IFRS 9 post-implementation review, including accounting for financial assets whose returns vary as ESG targets are reached (green bonds). Specifically, the amendments aim to:
 - Clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance (ESG) targets and the criteria to be used for the SPPI test;
 - determine that the settlement date of liabilities via electronic payment systems is that on which the liability is discharged. However, an entity is permitted to adopt an accounting policy to make it possible to derecognize a financial liability before delivering liquidity at the settlement date when some specific conditions are met.

With these amendments, the IASB also introduced additional reporting requirements specifically regarding investments in FVOCI equity instruments.

The amendments will apply to reporting periods beginning on or after January 1, 2026, but early application is allowed. The Directors do not expect a significant effect in the consolidated financial statements of the Group from the adoption of this amendment.

- On December 18, 2024, the IASB published an amendment called "Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7." The document aims to support entities in accounting for the financial effects of contracts for the purchase of electricity generated from renewable sources (often structured as Power Purchase Agreements). On the basis of these contracts, the quantity of electricity generated and purchased may change depending on

uncontrollable factors, such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7. The amendments include:

- A clarification regarding the application of own use requirements to this contract type.
- Criteria to make it possible to account for these contracts as hedging instruments.
- New reporting requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The amendment will apply from January 1, 2026, but earlier application is allowed. The Directors do not expect a significant effect in the consolidated financial statements of the Group from the adoption of this amendment.

- On July 18, 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 a number of IFRS Accounting Standards. The following standards were amended:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and the relative guidelines on the implementation of IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements;
 - IAS 7 Statement of Cash Flows.

The amendments will apply to reporting periods beginning on or after January 1, 2026. The directors do not expect a significant effect in the consolidated financial statements of the Group from the adoption of this amendment.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET APPROVED 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 April 9, 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, specifically with regard to the income statement. Specifically, the new standard requires entities to:
 - Classify revenue and costs in three new categories (operating section, investing section and financing section), in addition to the income taxes and discontinued operations categories already in the income statement.
 - Present two new sub-totals, the operating profit or loss and profit or loss before financing and income taxes (i.e. EBIT).

The new standard also:

- Requires additional information about the performance indicators defined by the management.
- Introduces new criteria for the aggregation and disaggregation of information.
- Introduces several amendments to the cash flow statement, including the requirement to use operating profit as the point of departure for the presentation of the cash flow statement prepared with the indirect method and the elimination of certain options for the classification of some currently existing items (such as interest paid, interest collected, dividends paid and dividends collected).

The new standard will enter into force as of January 1, 2027, but earlier application is allowed. Directors are currently evaluating the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

2. On May 9, 2024, the IASB published a new standard IFRS 19 Subsidiaries without Public Accountability: Disclosures (along with the Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures published on August 21, 2025). The new standard introduces some simplifications concerning the disclosure required by IFRS Accounting Standards in the financial statements of a subsidiary, which meets the following requirements:
 - it has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them;
 - its parent company prepares consolidated financial statements in compliance with IFRS.

The new standard will enter into force as of January 1, 2027, but earlier application is allowed. The Directors do not expect a significant effect in the consolidated financial statements of the Group from the adoption of this amendment.
3. On November 13, 2025, the IASB published a document named "Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21" which clarifies the conversion procedures for an entity whose reporting currency is that of a hyperinflationary economy. The entity applies the amendments if:
 - Its functional currency is that of a non-hyperinflationary economy and it is converting its profit and loss and financial position into the currency of a hyperinflationary economy.
 - Or it is converting into the currency of a hyperinflationary economy the profit and loss and financial position of foreign operations whose reporting currency is that of a hyperinflationary economy.

The amendments will apply to reporting periods beginning on or after January 1, 2027. The directors do not expect an effect in the consolidated financial statements of the Group from the adoption of this amendment.
4. On January 30, 2014, the IASB published IFRS 14 - Regulatory Deferral Accounts, which allows only first-time adopters of IFRS to continue to recognize amounts related to activities subject to regulated rates ("Rate Regulation Activities") under the previous adopted accounting standards. As the Group is not a first-time adopter, this principle is not applicable.

The Group's business is exposed to various financial risks: market risk (including the exchange rate risk and interest rate risk), credit risk, liquidity risk, price and cash flow risk. The risk management program aims to minimize any negative impacts on the Group's financial performance and is planned by a central function of the Parent Company that coordinates all operating companies, reporting directly to the Chief Executive Officer.

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risk and does not subscribe to derivative financial instruments for speculative purposes.

2.8.1 MARKET RISK

EXCHANGE RATE RISK

The Group operates internationally and is exposed to exchange rate risk due to exposure mainly to the US dollar and the Chinese yuan, and secondarily to the Indian rupee, the Brazilian real and the British pound. The exchange rate risks are generated by forecasts of future commercial transactions and recognized assets or liabilities.

In order to manage the exchange rate risk generated by forecasts of future commercial transactions and recognized assets or liabilities denominated in a currency other than the functional currency of the Group (euro), the Group companies use repurchase agreements (forward), under the coordination of the central Treasury.

The Group's policy is to hedge a portion of future currency transactions that are expected to occur in the next 12 months. Where necessary, derivative contracts previously stipulated are renewed at maturity in relation to the evolution of the business.

The Group is exposed to the conversion risk of net assets of subsidiaries in North America, Great Britain, China, India and Brazil. Considering the strategic importance of the subsidiaries for which the implementation of this activity is foreseen in the short term, the Group did not consider the signing of hedging contracts necessary for this purpose.

As concerns the acquisition of Comtesco, as already described in the section on events subsequent to year-end, please note that to protect itself from any negative exchange rate fluctuations between the date of approval and the closing date of the transaction, the Group carried out a series of hedging transactions to guarantee that the cost of the investment in euros would remain aligned with what was approved by the Board of Directors and the effects of which were recognized in the comprehensive income statement (negative effect of 4,996 thousand euros, without considering tax effects as they are inapplicable). These hedges were no longer in place at year-end close.

INTEREST RATE RISK

The interest rate risk is derived from medium-long term loans at variable rates. Given the financial exposure, the Group's current policy is to use floating rate loans, monitoring the change in the interest rate curves.

2.8.2 CREDIT RISK

The Group's policy is to sell to customers after an evaluation of their credit capacity and therefore within pre-set credit limits. Historically, the Group has not suffered significant losses on receivables.

2.8.3 LIQUIDITY RISK

Prudent management of liquidity risk implies maintaining sufficient available cash and cash equivalents and sufficient credit lines from which to draw in order to meet the commitments made. Due to the dynamic nature of the business, the Group's policy is to have revolving standby credit facilities that can be utilized at short notice.

The Group follows stringent rules to distribute its deposits and liquid assets in a balanced manner among an adequate number of banking institutions with ratings of high standing.

2.8.4 PRICE RISK

The Group is subject to the risk of fluctuations in metal prices, in particular aluminum, copper and steel. The Group's policy is to cover the risk where possible, through commitments from suppliers in the medium term, with stockpiling policies when prices are at their lowest and agreements with customers.

For the operational management of the above risks, please refer to paragraph 2.10.16.

Industry-related information is provided with respect to data monitored by management for strategic purposes with reference to its business sectors.

The information (exclusively economic consistent with what is actually monitored) includes both costs directly attributable and costs allocated according to reasonable assumptions. General and administrative costs, ICT and HR services, fees for directors, Statutory Auditors and Group management departments, as well as costs relating to the global sourcing area (organized according to purchasing group of product category) have been allocated to sectors proportionally to revenues.

The Group operates in the following sectors:

AGRICULTURAL SECTOR

Products mainly consists of speed increasers, speed reducers, bevel gearboxes, PTO driveshafts, wheel drives and axles for agricultural use, especially manufacturers of combine harvesters and tractors, haymaking, harvesting, irrigation and mixing, and land preparation and working machines.

INDUSTRIAL SECTOR

This includes products such as *i*) modular planetary gearboxes, gearboxes for traveling and lifting, slewing, and rigid and steerable axles for manufacturers of construction and forestry machinery, from the shipbuilding industry to the airport and mining industries; *ii*) components for municipalities, for the Mining Industry and for the material handling sector; *iii*) products for the wind and renewable energy sector as well as for augers in biogas machines; *iv*) electric motors for stationary industrial applications, transaxles, and gearmotors for e-Mobility, construction, material handling, and logistics.

Segment indicators (thousand euros)	AGRICULTURAL SECTOR			INDUSTRIAL SECTOR			TOTAL		
	12/31/2025	12/31/2024	Chg %	12/31/2025	12/31/2024	Chg %	12/31/2025	12/31/2024	Chg %
Revenue from contracts with customers	449,987	502,552	-10.5%	443,691	439,820	0.9%	893,678	942,372	-5.2%
EBITDA	70,682	80,427	-12.1%	74,059	77,088	-3.9%	144,741	157,515	-8.1%
EBITDA on revenues (%)	15.7%	16.0%	-	16.7%	17.5%	-	16.2%	16.7%	-
Amortization/depreciation	(28,919)	(31,347)	-7.7%	(25,646)	(26,848)	-4.5%	(54,565)	(58,195)	-6.2%
Operating income (EBIT)	41,762	49,079	-14.9%	48,413	50,241	-3.6%	90,176	99,320	-9.2%

The Agricultural sector, which now accounts for 50.4% of total revenues (53.3% in 2024), experienced a -10.5% decrease in revenues during the year. The revenues of the industrial sector were basically stable.

2.10.1 TANGIBLE FIXED ASSETS

Changes in technical fixed assets and related accumulated depreciation during FY 2025 are illustrated in the following tables:

DESCRIPTION (THOUSAND EUROS)	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER ASSETS	TANGIBLE FIXED ASSETS IN PROGRESS	RIGHTS OF USE	TOTAL
12/31/2023	42,240	90,318	12,339	17,457	16,103	55,821	234,275
Increases	21,005	12,081	3,461	161	20,363	8,100	65,170
Decreases	(2,769)	(614)	(107)	(955)	-	(17,966)	(22,411)
Depreciation	(3,279)	(15,974)	(4,722)	(3,158)	-	(10,550)	(37,682)
Reclassifications	(11)	3,698	756	(381)	(4,108)	46	(0)
Translation reserve	2,084	2,522	28	722	1,981	356	7,692
12/31/2024	59,270	92,031	11,755	13,845	34,339	35,806	247,044
Increases	2,842	8,016	4,368	363	20,282	2,175	38,046
Decreases	(399)	(310)	(206)	(1,084)	(428)	(99)	(2,526)
Depreciation	(2,248)	(13,433)	(5,709)	(3,077)	-	(8,822)	(33,289)
Reclassifications	14,224	835	3,174	(492)	(17,738)	(3)	-
Translation reserve	(3,198)	(3,198)	(360)	(386)	(2,301)	(2,202)	(11,645)
12/31/2025	70,491	83,941	13,022	9,169	34,154	26,855	237,631

The increases recorded during the year, including increases in the item tangible assets under construction, mainly refer to the investment made by the Group in the United States in order to support the strengthening of its local production capacity, as well as investments made in the Reggiolo, Lohmar, Jiaxing and Bangalore plants.

The "Rights of use" heading, relating to the application of the IFRS 16 international accounting standard, mainly refers to the renting of the Group's operating plants and can be broken down as follows:

DESCRIPTION (THOUSAND EUROS)	LAND AND BUILDINGS	OTHER ASSETS	TOTAL
12/31/2023	52,489	3,332	55,821
Increases	7,401	699	8,100
Decreases	(17,966)	-	(17,966)
Depreciation	(9,421)	(1,129)	(10,550)
Reclassifications	-	46	46
Translation reserve	322	34	356
12/31/2024	32,826	2,982	35,805
Increases	1,967	208	2,175
Decreases	(10)	(89)	(99)
Depreciation	(7,825)	(997)	(8,822)
Reclassifications	-	(3)	(3)
Translation reserve	(2,046)	(156)	(2,202)
12/31/2025	24,910	1,945	26,855

There were no significant changes during the year.

2.10.2 INTANGIBLE FIXED ASSETS

Changes in intangible fixed assets are shown below:

DESCRIPTION (THOUSAND EUROS)	GOODWILL	DEVELOPMENT AND APPROVAL COSTS	TRADEMARKS AND KNOW-HOW	CONCESSIONS, LICENSES AND TRADEMARKS	OTHER INTANGIBLE FIXED ASSETS	INTANGIBLE FIXED ASSETS IN PROGRESS	TOTAL
12/31/2023	169,968	254	42,661	49,467	122,280	736	385,368
Increases	-	194	-	2,925	469	808	4,396
Decreases	-	-	-	(69)	-	-	(69)
Amortization	-	(123)	(4,243)	(6,866)	(9,282)	-	(20,514)
Reclassifications	-	-	-	-	-	(1)	(1)
Translation reserve	-	-	-	10	19	-	30
12/31/2024	169,968	325	38,418	45,467	113,487	1,542	369,210

DESCRIPTION (THOUSAND EUROS)	GOODWILL	DEVELOPMENT AND APPROVAL COSTS	TRADEMARKS AND KNOW-HOW	CONCESSIONS, LICENSES AND TRADEMARKS	OTHER INTANGIBLE FIXED ASSETS	INTANGIBLE FIXED ASSETS IN PROGRESS	TOTAL
Increases	-	27	-	3,214	137	1,181	4,559
Decreases	-	-	-	(22)	-	-	(22)
Amortization	-	(386)	(4,238)	(7,250)	(9,402)	-	(21,276)
Reclassifications	-	1,361	-	-	-	(1,361)	-
Translation reserve	-	-	-	(44)	-	-	(44)
06/30/2025	169,968	1,327	34,180	41,365	104,222	1,362	352,428

The item breaks down as follows:

Goodwill

Goodwill arises from business combinations in accordance with IFRS 3 and represents the excess of the cost of the acquisition over the Group's stake in the fair value of the acquirer's identifiable assets, liabilities and contingent liabilities existing at the time of the acquisition.

Development and approval costs and intangible fixed assets in progress

These capitalizations are mainly related to internal orders associated with the development of new products.

These projects meet the requirements of paragraph 57 of IAS 38, which requires the technical feasibility thereof, as well as the intention to complete the project, to introduce new products on the market, the availability of technical and financial resources, as well as a reliable identification of own costs and their ability to produce future economic benefits. These expenses are amortized on the basis of the probable useful life, generally estimated to be 3 to 5 years, depending on the sector they are intended for.

Concessions, licenses and patents

The increases in the period equal to 3,214 thousand euros relate to the capitalization of external costs for the realization of projects already described in the report on operations or to software licenses and applications for the logistics and research and development area.

Other intangible fixed assets

The item mainly includes customer relationships and other fixed assets with finite useful lives resulting from the previous acquisition of the German Walterscheid Group.

GOODWILL

As of December 31, 2025, the item amounted to 169,968 thousand euros, unchanged from the previous year.

Goodwill is allocated to the CGUs as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025
Agriculture CGU	87,727
Industrial CGU	67,945
e-comer CGU	14,296
Goodwill	169,968

Impairment losses on intangible fixed assets with an indefinite useful life and goodwill

At each reporting date the Group checks for the existence of events or circumstances that cast doubt on the recoverability of the value of tangible and intangible fixed assets with a finite useful life, and if there are any indicators of loss it estimates the recoverable value of the fixed assets in order to quantify the extent of any impairment losses. In contrast, goodwill, other intangible assets with indefinite lives, and current intangible fixed assets are tested annually and whenever there is an indication of possible impairment.

Since the Group does not have any fixed assets with indefinite useful life, it performed the impairment test with respect to the goodwill recorded.

The recoverable amount of goodwill is determined by the Directors by calculating the value in use of the cash generating units the goodwill is allocated to. Cash Generating Units are defined as homogeneous aggregations that generate independent cash inflows from the continued use of assets attributable to them.

For the purpose of preparing the consolidated financial statements as of December 31, 2025, the impairment test was conducted considering the CGU configuration adopted in the previous year unchanged, namely i) Industrial, ii) Agricultural, iii) e-comer.

The impairment tests were approved by the Board of Directors on February 16, 2026, and were carried out by comparing the book values of the identified CGUs with the corresponding values in use, determined using the Discounted Cash Flow (DCF) method after tax. The expected cash flows used in the DCF calculation were determined based on the 5-year business plans, considering the various scenarios of reference and market development expectations based on the information available at the end of 2025.

These flows were discounted at a discount rate calculated using the Weighted Average Cost of Capital ("WACC"), i.e., by weighting the expected rate of return on invested capital net of the costs of hedging for a sample of companies in the same industry. The average cost of capital (WACC) was calculated as 10.4% for e-comer, 9.3% for the Industrial and Agricultural CGUs. The estimated long-term growth rate (g-rate) was set in line with the expected long-term inflation rate of 2.0%.

The impairment tests did not reveal the need for any impairment of goodwill recorded as of December 31, 2025.

The sensitivity analyses performed considering positive changes in the WACC discount rate by one percentage point, alternatively to or jointly with negative changes in the long-term growth rate by one percentage point, did not bring to light any indicators of impairment losses for the Agriculture, Industrial, and e-comer CGUs.

2.10.3 EQUITY INVESTMENTS IN OTHER COMPANIES

The item mainly refers to the equity valuation in Matsui Walterscheid Ltd., a 40% subsidiary of Walterscheid GmbH.

2.10.4 DEFERRED TAX ASSETS

The balance of deferred tax assets, amounting to 26,744 thousand euros, was down by 11,382 thousand euros (38,126 thousand euros as of December 31, 2024) primarily as a result of the revision of the tax rate in China as commented on later in the notes as well as the reversal of deferred tax assets correlated with risk provisions, which declined in the current financial year.

The balance of temporary differences of the foreign subsidiaries is mainly attributable to the pension fund of the German subsidiaries.

The following aspects were taken into account in the calculation of deferred tax assets:

- The tax laws of the countries that the Group operates in and their impact on temporary differences, as well as any tax benefits from the use of tax loss carryforwards, considering their possible recoverability over a three-year time horizon.
- The Group's profit forecast in the medium and long term.

Based on the above, the Group believes that it can recover the recognized assets with reasonable certainty.

2.10.5 OTHER LONG-TERM RECEIVABLES

The changes are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Security deposits for foreign rentals	118	406
Other minor receivables including security deposits Italy	461	423
Other long-term receivables	-	86
Total Other long-term receivables	579	915

The item "other long-term receivables" relates to guarantee deposits primarily for real estate in rental agreements and consumption.

2.10.6 INVENTORIES

The changes are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	NET CHANGE	TRANSLATION RESERVE	12/31/2025
Raw materials and Packaging	90,616	(12,291)	(3,259)	75,066
Provision for write-down of raw materials and consumables	(10,108)	3,003	346	(6,759)
Raw and ancillary materials and packaging	80,508	(9,288)	(2,913)	68,307
Semi-finished products purchased and produced	65,612	33,558	(1,916)	97,254
Allowance for impairment of work in progress for purchase and production	(8,021)	372	82	(7,566)
Work in progress	57,591	33,930	(1,834)	89,687
Finished products and Goods	50,876	2,626	(2,193)	51,310
Provision for write-down of finished products	(11,758)	(1,955)	207	(13,506)
Finished products	39,118	672	(1,986)	37,804
Inventories	177,217	25,314	(6,732)	195,798

The increase in inventories of 18,581 thousand euros compared with December 31, 2024 is mainly the result of expectations concerning sales forecast in the first part of 2026.

Inventories are shown net of a provision for obsolescence for a total amount of 27,831 thousand euros, a decrease compared to December 31, 2024 of 2,056 thousand euros.

2.10.7 TRADE RECEIVABLES AND OTHER SHORT-TERM RECEIVABLES

The changes are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	NET CHANGE	TRANSLATION RESERVE	12/31/2025
Short-term receivables from customers	167,127	39,083	(8,199)	198,011
Provision for bad debts	(5,918)	(2,519)	258	(8,180)
Trade receivables	161,209	36,564	(7,941)	189,831
Advances to suppliers	440	(339)	(1)	100
Accrued income and prepaid expenses	3,165	(400)	(156)	2,609
Other short-term receivables	4,796	(1,928)	(294)	2,574
Other short-term receivables	8,401	(2,667)	(451)	5,284

The balance of trade receivables was also affected by the trend of turnover in the final quarter of the year, which recorded a significant increase compared to the final quarter of the previous year.

Average collection days calculated on aggregate revenues for the last quarter stood at 73 days and were unchanged from the previous year.

In accordance with IFRS 9, the Group determined the provision for bad debts by estimating Expected Credit Loss (ECL) considering historical, current, and prospective information. The simplified model was used to determine the provision, requiring immediate recognition of the expected losses over the entire life of the receivable.

Note that during the year under review the Group did not experience any significant credit losses.

Finally, note that there are no trade receivables due after the year.

The Group is not particularly exposed to the nations currently involved in conflicts, such as those in Russia, Belarus, Ukraine, Iran, UAE and Israel. Note that consolidated receivables from customers residing in these countries correspond to less than 1% of the total item and that there are no significant positions past due.

As of December 31, 2025, the presentation of trade receivables by maturity bracket is shown in the following table.

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Current	181,161	157,539
30-60 days past due	6,175	4,143
60-90 days past due	2,919	798
More than 90 days past due	7,756	4,647
Provision for bad debts	(8,180)	(5,918)
Trade receivables	189,831	161,209

Note that loans that are less than 30 days past due are classified in the bracket called "Current." Note also that at the end of the current fiscal year, the current ratio stood at 95.4%.

2.10.8 CURRENT TAX ASSETS

The changes are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	NET CHANGE	12/31/2025
Italian and foreign VAT	13,532	(5,575)	7,957
Other tax receivables	3,520	13,400	16,921
Current tax assets	17,053	7,825	24,878

The current VAT credit of 7,957 thousand euros is mainly attributable to the parent company Comer Industries S.p.A. for 2,746 thousand euros (it was 2,082 thousand euros on December 31, 2024) and to the subsidiary Comer Industries Components S.r.l. for 1,670 thousand euros (it was 5,672 thousand euros on December 31, 2024). During the year, the VAT credits of Comer Industries S.p.A. in the amount of 2,000 thousand euros and of Comer Industries Components S.r.l. in the amount of 4,039 thousand euros were collected.

The item Other tax receivables for 16,921 thousand euros mainly represents the excess of advances paid with respect to current taxes calculated on the profit generated during the period. The balance also includes tax credits for research and development in the amount of 137 thousand euros related to the parent company Comer Industries S.p.A.

2.10.9 FINANCIAL ASSETS AND LIABILITIES, GUARANTEES

The net financial position as of December 31, 2025 was negative and amounted to 28,855 thousand euros. The value of other financial liabilities attributable to the accounting treatment of leasing contracts according to IFRS 16 at December 31, 2025 amounts to 28,526 thousand euros, down compared to December 31, 2024 (37,108 thousand euros), due to the repayment of installments relating to outstanding contracts.

Cash and cash equivalents were up by 20,212 thousand euros, moving from 89,508 thousand euros at December 31, 2024 to 109,720 thousand euros at December 31, 2025, mainly due to the generation of operating cash and cash receipts in the latter part of the year.

Below is the composition of the net financial position as of December 31, 2025 and changes compared to the previous year:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
A) Cash and cash equivalents	109,720	89,508
B) Cash equivalents	-	-
C) Other current financial assets	77,229	12,729
D) Liquidity (A+B+C)	186,949	102,237
E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(40,529)	(20,409)
F) Current part of non-current financial debt	(67,586)	(32,379)

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
G) Current financial debt (E+F)	(108,115)	(52,788)
of which secured	-	-
of which not secured	(108,115)	(52,788)
H) Net current financial debt (G-D)	(78,834)	(49,449)
I) Non-current financial debt (excluding current portion and debt instruments)	(107,689)	(107,850)
J) Debt instruments	-	-
K) Trade and other non-current payables	-	-
Non-current financial debt (I+J+K)	(107,689)	(107,850)
L) of which secured	-	-
of which not secured	(107,689)	(107,850)
M) Gross Financial Debt (G+L)	(215,804)	(160,638)
N) Net Financial Debt (Net financial position) (D+M)	(28,855)	(58,401)

Item C) "Other current financial assets" includes amounts for the acquisition of the investment in Comtesco, which took place in early 2026. This amount includes the negative exchange rate spread of 4,996 thousand euros accounted for in the comprehensive income statement.

Current and non-current financial payables as of December 31, 2025 amounted to 215,804 thousand euros as detailed below:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	INCREASES	DECREASES	12/31/2025
Short-term loans	45,681	52,219	-	97,900
Medium/long-term loans	75,192	12,404	-	87,596
Financial payables to banks	120,873	64,623	-	185,496
Up-front commissions for structured loans (current portion)	(59)	-	(24)	(83)
Up-front commissions for structured loans (M/LT portion)	(189)	86	-	(103)
Debt to third parties for acquisition (current portion)	937	63	-	1,000
Debt to third parties for acquisition (long-/medium-term portion)	1,968	-	(1,000)	968
Other financial payables IFRS 16 short-term	6,229	3,069	-	9,298
Other financial payables IFRS 16 long-term	30,879	-	(11,650)	19,229
TOTAL SHORT-TERM AND LONG-TERM FINANCIAL PAYABLES	160,638	67,841	(12,675)	215,804

Debt to third parties for acquisition refers to the payment in installments of the price for the acquisition of e-comer in 2023.

It should be noted, as required by paragraph 186 of ESMA Communication 32-382-1138 of March 4, 2021, that there are no material elements in terms of indirect indebtedness to be brought to attention in these consolidated financial statements.

SHORT-TERM DERIVATIVE FINANCIAL INSTRUMENTS

On December 31, 2025, the Group closed all derivative contracts previously entered into with credit institutions in order to hedge the exchange rate risk linked to the acquisition of Comtesco.

More information on this can be found in the section 2.10.16 relating to exchange rate risk management.

CASH AND CASH EQUIVALENTS

The amount of 109,720 thousand euros compares with 89,508 thousand euros last year. This increase is mainly attributable to the positive result of core operations. The nominal value of cash and cash equivalents is aligned with their respective fair value at the reporting date.

The Group follows stringent rules to distribute its deposits and liquid assets in a balanced manner among an adequate number of banking institutions of high standing.

More information can be gleaned from the cash flow statement.

SHORT-TERM LOANS AND CURRENT PORTION OF MEDIUM/LONG TERM LOANS

The amount of 97,900 thousand euros consists of short-term financial debts to the banking system.

The item includes not only the current portion of the loan from Crédit Agricole Italia (CAI), but also the balance as of December 31, 2025, of the standby revolving credit facilities.

The increase of 52,219 thousand euros compared to the previous year was caused primarily by the new loan taken out to obtain the funding needed for the closing of the acquisition described previously.

DESCRIPTION (THOUSAND EUROS)	BOOK VALUE 12/31/2024	CHANGE	BOOK VALUE 12/31/2025
Bank accounts payable and advances Comer Ind S.p.A.	17,242	13,062	30,304
Bank accounts payable and advances Comer Comp. S.r.l.	3,343	(3,343)	-
Simest loan e-comer S.r.l.	96	-	96
Loan CAI Comer Ind. S.p.A.	25,000	42,500	67,500
TOTAL GROSS SHORT-TERM LOANS	45,681	52,219	97,900
Up-front commissions for short-term structured loans	(59)	(24)	(83)
TOTAL NET SHORT-TERM LOANS	45,622	52,243	97,817

LONG-TERM LOANS

The item mainly includes the long-term portions of the two loans outstanding with Crédit Agricole in the amount of 50,000 thousand euros maturing on 12/19/2028 and 37,500 thousand euros maturing on 12/19/2029.

The loan described above requires compliance with a financial covenant, which was fully met as of the closing date of the current fiscal year.

Further information can be obtained from the specific tables provided below.

DESCRIPTION (THOUSAND EUROS)	BOOK VALUE 12/31/2024	CHANGE	BOOK VALUE 12/31/2025
Simest loan long-term portion	192	(96)	96
Loan Crédit Agricole M/L long-term portion	75,000	12,500	87,500
TOTAL GROSS LONG-TERM BORROWINGS	75,192	12,404	87,596
Up-front commissions for M/LT structured loans	(189)	86	(103)
TOTAL LONG-TERM BORROWINGS	75,003	12,490	87,493

Reported below is the breakdown of bank loans by nature, short and medium/long-term existing as at December 31, 2025:

DESCRIPTION (THOUSAND EUROS)	BALANCE AS AT DECEMBER 31, 2024	NEW DISBURSEMENTS	REPAYMENTS	BALANCE AS AT DECEMBER 31, 2025	< 1 YEAR	> 1 YEAR	OF WHICH > 5 YEARS	EXPIRY
CAI	100,000	-	(25,000)	75,000	25,000	50,000	-	12/19/2028
CAI	-	50,000	-	50,000	12,500	37,500	-	12/19/2029
CAI	-	30,000	-	30,000	30,000	-	-	03/31/2026
Simest	288	-	(96)	192	96	96	-	12/31/2027
TOTAL	100,288	80,000	(25,096)	155,192	67,596	87,596	-	-

OTHER SHORT AND MEDIUM/LONG-TERM FINANCIAL PAYABLES

The item includes payables arising from the application of IFRS 16 in the amount of 28,526 thousand euros, as well as the deferred payment portion related to the e-comer business combination. This debt, payable in constant annual installments of 1,000 thousand euros until FY 2027, is 1,968 thousand euros due to the application of amortized cost.

Details of the payables and movements in the period are shown below:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	NET CHANGE	12/31/2025
Short-term payables IFRS 16	6,229	3,068	9,298
Long-term payables IFRS 16	30,879	(11,650)	19,229
Short-term acquisition payables	937	63	1,000
Long-term acquisition payables	1,968	(1,000)	968
TOTAL	40,015	(9,519)	30,494

COMMITMENTS AND GUARANTEES

Guarantees given amount to 19,563 thousand euros (28,027 thousand euros in 2024) and consist for the most part of commitments of the parent company for guarantees given to the Chinese subsidiary (Comer Jiaxing) for foreign exchange hedging operations.

The Group has no commitments to finance leasing companies.

2.10.10 NET EQUITY

The fully subscribed and paid-up share capital of the Parent Company as of December 31, 2025, is 18,487,338.60 euros and consists of 28,678,090 shares without nominal value. A portion of these shares, specifically 53,638 with a market value of 1,486 thousand euros, is held as treasury shares as of the closing date of this fiscal year.

On May 21, 2025, dividends of 22.9 million euros, equivalent to 0.80 euros per share, were paid out of 2024 profits.

Other reserves include:

OTHER RESERVES (THOUSAND EUROS)	12/31/2025	12/31/2024
Legal reserve	3,697	3,697
Extraordinary reserves available	44,316	44,316
Consolidation reserve	3,543	3,543
FTA reserve (IAS/IFRS first time adoption)	(5,923)	(5,923)
Stock grant reserve	640	-
Translation reserve	(15,416)	(1,640)
IAS 21 reserve	(7,995)	-
Reserve own shares in portfolio	(1,486)	(738)
CFH reserve	(4,996)	-
IAS 19 reserve	33,091	25,987
TOTAL OTHER RESERVES	49,472	69,242

Information regarding the distributability of the reserves can be found in the notes to the financial statements of the parent company.

With reference to the IAS 21 reserve, the change for the year is attributable for 11,104 thousand euros net of the tax effect of 3,109 thousand euros to the reclassification to OCI, in accordance with the requirements of IAS 21, of the exchange difference on the loan between the parent company Comer Industries S.p.A. and the subsidiary WPG US Holdco LLC, which is considered a net investment in a foreign operation.

Furthermore, at the reporting date, the cash flow hedge reserve also includes the negative spread in the fair value (of 4,996 thousand euros) relating to the adjustment in the financial statements reporting

currency of the funding obtained in Japanese yen in order to proceed with the closing of the acquisition of the investment in Comtesco in early January 2026. This suspension in net equity, in compliance with IFRS 9, derives from the designation of the cash acquired as a hedging instrument of the sale transaction.

For changes in reserves, see the Consolidated Statement of Changes in Equity.

The IAS 19 reserve refers to the recognition of actuarial gains on pension funds described in detail in Section 2.10.12, to which reference should be made for further details.

Reconciliation between the Net Equity and the result of operations of the parent company Comer Industries S.p.A. in compliance with the IAS/IFRS international accounting standards as at December 31, 2025, and the amounts reported in this consolidated financial report, drawn up in compliance with international standards, on the same date is as follows:

Description (thousand euros)	12/31/2025		12/31/2024	
	Net equity	Net profit/loss for the year	Net equity	Net profit/loss for the year
IAS/IFRS net equity of the Parent Company	375,545	53,821	349,666	65,786
Surplus of net equity in the financial statements, including operating results compared to carrying values of investments in consolidated companies	249,416	61,445	243,245	70,749
Elimination of intercompany dividends	-	(45,122)	-	(59,658)
Equity contribution of subsidiaries to the Parent Company	249,416	16,323	243,245	11,091
Effects deriving from consolidation entries	(63,287)	(8,869)	(48,743)	(9,657)
Net equity attributable to minority interests	-	-	-	-
Total IAS/IFRS net equity	561,673	61,275	544,168	67,221

All the effects of the above are shown net of the related taxes.

2.10.11 DEFERRED TAX LIABILITIES

The deferred taxes are related to the tax effect of timing differences between the profit and loss for the year for statutory purposes of each company, and any associated taxable income in accordance with tax regulations.

The amounts so defined are detailed in the following table:

DESCRIPTION (THOUSAND EUROS)	12/31/2025 TOT. DEFERRED TAXES	12/31/2024 TOT. DEFERRED TAXES	2025 (UTILIZED) ACCRUED
Temporary differences Italian companies	759	1,127	(368)
Temporary differences foreign subsidiaries	44,264	50,904	(6,640)
TOTAL DEFERRED TAXES	45,024	52,031	(7,007)
Total deferred taxes consolidation	210	612	(401)
TOTAL DEFERRED TAXES IN THE FINANCIAL STATEMENTS	45,234	52,643	(7,409)

The balance of temporary differences of the Italian companies is mainly attributable to the adjustment of deferred tax assets.

The balance of foreign subsidiary temporary differences mainly includes the deferred tax effect resulting from the final Purchase Price Allocation processes of the previous years. This reduction was caused by the release of the provision for deferred taxes correlated with amortization and depreciation accounted for during the year.

2.10.12 LIABILITIES FOR EMPLOYEE BENEFITS

This item includes provisions for defined benefit plans related to employment such as severance pay, equivalent plans, and pension funds.

Changes in the item are shown below:

CHANGES (THOUSAND EUROS)	12/31/2025	12/31/2024
OPENING BALANCE	123,562	130,487
Acquisition balances	-	-
Use for discharges and advances	(6,263)	(7,078)
Settlements of complementary pensions and treasury funds	-	(183)
Allocation for the year	5,196	5,497
Exchange rate differences	19	-6
Effects of IAS 19 recalculation period (gross of taxes)	(10,506)	(5,154)
CLOSING BALANCE	112,008	123,562
Of which short term	9,056	8,027
Of which medium-long term	102,952	115,536

The economic and equity effects of the period, compared with the previous year, are detailed below:

CHANGES (THOUSAND EUROS)	12/31/2025	12/31/2024
Current service cost	(1,094)	(1,177)
Actuarial losses/(gains)	10,513	5,154
Financial expenses	(4,122)	(4,314)
Tax effect on income statement	1,582	1,681
Equity tax effect	(3,409)	(1,683)
OVERALL EFFECT	3,471	(339)

The item refers to deferred compensation to employees in Italy and Germany in the form of defined benefit plans.

In Italy, the Trattamento di Fine Rapporto (TFR) is a form of deferred compensation that employers must pay as severance to employees at the end of their employment, as stipulated in Article 2120 of the Italian Civil Code. The portion of the TFR set aside up to December 31, 2006, following the Supplementary Pension Reform, continues to be managed as a defined benefit pension plan, while the sum set aside thereafter is disbursed annually to the relevant institutions.

The main risks associated with this plan relate to the amounts accumulated, which are disbursed to workers in the form of a lump sum upon retirement or when leaving the company.

Under Italian law, workers can request an advance on the total benefit set aside, but this carries the risk that workers will leave the plan early or that the advance payments requested will exceed projections, causing an actuarial loss due to accelerated cash flows.

Other risks that the pension plans in Italy are subject to are related to inflation, which affects the benefits accumulated, and the discount rate.

In Germany, there are three types of retirement plans: the "Pension Plan," the "Jubilee Plan," and the "Early Retirement Plan." The pension plan is provided by the company upon reaching retirement age or in case of disability (with the possibility of a benefit for the surviving spouse).

This plan does not provide a lump sum payment, but is disbursed as a periodic benefit. The benefits to be paid are calculated based on several factors, including a fixed percentage of annual salary, salary increases, and beneficiary longevity.

The main risk associated with this plan relates to pension increases imposed by local laws, which could result in retroactive increases (up to 3 years), in addition to future increases or delays in pension adjustments, as happened in 2022 and 2023 due to higher-than-expected real inflation. Moreover, there could be a risk related to a higher-than-assumed life expectancy and volatility of the discount rate, which could affect the Defined Benefit Bond.

During the year 2025, the pension plan in the Group's US companies was transferred to a leading US insurance company.

This transfer, which involved the entire pension debt, was carried out for the transfer of a single premium financed by the plan assets. The plan transfer generated a positive effect of an insignificant amount.

Employee benefit liabilities are determined using actuarial valuation methods with the support of a third-party actuarial firm, and adjusted in connection with the occurrence of events that require updates. The date of the last actuarial valuation was December 31, 2025, and the actuarial valuation method used for most of the plans is the Projected Unit Credit method, which calculates the present value of the company's obligation relating to benefits payable to employees after termination of employment.

The value of post-employment benefits at the end of the reporting period (112,008 thousand euros) decreased compared to the value at the end of the previous period (123,562 thousand euros). This change of 11,554 thousand euros before taxes is mainly reflected in the recognition of the actuarial gain accrued as a result of the adjustment of discount rates, as explained below.

Liabilities for defined benefit plans have been determined using the following 2025 Group actuarial assumptions:

ITALIAN ACTUARIAL ASSUMPTIONS	UNIT OF MEASUREMENT	12/31/2025	12/31/2024
Discount rate	%	3.7	3.5
Expected rate of wage growth	%	0.5	0.5
Expected % of employees who will resign before pension (turnover)	%	5	5
Annual cost of living increase rate	%	2	2
Annual rate of TFR increase	%	3	3

The values of the employee severance indemnity provision that would have been obtained by changing the above actuarial assumptions are as follows:

CHANGES (THOUSAND EUROS)	DISCOUNTED SEVERANCE INDEMNITY PROVISION
Turnover rate +1.0%	7,835
Turnover rate -1.0%	7,726
Annual cost of living increase rate +0.25%	7,879
Annual cost of living increase rate - 0.25%	7,689
Discount rate + 0.25%	7,648
Discount rate - 0.25%	7,922

With regard to the German subsidiaries, the liabilities for defined benefit plans have been determined using the following actuarial assumptions:

GERMAN ACTUARIAL ASSUMPTIONS	UNIT OF MEASUREMENT	12/31/2025	12/31/2024
Discount rate	%	4.2	3.3
Expected rate of wage growth	%	2.00	2.75
Annual rate of increase in pension liability	%	2.30	2.25

The interest rate used for discounting employee benefits is based on the yields of high-grade corporate bonds with an average rating of AA, which has remained essentially unchanged since December 31, 2024.

The significant actuarial assumptions in determining the defined benefit obligations are discount rate and future salary growth. The sensitivity analysis was determined based on reasonable possible changes in the respective assumptions occurring at the end of the reporting period, holding all other assumptions constant:

- If the discount rate is 0.5% higher, the defined benefit obligation will decrease by 5.7 million euros (7.4 million euros in 2024).
- If the projected future salary growth were higher than 0.5%, the defined benefit obligation would increase by 0.5 million euros (0.7 million euros in 2024).

The composition of personnel by category, based on average data, is as follows:

CONTRACT CATEGORY	AVERAGE NUMBER 2025	AVERAGE NUMBER 2024
Senior executives	28	29
White Collar and Managers	910	1,003
Blue Collar and Outsourced workers	2,180	2,389
TOTAL	3,119	3,421

As of December 31, 2025, the Group had 3,226 resources (including temporary workers), an increase of 55 from December 31, 2024.

2.10.13 SHORT- AND LONG-TERM PROVISIONS

The provisions include:

PROVISIONS FOR RISKS AND CHARGES (THOUSAND EUROS)	12/31/2025	12/31/2024
Provision for product warranty risks	10,049	25,514
Other provisions for risks	11,670	5,015
Short-term provisions	21,720	30,529
Provision for long-term product warranties	19,461	14,353
Other provisions for risks	100	4,375
Other provisions for risks and legal charges	-	1,282
Agents provision	156	147
Long-term provisions	19,717	20,157

The product warranty provision represents the best estimate of specific risks known prior to the preparation of the financial statements related to past productions and attributable to open claims not yet resolved at year-end. Moreover, the provision includes sums calculated on the basis of the median warranty costs incurred on turnover over the past five years.

The Supplementary Agents Indemnity Fund includes provisions for reimbursements recognized in the event of termination of the agency relationship, quantified according to the methods indicated in the collective economic agreement signed March 20, 2002 for the regulation of agency relations and commercial representation in the industrial sectors and cooperation.

The provision for contingent liabilities and legal expenses represents the reasonable risk calculated in relation to litigation or potential liabilities still pending in court.

Lastly, the other short-term and long-term provisions for risks and charges cover the estimate of liabilities mainly related to the completion of Group reorganizations. The reduction is attributable to the uses recorded during the year.

The overall change in short- and long-term provisions of 9,249 thousand euros refers primarily to the use during the year for company reorganization projects in Europe and the United States and to a residual extent to the exchange rate effect on provisions expressed in a foreign currency.

2.10.14 TRADE PAYABLES AND OTHER SHORT- AND LONG-TERM PAYABLES

TRADE PAYABLES

The balance of 190,786 thousand euros shows a decrease of 38,197 thousand euros from the previous year. The average payment days as of December 31, 2025 (calculated on the cost of the last quarter's sales) amounted to 110 days compared to 104 days in the previous year.

There are no payables expiring after more than one year or expired for more than 12 months.

OTHER SHORT- AND LONG-TERM PAYABLES

The balance of other short- and long-term payables is 47,571 thousand euros.

The short-term balance amounting to 42,076 thousand euros mainly includes amounts due to employees for services accrued and not paid as of the year-end closing.

2.10.15 CURRENT TAX LIABILITIES

The details are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Tax authority balance for current taxes	5,882	193
Other amounts due to tax authorities for withholding tax and VAT owed by foreign companies	1,891	2,756
Current tax liabilities	7,773	2,949

2.10.16 INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is related to the difficulty in raising funds to meet commitments made.

The control and implementation of appropriate policies for the management of liquidity risk in the presence of contingency guarantee the Company's survival and minimize the cost of funding.

This particular risk, unlike the others, manifests its effects in a very short time, with devastating consequences for companies.

It can result from insufficient resources available to meet financial obligations under the terms and deadlines set in the case of sudden revocation of uncommitted credit lines or of the possibility that the Company must honor its financial liabilities before their natural expiry.

As previously commented, the treasury activities of the Group are substantially centralized at the parent company.

The management of liquidity risk implies:

- Maintaining credit lines defined as primary risk within a total of no more than 80% of total credit lines and a substantial balance between the short and medium/long-term lines. This is necessary in order to avoid liquidity strains in the case of requests for any reimbursement by the relevant financial partners.
- Maintaining adequate liquidity derived from the cash flow generated by current operations.

It should be added that in managing this type of risk, the Group always tries to finance its investments with medium- to long-term unsecured claims in the breakdown of net debt, while covering current expenses using the short-term credit lines above.

MANAGEMENT OF INTEREST RATE RISK

The Group is exposed to the risk of changes in interest rates associated with outstanding financial assets and liabilities. The objective of interest rate risk management is to limit and stabilize the negative effects on cash flows subject to changes in interest rates.

MANAGEMENT OF EXCHANGE RATE RISK

In addition to what is written in the previous paragraph, it should be noted that the Group has significant transactions in the currency of non-euro countries (mainly USD and CNY).

The exchange rate risk is hedged through purchase and sale of foreign currencies contracts (forwards). Counterparties in these operations are the banks with which the Group normally operates.

The currencies involved are the USD and CNY, and any such transactions carried out to hedge cash inflows connected with budgeted sales transactions, scheduled on a monthly basis, may well fall within those defined as "highly effective" on "highly probable" future transactions, and their economic effect is recorded on an accrual basis.

The efficacy assessment is aimed at proving the high correlation existing between the characteristics of the risk being hedged (maturity, amount, etc.) with those of the hedging instrument, by carrying out specific retrospective and prospective qualitative and quantitative tests.

The fair value of a derivative contract is calculated using the official listing prices for instruments traded in regulated markets. The fair value of instruments that are not listed on regulated markets is calculated using valuation models that are appropriate for each category of financial instrument, with market data related to the balance sheet date (such as interest rates, exchange rates, and volatility), discounting the expected cash flows based on interest rate curves and converting amounts in other currencies to the euro through exchange rates provided by the European Central Bank.

SENSITIVITY ANALYSIS

The following analysis has been prepared in order to better identify the economic risks and changes in equity arising from possible changes in exchange rates.

The analysis is performed by comparing the euro values of foreign currency investments with what the euro values would have been using the highest and lowest exchange rates recorded during the 52 weeks of 2025.

The aim of the simulation is to show the impacts on the Group's net profit and equity deriving from the translation of the financial statements of subsidiaries into the currency of the consolidated financial statements according to potential maximum fluctuations predicted by the analysis.

	LOCAL CURRENCY		RANGE LAST 52 WEEKS 2025		Spot 12/31/2025	IMPACT ON NET EQUITY		2025 Avg. 365 days	IMPACT ON NET PROFIT (THOUSAND EUROS)	
	Net equity	Net profit	min. value	max. value		min. value	max. value		min. value	max. value
US dollar	146,460	(2,093)	1.02	1.18	1.18	18,970	(916)	1.13	(200)	84
British pound	5,119	(93)	0.83	0.88	0.87	336	(80)	0.86	(4)	3
Chinese renminbi	1,083,772	232,523	7.45	8.46	8.23	13,726	(3,617)	8.12	2,570	(1,151)
Indian rupee	1,905,075	468,429	88.33	107.07	105.60	3,526	(248)	98.52	548	(379)
Brazilian real	25,694	14,224	5.95	6.69	6.44	324	(150)	6.31	134	(128)

The Group considers that it is not subject to significant economic and equity impacts deriving from the management of transactions of the single legal entities forming part of the scope of consolidation in foreign currency.

MANAGEMENT OF CREDIT RISK

The Group's policy is to sell to customers after an evaluation of their credit capacity and therefore within pre-set credit limits.

This method has allowed the Group to avoid suffering significant credit losses in the past.

With reference to the conditions of the social economic environment in 2025, it is believed that the credit risk remained unchanged from the previous year. Consequently, the Group continued to strengthen its procedures for the selection of customers, monitoring of recoveries of credit and has set up a specific insurance coverage for 95% of receivables generated by the Holding company (with the exception of several historical customers with a grade of highly reliable). The risk of insolvency has been adequately reflected in the accounts by the allocation of the specific provision for bad debts.

MANAGEMENT OF PRICE RISK

The Group is subject to the risk of fluctuation in the price of raw materials, particularly that of aluminum, cast iron, copper, and steel. Group companies review the sales prices of the products annually, transferring to customers increases in purchase costs based on specific trade indexing agreements.

FINANCIAL INSTRUMENTS BY CATEGORY

To complete the financial risk disclosures, following is a reconciliation between classes of financial assets and liabilities as identified in the Group's balance sheet and types of financial assets and liabilities identified based on the requirements of IFRS 7, as well as an indication of the level by type of fair value, as required by IFRS 13:

DESCRIPTION (THOUSAND EUROS)	FINANCIAL ASSETS AT FAIR VALUE WITH A BALANCING ENTRY IN THE INCOME STATEMENT	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL LIABILITIES AT AMORTIZED COST	FAIR VALUE	FAIR VALUE VALUATION LEVEL
ASSETS AS OF DECEMBER 31, 2025					
Equity investments in other companies	2,163	-	-	2,163	Level 3
Other long-term receivables	-	579	-	579	-
Trade receivables	-	189,831	-	189,831	-
Other short-term receivables	-	5,284	-	5,284	-
Other financial assets	-	77,229	-	-	-
Cash and cash equivalents	-	109,720	-	109,720	-
Total assets	2,163	382,643	-	307,578	-
LIABILITIES AS OF DECEMBER 31, 2025					
Long-term loans	-	-	(87,397)	(87,397)	-
Trade payables	-	-	(190,786)	(190,786)	-
Other short-term payables	-	-	(42,076)	(42,076)	-
Short-term loans	-	-	(97,882)	(97,882)	-
Other short-term financial payables	-	-	(10,297)	(10,297)	-
Other long-term financial payables	-	-	(20,229)	(20,229)	-
Total liabilities	-	-	(448,666)	(448,666)	-
TOTAL	2,163	382,643	(448,666)	(141,088)	-

2.10.17 REVENUE FROM CONTRACTS WITH CUSTOMERS

The breakdown of revenues by geographic region is as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	INC. %	12/31/2024	INC. %	CHANGE %
EMEA	495,542	55.4%	513,759	54.5%	-3.5%
NORTH AMERICA	172,622	19.3%	216,265	22.9%	-20.2%
ASIA PACIFIC	182,529	20.4%	170,922	18.1%	6.8%
LATIN AMERICA	42,986	4.8%	41,426	4.4%	3.8%
Total turnover by geographical area	893,678	100.0%	942,372	100%	-5.2%

The Group closed 2025 with a decrease of 5.2% in sales revenues, which stand at 893,678 thousand euros. At constant exchange rates, turnover decreased by 3.4% compared to 2024. Turnover was down in EMEA and North America, while it recovered in the other geographical areas.

The turnover generated outside national borders remained around 90% of the total, a figure that confirms the marked propensity for international expansion.

2.10.18 OTHER OPERATING REVENUES

The breakdown of other operating revenues is as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Recovery of manufacturing, repair, service and transportation expenses	4,125	1,577
Scrap sales	774	735
Gains	781	8,957
Capitalized costs	1,233	1,030
Income from insurance claims	472	-
Other revenues and income including out-of-period income	4,034	683
TOTAL OTHER REVENUES AND INCOME	11,420	12,982

The "Recovery of production, repairs, services and transport costs" heading includes, among other things, bonuses and volume awards on supplies, charges for design and endurance test expenses, and the recovery of logistical and repair costs.

Costs capitalized during the year for industrial product development projects amount to 1,233 thousand euros.

2.10.19 PERSONNEL COSTS

Personnel costs in absolute terms amounted to 196,863 thousand euros, essentially aligned with the comparative period.

The heading also contains the annual production bonus and provision of the variable salary recognized upon the achievement of the financial and profitability objectives established for 2025.

2.10.20 REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

The fees of the Directors and Statutory Auditors of Comer Industries S.p.A. for the performance of their offices in the Parent Company and in the other enterprises included in the consolidation are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Directors	1,829	1,472
Statutory Auditors	50	50
TOTAL COMPENSATION	1,879	1,522

The amounts include fees payable for the period resolved by the Shareholders' Meeting and the remunerations established by the Board of Directors for Directors attributed particular responsibilities, including bonuses. The values do not include social security and insurance contributions.

Note that in 2024 the Board of Directors approved a long-term incentive plan structured into a series of three consecutive three-year plans, reserved for top management. Each plan provides for the free allocation of a certain number of ordinary shares of the Parent Company and a cash amount upon achievement of predefined performance targets, which are assessed at the end of each three-year period.

During the previous year, the first cycle of the program was launched, with the approval and allocation of the related rights. During the current year, the rights relating to the second cycle were allocated.

2.10.21 OTHER OPERATING COSTS AND WRITE-DOWNS

The item "Other operating costs" includes indirect charges associated with turnover, production and the corporate organizational structure such as rentals, utilities, leases and maintenance (excluded from the scope of IFRS 16), insurance expenses, sales commissions, expenses related to product quality as well as losses in value related to impairment tests on rights of use relating to leased properties.

The item "write-downs of receivables and other risk provisions" includes the provision for bad debts and the provision for warranties for the year, before any uses.

As required by Art. 149-duodecies of the Issuer Regulation amended by Consob Resolution no. 15915 of May 3, 2007 published in Official Gazette no. 111 of May 15, 2007 (SO 115), the remuneration for the year 2025 for services provided by the Audit Firm Deloitte & Touche S.p.A. is as follows:

- Annual and infra-annual audit engagements on Italian companies for 204 thousand euros.
- Annual and infra-annual engagements for the audit of subsidiary companies for 451 thousand euros.

- Other non-audit services for Italian companies amounting to 97 thousand euros.

All the above-described fees are included in the "Other operating costs" heading.

2.10.22 OPERATING RESULT

The operating result achieved is equivalent to 91,176 thousand euros, corresponding to 10.2% of the consolidated turnover, slightly down compared to the 10.5% of the previous year.

This result is mainly attributable to the contraction of turnover, consistent with market trends during the year, which was offset by the ongoing efficiency gains in production and management processes throughout the Group. Further information can be found in the directors' report on operations.

2.10.23 NET FINANCIAL INCOME / (CHARGES)

The details are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Exchange gain (loss)	1,252	3,000
Exchange gains and losses	1,252	3,000
Bank interest receivable	344	882
Other income	268	2,932
Total financial income from cash management	612	3,814
Interest on advances, loans and other short-term bank borrowings	(201)	(1,343)
Interest on medium/long-term loans	(3,421)	(5,866)
Interest on loans amortized cost	(63)	(368)
Total interest expense	(3,685)	(7,577)
Interest expense on discounted pension fund	(4,122)	(4,314)
Economic result of derivative transactions	(700)	(410)
Total financial costs from cash management	(8,507)	(12,302)
Interest resulting from the application of IFRS 16	(485)	(1,081)
Interest and other Net financial charges	(8,992)	(13,383)
FINANCIAL INCOME BALANCE	(7,129)	(6,568)

EXCHANGE GAIN (LOSS)

This item includes both realized differences between the historical exchange rates of the relevant transactions and the reference exchange rates of receipts and payments in foreign currency, and unrealized differences due to the translation of monetary items at the spot exchange rate at the end of the financial year.

INTEREST AND OTHER NET FINANCIAL CHARGES

The amount of interest payable on loans of a banking nature, both long- and short-term (equal to 3,685 thousand euros) improved considerably compared to the previous period (7,577 thousand euros) thanks to the

reduction in debt during the year.

The heading "Interest expense on discounted pension fund" refers to the recalculation according to IAS 19 of the amount allocated to provisions for severance pay by Italian, German and American companies.

2.10.24 INCOME TAXES

The total tax burden is 21,772 thousand euros (25,531 thousand euros in 2024). During the year, the Chinese subsidiary Comer Industries (Jiaxing) Co., Ltd was recognized as a "High and New Technology Enterprise" for the 2025-2027 three-year period. This qualification allows it to benefit from a reduced income tax rate of 15% rather than the ordinary rate of 25%.

For more details on changes in deferred tax assets and liabilities, see Sections 2.10.4 and 2.10.11. With regard to the supplementary tax envisaged in the new Pillar Two regulations that came into effect on January 1, 2024, an analysis by the Group of the figures for the year ended December 31, 2025, found no critical issues or the need to set aside taxes to cover any negative differentials between the Effective Tax Rate (ETR) of each of the jurisdictions the Group operates in and the relevant income tax. In order to better understand the reconciliation between the tax burden recognized in the financial statements and the theoretical tax burden, the following explanatory table is provided wherein the IRAP is not considered as this, being a tax with a tax base different from income before taxes, would generate distortions between one year and another. The reconciliation was therefore determined with reference to the single IRES tax rate in force in Italy, equal to 24.0%.

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Consolidated profit before taxes	83,048	92,752
Parent Company theoretical tax rate	24%	24%
Theoretical income taxes	19,931	22,260
Tax effect permanent differences Italian companies	405	789
Effect of foreign tax rates different from the theoretical Italian tax rates	4,694	5,468
Tax effect of taxation of dividends from consolidated companies	104	503
Bonus tax credit Legislative Decree 91/2014	(2)	15
Tax effect of tax relief for Italian companies ACE	-	-
Tax effect R&D credit Law 190/2014 art.1, para. 35 and energy credit	(609)	(727)
Tax effect super-amort/depr (Law 208/2015) and hyper-amort/depr (Law 232/2016)	(366)	(385)
Prior-year taxes and provisions	(167)	(124)
Tax effect of actuarial gain (loss) IAS 19	(1,582)	(1,681)
Deferred tax effect Withholding tax	36	29
Deferred taxes recognized in the income statement	(486)	(987)
Tax impact on consolidating entries	(1,407)	(970)
Income taxes recorded in the financial statements, excluding IRAP	20,550	24,191
Current IRAP	1,222	1,340
Income taxes posted to the financial statements (current, deferred)	21,772	25,532

2.10.25 EARNINGS PER SHARE

At the bottom of the income statement, the earnings/(loss) per share is reported, determined according to that manner provided in IAS 33, as summarized below.

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Consolidated net income for the period attributable to parent company shareholders	61,275,403	67,220,701
Number of shares outstanding	28,678,090	28,678,090
Basic earnings per share (EPS) (€) - with own shares	2.14	2.34
Own shares	53,638	26,943
Basic earnings per share (EPS) (€) - without own shares	2.14	2.35

The means of calculation of diluted earnings (loss) per share are defined by IAS 33 – Earnings per share. The basic earnings (loss) per share is defined as the ratio between the economic result or the results of continuing operations of the Group attributable to the holders of ordinary shares and the weighted average of ordinary shares outstanding during the year.

2.10.26 PUBLIC GRANTS

A summary of public funds received is provided below, pursuant to Art. 1, paragraphs 125-129 of Italian Law no. 124/2017.

DESCRIPTION (THOUSAND EUROS)	PROVIDER	RECIPIENT	GRANT RECEIVED IN 2025
Grants for Reggiolo production site photovoltaic system	GSE	Comer Industries S.p.A.	15
Research & Development tax relief Law. 190 as amended	Italian government	Comer Industries S.p.A.	73
Business fund grants	Business Fund	Comer Industries S.p.A.	2
Grants for photovoltaic systems	GSE	Comer Components S.r.l.	6
Business fund grants	Business Fund	Comer Components S.r.l.	23
Grants for photovoltaic systems	GSE	e-comer S.r.l.	2
Business fund grants	Business Fund	e-comer S.r.l.	43

2.10.27 SIGNIFICANT EVENTS AFTER THE CLOSE OF THE YEAR AND BUSINESS OUTLOOK

On January 1, 2026, the closing of the transaction for the acquisition of 70% of the share capital of Comtesco Corporation - a newly established Japanese company ("NewCo") - resulting from the spin-off of the Hydraulic Equipment business unit (hydraulic products, components and accessories used in the production of construction equipment) of Nabtesco Corporation, took place, including the majority investments in the subsidiaries in China, Thailand and Germany.

Nabtesco Corporation in turn will continue to own the remaining 30% of the share capital of the NewCo, maintaining an investment in the business area and thus certifying the industrial alliance with Comer Industries. This transaction, which resulted in an outlay at the closing date of 14,217 million yen (equal to roughly 82.2 million euros), was financed with lines of credit made available by the banking system.

No other significant events occurred after year-end close.

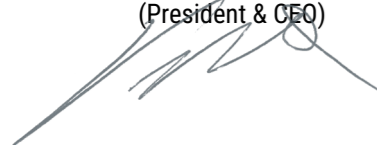
The Group constantly monitors developments relating to geopolitical conflicts. As at the date of approval of the financial statements, the Group's direct exposure in areas impacted by conflicts is limited. Revenue generated from these regions represents less than 1% of total consolidated revenue.

As concerns the business outlook, Management expects 2026 sales performance to be basically in line with the forecasts of the market's major OEM players mentioned above, with increases deriving from the entry into operation of new projects during the year and with the positive contribution of the newly acquired group. On a like-for-like basis, profit margins should be aligned with those recorded in 2025. Again in 2026, the Group is expected to continue on its path of improving its net financial position thanks to the continuous generation of cash.

Reggiolo, March 16, 2026

For the Board of Directors

Matteo Storchi
(President & CEO)



CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE 58/98

1. The undersigned Matteo Storchi, in his capacity as Chair of the Board of Directors and Chief Executive Officer, and Stefano Palmieri, in his capacity as Financial Reporting Officer of Comer Industries S.p.A., also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998, attest to:
 - the adequacy of the financial statements with respect to the company's characteristics, and
 - the effective application of administrative and accounting procedures for the preparation of the consolidated financial statements for 2025.

2. No issues worthy of note emerged in this regard.

3. We further attest that:

3.1 The consolidated financial statements:

- a) were prepared in accordance with the applicable international accounting standards recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
- b) correspond to the figures in the books and records;
- c) provide a true and fair view of the asset, economic and financial situation of the issuer and all the companies included in the consolidation.

3.2 The management report includes a reliable analysis of the trends and results of operations as well as the situation of the issuer and all companies included in the consolidation.

Reggiolo, March 16, 2026

Chair of the Board of Directors and Chief
Executive Officer

Matteo Storchi



Financial Reporting Manager

Stefano Palmieri



ATTESTATION OF SUSTAINABILITY REPORTING PURSUANT TO ARTICLE 81-TER, PARAGRAPH 1, OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AND SUBSEQUENT AMENDMENTS AND INTEGRATIONS

1. The undersigned, Matteo Storchi, in his capacity as Chair of the Board of Directors And Chief Executive Officer, and Stefano Palmieri, in his capacity as Financial Reporting Officer responsible for the preparation of Comer Industries S.p.A.'s financial statements, certify, pursuant to the provisions of Article 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of 24 February 1998, that the sustainability statement included in the Board of Directors' Report has been prepared:
 - a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and Council of 26 June 2013, and Legislative Decree no. 125 of 6 September 2024;
 - b) with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020.

Reggiolo, March 16, 2026

Chair of the Board of Directors and Chief Executive Officer

Matteo Storchi



Financial Reporting Manager

Stefano Palmieri





REPORT OF THE AUDIT FIRM

**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
Comer Industries S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Comer Industries S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of income, 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 December 31, 2025, 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 Comer Industries 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.

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.

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Goodwill Impairment test

Description of the key audit matter

The consolidated financial statements include values of goodwill for a total amount of Euro 170 million, allocated to the three cash generating units ("CGUs") identified by the Group as at December 31, 2025 as "Industrial sector", "Agricultural sector" and "e-comer".

As required by the International Accounting Standard IAS 36, goodwill is not amortized and is subject to impairment test at least annually, by comparing the recoverable amounts of the CGUs, determined according to the value-of-use methodology, and the related accounting values of net invested capital as at December 31, 2025.

As a result of the impairment tests, approved by the Board of Directors on February 16, 2026, no impairment losses were recognized with reference to the CGUs.

The evaluation process provided for in IAS 36 is complex and is based on assumptions concerning, inter alia, the forecast of expected CGUs cash flows, the definition of an appropriate discount rate (WACC) and of a long-term growth (g-rate). The assumptions underlying the impairment tests are, by nature, influenced by future expectations about the evolution of the external market conditions, connected also to the business, which determine elements of physiological estimation uncertainty.

In view of the subjectivity and uncertain nature of the estimates relating to the determination of CGUs cash flows and of the key variables of the impairment model, we considered the impairment tests as a key audit matter for the audit of Group consolidated financial statements audit.

The explanatory notes to the consolidated financial statements in paragraph "2.10.2 Intangible fixed assets" describe the valuation process applied by Management and the significant assumptions used in the tests, including the results of the sensitivity analysis effects of changes in key variables used for impairment tests.

Audit procedures performed

In the context of our audit we have carried out the following procedures, also using the support of our network experts:

- understanding of the process and relevant controls designed and implemented by Management for the preparation and approval of the impairment tests;
- analysis of the reasonableness of the main assumptions adopted for the formulation of cash flow forecasts;
- analysis of the actual results 2025 compared to the related expectations in order to assess the nature of the deviations and the reliability of the planning process of the forecast data;

- assessing the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate) applied, by identifying and observing external sources usually used in the practice;
- test of the clerical accuracy of the model used to calculate the value in use for the CGUs;
- test of the accurate determination of the carrying amount of the CGUs;
- test of the sensitivity analysis prepared by the Management and verification of the mathematical accuracy of them;
- examination of the adequacy of the disclosure provided on impairment tests and of its compliance with the provisions of IAS 36.

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.
- 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 Comer Industries S.p.A. has appointed us on May 31, 2023 as auditors of the Company for the years until December 31, 2029.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Comer Industries 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 December 31, 2025, 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 December 31, 2025 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the illustrative notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Comer Industries S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Group as at December 31, 2025, 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 consolidated corporate sustainability reporting, 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 the ownership structure are consistent with the consolidated financial statements of Group as at December 31, 2025.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, 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 consolidated corporate sustainability reporting. 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
Stefano Montanari
Partner

Bologna, Italy
March 30, 2026

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

**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
Comer Industries S.p.A.**

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the “Decree”), we have carried out a limited assurance engagement on the Consolidated Sustainability Statement of the Comer S.p.A. and its subsidiaries (hereinafter the “Group”) for the year ended on December 31, 2025, 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 Consolidated Sustainability Statement of the Comer Group for the year ended on December 31, 2025 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 “EU Taxonomy - Disclosure pursuant to Article 8 of Regulation 2020/852” of the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also 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 Consolidated 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 Consolidated Sustainability Statement.

Our firm applies the 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.

Responsibility of the Directors and the Board of Statutory Auditors of Comer Industries S.p.A. for the Consolidated Sustainability Statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS (hereinafter the “double materiality assessment process”) and for disclosing this process in the paragraph “ESRS 2 – General disclosures - IRO-2 Disclosure requirements in ESRS covered by the undertaking’s sustainability statement” of the Consolidated Sustainability Statement.

The Directors are also responsible for the preparation of the Consolidated 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 “EU Taxonomy - Disclosure pursuant to Article 8 of Regulation 2020/852” 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 Consolidated 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 Consolidated Sustainability Statement

In reporting forward-looking information in accordance with ESRS, the Directors are required to prepare such information on the basis of assumptions, as described in the Consolidated Sustainability Statement, regarding events that may occur in the future and possible future actions of the Group. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward-looking information could be significant.

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 “ESRS 2 – General disclosures - BP-2 Disclosures in relation to specific circumstances”.

Auditor’s responsibilities for the limited assurance of the Consolidated Sustainability Statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Sustainability Statement. We remain solely responsible for the conclusion on the Consolidated 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 Consolidated 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 Consolidated 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 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 Consolidated Sustainability Statement, including an analysis of the reporting perimeter;
- 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 existence of estimates and to the complexity of the calculation methods, as well as quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the Consolidated Sustainability Statement, 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 Consolidated Sustainability Statement;
- comparison of the information reported in the Consolidated 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 Consolidated Sustainability Statement in accordance with ESRS, included the information related to the materiality assessment process;

- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Stefano Montanari
Partner

Bologna, Italy
March 30, 2026

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2025

FINANCIAL STATEMENTS

COMER INDUSTRIES S.P.A.
DECEMBER 31, 2025.



comer industries



comer industries

COMER INDUSTRIES S.P.A.**Headquarters and Administrative Offices:**

Via Magellano, 27 – 42046 Reggio (RE) – Italy
 Reggio Emilia Business Register no. 07210440157

Authorized share capital 18,487,338.60 euros entirely subscribed and paid-up
 Tax Code 07210440157 - VAT no. IT 01399270352

Investor Relations Office:

Via Magellano, 27 – 42046 Reggio (RE) – Italy
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04

**FINANCIAL
STATEMENTS
AND
EXPLANATORY
NOTES**

ASSETS	NOTES	12/31/2025	12/31/2024
Non-current assets			
Tangible fixed assets	4.9.1	43,329	49,343
Intangible fixed assets	4.9.2	12,533	6,314
Equity investments	4.9.3	337,107	337,567
Deferred tax assets	4.9.4	4,565	4,588
Long-term financial receivables	4.9.5	95,508	40,427
Other long-term receivables	4.9.6	364	320
Total	-	493,408	438,560
Current assets			
Inventories	4.9.7	57,489	44,823
Trade receivables	4.9.8	75,352	60,217
Other short-term receivables	4.9.8	3,542	4,085
Current tax assets	4.9.4	3,616	5,564
Short-term financial receivables	4.9.5	121,422	52,351
Short-term derivative financial instruments	4.9.9	-	700
Cash and cash equivalents	4.9.9	20,806	27,576
Total	-	282,228	195,316
TOTAL ASSETS	-	775,635	633,875

EQUITY AND LIABILITIES	NOTES	12/31/2025	12/31/2024
Share capital and reserves			
Issued capital	-	18,487	18,487
Share premium	-	187,881	187,881
Own shares in portfolio	-	-1,486	-738
Other reserves	-	116,843	78,249
Net profit	-	53,821	65,786
Total equity	4.9.10	375,545	349,666
Non-current liabilities			
Long-term loans	4.9.9	87,397	74,812
Other long-term financial payables	4.9.9	12,827	14,399
Deferred tax liabilities	4.9.11	438	-
Liabilities for employee benefits	4.9.12	3,932	4,084
Other long-term payables	4.9.14	2,443	3,076
Long-term provisions	4.9.13	2,371	2,361
Total	-	109,408	98,731
Current liabilities			
Trade payables	4.9.14	65,282	52,160
Other short-term payables	4.9.14	11,076	8,538
Current tax liabilities	4.9.15	1,668	3,469
Short-term loans	4.9.9	203,262	112,449
Other short-term financial payables	4.9.9	6,306	5,187
Short-term provisions	4.9.13	3,089	3,676
Total	-	290,683	185,478
TOTAL LIABILITIES	-	775,635	633,875

4.1
INCOME STATEMENT

INCOME STATEMENT (THOUSAND EUROS)	NOTES	12/31/2025	12/31/2024
Revenue from contracts with customers	4.9.17	257,746	286,980
of which relating to assets held for sale	-	-	-
Other operating revenues	4.9.18	17,931	17,997
Change in inventories of finished and semi-finished products	4.9.7	12,666	(19,852)
Purchase costs		(186,327)	(175,232)
Personnel costs	4.9.19	(47,626)	(44,058)
Other operating costs	4.9.21	(22,891)	(24,460)
Write-downs of receivables and other risk provisions	4.9.8-4.9.13	(35)	24
Amortization and depreciation	4.9.1-4.9.2	(13,492)	(12,846)
Write-down of financial assets	-	(460)	-
OPERATING RESULT	4.9.22	17,512	28,555
Net financial income / (charges)	4.9.23	(4,451)	3,503
Dividends distributed by subsidiaries	4.9.23	45,122	41,949
Profit before Tax	-	58,182	74,008
Income taxes	4.9.24	(4,362)	(8,221)
Taxation on income from discontinued operations	-	-	-
NET PROFIT	-	53,821	65,786

COMPREHENSIVE INCOME STATEMENT (THOUSAND EUROS)	12/31/2025	12/31/2024
Net profit	53,821	65,786
Other components of the comprehensive income/(loss) statement that may be reclassified to the profit / (loss) in subsequent periods:		
Gain / (loss) from the change in fair value of hedging derivatives	(4,996)	-
of which fiscal effect	-	-
Total other components of the comprehensive income/(loss) statement that may be reclassified to the profit / (loss) in subsequent periods	(4,996)	-
Other components of the comprehensive income/(loss) statement that will not be reclassified to the profit / (loss) in subsequent periods:		
(Loss)/gain on revaluation of defined benefit plans	61	4
of which fiscal effect	-	-
Total other components of the comprehensive income/(loss) statement that will not be reclassified to the profit / (loss) in subsequent periods	61	4
TOTAL COMPREHENSIVE INCOME	48,886	65,791

4.2
COMPREHENSIVE INCOME STATEMENT

CASH FLOW STATEMENT (THOUSAND EUROS)	NOTES	12/31/2025	12/31/2024
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit (Loss) for the year		53,821	65,786
Adjustments for:		-	-
Financial income and charges (excluding exchange differences from valuation)		6,791	1,025
Exchange differences from valuation		(2,340)	(4,528)
Income taxes		4,362	8,221
Amortization of intangible fixed assets	4.9.2	1,988	1,357
Depreciation of tangible fixed assets	4.9.1	11,498	11,488
Other non-monetary items and dividends		(43,955)	(45,388)
Actuarial gain/loss (IAS 19)		61	4
Provision for employee benefit plans net of uses		1,998	2,035
Provision for risks and charges, net of uses		-	-
Net change in provisions for risks and charges	4.9.13	(576)	(4,500)
Net change in severance indemnity	4.9.12	(2,150)	(2,489)
Net change in other non-current assets and liabilities		(677)	7
Net change in deferred taxes		461	4,010
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		31,282	37,028
Change in inventories	4.9.7	(12,666)	19,852
Change in trade receivables	4.9.8	(15,135)	27,135
Change in trade payables	4.9.14	13,122	(40,236)
Net change in other current assets and liabilities		93	(13,016)
LTIP bonus payment		-	(13,549)
CASH FLOW GENERATED (ABSORBED) BY CHANGES IN WORKING CAPITAL		(14,585)	(19,814)
CASH FLOW GENERATED (ABSORBED) BY OPERATIONS		16,697	17,214
CASH FLOW FROM INVESTMENT ACTIVITIES:			
(Investments)/Divestments in intangible fixed assets	4.9.2	(4,085)	(3,045)
(Investments)/Divestments in tangible fixed assets	4.9.1	(6,161)	(7,030)

STATEMENT OF CASH FLOWS (THOUSAND EUROS)	NOTES	12/31/2025	12/31/2024
(Investments)/Divestments in equity investments		-	-
NET CASH FLOW FROM INVESTMENT/DISINVESTMENT ACTIVITIES		(10,246)	(10,075)
FREE CASH FLOW		6,451	7,139
CASH FLOW FROM ACQUISITIONS		-	-
CASH FLOW FROM FINANCING ACTIVITIES:			
Net change in current financial assets	4.9.5	(37,581)	(35,753)
Net change in non-current financial assets	4.9.5	(55,081)	10,252
Change in current payables due to banks and other lenders	4.9.9	91,110	5,945
Change in non-current payables due to banks and other lenders	4.9.9	7,161	1,766
Financial income and expenses and valuation exchange differences		(4,451)	3,503
Dividends received	4.9.23	8,636	32,649
Dividends paid	4.9.10	(22,905)	(35,820)
Other changes in equity reserves	4.9.10	(108)	(591)
CASH FLOW GENERATED (ABSORBED) BY FINANCIAL OPERATIONS		(13,219)	(18,049)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(6,770)	(10,910)
Net cash and cash equivalents at the start of the year		27,576	38,486
Cash and cash equivalents at the end of the year		20,806	27,576
CHANGE IN CASH AND CASH EQUIVALENTS		(6,770)	(10,910)

4.4 STATEMENT OF CHANGES IN EQUITY

(THOUSAND EUROS)	SHARE CAPITAL	SHARE PREMIUM RESERVE	NEGATIVE RESERVE FOR OWN SHARES IN THE PORTFOLIO	STOCK GRANT RESERVE	LEGAL RESERVE	EXTRAORD. RESERVE	F.T.A. RESERVE	C.F.H. RESERVE	EXCHANGE GAINS RESERVE	IAS 19 RESERVE	RETAINED EARNINGS/LOSS CARRIED FORWARD RESERVE	PROFIT/LOSS FOR THE YEAR	TOTAL NET EQUITY
Net equity at January 1, 2024	18,487	187,881	(147)	-	3,697	64,807	336	-	4,200	324	-	40,702	320,286
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	65,786	65,786
Components of the comprehensive profit/(loss): IAS 19.93A - Actuarial gains	-	-	-	-	-	-	-	-	-	4	-	-	4
Subtotal: Res of comprehensive income/(loss) statement	-	-	-	-	-	-	-	-	-	4	-	65,786	65,791
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	28	(35,848)	(35,820)
Allocation of 2023 profit	-	-	-	-	-	7,051	-	-	(2,197)	-	-	(4,854)	-
Purchase of own shares	-	-	(591)	-	-	-	-	-	-	-	-	-	(591)
Net equity at December 31, 2024	18,487	187,881	(738)	-	3,697	71,858	336	-	2,003	328	28	65,786	349,666
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	53,821	53,821
Components of the comprehensive profit/(loss): IAS 19.93A - Actuarial gains	-	-	-	-	-	-	-	-	-	61	-	-	61
Other changes	-	-	-	-	-	-	-	(4,996)	-	-	-	-	(4,996)
Subtotal: Res of comprehensive income/(loss) statement	-	-	-	-	-	-	-	(4,996)	-	61	-	53,821	48,886
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	-	(22,905)	(22,905)
Allocation of 2024 profit	-	-	-	-	-	41,744	-	-	1,138	-	-	(42,881)	(0)
Purchase of own shares	-	-	(748)	-	-	-	-	-	-	-	-	-	(748)
Other changes	-	-	-	-	-	-	-	-	-	-	7	-	7
Accounting of stock grant reserve	-	-	-	640	-	-	-	-	-	-	-	-	640
Net equity at December 31, 2025	18,487	187,881	(1,486)	640	3,697	113,601	336	(4,996)	3,141	389	35	53,821	375,545

Comer Industries S.p.A. (herein the “Company”) is an Italian company, listed on the Euronext Milan market, with administrative and registered offices in Via Magellano 27 in Reggio (RE), Tax code and registration in the Business Register at no. 07210440157 with approved share capital of 18,487,338.60 euros entirely subscribed and paid-up, subdivided into 28,678,090 shares. As of December 31, 2025, Comer Industries S.p.A. held 53,638 own shares equal to 0.19% of the share capital, purchased at a weighted average cost of 27.71 euros.

The Company is the leading global player in the design and manufacturing of advanced engineering systems and mechatronics solutions for power transmissions. Comer Industries S.p.A. operates in the sectors of agricultural machinery, construction, wind energy and engines and transmissions for electric vehicles.

For information on the Group’s operations, please refer to the “Directors’ Report” presented along with the Consolidated financial report.

The financial statements as at December 31, 2025, drafted on a going concern basis, with respect to which there are no aspects of uncertainty, were approved by the Board of Directors on March 16, 2026.



4.6.1 DECLARATION OF COMPLIANCE WITH IFRS

The financial statements of Comer Industries S.p.A. have been drawn up in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (“IASB”) and approved by the European Union and in force at the balance sheet date, as well as in compliance with the provisions required by Consob (Commissione Nazionale per le Società e la Borsa), issued in implementation of art. 9 of Italian Leg. Dec. no. 38/2005 (resolutions 15519 and 15520) of July 27, 2006 and the DEM/6064293 communication of July 28, 2006, pursuant to art. 78 of the Issuers’ Regulations, the EC document of November 2003 and, where applicable, the Italian Civil Code. “IFRS” also refers to the International Accounting Standards (“IAS”) still in force, as well as all the interpretive documents issued by the IFRS Interpretation Committee, previously called the International Financial Reporting Interpretations Committee (“IFRIC”) and before that, the Standing Interpretations Committee (“SIC”).

4.6.2 CONTENTS AND FORM OF THE FINANCIAL STATEMENTS

The unit of currency used is the euro, and all values are expressed in thousands of euro unless otherwise indicated.

The presentation layout for the balance sheet makes a distinction between current and non-current assets and liabilities, in which:

- non-current assets include balances of assets realizable after more than one year and include intangible, tangible and financial assets and deferred tax assets;
- current assets include the balances of assets realizable within 1 year;
- non-current liabilities include payables falling due after more than 1 year, including financial debts, provisions for risks and charges and liabilities for employee benefits and deferred tax liabilities;
- current liabilities include payables falling due within 1 year, including the short-term portion of medium-long-term loans and of provisions for risks and charges and liabilities for employee benefits.

The income statement is presented according to a “costs by nature” classification.

The cash flow statement has been drawn up on the basis of the indirect method and is presented in compliance with IAS 7, classifying cash flows between operating, investment and financing activities. It should be noted that, with reference to Consob resolution no. 15519 of July 27, 2006 and the DEM6064293 communication of July 28, 2006, details of significant dealings with related parties are disclosed on the financial statements in order to provide more complete information.

4.6.3 RELEVANT ACCOUNTING STANDARDS

For the preparation of the financial statements, Comer Industries S.p.A. adopted International Accounting Standards and International Financial Reporting Standards as of 2018, with the transition date to IFRS effective January 1, 2017.

The financial statements as at December 31, 2025 were therefore drawn up according to the IAS / IFRS adopted by the European Union. The financial statements are presented in thousand euros and are prepared on a historical cost basis, except for financial instruments measured at fair value.

The preparation of the financial statements in accordance with IFRS (International Financial Reporting Standards) requires judgments, estimates and assumptions that have an effect on the assets, liabilities, income and expenses. The actual results may differ from the results obtained using these estimates.

4.6.4 TREATMENT OF FOREIGN CURRENCY TRANSACTIONS

The functional and presentation currency of Comer Industries S.p.A. is the euro. Transactions in foreign currencies are converted into euro on the basis of the exchange rate at the transaction date. The monetary assets and liabilities are converted at the exchange rate on the balance sheet date. Any exchange rate differences arising out of conversion are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost are converted at the exchange rate at the transaction date. The monetary assets and liabilities measured under fair value are converted into euros at the exchange rate on the date the fair value was determined.

4.6.5 TANGIBLE FIXED ASSETS

I. OWNED FIXED ASSETS

Property, plant and equipment are measured at historical cost and are reported net of depreciation (see next point (iv)) and impairment losses (see para. 4.6.8). The cost of fixed assets manufactured internally includes materials, direct labor and a share of indirect manufacturing costs. The cost of fixed assets, whether purchased externally or manufactured internally, includes incidental costs directly chargeable and necessary to operate the asset and, when relevant and subject to contractual obligations, the current value of the estimated cost for the dismantling and removal of fixed assets.

Financial charges relating to specific loans used for the acquisition of tangible fixed assets are charged to the income statement on an accruals basis. According to the provisions of IAS 20, any capital grants obtained as a result of investment incentives granted by the public administration are deducted from the historical cost of any related capitalized fixed assets, when put into operation.

No fixed assets are available for sale.

II. FIXED ASSETS UNDER FINANCE LEASES

Assets held by the Company under leasing contracts, including operating leases, in accordance with IFRS 16, are recognized as assets with a balancing entry in financial payables. In particular, assets are recognized at a value equal to the current value of future payments at the date of signing the contract, discounted using the applicable incremental borrowing rate for each contract.

III. SUBSEQUENT COSTS

The costs of replacing certain parts of the fixed assets are capitalized when it is probable that these costs will result in future economic benefits and can be reliably measured. All other costs, including the costs of maintenance and repairs, are attributed to the income statement as incurred.

IV. DEPRECIATION

Depreciation is charged to the income statement on a straight-line basis and on the estimated useful life of fixed assets and their residual possible use. Land is not depreciated. The estimated useful life results in the following depreciation rates by homogeneous category:

Buildings	2% - 3%
Light construction, general and specific equipment	6% - 10%
Equipment, models and molds	10% - 25%
Furniture and furnishings	15% - 25%
Electronic office equipment	20% - 25%
Motor vehicles and internal transport	25%

The estimated useful life of assets is revised annually and any changes in rates, where necessary, are made prospectively. Note that from 2024 the useful lives of the main categories of tangible assets have been revised and aligned in accordance with the appraisals prepared.

For assets purchased and/or that became operational during the year, depreciation is calculated using the rates set out above, but adapted pro-rata temporis to any such set-up date.



4.6.6 INTANGIBLE ASSETS

I. RESEARCH AND DEVELOPMENT COSTS

The costs of research with the aim of acquiring new technical knowledge are charged in the income statement when incurred.

The development costs incurred for the creation of new products, versions, accessories or new production processes are capitalized when:

- these costs can be reliably determined;
- these products, versions or processes are technically and commercially feasible;
- the expected volumes and realization values indicate that the costs incurred for development will generate future economic benefits;
- the resources to complete the development project exist.

The capitalized cost includes the materials and the mere cost of direct labor. Other development costs are charged to the income statement when incurred. The capitalized development costs are measured at cost, net of accumulated amortization, (see next point (v)) and impairment losses (see para. 4.6.8).

II. OTHER INTANGIBLE FIXED ASSETS

Other intangible fixed assets, which all have finite useful lives, are measured at cost and are recorded net of accumulated amortization, (see next point (v)) and impairment losses (see para. 4.6.8).

The use of software licenses is amortized over their period of use (3-5 years).

The costs incurred internally for the creation of trademarks or goodwill are charged to the income statement when incurred.

III. SUBSEQUENT COSTS

Subsequent costs incurred for intangible fixed assets are capitalized only if they increase the future financial benefits of the specific capitalized fixed asset, otherwise they are charged in the income statement as incurred.

IV. ANCILLARY FINANCING COSTS

Accessory financing costs are recognized as a reduction of the loans when they are disbursed.

V. AMORTIZATION

Amortization is charged to the income statement on a straight-line basis based on the estimated useful life of the capitalized fixed assets. The estimated useful lives are as follows:

Patents and trademarks	5 years
Development costs	3-5 years
Licensing of software	5 years
Relationships with customers	7 years

The useful life is reviewed annually and any changes in rates, where necessary, are made prospectively.

4.6.7 EQUITY INVESTMENTS

Equity investments in subsidiary companies are measured at cost plus any ancillary costs. If at the balance sheet date impairment with respect to the carrying amount is detected, applying the impairment methodology described in the next paragraph, the equity investment is written down accordingly.

Investments in associates and others are valued according to the equity method, as set forth in IAS 28, which requires initial recognition at acquisition cost and the subsequent write-down or revaluation of the carrying amount to recognize the share pertaining to the investor of the investee's profits or losses after the acquisition date.

4.6.8 IMPAIRMENT OF ASSETS

The carrying amounts of assets, except for inventories, financial assets governed by IFRS 9 and deferred tax assets, are tested at the reporting date to identify any indicators of impairment, with particular reference to equity investments. If the assessment reveals the presence of such indicators, the estimated realizable value of the asset is calculated in the manner indicated below.

Please note that the estimated realizable value of intangible fixed assets not yet used is estimated at least once per year, or more frequently if events indicate the possibility of a loss of value.

A tangible or intangible asset, including rights of use (as defined by IFRS 16), suffers an impairment if it is not able to recover the book value at which the asset is recorded in the financial statements through the use or sale thereof. The purpose of the verification (impairment test) provided by IAS 36, is to ensure that tangible and intangible assets are not carried at a value higher than their realizable value, consisting of the net realizable value or value in use, whichever is higher.

The value in use is the current value of future financial flows that are expected to be generated by the asset or by the cash generating unit to which the asset belongs. Expected cash flows are discounted using a pre-tax discount that reflects the current market estimate of the cost of money reported at the time and risks specific to the asset. If the book value is higher than the realizable value, the assets or cash-generating unit to which they belong are written down to reflect the realizable value. These impairment losses are recognized in the income statement.

If the conditions that led to the impairment cease to exist, the assets previously written down are proportionally reversed until reaching at most the value that the assets would have had in the absence of previous impairments, net of amortization calculated on the historical cost. Restorations of value are recognized in the income statement.

The goodwill value previously written down can never be reinstated.

4.6.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank and postal deposits and securities with an original maturity of less than three months.

4.6.10 CURRENT FINANCIAL ASSETS, RECEIVABLES AND OTHER ASSETS

Financial assets, as provided for by the new IFRS 9 – “Financial Instruments: recognition and measurement” (as revised in July 2014) which replaces IAS 39 - “Financial Instruments: Recognition and Measurement”, are classified, on the basis of the Company's management methods and the related contractual cash flow characteristics, in the following categories:

- Amortized cost: financial assets held exclusively for the purpose of collecting the contractual cash flows are classified in the Amortized cost category. They are valued using the amortized cost method, recording the income in the income statement using the effective interest rate method;
- Fair value through other comprehensive income (“FVOCI”): financial assets whose contractual cash flows are represented exclusively by the payment of principal and interest and which are held in order to collect the contractual cash flows as well as the flows deriving from the sale of the same are classified in the FVOCI category. They are measured at fair value. Interest income, exchange rate gains/losses, impairment losses (and related write-backs) of financial assets classified in the category FVOCI, are recorded in the income statement; other changes in the fair value of assets are recorded among the other components of OCI. When these financial assets are sold or reclassified to other categories, due to a change in the business model, the cumulative gains or losses recognized in OCI are reclassified to the income statement;
- Fair value through profit or loss (“FVTPL”): the FVTPL category is residual in nature by collecting financial assets that do not fall under the Amortized cost and FVOCI categories, such as financial assets purchased for trading or derivatives, or assets designated as FVTPL by management at the date of initial recognition. They are measured at fair value. Gains or losses resulting from this measurement are recognized in the income statement;
- FVOCI for equity instruments: financial assets represented by equity instruments of other entities (i.e. investments in companies other than subsidiaries, associates and joint ventures), not held for trading purposes, can be classified in the FVOCI category. This choice can be made instrument by instrument and requires changes in the fair value of these instruments to be recognized in the OCI and not to be reversed to the income statement either on sale or on impairment of the same. Only dividends from these instruments will be recognized in the income statement. The fair value of financial assets is determined on the basis of quoted bid prices or through the use of financial models. The fair value of unlisted financial assets is estimated using specific valuation techniques adapted to the specific situation. Valuations are regularly carried out in order to verify whether there is objective evidence that a financial asset or group of assets may be impaired. If there is objective evidence, the impairment loss is recognized as a cost in the income statement for the period.

4.6.11 DERIVATIVE FINANCIAL INSTRUMENTS

If the Company holds derivative financial instruments that do not meet all the conditions for hedge accounting as per IFRS 9, the changes in the fair value of these instruments are recorded in the income statement as financial expenses and/or income.

Therefore, the derivative financial instruments are recorded in compliance with the hedge accounting regulations when:

- the hedge ratio is formally designated and documented at the beginning of the hedge;
- it is presumed that the hedge is highly effective;
- the effectiveness can be reliably measured and the hedge itself is highly effective during the designated periods.

The fair value of derivative financial instruments against exchange risks is their market value on the balance sheet date, which coincides with the discounted market value of the derivative instrument.

The accounting method for derivative financial instruments varies depending on whether or not the conditions and requirements of IAS 9 are met. Specifically:

I. CASH FLOW HEDGES

In the case of a derivative financial instrument for which the hedging ratio to variations in cash flows generated by an asset or liability or a future transaction (underlying hedged item) believed to be highly probable and that could affect the income statement is formally documented, the effective portion, originating from the adjustment of the derivative financial instrument to the fair value, is charged directly to a reserve under capital and reserves. When the underlying hedged cash flow occurs, any such reserve is removed from capital and reserves and assigned to the income statement as operating charges and revenues, while any non-effective portion or over hedging, portion is immediately allocated to the income statement as financial charges and/or income.

When a hedging instrument reaches maturity, is sold or exercised, or the company changes the relationship with the underlying hedged item, and the forecast transaction, though it has yet to take place, is still considered likely, the resulting profits or losses originating from the adjustment of the financial instrument to the fair value remain under capital and reserves and are charged to income statement when the transaction takes place as described above. If the probability of the underlying transaction occurring is no longer likely, the related profits or losses from the derivative contract, originally recorded under capital and reserves, are immediately charged to the income statement.

II. HEDGES OF MONETARY ASSETS AND LIABILITIES (FAIR VALUE HEDGES)

Where a derivative financial instrument is used to hedge changes in value of monetary assets or liabilities already recorded in the financial statements that could affect the income statement, profits and losses related to changes in fair value of the derivative financial instruments are immediately recorded in the income statement. Likewise, the profits and losses relating to the hedged item modify the carrying amount of any such item and are recorded in the profit and loss account.

III. TRANSLATION DIFFERENCES ON BUSINESS COMBINATIONS WITH FOREIGN EXCHANGE RISK HEDGING

In the presence of a business combination involving a foreign entity, the translation difference relating to the acquisition consideration may be hedged by designating a financial instrument in a cash flow hedge relationship in accordance with IFRS 9.

The effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income. Where the hedge is qualified as a hedge of a non-financial item, this component is included as an adjustment to the carrying amount of the investment at the time the business combination is completed. The ineffective portion is recognized immediately in profit or loss.

4.6.12 OWN SHARES

For purchases of own shares, the price paid, including any directly attributable ancillary charges, is deducted from the Company's Equity until the shares are canceled, reissued, or disposed of. When said own shares are resold or reissued, the price received net of any directly attributable ancillary charges and the related tax effect is accounted for as Company Equity. Therefore no gain or loss is recognized in the Income Statement with the purchase, sale, or cancellation of own shares.

4.6.13 INVENTORIES

Stocks are recorded, in each homogeneous category, at the purchase cost, including incidental and production costs and the corresponding net realizable or market value at year-end, whichever is lowest. The cost is determined using the weighted average cost method.

As far as goods manufactured by the Company (semi-finished, work in progress and finished goods) are concerned, the cost of production includes all directly chargeable costs (raw materials, consumables, energy utilities, direct labor), and the cost of manufacturing (indirect labor, depreciation, etc.) in the amount reasonably attributable to the products.

Any stock impairment risks are hedged by the relevant stock depreciation allowance recorded as an adjustment to the corresponding assets item. Amounts thus obtained do not differ significantly from current costs on the closing date of accounts.

4.6.14 INTEREST-BEARING FINANCIAL PAYABLES

All interest-bearing financial payables are valued with the amortized cost method. The difference between this value and the settlement value is charged to the income statement during the term of the loan.

4.6.15 LIABILITIES FOR EMPLOYEE BENEFITS

I. DEFINED CONTRIBUTION PLANS

Comer Industries S.p.A. participates in public or private defined contribution pension schemes on a mandatory, contractual or voluntary basis. The payment of contributions fulfills Comer Industries S.p.A.'s obligation towards its employees.

The contributions are costs recognized in the period in which they are due.

II. DEFINED BENEFIT PLANS FOR EMPLOYEES

The defined benefit plans for employees are payable on or after the termination of the period of employment in the Company. These mainly include the severance indemnities which are calculated separately for each plan using actuarial methods to estimate the amount of future benefit accrued to employees during the year and in previous years. The resulting benefit is discounted and recorded net of the fair value of any related assets.

The interest rate used to calculate the present value of the obligation was determined in accordance with para. 78 IAS 19, of the Iboxx Corporate A index with duration 5-7 determined at the date of valuation.

The yield with a comparable duration to that of the collective body of workers being valued was chosen for this purpose.

In the case of increases in plan benefits, the portion of the increase relating to the previous employment period is charged to the income statement on a straight line basis over the period in which the related rights will be acquired. If the rights are acquired immediately, the increase is immediately recorded in the income statement.

The expected present value of benefits payable in the future related to the length of employment in the current period, conceptually similar to the accrued share of the employee severance indemnity, is classified under personnel costs in the income statement while the implicit financial charges are reclassified in the applicable financial section.

4.6.16 INCOME TAXES

Income taxes recognized in the income statement include current and deferred taxes. Income taxes are generally charged to the income statement, unless they relate to items recognized directly under capital and reserves. In this case, the income taxes are also charged directly to capital and reserves, as a variation to the amount recorded.

Current taxes are taxes calculated by applying the tax rate in effect on the balance sheet date and adjustments to prior year taxes to taxable income.

Deferred taxes are calculated using the so-called liability method on timing differences between the amount of assets and liabilities recorded in the financial statements and the corresponding values recognized for tax purposes. Deferred taxes are calculated according to the designated method of reversal of timing differences, on the basis of realistic estimates of financial charges resulting from the application of the tax legislation in force at the date in which the financial statements were prepared.

Deferred tax assets are recognized only if it is probable that sufficient taxable income will be generated in future years to realize these deferred taxes.

Please note that, starting from the 2024 tax year, the company Comer Industries S.p.A. joined the tax consolidation regime, incorporating receivables and/or payables relating to the IRES income tax of the Italian subsidiaries Comer Industries Components S.r.l. and e-Comer S.r.l.

4.6.17 PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to costs and charges of a specific nature and certain or likely existence, the amount and date of occurrence of which are not known at the close of the period. Provisions are recognized when:

- the existence of a pending liability arising from a past event is probable;
- it is likely that the obligation will be burdensome;
- the amount of the obligation can be estimated reliably.

Provisions are recorded at the value reflecting the best estimate of the amount the company would reasonably pay to settle the obligation or transfer it to third parties at the end of the period.

The costs that Comer Industries S.p.A. expects to incur to carry out restructuring plans are recorded in the financial year in which the Company formally defines the plan and the interested parties have a valid expectation that the restructuring will happen.

The provisions are periodically updated to reflect any variations in estimates of costs and realization times.

Revisions of the provision estimates are charged in the same income statement item that had previously held the provision.

The notes to the consolidated financial statements illustrate the contingent liabilities consisting of:

- possible, but not probable, obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly under the control of the company;
- present obligations arising from past events the amount of which cannot be reasonably estimated or the fulfillment of which will probably not be burdensome.

4.6.18 CURRENT FINANCIAL LIABILITIES, TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables, which mature within the normal commercial terms, are not discounted and are recognized at cost (identified by nominal value) reflecting their settlement value.

Current financial liabilities include the short-term portion of borrowings, including payables for cash advances and other financial liabilities. Financial liabilities are measured at amortized cost by recording charges in the income statement using the effective interest rate method, with the exception of financial liabilities purchased for trading purposes or derivatives, or those designated as FVTPL by management at the date of initial recognition, which are measured at fair value through profit or loss (see para. Financial derivatives).

4.6.19 DE-RECOGNITION OF FINANCIAL ASSETS AND LIABILITIES FINANCIAL ASSETS

A financial asset is derecognized when:

- the rights to receive cash flows from the asset are extinguished;
- the Company retains the right to receive cash flows from the asset, but has assumed the contractual obligation to pay them in full and without delay to a third party;
- the Company has transferred the right to receive cash flows from the asset and has transferred substantially all risks and rewards of ownership of the financial asset or has neither transferred nor retained all risks and rewards of ownership of the asset, but has transferred control of the asset.

In cases where the Company has transferred the rights to receive cash flows from an asset and has neither transferred nor retained all the risks and benefits or has not lost control over it, the asset is recognized in the balance sheet to the extent of its residual involvement in the asset.

The residual involvement that takes the form of a guarantee on the transferred asset is valued at the lower of the initial book value of the asset and the maximum amount that the Company could be required to pay.

In cases where the residual involvement takes the form of an option issued and/or purchased on the transferred asset (including options settled in cash or similar), the extent of the Company's involvement corresponds to the amount of the transferred asset that the Company may repurchase; however, in the case of a put option issued on an asset measured at fair value (including options settled in cash or similar), the extent of the Company's residual involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

FINANCIAL LIABILITIES

A financial liability is derecognized when the obligation underlying the liability is extinguished, canceled or discharged.

In cases where an existing financial liability is replaced by another from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially changed, this exchange or change is treated as a derecognition of the original liability and the recognition of a new liability, with any differences between the carrying amounts recognized in the income statement.

In the case of changes to financial liabilities defined as non-substantial, the financial liability is not derecognized and the value of the debt is recalculated keeping the original effective interest rate unchanged, discounting the modified cash flows, thus generating a positive or negative effect on the income statement.

4.6.20 REVENUES

Revenues are recognized to the extent in which it is probable that the economic benefits will be achieved by the Company and the related amount can be reliably determined, regardless of the date of payment. Revenues are measured at the fair value of the amount received or to be received, taking into account the contractually defined payment terms and excluding taxes and duties.

Revenue from the sale of goods is recognized when the Company has transferred all significant risks and rewards connected with ownership of the goods to the purchaser. Revenue is measured at the fair value of the consideration received or to be received, net of returns and rebates, commercial discounts and volume reductions.

4.6.21 COSTS

Costs are recognized when they relate to goods and services purchased and/or received during the period or by systematic allocation of an expense from which future benefits are spread over time.

4.6.22 FINANCIAL INCOME AND CHARGES

The financial income and charges are reported on an accrual basis based on the interest accrued to the net value of the related financial assets and liabilities by applying the effective interest rate. The financial income and charges include gains and losses on exchange and gains and losses on derivative instruments that must be recognized in the income statement if they fail to meet the requirements to be considered hedging.

4.6.23 DIVIDENDS

Dividends are recognized when, as a result of the resolution passed by the shareholders' meeting of the investee company to distribute the profit or possibly the reserves, the right to collect them arises for the investor. The dividend is recognized as financial income, irrespective of the nature of the reserves distributed. The investor company verifies that, following distribution, the recoverable amount of the equity investment has not declined to such a point so as to require the recognition of an impairment loss.

4.6.24 USE OF ESTIMATES

The preparation of the financial statements requires that the Directors apply accounting standards and methods that, in certain circumstances, are based on difficult and subjective valuations and estimates based on past experience and assumptions which are from time to time considered reasonable and realistic depending on the relative circumstances. The application of these estimates and assumptions affect the amounts reported in the schedules forming the financial statements, such as the Statement of financial position, the Income statement, the Statement of Comprehensive Income, the Cash flow Statement and the Statement of Changes in Net equity, as well as the information provided. The final values of the accounting items for which these estimates and assumptions were used may differ from those reported in the financial statements due to uncertainties regarding the assumptions and the conditions on which the estimates are based. Estimates and assumptions are reviewed periodically and the effects of each variation recognized in the period in which the estimate is revised if the revision affects only the current period, or even in subsequent periods if the revision affects the current period and those in the future. The financial statement items which, more than others, require a greater degree of discretion by the directors when making estimates and for which a change underlying the assumptions used could have a significant impact on the financial statements are: the impairment of equity investments, provision for bad debts, provisions for product warranty risks, other provisions for legal risks, the inventory write-down provision for semi-finished and finished products, defined benefit plans for employees and the recoverable value of non-current assets with an indefinite useful life ("impairment").

PROVISION FOR BAD DEBTS

The provision reflects the risks calculated on specific positions both in relation to insolvency proceedings in progress and cases for which legal action has been taken, or simply receivables outstanding for more than 360 days, as well as the estimate of expected losses on receivables, also in the absence of events that already indicate clear risks of loss, as provided for by international accounting standard IFRS 9.

PROVISION FOR PRODUCT WARRANTY RISKS

The provision includes amounts for both specific risks, estimated on the basis of specific technical analyses, and generic risks. The latter are calculated on the production values of single plants, using the average warranty costs as a percentage of turnover in the last 5 years applied to the turnover of the period.

The warranties granted are in line with legal provisions.

PROVISION FOR LEGAL RISKS

These refer to specific cases assigned to legal attorneys with relation to ongoing litigation.

INVENTORY WRITE-DOWN PROVISION

A generic amount has been set aside, calculated by applying a specific percentage write-down for bands of turnover rate in a systematic fashion, and a specific amount relating to the real possibility of disposal of the products.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS. PROVISIONS FOR EMPLOYEE BENEFITS

The related net financial assets, costs, and expenses are valued using an actuarial method that requires the use of estimates and assumptions to determine the net value of the obligation or asset. The actuarial method considers financial parameters such as for example the discount rate or expected long-term return on plan assets and payroll growth rates, and considers the probability of occurrence of potential future events through the use of demographic parameters, such as for example mortality rates. Specifically, the discount rates taken as reference are rates or rate curves of high quality corporate bond rates (euro Composite AA rate curve) in the respective markets of reference. Expected asset returns are determined based on various data provided by some experts on the long-term expectations of capital market returns, inflation, current bond yields, and other variables, and are adjusted as necessary to account for asset investment strategies. Future salary increase rates reflect Comer's long-term expectations in its reference markets and inflation trends. Changes in any of these parameters may affect future contributions to the funds.

IMPAIRMENT TEST

Impairment testing, requiring the use of estimates, is performed when indicators of impairment are identified in order to check for the stability of the carrying amount of the equity investments recognized in the financial statements at purchase cost.

If the performance of this test is necessary, the Company bases its estimates and assumptions on parameters available at the time of preparing the financial statements. However, circumstances and assumptions about future developments may change due to changes in the market or events beyond the Company's control. If they occur, such changes are reflected in the assumptions.

4.6.25 PUBLIC GRANTS

Public grants are recognized when there is reasonable certainty that they will be received and that all the conditions referring to them have been satisfied. Grants relating to components of cost are recognized as revenues, but are systematically spread over a number of financial periods so as to match the recognition of the costs they are intended to offset.

A grant relating to an asset is recognized as a revenue in constant amounts along the expected useful life of the asset in question.

In the event the Company receives a non-monetary grant, the asset and the relative grant are recognized at nominal value and released in the income statement in constant amounts along the expected useful life of the asset in question.

Law 124 of 2017 provides for compulsory disclosure of subsidies, grants, appointments or economic advantages received from the Public Administration or, in any case, involving public resources.

From a systematic reading of the regulation, the facilitating measures aimed at all companies have not been included (by way of example but not limited to tax facilitating measures such as hyper-

amortization, super-amortization, tax credit for research and development and facilitating measures such as the Wages Guarantee Fund) as these advantages are not aimed at a specific company. During the year, the Company only received State Aid that targeted all companies, and therefore for any details reference should be made to section 4.9.26.

4.6.26 SHARE-BASED PAYMENTS

In accordance with IFRS 2 (Share-based payments), equity-settled incentive plans are measured at fair value at the grant date, determined using an appropriate valuation model (Black-Scholes or binomial), taking into account market and non-market vesting conditions.

The total cost of the plan is recognized in profit or loss on a straight-line basis over the vesting period, with a corresponding entry in other comprehensive income. At each reporting date, the estimate of the number of instruments expected to vest is revised with reference only to non-market conditions. The effect of the revision is recognized in profit or loss with a corresponding adjustment in other comprehensive income.

4.6.27 ACCOUNTING STANDARDS

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2025

The following IFRS accounting standards, amendments and interpretations have been applied for the first time by the Company starting from January 1, 2025:

- On August 15, 2023, the IASB published an amendment called "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability." The document requires an entity to identify a methodology to be applied consistently in order to ascertain 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 disclosure to be made in the notes to the financial statements. The adoption of these amendments had no effect on the Company's financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT ADOPTED EARLY BY THE COMPANY AS OF DECEMBER 31, 2025

At the reference date of this document, the competent bodies of the European Union have completed the approval process necessary for the adoption of the amendments and principles described below, but these standards are not mandatorily applicable and were not adopted early by the Company as of December 31, 2025:

- On May 30, 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 certain problematic aspects that emerged from the IFRS 9 post-implementation review, including accounting for financial assets whose returns vary as ESG targets are reached (green bonds). Specifically, the amendments aim to:

- Clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance (ESG) targets and the criteria to be used for the SPPI test;
- determine that the settlement date of liabilities via electronic payment systems is that on which the liability is discharged. However, an entity is permitted to adopt an accounting policy to make it possible to derecognize a financial liability before delivering liquidity at the settlement date when some specific conditions are met.

With these amendments, the IASB also introduced additional reporting requirements specifically regarding investments in FVOCI equity instruments.

The amendments will apply to reporting periods beginning on or after January 1, 2026. The Directors do not expect a significant effect in the Company's financial statements from the adoption of this amendment.

- On July 18, 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 a number of IFRS Accounting Standards. The following standards were amended:

- 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 as of January 1, 2026, but early application is permitted. The Directors do not expect a significant effect in the Company's financial statements from the adoption of these amendments.

- On December 18, 2024, the IASB published an amendment called "**Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7**". The document aims to support entities in accounting for the financial effects of contracts for the purchase of electricity generated from renewable sources (often structured as Power Purchase Agreements). On the basis of these contracts, the quantity of electricity generated and purchased may change depending on uncontrollable factors, such as weather conditions. The IASB made targeted amendments to IFRS 9 and IFRS 7. The amendments include:

- a clarification regarding the application of own use requirements to this contract type;
- criteria to make it possible to account for these contracts as hedging instruments; and,
- new reporting requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The amendment will apply from January 1, 2026, but earlier application is allowed. The Directors do not expect a significant effect in the Company's financial statements from the adoption of this amendment.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET APPROVED 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 April 9, 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, specifically with regard to the income statement. Specifically, the new standard requires entities to:
 - classify revenue and costs in three new categories (operating section, investing section and financing section), in addition to the income taxes and discontinued operations categories already in the income statement;
 - present two new sub-totals, the operating profit or loss and profit or loss before financing and income taxes (i.e. EBIT).

The new standard also:

- requires additional information about the performance indicators defined by the management;
- introduces new criteria for the aggregation and disaggregation of information; and,
- introduces several amendments to the cash flow statement, including the requirement to use operating profit as the point of departure for the presentation of the cash flow statement prepared with the indirect method and the elimination of certain options for the classification of some currently existing items (such as interest paid, interest collected, dividends paid and dividends collected).

The new standard will enter into force as of January 1, 2027, but earlier application is allowed. At the moment, the Directors are evaluating the possible effects of the introduction of this new standard on the Company's financial statements.

- On May 9, 2024, the IASB published a new standard **IFRS 19 Subsidiaries without Public Accountability: Disclosures**. The new standard introduces some simplifications concerning the disclosure required by IFRS Accounting Standards in the financial statements of a subsidiary, which meets the following requirements:
 - it has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them;
 - its parent company prepares consolidated financial statements in compliance with IFRS.
 The new standard will enter into force as of January 1, 2027, but earlier application is allowed. The Directors do not expect a significant effect in the Company's financial statements from the adoption of this amendment.
- On November 13, 2025, the IASB published a document named "Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21" which clarifies the conversion procedures for an entity whose reporting currency is that of a hyperinflationary economy. The entity applies the amendments if:
 - its functional currency is that of a non-hyperinflationary economy and it is converting its profit and loss and financial position into the currency of a hyperinflationary economy; or,
 - it is converting into the currency of a hyperinflationary economy the profit and loss and financial position of foreign operations whose reporting currency is that of a non-hyperinflationary economy.

The amendments will apply to reporting periods beginning on or after January 1, 2027. The Directors do not expect an effect in the Company's financial statements from the adoption of this amendment.

- On January 30, 2014, the IASB published **IFRS 14 - Regulatory Deferral Accounts**, which allows only first-time adopters of IFRS to continue to recognize amounts related to activities subject to regulated rates ("Rate Regulation Activities") under the previous adopted accounting standards. As the Company is not a first-time adopter, this standard is not applicable.

The Company's business is exposed to various financial risks: market risk (including exchange rate risk and interest rate risk), credit risk, liquidity risk and price and cash flow risk. The risk management program aims to minimize any negative impact on the financial performance of the Company and is planned by a central function of the Company which coordinates all the operating companies, reporting directly to the Chief Executive Officer.

The Company uses derivative financial instruments to hedge its exposure to foreign exchange risk and does not subscribe to derivative financial instruments for speculative purposes.

4.7.1 MARKET RISK

EXCHANGE RATE RISK

The Group operates internationally and is exposed to exchange rate risk due to exposure mainly to the US dollar and the Chinese yuan, and secondarily to the Indian rupee, the Brazilian real and the British pound. The exchange rate risks are generated by forecasts of future commercial transactions and recognized assets or liabilities.

In order to manage the exchange rate risk generated by forecasts of future commercial transactions and recognized assets or liabilities denominated in a currency other than the functional currency of the Group (euro), the Group companies use repurchase agreements (forward), under the coordination of the central Treasury.

The Group's policy is to hedge a portion of future currency transactions that are expected to occur in the next 12 months. Where necessary, derivative contracts previously stipulated are renewed at maturity in relation to the evolution of the business.

The Group is exposed to the conversion risk of net assets of subsidiaries in North America, Great Britain, China, India and Brazil. Considering the strategic importance of the subsidiaries for which the implementation of this activity is foreseen in the short term, the Group did not consider the signing of hedging contracts necessary for this purpose.

As concerns the acquisition of Comtesco, as already described in the section on events subsequent to year-end, please note that to protect itself from any negative exchange rate fluctuations between the date of approval and the closing date of the transaction, the Group carried out a series of hedging transactions to guarantee that the cost of the investment in euros would remain aligned with what was approved by the Board of Directors and the effects of which were recognized in the comprehensive income statement (negative effect of 4,996 thousand euros, without considering tax effects as they are inapplicable). These hedges were no longer in place at year-end close.

INTEREST RATE RISK

The interest rate risk is derived from medium-long term loans at variable rates. Given the financial exposure, the Company's current policy is to use floating rate loans, monitoring the interest rate curve.

4.7.2 CREDIT RISK

The Group's policy is to sell to customers after an evaluation of their credit capacity and therefore within pre-set credit limits. Historically, the Group has not suffered significant losses on receivables.

4.7.3 LIQUIDITY RISK

Prudent management of liquidity risk implies maintaining sufficient available cash and cash equivalents and sufficient credit lines from which to draw. Due to the dynamic nature of the business, the Group's policy is to have revolving standby credit facilities that can be utilized at short notice.

The Group follows stringent rules to distribute its deposits and liquid assets in a balanced manner among an adequate number of banking institutions with ratings of high standing.

4.7.4 PRICE RISK

The Group is subject to the risk of fluctuations in metal prices, in particular aluminum, copper and steel. The Group's policy is to cover the risk where possible, through commitments from suppliers in the medium term, with stockpiling policies when prices are at their lowest and agreements with customers.

For the operational management of the above risks, please refer to paragraph 4.9.16.

For segment information, see the relevant paragraph of the consolidated financial report.

4.9.1 TANGIBLE FIXED ASSETS

The movements in technical fixed assets and the related accumulated depreciation during 2025 are described in the following tables, which show the values with a separate indication of grants received in the capital account, as a reduction of the investment value:

DESCRIPTION (THOUSAND EUROS)	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER ASSETS	TANGIBLE FIXED ASSETS IN PROGRESS	RIGHTS OF USE	TOTAL
01/01/2024	386	18,726	8,278	2,570	3,902	17,423	51,285
Increases	-	2,324	1,999	524	2,182	3,423	10,453
Decreases	-	(56)	(12)	(60)	-	(779)	(907)
Depreciation	(24)	(3,501)	(3,579)	(494)	-	(3,889)	(11,488)
Reclassifications	-	940	527	3	(1,470)	-	(0)
12/31/2024	361	18,433	7,212	2,543	4,615	16,177	49,343
Increases	1,904	537	3,370	44	306	255	6,416
Decreases	-	(78)	(28)	(737)	-	(89)	(932)
Depreciation	(23)	(3,196)	(4,015)	(409)	-	(3,855)	(11,498)
Reclassifications	-	-	2,948	-	(2,948)	-	-
12/31/2025	2,242	15,696	9,486	1,442	1,973	12,489	43,329

During the year, Comer Industries S.p.A. invested 6.1 million euros (2.5% of turnover) in tangible fixed assets, net of decreases and excluding changes in "Rights of use".

Among the most significant investments, assembly lines (investments initiated in the previous year) dedicated to the production of gearboxes for the agricultural sector became operational.

The new vertical automated warehouses began operating, which will make it possible to optimize logistics flows. The value of Rights of use at December 31, 2025 net of accumulated depreciation came to 12,489 thousand euros, of which: (i) 11,755 thousand euros for lease installments on industrial buildings; (ii) 681 thousand euros for lease installments on company vehicles; and (iii) 54 thousand euros for lease installments on forklifts.

4.9.2 INTANGIBLE FIXED ASSETS

The variations in intangible fixed assets are shown below, indicating values net of government capital grants:

DESCRIPTION (THOUSAND EUROS)	DEVELOPMENT AND APPROVAL COSTS	TRADE-MARKS AND KNOW-HOW	CONCESSIONS, LICENSES AND PATENTS	OTHER INTANGIBLE FIXED ASSETS	INTANGIBLE FIXED ASSETS IN PROGRESS	TOTAL
01/01/2024	252	5	3,372	1	1,026	4,656
Increases	-	-	2,016	-	1,030	3,045
Decreases	-	-	-	-	(28)	(28)
Amortization	(122)	(1)	(1,234)	-	-	(1,358)
Reclassifications	194	-	-	-	(194)	-
12/31/2024	324	4	4,152	1	1,834	6,315
Increases	26	-	2,824	4,195	1,233	8,279
Decreases	-	-	(22)	-	(51)	(73)
Amortization	(385)	(1)	(1,599)	(1)	-	(1,988)
Reclassifications	1,360	-	-	-	(1,360)	-
12/31/2025	1,325	2	5,354	4,195	1,656	12,533

Intangible fixed assets are broken down as follows:

I. DEVELOPMENT AND APPROVAL COSTS AND INTANGIBLE FIXED ASSETS IN PROGRESS

These capitalizations are mainly related to internal orders associated with the development of new products. Under assets in progress, during the period, hours of work linked to the development of new products of 1,233 thousand euros and development costs of 1,360 thousand euros were capitalized for completed projects. These projects meet the requirements of paragraph 57 of IAS 38, as the Company has analyzed their technical feasibility, as well as the intention to complete the project, to introduce new products on the market and the availability of technical and financial resources, as well as a reliable identification of own costs and their ability to produce future economic benefits. These expenses are

amortized on the basis of the probable useful life generally estimated to be 3 to 5 years, depending on the sector they are intended for. The decrease of 51 thousand euros in assets in progress refers to projects closed during the year.

II. CONCESSIONS, LICENSES AND PATENTS

The increases in the period relate to software licenses and applications for the logistics area and research and development and the capitalization of external costs for the realization of ERP consolidation projects in the Reggiolo industrial center.

III. OTHER INTANGIBLE FIXED ASSETS

The increase in this item of 4,195 thousand euros can be attributed to the acquisition of the customer list from the US subsidiary Comer Industries Inc. in December 2025 following the reshoring of the supply of certain customers and products intended for the US market.

4.9.3 EQUITY INVESTMENTS

Equity investments are shown in detail below:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024	DIFFERENCE
e-comer S.r.l.	56,227	56,227	-
Comer Industries INC	9,218	9,218	-
Comer Industries Component S.r.l.	26,812	26,812	-
Comer Industries (Shaoxing) Co., Ltd.	226	226	-
Comer Industries (Jiaxing) Co., Ltd.	13,300	13,300	-
Comer Industries do Brasil EIRELI	2,016	2,016	-
Comer Industries India Private Limited	1,883	1,883	-
Comer Industries UK Ltd	350	810	(460)
WPG Brasil Ind. de Equi. Agr. Ltda	100	100	-
WPG US HoldCo LLC	100,791	100,791	-
WPG German Holdco GmbH	122,272	122,272	-
WPG UK Holdco Limited	3,494	3,494	-
Equity investments in subsidiaries	336,688	337,149	(460)
Deep Tier S.r.l.	100	100	-
Equity investments in associates	100	100	-
FF Investments S.r.l.	319	319	-
Equity investments in other companies	319	319	-
TOTAL EQUITY INVESTMENTS	337,107	337,567	(460)

The change during the year, amounting to 0.46 million euros, in the item Equity investments in subsidiaries, was due to the adjustment of the cost of the Comer Industries Uk Ltd equity investment to the company's liquidation value, as it will be liquidated in the first quarter of 2026.

A comparison is provided below between equity drafted in accordance with IAS of the subsidiaries and connected to the relative carrying amount. The ownership percentage is intended as direct plus indirect.

ENTITY NAME	SHARE CAPITAL (€K)	NET EQUITY (€K)	% CONTROL	SHARE HELD (€K)	VALUE OF EQUITY INVESTMENT (€K)	DIFFERENCE (€K)
e-comer S.r.l.	1,000	68,167	100%	68,167	56,227	11,940
Comer Industries Inc.	11,885	18,475	100%	18,475	9,218	9,257
Comer Industries U.K. Ltd.	304	359	100%	359	349	10
Comer Industries Components S.r.l.	7,125	34,644	100%	34,644	26,812	7,832
Comer Industries (Shaoxing) Co. Ltd	6,720	22,283	100%	22,283	226	22,057
Comer Industries do Brasil EIRELI	950	1,216	100%	1,216	2,016	(800)
Comer Industries India Pvt Ltd	1,374	18,041	100%	18,041	1,883	16,158
Comer Industries (Jiaxing) Co. Ltd	21,000	111,801	100%	111,801	13,300	98,501
WPG Brasil Ind. de Equi. Agr. Ltda	8,126	2,776	100%	2,776	100	2,676
WPG German Holdco GmbH	10,495	39,638	100%	39,638	122,272	(82,634)
WPG UK Holdco Limited	3,545	3,560	100%	3,560	3,494	66
WPG US HoldCo LLC	52,390	4,046	100%	4,046	100,791	(96,745)
Deep Tier S.r.l.	112	1,253	29.00%	363	100	263
FF Investments S.r.l.	77	2,612	11.72%	306	319	(13)

Investments in subsidiaries are valued according to the cost method, which requires it to be reduced in the event of impairment losses, if the decrease in value suffered by the investee cannot be absorbed within a reasonable period of time. A loss should be considered impairment when, fundamentally, it is not expected that the reasons causing it can be eliminated within a brief period of time, that is within a short enough period of time to make it possible to formulate reliable forecast based on objective and reasonably identifiable facts.

At each reporting date the Company checks for the existence of events or circumstances that cast doubt on the recoverability of the value of tangible and intangible fixed assets with a finite useful life, and if there are any indicators of loss it estimates the recoverable value of the fixed assets in order to quantify the extent of any impairment losses.

In order to draft the financial statements as of December 31, 2025, an analysis was performed to verify whether there were any indicators of impairment and, following that analysis, conducted in compliance with the policy adopted by the Company, no need to perform impairment testing was identified.

In particular, the Company holds investments in the German and U.S. sub-holdings that show negative differences compared to their respective equity as reported in their separate financial statements, which do not take into account the equity of the companies they control and the higher values originally recognized upon acquisition of the Walterscheid Group. Accordingly, for both investments, the related sub-consolidated equity was recalculated and compared with the carrying amounts of the investments. Based on this assessment, the differences identified are below the thresholds defined by the Company's policy for impairment testing with respect to identifying indicators of impairment losses. Therefore, in both cases it was not necessary to perform impairment testing.

Lastly, the negative spread referring to the subsidiary Comer Industries do Brasil Eireli was due to the distribution of dividends approved during the year under analysis. However, consistent with the internal policy, this negative difference was not deemed a sign of impairment.

Investments in associates are valued according to the equity method, which requires initial recognition at acquisition cost and the subsequent write-down or revaluation of the carrying amount to recognize the share pertaining to the investor of the investee's profits or losses after the acquisition date. As concerns the subsidiary Deep Tier, although it is recognized at a value lower than the share held of net equity, no revaluation was recognized as it recorded a loss in the last two years.

Lastly, equity investments in other companies include the company FF Investments S.r.l., a start-up established at the end of 2021, which until the date of approval of these financial statements, presented the data from the third year which closed at December 31, 2024. The book value of that equity investment, represented by the purchase cost, basically approximates its fair value.

Comer Industries S.p.A. has dealings with subsidiaries and other related parties at market conditions considered as normal in the respective reference market, taking account of the characteristics of the assets and the services provided. Transactions between Comer Industries S.p.A. and its subsidiaries, in compliance with IAS 24, are disclosed below:

COMPANY (THOUSAND EUROS)	SALES OF GOODS AND SERVICES	PURCHASE AND OTHER OPERATING COSTS	FINANCIAL INCOME	FINANCIAL CHARGES	ROYALTIES	DIVIDENDS
Comer Industries Components	2,889	63,825	-	465	-	16,000
Comer Industries Inc	26,487	498	-	432	-	20,851
Comer Industries (Shaoxing) Co. Ltd.	-	1,513	-	-	-	-
Comer Industries (Jiaxing) Co. Ltd.	1,840	15,709	-	865	5,637	-
Comer Industries India Pvt Ltd	770	1,927	-	-	1,628	-
Comer Industries do Brasil LTDA	3,129	4	-	-	-	8,271
e-comer	3,636	438	2	136	-	-
WPG US Holdco LLC.	-	-	649	-	-	-
WPG UK Holdco Ltd.	-	-	-	99	-	-
WPG German Holdco GmbH	-	-	-	458	-	-
Walterscheid Gmbh	2,370	59	-	-	-	-
Walterscheid Getriebe GMBH	355	1,434	-	-	-	-
Walterscheid Service Gmbh	882	1,112	-	-	-	-
Powertrain Service France	-	133	-	-	-	-
Walterscheid Powertrain Services UK	-	12	-	-	-	-
Powertrain Rockford Inc	1,315	3	-	-	-	-
Walterscheid Inc. Woodridge	350	137	-	-	-	-
Total	44,023	86,806	652	2,455	7,265	45,122

COMPANY (THOUSAND EUROS)	TRADE RECEIVABLES	TRADE PAYABLES	OTHER RECEIVABLES	OTHER PAYABLES	FINANCIAL RECEIVABLES	FINANCIAL PAYABLES
Comer Industries Components	905	5,715	980	-	9,000	20,260
Comer Industries Inc	4,009	518	-	-	20,851	13,730
Comer Industries (Shaoxing) Co. Ltd.	-	744	-	-	-	-
Comer Industries (Jiaxing) Co. Ltd.	2,842	12,733	-	-	-	22,767
Comer Industries India Pvt Ltd	1,109	664	-	-	-	-
Comer Industries do Brasil LTDA	546	2	-	-	6,635	-
e-comer	143	175	-	944	-	6,066
WPG US Holdco LLC.	-	-	-	-	102,029	-
WPG UK Holdco Ltd.	-	-	-	-	-	3,000
WPG German Holdco GmbH	-	-	-	-	-	43,306
Walterscheid Gmbh	2,325	113	-	-	-	-

COMPANY (THOUSAND EUROS)	TRADE RECEIVABLES	TRADE PAYABLES	OTHER RECEIVABLES	OTHER PAYABLES	FINANCIAL RECEIVABLES	FINANCIAL PAYABLES
Walterscheid Getriebe GMBH	308	-	-	-	-	-
Walterscheid Cardan GmbH	45	-	-	-	-	-
Walterscheid Service Gmbh	1,074	-	-	-	-	-
Powertrain Service France	140	-	-	-	-	-
Walterscheid Powertrain Services UK	-	12	-	-	-	23
WPG Brazil	111	-	-	-	-	-
Powertrain Rockford Inc	994	-	-	-	-	-
Walterscheid Inc. Woodridge	343	-	-	-	-	-
Total	14,894	20,677	980	944	138,515	109,152

The "Financial income" and "Financial charges" headings refer to interest accruing in the period on intercompany loans and cash pooling contracts.

At December 31, 2025 the following intra-group loans were outstanding:

- Loan to Comer Industries S.p.A. from Comer Industries (Jiaxing) Co. Ltd. for 21.2 million euros;
- Loan to Comer Industries S.p.A. from WPG German Holdco GmbH for 10.9 million euros;
- Loan to Comer Industries S.p.A. from WPG UK Holdco Ltd in the amount of 3 million euros;
- Loan to WPG USA Holdco LLC from Comer Industries S.p.A. in the amount of 92.2 million euros.

As of December 31, 2025, cash pooling agreements are in place between Comer Industries S.p.A. and its subsidiaries Comer Industries Components S.r.l. (negative for 20.1 million euros), Comer Industries Inc. (negative for 9.1 million euros), WPG German Holdco (negative for 32.2 million euros), e-comer S.r.l. (negative for 6.0 million euros) and WPG US Holdco (positive for 10 million euros).

All balances are net of interest accrued as of December 31, 2025.

DEALINGS WITH PARENT COMPANIES

Comer Industries S.p.A. does not have commercial or financial dealings with the majority shareholder, Eagles Oak S.r.l.

RELATIONS WITH OTHER RELATED PARTIES

It is disclosed that the "Other operating costs" heading includes professional consultancy provided by two Directors of the parent company Comer Industries S.p.A. for non-significant amounts.

4.9.4 CURRENT AND DEFERRED TAX ASSETS

The details of deferred tax assets are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Deferred tax assets	4,565	4,588
Deferred tax assets	4,565	4,588

The balance of deferred tax assets decreased by 23 thousand euros mainly as a result of the changes shown in the following table:

DEFERRED TAX ASSETS (THOUSAND EUROS)	12/31/2025	12/31/2024	YEAR 2025
Description	Total Deferred Tax Assets	Total Deferred Tax Assets	(used) allocated
Inventory write-down provision	1,942	1,647	295
Provision for warranty and/or contract risks	1,475	1,554	(79)
Comer Industries Trademark	329	329	-
Supplementary Agents Indemnity	15	14	1
Adjustment of foreign currency items	-	-	0
Taxed provision for receivables	180	252	(72)
Deferred emp. and dir. variable salary	375	453	(78)
Provisions for risks	42	132	(90)
IAS/IFRS impacts	205	205	-
Other impacts	2	2	-
Total prepaid taxes company	4,565	4,588	(23)

Changes in current tax assets are shown below:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	NET CHANGE	12/31/2025
VAT credit	2,083	664	2,746
Current tax receivables	3,479	(2,637)	842
Other minor	2	26	28
Current tax assets	5,564	(1,947)	3,616

As of December 31, 2025, the balance of the VAT credit amounted to 2,746 thousand euros, up compared to the previous year.

The balance of current tax credits of 842 thousand euros is broken down as follows: 754 thousand euros regards the share of IRES and IRAP for the year and the remaining 88 thousand euros regards the current share of the research and development credit.

4.9.5 SHORT- AND LONG-TERM FINANCIAL RECEIVABLES

This item includes financial receivables totaling 216,930 thousand euros, of which 121,422 thousand euros due within one year. This amount includes:

- 11,025 thousand euros relating to the intercompany loan agreement between Comer Industries S.p.A. and WPG US Holdco LLC supporting the U.S. Group reorganization plan, for which no repayment schedule is currently foreseeable.
- 33,168 thousand euros relating to dividend receivables to be collected, broken down as follows:
 - 9,000 thousand euros from the subsidiary Comer Components S.r.l. to be collected by the end of 2026.
 - 6,634 thousand euros from the subsidiary Comer Brazil (of which 3,317 thousand euros to be collected by the end of the next year).
 - 20,851 thousand euros from the subsidiary Comer Inc. to be collected by the end of 2026.
- 77,229 thousand euros relating to the financial receivable referring to the funding obtained for the acquisition of the company Comtesco Corporation, as described in section 2.10.27 significant events after the close of the year.
- 92,191 thousand euros relating to long-term financial receivables from the subsidiary WPG US Holdco LLC, arising from the conversion of prior cash pooling and financing arrangements into a single euro-denominated line supporting the reorganization plan of U.S. subsidiaries. No repayment schedule is currently foreseeable for this financing and no accrual of interest has been envisaged for the first year.

During the year, a pooling line with WPG US HoldCo LLC was nevertheless maintained to support cash requirements.

The changes and accounting data at December 31, 2025 are shown below.

DESCRIPTION (THOUSAND EUROS)	CUR- RENCY	BOOK VALUE 12/31/2024	CHANGE	BOOK VALUE 12/31/2025	NOM. VAL. DECEMBER 31, 2025 (LC)
Financial receivables WPG US Holdco LLC	EUR	52,346	(41,321)	11,025	11,025
Financial receivables Comer Industries Components S.r.l.	EUR	5	8,995	9,000	9,000
Comer Inc financial receivables	USD	-	20,851	20,851	24,500
Comer Brazil financial receivables	BRL	-	3,317	3,317	21,352
Financial receivables - other	EUR	-	77,229	77,229	77,229
Total current financial receivables	-	52,351	69,071	121,422	-
Financial receivables WPG US Holdco LLC	EUR	40,427	51,764	92,191	92,191
Comer Brazil financial receivables	BRL	-	3,317	3,317	21,352
Total non-current financial receivables	-	40,427	55,081	95,508	-
TOTAL FINANCIAL RECEIVABLES	-	92,778	124,152	216,930	-

4.9.6 OTHER LONG-TERM RECEIVABLES

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Other minor receivables including security deposits Italy	316	320
Tax receivables	48	-
Other Long-term receivables	364	320

Other long-term debtors refer to guarantee deposits primarily for real estate in rental agreements and consumption.

Tax credits relate to the long-term share of tax credits for investments in new operating assets.

4.9.7 INVENTORIES

The changes are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	NET CHANGE/ INCREASES	12/31/2025
Raw materials and Packaging	17,910	3,365	21,276
Provision for write-down of raw materials and consumables	(641)	(320)	(961)
Raw and ancillary materials and packaging	17,269	3,045	20,314
Semi-finished products purchased and produced	27,269	6,082	33,350
Provision for write-down of semi-finished products purchased and produced	(3,385)	(677)	(4,062)
Work in progress	23,884	5,405	29,288
Finished products and Goods	5,394	4,246	9,640
Provision for write-down of finished products	(1,723)	(30)	(1,753)
Finished products	3,671	4,216	7,887
INVENTORIES	44,823	12,666	57,489

The increase in the value of inventories at December 31, 2025 was mainly the result of expectations concerning sales in the first part of 2026. Inventories are shown net of a provision for obsolescence amounting to 6,776 thousand euros.

During the year, this provision increased by 1,100 thousand euros due to accruals and decreased by 72.5 thousand euros following utilization for disposals.

4.9.8 TRADE RECEIVABLES AND OTHER SHORT-TERM RECEIVABLES

The changes are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	NET CHANGE	12/31/2025
Trade receivables	47,998	13,555	61,553
Receivables from group companies	13,599	1,295	14,894
Provision for bad debts	(1,379)	285	(1,094)
TRADE RECEIVABLES	60,217	15,134	75,352
Advances to suppliers	59	(31)	28
Receivables from Social Security Inst.	565	(539)	26
Accrued income and prepaid expenses	1,558	(496)	1,063
Credit notes to be received	326	398	723
Other short-term receivables group companies	1,218	(238)	980
Other short-term receivables	360	364	724
OTHER SHORT-TERM RECEIVABLES	4,085	(543)	3,542

Trade receivables amounting to 61,553 thousand euros rose by 13,555 thousand euros compared to the previous year. The balance of trade receivables was affected by the trend of revenues in the final quarter of 2025, which recorded a significant increase compared to the final quarter of the previous year. The average collection days, amounting to 92 days at December 31, 2025, rose by 4 days compared to the previous year.

The specific provision for bad debts was used in the amount of 320 thousand euros to close trade receivables that are no longer recoverable and 35.1 thousand euros was recognized.

In addition to the specific provision for bad debts and in accordance with IFRS 9, the Company determined the provision for bad debts by estimating Expected Credit Loss (ECL) considering historical, current, and prospective information. The simplified model was used to determine the provision, requiring immediate recognition of the expected losses over the entire life of the receivable.

During the year, Comer Industries S.p.A. did not recognize credit losses.

Note that there are no trade receivables due in more than 12 months.

Receivables from customers resident in the nations currently at war, i.e. Russia, Belarus, Ukraine, Iran, UAE, and Israel, amount to 0.1% of total trade receivables.

As of December 31, 2025, the representation by ranges of expired trade receivables (net of the provision for bad debts) is detailed in the following table.

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Current	73,972	59,284
30-60 days past due	1,229	756
60-90 days past due	120	119
More than 90 days past due	1,125	1,437
Provision for bad debts	(1,094)	(1,379)
TRADE RECEIVABLES	75,352	60,217

Note that loans that are less than 30 days past due are classified in the bracket called "Current."

4.9.9 LIABILITIES AND OTHER FINANCIAL PAYABLES, GUARANTEES

The net financial position as of December 31, 2025 (calculated in accordance with Consob Communication 5/21 of April 29, 2021 and ESMA recommendations 32-382-1138 of March 4, 2021) is negative for 167.5 million euros, an increase of 41.3 million euros compared to December 31, 2024.

The value of short-term loans of 203,262 thousand euros includes 105,541 thousand euros for payables to subsidiaries (for the details, see section 4.9.9.3).

Overall, net exposure to the banking system amounted to 87,229 thousand euros.

The value of prepayments deriving from accounting for up-front expenses according to amortized cost amounts to 186 thousand euros. The value of other financial liabilities attributable to the accounting treatment of leasing contracts according to IFRS 16 at December 31, 2025 amounts to 12.9 million euros, a decrease compared to December 31, 2024 (3.7 million euros), as well as part of the e-comer deferred payment (1,968 thousand euros due to the application of the amortized cost method).

The breakdown and movements compared to the previous year are shown below:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
A) Cash and cash equivalents	20,806	27,576
B) Cash equivalents	-	-
C) Other current financial assets	121,422	53,050
D) Liquidity (A+B+C)	142,228	80,626
E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(135,793)	(87,383)
F) Current part of non-current financial debt	(73,764)	(30,251)
Current financial debt (E+F)	(209,556)	(117,634)
G) of which secured	-	-
of which not secured	(209,556)	(117,634)
H) Net current financial debt (G-D)	(67,328)	(37,008)
I) Non-current financial debt (excluding current portion and debt instruments)	(100,191)	(89,211)
J) Debt instruments	-	-
K) Trade and other non-current payables	-	-
Non-current financial debt (I+J+K)	(100,191)	(89,211)
L) of which secured	-	-
of which not secured	(100,191)	(89,211)
M) Gross Financial Debt (G+L)	(309,748)	(206,845)
N) Net Financial Debt (Net financial position) (D+M)	(167,520)	(126,219)

Item C) "Other current financial assets" includes amounts for the acquisition of the investment in Comtesco and financial receivables from group companies of 44,193 thousand euros, of which 33,168 thousand euros with reference to dividends approved but not yet collected.

Financial assets and liabilities, broken down on the basis of the categories identified by IFRS 9, can be summarized in the following table:

DESCRIPTION (THOUSAND EUROS)	AT FAIR VALUE THROUGH PROFIT AND LOSS	AT AMORTIZED COST	FAIR VALUE	AT NOMINAL VALUE	TOTAL BOOK VALUE
Assets:					
Trade receivables	-	75,352	-	-	75,352
Other short-term receivables	-	3,542	-	-	3,542
Current tax assets	-	-	3,616	-	3,616
Other short-term financial receivables	-	121,422	-	-	121,422
Short-term derivative financial instruments	-	-	-	-	-
Cash and cash equivalents	-	-	20,806	-	20,806
Total assets	-	200,316	24,422	-	224,738
Liabilities:					
Long-term loans	-	(87,397)	-	-	(87,397)
Trade payables	-	(65,282)	-	-	(65,282)
Other short-term payables	-	(11,076)	-	-	(11,076)
Current tax liabilities	-	-	(1,668)	-	(1,668)
Short-term derivative financial instruments	-	-	-	-	-
Short-term loans	-	(203,262)	-	-	(203,262)
Other short-term financial payables	-	(6,306)	-	-	(6,306)
Other long-term financial payables	-	(12,827)	-	-	(12,827)
Total liabilities	-	(386,150)	(1,668)	-	(387,817)
TOTAL	-	(185,834)	22,755	-	(163,080)

4.9.9.1 SHORT-TERM DERIVATIVE FINANCIAL INSTRUMENTS

On December 31, 2025, the Group closed all derivative contracts previously entered into with credit institutions in order to hedge the exchange rate risk linked to the acquisition of Comtesco.

More information on this can be found in the section relating to exchange rate risk management.

4.9.9.2 CASH AND CASH EQUIVALENTS

The value of 20,806 thousand euros at December 31, 2025 (27,576 thousand euros at December 31, 2024) declined mainly due to investments made and dividends disbursed.

Further information can be found in the cash flow statement and in the table below. The Company follows stringent rules to distribute its deposits and liquid assets in a balanced manner among an adequate number of banking institutions with ratings of high standing.

DESCRIPTION (THOUSAND EUROS)	CUR- RENCY	BOOK VALUE 12/31/2024	CHANGE	BOOK VALUE 12/31/2025	NOM. VAL. DECEMBER 31, 2025 (LC)
Cash and cash equivalents	USD	12,023	1,350	13,373	14,944
Cash and cash equivalents	EUR	15,552	(8,120)	7,433	7,433
Cash and cash equivalents	JPY	-	-	-	1
TOTAL CASH AND CASH EQUIVALENTS	-	27,576	(6,770)	20,806	-

4.9.9.3 SHORT-TERM LOANS AND CURRENT PORTION OF MEDIUM/LONG TERM LOANS

The breakdown of current financial payables is provided below:

DESCRIPTION (THOUSAND EUROS)	CUR- RENCY	BOOK VALUE 12/31/2024	CHANGE	BOOK VALUE 12/31/2025	NOM. VAL. DECEMBER 31, 2025 (LC)
Loan Crédit Agricole M/L current portion	EUR	13	(13)	-	-
Loan CAI short-term portion	EUR	25,112	42,429	67,541	67,541
Total short-term bank loans	-	25,125	42,416	67,541	-
Up-front commissions for short-term structured loans	EUR	(59)	(23)	(83)	(83)
Bank accounts payable and advances Comer Ind S.p.A.	EUR	17,066	13,197	30,262	30,262
Financial payables to subsidiaries	EUR	70,317	35,224	105,541	105,541
TOTAL SHORT-TERM LOANS	-	112,449	90,813	203,262	-

The item includes interest-bearing bank loans.

The value of 203,262 thousand euros is made up of 67,541 thousand euros of short-term bank loans, shown gross of the short-term portion of transaction costs (equal to 83 thousand euros) treated according to the amortized cost method. The increase over the previous year of 42.4 million euros is due to new loans granted by Crédit Agricole, net of repayments of principal based on the amortization schedule; in December 2025, a new hot money agreement was entered into with Crédit Agricole for 30 thousand euros, maturing on 03/31/2026.

The remainder of current bank financial payables of 30.3 million euros consists of the balance of accounts receivable financing with short-term maturity.

The Company also has intra-group financial payables outstanding for a total of 105.5 million euros: of which 22.8 million euros from the Chinese subsidiary Comer Industries Jiaxing, 11.2 million euros from WPG German Holdco GmbH and 3.0 million euros from Walterscheid UK Holdco. The remaining portion of financial payables to subsidiaries, amounting to 68.5 million euros, relates to debt arising from centralized treasury management.

4.9.9.4 LONG-TERM LOANS

This item includes the long-term portions of the following loans:

1. Loan agreement entered into with Crédit Agricole in December 2024 for 100,000 thousand euros maturing on 12/19/2028 and named Line A. The contract allowed for the possibility of drawing on a credit line of 50,000 thousand euros, named Line B, which was drawn on in December 2025. The financing described above requires compliance with a financial covenant calculated based on parameters derived from the consolidated financial statements, which is fully satisfied as of December 31, 2025.

DESCRIPTION (THOUSAND EUROS)	CUR- RENCY	BOOK VALUE 12/31/2024	CHANGE	BOOK VALUE 12/31/2025	NOM. VAL. DECEMBER 31, 2025 (LC)
Loan CAI long-term portion	EUR	75,000	12,500	87,500	87,500
Up-front commissions for M/LT structured loans	EUR	(188)	85	(103)	(103)
TOTAL LONG-TERM BORROWINGS	-	74,812	12,585	87,397	-

Reported below is the breakdown of bank loans outstanding as of December 31, 2025 by nature, short and medium/long-term:

DESCRIPTION (THOUSAND EUROS)	COMPANY	BALANCE 12/31/2024	NEW DISBURSEMENT	REPAYMENTS	BALANCE 12/31/2025	< 1 YEAR	> 1 YEAR	OF WHICH OVER 5 YEARS	EXPIRY
CAI	COME	100,000	-	(25,000)	75,000	25,000	50,000	-	12/19/2028
CAI	COME	-	50,000	-	50,000	12,500	37,500	-	12/19/2029
CAI	COME	-	30,000	-	30,000	30,000	-	-	03/31/2026
TOTAL	-	100,000	80,000	(25,000)	155,000	67,500	87,500	-	-

4.9.9.5 OTHER SHORT AND MEDIUM-TERM FINANCIAL PAYABLES

This item includes:

- payables deriving from the application of IFRS 16 for 12,969 thousand euros.
- Payables for a total of 1,968 thousand euros relating to the acquisition of the company e-comer S.r.l. This payable, to be paid in equal, annual installments of 1,000 thousand euros, with payment due in January 2027, amounts to 1,968 thousand euros due to the application of the amortized cost method.
- Payables for a total of 4,195 thousand euros relating to the acquisition of the customer list from the subsidiary Comer Industries Inc.

The detail for the breakdown of the item payables on December 31, 2025 and its variation is provided below:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	INCREASES	DECREASES	RECLASSIFI- CATIONS	12/31/2025
Short-term payables IFRS 16	4,248	490	-	-	4,739
Shareholders for dividends	2	-	(2)	-	-
Short-term acquisition payables	937	-	31	-	968
Payables to subsidiaries	-	599	-	-	599
Total Other short-term financial payables	5,187	1,089	29	-	6,306
Long-term payables IFRS 16	12,431	-	(4,200)	-	8,231
Long-term acquisition payables	1,968	-	(968)	-	1,000
Payables to subsidiaries	-	3,596	-	-	3,596
Total Other long-term financial payables	14,399	3,596	(5,168)	-	12,827
TOTAL OTHER FINANCIAL PAYABLES	19,586	4,685	(5,139)	-	19,133

4.9.9.6 COMMITMENTS AND GUARANTEES

Guarantees given amount to 17.2 million euros (24.7 million euros in 2024) and consist of commitments relating to the granting of local credit facilities in favor of subsidiaries: 10.2 million euros in favor of Comer Industries Jiaxing, 4 million euros to WPG Brazil and 2.9 million euros to Comer Industries India. The following are complete details of the system of commitments and risks for Comer Industries S.p.A.:

GUARANTEES TO THIRD PARTIES (THOUSAND EUROS)	EXPIRY	12/31/2025 AMOUNT	12/31/2024 AMOUNT
Guarantees given by Comer Industries S.p.A.			
Comer India credit line	non-revolving	1,232	1,427
Comer do Brasil credit line	02/17/2025	-	822
Credit line Comer Ind Jiaxing Co Ltd	01/01/2025	-	8,800
Credit line Comer Ind Jiaxing Co Ltd	non-revolving	10,236	11,103
E-comer credit line	02/03/2025	-	500
Comer India credit line	non-revolving	1,705	2,024
Letter of Comfort to ZF Friedrichshafen AG on behalf of WPG Brasil	12/31/2030	4,000	-
TOTAL GUARANTEES TO THIRD PARTIES	-	17,173	24,676

Comer Industries S.p.A. has no commitments to finance leasing companies.

4.9.10 NET EQUITY

SHARE CAPITAL

The share capital of Comer Industries S.p.A., amounting to 18,487,338.60 euros as at December 31, 2025, is entirely subscribed and paid-up. It consists of a total number of 28,678,090 ordinary shares, of which 53,638 are held as own shares with a market value of 1,486 thousand euros, so that the number of shares outstanding as of December 31, 2025 is 28,621,452.

OTHER RESERVES

The increase in the extraordinary reserve relates to the allocation of the profit for 2024, net of the distribution of dividends settled on May 21, 2025 at 0.80 euros per share, for a total of 22.9 million euros.

During the year, the Board of Directors granted rights relating to the second cycle of the incentive plan approved in the previous year. The equity component was recognized in a specific reserve "Stock Grant Reserve" amounting to 640 thousand euros for the current year.

At the date of these financial statements, the cash flow hedge reserve includes the negative fair value spread (of 4,996 thousand euros) relating to the translation into the reporting currency of funding in Japanese yen obtained in order to close the acquisition of the investment in Comtesco in early January 2026. This suspended amount in net equity, in compliance with IFRS 9, derives from the designation of the cash acquired as a hedging instrument of the purchase transaction.

The item IAS 19 reserve refers to actuarial gains and losses from the recalculation of the provision for employee severance indemnity, as required by the revision of IAS 19.93A. The reserve increased by 61 thousand euros (gross of the fiscal impact) in 2025.

The classification of reserves according to their origin, as well as changes in the course of previous years, is illustrated in the table as well as in the following notes.

OTHER RESERVES (THOUSAND EUROS)	12/31/2025	12/31/2024
Legal reserve	3,697	3,697
Extraordinary reserves available	113,601	71,858
FTA reserve (IAS/IFRS first time adoption)	336	336
CFH (cash flow hedge) reserve	(4,996)	-
Exchange gains reserve	3,141	2,003
Stock grant reserve	640	-
IAS 19 reserve	389	328
Retained earnings/loss carried forward reserve	35	28
TOTAL OTHER RESERVES	116,842	78,249

The classification of equity based on the possibility of use is shown in the table below:

(THOUSAND EUROS)	AMOUNT	POSSIBILITY OF USE ⁽¹⁾	AVAILABLE AMOUNT
Share capital	18,487	-	-
Share premium reserve	187,881	A, B, C	187,881
Legal reserve	3,697	B	3,697
Extraordinary reserve	113,636	A, B, C	113,636
Stock grant reserve	640	A, B	640
F.T.A. reserve	336	B	336
C.F.H. reserve	(4,996)	B	-
Exchange gains reserve	3,141	A, B	3,141
Reserve for own shares in the portfolio	(1,486)	C	(1,486)
IAS 19 reserve	389	B	389
Profit/loss for the year	53,821	-	-
TOTAL	375,545	-	308,234

⁽¹⁾ A: for capital increase / B: for loss coverage / C: for distribution to shareholders

4.9.11 DEFERRED TAX LIABILITIES

DEFERRED TAX LIABILITIES (THOUSAND EUROS)	12/31/2025	12/31/2024
Provision for deferred taxes	438	-
Deferred tax liabilities	438	-

Deferred tax liabilities are related to the tax effect of timing differences between the profit and loss for the year for statutory purposes and taxable income.

During the reporting year, there were deferred tax liabilities of 438 thousand euros; the details with the comparative statement for the previous year are shown in the table below:

DEFERRED TAX LIABILITIES COMPANIES (THOUSAND EUROS)	12/31/2025	12/31/2024	YEAR 2025
Description	Total Deferred taxes	Total Deferred taxes	(used) allocated
5% uncollected Comer Brazil dividends	80	-	80
5% uncollected Comer Inc. dividends	250	-	250
5% uncollected Comer Components dividends	108	-	108
Total deferred taxes	438	-	438
TOTAL IN THE FINANCIAL STATEMENTS	438	-	438

4.9.12 LIABILITIES FOR EMPLOYEE BENEFITS

Variations in the provision were as follows:

CHANGES (THOUSAND EUROS)	12/31/2025	12/31/2024
Opening balance	4,084	4,538
Balances from transfers	-	27
Use for discharges and advances	(218)	(621)
Settlements of complementary pensions and treasury funds	(1,946)	(1,946)
Allocation for the year	1,998	2,035
Effects of IAS 19 recalculation period (gross of taxes)	14	51
CLOSING BALANCE	3,932	4,084

The economic and equity effects of the period, compared with the previous year, are summarized in the following:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Current service cost	(80)	(91)
Actuarial losses/(gains)	(61)	(4)
Financial expenses	127	146
Tax effect on income statement	(0)	(16)
Equity tax effect	-	1
OVERALL EFFECT	14	36

The employee severance indemnity refers to employee benefits governed by the rules and regulations in force in Italy and recorded in the financial statements of the Company.

Comer Industries S.p.A, on the basis of actuarial valuations and interpretations available on the closing date of accounts, adopted the following distinctions:

- Employee severance indemnity installments accruing as from January 1, 2007: considered a "defined contribution plan" in the case of both the option for complementary social security schemes as well as the option for the treasury fund of the National Security Institution (INPS). The accounting treatment is therefore the same as that in place for other types of contribution payments.
- Employee severance indemnity provision as at December 31, 2006: remains a "defined benefit plan" for which actuarial calculations must be made, although, compared to the calculations made to date (and reflected in the financial statements for the year ending December 31, 2006), excludes the component relating to future salary increases.

Liabilities for defined benefit plans have been determined using the following actuarial assumptions for 2025:

ACTUARIAL ASSUMPTIONS	UNIT OF MEASUREMENT	12/31/2025	12/31/2024
Discount rate	%	3.36	3.21
Expected rate of wage growth	%	0.50	0.50
Expected % of employees who will resign before pension (turnover)	%	5.00	5.00
Annual cost of living increase rate	%	2.00	2.00
Annual rate of TFR increase	%	3.00	3.00

In accordance with new regulations of IAS 19, the values of the employee severance indemnity provision that would have been obtained by changing the above actuarial assumptions are as follows:

CHANGES (THOUSAND EUROS)	DISCOUNTED SEVERANCE INDEMNITY PROVISION	DISCOUNTED SEVERANCE INDEMNITY PROVISION
Turnover rate +1.0%	3,941	4,093
Turnover rate -1.0%	3,922	4,074
Annual cost of living increase rate +0.25%	3,965	4,121
Annual cost of living increase rate - 0.25%	3,899	4,048
Discount rate + 0.25%	3,881	4,027
Discount rate - 0.25%	3,984	4,143

The effect of the period amounting to 61 thousand euros, gross of the fiscal impact, is reflected in the actuarial gain accrued in part as a result of the increase in the discount rate, from 3.21% to 3.36%, and in part the substantial changes in the group subject to assessment in terms of new hires, resignations, retirement and requests for advances.

The composition of personnel by category, based on average data, is as follows:

CONTRACT CATEGORY	NUMBER 12/31/2025	NUMBER 12/31/2024	2025 AVERAGE NUMBER	2024 AVERAGE NUMBER
Senior executives	24	25	25	26
White Collar and Managers	230	237	224	238
Blue Collar and Outsourced workers	548	483	463	528
TOTAL	802	745	712	792

At December 31, 2025, Comer Industries S.p.A. had 802 resources (745 at December 31, 2024) and the average number of resources went from 792 in 2024 to 712 in 2025.

4.9.13 SHORT- AND LONG-TERM PROVISIONS

The provisions include:

PROVISIONS FOR RISKS AND CHARGES (THOUSAND EUROS)	12/31/2025	12/31/2024
Provision for product warranty risks	3,089	3,365
Other provisions for risks	-	312
Short-term provisions	3,089	3,676
Agents provision	158	147
Other provisions for risks and legal charges	148	156

PROVISIONS FOR RISKS AND CHARGES (THOUSAND EUROS)	12/31/2025	12/31/2024
Provision for long-term product warranties	2,058	2,058
Other provisions for risks	8	-
Long-term provisions	2,371	2,361

The product warranty risk provision includes the estimate of specific risks known prior to the preparation of the financial statements and related to past productions, attributable to open claims not yet resolved at year-end. Moreover, the provision includes sums calculated on the basis of the median warranty costs incurred on turnover over the past five years.

The Supplementary Agents Indemnity Fund includes provisions for reimbursements recognized in the event of termination of the agency relationship, quantified according to the methods indicated in the collective economic agreement of 20 March, 2002 for the regulation of agency relations and commercial representation in the industrial sectors and cooperation.

The provision for contingent liabilities and legal expenses represents the reasonable risk calculated in relation to litigation or potential liabilities still pending in court regarding dismissed workers or providers of services.

4.9.14 TRADE PAYABLES AND OTHER SHORT- AND LONG-TERM PAYABLES

The changes are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2024	NET CHANGE	12/31/2025
Trade payables - third parties	(36,815)	(7,790)	(44,606)
Trade payables - subsidiaries	(15,345)	(5,332)	(20,677)
Trade payables	(52,160)	(13,122)	(65,282)
Short-term amounts due to employees	(3,741)	(2,250)	(5,991)
Payables to pension and social security institutions	(2,115)	(78)	(2,193)
Other payables	(533)	(86)	(618)
Short-term accrued liabilities and deferred income	(1,926)	598	(1,329)
Other payables to subsidiaries	(223)	(721)	(944)
Other short-term payables	(8,538)	(2,538)	(11,076)
Long-term amounts due to employees	(1,518)	335	(1,183)
Long-term accrued liabilities and deferred income	(1,558)	298	(1,260)
Other long-term payables	(3,076)	632	(2,443)

I. TRADE PAYABLES

The balance of 65,282 thousand euros, which includes advances from customers, increased by roughly 13.1 million euros compared to the previous year, primarily due higher purchase volumes in the final part of the year 2025 compared to the previous year. Average payment days increased from 95 at December 31, 2024 to 110 at December 31, 2025.

There are no payables expiring after more than one year or expired for more than 12 months.

II. OTHER SHORT- AND LONG-TERM PAYABLES

The short-term balance amounting to 11,076 thousand euros primarily includes amounts due to employees (amounting to 5,991 thousand euros) for services accrued and not paid as at year-end close and payables to pension and social security institutions (2,193 thousand euros). The long-term balance, equal to 2,443 thousand euros, includes 1,183 thousand euros of payables to directors and top managers with strategic responsibilities, relating to long-term loyalty plans correlated with business performance in employee provisions.

The balance of short and long-term accrued liabilities and deferred income mainly represents the suspended share of income linked to tax credits on operating assets, which follow the amortization plan of operating assets subject to the tax relief.

4.9.15 CURRENT TAX LIABILITIES

The details are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Tax authority balance for current taxes	319	1,856
Tax authority for IRPEF withholdings	1,349	1,614
Current tax liabilities	1,668	3,469

At the end of the year there were liabilities with tax authorities for current taxes calculated on income for the period.

4.9.16 INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

4.9.16.1 MANAGEMENT OF LIQUIDITY RISK

As regards risk management, please refer to the information provided in the dedicated section of the directors' report.

4.9.17 REVENUE FROM CONTRACTS WITH CUSTOMERS

The breakdown of revenues by geographic region is as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	IMPACT %	12/31/2024	IMPACT %
ASIA PACIFIC	9,561	4%	10,079	4%
EMEA	195,029	76%	211,070	74%
LATIN AMERICA	6,131	2%	5,061	2%
NORTH AMERICA	47,025	18%	60,770	21%
TOTAL REVENUES BY GEOGRAPHICAL AREA	257,746	-	286,980	-

The Company closed the year 2025 with a decrease in revenues of 10.2%, reaching 258 million euros, with respect to 287 in the previous year. Export turnover represents 82% of the total, marking a slight decrease compared to 2024. At geographical level, there was a reduction of the market primarily in North America.

4.9.18 OTHER OPERATING REVENUES

The breakdown of other operating revenues is as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Recovery of manufacturing, repair, service and transportation expenses	1,810	1,571
Scrap sales	115	285
Photovoltaic refund	15	1
Capitalized costs net of disposal costs	1,181	1,012
Tax credits from the tax authorities	483	602
Royalties from subsidiaries	7,265	6,716
Services charged to subsidiaries	5,615	5,704
Other revenues and income	1,446	2,105
TOTAL OTHER REVENUES AND INCOME	17,931	17,997

The recovery of production, repairs, services and transport costs heading includes, among other things, bonuses and volume awards on supplies, charges for design and endurance test expenses, and the recovery of logistical and repair costs. The item scrap sales, at 115 thousand euros, was down compared to 2024.

Costs capitalized during the year for industrial product development projects amount to 1,233 thousand euros, net of decreases for abandoned projects of 51 thousand euros.

Tax credits of 483 thousand euros represent the share for the year of tax credits on operating assets and on research and development. The Company receives royalties from the subsidiaries Comer Industries Jiaying and Comer Industries India amounting to 7,265 thousand euros at the end of 2025 (6,716 thousand euros in 2024). The item Services charged to subsidiaries represents the chargeback to subsidiaries of a share of the centralized costs incurred in favor of the entire Group.

The residual item Other revenues contains primarily gains on asset disposals and recovery of equipment expenses of 435 thousand euros, compensation receivable of 471 thousand euros and other sundry sales.

4.9.19 PERSONNEL COSTS

This item also includes the provision recognized for variable salary and the annual production bonus, as well as a long-term loyalty plan linked to the achievement of pre-determined and measurable consolidated performance targets for the CEO and several top figures with strategic responsibilities.

4.9.20 REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

The fees of the Directors and Statutory Auditors of Comer Industries S.p.A. are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Directors	1,829	1,472
Statutory Auditors	50	50
TOTAL COMPENSATION	1,879	1,522

The amounts include fees payable for the period resolved by the Shareholders' Meeting, the remuneration established by the Board of Directors for directors attributed particular responsibilities, including bonuses, and the share of long-term incentive schemes that has matured during the year.

The values do not include social security and insurance contributions.

Note that in 2024 the Board of Directors approved a long-term incentive plan structured into a series of three consecutive three-year plans, reserved for top management. Each plan provides for the free allocation of a certain number of ordinary shares of the Parent Company and a cash amount upon achievement of predefined performance targets, which are assessed at the end of each three-year period.

During the previous year, the first cycle of the program was launched, with the approval and allocation of the related rights. During the current year, the rights relating to the second cycle were allocated.

4.9.21 OTHER OPERATING COSTS AND WRITE-DOWNS

Other operating costs break down as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Rentals	763	596
Insurance	737	756
Agency and brokerage fees	177	284
Advisory services	2,325	2,400
Membership fees	25	24
Local property tax	24	25
Maintenance	3,178	3,450
Communication, Marketing and Trade Fairs	746	376
Transport	9,789	10,824
Utilities	2,628	3,004
Trips and travel	705	646
Other operating costs	1,795	2,076
TOTAL OTHER OPERATING COSTS	22,891	24,460

The item other operating costs includes indirect charges associated with turnover, production and the corporate organizational structure such as rentals, utilities, leases and maintenance, insurance expenses, sales commissions and expenses related to product quality.

As required by Article 149-duodecies of the Issuers' Regulation as amended by Consob Resolution no. 15915 of May 3, 2007, published in the Official Gazette of the Italian Republic no. 111 of May 15, 2007 (Ordinary Supplement no. 115), the fees for 2025 relating to services provided by Deloitte & Touche S.p.A. for the audit of the 2025 financial statements and other services are listed below:

- annual and interim auditing engagements for 148.6 thousand euros;
- annual engagement for the audit of the statement of expenses incurred for research and development and technological activities amounting to 6 thousand euros;
- other non-audit services amounting to 91 thousand euros.

All the above-described fees are included in the "other operating costs" heading.

4.9.22 OPERATING RESULT

The operating result achieved, in absolute terms, is equivalent to 17,512 thousand euros, corresponding to 6.8% of turnover (10.0% in the previous year). A better representation of the Company's operating performance is provided by the EBITDA commented on previously in the Directors' Report.

4.9.23 NET FINANCIAL INCOME / (CHARGES)

The details are as follows:

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Exchange gain (loss)	2,340	4,528
Exchange gains and losses	2,340	4,528
Interest income	700	6,631
Other income	11	2,769
Total financial income from cash management	710	9,400
Interest expense to group companies and parent company	(2,455)	(2,427)
Interest on advances, loans and other short-term bank borrowings	(762)	(1,142)
Interest on medium/long-term loans	(3,035)	(4,664)
Interest on loans amortized cost	(125)	(1,405)
Interest expense on discounted employee severance indemnities	(127)	(146)
Economic result of interest rate hedging transactions fair value as at 12/31	(789)	(410)
Total financial costs from cash management	(7,293)	(10,195)
Interest resulting from the application of IFRS 16	(210)	(231)
Listing costs: financial expenses	-	-
Interest resulting from the application of IFRS 16	(210)	(231)
Interest and other Net financial charges	(4,451)	3,503
Dividends from subsidiaries	45,122	41,949

I. EXCHANGE GAINS AND LOSSES

This item includes both realized differences between the historical exchange rates of the relevant transactions and the reference exchange rates of receipts and payments in foreign currency, and unrealized differences due to the translation of monetary items at the spot exchange rate at the end of the financial year. The profit is mainly attributable to the latter case, and in particular to the devaluation of the dollar against the euro.

II. INTEREST AND OTHER NET FINANCIAL CHARGES

Interest on bank borrowings, both long- and short-term, improved significantly compared to the previous period due to the reduction in average indebtedness during the year.

III. DIVIDENDS FROM SUBSIDIARIES

During 2025 the Company recognized dividends from subsidiaries totaling 45,122 thousand euros, of

which 16,000 thousand euros from the Italian subsidiary Comer Industries Components S.r.l., 8,270 thousand euros from Comer Industries do Brasil EIRELI, and 20,851 thousand euros from Comer Industries Inc. In 2024, it accounted for dividends for a total of 41,949 thousand euros.

IV. FINANCIAL INCOME

The balance of financial revenues from liquidity management is 711 thousand euros, mainly due to the renegotiation of the loan disbursed to WPG US Holdco LLC, which defined the loan as non-interest bearing for the year 2025, while in 2024 that interest generated income of 5,139 thousand euros. A further variance is due to the release of the earn-out liability to the subsidiary e-comer srl in the previous year, which generated income of 3,385 thousand euros.

4.9.24 INCOME TAXES

The total tax charge of 4,362 thousand euros primarily includes current income taxes of 3.8 million euros (4.3 million euros in 2024), a net tax charge from the recalculation of deferred tax liabilities of 435 thousand euros, withholdings on royalties equal to 36 thousand euros and contingent liabilities for taxes from previous years of 33 thousand euros.

The tax charge net of taxes on dividends from subsidiaries and taxes from previous years, calculated on the item Pre-tax profit, stands at around 28% at December 31, 2025, up compared to the previous year (24.3% in 2024). Please note that Comer Industries S.p.A. is categorized as a non-financial holding company subject to the regulations laid out in art. 162-bis of the Consolidated Income Tax Act, Italian Presidential Decree 917/86, where inter alia it is subject to an increased IRAP rate of 4.65%.

In order to better understand the reconciliation between the tax burden recognized in the financial statements and the theoretical tax burden, the following explanatory table is provided wherein the IRAP is not considered as this, being a tax with a tax base different from income before taxes, would generate distortions between one year and another. The reconciliation was therefore determined with reference to the single IRES tax rate in force in Italy, equal to 24%.

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Profit before tax	58,182	74,090
Theoretical tax rate	24%	24%
Theoretical income taxes	13,964	17,782
Taxable temporary differences in previous years		
Dividends not collected	(8,757)	-
Deductible temporary differences in previous years		
Increases in provisions for risks and charges	380	604
Unpaid director remuneration	96	79

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Reversal of temporary differences from previous years		
Exchange difference from previous years realized during the year	-	481
Use of provisions for risks and charges	(529)	(4,712)
Payment of director remuneration previous years	(79)	(48)
Other minor	(2)	(8)
Differences that will not be reversed in subsequent years		
Non-deductible sundry costs (vehicle, telephone, depreciation/amortization, etc.)	394	238
95% untaxable dividends	(1,969)	(9,564)
ACE tax effect	-	-
Tax credit tax effect	(117)	(144)
Tax effect of super-amortization, hyper-amortization and tax credit Leg. Dec. 91/2014	(227)	(242)
Tax effect of actuarial gain (loss) IAS 19	-	(1)
Tax effect cost adjustment purchase of equity investment in income statement	-	(812)
Deduction IRAP paid and IRAP on personnel costs	(75)	(72)
Other minor	(99)	(165)
Income taxes recorded in the financial statements, excluding IRAP	2,980	3,414
Current IRAP	852	879
Current income taxes posted to the financial statements	3,834	4,293

4.9.25 EARNINGS PER SHARE

At the bottom of the income statement, the earnings/(loss) per share is reported, determined according to that manner provided in IAS 33, as summarized below.

DESCRIPTION (THOUSAND EUROS)	12/31/2025	12/31/2024
Consolidated net income for the period attributable to Parent Company shareholders	53,821	65,786
Number of shares outstanding	28,678,090	28,678,090
Basic earnings per share (EPS) (€) - with own shares	1.88	2.29
Own Shares	53,638	26,943
Basic earnings per share (EPS) (€) - without own shares	1.88	2.30

The means of calculation of diluted earnings (loss) per share are defined by IAS 33 – Earnings per share. The basic earnings (loss) per share is defined as the ratio between the economic result or the results of continuing operations of Comer Industries S.p.A. attributable to the holders of ordinary shares and the number of the weighted average of ordinary shares during the year.

4.9.26 PUBLIC GRANTS

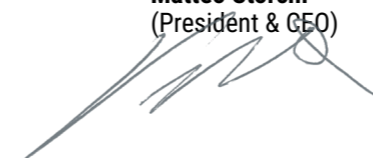
A summary of public funds received is provided below, pursuant to Art. 1, paragraphs 125-129 of Italian Law no. 124/2017.

DESCRIPTION (THOUSAND EUROS)	RECIPIENT	PROVIDER	GRANT RECEIVED IN 2025
Grants for Reggiolo production site photovoltaic system	Comer Industries S.p.A.	GSE	15
Research & Development tax relief Law. 190 as amended	Comer Industries S.p.A.	Italian government	73
Business fund grants	Comer Industries S.p.A.	Business Fund	2

Reggiolo, March 16, 2026

For the Board of Directors

Matteo Storchi
(President & CEO)



CERTIFICATION OF THE FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE 58/98

1. The undersigned Matteo Storchi, in his capacity as Chair of the Board of Directors and Chief Executive Officer, and Stefano Palmieri, in his capacity as Financial Reporting Officer of Comer Industries S.p.A., also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998, attest to:
 - the adequacy of the financial statements with respect to the company's characteristics, and
 - the effective application of administrative and accounting procedures for the preparation of the financial statements for 2025.
2. No issues worthy of note emerged in this regard.
3. We further attest that:
 - 3.1 The financial statements:
 - a) were prepared in accordance with the applicable international accounting standards recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
 - b) correspond to the figures in the books and records;
 - c) provide a true and fair view of the asset, economic and financial situation of the issuer.
 - 3.2 The management report includes a reliable analysis of the trends and results of operations as well as the situation of the issuer.

Reggiolo, March 16, 2026

Chair of the Board of Directors and Chief
Executive Officer

Matteo Storchi



Financial Reporting Manager

Stefano Palmieri





REPORT OF THE BOARD OF STATUTORY AUDITORS

COMER INDUSTRIES S.P.A.

Reggiolo (RE) headquarters - Via Magellano, 27

Reggio Emilia Business Register no. 07210440157

Authorized share capital 18,487,338.60 euros entirely subscribed and paid-up

Tax Code 07210440157 - VAT no. IT 01399270352

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS'
MEETING OF COMER INDUSTRIES S.P.A. PURSUANT TO ARTICLE 153 OF ITALIAN
LEGISLATIVE DECREE NO. 58/1998 AND ARTICLE 2429 OF THE ITALIAN CIVIL CODE**

Dear Shareholders,

With this report (hereinafter also "Report") the Board of Statutory Auditors of Comer Industries S.P.A. (hereinafter also the "Company") reports to you on its supervision during the fiscal year ending December 31, 2025 and any findings, in accordance with the requirements of Article 153 of Italian Legislative Decree 58/1998 (Consolidated Law on Finance, hereinafter also "TUF") and Article 2429, paragraph 2), of the Italian Civil Code, in compliance with the recommendations provided by CO.N.SO.B. ("CONSOB") with Notice no. DEM/1025564 dated April 6, 2001 and subsequent updates.

The Board of Statutory Auditors is called upon to report to the Shareholders' Meeting, convened for the approval of the financial statements for the year ended December 31, 2025, on its supervision in fulfillment of its duties, including in its capacity as the Audit and Internal Control Committee, on any omissions and objectionable facts identified, and on the results of the fiscal year, as well as to provide proposals regarding the financial statements, their approval, and matters within its purview.

During the fiscal year ended December 31, 2025 and up to the current date, the Board of Statutory Auditors has carried out its supervision in accordance with the provisions of the law, taking into account the Rules of Conduct for the Board of Statutory Auditors of Listed Companies (hereinafter also "Rules") issued by the National Board of Accountants and Auditors, CONSOB provisions on corporate controls, as well as the provisions contained in Article 19 of Italian Legislative Decree no. 39/2010.

The separate Financial Statements of Comer Industries S.P.A. as well as the consolidated financial statements of the Comer Group were prepared in accordance with IAS/IFRS international account standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as in accordance with the provisions issued by CONSOB in implementation of Article 9, para. 3, of Italian Legislative Decree no. 38/2005.

As from fiscal year 2024, the Company has the obligation to prepare the Consolidated Sustainability Reporting required by Article 4 of Italian Legislative Decree 125/2024 ("CSR"). This document is included in a special section of the management report pursuant to Article 154-ter, paragraph 1-quater, of the TUF.

The Board of Statutory Auditors acquired the information instrumental to the performance of its supervisory duties by (i) participating in meetings of the Board of Directors and its board committees, (ii) discussions with the management of the Company and the Group, (iii) the information acquired from the relevant corporate structures and the Internal Audit function, as well as through the additional controls performed. The Board of Statutory Auditors has strengthened the exchanges of information with the Company's board committees and auditors in compliance with the guidance provided in the Reminder issued by CONSOB on February 16, 2021.

The Board of Statutory Auditors also carried out its supervision with respect to the adequacy of the organizational structure, the internal control system, and the administrative accounting system, as well as the reliability of the latter in correctly representing operations.

Appointment and Independence of the Board of Statutory Auditors

The Board of Statutory Auditors in office as of the date of this Report was appointed by the Shareholders' Meeting of April 20, 2023 and is composed of Luigi Gesaldi (Chair), Massimiliano Fontani (Standing Statutory Auditor), Francesca Folloni (Standing Statutory Auditor), as well as Corrado Baldini and Ilaria Pingani (Alternate Auditors).

The Board of Statutory Auditors remained in office for three fiscal years and expires on the date of the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2025.

With regard to the appointment of the Board of Statutory Auditors, the Company's By-laws require taking into account the regulatory provisions establishing the obligation to reserve a predetermined quota of members for the less-represented gender. Specifically, Article 20 of the By-laws stipulates that the composition of the Board of Statutory Auditors must ensure a balance between the male and female genders in compliance with applicable laws and regulations in force.

Since its appointment in April 2023 the composition of the Board of Statutory Auditors has complied with the regulations on gender balance set forth in Article 148, paragraph 1-bis, of the TUF, although such provision is applicable to the Issuing Company as from the first renewal of its corporate bodies following the date of commencement of trading on Euronext Milan, which for Comer Industries S.p.a. was on July 12, 2023.

As of the date of this Report, taking into account the recent Listing, subsequent to the date of appointment of the current Board of Statutory Auditors, the Issuer has not adopted a specific policy with regard to the composition of the Board of Statutory Auditors with respect to aspects such as age and educational and professional background. It is believed that the

qualitative and quantitative composition of the current Board of Statutory Auditors ensures sufficient diversification in terms of skills, age, experience, and gender, and specifically: (i) there are 2 standing auditors of the male gender and 1 standing statutory auditor of the female gender on the Board of Statutory Auditors; with regard to the alternate auditors, there is one member of the female gender and one of the male gender; (ii) the age of the members of the Board of Statutory Auditors, ranging from 46 to 56 years old, allows for adequate age diversity; (iii) all members of the Board of Statutory Auditors are registered with the Register of Certified Public Accountants and Accounting Experts and the Register of Statutory Auditors.

During its meeting on March 16, 2026, the Board of Directors determined that the Statutory Auditors met independence requirements pursuant to Art. 148, para. 3, TUF. The outcome of the audit, as well as the outcome of its own self-assessment (in accordance with Q.1.1 of the Rules of Conduct for the Board of Statutory Auditors of Listed Companies), were reported in accordance with Article 144-novies, para. 1-ter of CONSOB Regulation no. 11971, and Recommendation no. 10 of the Corporate Governance Code to the Board of Directors, which took note of it at its meeting on March 16, 2026.

Supervisory and control activities of the Board of Statutory Auditors

In the performance of its duties, the Board of Statutory Auditors carried out the supervisory activities prescribed by Article 2403 of the Italian Civil Code, by Article 149 of Italian Legislative Decree no. 58/1998, by Article 19 of Italian Legislative Decree no. 39/2010, by CONSOB's recommendations on corporate controls and the activities of the Board of Statutory Auditors, the guidance contained in the Corporate Governance Code as well as the rules of conduct for the Board of Statutory Auditors of listed companies issued by the National Board of Accountants and Auditors.

As part of its functions, the Board of Statutory Auditors:

- Attended the meetings of the Shareholders' Meeting and the Board of Directors, overseeing compliance with the provisions of the by-laws, laws, and regulations governing the functions of the Company's bodies, as well as compliance with the principles of proper administration.
- For the matters within its purview, supervised the adequacy of the Company's organizational structure and compliance with the principles of proper administration through direct observation, collection of information from the heads of various corporate functions, and meetings with the Audit Firm as part of a mutual exchange of relevant data and information.
- Evaluated and supervised the adequacy of the internal control system and the administrative and accounting system, as well as the reliability thereof to correctly represent operations, through information from the heads of the respective functions, examination of company documents, and analysis of the results of the work carried out by the Audit Firm.

- Supervised the adequacy of the mutual flow of information between the Company and its subsidiaries pursuant to Article 114, paragraph 2, of Italian Legislative Decree no. 58/1998, in accordance with the instructions issued by the Company's management to Group Companies.
- Supervised the fulfillments related to the regulations of "Market Abuse" and "Protection of Savings" regarding "Internal Dealing," with particular reference to the handling of inside information and the procedure for the dissemination of announcements and information to the public.
- Monitored the procedures adopted by the Company for the management of insider and material information.

Moreover, the Board of Statutory Auditors:

- Obtained adequate information from the Directors on the activities carried out and the most significant economic, financial, and asset transactions made by the Company and its subsidiaries pursuant to Article 150, para. 1 of the TUF. In this regard, the Board of Statutory Auditors paid special attention to whether the transactions resolved and implemented were in accordance with the law, the by-laws, and were not imprudent or reckless, in conflict with the resolutions passed by the Shareholders' Meeting, in potential conflict of interest, or such as to compromise the integrity of the company's assets.
- Held meetings with representatives of the Audit Firm pursuant to Article 150, para. 3 of the TUF, and no relevant data and/or information emerged worthy of note in this Report.
- Exchanged information with any Boards of Statutory Auditors of companies directly or indirectly controlled by Comer Industries S.p.a pursuant to Article 151, para. 1 and 2 of the TUF.
- Supervised the concrete implementation of the corporate governance rules set forth in the Corporate Governance Code, which the Company has endorsed, as adequately represented in the Report on Corporate Governance and Ownership Structures, in compliance with Article 124-ter of the TUF and Article 89-bis of the Issuers' Regulation.

With particular regard to recommendation 7 of Article 2) of the Corporate Governance Code, the Board of Statutory Auditors points out that on February 16, 2026, the Board of Directors of Comer Industries S.p.a. established the quantitative and qualitative criteria for assessing the significance of the circumstances relevant under the Code for the purpose of assessing the independence of the directors.

Financial reporting process

The Board of Statutory Auditors monitored the existence of rules and procedures related to the process of collection and dissemination of financial information. In this regard, note that the Report on Corporate Governance and Ownership Structure explains how the Group has defined its Internal Control and Risk Management System with respect to the financial

reporting process at the consolidated level. On May 4, 2023, the Board of Directors of Comer Industries S.p.A., with the prior favorable opinion of the Board of Statutory Auditors, appointed Mr Stefano Palmieri as the Financial Reporting Officer pursuant to Article 154-bis of Italian Legislative Decree 58/1998.

The Financial Reporting Officer has made sure that adequate administrative and accounting procedures are in place to ensure, with reasonable certainty, the reliability of financial reporting and the ability of the financial reporting process to produce accounting and financial information in accordance with relevant accounting standards. These procedures consist of internal processes related to medium- to long-term planning, short-term budgeting, and administrative-accounting risk management and control.

The Board of Statutory Auditors acknowledges that it has received adequate information on the monitoring of the company's processes with administrative-accounting impact within the Internal Control System, an activity carried out both during the year when producing periodic management reports and when closing the accounts for the preparation of the financial statements, in compliance with the monitoring and certification obligations the Company is subject to pursuant to Italian Law no. 262/2005. The adequacy of the administrative-accounting system was also assessed by obtaining information from the heads of the respective functions and analyzing the results of the work carried out by the Audit Firm.

There were no particular critical issues or impediments to the issuance of the certification by the Financial Reporting Officer and the Chief Executive Officer regarding the adequacy of administrative and accounting procedures for the preparation of Comer Industries S.p.A.'s annual financial statements and consolidated financial statements for fiscal year 2025.

The Board of Statutory Auditors monitored compliance with the regulations concerning the preparation and publication of the Half-Yearly Financial Report and the Interim Management Reports, as well as their layouts and the correct application of accounting principles, also using the information obtained from the Audit Firm.

1. Consideration of major economic, financial, and capital transactions undertaken by companies and their compliance with the law and the articles of incorporation.

The information acquired on the most significant economic, financial, and equity transactions carried out by the Company enabled the Board of Statutory Auditors to ascertain that they were in accordance with the law and the by-laws and were in the company's interest.

In this regard, it is believed that these transactions were fully described in the management report. Specifically:

- A) in 2025 the Group continued with its strategic development policy and was able to complete, effective as of the start of 2026, another "transformational" acquisition and with a strong industrial drive, entering high-range hydraulic systems, thus expanding its technical know-how after becoming a leader in mechanical and electrical technologies. The acquisition of the Hydraulic Equipment division of Nabtesco

Corporation (Japan) - unique in the international landscape - made it possible to acquire a fully proprietary technological portfolio and further expand the Group's international presence in Asia, with the addition of four production facilities in Japan (two), China and Thailand.

Authorization by the Shareholders' Meeting for a stock buyback and continuation of the program related to the management of the buyback by the Board of Directors.

2. Indications of the existence of any atypical and/or unusual transactions carried out with related parties, or those capable of significantly affecting the company's economic and financial situation.

This case did not arise.

2.1 Related party transactions

With regard to the disclosure of compensation paid to members of the Governing and Control Bodies and other Executives with Strategic Responsibilities, regarding the details and development of the Performance Shares and Long-Term Incentive Plans, end-of-office severance indemnity and the exemptions applied, see the "Report on the Remuneration Policy and on Compensation Paid."

The Board of Statutory Auditors believes that these provisions are adequate with respect to the measurability principle recommended by the Corporate Governance Code. Specifically with regard to end-of-office severance indemnity, it is pegged to a predetermined quantitative criterion, while any exercise of the right to exemption is circumscribed to specific cases, subject to a defined procedure and submitted to the competent bodies for a grounded assessment.

The Board of Statutory Auditors has acquired information on intercompany and related party transactions. These transactions are described in the management report in the section entitled "Parent company relations with subsidiaries and related parties."

Related party transactions - as defined by IAS 24 and governed by Article 4 of CONSOB Regulation 17221 of March 12, 2010, as amended - that took place until December 31, 2025 relate to mainly commercial relationships for the supply of goods and provision of services provided at market conditions deemed normal and consistent with the respective markets of reference.

The Board of Statutory Auditors acknowledges that they comply with the law and the by-laws, that they are in the best interests of the company, and that there are no situations that require further consideration or comment.

3. Adequacy of the information provided in the directors' report on operations regarding atypical and/or unusual transactions, including those within the group and with related parties.

This case did not arise.

4. Comments and proposals on the remarks and findings of the auditors' report.

On March 30, 2026 the audit firm Deloitte & Touche S.p.A issued the reports pursuant to Article 14 of Italian Legislative Decree no. 39/2010 and Regulation EU no. 537/2014 in which they certify that the separate financial statements of Comer Industries S.p.A. and the consolidated financial statements of the Comer Group as of December 31, 2025 give a true and fair view of the financial position, results of operations and cash flows for the year ended on that date, in accordance with the International Financial Reporting Standards, as well as the measures issued in implementation of Article 9 of Italian Legislative Decree no. 38 of February 28, 2005. In the audit reports, the auditors provide information on the key aspects of the audit.

Deloitte & Touche SpA also issued an additional report for the Internal Control Committee on the results of the Audit that includes the statement regarding the independence of such statutory audit body. The Audit Firm also believes that the Management Report and the information contained in the Report on Corporate Governance and Ownership Structures required by Article 123 bis, paragraph 4, of the TUF are consistent with the financial statements of Comer Industries SpA and the consolidated financial statements of the Comer Group as of December 31, 2025.

The Board of Statutory Auditors and the Audit Firm have maintained continuous exchanges of information.

The Audit Firm reported to the Board of Statutory Auditors on its statutory audit and noted the absence of any uncertainties or limitations in the audits conducted.

5. Indication of whether any complaints have been filed under Article 2408 of the Italian Civil Code, any steps taken and their outcomes.

The Board of Statutory Auditors reports that during FY 2025 it did not receive any complaints pursuant to Article 2408 of the Italian Civil Code.

6. Indications of whether any reports have been filed, what steps if any have been taken, and their outcomes.

It is noted that during FY 2025 no reports were received by the Board of Statutory Auditors from any party.

7. Indication of whether any additional assignments were made to the audit firm and their costs.

During 2025 and in the period between January 1, 2026 and the date of this report, in addition to the task of auditing the statutory and consolidated financial statements and verifying the proper maintenance of accounting, civil, and tax records, with the favorable opinion of the Board of Auditors Comer Industries S.p.A. assigned the audit firm Deloitte & Touche S.p.A.:

- An assignment in 2025 concerning the audit of the statement of expenses incurred by Comer Industries S.p.A. for research and development and technological innovation in 2024, prepared for the purposes envisaged in Article 1, paragraph 200 (R&D), and Article 1, paragraph 201 (technological innovation), of Italian Law no. 160 of 12/27/2019 and its amendments and supplements: fee (€6,000).

8. Indication of any assignments to parties related to the audit firm with ongoing relationships and related costs.

During fiscal year 2025 and in the period between January 1, 2026 and the date of this report, no additional appointments were made to the partners, directors, members of supervisory bodies, or employees of the audit firm or its subsidiaries or affiliates.

The Board of Statutory Auditors confirms that no critical issues have arisen regarding the independence of the audit firm.

9. Indication of the existence of opinions, proposals, and observations issued pursuant to the law during the fiscal year.

It is noted that no opinions were issued by the Board of Statutory Auditors in 2025.

10. Indication of the frequency and number of meetings of the Board of Directors, Executive Committee, and Board of Statutory Auditors.

The Board of Statutory Auditors has planned its activities in light of the relevant regulatory framework, performing the audits deemed most appropriate in relation to the size of the company and the nature and manner of its pursuit of the corporate purpose.

It also performed its controls by means of:

- Periodic meetings with heads of business functions, organized in order to acquire the information and data deemed useful and appropriate.
- Attendance at the shareholders' meeting.
- Periodic exchanges of information with the audit firm, also in compliance with regulations.
- Exchange of information with the Supervisory Body.
- Exchange of information with the Internal Audit function.

Over the course of 2025 note that the Board of Statutory Auditors:

- Attended 7 meetings of the Board of Directors and 1 Shareholders' Meetings, thus, in compliance with the provisions of Article 2381, paragraph 5, of the Italian Civil Code and the By-laws, gathering adequate information on the general performance of operations and the foreseeable outlook, as well as on the most significant transactions in terms of their size or characteristics carried out by the company.
- Carried out supervisory activities through 14 meetings of the Board of Statutory Auditors in addition to the activities carried out, insofar as it was responsible, regarding the annual financial statements.
- Participated in 5 meetings of the Control and Risk Committee (attended by the Chair of the Board of Statutory Auditors). The collaboration and engagement with the Control and Risk Committee, including through the organization of joint meetings on issues of common interest, has been fruitful and effective and has enabled the Board of Statutory Auditors to broaden its analysis of risk control and management by acquiring information additional to what was gathered independently.
- Participated in 11 meetings of the Appointment and Remuneration Committee (attended by the Chair of the Board of Statutory Auditors).

11. Comments on compliance with the principles of good administration.

For the matters within its purview, the Board of Statutory Auditors has acquired knowledge of and supervised compliance with the fundamental criterion of prudent management of the Company and the more general principle of diligence, all through participation in meetings of the Board of Directors, analysis of the documentation and information directly received from the various management bodies and by means of specific analyses and checks.

The information acquired made it possible to find that the actions decided on and taken complied with the law and the By-laws and that they were not manifestly imprudent or reckless.

The Board of Statutory Auditors is of the opinion that on the whole the governance tools and procedures adopted by the Company constitute a suitable safeguard for compliance with the principles of proper operational administration. The Board of Statutory Auditors supervised the deliberations of the Board of Directors and verified that management decisions were in compliance with applicable regulations, adopted in the interest of the Company, compatible with the Company's resources and assets, and adequately supported by information, analyses, and verification, including consulting with committees and external professionals when deemed necessary.

12. Observations on the adequacy of the organizational structure.

During the year under review and for the matters within its purview, the Board of Statutory Auditors acquired knowledge of and supervised the adequacy of the company's

organizational structure with respect to the size and nature of the company's business, having no specific findings in this regard worthy of note to report.

The Board of Statutory Auditors points out that the Board of Directors has established an Appointment and Remuneration Committee, a Risk Control Committee also acting as Related Party Transactions Committee, all with advisory, proposing, and investigative functions, in accordance with the provisions of Articles 4 and 5 of the Corporate Governance Code.

13. Observations on the adequacy of the internal control system and in particular on the activities carried out by the internal control officers.

For the purpose of expressing its opinion on the overall effectiveness of the internal control system, the Board of Statutory Auditors monitored the effectiveness of the enterprise risk management system, obtaining information from the Control and Risk Committee, the Internal Audit function and the management. The main strategic, operational, financial and compliance risks were analyzed, in addition to risks linked to sustainability and the supply chain.

The Board of Statutory Auditors engaged in an ongoing exchange of information with the Control and Risk Committee. During the year, the Board of Statutory Auditors examined the internal audit plan, periodically obtained information about the results of the audits performed and the current implementation status of corrective actions, the adequacy of the internal control and risk management system, the financial reporting process and the main risk areas identified by the management.

The Board of Statutory Auditors has taken note of the overall assessment of the internal control risk management system by the Control and Risk Committee, the conclusions of which are set out in the Committee's Report to the Board of Directors dated March 16, 2026.

The Board of Statutory Auditors has assessed the adequacy of the internal control system for the matters within its purview. Based on the information exchanged with the Risk Control, Sustainability and Related Parties Committee and the Internal Audit function no particular weaknesses were identified.

The Board of Statutory Auditors also acquired information from the Supervisory Body during specific meetings, as well as from its review of the half-yearly reports written by such Body. No discrepancies were found between what was presented in the documents produced by management, the Supervisory Body, and the audit firm.

14. Observations on the adequacy of the administrative/accounting system and the reliability of the system to correctly represent operations.

Pursuant to Article 19 of Italian Legislative Decree no. 39/2010 (Consolidated Law on Statutory Audits), the Board of Statutory Auditors, qualified as the "Internal Control and Audit Committee," is called upon to supervise:

- The financial reporting process.

- The effectiveness of internal control and control management systems.
- The Statutory Audit of the annual and consolidated accounts.
- The independence of the Audit Firm, particularly with regard to the provision of non-auditing services.

The Board of Statutory Auditors carried out its work with the cooperation of the current Control, Risk and Sustainability Committee in order to coordinate their respective responsibilities and to avoid any overlapping activities.

For the matters within its purview, the Board of Statutory Auditors has assessed the reliability of the administrative and accounting system to correctly record and represent operating events by obtaining information directly from the directors, the head of Internal Audit, the heads of the various functions, and the audit firm during the meetings held to review its work plan. The Board of Statutory Auditors also supervised the financial reporting process and recalls how, effective January 12, 2023, Mr. Stefano Palmieri was appointed by the Board of Directors as the Financial Reporting Officer pursuant to Article 154 bis of the TUF, subject to the favorable opinion of the undersigned Board of Statutory Auditors where the requirements for the assumption of the office according to the By-laws are met. On March 16, 2026 the Financial Reporting Officer issued the certification that the financial statements provide a true and fair view of the financial position, results of operations, and cash flows of the company and its investees included in the scope of consolidation.

The Board of Statutory Auditors did not find any facts or circumstances involving the unsuitability of the subsidiaries' administrative accounting system to regularly provide management and the auditors of the parent company with the economic and financial balance sheet data required for the drafting of the consolidated financial statements.

15. Observations on the adequacy of the provisions issued by the company to subsidiaries pursuant to Article 114, paragraph 2, of the TUF.

No observations.

16. Comments on any relevant issues that arose during the meetings held with the audit firm pursuant to Article 150, paragraph 3, of the TUF.

During 2025 the Board of Statutory Auditors held special meetings with the Audit Firm during which data and information relevant to the performance of their respective duties were exchanged by analyzing the work carried out by the Audit Firm, with particular reference to the audit approach and strategy for 2025 as well as the definition of the audit plan. The main issues and related business risks were also shared so that the adequacy of the auditor's planned response could be appreciated.

Through information obtained from the audit firm and the Company's management, the Board of Statutory Auditors has ascertained compliance with IAS/IFRS standards as well as with other statutory and regulatory provisions pertaining to the formation and layout of the separate financial statements, the consolidated financial statements, and the accompanying

management report. Finally, as verified by the Audit Firm and reported in the relevant report, the Board of Statutory Auditors has noted that Comer Industries SpA has taken the necessary steps for the purpose of preparing the financial statements in a single electronic communication format using XHTML technology in accordance with the requirements of Delegated Regulation EU 2019/815.

17. Indications of whether the company complies with the corporate governance code of the Committee for Corporate Governance of Listed Companies.

The Company has fully complied with the Code of Corporate Governance promoted by Borsa Italiana SpA, Abi, Ania, Assogestioni, Assonime and Confindustria, as reflected in the Report on Corporate Governance and Ownership Structure.

The Report on Corporate Governance and Ownership Structure for the year 2025 gives an account of the conclusions reached by the Directors regarding the confirmation of the adequacy and effectiveness of the administrative and accounting organizational structure of the Company and its main subsidiaries.

See the Report on Corporate Governance and Ownership Structure for the year 2025 with respect to which the Board of Statutory Auditors gives an overall positive assessment.

18. Concluding assessments regarding its supervision as well as regarding any omissions, objectionable facts or irregularities identified in the course of such oversight.

The Board of Statutory Auditors acknowledges that its supervision was carried out during FY 2025 in a normal manner and that no significant facts emerged such as to require specific reporting herein.

19. Indication of any proposals to be presented to the shareholders' meeting in accordance with Article 153, paragraph 2), of the TUF in the matter pertaining to the Board of Statutory Auditors.

The Financial Statements of the Company, prepared by the Board of Directors in accordance with the law, were duly submitted and presented to the Board of Statutory Auditors together with the Management Report on March 16, 2026 at the meeting of the Board of Directors.

Regarding the control of the proper maintenance of the accounts and the correct recording of operations in the accounting records, as well as the verification of the correspondence between the information in the financial statements and the results in the accounting records and the compliance of the financial statements with the law, the Board of Statutory Auditors recalls that these tasks are entrusted to the Audit Firm. Significantly, the Audit Firm reported to the Board of Statutory Auditors that, based on the audits conducted during the year on the separate and consolidated financial statements for the year ended December 31, 2025, no uncertainties or limitations were found, and that the auditor's report does not contain any qualifications as stated in Item 4 above of this report.

The Board of Statutory Auditors supervised the general layout of the annual financial statements and the consolidated financial statements for the year ended December 31, 2025.

Supervision of the financial reporting process was carried out with regard to the process through which information is generated and disclosed, examining the control system for the processes involved in producing information specifically related to accounting data in the strictest sense. More specifically, having preliminarily ascertained through meetings with the heads of the functions concerned and with the Audit Firm the adequacy of the administrative and accounting system to correctly record and represent operations and to translate them into reliable data systems for the production of external reporting, the Board of Statutory Auditors acknowledges that:

- The financial statements for the year were prepared in accordance with IAS issued by the International Accounting Standard Board.
- The preparation, layout, and format of the annual financial statements comply with laws and regulations.
- The financial statements are consistent with the facts and information that have come to our attention as a result of our participation in meetings of the corporate bodies, which have enabled us to acquire information about the most significant economic, financial, and equity transactions carried out by the Company.
- Pursuant to CONSOB Resolution no. 15519/2006, the effects of related party transactions are expressly disclosed in the financial statements.
- Pursuant to the European Commission Delegated Regulation 2019/815 (ESEF Regulation), which from January 1, 2021 requires listed Issuers to prepare their annual financial reports in the single electronic reporting format, the Company has prepared its financial statements in XHTML format by marking certain information of the consolidated financial statements IFRS and also the "notes" thereof with the Inline XBRL specification.
- To the best of the Board of Statutory Auditors' knowledge, in their report of the financial statements the Directors have not departed from the provisions of the law pursuant to Article 2423, paragraph 5, of the Italian Civil Code.
- The financial statements were prepared by the Board of Directors on a going concern basis.
- The Chief Executive Officer and the Financial Reporting Officer have issued the certification referred to in Article 81-ter of CONSOB Regulation no. 11971/1999 as amended and supplemented and Article 154-bis of the TUF.
- In accordance with the provisions of Article 123-ter of the TUF, the Remuneration Report is presented to the Shareholders' Meeting, for which the Board of Statutory Auditors examined and agreed with the layout, when attending the meetings of the Appointments and Remuneration Committee.
- The merger deficit generated in 2022 as a result of the cross-border merger with WPG HoldCo was properly allocated to equity investments already held by the merged company.

- The impairment test procedures carried out by the Company on the goodwill pertaining to the three CGUs – the "Agricultural Sector," the "Industrial Sector," and "e-comer" – for proper recognition in the consolidated financial statements in accordance with IAS 36, were approved by the Board of Directors on February 16, 2026. Note that said board meeting preceded the board meeting that approved the draft separate and consolidated financial statements as of December 31, 2025.
- An impairment test was not carried out on the value of the equity investment of the subsidiary e-comer S.r.l., acquired in 2023, which is included in the draft separate financial statements as of December 31, 2025, as the trigger testing performed in compliance with a dedicated company policy validated by the independent auditors showed that the indicators used did not bring to light any impairment.
- Individual and consolidated sustainability reporting was prepared by the Directors in accordance with the provisions set out in Italian Legislative Decree no. 125/2024, including the use of the electronic format as per Articles 3, paragraph 11, and 4, paragraph 10, Italian Legislative Decree no. 125/2024 and the procedures implemented by the Company for the purpose of compliance with the reporting standards adopted by the European Commission pursuant to Article 29-ter of Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013. The Board of Statutory Auditors has played a supervisory role in the completeness, adequacy and effectiveness of the procedures, processes and structures that govern the production of sustainability reporting, as well as the verification of compliance with the relevant regulations and the subjective and objective scope of application of the regulations. It is the responsibility of the statutory auditor to verify the compliance of sustainability reporting with the relevant regulations and ESRS standards. The Board of Statutory Auditors supervised the directors' compliance with the procedural rules inherent in the production, filing and publication of the sustainability report as it is not the duty of the Board of Statutory Auditors to perform detailed, substantive checks on the content, nor to express an opinion on its compliance. The Board of Statutory Auditors thus performed an overall audit aimed at verifying the correctness of the process under which the individual and consolidated sustainability reporting was prepared, and acquired the relevant certifications from the delegated Governing Body and the Sustainability Reporting Officer.

The certification was produced according to the template established by regulation by Consob. On March 30, 2026 the Board of Statutory Auditors also received the Report of the independent auditors on its limited review of the consolidated sustainability reporting pursuant to Article 14-bis of Italian Legislative Decree no. 39 of January 27, 2010. There were no facts worthy of note in this report.

The Board of Statutory Auditors further ascertained that:

- The Management Report complies with applicable laws and is consistent with the resolutions adopted by the Board of Directors and the information available to the Board of Statutory Auditors.

- The information illustrated in the aforementioned document complies with the relevant provisions and contains an overall analysis of the Company's situation, performance, and results of operations, as well as an indication of the main risks the Company is exposed to, and expressly shows the elements that may affect the development of operations.

With regard to the Financial Statements for the year ended December 31, 2025, the Board of Statutory Auditors has no further comments or proposals to make.

The supervision and control carried out during the year, as outlined in this report, did not reveal any additional facts worthy of note to the Shareholders' Meeting.

Conclusions

As a result of the supervision carried out during fiscal year 2025, taking into account the findings of the party tasked with the statutory audit contained in the relevant report accompanying the financial statements, the Board of Statutory Auditors:

- a) Acknowledges the adequacy of the organizational, administrative, and accounting structure adopted by the enterprise and its actual operation as well as the efficiency and effectiveness of the system of internal controls and risk management.
- b) Has no objections to their approval and the Board of Directors' proposal to allocate the profit of 53,820,652.82 euros for FY 2025 as follows:
 - Shareholder dividend of 24,330,784.20 euros, equal to 0.85 euros for each of the 28,624,452 shares outstanding.
 - The remaining value of 29,489,868.62 euros to the Extraordinary Reserve.

Reggiolo, March 31 2026

The Board of Statutory Auditors

Signed by:

Luigi Gesaldi – Chair

Francesca Folloni

Massimiliano Fontani

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



REPORT OF THE AUDIT FIRM

**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
Comer Industries S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Comer Industries S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2025 and the statement of income, 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 December 31, 2025 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.

Key Audit Matters

There are no key audit matters of audit to be communicated in this auditor's report.

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.

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. 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.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Comer Industries S.p.A. has appointed us on May 31, 2023 as auditors of financial statements and consolidated financial statements of the Company for the years until December 31, 2029.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Comer Industries 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 December 31, 2025, 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 financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2025 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 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Comer Industries S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Company as at December 31, 2025, 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 consolidated corporate sustainability reporting, 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 above-mentioned report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Comer Industries S.p.A. as at December 31, 2025.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, 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 consolidated corporate sustainability reporting. 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
Stefano Montanari
Partner

Bologna, Italy
March 30, 2026

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

COMER INDUSTRIES S.P.A.

Headquarters and Administrative Offices:

Via Magellano, 27 – 42046 Reggio (RE) – Italy

Reggio Emilia Business Register no. 07210440157

Authorized share capital 18,487,338.60 euros entirely subscribed and paid-up

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comer industries